

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

August 21, 2001

Bureau of Land Management  
Vernal District  
170 South 500 East  
Vernal, UT 84078

RE: APPLICATION FOR PERMIT TO DRILL  
CHAPITA WELLS UNIT 640-26  
NW/NE, SEC. 26, T9S, R22E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0285-A  
FEDERAL LANDS

Dear Mr. Forsman:

Enclosed are the original and two (2) copies 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

pc: State Division of Oil, Gas & Mining

BLM-BLM-EOG

**RECEIVED**

AUG 27 2001

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 <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. Lease designation and serial number <b>U-0285-A</b>
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"/>		6. If Indian, Allottee or Tribe name
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. Unit Agreement Name <b>CHAPITA WELLS UNIT</b>
3. Address and Telephone Number <b>P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790</b>		8. Farm or lease name, well no.
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>275' FNL &amp; 2121' FEL                      NW/NE</b> <i>4436266 N</i> <i>636168 E</i>		9. API Well No. <b>CWU 640-26</b>
At proposed prod. Zone		10. Field and pool, or wildcat <b>WASATCH</b>
14. Distance in miles and direction from nearest town or post office <b>20.1 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or BLK. and survey or area <b>SEC. 26, T9S, R22E</b>
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) <b>275'</b>	16. No. of acres in lease <b>1800</b>	12. County or parish <b>UINTAH</b>
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.	13. State <b>UTAH</b>
19. Proposed depth <b>7520'</b>	20. Rotary or cable tools <b>ROTARY</b>	
21. Elevations (show whether DF, RT, GR, etc.) <b>4956.4 FEET GRADED GROUND</b>		22. Approx. date work will start <b>UPON APPROVAL</b>

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#	7520'	50/50 POXMIX + 2% GEL + 10%

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 #NM 2308

**RECEIVED**

DIVISION OF OIL, GAS AND MINING

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 8-22-2001

(This space for Federal or State office use)

PERMIT NO. 43-047-34262

**Federal Approval of this Action is Necessary**  
APPROVAL DATE

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

CONDITIONS OF APPROVAL, IF ANY:

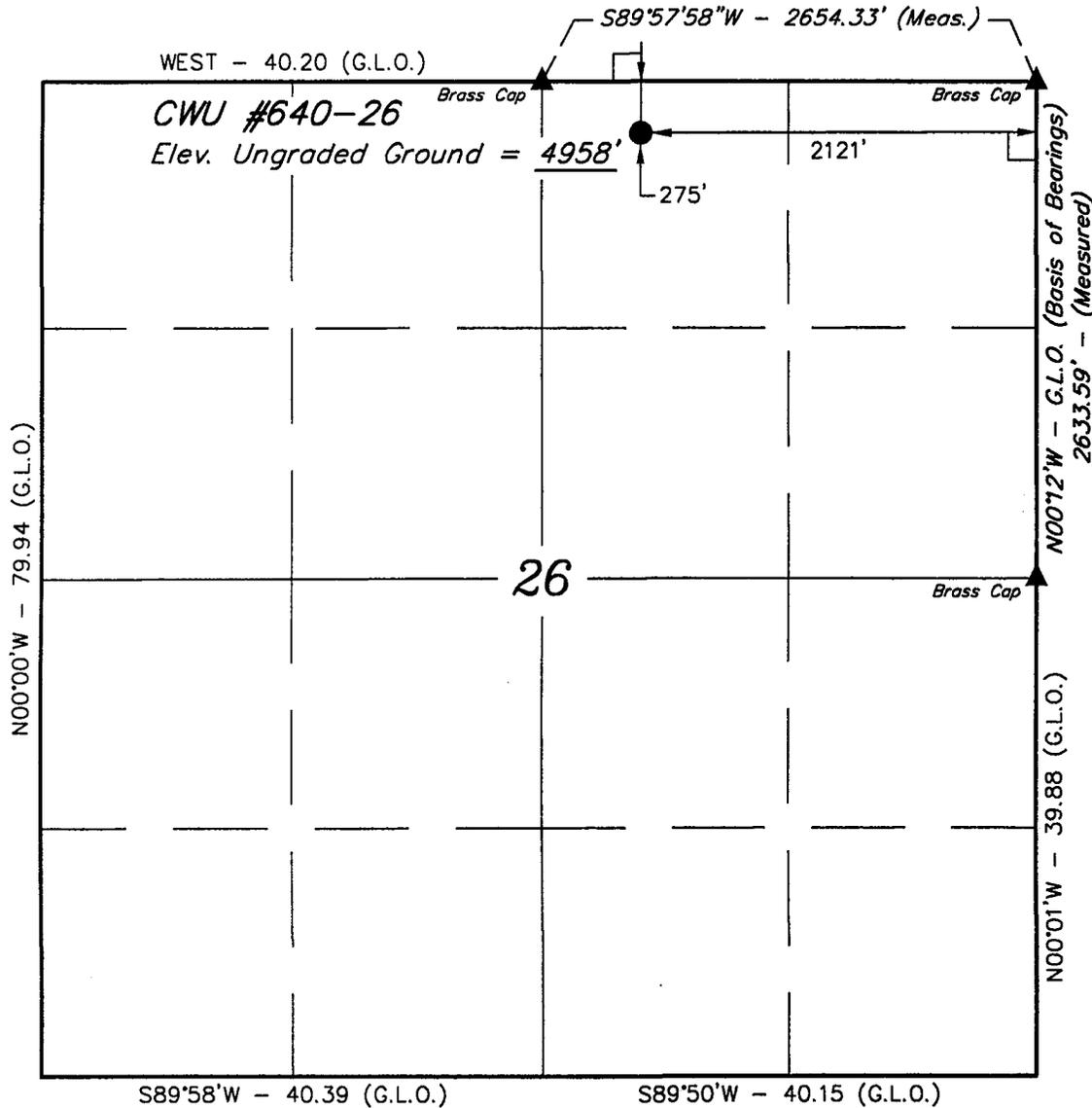
APPROVED BY *[Signature]* TITLE BRADLEY G. HILL DATE 09-04-01

RECLAMATION SPECIALIST III

# T9S, R22E, S.L.B.&M.

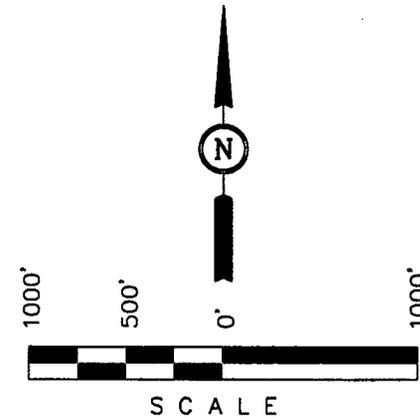
## EOG RESOURCES, INC.

Well location, CWU #640-26, located as shown in the NW 1/4 NE 1/4 of Section 26, T9S, R22E, S.L.B.&M. Uintah County, Utah.



### BASIS OF ELEVATION

BENCH MARK 1965 61 EAM LOCATED IN THE NW 1/4 NE 1/4 OF SECTION 23, T9S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH SW QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4938 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

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°00'49"  
LONGITUDE = 109°24'17"

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

SCALE 1" = 1000'	DATE SURVEYED: 1-24-01	DATE DRAWN: 2-07-01
PARTY G.S. T.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 640-26**  
**NW/NE, SEC. 26, T9S, R22E, S.L.B.&M.**  
**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	1808		
Oil Shale	1808		
"H" Marker	3183		
"J" Marker	3823		
Base "M" Marker	4253		
Wasatch	4580		
Peters Point	4580	GAS	
Chapita Wells	5190	GAS	
Buck Canyon	5740	GAS	
Island	6470	GAS	
Lower Island	6650	GAS	

EST. TD: 7520

Anticipated BHP 3300 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 ¼	0' - 220'	200' - 220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 7520'	7520'	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**

**CHAPITA WELLS UNIT 640-26**  
**NW/NE, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**5. MUD PROGRAM**

<u>INTERVAL</u>	<u>MUD TYPE</u>
0' - 200'	Air
200' - 4000'	Air/Mist or Aerated Water
4000' - TD	Aerated 4% KCL water

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 Wireline  
Platform Express with Dipole Sonic T.D. to Surface Casing

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**

**CHAPITA WELLS UNIT 640-26**  
**NW/NE, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**8. ABNORMAL CONDITIONS:**

Underbalanced circulation system will require rotating head. Potential gas kicks in Green River and Wasatch. Potential shale swelling/sloughing problems. Drilling jars may be utilized depending on hole condition, projected TD and exposure time in the Wasatch formation. Use 4% KCL in the water to stabilize the shales. Meter air and add foamer to maximize consistency of returns and maintain stable pit levels.

**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.

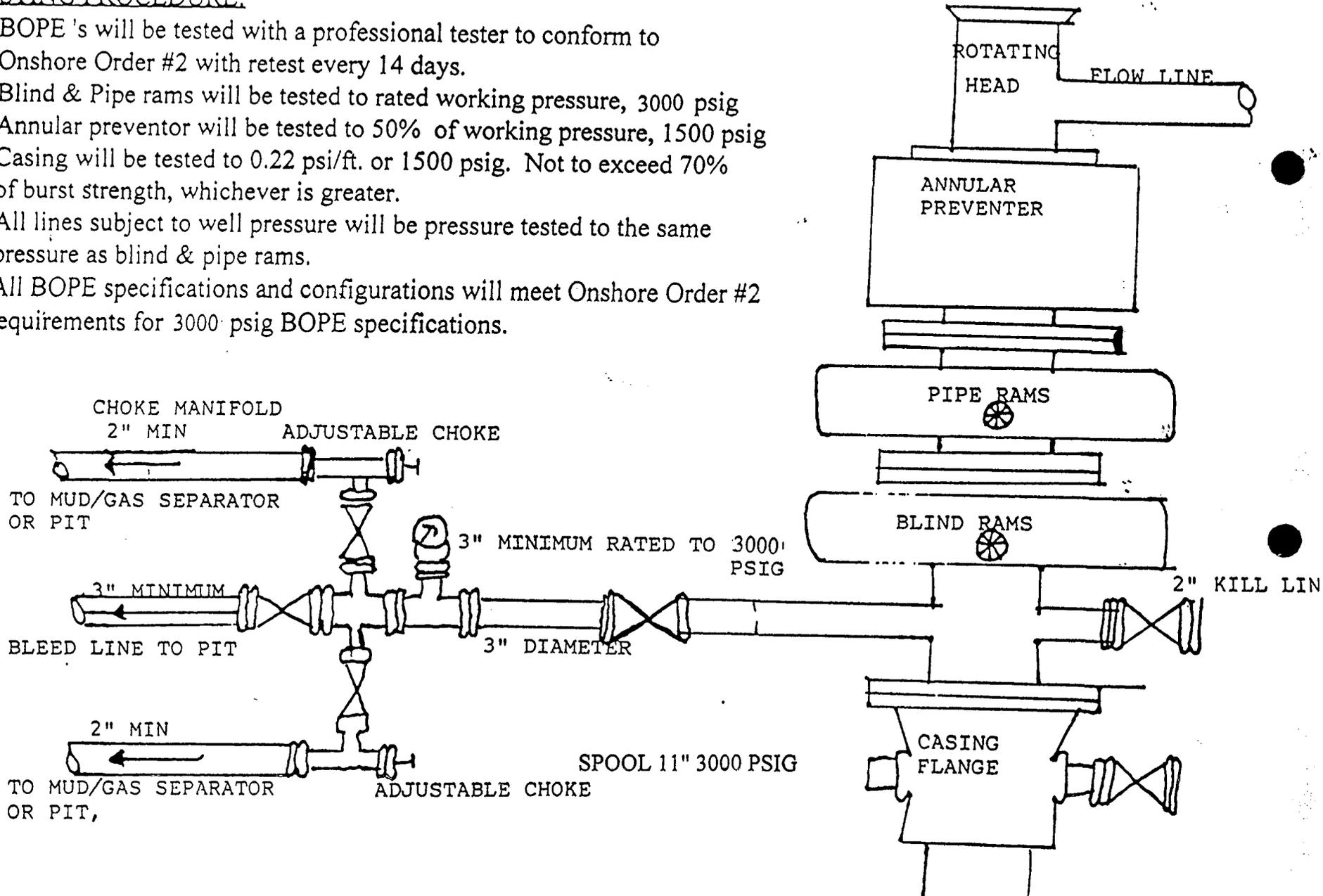
(Attachment: BOP Schematic Diagram)

# 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.



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: Chapita Wells Unit 640-26  
Lease Number: U-0285-A  
Location: 275' FNL & 2121' FEL, NW/NE, Sec. 26, T9S,  
R22E, 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 well - 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 20.1 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 0.4 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. Abandoned wells – 3\*
- B. Producing wells - 35\*
- C. Shut in wells – 1\*

(\*See attached TOPO map “C” for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

- 1. 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.
- 2. Gas gathering lines - A 3” gathering line will be buried from dehy to the edge of the location.

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 700’ from proposed location to a point in the SW/SE of Section 23, T9S, R22E, where it will tie into Questar Pipeline Co.’s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, 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 North 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 will be painted within six 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 Carlbad 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 contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to 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 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 the Uintah County landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling

operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

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.

**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 with felt and a pit liner.**

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 Shad Scale per acre
  - 4 pounds Gardner Salt Bush per acre
  - 4 pounds Indian Rice Grass per acre

The reserve pit will be located on the Northeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the East 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 between Corners B and 5. The stockpiled location topsoil will be stored between Corners A and 2. 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.

X Small drainages entering the location from the East will be ditched out to the North end of the location when the pit is backfilled.

X Corners #2, #6, & #8 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 re-contoured 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.

## **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.

- 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 BLM, or the appropriate County Extension Office. On BLM 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 BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

None

**LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

<b><u>OPERATIONS</u></b>		<b><u>PERMITTING</u></b>
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.

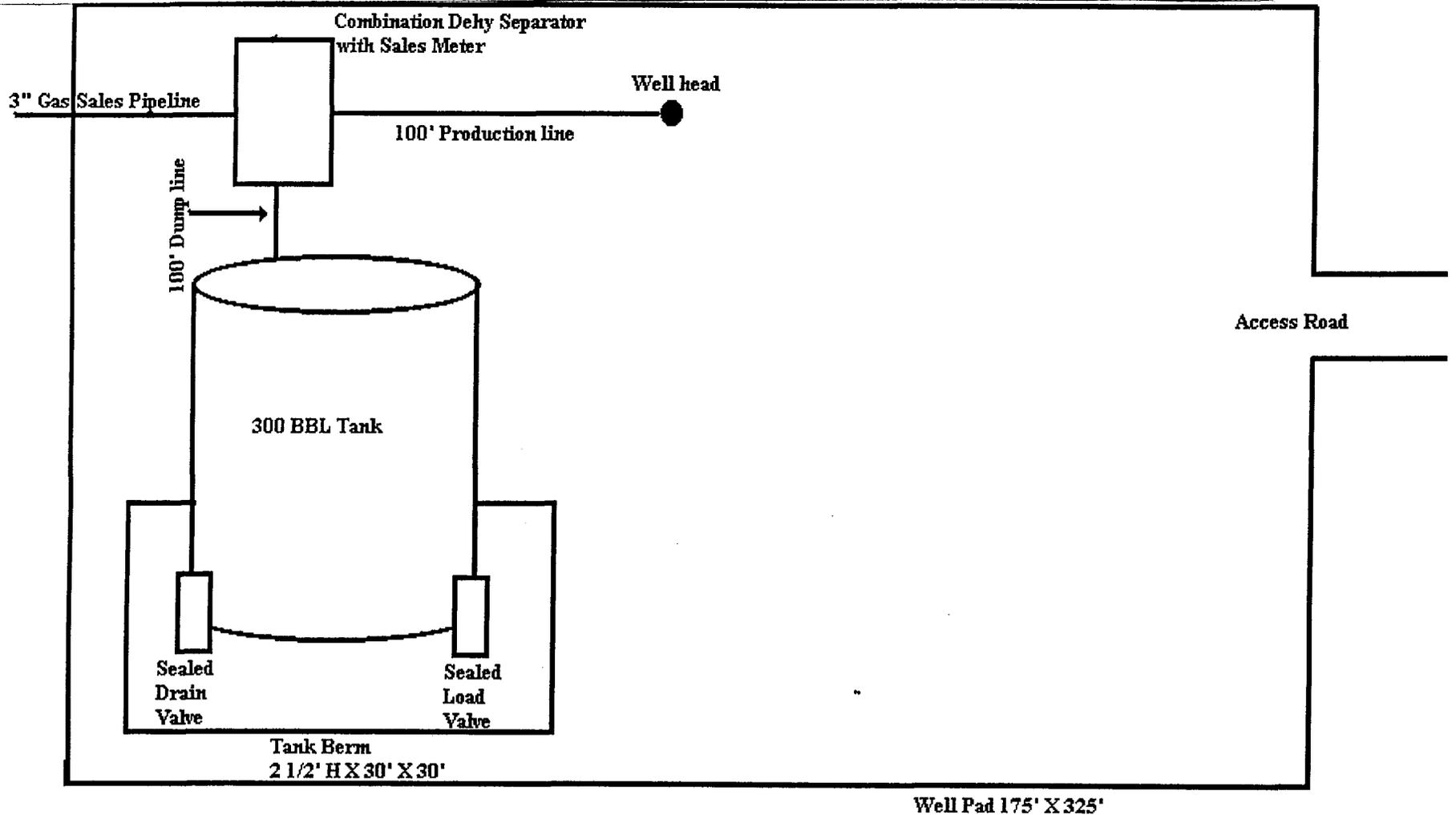
8-22-2001  
Date

  
Agent

**SITE FACILITY DIAGRAM**  
**CHAPITA WELLS UNIT 640-26**  
**NW/NE, SEC. 26, T9S, R22E**  
**UINTAH COUNTY, UTAH**  
**LEASE NO. U-0285-A**  
**FEDERAL LANDS**



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



Well Pad 175' X 325'

# EOG RESOURCES, INC.

CWU #640-26

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 26, T9S, R22E, S.L.B.&M.

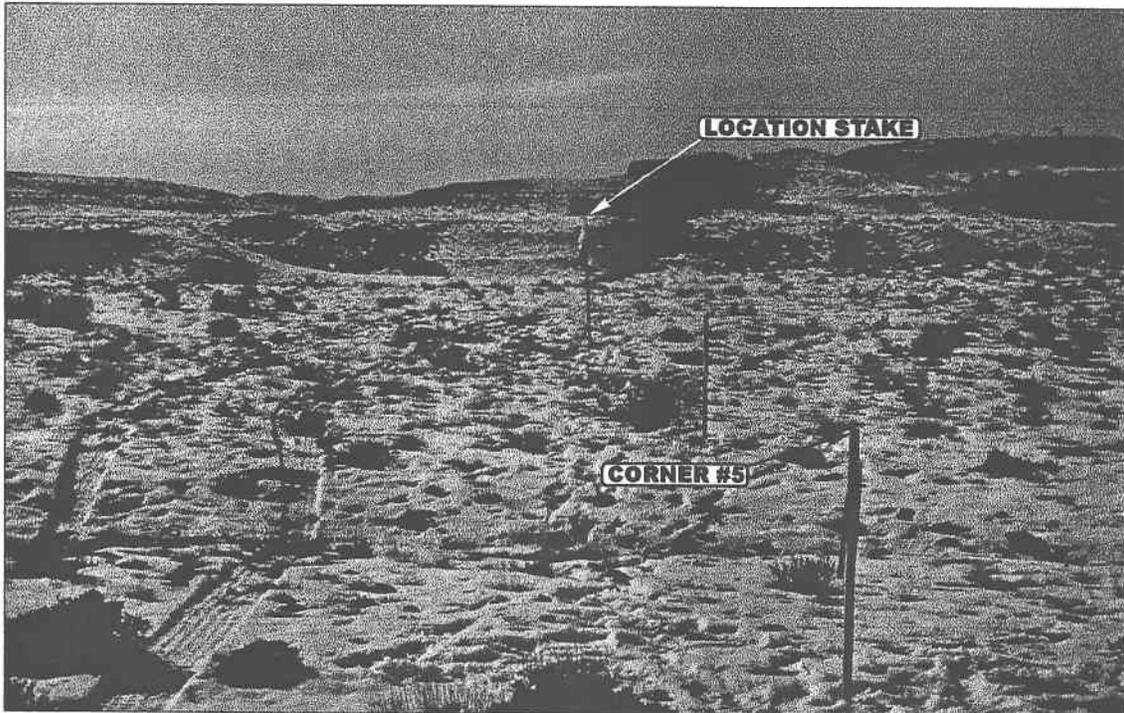


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

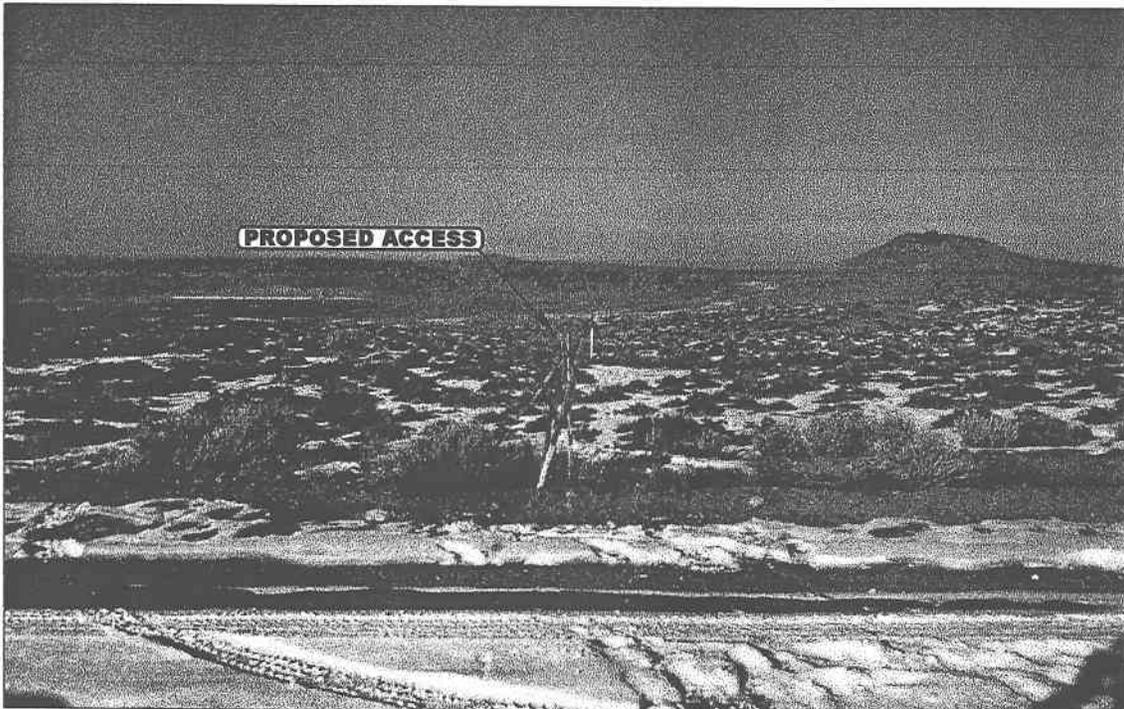


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

**UELS**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

2

6

01

MONTH

DAY

YEAR

PHOTO

TAKEN BY: G.S.

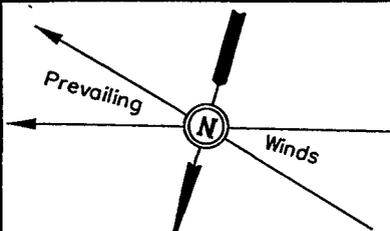
DRAWN BY: K.G.

REVISED: 00-00-00

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #640-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
275' FNL 2121' FEL



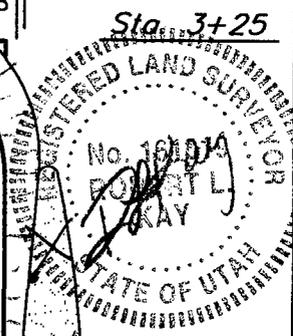
SCALE: 1" = 50'  
DATE: 2-8-01  
Drawn By: D.COX

Proposed Access Road

C-7.8'  
El. 64.2'

C-11.8'  
El. 68.2'

Sta. 3+25



Approx. Top of Cut Slope

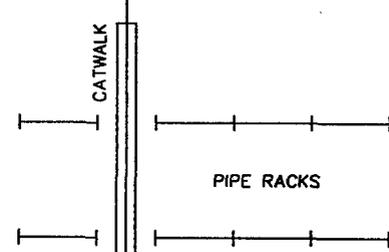
DATA

C-8.0'  
El. 64.4'

Round Corners as needed

**NOTE:**

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



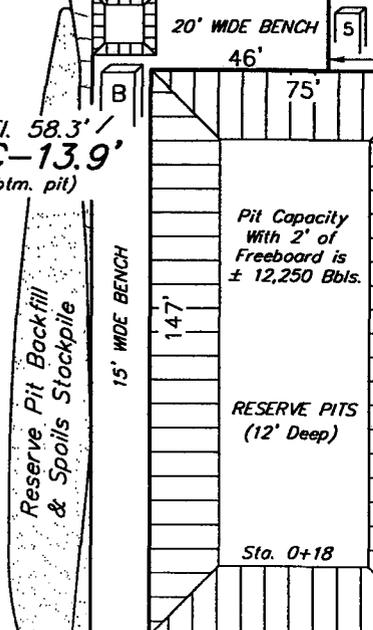
C-1.2'  
El. 57.6'

C-1.1'  
El. 57.5'

F-2.4'  
El. 54.0'

Sta. 1+50

El. 58.3' /  
C-13.9'  
(btm. pit)



C-0.9'  
El. 57.3'

RIG DOG HOUSE

Sta. 0+00

El. 52.7'  
C-8.3'  
(btm. pit)

El. 51.0'  
F-5.4' 4

F-6.0'  
El. 50.4'

F-17.6'  
El. 38.8'

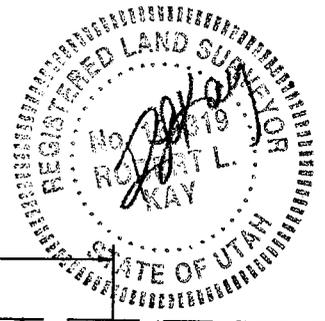
Elev. Ungraded Ground at Location Stake = 4957.5'  
Elev. Graded Ground at Location Stake = 4956.4'

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

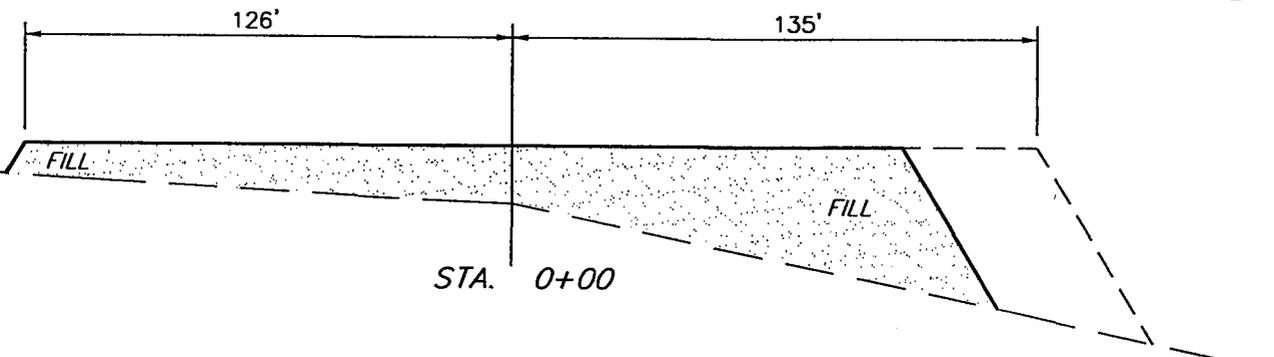
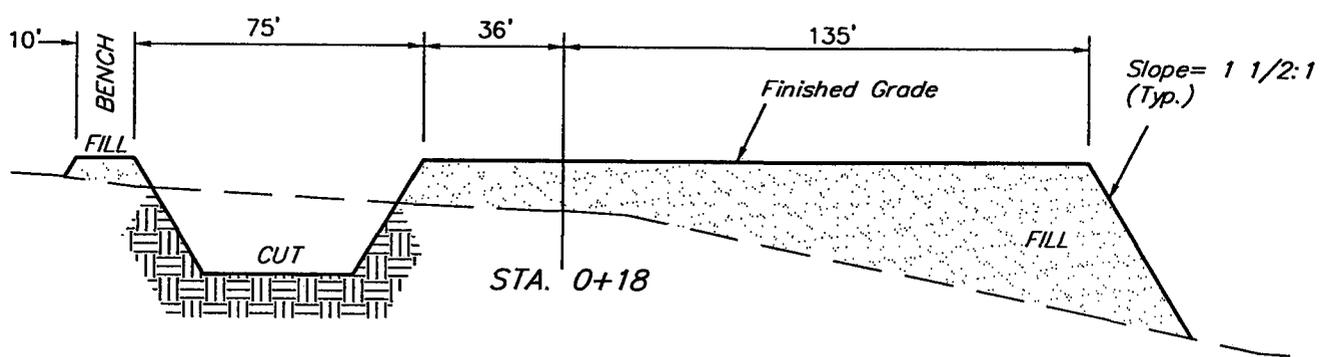
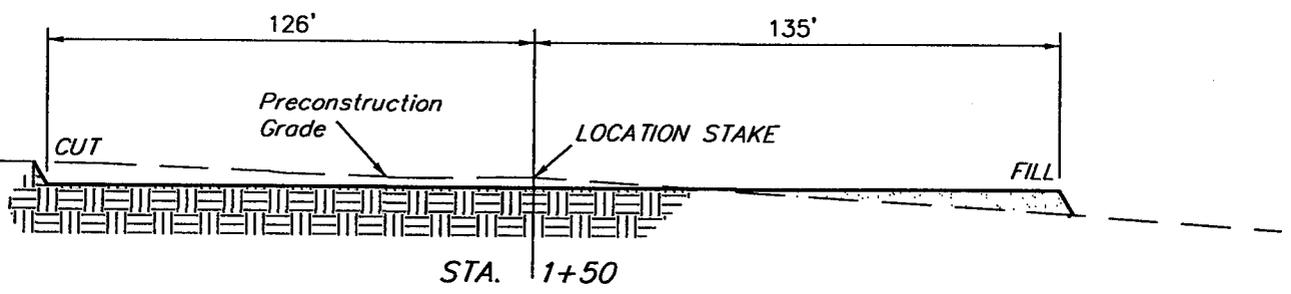
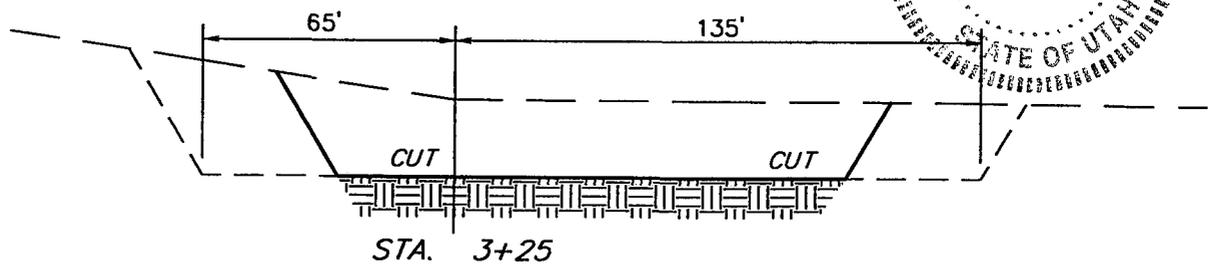
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

CWU #640-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
275' FNL 2121' FEL



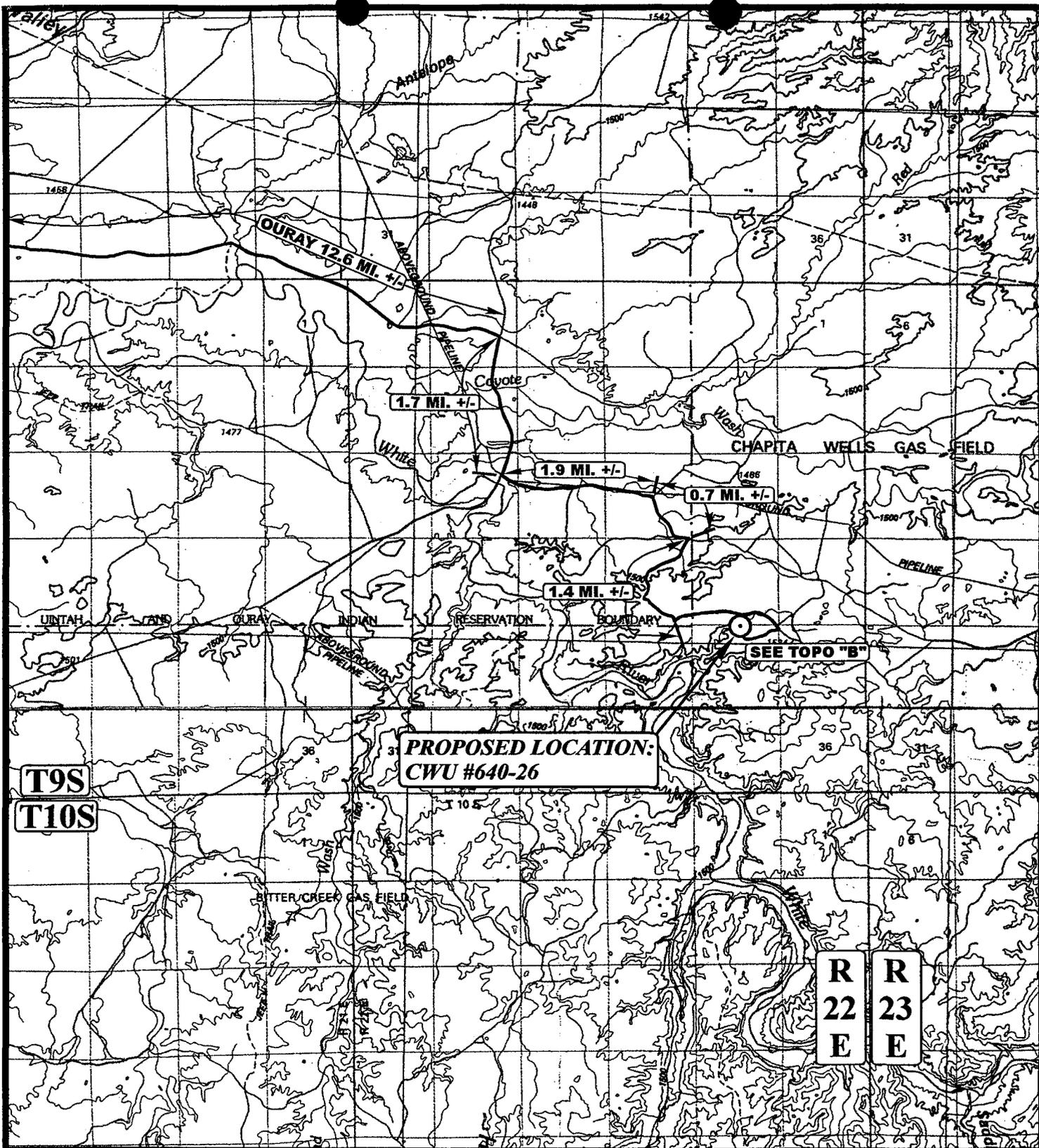
1" = 20'  
X-Section Scale  
1" = 50'  
DATE: 2-8-01  
Drawn By: D.COX



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,430 Cu. Yds.
Remaining Location	=	8,300 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>9,730 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>6,310 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	=	3,090 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,090 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



**PROPOSED LOCATION:  
CWU #640-26**

**T9S**

**T10S**

**R  
22  
E**     **R  
23  
E**

**LEGEND:**

⊙ PROPOSED LOCATION



**EOG RESOURCES, INC.**

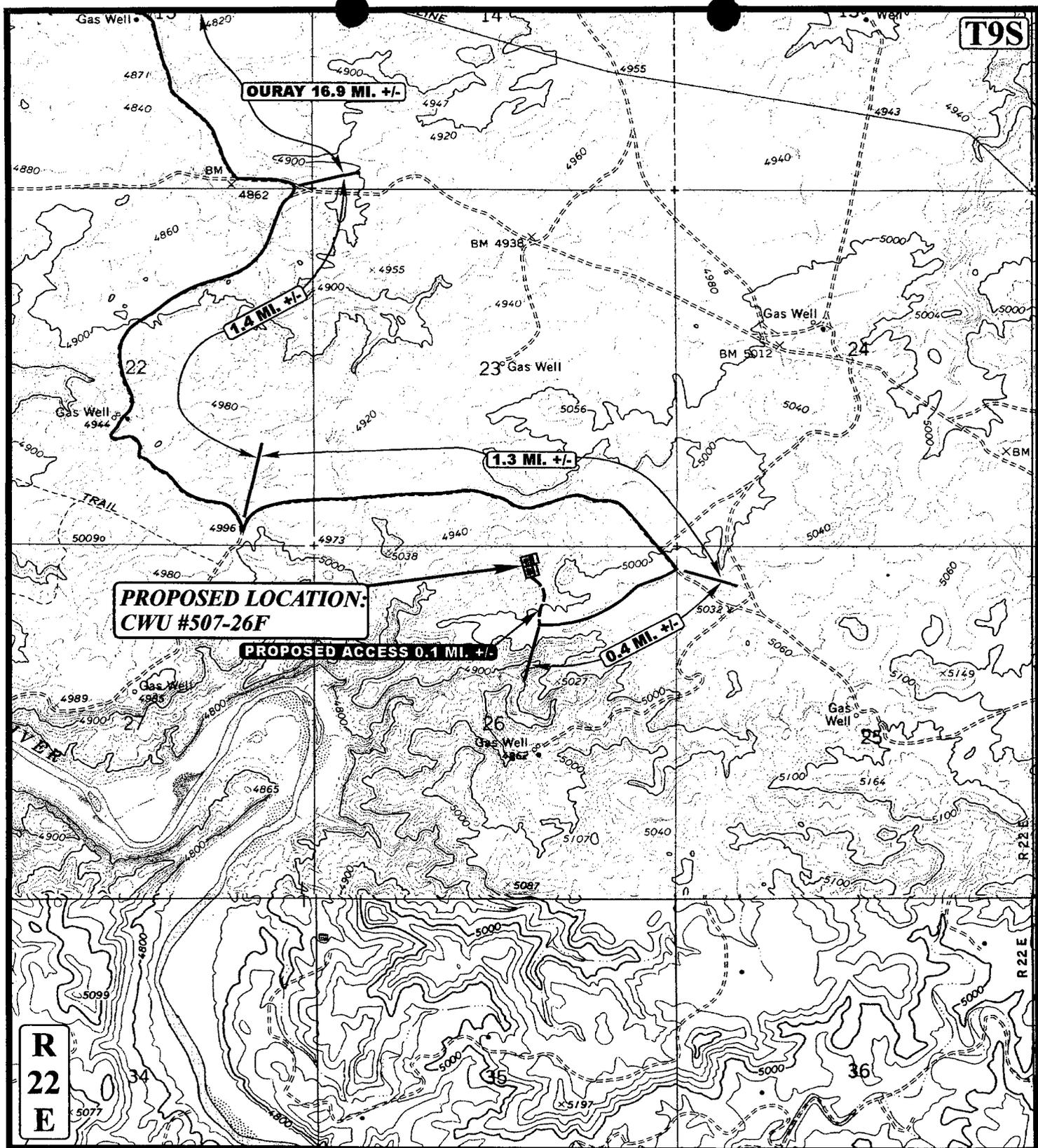
**CWU #640-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
275' FNL 2121' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1018

**TOPOGRAPHIC**     **2**     **6**     **01**  
**MAP**     MONTH     DAY     YEAR  
SCALE: 1:100,000     DRAWN BY: J.L.G.     REVISED: 00-00-00





**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD



**EOG RESOURCES, INC.**

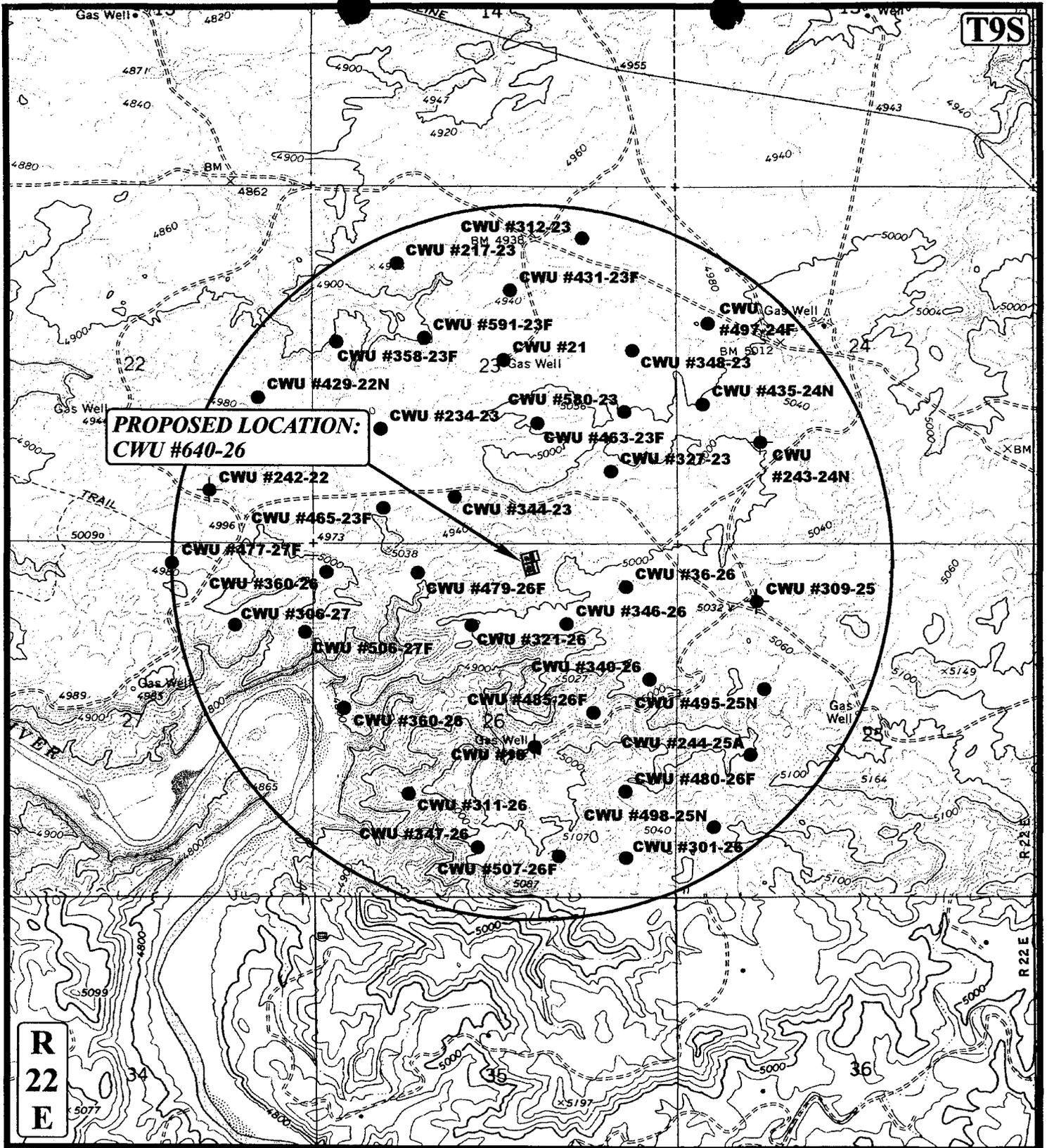
**CWU #640-26**  
**SECTION 26, T9S, R22E, S.L.B.&M.**  
**275' FNL 2121' FEL**



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

**TOPOGRAPHIC** **2** **6** **01**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: K.G. [REVISED: 00-00-00]





**PROPOSED LOCATION:  
CWU #640-26**

**LEGEND:**

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

**EOG RESOURCES, INC.**

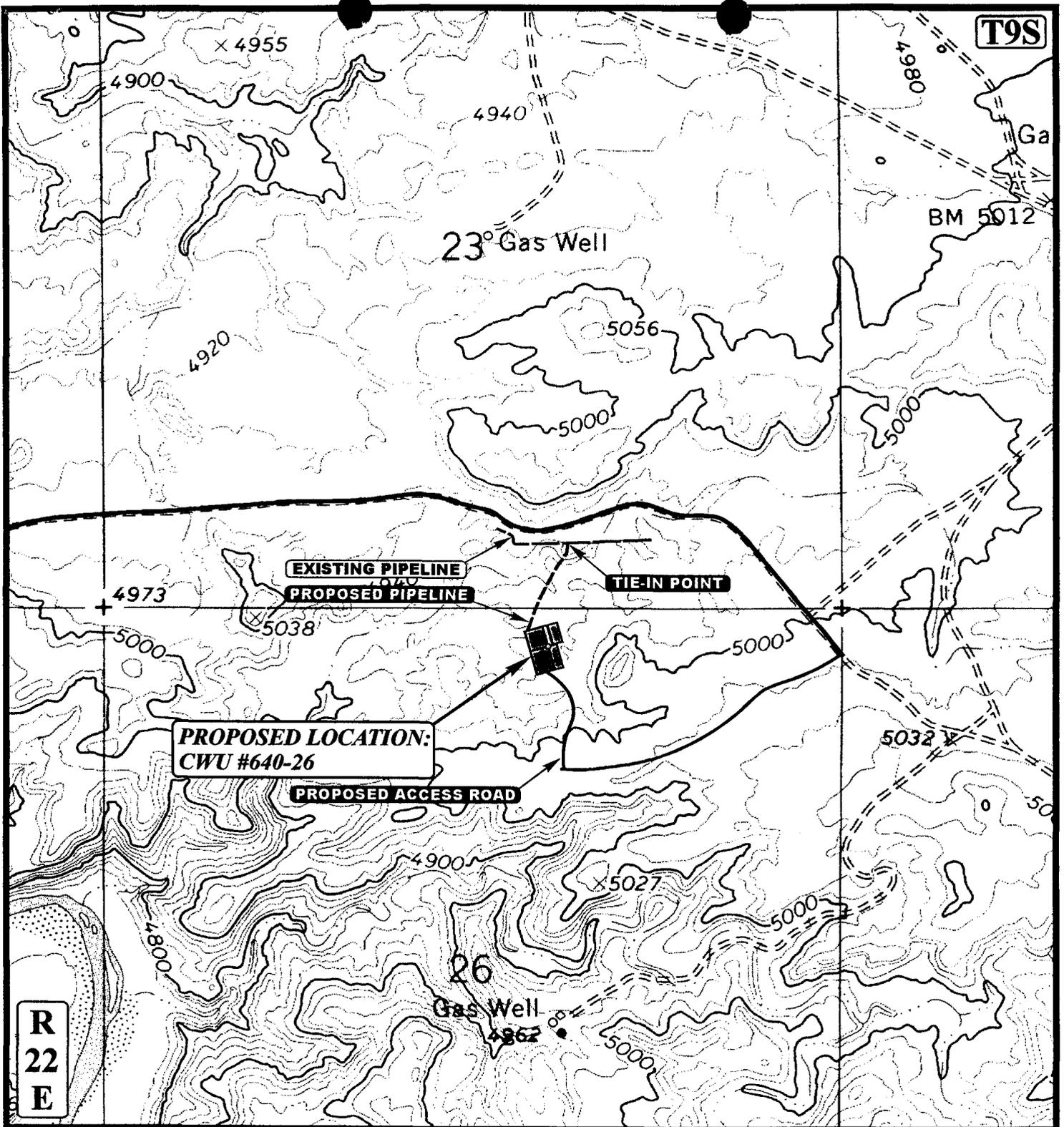
**CWU #640-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
275' FNL 2121' FEL**

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

**TOPOGRAPHIC**  
**MAP**  
 SCALE: 1" = 2000' DRAWN BY: K.G. [REVISED: 00-00-00]

<b>2</b>	<b>6</b>	<b>01</b>
MONTH	DAY	YEAR

**C**  
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 700' +/-

**LEGEND:**

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

**EOG RESOURCES, INC.**

**CWU #640-26**  
**SECTION 26, T9S, R22E, S.L.B.&M.**  
**275' FNL 2121' FEL**

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



<b>TOPOGRAPHIC</b> <b>MAP</b>	<b>2</b>	<b>6</b>	<b>01</b>	<b>D</b> <b>TOPO</b>
	<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>	
SCALE: 1" = 1000'		DRAWN BY: K.G.		REVISED: 00-00-00

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/27/2001

API NO. ASSIGNED: 43-047-34262
--------------------------------

WELL NAME: CWU 640-26  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER, AGENT

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:  
 NWNE 26 090S 220E  
 SURFACE: 0275 FNL 2121 FEL  
 BOTTOM: 0275 FNL 2121 FEL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0285-A  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Fed[1] Ind[] Sta[] Fee[]  
 (No. NM-2308 )

Potash (Y/N)

Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit  
 (No. MUNICIPAL )

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_ )

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit CHAPITA WELLS

R649-3-2. General  
 Siting: 460' From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit  
 Board Cause No: 179-8  
 Eff Date: 8-10-99  
 Siting: 460' Fr. Unit Boundary

R649-3-11. Directional Drill

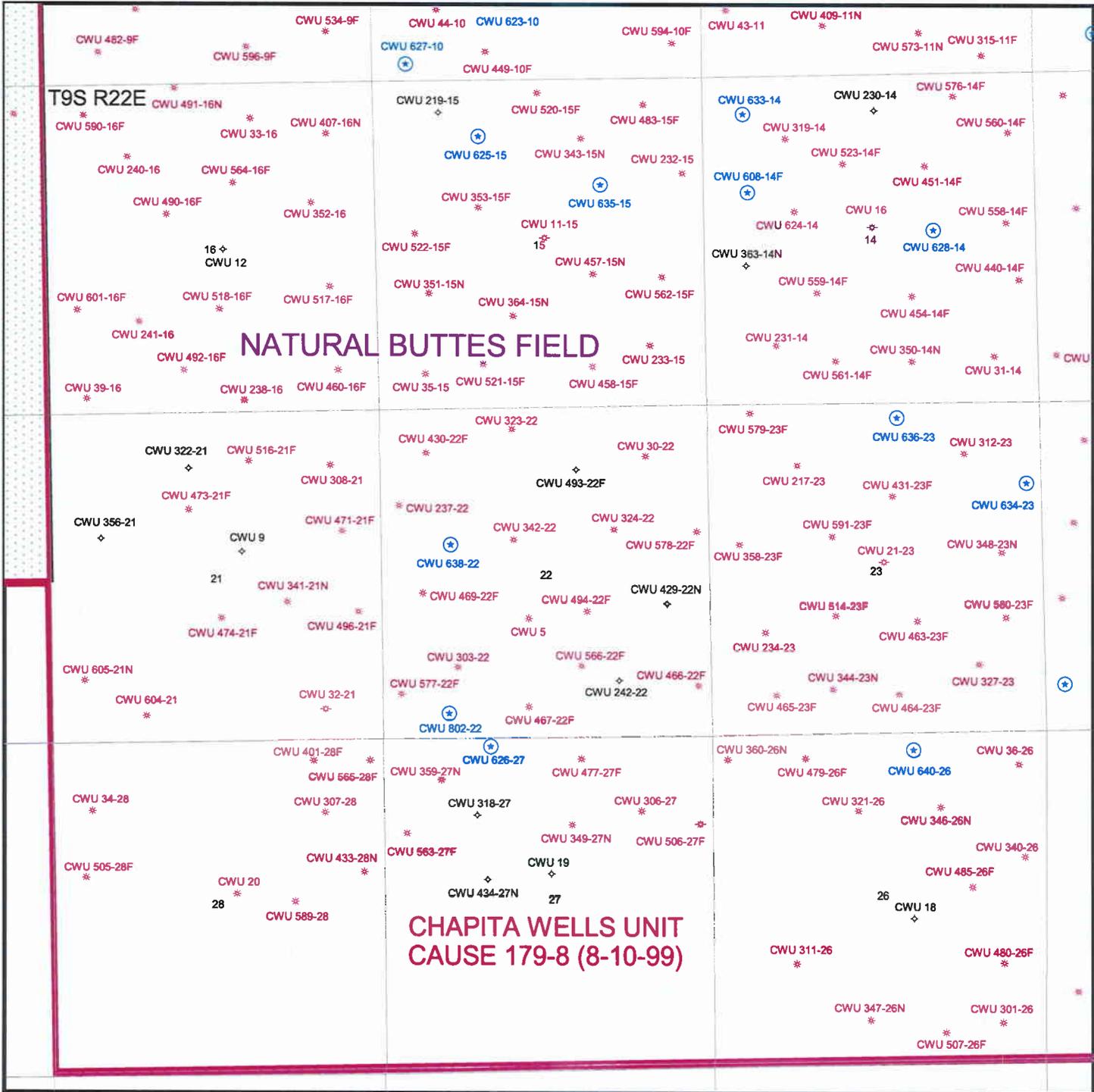
COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STIPULATIONS: 1-Fed. April.  
② OIL SHALE

\_\_\_\_\_  
 \_\_\_\_\_



OPERATOR: EOG RESOURCES INC (N9550)  
 SEC. 22 & 26, T9S, R22E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH UNIT: CHAPITA WELLS  
 CAUSE: 179-8





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)

September 4, 2001

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

Re: Chapita Wells Unit 640-26 Well, 275' FNL, 2121' FEL, NW NE, Sec. 26, T. 9 South,  
R. 22 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.

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 43-047-34262.

Sincerely,

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

John R. Baza  
Associate Director

dm

Enclosures

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

**Operator:** EOG Resources, Inc.  
**Well Name & Number** Chapita Wells Unit 640-26  
**API Number:** 43-047-34262  
**Lease:** U 0285-A

**Location:** NW NE      **Sec.** 26      **T.** 9 South      **R.** 22 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

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

5. 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 <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. Lease designation and serial number <b>U-0285-A</b>
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"/>		6. If Indian, Allottee or Tribe name
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. Unit Agreement Name <b>CHAPITA WELLS UNIT</b>
3. Address and Telephone Number <b>P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790</b>		8. Farm or lease name, well no.
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>275' FNL &amp; 2121' FEL      NW/NE</b>		9. API Well No. <b>CWU 640-26</b>
At proposed prod. Zone		10. Field and pool, or wildcat <b>WASATCH</b>
14. Distance in miles and direction from nearest town or post office <b>20.1 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or BLK. and survey or area <b>SEC. 26, T9S, R22E</b>
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) <b>275'</b>	16. No. of acres in lease <b>1800</b>	12. County or parish <b>UINTAH</b>
18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.	19. Proposed depth <b>7520'</b>	13. State <b>UTAH</b>
21. Elevations (show whether DF, RT, GR, etc.) <b>4956.4 FEET GRADED GROUND</b>		17. No. of acres assigned to this well
22. Approx. date work will start <b>UPON APPROVAL</b>		20. Rotary or cable tools <b>ROTARY</b>

**RECEIVED  
AUG 24 2001**

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#	7520'	50/50 POXMIX + 2% GEL + 10%

- 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**

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).

**RECEIVED**

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

**NOV 08 2001**

**DIVISION OF  
OIL, GAS AND MINING**

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. 24.

SIGNED *[Signature]* TITLE Agent DATE 8-22-2001

(This space for Federal or State office use)

**NOTICE OF APPROVAL**

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 ACTING Assistant Field Manager  
Mineral Resources DATE 11/1/01

**CONDITIONS OF APPROVAL ATTACHED**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc.

Well Name & Number: Chapita Wells Unit 640-26

API Number: 43-047-34262

Lease Number: U - 0285A

Location: NWNE Sec. 26 T.9S R. 22E

Agreement: Chapita Wells Unit

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

**CONDITIONS OF APPROVAL**

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 John Mayers 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

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.

Manual locking devices must be installed and functional.

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.

The variances requested in section 6 of the 8 point drilling plan are granted with the following conditions:

If a mist system is being utilized then the requirement for a deduster shall be waived.

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

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.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft of casing string length or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.

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 usable water zone, identified at  $\pm 1135$ ft.

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.

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.

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. Written notification of such must be submitted to this office 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.

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, you must contact one of the following individuals:

Ed Forsman                   (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood           (435) 828-7875  
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, 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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FOR APPROVED  
Budget Bureau No. 1004-0135  
Expires September 30, 1990

CONFIDENTIAL

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil <input type="checkbox"/> WELL <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		COPY SENT TO OPERATOR Date: 8/19-02 Initials: [Signature]	5. Lease Designation and Serial No. U-0285-A
2. Name of Operator EOG RESOURCES, INC.			6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331			7. If Unit or C.A., Agreement Designation CHAPITA WELLS UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 275' FNL 2121' FEL (NW/NE) SECTION 26, T9S, R22E			8. Well Name and No. CWU 640-26
			9. API Well No. 43-047-34262
			10. Field and Pool or Exploratory Area WASATCH
			11. County State UINTAH UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER: Requesting extension of permit to drill

(Note: Report results of multiple completion on Well Completions or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates, including estimated date of starting any proposed work if well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

EOG RESOURCES, INC. is requesting that the APD for the subject well be extended for one year

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 08-19-02  
By: [Signature]

RECEIVED  
AUG 13 2002  
DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Agent DATE 8/9/2002

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires September 30, 1990

**SUNDRY NOTICE AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT --" for such proposals

**SUBMIT IN TRIPLICATE**

<p>1. Type of Well</p> <p style="text-align: center;">Oil                      Gas</p> <p><input type="checkbox"/> WELL    <input checked="" type="checkbox"/> Well    <input type="checkbox"/> Other</p>	<p>5. Lease Designation and Serial No. <i>U-0285-A</i></p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or C.A., Agreement Designation <i>CHAPITA WELLS UNIT</i></p> <p>8. Well Name and No. <i>CWU 640-26</i></p> <p>9. API Well No. <i>43-047-34262</i></p> <p>10. Field and Pool or Exploratory Area <i>WASATCH</i></p> <p>11. County                      State <i>UINTAH                      UTAH</i></p>
<p>2. Name of Operator <i>EOG RESOURCES, INC.</i></p>	
<p>3. Address and Telephone No. <i>P.O. BOX 250, BIG PINEY, WY 83113      (307) 276-3331</i></p>	
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <i>275' FNL 2121' FEL (NW/NE) SECTION 26, T9S, R22E</i></p>	

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER: Requesting extension of permit to drill
	<small>(Note: Report results of multiple completion on Well Completions or Recompletion Report and Log Form.)</small>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates, including estimated date of starting any proposed work if well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

**EOG RESOURCES, INC. is requesting that the APD for the subject well be extended for one year**

**RECEIVED**

SEP 04 2002

**DIVISION OF  
OIL, GAS AND MINING**

RECEIVED

AUG 12 2002

**CONDITIONS OF APPROVAL ATTACHED**

14. I hereby certify that the foregoing is true and correct

SIGNED *Ed Grotter* TITLE *Agent* DATE *8/9/2002*

(This space for Federal or State office use)

APPROVED BY *Kirk F. Howard* TITLE *Petroleum Engineer* DATE *8/26/02*

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UDDGm

EOG Resources, Inc.  
APD Extension

Well: CWU 640-26

Location: NWNE Sec. 26, T9S, R22E

Lease: U-0285A

**Conditions of Approval**

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 11/01/03
2. No other extensions beyond that period will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood at (435) 781-4486.

**RECEIVED**

SEP 04 2002

DIVISION OF  
OIL, GAS AND MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: U-0285-A
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT
			8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 640-26
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	<b>CONFIDENTIAL</b>		9. API NUMBER: 4304734262
2. NAME OF OPERATOR: EOG RESOURCES, INC.			10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 789-4120		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 275' FNL, 2121' FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 26 9S 22E S			STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Request for extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

EOG Resources, Inc. is requesting that the APD for the subject well be extended for one year.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 08-18-03  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 8-21-03  
Initials: CHD

NAME (PLEASE PRINT) <u>Ed Trotter</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/9/2003</u>

(This space for State use only)

**RECEIVED**  
11 12 2003  
OF OIL GAS &

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304734262  
**Well Name:** CHAPITA WELLS UNIT 640-26  
**Location:** 275' FNL, 2121' FEL, NWNE, SEC. 26, T9S, R22E  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 9/4/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

8/9/2003  
\_\_\_\_\_  
Date

Title: AGENT  
\_\_\_\_\_

Representing: EOG RESOURCES, INC.  
\_\_\_\_\_



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

January 29, 2004

Toni Miller  
EOG Resources, Inc.  
P.O. Box 1815  
Vernal UT 84078

Re: APD Rescinded – CWU 640-26, Sec. 26, T. 9S, R. 22E Uintah County,  
Utah API No. 43-047-34262

Dear Ms. Miller:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 4, 2001. On August 19, 2002 and on August 18, 2003 the Division granted a one-year APD extension. On January 29, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 29, 2004.

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

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

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal