

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPE _____ SUB. REPORT/abd _____

DATE FILED JANUARY 24, 2000

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-49518

INDIAN

DRILLING APPROVED: JANUARY 27, 2000

SPUDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

CONFIDENTIAL

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: NATURAL BUTTES

UNIT: OLD SQUAW CROSSING II

COUNTY: UINTAH

WELL NO. OSCU II 109-27

API NO. 43-047-33464

LOCATION 0482 FSL

FT. FROM (N) (S) LINE. 1992 FEL

FT. FROM (E) (W) LINE. SWSE

1/4 - 1/4 SEC. 27

| TWP. | RGE. | SEC. | OPERATOR | TWP. | RGE. | SEC. | OPERATOR |
|------|------|------|----------|------|------|------|----------|
|------|------|------|----------|------|------|------|----------|

10S

19E

27

EOG RESOURCES INC

EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113

January 20, 2000

Utah Division of Oil, Gas, & Mining
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
OLD SQUAW'S CROSSING 109-27
SW/SE, SEC. 27, T10S, R19E
UINTAH COUNTY, UTAH
LEASE NO.: U-49518
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter

Agent
EOG Resources, Inc.

Attachments

RECEIVED

JAN 24 2000

DIVISION OF
OIL, GAS AND MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | | |
|---|-------------|---|--|
| 1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | CONFIDENTIAL | 5. Lease designation and serial number U-49518 |
| b. TYPE OF WELL Oil <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/> | | | 6. If Indian, Allottee or Tribe name |
| 2. Name of Operator EOG RESOURCES, INC. | | | 7. Unit Agreement Name OLD SQUAWS CROSSING UNIT II |
| 3. Address and Telephone Number P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790 | | | 8. Farm or lease name, well no. OLD SQUAWS CROSSING UNIT II |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 482' FSL & 1992' FEL SW/SE | | | 9. API Well no. OSCU II #109-27 |
| 14. Distance in miles and direction from nearest town or post office 28.5 MILES SOUTHWEST OF OURAY, UTAH | | | 10. Field and pool, or wildcat OSCU II /WASATCH |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) | 482' | 16. No. of acres in lease 640 | 11. Sec., T., R., M., or BLK. and survey or area SEC. 27, T10S, R19E |
| 18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft. | | 19. Proposed depth 6250' | 12. County or parish UINTAH |
| 21. Elevations (show whether DF, RT, GR, etc.) 5274 FEET GRADED GROUND | | | 13. State UTAH |
| 22. Approx. date work will start FEBRUARY 2000 | | | 17. No. of acres assigned to this well |

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|---|
| 11" | 8 5/8" | 24# | 200' - 220' | 100-150 SX CLASS "G" + 2% |
| or 12 1/4" | 9 5/8" | 32.30# | 200 - 220' | CaCl2 + 1/4 #/SX CELLOFLAKE. |
| 7 7/8" | 4 1/2" | 10.50# | 6250' | 50/50 POXMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11PPG+) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS). |

SEE ATTACHMENTS FOR:
8 POINT PLAN
BOP SCHEMATIC
SURFACE USE AND OPERATING PLAN
LOCATION PLAT
LOCATION LAYOUT
TOPOGRAPHIC MAPS "A", "B", AND "C"
GAS SALES PIPELINE—MAP "D"
FACILITY DIAGRAM

RECEIVED
JAN 24 2000
DIVISION OF OIL, GAS AND MINING

EOG RESOURCES, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER NATIONWIDE BOND #NM 2308

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED *[Signature]* TITLE Agent DATE 1-19-2000

(This space for Federal or State office use)

PERMIT NO. 43047-33464 APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY: _____

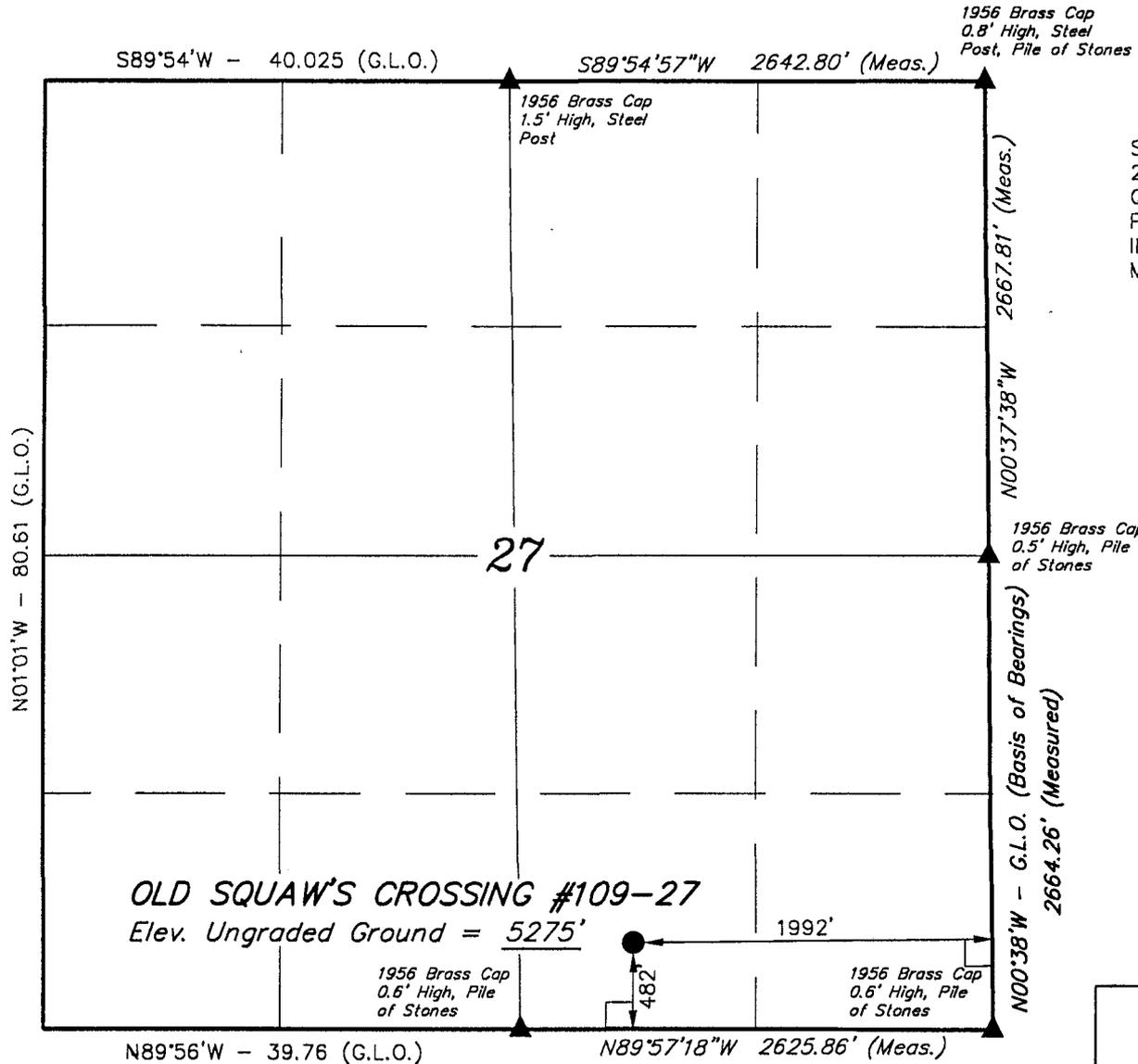
APPROVED BY *[Signature]* TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 1/27/00

Federal Approval of this Action is Necessary

EOG RESOURCES, INC.

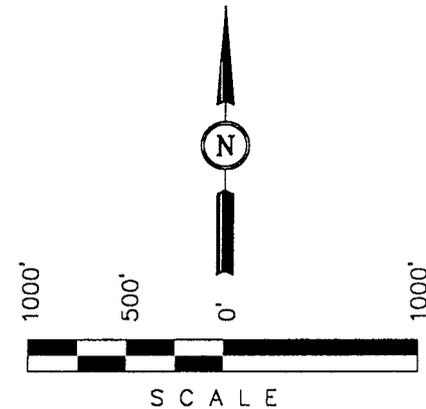
T10S, R19E, S.L.B.&M.

Well location, OLD SQUAW'S CROSSING #109-27, located as shown in the SW 1/4 SE 1/4 of Section 27, T10S, R19E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 27, T10S, R19E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5282 FEET.



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.

Robert L. Hay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

Latitude = 39°54'45"
 Longitude = 109°45'56"

| | | |
|---------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-24-99 | DATE DRAWN: 12-22-99 |
| PARTY D.K. L.J. C.B.T. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN

OLD SQUAWS CROSSING UNIT II #109-27
SW/SE, SEC. 27, T10S, R19E
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH | TYPE ZONES | MAXIMUM PRESSURE |
|------------------|--------------|-------------------|-------------------------|
| Green River | 933 | | |
| Oil Shale | 933 | | |
| "H" Marker | 2578 | | |
| "J" Marker | 2996 | | |
| Base "M" Marker | 3926 | | |
| Wasatch | 4360 | | |
| Peters Point | 4360 | GAS | |
| Chapita Wells | 5075 | GAS | |
| Buck Canyon | 5880 | GAS | |

EST. TD 6250

Anticipated BHP 2700 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

| <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>LENGTH</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>MINIMUM SAFETY FACTOR</u> | | |
|-------------------------|------------------------|----------------------|--------------------|----------------------|---------------------|----------------------|-------------------------------------|---------------------|-----------------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| 11 | 0' - 220' | 200' - 220' | 8 5/8 | 24.0 # | J-55 | ST&C | 1370 PSI | 2950 PSI | 263,000# |
| or | | | | | | | | | |
| 12 ¼ | 0' - 220' | 200' - 220' | 9 5/8 | 32.3 # | H-40 | ST&C | 1370 PSI | 2270 PSI | 254,000# |
| 7 7/8 | 0' - 6250' | 6250' | 4 ½ | 10.5 # | J-55 | ST&C | 4010 PSI | 4790 PSI | 146,000# |

If conductor drive pipe is used, it will be left in place if its total length is less than 20 feet below the surface. If the total length of the drive pipe is equal to or greater than 20 feet, it will be pulled prior to cementing surface casing, or it will be cemented in place. The minimum diameter of the conductor drive pipe will be 13 3/8".

All casing will be new or inspected.

EIGHT POINT PLAN

OLD SQUAWS CROSSING UNIT II #109-27
SW/SE, SEC. 27, T10S, R19E
UINTAH COUNTY, UTAH

5. MUD PROGRAM

| <u>INTERVAL</u> | <u>MUD TYPE</u> |
|------------------------|------------------------------------|
| 0' - 220' | Air |
| 240' - 4000' | Air/Mist & Aerated Water |
| 4000' - TD | Air/3% KCL water or KCL substitute |

Lost circulation probable from 1500' to 3000'+/-.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).
- B. EOG Resources, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).
- B. EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

7. EVALUATION PROGRAM:

Logs: Schlumberger Platform Express
AIT-GR-SP-CAL T.D. to base of surface casing
FDC-CNL-GR-Cal-PE T.D. to 3800'

Cores: None Programmed
DST: None Programmed

Completion: To be submitted at a later date.

Note: If hole conditions prevent the running of open hole logs, a cased hole Dipole Sonic/Neutron/Gr will be run in lieu of open hole logs.

EIGHT POINT PLAN

OLD SQUAWS CROSSING UNIT II #109-27
SW/SE, SEC. 27, T10S, R19E
UINTAH COUNTY, UTAH

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Clock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

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

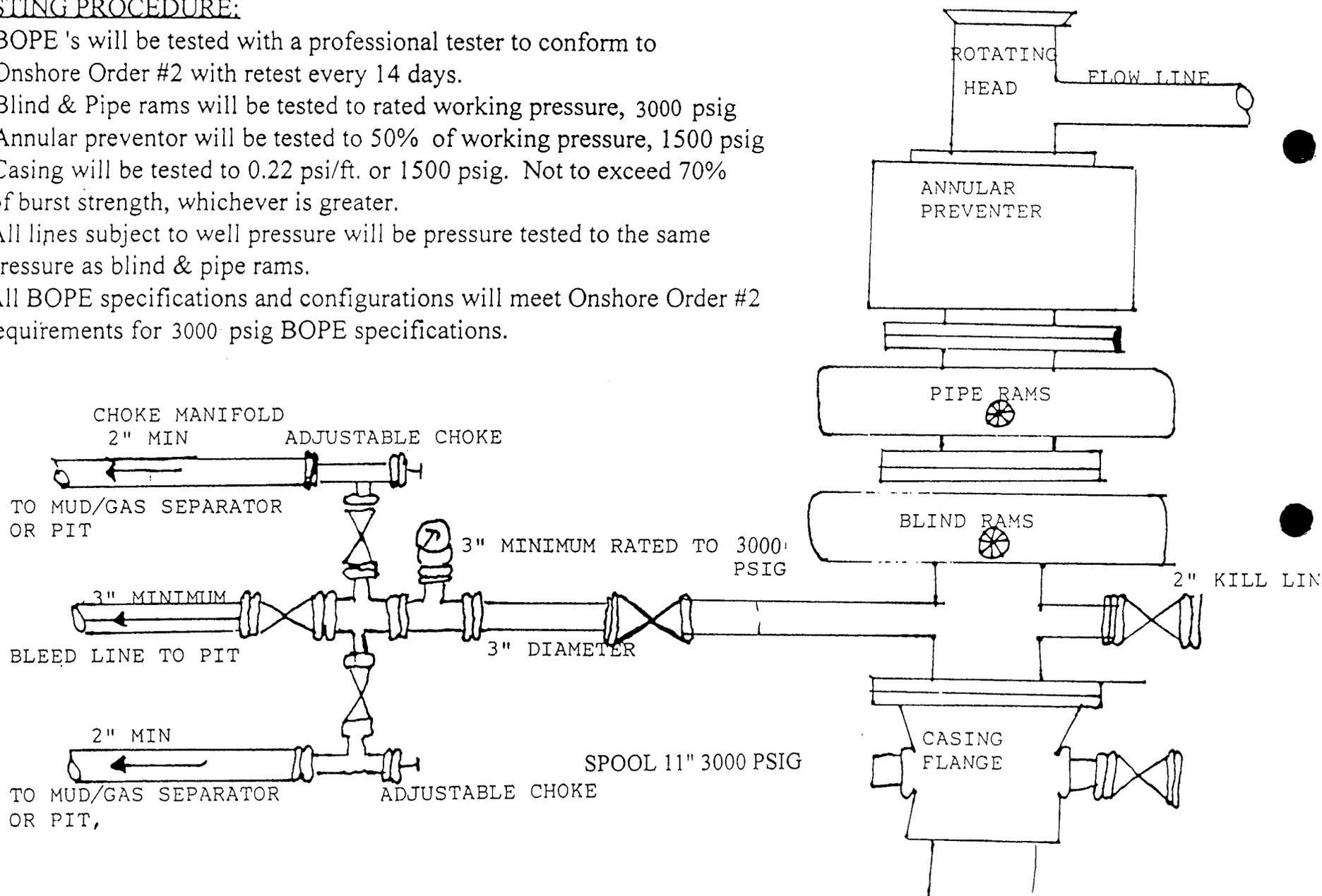
(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.
 CASING FLANGE IS 11" 3000 PSIG RATED.
 BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig
3. Annular preventor will be tested to 50% of working pressure, 1500 psig
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



RECEIVED

JAN 24 2000

**DIVISION OF
OIL, GAS AND MINING**

**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: EOG Resources, Inc.
Well Name & Number: Old Squaw's Crossing Unit II #109-27
Lease Number: U-49518
Location: 482' FSL & 1992' FEL, SW/SE, Sec. 27, T10S, R19E,
S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction
of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to
spudding the well.

Casing String and
Cementing - twenty-four (24) hours prior to running
casing and cementing all casing strings.

BOP and related
Equipment Tests - twenty-four (24) hours prior to running
casing and tests.

First Production
Notice - within five (5) business days after new
well
begins or production resumes after well
has been off production for more than
ninety (90) days.

For more specific details on notification requirements, please check the Conditions of
Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 28.5 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.2 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

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

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells - None
- B. Abandoned wells - None
- C. Temporarily abandoned wells - None
- D. Disposal wells - None
- E. Drilling wells - None
- F. Producing wells - 8*
- G. Shut in wells - None
- H. Injection wells - None

(*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of well head valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping. See attached facility diagram.
- 3. Oil gathering lines - None
- 4. Gas gathering lines - A 3" gathering line will be buried from dehy to the edge of the location.
- 5. Injection lines - None
- 6. Disposal lines - None
- 7. Surface pits - None

B. OFF WELL PAD

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 3" OD steel above ground natural gas pipeline will be laid approximately 1245' from proposed location to a point in the SE/4 of Section 27, T10S, R19E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Old Squaw's Crossing Unit II, thus a Right-of-Way grant will not be required.
- 3. Proposed pipeline will be a 3" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the Northwest end of the location.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501). Produced water from the Chapita Wells and Stagecoach Units will also be used.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

- B. Water from drilling fluids and recovered during testing operations will be

disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

Burning of trash will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge.

The reserve pit shall be lined.

After first production, produced wastewater will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

A. No airstrips or camps are planned for this well.

9. WELLSITE LAYOUT

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

B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

D. The approved seed mixture for this location is:

4 pounds Four Wing Salt Bush per acre

4 pounds Shad Scale per acre

4 pounds Nuttals Salt Bush per acre

The reserve pit will be located on the Southwest side of the location. The flare pit will be located downwind of the prevailing wind direction on the Southwest side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil South of Corner #7. The stockpiled location topsoil will be stored Northeast side. Upon completion of construction, the stockpiled topsoil

from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the South.

N/A Diversion ditch(es) shall be constructed on the _____ side of the location (above/below) the cut slope, draining to the _____.

N/A Soil compacted earthen berm(s) shall be placed on the _____ side(s) of the location between the _____.

N/A The drainage(s) shall be diverted around the sides of the well pad location.

N/A The reserve pit and/or pad locations shall be constructed long and narrow for topographic reasons _____.

Corners #2 & 9 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

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

contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

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

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

Additional Surface Stipulations

- X No construction or drilling activities shall be conducted between April 15 and July 15 because of burrowing owl stipulations.
- N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.
- N/A No construction or exploration activities are permitted within a 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.
- N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).
- N/A No cottonwood trees will be removed or damaged.
- N/A Pond will be constructed according to BLM specifications approximately _____ feet _____ of the location, as flagged on the onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

| <u>OPERATIONS</u> | | <u>PERMITTING</u> |
|-------------------------|-------------------------|--------------------------|
| EOG Resources, Inc. | EOG Resources, Inc. | Ed Trotter |
| P.O. Box 250 | P.O. Box 1815 | P.O. Box 1910 |
| Big Piney, WY 83113 | Vernal, UT 84078 | Vernal, UT 84078 |
| Jim Schaefer | George McBride | Telephone: (435)789-4120 |
| Telephone (307)276-3331 | Telephone (435)789-0790 | Fax: (435)789-1420 |

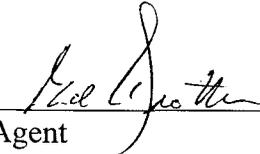
All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. EOG Resources, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

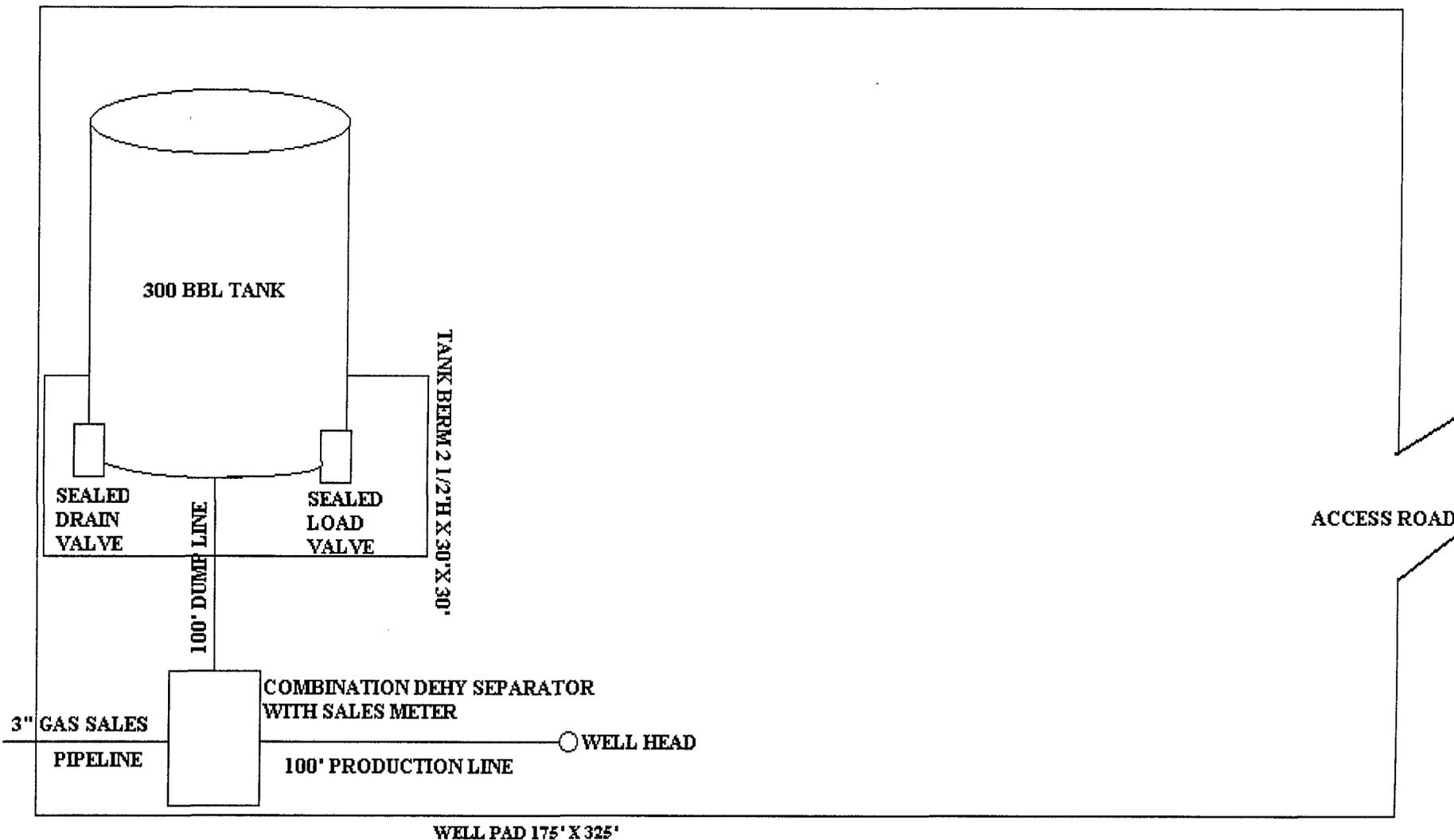
Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

1-19-2000
Date


Agent

SITE FACILITY DIAGRAM
OLD SQUAWS CROSSING UNIT II #109-27
SECTION 27, T10S, R19E, SW/4SE/4
UNITAH COUNTY, UTAH
FEDERAL LEASE NUMBER U-49518
(Site Security Plan is on file at EOG Resources, Inc.'s Vernal Office)

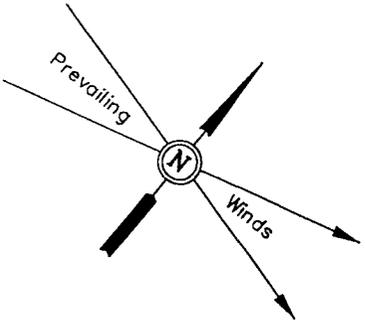


EOG RESOURCES, INC.

LOCATION LAYOUT FOR

OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.

482' FSL 1992' FEL



F-1.2'
El. 72.5'

F-3.1'
El. 70.6'

F-8.3'
El. 65.4'

Sta. 3+25

SCALE: 1" = 50'
DATE: 12-22-99
Drawn By: C.B.T.

NOTE:

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

El. 72.7'
C-7.0'
(btm. pit)

F-0.4'
El. 73.3'

F-0.5'
El. 73.2'

C-0.9'
El. 74.6'

C-3.2'
El. 76.9'

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH/DIKE

158'

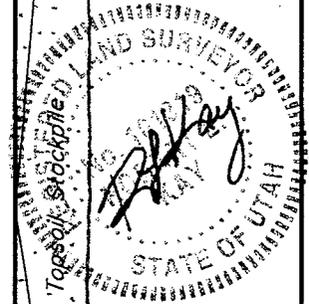
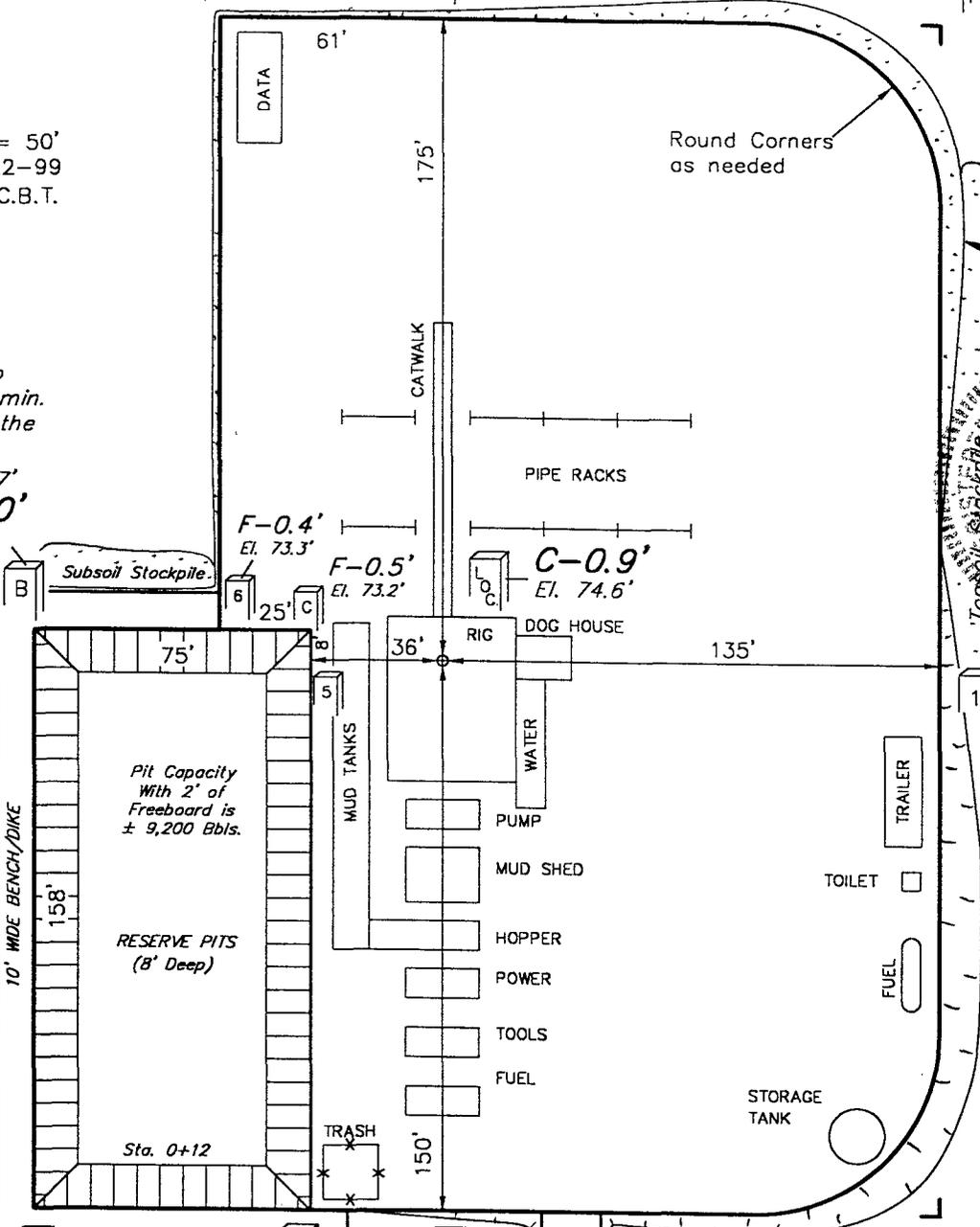
Pit Capacity With 2' of Freeboard is ± 9,200 Bbls.

RESERVE PITS (8' Deep)

Sta. 0+12

El. 72.1'
C-6.4'
(btm. pit)

El. 74.3'
C-0.6'



Sta. 1+50

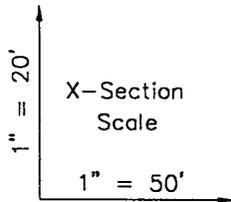
Sta. 0+00

Elev. Ungraded Ground at Location Stake = 5274.6'
Elev. Graded Ground at Location Stake = 5273.7'

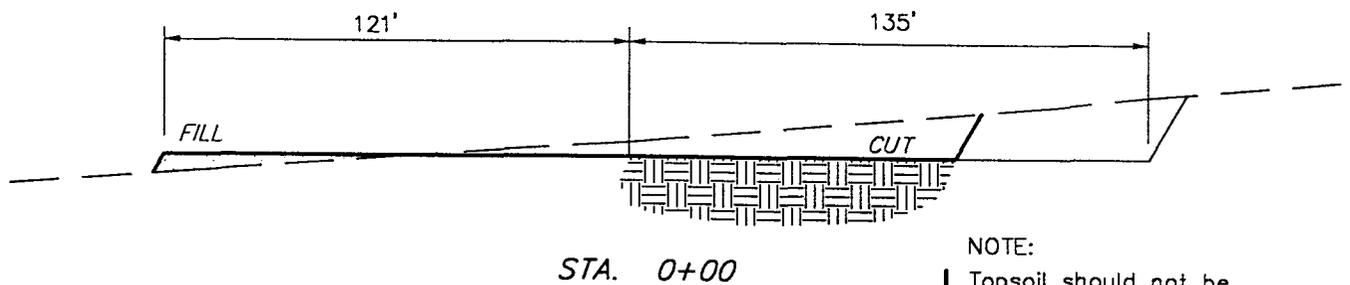
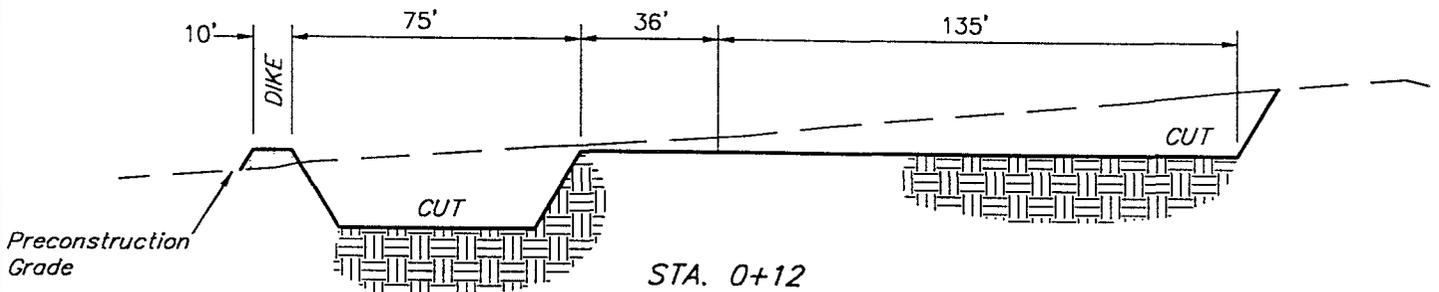
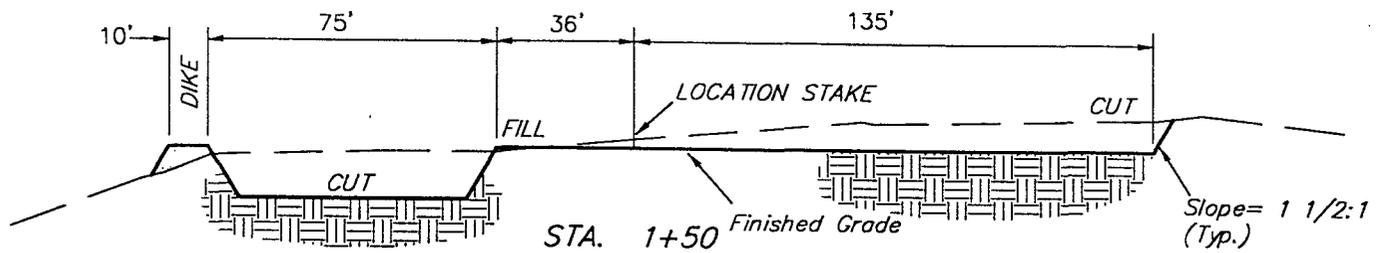
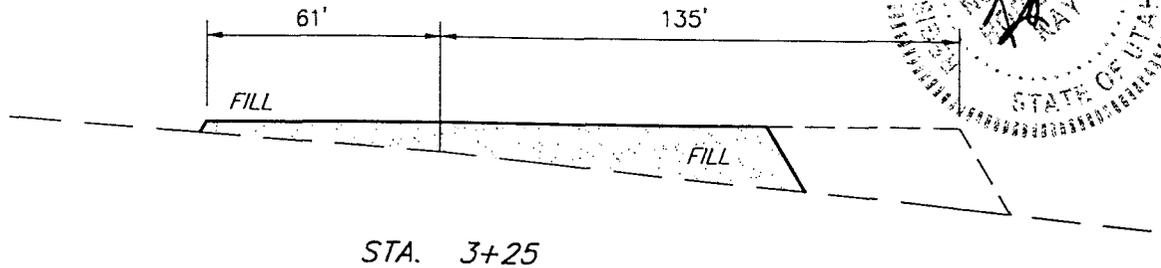
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.
482' FSL 1992' FEL



DATE: 12-22-99
Drawn By: C.B.T.



NOTE:

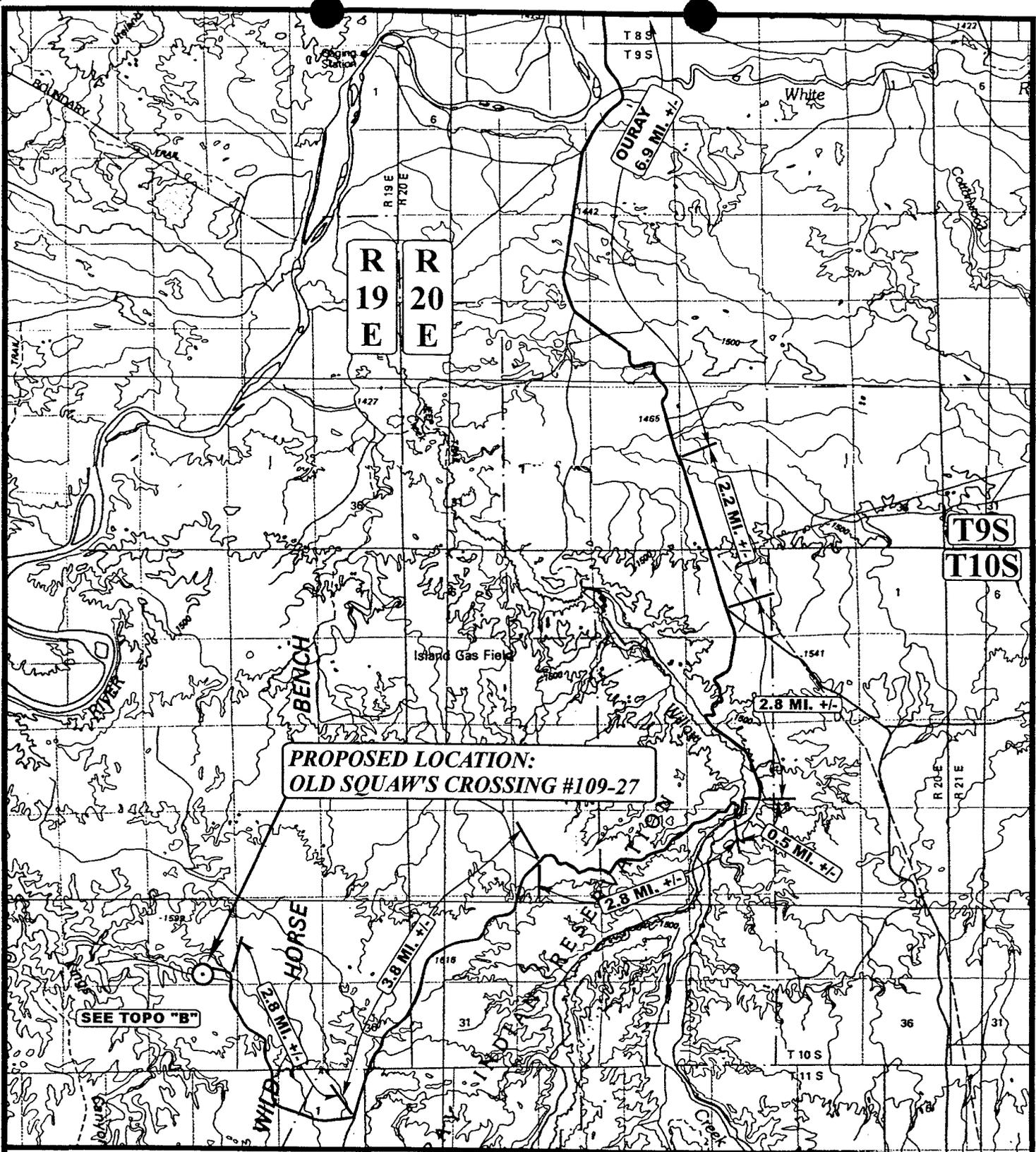
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

| | | |
|------------------------|---|----------------------|
| (6") Topsoil Stripping | = | 1,390 Cu. Yds. |
| Remaining Location | = | 5,440 Cu. Yds. |
| TOTAL CUT | = | 6,830 CU.YDS. |
| FILL | = | 3,870 CU.YDS. |

| | | |
|---|---|----------------|
| EXCESS MATERIAL AFTER 5% COMPACTION | = | 2,760 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = | 2,760 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = | 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 788-1017



LEGEND:

○ PROPOSED LOCATION



EOG RESOURCES, INC.

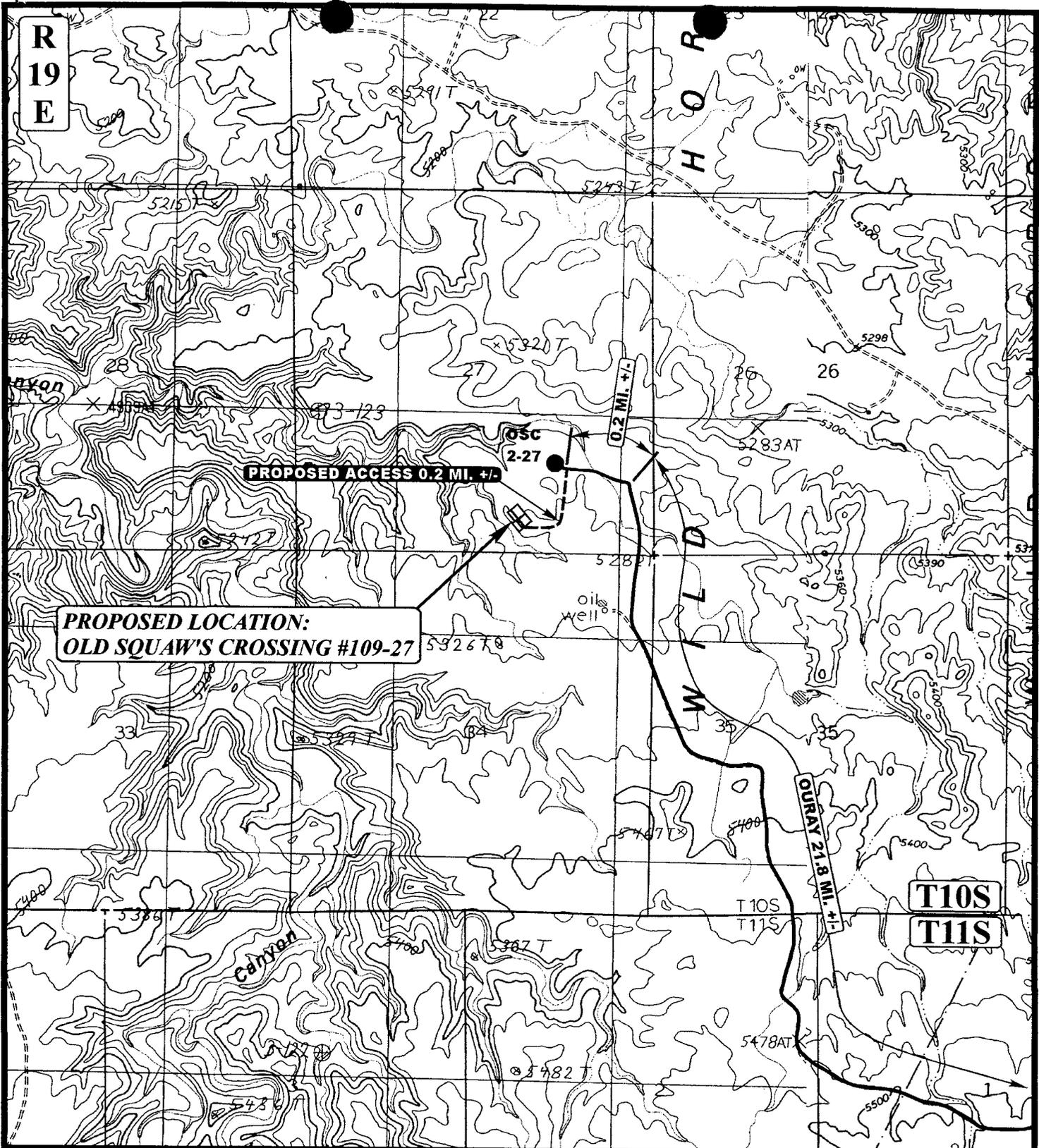
**OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.
482' FSL 1992' FEL**



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

| | | | |
|---------------------------|-----------------------|--------------------------|-------------|
| TOPOGRAPHIC | 12 | 1 | 99 |
| MAP | MONTH | DAY | YEAR |
| SCALE: 1 : 100,000 | DRAWN BY: C.G. | REVISED: 00-00-00 | |





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

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



EOG RESOURCES, INC.

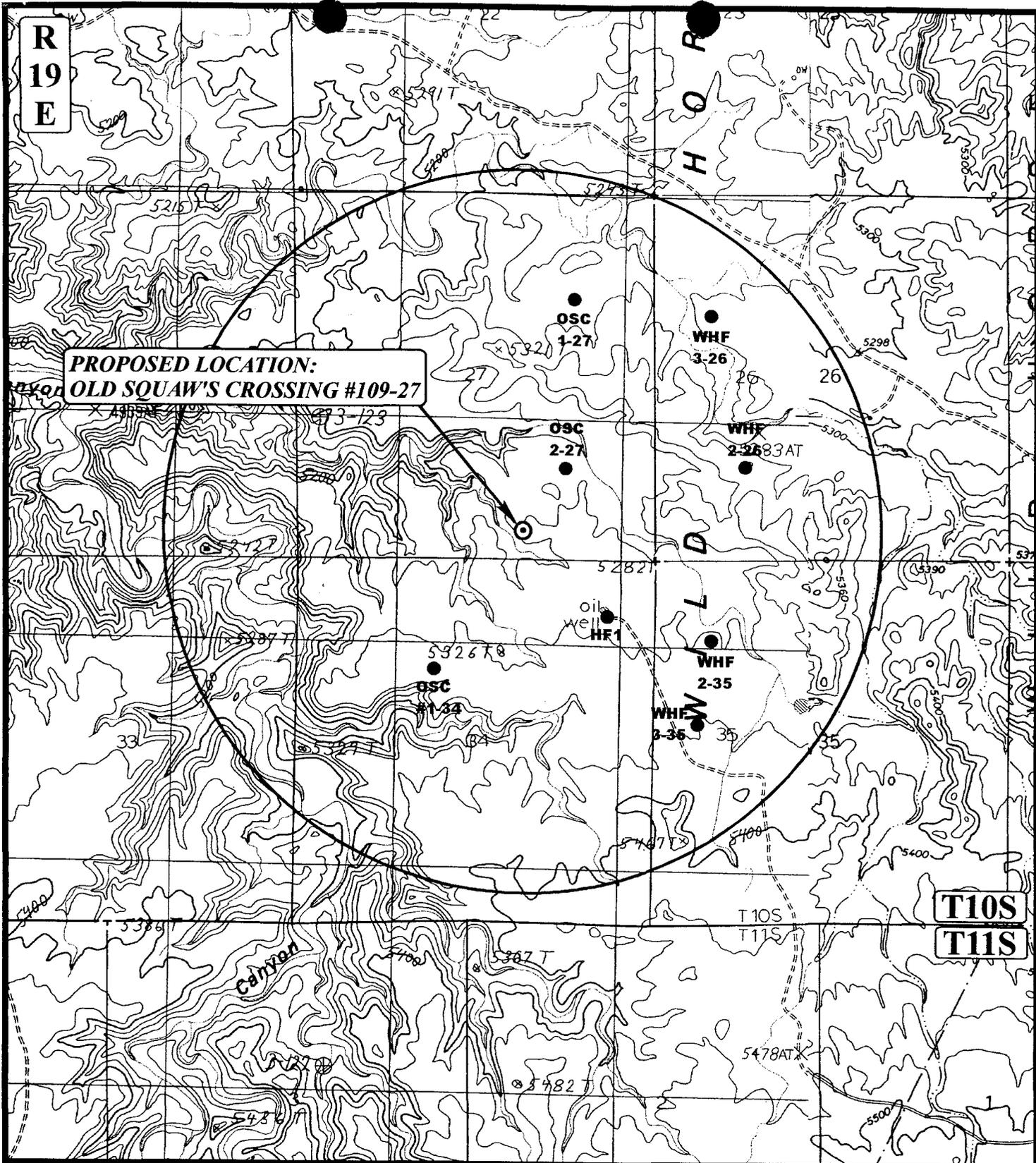
OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.
482' FSL 1992' FEL

| | | | | |
|----------------------------------|----------------------|-------------------------------|---------------------|----------------------------------|
| TOPOGRAPHIC | 12 | 1 | 99 | B TOPO |
| MAP | <small>MONTH</small> | <small>DAY</small> | <small>YEAR</small> | |
| <small>SCALE: 1" = 2000'</small> | | <small>DRAWN BY: C.G.</small> | | <small>REVISED: 00-00-00</small> |

R
19
E

H
O
R

**PROPOSED LOCATION:
OLD SQUAW'S CROSSING #109-27**



T10S
T11S

LEGEND:

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



EOG RESOURCES, INC.

**OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.
482' FSL 1992' FEL**



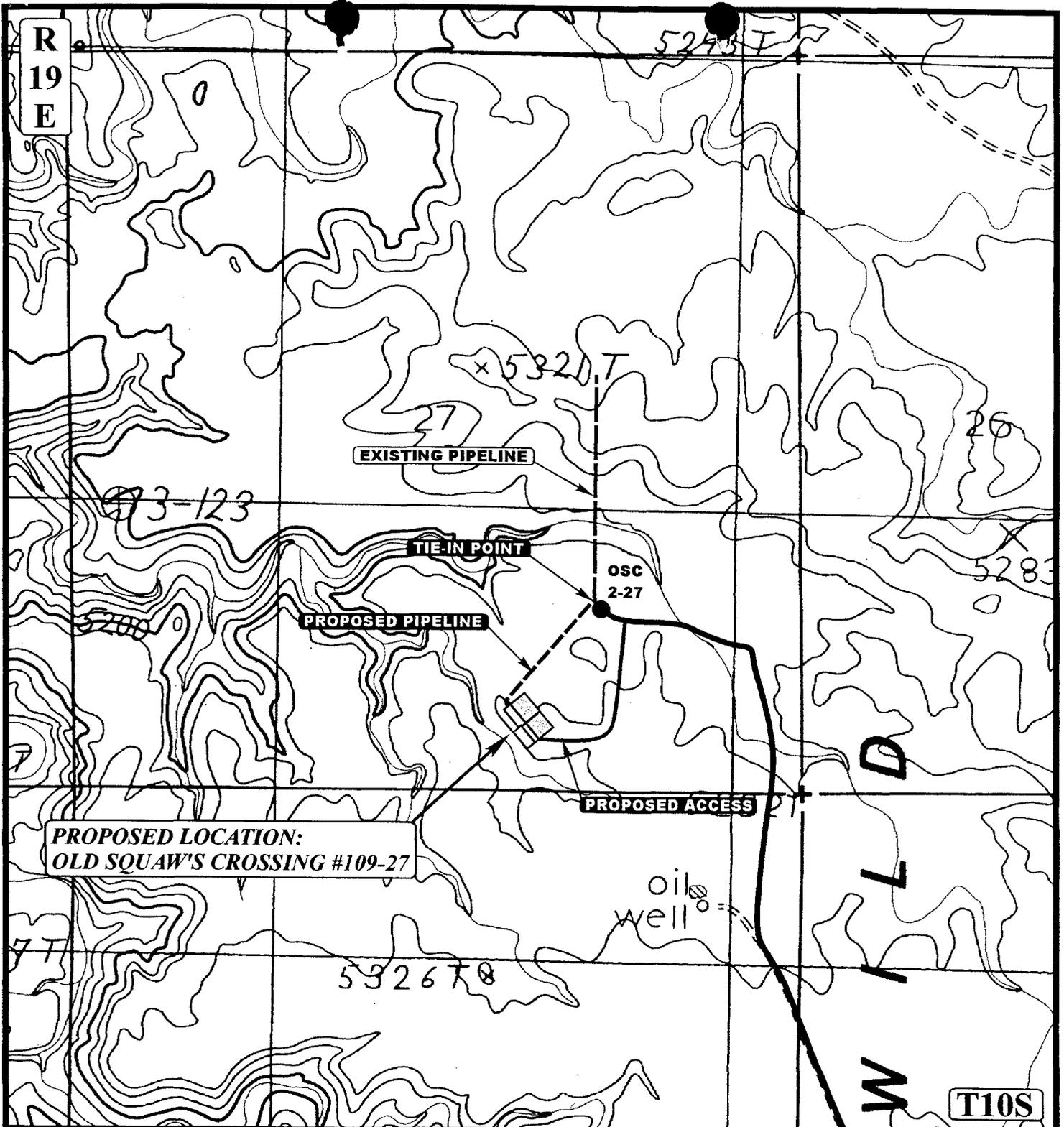
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

12 1 99
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,245' +/-

LEGEND:

- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- PROPOSED ACCESS



EOG RESOURCES, INC.

**OLD SQUAW'S CROSSING #109-27
SECTION 27, T10S, R19E, S.L.B.&M.
482' FSL 1992' FEL**



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

TOPOGRAPHIC **12** **1** **99**
MAP MONTH DAY YEAR
SCALE: 1"=1000' DRAWN BY: C.G. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/24/2000

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-33464 |
|--------------------------------|

WELL NAME: OSCU II 109-27
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER, AGENT

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:
 SWSE 27 100S 190E
 SURFACE: 0482 FSL 1992 FEL
 BOTTOM: 0482 FSL 1992 FEL
 UINTAH
 NATURAL BUTTES (630)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|------|
| Tech Review | Initials | Date |
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: 1-Federal
 LEASE NUMBER: U-49518
 SURFACE OWNER: 1-Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

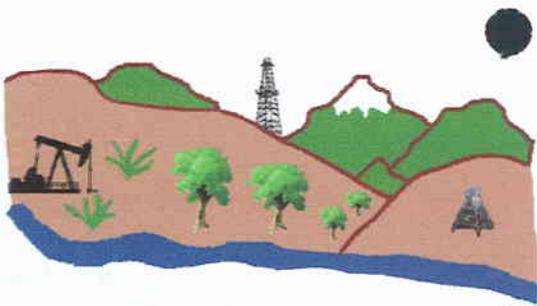
- Plat
- Bond: Fed Ind Sta Fee ()
(No. NM 2308)
- Potash (Y/N)
- Oil Shale (Y/N) *190 - 5 (B)
- Water Permit
(No. 49-1501)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit Old Square Crossing II
- R649-3-2. General
Siting: _____
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

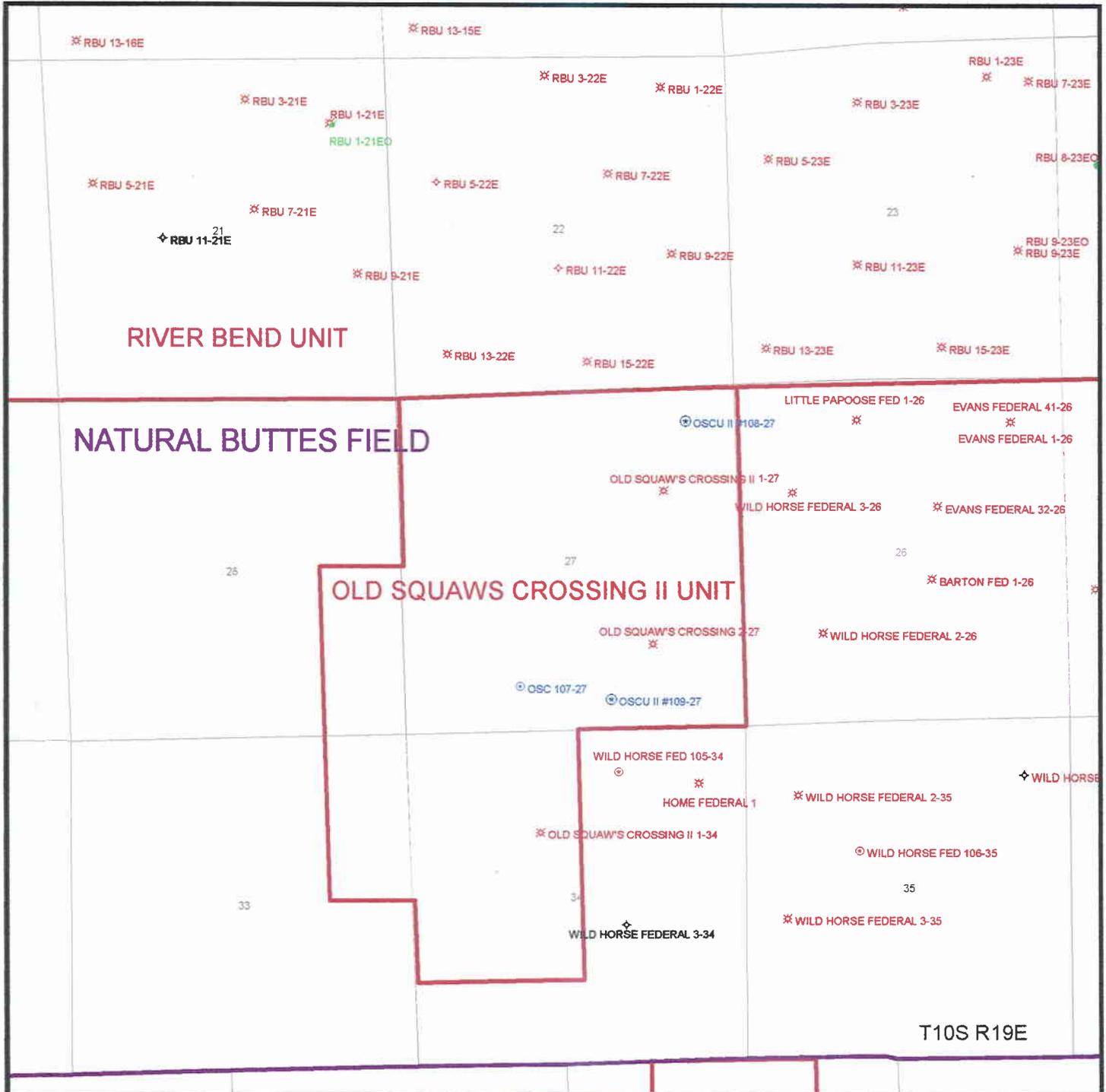
STIPULATIONS: ① FEDERAL APPROVAL



Utah Oil Gas and Mining

Serving the Industry, Protecting the Environment

OPERATOR: EOG RESOURCES INC. (N9550)
 FIELD: NATURAL BUTTES (630)
 SEC. 27, T 10 S, R 19 E,
 COUNTY: UINTAH UNIT: OLC SQUAWS CROSSING II

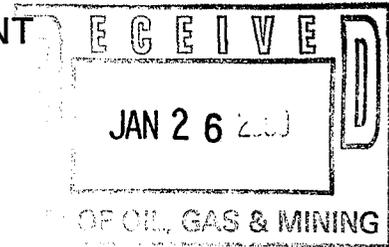


PREPARED
 DATE: 25-Jan-2000

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)

January 26, 2000

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2000 Plan of Development Old Squaw Crossing
II Unit Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2000 within the Old Squaw Crossing II Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|--------------|----------------|------------------------------|
| 43-047-33463 | OSCU II 108-27 | 0461-FNL 0830-FEL 27 10S 19E |
| 43-047-33464 | OSCU II 109-27 | 0482-FSL 1992-FEL 27 10S 19E |

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

/s/ Michael L. Coulthard

bcc: File - Old Squaw Crossing II
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-26-0



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 27, 2000

EOG Resources, Inc.
P.O. Box 1815
Vernal, Utah 84078

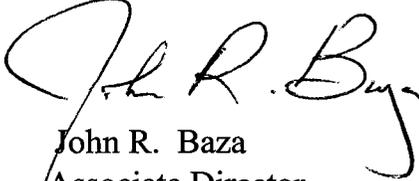
Re: OSCU II 109-27 Well, 0482' FSL, 1992' FEL, SW SE, Sec. 27, T. 10 S, R. 19 E,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

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. The API identification number assigned to this well is 43-047-33464.

Sincerely,



John R. Baza
Associate Director

jb

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources Inc.

Well Name & Number: OSCU II 109-27

API Number: 43-047-33464

Lease: U-49518

Location: SW SE Sec. 27 T. 10 S. R. 19 E.

Conditions of Approval

1. 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.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza at (801)538-5334.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required Federal Approval which must be obtained prior to drilling.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEN**

b. TYPE OF WELL
 Oil Gas Single Multiple
 Well Well Other Zone

2. Name of Operator
EOG RESOURCES, INC.

3. Address and Telephone Number
P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790

4. Location of Well (Report location clearly and in accordance with any State requirements.)
 At surface **482' FSL & 1992' FEL SW/SE**
 At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office
28.5 MILES SOUTHWEST OF OURAY, UTAH

15. Distance from proposed location to nearest property or lease line, ft.
482'
 (Also to nearest drig. Unit line, if any)

18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.

21. Elevations (show whether DF, RT, GR, etc.)
5274 FEET GRADED GROUND

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | |
|---|-----------------------|-----------------|---------------|
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH |
| 11" | 8 5/8" | 24# | 200' - 220' |
| or 12 1/4" | 9 5/8" | 32.30# | 200 - 220' |
| 7 7/8" | 4 1/2" | 10.50# | 6250' |

5. Lease designation and serial number
U-49518

6. If Indian, Allottee or Tribe name

7. Unit Agreement Name
OLD SQUAWS CROSSING UNIT II

8. Farm or lease name, well no.
OLD SQUAWS CROSSING UNIT II

9. API Well no.
OSCU II #109-27

10. Field and pool, or wildcat
OSCU II / WASATCH

11. Sec., T., R., M., or BLK. and survey or area
SEC. 27, T10S, R19E

12. County or parish 13. State
UINTAH UTAH

17. No. of acres assigned to this well

20. Rotary or cable tools
ROTARY

22. Approx. date work will start
FEBRUARY 2000

CONFIDENTIAL

RECEIVED

JAN 21 2000

SEE ATTACHMENTS FOR:

- 8 POINT PLAN
- BOP SCHEMATIC
- SURFACE USE AND OPERATING PLAN
- LOCATION PLAT
- LOCATION LAYOUT
- TOPOGRAPHIC MAPS "A", "B", AND "C"
- GAS SALES PIPELINE—MAP "D"
- FACILITY DIAGRAM

RECEIVED

FEB 07 2000

**DIVISION OF
OIL, GAS AND MINING**

EOG RESOURCES, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER NATIONWIDE BOND #NM 2308

QUANTITY OF CEMENT
 100-150 SX CLASS "G" + 2%
 CaCl2 + 1/4 #/SX CELLOFLAKE.
 50/50 POXMIX + 2% GEL + 10%
 SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS).
 LIGHT CEMENT (11PPG+) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED *Lee G. Jetter* TITLE Agent DATE 1-19-2000

(This space for Federal or State office use)

PERMIT NO. **NOTICE OF APPROVAL** APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL IF ANY: _____
 APPROVED BY *Kevin B. Leavitt* TITLE Assistant Field Manager Mineral Resources DATE 2-1-00

COPIES OF THIS PERMIT TO OPERATIONS COPY

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc

Well Name & Number: OSCU II 109-27

API Number: 43-047-33464

Lease Number: U-49518

Location: SWSE Sec. 27 T. 10S R. 19E

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative by the operator to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing will be set **relative to ground level** and shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the shallowest potential productive zone. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

The Gamma Ray and Induction Logs need to be pulled from TD to the Surface Shoe.

A cement bond log (CBL) will be run from the production casing shoe to **TOP OF CEMENT** and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic

summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized

officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (435) 789-4170
Petroleum Engineer

Ed Forsman (435) 789-7077
Petroleum Engineer

Jerry Kenczka (435) 781-1190
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

- The access road shall be crowned at between 2 to 3 %.
- When plowing snow during the winter months, the snow shall be plowed outside of the burrow ditches to prevent the snow melt from saturating the road during the spring.
- The location topsoil will be windrowed between corners 2 and 9 as shown on the cut sheet, but the topsoil from the reserve pit will be piled separately on the north side of the pit between pit corner B and corner 6. **Topsoil is not to be used for dike construction or any other uses over the life of the well.**
- The reserve pit spoils will be piled on the south end of the pit between pit corner A and corner 4 rather than as shown on the cut sheet. This will keep the spoils out of the existing drainage.
- Since EOG is now hauling in all their dike material, it will not be necessary to leave a subsoil pile.
- The operator will control noxious weeds along rights-of-way for roads pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is require that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization.
- All permanent facilities constructed or installed on location within six months (including pumping units) will be painted Carlsbad Canyon. Facilities required to comply with O.S.H.A. will be excluded.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

February 22, 2001

EOG Resources, Inc.
P O Box 250
Big Piney, WY 83113

Re: Notification of Expiration
Well No. OSCU II 109-27
SWSE, Sec. 27, T10S, R19E
Uintah County, Utah
Lease No. U-49518
Old Squaws Crossing II WS

43-047-33464

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on February 1, 2000. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

According to our records, the location has been constructed for this drill site. All surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Crinklaw

Leslie Crinklaw
Legal Instruments Examiner

cc: State Div. OG&M
Ed Trotter

RECEIVED

FEB 26 2001

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

February 28, 2001

George McBride
EOG Resources Inc.
P. O. Box 1815
Vernal, Utah 84078

Re: APD Rescinded – OSCU II 109-27, Sec. 27, T.10S, R.19E - Uintah County, Utah
API No. 43-047-33464

Dear Mrs. Cameron:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 27, 2000. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective January 27, 2001.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal