

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

March 18, 2004

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  
SOUTH CHAPITA 10-35  
NE/SW, SEC. 35, T9S, R23E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0344  
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**  
**MAR 26 2004**  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
**EOG RESOURCES, INC.**

3a. Address **P.O. BOX 1815  
VERNAL, UT 84078** 3b. Phone No. (Include area code)  
**(435)789-0790**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **1814' FSL, 1976' FWL** *4427841Y NE/SW 39.99012*  
At proposed prod. Zone *645503Y -109.29575*  
10. Field and Pool, or Exploratory **NATURAL BUTTES**  
11. Sec., T., R., M., or Blk. and Survey or Area **SEC. 35, T9S, R23E, S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office\*  
**24.91 MILES SOUTHEAST OF OURAY, UTAH** 12. County or Parish **UINTAH** 13. State **UTAH**

15. Distance from proposed\* location to nearest property or lease line, ft. **1814'**  
(Also to nearest drig. Unit line, if any) 16. No. of Acres in lease **640** 17. Spacing Unit dedicated to this well

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C **8350'** 19. Proposed Depth **8350'** 20. BLM/BIA Bond No. on file **NM-2308**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **8381.9 FEET GRADED GROUND** 22. Approximate date work will start\* **UPON APPROVAL** 23. Estimated duration **45 DAYS**

24. Attachments

Attachments

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 *Ed Trotter* Name (Printed/Typed) **Ed Trotter** Date **March 18, 2004**

Title **Agent**

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **03-29-04**  
Title **ENVIRONMENTAL SCIENTIST III** Office

**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)

**RECEIVED**

**MAR 26 2004**

DIV. OF OIL, GAS & MINING

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

# EOG RESOURCES, INC.

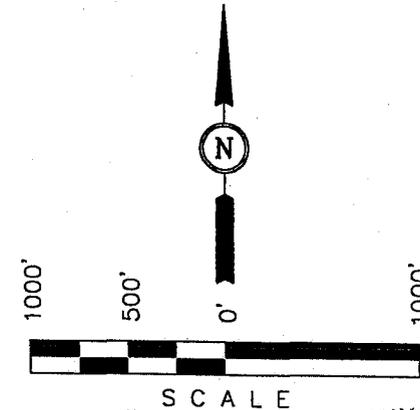
Well location, S. CHAPITA #10-35, located as shown in the NE 1/4 SW 1/4 of Section 35, T9S, R23E, S.L.B.&M. Uintah County, Utah.

## 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, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

## BASIS OF BEARINGS

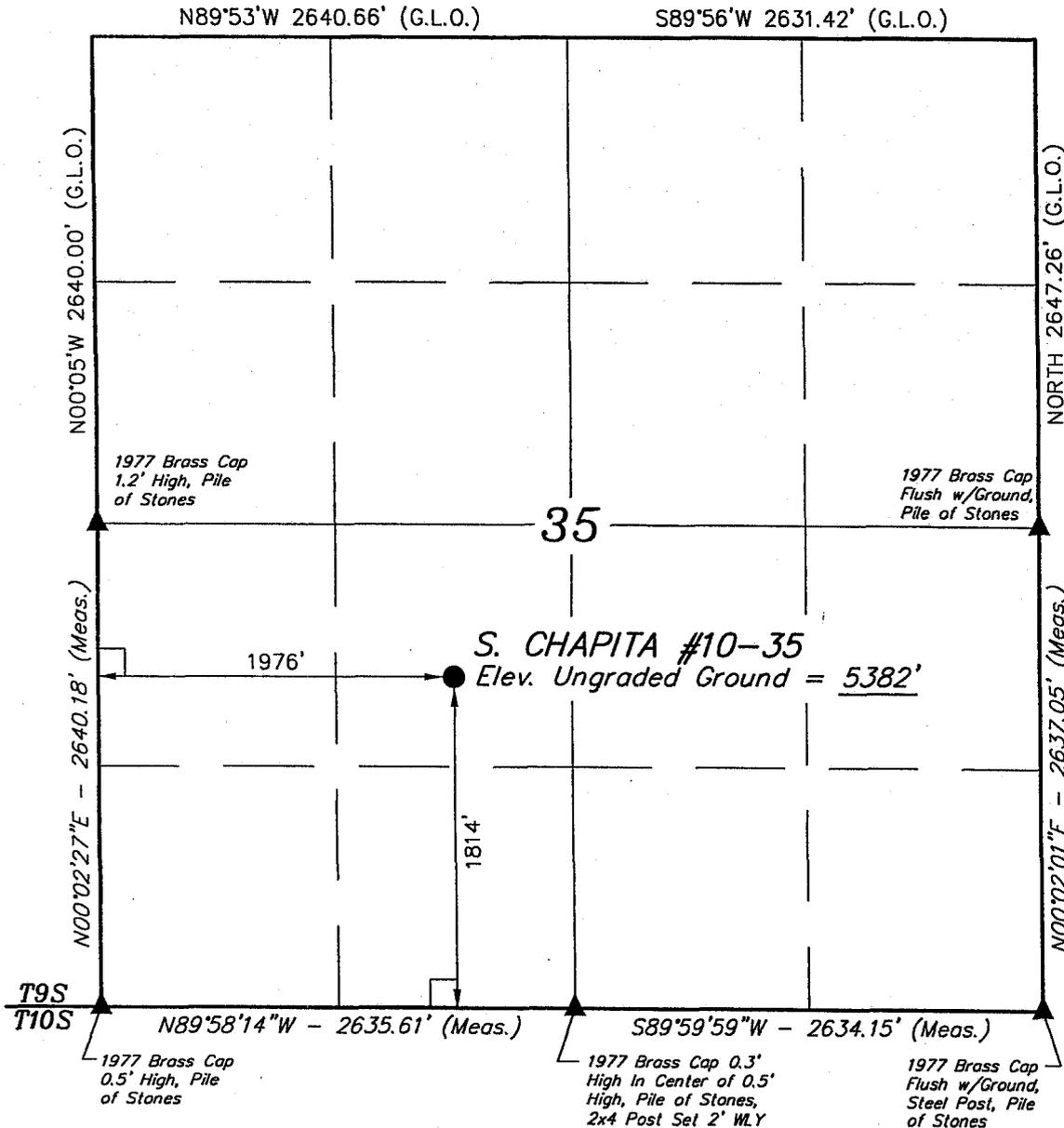
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



## 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.

*Robert L. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH



### LEGEND:

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

(AUTONOMOUS NAD 27)

LATITUDE = 39°59'24.73" (39.990203)  
 LONGITUDE = 109°17'45.22" (109.295894)

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

SCALE 1" = 1000'	DATE SURVEYED: 02-10-04	DATE DRAWN: 02-16-04
PARTY K.K. G.O. D.K. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**SOUTH CHAPITA 10-35**  
**NE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River	1,391'
Wasatch	4,225'
Island	6,388'
KMV Price River	6,658'
KMV Price River Middle	7,193'
KMV Price River Lower	7,740'
Sego	8,206'

EST. TD: **8,350**

Anticipated BHP **4500 PSI**

**3. PRESSURE CONTROL EQUIPMENT:** 3000 PSIG BOP Schematic Diagram attached.

**4. CASING PROGRAM:**

<b><u>HOLE SIZE</u></b>	<b><u>INTERVAL</u></b>	<b><u>LENGTH</u></b>	<b><u>SIZE</u></b>	<b><u>WEIGHT</u></b>	<b><u>GRADE</u></b>	<b><u>THREAD</u></b>	<b><u>RATING FACTOR</u></b>		
							<b><u>COLLAPSE</u></b>	<b><u>BURST</u></b>	<b><u>TENSILE</u></b>
17 1/2"	0' - 250'	250'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
12 1/4"	250' - 2300'+/- KB	2300' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2300' - TD +/-KB	8350' +/-	4 1/2"	11.6 #	N-80	LT&C	6350 PSI	7780 PSI	223,000#

**Note:** The 12 1/4" Intermediate hole will be drilled to a total depth of 200' below the base of the Green River lost circulation zone and 9 5/8" casing will be set to that depth. Actual setting depth of the 9 5/8" casing may be less than 2300' in this well.

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'-2300+/-')**

- Guide Shoe
- Insert Float Collar (PDC drillable)
- Cents.: 1-5' above shoe, top of jts. #2 and #3 then every 5<sup>th</sup> joint to surface. (15 total)

## EIGHT POINT PLAN

### SOUTH CHAPITA 10-35 NE/SW, SEC. 35, T9S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

#### Float Equipment (Continued):

##### Production Hole Procedure ( $\pm 2300'$ -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  $\pm 6,658'$  (Top of Price River) and  $\pm 3,800'$  (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 400' above Island top (50 total). Thread lock FS, top and bottom of FC, and top of 2<sup>nd</sup> joint.

#### 6. MUD PROGRAM

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

Air – Air Water Mist

##### Intermediate Hole Procedure (250'- $\pm 2500'$ ):

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

##### Production Hole Procedure ( $\pm 2500'$ -TD):

$\pm 2300$ -7500' Use water (circulated through reserve pit) with PHPA polymer sweeps on a regular basis. Adjust frequency of sweeps based on cuttings quality and hole conditions. Gel/LCM sweeps can also be used for additional cleaning and for reducing seepage, but should not be “substituted” for the PHPA sweeps.

While on water, spot either salt water or pre-mixed weighted mud as required to prevent flow during trips after gas influxes have been encountered. Watch cuttings size, shape and quantity to determine if increase in mud weight is required. Increased mud weight is often the key to shale stability in this area. Treat for any CO<sub>2</sub> contamination with Lime and Gyp.

**7500'- TD'** Close mud system in. “Mud up” with Hi-Yield bentonite for primary viscosity and PHPA polymer for supplemental viscosity and clay encapsulation/inhibition. Utilize white Starch or PAC for filtration control. Treat with bactericide if required. Maintain pH in 9.0-10.0 range.

Expect increasing gas influxes requiring heavier mud weights as drilling progresses. Adjust mud weight as needed. Use deflocculants/thinners if required to maintain good flow properties.

Run LCM sweeps periodically to seal-off loss zones. Adjust sweep frequency based on observed losses. Maintain water loss 15 cc's or less. Treat CO<sub>2</sub> contamination with Lime and/or Gypsum.

**EIGHT POINT PLAN**

**SOUTH CHAPITA 10-35**  
**NE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**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.

**8. EVALUATION PROGRAM:**

**Logs: No Open Hole Logs.**  
**Cased Hole Logs will to run.**

**9. CEMENT PROGRAM:**

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

**Lead: 300 sks** (100% excess volume) Class 'G' cement with 2% S1 (CaCl<sub>2</sub>) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft<sup>3</sup>/sk., 4.95 gps water.

**Top Out:** Top out with Class 'G' cement with 2% S1 (CaCl<sub>2</sub>) in mix water, 15.8 ppg, 1.16 ft<sup>3</sup>/sk., 4.95 gps via 1" tubing set at 25' if needed.

**Intermediate Hole Procedure (250'± 2300'):**

**Option #1**

**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 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail: 290 sks:** (50% excess volume) Class 'G' cement (coverage from 2700-1700') with 10% D53 (Gypsum), 2% S1 (CaCl<sub>2</sub>) & 0.25 pps D29 (Cellophane flakes) mixed at 14.2 ppg, 1.61 ft<sup>3</sup>/sk., 7.9 gps water.

**Option 2:**

**Lead: 210 sks:** (60% excess volume) Class 'G' lead cement (coverage from 2300-1800') with 2% BWOC (Calcium Chloride), ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft<sup>3</sup>/sk., 5.2 gps water.

**Tail: 720 sks:** (60% excess volume) Class 'G' cement (coverage from 1800'-Surface) with 2% BWOC (Calcium Chloride), ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft<sup>3</sup>/sk., 5.2 gps water.

**EIGHT POINT PLAN**

**SOUTH CHAPITA 10-35**  
**NE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

**Production Hole Procedure ( $\pm$  2300' 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'  $\pm$  2500'):**

Lost circulation

**Production Hole ( $\pm$  2500'-TD):**

Sloughing shales and key seat development are possible in the Wasatch Formation.

**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.

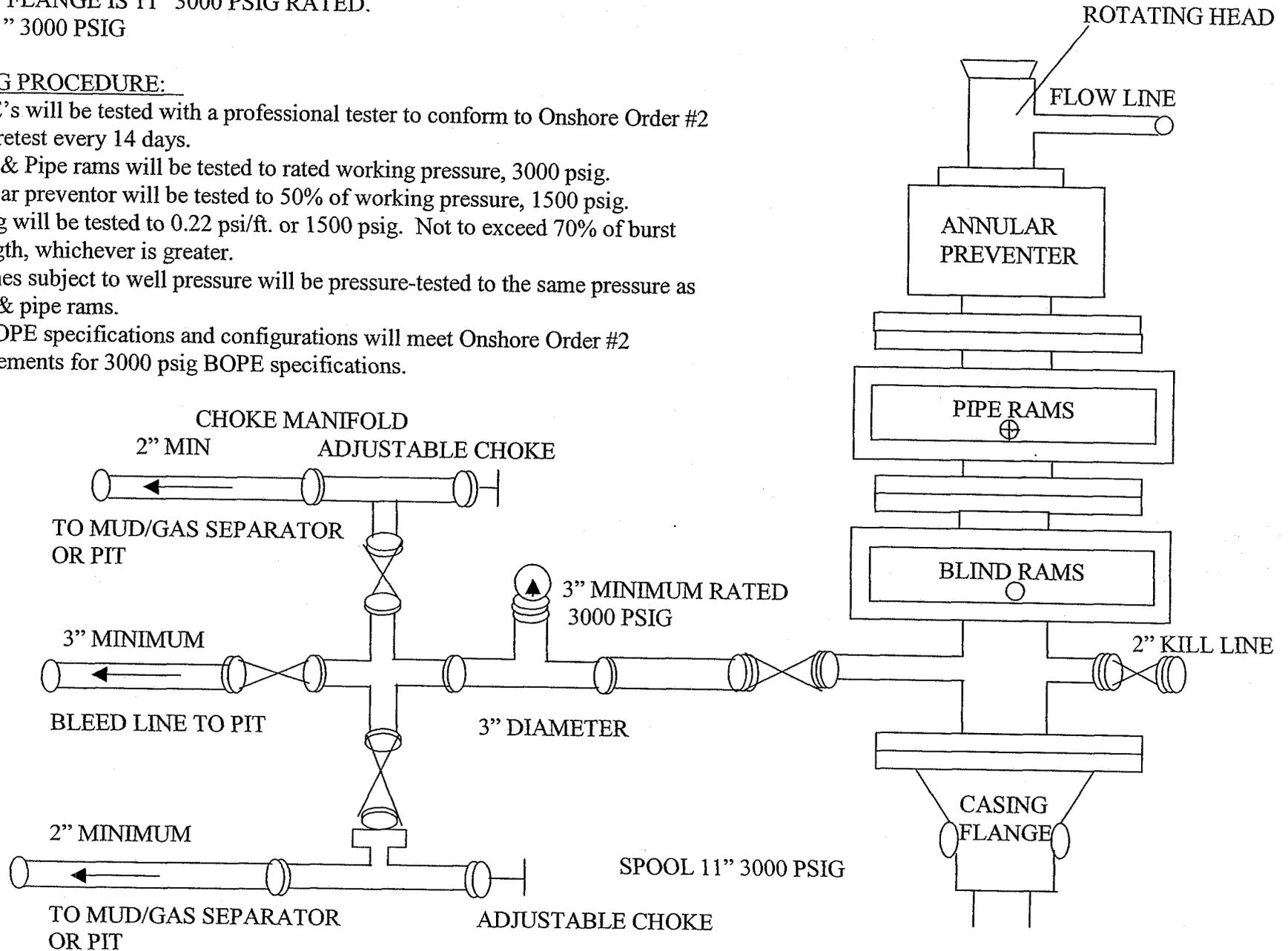
(Attachment: BOP Schematic Diagram)

## 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.



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: South Chapita 10-35  
Lease Number: U-0344  
Location: 1814' FSL & 1976' FWL, NE/SW, Sec. 35,  
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 24.91 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 50 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. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

A. Abandoned wells - 1\*

(\*See attached TOPO map "C" for location)

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

A. **ON WELL PAD**

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of 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 4" 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 4" OD steel above ground natural gas pipeline will be laid approximately 476' from proposed location to a point in the NE/SW of Section 35, 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 4" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

The required paint color is Carlsbad Canyon.

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

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

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

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

**On BLM administered land:**

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

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
  - Wyoming Big Sage – 3 pounds per acre
  - Needle & Thread Grass – 3 pounds per acre
  - Hi-Crest Crested Wheat Grass – 1 pound per acre
  - Winter Fat – 1 pound per acre.

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

The stockpiled pit topsoil will be stored separate from the location topsoil between Corners 5 and 6. The stockpiled location topsoil will be stored West of Corner #4. 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 Southwest.

Corners #2, #6, & #8 will be rounded off to minimize excavation.

**FENCING REQUIREMENTS:**

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

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

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

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

**10. PLANS FOR RESTORATION OF SURFACE**

**A. PRODUCING LOCATION**

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

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

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

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

**B. DRY HOLE/ABANDONED LOCATION**

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

**11. SURFACE OWNERSHIP**

Access road: Federal

Location: Federal

**12. OTHER INFORMATION**

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

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

None

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

**PERMITTING AGENT**

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

**DRILLING OPERATIONS**

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

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

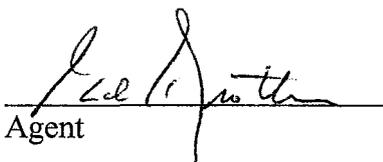
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

**Certification**

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **South Chapita 10-35 Well, located in the NE/SW of Section 35, T9S, R23E, Uintah County, Utah; Lease #U-0344;** 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.

3-18-2004  
Date

  
Agent

EOG RESOURCES, INC.  
S. CHAPITA #10-35  
SECTION 35, 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 AN 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 DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 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 4.5 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #878-34 TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE #915-34 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE #9-35 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE #11-35 TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 50' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.9 MILES.

# EOG RESOURCES, INC.

S. CHAPITA #10-35  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 35, T9S, R23E, S.L.B.&M.

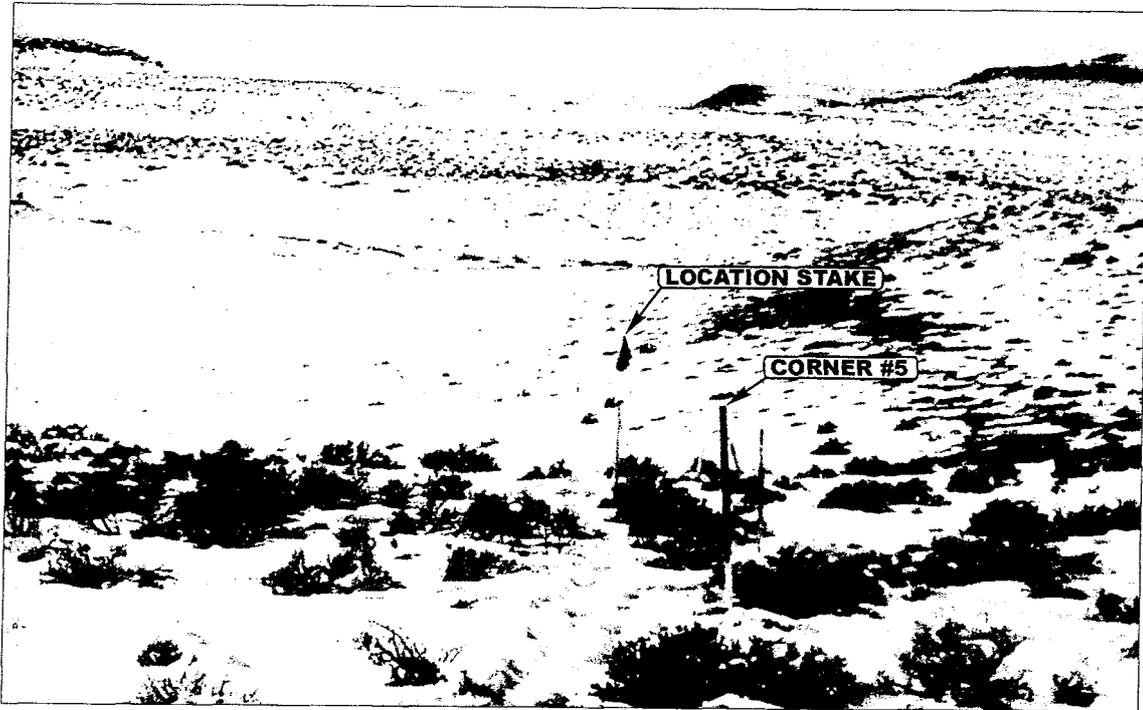


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

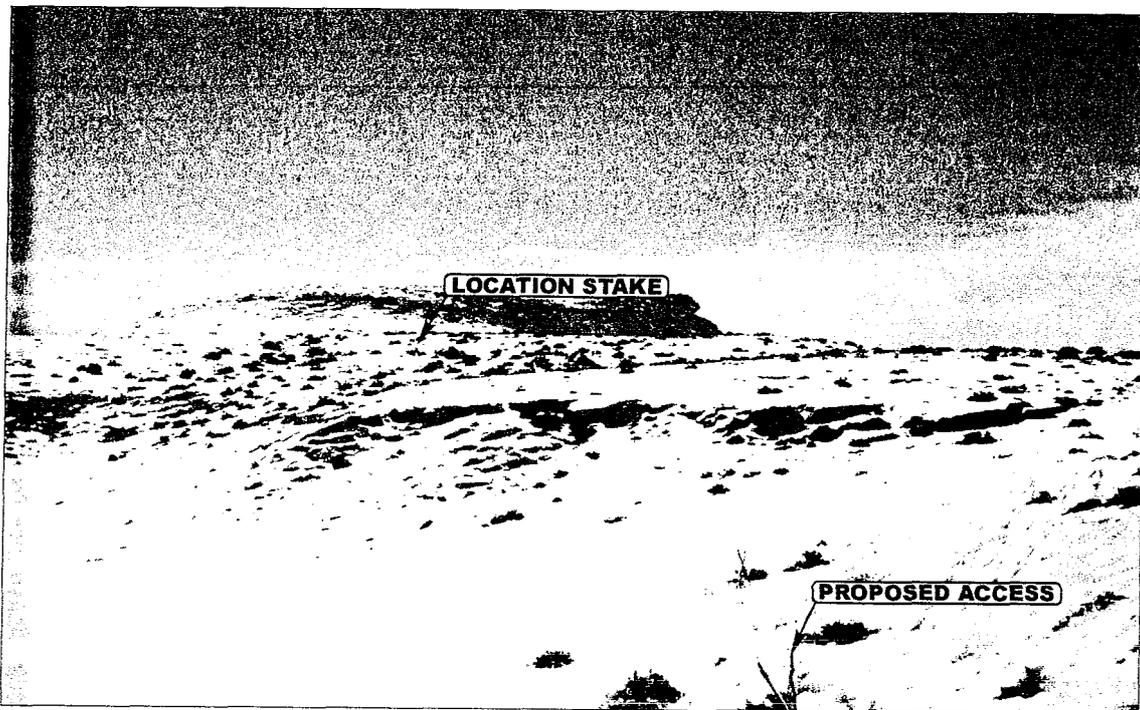


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



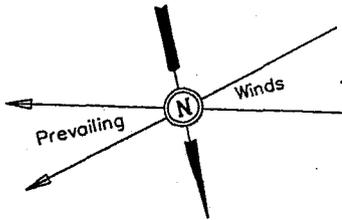
- Since 1964 -

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

LOCATION PHOTOS	02	12	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: K.K.	DRAWN BY: P.M.	REVISED: 00-00-00		

EOG RESOURCES, INC.

LOCATION LAYOUT FOR  
 S. CHAPITA #10-35  
 SECTION 35, T9S, R23E, S.L.B.&M.  
 1814' FSL 1976' FWL



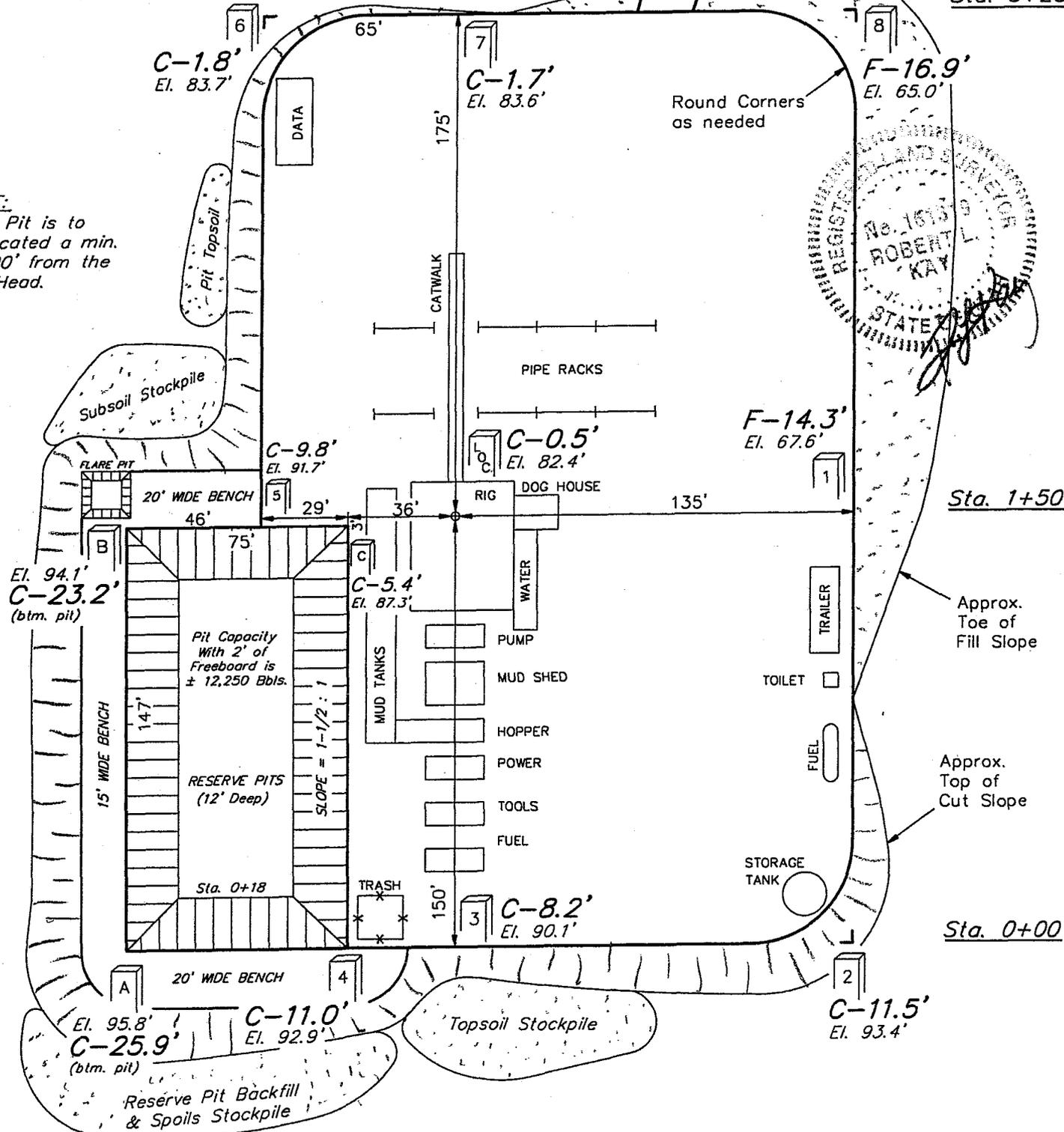
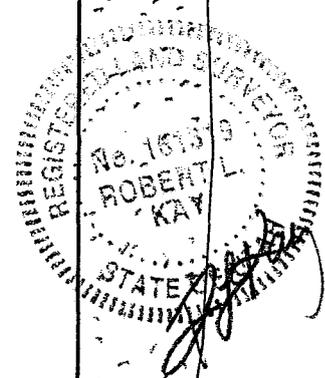
SCALE: 1" = 50'  
 DATE: 02-18-04  
 Drawn By: D.COX

Proposed Access For #11-35

Proposed Access Road

Sta. 3+25

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



Sta. 1+50

Sta. 0+00

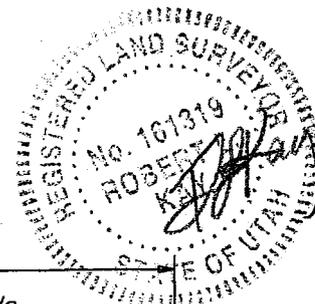
Elev. Ungraded Ground at Location Stake = 8382.4'  
 Elev. Graded Ground at Location Stake = 8381.9'

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

EOG RESOURCES, INC.

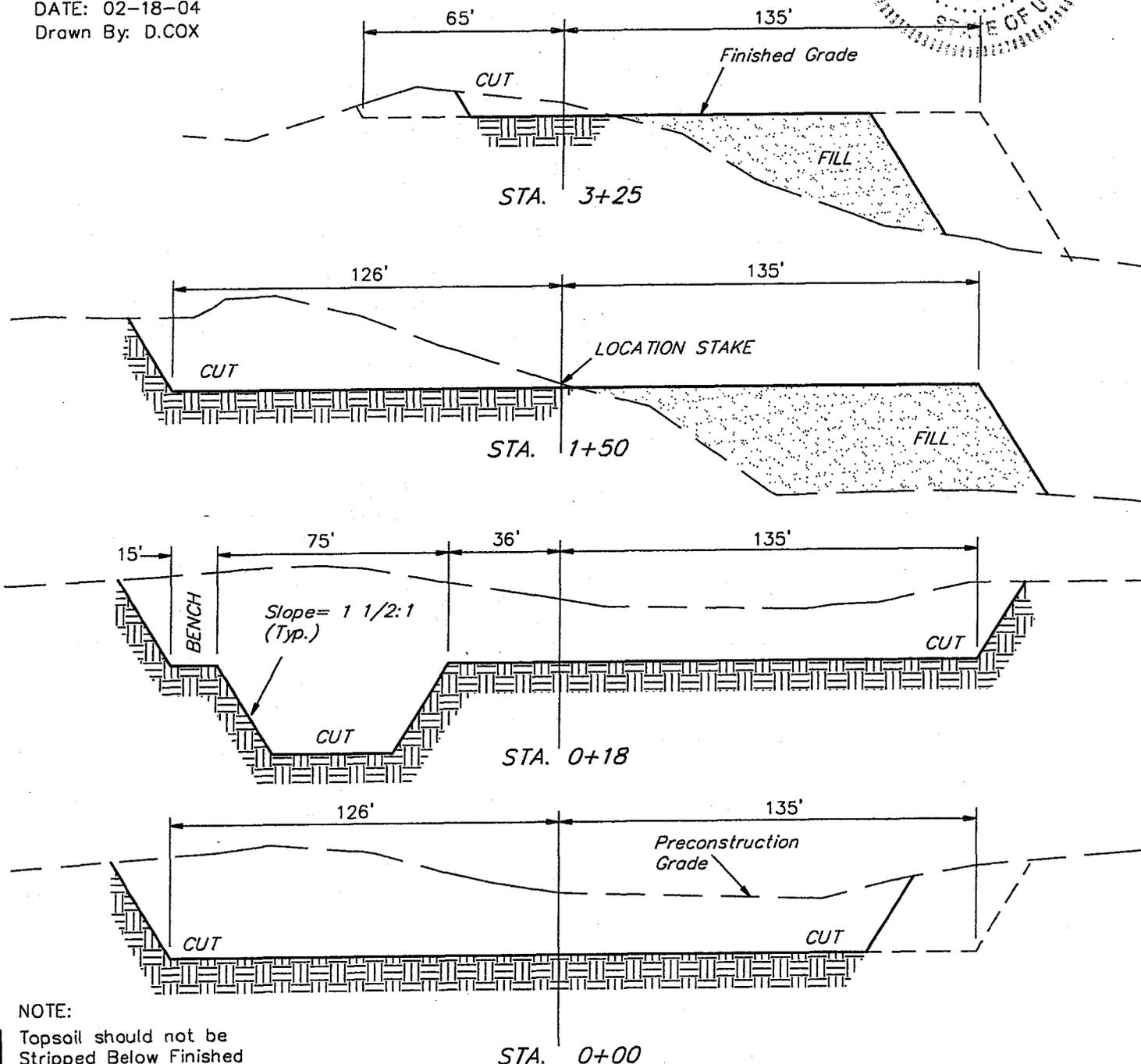
TYPICAL CROSS SECTIONS FOR

S. CHAPITA #10-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
1814' FSL 1976' FWL



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

DATE: 02-18-04  
Drawn By: D.COX



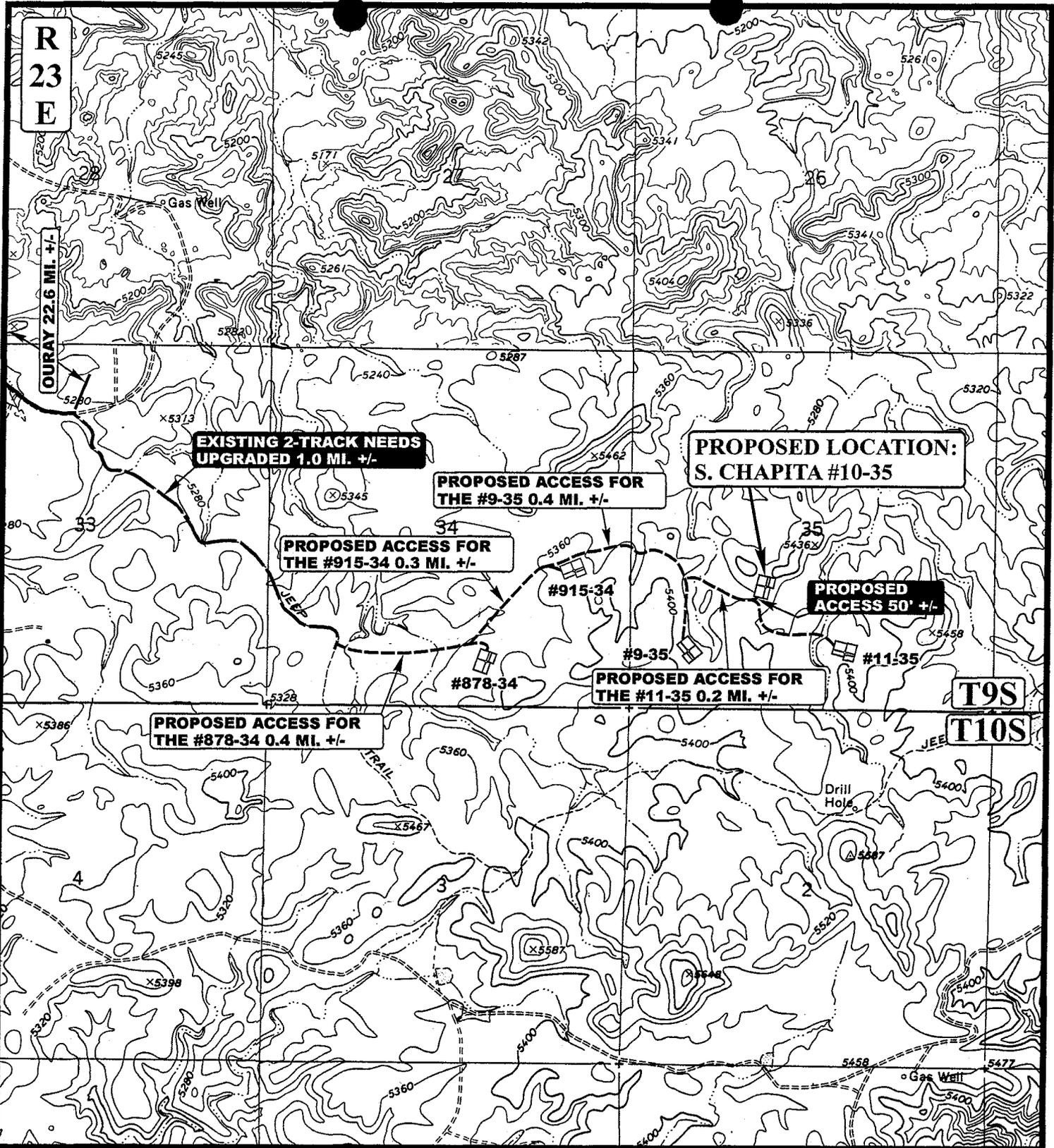
NOTE:  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,430 Cu. Yds.
Remaining Location	=	16,660 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>18,090 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>14,250 CU.YDS.</b>

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





**LEGEND:**

- EXISTING ROAD
- - - - - EXISTING 2-TRACK NEEDS UPGRADED
- - - - - PROPOSED ACCESS ROAD



**EOG RESOURCES, INC.**

S. CHAPITA #10-35  
 SECTION 35, T9S, R23E, S.L.B.&M.  
 1814' FSL 1976' FWL



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

TOPOGRAPHIC MAP 02 12 04  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



R  
23  
E

PROPOSED LOCATION:  
S. CHAPITA #10-35

T9S  
T10S

Drill Hole HAGER #1

**LEGEND:**

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

N



**EOG RESOURCES, INC.**

S. CHAPITA #10-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
1814' FSL 1976' FWL

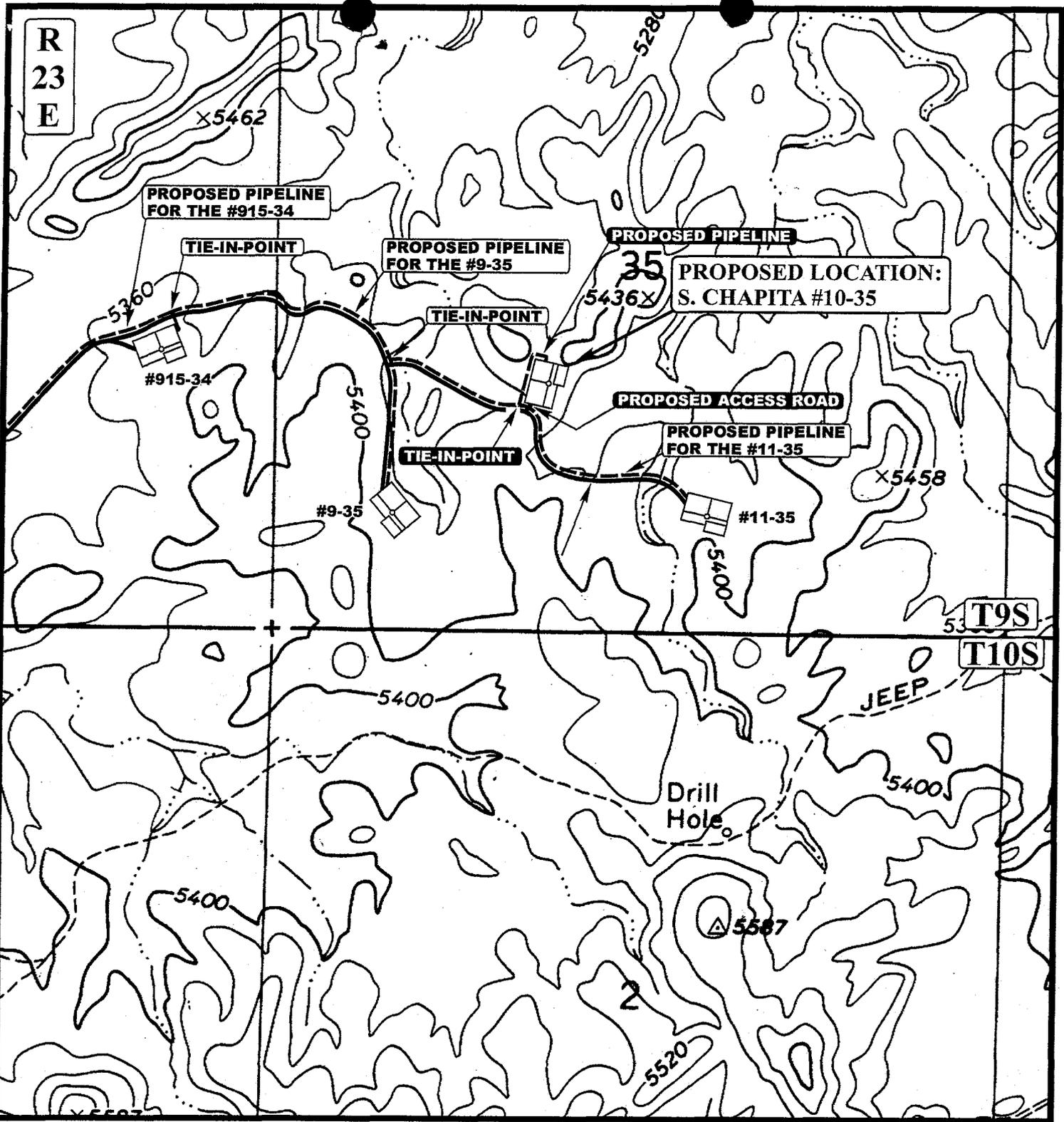


Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC MAP  
02 12 04  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



R  
23  
E



APPROXIMATE TOTAL PIPELINE DISTANCE = 476' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



**EOG RESOURCES, INC.**

S. CHAPITA #10-35  
 SECTION 35, T9S, R23E, S.L.B.&M.  
 1814' FSL 1976' FWL



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

TOPOGRAPHIC MAP  
 02 12 04  
 MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/26/2004

API NO. ASSIGNED: 43-047-35599

WELL NAME: S CHAPITA 10-35  
OPERATOR: EOG RESOURCES INC ( N9550 )  
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NESW 35 090S 230E  
SURFACE: 1814 FSL 1976 FWL  
BOTTOM: 1814 FSL 1976 FWL  
UINTAH  
NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
LEASE NUMBER: U-0344  
SURFACE OWNER: 1 - Federal  
PROPOSED FORMATION: PRRV  
COALBED METHANE WELL? NO

LATITUDE: 39.99012  
LONGITUDE: 109.29575

RECEIVED AND/OR REVIEWED:

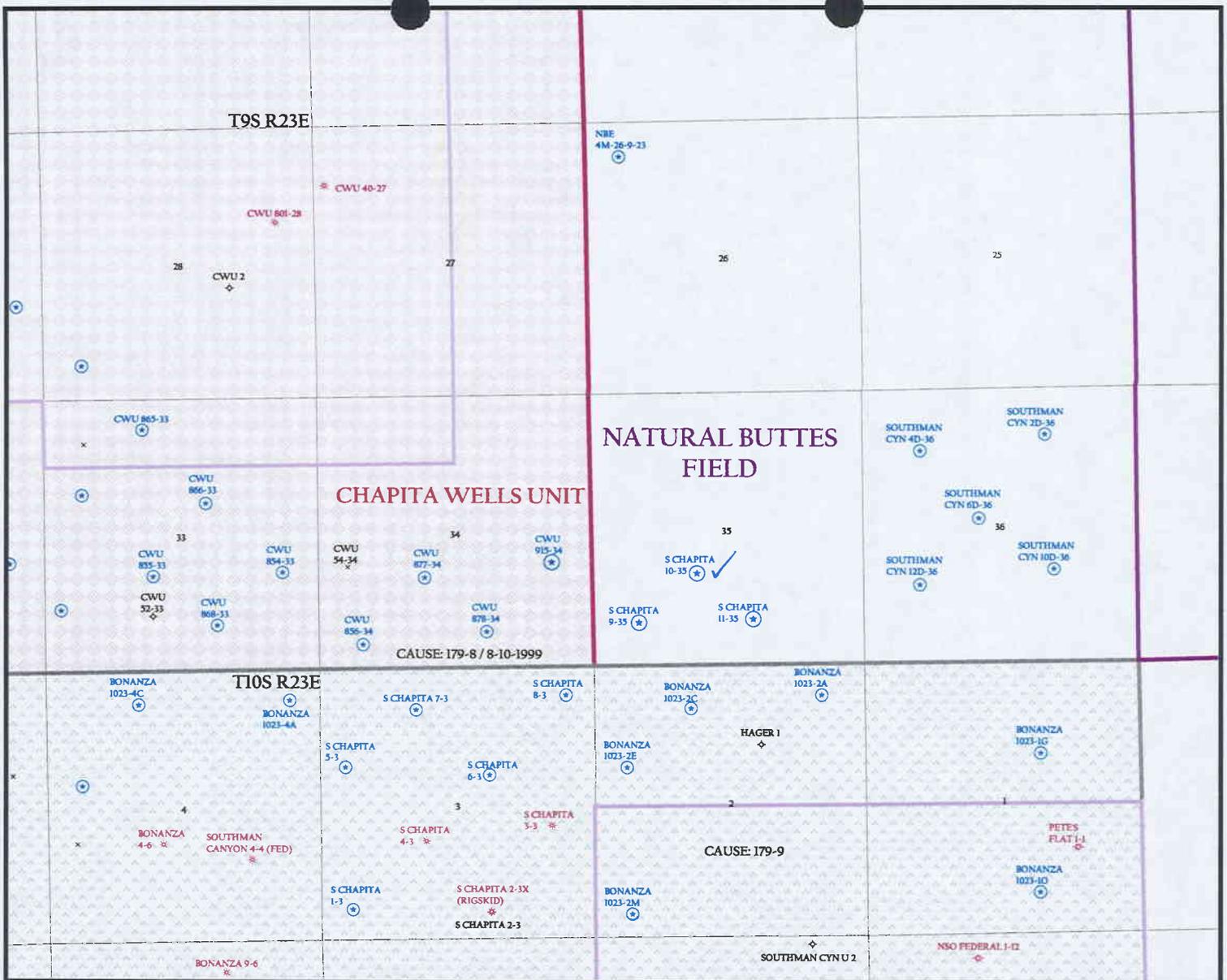
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM 2308 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-1501 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Approval  
2- Spacing Stip  
\_\_\_\_\_  
\_\_\_\_\_



**NATURAL BUTTES FIELD**

**CHAPITA WELLS UNIT**

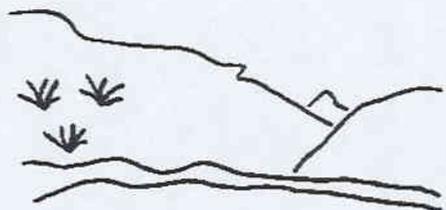
OPERATOR: EOG RESOURCES INC (N9550)

SEC. 35 T.9S, R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

**Well Status**

- ⚡ 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



PREPARED BY: DIANA WHITNEY  
DATE: 26-MARCH-2004



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

March 29, 2004

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

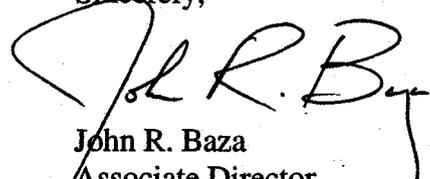
Re: South Chapita 10-35 Well, 1814' FSL, 1976' FWL, NE SW, Sec. 35,  
T. 9 South, R. 23 East, Uintah County, Utah

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 43-047-35599.

Sincerely,

  
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** South Chapita 10-35  
**API Number:** 43-047-35599  
**Lease:** U-0344

**Location:** NE SW                      **Sec.** 35                      **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.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

005

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

April 6, 2004

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

43.047.35599

RE: CORRECTION OF ELEVATION ON  
APPLICATION FOR PERMIT TO DRILL  
SOUTH CHAPITA 10-35  
NE/SW, SEC. 35, T9S, R23E, S.L.B.& M.  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0344  
FEDERAL LANDS

Enclosed please find a copy of the corrected Location Layout for the above-referenced well. The previous version had indicated that the South Chapita 10-35's elevation on the location layout to be 8382.4' Ungraded Ground and 8381.9' Graded Ground. This has been corrected. Please replace this document for the one submitted with the Application for permit to drill submitted March 18, 2004. Thank you.

We apologize for any inconvenience this may have caused.

Sincerely,



Ed Trotter, Agent  
EOG Resources, Inc.  
P.O. Box 1910  
Vernal, UT 84078  
Phone: (435)789-4120  
Fax: (435)789-1420  
E-mail: edtrotter@easilink.com

RECEIVED

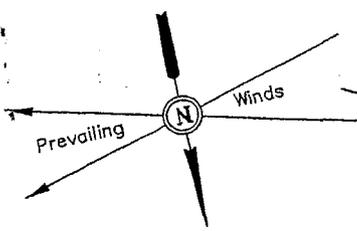
APR 07 2004

DIV. OF OIL, GAS & MINING

# EOG RESOURCES, INC.

## LOCATION LAYOUT FOR

S. CHAPITA #10-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
1814' FSL 1976' FWL



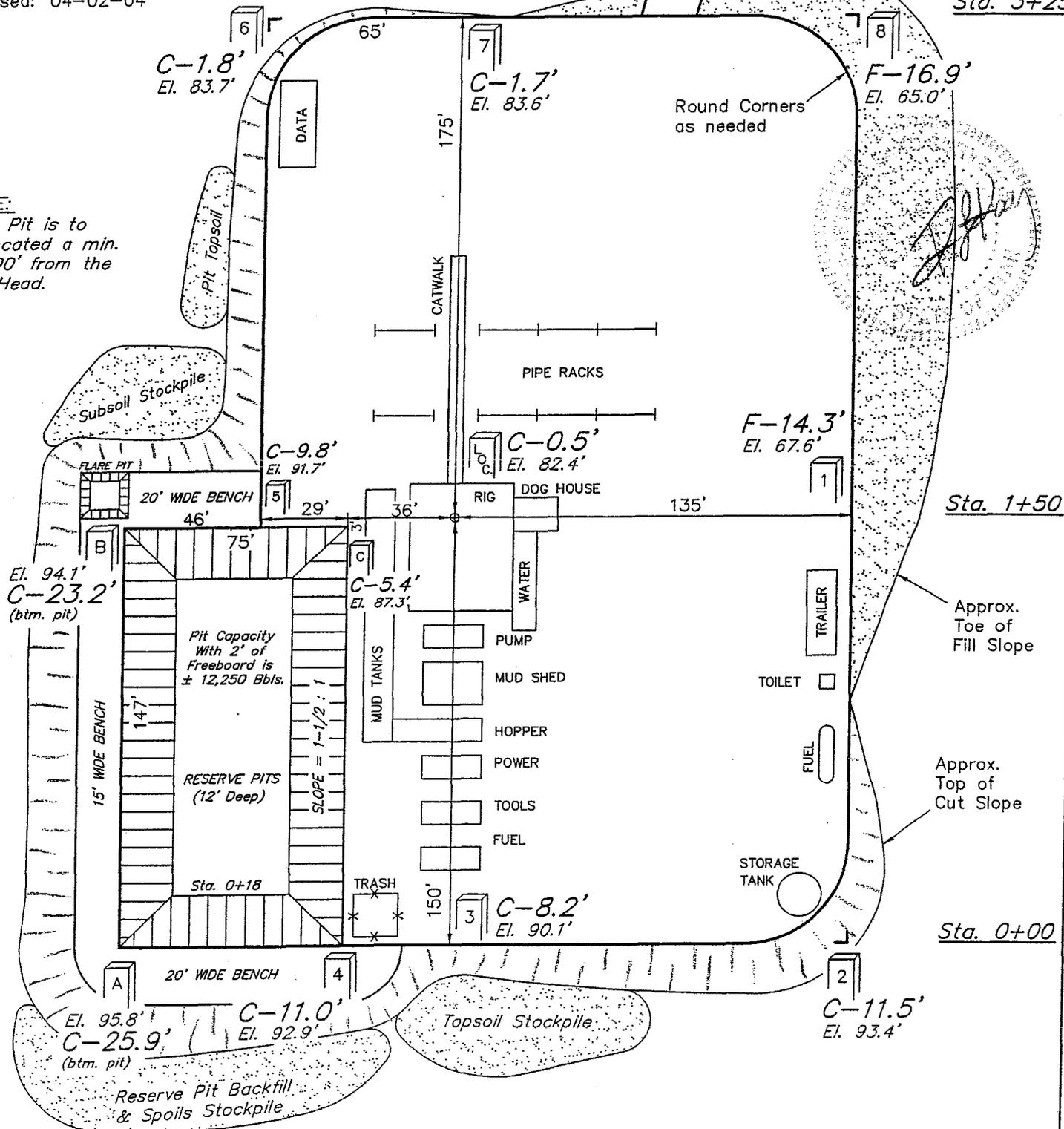
SCALE: 1" = 50'  
DATE: 02-18-04  
Drawn By: D.COX  
Revised: 04-02-04

Proposed Access For #11-35

Proposed Access Road

Sta. 3+25

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



Sta. 1+50

Sta. 0+00

Elev. Ungraded Ground at Location Stake = 5382.4'  
Elev. Graded Ground at Location Stake = 5381.9'

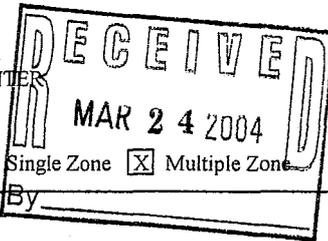
UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

006

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone



2. Name of Operator  
**EOG RESOURCES, INC.**

3a. Address **P.O. BOX 1815  
VERNAL, UT 84078**

3b. Phone No. (Include area code)  
**(435)789-0790**

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

At surface **1814' FSL, 1976' FWL** **NE/SW**  
At proposed prod. Zone

5. Lease Serial No.

**U-0344**

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

**SOUTH CHAPITA 10-35**

9. API Well No.

**43-047-35599**

10. Field and Pool, or Exploratory  
**NATURAL BUTTES**

11. Sec., T., R., M., or Blk. and Survey or Area

**SEC. 35, T9S, R23E,  
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office\*

**24.91 MILES SOUTHEAST OF OURAY, UTAH**

12. County or Parish

**UINTAH**

13. State

**UTAH**

15. Distance from proposed\*  
location to nearest  
property or lease line, ft. **1814'**  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease

**640**

17. Spacing Unit dedicated to this well

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

19. Proposed Depth

**8350'**

20. BLM/BIA Bond No. on file

**NM-2308**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**8381.9 FEET GRADED GROUND**

22. Approximate date work will start\*

**UPON APPROVAL**

23. Estimated duration

**45 DAYS**

24. Attachments

Attachments

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

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

25. Signature Name (Printed/Typed) **Ed Trotter** Date **March 18, 2004**

Title **Agent**

Approved by (Signature) Name (Printed/Typed) **DIV. OF OIL, GAS & MINING** Date **11/19/2004**

Title **Assistant Field 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. **CONDITIONS OF APPROVAL 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)

**NOTICE OF APPROVAL**

**UDOGM**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources, Inc.  
Well Name & Number: South Chapita 10-35  
Lease Number: U-0344  
API Number: 43-047-35599  
Location: NESW Sec. 35 T. 9S R. 23E  
Agreement: N/A

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.

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.

DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

3. Casing Program and Auxiliary Equipment

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

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

**The base of the usable water has been identified as  $\pm 2780'$ . The usable water must be isolated by either setting the intermediate casing at  $\pm 2980'$  or bringing the cement behind the production casing up to at least  $\pm 2580'$ .**

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.

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.

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

6. Notifications of Operations

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

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

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

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

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

operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

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

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

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

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

**THERE ARE NO ADDITIONAL CONDITIONS FOR THE SURFACE USE PROGRAM.**

007

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

U-0344

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

SOUTH CHAPITA 10-35

9. API NUMBER:

4304735599

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

EOG RESOURCES, INC.

3. ADDRESS OF OPERATOR:

P.O. BOX 1910

CITY VERNAL

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 789-4120

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1814' FSL, 1976' FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 35 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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extension Request</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 03-24-05

By: [Signature]

COPY SENT TO OPERATOR

Date: 3-25-05

Initials: [Signature]

NAME (PLEASE PRINT) Ed Trotter

TITLE Agent

SIGNATURE [Signature]

DATE 3/19/2005

(This space for State use only)

RECEIVED

MAR 23 2005

DIV. OF OIL, GAS & MINING

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

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

**API:** 4304735599  
**Well Name:** SOUTH CHAPITA 10-35  
**Location:** 1814' FSL, 1976' FWL, NESW, Sec. 35, T9S, R23E  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 3/29/2004

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

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

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

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

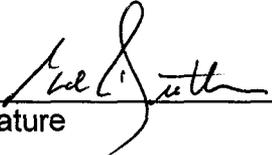
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
\_\_\_\_\_  
Signature

3/19/2005  
\_\_\_\_\_  
Date

Title: Agent  
\_\_\_\_\_

Representing: EOG Resources, Inc.  
\_\_\_\_\_

RECEIVED  
MAR 23 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.

5. Lease Serial No. U-0344 OCT 19 2005
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well [X] Gas Well
2. Name of Operator EOG RESOURCES, INC.
3a. Address P.O. BOX 1910, VERNAL, UT 84078
3b. Phone No. (435)789-4120
4. Location of Well 1814' FSL, 1976' FWL NE/SW SECTION 35, T9S, R23E, S.L.B.&M.
8. Well Name and No. SOUTH CHAPITA 10-35
9. API Well No. 43-047-35599
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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, FINAL ABANDONMENT NOTICE, and various actions like Acidize, Deepen, Production (Start/Resume), etc.

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

EOG Resources, Inc. Is requesting that the APD for the subject well be extended for one year. This APD was originally approved November 19, 2004.

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Ed Trotter Title Agent Signature [Signature] Date October 19, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE. Approved by [Signature] Matt Baker TITLE Petroleum Engineer DATE OCT 21 2005 Office

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 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

OCT 20 2005

DIV. OF OIL, GAS & MINING

UDOGM

# CONDITIONS OF APPROVAL

## EOG Resources Inc.

### Notice of Intent APD Extension

**Lease:** UTU-0344  
**Well:** South Chapita 10-35  
**Location:** NESW Sec 35-T9S-R23E

An extension for the referenced APD is granted with the following conditions:

---

1. The extension and APD shall expire on 11/19/06
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**U-0344**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

**SOUTH CHAPITA 10-35**

2. NAME OF OPERATOR:  
**EOG RESOURCES, INC.**

9. API NUMBER:  
**43-047-35599**

3. ADDRESS OF OPERATOR:  
P.O. BOX 1815 VERNAL UT 84078

PHONE NUMBER:  
**(435) 789-0790**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1814 FSL 1976 FWL 39.99020 LAT 109.29590 LON**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESW 35 9S 23E S.L.B. & M**

STATE: **UTAH**

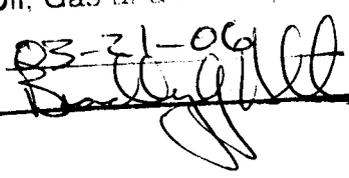
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

**Approved by the**  
Utah Division of  
Oil, Gas and Mining

Date: **03-21-06**  
By: 

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Regulatory Assistant  
SIGNATURE  DATE 3/8/2006

(This space for State use only)

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

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

**API:** 43-047-35599  
**Well Name:** SOUTH CHAPITA 10-35  
**Location:** 1814 FSL 1976 FWL (NE/SW) SECTION 35, T9S, R23E SL.B. & M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 3/29/2004

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

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

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

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

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

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

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

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

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

  
\_\_\_\_\_  
Signature

3/8/2006  
\_\_\_\_\_  
Date

Title: REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

MAR 10 2006

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: S CHAPITA 10-35

Api No: 43-047-35599 Lease Type: FEDERAL

Section 35 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # 1

**SPUDDED:**

Date 06/17/06

Time 10:30 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by JERRY

Telephone # (435) 828-1720

Date 06/19/2006 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG Resources, Inc.  
Address: 600 17th St., Suite 1000N  
city Denver  
state CO zip 80202

Operator Account Number: N 9550

Phone Number: (303) 824-5526

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36884	South Chapita 15-3		NWSE	3	10S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15450	6/15/2006		6/22/06		
Comments: <u>PRRV=MVRD</u> <span style="float: right;"><u>- K</u></span>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37043	Chapita Wells Unit 1063-24		NENW	24	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15451	6/16/2006		6/22/06		
Comments: <u>PRRV=MVRD</u> <span style="float: right;"><u>- K</u></span>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35599	South Chapita 10-35		NESW	35	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15452	6/17/2006		6/22/06		
Comments: <u>PRRV=MVRD</u> <u>outside unit</u> <span style="float: right;"><u>- K</u></span>							

**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)  
Mary A. Maestas  
Signature  
Operations Clerk 6/22/06  
Title Date

**RECEIVED**

**JUN 22 2006**

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.*

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>U-0344</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG Resources, Inc.</b>		7. If Unit or CA/Agreement, Name and/or No.
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-824-5526</b>	8. Well Name and No. <b>South Chapita 10-35</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1814' FSL &amp; 1976' FWL (NESW) Sec. 35-T9S-R23E 39.990203 LAT -109.295894 LON</b>		9. API Well No. <b>43-047-35599</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, UT</b>

**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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>Well Spud</b>

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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 6/17/2006.**

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) <b>Mary A. Maestas</b>		Title <b>Operations Clerk</b>
Signature <i>Mary A. Maestas</i>	Date <b>06/22/2006</b>	

**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.

(Instructions on page 2)

**RECEIVED**

**JUN 25 2006**

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.*

5. Lease Serial No.  
**U-0344**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**South Chapita 10-35**

9. API Well No.  
**43-047-35599**

10. Field and Pool, or Exploratory Area  
**Natural Buttes/Mesaverde**

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  
**600 17th Street, 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)  
**1814' FSL & 1976' FWL (NESW)  
Sec. 35-T9S-R23E 39.990203 LAT -109.295894 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 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.**

- 1. Natural Buttes Unit 21-20B SWD
- 2. Ace Disposal
- 3. RN Industries

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

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

Name (Printed/Typed) **Mary A. Maestas** Title **Operations Clerk**

Signature *Mary A. Maestas* Date **06/22/2006**

**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.

(Instructions on page 2)

**RECEIVED**

**JUN 26 2006**

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-0344</b>
2. Name of Operator <b>EOG RESOURCES, INC.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th St., Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-824-5526</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>NESW 1814 FSL 1976 FWL S.L.B. &amp; M. SECTION 35, T9S, R23E 39.99012 LAT 109.29575 LON</b>		8. Well Name and No. <b>SOUTH CHAPITA 10-35</b>
		9. API Well No. <b>43-047-35599</b>
		10. Field and Pool, or Exploratory Area <b>NATURAL BUTTES</b>
		11. County or Parish, State <b>UINTAH COUNTY, UT</b>

**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 checked="" type="checkbox"/> Other <b>Commingling</b>
	<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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**EOG Resources, Inc. requests authorization for commingling of production from the Wasatch and Mesaverde formations in the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from open hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.**

**Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.**

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

8-9-06  
CHD

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

Name (Printed/Typed) <b>Mary Maestas</b>	Title <b>Operations Clerk</b>
Signature <i>Mary Maestas</i>	Date <b>06/01/2006</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by _____	Title <b>Utah Division of Oil, Gas and Mining</b>	Federal Approval Of This Action Is Necessary
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office Date: <b>6/26/06</b>	

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.

STATE OF COLORADO    )  
                                  )ss  
COUNTY OF DENVER    )

**AFFIDAVIT**

Mary Maestas, of lawful age, being first duly sworn upon oath, deposes and says:  
She is the Operations Clerk of EOG Resources, Inc., of Denver, Colorado. EOG  
Resources, Inc. is the operator of the following described well:

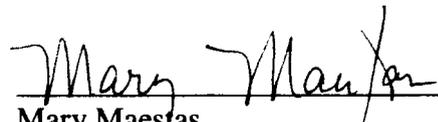
**SOUTH CHAPITA 10-35  
1814 FSL 1976 FWL (NESW)  
SECTION 35, T9S, R23E  
UINTAH COUNTY, UTAH**

EOG Resources, Inc. is the only owner in the well.

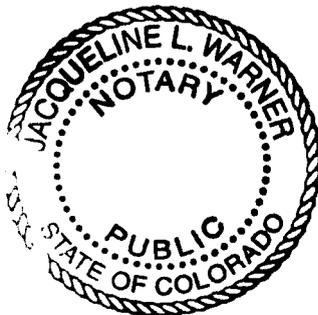
On the 1<sup>st</sup> day of June, 2006 she placed in the United States mail, with postage  
prepaid, a copy of the attached Application for Commingling in one wellbore for the  
subject well.

Said envelope, which contained these instruments, was addressed to the Utah  
Division of Oil, Gas & Mining, and the Bureau of Land Management.

Further affiant sayeth not.

  
\_\_\_\_\_  
Mary Maestas  
Operations Clerk

Subscribed and sworn before me this 1<sup>st</sup> day of June, 2006.



  
\_\_\_\_\_  
Notary Public

My Commission Expires: 2/13/2010

R 23 E

35

SCW 10-35



SCW 11-35



U-0344

T  
9  
S

 SOUTH CHAPITA 10-35

Scale: 1"=1000'



Denver Division

EXHIBIT "A"

SOUTH CHAPITA 10-35

Commingling Application

Uintah County, Utah

Scale:  
1" = 1000'

D:\utah\Commingled\  
page\_SC10-35\_commingled.wg  
WELL

Author

TLM

May 25, 2006 -  
1:17pm

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0344
2. Name of Operator EOG Resources, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202	3b. Phone No. (include area code) 303-824-5526	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1814' FSL & 1976' FWL (NESW) Sec. 35-T9S-R23E 39.990203 LAT -109.295894 LON		8. Well Name and No. South Chapita 10-35
		9. API Well No. 43-047-35599
		10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde
		11. County or Parish, 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 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 <b>Operations summary</b>
	<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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 referenced well is in the process of being completed. EOG Resources, Inc. anticipates turning the wells to sales on or about 3/2/2007. Please see the attached operations summary report for drilling activities performed on the subject well.

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

Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date

02/02/2007

**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)

**FEB 05 2007**

DIV. OF OIL, GAS & MIN.

# WELL CHRONOLOGY REPORT

Report Generated On: 02-02-2007

<b>Well Name</b>	SCW 10-35	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA WELLS DEEP	<b>API #</b>	43-047-35599	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	06-30-2006	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	8.350/ 8.350	<b>Property #</b>	054580
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/0
<b>KB / GL Elev</b>	5,401/ 5,382				
<b>Location</b>	Section 35, T9S, R23E, NESW, 1814 FSL & 1976 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	100.0	<b>NRI %</b>	80.0

<b>AFE No</b>	302715	<b>AFE Total</b>	1,109,000	<b>DHC / CWC</b>	527,700/ 581,300						
<b>Rig Contr</b>	PIONEER	<b>Rig Name</b>	PIONEER #59	<b>Start Date</b>	04-01-2004	<b>Release Date</b>	07-09-2006				
<b>04-01-2004</b>	<b>Reported By</b>										
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0						
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: LOCATION DATA**

Start	End	Hrs	Activity Description
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06:00	06:00	24.0	LOCATION DATA 1814' FSL & 1976' FWL (NE/SW) SECTION 35, T9S, R23E UINTAH COUNTY, UTAH
-------	-------	------	--

RIG: PIONEER #59  
OBJECTIVE: 8350' TD, MESAVERDE  
DW/GAS  
CHAPITA WELLS DEEP PROSPECT  
DD&A: CHAPITA DEEP  
CHAITA WELLS DEEP FIELD

LEASE: U-0344  
ELEVATION: 5382' NAT GL, 5382' PREP GL, 5401' KB, (19')

EOG WI 100%, NRI 80%

<b>06-10-2006</b>	<b>Reported By</b>					RICHARD STRONG/JOHN FOREMAN					
<b>Daily Costs: Drilling</b>	\$72,624	<b>Completion</b>	\$0	<b>Daily Total</b>	\$72,624						
<b>Cum Costs: Drilling</b>	\$72,624	<b>Completion</b>	\$0	<b>Well Total</b>	\$72,624						
<b>MD</b>	2,000	<b>TVD</b>	2,000	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILDING LOCATION / WO BUCKET RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	GROUND LEVEL ELEVATION 5382' CUT @ STAKE 0.5'

MI CRAIG'S ROUSTABOUT. CONSTRUCTION EQUIPMENT, BUILD ACCESS ROAD AND LOCATION, LINED RESERVE PIT.

WO AIR RIG

06-19-2006 Reported By JERRY BARNES

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0						
Cum Costs: Drilling	\$72,624	Completion	\$0	Well Total	\$72,624						
MD	40	TVD	40	Progress	0	Days	0	MW	0.0	Visc	0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKY MOUNTAIN DRILLING SPUD WELL @ 10:30 PM , 6/17/2006. DRILLED 20" HOLE TO 40".

JERRY BARNES NOTIFIED MICHAEL LEE W/BLM & CAROL DANIELS W/UDOGM OF THE SPUD 6/17/2006 @ 10:00 PM.

06-27-2006 Reported By JERRY BARNES

Daily Costs: Drilling	\$186,248	Completion	\$0	Daily Total	\$186,248						
Cum Costs: Drilling	\$258,872	Completion	\$0	Well Total	\$258,872						
MD	2,019	TVD	2,019	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 JRS AIR RIG # 5, DRILLED 12-1/4" HOLE TO 2000' GL. ENCOUNTERED WATER AT 1540'. RAN 44 JTS (1961.8') OF 9-5/8", 36.0#/FT. J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 1983' KB. RDMO BILL JRS AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/149 BBLs FRESH WATER. BUMPED PLUG W/500# @ 2:15 PM, 6/21/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 100 # GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #2: MIXED & PUMPED 125 SX (25 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 100 # GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #3: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 50 # GR-3. NO RETURNS. WOC 2 HRS.

TOP JOB #4: MIXED & PUMPED 200 SX (40 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & ¼ #/SX FLOCELE. NO RETURNS. WOC 2 HRS.

TOP JOB #5: MIXED & PUMPED 150 SX ( 30 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & #/SX FLOCELE. NO RETURNS. WOC 24 HOURS.

TOP JOB #5: MIXED & PUMPED 110 SX (23 BBLS) OF PREMIUM CEMENT W/2% CaCL2 & #/SX FLOCELE. HOLE FILLED AND STOOD FULL, 1 BBL TO PIT. RD BIG 4 CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

JERRY BARNES NOTIFIED JAMIE SPARGER W/VBLM OF THE SURFACE CASING & CEMENT JOB ON 6/20/2006 @ 3:30 PM.

<b>06-28-2006</b>	<b>Reported By</b>	<b>RICHARD STRONG/JOHN FOREMAN</b>									
<b>Daily Costs: Drilling</b>	\$22,102	<b>Completion</b>	\$0	<b>Daily Total</b>	\$22,102						
<b>Cum Costs: Drilling</b>	\$280,974	<b>Completion</b>	\$0	<b>Well Total</b>	\$280,974						
<b>MD</b>	2,000	<b>TVD</b>	2,000	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: RIG DOWN

Start	End	Hrs	Activity Description
12:00	18:00	6.0	RIG DOWN FOR MOVE. WORKED 1 DAY CREW & 1 NIGHT CREW WILL WORK TO GET READY FOR TRUCKS. TRUCKS SCHEDULED FOR WED MORNING 6/28/06 FOR 1.1 MILE MOVE TO SCW 10-35.

PIONEER PERFORMED CONTRABAND SEARCH ON CREW LOCKERS & QUARTERS. DERRICK HAND KENNY OLSON FROM DAYS WALKED OFF AFTER PIONEER SUPT FOUND BOTTLE OF URINE IN HIS LOCKER. NO OTHER ILLEGAL SUBSTANCES WERE FOUND DURING SEARCH.

SAFETY MEETING: RIGGING DOWN

18:00	06:00	12.0	RD RIG & COMPONENTS PREP TO MOVE. SUB & DERRICK BOTH SCOPED & LAID DOWN. RIG READY FOR TRUCKS TO START MOVE.
-------	-------	------	--

CREWS FULL

NO ACCIDENTS

SAFETY MEETING: ND BOPS/CEMENTING/RD RIG

TRUCKS SCHEDULED FOR WED MORNING 6/28/06 FOR 1.1 MILE MOVETO SCW 10-35

TEMP 58 DEG

MATERIALS TO BE TRANSFERRED TO SCW 10-35:

11 JOINTS CASING (478.16') 4.5", 11.6#, P-110 LT&C

1 MARKER JT 4.5", 11.6#, P-110, LT&C (20.20')

8 JTS 4.5", N-80, LT&C CASING (324.27')

1 MARKER JT 4.5", 11.6#, N-80, LT&C (21.92')

3088 GAL DIESEL @ \$2.713/GAL (\$8377)

<b>06-29-2006</b>	<b>Reported By</b>	<b>JOHN FOREMAN</b>									
<b>Daily Costs: Drilling</b>	\$3,209	<b>Completion</b>	\$0	<b>Daily Total</b>	\$3,209						

**Cum Costs: Drilling** \$284,183 **Completion** \$0 **Well Total** \$284,183  
**MD** 2,000 **TVD** 2,000 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** MOVE IN AND RIG UP

Start	End	Hrs	Activity Description
06:00	18:00	12.0	MOVE IN AND SPOT RIG / 100% ON LOCATION,
18:00	06:00	12.0	RIG REPAIRS / RASING DERICK @ -.600

NO ACCIDENTS

SAFETY TOPICS FORK LIFT SAFETY & RIG MOVE

**06-30-2006** **Reported By** JOHN FOREMAN

**Daily Costs: Drilling** \$31,261 **Completion** \$0 **Daily Total** \$31,261  
**Cum Costs: Drilling** \$315,444 **Completion** \$0 **Well Total** \$315,444  
**MD** 2,000 **TVD** 2,000 **Progress** 0 **Days** 0 **MW** 8.4 **Visc** 28.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** PICK UP DRILL PIPE

Start	End	Hrs	Activity Description
06:00	14:30	8.5	RIG UP PIONEER RIG # 59.
14:30	15:30	1.0	SERVICE RIG.
RIG EXCEPTED ON DAYWORK CONTRACT 6/29/06 @ 15:30HRS.			
15:30	19:30	4.0	NIPPLE UP BOP.
19:30	00:30	5.0	RIG UP BC QUICK TEST AND TEST BOPS, BOPE. TEST KELLY VALVES, FLOOR VALVES, PIPE RAMS, BLIND RAMS, MANIFOLD VALVES, KILL LINE, CHOKE LINE, HCR, SUPER CHOKE, TO 250 PSI LOW FOR 5 MIN, 5000 PSI HIGH FOR 10 MIN. TESTED ANNULAR TO 250 PSI LOW FOR 5 MIN, 2500 PSI HIGH FOR 10 MIN. TEST 9 5/8" CASING TO 1500 PSI HELD TEST 30 MIN. GOOD TEST. RIG DOWN TESTER.
00:30	03:00	2.5	LOAD PIPE RACKS , STRAP AND CALIPER BHA AND DRILL PIPE.
03:00	04:30	1.5	PICK UP BHA.
04:30	06:00	1.5	TIGHTEN FLOWLINE AND ROTATING HEAD.

NOTIFIED ALAN WALKER WITH VERNAL BLM 6/28/06 @ 21:45 HRS. FOLLOW UP 6/29/06 @ 08:00 HRS OF BOP TEST. VOICE MAIL ONLY.

NOTIFIED CAROL DANIELS WITH UTAH DRR OF RIG MOVE AND SPUD 6/28/06 @ 10:30 HRS.

NO ACCIDENTS

DSLTA 189

SAFETY MEETING: BOP TESTING/NIPPLING UP BOPS

06:00 18.0

**07-01-2006** **Reported By** JOHN FOREMAN

**Daily Costs: Drilling** \$47,665 **Completion** \$0 **Daily Total** \$47,665  
**Cum Costs: Drilling** \$363,109 **Completion** \$0 **Well Total** \$363,109  
**MD** 3,070 **TVD** 3,070 **Progress** 1,077 **Days** 1 **MW** 8.4 **Visc** 8.0  
**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	PICK UP DRILL PIPE.
09:30	10:00	0.5	INSTALL ROTATING HEAD RUBBER.
10:00	10:30	0.5	CONTINUE PICKING UP DRILL PIPE. TAGGED CMT @ 1900'.
10:30	12:00	1.5	SERVICE RIG. SLIP AND CUT 40' DRILL LINE.
12:00	14:00	2.0	DRILL CEMENT/FLOAT EQUIP 1900' TO 1983' + 10' NEW HOLE TO 1993'.
14:00	14:30	0.5	FIT TO 560 PSI = 13.8 EQMW.
14:30	21:30	7.0	DRILL 1993' TO 2486', 853' @ 121 FPH. WOB 18/20, RPM 40/50, MM 58, 385 GPM.
21:30	22:00	0.5	WLS @ 2411, 1°.
22:00	06:00	8.0	DRILL 2486' TO 3070', 584' @ 73 FPH. DRILLING PARAMETERS SAME.

NO ACCIDENTS

DSLTA 190

SAFETY MEETING: WIRE LINE MACHINE OPERATION/SPUDDING A NEW WELL

BOP DRILL 60 SEC NIGHT CREW

06:00 18.0 SPUD WELL 6/30/06 @ 14:30 HRS.  
24.0

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<b>07-02-2006</b>	<b>Reported By</b>	JOHN FOREMAN									
<b>Daily Costs: Drilling</b>	\$31,716	<b>Completion</b>	\$0	<b>Daily Total</b>	\$31,716						
<b>Cum Costs: Drilling</b>	\$394,825	<b>Completion</b>	\$0	<b>Well Total</b>	\$394,825						
<b>MD</b>	4,211	<b>TVD</b>	4,211	<b>Progress</b>	1,141	<b>Days</b>	2	<b>MW</b>	8.7	<b>Visc</b>	29.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 3070' TO 3534', 464' @ 61.8 FPH. WOB 18/20, RPM 40/50, MM 58 RPM, 385 GPM.
13:30	14:00	0.5	WLS @ 3424', 2.25°.
14:00	14:30	0.5	RIG SERVICE.
14:30	06:00	15.5	DRILL 3534' TO 4211', 677' @ 43 FPH. WOB 18/20, RPM 50, 385 GPM, MUD WT 9.2, VIS 31.

NO ACCIDENTS

DSLTA 190

SAFETY MEETING: FORKLIFT SAFETY/SERVICING THE RIG

BOP DRILL DAY CREW 57 SEC

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<b>07-03-2006</b>	<b>Reported By</b>	JOHN FOREMAN									
<b>Daily Costs: Drilling</b>	\$30,750	<b>Completion</b>	\$0	<b>Daily Total</b>	\$30,750						
<b>Cum Costs: Drilling</b>	\$425,575	<b>Completion</b>	\$0	<b>Well Total</b>	\$425,575						
<b>MD</b>	4,852	<b>TVD</b>	4,852	<b>Progress</b>	641	<b>Days</b>	3	<b>MW</b>	9.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: BIT TRIP

Start	End	Hrs	Activity Description
06:00	16:00	10.0	DRILL 4211' TO 4481', 270' @ 27 FPH. WOB 10/20, RPM 40/60, 385 GPM.
16:00	16:30	0.5	RIG SERVICE.
16:30	17:30	1.0	DRILL 4481' TO 4513', 32' @ 32 FPH. DRILLING PARAMETERS SAME.

17:30 18:00 0.5 WLS @ 4438, 2.75'.  
 18:00 03:30 9.5 DRILL 4513' TO 4852', 339' @ 36 FPH, WOB 18/20, RPM 40/60, 385 GPM, MUD WT 9.2, VIS 33.  
 03:30 04:30 1.0 CIRCULATE. BUILD AND PUMP PILL. DROP TOTCO.  
 04:30 06:00 1.5 TRIP FOR BIT.

NO ACCIDENTS  
 DSLTA 191  
 SAFETY MEETING: ELECTRICAL SAFETY/THIRD PARTY HANDS

07-04-2006 Reported By JOHN FOREMAN

Daily Costs: Drilling \$84,497 Completion \$311 Daily Total \$84,808  
 Cum Costs: Drilling \$510,073 Completion \$311 Well Total \$510,384  
 MD 5,602 TVD 5,602 Progress 750 Days 4 MW 9.6 Visc 37.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	TRIP OUT HOLE.
08:00	09:30	1.5	LAY DOWN BIT REAMERS, MUD MOTOR AND PICK UP NEW BIT.
09:30	13:00	3.5	TRIP IN HOLE FILLING PIPE @ 2500 FT.
13:00	13:30	0.5	REPAIR HYDRALIC LINE ON CAT HEAD.
13:30	14:00	0.5	SERVICE RIG.
14:00	15:00	1.0	TRIP IN HOLE TO 4792'.
15:00	15:30	0.5	WASH AND REAM 4792' TO 4852' NO FILL.
15:30	06:00	14.5	DRILL 4852' TO 5602', 750' @ 52 FPH, WOB, RPM 59, 285 GPM. MUD WT 9.7, VIS 36.

NO ACCIDENTS  
 DSLTA 192  
 BOP DRILL DAYS 50 SEC  
 SAFETY MEETING: PULLING SLIPS/TRIPPING PIPE

07-05-2006 Reported By JOHN FOREMAN

Daily Costs: Drilling \$36,100 Completion \$311 Daily Total \$36,411  
 Cum Costs: Drilling \$546,174 Completion \$622 Well Total \$546,796  
 MD 6,420 TVD 6,420 Progress 818 Days 5 MW 10.0 Visc 37.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	16:00	10.0	DRILL 5602' TO 6054', 452' @ 45.2 FPH, WOB 14/18, RPM 40/60, 385 GPM.
16:00	16:30	0.5	SERVICE RIG.
16:30	06:00	13.5	DRILL 6054' TO 6420', 366' @ 27 FPH, WOB 18/22, RPM 40/65, 285 GPM.

NO ACCIDENTS  
 DSLTA 193  
 SAFETY MEETING: SERVICING RIG/MIXING CHEMICALS  
 BOP DRILL NIGHT CREW 55 SEC, FUNCTION BOP

07-06-2006      Reported By      KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$41,435	<b>Completion</b>	\$7,346	<b>Daily Total</b>	\$48,781
<b>Cum Costs: Drilling</b>	\$587,610	<b>Completion</b>	\$7,968	<b>Well Total</b>	\$595,578

<b>MD</b>	7,256	<b>TVD</b>	7,256	<b>Progress</b>	836	<b>Days</b>	6	<b>MW</b>	10.4	<b>Visc</b>	37.0
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<b>Formation :</b>	<b>PBTD : 0.0</b>	<b>Perf :</b>	<b>PKR Depth : 0.0</b>
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILLING 7.875" HOLE FROM 6420' TO 6564', 144' @ 22.2 FPH, 20/23 WOB, 40/50 RPM ROTARY, 62 RPM MOTOR, 130 SPM #1 PUMP, 1600/1750 PIS PUMP PRESS. MUD WEIGHT 10.3 PPG.
12:30	13:00	0.5	RIG SERVICE. CHECK CROWN-O-MATIC.
13:00	06:00	17.0	DRILLING 7.875" HOLE FROM 6564' TO 7256', 692' @ 41 FPH, 16/22 WOB, 40/50 RPM ROTARY, 60/64 RPM MOTOR, 132 SPM, PUMP PRESS, 1400/1600, MUD WEIGHT 10.4+.

FUEL ON HAND 6500 GALS, RECEIVED 4500 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETINGS: BOP USAGE/MAINTENANCE/TRIPPING PIPE

BG GAS 1200U, CONN GAS 2000U, HIGH GAS 7203U @ 6815U

TOP OF Kmv PRICE RIVER 6127', TOP OF Kmv PRICE RIVER MIDDLE 7093'

LITHOLOGY SANDSTONE 45%, SHALE 35%, SILTSTONE 20%

SHOWS: 6619'-6668'; 6807'-6819'; 6872'-6884'; 6941'-6961'; 6993'-7071'; 7083'-7109'

07-07-2006      Reported By      KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$29,549	<b>Completion</b>	\$709	<b>Daily Total</b>	\$30,258
<b>Cum Costs: Drilling</b>	\$617,159	<b>Completion</b>	\$8,677	<b>Well Total</b>	\$625,836

<b>MD</b>	8,307	<b>TVD</b>	8,307	<b>Progress</b>	1,051	<b>Days</b>	7	<b>MW</b>	10.8	<b>Visc</b>	37.0
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<b>Formation :</b>	<b>PBTD : 0.0</b>	<b>Perf :</b>	<b>PKR Depth : 0.0</b>
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DRILLING 7.875" HOLE FROM 7256' TO 7484', 228' @ 51 FPH, 18/24 WOB, 60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #1 PUMP, PUMP PRESS. 1600 PSI, MUD WEIGHT 10.5 PPG.
10:30	11:00	0.5	LUBRICATE RIG. CHECK BRAKE LINKAGE. CHECK CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS.
11:00	13:00	2.0	DRILLING 7.875" HOLE FROM 7484' TO 7575', 91' @ 46 FPH, 23 WOB, 60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #1 PUMP, PUMP PRESS 1650 PSI. MUD WEIGHT 10.5 PPG.
13:00	13:30	0.5	CHANGE OUT ROTATING HEAD RUBBER. NO SEAL IF REQUIRED TO CIRCULATE THROUGH GAS BUSTER.
13:30	06:00	16.5	DRILLING 7.875" HOLE FROM 7575' TO 8307', 732' @ 45 FPH, 18/25 WOB, 50/60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #2 PUMP, PUMP PRESS 1800/1900 PSI, MUD WEIGHT 10.8+ PPG.

FUEL ON HAND 5450 GALS, USED 1050 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETINGS: HANDLING TUBULAR EQUIPMENT/PUMP REPAIR/INSPECTION AND MAINTENANCE

BG GAS 5000U, CONN GAS 6200U, HIGH GAS 7567U @ 7922'

TOP OF Kmv PRICE RIVER MIDDLE 7093', TOP OF Kmv PRICE RIVER LOWER 7738'

LITHOLOGY SANDSTONE 45%, SHALE 25%, SILTSTONE 20%, CARB SHALE 10%

SHOWS: 7122'-7140'; 7186'-7209'; 7219'-7241'; 7251'-7287'; 7304'-7343'; 7366'-7420'; 7430'-7465'; 7516'-7570'

07-08-2006 Reported By KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$40,020	<b>Completion</b>	\$0	<b>Daily Total</b>	\$40,020
<b>Cum Costs: Drilling</b>	\$657,179	<b>Completion</b>	\$8,677	<b>Well Total</b>	\$665,856
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	43
		<b>Days</b>	8	<b>MW</b>	11.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: RUNNING 4.5" PRODUCTION CASING

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILLING 7.875" HOLE 8307' TO 8350', (43' @ 14 FPH)), 19/27 WOB, 35/60 RPM ROTARY, 55/60 RPM MOTOR, 120/130 SPM, 1600/1700 PSI PUMP PRESS. MUD WEIGHT 10.9 PPG. TOTAL DEPTH @ 09:00 ON JULY 7, 2006
09:00	10:30	1.5	CIRCULATE FOR SAMPLE AND BALANCE MUD WEIGHT 10.9+/11.0 PPG. LITTLE TO NO FLARE.
10:30	13:30	3.0	MAKE 25 STAND WIPER TRIP TO 6750' = SLIGHT OVER PULL AT 7200', DID NOT SEE ON WAY BACK TO BOTTOM.
13:30	15:30	2.0	CIRCULATE BOTTOMS UP, SMALL FLARE OF BOTTOMS UP GAS.
15:30	16:00	0.5	DROP SURVEY AND PUMP SLUG.
16:00	20:00	4.0	PULL OUT OF HOLE LAYING DOWN DRILL PIPE.
20:00	20:30	0.5	BUILD VOLUME IN PITS, LOST MUD TO RESERVE PIT WHILE LAYING DOWN DRILL PIPE.
20:30	21:00	0.5	REPAIRING LAY DOWN UNIT, THROTTLE PROBLEM ON ENGINE.
21:00	23:00	2.0	CONTINUE LAYING DOWN DRILL PIPE.
23:00	00:30	1.5	LAY DOWN BAILS AND ELEVATORS, PICK UP AND BREAK KELLY FOR RIG MOVE, SET BACK KELLY, PICK UP BAILS AND ELEVATORS.
00:30	01:30	1.0	CONTINUE LAYING DOWN BHA.
01:30	02:00	0.5	RECOVER SURVEY 3 DEGREES, CLEAN CLAY BUILD UP AROUND MOTOR AND DRAIN MOTOR.
02:00	04:30	2.5	RIG UP TO RUN CASING AND HOLE PRE-JOB SAFETY MEETING WITH ALL CREWS COVERING JSA FOR RUNNING CASING.
04:30	06:00	1.5	RUNNING 4.5" X 11.6# X N-80 X LT&C CASING, FLOAT SHOE AND FLOAT COLLAR, CENTRALIZERS. FIXED BROKEN WIRE ROPE ON LAYDOWN BUCKET. REPOSITION V-DOOR RAMP WHERE LAY DOWN UNIT PUSHED IT OUT OF GUIDES, FILL PIPE.

FUEL ON HAND 4600 GALLONS - USED 850 GALLONS

ONE FIRST AID INCIDENT WITH PIONEER RIG CREWS REPORTED, REPORTS SENT OUT TO THE APPROPRIATE MANAGERS.

SAFETY MEETINGS HELD: HAZARDS AND ASSOCIATED RISKS LAYING DOWN DRILL PIPE AND TUBULARS, #1 JSA AND HAZARDS ASSOCIATED WITH RUNNING CASING. ALL ON LOCATION ATTENDING THESE MEETINGS.

BG GAS 5000u - CONN GAS 5800u - TRIP GAS 8350u  
TOP OF Kmv PRICE RIVER LOWER 7738' - TOP OF SEGO 8259'  
SANDSTONE 45% - SILTSTONE 30% - SHALE 25%

06:00 18.0

07-09-2006 Reported By KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$17,352	<b>Completion</b>	\$129,486	<b>Daily Total</b>	\$146,838
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$138,163	<b>Well Total</b>	\$812,694

MD 8.350 TVD 8.350 Progress 0 Days 9 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	CONTINUE TO RUN 4.5" CASING. CONTACTED ALLEN WALKER WITH BLM VERNAL ON 7/08/06 @ 10:00 ON PHONE 435-724-0304 AND LEFT MESSAGE OF CASING AND CEMENT PUMPING PROJECT PENDING FOR SATURDAY AFTERNOON.
06:30	07:30	1.0	REPLACE CASING TONGS DUE TO FAULTY OPERATION, WOULD NOT RELEASE FROM PIPE AFTER TORQUING JOINT.
07:30	08:30	1.0	CONTINUE TO RUN 4.5" CASING TO 3400'.
08:30	09:00	0.5	FILL PIPE AND CIRCULATE. GOOD RETURNS WHILE PUMPING.
09:00	09:30	0.5	REPLACE FAULTY CASING TONGS WITH SET SENT FROM CALIBER IN VERNAL.
09:30	16:00	6.5	RUN CASING. RUN 4-1/2", 11.6#, N80, LTC CSG AS FOLLOWS: FLOAT SHOE, SHOE JOINT, FLOAT COLLAR, 56 JTS CSG, MARKER JT, 15 JTS CSG, MARKER JT, 137 JTS N-80 CSG, 1 JT P-110 CSG, PUP JT, CSG HANGER. BTM SHOE @ 8341', FLOAT COLLAR @ 8299', MARKER JTS @ 6138' & 5528'. THREAD LOCK SHOE, FLOAT COLLAR, TOP OF JT #2. RAN CTLZRS 5' UP ON SHOE JT, TOP OF JT #2, THEN EVERY OTHER JT TO 5590', 33 TOTAL. TAG BTM. PICK UP LANDING JT W/MANDREL HANGER. INSTALL ROTATING HEAD PACK OFF. LAND & SPACE OUT HANGER.
16:00	18:00	2.0	CIRCULATE BOTTOMS UP, 15'/20' FLARE 35 MINUTES AFTER START OF CIRCULATION @ 105 SPM.
18:00	20:00	2.0	RIG UP SCHLUMBERGER FOR CEMENTING OPERATION: HOLD PRE-JOB SAFETY MEETING COVERING WITH ALL CONTRACT PERSONNEL THE JSA FOR PRESSURE TESTING LINES AND CEMENTING CASING. ATTEMPT TO REPAIR THE CEMENT PUMP.
20:00	22:30	2.5	WAIT ON REPLACEMENT PUMP TRUCK TO ARRIVE FROM VERNAL. TRANSFER THE CHEMICAL FLUSH FROM ON UNIT TO THE OTHER.
22:30	01:00	2.5	CEMENTING WITH SCHLUMBERGER: TO THE FOLLOWING SPECS: TEST LINES TO 6300 PSI. PUMP 20 BBLs CHEMICAL WASH, 20 BBLs FRESH WATER SPACER. PUMP 265 SX (140.8 BBLs) 35/65 POZ 11.5 PPG LEAD CMT W/4% D020, 2% D174, .2% D046, .25% D029, .750% D112, .2% D13 @ 12 PPG, 2.98 FT3/SK. PUMP 1355 SX (311.3 BBLs) 50/50 POZ G TAIL CMT W/2% D020, .1% D046, .2% D065, .2% D167 @ 14.1 PPG, 1.29 FT3/SK. WASH UP LINES, DROP PLUG. DISPLACE W/126.5 BBLs FRESH WATER. FINAL PUMP PRESS 2000 PSI, BUMP PLUG W/2850 PSI. LOST RETURNS WITH 120 BBL'S OF DISPLACEMENT COMPLETED.
01:00	02:00	1.0	DRAIN STACK, LAND CSG W/70K ON HANGER. PRESSURE TEST LSAS SEALS TO 5000 PSI 15 MIN. LEFT HEAD AND LANDING JT ON CASING FOR 1 HOUR.
02:00	06:00	4.0	CLEAN MUD TANKS AND NIPPLE DOWN BOPE. MUD LOGIC LOGGER RELEASED @ 19:00 HOURS JULY 8, 2006 (JODY HALEY). RDRT. WILL MOVE RIG TO SCW 15-3. WILL DROP FROM REPORT UNTIL COMPLETION COMMENCES.

TRANSFERRING FROM SOUTH CHAPITA 10-35 AFE# 302715 TO SOUTH CHAPITA 15-3 AFE# 302720  
 4450 GALLONS DYED DIESEL @ 2.588 PER GALLONS, \$11,516.60  
 1 MARKER JOINT 4.5" CSG X 11.6# X N-80 X LTC = 21.82 THREADS OFF  
 4 JOINTS 4.5" X 11.6# X P-110 X LTC = 171.28' THREADS OFF  
 5 JOINTS 4.5" X 11.6# X N-80 X LTC = 197.25" THREADS OFF (N-80 HAS DAMAGED PIN CONN.)

NO INCIDENTS OR ACCIDENTS REPORTED:  
 SAFETY MEETINGS HELD ON RUNNING CASING AND CEMENTING CASING.

RIG MOVED ESTIMATED AT 2.6 MILES  
 WESTROC TO SUPPLY RIG MOVE EQUIPMENT

06:00 18.0 RIG RELEASED TO SOUTH CHAPITA WELLS 15-3 @ 06:00, JULY 9, 2006  
 CASING POINT COST \$669,536

**07-14-2006**      **Reported By**              SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$44,200	<b>Daily Total</b>	\$44,200
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$182,363	<b>Well Total</b>	\$856,894
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	10	<b>MW</b>	0.0
<b>Visc</b>					0.0
<b>Formation :</b>		<b>PBTD : 0.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:**

Start	End	Hrs	Activity Description
		24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/VL/CCL/GR FROM PBTD TO 1000'. CEMENT TOP ABOVE 1000'. RD SCHLUMBERGER.

**07-15-2006**      **Reported By**              TORR MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$1,945	<b>Daily Total</b>	\$1,945
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$184,308	<b>Well Total</b>	\$858,839
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	10	<b>MW</b>	0.0
<b>Visc</b>					0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD : 0.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** SI - PREP TO CHECK CSG LEAK

Start	End	Hrs	Activity Description
06:00	10:00	4.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 5000 PSIG, WOULD NOT HOLD. PUMPED @ 1/2 BPM & 2900 PSIG. ISIP 2700 PSIG. SDFW.

**07-20-2006**      **Reported By**              LEE GARDINER

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$10,038	<b>Daily Total</b>	\$10,038
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$194,346	<b>Well Total</b>	\$868,877
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	11	<b>MW</b>	0.0
<b>Visc</b>					0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD : 0.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** PREP TO RUN DH CAMERA

Start	End	Hrs	Activity Description
07:00	19:00	12.0	SICP 0 PSIG. MIRUSU. ND FRAC TREE. NU 4 1/16" 10M BOPE. RIH W/WEATHERFORD HD COMPRESSION PACKER. ISOLATED CASING LEAK FROM 6771' TO 6779'. PUMPING @ .8 BPM & 3500 PSI. SDFN.

**07-21-2006**      **Reported By**              LEE GARDINER

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$7,610	<b>Daily Total</b>	\$7,610
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$201,956	<b>Well Total</b>	\$876,487
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	12	<b>MW</b>	0.0
<b>Visc</b>					0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD : 0.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** PREP TO RUN DH CAMERA

Start	End	Hrs	Activity Description
07:00	21:00	14.0	SITP 0 PSIG. SICP 0 PSIG. POH. RIH TO PBTD @ 8300'. R TO SWAB. SWABBED FL TO 7400'. LANDED TBG @ 6287'. ND BOPE. NU TREE. SDFN.

TUBING DETAIL    LENGTH

COLLAR 0.40'  
 1 JT 2-3/8" 4.7# L80 TBG 32.73'  
 XN NIPPLE 1.10'  
 192 JTS 2-3/8" 4.7# L80 TBG 6233.99'  
 BELOW KB 19.00'  
 LANDED @ 6287.21' KB

07-22-2006 Reported By LEE GARDINER

Daily Costs: Drilling \$0 Completion \$6,400 Daily Total \$6,400  
 Cum Costs: Drilling \$674,531 Completion \$208,356 Well Total \$882,887  
 MD 8,350 TVD 8,350 Progress 0 Days 13 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: EVALUATE FAILED CASING

Start End Hrs Activity Description  
 06:30 08:30 2.0 SITP 0 PSIG. SICP 0 PSIG. RDMOSU. RU CUTTERS WIRELINE & DOWN HOLE VIDEO. RIH WITH CAMERA. COULD NOT SEE ANY VISUAL DAMAGE TO CASING FROM 6700'-6820'. RDWL. SDFN.

08-10-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$16,446 Daily Total \$16,446  
 Cum Costs: Drilling \$674,531 Completion \$224,802 Well Total \$899,333  
 MD 8,350 TVD 8,350 Progress 0 Days 14 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: WOC

Start End Hrs Activity Description  
 06:00 15:00 9.0 SICP 0 PSIG. POH. RIH OPEN ENDED TO 6825'. CIRCULATED HOLE W/TREATED WATER. RU SCHLUMBERGER. SPOTTED 60 SXS (12.5 BBLs) CLASS 'G' CMT W/1% CaCl FROM 6825' TO 6019'. POH TO 5917'. REVERSE CIRCULATED CLEAN. SQUEEZED 2.2 BBLs W/STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 10 MIN. SI. RD SCHLUMBERGER. SDFN. WOC.

08-11-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$7,732 Daily Total \$7,732  
 Cum Costs: Drilling \$674,531 Completion \$232,534 Well Total \$907,065  
 MD 8,350 TVD 8,350 Progress 0 Days 15 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING CEMENT

Start End Hrs Activity Description  
 06:00 18:00 12.0 SICP 6300 PSIG. POH. RIH W/3 7/8" DRAG BIT. DRILLED HARD CEMENT FROM 6056' TO 6678'. POH TO 6646'. SDFN.

08-12-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$15,955 Daily Total \$15,955  
 Cum Costs: Drilling \$674,531 Completion \$248,489 Well Total \$923,020  
 MD 8,350 TVD 8,350 Progress 0 Days 16 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILL OUT 2ND SQUEEZE AND TEST.

Start End Hrs Activity Description

06:00 17:00 11.0 SICP- 0 PSIG. DRILL OUT CEMENT FROM 6056' TO 6839'. RIH TO 6940'. CIRC HOLE CLEAN. PRESSURE TEST CSG W/ RIG PUMP. LEAKED .8 BPM @ 3700 PSIG. POH AND LAY DOWN BIT. RIH W/ TBG OPEN ENDED TO 6841'. MIRU SCHLUMBERGER CEMENTERS. ESTABLISH INJECTION AT 1 BPM @ 3800 PSIG. MIX AND PUMP 60 SXS (12.5 BBLs) CLASS 'G' CMT W/ 1% D-167 AND 1% D-65. DISPLACE TO SPOT PLUG FROM 6841' TO 6041'. POH W/ TBG. LAND ON HANGER @ 5975'. REVERSE CIRC CLEAN. SQUEEZE 8 BBLs CMT AWAY AT .5 BPM TO 3800 PSIG. S/D 10 MIN. STAGE 2 BBLs AT .25 BPM IN 1/2 BBL INCREMENTS W/ 10 MIN WAIT TIME EACH. SQUEEZED TO 5080 PSIG. HELD 10 MIN. SHUT WELL IN. RDMO CEMENTERS. SDFWE WOC.

**08-15-2006**      **Reported By**                      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$7,613	<b>Daily Total</b>	\$7,613
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$256,102	<b>Well Total</b>	\$930,633

**MD**      8,350    **TVD**      8,350    **Progress**      0    **Days**      17    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**                      **PBTD : 8300.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: PREP TO CEMENT SQUEEZE**

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SICP 4650 PSIG. BLEED OFF PRESSURE. POH. RIH W/3-7/8" DRAG BIT. DRILLED OUT CEMENT FROM 6615' TO 6848'. PRESSURE TESTED CSG. PUMPED IN @ 1/4 BPM & 5900 PSIG. POH. RIH OPEN ENDED TO 6840'. SDFN.

**08-16-2006**      **Reported By**                      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$14,413	<b>Daily Total</b>	\$14,413
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$270,515	<b>Well Total</b>	\$945,046

**MD**      8,350    **TVD**      8,350    **Progress**      0    **Days**      18    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**                      **PBTD : 8300.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: WOC**

Start	End	Hrs	Activity Description
06:00	10:00	4.0	SICP 0 PSIG. RU SCHLUMBERGER. ESTABLISHED INJECTION AT <1/4 BPM & 6500 PSIG. SI. 1 MIN SIP 5500 PSIG. SPOTTED 25 SACKS (5 BBLs) CLASS 'G' CMT W/2% D-167 AND .2% D-65 FROM 6840' TO 6517'. POH TO 6456' AND REVERSED CLEAN. SQUEEZED 2.8 BBLs AT 1/4 BPM W/STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 5 MIN. SI. RD SCHLUMBERGER. SDFN. WOC.

**08-17-2006**      **Reported By**                      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$8,621	<b>Daily Total</b>	\$8,621
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$279,136	<b>Well Total</b>	\$953,667

**MD**      8,350    **TVD**      8,350    **Progress**      0    **Days**      19    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**                      **PBTD : 8300.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: PREP TO SPOT CEMENT**

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SICP 6100 PSIG. BLEED OFF PRESSURE. POH. RIH W/3 7/8" DRAG BIT. DRILLED CEMENT FROM 6740' TO 6845'. RIH TO 6910'. TESTED CASING. PUMPED IN @ 5900 PSIG & 4 GPM. SI. BLEED TO 4900 PSIG IN 1 MIN. POH. RIH OPEN ENDED TO 6839'. SDFN.

**08-18-2006**      **Reported By**                      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$13,978	<b>Daily Total</b>	\$13,978
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$293,114	<b>Well Total</b>	\$967,645

**MD**      8,350    **TVD**      8,350    **Progress**      0    **Days**      20    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**                      **PBTD : 8300.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: WOC UNTIL 8/21/06**

Start	End	Hrs	Activity Description
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06:00 10:00 4.0 SICP 0 PSIG. CIRCULATED HOLE. RU SCHLUMBERGER. ESTABLISHED INJECTION RATE @ .8 BPM & 5000 PSIG. SPOTTED 25 SXS (5 BBLs) CLASS 'G' CMT W/.3% D167, .5% D65 AND .1% D13 FROM 6839'-6517'. POH TO 6450' AND REVERSED CLEAN. SQUEEZED 2.6 BBLs W/STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 15 MIN. SI. RD SCHLUMBERGER. WOC UNTIL 8/21. DRILL OUT MONDAY 8/21/06.

08-22-2006 Reported By HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,131	<b>Daily Total</b>	\$9,131
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$302,245	<b>Well Total</b>	\$976,776
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	21	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8300.0</b>	<b>Perf :</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: WO REPAIRS FOR PATCH

Start	End	Hrs	Activity Description
06:00	15:30	9.5	SICP 6100 PSIG. BLEED WELL OFF. POH W/TBG. RIH W/3 7/8" ROCK BIT. DRILL CMT FROM 6580' TO 6845'. RIH TO 6942'. CIRC HOLE CLEAN. RIG UP BIG RED TO PRESSURE TEST CSG. LEAKED AT 5900 PSIG AT 4 GPM. SHUT IN, BLED OFF TO 4900 PSIG IN 1 MINUTE. RD TESTERS. RIH W/4 STDS TBG OUT OF DERRICK AND LAND AT 7052'. ND BOPE, NU TREE. RDMOSU. WAIT ON PATCH FOR REPAIRS.

TUBING DETAIL LENGTH

3 7/8" SMITH BIT AND SUB 1.20'  
 1 JT 2-3/8 4.7# N-80 TBG 32.42'  
 XN NIPPLE 1.10'  
 197 JTS 2-3/8 4.7# N-80 TBG 6998.40'  
 BELOW KB 19.00'  
 LANDED @ 7052.12' KB

09-09-2006 Reported By HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,445	<b>Daily Total</b>	\$2,445
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$304,690	<b>Well Total</b>	\$979,221
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	22	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8300.0</b>	<b>Perf :</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: PREP TO RUN CBL

Start	End	Hrs	Activity Description
09:30	15:30	6.0	MIRU BASIC SERVICE UNIT. ND TREE, NU BOPE. POH. LD TBG. ND BOPE. NU TREE. LOADED HOLE W/FRESH WATER. RDMOSU.

09-21-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,500	<b>Daily Total</b>	\$2,500
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$307,190	<b>Well Total</b>	\$981,721
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	23	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8300.0</b>	<b>Perf :</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time:

Start	End	Hrs	Activity Description
		24.0	MIRU CUTTERS WIRELINE. RUN CBL/VDL/GR FROM 1510'-100'. EST CEMENT TOP @ 340'. RDWL. SWI.

DROP FROM REPORT UNTIL READY TO PATCH CASING.

12-10-2006 Reported By SEARLE



MD 8,350 TVD 8,350 Progress 0 Days 28 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTD : 8350.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP TO FRAC

Start End Hrs Activity Description

07:00 17:00 10.0 SICP 0 PSIG. RU CUTTERS WIRELINE. RIH WITH 3.595 OD CBP. RAN THROUGH PATCH WITH LIGHT DRAG. FINISH RIH. TAG @ 8021'. SET CBP @ 7993'. RDWL. RIH WITH 3.5" DRAG BIT. DRILL OUT CBP@ 7993' & CLEAN OUT TO PBTD @ 8350'. POH LD TUBING TO 5400'. SWIFN.

12-16-2006 Reported By SEARLE

DailyCosts: Drilling \$0 Completion \$4,400 Daily Total \$4,400

Cum Costs: Drilling \$674,531 Completion \$402,440 Well Total \$1,076,971

MD 8,350 TVD 8,350 Progress 0 Days 29 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTD : 8350.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO FRAC CREW

Start End Hrs Activity Description

07:00 11:00 4.0 SITP 0 SPIG. SICP 0 PSIG. FINISH POH LD TUBING. ND BOPE & NU TREE. SWI. RDSU. WAIT ON FRAC DATE.

01-06-2007 Reported By DEAN KOUTROULIS

DailyCosts: Drilling \$0 Completion \$32,700 Daily Total \$32,700

Cum Costs: Drilling \$674,531 Completion \$403,140 Well Total \$1,077,671

MD 8,350 TVD 8,350 Progress 0 Days 30 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTD : 8350.0 Perf : 7526'-8132' PKR Depth : 0.0

Activity at Report Time: FRAC

Start End Hrs Activity Description

06:00 06:00 24.0 RU CUTTERS WL. PERFORATED LPR FROM 8130-32', 8125-27', 8116-18', 8091-92', 8068-69', 8036-37', 8019-20', 8001-02', 7957-58', 7935-36' & 7921-22' @ 2 SPF & 180° PHASING. RDWL. SICP 0 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4964 GALS YF125ST+ PAD, 34602 GALS YF125ST+ & YF118ST+ W/108700# 20/40 SAND @ 1-5 PPG. FLUSHED EARLY DUE TO MECHANICAL PROBLEMS. MTP 5725 PSIG. MTR 50.4 BPM. ATP 4682 PSIG. ATR 44.5 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER.

RUWL. SET CBP @ 7900'. PERFORATED LPR FROM 7868-70', 7857-59', 7851-52', 7827-29', 7814-15', 7802-03', 7789-90' & 7780-81' @ 2 SPF & 180° PHASING. RDWL. SICP 1980 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4943 GALS YF1125ST+ PAD, 49296 GALS YF125ST+ & YF118ST+ W/167700# 20/40 SAND @ 1-6 PPG. MTP 5798 PSIG. MTR 50.4 BPM. ATP 4868 PSIG. ATR 47.5 BPM. ISIP 2800 PSIG. RD SCHLUMBERGER.

RUWL. SET CBP @ 7755'. PERFORATED MPR FROM 7737-38', 7720-21', 7698-700', 7668-70', 7565-66', 7533-34' & 7526-27' @ 2 SPF & 180° PHASING. RDWL. SICP 2035 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4949 GALS YF1125ST+ PAD, 53344 GALS YF125ST+ & YF118ST+ W/209000# 20/40 SAND @ 1-6 PPG. MTP 6476 PSIG. MTR 50.4 BPM. ATP 5669 PSIG. ATR 43 BPM. ISIP 4000 PSIG. RD SCHLUMBERGER. SDFN.

01-07-2007 Reported By DEAN KOUTROULIS

DailyCosts: Drilling \$0 Completion \$250,098 Daily Total \$250,098

Cum Costs: Drilling \$674,531 Completion \$653,238 Well Total \$1,327,769

MD 8,350 TVD 8,350 Progress 0 Days 31 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTD : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: WAIT ON RIG

Start	End	Hrs	Activity Description
06:00	16:00	10.0	SICP 1717 PSIG. RUWL. SET CBP @ 7500'. PERFORATED MPR FROM 7263'-64', 7290'-91', 7301'-02', 7328'-29', 7335'-36', 7350'-51', 7359'-60', 7372'-73', 7391'-93', 7407'-08', 7436'-37', 7449'-50' & 7472'-73' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4961 GALS YF1125ST+ PAD, 60936 GALS YF125ST+ & YF118ST+ W/238200# 20/40 SAND @ 1-6 PPG. MTP 6320 PSIG. MTR 51 BPM. ATP 4470 PSIG. ATR 47.6 BPM. ISIP 2880 PSIG. RD SCHLUMBERGER.
			RUWL. SET CBP @ 7240'. PERFORATED MPR/UPR FROM 6950'-51', 7000'-02', 7032'-34', 7046'-47', 7057'-58', 7095'-97', 7123'-25', 7146'-47', 7185'-86' & 7222'-23' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4967 GALS YF1125ST+ PAD, 57616 GALS YF125ST+ & YF118ST+ W/237200# 20/40 SAND @ 1-6 PPG. MTP 6535 PSIG. MTR 49.9 BPM. ATP 4900 PSIG. ATR 38.2 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER.
			RUWL. RIH WITH PLUG & GUNS. SET DOWN IN TOP OF PATCH. ATTEMPT TO WORK THROUGH SEVERAL TIMES. PLUG STUCK IN TOP OF PATCH @ ±6766'. ATTEMPT TO SET PLUG. COULD NOT GET OFF OF PLUG. PULLED OUT OF ROPE SOCKET WITH WL. RDWL. RD SCHLUMBERGER. SWI. WAIT ON SERVICE RIG.

FISH CONSIST OF 10K CFP, SET TOOL, 14-1' SELECT FIRE GUNS & COLLAR LOCATER. TOP OF FISH @ 6738'.

01-10-2007		Reported By	VERNON POWELL								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$27,069	<b>Daily Total</b>	\$27,069						
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$680,307	<b>Well Total</b>	\$1,354,838						
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	32	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: RIH W/OVERSHOT</b>											

Start	End	Hrs	Activity Description
07:00	15:00	8.0	MIRU SERVICE RIG. RIH W/3-7/8" OVERSHOT, 3-1/8" BUMPER SUB & 3-1/8" FISHING JAR TO 6300'±. SDFN.

01-11-2007		Reported By	VERNON POWELL								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,965	<b>Daily Total</b>	\$9,965						
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$690,272	<b>Well Total</b>	\$1,364,803						
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	33	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: FISHING FOR PERF GUNS</b>											

Start	End	Hrs	Activity Description
07:00	17:00	10.0	RIH. TAG FISH @ 6736'. WORKED OVER FISH. PULLED OVER 5000# & CAME FREE. POH. DID NOT RECOVER FISH. RIH W/OVERSHOT & EXTENSION. TAG FISH @ 6736'. WORK OVER FISH. ATTEMPTED TO ENGAGE FISH. NO OVER PULL. POH. DID NOT RECOVER FISH. SDFN.

01-12-2007		Reported By	VERNON POWELL								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$32,571	<b>Daily Total</b>	\$32,571						
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$722,843	<b>Well Total</b>	\$1,397,374						
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	34	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: PU NEW FISHING STRING</b>											

Start	End	Hrs	Activity Description
07:00	16:00	9.0	RIH W/OVERSHOT TO TOP OF FISH. ENGAGED FISH AND JARRED 3.5 HRS WITH ±1' MOVEMENT IN FIRST 30 MIN. NO MOVEMENT LAST 3 HRS. RELEASED FROM FISH. POH. SDFN.

01-13-2007		Reported By	VERNON POWELL								
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<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,108	<b>Daily Total</b>	\$6,108
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$728,951	<b>Well Total</b>	\$1,403,482
<b>MD</b>	8.350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	35	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FISHING FOR PERF GUNS

Start	End	Hrs	Activity Description
07:00	03:00	20.0	RIH W/OVERSHOT TO TOP OF FISH, UNABLE TO ENGAGE FISH. POH 2 STANDS. SDFW.

01-16-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$5,600	<b>Daily Total</b>	\$5,600
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$734,551	<b>Well Total</b>	\$1,409,082
<b>MD</b>	8.350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	36	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FISHING

Start	End	Hrs	Activity Description
07:00	15:00	8.0	THAWED OUT EQUIPMENT. SD DUE TO EXTREME COLD.

01-23-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,619	<b>Daily Total</b>	\$9,619
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$744,170	<b>Well Total</b>	\$1,418,701
<b>MD</b>	8.350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	37	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/3 1/16" FISHING TOOL

Start	End	Hrs	Activity Description
07:00	15:00	8.0	RIH TO TOP OF FISH. UNABLE TO LATCH FISH. POH. GRAPPLE WORN. SDFN.

01-24-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$5,598	<b>Daily Total</b>	\$5,598
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$749,768	<b>Well Total</b>	\$1,424,299
<b>MD</b>	8.350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	38	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/ FISHING TOOLS

Start	End	Hrs	Activity Description
07:00	15:00	8.0	RIH W/3" GRAPPLE TO TOP OF FISH. WORKED OVER FISH. JARRED TWICE & PULLED OFF FISH. UNABLE TO RE-LATCH. POH. SDFN.

01-25-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$21,170	<b>Daily Total</b>	\$21,170
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$770,938	<b>Well Total</b>	\$1,445,469
<b>MD</b>	8.350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	39	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/MILL &amp; WASH PIPE

Start	End	Hrs	Activity Description
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07:00 17:00 10.0 RIH W/3 1/8" GRAPPLE TO TOP OF FISH. UNABLE TO LATCH FISH. POH. RIH W/3 1/16" GRAPPLE. LATCHED FISH. JARRED ON FISH FROM 50K-70K FOR 4 HRS. JARS QUIT WORKING. NO MOVEMENT. RELEASED FROM FISH. SDFN.

01-26-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,303 Daily Total \$7,303

Cum Costs: Drilling \$674,531 Completion \$778,241 Well Total \$1,452,772

MD 8,350 TVD 8,350 Progress 0 Days 40 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: POH

Start End Hrs Activity Description

07:00 17:00 10.0 POH. RIH W/WAVY BOTTOM MILL SHOE, 1 JT WASH PIPE, 4 DCS, JARS & BUMPER SUB TO TOP OF FISH. WASHED OVER FISH 12' AND TAGGED CASING PATCH. DRILLED & WASHED OVER 8" OF FISH. PICK UP OFF OF FISH. SDFN.

01-27-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,143 Daily Total \$7,143

Cum Costs: Drilling \$674,531 Completion \$785,384 Well Total \$1,459,915

MD 8,350 TVD 8,350 Progress 0 Days 41 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: POH TO CHECK MILL SHOE

Start End Hrs Activity Description

13:00 18:00 5.0 SD FOR RIG REPAIR. WASHED OVER FISH & DRILLED ADDITIONAL 7" ON CASING PATCH. SDFN.

01-28-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$8,080 Daily Total \$8,080

Cum Costs: Drilling \$674,531 Completion \$793,464 Well Total \$1,467,995

MD 8,350 TVD 8,350 Progress 0 Days 42 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: WASH OVER FISH

Start End Hrs Activity Description

07:00 17:00 10.0 POH W/TBG & BHA. WAVY BOTTOM SHOE LOOKS NEW. RIH W/FLAT BOTTOM SHOE. WASH & DRILL OVER 26" OF FISH. TOTAL WASH OVER FISH 36". SIFWE.

01-30-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$54,278 Daily Total \$54,278

Cum Costs: Drilling \$674,531 Completion \$847,742 Well Total \$1,522,273

MD 8,350 TVD 8,350 Progress 0 Days 43 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: RIH W/OVERSHOT

Start End Hrs Activity Description

07:00 17:00 10.0 MILLED OVER FISH 7' TO 6761'. POH. RIH W/3-1/16" OVER SHOT TO 650'±. SDFN.

01-31-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,004 Daily Total \$7,004

Cum Costs: Drilling \$674,531 Completion \$854,746 Well Total \$1,529,277

MD 8,350 TVD 8,350 Progress 0 Days 44 MW 0.0 Visc 0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: RIH W/OVERSHOT

Start	End	Hrs	Activity Description
07:00	16:00	9.0	RIH W/3-1/16" OVERSHOT TO TOP OF FISH. LATCHED ONTO FISH & MOVED UP HOLE 31' @ 3-5K OVER PULL WHEN FISH HUNG UP AGAIN. JARRED ON FISH FOR 1-1/2 HRS, MOVING UP HOLE 8' WHEN FISH CAME FREE. POH 30' & RIH 8' BELOW PREVIOUS JARRING DEPTH W/NO TAG. POH. NO RECOVERY. GRAPPLE WAS NOT SCARRED, LEAVING IN QUESTION WHETHER OR NOT FISH WAS EVER ENGAGED. SDFN.

02-01-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$22,687	Daily Total	\$22,687						
Cum Costs: Drilling	\$674,531	Completion	\$877,433	Well Total	\$1,551,964						
MD	8.350	TVD	8.350	Progress	0	Days	45	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: RIH W/MILL SHOE

Start	End	Hrs	Activity Description
07:00	16:00	9.0	RIH W/3-1/16" OVERSHOT. LATCHED ONTO FISH. JARRED ON FISH 6 HRS. MOVED UP HOLE 3'. RELEASED FROM FISH. POH. SDFN.

02-02-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$7,675	Daily Total	\$7,675						
Cum Costs: Drilling	\$674,531	Completion	\$885,108	Well Total	\$1,559,639						
MD	8.350	TVD	8.350	Progress	0	Days	46	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: POH W/MILL SHOE

Start	End	Hrs	Activity Description
07:00	17:00	10.0	RIH W/MILL SHOE TO TOP OF FISH. WASHED & MILLED OVER FISH 6757-59'. POH 2 STDS. SDFN.

JRS

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0344
2. Name of Operator EOG Resources, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202	3b. Phone No. (include area code) 303-824-5526	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  1814' FSL & 1976' FWL (NESW) Sec. 35-T9S-R23E 39.990203 LAT -109.295894 LON		8. Well Name and No. South Chapita 10-35
		9. API Well No. 43-047-35599
		10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde
		11. County or Parish, 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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" 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 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 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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 referenced well was turned to sales 2/9/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

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

Name (Printed/Typed) Mary A. Maestas	Title Regulatory Assistant
Signature <i>Mary A. Maestas</i>	Date 02/12/2007

**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.

(Instructions on page 2)

**RECEIVED**

**FEB 13 2007**

DIV. OF OIL, GAS & MINING

# WELL CHRONOLOGY REPORT

Report Generated On: 02-12-2007

<b>Well Name</b>	SCW 10-35	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA WELLS DEEP	<b>API #</b>	43-047-35599	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	06-30-2006	<b>Class Date</b>	02-09-2007
<b>Tax Credit</b>	N	<b>TVD / MD</b>	8,350/ 8,350	<b>Property #</b>	054580
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	5,401/ 5,382				
<b>Location</b>	Section 35, T9S, R23E, NESW, 1814 FSL & 1976 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	100.0	<b>NRI %</b>	80.0

**AFE No** 302715      **AFE Total** 1,109,000      **DHC / CWC** 527,700/ 581,300

**Rig Contr** PIONEER      **Rig Name** PIONEER #59      **Start Date** 04-01-2004      **Release Date** 07-09-2006

04-01-2004      **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
			1814' FSL & 1976' FWL (NE/SW)
			SECTION 35, T9S, R23E
			UINTAH COUNTY, UTAH
			 RIG: PIONEER #59
			OBJECTIVE: 8350' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			CHAITA WELLS DEEP FIELD
			 LEASE: U-0344
			ELEVATION: 5382' NAT GL, 5382' PREP GL, 5401' KB, (19')
			 EOG WI 100%, NRI 80%

06-10-2006      **Reported By** RICHARD STRONG/JOHN FOREMAN

**Daily Costs: Drilling** \$72,624      **Completion** \$0      **Daily Total** \$72,624

**Cum Costs: Drilling** \$72,624      **Completion** \$0      **Well Total** \$72,624

**MD** 2.000      **TVD** 2.000      **Progress** 0      **Days** 0      **MW** 0.0      **Visc** 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILDING LOCATION / WO BUCKET RIG

Start End Hrs Activity Description  
 06:00 06:00 24.0 GROUND LEVEL ELEVATION 5382' CUT @ STAKE 0.5'

MI CRAIG'S ROUSTABOUT. CONSTRUCTION EQUIPMENT. BUILD ACCESS ROAD AND LOCATION, LINED RESERVE PIT.

WO AIR RIG

06-19-2006 Reported By JERRY BARNES

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling \$72,624 Completion \$0 Well Total \$72,624  
 MD 40 TVD 40 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO AIR RIG

Start End Hrs Activity Description  
 06:00 06:00 24.0 ROCKY MOUNTAIN DRILLING SPUD WELL @ 10:30 PM , 6/17/2006. DRILLED 20" HOLE TO 40".

JERRY BARNES NOTIFIED MICHAEL LEE W/BLM & CAROL DANIELS W/UDOGM OF THE SPUD 6/17/2006 @ 10:00 PM.

06-27-2006 Reported By JERRY BARNES

Daily Costs: Drilling \$186,248 Completion \$0 Daily Total \$186,248  
 Cum Costs: Drilling \$258,872 Completion \$0 Well Total \$258,872  
 MD 2,019 TVD 2,019 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 JRS AIR RIG # 5, DRILLED 12-1/4" HOLE TO 2000' GL. ENCOUNTERED WATER AT 1540'. RAN 44 JTS (1961.8") OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 1983' KB. RDMO BILL JRS AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/149 BBLs FRESH WATER. BUMPED PLUG W/500# @ 2:15 PM, 6/21/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 100 # GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #2: MIXED & PUMPED 125 SX (25 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 100 # GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #3: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE + 50 # GR-3. NO RETURNS. WOC 2 HRS.

TOP JOB #4: MIXED & PUMPED 200 SX (40 BBLs) OF PREMIUM CEMENT W/ 2% CaCL2 & ¼ #/SX FLOCELE. NO RETURNS. WOC 2 HRS.

TOP JOB #5: MIXED & PUMPED 150 SX ( 30 BBLs) OF PREMIUM CEMENT W/ 2% CaCL2 & #/SX FLOCELE. NO RETURNS. WOC 24 HOURS.

TOP JOB #5: MIXED & PUMPED 110 SX (23 BBLs) OF PREMIUM CEMENT W/2% CaCL2 & #/SX FLOCELE. HOLE FILLED AND STOOD FULL, 1 BBL TO PIT. RD BIG 4 CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

JERRY BARNES NOTIFIED JAMIE SPARGER W/VBLM OF THE SURFACE CASING & CEMENT JOB ON 6/20/2006 @ 3:30 PM.

<b>06-28-2006</b>		<b>Reported By</b>		<b>RICHARD STRONG/JOHN FOREMAN</b>							
<b>Daily Costs: Drilling</b>		\$22,102	<b>Completion</b>		\$0	<b>Daily Total</b>		\$22,102			
<b>Cum Costs: Drilling</b>		\$280,974	<b>Completion</b>		\$0	<b>Well Total</b>		\$280,974			
<b>MD</b>	2.000	<b>TVD</b>	2.000	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>			<b>PBTD : 0.0</b>			<b>Perf :</b>			<b>PKR Depth : 0.0</b>		

Activity at Report Time: RIG DOWN

Start	End	Hrs	Activity Description
12:00	18:00	6.0	RIG DOWN FOR MOVE. WORKED 1 DAY CREW & 1 NIGHT CREW WILL WORK TO GET READY FOR TRUCKS. TRUCKS SCHEDULED FOR WED MORNING 6/28/06 FOR 1.1 MILE MOVE TO SCW 10-35.

PIONEER PERFORMED CONTRABAND SEARCH ON CREW LOCKERS & QUARTERS. DERRICK HAND KENNY OLSON FROM DAYS WALKED OFF AFTER PIONEER SUPT FOUND BOTTLE OF URINE IN HIS LOCKER. NO OTHER ILLEGAL SUBSTANCES WERE FOUND DURING SEARCH.

SAFETY MEETING: RIGGING DOWN

18:00	06:00	12.0	RD RIG & COMPONENTS PREP TO MOVE. SUB & DERRICK BOTH SCOPED & LAID DOWN. RIG READY FOR TRUCKS TO START MOVE.
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CREWS FULL

NO ACCIDENTS

SAFETY MEETING: ND BOPS/CEMENTING/RD RIG

TRUCKS SCHEDULED FOR WED MORNING 6/28/06 FOR 1.1 MILE MOVETO SCW 10-35

TEMP 58 DEG

MATERIALS TO BE TRANSFERRED TO SCW 10-35:

11 JOINTS CASING (478.16') 4.5", 11.6#, P-110 LT&C

1 MARKER JT 4.5", 11.6#, P-110, LT&C (20.20')

8 JTS 4.5", N-80, LT&C CASING (324.27')

1 MARKER JT 4.5", 11.6#, N-80, LT&C (21.92')

3088 GAL DIESEL @ \$2.713/GAL (\$8377)

<b>06-29-2006</b>		<b>Reported By</b>		<b>JOHN FOREMAN</b>					
<b>Daily Costs: Drilling</b>		\$3,209	<b>Completion</b>		\$0	<b>Daily Total</b>		\$3,209	

**Cum Costs: Drilling** \$284,183 **Completion** \$0 **Well Total** \$284,183  
**MD** 2,000 **TVD** 2,000 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** MOVE IN AND RIG UP

Start	End	Hrs	Activity Description
06:00	18:00	12.0	MOVE IN AND SPOT RIG / 100% ON LOCATION,
18:00	06:00	12.0	RIG REPAIRS / RASING DERICK @ -600

NO ACCIDENTS  
 SAFETY TOPICS FORK LIFT SAFETY & RIG MOVE

**06-30-2006** **Reported By** JOHN FOREMAN

**Daily Costs: Drilling** \$31,261 **Completion** \$0 **Daily Total** \$31,261  
**Cum Costs: Drilling** \$315,444 **Completion** \$0 **Well Total** \$315,444  
**MD** 2,000 **TVD** 2,000 **Progress** 0 **Days** 0 **MW** 8.4 **Visc** 28.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** PICK UP DRILL PIPE

Start	End	Hrs	Activity Description
06:00	14:30	8.5	RIG UP PIONEER RIG # 59.
14:30	15:30	1.0	SERVICE RIG.
			RIG EXCEPTED ON DAYWORK CONTRACT 6/29/06 @ 15:30HRS.
15:30	19:30	4.0	NIPPLE UP BOP.
19:30	00:30	5.0	RIG UP BC QUICK TEST AND TEST BOPS, BOPE. TEST KELLY VALVES, FLOOR VALVES, PIPE RAMS, BLIND RAMS, MANIFOLD VALVES, KILL LINE, CHOKE LINE, HCR, SUPER CHOKE, TO 250 PSI LOW FOR 5 MIN, 5000 PSI HIGH FOR 10 MIN. TESTED ANNULAR TO 250 PSI LOW FOR 5 MIN, 2500 PSI HIGH FOR 10 MIN. TEST 9 5/8" CASING TO 1500 PSI HELD TEST 30 MIN. GOOD TEST. RIG DOWN TESTER.
00:30	03:00	2.5	LOAD PIPE RACKS , STRAP AND CALIPER BHA AND DRILL PIPE.
03:00	04:30	1.5	PICK UP BHA.
04:30	06:00	1.5	TIGHTEN FLOWLINE AND ROTATING HEAD.

NOTIFIED ALAN WALKER WITH VERNAL BLM 6/28/06 @ 21:45 HRS. FOLLOW UP 6/29/06 @ 08:00 HRS OF BOP TEST. VOICE MAIL ONLY.

NOTIFIED CAROL DANIELS WITH UTAH DRR OF RIG MOVE AND SPUD 6/28/06 @ 10:30 HRS.

NO ACCIDENTS  
 DSLTA 189  
 SAFETY MEETING: BOP TESTING/NIPPLING UP BOPS

06:00 18.0

**07-01-2006** **Reported By** JOHN FOREMAN

**Daily Costs: Drilling** \$47,665 **Completion** \$0 **Daily Total** \$47,665  
**Cum Costs: Drilling** \$363,109 **Completion** \$0 **Well Total** \$363,109  
**MD** 3,070 **TVD** 3,070 **Progress** 1,077 **Days** 1 **MW** 8.4 **Visc** 8.0  
**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	PICK UP DRILL PIPE.
09:30	10:00	0.5	INSTALL ROTATING HEAD RUBBER.
10:00	10:30	0.5	CONTINUE PICKING UP DRILL PIPE. TAGGED CMT @ 1900'.
10:30	12:00	1.5	SERVICE RIG. SLIP AND CUT 40' DRILL LINE.
12:00	14:00	2.0	DRILL CEMENT/FLOAT EQUIP 1900' TO 1983' + 10' NEW HOLE TO 1993'.
14:00	14:30	0.5	FIT TO 560 PSI = 13.8 EQMW.
14:30	21:30	7.0	DRILL 1993' TO 2486', 853' @ 121 FPH. WOB 18/20, RPM 40/50, MM 58, 385 GPM.
21:30	22:00	0.5	WLS @ 2411, 1°.
22:00	06:00	8.0	DRILL 2486' TO 3070', 584' @ 73 FPH. DRILLING PARAMETERS SAME.

NO ACCIDENTS

DSLTA 190

SAFETY MEETING: WIRE LINE MACHINE OPERATION/SPUDDING A NEW WELL

BOP DRILL 60 SEC NIGHT CREW

06:00 18.0 SPUD WELL 6/30/06 @ 14:30 HRS.

24.0

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<b>07-02-2006</b>	<b>Reported By</b>	<b>JOHN FOREMAN</b>									
<b>Daily Costs: Drilling</b>	\$31,716	<b>Completion</b>	\$0	<b>Daily Total</b>	\$31,716						
<b>Cum Costs: Drilling</b>	\$394,825	<b>Completion</b>	\$0	<b>Well Total</b>	\$394,825						
<b>MD</b>	4,211	<b>TVD</b>	4,211	<b>Progress</b>	1,141	<b>Days</b>	2	<b>MW</b>	8.7	<b>Visc</b>	29.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 3070' TO 3534', 464' @ 61.8 FPH. WOB 18/20, RPM 40/50, MM 58 RPM, 385 GPM.
13:30	14:00	0.5	WLS @ 3424', 2.25°.
14:00	14:30	0.5	RIG SERVICE.
14:30	06:00	15.5	DRILL 3534' TO 4211', 677' @ 43 FPH, WOB 18/20, RPM 50, 385 GPM, MUD WT 9.2, VIS 31.

NO ACCIDENTS

DSLTA 190

SAFETY MEETING: FORKLIFT SAFETY/SERVICING THE RIG

BOP DRILL DAY CREW 57 SEC

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<b>07-03-2006</b>	<b>Reported By</b>	<b>JOHN FOREMAN</b>									
<b>Daily Costs: Drilling</b>	\$30,750	<b>Completion</b>	\$0	<b>Daily Total</b>	\$30,750						
<b>Cum Costs: Drilling</b>	\$425,575	<b>Completion</b>	\$0	<b>Well Total</b>	\$425,575						
<b>MD</b>	4,852	<b>TVD</b>	4,852	<b>Progress</b>	641	<b>Days</b>	3	<b>MW</b>	9.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: BIT TRIP

Start	End	Hrs	Activity Description
06:00	16:00	10.0	DRILL 4211' TO 4481', 270' @ 27 FPH. WOB 10/20, RPM 40/60, 385 GPM.
16:00	16:30	0.5	RIG SERVICE.
16:30	17:30	1.0	DRILL 4481' TO 4513', 32' @ 32 FPH. DRILLING PARAMETERS SAME.

17:30 18:00 0.5 WLS @ 4438, 2.75°.  
 18:00 03:30 9.5 DRILL 4513' TO 4852', 339' @ 36 FPH, WOB 18/20, RPM 40/60, 385 GPM, MUD WT 9.2, VIS 33.  
 03:30 04:30 1.0 CIRCULATE. BUILD AND PUMP PILL. DROP TOTCO.  
 04:30 06:00 1.5 TRIP FOR BIT.

NO ACCIDENTS  
 DSLTA 191  
 SAFETY MEETING: ELECTRICAL SAFETY/THIRD PARTY HANDS

07-04-2006 Reported By JOHN FOREMAN

Daily Costs: Drilling \$84,497 Completion \$311 Daily Total \$84,808  
 Cum Costs: Drilling \$510,073 Completion \$311 Well Total \$510,384

MD 5.602 TVD 5.602 Progress 750 Days 4 MW 9.6 Visc 37.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	TRIP OUT HOLE.
08:00	09:30	1.5	LAY DOWN BIT REAMERS, MUD MOTOR AND PICK UP NEW BIT.
09:30	13:00	3.5	TRIP IN HOLE FILLING PIPE @ 2500 FT.
13:00	13:30	0.5	REPAIR HYDRALIC LINE ON CAT HEAD.
13:30	14:00	0.5	SERVICE RIG.
14:00	15:00	1.0	TRIP IN HOLE TO 4792'.
15:00	15:30	0.5	WASH AND REAM 4792' TO 4852' NO FILL.
15:30	06:00	14.5	DRILL 4852' TO 5602', 750' @ 52 FPH. WOB, RPM 59, 285 GPM. MUD WT 9.7, VIS 36.

NO ACCIDENTS  
 DSLTA 192  
 BOP DRILL DAYS 50 SEC  
 SAFETY MEETING: PULLING SLIPS/TRIPPING PIPE

07-05-2006 Reported By JOHN FOREMAN

Daily Costs: Drilling \$36,100 Completion \$311 Daily Total \$36,411  
 Cum Costs: Drilling \$546,174 Completion \$622 Well Total \$546,796

MD 6,420 TVD 6,420 Progress 818 Days 5 MW 10.0 Visc 37.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	16:00	10.0	DRILL 5602' TO 6054', 452' @ 45.2 FPH. WOB 14/18, RPM 40/60, 385 GPM.
16:00	16:30	0.5	SERVICE RIG.
16:30	06:00	13.5	DRILL 6054' TO 6420', 366' @ 27 FPH. WOB 18/22, RPM 40/65, 285 GPM.

NO ACCIDENTS  
 DSLTA 193  
 SAFETY MEETING: SERVICING RIG/MIXING CHEMICALS  
 BOP DRILL NIGHT CREW 55 SEC, FUNCTION BOP

07-06-2006 Reported By KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$41,435	<b>Completion</b>	\$7,346	<b>Daily Total</b>	\$48,781
<b>Cum Costs: Drilling</b>	\$587,610	<b>Completion</b>	\$7,968	<b>Well Total</b>	\$595,578
<b>MD</b>	7,256	<b>TVD</b>	7,256	<b>Progress</b>	836
<b>Days</b>	6	<b>MW</b>	10.4	<b>Visc</b>	37.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILLING 7.875" HOLE FROM 6420' TO 6564', 144' @ 22.2 FPH, 20/23 WOB, 40/50 RPM ROTARY, 62 RPM MOTOR, 130 SPM #1 PUMP, 1600/1750 PIS PUMP PRESS. MUD WEIGHT 10.3 PPG.
12:30	13:00	0.5	RIG SERVICE. CHECK CROWN-O-MATIC.
13:00	06:00	17.0	DRILLING 7.875" HOLE FROM 6564' TO 7256', 692' @ 41 FPH, 16/22 WOB, 40/50 RPM ROTARY, 60/64 RPM MOTOR, 132 SPM, PUMP PRESS, 1400/1600, MUD WEIGHT 10.4+.

FUEL ON HAND 6500 GALS, RECEIVED 4500 GALS  
 NO INCIDENTS OR ACCIDENTS REPORTED  
 SAFETY MEETINGS: BOP USAGE/MAINTENANCE/TRIPPING PIPE

BG GAS 1200U, CONN GAS 2000U, HIGH GAS 7203U @ 6815U  
 TOP OF Kmv PRICE RIVER 6127', TOP OF Kmv PRICE RIVER MIDDLE 7093'  
 LITHOLOGY SANDSTONE 45%, SHALE 35%, SILTSTONE 20%  
 SHOWS: 6619'-6668'; 6807'-6819'; 6872'-6884'; 6941'-6961'; 6993'-7071'; 7083'-7109'

07-07-2006 Reported By KENT DEVENPORT

<b>Daily Costs: Drilling</b>	\$29,549	<b>Completion</b>	\$709	<b>Daily Total</b>	\$30,258
<b>Cum Costs: Drilling</b>	\$617,159	<b>Completion</b>	\$8,677	<b>Well Total</b>	\$625,836
<b>MD</b>	8,307	<b>TVD</b>	8,307	<b>Progress</b>	1,051
<b>Days</b>	7	<b>MW</b>	10.8	<b>Visc</b>	37.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DRILLING 7.875" HOLE FROM 7256' TO 7484', 228' @ 51 FPH, 18/24 WOB, 60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #1 PUMP, PUMP PRESS. 1600 PSI, MUD WEIGHT 10.5 PPG.
10:30	11:00	0.5	LUBRICATE RIG. CHECK BRAKE LINKAGE. CHECK CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS.
11:00	13:00	2.0	DRILLING 7.875" HOLE FROM 7484' TO 7575', 91' @ 46 FPH, 23 WOB, 60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #1 PUMP, PUMP PRESS 1650 PSI. MUD WEIGHT 10.5 PPG.
13:00	13:30	0.5	CHANGE OUT ROTATING HEAD RUBBER, NO SEAL IF REQUIRED TO CIRCULATE THROUGH GAS BUSTER.
13:30	06:00	16.5	DRILLING 7.875" HOLE FROM 7575' TO 8307', 732' @ 45 FPH, 18/25 WOB, 50/60 RPM ROTARY, 60 RPM MOTOR, 130 SPM #2 PUMP, PUMP PRESS 1800/1900 PSI, MUD WEIGHT 10.8+ PPG.

FUEL ON HAND 5450 GALS, USED 1050 GALS  
 NO INCIDENTS OR ACCIDENTS REPORTED  
 SAFETY MEETINGS: HANDLING TUBULAR EQUIPMENT/PUMP REPAIR/INSPECTION AND MAINTENANCE

BG GAS 5000U, CONN GAS 6200U, HIGH GAS 7567U @ 7922'  
 TOP OF Kmv PRICE RIVER MIDDLE 7093', TOP OF Kmv PRICE RIVER LOWER 7738'  
 LITHOLOGY SANDSTONE 45%, SHALE 25%, SILTSTONE 20%, CARB SHALE 10%  
 SHOWS: 7122'-7140'; 7186'-7209'; 7219'-7241; 7251'-7287'; 7304'-7343'; 7366'-7420'; 7430'-7465'; 7516'-7570'

07-08-2006 Reported By KENT DEVENPORT

Daily Costs: Drilling \$40,020 Completion \$0 Daily Total \$40,020  
 Cum Costs: Drilling \$657,179 Completion \$8,677 Well Total \$665,856

MD 8,350 TVD 8,350 Progress 43 Days 8 MW 11.0 Visc 40.0  
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RUNNING 4.5" PRODUCTION CASING

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILLING 7.875" HOLE 8307' TO 8350', (43' @ 14 FPH), 19/27 WOB, 35/60 RPM ROTARY, 55/60 RPM MOTOR, 120/130 SPM, 1600/1700 PSI PUMP PRESS. MUD WEIGHT 10.9 PPG. TOTAL DEPTH @ 09:00 ON JULY 7, 2006
09:00	10:30	1.5	CIRCULATE FOR SAMPLE AND BALANCE MUD WEIGHT 10.9+/11.0 PPG. LITTLE TO NO FLARE.
10:30	13:30	3.0	MAKE 25 STAND WIPER TRIP TO 6750' = SLIGHT OVER PULL AT 7200', DID NOT SEE ON WAY BACK TO BOTTOM.
13:30	15:30	2.0	CIRCULATE BOTTOMS UP, SMALL FLARE OF BOTTOMS UP GAS.
15:30	16:00	0.5	DROP SURVEY AND PUMP SLUG.
16:00	20:00	4.0	PULL OUT OF HOLE LAYING DOWN DRILL PIPE.
20:00	20:30	0.5	BUILD VOLUME IN PITS, LOST MUD TO RESERVE PIT WHILE LAYING DOWN DRILL PIPE.
20:30	21:00	0.5	REPAIRING LAY DOWN UNIT, THROTTLE PROBLEM ON ENGINE.
21:00	23:00	2.0	CONTINUE LAYING DOWN DRILL PIPE.
23:00	00:30	1.5	LAY DOWN BAILS AND ELEVATORS, PICK UP AND BREAK KELLY FOR RIG MOVE, SET BACK KELLY, PICK UP BAILS AND ELEVATORS.
00:30	01:30	1.0	CONTINUE LAYING DOWN BHA.
01:30	02:00	0.5	RECOVER SURVEY 3 DEGREES, CLEAN CLAY BUILD UP AROUND MOTOR AND DRAIN MOTOR.
02:00	04:30	2.5	RIG UP TO RUN CASING AND HOLE PRE-JOB SAFETY MEETING WITH ALL CREWS COVERING JSA FOR RUNNING CASING.
04:30	06:00	1.5	RUNNING 4.5" X 11.6# X N-80 X LT&C CASING, FLOAT SHOE AND FLOAT COLLAR, CENTRALIZERS. FIXED BROKEN WIRE ROPE ON LAYDOWN BUCKET. REPOSITION V-DOOR RAMP WHERE LAY DOWN UNIT PUSHED IT OUT OF GUIDES, FILL PIPE.

FUEL ON HAND 4600 GALLONS - USED 850 GALLONS

ONE FIRST AID INCIDENT WITH PIONEER RIG CREWS REPORTED, REPORTS SENT OUT TO THE APPROPRIATE MANAGERS.

SAFETY MEETINGS HELD: HAZARDS AND ASSOCIATED RISKS LAYING DOWN DRILL PIPE AND TUBULARS, #1 JSA AND HAZARDS ASSOCIATED WITH RUNNING CASING. ALL ON LOCATION ATTENDING THESE MEETINGS.

BG GAS 5000u - CONN GAS 5800u - TRIP GAS 8350u  
 TOP OF KmV PRICE RIVER LOWER 7738' - TOP OF SEGO 8259'  
 SANDSTONE 45% - SILTSTONE 30% - SHALE 25%

06:00 18.0

07-09-2006 Reported By KENT DEVENPORT

Daily Costs: Drilling \$17,352 Completion \$129,486 Daily Total \$146,838  
 Cum Costs: Drilling \$674,531 Completion \$138,163 Well Total \$812,694

MD 8,350 TVD 8,350 Progress 0 Days 9 MW 0.0 Visc 0.0  
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	CONTINUE TO RUN 4.5" CASING. CONTACTED ALLEN WALKER WITH BLM VERNAL ON 7/08/06 @ 10:00 ON PHONE 435-724-0304 AND LEFT MESSAGE OF CASING AND CEMENT PUMPING PROJECT PENDING FOR SATURDAY AFTERNOON.
06:30	07:30	1.0	REPLACE CASING TONGS DUE TO FAULTY OPERATION, WOULD NOT RELEASE FROM PIPE AFTER TORQUING JOINT.
07:30	08:30	1.0	CONTINUE TO RUN 4.5" CASING TO 3400'.
08:30	09:00	0.5	FILL PIPE AND CIRCULATE. GOOD RETURNS WHILE PUMPING.
09:00	09:30	0.5	REPLACE FAULTY CASING TONGS WITH SET SENT FROM CALIBER IN VERNAL.
09:30	16:00	6.5	RUN CASING.RUN 4-1/2", 11.6#, N80, LTC CSG AS FOLLOWS: FLOAT SHOE, SHOE JOINT, FLOAT COLLAR, 56 JTS CSG, MARKER JT, 15 JTS CSG, MARKER JT, 137 JTS N-80 CSG, 1 JT P-110 CSG, PUP JT, CSG HANGER. BTM SHOE @ 8341', FLOAT COLLAR @ 8299', MARKER JTS @ 6138' & 5528'. THREAD LOCK SHOE, FLOAT COLLAR, TOP OF JT #2. RAN CTLZRS 5' UP ON SHOE JT, TOP OF JT #2, THEN EVERY OTHER JT TO 5590', 33 TOTAL. TAG BTM. PICK UP LANDING JT W/MANDREL HANGER. INSTALL ROTATING HEAD PACK OFF. LAND & SPACE OUT HANGER.
16:00	18:00	2.0	CIRCULATE BOTTOMS UP, 15'/20' FLARE 35 MINUTES AFTER START OF CIRCULATION @ 105 SPM.
18:00	20:00	2.0	RIG UP SCHLUMBERGER FOR CEMENTING OPERATION; HOLD PRE-JOB SAFETY MEETING COVERING WITH ALL CONTRACT PERSONNEL THE JSA FOR PRESSURE TESTING LINES AND CEMENTING CASING. ATTEMPT TO REPAIR THE CEMENT PUMP.
20:00	22:30	2.5	WAIT ON REPLACEMENT PUMP TRUCK TO ARRIVE FROM VERNAL. TRANSFER THE CHEMICAL FLUSH FROM ON UNIT TO THE OTHER.
22:30	01:00	2.5	CEMENTING WITH SCHLUMBERGER: TO THE FOLLOWING SPECS: TEST LINES TO 6300 PSI. PUMP 20 BBLs CHEMICAL WASH, 20 BBLs FRESH WATER SPACER. PUMP 265 SX (140.8 BBLs) 35/65 POZ 11.5 PPG LEAD CMT W/4% D020, 2% D174, .2% D046, .25% D029, .750% D112, .2% D13 @ 12 PPG, 2.98 FT3/SK. PUMP 1355 SX (311.3 BBLs) 50/50 POZ G TAIL CMT W/2% D020, .1% D046, .2% D065, .2% D167 @ 14.1 PPG, 1.29 FT3/SK. WASH UP LINES, DROP PLUG. DISPLACE W/126.5 BBLs FRESH WATER. FINAL PUMP PRESS 2000 PSI, BUMP PLUG W/2850 PSI. LOST RETURNS WITH 120 BBL'S OF DISPLACEMENT COMPLETED.
01:00	02:00	1.0	DRAIN STACK, LAND CSG W/70K ON HANGER. PRESSURE TEST LSAS SEALS TO 5000 PSI 15 MIN. LEFT HEAD AND LANDING JT ON CASING FOR 1 HOUR.
02:00	06:00	4.0	CLEAN MUD TANKS AND NIPPLE DOWN BOPE. MUD LOGIC LOGGER RELEASED @ 19:00 HOURS JULY 8, 2006 (JODY HALEY). RDRT. WILL MOVE RIG TO SCW 15-3. WILL DROP FROM REPORT UNTIL COMPLETION COMMENCES.

TRANSFERRING FROM SOUTH CHAPITA 10-35 AFE# 302715 TO SOUTH CHAPITA 15-3 AFE# 302720  
 4450 GALLONS DYED DIESEL @ 2.588 PER GALLONS, \$11,516.60  
 1 MARKER JOINT 4.5" CSG X 11.6# X N-80 X LTC = 21.82 THREADS OFF  
 4 JOINTS 4.5" X 11.6# X P-110 X LTC = 171.28' THREADS OFF  
 5 JOINTS 4.5" X 11.6# X N-80 X LTC = 197.25' THREADS OFF (N-80 HAS DAMAGED PIN CONN.)

NO INCIDENTS OR ACCIDENTS REPORTED:  
 SAFETY MEETINGS HELD ON RUNNING CASING AND CEMENTING CASING.

RIG MOVED ESTIMATED AT 2.6 MILES  
 WESTROC TO SUPPLY RIG MOVE EQUIPMENT

06:00 18.0 RIG RELEASED TO SOUTH CHAPITA WELLS 15-3 @ 06:00, JULY 9, 2006  
CASING POINT COST \$669,536

**07-14-2006**      **Reported By**            SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$44,200	<b>Daily Total</b>	\$44,200
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$182,363	<b>Well Total</b>	\$856,894
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	10	<b>MW</b>	0.0
<b>Formation :</b>		<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0

**Activity at Report Time:**

Start	End	Hrs	Activity Description
			24.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/VDL/CCL/GR FROM PBTD TO 1000'. CEMENT TOP ABOVE 1000'. RD SCHLUMBERGER.

**07-15-2006**      **Reported By**            TORR MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$1,945	<b>Daily Total</b>	\$1,945
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$184,308	<b>Well Total</b>	\$858,839
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	10	<b>MW</b>	0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0

**Activity at Report Time:** S1 - PREP TO CHECK CSG LEAK

Start	End	Hrs	Activity Description
06:00	10:00	4.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 5000 PSIG, WOULD NOT HOLD. PUMPED @ 1/2 BPM & 2900 PSIG. ISIP 2700 PSIG. SDFW.

**07-20-2006**      **Reported By**            LEE GARDINER

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$10,038	<b>Daily Total</b>	\$10,038
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$194,346	<b>Well Total</b>	\$868,877
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	11	<b>MW</b>	0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0

**Activity at Report Time:** PREP TO RUN DH CAMERA

Start	End	Hrs	Activity Description
07:00	19:00	12.0	SICP 0 PSIG. MIRUSU. ND FRAC TREE. NU 4 1/16" 10M BOPE. RIH W/WEATHERFORD HD COMPRESSION PACKER. ISOLATED CASING LEAK FROM 6771' TO 6779'. PUMPING @ .8 BPM & 3500 PSI. SDFN.

**07-21-2006**      **Reported By**            LEE GARDINER

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$7,610	<b>Daily Total</b>	\$7,610
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$201,956	<b>Well Total</b>	\$876,487
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	12	<b>MW</b>	0.0
<b>Formation :</b>	MESAVERDE	<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0

**Activity at Report Time:** PREP TO RUN DH CAMERA

Start	End	Hrs	Activity Description
07:00	21:00	14.0	SITP 0 PSIG. SICP 0 PSIG. POH. RIH TO PBTD @ 8300'. R TO SWAB. SWABBED FL TO 7400'. LANDED TBG @ 6287'. ND BOPE. NU TREE. SDFN.

TUBING DETAIL    LENGTH

COLLAR 0.40'  
 1 JT 2-3/8" 4.7# L80 TBG 32.73'  
 XN NIPPLE 1.10'  
 192 JTS 2-3/8" 4.7# L80 TBG 6233.99'  
 BELOW KB 19.00'  
 LANDED @ 6287.21' KB

07-22-2006 Reported By LEE GARDINER

Daily Costs: Drilling \$0 Completion \$6,400 Daily Total \$6,400  
 Cum Costs: Drilling \$674,531 Completion \$208,356 Well Total \$882,887  
 MD 8,350 TVD 8,350 Progress 0 Days 13 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: EVALUATE FAILED CASING

Start End Hrs Activity Description  
 06:30 08:30 2.0 SITP 0 PSIG. SICP 0 PSIG. RD MOSU. RU CUTTERS WIRELINE & DOWN HOLE VIDEO. RIH WITH CAMERA. COULD NOT SEE ANY VISUAL DAMAGE TO CASING FROM 6700'-6820'. RDWL. SDFN.

08-10-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$16,446 Daily Total \$16,446  
 Cum Costs: Drilling \$674,531 Completion \$224,802 Well Total \$899,333  
 MD 8,350 TVD 8,350 Progress 0 Days 14 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: WOC

Start End Hrs Activity Description  
 06:00 15:00 9.0 SICP 0 PSIG. POH. RIH OPEN ENDED TO 6825'. CIRCULATED HOLE W/TREATED WATER. RU SCHLUMBERGER. SPOTTED 60 SXS (12.5 BBLs) CLASS 'G' CMT W/1% CaCl FROM 6825' TO 6019'. POH TO 5917'. REVERSE CIRCULATED CLEAN. SQUEEZED 2.2 BBLs W/STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 10 MIN. SI. RD SCHLUMBERGER. SDFN. WOC.

08-11-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$7,732 Daily Total \$7,732  
 Cum Costs: Drilling \$674,531 Completion \$232,534 Well Total \$907,065  
 MD 8,350 TVD 8,350 Progress 0 Days 15 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING CEMENT

Start End Hrs Activity Description  
 06:00 18:00 12.0 SICP 6300 PSIG. POH. RIH W/3 7/8" DRAG BIT. DRILLED HARD CEMENT FROM 6056' TO 6678'. POH TO 6646'. SDFN.

08-12-2006 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$15,955 Daily Total \$15,955  
 Cum Costs: Drilling \$674,531 Completion \$248,489 Well Total \$923,020  
 MD 8,350 TVD 8,350 Progress 0 Days 16 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8300.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILL OUT 2ND SQUEEZE AND TEST.

Start End Hrs Activity Description

06:00 17:00 11.0 SICP- 0 PSIG. DRILL OUT CEMENT FROM 6056' TO 6839'. RIH TO 6940'. CIRC HOLE CLEAN. PRESSURE TEST CSG W/ RIG PUMP. LEAKED .8 BPM @ 3700 PSIG. POH AND LAY DOWN BIT. RIH W/ TBG OPEN ENDED TO 6841'. MIRU SCHLUMBERGER CEMENTERS. ESTABLISH INJECTION AT 1 BPM @ 3800 PSIG. MIX AND PUMP 60 SXS (12.5 BBLs) CLASS 'G' CMT W/ 1% D-167 AND 1% D-65. DISPLACE TO SPOT PLUG FROM 6841' TO 6041'. POH W/ TBG, LAND ON HANGER @ 5975'. REVERSE CIRC CLEAN. SQUEEZE 8 BBLs CMT AWAY AT .5 BPM TO 3800 PSIG. S/D 10 MIN. STAGE 2 BBLs AT .25 BPM IN 1/2 BBL INCREMENTS W/ 10 MIN WAIT TIME EACH. SQUEEZED TO 5080 PSIG, HELD 10 MIN. SHUT WELL IN. RDMO CEMENTERS. SDFWE WOC.

<b>08-15-2006</b>		<b>Reported By</b>		<b>HOOLEY</b>							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$7,613		<b>Daily Total</b>		\$7,613	
<b>Cum Costs: Drilling</b>		\$674,531		<b>Completion</b>		\$256,102		<b>Well Total</b>		\$930,633	
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	17	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: PREP TO CEMENT SQUEEZE</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	17:00	11.0	SICP 4650 PSIG. BLEED OFF PRESSURE. POH. RIH W/3-7/8" DRAG BIT. DRILLED OUT CEMENT FROM 6615' TO 6848'. PRESSURE TESTED CSG. PUMPED IN @ 1/4 BPM & 5900 PSIG. POH. RIH OPEN ENDED TO 6840'. SDFN.								

<b>08-16-2006</b>		<b>Reported By</b>		<b>HOOLEY</b>							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$14,413		<b>Daily Total</b>		\$14,413	
<b>Cum Costs: Drilling</b>		\$674,531		<b>Completion</b>		\$270,515		<b>Well Total</b>		\$945,046	
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	18	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: WOC</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	10:00	4.0	SICP 0 PSIG. RU SCHLUMBERGER. ESTABLISHED INJECTION AT <1/4 BPM & 6500 PSIG. SI. 1 MIN SIP 5500 PSIG. SPOTTED 25 SACKS (5 BBLs) CLASS 'G' CMT W/ .2% D-167 AND .2% D-65 FROM 6840' TO 6517'. POH TO 6456' AND REVERSED CLEAN. SQUEEZED 2.8 BBLs AT 1/4 BPM W/ STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 5 MIN. SI. RD SCHLUMBERGER. SDFN. WOC.								

<b>08-17-2006</b>		<b>Reported By</b>		<b>HOOLEY</b>							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$8,621		<b>Daily Total</b>		\$8,621	
<b>Cum Costs: Drilling</b>		\$674,531		<b>Completion</b>		\$279,136		<b>Well Total</b>		\$953,667	
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	19	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: PREP TO SPOT CEMENT</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	17:00	11.0	SICP 6100 PSIG. BLEED OFF PRESSURE. POH. RIH W/3 7/8" DRAG BIT. DRILLED CEMENT FROM 6740' TO 6845'. RIH TO 6910'. TESTED CASING. PUMPED IN @ 5900 PSIG & 4 GPM. SI. BLEED TO 4900 PSIG IN 1 MIN. POH. RIH OPEN ENDED TO 6839'. SDFN.								

<b>08-18-2006</b>		<b>Reported By</b>		<b>HOOLEY</b>							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$13,978		<b>Daily Total</b>		\$13,978	
<b>Cum Costs: Drilling</b>		\$674,531		<b>Completion</b>		\$293,114		<b>Well Total</b>		\$967,645	
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	20	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: WOC UNTIL 8/21/06</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								

06:00 10:00 4.0 SICP 0 PSIG. CIRCULATED HOLE. RU SCHLUMBERGER. ESTABLISHED INJECTION RATE @ .8 BPM & 5000 PSIG. SPOTTED 25 SXS (5 BBLs) CLASS 'G' CMT W/3% D167, .5% D65 AND .1% D13 FROM 6839'-6517'. POH TO 6450' AND REVERSED CLEAN. SQUEEZED 2.6 BBLs W/STEADY PRESSURE INCREASE TO 6500 PSIG. HELD 15 MIN. SI. RD SCHLUMBERGER. WOC UNTIL 8/21. DRILL OUT MONDAY 8/21/06.

08-22-2006 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$9,131	Daily Total	\$9,131						
Cum Costs: Drilling	\$674,531	Completion	\$302,245	Well Total	\$976,776						
MD	8,350	TVD	8,350	Progress	0	Days	21	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBDT : 8300.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: WO REPAIRS FOR PATCH

Start	End	Hrs	Activity Description
06:00	15:30	9.5	SICP 6100 PSIG. BLEED WELL OFF. POH W/TBG. RIH W/3 7/8" ROCK BIT. DRILL CMT FROM 6580' TO 6845'. RIH TO 6942'. CIRC HOLE CLEAN. RIG UP BIG RED TO PRESSURE TEST CSG. LEAKED AT 5900 PSIG AT 4 GPM. SHUT IN, BLED OFF TO 4900 PSIG IN 1 MINUTE. RD TESTERS. RIH W/4 STDS TBG OUT OF DERRICK AND LAND AT 7052'. ND BOPE, NU TREE. RDMOSU. WAIT ON PATCH FOR REPAIRS.

TUBING DETAIL	LENGTH
3 7/8" SMITH BIT AND SUB	1.20'
1 JT 2-3/8 4.7# N-80 TBG	32.42'
XN NIPPLE	1.10'
197 JTS 2-3/8 4.7# N-80 TBG	6998.40'
BELOW KB	19.00'
LANDED @	7052.12' KB

09-09-2006 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$2,445	Daily Total	\$2,445						
Cum Costs: Drilling	\$674,531	Completion	\$304,690	Well Total	\$979,221						
MD	8,350	TVD	8,350	Progress	0	Days	22	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBDT : 8300.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: PREP TO RUN CBL

Start	End	Hrs	Activity Description
09:30	15:30	6.0	MIRU BASIC SERVICE UNIT. ND TREE, NU BOPE. POH. LD TBG. ND BOPE. NU TREE. LOADED HOLE W/FRESH WATER. RDMOSU.

09-21-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$2,500	Daily Total	\$2,500						
Cum Costs: Drilling	\$674,531	Completion	\$307,190	Well Total	\$981,721						
MD	8,350	TVD	8,350	Progress	0	Days	23	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBDT : 8300.0		Perf :	PKR Depth : 0.0							

Activity at Report Time:

Start	End	Hrs	Activity Description
		24.0	MIRU CUTTERS WIRELINE. RUN CBL/VDL/GR FROM 1510'-100'. EST CEMENT TOP @ 340'. RDWL. SWI.

DROP FROM REPORT UNILT READY TO PATCH CASING.

12-10-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,900	<b>Daily Total</b>	\$6,900
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$314,090	<b>Well Total</b>	\$988,621
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	24	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: PREP FOR PATCH

Start	End	Hrs	Activity Description
07:00	17:00	10.0	MIRU ROYAL RIG #1. SICP 0 PSIG. NU BOPE. RIH WITH BIT & SCRAPER TO 6850'. POH. RIH WITH 2 JTS SHOE & 2 JTS WASH PIPE TO 6850'. POH TO 6600'. SWIFN.

12-12-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,150	<b>Daily Total</b>	\$6,150
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$320,240	<b>Well Total</b>	\$994,771
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	25	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: RUN PATCH

Start	End	Hrs	Activity Description
07:00	11:00	4.0	SICP 0 PSIG. RIH TO 6850'. CIRCULATE CLEAN WITH TREATED WATER. POH. COULD NOT GET SET TOOL FOR PATCH TO EXTEND. COULD NOT PICK UP PATCH. SENT TOOL TO WEATHERFORD FOR REPAIR. SWI. SDFN.
11:00		13.0	

12-13-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$35,150	<b>Daily Total</b>	\$35,150
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$355,390	<b>Well Total</b>	\$1,029,921
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	26	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: TEST PATCH

Start	End	Hrs	Activity Description
07:00	17:00	10.0	SICP 0 PSIG. PU & RIH WITH 60' CASING PATCH. SET & SWADGE THROUH PATCH. PATCH SET FROM 6751'-6811'. RUN COLLETT THROUH PATCH SEVERAL TIMES. STILL HAVE 2-3 TIGHT SPOT THROUH OUT PATCH. POH & LD SET TOOL. SWIFN.

12-14-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$35,950	<b>Daily Total</b>	\$35,950
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$391,340	<b>Well Total</b>	\$1,065,871
<b>MD</b>	8.350	<b>TVD</b>	8.350	<b>Progress</b>	0
		<b>Days</b>	27	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8300.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: RUN CBP THROUGH PATCH

Start	End	Hrs	Activity Description
07:00	15:00	8.0	SICP 0 PSIG. TEST CASING TO 5000 PSIG W/RIG PUMP. HELD OK. RIH WITH 3.625" SWADGE. WORK THROUGH PATCH SEVERAL TIMES. HAVE 1000# DRAG UP & DOWN THROUGH PATCH. POH. RU WSS. PRESSURE TEST CASING TO 6500 PSIG. HELD OK 15MIN. BLEED OFF & RE-TEST 2 MORE TIMES WITHN SAME RESULTS. RD WSS. SWIFN.

12-15-2006 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,700	<b>Daily Total</b>	\$6,700
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$398,040	<b>Well Total</b>	\$1,072,571

MD 8,350 TVD 8,350 Progress 0 Days 28 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8350.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP TO FRAC

Start End Hrs Activity Description  
 07:00 17:00 10.0 SICP 0 PSIG. RU CUTTERS WIRELINE. RIH WITH 3.595 OD CBP. RAN THROUGH PATCH WITH LIGHT DRAG. FINISH RIH. TAG @ 8021'. SET CBP @ 7993'. RDWL. RIH WITH 3.5" DRAG BIT. DRILL OUT CBP@ 7993' & CLEAN OUT TO PBTB @ 8350'. POH LD TUBING TO 5400'. SWIFN.

12-16-2006 Reported By SEARLE

Daily Costs: Drilling \$0 Completion \$4,400 Daily Total \$4,400  
 Cum Costs: Drilling \$674,531 Completion \$402,440 Well Total \$1,076,971

MD 8,350 TVD 8,350 Progress 0 Days 29 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8350.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO FRAC CREW

Start End Hrs Activity Description  
 07:00 11:00 4.0 SITP 0 SPIG. SICP 0 PSIG. FINISH POH LD TUBING. ND BOPE & NU TREE. SWI. RDSU. WAIT ON FRAC DATE.

01-06-2007 Reported By DEAN KOUTROULIS

Daily Costs: Drilling \$0 Completion \$32,700 Daily Total \$32,700  
 Cum Costs: Drilling \$674,531 Completion \$403,140 Well Total \$1,077,671

MD 8,350 TVD 8,350 Progress 0 Days 30 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8350.0 Perf : 7526'-8132' PKR Depth : 0.0

Activity at Report Time: FRAC

Start End Hrs Activity Description  
 06:00 06:00 24.0 RU CUTTERS WL. PERFORATED LPR FROM 8130-32', 8125-27', 8116-18', 8091-92', 8068-69', 8036-37', 8019-20', 8001-02', 7957-58', 7935-36' & 7921-22' @ 2 SPF & 180° PHASING. RDWL. SICP 0 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4964 GALS YF125ST+ PAD, 34602 GALS YF125ST+ & YF118ST+ W/108700# 20/40 SAND @ 1-5 PPG. FLUSHED EARLY DUE TO MECHANICAL PROBLEMS. MTP 5725 PSIG. MTR 50.4 BPM. ATP 4682 PSIG. ATR 44.5 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER.

RUWL. SET CBP @ 7900'. PERFORATED LPR FROM 7868-70', 7857-59', 7851-52', 7827-29', 7814-15', 7802-03', 7789-90' & 7780-81' @ 2 SPF & 180° PHASING. RDWL. SICP 1980 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4943 GALS YF1125ST+ PAD, 49296 GALS YF125ST+ & YF118ST+ W/167700# 20/40 SAND @ 1-6 PPG. MTP 5798 PSIG. MTR 50.4 BPM. ATP 4868 PSIG. ATR 47.5 BPM. ISIP 2800 PSIG. RD SCHLUMBERGER.

RUWL. SET CBP @ 7755'. PERFORATED MPR FROM 7737-38', 7720-21', 7698-700', 7668-70', 7565-66', 7533-34' & 7526-27' @ 2 SPF & 180° PHASING. RDWL. SICP 2035 PSIG. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4949 GALS YF1125ST+ PAD, 53344 GALS YF125ST+ & YF118ST+ W/209000# 20/40 SAND @ 1-6 PPG. MTP 6476 PSIG. MTR 50.4 BPM. ATP 5669 PSIG. ATR 43 BPM. ISIP 4000 PSIG. RD SCHLUMBERGER. SDFN.

01-07-2007 Reported By DEAN KOUTROULIS

Daily Costs: Drilling \$0 Completion \$250,098 Daily Total \$250,098  
 Cum Costs: Drilling \$674,531 Completion \$653,238 Well Total \$1,327,769

MD 8,350 TVD 8,350 Progress 0 Days 31 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: WAIT ON RIG

Start	End	Hrs	Activity Description
06:00	16:00	10.0	SICP 1717 PSIG. RUWL. SET CBP @ 7500'. PERFORATED MPR FROM 7263'-64', 7290'-91', 7301'-02', 7328'-29', 7335'-36', 7350'-51', 7359'-60', 7372'-73', 7391'-93', 7407'-08', 7436'-37', 7449'-50' & 7472'-73' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4961 GALS YF1125ST+ PAD, 60936 GALS YF125ST+ & YF118ST+ W/238200# 20/40 SAND @ 1-6 PPG. MTP 6320 PSIG. MTR 51 BPM. ATP 4470 PSIG. ATR 47.6 BPM. ISIP 2880 PSIG. RD SCHLUMBERGER.
			RUWL. SET CBP @ 7240'. PERFORATED MPR/UPR FROM 6950'-51', 7000'-02', 7032'-34', 7046'-47', 7057'-58', 7095'-97', 7123'-25', 7146'-47', 7185'-86' & 7222'-23' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CSG W/165 GALS T-106 SCALE INHIBITOR, 4967 GALS YF1125ST+ PAD, 57616 GALS YF125ST+ & YF118ST+ W/237200# 20/40 SAND @ 1-6 PPG. MTP 6535 PSIG. MTR 49.9 BPM. ATP 4900 PSIG. ATR 38.2 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER.
			RUWL. RIH WITH PLUG & GUNS. SET DOWN IN TOP OF PATCH. ATTEMPT TO WORK THROUGH SEVERAL TIMES. PLUG STUCK IN TOP OF PATCH @ ±6766'. ATTEMPT TO SET PLUG. COULD NOT GET OFF OF PLUG. PULLED OUT OF ROPE SOCKET WITH WL. RDWL. RD SCHLUMBERGER. SWI. WAIT ON SERVICE RIG.

FISH CONSIST OF 10K CFP. SET TOOL, 14-1' SELECT FIRE GUNS & COLLAR LOCATER. TOP OF FISH @ 6738'.

01-10-2007		Reported By		VERNON POWELL							
<b>Daily Costs: Drilling</b>		\$0	<b>Completion</b>		\$27,069	<b>Daily Total</b>		\$27,069			
<b>Cum Costs: Drilling</b>		\$674,531	<b>Completion</b>		\$680,307	<b>Well Total</b>		\$1,354,838			
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	32	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: RIH W/OVERSHOT</b>											
Start	End	Hrs	Activity Description								
07:00	15:00	8.0	MIRU SERVICE RIG. RIH W/3-7/8" OVERSHOT, 3-1/8" BUMPER SUB & 3-1/8" FISHING JAR TO 6300'±. SDFN.								

01-11-2007		Reported By		VERNON POWELL							
<b>Daily Costs: Drilling</b>		\$0	<b>Completion</b>		\$9,965	<b>Daily Total</b>		\$9,965			
<b>Cum Costs: Drilling</b>		\$674,531	<b>Completion</b>		\$690,272	<b>Well Total</b>		\$1,364,803			
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	33	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: FISHING FOR PERF GUNS</b>											
Start	End	Hrs	Activity Description								
07:00	17:00	10.0	RIH. TAG FISH @ 6736'. WORKED OVER FISH. PULLED OVER 5000# & CAME FREE. POH. DID NOT RECOVER FISH. RIH W/OVERSHOT & EXTENSION. TAG FISH @ 6736'. WORK OVER FISH. ATTEMPTED TO ENGAGE FISH. NO OVER PULL. POH. DID NOT RECOVER FISH. SDFN.								

01-12-2007		Reported By		VERNON POWELL							
<b>Daily Costs: Drilling</b>		\$0	<b>Completion</b>		\$32,571	<b>Daily Total</b>		\$32,571			
<b>Cum Costs: Drilling</b>		\$674,531	<b>Completion</b>		\$722,843	<b>Well Total</b>		\$1,397,374			
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0	<b>Days</b>	34	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 8350.0</b>		<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: PU NEW FISHING STRING</b>											
Start	End	Hrs	Activity Description								
07:00	16:00	9.0	RIH W/OVERSHOT TO TOP OF FISH. ENGAGED FISH AND JARRED 3.5 HRS WITH ±1' MOVEMENT IN FIRST 30 MIN. NO MOVEMENT LAST 3 HRS. RELEASED FROM FISH. POH. SDFN.								

01-13-2007		Reported By		VERNON POWELL					
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<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,108	<b>Daily Total</b>	\$6,108
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$728,951	<b>Well Total</b>	\$1,403,482
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	35	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FISHING FOR PERF GUNS

Start	End	Hrs	Activity Description
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07:00	03:00	20.0	RIH W/OVERSHOT TO TOP OF FISH, UNABLE TO ENGAGE FISH. POH 2 STANDS. SDFW.
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01-16-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$5,600	<b>Daily Total</b>	\$5,600
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$734,551	<b>Well Total</b>	\$1,409,082
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	36	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FISHING

Start	End	Hrs	Activity Description
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07:00	15:00	8.0	THAWED OUT EQUIPMENT. SD DUE TO EXTREME COLD.
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01-23-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,619	<b>Daily Total</b>	\$9,619
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$744,170	<b>Well Total</b>	\$1,418,701
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	37	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/3 1/16" FISHING TOOL

Start	End	Hrs	Activity Description
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07:00	15:00	8.0	RIH TO TOP OF FISH. UNABLE TO LATCH FISH. POH. GRAPPLE WORN. SDFN.
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01-24-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$5,598	<b>Daily Total</b>	\$5,598
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$749,768	<b>Well Total</b>	\$1,424,299
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	38	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/ FISHING TOOLS

Start	End	Hrs	Activity Description
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07:00	15:00	8.0	RIH W/3" GRAPPLE TO TOP OF FISH. WORKED OVER FISH. JARRED TWICE & PULLED OFF FISH. UNABLE TO RE-LATCH. POH. SDFN.
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01-25-2007 Reported By VERNON POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$21,170	<b>Daily Total</b>	\$21,170
<b>Cum Costs: Drilling</b>	\$674,531	<b>Completion</b>	\$770,938	<b>Well Total</b>	\$1,445,469
<b>MD</b>	8,350	<b>TVD</b>	8,350	<b>Progress</b>	0
		<b>Days</b>	39	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 8350.0</b>	<b>Perf : 6950-8132</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: RIH W/MILL &amp; WASH PIPE

Start	End	Hrs	Activity Description
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07:00 17:00 10.0 RIH W/3 1/8" GRAPPLE TO TOP OF FISH. UNABLE TO LATCH FISH. POH. RIH W/3 1/16" GRAPPLE. LATCHED FISH. JARRED ON FISH FROM 50K-70K FOR 4 HRS. JARS QUIT WORKING. NO MOVEMENT. RELEASED FROM FISH. SDFN.

01-26-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,303 Daily Total \$7,303  
 Cum Costs: Drilling \$674,531 Completion \$778,241 Well Total \$1,452,772  
 MD 8,350 TVD 8,350 Progress 0 Days 40 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: POH

Start End Hrs Activity Description  
 07:00 17:00 10.0 POH. RIH W/WAVY BOTTOM MILL SHOE, 1 JT WASH PIPE, 4 DCS, JARS & BUMPER SUB TO TOP OF FISH. WASHED OVER FISH 12' AND TAGGED CASING PATCH. DRILLED & WASHED OVER 8" OF FISH. PICK UP OFF OF FISH. SDFN.

01-27-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,143 Daily Total \$7,143  
 Cum Costs: Drilling \$674,531 Completion \$785,384 Well Total \$1,459,915  
 MD 8,350 TVD 8,350 Progress 0 Days 41 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: POH TO CHECK MILL SHOE

Start End Hrs Activity Description  
 13:00 18:00 5.0 SD FOR RIG REPAIR. WASHED OVER FISH & DRILLED ADDITIONAL 7" ON CASING PATCH. SDFN.

01-28-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$8,080 Daily Total \$8,080  
 Cum Costs: Drilling \$674,531 Completion \$793,464 Well Total \$1,467,995  
 MD 8,350 TVD 8,350 Progress 0 Days 42 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: WASH OVER FISH

Start End Hrs Activity Description  
 07:00 17:00 10.0 POH W/TBG & BHA. WAVY BOTTOM SHOE LOOKS NEW. RIH W/FLAT BOTTOM SHOE. WASH & DRILL OVER 26" OF FISH. TOTAL WASH OVER FISH 36". SIFWE.

01-30-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$54,278 Daily Total \$54,278  
 Cum Costs: Drilling \$674,531 Completion \$847,742 Well Total \$1,522,273  
 MD 8,350 TVD 8,350 Progress 0 Days 43 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 8350.0 Perf : 6950-8132 PKR Depth : 0.0

Activity at Report Time: RIH W/OVERSHOT

Start End Hrs Activity Description  
 07:00 17:00 10.0 MILLED OVER FISH 7' TO 6761'. POH. RIH W/3-1/16" OVER SHOT TO 650'±. SDFN.

01-31-2007 Reported By VERNON POWELL

Daily Costs: Drilling \$0 Completion \$7,004 Daily Total \$7,004  
 Cum Costs: Drilling \$674,531 Completion \$854,746 Well Total \$1,529,277  
 MD 8,350 TVD 8,350 Progress 0 Days 44 MW 0.0 Visc 0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: RIH W/OVERSHOT

Start	End	Hrs	Activity Description
07:00	16:00	9.0	RIH W/3-1/16" OVERSHOT TO TOP OF FISH. LATCHED ONTO FISH & MOVED UP HOLE 31' @ 3-5K OVER PULL WHEN FISH HUNG UP AGAIN. JARRED ON FISH FOR 1-1/2 HRS. MOVING UP HOLE 8' WHEN FISH CAME FREE. POH 30' & RIH 8' BELOW PREVIOUS JARRING DEPTH W/NO TAG. POH. NO RECOVERY. GRAPPLE WAS NOT SCARRED, LEAVING IN QUESTION WHETHER OR NOT FISH WAS EVER ENGAGED. SDFN.

02-01-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$22,687	Daily Total	\$22,687						
Cum Costs: Drilling	\$674,531	Completion	\$877,433	Well Total	\$1,551,964						
MD	8,350	TVD	8,350	Progress	0	Days	45	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: RIH W/MILL SHOE

Start	End	Hrs	Activity Description
07:00	16:00	9.0	RIH W/3-1/16" OVERSHOT. LATCHED ONTO FISH. JARRED ON FISH 6 HRS. MOVED UP HOLE 3'. RELEASED FROM FISH. POH. SDFN.

02-02-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$7,675	Daily Total	\$7,675						
Cum Costs: Drilling	\$674,531	Completion	\$885,108	Well Total	\$1,559,639						
MD	8,350	TVD	8,350	Progress	0	Days	46	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: POH W/MILL SHOE

Start	End	Hrs	Activity Description
07:00	17:00	10.0	RIH W/MILL SHOE TO TOP OF FISH. WASHED & MILLED OVER FISH 6757-59'. POH 2 STDS. SDFN.

02-03-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$7,808	Daily Total	\$7,808						
Cum Costs: Drilling	\$674,531	Completion	\$892,916	Well Total	\$1,567,447						
MD	8,350	TVD	8,350	Progress	0	Days	47	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: MILL OVER FISH

Start	End	Hrs	Activity Description
07:00	17:30	10.5	RIH W/MILL SHOE & WASH OVER PIPE TO TAG @ 6758'. MILLED OVER FISH TO 6761'. POH 1 STD. SDFN.

02-04-2007      Reported By      VERNON POWELL

Daily Costs: Drilling	\$0	Completion	\$25,443	Daily Total	\$25,443						
Cum Costs: Drilling	\$674,531	Completion	\$918,359	Well Total	\$1,592,890						
MD	8,350	TVD	8,350	Progress	0	Days	48	MW	0.0	Visc	0.0

Formation : MESAVERDE      PBTB : 8350.0      Perf : 6950-8132      PKR Depth : 0.0

Activity at Report Time: RIH W/OVERSHOT

Start	End	Hrs	Activity Description
07:00	15:00	8.0	MILLED FROM 6761'-63'. POH. SDFW.

02-06-2007      Reported By      VERNON POWELL

**Daily Costs: Drilling** \$0 **Completion** \$7,895 **Daily Total** \$7,895  
**Cum Costs: Drilling** \$674,531 **Completion** \$926,254 **Well Total** \$1,600,785  
**MD** 8,350 **TVD** 8,350 **Progress** 0 **Days** 49 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 8350.0** **Perf : 6950-8132** **PKR Depth : 0.0**

Activity at Report Time: POH - PREP TO RUN CAMERA

**Start** **End** **Hrs** **Activity Description**  
 07:00 17:00 10.0 RIH W/3-1/16" OVER SHOT. LATCHED ONTO FISH. JARRED FREE. POH. RECOVERED FISH. CFP LEFT IN HOLE. RIH OPEN ENDED. CIRCULATED ON TOP OF CFP W/3 GEL SWEEPS. RECOVERED SMALL PIECES OF CSG PATCH MATERIAL. SDFN.

02-07-2007 Reported By VERNON POWELL

**Daily Costs: Drilling** \$0 **Completion** \$40,927 **Daily Total** \$40,927  
**Cum Costs: Drilling** \$674,531 **Completion** \$967,181 **Well Total** \$1,641,712  
**MD** 8,350 **TVD** 8,350 **Progress** 0 **Days** 50 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 8350.0** **Perf : 6950-8132** **PKR Depth : 0.0**

Activity at Report Time: RIH W/MAGNET

**Start** **End** **Hrs** **Activity Description**  
 07:00 17:30 10.5 CIRCULATED ON TOP OF FISH W/FRESH WATER FOR CAMERA RUN. RU DHV WL. RIH W/CAMERA TO 520' & STACKED OUT. POH W/TBG TO CLEAR OBSTRUCTION. RIH W/CAMERA. IDENTIFIED NUMEROUS PIECES OF CASING PATCH ON TOP OF CBP. RDWL. RIH W/MAGNET TO TOP OF FISH. POH. RECOVERED SEVERAL PIECES OF PATCH. SDFN.

02-08-2007 Reported By VERNON POWELL

**Daily Costs: Drilling** \$0 **Completion** \$7,103 **Daily Total** \$7,103  
**Cum Costs: Drilling** \$674,531 **Completion** \$974,284 **Well Total** \$1,648,815  
**MD** 8,350 **TVD** 8,350 **Progress** 0 **Days** 51 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 8350.0** **Perf : 6950-8132** **PKR Depth : 0.0**

Activity at Report Time: PREP TO DRILL OUT PLUGS

**Start** **End** **Hrs** **Activity Description**  
 07:00 15:00 8.0 RIH W/MAGNET TO CBP. POH. RECOVERED SEVERAL SMALL PIECES OF CSG PATCH. RIH W/3.595" MILL TO CFP. SDFN.

02-09-2007 Reported By VERNON POWELL

**Daily Costs: Drilling** \$0 **Completion** \$8,933 **Daily Total** \$8,933  
**Cum Costs: Drilling** \$674,531 **Completion** \$983,217 **Well Total** \$1,657,748  
**MD** 8,350 **TVD** 8,350 **Progress** 0 **Days** 52 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 8287.0** **Perf : 6950-8132** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

**Start** **End** **Hrs** **Activity Description**  
 07:00 17:30 10.5 CLEANED OUT & DRILLED OUT PLUGS @ 6769', 7240', 7500', 7755 & 7890'. RIH TO 8287' PBTD. LANDED TBG @ 6916' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB.

FLOWED 12 HRS. 16/64" CHOKE. FTP 1800 PSIG. CP 2050 PSIG. 50 BFPH. RECOVERED 1078 BLW. 6222 BLWTR.

TUBING DETAIL LENGTH

1 JT 2-3/8" 4.7# N80 TBG 32.80'  
 XN NIPPLE 1.10'  
 212 JTS 2-3/8" 4.7# N80 TBG 6866.75'  
 PUMP OFF SUB 1.00'  
 BELOW KB 14.00'  
 LANDED @ 6915.65' KB

**02-10-2007**      **Reported By**      VERNON POWELL

**Daily Costs: Drilling**      \$0      **Completion**      \$2,250      **Daily Total**      \$2,250  
**Cum Costs: Drilling**      \$674,531      **Completion**      \$985,467      **Well Total**      \$1,659,998

**MD**      8,350      **TVD**      8,350      **Progress**      0      **Days**      53      **MW**      0.0      **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 8287.0**      **Perf : 6950-8132**      **PKR Depth : 0.0**

**Activity at Report Time: FLOW TEST TO SALES**

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      FLOWED 24 HRS THROUGH TEST UNIT TO SALES. 20/64" CHOKE. FTP 1900 PSIG. CP 3000 PSIG. 31 BFPH. RECOVERED 1783 BLW. 4439 BLWTR.

INITIAL PRODUCTION. OPENING PRESSURE: SITP 2650 PSIG & SICP 3150 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 14:30 HRS, 2/9/07. FLOWED 1428 MCFD RATE ON 20/64" CHOKE.

**02-11-2007**      **Reported By**      VERNON POWELL

**Daily Costs: Drilling**      \$0      **Completion**      \$2,250      **Daily Total**      \$2,250  
**Cum Costs: Drilling**      \$674,531      **Completion**      \$987,717      **Well Total**      \$1,662,248

**MD**      8,350      **TVD**      8,350      **Progress**      0      **Days**      54      **MW**      0.0      **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 8287.0**      **Perf : 6950-8132**      **PKR Depth : 0.0**

**Activity at Report Time: FLOW TEST TO SALES**

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      FLOWED 24 HRS THROUGH TEST UNIT TO SALES. 20/64" CHOKE. FTP 1600 PSIG. CP 2500 PSIG. 21 BFPH. RECOVERED 883 BLW. 3556 BLWTR. 1500 MCFD RATE.

FLOWED 1365 MCF, 90 BO, 1783 BW IN PRIOR 24 HRS ON 20/64" CHOKE, FTP 1800 PSIG, CP 2700 PSIG.

**02-12-2007**      **Reported By**      VERNON POWELL

**Daily Costs: Drilling**      \$0      **Completion**      \$2,250      **Daily Total**      \$2,250  
**Cum Costs: Drilling**      \$674,531      **Completion**      \$989,967      **Well Total**      \$1,664,498

**MD**      8,350      **TVD**      8,350      **Progress**      0      **Days**      55      **MW**      0.0      **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 8287.0**      **Perf : 6950-8132**      **PKR Depth : 0.0**

**Activity at Report Time: FLOW TEST TO SALES**

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      FLOWED 24 HRS THROUGH TEST UNIT TO SALES. 20/64" CHOKE. FTP 1450 PSIG. CP 2250 PSIG. 23 BFPH. RECOVERED 638 BLW. 3326 BLWTR. 1500 MCFD RATE.

FLOWED 1391 MCF, 108 BO, 775 BW IN PRIOR 24 HRS ON 20/64" CHOKE, FTP 1600 PSIG, CP 2450 PSIG.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

2. Name of Operator **EOG Resources, Inc.**

3. Address **600 17th Street, Suite 1000N, Denver, CO 80202** 3a. Phone No. (include area code)  
**303-824-5526**

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

At surface **1814' FSL & 1976' FWL (NESW) 39.990203 LAT 109.295894 LON**

At top prod. interval reported below **Same**

At total depth **Same**

14. Date Spudded **06/17/2006** 15. Date T.D. Reached **07/07/2006** 16. Date Completed **02/09/2007**  
 D & A  Ready to Prod.

18. Total Depth: MD **8350** 19. Plug Back T.D.: MD **8287** 20. Depth Bridge Plug Set: MD  
 TVD TVD TVD

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

**RST/CBL/VDL/CCL/GR**

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"	36.0#	J-55	0-1983		1010 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-8341		1620 sx			

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"	6916							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6950	8132	7921-8132		2/spf	
B)			7780-7870		3/spf	
C)			7526-7738		2/spf	
D)			7263-7473		2/spf	

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

Depth Interval	Amount and Type of Material
7921-8132	39,731 GALS GELLED WATER & 108,700# 20/40 SAND
7780-7870	54,404 GALS GELLED WATER & 167,700# 20/40 SAND
7526-7738	58,458 GALS GELLED WATER & 209,000# 20/40 SAND
7263-7473	66,062 GALS GELLED WATER & 238,200# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/09/2007	02/19/2007	24	→	54	1005	296			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 1400	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
20/64"	SI 850	1400	→	54	1005	296			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
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

\* (See instructions and spaces for additional data on page 2)

RECEIVED  
FEB 26 2007

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.)

**SOLD**

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	6950	8132		Wasatch	4220
				Chapita Wells	4766
				Buck Canyon	5413
				North Horn	5888
				Island	5991
				Mesaverde	6099
				Middle Price River	7065
Lower Price River	7704				
Sego	8220				

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)    
 Geologic Report    
 DST Report    
 Directional Survey  
 Sundry Notice for plugging and cement verification    
 Core Analysis    
 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) Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date 02/23/2007

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.

**South Chapita 10-35 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

6950-7223	2/spf

**27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.**

6950-7223	62,748 GALS GELLED WATER & 237,200# 20/40 SAND

Perforated the Lower Price River from 7921-7922', 7935-7936', 7957-7958', 8001-8002', 8019-8020', 8036-8037', 8068-8069', 8091-8092', 8116-8118', 8125-8127' & 8130-8132' w/ 2 spf.

Perforated the Lower Price River from 7780-7781', 7789-7790', 7802-7803', 7814-7815', 7827-7829', 7851-7852', 7857-7859' & 7868-7870' w/ 3 spf.

Perforated the Middle Price River from 7526-7527', 7533-7534', 7565-7566', 7596-7597', 7631-7633', 7668-7670', 7698-7700', 7720-7721' & 7737-7738' w/ 2 spf.

Perforated the Middle Price River from 7263-7264', 7290-7291', 7301-7302', 7328-7329', 7335-7336', 7350-7351', 7359-7360', 7372-7373', 7391-7393', 7407-7408', 7436-7437', 7449-7450' & 7472-7473' w/ 2 spf.

Perforated the Middle/Upper Price River from 6950-6951', 7000-7002', 7032-7034', 7046-7047', 7057-7058', 7095-7097', 7123-7125', 7146-7147', 7185-7186' & 7222-7223' w/ 2 spf.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**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.  
UTU0344

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

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

8. Well Name and No.  
SOUTH CHAPITA 10-35

9. API Well No.  
43-047-35599

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
EOG RESOURCES, INC. Contact: MICKENZIE THACKER  
E-Mail: MICKENZIE\_THACKER@EOGRESOURCES.COM

3a. Address  
1060 E. HWY 40  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 453-781-9145

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 35 T9S R23E NESW 1814FSL 1976FWL  
39.99020 N Lat, 109.29589 W Lon

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 checked="" 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 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat. Interim reclamation was completed on 7/25/2008.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #66991 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 02/04/2009

**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**  
**FEB 09 2009**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-0344
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<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> S CHAPITA 10-35
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<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047355990000
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<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
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<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 1814 FSL 1976 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESW Section: 35 Township: 09.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/19/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____

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

EOG Resources, Inc. respectfully requests authorization to Recomplete the referenced well as per the attached procedure.

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

Date: January 25, 2010

By: *Derek Duff*

<b>NAME (PLEASE PRINT)</b> Mickenzie Gates	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/19/2010	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43047355990000**

**Authorization: Board Cause No. 179-15.**

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

**Date:** January 25, 2010  
**By:** Derek Duff

**RECOMPLETION PROGRAM  
SCW 10-35**

SCW 10-35  
1814' FSL & 1976' FWL (NE/SW)  
Section 35, T9S, R23E  
Uintah County, Utah

January 13, 2010  
EOG WI: 100.0%  
NRI: 80.0%  
API# 43-047-35599  
AFE# 310032

**WELL DATA:**

ELEVATION: 5382' GL KB: 5401' (19' KB)  
TOTAL DEPTH: 9350' KB PBSD: 8300' KB (Top of FC)

CASING: 9-5/8", 36#, J-55 set @ 1983'. Cemented w/225 sx Premium. Float held. Pumped 785 sx top job in six stages. Cmt to surface.  
4-1/2", 11.6#, N-80 set @ 8341'. Cemented w/265 sx 35/65 Class "G" & 1355 sx 50/50 Pozmix. Bumped plug, float held. Lost returns 120 bbls in. Marker joints (tops) @ 6138' (22') and 5528' (22').

PROPOSED PERFS	SPF/Phasing	INTERVAL	FRAC #
7921-7922', 7935-7936', 7957-7958', 8001-8002', 8019-8020', 8036-8037', 8068-8069', 8091-8092', 8116-8118', 8125-8127', 8130-8132'	2/180°	Lower Price River	1
7780-7781', 7789-7790', 7802-7803', 7814-7815', 7827-7829', 7851-7852', 7857-7859', 7868-7870'	3/120°	Lower Price River	2
7526-7527', 7533-7534', 7565-7566', 7596-7597', 7631-7633', 7668-7670', 7698-7700', 7720-7721', 7737-7738'	2/180°	Middle Price River	3
7263-7264', 7290-7291', 7301-7302', 7328-7329', 7335-7336', 7350-7351', 7359-7360', 7372-7373', 7391-7393', 7407-7408', 7436-7437', 7449-7450', 7472-7473'	2/180°	Middle Price River	4
6950-6951', 7000-7002', 7032-7034', 7046-7047', 7057-7058', 7095-7097', 7123-7125', 7146-7147', 7185-7186', 7222-7223'	2/180°	Middle/Upper Price River	5
6579-6581', 6585-6586', 6604-6605', 6619-6620', 6630-6632', 6643-6644', 6657-6659', 6664-6666'	3/120°	North Horn	6
6118-6119', 6155-6156', 6213-6215', 6296-6297', 6304-6305', 6334-6335', 6354-6356', 6379-6381'	3/120°	North Horn	7

**RECOMPLETION PROGRAM  
SCW 10-35**

PROPOSED PERFS	SPF/Phasing	INTERVAL	FRAC #
6032-6033', 6049-6052', 6075-6076', 6080-6081', 6093-6097'	3/120°	North Horn	8
5589-5590', 5660-5661', 5668-5671', 5680-5681', 5689-5690', 5719-5720', 5772-5774', 5810-5811'	3/120°	Ba	9
4948-4949', 5014-5015', 5020-5022', 5178-5180', 5185-5188', 5215-5216', 5225-5226', 5236-5237'	3/120°	Ca	10

**PROCEDURE:**

1. MIRUSU. Kill well w/treated water. ND tree. NU 10M psig BOPE. PU 3-7/8" bit, 4-1/2" casing scraper, & 2-3/8" 4.7# N-80 EUE tubing. RIH to **6,740'**. POH. **Note: Casing Patch at 6,751'-6,811'**
2. RUWL. Set 10K CBP @ **6,700'**. RDWL.
3. Test casing & BOPE to **6,500** psig. RUWL. Perforate **North Horn** intervals from **6,579'-6,666'** as shown using a 3-1/8" HSC ported casing gun. RDWL.
4. RU Halliburton. Frac down casing per attached procedure. RD Halliburton.
5. RUWL. Set 10K composite frac plug @ **6,400'±**. Perforate **North Horn** intervals from **6,118'-6,381'** as shown. RDWL.
6. RU Halliburton. Frac down casing per attached procedure. RD Halliburton.
7. RUWL. Set 10K composite frac plug @ **6,105'±**. Perforate **North Horn** intervals from **6,032'-6,097'** as shown. RDWL.
8. RU Halliburton. Frac down casing per attached procedure. RD Halliburton.
9. RUWL. Set 10K composite frac plug @ **5,825'±**. Perforate **Ba** intervals from **5,589'-5,811'** as shown. RDWL.
10. RU Halliburton. Frac down casing per attached procedure. RD Halliburton.
11. RUWL. Set 10K composite frac plug @ **5,250'±**. Perforate **Ba** intervals from **4,948'-5,237'** as shown. RDWL.
12. RU Halliburton. Frac down casing per attached procedure. RD Halliburton. Flow back immediately. Following flowback, RIH w/3-7/8" bit. Drill out composite frac plugs. Clean out to **6,740'**. POOH w/tbg, lay down bit and sub. RIH w/TBG and land at **6,000'**. ND BOPE. NU 5M psig tree. Swab/flow test.
13. RD MOSU. Place well on production.

**PREPARED BY:**

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**OTTO DICK, COMPLETIONS ENGINEER**

**REVIEWED BY:**

\_\_\_\_\_  
**PAUL PENDLETON, ENGINEERING MANAGER**