



**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

September 19, 2000

**VIA OVERNIGHT MAIL**

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Attention: Mr. John Baza

**RECEIVED**  
SEP 21 2000  
DIVISION OF  
OIL, GAS AND MINING

RE: Request for Exception Location  
Ute Tribal #31-11D3E  
W. Ouray Area  
Uintah County, Utah

Ladies and Gentlemen:

Heretofore, EOG Resources, Inc. ("EOGR") applied with the Utah Division of Oil, Gas and Mining for a Drilling Permit for the captioned well scheduled to be drilled at the following location in the captioned area to a proposed subsurface depth of 7,840 feet to test the Wasatch Formation:

Township 4 South, Range 3 East, U.S.B. & M.  
Section 31: Lot 12 (NE4SW4)  
1,470 FSL and 2,143 FWL

The well will be drilled under that certain base agreement entitled "Exploration and Development Agreement," dated May 26, 1995 by and between The Ute Indian Tribe, The Ute Distribution Corporation and Petroglyph Gas Partners (nka Petroglyph Energy, Inc.), hereinafter called "Exploration Agreement."

Due to topographical and geological reasons EOGR is unable to drill the well at a legal location as defined under state rule R649-3-2. We therefore respectfully request from the state an exception to rule R649-3-2 in accordance with state rule R649-3-3. In support of our request we provide a survey plat and a topographical map. By referring to the topographical map you will note that we are unable to spot the well at the center of the NE4SW4 of Section 31, or within a 200' window, because of the close proximity of lands to the north and east susceptible to water encroachment from the Duchesne River.

Please be advised that all direct quarter-quarter offsets to the drillsite tract are held in trust by the United States for the benefit of the Ute Tribe and covered under the Exploration Agreement. Therefore, there are no other owners within a 460' radius of the proposed well location and no written consents to the exception location are required. However, by copy of this letter to Petroglyph Energy, Inc. we request that Petroglyph, as a party to the Exploration Agreement, express its consent to the exception location by dating, signing and returning one (1) copy each of this letter to the Division of Oil, Gas and Mining at the above address and to the undersigned at the letterhead address.

EOGR respectfully requests the Utah Division of Oil, Gas and Mining to grant administrative approval of this application for an exception location described herein at its earliest opportunity.

Thank you for your consideration to our request. Should you have any questions regarding this matter, please feel free to give me a call at (303) 824-5428.

Sincerely,

  
R. G. Davis, CPL  
Project Landman

05000.rgd

cc: Bill Hobbs – Denver  
Jim Schaefer – Big Piney  
Ed Trotter – Vernal

Petroglyph Energy, Inc.  
Attention: Mr. Phil Shepardson  
410 17<sup>th</sup> Street, Suite 1230  
Denver, CO 80202

Accepted and agreed to this \_\_\_\_\_ day of September, 2000

**Petroglyph Energy, Inc.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

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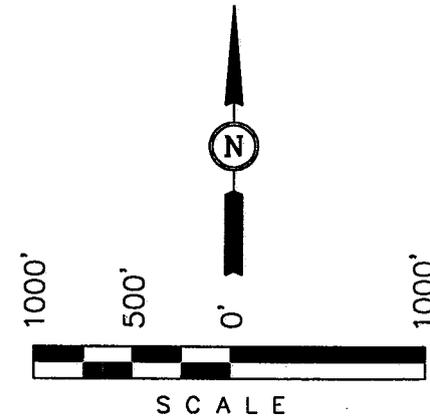
DIVISION OF  
OIL, GAS AND MINING

**PETROGLYPH ENERGY, INC.**

Well Location, UTE #31-11D3E, located as shown in NE 1/4 SW 1/4 of Section 31, T4S, R3E, U.S.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

BENCH MARK 31EAM LOCATED IN THE SW 1/4 OF SECTION 29, T4S, R3E, U.S.B.&M. TAKEN FROM THE OURAY QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



**CERTIFICATE**

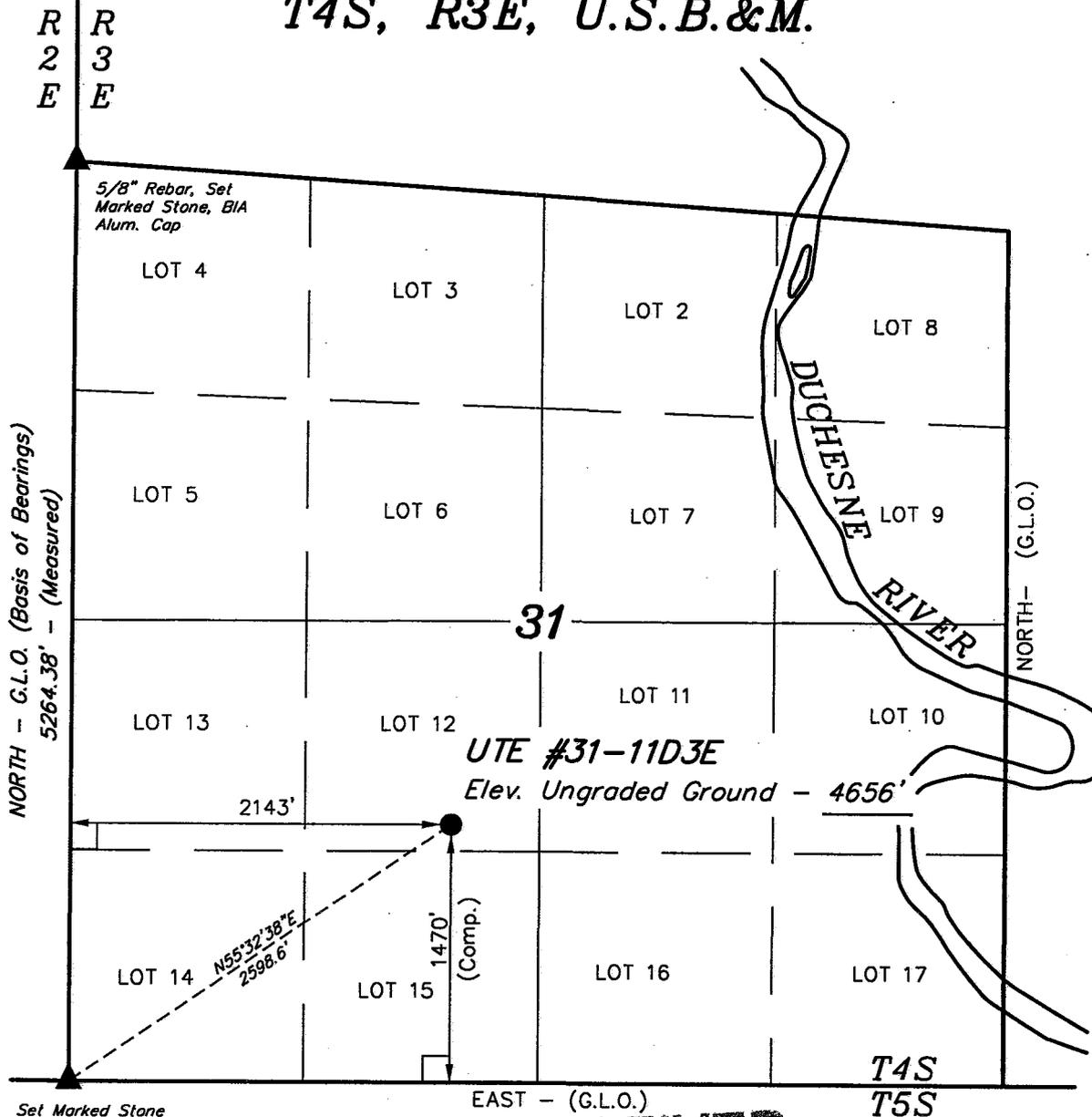
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

*Robert J. Ray*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161819  
 STATE OF UTAH

Revised: 08-24-00 D.R.B.

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

**T4S, R3E, U.S.B.&M.**



Set Marked Stone

**LEGEND:**

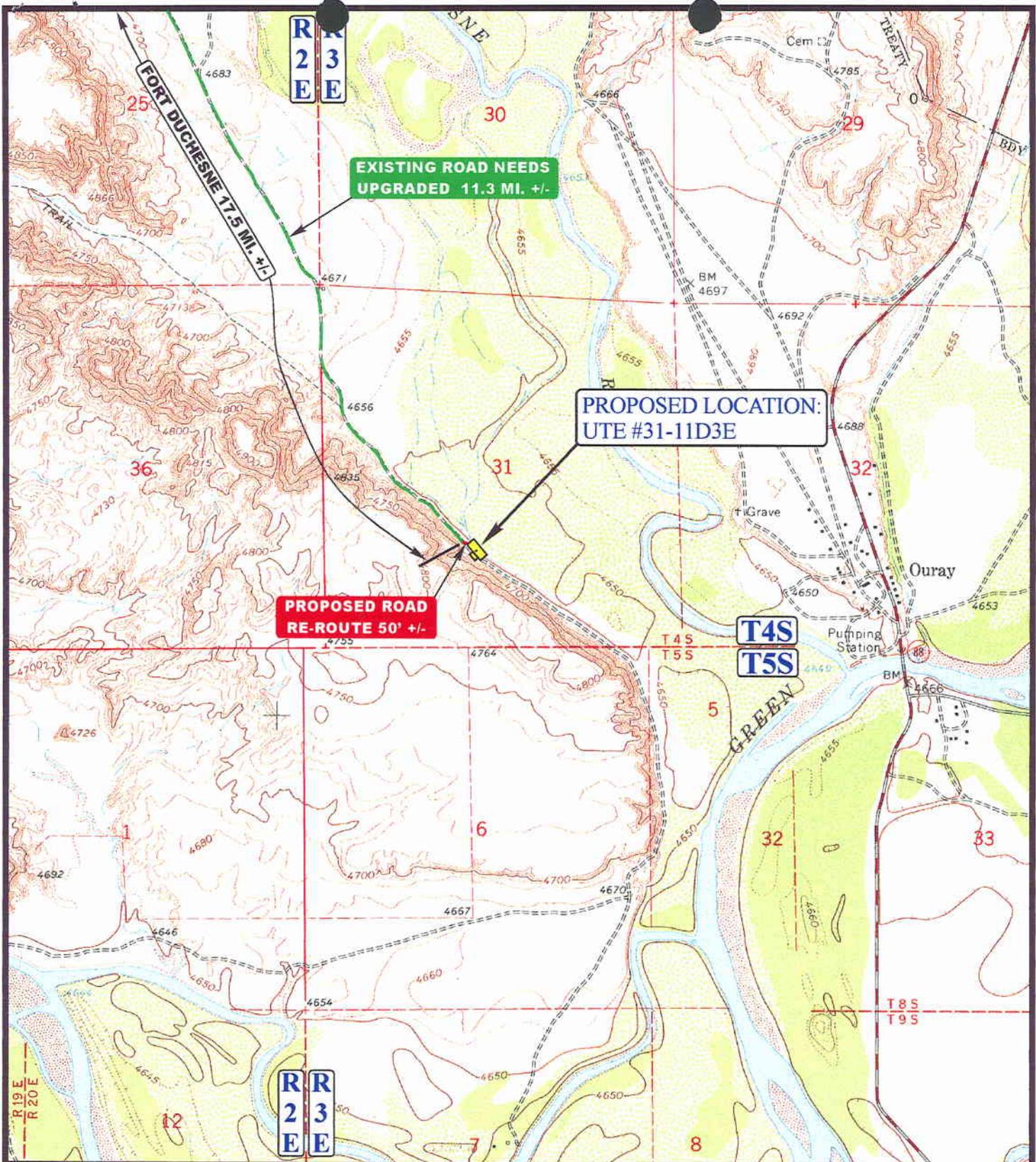
- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

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SCALE 1" = 1000'	DATE SURVEYED: 07-09-98	DATE DRAWN: 07-14-98
PARTY D.K. P.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PETROGLYPH ENERGY, INC.	



**LEGEND:**  
 - - - - - PROPOSED ACCESS ROAD  
 ———— EXISTING ROAD

**PETROGLYPH ENERGY, INC.**  
 UTE #31-11D3E  
 SECTION 31, T4S, R3E, U.S.B.&M.  
 1470' FSL 2143' FWL



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

**TOPOGRAPHIC MAP**  
 7 MONTH 13 DAY 98 YEAR  
 SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 8-25-00



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

September 14, 2000

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

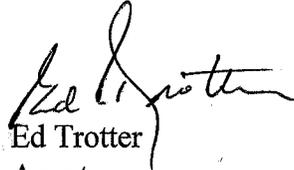
RE: APPLICATION FOR PERMIT TO DRILL  
UTE #31-11D3E  
NE/SW, SEC. 31, T4S, R3E  
UINTAH COUNTY, UTAH  
LEASE NO.  
TRIBAL LANDS

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

BLM-FEE-EOG

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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**  **DEEPEN**

b. TYPE OF WELL  
Oil Well  Gas Well  Other  Single Zone  Multiple 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 **1470' FSL & 2143' FWL NE/SW**  
At proposed prod. Zone **4438363N  
610963E**

14. Distance in miles and direction from nearest town or post office  
**17.5 MILES SOUTHEAST OF FORT DUCHESNE, UTAH**

15. Distance from proposed location to nearest property or lease line, ft.  
(Also to nearest drig. Unit line, if any) **1470'**

16. No. of acres in lease

17. No. of acres assigned to this well

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

19. Proposed depth  
**7840'**

20. Rotary or cable tools  
**ROTARY**

21. Elevations (show whether DF, RT, GR, etc.)  
**4655 FEET GRADED GROUND**

22. Approx. date work will start  
**OCTOBER 2000**

5. Lease, designation and serial number  
**E&D Agreement # 4750**

6. If Indian, Allottee or Tribe name  
**UTE INDIAN TRIBE**

7. Unit Agreement Name

8. Farm or lease name, well no.

9. API Well No.  
**UTE 31-11D3E**

10. Field and pool, or wildcat  
**WASATCH**

11. Sec., T., R., M., or BLK. and survey or area  
**SEC. 31, T4S, R3E**

12. County or parish  
**UINTAH**

13. State  
**UTAH**

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#	7840'	50/50 POXMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES

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

**CONFIDENTIAL**  
SEP 22 2000  
DIVISION OF OIL, GAS AND MINING

OF INTEREST (+10% EXCESS).  
LIGHT CEMENT (11PPG+) +  
LCM TO 200' ABOVE OIL SHALE  
OR FRESH WATER INTERVALS  
(+ 5% EXCESS).

EOG RESOURCES, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER BOND #22-000-456

Pc: UTAH DIVISION OF OIL, GAS, AND MINING  
BUREAU OF INDIAN AFFAIRS

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 9-14-2000

(This space for Federal or State office use)

PERMIT NO. 43-047-33694 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 DATE 10/16/00  
**RECLAMATION SPECIALIST III**

**Federal Approval of this Action is Necessary**

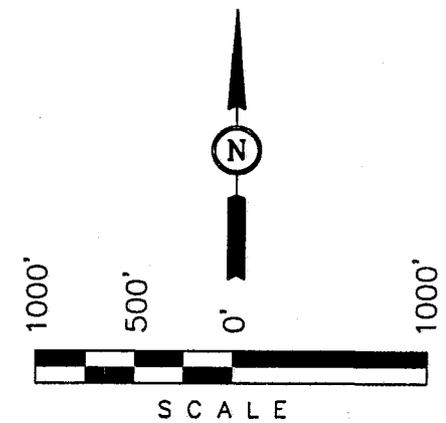
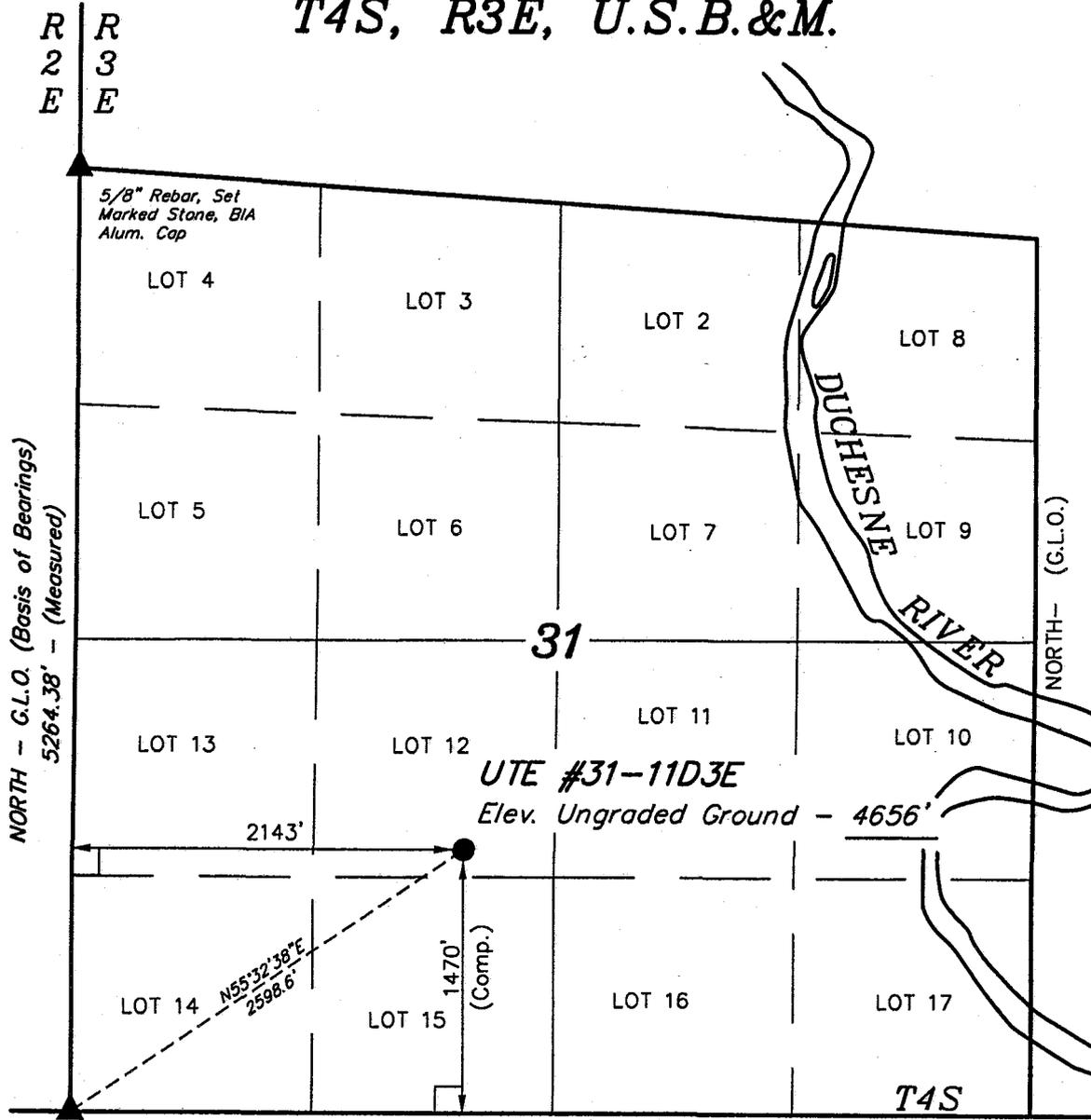
**PETROGLYPH ENERGY, INC.**

Well Location, UTE #31-11D3E, located as shown in NE 1/4 SW 1/4 of Section 31, T4S, R3E, U.S.B.&M. Uintah County, Utah.

**T4S, R3E, U.S.B.&M.**

**BASIS OF ELEVATION**

BENCH MARK 31EAM LOCATED IN THE SW 1/4 OF SECTION 29, T4S, R3E, U.S.B.&M. TAKEN FROM THE OURAY QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



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*Robert J. ...*  
 REGISTERED LAND SURVEYOR  
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Revised: 08-24-00 D.R.B.

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
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Set Marked Stone

**LEGEND:**

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 OIL, GAS AND MINING

SCALE 1" = 1000'	DATE SURVEYED: 07-09-98	DATE DRAWN: 07-14-98
PARTY D.K. P.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PETROGLYPH ENERGY, INC.	

**EIGHT POINT PLAN**

**UTE #31-11D3E**  
**NE/SW, SEC. 31, T4S, R3E**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH</b>	<b>TYPE ZONES</b>	<b>MAXIMUM PRESSURE</b>
Green River	2479		
Oil Shale	2479		
"H" Marker	4124		
"J" Marker	4542		
Base "M" Marker	5472		
Wasatch	5906		
Peters Point	5906	GAS	
Chapita Wells	6681	GAS	
Buck Canyon	7641	GAS	

EST. TD 7840'

Anticipated BHP 3400 PSI

**3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.**

**4. CASING PROGRAM:**

<b>HOLE SIZE</b>	<b>INTERVAL</b>	<b>LENGTH</b>	<b>SIZE</b>	<b>WEIGHT</b>	<b>GRADE</b>	<b>THREAD</b>	<b><u>MINIMUM SAFETY FACTOR</u></b>		
							<b>COLLAPSE</b>	<b>BURST</b>	<b>TENSILE</b>
11	0' - 220'	200' - 220'	8 5/8	24.0 #	J-55	ST&C	1370 PSI	2950 PSI	263,000#
or									
12 1/4	0' - 220'	200' - 220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 7840'	7840'	4 1/2	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.

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OIL, GAS AND MINING

**EIGHT POINT PLAN**

**UTE #31-11D3E**  
**NE/SW, SEC. 31, T4S, R3E**  
**UINTAH COUNTY, UTAH**

**5. MUD PROGRAM**

<b><u>INTERVAL</u></b>	<b><u>MUD TYPE</u></b>
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 3600'

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.

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**EIGHT POINT PLAN**

**UTE #31-11D3E**  
**NE/SW, SEC. 31, T4S, R3E**  
**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)

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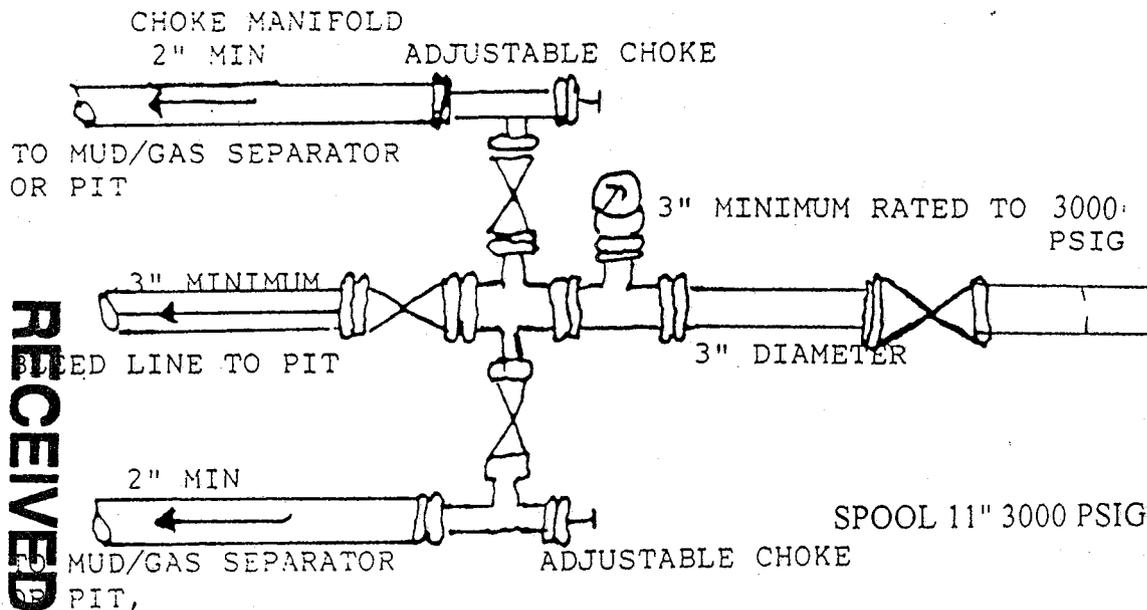
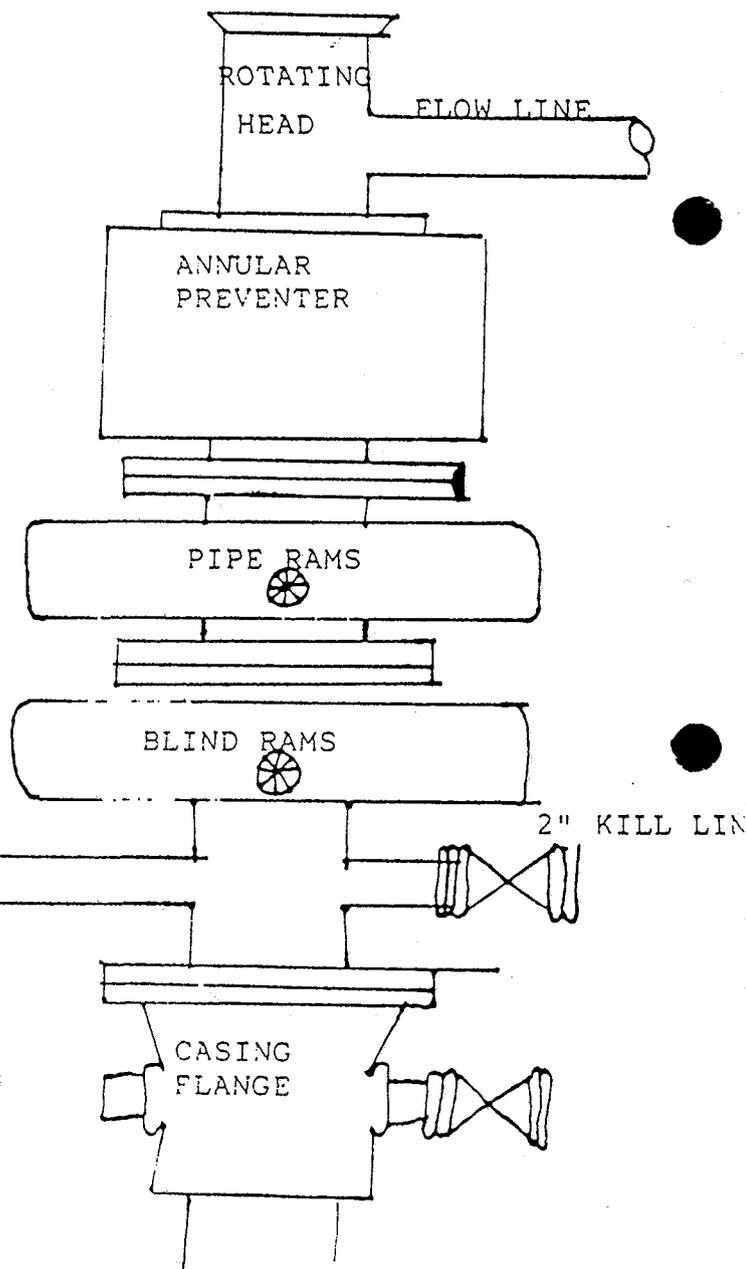
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# 3000 PSIG DIAGRAM

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.



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: UTE 31-11D3E  
Lease Number: \_\_\_\_\_  
Location: 1470' FSL & 2143' FWL, NE/SW, Sec. 31, T4S, R3E  
U.S.B.&M., Uintah County  
Surface Ownership: Ute Indian Tribe

**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.

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## 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 17.5 miles southeast of Fort Duchesne, 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 50 feet 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.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

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

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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 - None
  - 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, separator, dehy, 210 Bbl condensate tank, meter house, and attached piping.  
See attached facility diagram.
- 3. Oil gathering lines - None
- 4. Gas gathering lines - A 4 ½" 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. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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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, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a construction in the unit or other lease or unit boundary change), the BIA will process a change in authorization to the appropriate rental or other financial obligation as determined by the authorized officer.

#### **5. LOCATION & TYPE OF WATER SUPPLY**

- A. Water supply will be from Ouray Municipal Water 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 Tribal Land.
- C. No mineral materials will be required.

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## 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 waste water 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 BIA 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 waste water 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.

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OIL, GAS AND MINING

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.

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 topsoil will be stored on the Southeast end of the location.

Access to the well pad will be from the Northwest.

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.

The reserve pit and/or pad locations shall be constructed long and narrow for topographic reasons \_\_\_\_\_.

NA Corner # \_\_\_\_\_ 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.

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DIVISION OF  
OIL, GAS AND MINING

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 BIA 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 Tribal land, or any fence between Tribal land and private land, the operator will contact the BIA, 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 reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

### **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 BIA will attach the appropriate surface rehabilitation conditions of approval.

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11. SURFACE OWNERSHIP

Access road: Tribal

Location: Tribal

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.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to

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make arrangements for permanent storage on commercial facilities. (The BIA does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

- N/A No construction or drilling activities shall be conducted between \_\_\_\_\_ and \_\_\_\_\_ because of \_\_\_\_\_.
- 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 BIA 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.

The BIA office shall be notified upon site completion prior to moving on the drilling rig.

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**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.

9-14-2000  
Date

  
Agent

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SEP 22 2000  
DIVISION OF  
OIL, GAS AND MINING



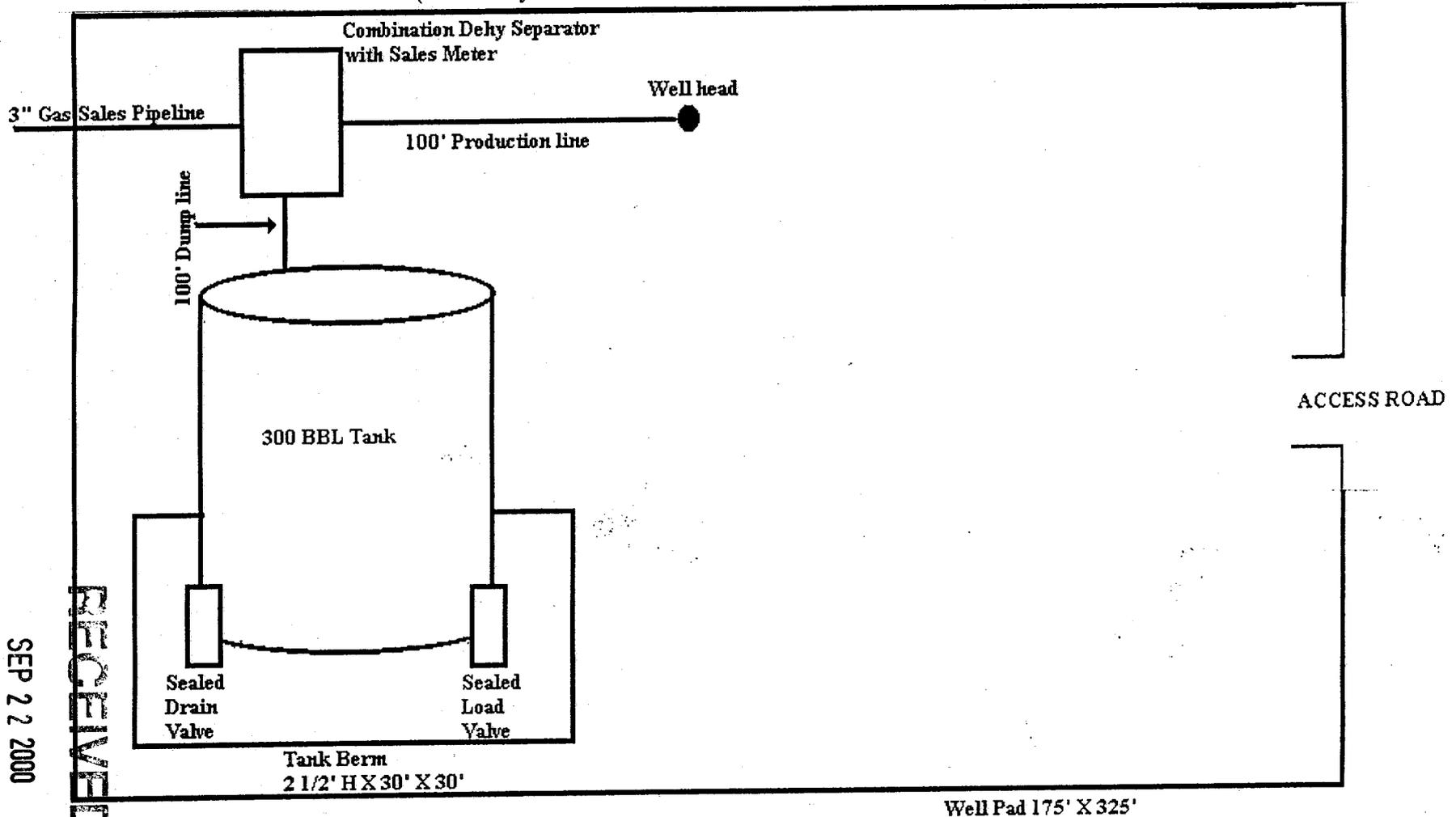
**SITE FACILITY DIAGRAM**

UTE 31-11D3E

SECTION 31, T4S, R3E, NE/4 SW/4  
UINTAH COUNTY, UTAH

LEASE NUMBER

(Site Security Plan is on file at EOG Resources, Inc.'s Vernal Office)



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DIVISION OF  
OIL, GAS AND MINING

Well Pad 175' X 325'

# PETROGLYPH ENERGY, INC.

## LOCATION LAYOUT FOR

UTE #31-11D3E  
SECTION 31, T4S, R3E, U.S.B.&M.

1470' FSL 2143' FWL

Proposed Access Road

C-0.9'  
El. 55.4'

F-1.5'  
El. 53.0'

F-3.2'  
El. 51.3'

Sta. 3+15

SCALE: 1" = 50'

DATE: 07-14-98

Drawn By: D.R.B.

Revised: 08-24-00 D.R.B.

**NOTE:**

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

NOTE:  
Pit Capacity W/2' of Freeboard is ±5,800 Bbls.

Existing Trail

FLARE PIT

C-2.1'  
El. 56.6'

El. 58.8'  
C-12.3'  
(btm. pit)

Approx. Top of Cut Slope

Reserve Pit Backfill & Spoils Stockpile

El. 58.9'  
C-12.4'  
(btm. pit)

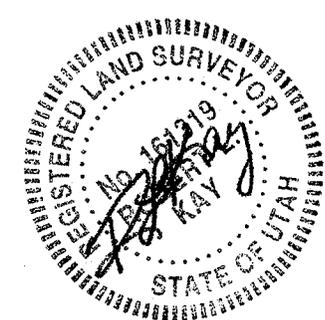
El. 57.3'  
C-2.8'

CONSTRUCT DIVERSION DITCH

El. 56.4'  
C-1.9'

Topsoil Stockpile  
C-0.1'  
El. 54.6'

Existing Drainage



Sta. 1+65

F-2.6'  
El. 51.9'

Approx. Toe of Fill Slope

Sta. 0+00

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Elev. Ungraded Ground at Location Stake = 4655.9'

Elev. Graded Ground at Location Stake = 4654.5'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

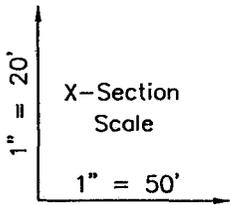
**PETROGLYPH ENERGY, INC.**

**TYPICAL CROSS SECTIONS FOR**

**UTE #31-11D3E**

**SECTION 31, T4S, R3E, U.S.B.&M.**

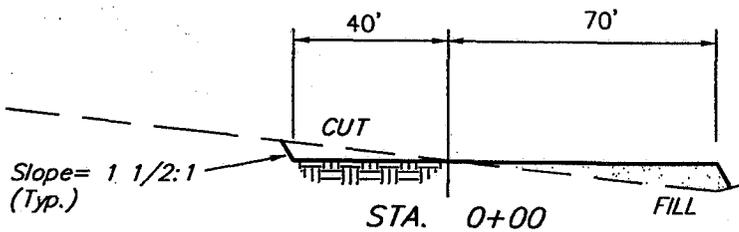
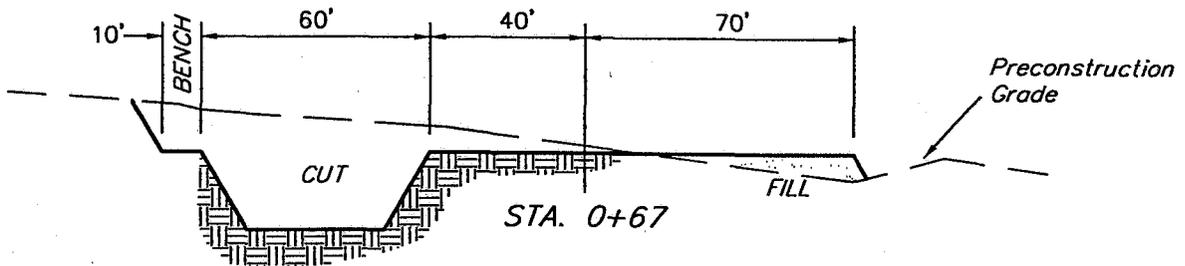
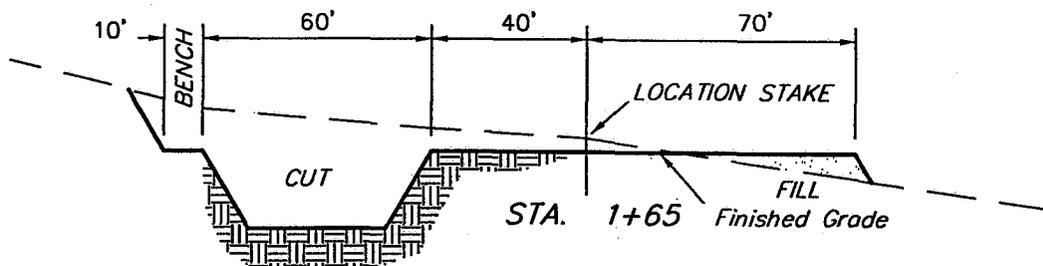
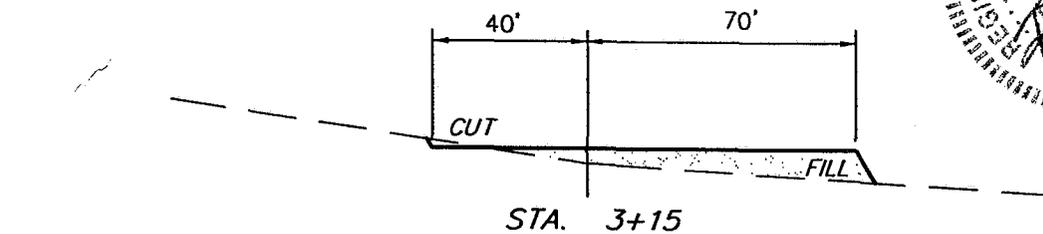
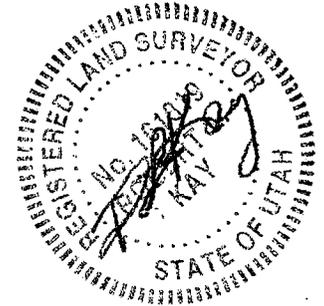
**1470' FSL 2143' FWL**



DATE: 07-14-98

Drawn By: D.R.B.

Revised: 08-24-00 D.R.B.



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SEP 22 2000

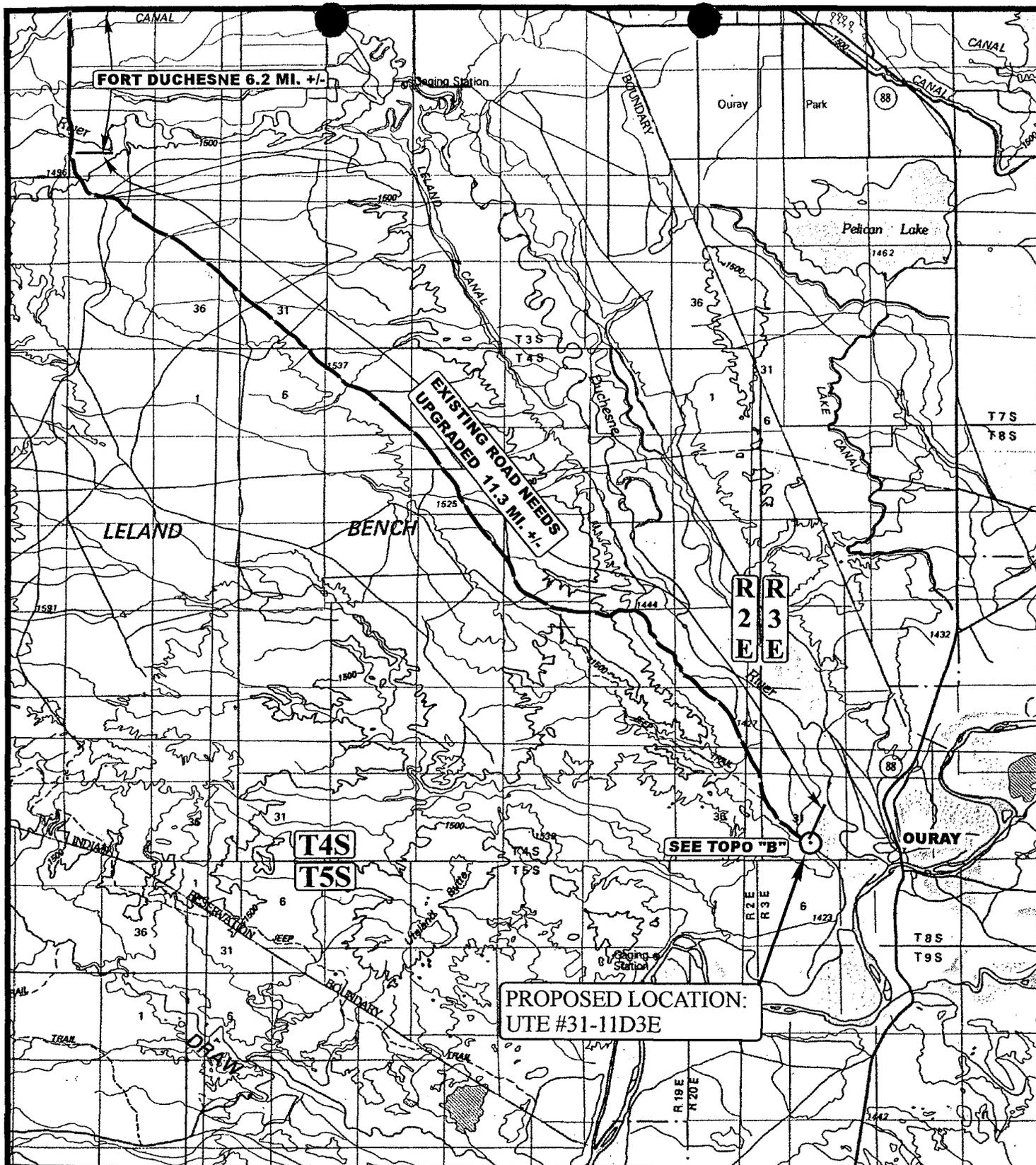
DIVISION OF OIL, GAS AND MINING

**APPROXIMATE YARDAGES**

(12") Topsoil Stripping	=	1,580 Cu. Yds.
Remaining Location	=	3,150 Cu. Yds.
<b>TOTAL CUT</b>	=	<b>4,730 CU.YDS.</b>
<b>FILL</b>	=	<b>2,160 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	=	2,460 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,460 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

**UINTAH ENGINEERING & LAND SURVEYING**  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



**LEGEND:**

○ PROPOSED LOCATION

**PETROLYPH ENERGY, INC.**

UTE #31-11D3E  
SECTION 31, T4S, R3E, U.S.B.&M.  
1470' FSL 2143' FWL



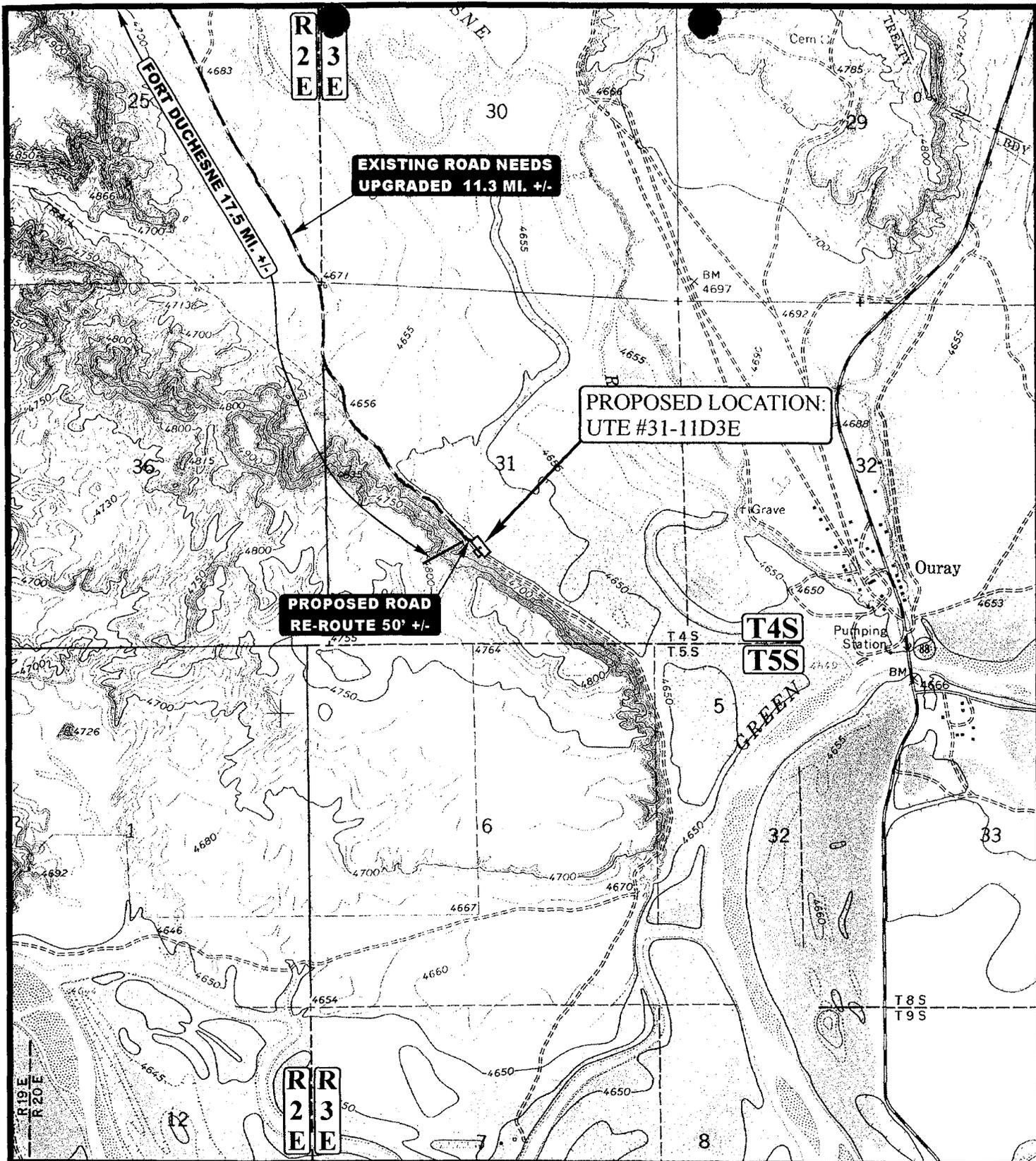
**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**7 13 98**  
MONTH DAY YEAR

SCALE: 1 : 100,000 DRAWN BY: D.COX REV:8-25-00J.L.G.





**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

**PETROGLYPH ENERGY, INC.**

UTE #31-11D3E  
 SECTION 31, T4S, R3E, U.S.B.&M.  
 1470' FSL 2143' FWL



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

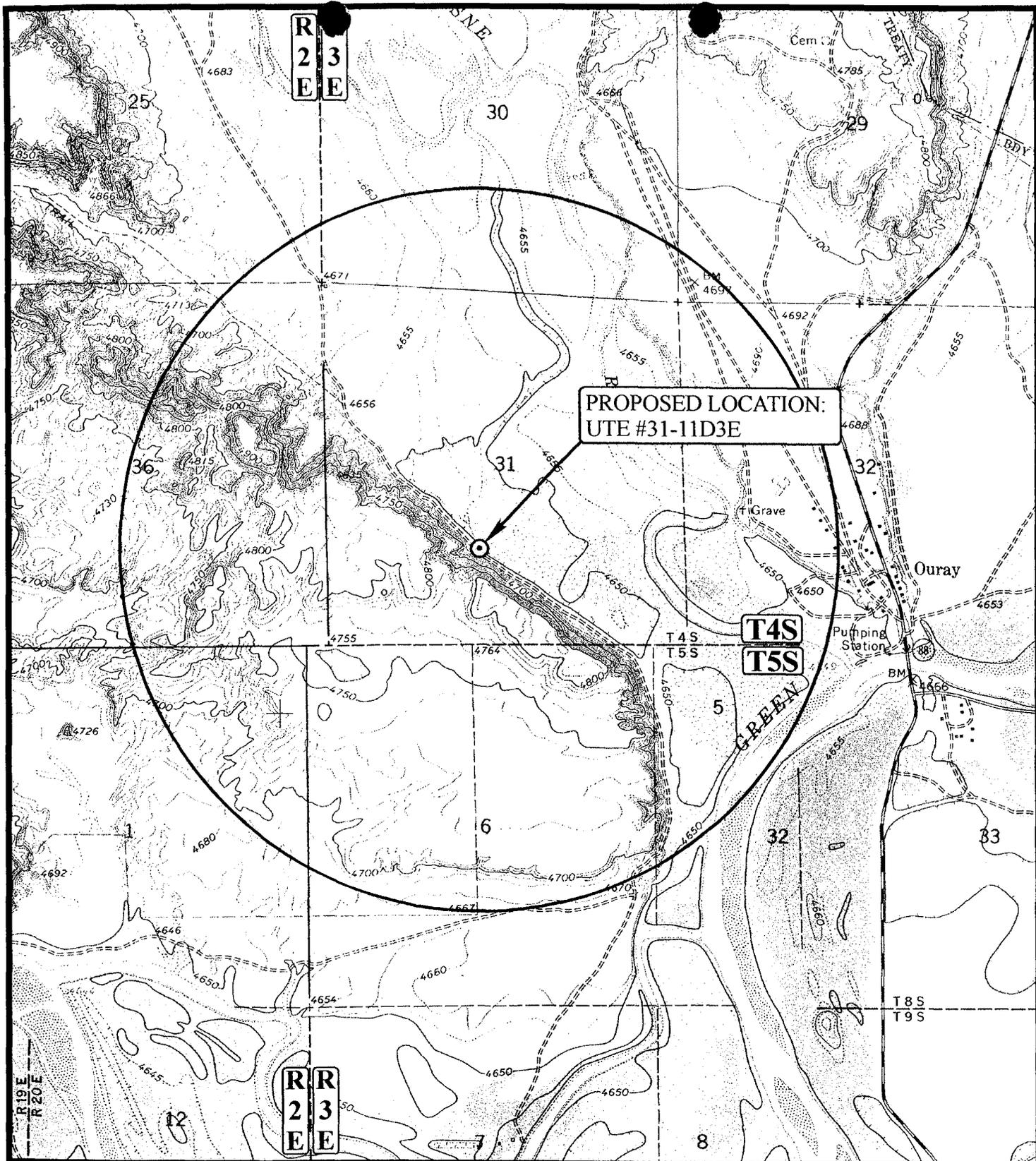


**TOPOGRAPHIC  
 MAP**

**7 13 98**  
 MONTH DAY YEAR

SCALE: 1" = 2000' | DRAWN BY: D.COX | REVISED: 8-25-00

**B**  
 TOPO



PROPOSED LOCATION:  
UTE #31-11D3E

T4S  
T5S

R  
2  
E  
E

R  
2  
E  
E

**LEGEND:**

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

**PETROGLYPH ENERGY, INC.**

UTE #31-11D3E  
SECTION 31, T4S, R3E, U.S.B.&M.  
1470' FSL 2143' FWL



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

TOPOGRAPHIC  
MAP

7 13 98  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 8-25-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/22/2000

API NO. ASSIGNED: 43-047-33694
--------------------------------

WELL NAME: UTE 31-11D3E  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER, AGENT

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:  
 NESW 31 040S 030E  
 SURFACE: 1470 FSL 2143 FWL  
 BOTTOM: 1470 FSL 2143 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 2-Indian  
 LEASE NUMBER: E & D Agreement 4750  
 SURFACE OWNER: 2-Indian

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

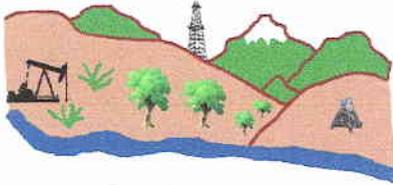
- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 22-000-456 )
- Potash (Y/N)
- Oil Shale (Y/N) \*190 - 5 (B)
- Water Permit  
(No. 49-1501 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General
- Siting: \_\_\_\_\_
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: Need add'l info. "Ex. Loc." (Rec'd 10-12-2000)

STIPULATIONS: ① FEDERAL APPROVAL



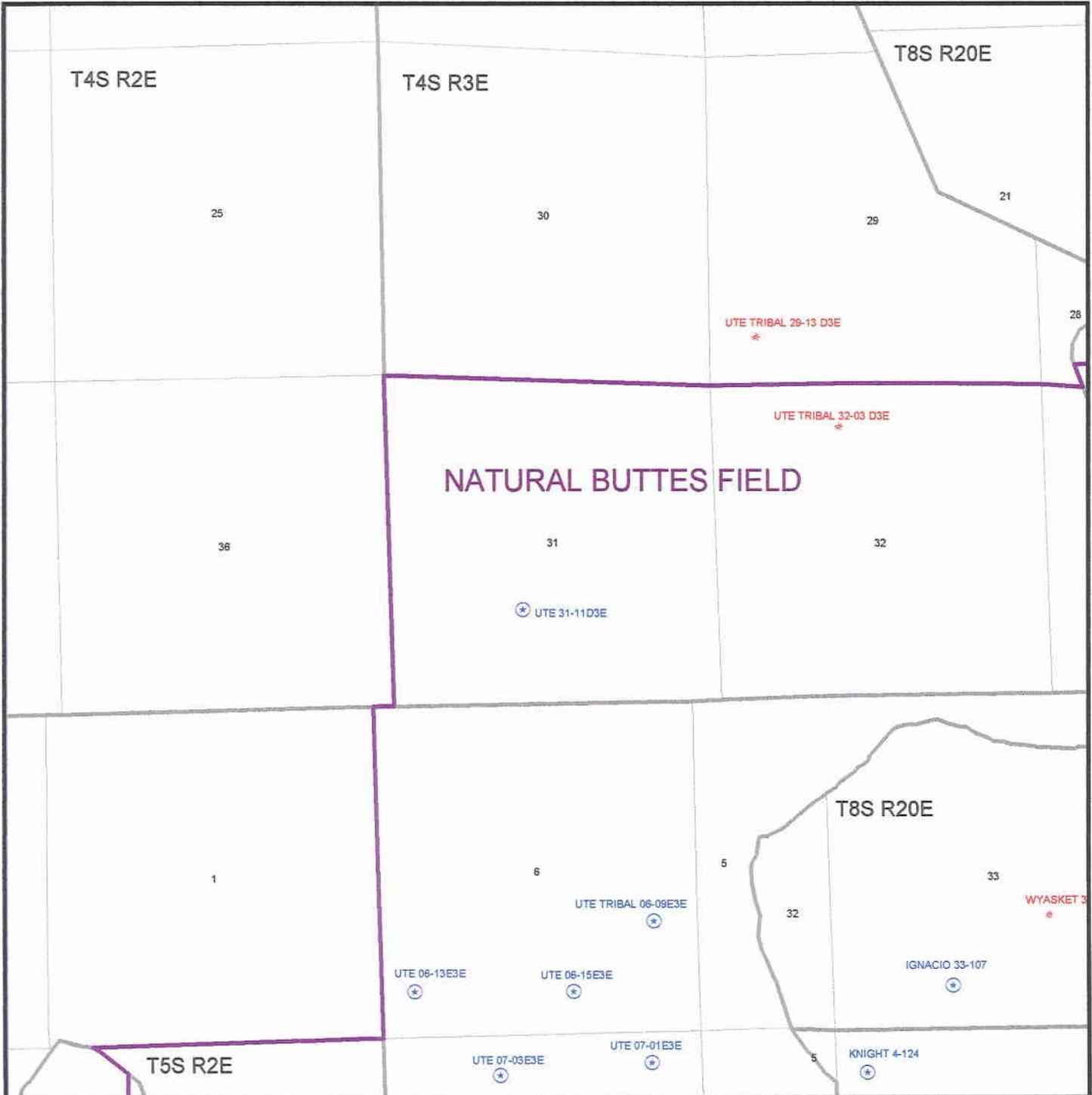
Utah Oil Gas and Mining

OPERATOR: EOG RESOURCES INC (N9550)

FIELD: NATURAL BUTTES (630)

SEC. 31, T4S, R3E,

COUNTY: UINTAH SPACING: R649-3-3/EX LOC





**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

October 11, 2000

**VIA OVERNIGHT MAIL**

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Attention: Mr. John Baza

RE: Request for Exception Location  
Ute Tribal #31-11D3E  
W. Ouray Area  
Uintah County, Utah

Ladies and Gentlemen:

Reference is made to our letter of like caption dated September 19, 2000.

Provided for your information and file is a copy of said letter duly executed on behalf of Petroglyph Energy, Inc. as evidence of its approval of the subject exception location.

Should you have any questions, regarding this matter, please feel free to give me a call at (303) 824-5428.

Sincerely,

A handwritten signature in black ink, appearing to read "R. G. Davis".

R. G. Davis, CPL  
Project Landman

05000a.rgd

cc: Bill Hobbs – Denver  
Jim Schaefer – Big Piney  
Ed Trotter – Vernal

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OCT 12 2000

DIVISION OF  
OIL, GAS AND MINING



**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

September 19, 2000

**VIA OVERNIGHT MAIL**

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Attention: Mr. John Baza

RE: Request for Exception Location  
Ute Tribal #31-11D3E  
W. Ouray Area  
Uintah County, Utah

Ladies and Gentlemen:

Heretofore, EOG Resources, Inc. ("EOGR") applied with the Utah Division of Oil, Gas and Mining for a Drilling Permit for the captioned well scheduled to be drilled at the following location in the captioned area to a proposed subsurface depth of 7,840 feet to test the Wasatch Formation:

Township 4 South, Range 3 East, U.S.B. & M.  
Section 31: Lot 12 (NE4SW4)  
1,470 FSL and 2,143 FWL

The well will be drilled under that certain base agreement entitled "Exploration and Development Agreement," dated May 26, 1995 by and between The Ute Indian Tribe, The Ute Distribution Corporation and Petroglyph Gas Partners (nka Petroglyph Energy, Inc.), hereinafter called "Exploration Agreement."

Due to topographical and geological reasons EOGR is unable to drill the well at a legal location as defined under state rule R649-3-2. We therefore respectfully request from the state an exception to rule R649-3-2 in accordance with state rule R649-3-3. In support of our request we provide a survey plat and a topographical map. By referring to the topographical map you will note that we are unable to spot the well at the center of the NE4SW4 of Section 31, or within a 200' window, because of the close proximity of lands to the north and east susceptible to water encroachment from the Duchesne River.

Please be advised that all direct quarter-quarter offsets to the drillsite tract are held in trust by the United States for the benefit of the Ute Tribe and covered under the Exploration Agreement. Therefore, there are no other owners within a 460' radius of the proposed well location and no written consents to the exception location are required. However, by copy of this letter to Petroglyph Energy, Inc. we request that Petroglyph, as a party to the Exploration Agreement, express its consent to the exception location by dating, signing and returning one (1) copy each of this letter to the Division of Oil, Gas and Mining at the above address and to the undersigned at the letterhead address.

EOGR respectfully requests the Utah Division of Oil, Gas and Mining to grant administrative approval of this application for an exception location described herein at its earliest opportunity.

Thank you for your consideration to our request. Should you have any questions regarding this matter, please feel free to give me a call at (303) 824-5428.

Sincerely,

  
R. G. Davis, CPL  
Project Landman

05000.rgd

cc: Bill Hobbs - Denver  
Jim Schaefer - Big Piney  
Ed Trotter - Vernal

Petroglyph Energy, Inc.  
Attention: Mr. Phil Shepardson  
410 17<sup>th</sup> Street, Suite 1230  
Denver, CO 80202

Accepted and agreed to this 29 day of September, 2000

**Petroglyph Energy, Inc.**

By:   
ITS AGENT AND ATTY IN FACT

Date: 9-29-00



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)

October 16, 2000

EOG Resources, Inc.  
PO Box 1815  
Vernal, UT 84078

Re: UTE 31-11D3E Well, 1470' FSL, 2143' FWL, NE SW, Sec. 31, T. 4 South, R. 3 East,  
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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-33694.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza  
Associate Director

er

Enclosures

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

Operator: \_\_\_\_\_ EOG Resources, Inc.  
Well Name & Number \_\_\_\_\_ UTE 31-11D3E  
API Number: \_\_\_\_\_ 43-047-33694  
Lease: \_\_\_\_\_ E&D Agreement 4750

Location: NE SW      Sec. 31      T. 4 South      R. 3 East

### 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 of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will 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**

<p>1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/></p> <p>b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/></p> <p>2. Name of Operator <b>EOG RESOURCES, INC.</b></p> <p>3. Address and Telephone Number <b>P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790</b></p> <p>4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1470' FSL &amp; 2143' FWL NE/SW</b> At proposed prod. Zone</p> <p>14. Distance in miles and direction from nearest town or post office <b>17.5 MILES SOUTHEAST OF FORT DUCHESNE, UTAH</b></p> <p>15. Distance from proposed location to nearest property or lease line, ft. <b>1470'</b> (Also to nearest drig. Unit line, if any)</p> <p>18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.</p> <p>21. Elevations (show whether DF, RT, GR, etc.) <b>4655 FEET GRADED GROUND</b></p>	<p>5. Lease designation and serial number <b>14-20-H62-4750</b></p> <p>6. If Indian, Allottee or Tribe name <b>UTE INDIAN TRIBE</b></p> <p>7. Unit Agreement Name</p> <p>8. Farm or lease name, well no.</p> <p>9. API Well No. <b>UTE 31-11D3E</b></p> <p>10. Field and pool, or wildcat <b>WASATCH</b></p> <p>11. Sec., T., R., M., or BLK. and survey or area <b>SEC. 31, T4S, R3E</b></p> <p>12. County or parish <b>UINTAH</b></p> <p>13. State <b>UTAH</b></p> <p>16. No. of acres in lease</p> <p>17. No. of acres assigned to this well</p> <p>20. Rotary or cable tools <b>ROTARY</b></p> <p>22. Approx. date work will start <b>OCTOBER 2000</b></p>
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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#	7840'	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

**CONFIDENTIAL**

EOG RESOURCES, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER BOND #22-000-456

Pc: UTAH DIVISION OF OIL, GAS, AND MINING  
BUREAU OF INDIAN AFFAIRS

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**NOV 08 2000** **SEP 18 2000**

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 9-14-2000

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ 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 Assistant Field Manager  
Mineral Resources DATE 11/2/00

**CONDITIONS OF APPROVAL ATTACHED**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc.

Well Name & Number: UTE TRIBAL 31-11D3E

API Number: 43-047-33694

Lease Number: 14-20-H62-4750

Location: LOT 12 (NESW) Sec. 31 T.04S R. 03E

Agreement: N/A

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

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### 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.

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 shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

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 base of the top of the Green River Formation, identified at 2,479 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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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 vapor proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to top of the 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. Two copies 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.

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.

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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(d) shall be submitted to the appropriate Field Office within 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 (1).

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 onlease or off-lease will have prior written approval from the AO.

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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 and tested for meter accuracy 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 approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 789-7077 (HOME) (435) 646-1685 (PAGER)  
Petroleum Engineer

Jerry Kenczka (435) 781-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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OIL, GAS AND MINING

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, spent 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.

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OIL, GAS AND MINING

## SURFACE CONDITIONS OF APPROVAL

30 foot wide right-of-ways shall be granted for the project.

The Ute Tribe Energy and Mineral Department is to be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office days are Monday through Thursday. A Tribal Technician is to routinely monitor construction. For all monitoring that is to exceed Tribal Technician regular working hours, EOG Resources shall make arrangements with the Ute Energy and Minerals Department.

EOG will identify and provide maps of each pipeline upon construction. The Ute tribe will be notified of each addition constructed in the pipeline ROW.

For any deviations of submitted APD's and ROW applications, EOG Resources Inc. will notify the Ute Tribe and Bureau of Indian Affairs in writing and will receive written authorization of such changes. Without authorization, EOG Resources Inc. understands they will be subject to fines and penalties.

EOG Resources Inc. will assure the Ute Tribe that any/all contractors and subcontractors have acquired a 2000 Tribal Business License and have "Year 2000 Access Permits" prior to construction. Contractors and subcontractors will have these permits in vehicles at all times.

All EOG Resources employees and/or authorized personnel (subcontractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.

EOG Resources will implement "Safety and Emergency Plan." EOG Resources will ensure its compliance.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined and approved, and to the existing roadways and/or evaluated access routes.

All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

The personnel from the Ute Tribe Energy & Mineral Department shall be consulted if cultural remains (including paleontology fossils) from subsurface deposits are exposed or identified during construction. All construction will cease. Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from the BIA and the Ute Tribal Department of Cultural Rights and Protection.

Upon completion of construction of the rights-of-way, EOG Resources Inc. will notify the Ute Tribe Energy & Minerals Resources Department. This will be done so that a Tribal Technician can verify Affidavit of Completions.

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DIVISION OF  
OIL, GAS AND MINING

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Soil erosion will be mitigated by reseeded all disturbed areas.

Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

A closed production system will be used. Production fluids will be contained in leak proof tanks. Low profile tanks may be used to minimize problems with irrigation systems. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Although the access road right of way is 30 feet wide, access roads shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts and fills are required for road construction.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation without site specific authorization from BIA.

Where surface pipelines do not parallel roads but cross country between stations. The line shall either be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation. If the flowline doesn't follow existing and APD proposed new access roads then traffic shall be restricted along pipeline ROWs so that they will not be used as an access road.

Buried flowlines shall be a minimum of three feet below the surface. After the construction of the pipeline is completed the disturbed area of the ROW shall be contoured to blend into the natural landscape, and it shall be reseeded with desirable vegetation. Between September 15 and November 1 of the year following pipeline construction of the buried line all disturbed areas shall be reseeded with perennial vegetation according to BIA, or to Ute Tribe specifications.

EOG Resources employees, representatives, and subcontractors shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

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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)

October 23, 2001

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

Re: APD Rescinded – Ute 31-11D3E, Sec. 31, T4S, R3E, Uintah County, Utah  
API 43-047-33694

Dear Mr. McBride:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on October 16, 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 October 16, 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



# 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

November 20, 2001

**CONFIDENTIAL**

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

Re: Notification of Expiration  
Well No. Ute 31-11D3E  
NESW, Sec. 31, T4S, R3E  
Uintah County, Utah  
Lease No. 14-20-H62-4750

*43-047-33694*

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on November 2, 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.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any 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: UDOGM - Lisha Cordova  
Ed Trotter

*VLD - DOGM LALd  
10-16-2001*

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