

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

September 26, 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 879-28
SW/SW, SEC. 28, T9S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: U-0336-A
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

OCT 01 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 <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease serial No. U-0336-A | |
| b. TYPE OF WELL <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe name CHAPITA WELLS UNIT | |
| 2. Name of Operator EOG RESOURCES, INC. | | 7. If Unit or CA Agreement, Name and No. CHAPITA WELLS UNIT | |
| 3a. Address P.O. BOX 1910, VERNAL, UT 84078 | | 8. Lease Name and Well No. CHAPITA WELLS UNIT 879-28 | |
| 3b. Telephone Number: (435)789-4120 | | 9. API Well No. 43-047-35274 | |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 4429057 Y 679' FSL & 735' FWL 041876 X SW/SW 40.00168 At proposed prod. Zone -109.33795 | | 10. Field and pool, or Exploratory NATURAL BUTTES | |
| 14. Distance in miles and direction from nearest town or post office* 22.28 MILES SOUTHEAST OF OURAY, UTAH | | 11. Sec., T., R., M., or BLK. And survey of area SEC. 28, T9S, R23E, S.L.B.&M. | |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 679' | | 12. County or parish UINTAH | 13. State UTAH |
| 16. No. of acres in lease 1440 | | 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 | | 20. BLM/BIA Bond No. on file #NM 2308 RECEIVED | |
| 21. Elevations (show whether DF, KDB, RT, GL, etc.) 5232.7 FEET GRADED GROUND | | 22. Approx. date work will start* UPON APPROVAL | |
| | | 23. Estimated duration OCT 01 2003 DIV. OF OIL, GAS & MINING | |

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 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. | 6. Such other site specific information and/or plans as may be required by the Authorized officer. |

| | | |
|--------------------------------------|--|----------------------------|
| 25. Signature | Name (Printed/ Typed) Ed Trotter | Date September 26, 2003 |
| Title Agent | | |
| Approved by (Signature) | Name (Printed/ Typed) BRADLEY G. HILL | Date 10-06-03 |
| Title ENVIRONMENTAL SCIENTIST III | | |

Federal Approval of this Action is Necessary

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.

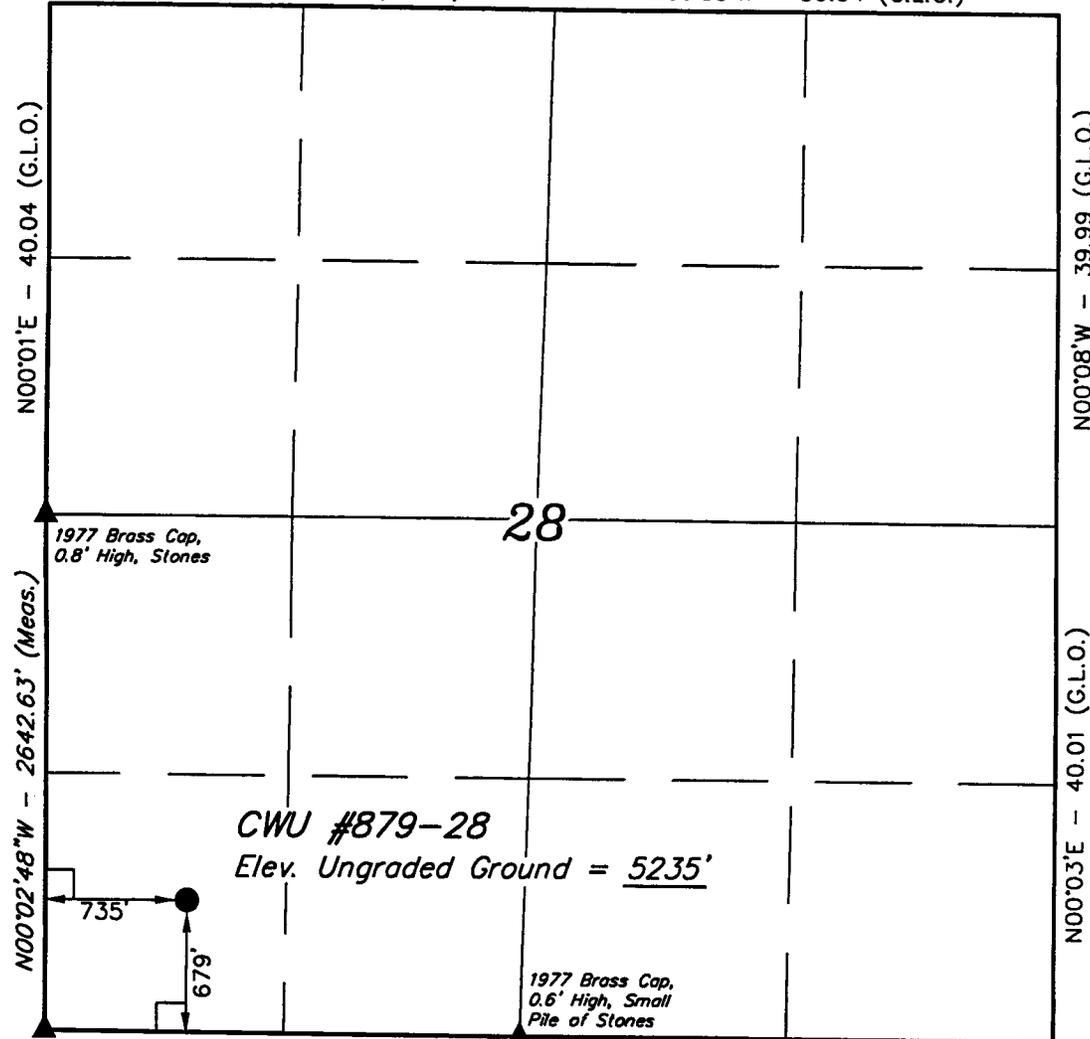
*(Instructions on reverse)

T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, CWU #879-28, located as shown in the SW 1/4 SW 1/4 of Section 28, T9S, R23E, S.L.B.&M. Uintah County, Utah.

N89°32'W - 39.93 (G.L.O.) N89°53'W - 39.94 (G.L.O.)

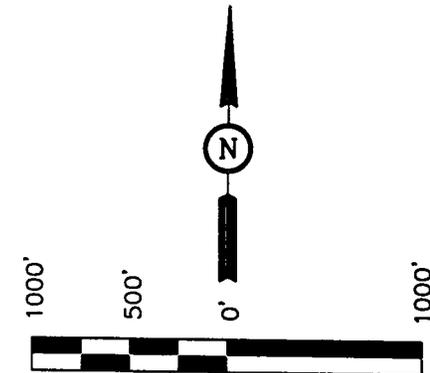


BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

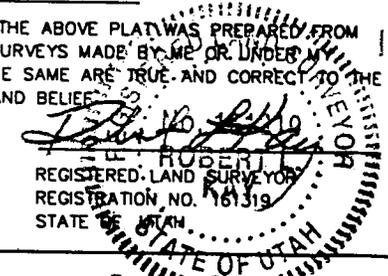
BASIS OF BEARINGS

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.



1977 Brass Cap, in Center of 2.0' High, Pile of Stones N89°33'25\"W - 2479.93' (Meas.) S89°59'W - 42.37 (G.L.O.)

LEGEND:

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

(AUTONOMOUS NAD 27)

LATITUDE = 40°00'05.83\" (40.001619)

LONGITUDE = 109°20'16.92\" (109.338033)

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

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 8-14-03 | DATE DRAWN: 8-20-03 |
| PARTY K.K. M.B. C.G. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN

CHAPITA WELLS UNIT 879-28
SW/SW, SEC. 28, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River | 1,318' |
| Wasatch | 4,123' |
| Island | 6,538' |
| KMV Price River | 6,718' |
| KMV Price River Middle | 7,138' |
| KMV Price River Lower | 7,733' |
| Bit Trip Segó | 8,143' |
| Segó | 8,201' |

EST. TD: 8326

Anticipated BHP 3600 PSI

- 3. PRESSURE CONTROL EQUIPMENT:** Intermediate Hole - 3000 PSIG
Production Hole - 5000 PSIG
BOP Schematic Diagrams 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> |
| 17 1/2" | 0' - 250'+/- KB | 250' +/- | 13 3/8" | 48.0 # | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| 12 1/4" | 250' - 2100'+/-KB | 2100+/- | 9 5/8" | 36.0 # | J-55 | STC | 2020 PSI | 3520 PSI | 394,000# |
| 7 7/8" | 2100' - TD +/-KB | 8326' +/- | 4 1/2" | 11.6 # | N-80 | LTC | 6350 PSI | 7780 PSI | 223,000# |

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-250' Below GL):

Guide Shoe

Insert Baffle

Wooden wiper plug

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

Intermediate Hole Procedure (250'-2100'):

Guide Shoe

Insert Float Collar (PDC drillable)

Cents.: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 879-28 SW/SW, SEC. 28, T9S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

Float Equipment- Production Hole Procedure (210'-TD):

FS, 1 joint of casing, FC, and balance of casing to surface. Run 11.6#, N-80 burst rating or equivalent marker collars or short casing joints at $\pm 6,538'$ (**Top of Price River**) and $\pm 3,700'$ (**400' above the Wasatch**) (alter depth if needed to avoid placing across any potentially- productive intervals). Centralize 5' above shoe on joint #1, top of joint #2, then every 2nd joint to $\pm 6,100'$ (**400' above Island top**) (50 total). Thread lock FS, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (0-250' below GL):

Air – Air Water Mist

Intermediate Hole Procedure (250-2100'):

Water (circulate through reserve pit) with Gel/LCM sweeps.

Production Hole Procedure (2100'-TD):

2700' - 4500' Water (circulate through reserve pit) with Gel/LCM sweeps.

4500' - 6900' Close in mud system. "Mud up" with **6.0 ppb** Diammonium Phosphate (DAP). Drill with DAP water, POLYPLUS for viscosity and hole cleaning, adding KLA-GARD B for supplemental inhibition. Also sweep hole periodically w/ Durogel / LCM sweeps to clean the hole and seal loss zones. Add additional LCM as hole dictates. Mud weight and vis as needed, water loss – no control.

6900' - TD Discontinue KLA-GARD B. Utilize POLYPAC-R for fluid loss control. Maintain **5.5 ppb** DAP. **Do not mix caustic or lime.** Maintain 7.5-8.5 pH. Weight up system and add vis as hole conditions require. Run LCM sweep periodically to seal off loss zones or more often as hole dictates. Water loss: 20 cc's maximum. Expect increasing gas shows requiring heavier mud weights from top of Island onward. Treat CO₂ contamination with DESCO CF and OSIL (Oxygen scavenger) if mud properties dictate.

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).
- C. EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 879-28
SW/SW, SEC. 28, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

8. EVALUATION PROGRAM:

Logs: RST (Reservoir Saturation Tool) Cased logs TD to Surface

9. CEMENT PROGRAM:

Surface Hole Procedure (0-250' Below GL)

Lead: 300 sks (100% excess volume) Class 'G' cement with 2% S001 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³/sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.16 ft³/sk., 4.95 gps via 1" tubing set at 25' if needed.

Intermediate Hole Procedure (250'-2100')

Lead: 85 sks: (50% excess volume) Class 'G' lead cement (coverage from 1700-1000') 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: 290 sks: (50% excess volume) Class 'G' cement (coverage from 2700-1700') with 10% D53 (Gypsum), 2% S1 (CaCl₂) & 0.25 pps D29 (Cellophane flakes) mixed at 14.2 ppg, 1.61 ft³/sk., 7.9 gps water.

Production Hole Procedure (2100' to TD)

Lead: 110 sks 35:65 Poz G w/ 4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.25 pps D29 (cello flakes), mixed at 13.0 ppg, 1.73 cu. ft./sk., 9.06 gps water

Tail: 190 sks: 50:50 Poz G w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.15% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 cu. ft./sk., 5.9 gps water.

10. ABNORMAL CONDITIONS:

INTERMEDIATE HOLE (250-2100')

Potential Problems: Lost circulation below 1800' and minor amounts of gas may be present.

PRODUCTION HOLE (2100'-TD)

Potential Problems: Sloughing shales and key seat development are possible in the Wasatch Formation. CO₂ contamination in the mud is possible in the Price River (Mesa Verde).

EIGHT POINT PLAN

CHAPITA WELLS UNIT 879-28
SW/SW, SEC. 28, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

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

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.

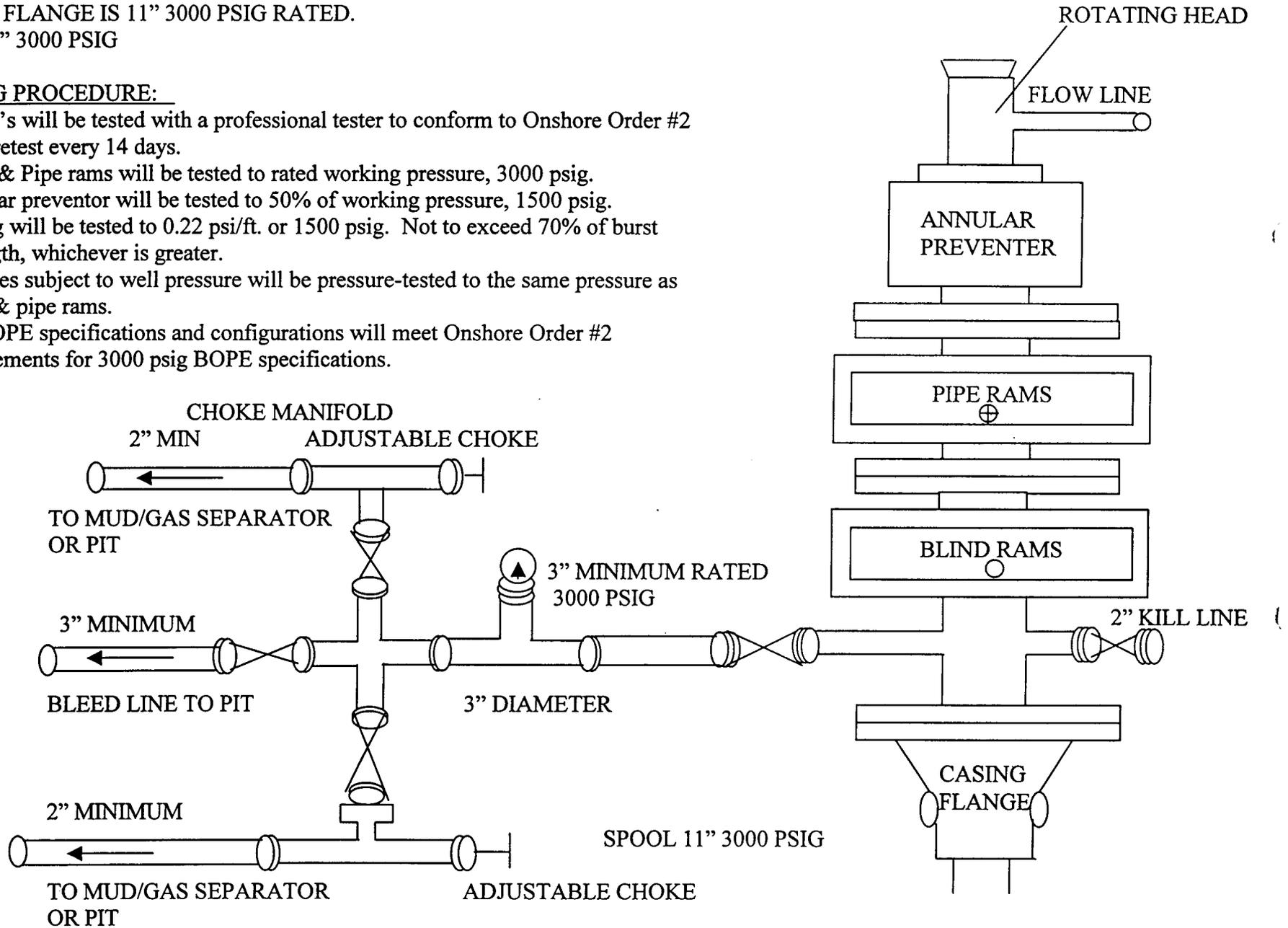
(Attachment: BOP Schematic Diagram)

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.

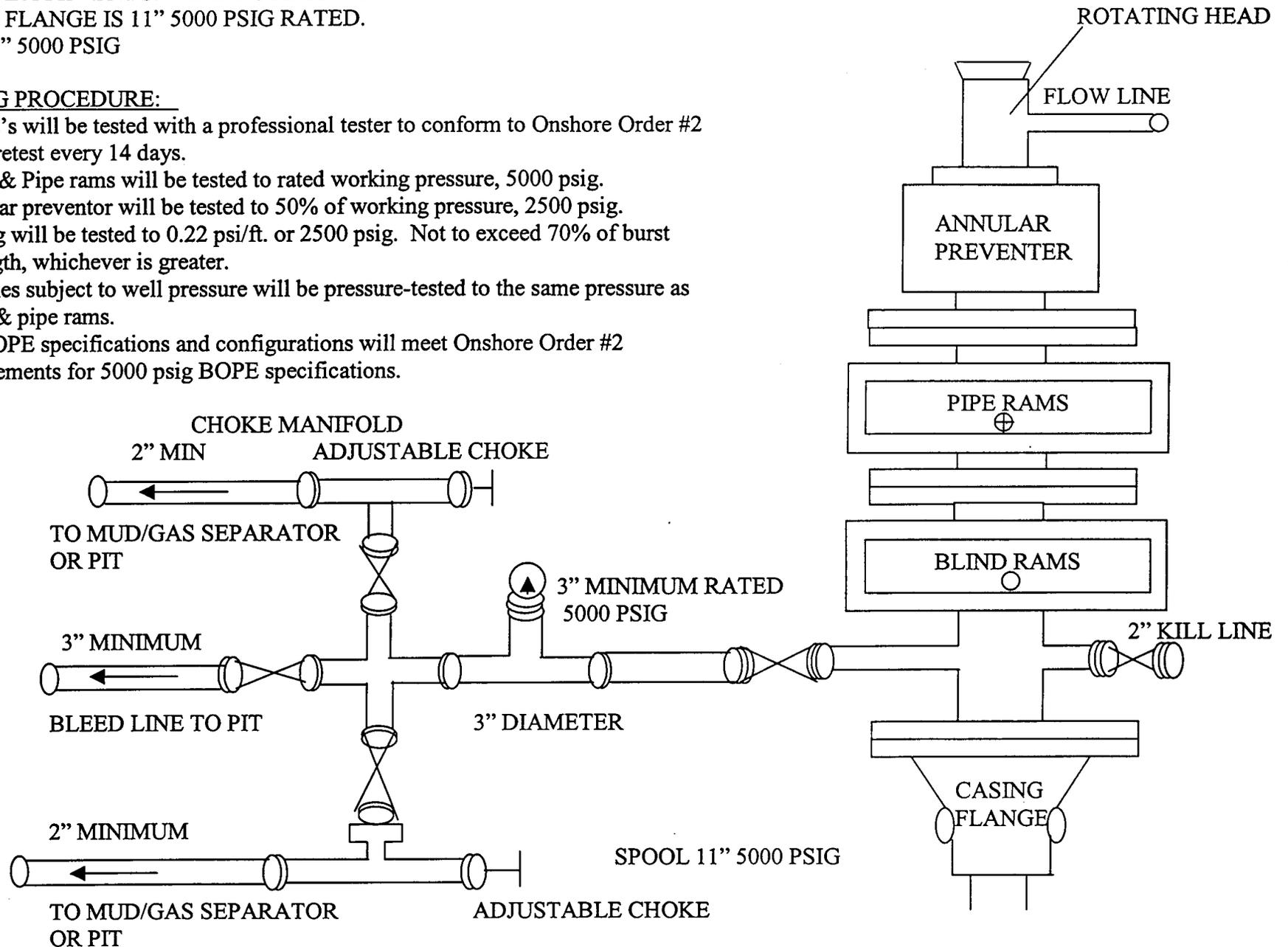


5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
 CASING FLANGE IS 11" 5000 PSIG RATED.
 BOPE 11" 5000 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, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 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 5000 psig BOPE specifications.



EOG RESOURCES, INC.

CWU #879-28

SECTION 28, T9S, R23E, 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; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.4 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 879-28
Lease Number: U-0336-A
Location: 679' FSL & 735' FWL, SW/SW, Sec. 28,
T9S, R23E, 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 22.28 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 150 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. Elevated culverts will be installed in the access road where the road crosses the drainage.
- 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 - 2*

(*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 700' from proposed location to a point in the SW/SW of Section 28, T9S, R23E, 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 Southeast 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:
 - Wyoming Big Sage – 4 pounds per acre
 - Hi-Crest Crested Wheat Grass – 2 pounds per acre
 - Indian Rice Grass – 3 pounds per acre
 - Globe Mallow – 1 pound per acre.

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

The stockpiled pit topsoil will be stored separate from the location topsoil Northwest of Corners B and 5. The stockpiled location topsoil will be stored 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.

X A Diversion ditch will be constructed around the Southeast Corner of the location above the cut slope, draining to the Northwest.

X Corners #6 & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

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

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

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to 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

- X** A pond will be constructed according to BLM specifications where the access road crosses the drainage by installing elevated culverts in the access road, as flagged on the onsite.

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.

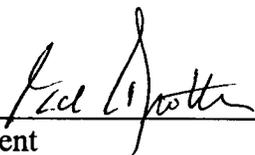
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

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.

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 879-28 Well, located in the SW/SW Section 28, T9S, R23E, Uintah County, Utah; Lease #U-0336-A;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

9-26-2003
Date


Agent

EOG RESOURCES, INC.

CWU #879-28

LOCATED IN UINTAH COUNTY, UTAH
SECTION 28, T9S, R23E, S.1.B.&M.

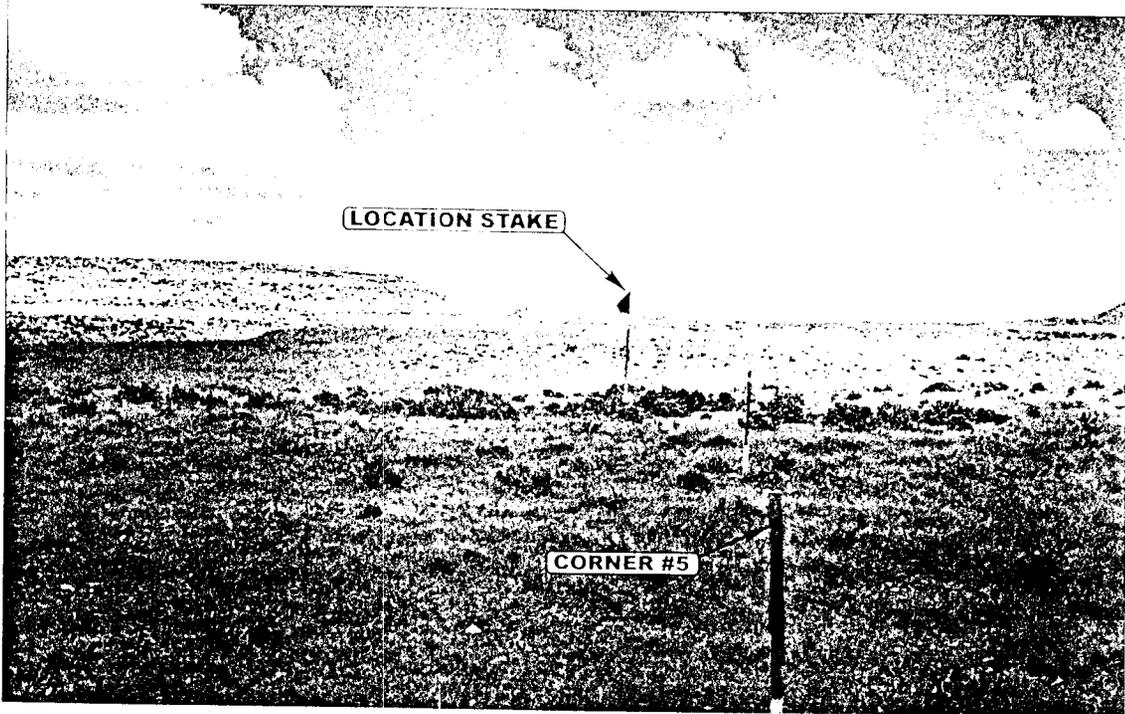


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

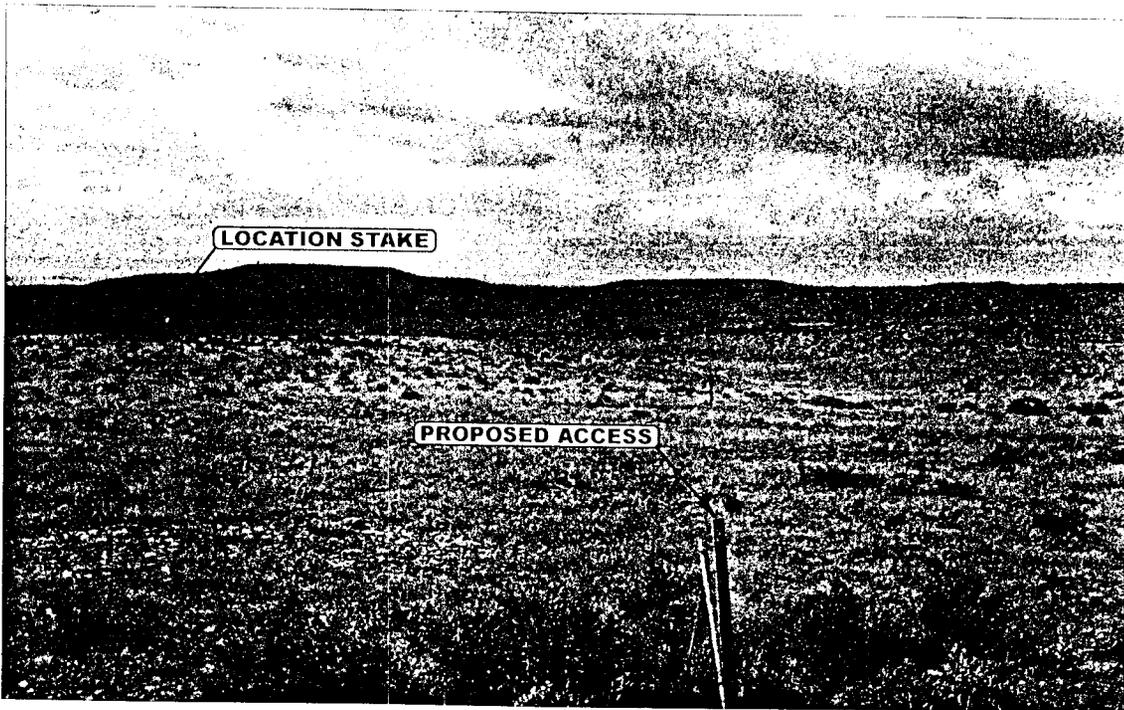


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



Since 1964

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

LOCATION PHOTOS

08 15 03
MONTH DAY YEAR

PHOTO

TAKEN BY: K.K.

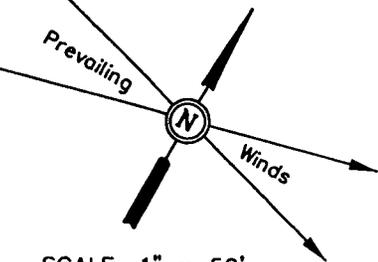
DRAWN BY: P.M.

REVISED: 00-00-00

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #879-28
SECTION 28, T9S, R23E, S.L.B.&M.
679' FSL 735' FWL



SCALE: 1" = 50'
DATE: 8-20-03
Drawn By: C.G.

F-5.7'
El. 27.0'

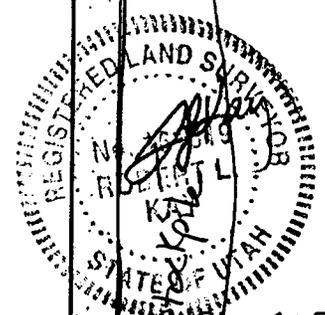
F-14.1'
El. 25.1'

Sta. 3+25

NOTE:

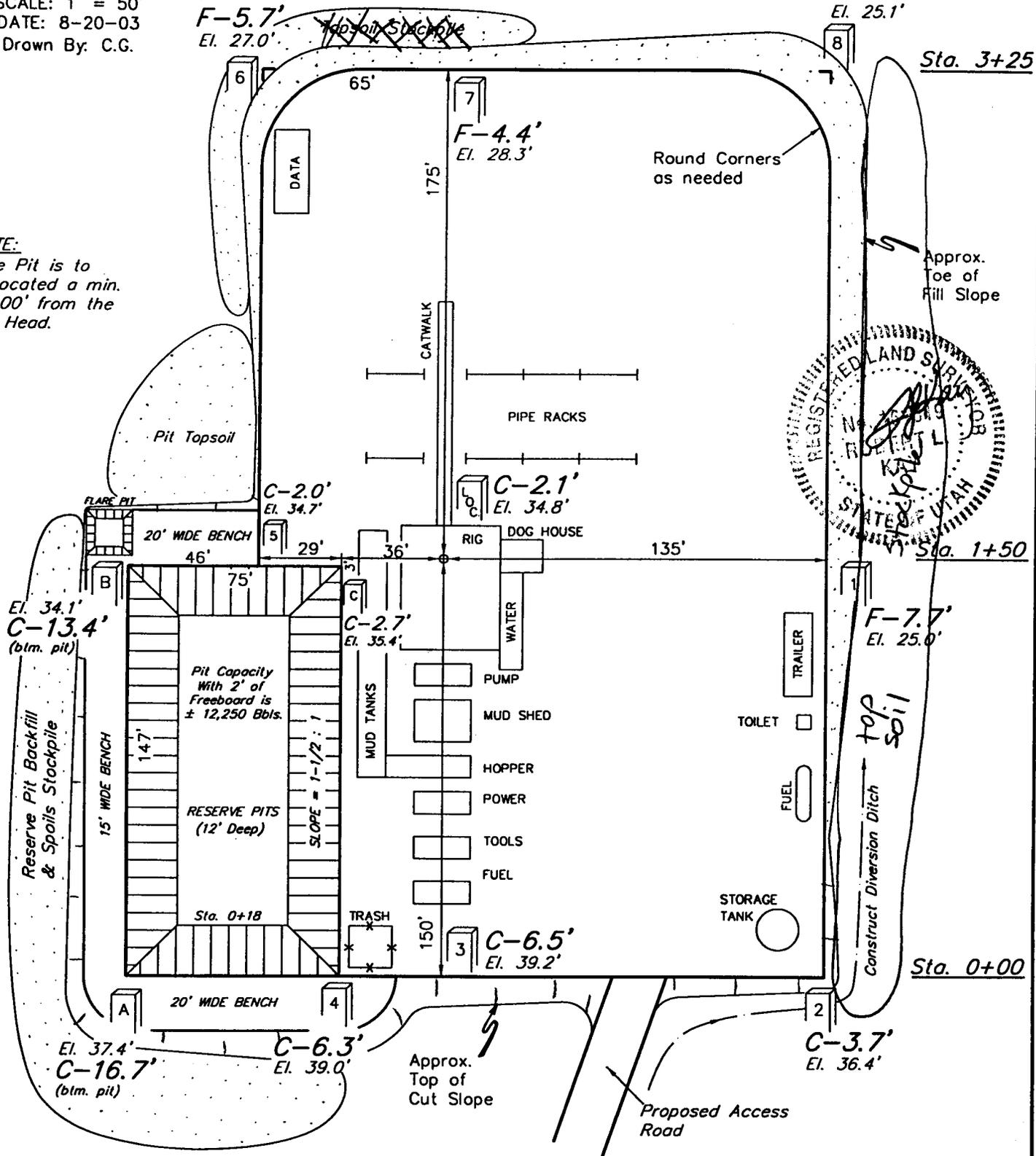
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Toe of Fill Slope



Sta. 1+50

Sta. 0+00



Elev. Ungraded Ground at Location Stake = 5234.8'
Elev. Graded Ground at Location Stake = 5232.7'

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

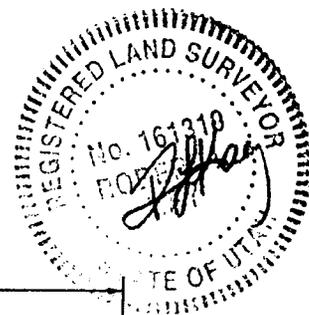
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

CWJ #879-28

SECTION 28, T9S, R23E, S.L.B.&M.

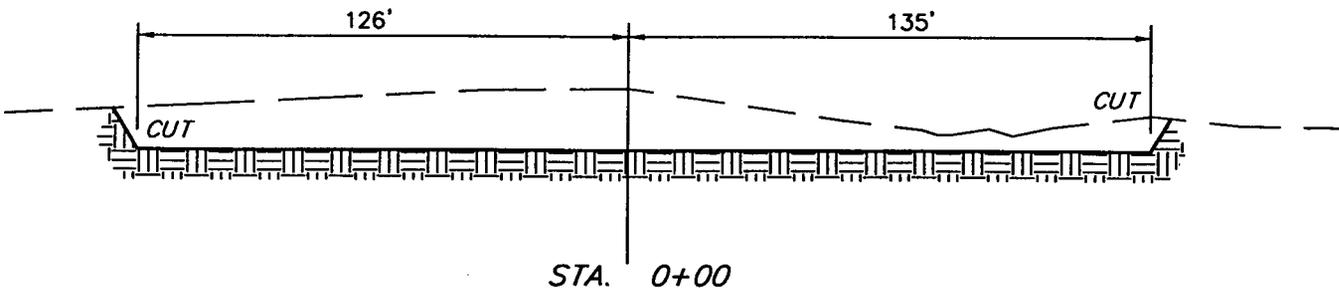
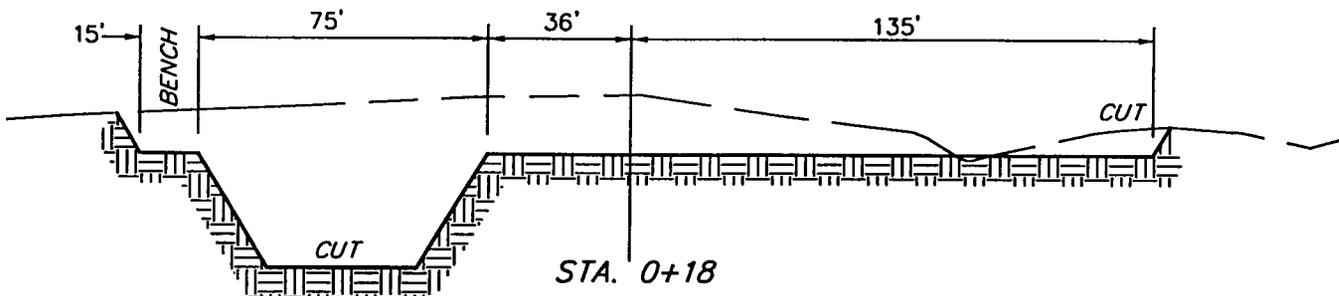
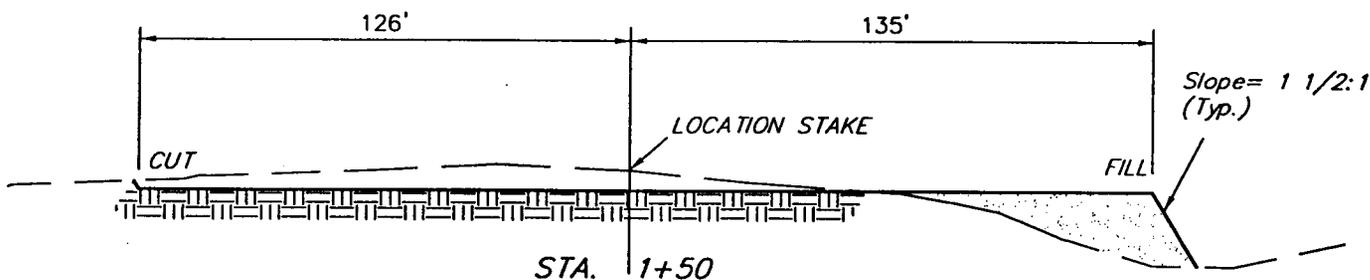
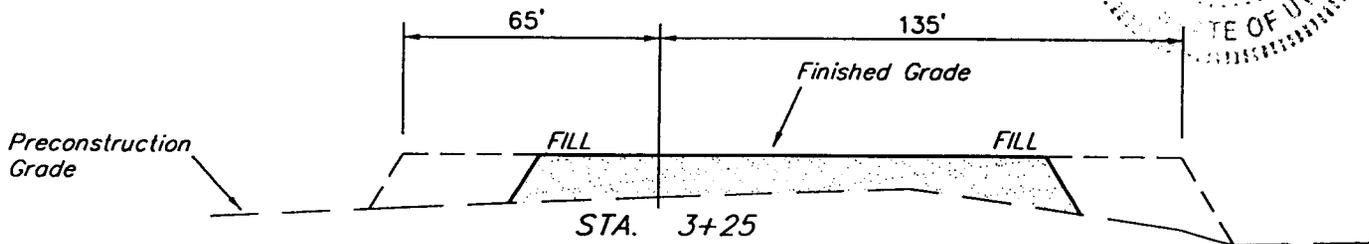
679' FSL 735' FWL



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

DATE: 8-20-03

Drawn By: C.G.

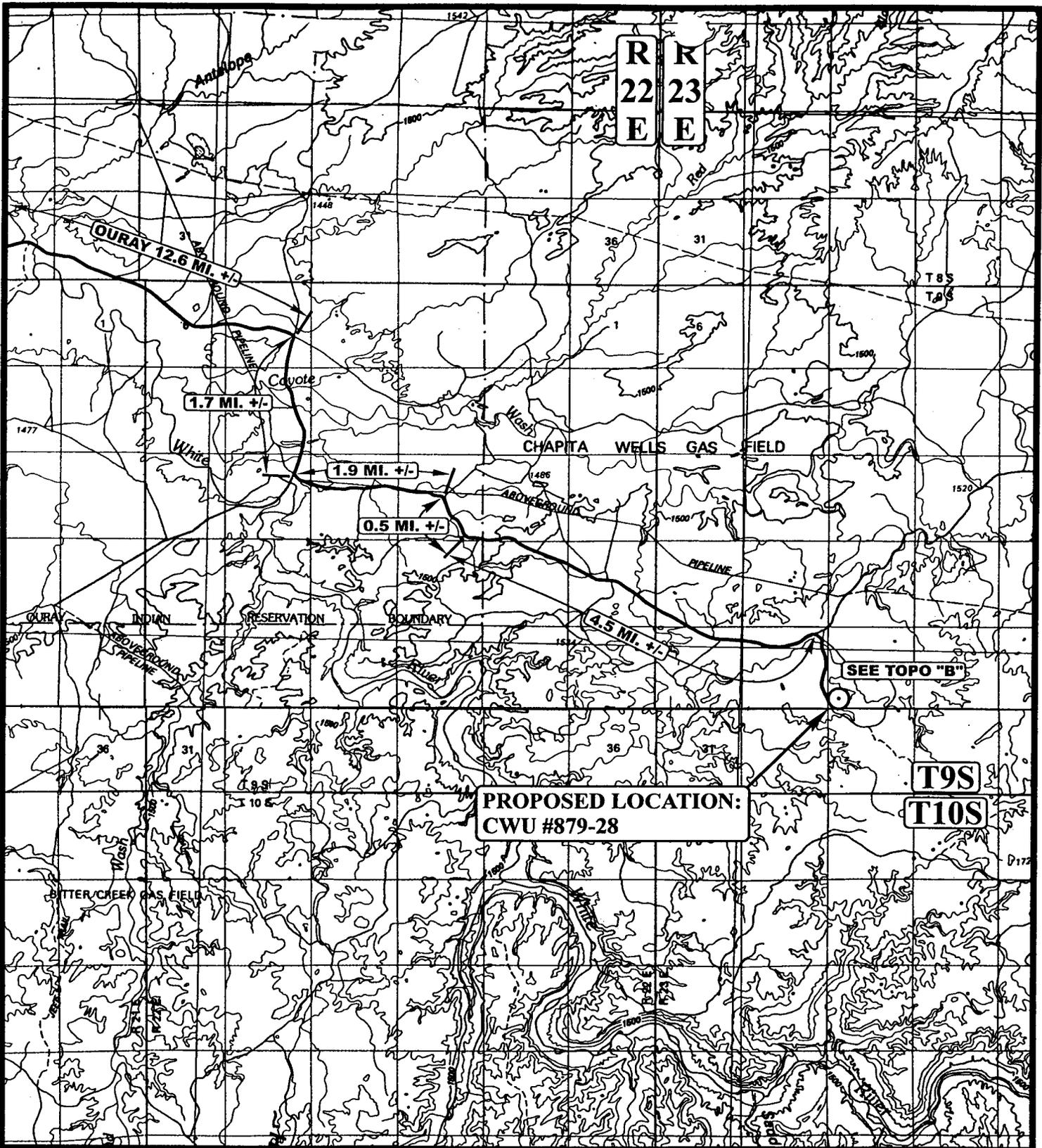


APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,430 Cu. Yds.
 Remaining Location = 7,450 Cu. Yds.
TOTAL CUT = 8,880 CU.YDS.
FILL = 5,500 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.

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R
22
E

R
23
E

T8S
T9S

T9S
T10S

**PROPOSED LOCATION:
CWU #879-28**

LEGEND:

⊙ PROPOSED LOCATION



EOG RESOURCES, INC.

**CWU #879-28
SECTION 28, T9S, R23E, S.L.B.&M.
679' FSL 735' FWL**

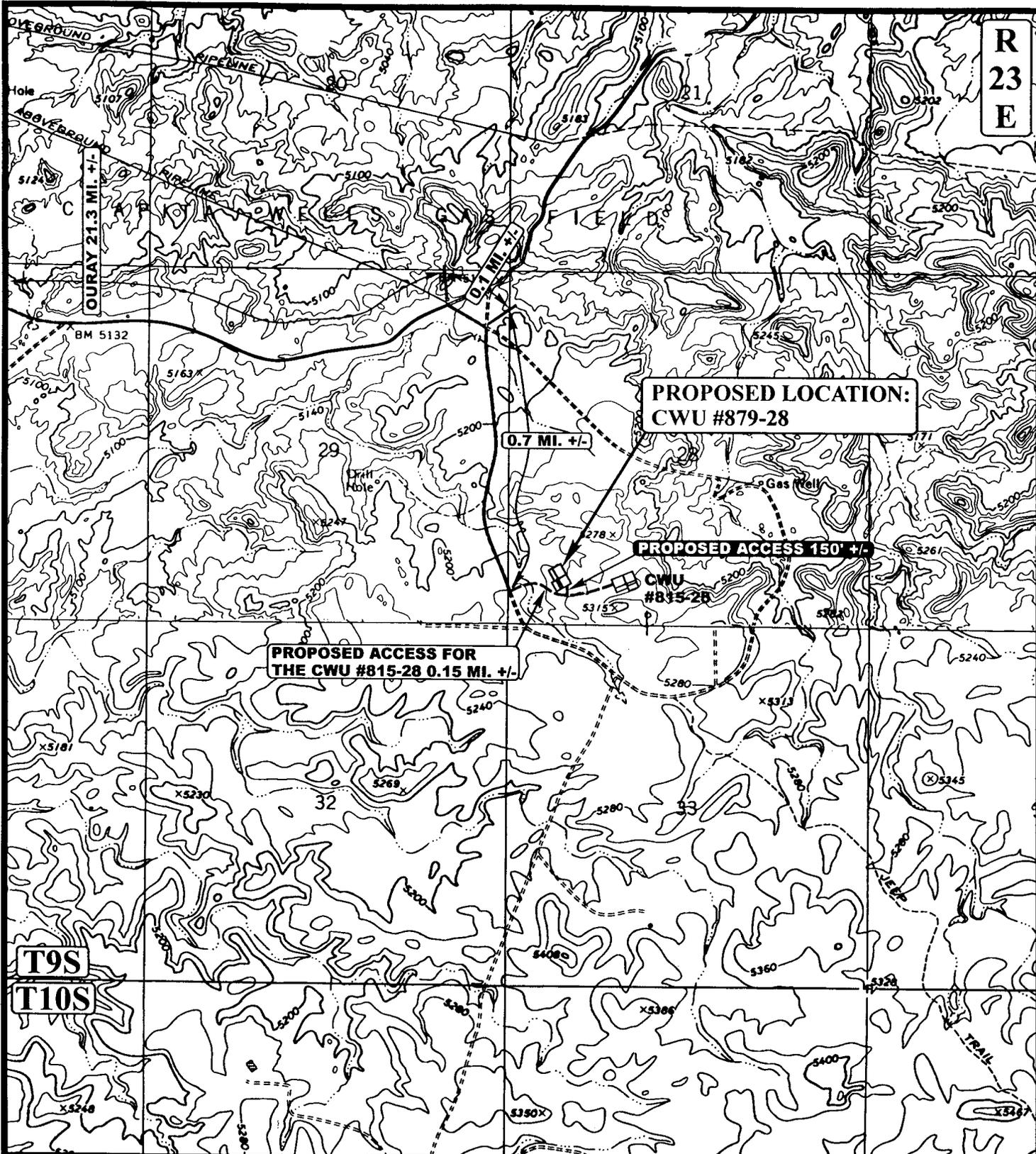


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 08 15 03
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00



R
23
E



**PROPOSED LOCATION:
CWU #879-28**

0.7 MI. +/-

PROPOSED ACCESS 150' +/-

CWU #815-28

**PROPOSED ACCESS FOR
THE CWU #815-28 0.15 MI. +/-**

T9S

T10S

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

N



EOG RESOURCES, INC.

CWU #879-28
SECTION 28, T9S, R23E, S.L.B.&M.
679' FSL 735' FWL

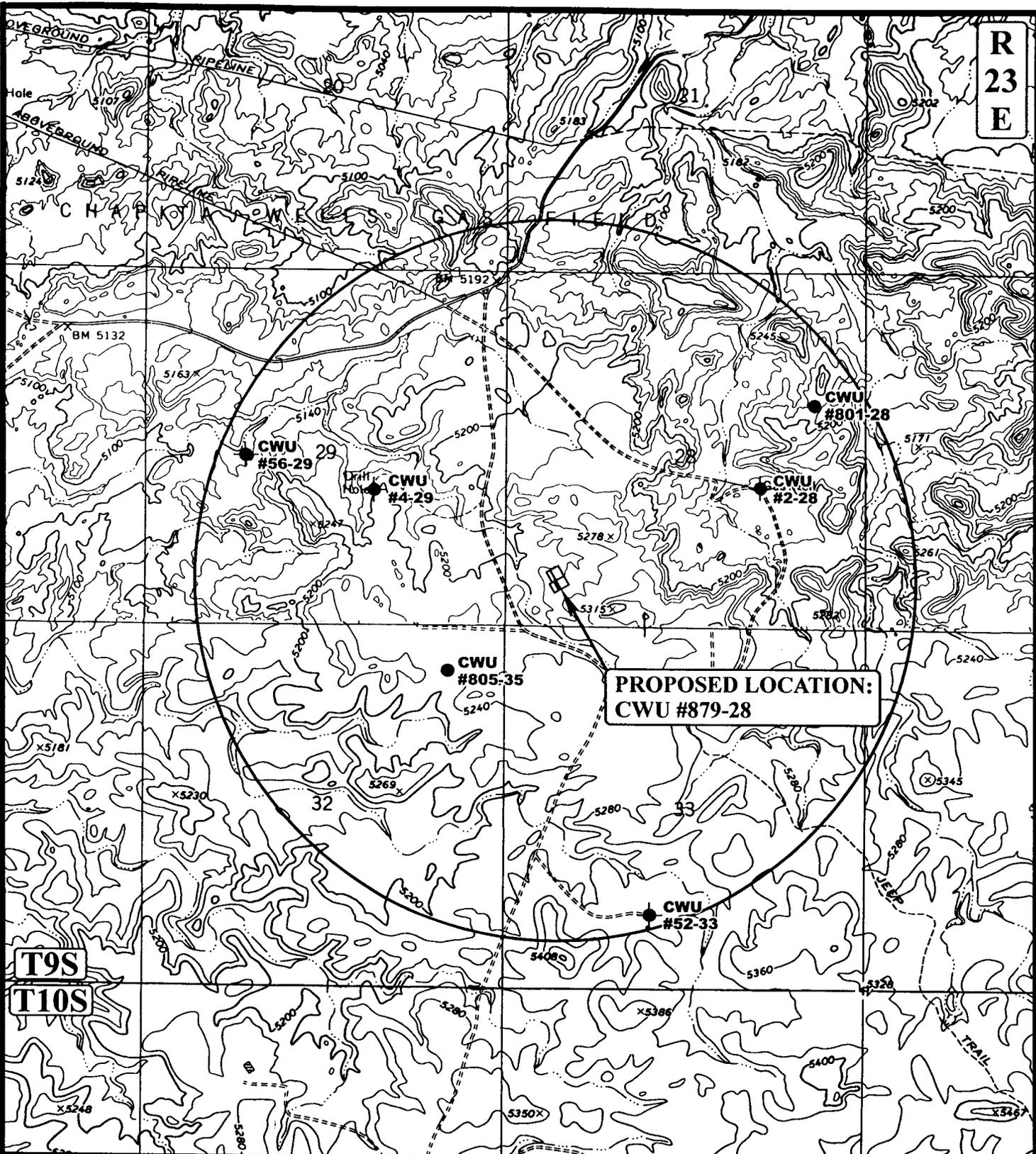


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 (435) 789-1017 * FAX (435) 789-1813

| | | | |
|----------------------------|----------------|-----------|-------------------|
| TOPOGRAPHIC MAP | 08 | 15 | 03 |
| | MONTH | DAY | YEAR |
| SCALE: 1" = 2000' | DRAWN BY: P.M. | | REVISED: 00-00-00 |



R
23
E



T9S
T10S

LEGEND:

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



EOG RESOURCES, INC.

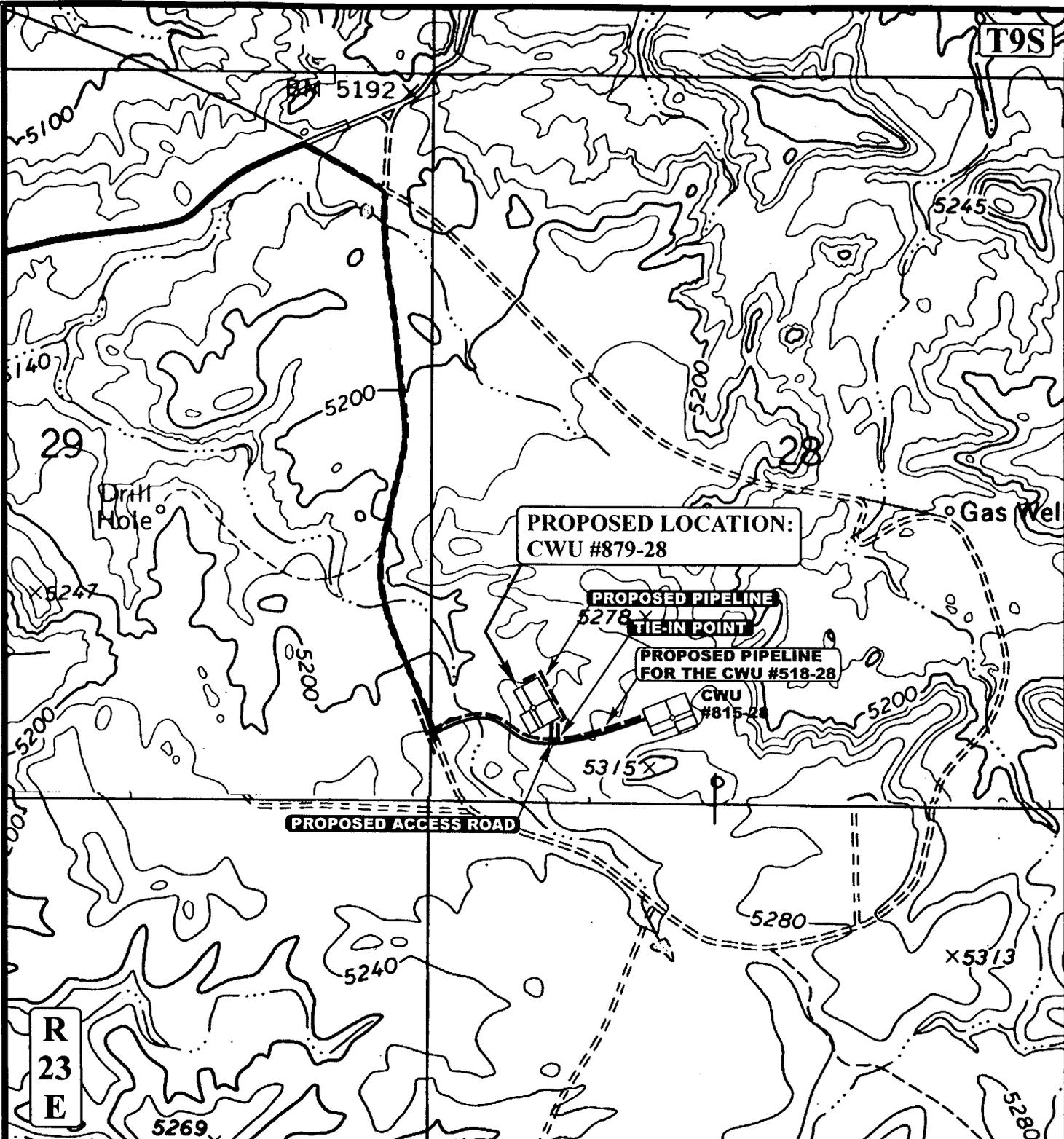
CWU #879-28
SECTION 28, T9S, R23E, S.L.B.&M.
679' FSL 735' FWL



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

TOPOGRAPHIC 08 15 03
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 700' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



EOG RESOURCES, INC.

CWU #879-28
 SECTION 28, T9S, R23E, S.L.B.&M.
 679' FSL 735' FWL



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

TOPOGRAPHIC MAP
 08 15 03
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/01/2003

API NO. ASSIGNED: 43-047-35274

WELL NAME: CWU 879-28

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SWSW 28 090S 230E

SURFACE: 0679 FSL 0735 FWL

BOTTOM: 0679 FSL 0735 FWL

UINTAH

NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0336-A

SURFACE OWNER: 1 - Federal

LATITUDE: 40.00168

PROPOSED FORMATION: PRRV

LONGITUDE: 109.33795

RECEIVED AND/OR REVIEWED:

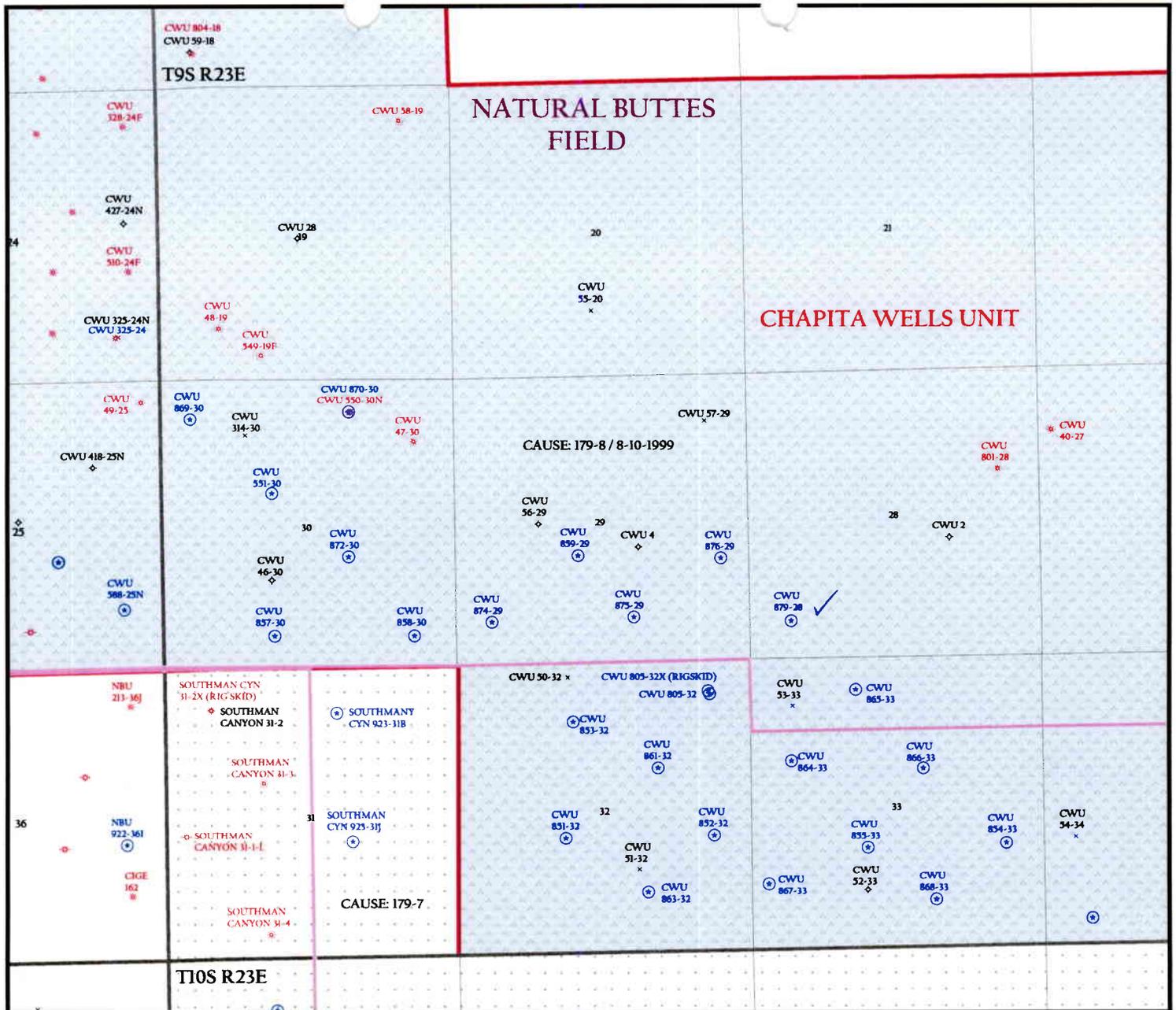
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM 2308)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1501)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

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: 8-10-99
Siting: Suspends General Siting
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1-federal approval



OPERATOR: EOG RESOURCES INC (N9550)

SEC. 28 T.9S, R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Wells

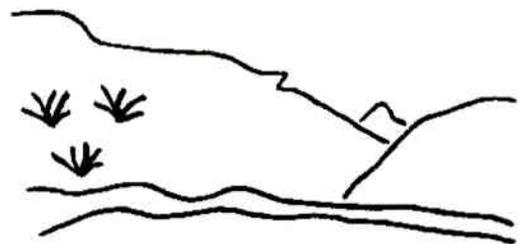
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

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: 3-OCTOBER-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)

October 3, 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 Mesaverde) | | |
| 43-047-35272 | CWU 858-30 | Sec 30 T09S R23E 0534 FSL 0784 FEL |
| 43-047-35274 | CWU 879-28 | Sec 28 T09S R23E 0679 FSL 0735 FWL |
| 43-047-35275 | CWU 875-29 | Sec 29 T09S R23E 0751 FSL 2095 FEL |
| 43-047-35276 | CWU 876-29 | Sec 29 T09S R23E 1816 FSL 0527 FEL |
| 43-047-35277 | CWU 874-29 | Sec 29 T09S R23E 0781 FSL 0623 FWL |
| 43-047-35278 | CWU 859-29 | Sec 29 T09S R23E 1987 FSL 2165 FWL |
| 43-047-35279 | CWU 857-30 | Sec 30 T09S R23E 0626 FSL 2000 FWL |
| 43-047-35280 | CWU 872-30 | Sec 30 T09S R23E 1975 FSL 1975 FEL |
| 43-047-35271 | CWU 847-22 | Sec 22 T09S R22E 0321 FNL 2091 FWL |
| 43-047-35273 | CWU 848-27 | Sec 27 T09S R22E 0582 FNL 2029 FWL |

Please be advised that these wells, except for the 847-22, are currently outside of the existing Mesaverde Participating Areas 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:10-3-3



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

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

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

October 6, 2003

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

Re: Chapita Wells Unit 879-28 Well, 679' FSL, 735' FWL, SW SW, Sec. 28, T. 9 South,
R. 23 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 43-047-35274.

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 879-28
API Number: 43-047-35274
Lease: U-0336-A

Location: SW SW **Sec.** 28 **T.** 9 South **R.** 23 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|--|--|---|
| 1a. TYPE OF WORK <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease serial No. U-0336-A |
| b. TYPE OF WELL <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe name CHAPITA WELLS UNIT |
| 2. Name of Operator EOG RESOURCES, INC. | | 7. If Unit or CA Agreement, Name and No. CHAPITA WELLS UNIT |
| 3a. Address P.O. BOX 1910, VERNAL, UT 84078 | | 8. Lease Name and Well No. CHAPITA WELLS UNIT 879-28 |
| 3b. Telephone Number: (435)789-4120 | | 9. API Well No. 43-047-35274 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 679' FSL & 735' FWL SW/SW At proposed prod. Zone | | 10. Field and pool, or Exploratory NATURAL BUTTES |
| 14. Distance in miles and direction from nearest town or post office* 22.28 MILES SOUTHEAST OF OURAY, UTAH | | 11. Sec., T., R., M., or BLK. And survey of area SEC. 28, T9S, R23E, S.L.B.&M. |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 679' | 16. No. of acres in lease 1440 | 12. County or parish UINTAH |
| 18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. See Map C | 19. Proposed depth 8326' | 13. State UTAH |
| 21. Elevations (show whether DF, KDB, RT, GL, etc.) 5232.7 FEET GRADED GROUND | 22. Approx. date work will start* UPON APPROVAL | 17. Spacing Unit dedicated to this well |
| 24. Attachments | | 20. BLM/BIA Bond No. or file # #NM 2308 |
| 23. Estimated duration DIV. OF OIL, GAS & MINING | | |

RECEIVED
JAN 30 2004

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

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

| | | |
|-----------------------------|---|----------------------------|
| 25. Signature | Name (Printed/ Typed) Ed Trotter | Date September 26, 2003 |
| Title Agent | | |
| Approved by (Signature) | Name (Printed/Typed) EDWIN I FEIZMAN | Date 1/21/04 |
| Title District Manager | Office | |

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)

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc.

Well Name & Number: CWU 879-28

API Number: 43-047-35274

Lease Number: UTU - 0336-A

Location: SWSW Sec. 28 TWN: 09S RNG: 23E

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 encountered to John Mayer 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 **5M** 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.

As a minimum, the usable water and other valuable resources shall be isolated and/or protected by having a cement top for the intermediate casing at least 200 ft. above the top of the Green River Formation, identified at $\pm 1,590$ ft. and by having a cement top for the production casing at least 200 ft. above the top of the Wasatch Formation, identified

at ±4,680 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 to 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

009

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

OPERATOR: EOG Resources, Inc.
ADDRESS: P.O. BOX 250
BIG PINEY, WYOMING 83113

OPERATOR ACCT. NO. 9550
FAX: EARLENE RUSSELL
(801) 359-3940

ENTITY ACTION FORM - FORM 6

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | LOCATION | | | | COUNTY | SPUD DATE | EFFECTIVE DATE |
|--------------------|--------------------|----------------|--------------|---------------------------|----------|------|----|-----|--------|-----------|----------------|
| | | | | | QQ | SEC. | TP | RG | | | |
| A | 99999 | 14245 | 43-047-35274 | CHAPITA WELLS UNIT 879-28 | SWSW | 28 | 9S | 23E | UINTAH | 8/1/2004 | 8/5/04 |
| <i>PRRU non PA</i> | | | | | | | | | | | |
| | | | | | | | | | | | |
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ACTIONS CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

Allynda Schulz

 Signature
 Sr. Regulatory Assistant
 Title

8/2/2004

Phone No. (307) 276-4833

RECEIVED
 AUG 02 2004
 DIV. OF OIL, GAS & MINING

Aug-02-04 03:00pm From:EOG - BIG PINEY, WY. 3072763335 T-506 P.01/01 F-720

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

010

5. Lease Serial No.
U 0336-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CHAPITA WELLS UNIT 879-28

9. API Well No.
43-047-35274

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. County or Parish, and State
UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG RESOURCES, INC
Contact: ALFREDA SCHULZ
E-Mail: alfreda_schulz@eogresources.com

3a. Address
P. O. BOX 250
BIG PINEY, WY 83113
3b. Phone No. (include area code)
Ph: 307.276.4833

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 28 T9S R23E SWSW 679FSL 735FWL
40.00162 N Lat, 109.33803 W Lon

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 checked="" 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 checked="" type="checkbox"/> Other Well Spud |
| | <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 type="checkbox"/> Water Disposal | |

13. 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 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 recompleation 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. spud a 17-1/2" surface hole at the referenced location 8/01/2004 at 9:00 p.m. The contractor was Bill Jr's Rathole Drilling, Inc. Dall Cook, representative for EOG, notified Ed Forsman of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 7/30/2004 @ 10:35 a.m..

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #33861 verified by the BLM Well Information System For EOG RESOURCES, INC, sent to the Vernal

| | |
|-------------------------------------|--------------------------------|
| Name (Printed/Typed) ALFREDA SCHULZ | Title SR. REGULATORY ASSISTANT |
| Signature (Electronic Submission) | Date 08/02/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office _____ |

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
AUG 04 2004

DIVISION OF OIL GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

007

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 0336-A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CHAPITA WELLS UNIT 879-28

2. Name of Operator
EOG RESOURCES, INC
Contact: ALFREDA SCHULZ
E-Mail: alfreda_schulz@eogresources.com

9. API Well No.
43-047-35274

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

3b. Phone No. (include area code)
Ph: 307.276.4833

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 28 T9S R23E SWSW 679FSL 735FWL
40.00162 N Lat, 109.33803 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

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 | |

13. 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 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 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.

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

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

RECEIVED
AUG 04 2004

DIV. OF OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #33862 verified by the BLM Well Information System For EOG RESOURCES, INC, sent to the Vernal

| | |
|-------------------------------------|--------------------------------|
| Name (Printed/Typed) ALFREDA SCHULZ | Title SR. REGULATORY ASSISTANT |
| Signature (Electronic Submission) | Date 08/02/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office _____ |

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

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

011

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU 0336-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
UTU 63013X

8. WELL NAME and NUMBER:
CHAPITA WELLS UNIT 879-28

9. API NUMBER:
4304735274

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES/MESAVERDE

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
EOG RESOURCES, INC

3. ADDRESS OF OPERATOR:
P.O. BOX 250 CITY BIG PINEY STATE WY ZIP 83113

PHONE NUMBER:
(307) 276-3331

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 679' FSL - 735' FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 9S 23E S

STATE: UTAH

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

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

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

Please see the attached well chronology report for drilling operations from 8/01/2004 - 9/01/2004.

NAME (PLEASE PRINT) Alfreda Schulz

TITLE Sr. Regulatory Assistant

SIGNATURE Alfreda Schulz

DATE 9/1/2004

(This space for State use only)

RECEIVED
SEP 09 2004



WELL CHRONOLOGY REPORT

Report Generated On: 09-03-2004

| | | | | | |
|---------------|--|-----------|--------------|---------------|--------------|
| Well Name | CWU 879-28 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS DEEP | API # | 43-047-35274 | Well Class | DRIL |
| County, State | UINTAH, UT | Spud Date | 08-17-2004 | Class Date | |
| Tax Credit | N | TVD / MD | 8,775/ 8,775 | Property # | 053756 |
| Water Depth | 0 | Last CSG | 9.625 | Shoe TVD / MD | 2,242/ 2,242 |
| KB / GL Elev | 5,248/ 5,233 | | | | |
| Location | Section 28, T9S, R23E, SWSW, 679 FSL & 735 FWL | | | | |

| | | | | | |
|----------|--------------------|-------------|------------------|-------|-------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 100.0 | NRI % | 82.25 |

AFE No 302582 AFE Total 1,191,400 DHC / CWC 566,200/ 625,200

Rig Contr SST Rig Name SST #2 Start Date 08-10-2004 Release Date

11-04-2003 Reported By

DailyCosts: Drilling \$0 Completion \$0 Daily Total \$0

Cum Costs: Drilling \$0 Completion \$0 Well Total \$0

MD 0 TVD 0 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | LOCATION DATA 679' FSL & 735' FWL (SW/SW) SECTION 28, T9S, R23E UINTAH COUNTY, UTAH |
|-------|-------|------|--|

SST RIG #2
8326' MESAVERDE - LOWER PRICE RIVER
DW/GAS
CHAPITA WELLS DEEP PROSPECT

LEASE: U-0336-A
ELEVATION: 5235' NAT GL, 5233' PREP GL, 5248' KB (15')

EOG BPO: WI 100%, NRI 82.25%
EOG APO: WI 50%, NRI 43.5

08-11-2004 Reported By EDDIE TROTTER

DailyCosts: Drilling \$181,468 Completion \$0 Daily Total \$181,468

Cum Costs: Drilling \$181,468 Completion \$0 Well Total \$181,468

MD 2,250 TVD 2,250 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU BILL JR'S AIR RIG #3. SPUDED 20" HOLE @ 9:00 PM, 8/1/04. |

DRILLED 20" HOLE TO 45'. RAN 45' OF 13 3/8", 54#, H-40 CONDUCTOR PIPE AND CEMENTED TO SURFACE. DRILLED AND LINED RAT AND MOUSE HOLES. RD BUCKET RIG.

MIRU BILL JR.S AIR RIG #5. DRILLED 12 1/4" HOLE TO 2,250'. HIT FRESH WATER FLOW AT 770' AND HIT TRONA ZONE AND LOST CIRCULATION AT 1,090'. RU WIRELINE UNIT AND RUN DIRECTIONAL SURVEY. SURVEY 1 DEGREE @ 2,250'. RAN 51 JTS (2,221.50') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING & LANDED @ 2,242.00' KB. RU BIG 4 CEMENTERS. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 160 BBLS WATER AHEAD. MIXED & PUMPED 20 BBLS GELLED WATER AHEAD OF CEMENT.

MIXED & PUMPED 200 SX CEMENT W/2% CACL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX (41 BBLS). DISPLACED CEMENT W/168 BBLS WATER, BUMPED PLUG W/300#, CHECKED FLOAT, FLOAT HELD, SHUT-IN CASING VALVE.

TOP OUT #1: MIXED & PUMPED 100 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (20.4 BBLS).

TOP OUT #2: MIXED & PUMPED 100 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (20.4 BBLS).

TOP OUT #3: MIXED & PUMPED 250 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (30 BBLS).

HAD 4 BBLS CEMENT RETURNS TO SURFACE, CEMENT STAYED AT SURFACE. RD BIG 4 CEMENTERS. PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

7/30/04 @ 10:35 AM, DALL COOK NOTIFIED ED FORSMAN W/BLM & CAROL DANIELS W/UOGM OF SPUDDING WELL.

08-17-2004 Reported By RICK DITTO

| Daily Costs: Drilling | Completion | Daily Total |
|--|------------|-------------|
| Cum Costs: Drilling | Completion | Well Total |
| MD 2,250 TVD 2,250 Progress 0 Days 0 MW 0.0 Visc 0.0 | | |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP TO SPUD

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 16:00 | 10.0 | MIRU SST #2. ON DAYWORK CONTRACT AT 1600 HRS, 8/16/04. |
| 16:00 | 19:00 | 3.0 | NU BOP, CHOKE MANIFOLD, GAS BUSTER AND LINES. |
| 19:00 | 22:00 | 3.0 | RU QUICK TEST. TESTED KELLY AND KELLY VALVES, FLOOR VALVE AND BOP TO 250/5000 PSI. TESTED PIPE RAMS, BLIND RAMS, CHOKE MANIFOLD VALVES AND SUPER CHOKE TO 250/5000 PSI. TESTED ANNULAR TO 250/2500 PSI. ALL TESTS HELD FOR 10 MINUTES. TESTED 9 5/8" SURFACE CASING TO 1500 PSI FOR 30 MINUTES. |
| 22:00 | 00:00 | 2.0 | INSTALLED WEAR BUSHING. RU CALIBER PICK UP MACHINE. |
| 24:00 | 06:00 | 6.0 | PICK UP BHA AND DRILL PIPE. TIH. |

NOTIFIED KIRK FLEETWOOD WITH THE VERNAL OFFICE OF THE BLM OF BOP TEST AT 07:30 HRS, 8/16/04, THE BLM DID NOT WITNESS THE TEST. NOTIFIED CAROL DANIELS WITH THE UTAH DOG OF THE SPUD OF THE PRODUCTION INTERVAL AT 08:30 HRS, 8/16/04.

SAFETY MEETING: FIRST DAY BACK

SAFETY ISSUE: WORKING SHORT HANDED (EVENING TOUR DRILLER DID NOT SHOW UP)

08-18-2004 Reported By RICK DITTO

| | | | | | | | | | | | |
|-----------------------------|-------|-----|-------------------|-------------------|-------|---------------|---|--------------------|------------------------|------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 3,305 | TVD | 3,305 | Progress | 1,063 | Days | 1 | MW | 8.4 | Visc | 27.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 06:30 | 0.5 | RIG DOWN PICKUP MACHINE. |
| 06:30 | 09:00 | 2.5 | FILLED PIPE RACKS WITH DRILLPIPE. TIGHTEN MUD LINE HOSES. CHANGED WEIGHT INDICATOR. INSTALLED ROTATING HEAD ELEMENT. |
| 09:00 | 11:00 | 2.0 | WASHED AND REAMED FROM 2132' TO 2170'. DRILL CEMENT AND FLOAT. |
| 11:00 | 11:30 | 0.5 | DRILL TO 2297'. |
| 11:30 | 12:00 | 0.5 | SURVEY AT 2251', .5 DEGREES. |
| 12:00 | 20:30 | 8.5 | DRILL FROM 2297' TO 2802'. |
| 20:30 | 21:00 | 0.5 | SURVEY AT 2759', 1.5 DEGREES. |
| 21:00 | 05:30 | 8.5 | DRILL FROM 2802' TO 3305'. |
| 05:30 | 06:00 | 0.5 | SURVEY AT 3262', 2.00 DEGREES. |

DSLTA 2442

SAFETY MEETING: PRE-SPUD INSPECTION

SPUD 7 7/8" SUFACE HOLE AT 11:00 HRS, 8/17/04.

08-19-2004 Reported By RICK DITTO

| | | | | | | | | | | | |
|-----------------------------|-------|-----|-------------------|-------------------|-------|---------------|---|--------------------|------------------------|------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 4,622 | TVD | 4,622 | Progress | 1,317 | Days | 2 | MW | 8.4 | Visc | 27.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:00 | 4.0 | DRILL FROM 3305' TO 3495'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 10:00 | 10:30 | 0.5 | SERVICED RIG. CYCLED PIPE RAMS. CHECKED AND RESET CROWN-O-MATIC. |
| 10:30 | 16:00 | 5.5 | DRILL FROM 3495' TO 3807'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 16:00 | 16:30 | 0.5 | SURVEY AT 3760', 1.5 DEGREES. |
| 16:30 | 23:30 | 7.0 | DRILL FROM 3807' TO 4308'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 23:30 | 00:00 | 0.5 | SURVEY AT 4265', 2.00 DEGREES. |
| 00:00 | 04:00 | 4.0 | DRILL FROM 4308' TO 4559'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 04:00 | 05:00 | 1.0 | RIG REPAIR. TROUBLE SHOOT SCR, REPLACED A FUSE. |
| 05:00 | 06:00 | 1.0 | DRILL 4559' TO 4622'. |

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 08:30 | 2.5 | DRILL FROM 7290' TO 7376'. |
| 08:30 | 13:00 | 4.5 | LOST 200 PSI PP, PUMPED SOFT LINE. CHAINED OUT OF HOLE, FOUND WASHOUT AT 24 STNDS + SINGLE, IN CHAIN AREA, 1 FOOT ABOVE PIN UPSET. |
| 13:00 | 14:30 | 1.5 | DRILL FROM 7376' TO 7414'. |
| 14:30 | 15:30 | 1.0 | SURVEY AT 7367, 3.5 DEGREES. |
| 15:30 | 17:00 | 1.5 | DRILL 7414' TO 7477'. |
| 17:00 | 17:30 | 0.5 | SERVICED RIG. CYCLED PIPE RAMS AND TAKE SPR. |
| 17:30 | 06:00 | 12.5 | DRILL FROM 7477' TO 7888'. |

DSLTA 2448

SAFETY MEETING: WORKING WITH NEW CREW MEMBERS/FIRST DAY BACK

CROWN-O-MATIC CHECK X 2

08-25-2004 Reported By RICK DITTO

| DailyCosts: Drilling | | Completion | | Daily Total | | | | | | | |
|----------------------|-------|------------|-------|-------------|-----|-----------------|---|----|------|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 280 | Days | 8 | MW | 10.0 | Visc | 36.0 |
| Formation : | | PBTd : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: LOST RETURNS

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 13:00 | 7.0 | DRILL FROM 7888' TO 8168' WITH 10 PPG MUD. LOST COMPLETE RETURNS. |
| 13:00 | 16:00 | 3.0 | MIXED AND PUMPED LOST CIRC PILL. ATTEMPTED TO FILL BACKSIDE WITH RESERVE PIT WATER, NO SUCCESS (LOST RIG POWER, GENERATORS DOWN FROM 1:40 PM TO 2:40 PM). |
| 16:00 | 17:00 | 1.0 | TOH WITH 30 STANDS. |
| 17:00 | 06:00 | 13.0 | MIXED AND PUMPED LOST CIRC (5 PILLS) MATERIAL. DISPLACED WITH RESERVE PIT WATER. ATTEMPTED TO FILL BACKSIDE. PUMPED 500 BBLS OF RESERVE PIT WATER AT 6 BPM, 0 PSI. MIXED AND PUMPED AN ADDITIONAL 4 LCM PILLS DOWN THE DRILLPIPE. DISPLACED WITH RESERVE PIT WATER (8.4 PPG), UNABLE TO FILL HOLE. TOTAL RESERVE PIT WATER PUMPED >3500 BBLS. |

DSLTA 2449

SAFETY MEETING: MAKING CONNECTIONS

CROWN-O-MATIC CHECK X 2

BOP DRILL DAYS: 2 MIN, 48 SEC, ALL MEN ON STATIONS

08-26-2004 Reported By JOHN FOREMAN

| DailyCosts: Drilling | | Completion | | Daily Total | | | | | | | |
|----------------------|-------|------------|-------|-------------|---|-----------------|---|----|-----|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 9 | MW | 8.7 | Visc | 60.0 |
| Formation : | | PBTd : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: PUMP PILLS

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 07:00 | 1.0 | MIXED & PUMPED 100 BBL LCM PILLS MIXED @ 45 PPB LCM, 50 VIS, 9.5 PPG. |
| 07:00 | 09:30 | 2.5 | TOH TO SHOE. INSTALLED TIW VALVE. |
| 09:30 | 10:30 | 1.0 | SLIPPED & CUT DRILL LINE 120'. |
| 10:30 | 13:00 | 2.5 | CONTINUED TOH. LAY DOWN REAMERS & STAND BACK BHA. |

13:00 14:30 1.5 TIH. OPEN ENDED TO SHOE @ 2242'.
 14:30 06:00 15.5 MIXED & PUMPED 200 BBL 40 PPB LCM PILLS CHASED WITH 30 BBL WATER, ALLOWED TO SOAK WHILE MIXING ANOTHER PILL. PUMPED 1500 BBL TOTAL PILLS +500 BBL WATER, NO RETURNS. HAD SMALL FLARE WHEN PUMPING 4-5' LAZY, INCREASED IN SIZE AFTER 2ND PILL TO 8-10'. CONTINUOUS BURN AFTER 15 TO 20 MIN. STOPPED PUMPING. AT 04:00 FLARE BURNING CONTINUOUSLY W/8 TO 10' LAZY FLARE.

DSLTA 2450
 SAFETY MEETING: TOPIC NEW HANDS ON THE JOB
 CROWN-O-MATIC CHECK X 2
 BOP DRILL MORNING, 3 MIN, ALL MEN ON STATIONS

08-27-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------------------|-----|-------|----------|-------------------|------------------------|----|----|-----|--------------------|------|
| DailyCosts: Drilling | | | | | Completion | | | | | Daily Total | |
| Cum Costs: Drilling | | | | | Completion | | | | | Well Total | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 10 | MW | 8.7 | Visc | 60.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | PKR Depth : 0.0 | | | | | |

Activity at Report Time: FILL HOLE IN CSG

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | MIXED 9.5 PPG 40 PPB LCM PILL, FLAIRED GAS 5-8', LAZY FLARE. |
| 08:00 | 09:00 | 1.0 | TIH FROM 2200 TO 3968'. |
| 09:00 | 09:30 | 0.5 | MONITOR WELL. FLARED GAS 5-8', LAZY FLAIR, NO PRESSURE. WAIT ON LOGGING TRUCK. TAGGED BRIDGE AT 3968'. |
| 09:30 | 11:30 | 2.0 | PULLED 10 STANDS DRILL PIPE. INSTALLED JAR & TIH TO 3968'. |
| 11:30 | 15:00 | 3.5 | RIG UP WEATHERFORD WIRELINE & RUN TEMP SURVEY FROM 3900 TO SURFACE, FOUND TEMP INCREASED AT 1750'. POH & RIG DOWN WIRELINE. |
| 15:00 | 17:00 | 2.0 | TOH. |
| 17:00 | 20:00 | 3.0 | RIG UP WIRELINE. RAN 60 FINGER CALIPER LOG IN 9 5/8" CASING, FOUND HOLE IN CASING AT 1610'. |
| 20:00 | 20:30 | 0.5 | RIG DOWN WIRELINE. |
| 20:30 | 00:00 | 3.5 | MONITOR WELL, FLARED 5-8' LAZY FLARE. WAIT ON TOOLS. |
| 00:00 | 02:00 | 2.0 | PU COMPOSITE EZSV ON DRILL PIPE. RAN IN HOLE TO 945', SET PACKER. |
| 02:00 | 04:00 | 2.0 | TESTED BACK SIDE TO 1000 PSI, OK. TESTED CEMENT LINES TO 1000 PSI, OK. REMOVED FLAPPER IN CHECK VALVE, RE-TESTED, OK. |
| 04:00 | 06:00 | 2.0 | SQUEEZED CEMENT WITH 350 SX THIXOTROPIC CEMENT 12% CAL-SEAL + 3% CACA2+ 10#SX GILSONITE + 1/2#SX FLOCEL MIXED @ 14 PPG/1.74' 3/SX YIELD. PUMPED AS FOLLOWS 5 BBL FW W/10 BBL 10% CA CL2. 5 BBL FW, 10 BBL SODIUM SILICATE, 5 BBL FW 10 BBL CA CL2, 5 BBL FW, 10 BBL SODIUM SILICATE 5 BBL FW. DISPLACED WITH 15 BBL WATER TO CLEAR TOOLS. STOPPED PUMPING & ALLOWED TO FEED W/BOOSTER PUMP @ 1/4 BPM W/14 BBL (29 BBL TOTAL) SQUEEZED W/50 PSI. EQ 10.6 PPG @ 1610'. SHUT IN PSI BUILDING DUE TO TEMP EXPANSION. |

DSLTA 2451
 SAFETY MEETING: SQUEEZING CEMENT
 CROWN-O-MATIC CHECK x 2

08-28-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------|-----|-------|----------|-------------------|------|----|----|-----|--------------------|------|
| DailyCosts: Drilling | | | | | Completion | | | | | Daily Total | |
| Cum Costs: Drilling | | | | | Completion | | | | | Well Total | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 11 | MW | 8.7 | Visc | 60.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU DP & TAG CEMENT

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:00 | 1.0 | RIGGING DOWN HALLIBURTON. |
| 07:00 | 10:00 | 3.0 | STOOD 1 STAND DRILL PIPE IN DERRICK. CIRCULATED AND CONDITIONED MUD WHILE WAITING ON LAY DOWN MACHINE. |
| 10:00 | 11:00 | 1.0 | RIG UP LAY DOWN MACHINE. |
| 11:00 | 21:00 | 10.0 | LD DP. |
| 21:00 | 23:00 | 2.0 | TIH HOLE W/TRICONE BIT AND BHA. |
| 23:00 | 01:00 | 2.0 | WAIT ON NEW DRILL PIPE TO ARRIVE ON LOCATION. |
| 01:00 | 02:00 | 1.0 | PICK UP NEW DRILL PIPE, TAGGED EZSV AT 945'. |
| 02:00 | 05:00 | 3.0 | DRILL EZSV AND CIRCULATED HOLE CLEAN |
| 05:00 | 06:00 | 1.0 | PICK UP NEW DRILL PIPE EXPECT TO TAG CEMENT AT 1300'±. |

08-29-2004 Reported By JOHN FOREMAN

| Daily Costs: Drilling | | Completion | | Daily Total | | | | | | | |
|-----------------------|-------|------------|-------|-------------|---|------|----|----|-----|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 12 | MW | 9.1 | Visc | 40.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU DRILL PIPE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 07:00 | 1.0 | PICK UP DRILL PIPE. TAGGED CEMENT @ 1380'. |
| 07:00 | 11:00 | 4.0 | DRILL CEMENT 1380' TO 1658', CEMENT HARD TO VERY HARD. |
| 11:00 | 11:30 | 0.5 | CIRCULATE OUT GAS 1500 UNITS ON BACKSIDE OF GAS BUSTER W/25' TO 30' FLAIR. |
| 11:30 | 12:30 | 1.0 | TIH HOLE TO 2230'. |
| 12:30 | 14:00 | 1.5 | CIRCULATED AND CONDITIONED MUD, GAS 2500 UNITS BEHIND GAS BUSTER W/30' TO 50' FLAIR. |
| 14:00 | 15:00 | 1.0 | SURVEY WELL W/GYRO, FOUND NO DOGLEG AVG. DEV 1.5 DEG. |
| 15:00 | 19:00 | 4.0 | CIRCULATED AND CONDITIONED MUD. |
| 19:00 | 20:30 | 1.5 | TOH & SET BACK BHA. |
| 20:30 | 23:30 | 3.0 | PICK UP PDC BIT MUD MOTOR AND 9 DC'S. TIH TO SHOE. |
| 23:30 | 06:00 | 6.5 | PICK UP DRILL PIPE, STAGING IN HOLE @ 1500' INTERVALS. FOUND TIGHT SPOT AT 4048'. |

DSLTA 2452
 FUNCTION TEST BOP
 SAFETY MEETING: PICKING UP DRILL PIPE
 CROWN-O-MATIC CHECK X 2

08-30-2004 Reported By JOHN FOREMAN

| Daily Costs: Drilling | | Completion | | Daily Total | | | | | | | |
|-----------------------|-------|------------|-------|-------------|---|------|----|----|------|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 13 | MW | 10.2 | Visc | 41.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: LOST CIRCULATION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:30 | 4.5 | WASH/REAM 3910' TO 4035'. CONDITIONED MUD. |

10:30 11:30 1.0 RIG DOWN AND RELEASED PICK UP MACHINE.
 11:30 20:00 8.5 WASH/REAM 4035' TO 4783'. GETTING LARGE AMOUNTS OF SHALE OVER SHAKER.
 20:00 23:30 3.5 CIRCULATED AND CONDITIONED MUD TO 10.2 PPG, 41 VIS, 11.4 W L.
 23:30 06:00 6.5 WASH/REAM 4783' TO 5100', GETTING WATER AND LARGE AMOUNTS OF SHALE OVER SHAKER.
 CONDITIONING MUD AS NEEDED.

DSLTA 2453
 CROWN-O-MATIC CHECK X2
 SAFETY MEETING: UNUSUAL JOBS

08-31-2004 Reported By JOHN FOREMAN

| | | | | | |
|------------------------------|-------|-------------------|-------|------------------------|------|
| Daily Costs: Drilling | | Completion | | Daily Total | |
| Cum Costs: Drilling | | Completion | | Well Total | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 |
| | | | | Days | 14 |
| | | | | MW | 10.2 |
| | | | | Visc | 45.0 |
| Formation : | | PBTD : 0.0 | | Perf : | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: LOST CIRCULATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 09:00 | 3.0 | WASH/REAM 5094' TO 5152'. TIGHT HOLE W/LARGE AMOUNTS OF SHALE COMING OVER SHAKER. USING MUD MOTOR TO REAM 3'-4' TO GET BUSHING IN. |
| 09:00 | 10:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 45 VIS, 10.2 WT. |
| 10:30 | 12:00 | 1.5 | WASH/REAM 5152' TO 5400', LARGE AMOUNTS OF SHALE COMING OVER SHAKER, HOLE TIGHT. |
| 12:00 | 13:00 | 1.0 | CIRCULATED HOLE CLEAN. PUMP HI 80 VIS SWEEPS. |
| 13:00 | 18:00 | 5.0 | WASH/REAM 5400' 6057. PUMPING HI VIS SWEEPS, HOLE STARTING TO CLEAN UP. |
| 18:00 | 19:00 | 1.0 | CIRCULATED AND CONDITIONED MUD TO 10.2 WT, 45 VIS. |
| 19:00 | 06:00 | 11.0 | WASH/REAM 6057' TO 6859. PUMPING HI VIS SWEEPS, CUTTINGS SMALLER W/POCKETS OF LCM. |

DSLTA 2454
 CROWN-O-MATIC CHECK X 2
 SAFETY MEETING: 1st DAY BACK AT WORK

09-01-2004 Reported By JOHN FOREMAN

| | | | | | |
|------------------------------|-------|-------------------|-------|------------------------|------|
| Daily Costs: Drilling | | Completion | | Daily Total | |
| Cum Costs: Drilling | | Completion | | Well Total | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 |
| | | | | Days | 15 |
| | | | | MW | 10.4 |
| | | | | Visc | 52.0 |
| Formation : | | PBTD : 0.0 | | Perf : | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: WASH & REAM

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:00 | 2.0 | WASH/REAM 6859' TO 6992', LARGE AMOUNTS OF LARGE SIZE SHALE. PUMP HI VIS SWEEPS. |
| 08:00 | 10:00 | 2.0 | CIRCULATED AND CONDITIONED MUD TO 10.2 WT, 45 VIS, MUD WATER CUT. |
| 10:00 | 13:00 | 3.0 | WASH/REAM 6992' TO 7242', LARGE AMOUNT OF LARGER SIZES SHALE. |
| 13:00 | 14:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 10.2+ WT, 45 VIS. |
| 14:30 | 17:30 | 3.0 | WASH/REAM 7242' TO 7336', HOLE GETTING STICKY CUTTINGS, 1/4 TO 1/2 DOLLAR SIZE. HOLE NOT REAMING WELL, CAN'T MAKE CONNECTION. |
| 17:30 | 21:30 | 4.0 | CIRCULATED AND CONDITIONED MUD TO 10.4 WT, 50 VIS. HOLE CLEANING MUCH IMPROVED, CUTTINGS PEA SIZE AND SMALLER. SLOUGHING SLOWED TO MINIMUM. |

21:30 06:00 8.5 WASH/REAM 7336' TO 7765. CONTINUED TO DUST MUD WT TO 10.5 WHILE REAMING. CUTTINGS GETTING SMALLER AND IN LESSER AMOUNTS WITH INTERMITTENT UNLOADING OF LARGE SIZE AND LARGE AMOUNTS OF SHALE.

DSLTA 2455
CROWN-O-MATIC CHECK X2
SAFETY MEETING: LIFTING

09-02-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|------------------------------|-------|-----|-------------------|----------|---|--------------------|----|----|------------------------|------|------|
| Daily Costs: Drilling | | | Completion | | | Daily Total | | | | | |
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 16 | MW | 11.2 | Visc | 44.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: TIH FOR BIT

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 07:30 | 1.5 | WASH/REAM 7765' TO 7836', HOLE UNLOADING WITH LARGE AMOUNTS OF SHALE. |
| 07:30 | 17:00 | 9.5 | CIRCULATED AND CONDITIONED MUD TO 11 PPG, 44 VIS. HOLE CLEANING VERY WELL, CUTTINGS SMALL AND ROUNDED, SHAKER CLEAN. |
| 17:00 | 05:00 | 12.0 | TOH, HOLE VERY TIGHT. PUMPING FIRST 10 JOINTS OUT, LAY DOWN NEXT 10 JOINTS. HOLE TIGHT, 25/30 DRAG, BUT NO PUMP REQUIRED. SLUGGED PIPE AND PULLED OUT WITH 10/15K DRAG. |
| 05:00 | 06:00 | 1.0 | DRAINED MUD MOTOR AND CHANGED. SAME BIT IN, LIKE NEW CONDITION. |

DSLTA 2456
CROWN-O-MATIC CHECK X2
FUNCTION TEST BOP
SAFETY MEETING: TRIPPING PIPE

09-03-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|------------------------------|-------|-----|-------------------|----------|---|--------------------|----|----|------------------------|------|------|
| Daily Costs: Drilling | | | Completion | | | Daily Total | | | | | |
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 17 | MW | 11.6 | Visc | 44.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: WASH & REAM

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:00 | 2.0 | CHANGED OUT MOTOR. PU JAR AND BIT. |
| 08:00 | 11:00 | 3.0 | TIH TO 4000', TAGGED BRIDGE. |
| 11:00 | 14:00 | 3.0 | PU KELLY AND ATTEMPTED TO WASH THROUGH BRIDGE TO 4098'. |
| 14:00 | 15:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 11.3 PPG, BUILT VOLUME. |
| 15:30 | 18:00 | 2.5 | WASH/REAM 4098' TO 4187'. HOLE SLOUGHING, CAN NOT MAKE CONNECTION. |
| 18:00 | 21:30 | 3.5 | CIRCULATED AND CONDITIONED MUD TO 11.5 PPG, ADDING 10 PPB LCM TO CONTROL SEEPAGE. |
| 21:30 | 00:00 | 2.5 | LAY DOWN 9 JTS DP AND ATTEMPTED TO RUN 3 STANDS FROM DERRICK, HOLE TOOK 2 STANDS. |
| 00:00 | 06:00 | 6.0 | LAY DOWN DP FROM DERRICK W/AIR TUGGER. REAMED DOWN, HOLE CLEANING UP. WASH/REAM 4008' TO 5439'. |

DSLTA 2457
CHECK CROWN-O-MATIC X 2

SAFETY MEETING: WORKING TOGETHER

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

012

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU 0336-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
UTU 63013X

8. WELL NAME and NUMBER:
CHAPITA WELLS UNIT 879-28

9. API NUMBER:
4304735274

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES/MESAVERDE

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
EOG RESOURCES, INC

3. ADDRESS OF OPERATOR: P.O. BOX 250 CITY BIG PINEY STATE WY ZIP 83113 PHONE NUMBER: (307) 276-3331

4. LOCATION OF WELL FOOTAGES AT SURFACE: 679' FSL - 735' FWL COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 9S 23E S STATE: UTAH

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

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

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

Please see the attached well chronology report for drilling operations from 8/01/2004 - 10/01/2004.

NAME (PLEASE PRINT) Alfreda Schulz

TITLE Sr. Regulatory Assistant

SIGNATURE Alfreda Schulz

DATE 10/1/2004

(This space for State use only)

RECEIVED

OCT 06 2004

DIV. OF OIL, GAS & MINING



WELL CHRONOLOGY REPORT

Report Generated On: 10-01-2004

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|--------|
| Well Name | CWU 879-28 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS DEEP | API # | 43-047-35274 | Well Class | COMP |
| County, State | UINTAH, UT | Spud Date | 08-17-2004 | Class Date | |
| Tax Credit | N | TVD / MD | 8,775/ 8,775 | Property # | 053756 |
| Water Depth | 0 | Last CSG | 2.375 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 5,248/ 5,233 | | | | |
| Location | Section 28, T9S, R23E, SWSW, 679 FSL & 735 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|-------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 100.0 | NRI % | 82.25 |

| | | | | | | | | | | | |
|------------------------------|--------|--------------------|--------|--------------------|------------|------------------------|------------|-----------|-----|-------------|-----|
| AFE No | 302582 | AFE Total | | DHC / CWC | | | | | | | |
| Rig Contr | SST | Rig Name | SST #2 | Start Date | 08-10-2004 | Release Date | 09-07-2004 | | | | |
| 11-04-2003 | | Reported By | | | | | | | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | LOCATION DATA |
| | | | 679' FSL & 735' FWL (SW/SW) |
| | | | SECTION 28, T9S, R23E |
| | | | UINTAH COUNTY, UTAH |
| | | | SST RIG #2 |
| | | | 8326' MESAVERDE - LOWER PRICE RIVER |
| | | | DW/GAS |
| | | | CHAPITA WELLS DEEP PROSPECT |
| | | | LEASE: U-0336-A |
| | | | ELEVATION: 5235' NAT GL, 5233' PREP GL, 5248' KB (15') |
| | | | EOG BPO: WI 100%, NRI 82.25% |
| | | | EOG APO: WI 50%, NRI 43.5 |

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|----------------------|--------------------|-----------|-------------|---|-----------|-----|-------------|-----|
| 08-11-2004 | Reported By | | EDDIE TROTTER | | | | | | | | |
| Daily Costs: Drilling | \$181,468 | Completion | \$0 | Daily Total | \$181,468 | | | | | | |
| Cum Costs: Drilling | \$181,468 | Completion | \$0 | Well Total | \$181,468 | | | | | | |
| MD | 2,250 | TVD | 2,250 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU BILL JR'S AIR RIG #3. SPUDED 20" HOLE @ 9:00 PM, 8/1/04. |

DRILLED 20" HOLE TO 45'. RAN 45' OF 13 3/8", 54#, H-40 CONDUCTOR PIPE AND CEMENTED TO SURFACE. DRILLED AND LINED RAT AND MOUSE HOLES. RD BUCKET RIG.

MIRU BILL JR.S AIR RIG #5. DRILLED 12 1/4" HOLE TO 2,250'. HIT FRESH WATER FLOW AT 770' AND HIT TRONA ZONE AND LOST CIRCULATION AT 1,090'. RU WIRELINE UNIT AND RUN DIRECTIONAL SURVEY. SURVEY 1 DEGREE @ 2,250'. RAN 51 JTS (2,221.50') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING & LANDED @ 2,242.00' KB. RU BIG 4 CEMENTERS. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 160 BBLs WATER AHEAD. MIXED & PUMPED 20 BBLs GELLED WATER AHEAD OF CEMENT.

MIXED & PUMPED 200 SX CEMENT W/2% CACL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX (41 BBLs). DISPLACED CEMENT W/168 BBLs WATER, BUMPED PLUG W/300#, CHECKED FLOAT, FLOAT HELD, SHUT-IN CASING VALVE.

TOP OUT #1: MIXED & PUMPED 100 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (20.4 BBLs).

TOP OUT #2: MIXED & PUMPED 100 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (20.4 BBLs).

TOP OUT #3: MIXED & PUMPED 250 SX PREMIUM CEMENT W/3% CACL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 16.0 PPG W/YIELD OF 1.18 CF/SX (30 BBLs).

HAD 4 BBLs CEMENT RETURNS TO SURFACE, CEMENT STAYED AT SURFACE. RD BIG 4 CEMENTERS. PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

7/30/04 @ 10:35 AM, DALL COOK NOTIFIED ED FORSMAN W/BLM & CAROL DANIELS W/UOGM OF SPUDDING WELL.

| | | | | | | | | | | | |
|-----------------------|-------------|------------|------------|----------|---|------|-----------------|----|-----|------|-----|
| 08-17-2004 | Reported By | RICK DITTO | | | | | | | | | |
| Daily Costs: Drilling | | | Completion | | | | Daily Total | | | | |
| Cum Costs: Drilling | | | Completion | | | | Well Total | | | | |
| MD | 2,250 | TVD | 2,250 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | | | |

Activity at Report Time: PREP TO SPUD

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 16:00 | 10.0 | MIRU SST #2. ON DAYWORK CONTRACT AT 1600 HRS, 8/16/04. |
| 16:00 | 19:00 | 3.0 | NU BOP, CHOKE MANIFOLD, GAS BUSTER AND LINES. |
| 19:00 | 22:00 | 3.0 | RU QUICK TEST. TESTED KELLY AND KELLY VALVES, FLOOR VALVE AND BOP TO 250/5000 PSI. TESTED PIPE RAMS, BLIND RAMS, CHOKE MANIFOLD VALVES AND SUPER CHOKE TO 250/5000 PSI. TESTED ANNULAR TO 250/2500 PSI. ALL TESTS HELD FOR 10 MINUTES. TESTED 9 5/8" SURFACE CASING TO 1500 PSI FOR 30 MINUTES. |
| 22:00 | 00:00 | 2.0 | INSTALLED WEAR BUSHING. RU CALIBER PICK UP MACHINE. |
| 24:00 | 06:00 | 6.0 | PICK UP BHA AND DRILL PIPE. TIH. |

NOTIFIED KIRK FLEETWOOD WITH THE VERNAL OFFICE OF THE BLM OF BOP TEST AT 07:30 HRS, 8/16/04,
THE BLM DID NOT WITNESS THE TEST. NOTIFIED CAROL DANIELS WITH THE UTAH DOG OF THE SPUD OF
THE PRODUCTION INTERVAL AT 08:30 HRS, 8/16/04.

SAFETY MEETING: FIRST DAY BACK

SAFETY ISSUE: WORKING SHORT HANDED (EVENING TOUR DRILLER DID NOT SHOW UP)

| | | | | | | | | | | | |
|------------------------------|--------------------|------------|-------|-------------------|-------|-------------|---|------------------------|-----|-------------|------|
| 08-18-2004 | Reported By | RICK DITTO | | | | | | | | | |
| Daily Costs: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 3,305 | TVD | 3,305 | Progress | 1,063 | Days | 1 | MW | 8.4 | Visc | 27.0 |
| Formation : | PBTD : 0.0 | | | Perf : | | | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|---|
| 06:00 | 06:30 | 0.5 | RIG DOWN PICKUP MACHINE. |
| 06:30 | 09:00 | 2.5 | FILLED PIPE RACKS WITH DRILLPIPE. TIGHTEN MUD LINE HOSES. CHANGED WEIGHT INDICATOR. INSTALLED ROTATING HEAD ELEMENT. |
| 09:00 | 11:00 | 2.0 | WASHED AND REAMED FROM 2132' TO 2170'. DRILL CEMENT AND FLOAT. |
| 11:00 | 11:30 | 0.5 | DRILL TO 2297'. |
| 11:30 | 12:00 | 0.5 | SURVEY AT 2251', .5 DEGREES. |
| 12:00 | 20:30 | 8.5 | DRILL FROM 2297' TO 2802'. |
| 20:30 | 21:00 | 0.5 | SURVEY AT 2759', 1.5 DEGREES. |
| 21:00 | 05:30 | 8.5 | DRILL FROM 2802' TO 3305'. |
| 05:30 | 06:00 | 0.5 | SURVEY AT 3262', 2.00 DEGREES. |

DSLTA 2442

SAFETY MEETING: PRE-SPUD INSPECTION

SPUD 7 7/8" SUFACE HOLE AT 11:00 HRS, 8/17/04.

| | | | | | | | | | | | |
|------------------------------|--------------------|------------|-------|-------------------|-------|-------------|---|------------------------|-----|-------------|------|
| 08-19-2004 | Reported By | RICK DITTO | | | | | | | | | |
| Daily Costs: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 4,622 | TVD | 4,622 | Progress | 1,317 | Days | 2 | MW | 8.4 | Visc | 27.0 |
| Formation : | PBTD : 0.0 | | | Perf : | | | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|--|
| 06:00 | 10:00 | 4.0 | DRILL FROM 3305' TO 3495'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 10:00 | 10:30 | 0.5 | SERVICED RIG. CYCLED PIPE RAMS. CHECKED AND RESET CROWN-O-MATIC. |
| 10:30 | 16:00 | 5.5 | DRILL FROM 3495' TO 3807'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 16:00 | 16:30 | 0.5 | SURVEY AT 3760', 1.5 DEGREES. |
| 16:30 | 23:30 | 7.0 | DRILL FROM 3807' TO 4308'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 23:30 | 00:00 | 0.5 | SURVEY AT 4265', 2.00 DEGREES. |
| 00:00 | 04:00 | 4.0 | DRILL FROM 4308' TO 4559'. CIRCULATED RESERVE PIT, 6-8' FLARE. |
| 04:00 | 05:00 | 1.0 | RIG REPAIR. TROUBLE SHOOT SCR, REPLACED A FUSE. |
| 05:00 | 06:00 | 1.0 | DRILL 4559' TO 4622'. |

DSLTA 2443
 BOP DRILL AT 4308', 2 MIN, 15 SEC
 CHECK CROWN-O-MATIC X 2
 SAFETY MEETINGS: WELL CONTROL/PICKING UP PIPE
 MUD LOGGER ON AT & LOGGING AT 4200'
 TOP OF WASATCH AT 4434'

08-20-2004 Reported By RICK DITTO

| | | | | | | | | | | | |
|------------------------------|-------------------|------------|-------|-------------------|------------------------|-------------|---|--------------------|-----|-------------|------|
| Daily Costs: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 5,810 | TVD | 5,810 | Progress | 1,188 | Days | 3 | MW | 8.4 | Visc | 27.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 09:30 | 3.5 | DRILL FROM 4622' TO 4808'. CIRCULATED RESERVE PIT, 5-7' FLARE. |
| 09:30 | 10:00 | 0.5 | SURVEY AT 4761', 2.00 DEGREES. |
| 10:00 | 14:00 | 4.0 | DRILL FROM 4808' TO 4997'. CIRCULATED RESERVE PIT, 5-7' FLARE. |
| 14:00 | 14:30 | 0.5 | RIG SERVICED. FUNCTION TESTED PIPE RAMS AND HCV. |
| 14:30 | 19:30 | 5.0 | DRILL FROM 4997' TO 5305'. CIRCULATED RESERVE PIT, 5-7' FLARE. |
| 19:30 | 20:00 | 0.5 | SURVEY AT 5261', 2.00 DEGREES. |
| 20:00 | 06:00 | 10.0 | DRILL 5305' TO 5810'. |

DSLTA 2444
 SAFETY TOPICS DAYS: PROPER USE OF MSDS/PINCH POINTS & PROPER HAND PLACEMENT
 SAFETY TOPIC NITES:
 CROWN-O-MATIC CHECK X 2

08-21-2004 Reported By RICK DITTO

| | | | | | | | | | | | |
|------------------------------|-------------------|------------|-------|-------------------|------------------------|-------------|---|--------------------|-----|-------------|------|
| Daily Costs: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 6,030 | TVD | 6,030 | Progress | 264 | Days | 4 | MW | 8.4 | Visc | 27.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 06:30 | 0.5 | SURVEY AT 5766'. 2.5 DEGREES. |
| 06:30 | 07:00 | 0.5 | DRILL FROM 5766' TO 5842'. LOST 80,000 STRING WEIGHT. |
| 07:00 | 12:30 | 5.5 | CALLED FOR FISHING TOOLS, CIRC AND LIGHT MUD UP. |
| 12:30 | 15:30 | 3.0 | POH WITH 23 STANDS AND DOUBLE. WASHED OUT/TWISTED OFF IN SLIP AREA. MADE UP 7-3/8" OS AND BUMPER JARS. TIH WITH FISHING TOOLS. |
| 15:30 | 17:30 | 2.0 | WORKED OVERSHOT ONTO FISH. WORKED FISH FREE. CIRC AND CONDITION HOLE/MUD. |
| 17:30 | 21:30 | 4.0 | WORKED FISH OUT OF TIGHT HOLE. PUMPED OUT 8 JTS OF DRILL PIPE. POH OF HOLE WITH FISH. LAID DOWN FISHING TOOLS. |
| 21:30 | 01:30 | 4.0 | TIH. WASHED AND REAMED LAST 4 JTS TO BTM. |
| 01:30 | 06:00 | 4.5 | DRILL FROM 5842' TO 6030'. MUD PITS CLOSED IN WITH 9 PPG MUD. NO FLARE. |

2445 DSLTA.
 SAFETY TOPIC: MAKING UP TOOLS AND FISHING.
 COM CHECK X 2.

08-22-2004 **Reported By** RICK DITTO

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------------------|-------------------|-----|---------------|---|--------------------|------------------------|-------------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 6,375 | TVD | 6,375 | Progress | 345 | Days | 5 | MW | 9.4 | Visc | 36.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: TRIP FOR BIT.

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------------------|
| 06:00 | 06:30 | 0.5 | SURVEY AT 5987'. 1.5 DEGREES. |
| 06:30 | 14:30 | 8.0 | DRILL FROM 6030' TO 6282'. |
| 14:30 | 15:00 | 0.5 | SERVICE RIG. |
| 15:00 | 16:00 | 1.0 | DRILL FROM 6334' TO 6375'. |
| 16:00 | 18:00 | 2.0 | TROUBLESHOOT SCR WITH IDM TECHNICIAN. |
| 18:00 | 20:00 | 2.0 | DRILL FROM 6334' TO 6375'. |
| 20:00 | 06:00 | 10.0 | TRIP FOR BIT. |

2446 DSLTA.
 SAFETY MEETING TOPIC DAYS: OPERATING THE FORKLIFT.
 SAFETY MEETING TOPIC NITES: TRIPPING PIPE.
 COM CHECK X 2.

08-23-2004 **Reported By** RICK DITTO

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------------------|-------------------|-----|---------------|---|--------------------|------------------------|-------------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 7,275 | TVD | 7,275 | Progress | 900 | Days | 6 | MW | 9.4 | Visc | 36.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 14:00 | 8.0 | DRILL FROM 6375' TO 6596' WITH 9.2 PPG MUD. |
| 14:00 | 14:30 | 0.5 | SERVICE RIG, CYCLE PIPE RAMS. |
| 14:30 | 06:00 | 15.5 | DRILL FROM 6596' TO 7275'. MUD WEIGHT 9.4 PPG. |

2447 DSLTA.
 SAFETY MEETING TOPIC: TEAM WORK.
 COM CHECK X 2.

08-24-2004 **Reported By** RICK DITTO

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------------------|-------------------|-----|---------------|---|--------------------|------------------------|-------------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 7,888 | TVD | 7,888 | Progress | 613 | Days | 7 | MW | 9.5 | Visc | 36.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 08:30 | 2.5 | DRILL FROM 7290' TO 7376'. |
| 08:30 | 13:00 | 4.5 | LOST 200 PSI PP, PUMPED SOFT LINE. CHAINED OUT OF HOLE, FOUND WASHOUT AT 24 STNDS + SINGLE, IN CHAIN AREA, 1 FOOT ABOVE PIN UPSET. |
| 13:00 | 14:30 | 1.5 | DRILL FROM 7376' TO 7414'. |
| 14:30 | 15:30 | 1.0 | SURVEY AT 7367, 3.5 DEGREES. |
| 15:30 | 17:00 | 1.5 | DRILL 7414' TO 7477'. |
| 17:00 | 17:30 | 0.5 | SERVICED RIG. CYCLED PIPE RAMS AND TAKE SPR. |
| 17:30 | 06:00 | 12.5 | DRILL FROM 7477' TO 7888'. |

DSLTA 2448

SAFETY MEETING: WORKING WITH NEW CREW MEMBERS/FIRST DAY BACK

CROWN-O-MATIC CHECK X 2

08-25-2004 Reported By RICK DITTO

| Daily Costs: Drilling | | Completion | | Daily Total | | | | | | | |
|-----------------------|-------|------------|-------|-------------|-----|-----------------|---|----|------|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 280 | Days | 8 | MW | 10.0 | Visc | 36.0 |
| Formation : | | PBTB : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: LOST RETURNS

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 13:00 | 7.0 | DRILL FROM 7888' TO 8168' WITH 10 PPG MUD. LOST COMPLETE RETURNS. |
| 13:00 | 16:00 | 3.0 | MIXED AND PUMPED LOST CIRC PILL. ATTEMPTED TO FILL BACKSIDE WITH RESERVE PIT WATER, NO SUCCESS (LOST RIG POWER, GENERATORS DOWN FROM 1:40 PM TO 2:40 PM). |
| 16:00 | 17:00 | 1.0 | TOH WITH 30 STANDS. |
| 17:00 | 06:00 | 13.0 | MIXED AND PUMPED LOST CIRC (5 PILLS) MATERIAL. DISPLACED WITH RESERVE PIT WATER. ATTEMPTED TO FILL BACKSIDE. PUMPED 500 BBLs OF RESERVE PIT WATER AT 6 BPM, 0 PSI. MIXED AND PUMPED AN ADDITIONAL 4 LCM PILLS DOWN THE DRILLPIPE. DISPLACED WITH RESERVE PIT WATER (8.4 PPG), UNABLE TO FILL HOLE. TOTAL RESERVE PIT WATER PUMPED >3500 BBLs. |

DSLTA 2449

SAFETY MEETING: MAKING CONNECTIONS

CROWN-O-MATIC CHECK X 2

BOP DRILL DAYS: 2 MIN, 48 SEC, ALL MEN ON STATIONS

08-26-2004 Reported By JOHN FOREMAN

| Daily Costs: Drilling | | Completion | | Daily Total | | | | | | | |
|-----------------------|-------|------------|-------|-------------|---|-----------------|---|----|-----|------|------|
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 9 | MW | 8.7 | Visc | 60.0 |
| Formation : | | PBTB : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: PUMP PILLS

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 07:00 | 1.0 | MIXED & PUMPED 100 BBL LCM PILLS MIXED @ 45 PPB LCM, 50 VIS, 9.5 PPG. |
| 07:00 | 09:30 | 2.5 | TOH TO SHOE. INSTALLED TIW VALVE. |
| 09:30 | 10:30 | 1.0 | SLIPPED & CUT DRILL LINE 120'. |
| 10:30 | 13:00 | 2.5 | CONTINUED TOH. LAY DOWN REAMERS & STAND BACK BHA. |

13:00 14:30 1.5 TIH. OPEN ENDED TO SHOE @ 2242'.
 14:30 06:00 15.5 MIXED & PUMPED 200 BBL 40 PPB LCM PILLS CHASED WITH 30 BBL WATER, ALLOWED TO SOAK WHILE MIXING ANOTHER PILL. PUMPED 1500 BBL TOTAL PILLS +500 BBL WATER, NO RETURNS. HAD SMALL FLARE WHEN PUMPING 4-5' LAZY, INCREASED IN SIZE AFTER 2ND PILL TO 8-10'. CONTINUOUS BURN AFTER 15 TO 20 MIN. STOPPED PUMPING. AT 04:00 FLARE BURNING CONTINUOUSLY W/8 TO 10' LAZY FLARE.

DSLTA 2450

SAFETY MEETING: TOPIC NEW HANDS ON THE JOB

CROWN-O-MATIC CHECK X 2

BOP DRILL MORNING, 3 MIN, ALL MEN ON STATIONS

08-27-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------------------|------------|-------|-----------------|-------------------|-------------|----|------------------------|-----|-------------|------|
| DailyCosts: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 10 | MW | 8.7 | Visc | 60.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | | | PKR Depth : 0.0 | | | |

Activity at Report Time: FILL HOLE IN CSG

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | MIXED 9.5 PPG 40 PPB LCM PILL, FLAIED GAS 5-8', LAZY FLARE. |
| 08:00 | 09:00 | 1.0 | TIH FROM 2200 TO 3968'. |
| 09:00 | 09:30 | 0.5 | MONITOR WELL. FLARED GAS 5-8', LAZY FLAIR, NO PRESSURE. WAIT ON LOGGING TRUCK. TAGGED BRIDGE AT 3968'. |
| 09:30 | 11:30 | 2.0 | PULLED 10 STANDS DRILL PIPE. INSTALLED JAR & TIH TO 3968'. |
| 11:30 | 15:00 | 3.5 | RIG UP WEATHERFORD WIRELINE & RUN TEMP SURVEY FROM 3900 TO SURFACE, FOUND TEMP INCREASED AT 1750'. POH & RIG DOWN WIRELINE. |
| 15:00 | 17:00 | 2.0 | TOH. |
| 17:00 | 20:00 | 3.0 | RIG UP WIRELINE. RAN 60 FINGER CALIPER LOG IN 9 5/8" CASING, FOUND HOLE IN CASING AT 1610'. |
| 20:00 | 20:30 | 0.5 | RIG DOWN WIRELINE. |
| 20:30 | 00:00 | 3.5 | MONITOR WELL, FLARED 5-8' LAZY FLARE. WAIT ON TOOLS. |
| 00:00 | 02:00 | 2.0 | PU COMPOSITE EZSV ON DRILL PIPE. RAN IN HOLE TO 945', SET PACKER. |
| 02:00 | 04:00 | 2.0 | TESTED BACK SIDE TO 1000 PSI, OK. TESTED CEMENT LINES TO 1000 PSI, OK. REMOVED FLAPPER IN CHECK VALVE, RE-TESTED, OK. |
| 04:00 | 06:00 | 2.0 | SQUEEZED CEMENT WITH 350 SX THIXOTROPIC CEMENT 12% CAL-SEAL + 3% CACA2+ 10#SX GILSONITE + 1/2#SX FLOCEL MIXED @ 14 PPG/1.74' 3/SX YIELD. PUMPED AS FOLLOWS 5 BBL FW W/10 BBL 10% CA CL2. 5 BBL FW, 10 BBL SODIUM SILICATE, 5 BBL FW 10 BBL CA CL2, 5 BBL FW, 10 BBL SODIUM SILICATE 5 BBL FW. DISPLACED WITH 15 BBL WATER TO CLEAR TOOLS. STOPPED PUMPING & ALLOWED TO FEED W/BOOSTER PUMP @ 1/4 BPM W/14 BBL (29 BBL TOTAL) SQUEEZED W/50 PSI. EQ 10.6 PPG @ 1610'. SHUT IN PSI BUILDING DUE TO TEMP EXPANSION. |

DSLTA 2451

SAFETY MEETING: SQUEEZING CEMENT

CROWN-O-MATIC CHECK x 2

08-28-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------|-----------------|-------------------|-------------|----|--------------------|-----|-------------|------|
| DailyCosts: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | \$ | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 11 | MW | 8.7 | Visc | 60.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU DP & TAG CEMENT

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:00 | 1.0 | RIGGING DOWN HALLIBURTON. |
| 07:00 | 10:00 | 3.0 | STOOD 1 STAND DRILL PIPE IN DERRICK. CIRCULATED AND CONDITIONED MUD WHILE WAITING ON LAY DOWN MACHINE. |
| 10:00 | 11:00 | 1.0 | RIG UP LAY DOWN MACHINE. |
| 11:00 | 21:00 | 10.0 | LD DP. |
| 21:00 | 23:00 | 2.0 | TIH HOLE W/TRICONE BIT AND BHA. |
| 23:00 | 01:00 | 2.0 | WAIT ON NEW DRILL PIPE TO ARRIVE ON LOCATION. |
| 01:00 | 02:00 | 1.0 | PICK UP NEW DRILL PIPE, TAGGED EZSV AT 945'. |
| 02:00 | 05:00 | 3.0 | DRILL EZSV AND CIRCULATED HOLE CLEAN |
| 05:00 | 06:00 | 1.0 | PICK UP NEW DRILL PIPE EXPECT TO TAG CEMENT AT 1300'±. |

08-29-2004 Reported By JOHN FOREMAN

| Daily Costs: Drilling | | | Completion | | | Daily Total | | | | | |
|-----------------------|-------|-----|------------|----------|---|-------------|----|----|-----------------|------|------|
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 12 | MW | 9.1 | Visc | 40.0 |
| Formation : | | | PBTB : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: PU DRILL PIPE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 07:00 | 1.0 | PICK UP DRILL PIPE. TAGGED CEMENT @ 1380'. |
| 07:00 | 11:00 | 4.0 | DRILL CEMENT 1380' TO 1658', CEMENT HARD TO VERY HARD. |
| 11:00 | 11:30 | 0.5 | CIRCULATE OUT GAS 1500 UNITS ON BACKSIDE OF GAS BUSTER W/25' TO 30' FLAIR. |
| 11:30 | 12:30 | 1.0 | TIH HOLE TO 2230'. |
| 12:30 | 14:00 | 1.5 | CIRCULATED AND CONDITIONED MUD, GAS 2500 UNITS BEHIND GAS BUSTER W/30' TO 50' FLAIR. |
| 14:00 | 15:00 | 1.0 | SURVEY WELL W/GYRO, FOUND NO DOGLEG AVG. DEV 1.5 DEG. |
| 15:00 | 19:00 | 4.0 | CIRCULATED AND CONDITIONED MUD. |
| 19:00 | 20:30 | 1.5 | TOH & SET BACK BHA. |
| 20:30 | 23:30 | 3.0 | PICK UP PDC BIT MUD MOTOR AND 9 DC'S. TIH TO SHOE. |
| 23:30 | 06:00 | 6.5 | PICK UP DRILL PIPE, STAGING IN HOLE @ 1500' INTERVALS. FOUND TIGHT SPOT AT 4048'. |

DSLTA 2452
 FUNCTION TEST BOP
 SAFETY MEETING: PICKING UP DRILL PIPE
 CROWN-O-MATIC CHECK X 2

08-30-2004 Reported By JOHN FOREMAN

| Daily Costs: Drilling | | | Completion | | | Daily Total | | | | | |
|-----------------------|-------|-----|------------|----------|---|-------------|----|----|-----------------|------|------|
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 13 | MW | 10.2 | Visc | 41.0 |
| Formation : | | | PBTB : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: LOST CIRCULATION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:30 | 4.5 | WASH/REAM 3910' TO 4035'. CONDITIONED MUD. |

| | | |
|-------|-------|---|
| 10:30 | 11:30 | 1.0 RIG DOWN AND RELEASED PICK UP MACHINE. |
| 11:30 | 20:00 | 8.5 WASH/REAM 4035' TO 4783'. GETTING LARGE AMOUNTS OF SHALE OVER SHAKER. |
| 20:00 | 23:30 | 3.5 CIRCULATED AND CONDITIONED MUD TO 10.2 PPG, 41 VIS, 11.4 W L. |
| 23:30 | 06:00 | 6.5 WASH/REAM 4783' TO 5100', GETTING WATER AND LARGE AMOUNTS OF SHALE OVER SHAKER. CONDITIONING MUD AS NEEDED. |

DSLTA 2453
CROWN-O-MATIC CHECK X2
SAFETY MEETING: UNUSUAL JOBS

08-31-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|------------------------------|-------------------|------------|-------|-----------------|-------------------|------------------------|----|--------------------|------|-------------|------|
| Daily Costs: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 14 | MW | 10.2 | Visc | 45.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | PKR Depth : 0.0 | | | | | |

Activity at Report Time: LOST CIRCULATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 09:00 | 3.0 | WASH/REAM 5094' TO 5152'. TIGHT HOLE W/LARGE AMOUNTS OF SHALE COMING OVER SHAKER. USING MUD MOTOR TO REAM 3'-4' TO GET BUSHING IN. |
| 09:00 | 10:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 45 VIS, 10.2 WT. |
| 10:30 | 12:00 | 1.5 | WASH/REAM 5152' TO 5400', LARGE AMOUNTS OF SHALE COMING OVER SHAKER, HOLE TIGHT. |
| 12:00 | 13:00 | 1.0 | CIRCULATED HOLE CLEAN. PUMP HI 80 VIS SWEEPS. |
| 13:00 | 18:00 | 5.0 | WASH/REAM 5400' 6057. PUMPING HI VIS SWEEPS, HOLE STARTING TO CLEAN UP. |
| 18:00 | 19:00 | 1.0 | CIRCULATED AND CONDITIONED MUD TO 10.2 WT, 45 VIS. |
| 19:00 | 06:00 | 11.0 | WASH/REAM 6057' TO 6859. PUMPING HI VIS SWEEPS, CUTTINGS SMALLER W/POCKETS OF LCM. |

DSLTA 2454
CROWN-O-MATIC CHECK X 2
SAFETY MEETING: 1st DAY BACK AT WORK

09-01-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|------------------------------|-------------------|------------|-------|-----------------|-------------------|------------------------|----|--------------------|------|-------------|------|
| Daily Costs: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 15 | MW | 10.4 | Visc | 52.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | PKR Depth : 0.0 | | | | | |

Activity at Report Time: WASH & REAM

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:00 | 2.0 | WASH/REAM 6859' TO 6992', LARGE AMOUNTS OF LARGE SIZE SHALE. PUMP HI VIS SWEEPS. |
| 08:00 | 10:00 | 2.0 | CIRCULATED AND CONDITIONED MUD TO 10.2 WT, 45 VIS, MUD WATER CUT. |
| 10:00 | 13:00 | 3.0 | WASH/REAM 6992' TO 7242', LARGE AMOUNT OF LARGER SIZES SHALE. |
| 13:00 | 14:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 10.2+ WT, 45 VIS. |
| 14:30 | 17:30 | 3.0 | WASH/REAM 7242' TO 7336', HOLE GETTING STICKY CUTTINGS, 1/4 TO 1/2 DOLLAR SIZE. HOLE NOT REAMING WELL, CAN'T MAKE CONNECTION. |
| 17:30 | 21:30 | 4.0 | CIRCULATED AND CONDITIONED MUD TO 10.4 WT, 50 VIS. HOLE CLEANING MUCH IMPROVED, CUTTINGS PEA SIZE AND SMALLER. SLOUGHING SLOWED TO MINIMUM. |

21:30 06:00 8.5 WASH/REAM 7336' TO 7765. CONTINUED TO DUST MUD WT TO 10.5 WHILE REAMING. CUTTINGS GETTING SMALLER AND IN LESSER AMOUNTS WITH INTERMITTENT UNLOADING OF LARGE SIZE AND LARGE AMOUNTS OF SHALE.

DSLTA 2455
CROWN-O-MATIC CHECK X2
SAFETY MEETING: LIFTING

09-02-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------------------|-------------------|---|---------------|----|--------------------|------------------------|-------------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 16 | MW | 11.2 | Visc | 44.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: TIH FOR BIT

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 07:30 | 1.5 | WASH/REAM 7765' TO 7836', HOLE UNLOADING WITH LARGE AMOUNTS OF SHALE. |
| 07:30 | 17:00 | 9.5 | CIRCULATED AND CONDITIONED MUD TO 11 PPG, 44 VIS. HOLE CLEANING VERY WELL, CUTTINGS SMALL AND ROUNDED, SHAKER CLEAN. |
| 17:00 | 05:00 | 12.0 | TOH, HOLE VERY TIGHT. PUMPING FIRST 10 JOINTS OUT, LAY DOWN NEXT 10 JOINTS. HOLE TIGHT, 25/30 DRAG, BUT NO PUMP REQUIRED. SLUGGED PIPE AND PULLED OUT WITH 10/15K DRAG. |
| 05:00 | 06:00 | 1.0 | DRAINED MUD MOTOR AND CHANGED. SAME BIT IN, LIKE NEW CONDITION. |

DSLTA 2456
CROWN-O-MATIC CHECK X2
FUNCTION TEST BOP
SAFETY MEETING: TRIPPING PIPE

09-03-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------|------------|-------------------|-------------------|---|---------------|----|--------------------|------------------------|-------------|------|
| DailyCosts: Drilling | | | | Completion | | | | Daily Total | | | |
| Cum Costs: Drilling | | | | Completion | | | | Well Total | | | |
| MD | 8,168 | TVD | 8,168 | Progress | 0 | Days | 17 | MW | 11.6 | Visc | 44.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: WASH & REAM

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:00 | 2.0 | CHANGED OUT MOTOR. PU JAR AND BIT. |
| 08:00 | 11:00 | 3.0 | TIH TO 4000', TAGGED BRIDGE. |
| 11:00 | 14:00 | 3.0 | PU KELLY AND ATTEMPTED TO WASH THROUGH BRIDGE TO 4098'. |
| 14:00 | 15:30 | 1.5 | CIRCULATED AND CONDITIONED MUD TO 11.3 PPG, BUILT VOLUME. |
| 15:30 | 18:00 | 2.5 | WASH/REAM 4098' TO 4187'. HOLE SLOUGHING, CAN NOT MAKE CONNECTION. |
| 18:00 | 21:30 | 3.5 | CIRCULATED AND CONDITIONED MUD TO 11.5 PPG, ADDING 10 PPB LCM TO CONTROL SEEPAGE. |
| 21:30 | 00:00 | 2.5 | LAY DOWN 9 JTS DP AND ATTEMPTED TO RUN 3 STANDS FROM DERRICK, HOLE TOOK 2 STANDS. |
| 00:00 | 06:00 | 6.0 | LAY DOWN DP FROM DERRICK W/AIR TUGGER. REAMED DOWN, HOLE CLEANING UP. WASH/REAM 4008' TO 5439'. |

DSLTA 2457
CHECK CROWN-O-MATIC X 2

SAFETY MEETING: WORKING TOGETHER

09-04-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------------------|------------|-------|-----------------|-------------------|-------------|----|------------------------|------|-------------|------|
| DailyCosts: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,183 | TVD | 8,183 | Progress | 0 | Days | 18 | MW | 11.7 | Visc | 44.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING AHEAD

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:00 | 4.0 | CIRCULATE AND CONDITION MUD TO 11.7 PPG ADDING 10% LCM. |
| 10:00 | 15:00 | 5.0 | WASH/REAM 5439' TO 6717'. GETTING LIGHT WT MUD BACK WITH 1000 TO 1500 UNITS GAS. |
| 15:00 | 17:00 | 2.0 | RUN IN HOLE TO 7805', 5 K TO 10K DRAG. |
| 17:00 | 19:30 | 2.5 | CIRCULATE AND CONDITION MUD FROM 11.6 TO 11.8 PPG AND 10% LCM. |
| 19:30 | 01:00 | 5.5 | WASH/REAM 7805' TO 8168'. HOLE IN GOOD SHAPE, LITTLE DRAG. |
| 01:00 | 01:30 | 0.5 | DRILL ROTATE 8168' TO 8170'. |
| 01:30 | 05:30 | 4.0 | CIRCULATE AND CONDITION MUD TO 11.8 PPG, HOLE IN GOOD SHAPE. |
| 05:30 | 06:00 | 0.5 | DRILLING AHEAD 8170' TO 8183'. WOB 16 TO 18K, RPM 25 SPM, 100 W 349 GPM. |

2458 DSLTA

CHECK COM X 2

SAFETY MEETING TOPIC; WET WEATHER

09-05-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------------------|------------|-------|-----------------|-------------------|-------------|----|------------------------|------|-------------|------|
| DailyCosts: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 596 | Days | 19 | MW | 11.8 | Visc | 43.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | DRILL 8179' TO 8775', 596' @ 24.8 AVG FPH. TD AT 8775'. MUD WT 11.8, 44 VIS. HOLE TAKING FLUID AT 10 TO 15 BPH. ADDING LCM TO MAINTAIN 12% TO 15%. |

2459 DSLTA.

COM CHECK X 2.

SAFETY MEETING TOPIC; PINCH POINTS.

BOP DRILL DAY TOUR: 3 1/2 MIN ALL MEN ON STATION.

09-06-2004 Reported By JOHN FOREMAN

| | | | | | | | | | | | |
|-----------------------------|-------------------|------------|-------|-----------------|-------------------|-------------|----|------------------------|------|-------------|------|
| DailyCosts: Drilling | | | | | Completion | | | Daily Total | | | |
| Cum Costs: Drilling | | | | | Completion | | | Well Total | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 20 | MW | 11.6 | Visc | 36.0 |
| Formation : | PBTD : 0.0 | | | | Perf : | | | PKR Depth : 0.0 | | | |

Activity at Report Time: LAY DOWN DRILL PIPE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | CIRCULATE AND CONDITION MUD FOR SHORT TRIP. |
| 08:00 | 10:00 | 2.0 | WIPER TRIP/SHORT TRIP 10 STANDS NO DRAG, NO FILL. HOLE IN VERY GOOD CONDITION. |

10:00 12:00 2.0 CIRCULATED AND CONDITIONED HOLE, NO TRIP GAS ON BOTTOMS UP.
 12:00 16:00 4.0 WIPER TRIP TO CASING SHOE, NO DRAG. HOLE TAKING PROPER AMOUNT OF FLUID.
 16:00 16:30 0.5 SERVICE RIG, FUNCTION BOP.
 16:30 17:30 1.0 SLIP & CUT DRILL LINE 120'.
 17:30 22:00 4.5 TRIP IN HOLE TO 8756', NO FILL. NO DRAG HOLE IN GOOD SHAPE. FILL DP @ 5200'. NO FILL BREAK CIRCULATION @ 8756' AND WASH DOWN TO 8775', NO FILL.
 22:00 02:00 4.0 CIRCULATED AND CONDITIONED HOLE, RIG UP LAY DOWN MACHINE.
 02:00 02:30 0.5 DROP TOTCO, DRAINED GAS BUSTER CHECK FOR FLOW, NO FLOW.
 02:30 06:00 3.5 LD DRILL PIPE.

2460 DSLTA.
 COM CHECK X 2.
 SAFETY MEETING: LAY DOWN DRILL STRING.
 FUNCTION TEST BOP.
 TRUCKS SET UP FOR WEDNESDAY, 9/8/04

09-07-2004 Reported By JOHN FOREMAN

| | | | | | | |
|------------------------------|-------------------|------------|-------------------|-----------------|---|---------------------------------|
| Daily Costs: Drilling | | | Completion | | | Daily Total |
| Cum Costs: Drilling | | | Completion | | | Well Total |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days 21 |
| Formation : | PBTD : 0.0 | | Perf : | | | MW 11.6 Visc 36.0 |
| | | | | | | PKR Depth : 0.0 |

Activity at Report Time: WO COMPLETION

| Start | End | Hrs | Activity Description |
|--|--|-----|---|
| 06:00 | 14:00 | 8.0 | LD/DRILL PIPE |
| 14:00 | 22:00 | 8.0 | RUN 4-1/2", 11.6#, N80, LTC PRODUCTION CASING + 2 MARKER JTS @ 6823' & 4080' FS @ 8748', FC @ 8707', TOTAL OF 217 JTS + 1 PUP AND MANDREL HANGER. |
| 22:00 | 00:30 | 2.5 | CIRCULATE OUT GAS AND CONDITION MUD FOR CEMENTING. RECIPROCATED CASING WHILE CIRCULATING. |
| 00:30 | 01:00 | 0.5 | SAFETY MEETING W/SCHLUMBERGER LAID DOWN 1 JT CASING AND ROTATING HEAD ASSEMBLY. PICKED UP LANDING JT AND MANDREL HANGER. |
| 01:00 | 02:30 | 1.5 | TEST LINES TO 4400 PSI, PUMPED 20 BBL CHEMICAL WASH & 20 BBL SPACER. MIXED AND PUMPED 356 SX CLASS G CEMENT. YIELD 3.98 CFS, 25.6 GPS WATER @ 11.0 PPG. ADDITIVES INCLUDED: 12% D020 + 1% DO79+ .250% D112 + .200% DO46 + .250 LB/SX DO29 + 5% DO44. TAILED IN WITH 1260 SX 50/50 POZ G W/2.0% DO20 + .1% DO46 + .2% D167 + .2 % D065. YIELD 1.29 CFS, 5.96 GPS WATER @ 14.1 PPG. DISPLACED WITH 135 BBL FRESH WATER. FINAL PUMP PRESSURE 2000 PSI. BUMPED PLUG W/3000 PSI. PLUG DOWN @ 2:28 AM, 9/7/04. RELEASED PRESSURE. FLOWED BACK 1.5 BBL, PLUGS HOLDING. RIGGED DOWN SCHLUMBERGER. |
| 02:30 | 03:00 | 0.5 | LAND MANDREL HANGER WITH FULL CASING STRING WT. TESTED HANGER TO 5,000 PSI (GOOD TEST). |
| 03:00 | 06:00 | 3.0 | NIPPLED DOWN BOP AND CLEANED MUD PITS. STARTED RDRT. WILL MOVE RIG TO CWU 899-24. TRUCKS SCHEDULED FOR WEDNESDAY, 9/8/04 @ 07:00. |
| 2461 DSLTA. SAFETY MEETING: RUNNING CASING & CEMENTING. | | | |
| 06:00 | 18.0 RIG RELEASED RIG AT 6:00 AM, 9/7/04 | | |

09-19-2004 Reported By SEARLE

DailyCosts: Drilling

Completion

Daily Total

Cum Costs: Drilling

Completion

Well Total

| | | | | | | | | | | | |
|-----------------------|-------|-----|---------------|----------|---|------------------|----|----|-----------------|------|-----|
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 22 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBSD : 8707.0 | | | Perf : 8544-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: FRAC MESAVERDE

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|-----|--|
| 07:00 | 12:00 | 5.0 | NU BOPE. TEST CASING & BOPE TO 6500 PSIG. RU CUTTERS WIRELINE. PERFORATED LPR FROM 8554'-57', 8583'-84', 8606'-09', 8626'-28' & 8669'-71' W/3-1/8" HSC PORTED CASING GUNS @ 2 SPF @ 180° PHASING. RDWL. RU HOT OIL UNIT. BROKE DOWN PERFS @ 2500 PSIG. PUMPED 2 BBLs @ 1 BPM & 2600 PSIG. ISIP 2500 PSIG. SI. RD HOT OIL UNIT. |
|-------|-------|-----|--|

09-20-2004 Reported By SEARLE

DailyCosts: Drilling

Completion

Daily Total

Cum Costs: Drilling

Completion

Well Total

| | | | | | | | | | | | |
|-----------------------|-------|-----|---------------|----------|---|------------------|----|----|-----------------|------|-----|
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 23 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBSD : 8707.0 | | | Perf : 8544-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: SHUT IN FOR BUILD UP

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|---------------------------------|
| 06:00 | 06:00 | 24.0 | SICP 1650 PSIG. (22 HR SHUT IN) |
|-------|-------|------|---------------------------------|

09-21-2004 Reported By SEARLE

DailyCosts: Drilling

Completion

Daily Total

Cum Costs: Drilling

Completion

Well Total

| | | | | | | | | | | | |
|-----------------------|-------|-----|---------------|----------|---|------------------|----|----|-----------------|------|-----|
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 24 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBSD : 8707.0 | | | Perf : 8544-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: PRESSURE BUILD UP

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|--------------------------|
| 06:00 | 06:00 | 24.0 | SICP 1600 PSIG. (48 HRS) |
|-------|-------|------|--------------------------|

09-23-2004 Reported By SEARLE

DailyCosts: Drilling

Completion

Daily Total

Cum Costs: Drilling

Completion

Well Total

| | | | | | | | | | | | |
|-----------------------|-------|-----|---------------|----------|---|------------------|----|----|-----------------|------|-----|
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 25 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBSD : 8707.0 | | | Perf : 8544-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: FRAC MESAVERDE

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|-----|--|
| 14:00 | 18:30 | 4.5 | SICP 1600 PSIG. RU SCHLUMBERGER. FRAC LPR DOWN CASING W/4996 GAL YF125ST PAD, 44,718 GAL YF125ST & YF118ST & 167,499# 20/40 SAND @ 1-6 PPG. MTP 6270 PSIG. MTR 50 BPM. ATP 5287 PSIG. ATR 45.2 BPM. ISIP 3050 PSIG. RD SCHLUMBERGER. |
|-------|-------|-----|--|

RU CUTTERS WL. SET 10K COMPOSITE FRAC PLUG @ 8535'. PERFORATED LPR FROM 8391'-92', 8408'-10', 8435'-38', 8476'-79' & 8514'-16' @ 2 SPF @ 180° PHASING. RDWL. SDFN.

09-24-2004 Reported By SEARLE

DailyCosts: Drilling

Completion

Daily Total

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|-------------------------|-------------------|-----------|------------------------|-------------|-----|
| Cum Costs: Drilling | | | Completion | | | | Well Total | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 26 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | | | Perf : 7178-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: FRAC MESAVERDE

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 07:00 | 18:30 | 11.5 | SICP 1950 PSIG. RU SCHLUMBERGER. FRAC LPR DOWN CASING W/4957 GAL YF125ST PAD, 44,962 GAL YF125ST & YF118ST & 167,557# 20/40 SAND @ 1-6 PPG. MTP 6273 PSIG. MTR 50.6 BPM. ATP 5409 PSIG. ATR 45.8 BPM. ISIP 3150 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K COMPOSITE FRAC PLUG @ 8357'. PERFORATED LPR FROM 8252'-54', 8265'-67', 8289'-90', 8316'-18', 8339'-41' & 8350'-52' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4944 GAL YF125ST PAD, 36,540 GAL YF125ST & YF118ST & 129,331# 20/40 SAND @ 1-6 PPG. MTP 5739 PSIG. MTR 46.2 BPM. ATP 4803 PSIG. ATR 43 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K COMPOSITE FRAC PLUG @ 8225'. PERFORATED MPR FROM 8022'-25', 8047'-48', 8107'-09', 8127'-29', 8140'-41' & 8191'-93' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4953 GAL YF125ST PAD, 45,820 GAL YF125ST & YF118ST & 166,623# 20/40 SAND @ 1-5 PPG. CUT JOB SHORT BY 24,000# DUE TO INCREASE IN PRESSURE. MTP 6705 PSIG. MTR 50 BPM. ATP 5916 PSIG. ATR 43 BPM. ISIP 6000 PSIG. RD SCHLUMBERGER

RUWL. SET 10K COMPOSITE FRAC PLUG @ 7985'. PERFORATED MPR FROM 7777'-79', 7817'-19', 7842'-44', 7869'-72', 7938'-39' & 7958'-59' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4992 GAL YF125ST PAD, 52,379 GAL YF125ST & YF118ST & 196,267# 20/40 SAND @ 1-5 PPG. CUT JOB SHORT BY 41,000# DUE TO INCREASE IN PRESSURE. MTP 6593 PSIG. MTR 52.6 BPM. ATP 5557 PSIG. ATR 46.4 BPM. ISIP 3800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K COMPOSITE FRAC PLUG @ 7744'. PERFORATED MPR FROM 7612'-16', 7654'-56', 7678'-80' & 7700'-03' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4941 GAL YF125ST PAD, 44,610 GAL YF125ST & YF118ST & 167,203# 20/40 SAND @ 1-6 PPG. MTP 6262 PSIG. MTR 51.5 BPM. ATP 4919 PSIG. ATR 47.3 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K COMPOSITE FRAC PLUG @ 7580'. PERFORATED UPR FROM 7458'-60', 7480'-83', 7513'-15', 7529'-32' & 7559'-60' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4953 GAL YF125ST PAD, 45,040 GAL YF125ST & YF118ST & 168,796# 20/40 SAND @ 1-6 PPG. MTP 5881 PSIG. MTR 50.3 BPM. ATP 4631 PSIG. ATR 48 BPM. ISIP 2250 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K COMPOSITE FRAC PLUG @ 7420'. PERFORATED UPR FROM 7178'-79', 7201'-02', 7229'-30', 7243'-44', 7257'-58', 7294'-95', 7330'-32' & 7384'-86' @ 2 SPF & 180° PHASING. RDWL. SDFN.

09-25-2004 Reported By SEARLE

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|-------------------------|--------------------|-----------|------------------------|-------------|-----|
| DailyCosts: Drilling | | | Completion | | | | Daily Total | | | | |
| Cum Costs: Drilling | | | Completion | | | | Well Total | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 27 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | | | Perf : 7178-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILL OUT PLUGS

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 12:00 | 5.0 | SICP 1500 PSIG. RU SCHLUMBERGER. FRAC UPR DOWN CASING W/4945 GAL YF125ST PAD, 46,655 GAL YF125ST & YF118ST & 175,974# 20/40 SAND @ 1-6 PPG. MTP 6286 PSIG. MTR 50.6 BPM. ATP 5012 PSIG. ATR 47.2 BPM. ISIP 2350 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K COMPOSITE BP @ 7120'. RDWL. BLED OFF CASING PRESSURE. MIRU DUCO WELL SERVICE. SDFN.

09-26-2004 Reported By SEARLE

| | | | | | | | | | | | |
|------------------------------|-------|-------------------|----------------------|-------------------------|---|------|------------------------|----|-----|------|-----|
| DailyCosts: Drilling | | Completion | | Daily Total | | | | | | | |
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 28 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | Perf : 7178-8671 | | | PKR Depth : 0.0 | | | | |

Activity at Report Time: DRILL PLUGS

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 15:30 | 8.5 | SICP 1400 PSIG. BLEW WELL DOWN. RIH W/3-7/8" BIT & PUMP OFF SUB TO 7120'. DRILLED OUT PLUG @ 7120'. RIH TO FILL @ 7182'. LANDED TUBING @ 7120'±. SDFN. |

09-28-2004 Reported By HANSEN

| | | | | | | | | | | | |
|------------------------------|-------|-------------------|----------------------|-------------------------|---|------|------------------------|----|-----|------|-----|
| DailyCosts: Drilling | | Completion | | Daily Total | | | | | | | |
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 29 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | Perf : 7178-8671 | | | PKR Depth : 0.0 | | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 07:00 | 06:00 | 23.0 | SITP 0 PSIG. SICP 1500 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 7420', 7580', 7744', 7985', 8225', 8375' & 8535'. CLEANED OUT TO PBTD @ 8697'. LANDED TUBING @ 8671' KB. ND BOPE. NU TREE. PUMP OFF BIT & SUB. |

FLOWED 13.5 HRS ON 24/64" CHOKE. FTP 1250 PSIG. CP 1300 PSIG. 70-75 BFPH. RECOVERED 1325 BLW. 8541 BLWTR.

TUBING DETAIL : LENGTH

PUMP OFF ASSEMBLY .85'
 1 JT 2-3/8" 4.7# J55 TUBING 32.46'
 XN NIPPLE 1.26'
 266 JTS 2-3/8" 4.7# J55 TUBING 8621.56'
 BELOW KB 15.00'
 TUBING LANDED @ 8671.13' KB

09-29-2004 Reported By HANSEN

| | | | | | | | | | | | |
|------------------------------|-------|-------------------|----------------------|-------------------------|---|------|------------------------|----|-----|------|-----|
| DailyCosts: Drilling | | Completion | | Daily Total | | | | | | | |
| Cum Costs: Drilling | | Completion | | Well Total | | | | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 30 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | Perf : 7178-8671 | | | PKR Depth : 0.0 | | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | RD MOSU. FLOWED 24 HRS ON 16/64" CHOKE. FTP 1400 PSIG. CP 2500 PSIG. 30-35 BFPH. RECOVERED 1111 BLW. 7430 BLWTR. |

09-30-2004 Reported By HANSEN

| | | | | | |
|-----------------------------|-----|-------------------|---------|--------------------|---------|
| DailyCosts: Drilling | \$0 | Completion | \$2,580 | Daily Total | \$2,580 |
|-----------------------------|-----|-------------------|---------|--------------------|---------|

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|-------------------------|----|-----------|------------------------|-------------|-----|
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 31 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | | | Perf : 7178-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

| | | | |
|--------------|------------|------------|--|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FTP 1700 PSIG. CP 2700 PSIG. 55-60 BFPH. RECOVERED 968 BLW. 6462 BLWTR. |

10-01-2004 Reported By HANSEN

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|-------------------------|----|-----------|------------------------|-------------|-----|
| DailyCosts: Drilling | | | Completion | | | Daily Total | | | | | |
| Cum Costs: Drilling | | | Completion | | | Well Total | | | | | |
| MD | 8,775 | TVD | 8,775 | Progress | 0 | Days | 32 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 8707.0 | | | Perf : 7178-8671 | | | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

| | | | |
|--------------|------------|------------|--|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS ON 24/64" CHOKE. FTP 1500 PSIG. CP 2400 PSIG. 30-35 BFPH. RECOVERED 901 BLW. 5561 BLWTR. |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

014

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.
UTU 0336A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU 63013X

8. Well Name and No.
CHAPITA WELLS UNIT 879-28

9. API Well No.
43-047-35274

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UT

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, WY

3b. Phone No. (include area code)
(307) 276-3331

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
SECTION 28, T9S, R23E SWSW
679 FSL - 735 FWL
40.004619 LAT 109.338033 LONG

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

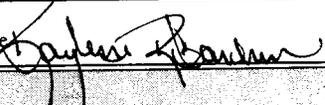
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> Other <u>FIRST SALES</u> |
| | <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 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 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 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.)

INITIAL PRODUCTION: The referenced well was turned to sales 8:30 a.m., 10/17/2004 through Questar meter # 6539 on a 12/64" choke. Opening Pressure, FTP 2000 psig, CP 2900 psig.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Kaylene R. Gardner

Title Regulatory Assistant

Signature 

Date 10/18/2004

RECEIVED
OCT 21 2004
DIV OF OIL & GAS MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

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.

Name (Printed/Typed)

Title

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

013 WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
U-0336-A

a. 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
EOG RESOURCES, INC

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

3. Address
P. O. BOX 250, BIG PINEY WY 83113

3a. Phone No. (include area code)
(307) 276-3331

8. Lease Name and Well No.
CHAPITA WELLS UNIT 879-28

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

At surface SWSW 679 FSL 735 FWL 40.00162 LAT 109.33803 LON

At top prod. interval reported below SAME

At total depth SAME

9. API Well No.
43-047-35274

10. Field and Pool, or Exploratory
NATURAL BUTTES / MESAVERDE

11. Sec., T., R., M., on Block and Survey
or Area SECTION 28, T9S, R23E

12. County or Parish
UINTAH

13. State
UT

14. Date Spudded
8/1/2004

15. Date T.D. Reached
9/4/2004

16. Date Completed
 D&A Ready to Prod.
10-12-04

17. Elevations (DF, RKB, RT, GL)*
5248 KB

18. Total Depth: MD 8775
TVD

19. Plug Back T.D.: MD 8697
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST-GR/CCL, CBL-GR/CCL

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 Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4 | 9-5/8 J-55 | 36 | 0 | 2242 | | 1000 | | | |
| 7-7/8 | 4-1/2 N-80 | 11.6 | 0 | 8748 | | 1616 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 | 8671 | | | | | | | |

25. Producing Intervals

26. Perforation Record

| Formation | TOP | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------|------|--------|---------------------|------|-----------|--------------|
| A) MESAVERDE | 7178 | 8671 | 8554-8671 | | 2 SPF | |
| B) | | | 8391-8516 | | 2 SPF | |
| C) | | | 8252-8352 | | 2 SPF | |
| D) | | | 8022-8193 | | 2 SPF | |

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

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 8554-8671 | 1184 BBLs GELLED WATER & 167,499 # 20/40 SAND |
| 8391-8516 | 1189 BBLs GELLED WATER & 167,577 # 20/40 SAND |
| 8252-8352 | 988 BBLs GELLED WATER & 129,331 # 20/40 SAND |
| 8022-8193 | 1209 BBLs GELLED WATER & 166,623 # 20/40 SAND |

RECEIVED
OCT 29 2004

DIV. OF OIL, GAS & MINING

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 |
|---------------------|----------------------|--------------|--------------------------|---------|---------|-----------|-----------------------|--------------------|-------------------|
| 10/17/04 | 10/19/04 | 24 | <input type="checkbox"/> | 0 | 639 | 339 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| 12/64 | 1900 | 3000 | <input type="checkbox"/> | 0 | 639 | 339 | | PRODUCING GAS WELL | |

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 |
| MESAVERDE | 7178 | 8671 | | WASATCH | 4430 |
| | | | | CHAPITA WELLS | 4944 |
| | | | | BUCK CANYON | 5709 |
| | | | | NORTH HORN | 6287 |
| | | | | MESAVERDE | 7051 |

32. Additional remarks (include plugging procedure):

TURNED TO SALES THROUGH QUESTAR METER # 6539. Two 400 bbl tanks # 80384V & 80385V are on location.
 Perforated the Lower Price River from 8554-57', 8583-84', 8606-09', 8626-28' & 8669-71' w/2 SPF.
 Perforated the Lower Price River from 8391-92', 8408-10', 8435-38', 8476-79' & 8514-16' w/2 SPF.
 Perforated the Lower Price River from 8252-54', 8265-67', 8289-90', 8316-18', 8339-41' & 8350-52' w/2 SPF.
 Perforated the Middle Price River from 8022-25', 8047-48', 8107-09', 8127-29', 8140-41' & 8191-93' w/2 SPF.
 SEE ATTACHED SHEET

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) Kaylene R. Gardner Title Regulatory Assistant

Signature  Date October 22, 2004

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.

ADDITIONAL REMARKS (CONTINUED):

Perforated the Middle Price River from 7777-79', 7817-19', 7842-44', 7869-72', 7938-39' & 7958-59' w/2 SPF. Fracture stimulated with 1366 bbls gelled water & 196,267 # 20/40 sand.

Perforated the Middle Price River from 7612-16', 7654-56', 7678-80' & 7700-03' w/2 SPF. Fracture stimulated with 1180 bbls gelled water & 167,203 # 20/40 sand.

Perforated the Upper Price River from 7458-60', 7480-83', 7513-15', 7529-32' & 7559-60' w/2 SPF. Fracture stimulated with 1190 bbls gelled water & 168,796 # 20/40 sand.

Perforated the Upper Price River from 7178-79', 7201-02', 7229-30', 7243-44', 7257-58', 7294-95', 7330-32' & 7384-86' w/2 SPF. Fracture stimulated with 1229 bbls gelled water & 175,974 # 20/40 sand.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

Well file



IN REPLY REFER TO
3180
UT-922

June 13, 2005

EOG Resources, Inc.
Attn: Debbie Spears
600 Seventeenth Street
Suite 1100N
Denver, Colorado 80202

Re: Initial Mesaverde Formation PA "N"
Chapita Wells Unit
Uintah County, Utah

Gentlemen:

The Initial Mesaverde Formation Participating Area "N", Chapita Wells Unit, CRS No. UTU63013S, AFS No. 892000905S, is hereby approved effective as of October 17, 2004, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Initial Mesaverde Formation Participating Area "N" results in an Initial Participating Area of 80.00 acres and is based upon the completion of Well No. 879-28, API No. 43-047-35274, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28, Township 9 South, Range 23 East, SLM&B, Federal Unit Tract No. 6, Lease No. UTU0336A, as being a well capable of producing unitized substances in paying quantities.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Initial Mesaverde Formation Participating Area "N", Chapita Wells Unit, and the effective date.

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

Enclosure

RECEIVED

JUN 15 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

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
600 17th St., Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**SWSW, SECTION 28, T9S, R23E
 679 FSL, 735 FWL, 40.00168 LAT, 109.33795 LON**

5. Lease Serial No.
U-0336-A

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 879-28

9. API Well No.
43-047-35274

10. Field and Pool, or Exploratory Area
Natural Buttes

11. County or Parish, State
Uintah County, Utah

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input 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 checked="" 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 checked="" type="checkbox"/> Other Pit reclamation |
| | <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 type="checkbox"/> Water Disposal | |

13. 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 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 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.)

The reserve pit for the referenced location was closed on 1/27/2006 as per the APD procedure.

EOG Resources, Inc. operates under Nationwide Bond #2308.

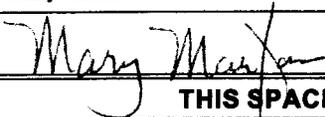
**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY**

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

Mary Maestas

Title **Operations Clerk**

Signature



Date

04/27/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

Title

Date

Office

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 page 2)

MAY 01 2006

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

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc. Operator Account Number: N 9550
 Address: 600 17th St., Suite 1000N
city Denver
state CO zip 80202 Phone Number: (303) 824-5526

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-35534 | Chapita Wells Unit 912-25 | | NENE | 25 | 9S | 22E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 14119 | 13650 | 9/10/2004 | | | 10/1/2005 | |
| Comments: <u>MVRD</u> — <u>9/27/06</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-35274 | Chapita Wells Unit 879-28 | | SWSW | 28 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 14245 | 13650 | 8/1/2004 | | | 10/1/2005 | |
| Comments: <u>MVRD</u> — <u>9/27/06</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-35275 | Chapita Wells Unit 875-29 | | SWSE | 29 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 14761 | 13650 | 6/11/2005 | | | 10/1/2005 | |
| Comments: <u>MVRD</u> — <u>9/27/06</u> | | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

9/27/2006

Date

RECEIVED

SEP 27 2006

DIV. OF OIL, GAS & MINING