



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

September 19, 2001  
VIA FAX #801-359-3940 and U.S. Mail

Ms. Lisha Cordova  
State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Compliance with Board Order  
in Cause No. 173-14  
Natural Buttes Unit Area  
1540-G06, 1540-AA29

Dear Lisha:

EOG Resources, Inc. has submitted or will be submitting Applications for Permit to Drill the following described Wasatch formation wells within the Natural Buttes Unit Area pursuant to BLM-approved Designations of Agent from the Unit Operator, Coastal Oil & Gas Corporation:

1. NBU 401-10E  
1947' FSL, 1985' FEL (NW/4SE/4)  
Sec. 10-9S-21E, SLM  
Uintah County, Utah
2. NBU 416-23E  
662' FNL, 2002' FEL (NW/4NE/4)  
Sec. 23-9S-21E, SLM  
Uintah County, Utah
3. NBU 526-17E  
721' FNL, 667' FWL (NW/4NW/4)  
Sec. 17-9S-21E, SLM  
Uintah County, Utah
4. NBU 530-24E  
1980' FNL, 660' FEL (SE/4NE/4)  
Sec. 24-9S-21E, SLM  
Uintah County, Utah

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DIVISION OF  
OIL, GAS AND MINING

State of Utah  
September 19, 2001  
Page 2

Each one of these proposed four (4) wells has been staked and will be drilled to the Unitized Interval at a location in the Natural Buttes Unit Area which is not closer than 460 feet from the Unit boundary and not closer than 460 feet from any uncommitted tracts of lands therein in full compliance with the Utah Board of Oil, Gas and Mining's Consolidated Order in Cause Nos. 173-14 and 173-15.

If you have any questions or need anything further, please do not hesitate to contact the undersigned.

Yours very truly,

**EOG RESOURCES, INC.**

A handwritten signature in cursive script, appearing to read "Toni Lei Miller".

Toni Lei Miller  
Division Land Specialist

TLM/kse  
(m:\tllm\sept\Utahltr2.doc)

cc: Ed Trotter  
Jim R. Schaefer

**DESIGNATION OF AGENT**

Robert A. Henricks  
Chief, Branch of Fluid Minerals

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Natural Buttes Unit Agreement, Uintah County, Utah, No. 14-08-00018900 approved January 5, 1968, and hereby designates:

**NAME:** EOG Resources, Inc.  
**ADDRESS:** P.O. Box 1815  
Vernal, Utah 84078

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing the unit wells listed on the attached Exhibit "A" which are located in Uintah County, Utah.

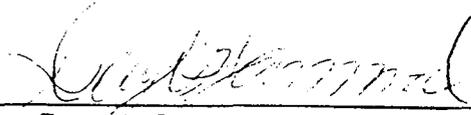
This designation of agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

The designated agent will be responsible for compliance with the Oil and Gas Operating Regulations as they relate to the drilling, testing, and completing of each of the subject wells. In accordance with 3104.2, bonding shall be provided by EOG Resources, Inc., Bond No. NM 2308.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit wells. Unless sooner terminated, this designation shall terminate as to each well when there is filed in the appropriate district office of the Bureau of Land Management a completed file of all required Federal reports pertaining to that well. At which time the Unit Operator shall assume all liability of that well and bonding shall be provided by the Unit Operator or as otherwise arranged by the unit agreement. It is also understood that this designation of agent is limited to field operations and does not cover administrative actions requiring specific authorization of the Unit Operator.

**COASTAL OIL & GAS CORPORATION, Unit Operator**

By:   
Dwayne G. Jammal, Vice President  
Rocky Mountain District

Date: 3/22/01

**APPROVED - EFFECTIVE APR 03 2001**

  
**CHIEF, BRANCH OF FLUID MINERALS  
BUREAU OF LAND MANAGEMENT**

WCM

EXHIBIT "A"

Attached to and made a part of that certain Designation of Agent dated 3/23/01, 2001, from Coastal Oil & Gas Corporation to EOG Resources, Inc.

WELL NAME	LOCATION			
	DIV	SEC	TWP	RGE
NBU 380-7E	SENW	7	9S	21E
NBU 401-10E	NWSE	10	9S	21E
NBU 415-20E	SWNE	20	9S	21E
NBU 416-23E	NWNE	23	9S	21E
NBU 421-29E	SENE	29	9S	21E
NBU 423-30E	NESE	30	9S	21E
NBU 433-17E	NWNE	17	10S	21E
NBU 492-7E	NWNW	7	9S	21E
NBU 525-11E	SWSW11	9S	21E	
NBU 526-17E	NWNW	17	9S	21E
NBU 528-2E	SESE	2	9S	21E
NBU 529-7E	NWNW	7	10S	21E
NBU 530-24E	SENE	24	9S	21E
NBU 532-12E	SWNE	12	10S	20E
NBU 533-20E	SENW	20	9S	21E

All Township and Range references are South and East of the Salt Lake Meridian in Uintah County, Utah.

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

January 28, 2002

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

RE: APPLICATION FOR PERMIT TO DRILL  
NATURAL BUTTES UNIT 416-23E  
NW/NE, SEC. 23, T9S, R21E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0149075  
UTE INDIAN TRIBE 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

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FEB 01 2002

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 U-0149075
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. If Indian, Allottee or Tribe name UTE INDIAN TRIBE
2. Name of Operator EOG RESOURCES, INC.		7. Unit Agreement Name NATURAL BUTTES UNIT
3. Address and Telephone Number P.O. BOX 1815, VERNAL, UT 84078 (435)789-0790		8. Farm or lease name, well no.
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 662' FNL & 2002' FEL NW/NE <i>443/593 N</i> At proposed prod. Zone <i>626/645 E</i>		9. API Well No. NBU 416-23E
14. Distance in miles and direction from nearest town or post office 17.6 MILES SOUTHEAST OF OURAY, UTAH		10. Field and pool, or wildcat WASATCH
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 662'	16. No. of acres in lease 640	11. Sec., T., R., M., or BLK. and survey or area SEC. 23, T9S, R21E
18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.	19. Proposed depth 6395'	12. County or parish UINTAH
21. Elevations (show whether DF, RT, GR, etc.) 4847.9 FEET GRADED GROUND	20. Rotary or cable tools ROTARY	13. State UTAH
22. Approx. date work will start UPON APPROVAL		17. No. of acres assigned to this well

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	200' - 220'	100-150 SX CLASS "G" + 2%
or 12 1/4"	9 5/8"	32.30#	200 - 220'	CaCl2 + 1/4 #/SX CELLOFLAKE.
7 7/8"	4 1/2"	10.50#	6395'	50/50 POXMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11PPG+) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).

SEE ATTACHMENTS FOR:

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

**CONFIDENTIAL**

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

**RECEIVED**

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

FEB 01 2002

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 *Bradley G. Hill* TITLE Agent DATE 1-28-2002

(This space for Federal or State office use)

PERMIT NO. 43-047-34490 APPROVAL DATE

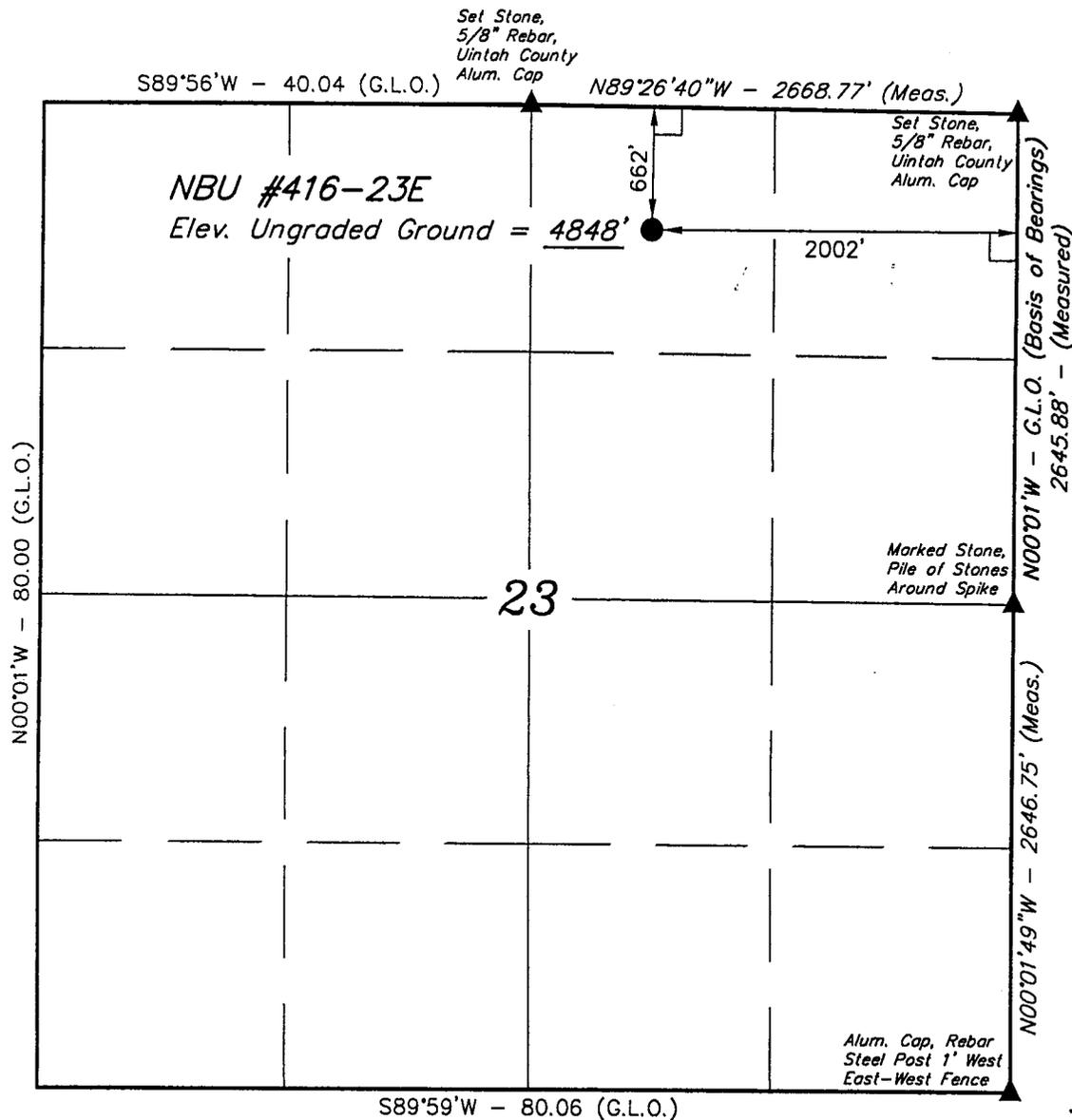
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Bradley G. Hill* TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 02-11-02

**Federal Approval of this Action is Necessary**

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

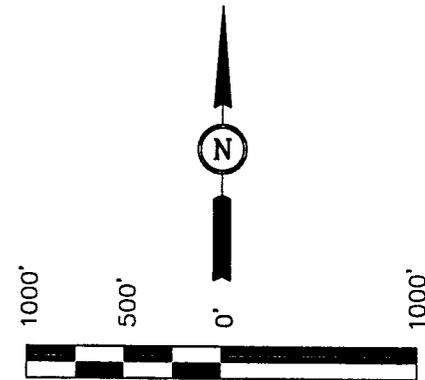


## EOG RESOURCES, INC.

Well location, NBU #416-23E, located as shown in the NW 1/4 NE 1/4 of Section 23, T9S, R21E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 24, T9S, R21E, 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 4889 FEET.



SCALE

### 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.

REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

### LEGEND:

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

LATITUDE = 40°01'37"  
 LONGITUDE = 109°30'58"

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

SCALE 1" = 1000'	DATE SURVEYED: 8-2-01	DATE DRAWN: 8-10-01
PARTY D.A. J.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 416-23E**  
**NW/NE, SEC. 23, T9S, R21E, 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	1661		
Oil Shale	1661		
Base "M" Marker	4561		
Wasatch	4946		
Peters Point	4946	GAS	
Chapita Wells	5569	GAS	
Buck Canyon	6266	GAS	
EST. TD:	6395		Anticipated BHP 2800 PSI

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

**4. CASING PROGRAM:**

<b>HOLE SIZE</b>	<b>INTERVAL</b>	<b>LENGTH</b>	<b>SIZE</b>	<b>WEIGHT</b>	<b>GRADE</b>	<b>THREAD</b>	<b><u>MINIMUM SAFETY FACTOR</u></b>		
							<b>COLLAPSE</b>	<b>BURST</b>	<b>TENSILE</b>
11	0' - 220'	200' - 220'	8 5/8	24.0 #	J-55	ST&C	1370 PSI	2950 PSI	263,000#
OR									
12 1/4	0' - 220'	200' - 220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 6395'	6395'	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**

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

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

EIGHT POINT PLAN

NATURAL BUTTES UNIT 416-23E  
NW/NE, SEC. 23, T9S, R21E, 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: Schlumberger

GR-Neutron

4400 to base of surface casing

Dipole Sonic-Neutron-GR

T.D. to 4400'

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

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 416-23E**  
**NW/NE, SEC. 23, T9S, R21E, 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.

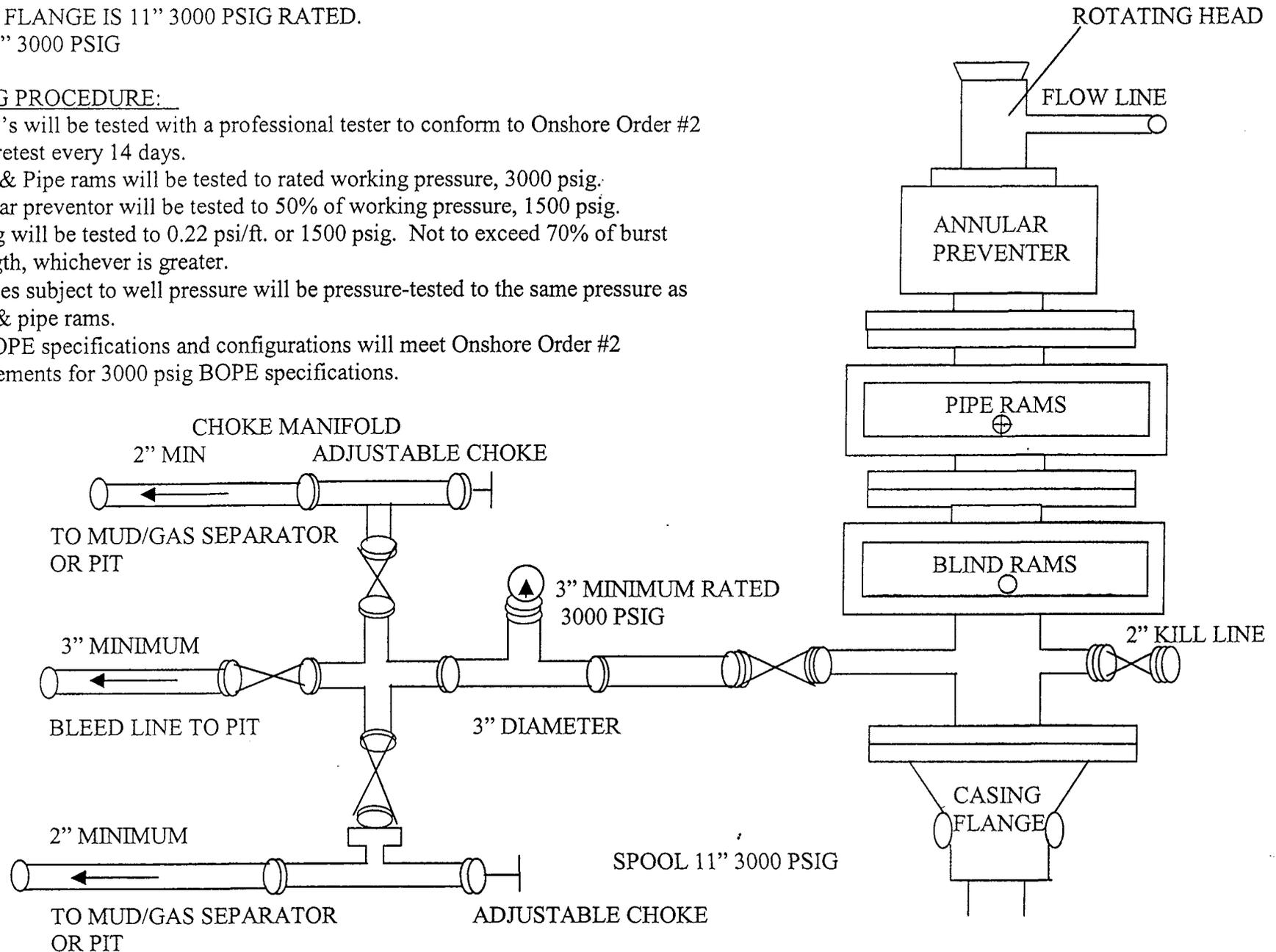
(Attachment: BOP Schematic Diagram)

## 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.



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: Natural Buttes Unit 416-23E  
Lease Number: U-0149075  
Location: 662' FNL & 2002' FEL, NW/NE, Sec. 23,  
T9S, R21E, S.L.B.&M., Uintah County  
Surface Ownership: Ute Indian Tribe

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

## THIRTEEN POINT SURFACE USE PROGRAM

### 1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 17.6 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

### 2. PLANNED ACCESS ROAD

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

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

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

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

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of

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 – 2\*

B. Producing wells - 18\*

(\*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 attached 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 2300’ from proposed location to a point in the NE/NE of Section 23, T9S, R21E, where it will tie into Questar Pipeline Co.’s existing line. Proposed pipeline crosses BIA administered lands, thus a Right-of-Way grant will 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 Northwest side of the location.

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

The required paint color is Carlsbad Canyon.

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

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

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

**6. SOURCE OF CONSTRUCTION MATERIAL**

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Tribal 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 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.

**On BIA administered land:**

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

The reserve pit shall be lined.

**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 North side of the location. The flare pit will be located downwind of the prevailing wind direction on the North 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 along the Southwest side, between Corners 2 and 8.

Access to the well pad will be from the East.

**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 cleanup.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16-foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on Tribal land, or any fence between Tribal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

## 10. PLANS FOR RESTORATION OF SURFACE

### A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be

completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

**B. DRY HOLE/ABANDONED LOCATION**

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

**11. SURFACE OWNERSHIP**

Access road: Tribal

Location: Tribal

**12. OTHER INFORMATION**

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

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

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

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

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs.

The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable

facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BIA does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

None

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

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

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

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

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

**Certification**

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

1-28-2002  
Date

  
Agent

# EOG RESOURCES, INC.

NBU #416-23E  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 23, T9S, R21E, S.L.B.&M.



PHOTO: VIEW OF WELL LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

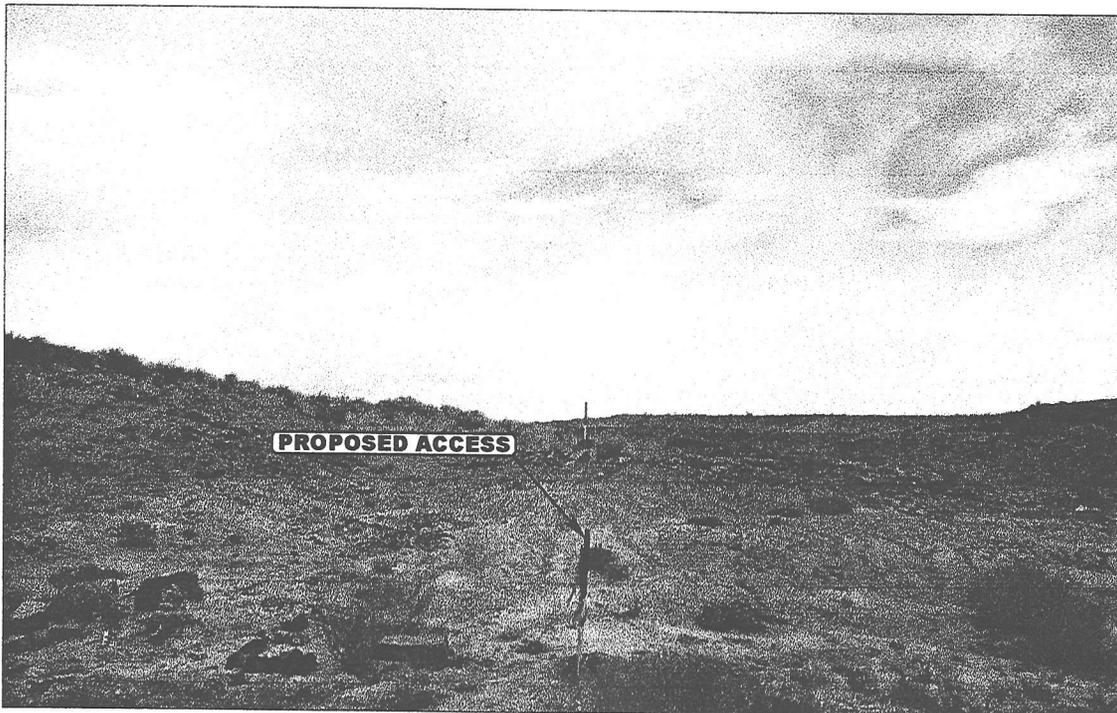


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

8 14 01  
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: K.G.

REVISED: 00-00-00



EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

NBU #416-23E

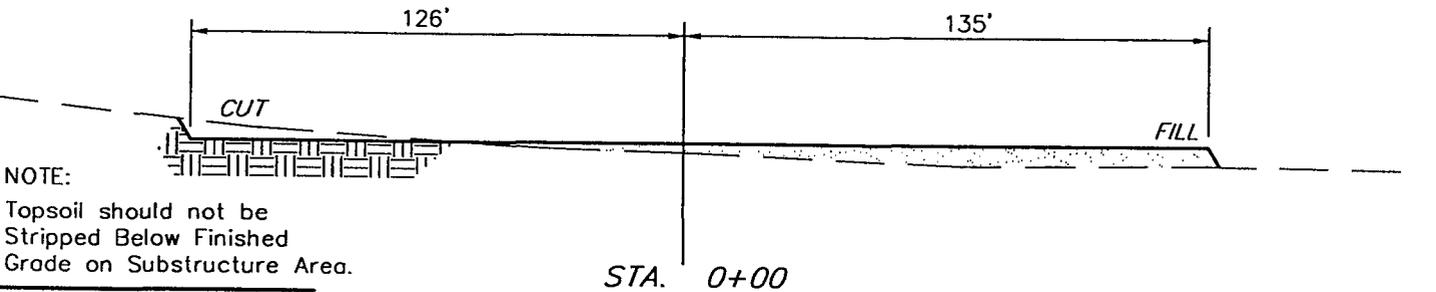
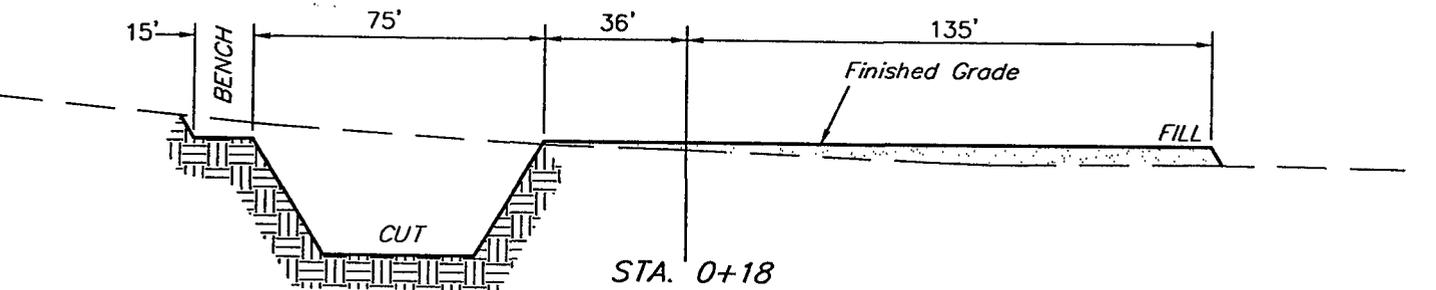
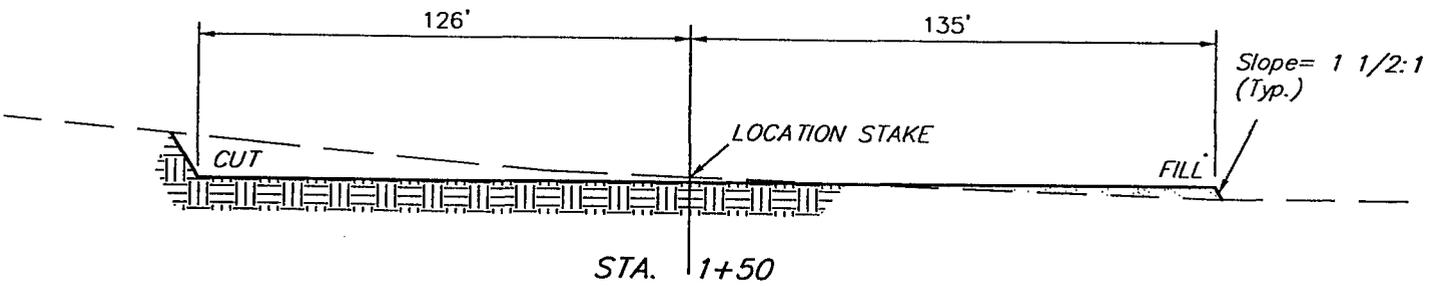
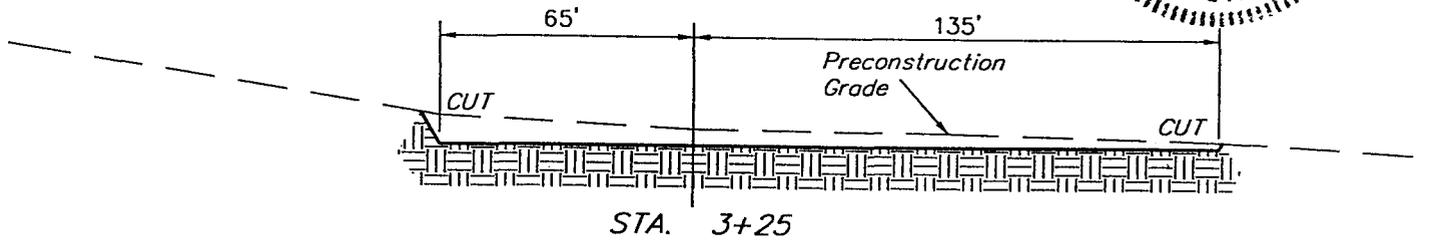
SECTION 23, T9S, R21E, S.L.B.&M.

662' FNL 2002' FEL



1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 8-10-01  
Drawn By: D.COX

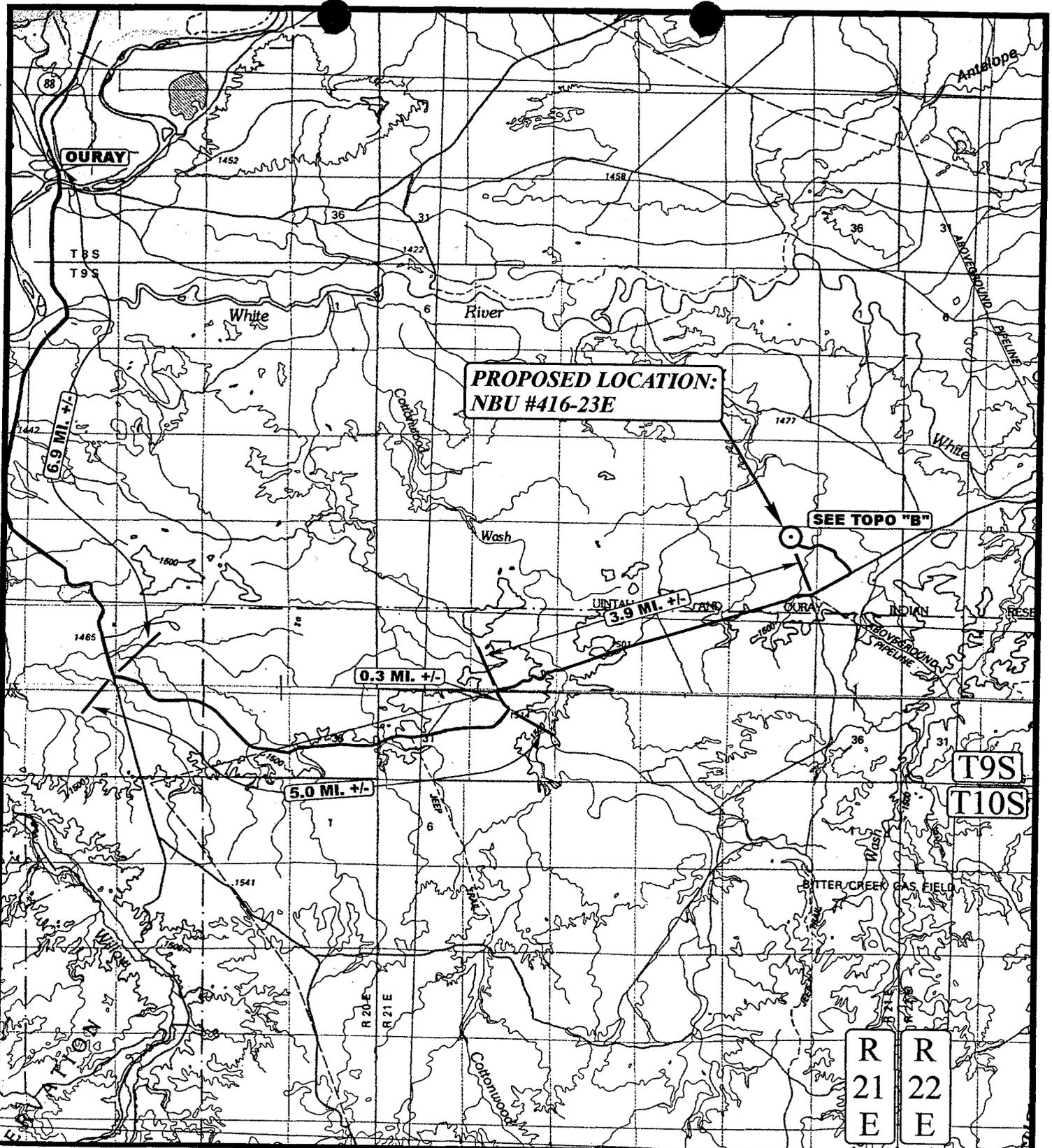


NOTE:  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(12") Topsoil Stripping = 2,860 Cu. Yds.  
Remaining Location = 4,150 Cu. Yds.  
TOTAL CUT = 7,010 CU.YDS.  
FILL = 2,370 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 4,520 Cu. Yds.  
Topsoil & Pit Backfill (1/2 Pit Vol.) = 4,520 Cu. Yds.  
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.



**PROPOSED LOCATION:  
NBU #416-23E**

**SEE TOPO "B"**

**T9S  
T10S**

**R 21 E  
R 22 E**

**LEGEND:**

⊙ PROPOSED LOCATION



**EOG RESOURCES, INC.**

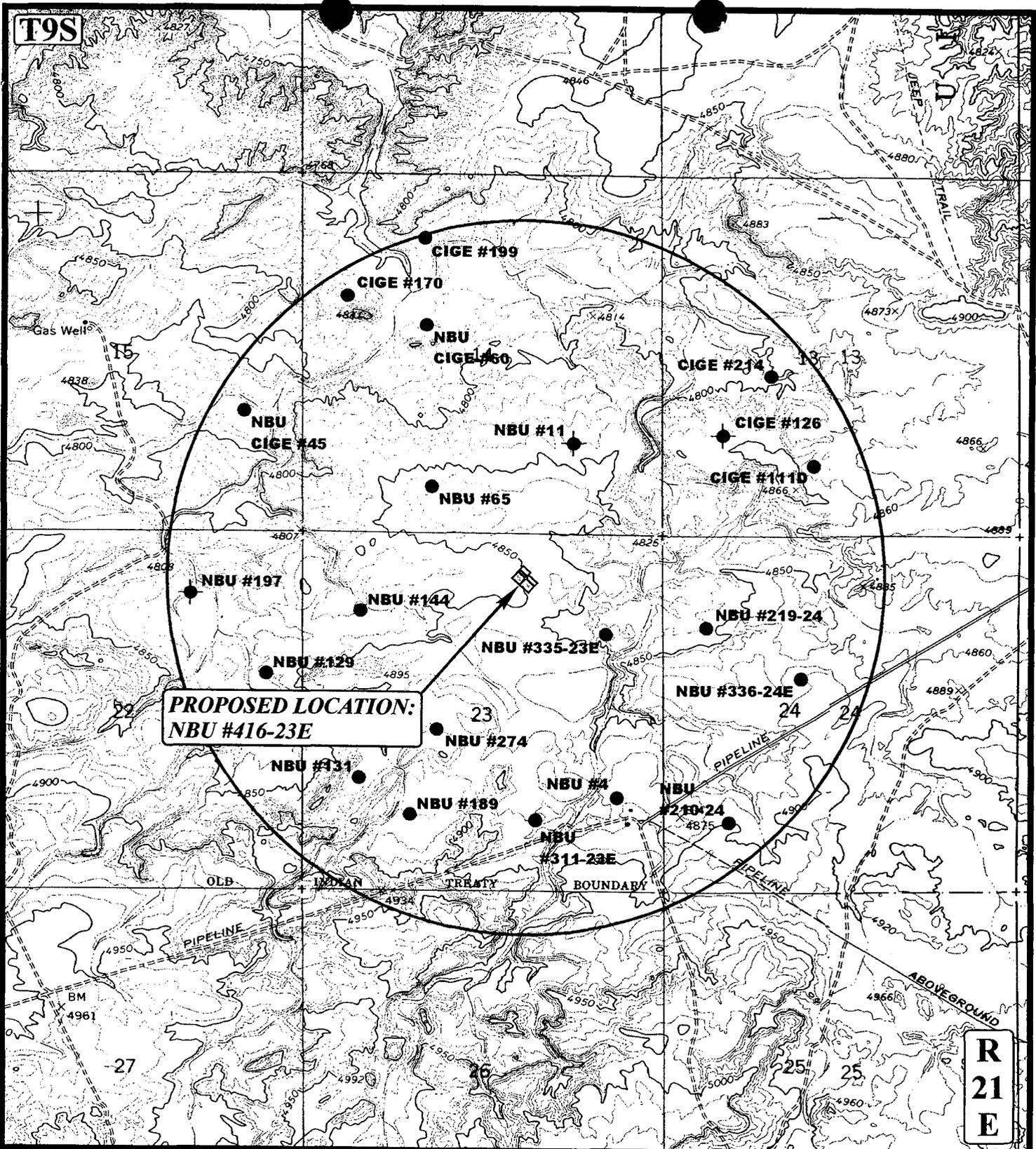
**NBU #416-23E  
SECTION 23, T9S, R21E, S.L.B.&M.  
662' FNL 2002' FEL**

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

**TOPOGRAPHIC MAP**  
 SCALE: 1:100,000 DRAWN BY: K.G. REVISED: 00-00-00

**8 14 01**  
 MONTH DAY YEAR

**A**  
 TOPO



**LEGEND:**

- ⊘ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⊕ WATER WELLS
- ⬮ ABANDONED WELLS
- ⬮ TEMPORARILY ABANDONED

**EOG RESOURCES, INC.**

**NBU #416-23E**  
**SECTION 23, T9S, R21E, S.L.B.&M.**  
**662' FNL 2002' FEL**

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



**TOPOGRAPHIC MAP** **8 14 01**  
MONTH DAY YEAR

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

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

002

APD RECEIVED: 02/01/2002

API NO. ASSIGNED: 43-047-34490

WELL NAME: NBU 416-23E  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-0790

PROPOSED LOCATION:  
 NWNE 23 090S 210E  
 SURFACE: 0662 FNL 2002 FEL  
 BOTTOM: 0662 FNL 2002 FEL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0149075  
 SURFACE OWNER: 2 - Indian

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)

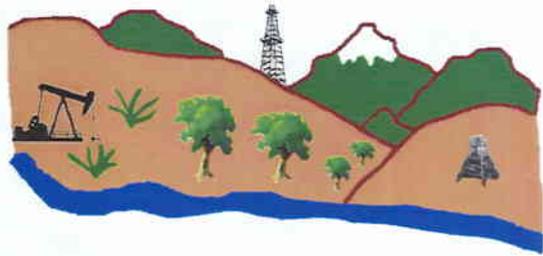
LOCATION AND SITING:

- R649-2-3. Unit NATURAL BUTTES
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr. Unit Boundary E. UnComm. Tract
- R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Fed. Approval  
2-oil shale



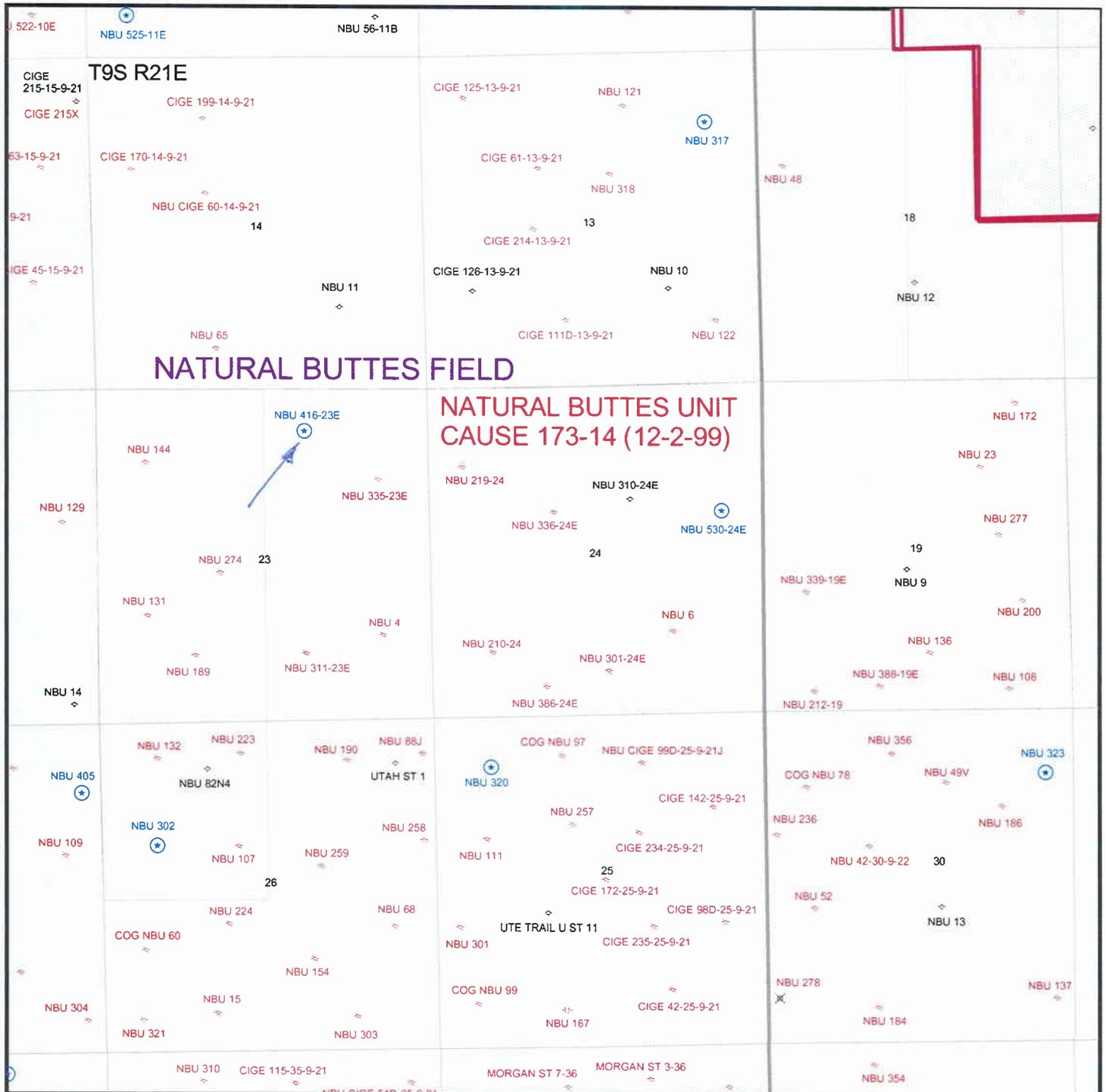
Utah Oil Gas and Mining

OPERATOR: EOG RESOURCES INC (N9550)

SEC. 23 & 24, T9S, R21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH UNIT: NATURAL BUTTES  
CAUSE: 173-14



NATURAL BUTTES FIELD

NATURAL BUTTES UNIT  
CAUSE 173-14 (12-2-99)

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 11, 2002

EOG Resources Inc  
PO Box 1815  
Vernal UT 84078

Re: Natural Buttes Unit 416-23E Well, 662' FNL, 2002' FEL, NW NE, Sec. 23, T. 9 South, R. 21 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 43-047-34490.

Sincerely,

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

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** EOG Resources Inc  
**Well Name & Number** Natural Buttes Unit 416-23E  
**API Number:** 43-047-34490  
**Lease:** U-0149075

**Location:** NW NE      **Sec.** 23      **T.** 9 South      **R.** 21 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.



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

March 3, 2003

Ed Trotter  
EOG Resources, Inc.  
P.O. Box 1815  
Vernal UT 84078

Re: APD Rescinded – NBU 416-23E, Sec. 23, T. 9S, R. 21E-Uintah County, Utah  
API No. 43-047-34490

Dear Mr. Trotter:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on February 11, 2002. On March 3, 2003, you requested that the division rescind the 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 3, 2003.

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 Mason  
Engineering Technician

cc: Well File  
Gil Hunt, Technical Services Manager  
Bureau of Land Management, Vernal



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office  
170 South 500 East  
Vernal, Utah 84078-2799

Phone: (435) 781-4400  
Fax: (435) 781-4410

IN REPLY REFER TO:  
3160  
UT08300

February 28, 2003

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

Re: Well No. NBU 416-23E  
NWNE, Sec. 23, T9S, R21E  
Uintah County, Utah  
Lease No. U-0149075  
Natural Buttes WS MV

Dear Mr. Trotter:

The Application for Permit to Drill (APD) the above referenced well submitted January 31, 2002, is being returned unapproved as per telephone conversation with Greg Darlington on February 27, 2003. If you plan to drill at this location at a future date, a new APD must be submitted.

If you have any questions concerning APD processing, please contact me at (435) 781-4497.

Sincerely,

Leslie Walker  
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED  
MAR 11 2003  
DIV. OF OIL, GAS & MINING