

| STATE OF UTAH<br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS AND MINING                                                                         |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | FORM 3<br>AMENDED REPORT <input checked="" type="checkbox"/>                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION FOR PERMIT TO DRILL</b>                                                                                                                      |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>1. WELL NAME and NUMBER</b><br>NBU 921-35B1BS                                                                                                                        |
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>3. FIELD OR WILDCAT</b><br>NATURAL BUTTES                                                                                                                            |
| <b>4. TYPE OF WELL</b><br>Gas Well Coalbed Methane Well: NO                                                                                                 |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b><br>NATURAL BUTTES                                                                                                      |
| <b>6. NAME OF OPERATOR</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.                                                                                            |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>7. OPERATOR PHONE</b><br>720 929-6007                                                                                                                                |
| <b>8. ADDRESS OF OPERATOR</b><br>P.O. Box 173779, Denver, CO, 80217                                                                                         |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>9. OPERATOR E-MAIL</b><br>Kathy.SchneebeckDulnoan@anadarko.com                                                                                                       |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b><br>ML 22582                                                                                     |                  |                                                                                                        | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>    |                                                                                                     |              | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>                                                                                                        |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>                                                                                                                      |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>                                                                                                     |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>                                                                                                                     |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>                                                                                             |                  |                                                                                                        | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/> |                                                                                                     |              | <b>19. SLANT</b><br>VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>                               |
| <b>20. LOCATION OF WELL</b>                                                                                                                                 | <b>FOOTAGES</b>  | <b>QTR-QTR</b>                                                                                         | <b>SECTION</b>                                                                                                                                                             | <b>TOWNSHIP</b>                                                                                     | <b>RANGE</b> | <b>MERIDIAN</b>                                                                                                                                                         |
| <b>LOCATION AT SURFACE</b>                                                                                                                                  | 518 FNL 474 FEL  | NENE                                                                                                   | 35                                                                                                                                                                         | 9.0 S                                                                                               | 21.0 E       | S                                                                                                                                                                       |
| <b>Top of Uppermost Producing Zone</b>                                                                                                                      | 257 FNL 1813 FEL | NWNE                                                                                                   | 35                                                                                                                                                                         | 9.0 S                                                                                               | 21.0 E       | S                                                                                                                                                                       |
| <b>At Total Depth</b>                                                                                                                                       | 257 FNL 1813 FEL | NWNE                                                                                                   | 35                                                                                                                                                                         | 9.0 S                                                                                               | 21.0 E       | S                                                                                                                                                                       |
| <b>21. COUNTY</b><br>UINTAH                                                                                                                                 |                  | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>257                                                |                                                                                                                                                                            | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>321                                                  |              |                                                                                                                                                                         |
|                                                                                                                                                             |                  | <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>583            |                                                                                                                                                                            | <b>26. PROPOSED DEPTH</b><br>MD: 9885 TVD: 9665                                                     |              |                                                                                                                                                                         |
| <b>27. ELEVATION - GROUND LEVEL</b><br>4990                                                                                                                 |                  | <b>28. BOND NUMBER</b><br>22013542                                                                     |                                                                                                                                                                            | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>Permit #43-8496 |              |                                                                                                                                                                         |
| <b>ATTACHMENTS</b>                                                                                                                                          |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              |                                                                                                                                                                         |
| <b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>                                                 |                  |                                                                                                        |                                                                                                                                                                            |                                                                                                     |              |                                                                                                                                                                         |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER                                                              |                  |                                                                                                        | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                                                                                                 |                                                                                                     |              |                                                                                                                                                                         |
| <input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)                                                                    |                  |                                                                                                        | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER                                                                                                 |                                                                                                     |              |                                                                                                                                                                         |
| <input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)                                                      |                  |                                                                                                        | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP                                                                                                                      |                                                                                                     |              |                                                                                                                                                                         |
| <b>NAME</b> Danielle Piernot                                                                                                                                |                  | <b>TITLE</b> Regulatory Analyst                                                                        |                                                                                                                                                                            | <b>PHONE</b> 720 929-6156                                                                           |              |                                                                                                                                                                         |
| <b>SIGNATURE</b>                                                                                                                                            |                  | <b>DATE</b> 11/18/2010                                                                                 |                                                                                                                                                                            | <b>EMAIL</b> gnbregulatory@anadarko.com                                                             |              |                                                                                                                                                                         |
| <b>API NUMBER ASSIGNED</b><br>43047513410000                                                                                                                |                  | <br>Permit Manager |                                                                                                                                                                            |                                                                                                     |              |                                                                                                                                                                         |

| <b>Proposed Hole, Casing, and Cement</b> |                     |                    |                 |                    |  |  |
|------------------------------------------|---------------------|--------------------|-----------------|--------------------|--|--|
| <b>String</b>                            | <b>Hole Size</b>    | <b>Casing Size</b> | <b>Top (MD)</b> | <b>Bottom (MD)</b> |  |  |
| Prod                                     | 7.875               | 4.5                | 0               | 9885               |  |  |
| <b>Pipe</b>                              | <b>Grade</b>        | <b>Length</b>      | <b>Weight</b>   |                    |  |  |
|                                          | Grade I-80 Buttress | 9885               | 11.6            |                    |  |  |
|                                          |                     |                    |                 |                    |  |  |

| <b>Proposed Hole, Casing, and Cement</b> |                  |                    |                 |                    |  |  |
|------------------------------------------|------------------|--------------------|-----------------|--------------------|--|--|
| <b>String</b>                            | <b>Hole Size</b> | <b>Casing Size</b> | <b>Top (MD)</b> | <b>Bottom (MD)</b> |  |  |
| Surf                                     | 11               | 8.625              | 0               | 2350               |  |  |
| <b>Pipe</b>                              | <b>Grade</b>     | <b>Length</b>      | <b>Weight</b>   |                    |  |  |
|                                          | Grade J-55 LT&C  | 2350               | 28.0            |                    |  |  |
|                                          |                  |                    |                 |                    |  |  |

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

Found Uintah County Aluminum Cap in Pile of Stones.

N89°47'37"W - 2646.18' (Meas.)

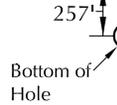
WEST - 80.00 (G.L.O.)

N89°47'25"W - 2645.99' (Meas.)

Found 1" Aluminum Cap on 5/8" Rebar. Pile of Stones.

N00°21'17"W - 2645.28' (Meas.)

Found Uintah County Aluminum Cap in Pile of Stones.



N00°03'41"W (Basis of Bearings) 2641.51' (Measured)

**WELL LOCATION:  
NBU 921-35B1BS**

ELEV. UNGRADED GROUND = 4990.4'

Found Uintah County Surveyor 1 1/2" Aluminum Cap on 5/8" Rebar in Pile of Stones.

**35**

Found 1 1/2" Aluminum Cap on 5/8" Rebar in Pile of Stones.

NBU 921-35B1BS (Surface Position)  
 NAD 83 LATITUDE = 39.998327° (39° 59' 53.978")  
 LONGITUDE = 109.511177° (109° 30' 40.237")  
 NAD 27 LATITUDE = 39.998362° (39° 59' 54.104")  
 LONGITUDE = 109.510490° (109° 30' 37.764")

NBU 921-35B1BS (Bottom Hole)  
 NAD 83 LATITUDE = 39.999054° (39° 59' 56.596")  
 LONGITUDE = 109.515955° (109° 30' 57.439")  
 NAD 27 LATITUDE = 39.999090° (39° 59' 56.722")  
 LONGITUDE = 109.515268° (109° 30' 54.965")

N00°12'59"E

2703.72' (Measured to C.C.) N00°03'W - 81.10 (G.L.O.)

2702.74' (Measured to True Corner)

LOT 4

LOT 1

Found 1977 Brass Cap in Pile of Stones.

2.50 (G.L.O.) 164.44'

Found 1977 Brass Cap in Pile of Stones.

LOT 3

2.19 (G.L.O.) 144.58'

Found 1977 Brass Cap

LOT 2

1.51 (G.L.O.) 99.10'

Found 1977 Brass Cap

S89°07'53"W - 2666.15' (Meas.)  
 S89°06'W - 40.39 (G.L.O.)

S89°14'29"W - 2688.09' (Meas.)  
 S89°12'W - 40.73 (G.L.O.)

2678.51' (Meas.)  
 Found 1977 Brass Cap  
 S89°06'03"W  
 S89°06'W - 40.59 (G.L.O.)

Found 1977 Brass Cap in Pile of Stones.

Found 1977 Brass Cap

Found 1977 Brass Cap

**NOTES:**

▲ = Section Corners Located

- Well footages are measured at right angles to the Section Lines.
- G.L.O. distances are shown in feet or chains.  
1 chain = 66 feet.
- The Bottom of hole bears N78°46'22"W 1365.06' from the Surface Position.
- Bearings are based on Global Positioning Satellite observations.
- 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'.



SCALE

**SURVEYOR'S CERTIFICATE**

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

PROF. JOHN R. SLAUGH  
 No. 6028691  
 JOHN R. SLAUGH  
 PROFESSIONAL LAND SURVEYOR  
 REGISTRATION No. 6028691  
 STATE OF UTAH

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

**WELL PAD: NBU 921-35A**

**NBU 921-35B1BS  
 WELL PLAT**

257' FNL, 1813' FEL (Bottom Hole)  
 NW 1/4 NE 1/4 OF SECTION 35, T9S, R21E,  
 S.L.B.&M., UINTAH COUNTY, UTAH.



**CONSULTING, LLC**  
 2155 North Main Street  
 Sheridan WY 82801  
 Phone 307-674-0609  
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**TIMBERLINE**

(435) 789-1365

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

|                            |                     |           |
|----------------------------|---------------------|-----------|
| DATE SURVEYED:<br>09-30-10 | SURVEYED BY: M.S.B. | SHEET NO: |
| DATE DRAWN:<br>10-04-10    | DRAWN BY: K.H.G.    | <b>4</b>  |
| SCALE: 1" = 1000'          | Date Last Revised:  |           |