

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

December 18, 2001

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

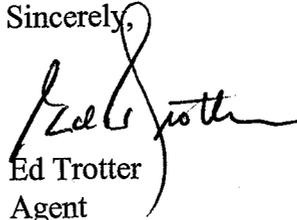
RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT 554-2F
SE/NE, SEC. 2, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: ML-3077
STATE OF UTAH LANDS

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

UDOGM-BLM-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 **DEEPEEN**

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 **2368' FNL & 428' FEL SE/NE**
At proposed prod. Zone **4436052 N
636568 E**

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

15. Distance from proposed location to nearest property or lease line, ft. **428'**
(Also to nearest drig. Unit line, if any)

16. No. of acres in lease **640**

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

19. Proposed depth **6300'**

21. Elevations (show whether DF, RT, GR, etc.)
4801.1 FEET GRADED GROUND

5. Lease designation and serial number
ML-3077

6. If Indian, Allottee or Tribe name

7. Unit Agreement Name
CHAPITA WELLS UNIT

8. Farm or lease name, well no.

9. API Well No.
CWU 554-2F

10. Field and pool, or wildcat
WASATCH - Natural Buttes

11. Sec., T., R., M., or BLK. and survey or area
SEC. 2, T9S, R22E

12. County or parish
UINTAH

13. State
UTAH

17. No. of acres assigned to this well

20. Rotary or cable tools
ROTARY

22. Approx. date work will start
UPON APPROVAL

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#	6300'	50/50 POXMIX: 1.3 Cu Ft/Sx. 14.1 PPG

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"

CONFIDENTIAL

EOG RESOURCES, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER BOND #JP-0921

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 *Red L. Grotter* TITLE Agent DATE 12-19-01

(This space for Federal or State office use)

PERMIT NO. 43-047-34438 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 *Bradley G. Hill* TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 02-07-02

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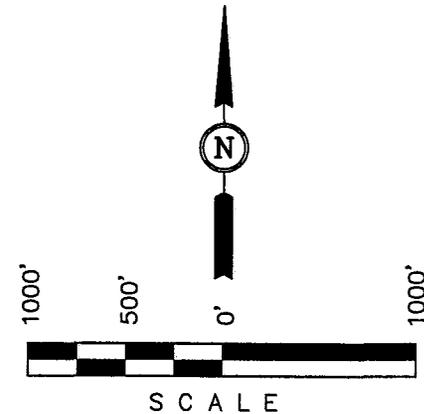
EOG RESOURCES, INC.

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

Well location, CWU #554-2F, located as shown in the SE 1/4 NE 1/4 of Section 2, T9S, R22E, S.L.B.&M. Uintah County, Utah.

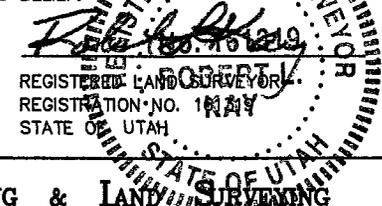
BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 2, 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 4829 FEET.

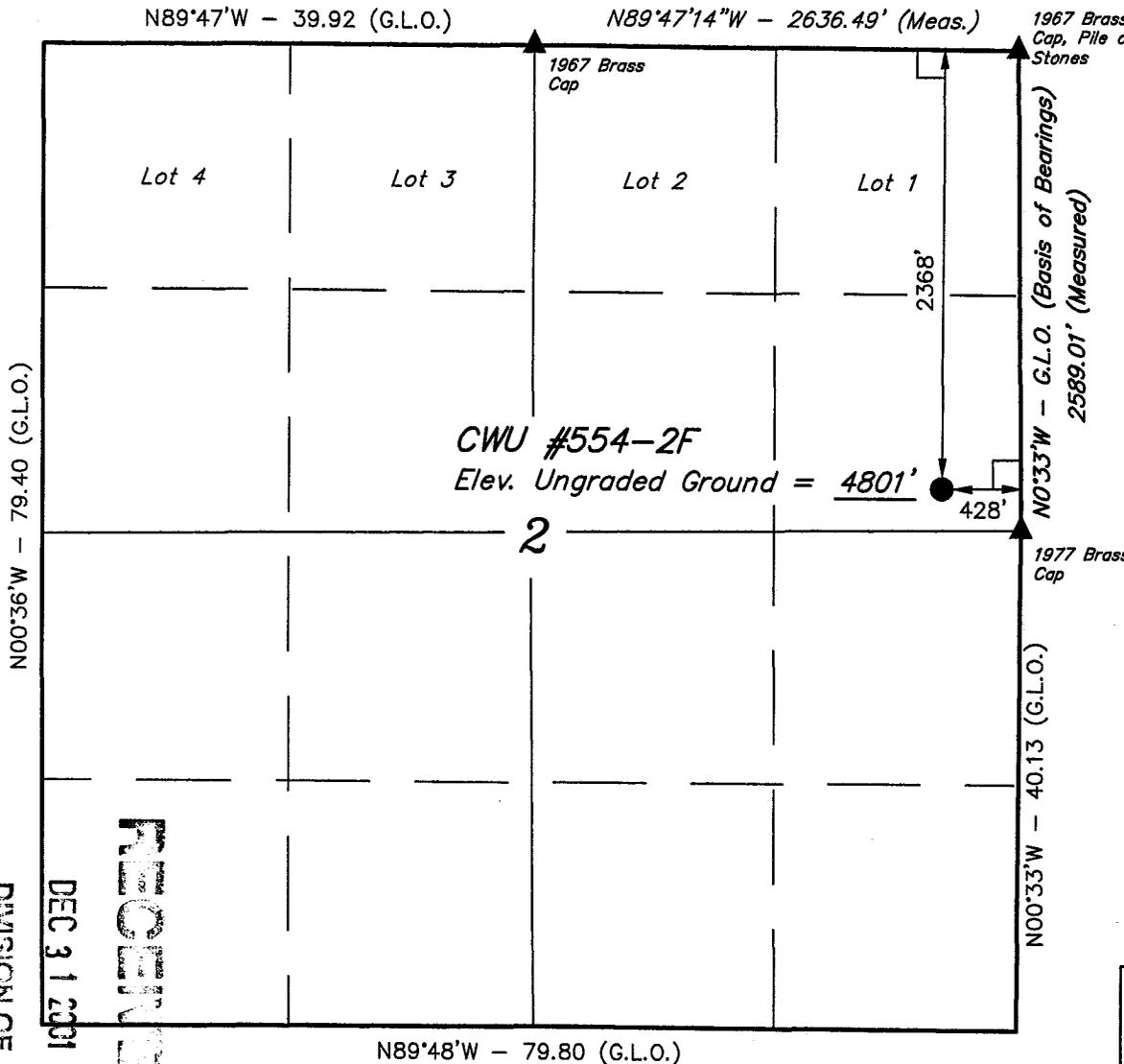


CERTIFICATE

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



UNTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-4-01	DATE DRAWN: 12-11-01
PARTY D.A. J.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	



LEGEND:

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

LATITUDE = 40°03'56"
LONGITUDE = 110°23'56"

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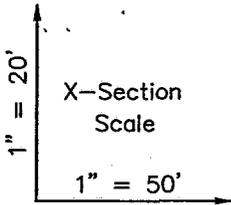
TYPICAL CROSS SECTIONS FOR

CWU #554-2F

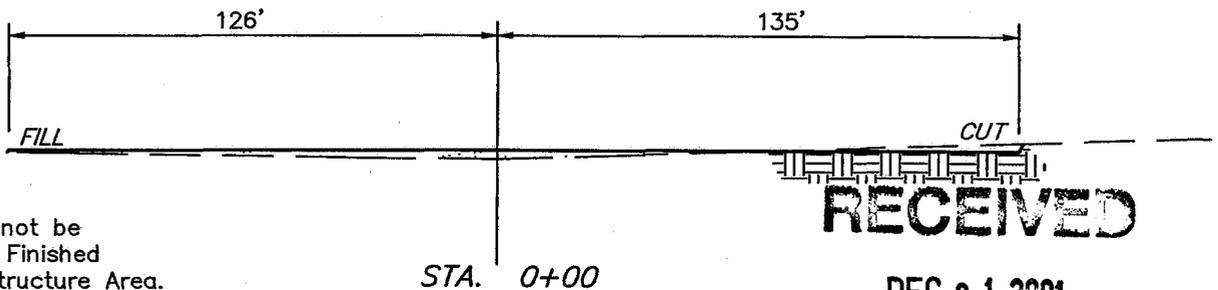
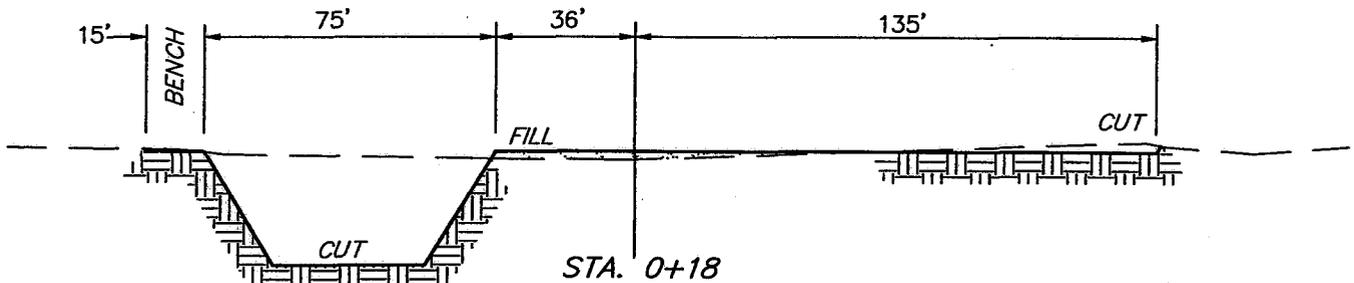
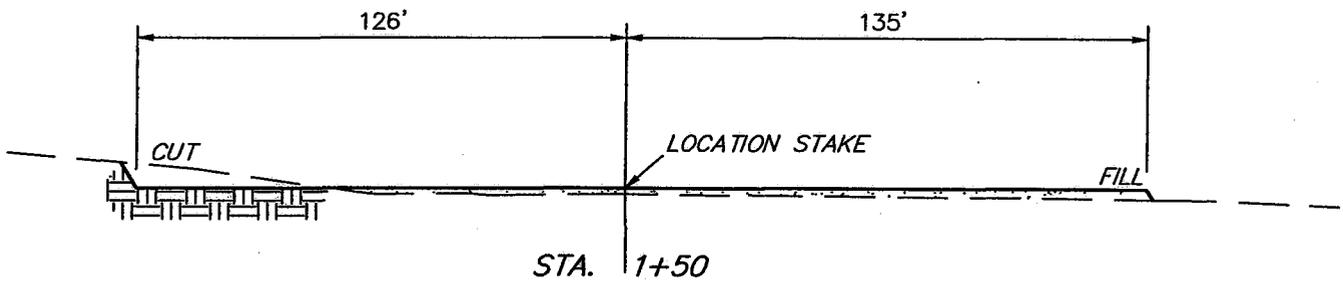
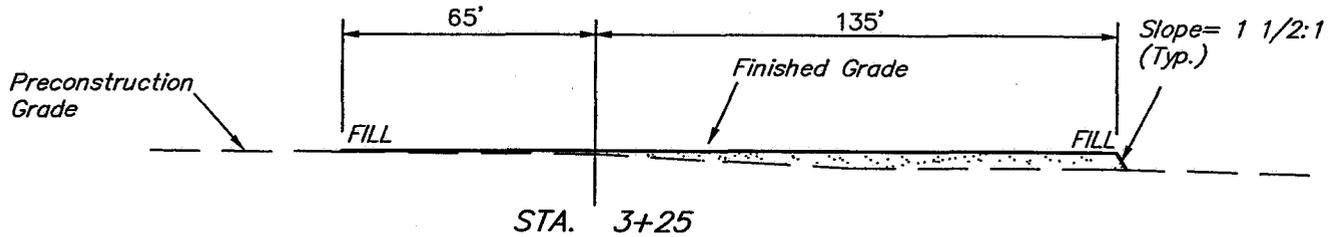
SECTION 2, T9S, R22E, S.L.B.&M.

2368' FSL 428' FEL

FNL



DATE: 12-11-01
Drawn By: C.G.



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

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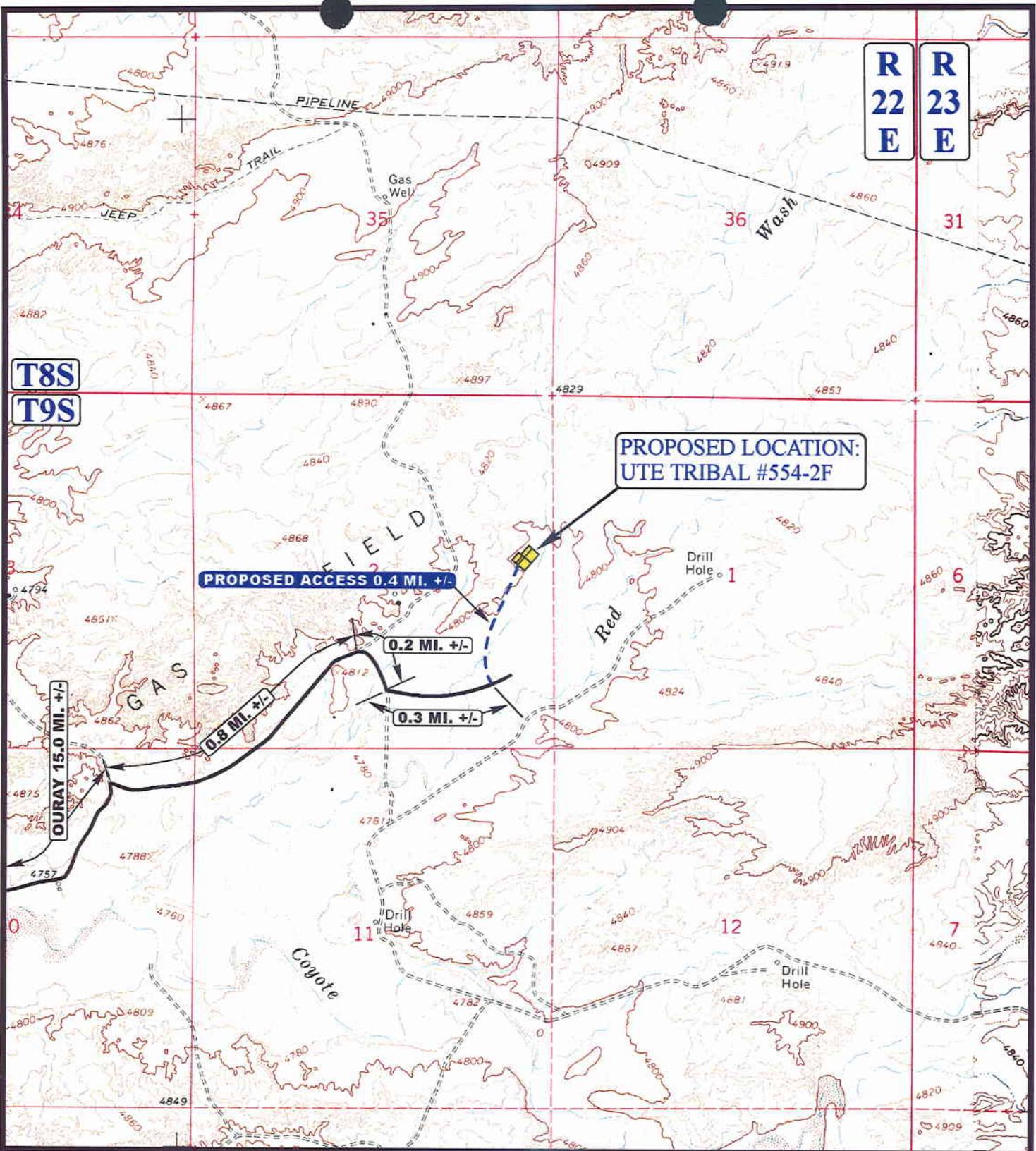
APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,430 Cu. Yds.
Remaining Location	=	3,490 Cu. Yds.
TOTAL CUT	=	4,920 CU.YDS.
FILL	=	1,740 CU.YDS.

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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.

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



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

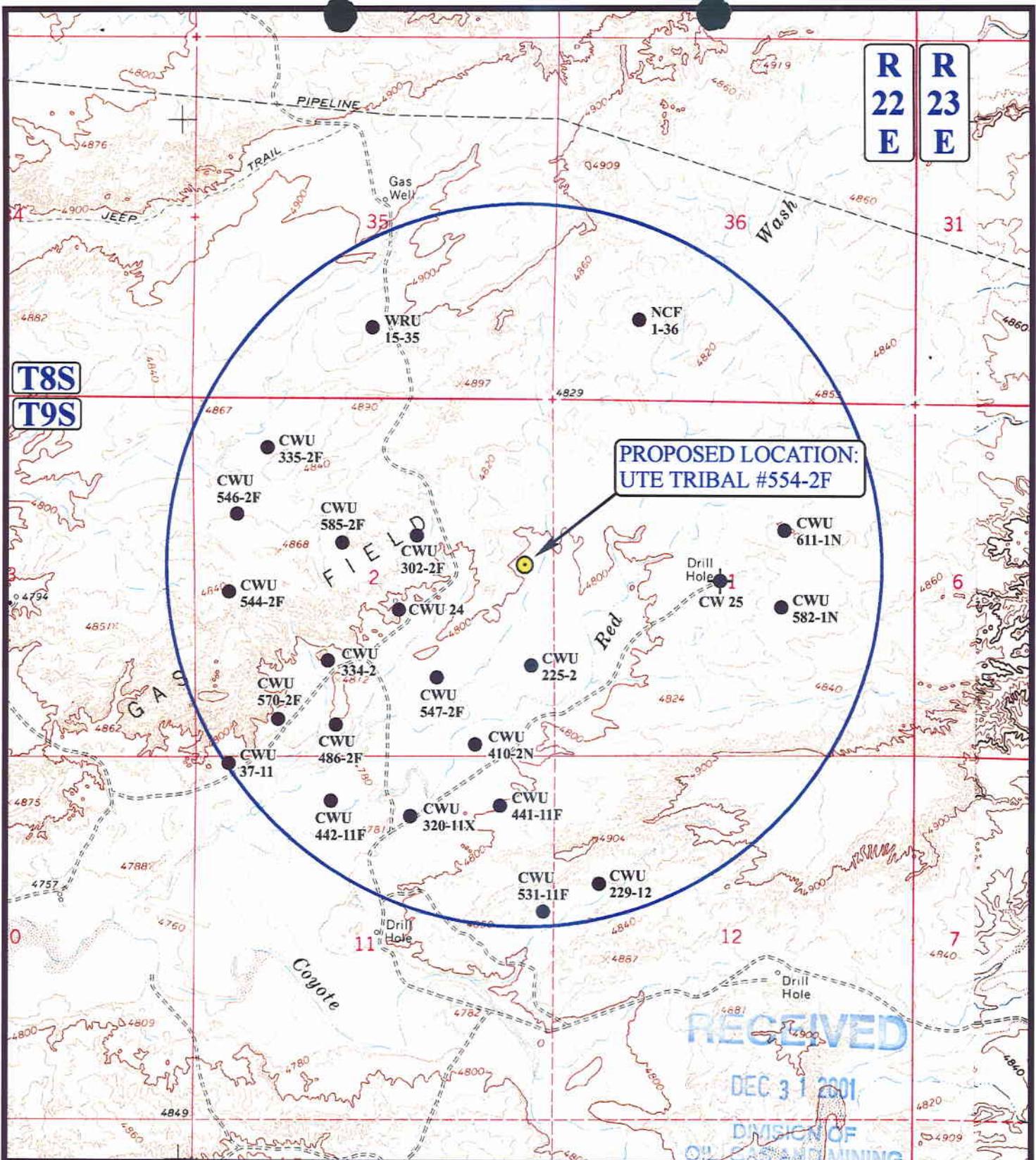


EOG RESOURCES, INC.

CWU #554-2F
SECTION 2, T9S, R22E, S.L.B.&M.
2368' FNL 428' FEL

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

TOPOGRAPHIC MAP **1 17 98**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 12-12-01 **B**
 TOPO



**PROPOSED LOCATION:
UTE TRIBAL #554-2F**

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS | ⊙ WATER WELLS |
| ● PRODUCING WELLS | ⊙ ABANDONED WELLS |
| ● SHUT IN WELLS | ⊙ TEMPORARILY ABANDONED |

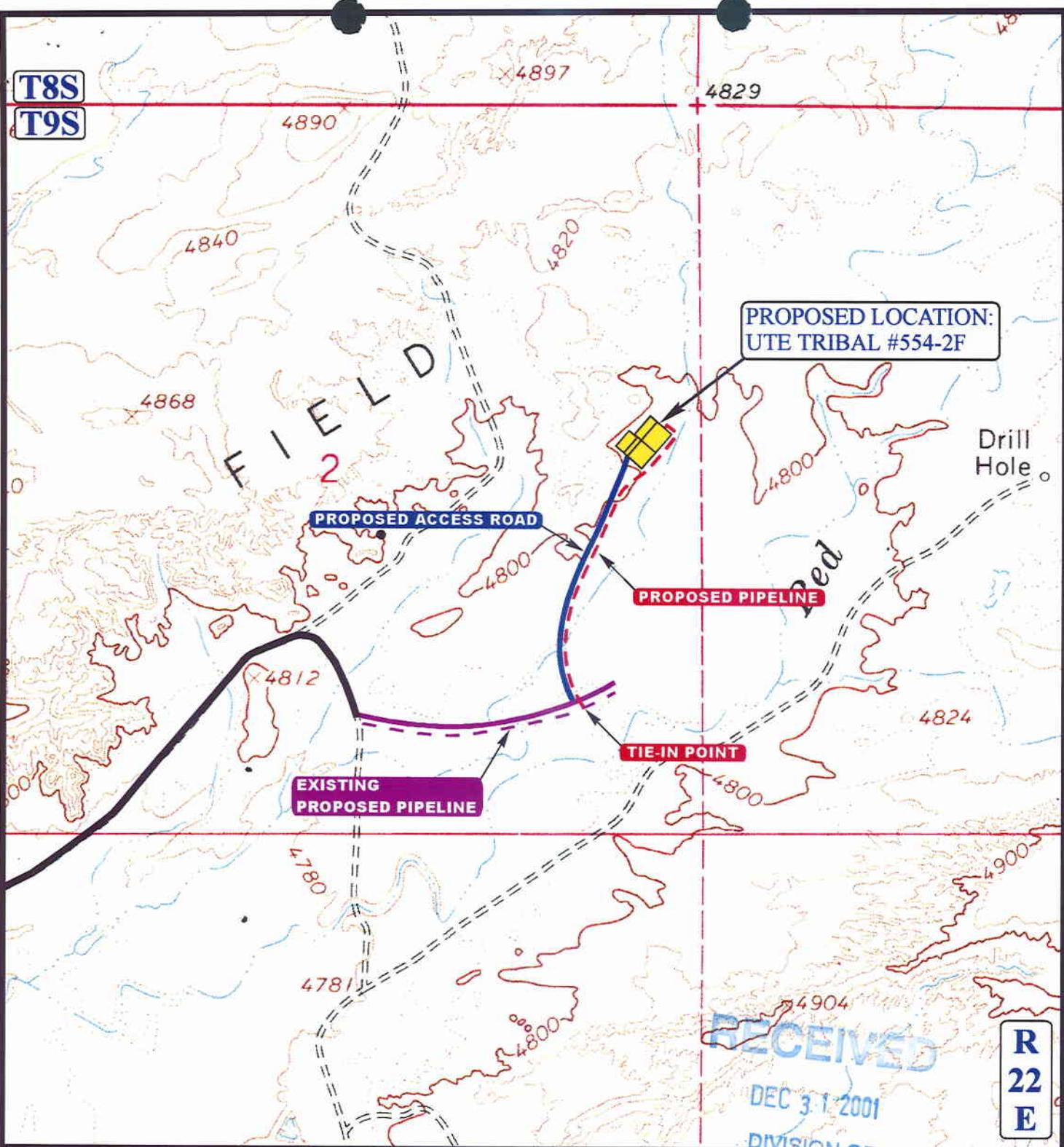


EOG RESOURCES, INC.

**CWU #554-2F
SECTION 2, T9S, R22E, S.L.B.&M.
2368' FNL 428' FEL**

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

TOPOGRAPHIC MAP **1 17 98**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 12-12-01 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 2013'

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

EOG RESOURCES, INC.

CWU #554-2F
SECTION 2, T9S, R22E, S.L.B.&M.
2368' FNL 428' FEL

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



TOPOGRAPHIC MAP
SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 12-12-01

1	17	98
MONTH	DAY	YEAR

D
TOPO

EOG RESOURCES, INC.

CWU #554-2F

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T9S, R22E, 6th P.M.

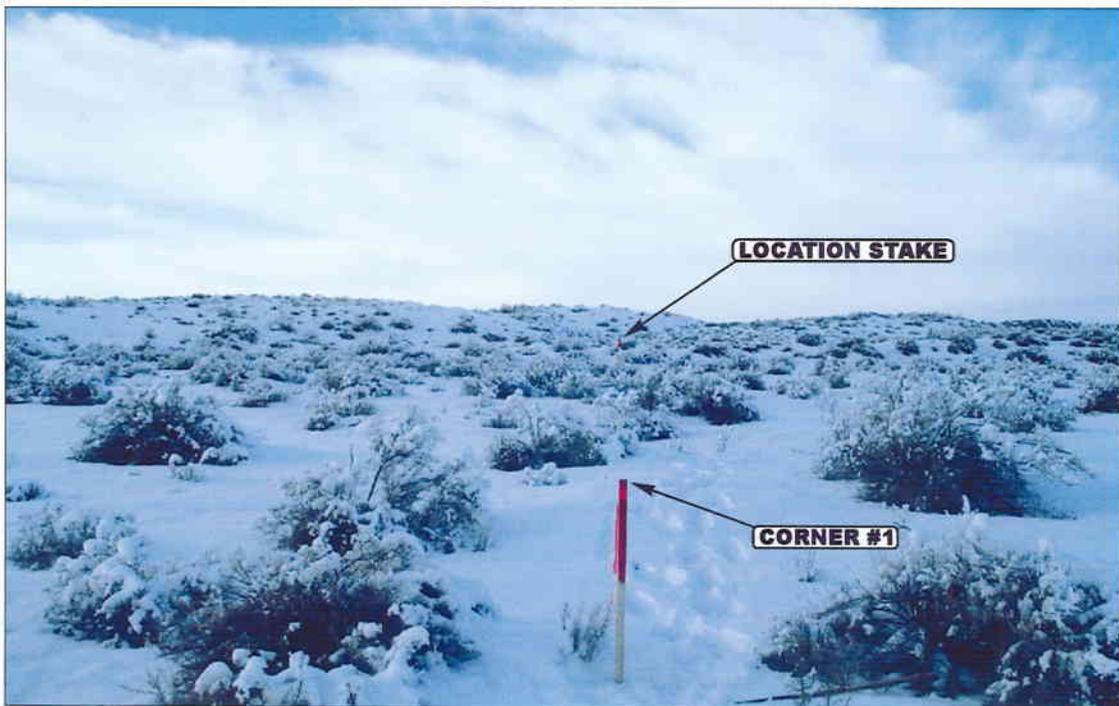


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

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UELS

Uintah Engineering & Land Surveying

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

LOCATION PHOTOS

12

12

01

PHOTO

TAKEN BY: D.A.

DRAWN BY: J.L.G.

REVISED: 00-00-00

- Since 1964 -

EIGHT POINT PLAN

CHAPITA WELLS UNIT 554-2F
SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River Oil Shale	2214		
Base of "M" Marker	4659		
Wasatch-Peters Point	5009	GAS	
Chapita Wells	5539	GAS	
Buck Canyon	6099	GAS	

EST. TD: 6300

Anticipated BHP 2700 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

HOLE SIZE	INTERVAL	LENGTH	SIZE	WEIGHT	GRADE	THREAD	<u>MINIMUM SAFETY FACTOR</u>		
							COLLAPSE	BURST	TENSILE
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' - 6300'	6300'	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.

5. MUD PROGRAM

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

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

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EIGHT POINT PLAN

CHAPITA WELLS UNIT 554-2F
SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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).
- C. 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: DIPOLE SONIC: TD to 200' above "M" Marker, 5", 2", and half scale presentations
COMP. NEUTRON-GR: TD to Surface, 5", 2", and half scale presentations
Stack with CCL/CBL Log run CBL to 200' above "M" marker and 200' at cement top.

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.

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

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

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EIGHT POINT PLAN

CHAPITA WELLS UNIT 554-2F
SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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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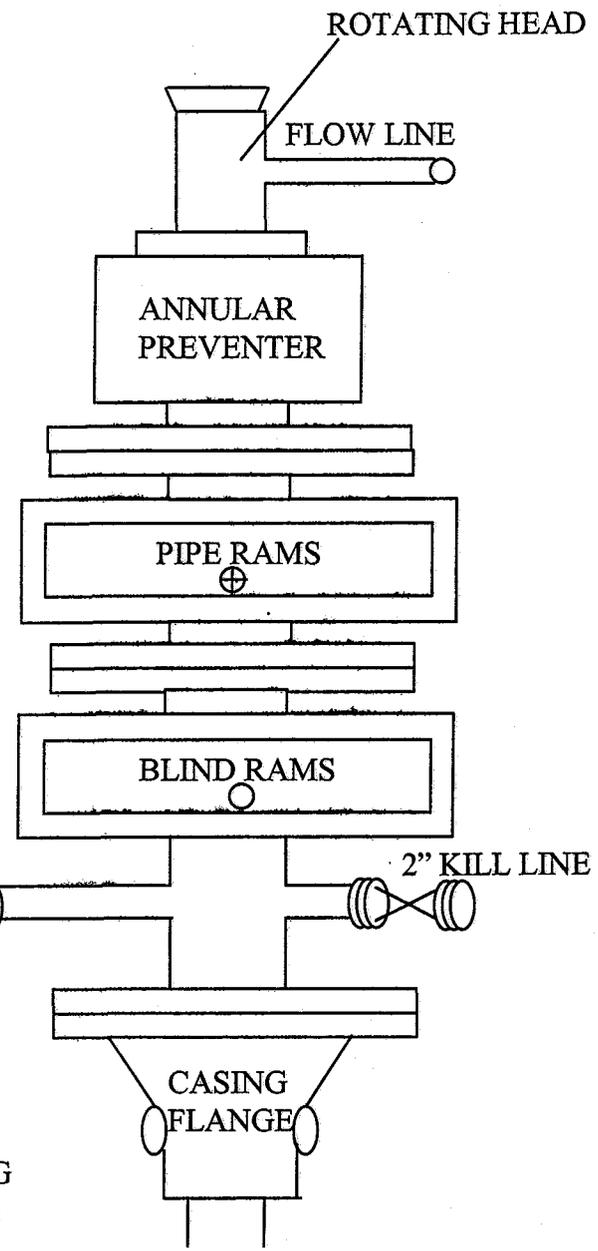
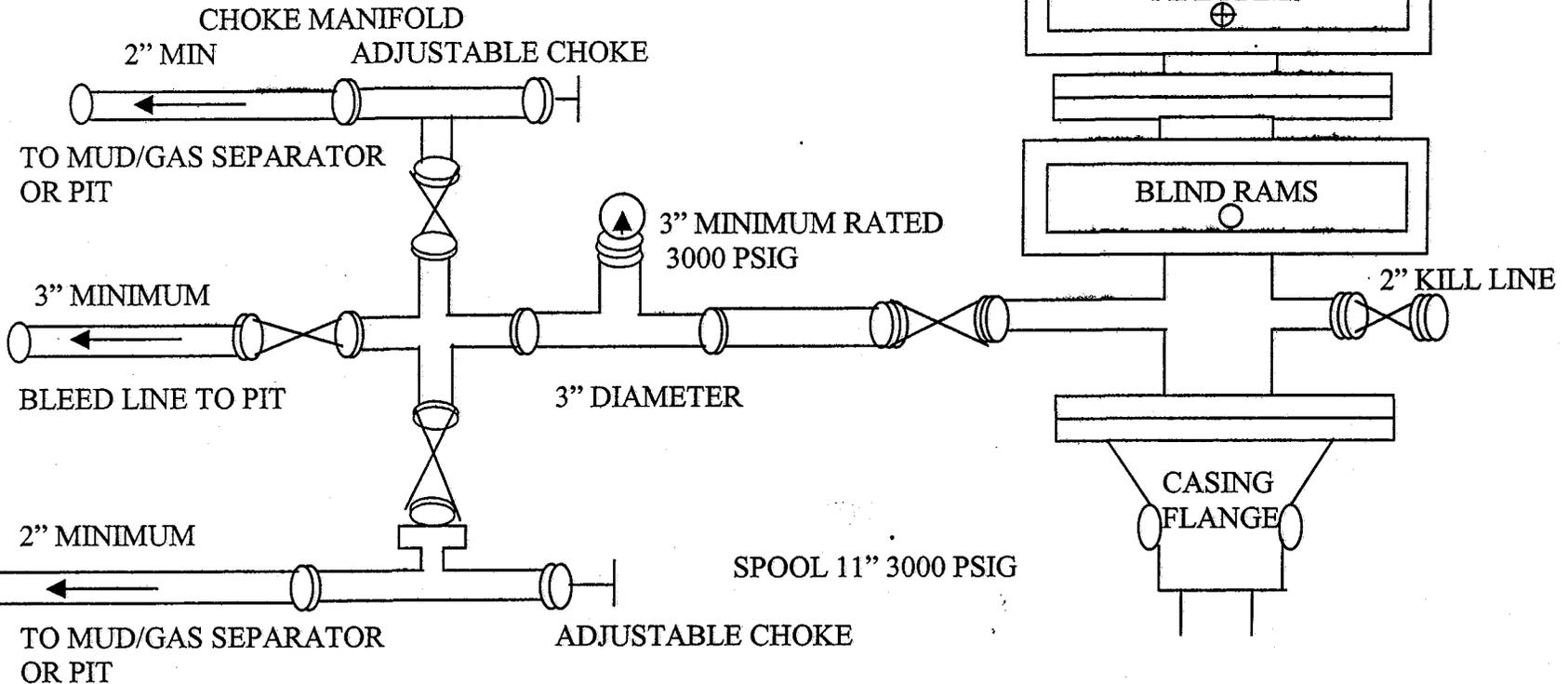
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3000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 PSIG 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: Chapita Wells Unit #554-2F
Lease Number: ML-3077
Location: 2368' FNL & 428' FEL., Sec. 2, T9S,
R22E, S.L.B.&M., Uintah County, Utah
Surface Ownership: STATE OF UTAH

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 16.7 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.

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. Diverting water off at frequent intervals by means of cutouts shall prevent erosion of drainage ditches by run off water. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

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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 – 1*

B. Producing wells - 22*

(*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, separator, dehy, 210 Bbl condensate tank, meter house 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 2013’ from proposed location to a point in the SE/SE of Section 2, T9S, R22E, where it will tie into Questar Pipeline Co.’s existing line. Proposed pipeline crosses State of Utah administered lands within the Chapita Wells Unit, thus a Right-of -Way grant will be 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, unless more stringent protective requirements are deemed necessary by the authorized officer.

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

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from the Ouray Municipal Water Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Section 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. 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 then 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.

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

The reserve pit shall not be lined.

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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 West side of the location. The flare pit will be located downwind of the prevailing wind direction on the West 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 between Corners #2 and #8.

Access to the well pad will be from the South.

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.

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DIVISION OF
OIL, GAS AND MINING

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.

11. SURFACE OWNERSHIP

Access road: State of Utah

Location: State of Utah

12. OTHER INFORMATION

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

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

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

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

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

Additional Surface Stipulations

None

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DEC 31 2001

**DIVISION OF
OIL, GAS AND MINING**

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

OPERATIONS

EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
Jim Schaefer
Telephone (307)276-3331

EOG Resources, Inc.
P.O. Box 1815
Vernal, UT 84078
George McBride
Telephone (435)789-0790

PERMITTING

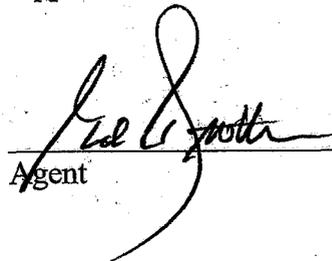
Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

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.

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.

12-19-01
Date


Agent

RECEIVED

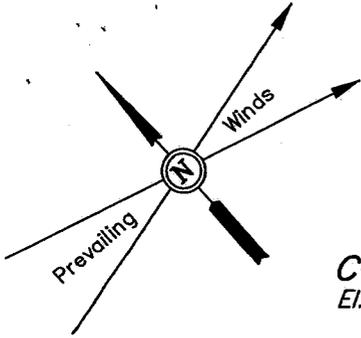
DEC 31 2001

DIVISION OF
OIL, GAS AND MINING

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #554-2F
SECTION 2, T9S, R22E, S.L.B.&M.
2368' FSL 428' FEL
FNL



SCALE: 1" = 50'
 DATE: 12-11-01
 Drawn By: C.G.

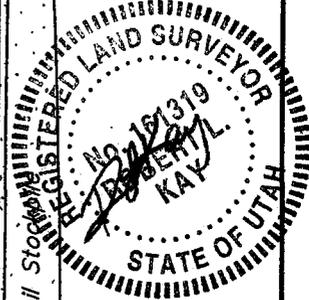
NOTE:
 Flare Pit is to be located a min. of 100' from the Well Head.

NOTE:
 Earthwork Calculations Require a Fill of 0.2' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.

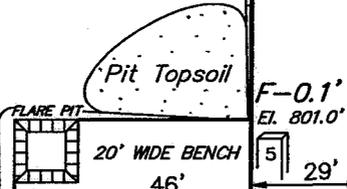
F-1.2'
 El. 799.9'

Sta. 3+25

Approx. Toe of Fill Slope



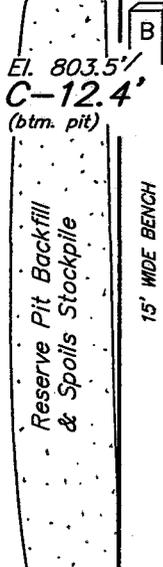
Approx. Top of Cut Slope



El. 803.5' / **C-12.4'** (btm. pit)

Sta. 1+50

F-0.6'
 El. 800.5'



Pit Capacity With 2' of Freeboard is ± 12,250 Bbls.

RESERVE PITS (12' Deep)

Sta. 0+18

El. 801.3' / **C-10.2'** (btm. pit)

El. 800.8' / **F-0.3'**

RECEIVED

DEC 31 2001

DIVISION OF OIL, GAS AND MINING

Proposed Access Road

C-1.3'
 El. 802.4'

Sta. 0+00

Elev. Ungraded Ground at Location Stake = 4800.9'
 Elev. Graded Ground at Location Stake = 4801.1'

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

002

APD RECEIVED: 12/31/2001

API NO. ASSIGNED: 43-047-34438

WELL NAME: CWU 554-2F
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER, AGENT

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SENE 02 090S 220E
 SURFACE: 2368 FNL 0428 FEL
 BOTTOM: 2368 FNL 0428 FEL
 UINTAH
 NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	2/6/02
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-3077
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. JP-0921)
 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: Need presite. (1-15-02)

STIPULATIONS: 1- Statement of basis.
2- Oil Shale

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: E0G RESOURCES, INC.
Well Name & Number: CHAPITA WELLS UNIT 554-2F
API Number: 43-047-34438
Location: 1/4,1/4 SE/NE Sec. 2 T. 9S R. 22E

Geology/Ground Water:

EOG has proposed setting 200-220 feet of surface casing at this location. The depth to the base of the moderately saline ground water is estimated to be at 1300 feet . A search of Division of Water Rights records indicates that no water wells are located within a 10,000 foot radius of the center of Section 2. The surface formation at this location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales. The proposed surface casing should adequately protect any ground water.

Reviewer: Brad Hill
Date: 01/28/2002

Surface:

The pre-drill investigation of the surface was performed on 1/15/2002. Ed Bonner with S.I.T.L.A. and Miles Hanberg were notified of this investigation on 1/07/2002. S.I.T.L.A. did not have a representative present. Mr. Hanberg was present and stated he had no concerns regarding the construction of this location or the drilling of this well. Mr. Trotter stated that the arc. inspection was not complete for this site, but it would be done as soon as the snow melted in the Spring.

Reviewer: David W. Hackford
Date: 1/17/2002

Conditions of Approval/Application for Permit to Drill:

1. Arc survey should be completed prior to beginning construction..

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

OPERATOR: EOG RESOURCES, INC.
WELL NAME & NUMBER: CHAPITA WELLS UNIT 554-2F
API NUMBER: 43-047-34438
LEASE: ML-3077 **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4, 1/4 SE/NE SEC: 2 TWP: 9S RNG: 22E
428' F E L2368' F N L
LEGAL WELL SITING: 460' FROM UNIT BOUNDARY.
GPS COORD (UTM): 12636499E 4436270N
SURFACE OWNER: STATE OF UTAH

PARTICIPANTS:

ED TROTTER (EOG), DAVID W. HACKFORD (DOG M), MILES HAMBERG (DWR).

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS IN A RELATIVELY FLAT AREA EXTENDING FOR 0.5 MILES TO THE EAST, SOUTH AND WEST. THERE IS A LOW SANDY RIDGE RUNNING EAST TO WEST ADJACENT TO SITE TO THE NORTH.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING. HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 246' AND ACCESS ROAD WOULD BE 0.4 MILES LONG.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL RUN FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE

AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, SAGE, SALTBRUSH, CHEATGRASS, GREASEWOOD, PRICKLY PEAR: PRONGHORN, COYOTE, SONG BIRDS, RAPTORS, RODENTS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 147' BY 75' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER S.I.T.L.A.

SURFACE AGREEMENT: AS PER S.I.T.L.A.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WILL BE INSPECTED BY JIM TRUESDALE, AN INDEPENDENT ARCHAEOLOGICAL CONSULTANT, AS SOON AS SNOW COVERING THE SITE MELTS.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COLD DAY WITH SIX
INCHES OF SNOW COVER.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

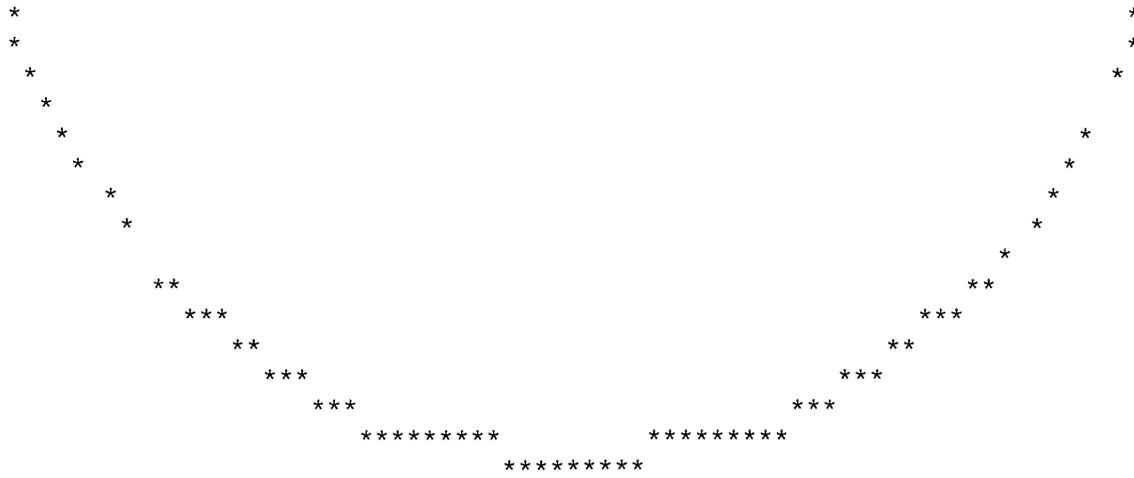
10:15 AM- 1/15/2002
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>10</u>







Casing Schematic

Surface

9-5/8" 12-25" hole
MW 8.4
Frac 19.3
Or alternate
8 5/8", 11" hole

TOC @ 0.
TOC @ 0.
Surface
220. MD

100 sk
w/128 washout

2214' -
Greenriver
oil/shale

BOP.

BOP
 $(0.052)(8.4)(6300) = 2752 \text{ psi}$
Anticipated = 2700 psi

Gas
 $(0.125)(6300) = 787.5 \text{ psi}$
MASP = 1996 psi

3M SRRA proposed

Adequacy
DAD 2/6/02

4659' -
Base of "M" Marker

5009' -
Wasatch-Peters Pt

5539' -
Chaparral Wells

6099' -
Beck Canyon

4-1/2"
MW 8.4

Production
6300. MD

~~100 sk~~

w/298 washout

Well name:

02-02 EOG CWU 554-2F

Operator: **EOG**
String type: Surface

Project ID:
43-047-34438

Location: Uintah Co.

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 78 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 220 ft

Cement top:

Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 96 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
Neutral point: 193 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,300 ft
Next mud weight: 8.400 ppg
Next setting BHP: 2,749 psi
Fracture mud wt: 19,250 ppg
Fracture depth: 220 ft
Injection pressure 220 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	220	9.625	32.30	H-40	ST&C	220	220	8.876	13.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	96	1370	14.27	96	2270	23.65	6	254	40.77 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

Phone: 801-538-5281
FAX: 801-359-3940

Date: February 6, 2002
Salt Lake City, Utah

ENGINEERING STIPULATIONS: ~~NONE~~ Oil Shale

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 220 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

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

Well name:	02-02 EOG CWU 554-2F	
Operator:	EOG	Project ID:
String type:	Surface - <i>Alternate</i>	43-047-34438
Location:	Uintah Co.	

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP: 96 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 192 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 78 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 220 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 6,300 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 2,749 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 220 ft
 Injection pressure: 220 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	220	8.625	24.00	J-55	ST&C	220	220	7.972	10.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	96	1370	14.27	96	2950	30.73	5	244	52.88 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: February 6, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: ~~NONE~~ *Oil Spill*

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 220 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

Well name:
 Operator: **EOG**
 String type: Production
 Location: Uintah Co.

02-02 EOG CWU 554-2F

Project ID:
 43-047-34438

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP: 2,749 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 5,512 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 163 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 220 ft

Cement top:

Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	6300	4.5	10.50	J-55	ST&C	6300	6300	3.927	131.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2749	4010	1.46	2749	4790	1.74	58	132	2.28 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: February 6, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: ~~NONE~~ 0.1 Shale

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 6300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 46155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

January 7, 2002

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Chapita Wells Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2002 within the Chapita Wells Unit, Uintah County, Utah.

Api Number	Well	Location
------------	------	----------

(Proposed PZ Wasatch)

43-047-34438 CWU 554-2F Sec. 02, T9S, R22E 236R FNL 0428 FEL

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

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-7-02

003



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

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

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

February 7, 2002

EOG Resources Inc
PO Box 1815
Vernal UT 84078

Re: Chapita Wells Unit 554-2F Well, 2368' FNL, 428' FEL, SE NE, Sec. 2, 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 43-047-34438.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

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

Operator: EOG Resources Inc
Well Name & Number Chapita Wells Unit 554-2F
API Number: 43-047-34438
Lease: ML 3077

Location: SE NE Sec. 2 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. 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.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
MB No. 1004-0135
Expires January 31, 2004

004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
ML-3077

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CHAPITA WELLS UNIT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other **CONFIDENTIAL**

8. Well Name and No.
CWU 554-2F

2. Name of Operator
EOG RESOURCES, INC.

9. API Well No.
43-047-34438

3. Address and Telephone No. **(435)789-4120**
P.O. BOX 1910, VERNAL, UT 84078

10. Field and Pool, or Exploratory Area
WASATCH

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2368' FNL, 428' FEL, SE/NE
SECTION 2, 19S, R22E**

11. County or Parish, State

12 CHECK APPROPRIATE BOX(ES) 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"/> Acidize
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> Alter Casing
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Deepen
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other-Request for extension

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a form 3160-4 shall be filed once testing is completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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

COPY SENT TO OPERATOR
Date: 02-07-03
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
JAN 30 2003
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **Ed Trotter** Title **Agent**
Signature *[Signature]* Date **January 27, 2003**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ TITLE _____ DATE _____
Conditions of approval, if any, are attached. Approval of this notice
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. **CONFIDENTIAL**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

005

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3077
2. NAME OF OPERATOR: EOG RESOURCES, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2368' FNL, 428' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 9S 22E S		8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 554-2F
PHONE NUMBER: (435) 789-4120		9. API NUMBER: 4304734438
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

CONFIDENTIAL

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> 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>Extension Request</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. requests that the APD for the subject well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 02-12-04
By: [Signature]

COPY SENT TO OPERATOR
Date: 2-12-04
Initials: [Signature]

NAME (PLEASE PRINT) <u>Ed Trotter</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/2/2004</u>

(This space for State use only)

RECEIVED
FEB 04 2004

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

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

API: 43-047-34438
Well Name: CHAPITA WELLS UNIT 554-2F
Location: 2368' FNL, 428 FEL, SENE, SEC. 2, T9S, R22E
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 2/7/2002

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

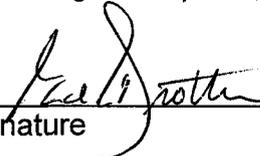
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

2/2/2004

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

March 17, 2004

Ed Trotter
EOG Resources, Inc.
P.O. Box 1910
Vernal UT 84078

Re: APD Rescinded – CWU 554-2F, Sec. 2, T. 9S, R. 22E Uintah County,
Utah API No. 43-047-34438

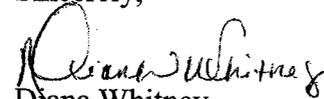
Dear Mr. Trotter:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 7, 2002. On February 6, 2003 and February 12, 2004 the Division granted a one-year APD extension. On March 15, 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 March 15, 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
SITLA, Ed Bonner