

EOG Resources, Inc.
P.O. 1910
Vernal, UT 84078

May 20, 2003

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: U-0281
FEDERAL LANDS

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

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

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

Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

RECEIVED
JUN 02 2003
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. TYPE OF WORK DRILL REENTER
b. TYPE OF WELL Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
EOG RESOURCES, INC.

3a. Address
P.O. BOX 1910, VERNAL, UT 84078

3b. Telephone Number: (435)789-4120

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 1890' FNL & 602' FEL ^{4436183Y} SE/NE ^{40.66701}
At proposed prod. Zone ^{634882X} -109.41837

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

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any)
602'

16. No. of acres in lease
2558

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

19. Proposed depth
6900'

21. Elevations (show whether DF, KDB, RT, GL, etc.)
4842.6 FEET GRADED GROUND

22. Approx. date work will start*
UPON APPROVAL

5. Lease serial No.
U-0281

6. If Indian, Allottee or Tribe name

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

8. Lease Name and Well No.
CHAPITA WELLS UNIT 539-3

9. API Well No.
43-047-85613

10. Field and pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or BLK. And survey of area
SEC. 3, T9S, R22E, S.L.B.&M.

12. County or parish
UINTAH

13. State
UTAH

CONFIDENTIAL

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan
- 3. A Surface Use Plan (if the location is on National Forest System lands, the SUPO shall be filed with the appropriate Forest Service Office.
- 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the Authorized officer.

25. Signature *[Signature]* Name (Printed/ Typed) Ed Trotter Date 5-20-2003

Title Agent

Approved by (Signature) *[Signature]*
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6-16-03
BY: *[Signature]*

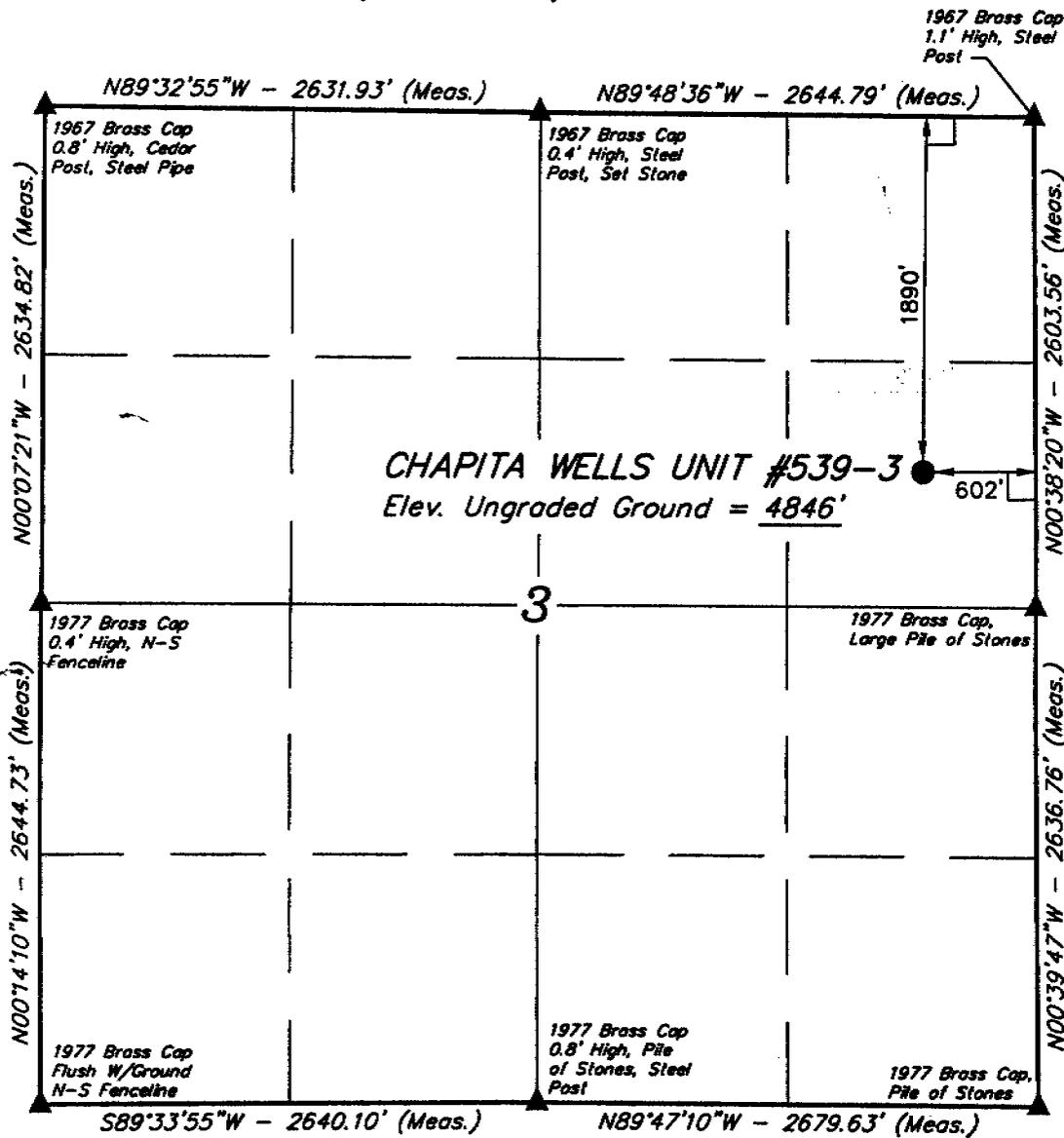
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

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



LEGEND:

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

(NAD 27)
 LATITUDE = 40°04'01.37" (40.067047)
 LONGITUDE = 109°25'05.35" (109.418153)

EOG RESOURCES, INC.

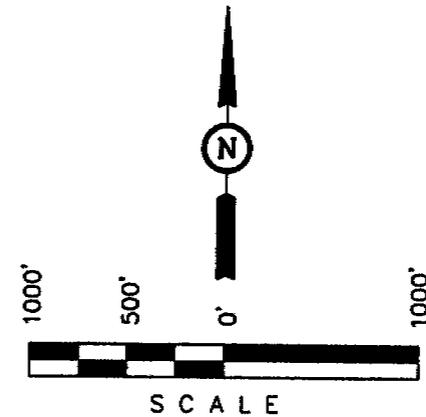
Well location, CHAPITA WELLS UNIT #539-3, located as shown in the SE 1/4 NE 1/4 of Section 3, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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

Robert A. Cox
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY K.K. M.B. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Wasatch	5134
Chapita Wells	5744
Buck Canyon	6459

EST. TD: 6900

Anticipated BHP 3000 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 1/4"	0' - 220' +/- KB	220' +/-	8 5/8"	24.0 #	J-55	ST&C	1370 PSI	2950 PSI	244,000#
7 7/8"	200' - TD +/-KB	6900' +/-	4 1/2"	10.5 #	J-55	ST&C	3310 PSI	4790 PSI	132,000#

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-220' Below GL):

Guide Shoe

Insert Baffle

Wooden wiper plug

Centralizers: 1 – 5-10' above shoe, every collar for next 3 joints (4 total).

Have bottom of first collar tack-welded, guide shoe and top of first collar thread-locked.

Production Hole Procedure (200'-TD):

Texas-Pattern shoe, short casing shoe joint ($\pm 20'$), Float Collar, and balance of casing to surface. Run short casing joint (less than 38') at $\pm 4,100'$ (1000' above projected top of Wasatch). Centralize 5' above shoe on joint #1, top of joint #2, then every 4th joint to 4,700' (400' above Wasatch top - 15 total).

Thread lock shoe, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (0-220' below GL):

Air – Air Water Mist

Production Hole Procedure (200'-TD):

200' - 1700' Water (circulate through reserve pit). Anco-Drill sweeps for hole cleaning, Paper sweeps to seal off loss zones. Add LIME to reserve pit to keep clear.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3 SE/NE, SEC. 3, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

MUD PROGRAM (Continued):

Production Hole Procedure (200'-TD):

- 1700-4900' Continue as above as far as possible. Should it become necessary to trip for a bit prior to reaching TD, either slug drillpipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and recirculate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Try to control any fluid losses if drilling on clear fluid with paper LCM. Add LIME and Gyp if needed to control alkalinities.
- 4900'-TD Continue sweeping hole with Anco-Drill for hole cleaning. Again, should it become necessary to trip for a bit prior to reaching TD, either slug drillpipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and recirculate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Increase Anco-Drill sweep frequency as you near TD in preparation to logging and running casing. Be alert at all times while drilling the Wasatch on water for any signs of hole sloughing (i.e. tight connections, fill, etc.). Should sloughing be detected, immediately mud up the hole. If mud-up becomes necessary to log, run casing, for hole sloughing or to control water and gas flows, mix Gel, Anco-Drill and Aqua-Pac if chloride content of mud will allow or SALT GEL and STARCH if chloride content is high. When mudding up, add 6% LCM (mixture of Cedar Fiber, Paper, Cottonseed Hulls and Sawdust) to control losses.

7. VARIANCE REQUESTS:

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

8. EVALUATION PROGRAM:

Logs: No Open Hole logs

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (0-220' Below GL)

Lead: 90 sx. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.15 cu. ft./sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.15 cu. ft./sk., 4.95 gps via 1" tubing set at 25' if needed.

Production Hole Procedure (200' to TD)

Lead: Class 'G' lead cement with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 50:50 Poz G w/ 2% D20 (Bentonite), 10% D44 (Salt), mixed at 14.1 ppg, 1.35 cu. ft./sk., 5.0 gps water.

10. ABNORMAL CONDITIONS:

PRODUCTION HOLE (200'-TD)

Potential Problems: Lost circulation, asphaltic, black oil flows, large Trona water flows and gas flows may be encountered in the Green River, beginning at $\pm 1700'$. Monitor for and report any hydrocarbon shows and/or water zones. No other offset experienced these troubles. Be alert for any flows, volume gains and/or losses. While none of NBU 376-05E's immediate offsets encountered severe deviation problems, a few wells in the general region have experienced acute deviation (up to 18° inclination) beginning around 2000'.

This deviation problem has been determined to be associated with gilsonite-filled vertical faults, whose existence and extent are not able to be predicted beforehand. (Some area wells experienced an increase in hole angle to 3° from 2000-4700', then fell back to "normal" inclination). Other wells in the general area of the CWU 539-03 (all drilled with air/mist or aerated water) reported problems with sloughing formation in the Wasatch while attempting to mud up for logs or to run casing.

11. STANDARD REQUIRED EQUIPMENT:

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

12. 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.

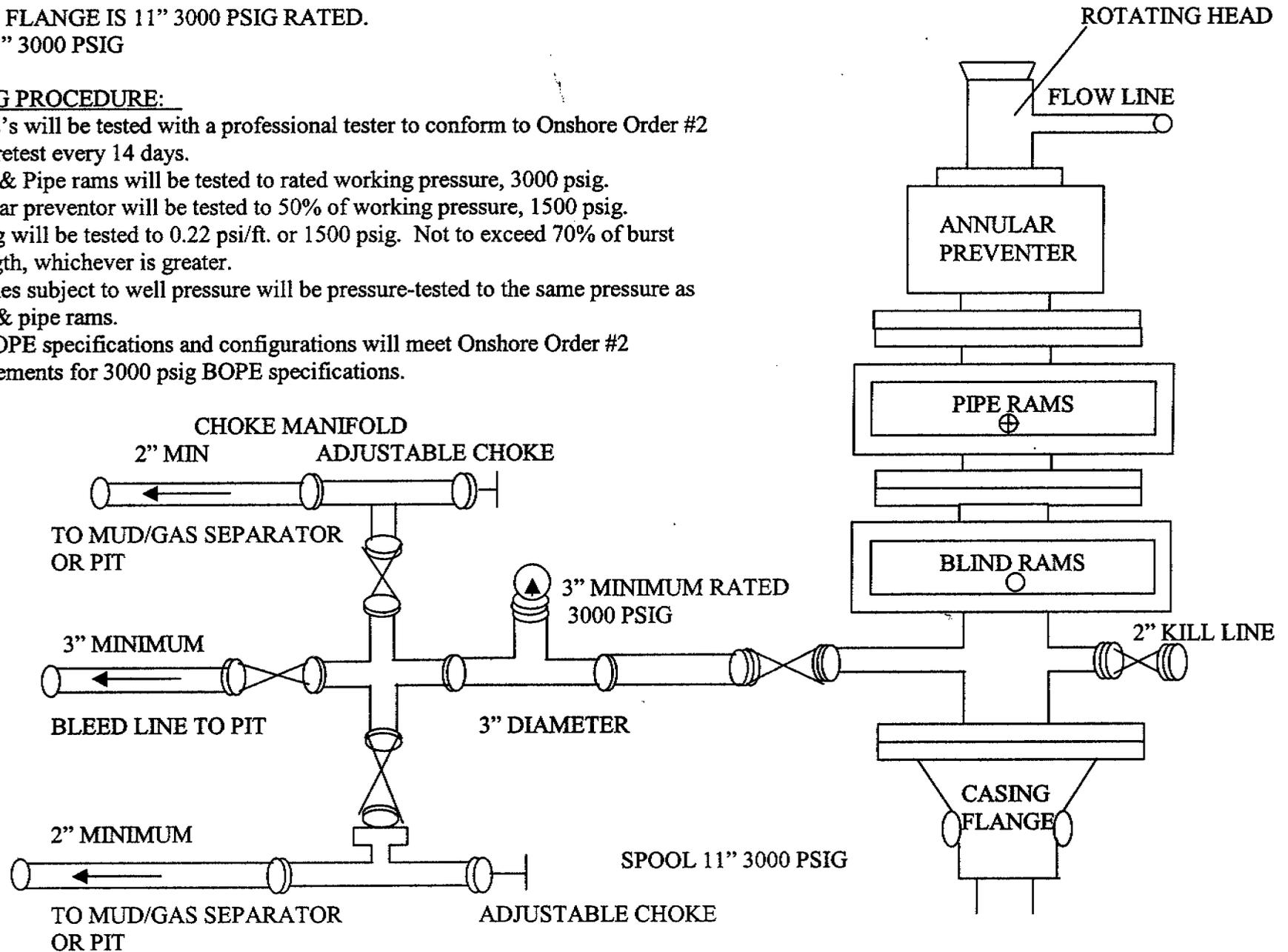
(Attachment: BOP Schematic Diagram)

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.



EOG RESOURCES, INC.

**CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; PROCEED IN A SOUHEASTERLY THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 47.2 MILES.

**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 539-3
Lease Number: U-0281
Location: 1890' FNL & 602' FEL, SE/NE, Sec. 3,
T9S, R22E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

First Production Notice - 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 16.2 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 0.1 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

A. Abandoned wells – 4*

B. Producing wells - 30*

(*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 wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
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 1083’ from proposed location to a point in the NE/SE of Section 3, T9S, R22E, where it will tie into Questar Pipeline Co.’s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of -Way grant will not be required.
3. Proposed pipeline will be a 3” OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 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 contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

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

6. SOURCE OF CONSTRUCTION MATERIAL

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

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and 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 BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with a plastic liner. A felt liner will also be installed if rock is encountered during pit construction.

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - Four Wing Salt Bush – 3 pounds per acre
 - Indian Rice Grass – 3 pounds per acre
 - Needle and Thread Grass – 3 pounds per acre
 - Globe Mallow – 1 pound per acre.

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

The stockpiled pit topsoil will be stored separate from the location topsoil between Corners B and 5. The stockpiled location topsoil will be stored along the West side, between Corners 2 and 8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the South.

Corner #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

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

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

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

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

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

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

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

from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

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

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

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

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

DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
Telephone: (307)276-4865

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

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

Certification

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

5-20-2003
Date


Agent

EOG RESOURCES, INC.
CHAPITA WELLS UNIT #539-3
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 3, T9S, R22E, S.L.B.&M.

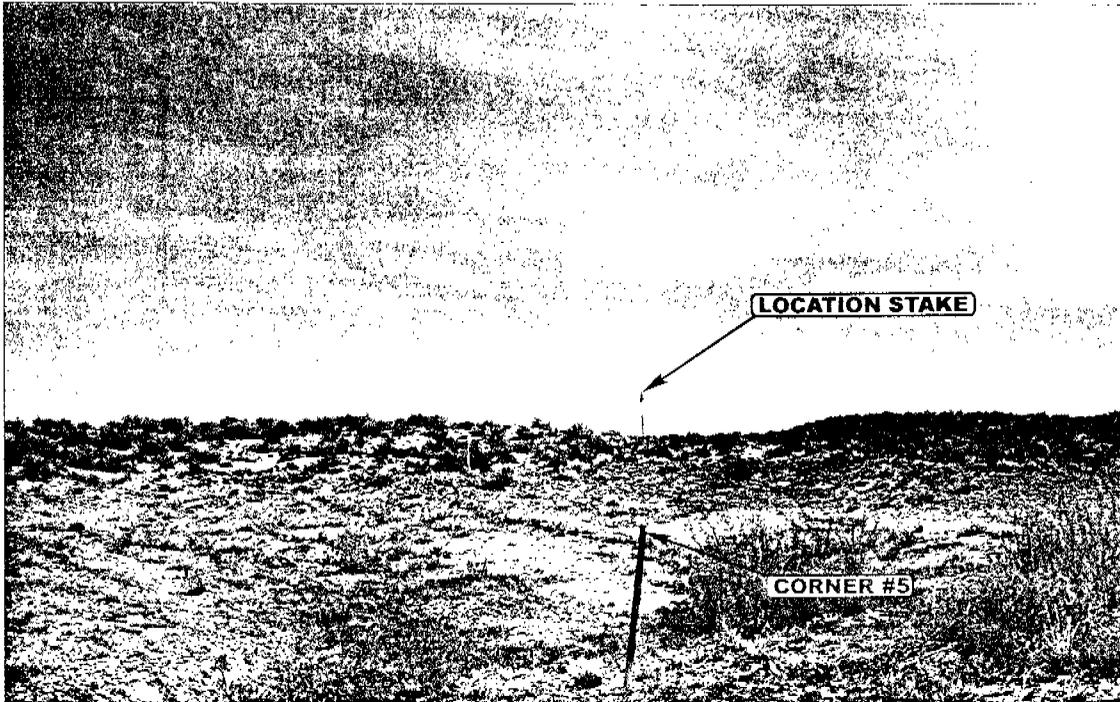


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



U E L S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 ucls@uelsinc.com

LOCATION PHOTOS

4	30	03
MONTH	DAY	YEAR

PHOTO

TAKEN BY: K.K.

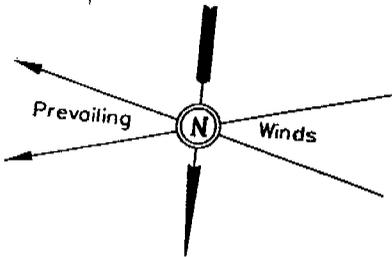
DRAWN BY: K.G.

REVISED: 00-00-00

EOG RESOURCES, INC.

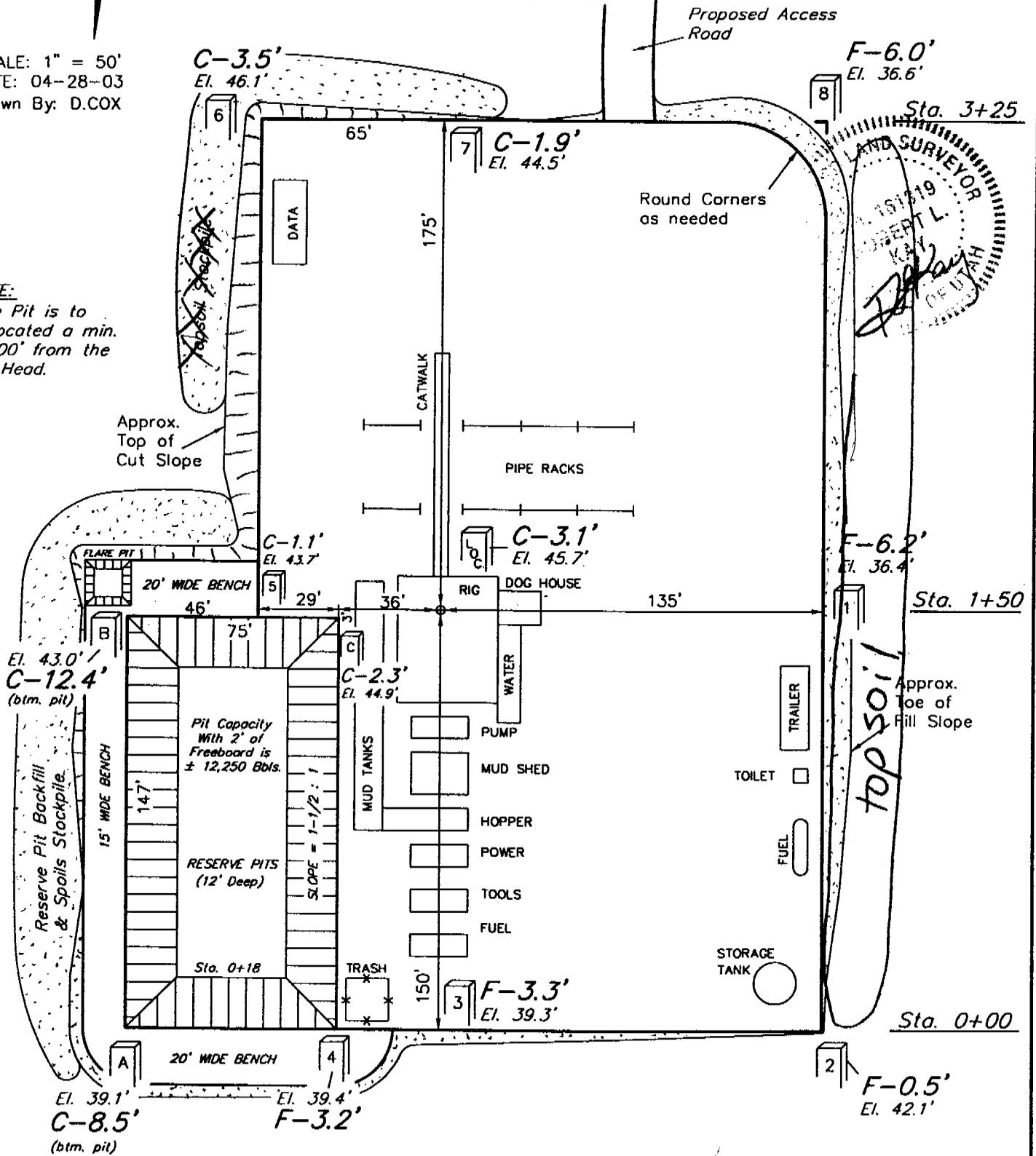
LOCATION LAYOUT FOR

CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
1890' FNL 602' FEL



SCALE: 1" = 50'
DATE: 04-28-03
Drawn By: D.COX

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



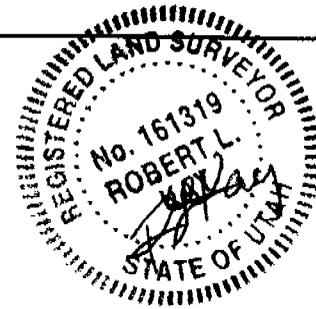
Elev. Ungraded Ground at Location Stake = 4845.7'
Elev. Graded Ground at Location Stake = 4842.6'

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

EOG RESOURCES, INC.

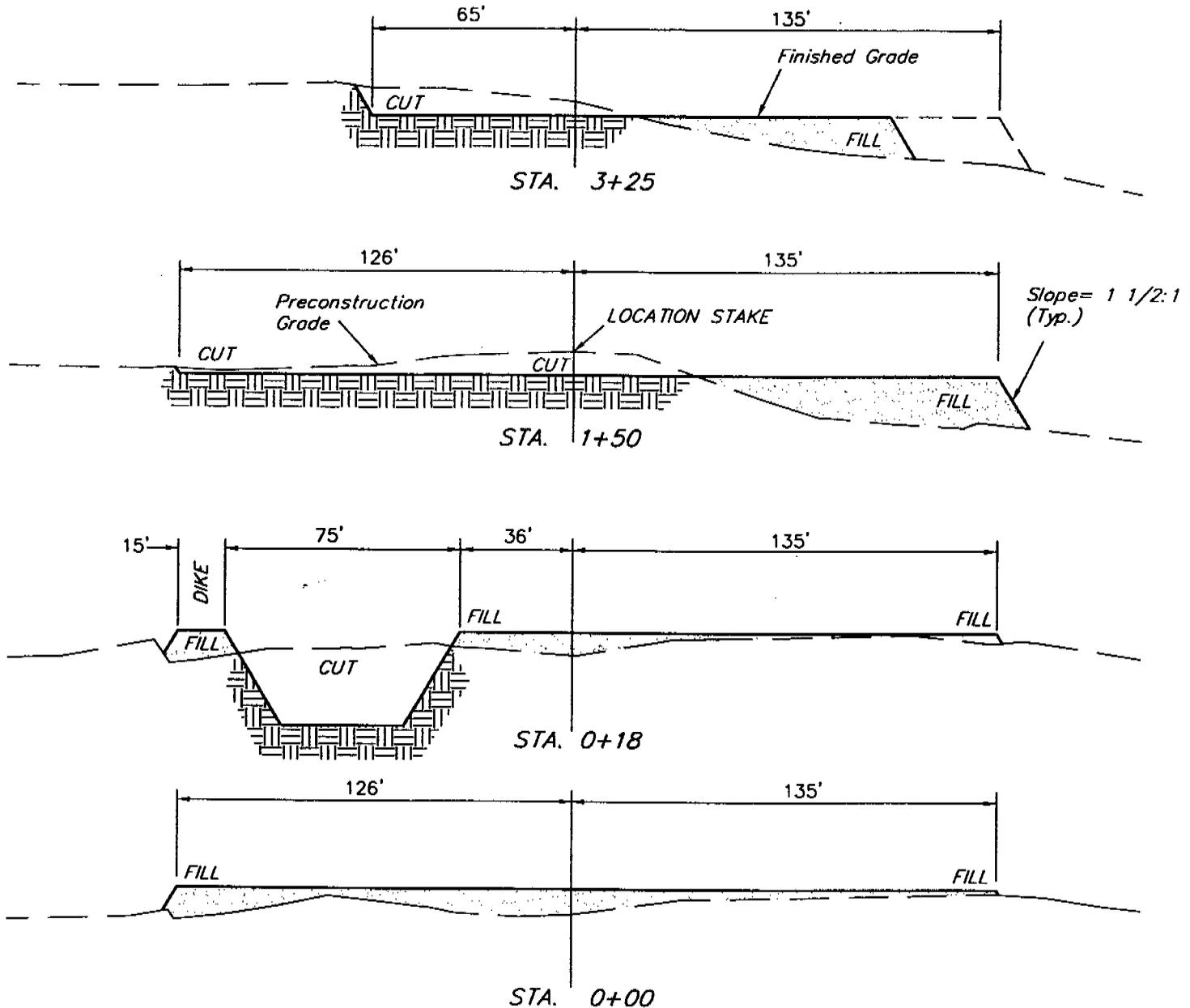
TYPICAL CROSS SECTIONS FOR

CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
1890' FNL 602' FEL



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

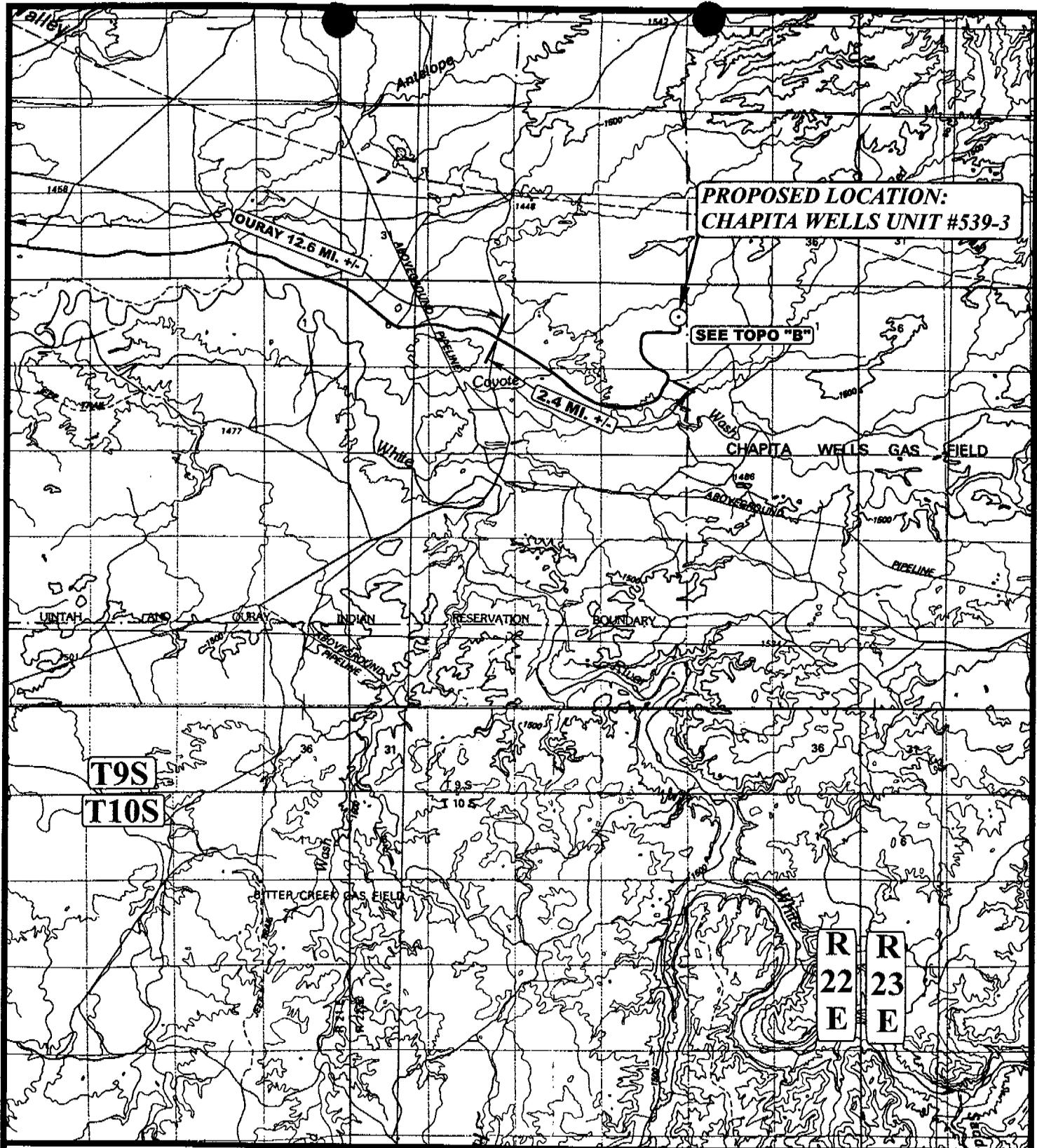
DATE: 04-28-03
Drawn By: D.COX



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,430 Cu. Yds.
Remaining Location	=	6,610 Cu. Yds.
TOTAL CUT	=	8,040 CU.YDS.
FILL	=	4,700 CU.YDS.

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



**PROPOSED LOCATION:
CHAPITA WELLS UNIT #539-3**

SEE TOPO "B"

**T9S
T10S**

**R 22
R 23
E E**

LEGEND:

⊙ PROPOSED LOCATION

N



EOG RESOURCES, INC.

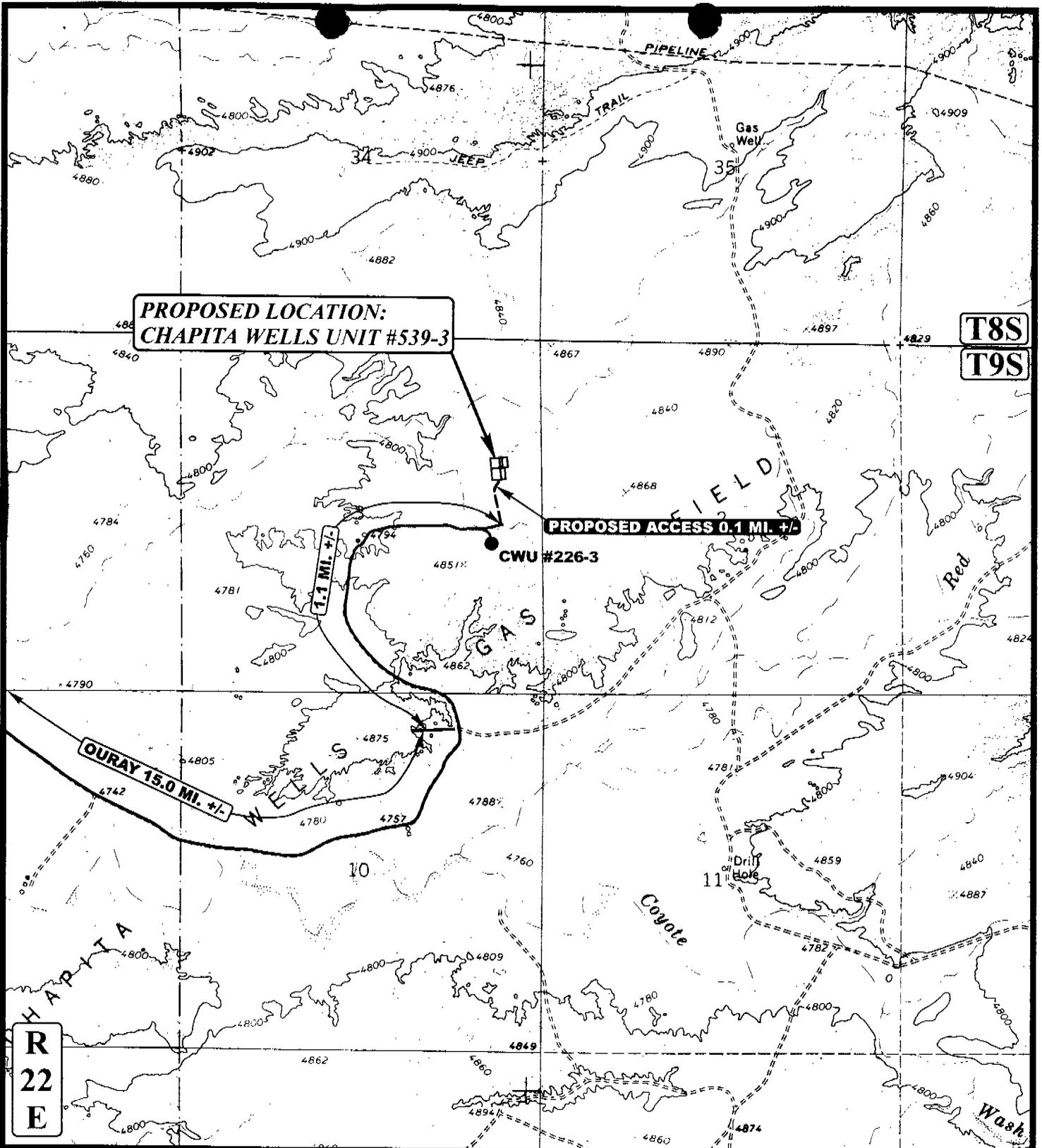
**CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
1890' FNL 602' FEL**



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

TOPOGRAPHIC MAP
4 30 03
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: K.G. REVISED: 8-19-98





**PROPOSED LOCATION:
CHAPITA WELLS UNIT #539-3**

PROPOSED ACCESS 0.1 MI. +/-

CWU #226-3

OURAY 15.0 MI. +/-

**T8S
T9S**

**R
22
E**

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

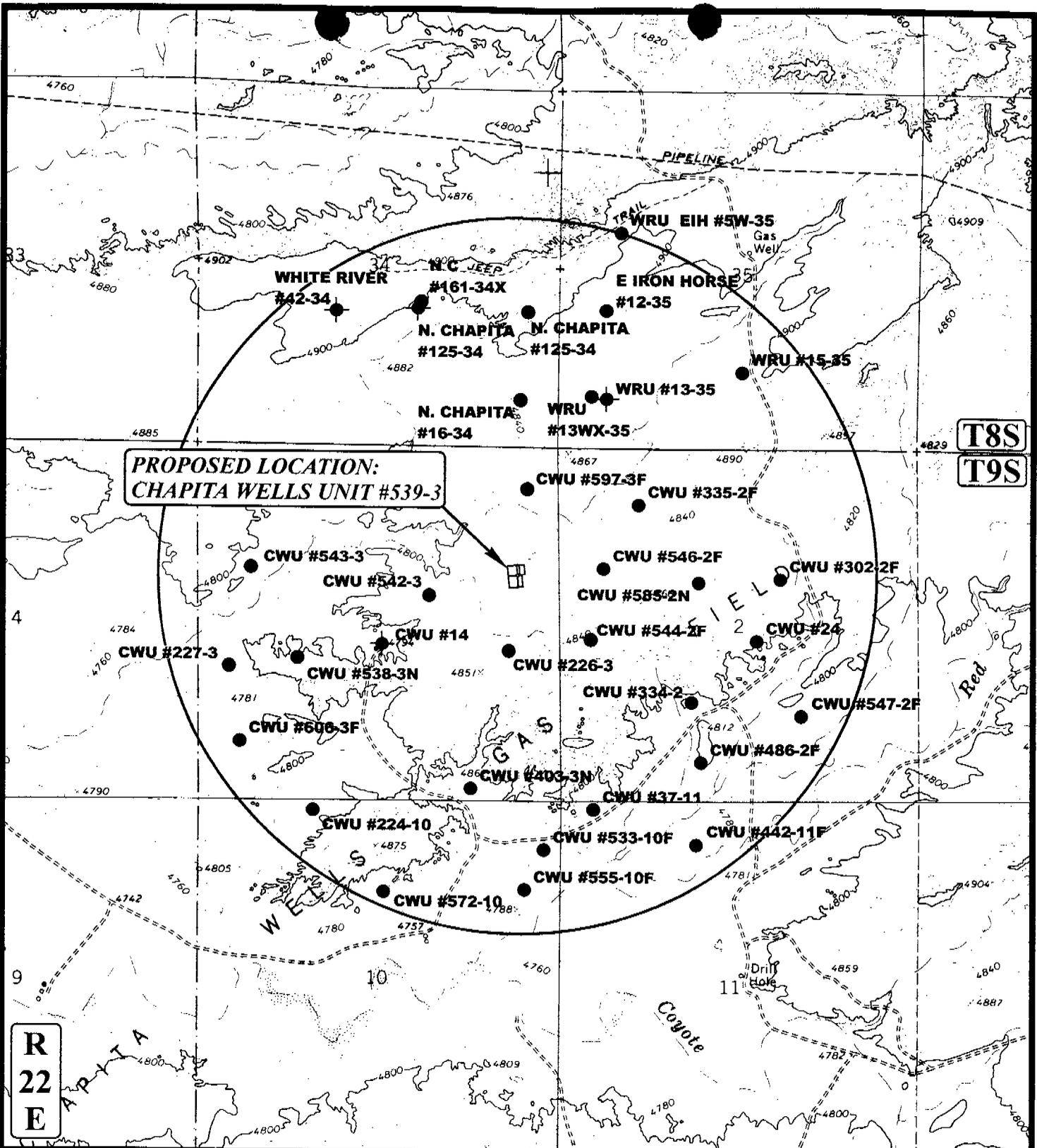


EOG RESOURCES, INC.

**CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
1890' 1980' FNL 602' FEL**

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

TOPOGRAPHIC **4** **30** **03**
MAP MONTH DAY YEAR
B
SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00 **TOPO**



**PROPOSED LOCATION:
CHAPITA WELLS UNIT #539-3**

**T8S
T9S**

**R
22
E**

LEGEND:

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

EOG RESOURCES, INC.

**CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
1890' 1980' FNL 602' FEL**



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

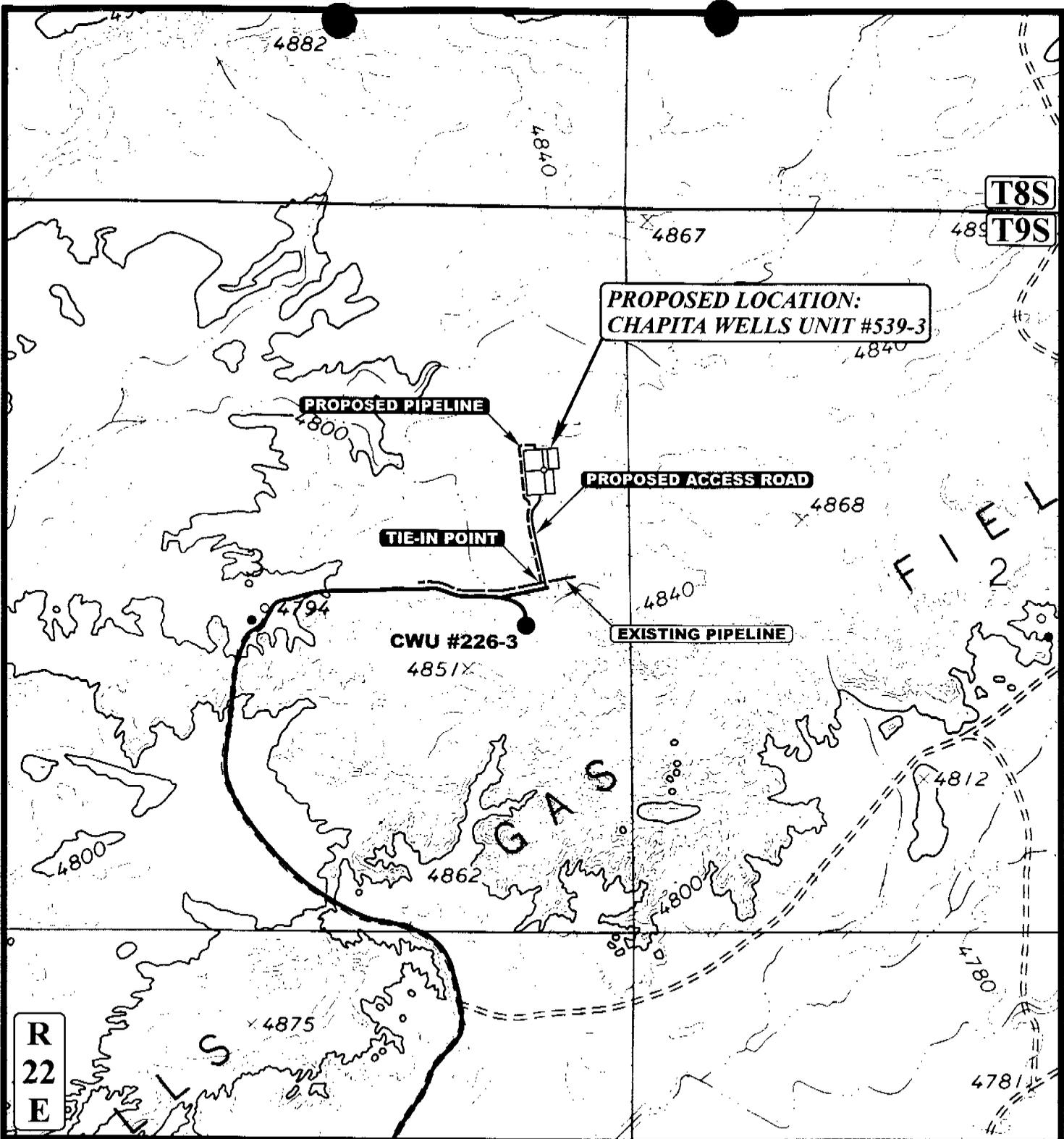


**TOPOGRAPHIC
MAP**

4 30 03
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 1083' +/-

LEGEND:

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

EOG RESOURCES, INC.

CHAPITA WELLS UNIT #539-3
SECTION 3, T9S, R22E, S.L.B.&M.
 1890' 1980' FNL 602' FEL



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

TOPOGRAPHIC	4	30	03	D TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 1000'	DRAWN BY: K.G.		REVISED: 00-00-00	

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

004

APD RECEIVED: 06/02/2003

API NO. ASSIGNED: 43-047-35013

WELL NAME: CWU 539-3
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SENE 03 090S 220E
 SURFACE: 1890 FNL 0602 FEL
 BOTTOM: 1890 FNL 0602 FEL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-0281
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: WSTC

LATITUDE: 40.06701
 LONGITUDE: 109.41837

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. 49-1501)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

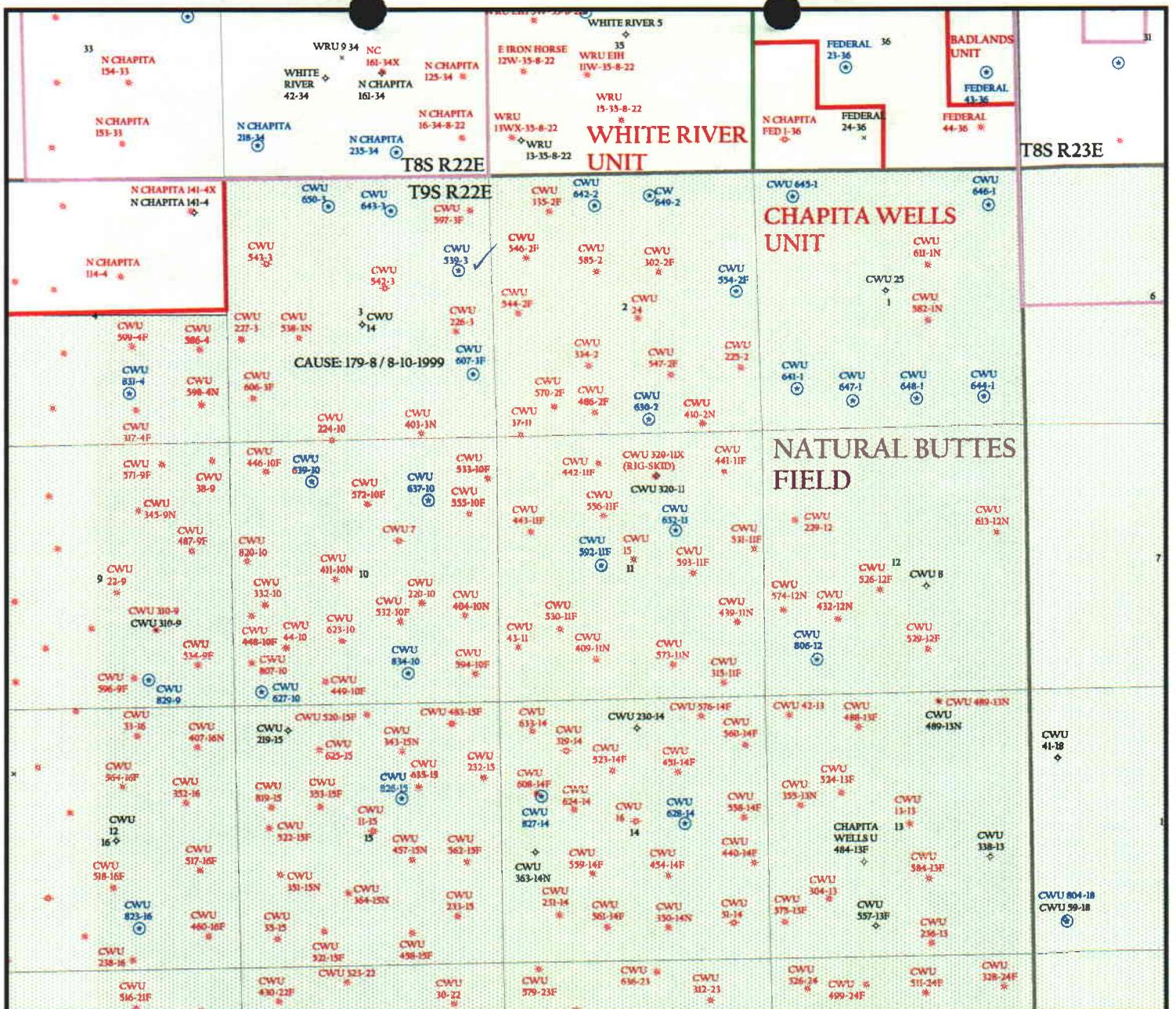
LOCATION AND SITING:

- ___ 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: 8-10-1999
Siting: 460' from unit boundary
- ___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal approval



OPERATOR: EOG RESOURCES (N9550)

SEC. 3 T.9S, R.22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-9 / 8-10-1999

Wells

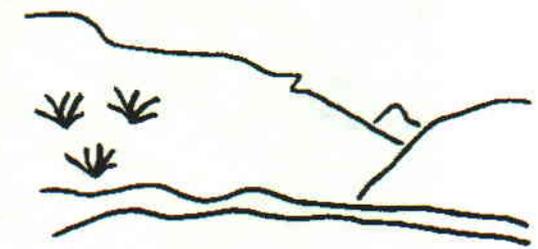
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 11-JUNE-2003

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

June 13, 2003

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2003 Plan of Development Chapita Wells Unit,
Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2003 within the Chapita Wells Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed PZ Wasatch)		
43-047-34994	Chapita Wells U 642-2	Sec. 2 T09S R22E 0601 FNL 2111 FWL
43-047-35011	Chapita Wells U 644-1	Sec. 1 T09S R22E 0567 FSL 0833 FEL
43-047-35024	Chapita Wells U 649-2	Sec. 2 T09S R22E 0486 FNL 2063 FEL
43-047-35025	Chapita Wells U 646-1	Sec. 1 T09S R22E 0728 FNL 0628 FEL
43-047-35026	Chapita Wells U 647-1	Sec. 1 T09S R22E 0604 FSL 1818 FWL
43-047-35027	Chapita Wells U 648-1	Sec. 1 T09S R22E 0528 FSL 2170 FEL
43-047-35028	Chapita Wells U 645-1	Sec. 1 T09S R22E 0507 FNL 0789 FWL
43-047-35029	Chapita Wells U 650-3	Sec. 3 T09S R22E 0550 FNL 2080 FWL
43-047-35012	Chapita Wells U 643-3	Sec. 3 T09S R22E 0694 FNL 1945 FEL
43-047-35013	Chapita Wells U 539-3	Sec. 3 T09S R22E 1890 FNL 0602 FEL

(Proposed PZ Mancos)

43-047-35014	Chapita Wells U 831-4	Sec. 4 T09S R22E 0988 FSL 1994 FEL
43-047-35015	Chapita Wells U 830-4	Sec. 4 T09S R22E 0543 FSL 0785 FWL
43-047-35016	Chapita Wells U 834-10	Sec. 10 T09S R22E 0572 FSL 1818 FEL
43-047-35017	Chapita Wells U 826-15	Sec. 15 T09S R22E 1943 FNL 1947 FEL
43-047-35018	Chapita Wells U 825-23	Sec. 23 T09S R22E 0645 FSL 1898 FEL
43-047-35019	Chapita Wells U 824-23	Sec. 23 T09S R22E 0510 FSL 0542 FWL

Please be advised that there is currently no participating area for the Mancos Formation within the Chapita Wells Unit.

This office has no objection to permitting the wells 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:6-13-3



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)

June 16, 2003

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

Re: Chapita Wells Unit 539-3 Well, 1890' FNL, 602' FEL, SE NE, Sec. 3, 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 43-047-35013.

Sincerely,

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

John R. Baza
Associate Director

pab
Enclosures

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

Operator: _____ EOG Resources, Inc.
Well Name & Number _____ Chapita Wells Unit 539-3
API Number: _____ 43-047-35013
Lease: _____ U-0281

Location: SE NE **Sec.** 3 **T.** 9 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATIONName of Company: EOG RESOURCES INCWell Name: CWU 539-3Api No: 43-047-35013 Lease Type: FEDERALSection 03 Township 09S Range 22E County UINTAHDrilling Contractor CRAIG'S ROUST-ABOUT SERVICES RIG # RATHOLE**SPUDDED:**Date 07/10/03Time 1:00 PMHow ROTARY**Drilling will commence:** _____Reported by ED TROTTERTelephone # 1-435-789-4120Date 07/11/2003 Signed: CHD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

006

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.
U-0281

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

CHAPITA WELLS UNIT

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CWU 539-3

2. Name of Operator
EOG RESOURCES, INC.

9. API Well No.
43-047-35013

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

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1890' FNL, 602' FEL, SE/NE
SECTION 3, T9S, R22E

11. County or Parish, State
UINTAH, UTAH

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 checked="" 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 type="checkbox"/> Other

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 recomplete 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.)

See attachments for revised drilling programs and BOP diagram.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **Ed Trotter**
Signature 

Title **Agent**
Date **7-03-2003**

THIS SPACE IS FOR FEDERAL OFFICE USE ONLY

Approved by
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.

RECEIVED
TITLE DATE
Office **JUL 11 2003**
DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River FM	1917
Wasatch	5134
Chapita Wells	5744
Buck Canyon	6459

EST. TD: 6900\

Anticipated BHP 3000 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
11"	0' - 220'+/- KB	220' +/-	7"	23.0 #	J-55	ST&C	3270 PSI	4360 PSI	313,000#
6 1/4"	220' - TD +/-KB	6900' +/-	4 1/2"	11.6 #	J-55	ST&C	4960 PSI	5350 PSI	184,000#

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-220' Below GL):

Guide Shoe

Insert Baffle

Wooden wiper plug

Centralizers: 1 – 5-10' above shoe, every collar for next 3 joints (4 total).

Have bottom of first collar tack-welded, guide shoe and top of first collar thread-locked.

Production Hole Procedure (220'-TD):

Texas-Pattern shoe, short casing shoe joint ($\pm 20'$), Float Collar, and balance of casing to surface. Run short casing joint ($< 38'$) at $\pm 4,100'$ (**1,000' above projected top of Wasatch**). Centralize 5' above shoe on joint #1, top of joint #2, then every 4th joint to $\pm 4,700'$ (**400' above Wasatch top - 15 total**). Thread lock shoe, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (0-220' below GL):

Air – Air Water Mist

Production Hole Procedure (220'-TD):

200' - 1,700': Water (circulate through reserve pit). Anco-Drill sweeps for hole cleaning, Paper sweeps to seal off loss zones. Add LIME to reserve pit to keep clear.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3 SE/NE, SEC. 3, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

MUD PROGRAM Production Hole Procedure (220'-TD) (Continued):

1,700' – 4,900': Continue as above as far as possible. Should it become necessary to trip for a bit prior to reaching TD, either slug drill pipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and re-circulate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Try to control any fluid losses if drilling on clear fluid with paper LCM. Add LIME and Gyp if needed to control alkalinities.

4,900' – TD: Continue sweeping hole with Anco-Drill for hole cleaning. Again, should it become necessary to trip for a bit prior to reaching TD, either slug drill pipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and re-circulate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Increase Anco-Drill sweep frequency as you near TD in preparation to logging and running casing. Be alert at all times while drilling the Wasatch on water for any signs of hole sloughing (i.e. tight connections, fill, etc.). Should sloughing be detected, immediately mud up the hole. If mud-up becomes necessary to log, run casing, for hole sloughing or to control water and gas flows, mix Gel, Anco-Drill and Aqua-Pac if chloride content of mud will allow or SALT GEL and STARCH if chloride content is high. When mudding up, add 6% LCM (mixture of Cedar Fiber, Paper, Cottonseed Hulls and Sawdust) to control losses.

7. VARIANCE REQUESTS:

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

8. EVALUATION PROGRAM:

Logs: RST logs will be run from TD to Surface.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (0-220' Below GL)

Lead: 150 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) + 0.25 pps; D29 (cellophane flakes) mixed at 15.8 ppg, 1.18 cu. ft./sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.15 cu. ft./sk., and 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes, RDMO Rocker spud rig.

Production Hole Procedure (220' to TD)

Lead: Class 'G' lead cement with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 50:50 Poz G w/ 2% D20 (Bentonite), 10% D44 (Salt), mixed at 14.1 ppg, 1.35 ft³/sk., 5.0 gps water.

10. ABNORMAL CONDITIONS:

PRODUCTION HOLE (220'-TD)

Potential Problems: Lost circulation, asphaltic, black oil and large Trona water flows may be encountered in the Green River, beginning at $\pm 1,900'$. Monitor for and report any hydrocarbon shows and/or water zones. No other offset experienced these troubles. Be alert for any flows, volume gains and/or losses. While none of CWU 539-03 immediate offsets encountered severe deviation problems, a few wells in the general region have experienced acute deviation (up to 18° inclination) beginning around 2,000'. This deviation problem has been determined to be associated with gilsonite-filled vertical faults, whose existence and extent are not able to be predicted beforehand. (Some area wells experienced an increase in hole angle to 3° from 2,000' - 4,700', then fell back to "normal" inclination). Other wells in the general area of the CWU 539-03 (all drilled with air/mist or aerated water) reported problems with sloughing formation in the Wasatch while attempting to mud up for logs or to run casing.

11. STANDARD REQUIRED EQUIPMENT:

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

12. 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.

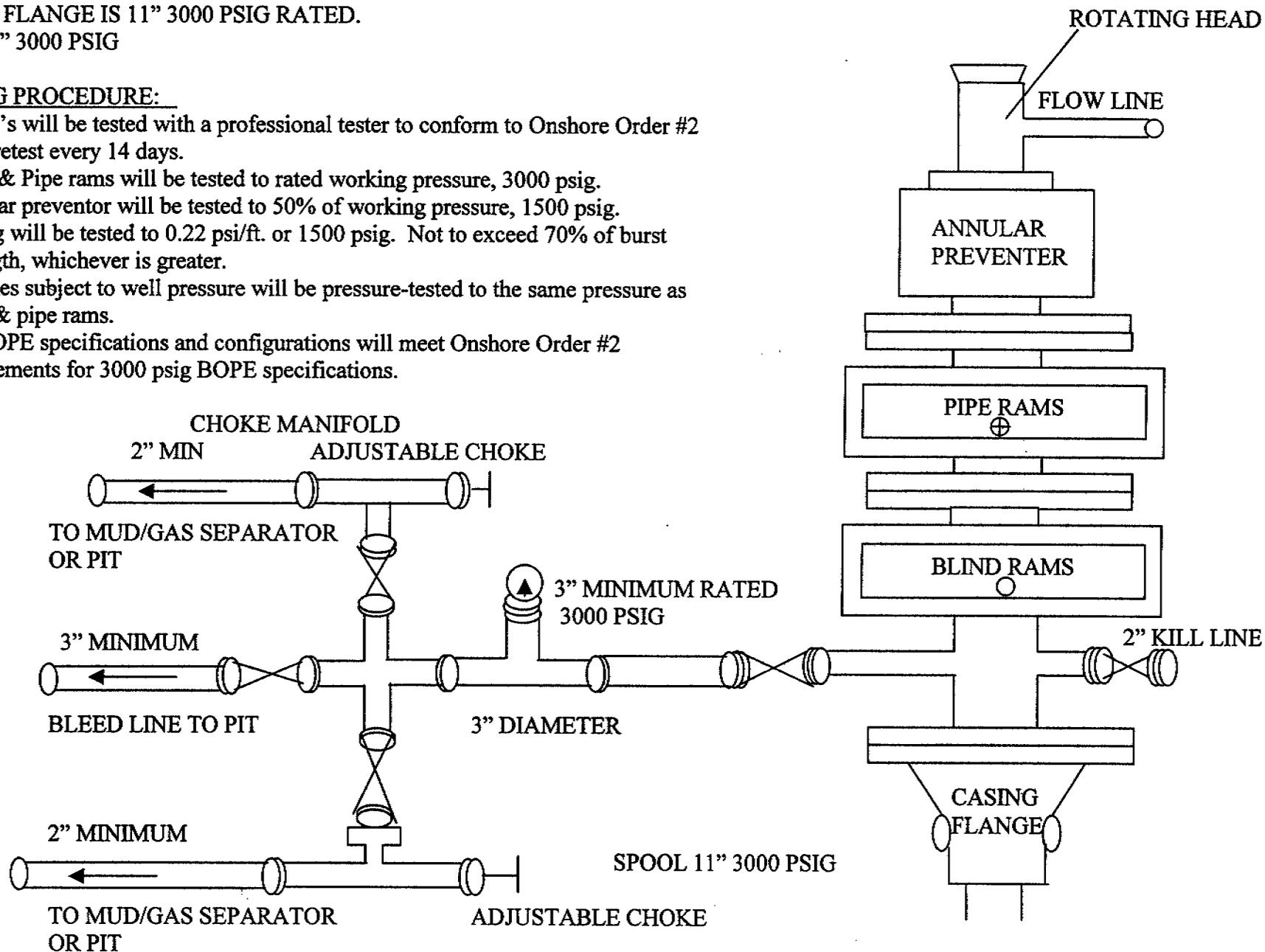
(Attachment: BOP Schematic Diagram)

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.



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

007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. TYPE OF WORK DRILL REENTER

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

2. Name of Operator
EOG RESOURCES, INC.

3a. Address
P.O. BOX 1910, VERNAL, UT 84078

3b. Telephone Number: (435)789-4120

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface 1890' FNL & 602' FEL
At proposed prod. Zone

CONFIDENTIAL
RECEIVED
MAY 30 2003

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

5. Lease serial No.
U-0281

6. If Indian, Allottee or Tribe name

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

8. Lease Name and Well No.
CHAPITA WELLS UNIT 539-3

9. API Well No.

10. Field and pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or BLK. And survey of area
SEC. 3, T9S, R22E, S.L.B.&M.

12. County or parish
UINTAH

13. State
UTAH

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any)
602'

16. No. of acres in lease
2558

17. Spacing Unit dedicated to this well

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

19. Proposed depth
6900'

20. BLM/BIA Bond No. on file
#NM 2308

21. Elevations (show whether DF, KDB, RT, GL, etc.)
4842.6 FEET GRADED GROUND

22. Approx. date work will start*
UPON APPROVAL

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan
- 3. A Surface Use Plan (if the location is on National Forest System lands, the SUPO shall be filed with the appropriate Forest Service Office.
- 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the Authorized officer.

25. Signature *Ed Trotter* Name (Printed/ Typed) Ed Trotter Date 5-20-2003

Title Agent
Approved by (Signature) *Howard B. Cleary* Name (Printed/Typed) Office RECEIVED Date 07/07/2003
Title Assistant Field Manager Mineral Resources

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, are attached.

DIV. OF OIL, GAS & MINING **NOTICE OF APPROVAL**

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

*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

03450533A

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc.

Well Name & Number: CWU 539-3

API Number: 43-047-35013

Lease Number: UTU - 0281

Location: SENE Sec. 03 TWN: 09S RNG: 22E

Agreement: Chapita Wells Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 1,388 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

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

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

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

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

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

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

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

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

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

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

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.
All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office.

All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

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

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

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

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

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

010

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.
U-0281

6. If Indian, Allottee or Tribe Name

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

CHAPITA WELLS UNIT

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CWU 539-3

2. Name of Operator
EOG RESOURCES, INC.

9. API Well No.
43-047-35013

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

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1890' FNL, 602' FEL, SE/NE
SECTION 3, T9S, R22E

11. County or Parish, State
UINTAH, UTAH

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

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 recompleat 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 recompleat 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.)

See attachments for revised drilling programs and BOP diagram.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

RECEIVED

JUL 25 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 *[Handwritten Signature]*

Date **7-03-2003**

THIS SPACE IS FOR FEDERAL OR STATE DEPT. USE

Approved by

TITLE DATE

Conditions of approval, if any, are attached. Approval of this notice

Office

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.

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.

(Instructions on reverse)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River FM	1917
Wasatch	5134
Chapita Wells	5744
Buck Canyon	6459

EST. TD: 6900

Anticipated BHP 3000 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
11"	0' - 220' +/- KB	220' +/-	7"	23.0 #	J-55	ST&C	3270 PSI	4360 PSI	313,000#
6 1/4"	220' - TD +/- KB	6900' +/-	4 1/2"	11.6 #	J-55	ST&C	4960 PSI	5350 PSI	184,000#

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-220' Below GL):

Guide Shoe

Insert Baffle

Wooden wiper plug

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Have bottom of first collar tack-welded, guide shoe and top of first collar thread-locked.

Production Hole Procedure (220'-TD):

Texas-Pattern shoe, short casing shoe joint ($\pm 20'$), Float Collar, and balance of casing to surface. Run short casing joint ($< 38'$) at $\pm 4,100'$ (1,000' above projected top of Wasatch). Centralize 5' above shoe on joint #1, top of joint #2, then every 4th joint to $\pm 4,700'$ (400' above Wasatch top - 15 total). Thread lock shoe, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (0-220' below GL):

Air - Air Water Mist

Production Hole Procedure (220'-TD):

200' - 1,700': Water (circulate through reserve pit). Anco-Drill sweeps for hole cleaning, Paper sweeps to seal off loss zones. Add LIME to reserve pit to keep clear.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

MUD PROGRAM Production Hole Procedure (220'-TD) (Continued):

1,700' – 4,900': Continue as above as far as possible. Should it become necessary to trip for a bit prior to reaching TD, either slug drill pipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and re-circulate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Try to control any fluid losses if drilling on clear fluid with paper LCM. Add LIME and Gyp if needed to control alkalinities.

4,900' – TD: Continue sweeping hole with Anco-Drill for hole cleaning. Again, should it become necessary to trip for a bit prior to reaching TD, either slug drill pipe and fill hole with brine or with 9.2 ppg mud (pre-mixed in rig mud tanks) to control gas. Once back on bottom after trip, turn flow back and re-circulate through reserve pit to resume drilling ahead. Stay on as clear of fluid as long as possible. Increase Anco-Drill sweep frequency as you near TD in preparation to logging and running casing. Be alert at all times while drilling the Wasatch on water for any signs of hole sloughing (i.e. tight connections, fill, etc.). Should sloughing be detected, immediately mud up the hole. If mud-up becomes necessary to log, run casing, for hole sloughing or to control water and gas flows, mix Gel, Anco-Drill and Aqua-Pac if chloride content of mud will allow or SALT GEL and STARCH if chloride content is high. When mudding up, add 6% LCM (mixture of Cedar Fiber, Paper, Cottonseed Hulls and Sawdust) to control losses.

7. VARIANCE REQUESTS:

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

8. EVALUATION PROGRAM:

Logs: RST logs will be run from TD to Surface.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3 SE/NE, SEC. 3, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (0-220' Below GL)

Lead: 150 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) + 0.25 pps; D29 (cellophane flakes) mixed at 15.8 ppg, 1.18 cu. ft./sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.15 cu. ft./sk., and 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes, RDMO Rocker spud rig.

Production Hole Procedure (220' to TD)

Lead: Class 'G' lead cement with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 50:50 Poz G w/ 2% D20 (Bentonite), 10% D44 (Salt), mixed at 14.1 ppg, 1.35 ft³/sk., 5.0 gps water.

10. ABNORMAL CONDITIONS:

PRODUCTION HOLE (220'-TD)

Potential Problems: Lost circulation, asphaltic, black oil and large Trona water flows may be encountered in the Green River, beginning at ± 1,900'. Monitor for and report any hydrocarbon shows and/or water zones. No other offset experienced these troubles. Be alert for any flows, volume gains and/or losses. While none of CWU 539-03 immediate offsets encountered severe deviation problems, a few wells in the general region have experienced acute deviation (up to 18° inclination) beginning around 2,000'. This deviation problem has been determined to be associated with gilsonite-filled vertical faults, whose existence and extent are not able to be predicted beforehand. (Some area wells experienced an increase in hole angle to 3° from 2,000' – 4,700', then fell back to "normal" inclination). Other wells in the general area of the CWU 539-03 (all drilled with air/mist or aerated water) reported problems with sloughing formation in the Wasatch while attempting to mud up for logs or to run casing.

11. STANDARD REQUIRED EQUIPMENT:

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 539-3
SE/NE, SEC. 3, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

12. 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.

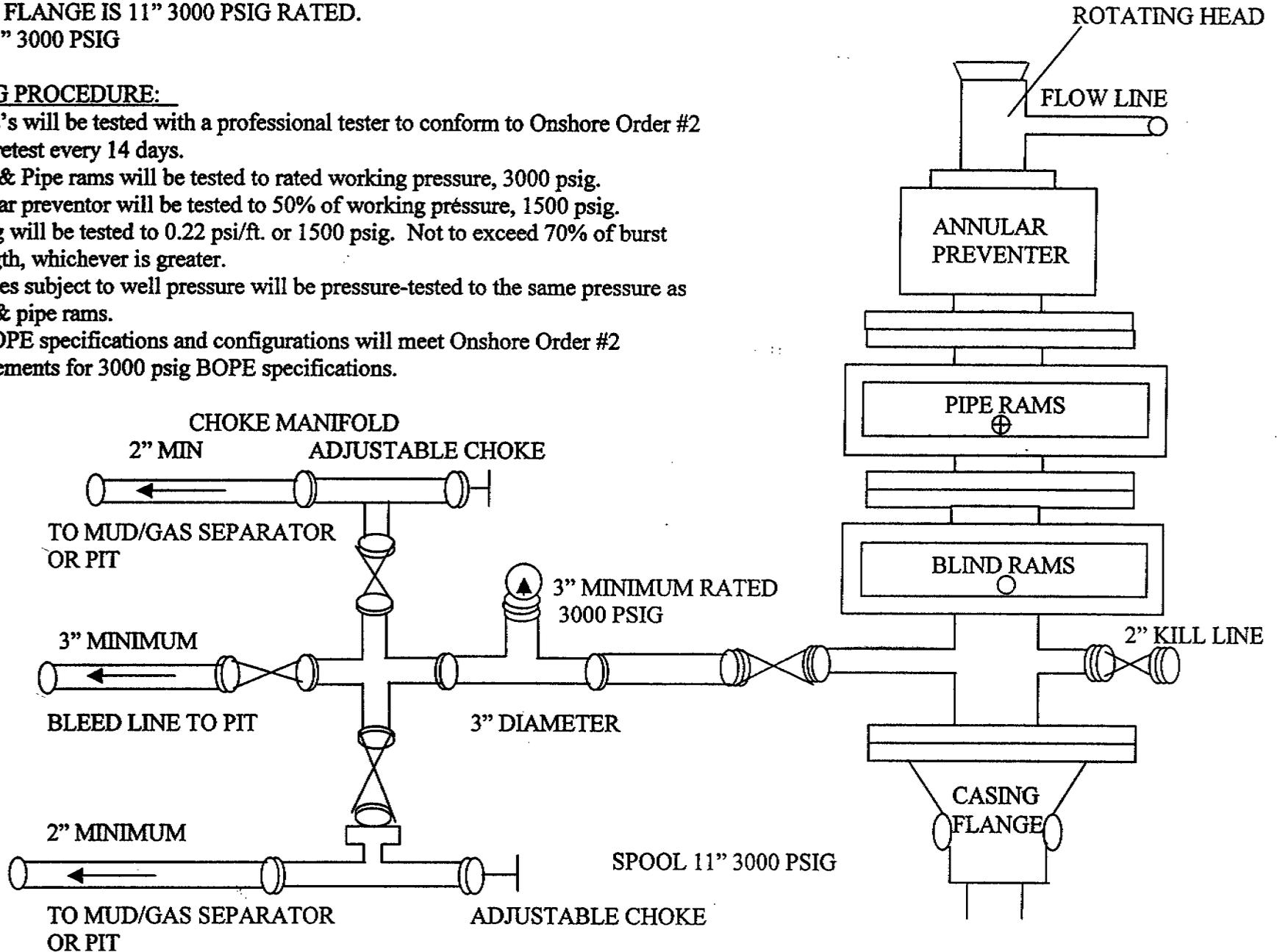
(Attachment: BOP Schematic Diagram)

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.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

012

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 EOG RESOURCES, INC.

3a. Address
 P.O. BOX 250, BIG PINEY, WYOMING 83113

3b. Phone No. (include area code)
 (307) 276-4842

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
 1890' FNL - 602' FEL (SE/NE)
 SECTION 3, T9S, R22E

5. Lease Serial No.
 U 0281

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 CHAPITA WELLS UNIT 539-3N

9. API Well No.
 43-047-35013

10. Field and Pool, or Exploratory Area
 CHAPITA WELLS/WASATCH

11. County or Parish, State
 UINTAH, UTAH

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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (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 recomplete 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 has been 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. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD.
2. Ace Disposal.
3. EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
4. RN Industries.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) KATY CARLSON

Title REGULATORY ANALYST

Signature *Katy Carlson*

Date SEPTEMBER 08, 2003

**RECEIVED
SEP 12 2003
DIV. OF OIL, GAS & MINING**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)	Name (Printed/Typed)	Title
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.	Office	Date

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

(Continued on next page)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

011

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
U 0281

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.
 Other _____

6. If Indian, Allottee or Tribe Name

2. Name of Operator

7. Unit or CA Agreement Name and No.

EOG RESOURCES, INC.

CHAPITA WELLS UNIT

3. Address

3a. Phone No. (include area code)

8. Lease Name and Well No.

P.O. BOX 250, BIG PINEY, WYOMING 83113

(307) 276-4842

CHAPITA WELLS UNIT 539-3X

4. Location of Well (Report location clearly and in accordance with Federal requirements)

9. API Well No.

At surface 1890' FNL - 602' FEL (SE/NE)

43-047-35013

At top prod. interval reported below SAME

10. Field and Pool, or Exploratory

CHAPITA WELLS/WASATCH

At total depth SAME

11. Sec., T., R., M. on Block and Survey or Area

SECTION 3, T9S, R22E

12. County or Parish

13. State

UINTAH

UTAH

14. Date Spudded

15. Date T.D. Reached

16. Date Completed

17. Elevations (DF, RKB, RT, GL)*

7/10/2003

7/22/2003

D&A Ready to Prod

8/21/2003

4843 GL

18. Total Depth: MD 6908'
TVD

19. Plug Back T.D.: MD 6892'
TVD

20. Depth Bridge Plug Set. MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? No Yes (Submit analysis)

Was DST run? No Yes (Submit report)

Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	7" J-55	23.0	0	236'		220 G			
7-7/8"	4-1/2" N-80	11.6	0	6908'		390 POZ			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	6739'							

25. Producing Intervals

26. Perforation Record

Formation	TOP	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH Bc & Bd	6624	6716	6624-6716	0.380	24	PRODUCING
B) Cm & Ba	6448	6496	6448-6496	0.380	28	PRODUCING
C) Ck & Cg	6185	6205	6185-6205	0.380	27	PRODUCING
D) Ph	5730	5767	5730-5767	0.380	28	PRODUCING (OVER)

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6624-6716	19,540 GALS GELLED WATER & 96,337# 20/40 SAND.
6448-6496	14M218 GALS GELLED WATER & 53,900# 20/40 SAND.
6185-6205	17,510 GALS GELLED WATER & 80,745# 20/40 SAND.
5660-5767	13,259 GALS GELLED WATER & 49,590# 20/40 SAND.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
8/21/03	9/07/03	24	<input type="checkbox"/>	0	203	20			
Choke Size	Tbg. Press. Flwg. SI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
14/64	515	815	<input type="checkbox"/>	0	203	20			

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28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			<input type="checkbox"/>						
Choke Size	Tbg. Press. Flwg. SI	Call Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			<input type="checkbox"/>						

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH	5134	5744		WASATCH	5149
CHAPITA WELLS	5744	6459		CHAPTIA WELLS	5769
BUCK CANYON	6459	6900		BUCK CANYON	6480

32. Additional remarks (include plugging procedure):

#25. Wasatch Pg 5660-5674, 0.380, 24, Producing

33. Circle enclosed attachments:

- 1 Electrical/Mechanical Logs (1 full set req'd.)
- 2 Geologic Report
- ③ DST Report
- 4 Directional Survey
- 5 Sundry Notice for plugging and cement verification
- 6 Core Analysis
- 7 Other: _____

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) KATY CARLSON Title REGULATORY ANALYST

Signature  Date SEPTEMBER 8, 2003

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



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DIV. OF OIL, GAS & MINING

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

October 19, 2004

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

RE: Chapita Wells Unit 539-03
T09S-R22E-Sec. 03
Uintah County, Utah

API #43-049-35013

Carol:

Enclosed herewith are the following logs and data associated with the subject well:

Chapita Wells Unit 539-03
Reservoir Saturation Log 7-26-03 (2)
Cement Bond Log Gamma Ray/CCL 07-26-03 (2)
RST-Pex Summary 07-26-03 (2)

If you have any questions, please do not hesitate to contact me.

Very truly yours,

EOG RESOURCES, INC.

A handwritten signature in cursive script that reads "Delores Montoya".

Delores Montoya
Exploration & Operations Secretary
Denver Office

Enc. 6
cc: Well File