API Well Number: 43047517790000

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

FORM 3

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER
NBU 1022-2D1BS

2. TYPE OF WORK
DRILL NEW WELL ■ REENTER P&A WELL ☐ DEEPEN WELL ☐

3. FIELD OR WILDCAT
NATURAL BUTTES

4. TYPE OF WELL
Gas Well Coalbed Methane Well: NO

5. UNIT or COMMUNITIZATION AGREEMENT NAME
NATURAL BUTTES

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

7. OPERATOR PHONE
720 929-6515

8. ADDRESS OF OPERATOR
P.O. Box 173779, Denver, CO, 80217

9. OPERATOR E-MAIL
julie.jacobson@anadarko.com

10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)
ST UT ML 22651

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	503 FNL 1152 FWL	NWNW	2	10.0 S	22.0 E	S
Top of Uppermost Producing Zone	291 FNL 807 FWL	NWNW	2	10.0 S	22.0 E	S
At Total Depth	291 FNL 807 FWL	NWNW	2	10.0 S	22.0 E	S

21. COUNTY
UINTAH

22. DISTANCE TO NEAREST LEASE LINE (Feet)
291

23. NUMBER OF ACRES IN DRILLING UNIT
620

25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)
338

26. PROPOSED DEPTH
MD: 8613 TVD: 8576

27. ELEVATION - GROUND LEVEL
4875

28. BOND NUMBER
22013542

29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE
43-8496

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	11	8.625	0 - 2110	28.0	J-55 LT&C	0.2	Type V	180	1.15	15.8
							Class G	270	1.15	15.8
Prod	7.875	4.5	0 - 8613	11.6	I-80 LT&C	12.5	Premium Lite High Strength	270	3.38	11.0
							50/50 Poz	1190	1.31	14.3

ATTACHMENTS

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

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

NAME Andy Lytle **TITLE** Regulatory Analyst **PHONE** 720 929-6100

SIGNATURE **DATE** 07/28/2011 **EMAIL** andrew.lytle@anadarko.com

API NUMBER ASSIGNED
43047517790000

APPROVAL
Permit Manager

RECEIVED: September 27, 2011

Kerr-McGee Oil & Gas Onshore. L.P.

NBU 1022-2D1BS

Surface:	503 FNL / 1152 FWL	NWNW
BHL:	291 FNL / 807 FWL	NWNW

Section 2 T10S R22E

Uintah County, Utah
Mineral Lease: ST UT ML 22651

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	1036	
Birds Nest	1279	Water
Mahogany	1655	Water
Wasatch	4088	Gas
Mesaverde	6417	Gas
MVU2	7410	Gas
MVL1	7934	Gas
TVD	8576	Gas
TD	8613	Gas

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

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7. Abnormal Conditions:

Maximum anticipated bottom hole pressure calculated at 8576' TVD, approximately equals 5,489 psi 0.64 psi/ft = actual bottomhole gradient

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

Maximum anticipated surface pressure equals approximately 3,590 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-
(0.22 psi/ft-partial evac gradient x TVD of next csg point))

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.

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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 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 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 8-5/8 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

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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.

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.

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API Well Number: 43047517790000

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	July 26, 2011
WELL NAME	**NBU 1022-2D1BS**	TD	8,576' TVD 8,613' MD
FIELD	Natural Buttes	COUNTY Uintah STATE Utah	FINISHED ELEVATION 4,874'
SURFACE LOCATION	NWNW 503 FNL 1152 FWL Sec 2 T 10S R 22E		
	Latitude: 39.983914 Longitude: -109.411894		NAD 27
BTM HOLE LOCATION	NWNW 291 FNL 807 FWL Sec 2 T 10S R 22E		
	Latitude: 39.984498 Longitude: -109.413124		NAD 27
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals), UDOGM (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
		200'	12-1/4	8-5/8", 28#, IJ-55, LTC	Air mist
			11'	8-5/8", 28#, IJ-55, LTC	Air mist
			7-7/8"	4-1/2" 11.6# I-80 or equivalent BTC/LTC csg	Water / Fresh Water Mud 8.3-12.5 ppg

All water flows encountered while drilling will be reported to the appropriate agencies.

Green River @ 1,036'

Top of Birds Nest @ 1,279'

Mahogany @ 1,655'

Preset f/ GL @ 2,110' TVD

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 @ 4,088'

Mud logging program TBD

Cased hole logging program from TD - surf csg

Mverde @ 6,417' TVD

MVU2 @ 7,410' TVD

MVU1 @ 7,934' TVD

Max anticipated Mud required 12.5 ppg

TD @ 8,576' TVD 8,613' MD

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API Well Number: 43047517790000

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	COLLAPSE LTC	TENSION BTC
CONDUCTOR	14"	0-40'									
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,110	28.00	IJ-55	LTC	2.56	1.90	6.73	N/A
								7,780	6,350	279,000	367,000
PRODUCTION	4-1/2"	0	to	8,613	11.60	I-80	LTC/BTC	1.11	1.14	3.45	4.54

Surface Casing:

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

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

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.64 psi/ft = bottomhole gradient

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT		YIELD
SURFACE	LEAD	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	1,610'	65/35 Poz + 6% Gel + 10 pps gilsonite	150	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	3,583'	Premium Lite II +0.25 pps	270	20%	11.00		3.38
			celloflake + 5 pps gilsonite + 10% gel					
			+ 0.5% extender					
	TAIL	5,030'	50/50 Poz/G + 10% salt + 2% gel	1,190	35%	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:** _____

Nick Spence / Danny Showers

DRILLING SUPERINTENDENT: _____ **DATE:** _____

Kenny Gathings / Lovel Young

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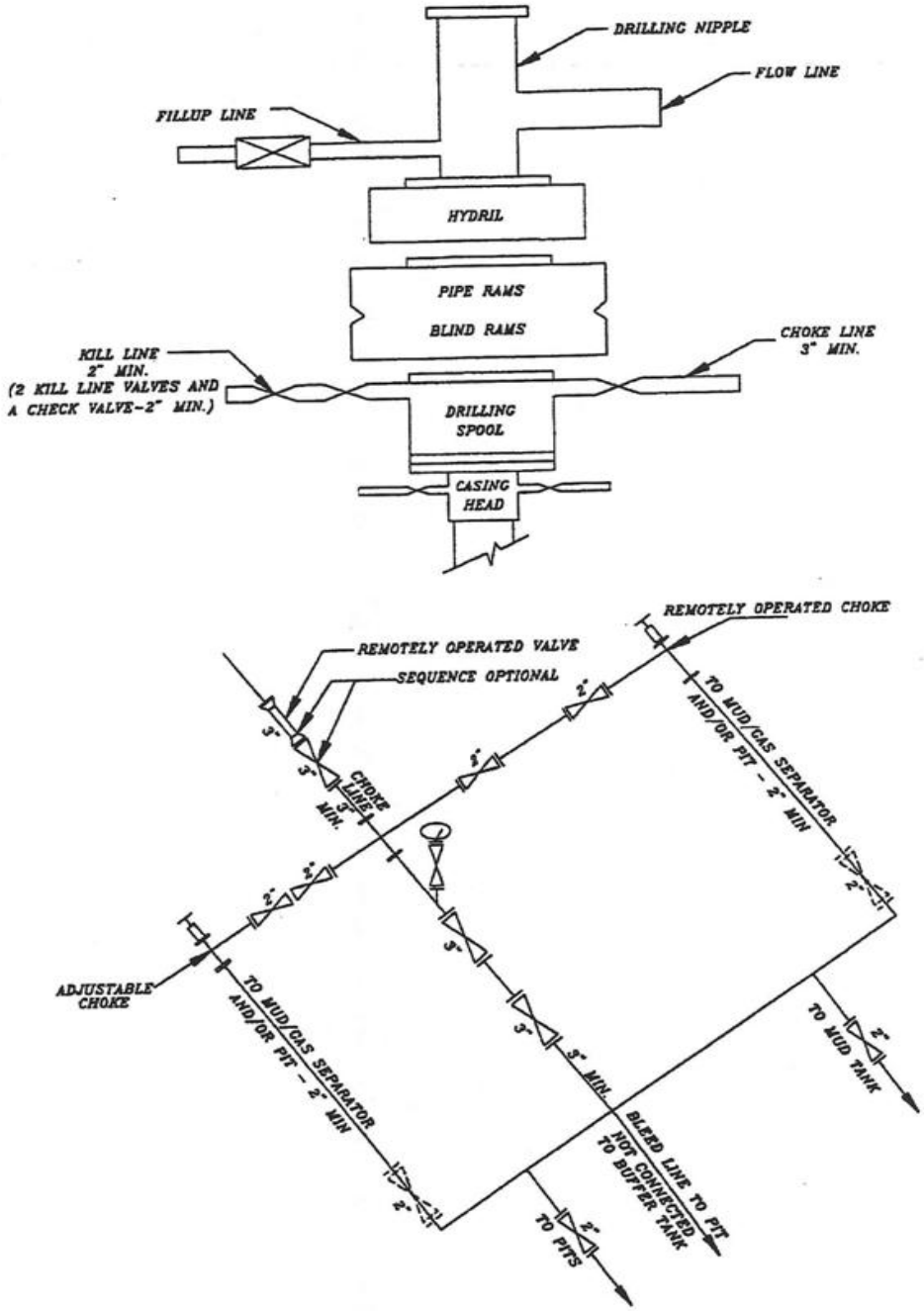
EXHIBIT A
NBU 1022-2D1BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

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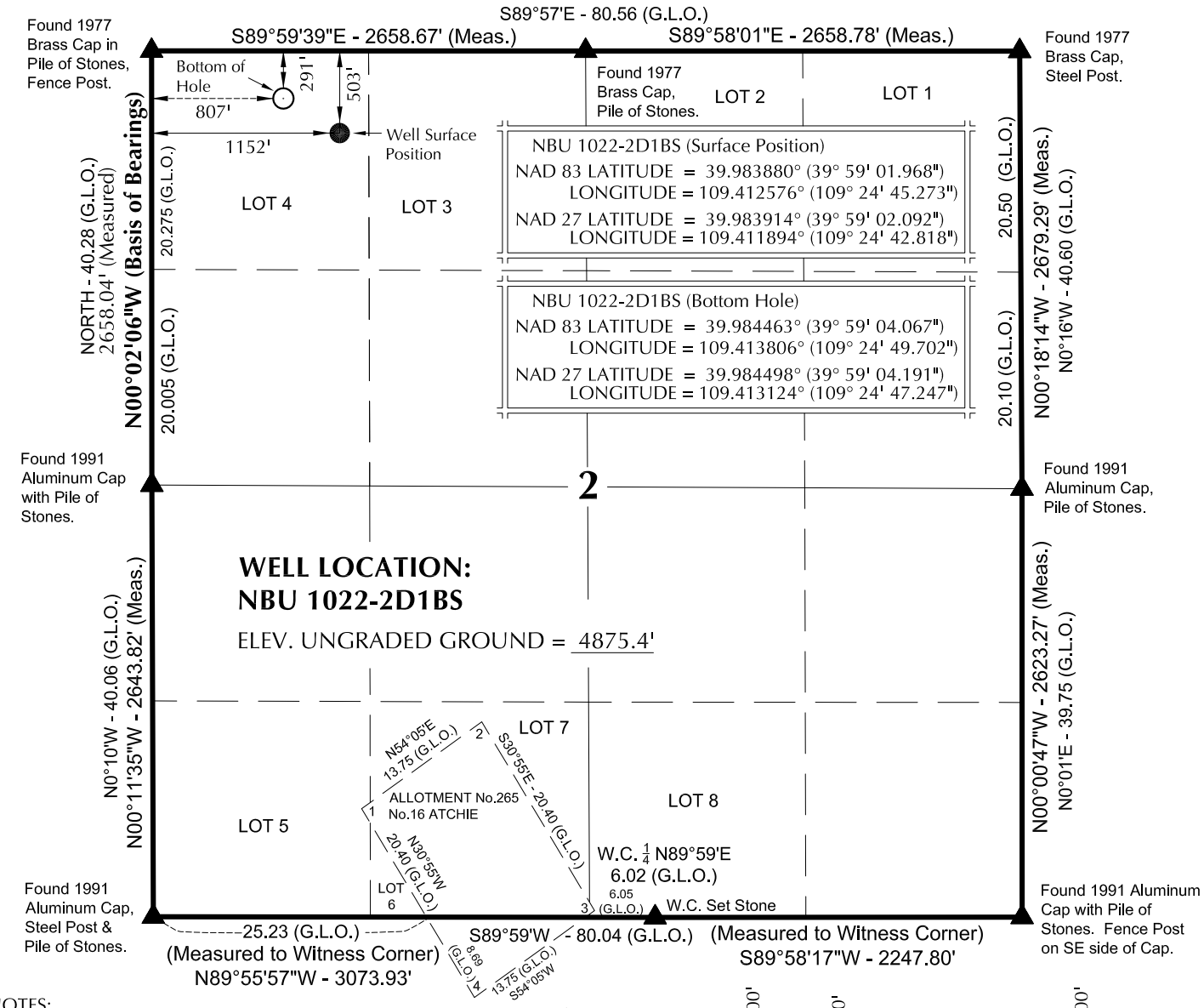
T10S, R22E, S.L.B.&M.



NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. The Bottom of hole bears N58°23'30"W 405.06' from the Surface Position.
4. Bearings are based on Global Positioning Satellite observations.
5. Basis of elevation is Tri-Sta "Two Water" located in the NW 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'.

1000' 500' 0' 1000'

SCALE

N

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.

PROFESSIONAL LAND SURVEYOR No.6028691 JOHN R STAUGH STATE OF UTAH

PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH 2-8-11

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

WELL PAD: NBU 1022-2D

NBU 1022-2D1BS
WELL PLAT
291' FNL, 807' FWL (Bottom Hole)
LOT 4 OF SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH.

609 CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

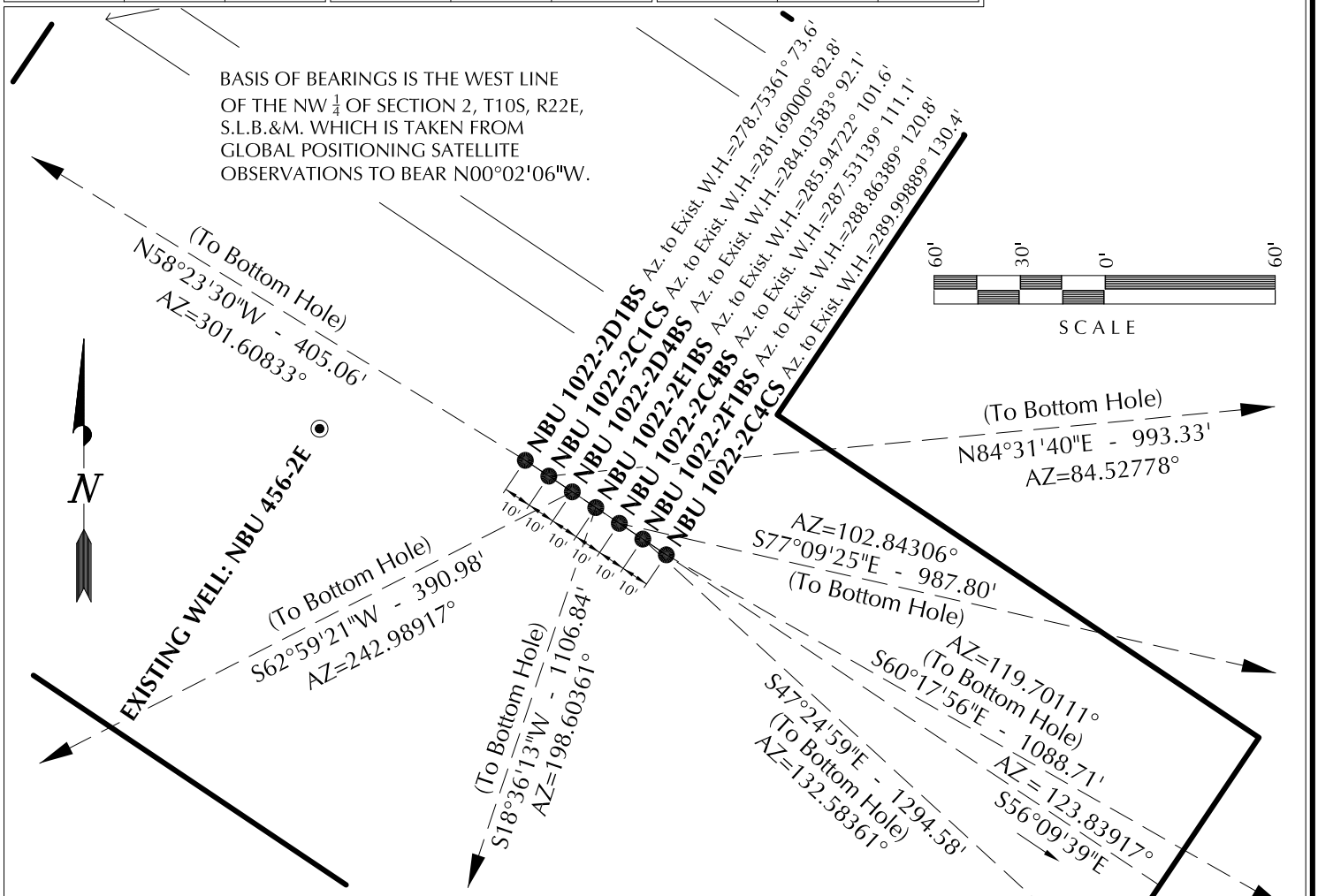
DATE SURVEYED: 01-13-11	SURVEYED BY: R.Y.	SHEET NO:
DATE DRAWN: 01-25-11	DRAWN BY: E.M.S.	1
SCALE: 1" = 1000'	Date Last Revised: 02-04-11 E.M.S.	1 OF 19

RECEIVED: July 28, 2011

WELL NAME	SURFACE POSITION					BOTTOM HOLE				
	NAD83		NAD27			NAD83		NAD27		
	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES
NBU 1022-2D1BS	39°59'01.968" 39.983880°	109°24'45.273" 109.412576°	39°59'02.092" 39.983914°	109°24'42.818" 109.411894°	503' FNL 1152' FWL	39°59'04.067" 39.984463°	109°24'49.702" 109.413806°	39°59'04.191" 39.984498°	109°24'47.247" 109.413124°	291' FNL 807' FWL
NBU 1022-2C1CS	39°59'01.913" 39.983865°	109°24'45.166" 109.412546°	39°59'02.037" 39.983899°	109°24'42.711" 109.411864°	509' FNL 1160' FWL	39°59'02.843" 39.984123°	109°24'32.466" 109.409018°	39°59'02.967" 39.984157°	109°24'30.011" 109.408336°	414' FNL 2149' FWL
NBU 1022-2D4BS	39°59'01.858" 39.983849°	109°24'45.059" 109.412517°	39°59'01.982" 39.983884°	109°24'42.604" 109.411835°	514' FNL 1168' FWL	39°59'00.105" 39.983363°	109°24'49.535" 109.413760°	39°59'00.229" 39.983397°	109°24'47.079" 109.413078°	692' FNL 820' FWL
NBU 1022-2E1BS	39°59'01.802" 39.983834°	109°24'44.953" 109.412487°	39°59'01.927" 39.983869°	109°24'42.498" 109.411805°	520' FNL 1177' FWL	39°58'51.440" 39.980956°	109°24'49.495" 109.413749°	39°58'51.565" 39.980990°	109°24'47.040" 109.413067°	1569' FNL 823' FWL
NBU 1022-2C4BS	39°59'01.747" 39.983819°	109°24'44.846" 109.412457°	39°59'01.872" 39.983853°	109°24'42.391" 109.411775°	526' FNL 1185' FWL	39°58'59.572" 39.983215°	109°24'32.479" 109.409022°	39°58'59.697" 39.983249°	109°24'30.024" 109.408340°	745' FNL 2148' FWL
NBU 1022-2F1BS	39°59'01.692" 39.983803°	109°24'44.740" 109.412428°	39°59'01.816" 39.983838°	109°24'42.285" 109.411746°	531' FNL 1193' FWL	39°58'53.032" 39.981398°	109°24'32.504" 109.409029°	39°58'53.156" 39.981432°	109°24'30.050" 109.408347°	1407' FNL 2146' FWL
NBU 1022-2C4CS	39°59'01.637" 39.983788°	109°24'44.633" 109.412398°	39°59'01.761" 39.983823°	109°24'42.178" 109.411716°	537' FNL 1202' FWL	39°58'56.302" 39.982306°	109°24'32.492" 109.409025°	39°58'56.426" 39.982341°	109°24'30.037" 109.408344°	1076' FNL 2147' FWL
NBU 456-2E	39°59'02.079" 39.983911°	109°24'46.207" 109.412835°	39°59'02.203" 39.983945°	109°24'43.752" 109.412153°	492' FNL 1079' FWL					

RELATIVE COORDINATES - From Surface Position to Bottom Hole

WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST
NBU 1022-2D1BS	212.3'	-345.0'	NBU 1022-2C1CS	94.7'	988.8'	NBU 1022-2D4BS	-177.6'	-348.3'	NBU 1022-2E1BS	-1,049.0'	-353.1'
NBU 1022-2C4BS	-219.6'	963.1'	NBU 1022-2F1BS	-876.0'	953.2'	NBU 1022-2C4CS	-539.4'	945.7'			



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

WELL PAD - NBU 1022-2D

WELL PAD INTERFERENCE PLAT
WELLS - NBU 1022-2D1BS, NBU 1022-2C1CS, NBU 1022-2D4BS, NBU 1022-2E1BS, NBU 1022-2C4BS, NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E, S.L.B.&M., UINTAH COUNTY, UTAH.

609 CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

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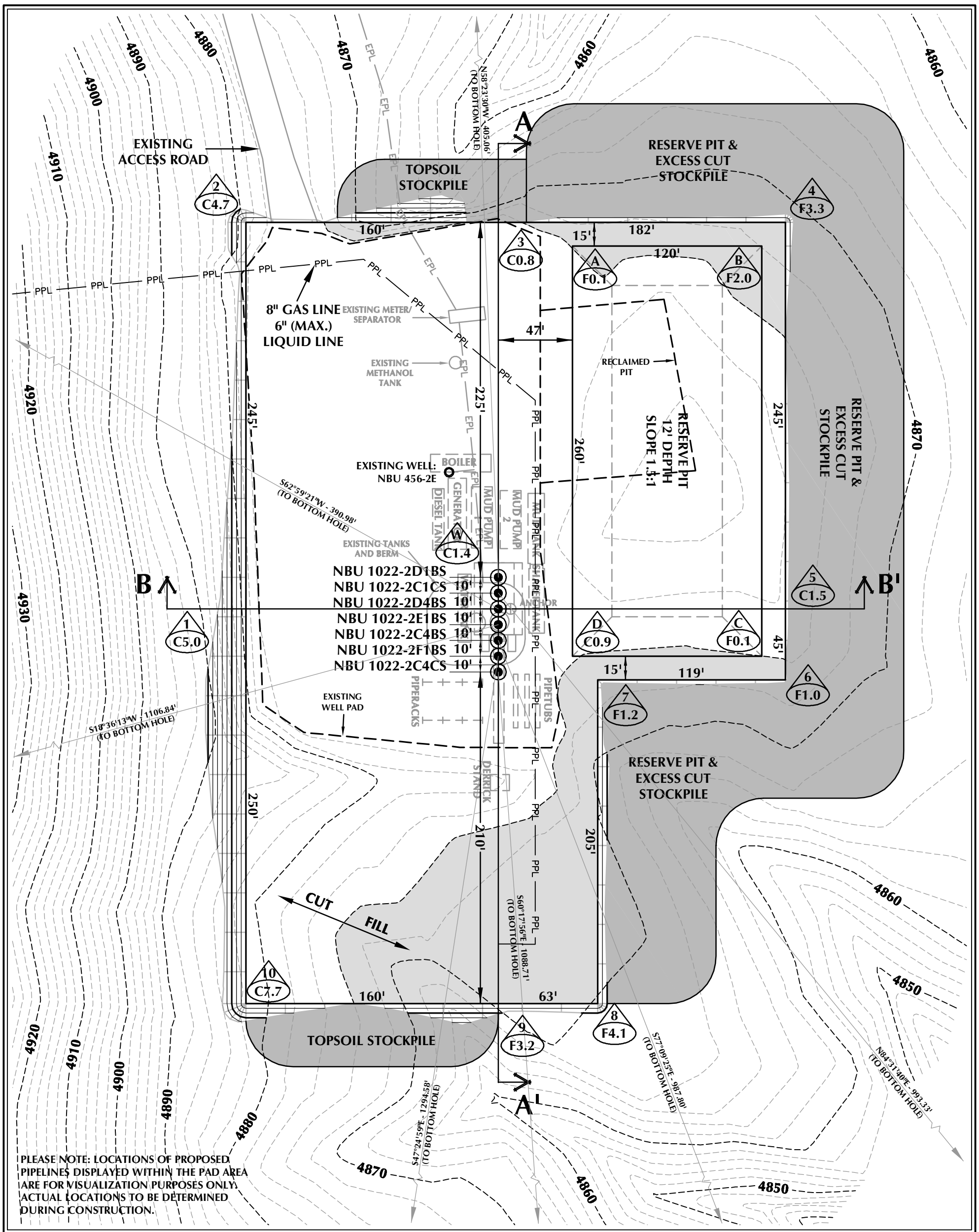
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 01-13-11	SURVEYED BY: R.Y.	SHEET NO:
DATE DRAWN: 01-25-11	DRAWN BY: E.M.S.	8
SCALE: 1" = 60'	Date Last Revised: 02-04-11 E.M.S.	8 OF 19

RECEIVED: July 28, 2011



WELL PAD - NBU 1022-2D DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 4875.4'
FINISHED GRADE ELEVATION = 4874.0'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.61 ACRES
TOTAL DISTURBANCE AREA = 6.54 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00

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

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 9,316 C.Y.
TOTAL FILL FOR WELL PAD = 2,927 C.Y.
TOPSOIL @ 6" DEPTH = 1,820 C.Y.
EXCESS MATERIAL = 6,389 C.Y.

RESERVE PIT QUANTITIES

TOTAL CUT FOR RESERVE PIT
+/- 11,020 C.Y.
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 42,290 BARRELS

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL — PROPOSED PIPELINE
- EPL — EXISTING PIPELINE

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

WELL PAD - NBU 1022-2D

WELL PAD - LOCATION LAYOUT
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

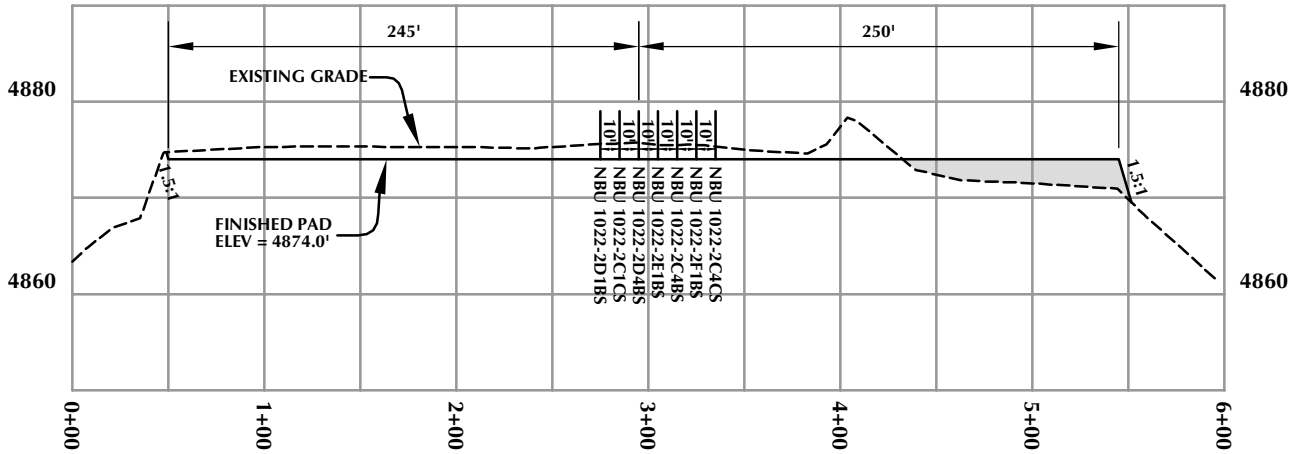
609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

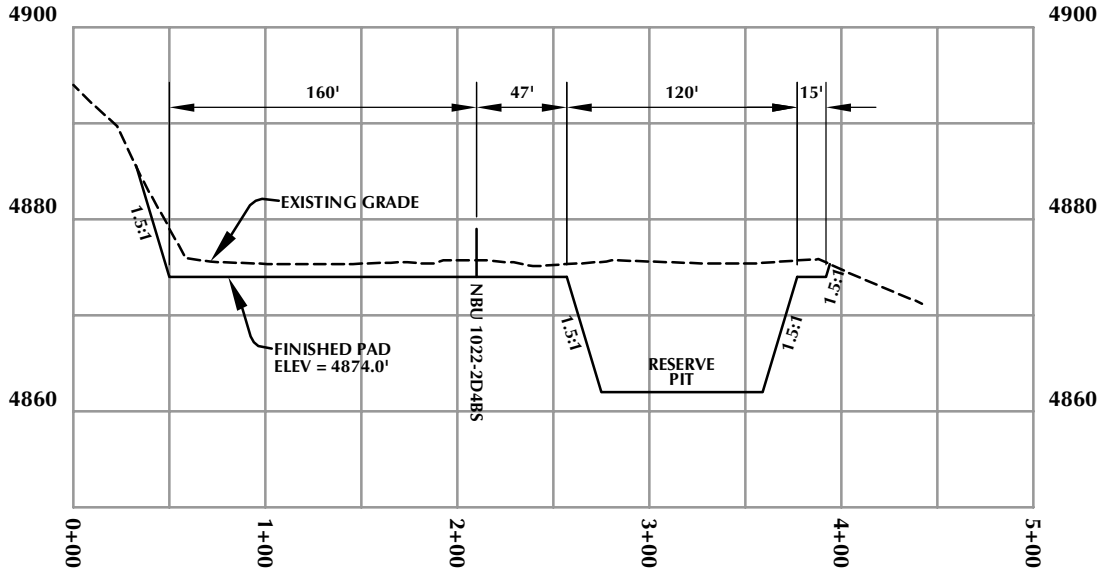
SCALE: 1"=60' | DATE: 3/30/11 | SHEET NO: 9
REVISED:
9 OF 19

K:\ANADARKO\2010.63_NBU_FOCUS_1022-2\DWG\NBU_1022_2D\NBU_1022_2D_20110124.dwg

RECEIVED: July 28, 2011



CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - NBU 1022-2D

WELL PAD - CROSS SECTIONS
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

609
CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

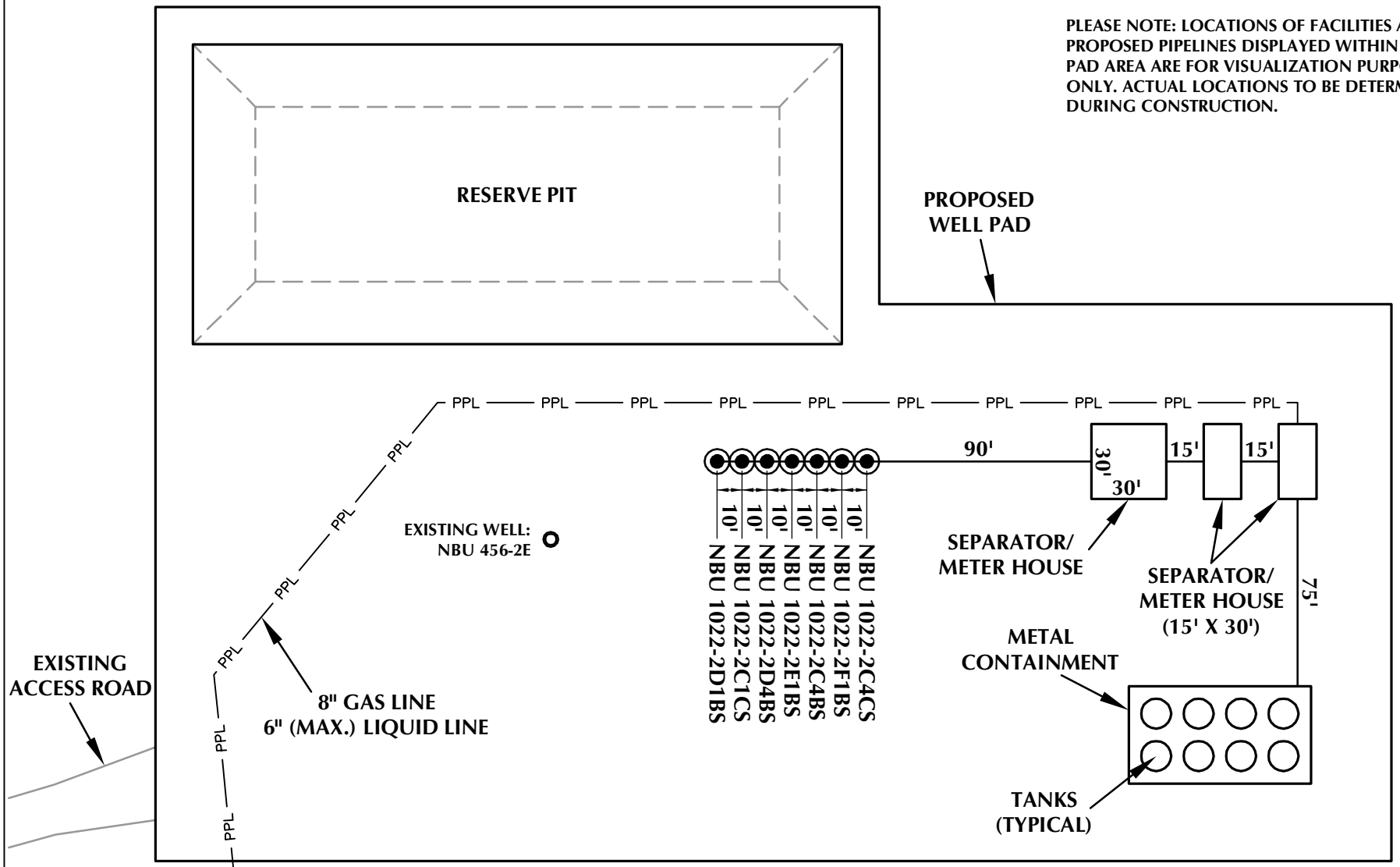
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

Scale: 1"=100' | Date: 3/30/11 | SHEET NO: 10 10 OF 19
REVISED:

K:\ANADARKO\2010_63_NBU_FOCUS_1022-2\DWG\NBU_1022_2D\NBU_1022_2D_20110124.dwg

RECEIVED: July 28, 2011

PLEASE NOTE: LOCATIONS OF FACILITIES AND PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.



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

WELL PAD - NBU 1022-2D

WELL PAD - FACILITIES DIAGRAM
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone 307-674-0609
Fax 307-674-0182

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PPL — PROPOSED PIPELINE
- EPL — EXISTING PIPELINE

HORIZONTAL 0 30' 60' 1" = 60'

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

Scale: 1"=60' | Date: 3/30/11 | SHEET NO: 11 | 11 OF 19
REVISED:

K:\ANADARKO\2010_63_NBU_FOCUS_1022-2\DWG\NBU_1022_2D\NBU_1022_2D_20110124.dwg

RECEIVED: July 28, 2011

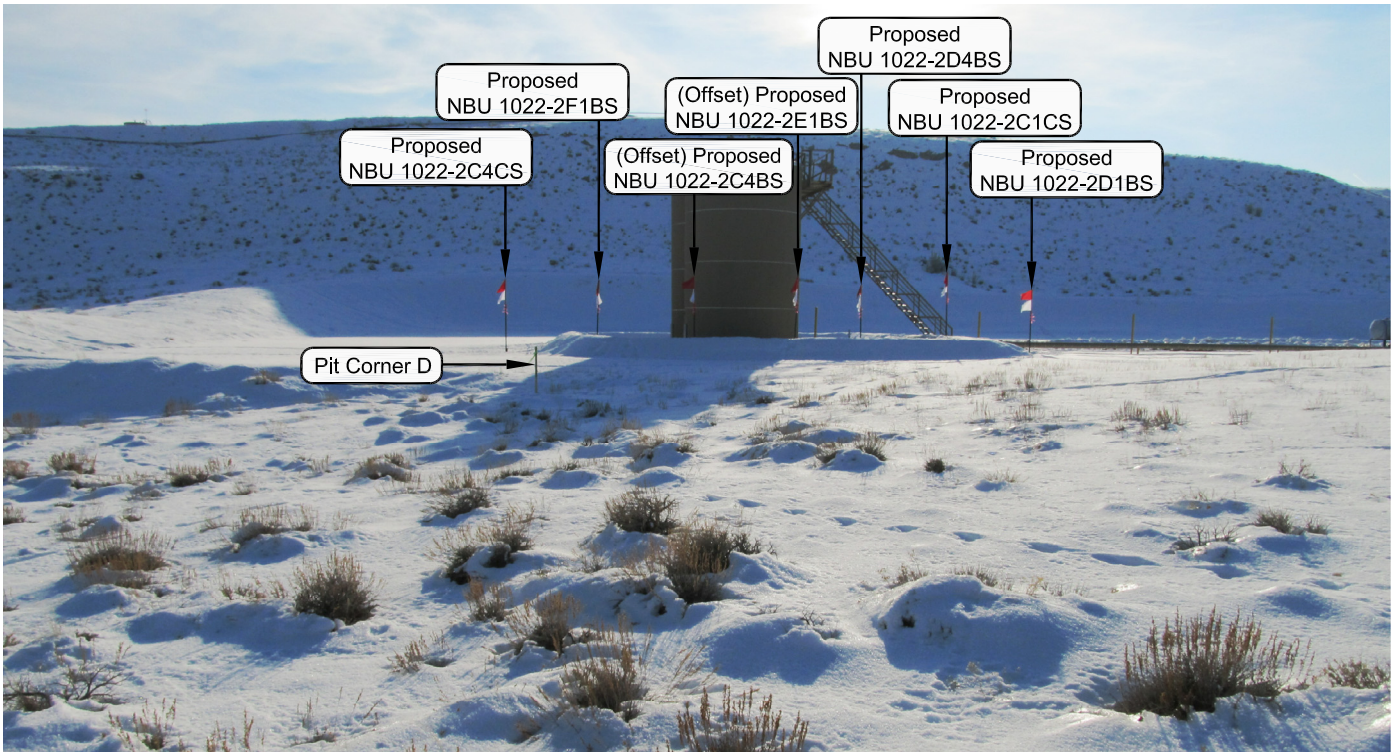


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE **CAMERA ANGLE: SOUTHWESTERLY**

PHOTO VIEW: FROM EXISTING ACCESS ROAD **CAMERA ANGLE: SOUTHEASTERLY**

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

WELL PAD - NBU 1022-2D

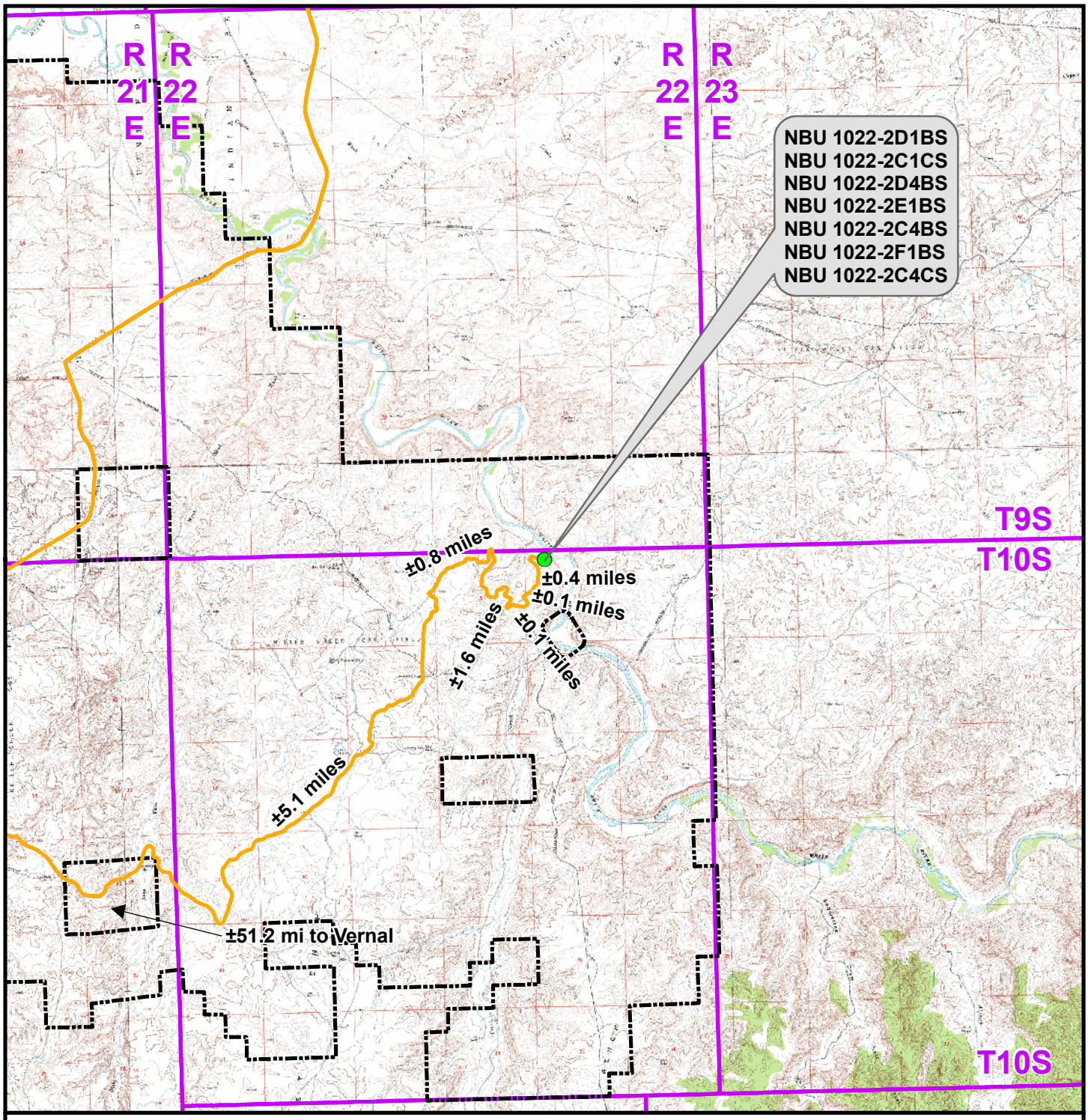
LOCATION PHOTOS
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH.

609
CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

DATE PHOTOS TAKEN: 01-13-11	PHOTOS TAKEN BY: R.Y.	SHEET NO:
DATE DRAWN: 01-25-11	DRAWN BY: E.M.S.	12
Date Last Revised:		12 OF 19

RECEIVED: July 28, 2011



Legend

Distance From Well Pad - NBU 1022-2D To Unit Boundary: ±3,663ft

- Proposed Well Location
- Natural Buttes Unit Boundary
- Access Route - Proposed

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

WELL PAD - NBU 1022-2D

TOPO A
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

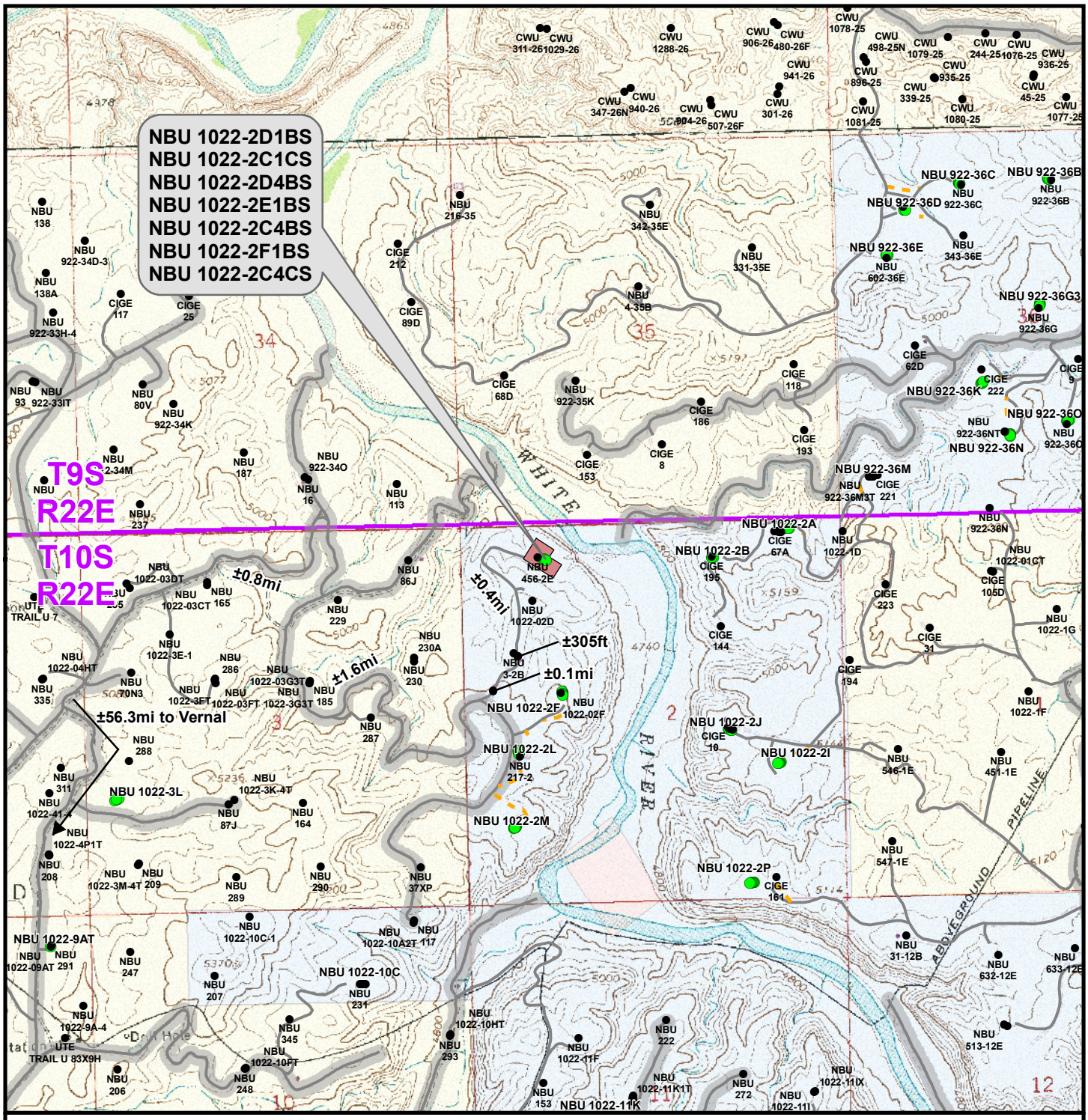
609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

N

Scale: 1:100,000	NAD83 USP Central	Sheet No: 13 13 of 19
Drawn: KGS	Date: 30 Mar 2011	
Revised:	Date:	

RECEIVED: July 28, 2011

API Well Number: 43047517790000



Legend

Total Proposed Road Length: ±0ft

- Well - Proposed
- Well - Existing
- Well Pad
- Road - Proposed
- Road - Existing
- County Road
- Bureau of Land Management
- Indian Reservation
- State
- Private

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

WELL PAD - NBU 1022-2D

TOPO B
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

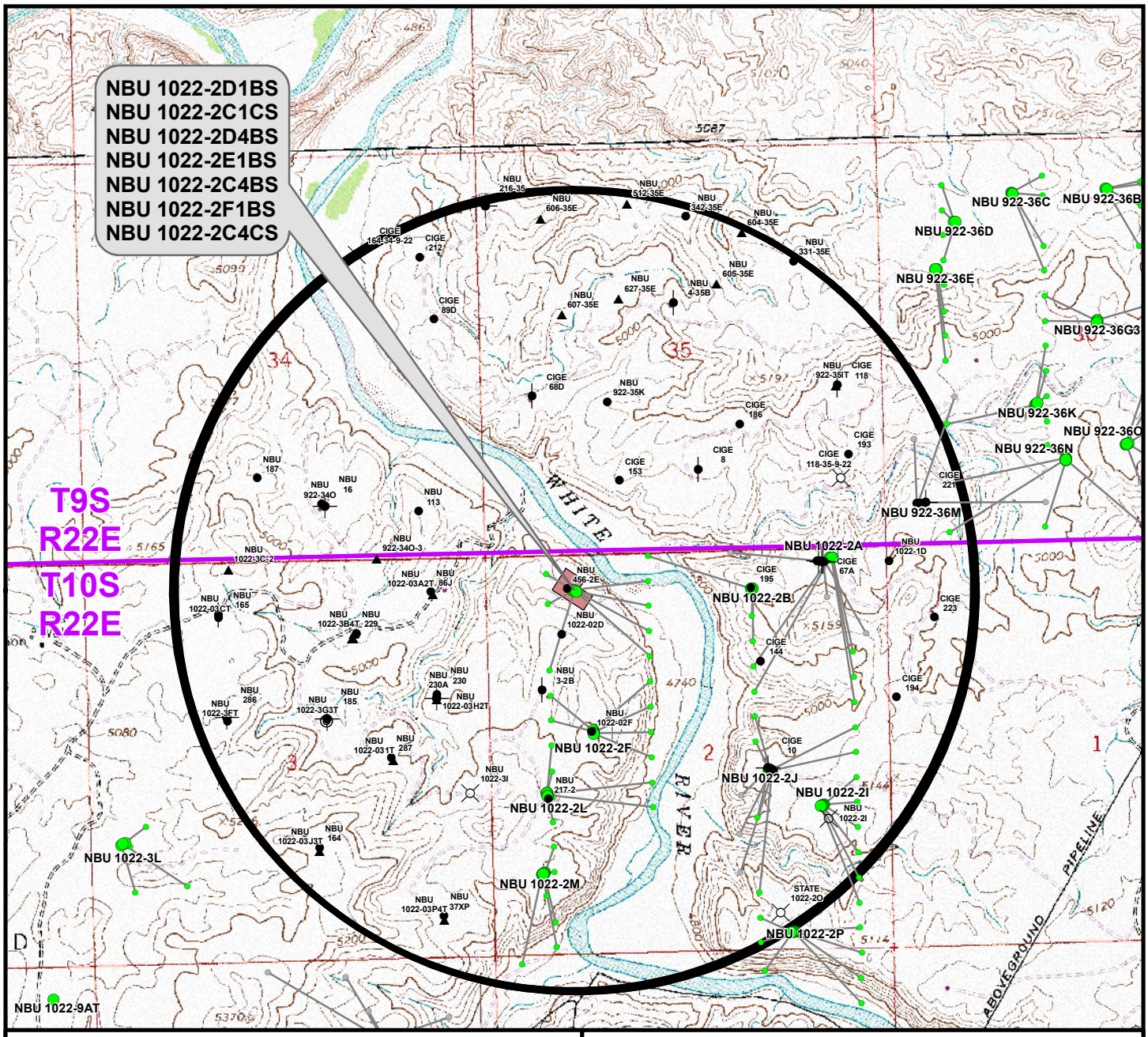
609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

N

Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No: 14
Drawn: KGS	Date: 30 Mar 2011	14 of 19
Revised:	Date:	

RECEIVED: July 28, 2011

API Well Number: 43047517790000



Proposed Well	Nearest Well Bore	Footage
NBU 1022-2D1BS	NBU 456-2E	338ft
NBU 1022-2C1CS	NBU 456-2E	1,072ft
NBU 1022-2D4BS	NBU 456-2E	327ft
NBU 1022-2E1BS	NBU 3-2B	274ft

Proposed Well	Nearest Well Bore	Footage
NBU 1022-2C4BS	NBU 456-2E	1,098ft
NBU 1022-2F1BS	NBU 1022-02D	1,198ft
NBU 1022-2C4CS	NBU 1022-02D	1,157ft

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

Legend

- Well - Proposed
- Well Path
- Bottom Hole - Proposed
- Bottom Hole - Existing
- Well Pad
- Well - 1 Mile Radius
- Producing
- Active
- Spudded (Drilling commenced: Not yet completed)
- Approved permit (APD); not yet spudded
- New Permit (Not yet approved or drilled)
- Inactive
- Drilling Operations Suspended
- Temporarily-Abandoned
- Shut-In
- Plugged and Abandoned
- Location Abandoned
- Dry hole marker, buried
- Returned APD (Unapproved)

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

WELL PAD - NBU 1022-2D

TOPO C
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
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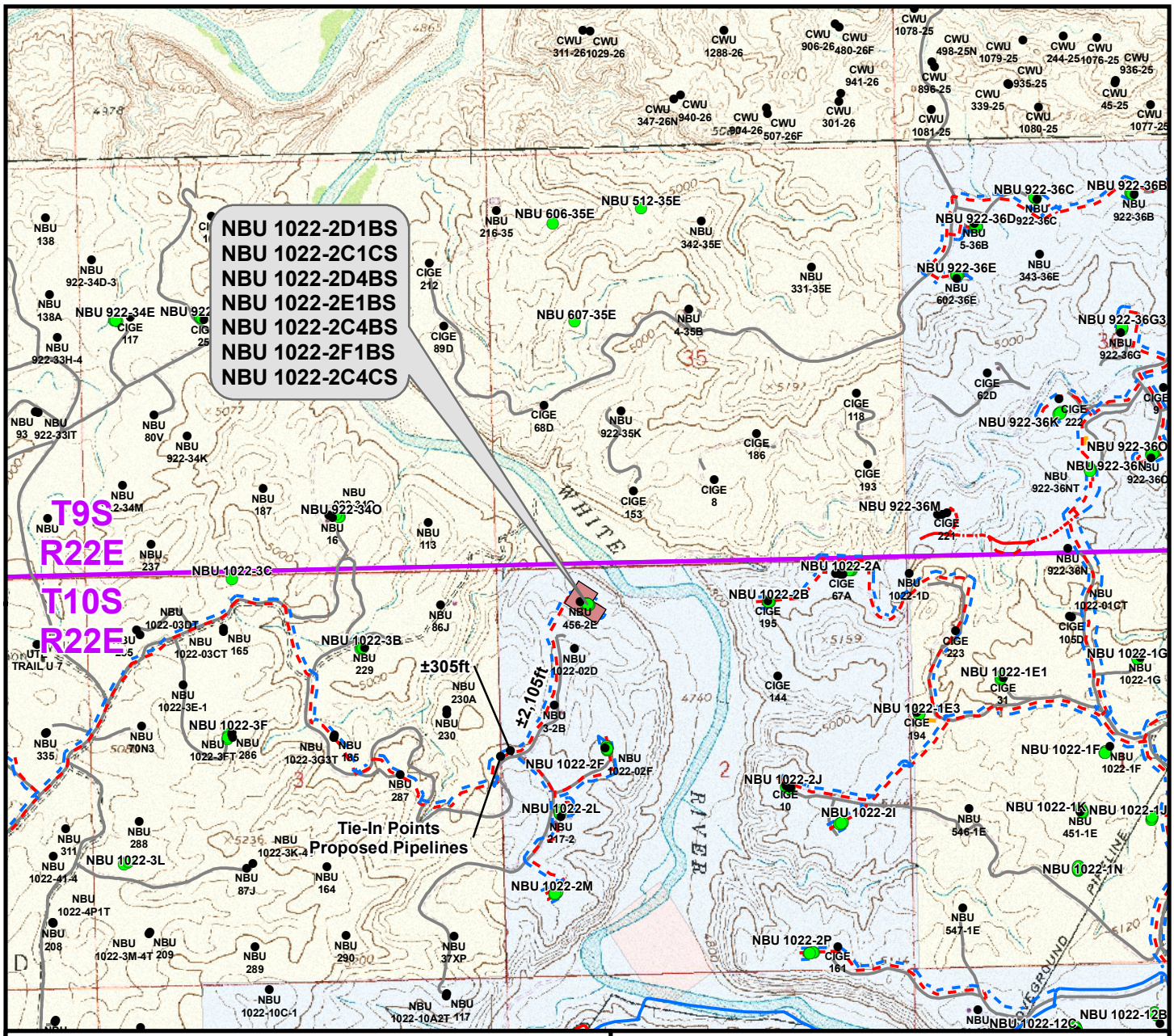
N

Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No: 15
Drawn: KGS	Date: 30 Mar 2011	15 of 19
Revised:	Date:	

RECEIVED: July 28, 2011

API Well Number: 43047517790000



Proposed Liquid Pipeline	Length
Proposed 6"(Max.) (Meter House to Edge of Pad)	±585ft
Proposed 6"(Max.) (Edge of Pad to 2F Intersection)	±2,105ft
Proposed 6"(Max.) (2F Intersection to West Line of Section 2)	±305ft
TOTAL PROPOSED LIQUID PIPELINE =	±2,995ft

Proposed Gas Pipeline	Length
Proposed 8" (Meter House to Edge of Pad)	±585ft
Proposed 8" (Edge of Pad to 2F Intersection)	±2,105ft
Proposed 16" (2F Intersection to West Line of Section 2)	±305ft
TOTAL PROPOSED GAS PIPELINE =	±2,995ft

Legend

- Well - Proposed
- Well - Existing
- Well Pad
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

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

WELL PAD - NBU 1022-2D

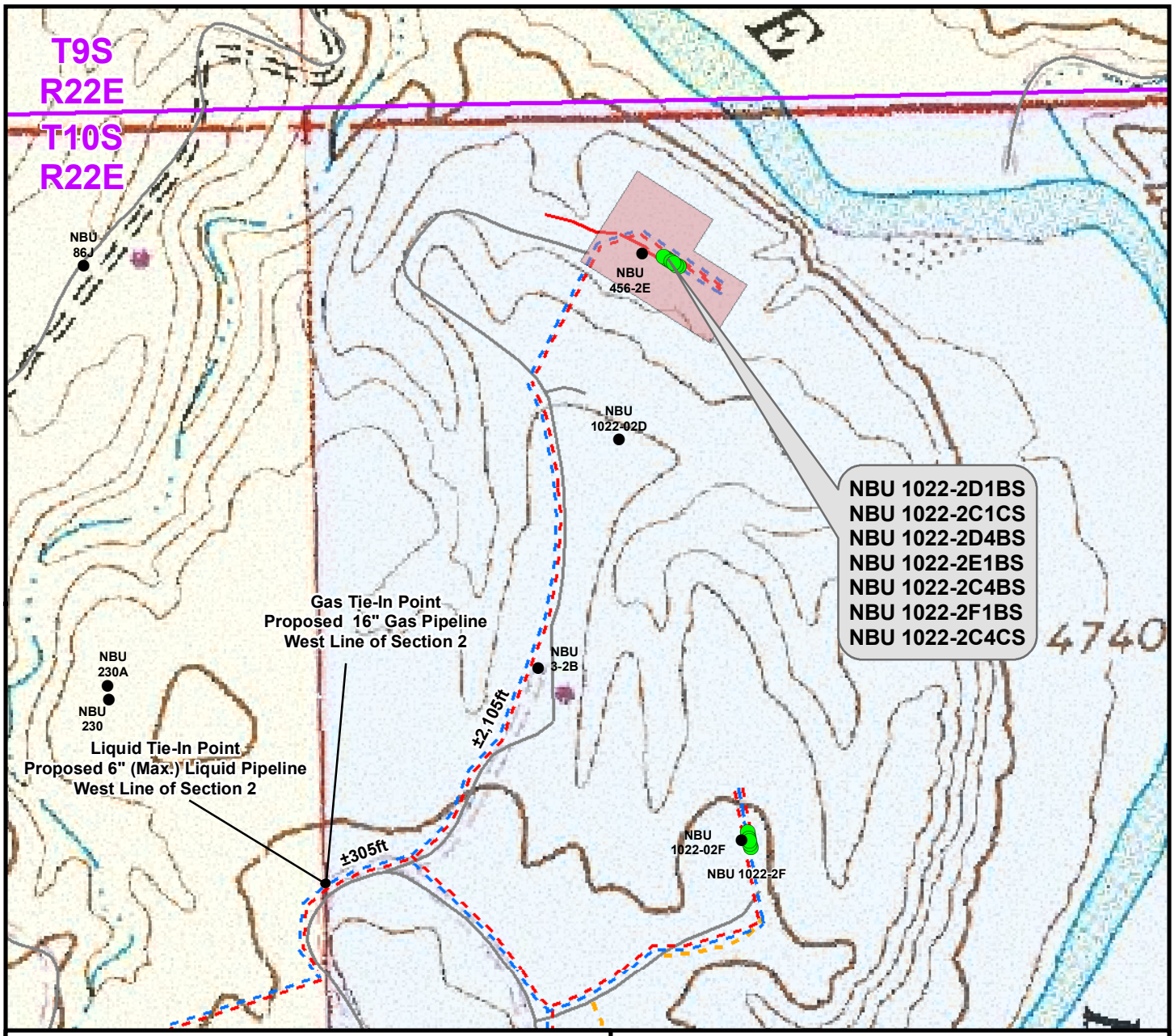
TOPO D
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

N

Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: KGS	Date: 30 Mar 2011	16
Revised: TL	Date: 27 July 2011	16 of 19

RECEIVED: July 28, 2011



Proposed Liquid Pipeline	Length
Proposed 6" (Max.) (Meter House to Edge of Pad)	±585ft
Proposed 6" (Max.) (Edge of Pad to 2F Intersection)	±2,105ft
Proposed 6" (Max.) (2F Intersection to West Line of Section 2)	±305ft
TOTAL PROPOSED LIQUID PIPELINE =	±2,995ft

Proposed Gas Pipeline	Length
Proposed 8" (Meter House to Edge of Pad)	±585ft
Proposed 8" (Edge of Pad to 2F Intersection)	±2,105ft
Proposed 16" (2F Intersection to West Line of Section 2)	±305ft
TOTAL PROPOSED GAS PIPELINE =	±2,995ft

Legend

- Well - Proposed
- Well - Existing
- Well Pad
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

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

WELL PAD - NBU 1022-2D

TOPO D2 (PAD & PIPELINE DETAIL)
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

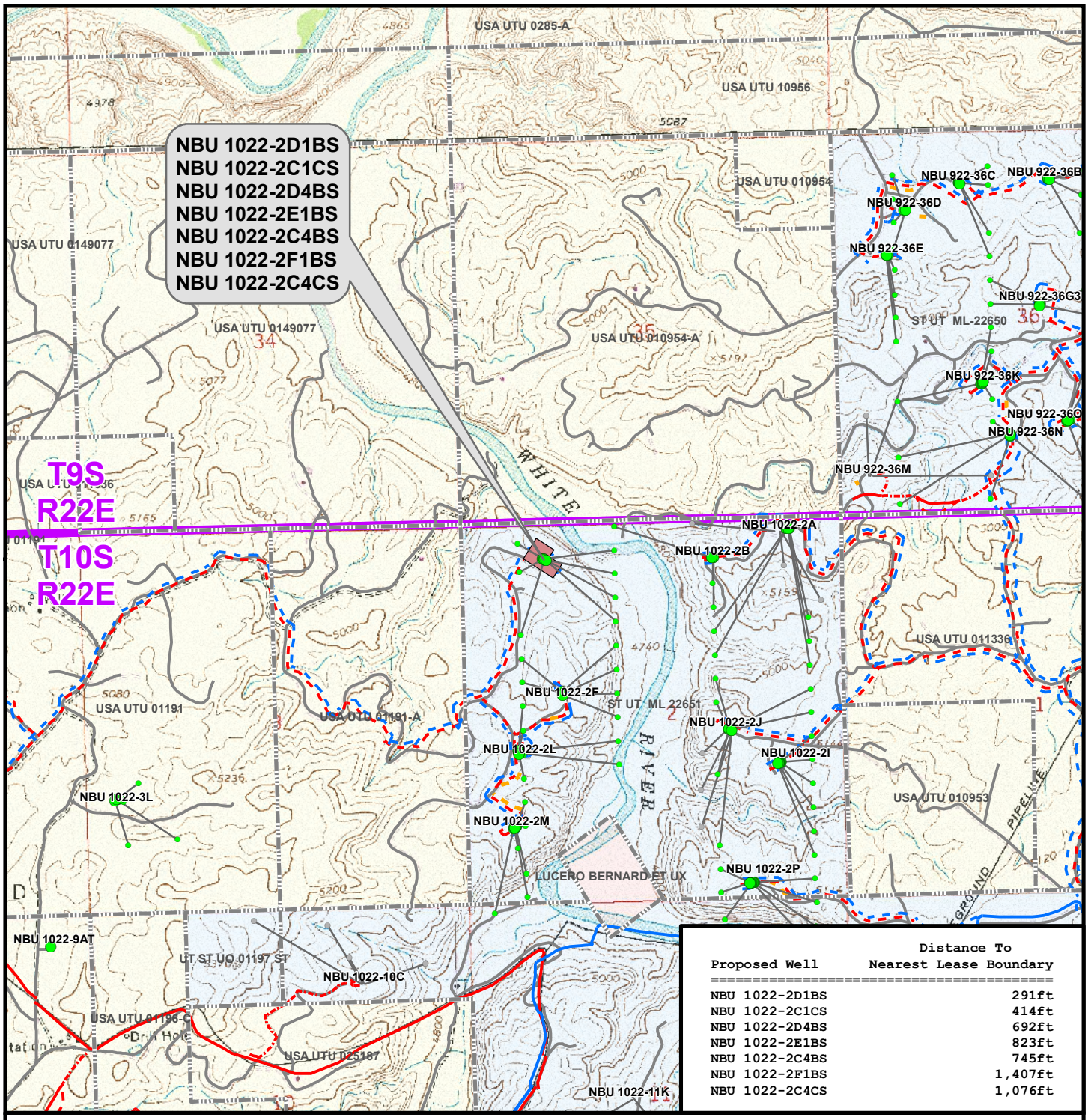
609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

N

Scale: 1" = 500ft	NAD83 USP Central	Sheet No:
Drawn: TL	Date: 30 Mar 2011	17
Revised: TL	Date: 27 July 2011	17 of 19

RECEIVED: July 28, 2011

API Well Number: 43047517790000



Proposed Well	Distance To Nearest Lease Boundary
NBU 1022-2D1BS	291ft
NBU 1022-2C1CS	414ft
NBU 1022-2D4BS	692ft
NBU 1022-2E1BS	823ft
NBU 1022-2C4BS	745ft
NBU 1022-2F1BS	1,407ft
NBU 1022-2C4CS	1,076ft

Legend

- Well - Proposed
- Bottom Hole - Proposed
- Bottom Hole - Existing
- Well Path
- Well Pad
- Lease Boundary
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

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

WELL PAD - NBU 1022-2D

TOPO E
NBU 1022-2D1BS,
NBU 1022-2C1CS, NBU 1022-2D4BS,
NBU 1022-2E1BS, NBU 1022-2C4BS,
NBU 1022-2F1BS & NBU 1022-2C4CS
LOCATED IN SECTION 2, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

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Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No: 18
Drawn: KGS	Date: 30 Mar 2011	18 of 19
Revised:	Date:	

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Kerr-McGee Oil & Gas Onshore, LP
WELL PAD - NBU 1022-2D
WELLS – NBU 1022-2D1BS, NBU 1022-2C1CS, NBU 1022-2D4BS, NBU 1022-2E1BS, NBU 1022-2C4BS, NBU 1022-2F1BS & NBU 1022-2C4CS
Section 2, T10S, R22E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 23.8 miles to the intersection of the Bitter Creek Road (County B Road 4120). Exit left and proceed in a southeasterly direction along the Bitter Creek Road approximately 3.9 miles to a Class D County Road to the northeast. Exit left and proceed in a northeasterly direction along the Class D County Road approximately 5.1 miles to a second Class D County Road to the northeast. Exit right and proceed in a northeasterly direction along the second Class D County Road approximately 0.8 miles to a third Class D County Road to the south. Exit right and proceed in a southerly, then easterly direction along the third Class D County Road approximately 1.6 miles to a service road to the northeast. Exit left and proceed in a northeasterly direction along the service road approximately 0.1 miles to the NBU 3-2B well pad. Continue through the NBU 3-2B pad in a northerly direction approximately 305 feet. Continue in a northerly, northwesterly, then easterly direction along the service road approximately 0.4 miles to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 59.3 miles in a southerly direction.

RECEIVED: July 28, 2011

API Well Number: 43047517790000

Scientific Drilling
Rocky Mountain Operations

Project: Uintah County, UT NAD27
Site: NBU 1022-2D PAD
Well: NBU 1022-2D1BS
Wellbore: OH
Design: PLAN #1 PRELIMINARY

Anadarko Petroleum Corporation

T M
Azimuths to True North
Magnetic North: 11.02°

Magnetic Field
Strength: 52323.5snT
Dip Angle: 65.87°
Date: 07/21/2011
Model: IGRF2010

WELL DETAILS: NBU 1022-2D1BS

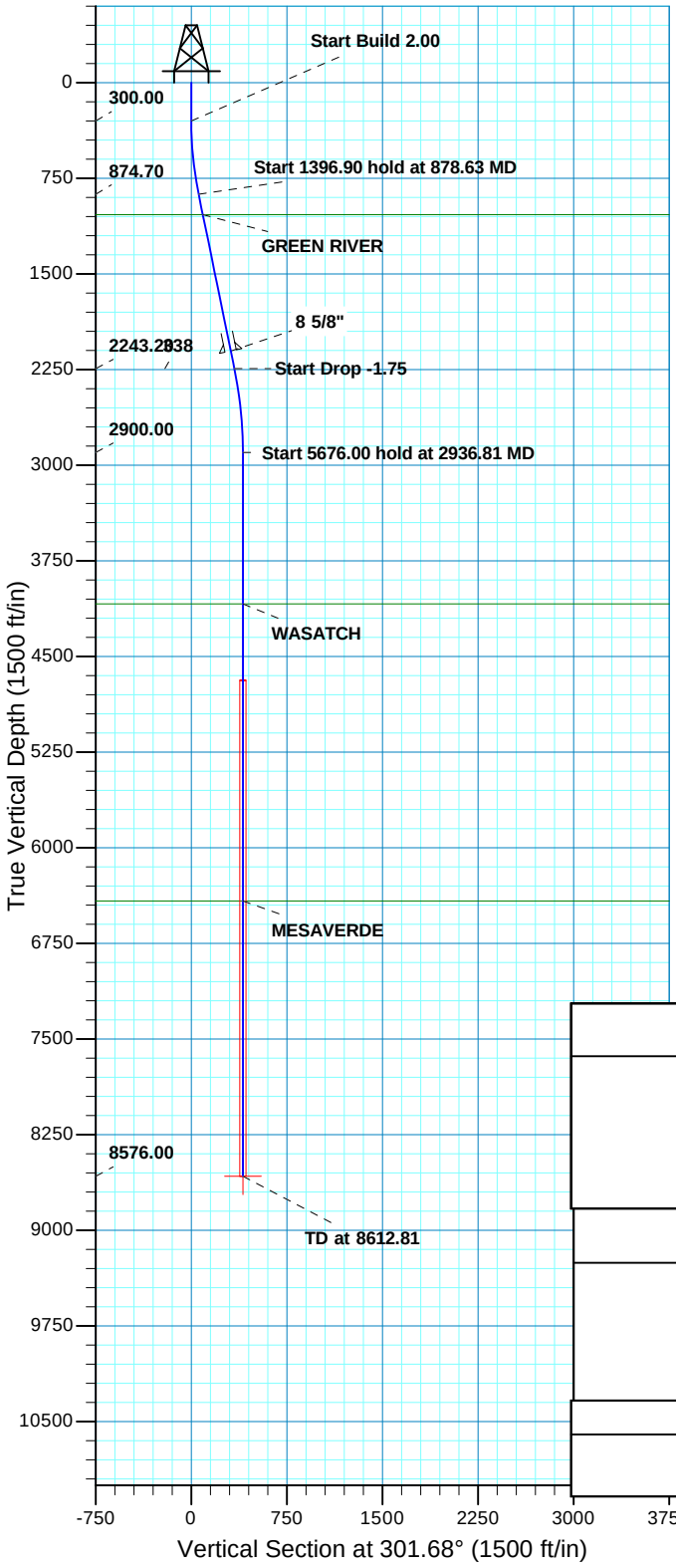
GL 4874' & KB 4'
@ 4878.00ft (ASSUMED)

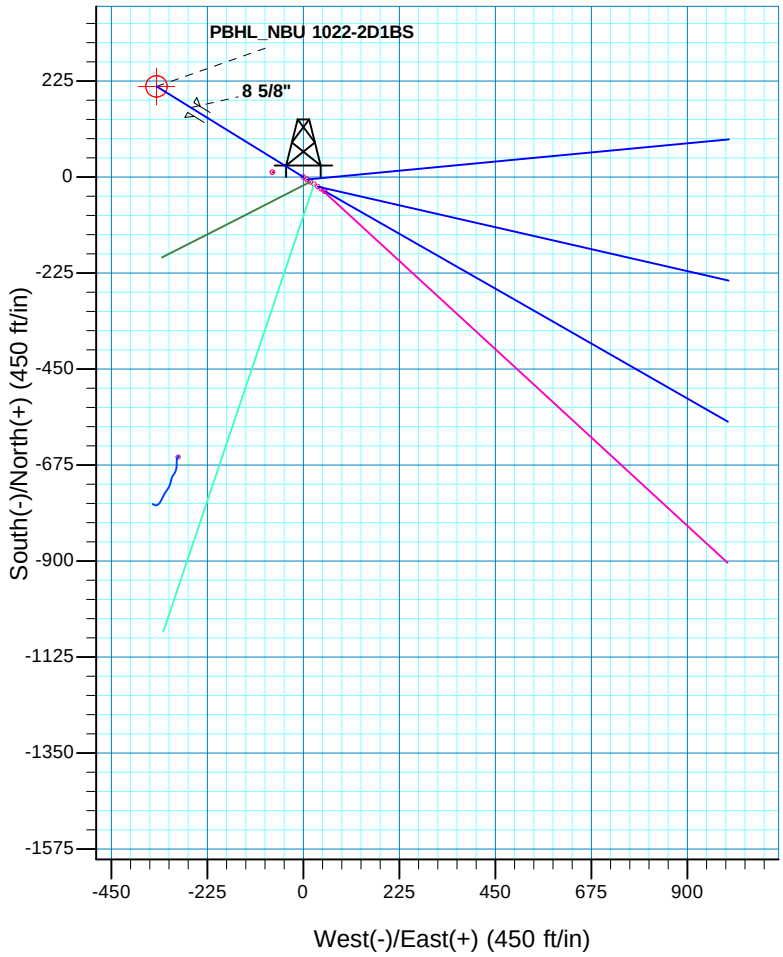
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	608015.49	2585052.30	39° 59' 2.090 N	109° 24' 42.818 W

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL	8576.00	212.73	-344.65	608220.12	2584702.78	39° 59' 4.193 N	109° 24' 47.246 W	Circle (Radius: 25.00)

- plan hits target center





SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	
878.63	11.57	301.68	874.70	30.59	-49.56	2.00	301.68	58.24	
2275.52	11.57	301.68	2243.20	177.78	-288.02	0.00	0.00	338.47	
2936.81	0.00	0.00	2900.00	212.73	-344.65	1.75	180.00	405.02	
8612.81	0.00	0.00	8576.00	212.73	-344.65	0.00	0.00	405.02	PBHL_NBU 1022-2D1BS

PROJECT DETAILS: Uintah County, UT NAD27

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Utah Central 4302
Location: SECTION 2 T10S R22E
System Datum: Mean Sea Level

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1036.00	1043.27	GREEN RIVER
4088.00	4124.81	WASATCH
6417.00	6453.81	MESAVERDE

CASING DETAILS

TVD	MD	Name	Size
2105.00	2134.46	8 5/8"	8.625

Plan: PLAN #1 PRELIMINARY (NBU 1022-2D1BS/OH)

Created By: RobertScott Date: 14:38, July 21 2011

RE

Scientific Drilling
Rocky Mountain Operations

Kerr McGee Oil and Gas Onshore LP

Uintah County, UT NAD27
NBU 1022-2D PAD
NBU 1022-2D1BS

OH

Plan: PLAN #1 PRELIMINARY

Standard Planning Report

21 July, 2011

Anadarko
Petroleum Corporation

RECEIVED: July 28, 2011

Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Site:	NBU 1022-2D PAD	**North Reference:**	True
Well:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

Project Uintah County, UT NAD27

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site NBU 1022-2D PAD, SECTION 2 T10S R22E

Site Position:		**Northing:**	608,010.24 usft	**Latitude:**	39° 59' 2.036 N
From:	Lat/Long	**Easting:**	2,585,060.83 usft	**Longitude:**	109° 24' 42.710 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	13.200 in	**Grid Convergence:**	1.34 °

Well NBU 1022-2D1BS, 503 FNL 1152 FWL

Well Position	**+N/-S**	5.45 ft	**Northing:**	608,015.49 usft	**Latitude:**	39° 59' 2.090 N
	+E/-W	-8.41 ft	**Easting:**	2,585,052.30 usft	**Longitude:**	109° 24' 42.818 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**		**Ground Level:**	4,874.00 ft

Wellbore OH

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010	07/21/11	11.02	65.87	52,324

Design PLAN #1 PRELIMINARY

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0.00	0.00	0.00	301.68

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
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
878.63	11.57	301.68	874.70	30.59	-49.56	2.00	2.00	0.00	301.68	
2,275.52	11.57	301.68	2,243.20	177.78	-288.02	0.00	0.00	0.00	0.00	
2,936.81	0.00	0.00	2,900.00	212.73	-344.65	1.75	-1.75	0.00	180.00	
8,612.81	0.00	0.00	8,576.00	212.73	-344.65	0.00	0.00	0.00	0.00	PBHL_NBU 1022-2D

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Site:	NBU 1022-2D PAD	**North Reference:**	True
Well:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2.00									
400.00	2.00	301.68	399.98	0.92	-1.49	1.75	2.00	2.00	0.00
500.00	4.00	301.68	499.84	3.67	-5.94	6.98	2.00	2.00	0.00
600.00	6.00	301.68	599.45	8.24	-13.35	15.69	2.00	2.00	0.00
700.00	8.00	301.68	698.70	14.64	-23.72	27.88	2.00	2.00	0.00
800.00	10.00	301.68	797.47	22.86	-37.04	43.52	2.00	2.00	0.00
878.63	11.57	301.68	874.70	30.59	-49.56	58.24	2.00	2.00	0.00
Start 1396.90 hold at 878.63 MD									
900.00	11.57	301.68	895.64	32.84	-53.21	62.52	0.00	0.00	0.00
1,000.00	11.57	301.68	993.61	43.38	-70.28	82.59	0.00	0.00	0.00
1,043.27	11.57	301.68	1,036.00	47.94	-77.66	91.27	0.00	0.00	0.00
GREEN RIVER									
1,100.00	11.57	301.68	1,091.57	53.91	-87.35	102.65	0.00	0.00	0.00
1,200.00	11.57	301.68	1,189.54	64.45	-104.42	122.71	0.00	0.00	0.00
1,300.00	11.57	301.68	1,287.51	74.99	-121.49	142.77	0.00	0.00	0.00
1,400.00	11.57	301.68	1,385.48	85.52	-138.56	162.83	0.00	0.00	0.00
1,500.00	11.57	301.68	1,483.44	96.06	-155.63	182.89	0.00	0.00	0.00
1,600.00	11.57	301.68	1,581.41	106.60	-172.70	202.95	0.00	0.00	0.00
1,700.00	11.57	301.68	1,679.38	117.13	-189.77	223.01	0.00	0.00	0.00
1,800.00	11.57	301.68	1,777.34	127.67	-206.84	243.07	0.00	0.00	0.00
1,900.00	11.57	301.68	1,875.31	138.21	-223.91	263.13	0.00	0.00	0.00
2,000.00	11.57	301.68	1,973.28	148.74	-240.98	283.19	0.00	0.00	0.00
2,100.00	11.57	301.68	2,071.25	159.28	-258.06	303.25	0.00	0.00	0.00
2,134.46	11.57	301.68	2,105.00	162.91	-263.94	310.17	0.00	0.00	0.00
8 5/8"									
2,200.00	11.57	301.68	2,169.21	169.82	-275.13	323.31	0.00	0.00	0.00
2,275.52	11.57	301.68	2,243.20	177.78	-288.02	338.47	0.00	0.00	0.00
Start Drop -1.75									
2,300.00	11.14	301.68	2,267.20	180.31	-292.12	343.29	1.75	-1.75	0.00
2,400.00	9.39	301.68	2,365.59	189.67	-307.29	361.11	1.75	-1.75	0.00
2,500.00	7.64	301.68	2,464.48	197.45	-319.90	375.93	1.75	-1.75	0.00
2,600.00	5.89	301.68	2,563.78	203.64	-329.93	387.71	1.75	-1.75	0.00
2,700.00	4.14	301.68	2,663.40	208.24	-337.37	396.46	1.75	-1.75	0.00
2,800.00	2.39	301.68	2,763.23	211.23	-342.22	402.16	1.75	-1.75	0.00
2,900.00	0.64	301.68	2,863.19	212.63	-344.48	404.81	1.75	-1.75	0.00
2,936.81	0.00	0.00	2,900.00	212.73	-344.65	405.02	1.75	-1.75	158.42
Start 5676.00 hold at 2936.81 MD									
3,000.00	0.00	0.00	2,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,100.00	0.00	0.00	3,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,200.00	0.00	0.00	3,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,300.00	0.00	0.00	3,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,400.00	0.00	0.00	3,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,500.00	0.00	0.00	3,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,600.00	0.00	0.00	3,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,700.00	0.00	0.00	3,663.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,800.00	0.00	0.00	3,763.19	212.73	-344.65	405.02	0.00	0.00	0.00
3,900.00	0.00	0.00	3,863.19	212.73	-344.65	405.02	0.00	0.00	0.00

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Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Site:	NBU 1022-2D PAD	**North Reference:**	True
Well:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,000.00	0.00	0.00	3,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,100.00	0.00	0.00	4,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,124.81	0.00	0.00	4,088.00	212.73	-344.65	405.02	0.00	0.00	0.00
WASATCH									
4,200.00	0.00	0.00	4,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,300.00	0.00	0.00	4,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,400.00	0.00	0.00	4,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,500.00	0.00	0.00	4,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,600.00	0.00	0.00	4,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,700.00	0.00	0.00	4,663.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,800.00	0.00	0.00	4,763.19	212.73	-344.65	405.02	0.00	0.00	0.00
4,900.00	0.00	0.00	4,863.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,000.00	0.00	0.00	4,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,100.00	0.00	0.00	5,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,200.00	0.00	0.00	5,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,300.00	0.00	0.00	5,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,400.00	0.00	0.00	5,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,500.00	0.00	0.00	5,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,600.00	0.00	0.00	5,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,700.00	0.00	0.00	5,663.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,800.00	0.00	0.00	5,763.19	212.73	-344.65	405.02	0.00	0.00	0.00
5,900.00	0.00	0.00	5,863.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,000.00	0.00	0.00	5,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,100.00	0.00	0.00	6,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,200.00	0.00	0.00	6,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,300.00	0.00	0.00	6,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,400.00	0.00	0.00	6,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,453.81	0.00	0.00	6,417.00	212.73	-344.65	405.02	0.00	0.00	0.00
MESAVERDE									
6,500.00	0.00	0.00	6,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,600.00	0.00	0.00	6,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,700.00	0.00	0.00	6,663.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,800.00	0.00	0.00	6,763.19	212.73	-344.65	405.02	0.00	0.00	0.00
6,900.00	0.00	0.00	6,863.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,000.00	0.00	0.00	6,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,100.00	0.00	0.00	7,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,200.00	0.00	0.00	7,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,300.00	0.00	0.00	7,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,400.00	0.00	0.00	7,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,500.00	0.00	0.00	7,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,600.00	0.00	0.00	7,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,700.00	0.00	0.00	7,663.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,800.00	0.00	0.00	7,763.19	212.73	-344.65	405.02	0.00	0.00	0.00
7,900.00	0.00	0.00	7,863.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,000.00	0.00	0.00	7,963.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,100.00	0.00	0.00	8,063.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,200.00	0.00	0.00	8,163.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,300.00	0.00	0.00	8,263.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,400.00	0.00	0.00	8,363.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,500.00	0.00	0.00	8,463.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,600.00	0.00	0.00	8,563.19	212.73	-344.65	405.02	0.00	0.00	0.00
8,612.81	0.00	0.00	8,576.00	212.73	-344.65	405.02	0.00	0.00	0.00

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Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 4874' & KB 4' @ 4878.00ft (ASSUMED)
Site:	NBU 1022-2D PAD	**North Reference:**	True
Well:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
PBHL_NBU 1022-2D1BS									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL_NBU 1022-2D1B - plan hits target center - Circle (radius 25.00)	0.00	0.00	8,576.00	212.73	-344.65	608,220.12	2,584,702.78	39° 59' 4.193 N	109° 24' 47.246 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,134.46	2,105.00	8 5/8"	8.625	11.000

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,043.27	1,036.00	GREEN RIVER			
4,124.81	4,088.00	WASATCH			
6,453.81	6,417.00	MESAVERDE			

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
300.00	300.00	0.00	0.00	Start Build 2.00
878.63	874.70	30.59	-49.56	Start 1396.90 hold at 878.63 MD
2,275.52	2,243.20	177.78	-288.02	Start Drop -1.75
2,936.81	2,900.00	212.73	-344.65	Start 5676.00 hold at 2936.81 MD
8,612.81	8,576.00	212.73	-344.65	TD at 8612.81

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NBU 1022-2C1CS

Surface:	509 FNL / 1160 FWL	NWNW	Lot 4
BHL:	414 FNL / 2149 FWL	NENW	Lot 3

NBU 1022-2C4BS

Surface:	526 FNL / 1185 FWL	NWNW	Lot 4
BHL:	745 FNL / 2148 FWL	NENW	Lot 3

NBU 1022-2C4CS

Surface:	537 FNL / 1202 FWL	NWNW	Lot 4
BHL:	1076 FNL / 2147 FWL	NENW	Lot 3

NBU 1022-2D1BS

Surface:	503 FNL / 1152 FWL	NWNW	Lot 4
BHL:	291 FNL / 807 FWL	NWNW	Lot 4

NBU 1022-2D4BS

Surface:	514 FNL / 1168 FWL	NWNW	Lot 4
BHL:	692 FNL / 820 FWL	NWNW	Lot 4

NBU 1022-2E1BS

Surface:	520 FNL / 1177 FWL	NWNW	Lot 4
BHL:	1569 FNL / 823 FWL	SWNW	Lot

NBU 1022-2F1BS

Surface:	531 FNL / 1193 FWL	NWNW	Lot 4
BHL:	1407 FNL / 2146 FWL	SENW	Lot

Pad: NBU 1022-2D PAD
Section 2 T10S R22E
Mineral Lease: ST UT ML 22651

Uintah County, Utah
Operator: Kerr-McGee Oil & Gas Onshore LP

This SUPO contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG), a wholly owned subsidiary of Anadarko Petroleum Corporation (APC) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to APC/KMG (including but not limited to, APDs/SULAs/ROEs/ROWs and/or easements.)

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

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In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

A. Existing Roads:

Existing roads consist of county and improved/unimproved lease roads. KMG will maintain existing roads in a condition that is the same as or better than before operations began and in a safe and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, blading, ditching, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as working space. All disturbances located in the same corridor will overlap each other to the maximum extent possible; in no case will the maximum disturbance width of the access road and utility corridors exceed 50', unless otherwise approved.

B. Planned Access Roads:

No new access road is proposed. (See Topo Map B).
No other pipelines will be crossed at this location.

If there are roads that are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers.

During the onsite, turnouts, major cut and fills, culverts, bridges, gates, cattle guards, low water crossings, or modifications needed to existing infrastructure/facilities were determined, as applicable, are typically shown on attached Exhibits and Topo maps.

C. Location of Existing and Proposed Facilities:

This pad will expand the existing pad for the NBU 456-2E. The NBU 456-2E well location is a vertical producing well according to Utah Division of Oil, Gas and Mining (UDOGM) records as of July 19, 2011.

Production facilities (see Well Pad Design Summary and Facilities Diagram):

Production facilities will be installed on the disturbed portion of the well pad and may include bermed components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed of compacted subsoil or corrugated metal, impervious, designed to hold 110% of the capacity of the largest tank, and be independent of the back cut. All permanent (on-site six months or longer) above ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with SITLA.

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Gathering Facilities:

The following pipeline transmission facilities will apply if the well is productive (see Topo D):

The total gas gathering (steel line pipe with fusion bond epoxy coating) pipeline distances from the meter to the Western Section line is ±2,995' and the individual segments are broken up as follows:

±585' (0.11 miles) –New 8" buried gas pipeline from the meter to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
±2,105' (0.40 miles) –New 8" buried gas pipeline from the edge of pad to the tie-in at the proposed 1022-2F Intersection. Please refer to Topo D2 - Pad and Pipeline Detail.
±305' (0.06 miles) - New 16" buried gas pipeline from the proposed NBU 1022-2F Intersection to the Western Section line. Please refer to Topo D2-Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the Western Section line is ±2,995'and the individual segments are broken up as follows:

±585' (0.11 miles) - Up to 6" new buried liquid pipeline from the separator to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
±2,105' (0.40 miles) –Up to 6" new buried liquid pipeline from the edge of pad to the tie-in at the proposed 1022-2F Intersection. Please refer to Topo D2 - Pad and Pipeline Detail.
±305' (0.06 miles) - Up to 6" new buried liquid pipeline from the proposed NBU 1022-2F Intersection to the Western Section line. Please refer to Topo D2-Pad and Pipeline Detail.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

The proposed pipelines will be buried and will include gas gathering and liquid gathering pipelines in the same trench. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests a permanent 30' right-of-way adjacent to the road for life-of-project for maintenance, repairs, and/or upgrades, no additional right-of-way will be needed beyond the 30'. Where the pipeline is not adjacent to the road or well pad, KMG requests a temporary 45' construction right-of-way 30' permanent right-of-way.

The proposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. During construction blasting may occur along the proposed right-of-way where trenching equipment cannot cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed pipelines will be pressure tested pneumatically (depending on size) or with fluids (either fresh or produced). If fluids are used, there will be no discharge to the surface.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity and ownership, as well as to provide emergency contact phone numbers. Above ground valves, T's, and/or cathodic protection will be installed at various locations for connection, corrosion prevention and/or for safety purposes.

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D. Location and Type of Water Supply:

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

- Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, application number 53617.
- Price Water Pumping Inc. Green River and White River, various sources, Water Right Number 49-1659, application number: a35745.

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

No water well is to be drilled on this lease.

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If needed, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods for Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well. Currently, those facilities are:

RNI in Sec. 5 T9S R22E
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
Ouray #1 SWD in Sec. 1 T9S R21E
NBU 159 SWD in Sec. 35 T9S R21E
CIGE 112D SWD in Sec. 19 T9S R21E
CIGE 114 SWD in Sec. 34 T9S R21E
NBU 921-34K SWD in Sec. 34 T9S R21E
NBU 921-33F SWD in Sec. 33 T9S R21E
NBU 921-34L SWD in Sec. 34 T9S R21E

Drill cuttings and/or fluids will be contained in the reserve/frac pit. Cuttings will be buried in pit(s) upon closure. Unless otherwise approved, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions or well testing, product will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by SITLA. Should timely removal prove infeasible, the pit will be netted with mesh no larger than 1 inch until such time as hydrocarbons can be removed. Hydrocarbon removal will also take place prior to the closure of the pit, unless authorization is provided for disposal via alternative pit closure methods (e.g. solidification.)

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The reserve and/or fracture stimulation pit will be lined with a synthetic material 20 mil or thicker, The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. Any additional pits necessary for subsequent operations, such as temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of work at a well location.

For the protection of livestock and wildlife, all open pits and cellars will be fenced/covered to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as 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.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after after six (6) months from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Additional drying methods may include fly-ash solidification or sprinkler evaporation. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, including accidental release of fluids, or release in excess of reportable quantities, will be managed according to the notification requirements of UDOGMs “Reporting Oil and Gas Undesirable Events” rule. Where State wells are participatory to a Federal agreement, according to NTL-3A, the appropriate Federal agencies will be notified.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term “hazardous materials” as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities.

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G. Ancillary Facilities:

None are anticipated.

H. Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; reserve/completion/flare pit; access road ingress/egress points, drilling rig, dikes/ditches, existing wells/infrastructure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment and facility layout; however, the area of disturbance, as described in the survey, will not be exceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1927 (NAD27) or latest edition. Distances are depicted on each plat to the nearest two adjacent section lines.

I. Plans for Reclamation of the Surface:

Surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left “rough” after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by KMG. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

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After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access road. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep perpendicular to the natural flow of water.

All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interim and Final Reclamation

Reclaimed areas may be fenced to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

J. Surface/Mineral Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

L. Other Information:

None

RECEIVED: July 28, 2011

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

Andy Lytle
Regulatory Analyst I
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6100

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 for State lease activities is provided by State Surety Bond 22013542, and for applicable Federal lease activities and pursuant to 43 CFR 3104, 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.

Andy Lytle

July 19, 2011
Date

Joseph D. Johnson
1099 18TH STREET STE. 1800 • DENVER, CO 80202
720-929-6708 • FAX 720-929-7708
E-MAIL: JOE.JOHNSON@ANADARKO.COM

July 25, 2011

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

Re: Directional Drilling R649-3-11
NBU 1022-2D1BS
T10S-R22E
Section 2: NWNW
Surface: 503' FNL, 1152' FWL
T10S-R22E
Section 2: NWNW
Bottom Hole: 291' FNL, 807' FWL
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 hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's NBU 1022-2D1BS 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 be granted pursuant to R649-3-11.

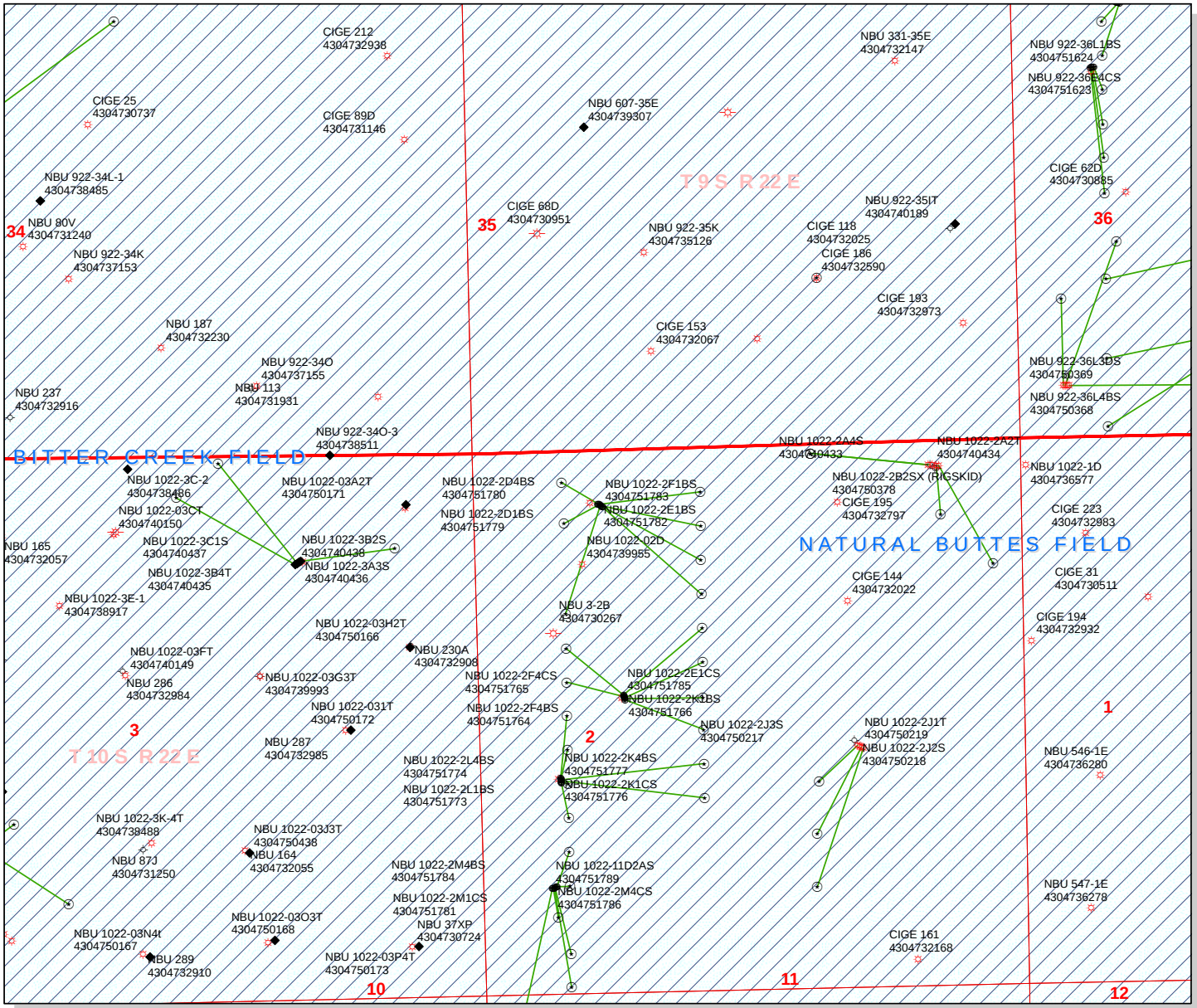
Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Joseph D. Johnson
Landman

RECEIVED: July 28, 2011

API Well Number: 43047517790000



API Number: 4304751779

Well Name: NBU 1022-2D1BS

Township T1.0 . Range R2.2 . Section 02

Meridian: SLBM

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

Map Prepared:
Map Produced by Diana Mason

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

Fields
STATUS
- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED
- Sections
- Township

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

1,250 625 0 1,250 Feet

1:12,000

RECEIVED: August 03, 2011

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

August 5, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2011 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 2011 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
NBU 1022-2F PAD		
43-047-51760	NBU 1022-E4BS	Sec 02 T10S R22E 2386 FNL 1379 FWL
		BHL Sec 02 T10S R22E 2231 FNL 0822 FWL
43-047-51761	NBU 1022-2F1CS	Sec 02 T10S R22E 2366 FNL 1376 FWL
		BHL Sec 02 T10S R22E 1738 FNL 2145 FWL
43-047-51764	NBU 1022-2F4BS	Sec 02 T10S R22E 2395 FNL 1381 FWL
		BHL Sec 02 T10S R22E 2069 FNL 2144 FWL
43-047-51765	NBU 1022-2F4CS	Sec 02 T10S R22E 2405 FNL 1382 FWL
		BHL Sec 02 T10S R22E 2412 FNL 2141 FWL
43-047-51766	NBU 1022-2K1BS	Sec 02 T10S R22E 2415 FNL 1384 FWL
		BHL Sec 02 T10S R22E 2566 FSL 2142 FWL
43-047-51785	NBU 1022-2E1CS	Sec 02 T10S R22E 2376 FNL 1377 FWL
		BHL Sec 02 T10S R22E 1900 FNL 0823 FWL
NBU 1022-2D PAD		
43-047-51767	NBU 1022-2C4BS	Sec 02 T10S R22E 0526 FNL 1185 FWL
		BHL Sec 02 T10S R22E 0745 FNL 2148 FWL
43-047-51768	NBU 1022-2C4CS	Sec 02 T10S R22E 0537 FNL 1202 FWL
		BHL Sec 02 T10S R22E 1076 FNL 2147 FWL
43-047-51779	NBU 1022-2D1BS	Sec 02 T10S R22E 0503 FNL 1152 FWL
		BHL Sec 02 T10S R22E 0291 FNL 0807 FWL

RECEIVED: August 08, 2011

API # WELL NAME LOCATION

(Proposed PZ WASATCH-MESA VERDE)

43-047-51780 NBU 1022-2D4BS Sec 02 T10S R22E 0514 FNL 1168 FWL
BHL Sec 02 T10S R22E 0692 FNL 0820 FWL

43-047-51782 NBU 1022-2E1BS Sec 02 T10S R22E 0520 FNL 1177 FWL
BHL Sec 02 T10S R22E 1569 FNL 0823 FWL

43-047-51783 NBU 1022-2F1BS Sec 02 T10S R22E 0531 FNL 1193 FWL
BHL Sec 02 T10S R22E 1407 FNL 2146 FWL

NBU 1022-2L PAD

43-047-51771 NBU 1022-2E4CS Sec 02 T10S R22E 2127 FSL 0750 FWL
BHL Sec 02 T10S R22E 2561 FNL 0822 FWL

43-047-51772 NBU 1022-2L1CS Sec 02 T10S R22E 2087 FSL 0753 FWL
BHL Sec 02 T10S R22E 2067 FSL 0821 FWL

43-047-51773 NBU 1022-2L1BS Sec 02 T10S R22E 2117 FSL 0751 FWL
BHL Sec 02 T10S R22E 2398 FSL 0822 FWL

43-047-51774 NBU 1022-2L4BS Sec 02 T10S R22E 2077 FSL 0754 FWL
BHL Sec 02 T10S R22E 1736 FSL 0821 FWL

43-047-51776 NBU 1022-2K1CS Sec 02 T10S R22E 2107 FSL 0752 FWL
BHL Sec 02 T10S R22E 2235 FSL 2141 FWL

43-047-51777 NBU 1022-2K4BS Sec 02 T10S R22E 2097 FSL 0752 FWL
BHL Sec 02 T10S R22E 1904 FSL 2140 FWL

NBU 1022-2M PAD

43-047-51775 NBU 1022-2L4CS Sec 02 T10S R22E 1075 FSL 0695 FWL
BHL Sec 02 T10S R22E 1406 FSL 0820 FWL

43-047-51778 NBU 1022-2M1BS Sec 02 T10S R22E 1071 FSL 0686 FWL
BHL Sec 02 T10S R22E 1075 FSL 0820 FWL

43-047-51781 NBU 1022-2M1CS Sec 02 T10S R22E 1057 FSL 0659 FWL
BHL Sec 02 T10S R22E 0771 FSL 0704 FWL

43-047-51784 NBU 1022-2M4BS Sec 02 T10S R22E 1066 FSL 0677 FWL
BHL Sec 02 T10S R22E 0414 FSL 0819 FWL

43-047-51786 NBU 1022-2M4CS Sec 02 T10S R22E 1062 FSL 0668 FWL
BHL Sec 02 T10S R22E 0092 FSL 0822 FWL

43-047-51789 NBU 1022-11D2AS Sec 02 T10S R22E 1053 FSL 0650 FWL
BHL Sec 11 T10S R22E 0133 FNL 0360 FWL

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

Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.08.08 08:31:52 -06'00'

RECEIVED: August 08, 2011

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

MCoulthard:mc:8-5-11

RECEIVED: August 08, 2011

From: Jim Davis
To: Hill, Brad; Mason, Diana
CC: Bonner, Ed; Garrison, LaVonne; Lytle, Andy
Date: 9/26/2011 5:08 PM
Subject: Anadarko APD approvals 10S 22E Sec 2, 11 and 14
Attachments: Anadarko Approvals from SITLA 9.26.11.xls

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

4304751840	NBU 1022-11P4CS
4304751860	NBU 1022-12M1CS
4304751868	NBU 1022-12M4BS
4304751870	NBU 1022-12M4CS
4304751803	NBU 1022-2G1CS
4304751807	NBU 1022-2G1BS
4304751808	NBU 1022-2H1BS
4304751812	NBU 1022-2H1CS
4304751825	NBU 1022-2H4BS
4304751811	NBU 1022-2B1CS
4304751827	NBU 1022-2B4CS
4304751828	NBU 1022-2B4BS
4304751830	NBU 1022-2C1BS
4304751809	NBU 1022-2I4CS
4304751810	NBU 1022-2P1BS
4304751824	NBU 1022-2I1CS
4304751829	NBU 1022-2I4BS
4304751838	NBU 1022-2P4BS
4304751852	NBU 1022-2P1CS
4304751839	NBU 1022-2P4CS
4304751841	NBU 1022-11B1BS
4304751842	NBU 1022-11A1BS
4304751846	NBU 1022-2O4CS
4304751848	NBU 1022-11A4BS
4304751849	NBU 1022-2O4BS
4304751850	NBU 1022-11A1CS

These APDS are approved including arch clearance but will require **spot paleo monitoring** as recommended in the applicable paleo reports:

4304751758	NBU 1022-2C1CS
4304751767	NBU 1022-2C4BS
4304751768	NBU 1022-2C4CS
4304751779	NBU 1022-2D1BS
4304751780	NBU 1022-2D4BS
4304751782	NBU 1022-2E1BS
4304751783	NBU 1022-2F1BS
4304751760	NBU 1022-2E4BS
4304751761	NBU 1022-2F1CS
4304751764	NBU 1022-2F4BS
4304751765	NBU 1022-2F4CS
4304751766	NBU 1022-2K1BS
4304751785	NBU 1022-2E1CS
4304751775	NBU 1022-2L4CS
4304751778	NBU 1022-2M1BS
4304751781	NBU 1022-2M1CS
4304751784	NBU 1022-2M4BS
4304751786	NBU 1022-2M4CS
4304751789	NBU 1022-11D2AS

RECEIVED: September 27, 2011

4304751802	NBU 1022-11B4CS
4304751813	NBU 1022-11B4BS
4304751815	NBU 1022-11B1CS
4304751817	NBU 1022-11C4AS
4304751818	NBU 1022-11C4CS
4304751855	NBU 1022-11F4AS
4304751805	NBU 1022-11A4CS
4304751814	NBU 1022-11H1BS
4304751822	NBU 1022-11G4CS
4304751823	NBU 1022-11G1BS
4304751837	NBU 1022-11G1CS
4304751853	NBU 1022-11G4BS
4304751834	NBU 1022-11I1CS
4304751835	NBU 1022-12L1CS
4304751857	NBU 1022-11H4BS
4304751858	NBU 1022-11H4CS
4304751861	NBU 1022-12L1BS
4304751863	NBU 1022-11H1CS
4304751866	NBU 1022-11I4BS
4304751871	NBU 1022-11I4CS
4304751872	NBU 1022-12L4BS
4304751873	NBU 1022-12L4CS
4304751816	NBU 1022-11K4BS
4304751843	NBU 1022-11J1CS
4304751851	NBU 1022-11J1BS
4304751859	NBU 1022-11K4CS
4304751862	NBU 1022-11N1BS
4304751864	NBU 1022-11N1CS
4304751865	NBU 1022-11N4BS
4304751867	NBU 1022-11N4CS
4304751869	NBU 1022-11O2AS

These APDS are approved including arch clearance but will require **full paleo monitoring** as recommended in the applicable paleo reports:

4304751771	NBU 1022-2E4CS
4304751772	NBU 1022-2L1CS
4304751773	NBU 1022-2L1BS
4304751774	NBU 1022-2L4BS
4304751776	NBU 1022-2K1CS
4304751777	NBU 1022-2K4BS
4304751819	NBU 1022-2G4CS
4304751820	NBU 1022-2H4CS
4304751844	NBU 1022-2J4BS
4304751845	NBU 1022-2O1CS
4304751847	NBU 1022-2I1BS
4304751854	NBU 1022-2G4BS
4304751797	NBU 1022-11C2CS
4304751799	NBU 1022-11C3DS
4304751800	NBU 1022-11D1CS
4304751801	NBU 1022-11F2DS
4304751821	NBU 1022-11O1CS
4304751831	NBU 1022-11O4CS
4304751832	NBU 1022-11P1BS
4304751833	NBU 1022-11P4BS
4304751836	NBU 1022-12M1BS
4304751856	NBU 1022-11O4BS

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That's a big enough list that I'm including a simple spreadsheet that has this same information, but organized in such a way as may be more useful to some of you.
Thanks.
-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

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API Well Number: 43047517790000

BOPE REVIEW KERR-MCGEE OIL & GAS ONSHORE, L.P. NBU 1022-2D1BS 43047517790000

Well Name	KERR-MCGEE OIL & GAS ONSHORE, L.P. NBU 1022-2D1BS			
String	Surf	Prod		
Casing Size(")	8.625	4.500		
Setting Depth (TVD)	2081	8576		
Previous Shoe Setting Depth (TVD)	40	2081		
Max Mud Weight (ppg)	8.3	12.5		
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3390	7780		
Operators Max Anticipated Pressure (psi)	5489	12.3		

Calculations	**Surf String**	**8.625**	**"**	
Max BHP (psi)	.052*Setting Depth*MW=	898		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	648	NO	air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	440	YES	OK
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	449	NO	Reasonable for area
Required Casing/BOPE Test Pressure=		2081	psi	
***Max Pressure Allowed @ Previous Casing Shoe=**		40	psi *Assumes 1psi/ft frac gradient	

Calculations	**Prod String**	**4.500**	**"**	
Max BHP (psi)	.052*Setting Depth*MW=	5574		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	4545	YES	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	3687	YES	OK
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	4145	NO	Reasonable
Required Casing/BOPE Test Pressure=		5000	psi	
***Max Pressure Allowed @ Previous Casing Shoe=**		2081	psi *Assumes 1psi/ft frac gradient	

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

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

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***Max Pressure Allowed @ Previous Casing Shoe=**		psi *Assumes 1psi/ft frac gradient

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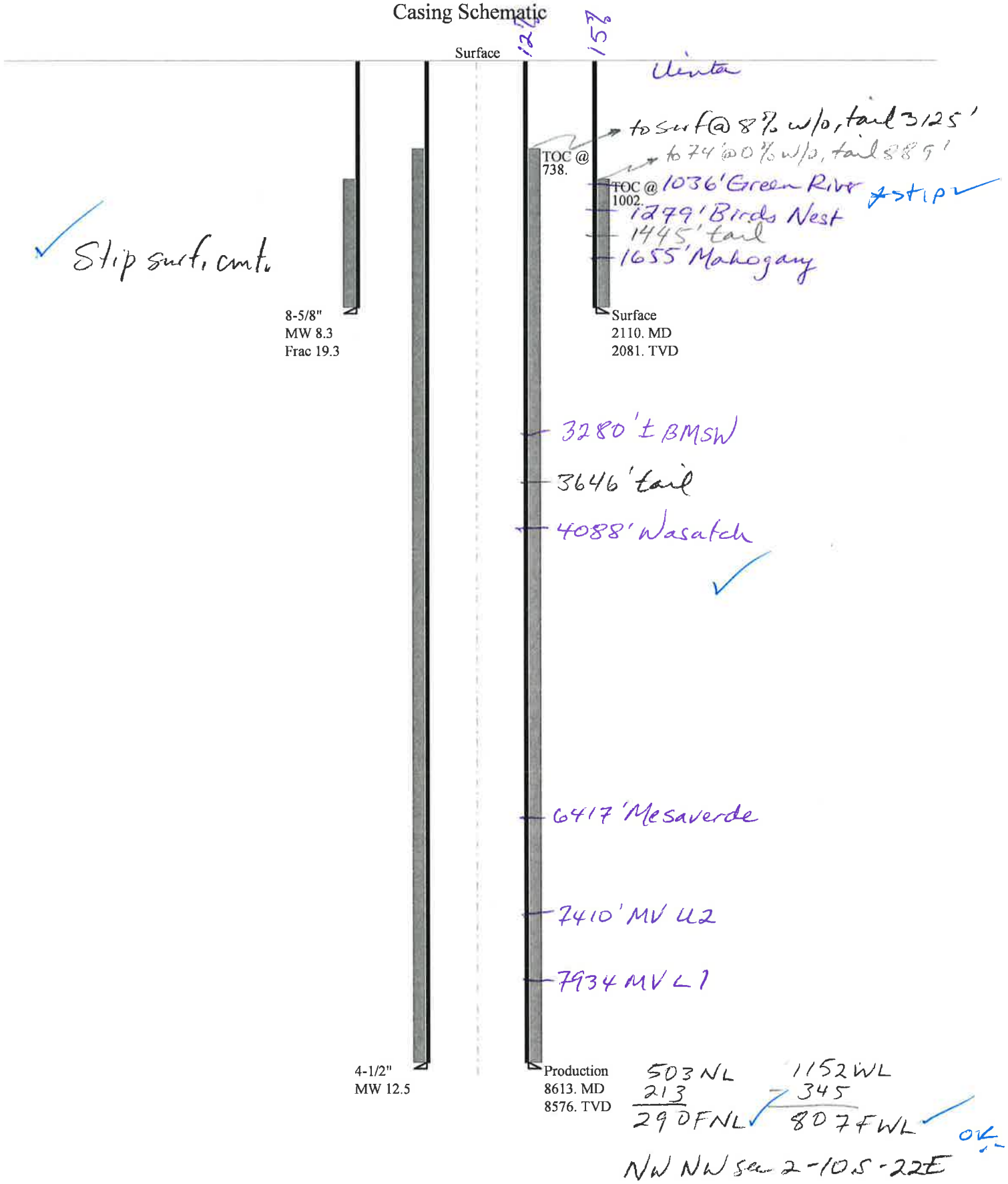
43047517790000 NBU 1022-2D1BS

Casing Schematic



Well name:	**43047517790000 NBU 1022-2D1BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Surface
Project ID:	43-047-51779
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,857 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,107 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.
Neutral point: 1,849 ft

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 1,002 ft

Directional Info - Build & Drop

Kick-off point 300 ft
Departure at shoe: 305 ft
Maximum dogleg: 2 °/100ft
Inclination at shoe: 11.57 °

Re subsequent strings:

Next setting depth: 8,576 ft
Next mud weight: 12.500 ppg
Next setting BHP: 5,569 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,110 ft
Injection pressure: 2,110 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	2110	8.625	28.00	I-55	LT&C	2081	2110	7.892	83556

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	901	1880	2.088	2107	3390	1.61	58.3	348	5.97 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940
Date: August 24,2011
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2081 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

Well name:	**43047517790000 NBU 1022-2D1BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Production
Project ID:	43-047-51779
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight: 12.500 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 3,682 psi

Internal gradient: 0.220 psi/ft

Calculated BHP 5,569 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.

Neutral point: 7,011 ft

Environment:

H2S considered?	No
Surface temperature:	74 °F
Bottom hole temperature:	194 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	100 ft
Cement top:	738 ft

Directional Info - Build & Drop

Kick-off point	300 ft
Departure at shoe:	405 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	8613	4.5	11.60	I-80	LT&C	8576	8613	3.875	113692

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	5569	6360	1.142	5569	7780	1.40	99.5	212	2.13 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940

Date: August 24,2011
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8576 ft, a mud weight of 12.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

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

Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.				
Well Name	NBU 1022-2D1BS				
API Number	43047517790000	**APD No**	4279	**Field/Unit**	NATURAL BUTTES
Location: 1/4,1/4	NWNW **Sec** 2 **Tw** 10.0S **Rng** 22.0E 503 FNL 1152 FWL				
GPS Coord (UTM)	635605 4426960	**Surface Owner**			

Participants

Andy Lytle, Sheila Wopsock, Charles Chase, Grizz Oleen, Mark Kuehn, Doyle Holmes, (Kerr McGee). John Slaugh, Mitch Batty, (Timberline). Jim Davis (SITLA). David Hackford, (DOGM).

Regional/Local Setting & Topography

The general area is in the southeast portion of the Natural Buttes Unit on the northeast end of a major drainage divide called Archy Bench. . Within this area is the White River and rugged drainages that drain into it. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 41 air miles to the northwest. Access from Vernal is approximately 59.3 road miles following Utah State, Uintah County and oilfield development roads. Six wells, in addition to this one will be directionally drilled from this pad. (for a total of seven new wells). There is one existing well on this pad. (The NBU 456-2E). At this time, the decision rather to PA or TA this well has not been made. This proposed location takes in an existing location, and very little new construction will be necessary except for digging the reserve pit. The existing access road will be adequate. The location runs in an east-west direction along the top of a steep ridge. This ridge breaks off sharply into rugged secondary canyons especially on the northeast and east sides. New construction will consist of approx. 75 feet to the east of the existing pad, and 50 feet on the north and west sides for reserve pit and excess cut stockpile. No drainage concerns exist, and no diversions will be needed. The pad as modified should be stable and should be a suitable location for eight wells, and is on the best site available in the immediate area.

Surface Use Plan

Current Surface Use
Wildlfe Habitat
Existing Well Pad

New Road Miles	Well Pad	Src Const Material	Surface Formation
0	**Width** 342 **Length** 435	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Prickly pear, wild onion, shadscale, mat saltbrush, Indian ricegrass, halogeton, pepper grass, annuals and curly Vegetation is a salt desert shrub type. Principal species present are cheatgrass, black sagebrush, stipa, mesquite grass.

Sheep, antelope, raptors and small mammals and birds.

Soil Type and Characteristics

Shallow rocky sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors		Site Ranking	
Distance to Groundwater (feet)	100 to 200	5	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)		20	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	40	1 Sensitivity Level

Characteristics / Requirements

The reserve pit is planned in an area of cut on the north side of the location. Dimensions are 120’ x 260’ x 12’ deep with 2’ of freeboard. Freeboard on the northwest corner of pit will be fill. Kerr McGee agreed to line the pit with a 30-mil liner and 2 layers of felt.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 30 **Pit Underlayment Required?** Y

Other Observations / Comments

David Hackford	8/18/2011
Evaluator	**Date / Time**

Application for Permit to Drill
Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
4279	43047517790000	SITLA	GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		**Surface Owner-APD**		
Well Name	NBU 1022-2D1BS		**Unit**	NATURAL BUTTES	
Field	NATURAL BUTTES		**Type of Work**	DRILL	
Location	NWNW 2 10S 22E S 503 FNL 1152 FWL GPS Coord (UTM) 635603E 4426956N				

Geologic Statement of Basis

Kerr McGee proposes to set 2,110' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,280'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 2. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill	9/21/2011
APD Evaluator	**Date / Time**

Surface Statement of Basis

The general area is in the southeast portion of the Natural Buttes Unit on the northeast end of a major drainage divide called Archy Bench. Within this area is the White River and rugged drainages that drain into it. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 41 air miles to the northwest. Access from Vernal is approximately 59.3 road miles following Utah State, Uintah County and oilfield development roads. It will not be necessary to construct an access road. The existing access road will be adaquate.

Seven wells will be directionally drilled from this location. They are the NBU 1022-2D1BS, NBU 1022-2C1CS, NBU 1022-2D4BS, NBU 1022-2E1BS, NBU 1022-2C4BS, NBU 1022-2F1BS and the NBU 1022-2C4CS. The existing location has one existing well. This well is the NBU 456-2E and at this time the decision rather to PA or TA this well has not been made. The location is on a sharp ridge that runs in an east-west direction. This ridge breaks off sharply into rugged secondary canyons on the northeast and east sides. No drainage concerns exist, and no diversions will be needed. The pad as modified should be stable and sufficient for eight wells.

Excess material will be stockpiled on the north side of the new reserve pit. Approx. 75' of additional construction will be necessary on the east side of the original location.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA and Ben Williams with DWR were invited by email to the pre-site evaluation. Jim Davis was present. Kerr McGee was told to consult with SITLA for reclamation standards including seeding mixes to be used.

David Hackford	8/18/2011
Onsite Evaluator	**Date / Time**

RECEIVED: September 27, 2011

Application for Permit to Drill
Statement of Basis

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 30 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Pits	The reserve pit should be located on the south side of the location.

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WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/28/2011
API NO. ASSIGNED: 43047517790000
WELL NAME: NBU 1022-2D1BS
OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)
PHONE NUMBER: 720 929-6100
CONTACT: Andy Lytle

PROPOSED LOCATION: NWNW 02 100S 220E
Permit Tech Review: ✔

SURFACE: 0503 FNL 1152 FWL
Engineering Review: ✔

BOTTOM: 0291 FNL 0807 FWL
Geology Review: ✔

COUNTY: UINTAH
LATITUDE: 39.98380
LONGITUDE: -109.41185
UTM SURF EASTINGS: 635603.00
NORTHINGS: 4426956.00
FIELD NAME: NATURAL BUTTES
LEASE TYPE: 3 - State
LEASE NUMBER: ST UT ML 22651
PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE
SURFACE OWNER: 3 - State
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ✔ **PLAT**
- ✔ **Bond:** STATE/FEE - 22013542
- ☐ **Potash**
- ✔ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ✔ **Water 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 Tracts

- ✔ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
3 - Commingling - ddoucet
5 - Statement of Basis - bhill
15 - Directional - dmason
17 - Oil Shale 190-5(b) - dmason
25 - Surface Casing - hmacdonald

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GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

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

Permit To Drill

****

Well Name: NBU 1022-2D1BS
API Well Number: 43047517790000
Lease Number: ST UT ML 22651
Surface Owner: STATE
Approval Date: 9/27/2011

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:
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.

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

Surface casing shall be cemented to the surface.

Additional Approvals:
The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:
- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
- Within 24 hours following the spudding of the well – contact Carol Daniels
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

Contact Information:
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):
- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
  801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
  801-231-8956 - after office hours

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:
- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION

- ☐ NOTICE OF INTENT — Approximate date work will start:
- ☐ SUBSEQUENT REPORT — Date of Work Completion:
- ✓ SPUD REPORT — Date of Spud: 5/15/2012
- ☐ DRILLING REPORT — Report Date:

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ 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.

MIRU TRIPLE A BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 CONDUCTOR PIPE. CMT W/28 SX READY MIX. SPUD WELL LOCATION ON DATE 5/15/2012 AT TIME 11:30 HRS.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
May 18, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Cara Mahler	720 929-6029	Regulatory Analyst I

SIGNATURE	DATE
N/A	5/18/2012

RECEIVED: May. 18, 2012

SUBMIT AS EMAIL | Print Form

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
Submitted By J. Scharnowske Phone Number 720.929.6304
Well Name/Number NBU 1022-2D1BS
Qtr/Qtr NWNW Section 2 Township 10S Range 22E
Lease Serial Number ST UT ML 22651
API Number 4304751779

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 05/15/2012 19:00 HRS AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☑ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time 06/11/2012 08:00 HRS AM ☐ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

Date/Time _____ _____ AM ☐ PM ☐

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT 435.828.0986 OR LOVEL YOUNG AT 435.781.7051

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

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP

Operator Account Number: N 2995

Address: P.O. Box 173779

city DENVER

state CO zip 80217

Phone Number: (720) 929-6029

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751779	NBU 1022-2D1BS		NWNW	2	10S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	2900	5/15/2012			5/21/2012	

Comments: MIRU BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 5/15/2012 AT 11:30 HRS. BHL NWNW

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751758	NBU 1022-2C1CS		NWNW	2	10S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	2900	5/15/2012			5/21/2012	

Comments: MIRU BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 5/15/2012 AT 15:00 HRS. BHL NENW

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751780	NBU 1022-2D4BS		NWNW	2	10S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	2900	5/15/2012			5/21/2012	

Comments: MIRU BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 5/15/2012 AT 17:30 HRS. BHL: NWNW

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

CARA MAHLER
Name (Please Print)

Signature

REGULATORY ANALYST
Title

5/18/2012
Date

RECEIVED
MAY 21 2012
Div. of Oil, Gas & Mining

(5/2000)

SUBMIT AS EMAIL | Print Form

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
Submitted By J. Scharnowske Phone Number 720.929.6304
Well Name/Number NBU 1022-2D1BS
Qtr/Qtr NWNW Section 2 Township 10S Range 22E
Lease Serial Number ST UT ML 22651
API Number 4304751779

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 05/15/2012 19:00 HRS AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☑ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

RECEIVED
MAY 1 5 2012
DIV. OF OIL, GAS & MINING

Date/Time 06/11/2012 08:00 HRS AM ☐ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

Date/Time _____ _____ AM ☐ PM ☐

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT 435.828.0986 OR LOVEL YOUNG AT 435.781.7051

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION

- ☐ NOTICE OF INTENT — Approximate date work will start:
- ☐ SUBSEQUENT REPORT — Date of Work Completion:
- ☐ SPUD REPORT — Date of Spud:
- ✓ DRILLING REPORT — Report Date: 6/4/2012

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ 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.

MIRU AIR RIG ON 6/1/2012. DRILLED SURFACE HOLE TO 2302'. RAN SURFACE CASING AND CEMENTED. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
June 04, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Cara Mahler	720 929-6029	Regulatory Analyst I

SIGNATURE	DATE
N/A	6/4/2012

RECEIVED: Jun. 04, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 6/30/2012	☐ 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.

MIRU ROTARY RIG. FINISHED DRILLING FROM 2302' TO 8660' ON JUNE 29, 2012. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING. CEMENTED PRODUCTION CASING. RELEASED ENSIGN RIG 146 ON JUNE 30, 2012 @ 09:30 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
July 02, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jaime Scharnowske	720 929-6304	Regulartory Analyst
SIGNATURE N/A		**DATE** 7/2/2012

RECEIVED: Jul. 02, 2012

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# Ensign 146
Submitted By KENT MOORE Phone Number 435- 828-0987
Well Name/Number NBU 1022-2D1BS
Qtr/Qtr NW/NW Section 2 Township 10S Range 22E
Lease Serial Number ST UT ML 22651
API Number 4304751779

Casing – Time casing run starts, not cementing times.

☐ Production Casing
☐ Other

Date/Time _____ __ AM ☐ PM ☐

RECEIVED
JUN 2 6 2012
DIV. OF OIL, GAS & MINING

BOPE
☒ Initial BOPE test at surface casing point
☐ Other

Date/Time 6/25/12 13:00 AM ☐ PM ☒

Rig Move
Location To: _____

Date/Time _____ _____ AM ☐ PM ☐

Remarks _____

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# Ensign 146
Submitted By KENT MOORE Phone Number 435- 828-0987
Well Name/Number NBU 1022-2D1BS
Qtr/Qtr NW/NW Section 2 Township 10S Range 22E
Lease Serial Number ST UT ML 22651
API Number 4304751779

Casing – Time casing run starts, not cementing times.

☒ Production Casing
☐ Other

Date/Time 6/29/12 17:00 AM ☐ PM ☒

BOPE
☐ Initial BOPE test at surface casing point
☐ Other

Date/Time _____ _____ AM ☐ PM ☐

RECEIVED
JUN 29 2012
DIV. OF OIL, GAS & MINING

Rig Move
Location To: _____

Date/Time _____ _____ AM ☐ PM ☐

Remarks _____

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/5/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

THE OPERATOR REQUESTS APPROVAL FOR A FIT WAIVER, A CLOSED LOOP DRILLING OPTION, AND A PRODUCTION CASING CHANGE. ALL OTHER ASPECTS OF THE PREVIOUSLY APPROVED DRILLING PLAN WILL NOT CHANGE. PLEASE SEE THE ATTACHMENT. THANK YOU.

Approved by the Utah Division of Oil, Gas and Mining

Date: July 10, 2012

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Cara Mahler	720 929-6029	Regulatory Analyst I

SIGNATURE	DATE
N/A	6/5/2012

RECEIVED: Jun. 05, 2012

Kerr-McGee Oil & Gas Onshore. L.P.

NBU 1022-2D1BS

Surface:	503 FNL / 1152 FWL	NWNW
BHL:	291 FNL / 807 FWL	NWNW

Section 2 T10S R22E

Uintah County, Utah
Mineral Lease: ST UT ML 22651

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	1,036'	
Birds Nest	1,279'	Water
Mahogany	1,655'	Water
Wasatch	4,088'	Gas
Mesaverde	6,417'	Gas
Sego	8,576'	Gas
TVD	8,576'	
TD	8,613'	

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

RECEIVED: Jun. 05, 2012

7. Abnormal Conditions:

Maximum anticipated bottom hole pressure calculated at 8576' TVD, approximately equals 5,489 psi 0.64 psi/ft = actual bottomhole gradient

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

Maximum anticipated surface pressure equals approximately 3,590 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-
(0.22 psi/ft-partial evac gradient x TVD of next csg point))

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.

RECEIVED: Jun. 05, 2012

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 for the first 200 feet, then will drill a 11inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 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 8-5/8 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)). 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.

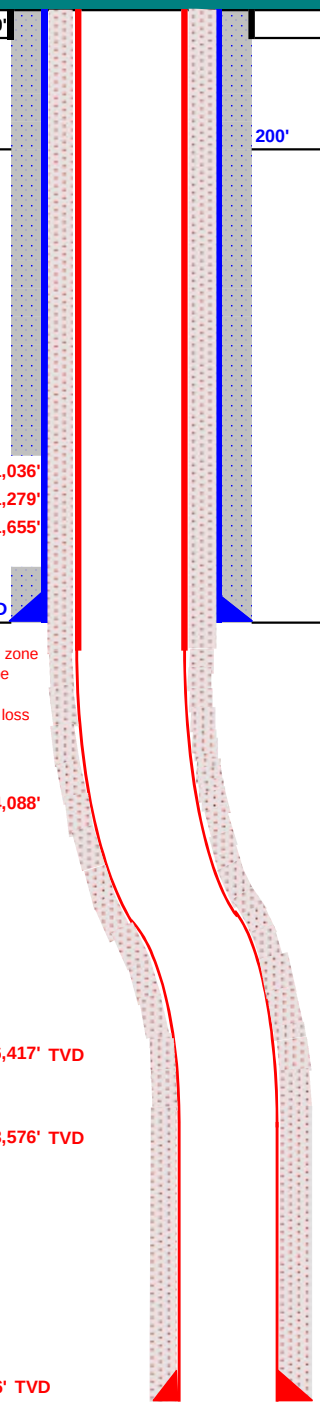
RECEIVED: Jun. 05, 2012

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	June 5, 2012
WELL NAME	**NBU 1022-2D1BS**	TD	8,576' TVD 8,613' MD
FIELD	Natural Buttes	COUNTY Uintah STATE Utah	FINISHED ELEVATION 4874
SURFACE LOCATION	NWNW 503 FNL 1152 FWL Sec 2 T 10S R 22E		
	Latitude: 39.983914 Longitude: -109.411894		NAD 27
BTM HOLE LOCATION	NWNW 291 FNL 807 FWL Sec 2 T 10S R 22E		
	Latitude: 39.984498 Longitude: -109.413124		NAD 27
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals), UDOGM (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4	8-5/8", 28#, IJ-55, LTC	Air mist
		200'			
			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 @	1,036'			
	Top of Birds Nest @	1,279'			
	Mahogany @	1,655'			
	Preset f/ GL @ 2,110' TVD				
	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 @	4,088'			
Mud logging program TBD Cased hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# I-80 Ultra DQX/LTC csg	Water / Fresh Water Mud 8.3-12.5 ppg
	Mverde @	6,417' TVD			
	Sego @	8,576' TVD			
Max anticipated Mud required 12.5 ppg	TD @	8,576' TVD 8,613' MD			



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	LTC	DQX TENSION
CONDUCTOR	14"	0-40'									
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,110	28.00	IJ-55	LTC	2.56	1.90	6.73	N/A
								7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.14		3.30
								7,780	6,350	223,000	267,035
	4-1/2"	5,000	to	8,613'	11.60	I-80	LTC	1.11	1.14	6.58	

Surface Casing:

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

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

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.64 psi/ft = bottomhole gradient

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT		YIELD
SURFACE	LEAD	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	1,610'	65/35 Poz + 6% Gel + 10 pps gilsonite	150	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	3,583'	Premium Lite II +0.25 pps	280	35%	12.00		3.38
			celloflake + 5 pps gilsonite + 10% gel					
			+ 0.5% extender					
	TAIL	5,030'	50/50 Poz/G + 10% salt + 2% gel	1,190	35%	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. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. 1 centralizer on the first 3 joints and one every third joint thereafter.

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:** _____

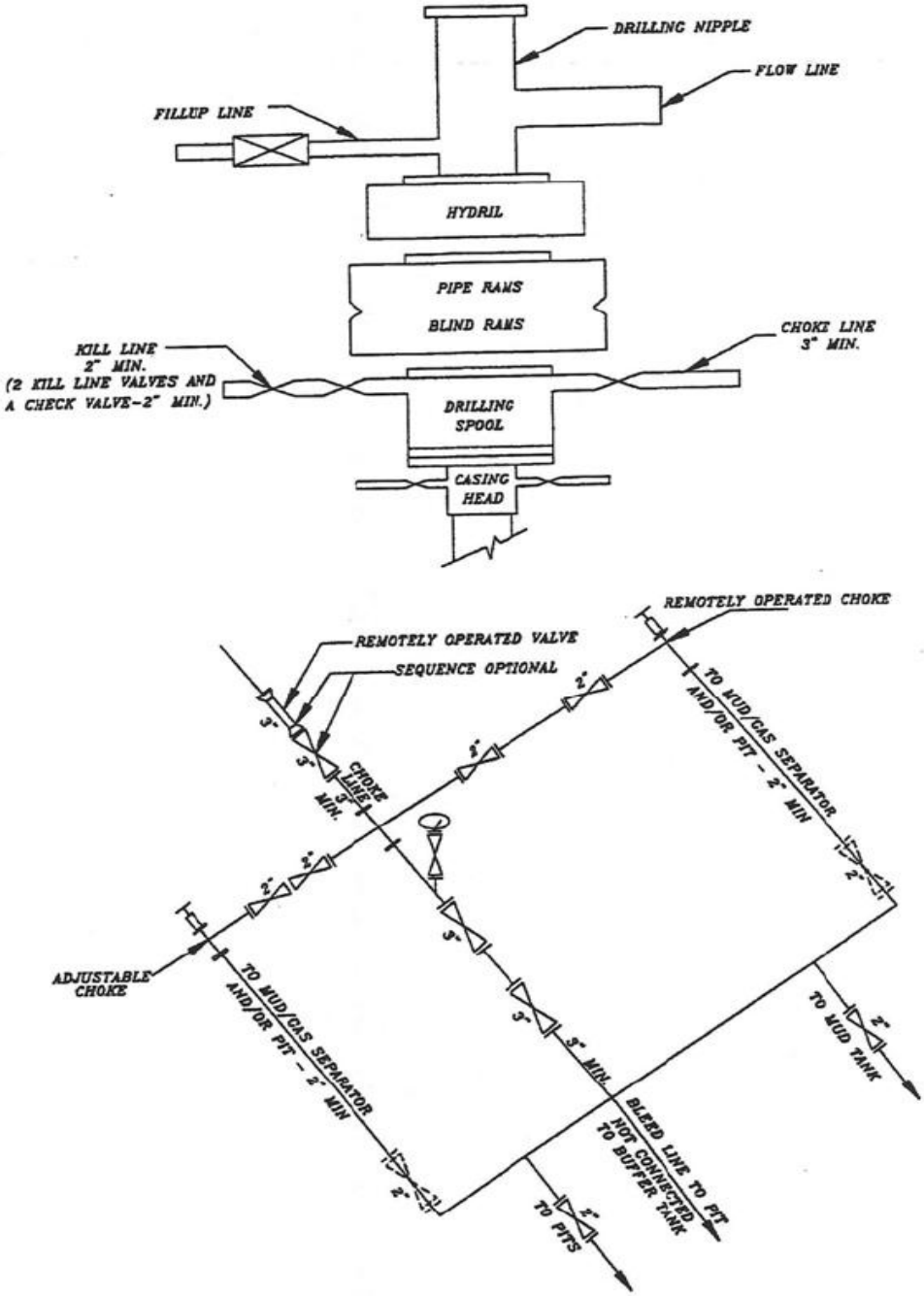
Nick Spence / Danny Showers / Chad Loesel

DRILLING SUPERINTENDENT: _____ **DATE:** _____

Kenny Gathings / Lovel Young

RECEIVED: Jun. 05, 2012

EXHIBIT A
NBU 1022-2D1BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

RECEIVED: Jun. 05, 2012

Requested Drilling Options:

Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

RECEIVED: Jun. 05, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 9/5/2012	☐ 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.

No Activity for the month of August 2012. Well TD at 8,660

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
September 05, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Lindsey Frazier	720 929-6857	Regulatory Analyst II

SIGNATURE	DATE
N/A	9/5/2012

RECEIVED: Sep. 05, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
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	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 10/3/2012	☐ 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.

No Activity for the month of September 2012. Well TD at 8,660.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
October 03, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jaime Scharnowske	720 929-6304	Regulartory Analyst

SIGNATURE	DATE
N/A	10/3/2012

RECEIVED: Oct. 03, 2012

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
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	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
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	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 11/5/2012	☐ 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.

No Activity for the month of October 2012. Well TD at 8,660.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
November 05, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jaime Scharnowske	720 929-6304	Regulartory Analyst
SIGNATURE N/A		**DATE** 11/5/2012

RECEIVED: Nov. 05, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

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	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 12/4/2012	☐ 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.

Started completing the well. Well TD at 8,660.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
December 04, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Lindsey Frazier	720 929-6857	Regulatory Analyst II

SIGNATURE	DATE
N/A	12/4/2012

RECEIVED: Dec. 04, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 43047517790000

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: 0503 FNL 1152 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 02 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

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	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
✓ DRILLING REPORT Report Date: 12/18/2012	☐ 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.

The subject well was placed on production on 12/18/2012. The Chronological Well History will be submitted with the well completion report.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
December 31, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Lindsey Frazier	720 929-6857	Regulatory Analyst II

SIGNATURE	DATE
N/A	12/20/2012

RECEIVED: Dec. 20, 2012

RECEIVED

JAN 2 3 2013

DIV. OF OIL, GAS & MINING

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

AMENDED REPORT ☐ (highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ST UT ML 22651

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME: UTU63047A

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: NBU 1022-2D1BS

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

9. API NUMBER: 4304751779

3. ADDRESS OF OPERATOR: P.O.BOX 173779 CITY DENVER STATE CO ZIP 80217

PHONE NUMBER: (720) 929-6000

10 FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: NWNW 503 FNL 1152 FWL S2,T10S,R22E

AT TOP PRODUCING INTERVAL REPORTED BELOW: NWNW 270 FNL 807 FWL S2, T10S, R22E

AT TOTAL DEPTH: NWNW 297 FNL 827 FWL S2, T10S, R22E

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 10S 22E S

12. COUNTY: UINTAH

13. STATE: UTAH

14. DATE SPUDDED: 5/15/2012

15. DATE T.D. REACHED: 6/29/2012

16. DATE COMPLETED: 12/18/2012 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 4888 RKB

18. TOTAL DEPTH: MD 8,660 TVD 8,618

19. PLUG BACK T.D.: MD 8,604 TVD 8,562

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

CBL/GR/CCL/TEMP

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☐ YES ☑ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#	0	40		28			
11"	8 5/8" IJ-55	28#	0	2,272		700		0	
7 7/8"	4 1/2" I-80	11.6#	0	8,651		1,460		1720	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7,979							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) MESAVERDE	6,652	8,320		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6,652 8,320	0.36	156	Open ☑ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6652-8320	PUMP 8649 BBLS SLICK H2O & 174,400 LBS 30/50 OTTAWA SAND
	7 STAGES

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☑ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: PROD

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
12/18/2012		12/25/2012		24			0	2,466	840	FLOWING
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
20/64	1,511	1,940					0	2,466	840	PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
GREEN RIVER	1,054
BIRD'S NEST	1,286
MAHOGANY	1,789
WASATCH	4,172
MESAVERDE	6,419

35. ADDITIONAL REMARKS (Include plugging procedure)

The first 210' of the surface hole was drilled with a 12 ¼" bit. The remainder of surface hole was drilled with an 11" bit. DQX csg was run from surface to 5049'; LTC csg was run from 5049' to 8651'. Attached is the chronological well history, perforation report & final survey.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) LINDSEY FRAZIER TITLE REGULATORY ANALYST

SIGNATURE Lindsey Frazier DATE 1/15/13

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
6/1/2012	2:00 - 13:30	11.50	MIRU	01	A	P		27 MILE RIG MOVE STALLION- 2 HEAVY HAUL TRUCKS, 3 ONE TON TRUCKS 6 HANDS J.D. FIELD SERVICE-3 HEAVY HAUL TRUCKS, 3 HANDS PRO PETRO 5 HEAVY HAUL, 1 ONE TON, 5 HANDS.
	13:30 - 20:00	6.50	MIRU	01	B	P		(WELL 1 OF 7) INSTALL DIVERTOR HEAD AND BLUEY LINE. SPOT IN RIG. SPOT IN CATWALK AND PIPE RACKS. RIG UP CLOSED LOOP SYSTEM. RIG UP PUMP. PRIME PUMP. INSPECT RIG. SAFETY MEETING
	20:00 - 20:30	0.50	PRPSPD	06	A	P		PICK UP 12 1/4" BIT SPUD @ 20:30
	20:30 - 23:00	2.50	DRLSUR	02	D	P		DRL F/ 44' T/210' (166'@ 66.4' PER HR) WOB, 5-15 k RPM, 45 UP/DWN/ROT WEIGHTS 20/20/20 PUMP RATE 512 GPM. NO AIR PSI ON BTTM, 600 OFF BTTM, 400 M.W. 8.34, VIS 27
	23:00 - 0:00	1.00	DRLSUR	06	A	P		PULL OUT OF HOLE
6/2/2012	0:00 - 1:00	1.00	DRLSUR	06	A	P		TRIP IN HOLE TO 210'
	1:00 - 2:00	1.00	DRLSUR	22	L	Z		SCIENTIFIC DRILLING COULD NOT COMMUICATE WITH MWD TOOL
	2:00 - 2:30	0.50	DRLSUR	06	H	Z		PULL OUT OF HOLE TO MWD TOOL.
	2:30 - 7:00	4.50	DRLSUR	22	L	Z		REBUILD MWD TOOL.
	7:00 - 7:30	0.50	DRLSUR	06	H	Z		TRIP IN HOLE TO 210'
	7:30 - 8:00	0.50	DRLSUR	22	L	Z		NOV HAVING PROBLEMS WITH MUFFLER TANK
	8:00 - 10:00	2.00	DRLSUR	02	D	P		DRL F/210' T/460' (250'@125 ' PER HR) WOB, 20 RPM, 45 UP/DWN/ROT WEIGHTS 48/39/45 PSI ON BTTM/825 OFF BTTM/475 PUMP RATE 512 GPM. NO AIR M.W. 8.34, VIS 27
	10:00 - 11:00	1.00	DRLSUR	08	A	Z		REPLACE SWAB IN PUMP
	11:00 - 15:30	4.50	DRLSUR	02	D	P		DRL F/460' T/1000' (540'@119 ' PER HR) WOB, 20 RPM, 50 UP/DWN/ROT WEIGHTS 57/44/49 PSI ON BTTM/825 OFF BTTM/475 PUMP RATE 512 GPM. NO AIR M.W. 8.34, VIS 27 14' HIGH & .55' LEFT OF TARGET
	15:30 - 17:00	1.50	DRLSUR	22	L	Z		NOV'S LIGHT PLANT WENT DOWN

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	17:00 - 0:00	7.00	DRLSUR	02	D	P		DRL F/1000' T/1600' (600'@85.7 ' PER HR) WOB, 20 RPM, 40 UP/DWN/ROT WEIGHTS 80/58/70 PSI ON BTTM/1120 OFF BTTM/950 LOST CIRC. @ 1450' AND APPLIED AIR PUMP RATE 420 GPM. 24.2 AIR M.W. 8.34, VIS 27 24' HIGH & 4' LEFT OF TARGET
6/3/2012	0:00 - 9:00	9.00	DRLSUR	02	D	P		DRL F/1600' T/2302' (702'@78 ' PER HR) WOB, 20 RPM, 45 UP/DWN/ROT WEIGHTS 87/59/72 PSI ON BTTM/1350 OFF BTTM/1150 LOST CIRC. @ 1450' AND APPLIED AIR PUMP RATE 420 GPM. 24.2 AIR M.W. 8.34, VIS 27 48.43' LEFT AND 14.34' HIGH OF TARGET
	9:00 - 11:00	2.00	DRLSUR	05	C	P		CIRCULATE FOR CASING
	11:00 - 14:30	3.50	CSGSUR	06	D	P		LDDS, BHA & DIRECTIONAL TOOLS
	14:30 - 15:30	1.00	CSGSUR	12	A	P		MOVE PIPE RACKS AND CATWALK. PULL DIVERTER HEAD. RIG UP TO RUN CSG. MOVE CSG INTO POSITION TO P/U.
	15:30 - 18:00	2.50	CSGSUR	12	C	P		RUN 51 JTS 8 5/8, 28#, J55 CASING SHOE @ 2262' BAFFLE @ 2216' LAND CASING
	18:00 - 18:30	0.50	CSGSUR	12	B	P		HOLD SAFETY MEETING, RUN 200' OF 1". RIG DOWN RIG MOVE OFF WELL, REBUILD DITCH. RIG UP CEMENT TRUCK, 2" HARD LINES,.
	18:30 - 19:30	1.00	CSGSUR	12	E	P		PRO PETRO MAKE UP CMT HEAD & LOAD PLUG PRESSURE TEST LINES TO 2000 PSI. PUMP 130 BBLS OF WATER AHEAD. PUMP 20 BBLS OF 8.3# GEL WATER AHEAD. PUMP (300 SX) 61.35 BBLS OF TAIL 15.8# 1.15 YD 5 GAL/SK PREMIUM CEMENT W/ 2% CALC. CMT TOP 1075' DROP PLUG ON FLY. DISPLACE W/ 137 BBLS OF H20. NO CIRC THROUGH OUT. FINAL LIFT OF 360 PSI AT 4 BBL/MIN. BUMP PLUG W/700 PSI HELD FOR 5 MIN. FLOAT HELD. PUMP (150 SX) 30.64 BBLS OF SAME TAIL CEMENT W/ 4% CALC. DOWN BACK SIDE. SHUT DOWN AND CLEAN TRUCK. NO CEMENT TO SURFACE.
	19:30 - 21:00	1.50	CSGSUR	13	A	P		WOC PUMP 125 SXS (25.6 BBLS) DOWN BACKSIDE NO CEMENT TO SURFACE
	21:00 - 22:30	1.50	CSGSUR	13	A	P		WOC PUMP 125 SXS (25.6 BBLS) DOWN BACKSIDE CEMENT TO SURFACE RELEASE RIG @ 23:00
6/23/2012	20:30 - 0:00	3.50	RDMO	01	E	P		RIGGING DOWN

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED	Spud Date: 6/1/2012	
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
6/24/2012	0:00 - 6:30	6.50	RDMO	01	E	P		RIGGING DOWN
	6:30 - 18:00	11.50	MIRU	01	A	P		MOVE & SET IN RIG - JONES ON LOCATION @ 06:30 - 7 TRUCKS, 2 FORKLIFTS, 14 PERSONNEL - OFF LOCATION @ 18:00, 100% MOVED & 100% SET IN, 1.5 MILE MOVE (CHANGED OUT WEATHERFORD EQUIPMENT ON BOP TO CAMERON EQUIPMENT)
	18:00 - 0:00	6.00	MIRU	01	B	P		RIGGING UP - 50% RIGGED UP
6/25/2012	0:00 - 12:00	12.00	MIRU	01	B	P		RIGGING UP
	12:00 - 15:00	3.00	DRLPRO	14	A	P		NIPPLE UP BOPE, FLOW LINES, FLARE LINES & PANIC LINES
	15:00 - 19:00	4.00	DRLPRO	15	A	P		TEST BOPE, RAMS, CHOKE, CHOKE LINE, MANUAL VALVES, FLOOR VALVES, HCR & IBOP 250 LOW 5000 HIGH, ANNULAR 250 LOW 2500 HIGH, CASING 1500
	19:00 - 19:30	0.50	DRLPRO	14	A	P		SET WEARBUSHING
	19:30 - 23:30	4.00	DRLPRO	06	A	P		PICK UP SMITH MDI616 BIT, HUNTING MUD MOTOR .29 RPGM 1.50 deg, P/UP DIRECTIONAL TOOLS SCRIBE & ORIENT, TRIP IN TAG CEMENT @ 2182'
	23:30 - 0:00	0.50	DRLPRO	07	B	P		CENTER & LEVEL DERRICK, INSTALL ROTAING HEAD
6/26/2012	0:00 - 1:00	1.00	DRLPRO	07	B	P		CENTER & LEVEL RIG, INSTALL ROTAING HEAD, CHANGE OUT SAVER SUB
	1:00 - 2:00	1.00	DRLPRO	02	F	P		DRILL CEMENT, FLOAT & RATHOLE F/2182' TO 2312'
	2:00 - 6:00	4.00	DRLPRO	02	D	P		DRILL/SLIDE F/2312' TO 2683' (371' @ 92fph) MW 8.5 WOB 22 RPM 45 MM RPM 159 TQ 6/8 SPM 115 GPM 550 PSI OFF/ON 1075/1475 PU 85, SO 80 , ROT 84 NOV - ON LINE SLIDE 165'/1.5 HRS 37% ROT 206'/ 2.5 HRS 63%
	6:00 - 6:30	0.50	DRLPRO	08	B	Z		*****FAILURE RIG EQUIPMENT - DRILL PIPE ELEVATORS @ 06:00 2683', LATCH PIN BROKE - CHANGE OUT LATCH PIN
	6:30 - 11:00	4.50	DRLPRO	02	D	P		DRILL/SLIDE F/2683' TO 3318' (635' @ 38fph) MW 8.5 WOB 22 RPM 45 MM RPM 159 TQ 6/8 SPM 115 GPM 550 PSI OFF/ON 1615/1930 PU 130, SO 106 , ROT 120 NOV - ON LINE SLIDE 55'/.75 HRS 16% ROT 580'/3.75 HRS 84% 4' SOUTH 14' WEST OF CENTER LINE
	11:00 - 11:30	0.50	DRLPRO	07	A	P		RIG SER

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	11:30 - 0:00	12.50	DRLPRO	02	D	P		DRILL/SLIDE F/3318' TO 4870' (1552' @ 124fph) MW 8.5 WOB 22 RPM 45 MM RPM 159 TQ 6/8 SPM 115 GPM 550 PSI OFF/ON 1900/2275 PU 178, SO 130 , ROT 145 NOV - ON LINE SLIDE 135'/2 hrs 16% ROT 1417'/10.5 hrs 84% 14' NORTH 11' WEST OF CENTER
6/27/2012	0:00 - 15:30	15.50	DRLPRO	02	D	P		DRILL/SLIDE F/4870' TO 6264' (1394' @ 89fph) MW 8.5 WOB 22 RPM 45 MM RPM 159 TQ 6/8 SPM 115 GPM 550 PSI OFF/ON 2050/2500 PU 197, SO 140 , ROT 160 NOV - ON LINE SLIDE 80'/2 hrs 12% ROT 1314'/13.5 hrs 88% 21' NORTH 8' WEST OF CENTER SEEPING WATER @ 6045' @ 10 BPH LOST 35 BBLS FRESH WATER
	15:30 - 16:00	0.50	DRLPRO	07	A	P		RIG SER
	16:00 - 0:00	8.00	DRLPRO	02	D	P		DRILL/SLIDE F/6264' TO 7000' (736' @ 92fph) MW 8.5 WOB 22 RPM 45 MM RPM 149 TQ 8/10 SPM 105 GPM 515 PSI OFF/ON 2275/2650 PU 194, SO 165 , ROT 170 NOV - ON LINE SLIDE 20'/.50 hrs 6% ROT 716'/7.5 hrs 94% 15' NORTH 5' WEST OF CENTER LOST 40 BBLS FRESH WATER

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED	Spud Date: 6/1/2012	
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
6/28/2012	0:00 - 6:30	6.50	DRLPRO	02	D	P		DRILL/SLIDE F/7000' TO 7595' (595' @ 91fph) MW 8.5/10.5 WOB 22 RPM 45 MM RPM 149 TQ 8/10 SPM 105 GPM 515 PSI OFF/ON 2275/2650 PU 194, SO 165 , ROT 170 NOV - ON LINE SLIDE 30'/1 hrs 15% ROT 565'/5.5 hrs 85% 15' NORTH 5' WEST OF CENTER MUD UP SYSTEM @ 7580'
	6:30 - 7:30	1.00	DRLPRO	22	G	X		***FLUID LOSS: LOST 100B BLS OF MUD @ 06:30, DISPLACING WELL WITH 10.5 PPG MUD, 7595'
	7:30 - 14:00	6.50	DRLPRO	02	D	P		DRILL/SLIDE F/7595' TO 7940' (736' @ 92fph) MW 10.9 VIS 38 LCM 2% WOB 22 RPM 45 MM RPM 149 TQ 8/10 SPM 105 GPM 515 PSI OFF/ON 2525/2950 PU 215, SO 155 , ROT 180 NOV - OFF LINE SLIDE - 0% ROT 100% 10' NORTH 1' EAST OF CENTER
	14:00 - 14:30	0.50	DRLPRO	07	A	P		RIG SER
	14:30 - 0:00	9.50	DRLPRO	02	D	P		DRILL/SLIDE F/7940' TO 8445' (505' @ 53fph) MW 12.0 VIS 38 LCM 2% WOB 24 RPM 45 MM RPM 139 TQ 8/10 SPM 98 GPM 480 PSI OFF/ON 2755/3000 PU 220, SO 155 , ROT 180 NOV - OFF LINE SLIDE - 0% ROT 100% 3' SOUTH 17' EAST OF CENTER

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: ENSIGN 146/146, PROPETRO 11/11
Event: DRILLING	Start Date: 12/8/2011	End Date: 6/30/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
6/29/2012	0:00 - 4:30	4.50	DRLPRO	02	D	P		DRILL/SLIDE F/8445' TO 8660' (215' @ 47fph) MW 12.4 VIS 38 LCM 2% WOB 24 RPM 45 MM RPM 139 TQ 8/10 SPM 98 GPM 480 PSI OFF/ON 2755/3000 PU 220, SO 155 , ROT 180 NOV - OFF LINE SLIDE - 0% ROT 100% 7' SOUTH 19' EAST OF CENTER LOST 30 BBLS MUD WHILE DRILLING
	4:30 - 6:00	1.50	DRLPRO	05	C	P		CIRC
	6:00 - 8:30	2.50	DRLPRO	06	E	P		WIPER TRIP 10 STANDS - F/8660' TO 7760' BACKREAM OUT ALL 10 STANDS
	8:30 - 10:00	1.50	DRLPRO	05	C	P		CIRC - 5' FLARE 10 MIN
	10:00 - 18:00	8.00	DRLPRO	06	D	P		TRIP OUT FOR PROD CASING - BACK REAM F/8660' TO 8299' (4 STANDS) - CONTINUE TRIP OUT - RACK BACK DIRECTIONAL BHA - LAYDOWN MUD MOTOR & BIT
	18:00 - 18:30	0.50	DRLPRO	14	B	P		RETRIEVE WEARBUSHING
	18:30 - 0:00	5.50	CSGPRO	12	C	P		RUN 199 JOINTS 4.5" 11.60 I-80 LTC/DQX PROD CASING - FLOAT SHOE 8651, FLOAT COLLAR 8604', MESA MKR 6418', XOVER 5027'
6/30/2012	0:00 - 4:00	4.00	CSGPRO	12	C	P		RUN 199 JOINTS 4.5" 11.60 I-80 LTC/DQX PROD CASING - FLOAT SHOE 8651, FLOAT COLLAR 8604', MESA MKR 6418', XOVER 5027'
	4:00 - 5:00	1.00	CSGPRO	05	D	P		CIRC CASING - 10' FLARE 25 MIN
	5:00 - 8:00	3.00	CSGPRO	12	E	P		HPJSM, R/UP BJ & CEMENT 4.5" PROD CASING, TEST LINES 5000 PSI, PUMP 25 BBLS FRESH WATER 1st LEAD 50 SKS 13.0 PPG 1.75 YIELD, PLII+4%Gel+1%FL-25+1%SMS+.4%R-3+5#/SK Kol-Seal+5#/skS.F. 2nd LEAD 450 SKS 13.0 PPG 1.75 YIELD, PLII+6%Gel+1%FL-25+1%SMS+.4%R-3+5#/SK Kol-Seal+.2%BA-59 5#/skS.F. TAIL 960 SKS 14.3 PPG, 1.31 YIELD, 50:50+2%Gel+10%Salt+.3%R-3+.3%SMS+.2%BA-59+5#/skStatic free DROPPED PLUG & DISPLACED W/133 BBLS FRESH WATER W/0.1 gal/bbl CLAYFIX II & 0.01 gal/bbl MAGNACIDE @ 2612 PSI, BUMPED PLUG @ 3357 PSI - FLOATS HELD W/1.5 BBLS RETURN, 2 BBLS LEAD CMT TO SURFACE, RIG DOWN BJ
	8:00 - 8:30	0.50	CSGPRO	12	C	P		WASH OUT BOP - BACK OUT OF HANGER WITH LANDING JOINT, MAKE UP PACKOFF AND SET PACKOFF
	8:30 - 9:30	1.00	CSGPRO	14	A	P		NIPPLE DOWN BOPE - RELEASE RIG @ 09:30

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	NBU 1022-2D1BS RED	Wellbore No.	OH
Well Name	NBU 1022-2D1BS	Wellbore Name	NBU 1022-2D1BS
Report No.	1	Report Date	11/29/2012
Project	UTAH-UINTAH	Site	NBU 1022-2D PAD
Rig Name/No.		Event	COMPLETION
Start Date	11/29/2012	End Date	12/18/2012
Spud Date	6/1/2012	Active Datum	RKB @4,888.00usft (above Mean Sea Level)
UWI	NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0		

1.3 General

Contractor		Job Method		Supervisor	
Perforated Assembly		Conveyed Method			

1.4 Initial Conditions

Fluid Type		Fluid Density	
Surface Press		Estimate Res Press	
TVD Fluid Top		Fluid Head	
Hydrostatic Press		Press Difference	
Balance Cond	NEUTRAL		

1.5 Summary

Gross Interval	6,652.0 (usft)-8,320.0 (usft	Start Date/Time	11/29/2012 12:00AM
No. of Intervals	50	End Date/Time	11/29/2012 12:00AM
Total Shots	156	Net Perforation Interval	52.00 (usft)
Avg Shot Density	3.00 (shot/ft)	Final Surface Pressure	
		Final Press Date	

2 Intervals

2.1 Perforated Interval

Date	Formation/ Reservoir	CCL@ (usft)	CCL-TS (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/29/2012 12:00AM	MESAVERDE/			6,652.0	6,653.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-TS (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/29/2012 12:00AM	MESAVERDE/			6,681.0	6,682.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,711.0	6,712.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,729.0	6,730.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,782.0	6,783.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,821.0	6,822.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,873.0	6,874.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			6,960.0	6,961.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,036.0	7,037.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,070.0	7,071.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,102.0	7,103.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,136.0	7,137.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,232.0	7,233.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,250.0	7,252.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,453.0	7,454.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-TS (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/29/2012 12:00AM	MESAVERDE/			7,462.0	7,463.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,507.0	7,508.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,517.0	7,518.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,547.0	7,548.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,561.0	7,562.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,570.0	7,571.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,598.0	7,600.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,614.0	7,615.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,631.0	7,632.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,647.0	7,648.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,714.0	7,715.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,754.0	7,755.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,777.0	7,778.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,845.0	7,846.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

2.1 Perforated Interval (Continued)

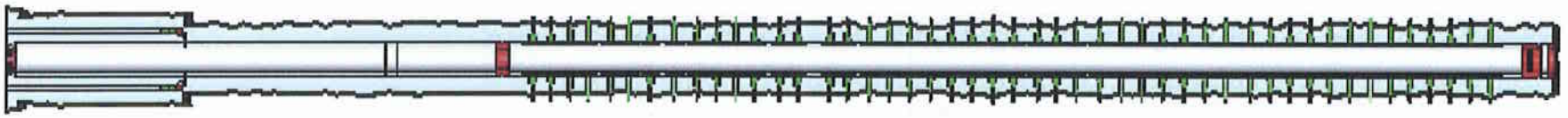
Date	Formation/ Reservoir	CCL@ (usft)	CCL-TS (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/29/2012 12:00AM	MESAVERDE/			7,854.0	7,855.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,884.0	7,885.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,900.0	7,901.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,918.0	7,919.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,943.0	7,944.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,959.0	7,960.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			7,969.0	7,970.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,027.0	8,028.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,043.0	8,044.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,074.0	8,075.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,095.0	8,096.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,110.0	8,111.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,118.0	8,119.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,128.0	8,129.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-TS (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/29/2012 12:00AM	MESAVERDE/			8,160.0	8,161.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,177.0	8,178.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,209.0	8,210.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,230.0	8,231.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,253.0	8,254.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,300.0	8,301.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/29/2012 12:00AM	MESAVERDE/			8,319.0	8,320.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

3 Plots

3.1 Wellbore Schematic



US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: MILES 2/2
Event: COMPLETION	Start Date: 11/29/2012	End Date: 12/18/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
6/1/2012	-							
6/2/2012	-							
11/29/2012	7:15 - 8:15	1.00	FRAC	33	C	P		FILL SURFACE CSG. MIRU B&C QUICK TEST. 1ST PSI TEST T/ 7000 PSI. HELD FOR 15 MIN LOST 56 PSI. NO COMMUNICATION OR MIGRATION WITH SURFACE CSG BLEED OFF PSI. MOVE T/ NEXT WELL.SWIFN
12/12/2012	11:00 - 18:00	7.00	FRAC	36	B	P		PERF STG 1)PU 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH PERF ASN DESIGN. FRAC STAGE 1) WHP 36 PSI, BRK 4781 PSI @ 9.6 BPM. ISIP 2873 PSI, FG .0.78, CALC PERFS OPEN @ 55.4 BPM @ 4809 PSI = 100% HOLES OPEN. 0 ISIP 2574 PSI, FG .0.75, NPI -299 PSI. 0 MP 5456 PSI, MR 55.4 BPM, AP 4742 PSI, AR 52.1 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 2) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @8150' PERF AS PER DESIGN. FRAC STAGE 2) WHP 190 PSI, BRK 4763 PSI @ 9.6 BPM. ISIP 2653 PSI, FG .0.76, CALC PERFS OPEN @ 55.1 BPM @ 5000 PSI = 100% HOLES OPEN. 0 ISIP 3343 PSI, FG .0.85, NPI 690 PSI. 0 MP 5025 PSI, MR 55.1 BPM, AP 4846 PSI, AR 54.7 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 3) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @8000' PERF AS PER DESIGN. FRAC STAGE 3) WHP 1759 PSI, BRK 4559 PSI @ 9.6 BPM. ISIP 2801 PSI, FG .0.79, CALC PERFS OPEN @ 54.3 BPM @ 5004 PSI = 100% HOLES OPEN. 0 ISIP 2569 PSI, FG .0.76, NPI -232 PSI. 0 MP 5028 PSI, MR 54.8 BPM, AP 4573 PSI, AR 54.4 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 4) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @7808' PERF AS PER DESIGN. SDFN.

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: MILES 2/2
Event: COMPLETION	Start Date: 11/29/2012	End Date: 12/18/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
12/13/2012	7:00 - 18:00	11.00	FRAC	36	B	P		HSM, BEGIN FRAC. FRAC STG 4) WHP 2056 PSI, BRK 5591 PSI @ 9.5 BPM. ISIP 2470 PSI, FG .0.75, CALC PERFS OPEN @ 55.2 BPM @ 4760 PSI = 100% HOLES OPEN. 0 ISIP 2301 PSI, FG .0.73, NPI -169 PSI. 0 MP 4967 PSI, MR 55.2 BPM, AP 4641 PSI, AR 54.8 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 5) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @7587' PERF AS PER DESIGN. FRAC STG 5) WHP 2054 PSI, BRK 3182 PSI @ 9.8 BPM. ISIP 2362 PSI, FG .0.75, CALC PERFS OPEN @ 54.3 BPM @ 4881 PSI = 100% HOLES OPEN. 0 ISIP 2614 PSI, FG .0.78, NPI 252 PSI. 0 MP 4881 PSI, MR 54.9 BPM, AP 4777 PSI, AR 54.6 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 6) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @7282' PERF AS PER DESIGN. FRAC STG 6) WHP 1050 PSI, BRK 6396 PSI @ 9.6 BPM. ISIP 2322 PSI, FG .0.76, CALC PERFS OPEN @ 54.9 BPM @ 4670 PSI = 100% HOLES OPEN. 0 ISIP 2815 PSI, FG .0.83, NPI 493 PSI. 0 MP 5970 PSI, MR 55 BPM, AP 4553 PSI, AR 54.8 BPM, PUMPED 30/50 OWATTA SAND. PERF STG 7) PU 4-1/2 8K HAL CBP, 3-1/8 EXP GUN, 23GM, .36 HOLE SIZE. 120 DEG PHASING. RIH, SET CBP @6904' PERF AS PER DESIGN. FRAC STG 7) WHP 230 PSI, BRK 3571 PSI @ 4.7 BPM. ISIP 1658 PSI, FG .0.68, CALC PERFS OPEN @ 55.5 BPM @ 4397 PSI = 100% HOLES OPEN. 0 ISIP 2278 PSI, FG .0.77, NPI 620 PSI. 0 MP 4478 PSI, MR 55.5 BPM, AP 4171 PSI, AR 55.3 BPM, PUMPED 30/50 OWATTA SAND. RIH W/ WIRELINE. SET 8K HAL CBP @6602'. SWI. FRAC COMPLETE. TOTAL SAND= 174,400# TOTAL CLEAN FLUID = 8649 BBLS
12/14/2012	7:00 - 7:30	0.50	DRLOUT	48		P		TESTING BOP'S
	7:30 - 17:00	9.50	DRLOUT	44	C	P		MIRU, NDWH, NU BOP'S, PU BHA, TIH 207 JTS, 6578' TAG SAND, BREAK CIRC, PRESSURE TEST BOP'S, 3000#, SWIFN
12/18/2012	7:00 - 7:30	0.50	DRLOUT	48		P		DRILL PLUGS

US ROCKIES REGION

Operation Summary Report

Well: NBU 1022-2D1BS RED		Spud Date: 6/1/2012
Project: UTAH-UINTAH	Site: NBU 1022-2D PAD	Rig Name No: MILES 2/2
Event: COMPLETION	Start Date: 11/29/2012	End Date: 12/18/2012
Active Datum: RKB @4,888.00usft (above Mean Sea Level)	UWI: NW/NW/0/10/S/22/E/2/0/0/26/PM/N/503/W/0/1152/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:30 - 17:00	9.50	DRLOUT	44	C	P		BREAK CIRC, PU PWR SWIVEL, MILL 7 CBP'S, C/O TO PBTD, POOH TO 7997', 251 JTS, LAND TBG, ND BOP'S, NUWH, TEST FLOW LINE, 3000#, POBS 1500#, TURN TO FBC, RDMO PLUG# 1 6602' 20' SAND 5 MIN 300# KICK PLUG# 2 6904' 80' SAND 5 MIN 800# KICK PLUG# 3 7282' 50' SAND 5 MIN 900# KICK PLUG# 4 7587' 10' SAND 5 MIN 700# KICK PLUG# 5 7808' 90' SAND 5 MIN 700# KICK PLUG# 6 8000' 20' SAND 5 MIN 700# KICK PLUG# 7 8150' 15' SAND 5 MIN 900# KICK PBTD 8604' BTM PERF 8320' TBG 251 JTS 7962.11' KB 14.00' HANGER 4.125" .83' SN 1.875" 2.20' EOT 7979.14' FRAC WTR 8649 BBLS RCVD 1500 BBLS LTR 7149 BBLS
	17:00 - 17:00	0.00	DRLOUT	50				WELL TURNED TO SALES@ 1330 HR ON 12/18/2012, 1100 MCFD, 1560 BWPD, FCP 2000#, FTP 1800#, 20/64" CK.
12/25/2012	7:00 -			50				WELL IP'D ON 12/25/12 - 2466 MCFD, 0 BOPD, 840 BWPD, CP 1940#, FTP 1511#, CK 20/64", LP 128#, 24 HRS

Site: UINTAH_NBU 1022-2D PAD
Well: NBU 1022-2D1BS
Wellbore: NBU 1022-2D1BS
Section:
SHL:
Design: NBU 1022-2D1BS (wp01)
Latitude: 39.983914
Longitude: -109.411894
GL: 4874.00
KB: 14' RKB + 4874' GL @ 4888.00ft (Ensign 146)

TVDPath	MDPath	Formation
4114.00	4157.42	WASATCH
4714.00	4757.43	TOP OF CYLINDER
6453.00	6496.45	MESAVERDE
8608.00	8651.48	SEGO

WELL DETAILS: NBU 1022-2D1BS

Ground Level: 4874.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	14524149.24	2085293.33	39.983914	-109.411894	

CASING DETAILS

TVD	MD	Name	Size
2225.32	2262.00	8-5/8"	8-5/8

T M

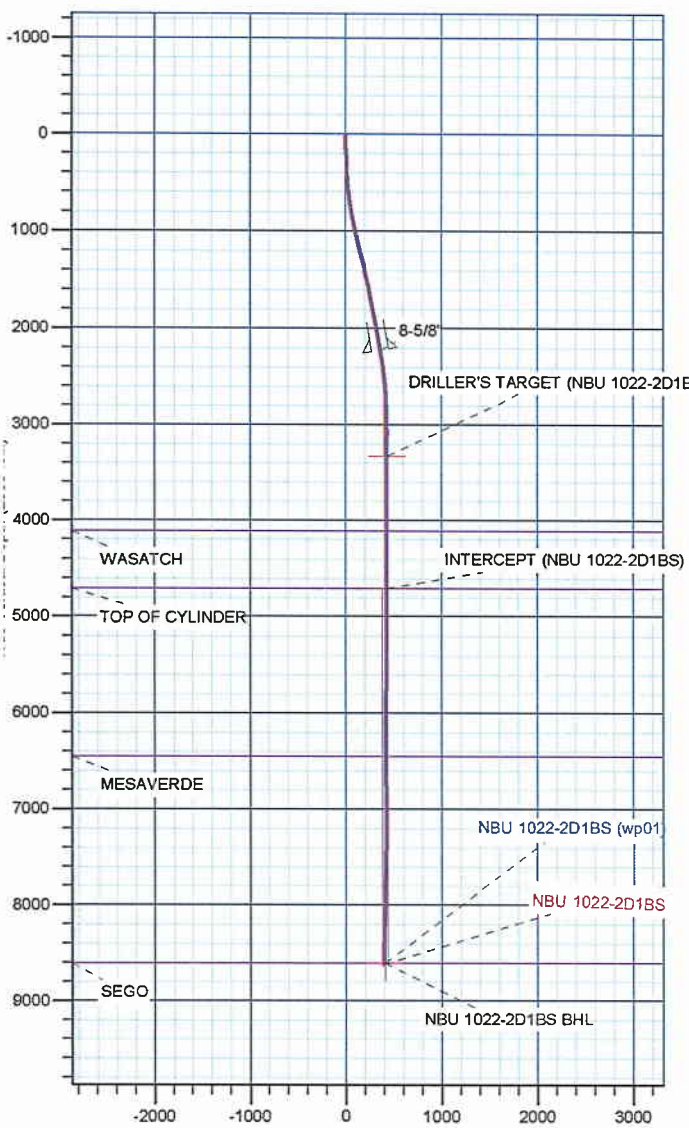
Azimuths to True Nor
Magnetic North: 10.9
Magnetic Fie
Strength: 52232.5sr
Dip Angle: 65.8
Date: 6/19/201
Model: IGRF201

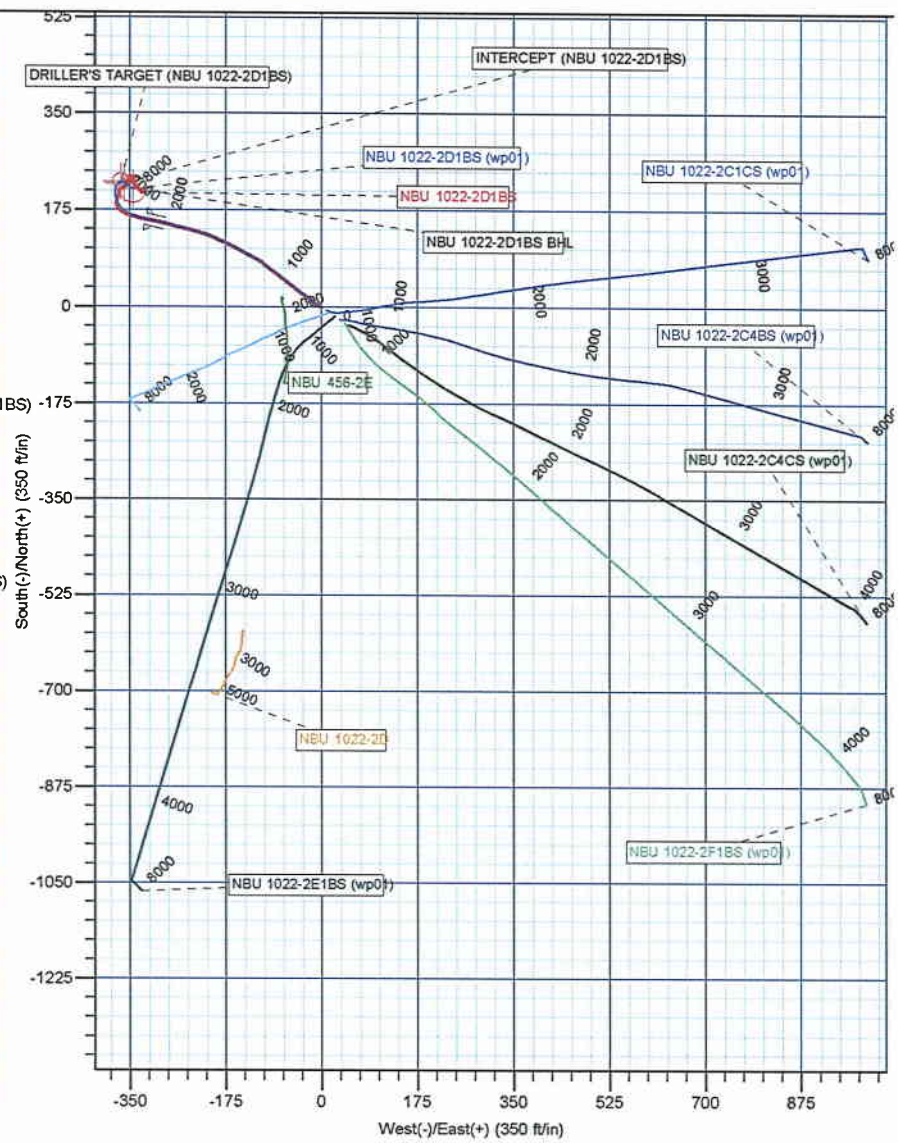
DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
DRILLER'S TARGET (NBU 1022-2D1BS)	3324.59	226.05	-366.04	14524368.74	2084923.32	39.984535	-109.413200	Circle (Radius: 15.00
INTERCEPT (NBU 1022-2D1BS)	4714.00	222.62	-360.55	14524365.41	2084928.88	39.984525	-109.413181	Point
NBU 1022-2D1BS BHL	8608.00	212.70	-344.63	14524355.78	2084944.97	39.984498	-109.413124	Circle (Radius: 25.00

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
2248.00	10.20	282.41	2211.54	157.03	-318.43	0.00	0.00	353.45
2348.00	10.20	282.41	2309.96	160.84	-335.72	0.00	0.00	370.16
3368.00	0.00	85.61	3324.59	226.05	-366.04	1.74	125.11	430.21
3460.00	0.28	121.93	3416.58	225.93	-365.85	0.30	121.93	429.99
8651.48	0.28	121.93	8608.00	212.70	-344.63	0.00	0.00	404.98





US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N
UINTAH_NBU 1022-2D PAD
NBU 1022-2D1BS

NBU 1022-2D1BS

Design: NBU 1022-2D1BS

Standard Survey Report

23 August, 2012

Andarko Petroleum Corporation

Survey Report

Company:	US ROCKIES REGION PLANNING	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**TVD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Site:	UINTAH_NBU 1022-2D PAD	**MD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Well:	NBU 1022-2D1BS	**North Reference:**	True
Wellbore:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Design:	NBU 1022-2D1BS	**Database:**	edmp

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

Map System:	Universal Transverse Mercator (US Survey Feet)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Zone 12N (114 W to 108 W)		

Site UINTAH_NBU 1022-2D PAD

Site Position:		**Northing:**	14,524,149.25 usft	**Latitude:**	39.983914
From:	Lat/Long	**Easting:**	2,085,293.33 usft	**Longitude:**	-109.411894
Position Uncertainty:	0.00 ft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	1.02 °

Well NBU 1022-2D1BS

Well Position	**+N/-S**	0.00 ft	**Northing:**	14,524,149.25 usft	**Latitude:**	39.983914
	+E/-W	0.00 ft	**Easting:**	2,085,293.33 usft	**Longitude:**	-109.411894
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	4,874.00 ft

Wellbore NBU 1022-2D1BS

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010	6/19/2012	10.91	65.85	52,233

Design NBU 1022-2D1BS

Audit Notes:

Version:	1.0	**Phase:**	ACTUAL	**Tie On Depth:**	10.00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	10.00	0.00	0.00	302.29

Survey Program **Date** 8/23/2012

From (ft)	**To (ft)**	**Survey (Wellbore)**	**Tool Name**	**Description**
149.00	2,248.00	Survey #1 (NBU 1022-2D1BS)	MWD	MWD - STANDARD
2,316.00	8,660.00	Survey #2 (NBU 1022-2D1BS)	MWD	MWD - STANDARD

Survey

Measured Depth (ft)	**Inclination (°)**	**Azimuth (°)**	**Vertical Depth (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Vertical Section (ft)**	**Dogleg Rate (°/100usft)**	**Build Rate (°/100usft)**	**Turn Rate (°/100usft)**
10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00
149.00	0.53	276.08	149.00	0.07	-0.64	0.58	0.38	0.38	0.00
178.00	0.35	236.97	178.00	0.03	-0.85	0.73	1.17	-0.62	-134.86
207.00	0.53	283.64	207.00	0.02	-1.05	0.90	1.33	0.62	160.93
235.00	0.62	272.56	235.00	0.05	-1.33	1.15	0.51	0.32	-39.57
261.00	0.88	280.65	260.99	0.10	-1.67	1.46	1.08	1.00	31.12
290.00	1.23	290.76	289.99	0.25	-2.18	1.97	1.36	1.21	34.86
318.00	1.76	298.05	317.98	0.56	-2.84	2.70	2.01	1.89	26.04
348.00	2.02	302.27	347.96	1.06	-3.69	3.68	0.98	0.87	14.07
438.00	3.78	306.93	437.84	3.69	-7.40	8.23	1.97	1.96	5.18

Andarko Petroleum Corporation

Survey Report

Company:	US ROCKIES REGION PLANNING	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**TVD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Site:	UINTAH_NBU 1022-2D PAD	**MD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Well:	NBU 1022-2D1BS	**North Reference:**	True
Wellbore:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Design:	NBU 1022-2D1BS	**Database:**	edmp

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
528.00	5.36	306.67	527.55	7.98	-13.15	15.38	1.76	1.76	-0.29
618.00	7.12	307.37	617.02	13.88	-20.95	25.12	1.96	1.96	0.78
708.00	8.88	306.14	706.14	21.36	-30.99	37.61	1.96	1.96	-1.37
798.00	10.55	305.79	794.84	30.27	-43.29	52.77	1.86	1.86	-0.39
888.00	11.52	307.19	883.18	40.53	-57.13	69.95	1.12	1.08	1.56
978.00	12.05	307.37	971.28	51.66	-71.76	88.26	0.59	0.59	0.20
1,068.00	12.40	307.11	1,059.24	63.19	-86.93	107.24	0.39	0.39	-0.29
1,158.00	12.84	307.02	1,147.07	75.04	-102.62	126.84	0.49	0.49	-0.10
1,248.00	13.60	301.39	1,234.68	86.58	-119.64	147.39	1.66	0.84	-6.26
1,338.00	14.33	296.73	1,322.03	97.10	-138.62	169.05	1.49	0.81	-5.18
1,428.00	14.70	297.15	1,409.15	107.32	-158.73	191.51	0.43	0.41	0.47
1,518.00	14.60	294.45	1,496.23	117.22	-179.21	214.12	0.77	-0.11	-3.00
1,608.00	12.40	292.69	1,583.74	125.65	-198.46	234.89	2.49	-2.44	-1.96
1,698.00	11.78	287.95	1,671.74	132.21	-216.11	253.32	1.30	-0.69	-5.27
1,788.00	11.76	283.85	1,759.85	137.23	-233.76	270.92	0.93	-0.02	-4.56
1,878.00	11.17	284.78	1,848.06	141.65	-251.09	287.93	0.69	-0.66	1.03
1,968.00	10.99	284.87	1,936.38	146.08	-267.81	304.43	0.20	-0.20	0.10
2,058.00	10.90	281.79	2,024.74	150.02	-284.43	320.59	0.66	-0.10	-3.42
2,148.00	10.52	281.21	2,113.17	153.35	-300.82	336.22	0.44	-0.42	-0.64
2,248.00	10.20	282.41	2,211.54	157.03	-318.43	353.07	0.39	-0.32	1.20
TIE ON									
2,316.00	10.67	282.43	2,278.42	159.68	-330.45	364.65	0.69	0.69	0.03
FIRST MWD SURVEY									
2,361.00	10.13	283.33	2,322.68	161.49	-338.37	372.31	1.25	-1.20	2.00
2,406.00	9.50	286.71	2,367.02	163.47	-345.78	379.63	1.90	-1.40	7.51
2,452.00	8.38	289.07	2,412.46	165.66	-352.58	386.55	2.56	-2.43	5.13
2,497.00	7.50	293.94	2,457.03	167.92	-358.37	392.65	2.46	-1.96	10.82
2,542.00	6.75	303.94	2,501.68	170.59	-363.25	398.20	3.21	-1.67	22.22
2,588.00	5.88	314.32	2,547.41	173.74	-367.18	403.21	3.11	-1.89	22.57
2,633.00	4.69	323.57	2,592.21	176.84	-369.92	407.17	3.24	-2.64	20.56
2,724.00	2.88	349.44	2,683.02	182.08	-372.55	412.20	2.69	-1.99	28.43
2,814.00	2.25	343.32	2,772.93	185.99	-373.47	415.07	0.76	-0.70	-6.80
2,905.00	1.94	11.57	2,863.87	189.21	-373.67	416.96	1.17	-0.34	31.04
2,996.00	1.56	11.19	2,954.83	191.94	-373.12	417.95	0.42	-0.42	-0.42
3,086.00	1.00	11.19	3,044.80	193.91	-372.73	418.68	0.62	-0.62	0.00
3,177.00	1.75	23.44	3,135.78	195.96	-372.02	419.17	0.88	0.82	13.46
3,268.00	1.19	15.57	3,226.75	198.15	-371.22	419.66	0.65	-0.62	-8.65
3,359.00	0.88	4.07	3,317.73	199.75	-370.91	420.26	0.41	-0.34	-12.64
3,449.00	1.69	27.32	3,407.71	201.62	-370.26	420.70	1.05	0.90	25.83
3,540.00	2.31	25.19	3,498.65	204.48	-368.86	421.05	0.69	0.68	-2.34
3,630.00	1.38	7.57	3,588.61	207.19	-367.95	421.73	1.20	-1.03	-19.58
3,721.00	1.06	328.57	3,679.59	209.00	-368.24	422.94	0.95	-0.35	-42.86
3,812.00	1.06	39.82	3,770.58	210.36	-368.14	423.58	1.36	0.00	78.30

Andarko Petroleum Corporation

Survey Report

Company:	US ROCKIES REGION PLANNING	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**TVD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Site:	UINTAH_NBU 1022-2D PAD	**MD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Well:	NBU 1022-2D1BS	**North Reference:**	True
Wellbore:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Design:	NBU 1022-2D1BS	**Database:**	edmp

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,903.00	2.50	50.57	3,861.53	212.27	-366.07	422.85	1.62	1.58	11.81
3,993.00	1.75	54.32	3,951.47	214.32	-363.44	421.72	0.85	-0.83	4.17
4,084.00	1.13	63.19	4,042.44	215.53	-361.51	420.74	0.72	-0.68	9.75
4,174.00	0.63	70.94	4,132.43	216.09	-360.25	419.97	0.57	-0.56	8.61
4,265.00	1.38	20.07	4,223.41	217.29	-359.40	419.89	1.21	0.82	-55.90
4,355.00	1.13	14.82	4,313.39	219.16	-358.80	420.39	0.31	-0.28	-5.83
4,446.00	0.63	29.82	4,404.38	220.46	-358.32	420.68	0.60	-0.55	16.48
4,537.00	0.25	15.32	4,495.38	221.09	-358.02	420.76	0.43	-0.42	-15.93
4,628.00	0.31	101.44	4,586.38	221.23	-357.73	420.59	0.42	0.07	94.64
4,718.00	0.94	6.32	4,676.37	221.92	-357.41	420.68	1.13	0.70	-105.69
4,809.00	1.03	9.31	4,767.36	223.47	-357.19	421.33	0.11	0.10	3.29
4,900.00	0.69	17.69	4,858.35	224.79	-356.89	421.79	0.40	-0.37	9.21
4,990.00	0.50	2.44	4,948.34	225.70	-356.71	422.12	0.27	-0.21	-16.94
5,081.00	0.31	9.69	5,039.34	226.34	-356.65	422.41	0.22	-0.21	7.97
5,171.00	0.13	74.32	5,129.34	226.61	-356.51	422.44	0.31	-0.20	71.81
5,262.00	0.50	22.69	5,220.34	227.00	-356.26	422.43	0.47	0.41	-56.74
5,353.00	0.25	48.44	5,311.34	227.50	-355.96	422.44	0.32	-0.27	28.30
5,444.00	0.13	150.69	5,402.34	227.54	-355.76	422.30	0.34	-0.13	112.36
5,534.00	1.56	53.57	5,492.33	228.18	-354.72	421.76	1.76	1.59	-107.91
5,625.00	1.50	60.44	5,583.29	229.51	-352.69	420.75	0.21	-0.07	7.55
5,715.00	1.50	74.19	5,673.26	230.41	-350.53	419.41	0.40	0.00	15.28
5,806.00	1.50	83.69	5,764.23	230.86	-348.20	417.68	0.27	0.00	10.44
5,896.00	1.63	85.69	5,854.20	231.09	-345.76	415.74	0.16	0.14	2.22
5,987.00	1.50	93.07	5,945.17	231.12	-343.28	413.66	0.26	-0.14	8.11
6,078.00	0.44	356.69	6,036.15	231.41	-342.11	412.82	1.77	-1.16	-105.91
6,168.00	0.50	319.94	6,126.15	232.05	-342.38	413.40	0.34	0.07	-40.83
6,259.00	0.44	296.19	6,217.15	232.51	-342.95	414.12	0.22	-0.07	-26.10
6,350.00	0.25	264.94	6,308.15	232.65	-343.46	414.63	0.29	-0.21	-34.34
6,440.00	0.31	265.19	6,398.15	232.61	-343.90	414.98	0.07	0.07	0.28
6,531.00	0.31	231.69	6,489.15	232.44	-344.34	415.26	0.20	0.00	-36.81
6,622.00	1.25	296.07	6,580.14	232.72	-345.42	416.32	1.26	1.03	70.75
6,712.00	1.25	289.69	6,670.12	233.48	-347.23	418.26	0.15	0.00	-7.09
6,803.00	0.94	284.69	6,761.10	234.01	-348.88	419.94	0.36	-0.34	-5.49
6,894.00	0.81	252.82	6,852.09	234.01	-350.22	421.07	0.55	-0.14	-35.02
6,985.00	0.56	240.78	6,943.08	233.60	-351.22	421.70	0.32	-0.27	-13.23
7,075.00	0.31	188.44	7,033.08	233.14	-351.64	421.81	0.49	-0.28	-58.16
7,166.00	0.56	158.07	7,124.08	232.49	-351.51	421.35	0.36	0.27	-33.37
7,256.00	0.63	162.44	7,214.07	231.61	-351.20	420.61	0.09	0.08	4.86
7,347.00	1.38	154.82	7,305.06	230.14	-350.58	419.31	0.84	0.82	-8.37
7,438.00	1.88	154.57	7,396.02	227.80	-349.48	417.12	0.55	0.55	-0.27
7,529.00	1.06	134.44	7,486.99	225.86	-348.23	415.04	1.05	-0.90	-22.12
7,619.00	0.94	115.82	7,576.98	224.96	-346.97	413.49	0.38	-0.13	-20.69
7,710.00	1.00	126.44	7,667.96	224.16	-345.66	411.96	0.21	0.07	11.67
7,800.00	1.06	129.44	7,757.95	223.16	-344.39	410.35	0.09	0.07	3.33

Andarko Petroleum Corporation

Survey Report

Company:	US ROCKIES REGION PLANNING	**Local Co-ordinate Reference:**	Well NBU 1022-2D1BS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**TVD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Site:	UINTAH_NBU 1022-2D PAD	**MD Reference:**	14' RKB + 4874' GL @ 4888.00ft (Ensign 146)
Well:	NBU 1022-2D1BS	**North Reference:**	True
Wellbore:	NBU 1022-2D1BS	**Survey Calculation Method:**	Minimum Curvature
Design:	NBU 1022-2D1BS	**Database:**	edmp

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
7,890.00	1.13	143.44	7,847.93	221.92	-343.22	408.69	0.31	0.08	15.56
8,072.00	1.38	138.94	8,029.89	218.83	-340.71	404.92	0.15	0.14	-2.47
8,253.00	2.06	134.19	8,210.81	214.92	-336.94	399.65	0.38	0.38	-2.62
8,434.00	2.12	132.99	8,391.69	210.37	-332.16	393.18	0.04	0.03	-0.66
8,610.00	2.08	119.57	8,567.57	206.57	-327.00	386.79	0.28	-0.02	-7.63
LAST MWD SURVEY									
8,660.00	2.08	119.57	8,617.54	205.68	-325.43	384.97	0.00	0.00	0.00
PROJECTION TO TD									

Checked By: _____ Approved By: _____ Date: _____