

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

August 6, 2004

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

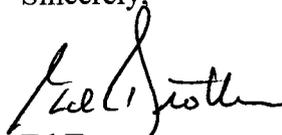
RE: APPLICATION FOR PERMIT TO DRILL
NATURAL BUTTES UNIT 539-24E
NE/SE, SEC. 24, T9S, R21E
UINTAH COUNTY, UTAH
LEASE NO.: U-0149076
UTE INDIAN TRIBAL LANDS

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
AUG 18 2004

DIV. OF OIL, GAS & MINING

001

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 **1870' FSL, 477' FEL** *628727X* **NE/SE** *40.01950*
At proposed prod. Zone *4430801Y* *-109.49159*

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

15. Distance from proposed* location to nearest property or lease line, ft. **477'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
640

12. County or Parish **UINTAH** 13. State **UTAH**

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
9875'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4919.0 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 **August 6, 2004**
Title **Agent**

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **08-26-04**
Title **ENVIRONMENTAL SCIENTIST III** 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.

RECEIVED

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.

AUG 18 2004

*(Instructions on reverse)

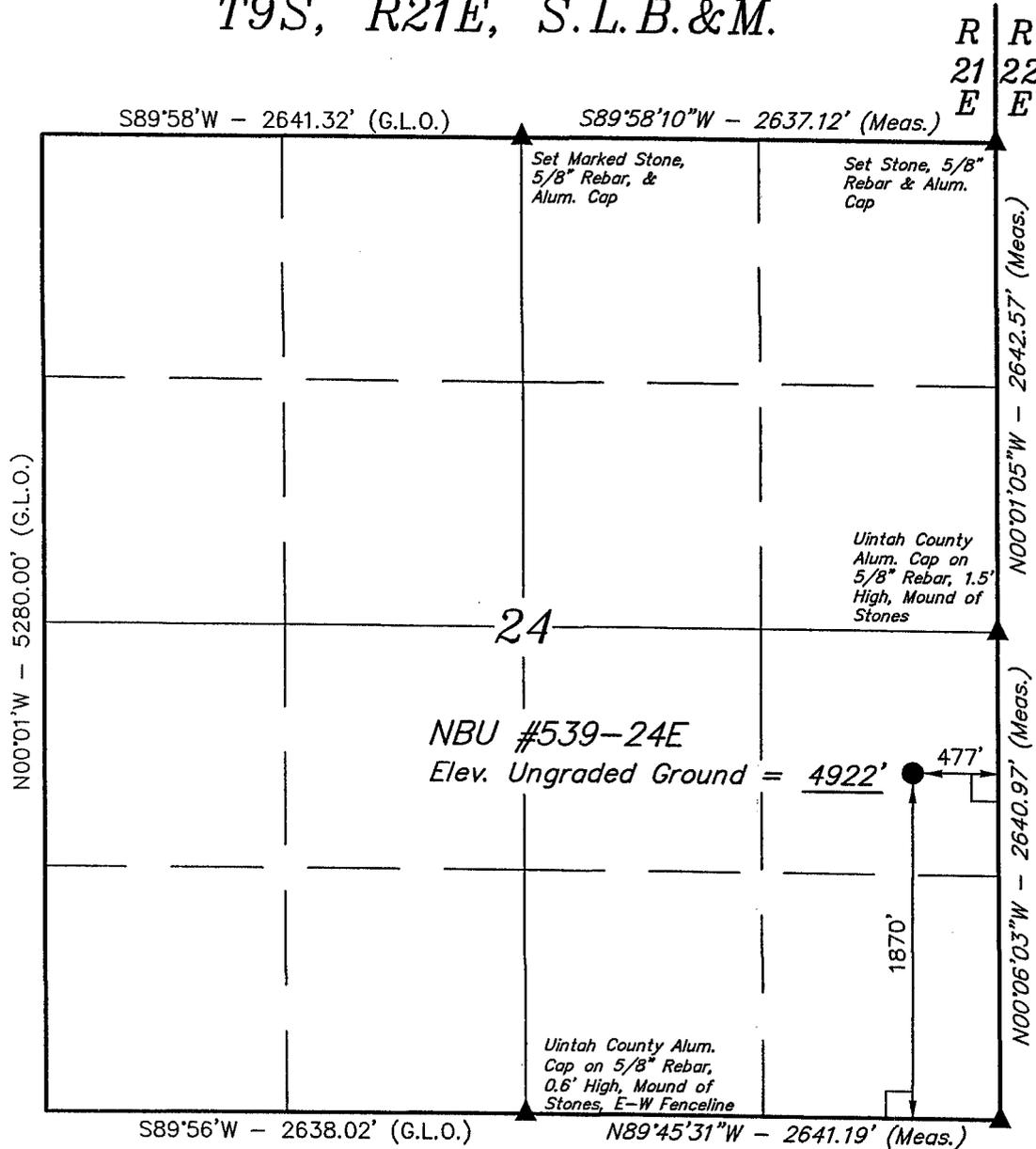
**Federal Approval of this
Action is Necessary**

DIV. OF OIL, GAS & MINING

EOG RESOURCES, INC.

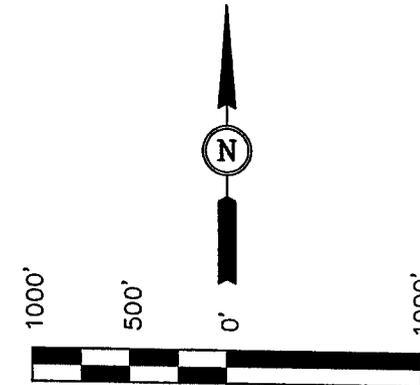
T9S, R21E, S.L.B.&M.

Well location, NBU #539-24E, located as shown in the NE 1/4 SE 1/4 of Section 24, T9S, R21E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

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



CERTIFICATE OF LAND SURVEY

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY 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. [Signature]

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161789
STATE OF UTAH

BASIS OF BEARINGS

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

1977 Brass Cap
0.4' High, E-W
Fenceline, Mound of Stones, Steel

LEGEND:

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

(NAD 27)
LATITUDE = 40°01'09.87" (40.019408)
LONGITUDE = 109°29'30.13" (109.491703)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-07-04	DATE DRAWN: 04-23-04
PARTY G.S. M.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FOG RESOURCES INC	

EIGHT POINT PLAN

NATURAL BUTTES UNIT 539-24E
NE/SE, SEC. 24, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River	1,070'
Wasatch	4,863'
Island	7,433'
KMV Price River	7,673'
KMV Price River Middle	8,444'
KMV Price River Lower	9,283'
Sego	9,713'

EST. TD: **9,875**

Anticipated BHP **4300 PSI**

3. PRESSURE CONTROL EQUIPMENT: A 5M BOP will be used on the Production Hole only. (See attached BOP Diagram), Pressure Control Equipment will not be used on the Surface Hole.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>MINIMUM SAFETY FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
20"	0' - 45'+/- GL	45'+/-	13 3/8"	48.0 #	H-40	ST&C	770 PSI	1730 PSI	322,000#
12 1/4"	45' - 2300'+/- KB	2300' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2300' - TD+/-KB	9875'+/-	4 1/2"	11.6 #	N-80	LT&C	6350 PSI	7780 PSI	223,000#

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:

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):

None

SURFACE HOLE PROCEDURE (45'-2300'):

Guide Shoe

Insert Float Collar (PDC drillable)

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

PRODUCTION HOLE PROCEDURE 2300'-TD:

FS, 1 joint of casing, FC, and balance of casing to surface. Centralize 5' above shoe on joint #1, top of joint #2, then every 2nd joint to **400' above Island top**. Thread lock FS, top and bottom of FC, and top of 2nd joint.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 539-24E
NE/SE, SEC. 24, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):

Dry or light mud as needed to support drilling by Bucket Rig.

SURFACE HOLE PROCEDURE (45'-2300'):

Air, Air Mist and Water (circulate through reserve pit) with Gel/LCM sweeps.

PRODUCTION HOLE PROCEDURE 2300'-TD:

2300'- 4500' Water (circulate through reserve pit) with Gel/LCM sweeps.

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

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

7. VARIANCE REQUESTS:

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

8. EVALUATION PROGRAM:

Logs: RST (reservoir saturation tool) cased hole logs will be run from TD to surface.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 539-24E
NE/SE, SEC. 24, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):

Cement to surface with Redi-Mix cement

SURFACE HOLE PROCEDURE (45'-2300'+/-):

Option #1: Well circulates or drills with air.

Tail: 500' of Class 'G' mixed at 15.8 ppg w/ 2% CaCl₂ & 0.25 pps Flocele + 35% Excess or Type 5 Cement mixed at 15.6 ppg w/ 2% CaCl₂ & 0.25 pps Flocele + 35% Excess.

Lead: Hi-Fill Cement mixed at 11 ppg with 16% Gel, 10#/sx Gilsonite, 3% salt, 3#/sx GR-3 and 0.25 #/sx Flocele plus 35% Excess to get cement returns to surface.

Option #2: Well does not circulate.

Class 'G' cement mixed at 15.8 ppg w/ 2% CaCl₂ & 0.25 pps Flocele + 35% Excess or Type % 5 Cement mixed at 15.6 ppg w/ 2% CaCl₂ & 0.25 pps Flocele + 35% Excess to 100' above the lost circulation zone and top out with same with 3-4% CaCl₂ to get cement returns to surface.

PRODUCTION HOLE PROCEDURE 2300'-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:

SURFACE HOLE (45'-2300')

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

PRODUCTION HOLE 2300'-TD

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

EIGHT POINT PLAN

NATURAL BUTTES UNIT 539-24E
NE/SE, SEC. 24, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

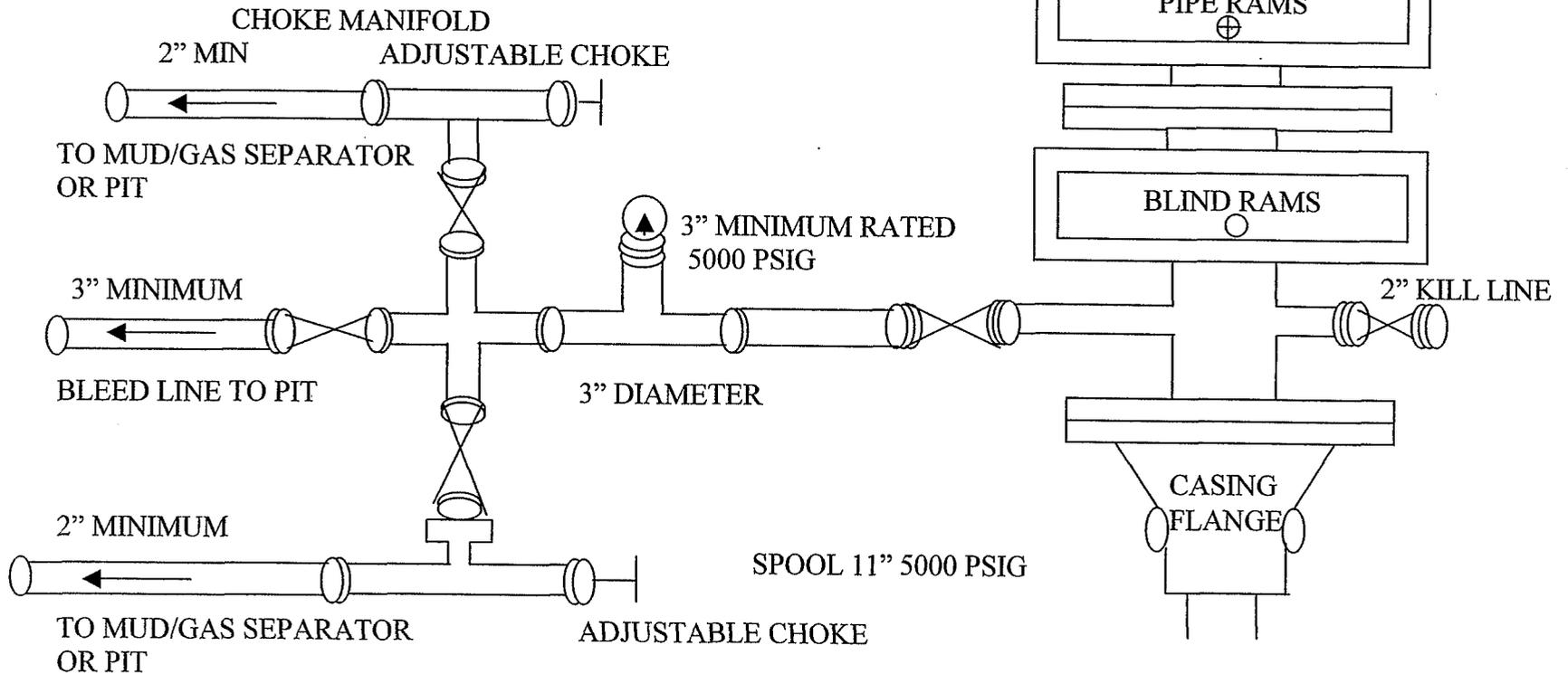
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
 CASING FLANGE IS 11" 5000 PSIG RATED.
 BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



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

Company/Operator: EOG Resources, Inc.
Well Name & Number: Natural Buttes Unit 539-24E
Lease Number: U-0149076
Location: 1870' FSL & 477' FEL, NE/SE, Sec. 24,
T9S, R21E, S.L.B.&M., Uintah County
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 17.51 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.

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

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

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

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

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

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

- A. Abandoned wells - 3*
- B. Producing wells - 30*
- C. Shut in 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 well head valves, separator, dehy, 210 Bbl condensate tank, meter house, and attached 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 456' from proposed location to a point in the NE/SE of Section 24, T9S, R21E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses BIA administered lands, thus a Right-of-Way grant will be required.
- 3. Proposed pipeline will be a 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, unless more stringent protective requirements are deemed necessary by the authorized officer.

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

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

The required paint color is Carlsbad Canyon.

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

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

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

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

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

day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BIA administered land:

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

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

The stockpiled topsoil will be stored between Corners #2 and #8.

Access to the well pad will be from the North.

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

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Tribal

Location: Tribal

12. OTHER INFORMATION

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

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

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

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

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

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

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.

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

Certification

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Natural Buttes Unit 539-24E Well, located in the NE/SE of Section 24, T9S, R21E, Uintah County, Utah; Lease #U-0149076;** 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.

8-6-2004
Date


Agent

EOG RESOURCES, INC.

NBU #539-24E

SECTION 24, T9S, R21E, 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; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 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 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 50' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED LOCATION IS APPROXIMATELY 48.5 MILES.

EOG RESOURCES, INC.

NBU #539-24E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T9S, R21E, S.L.B.&M.

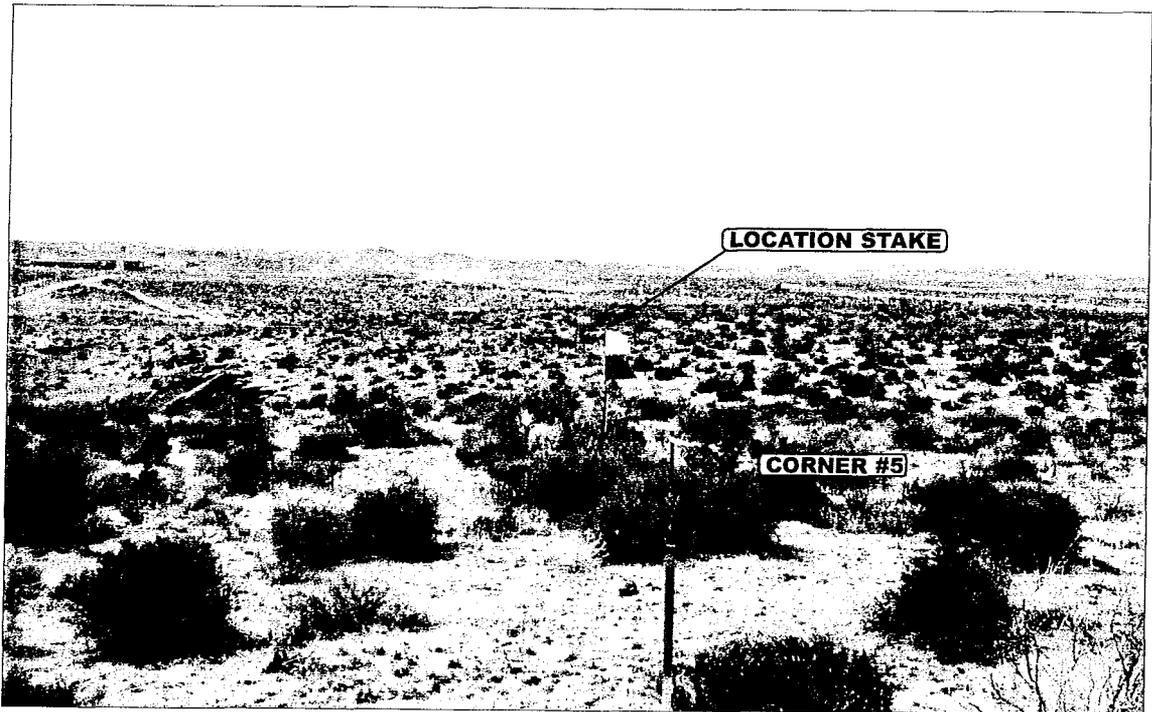


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

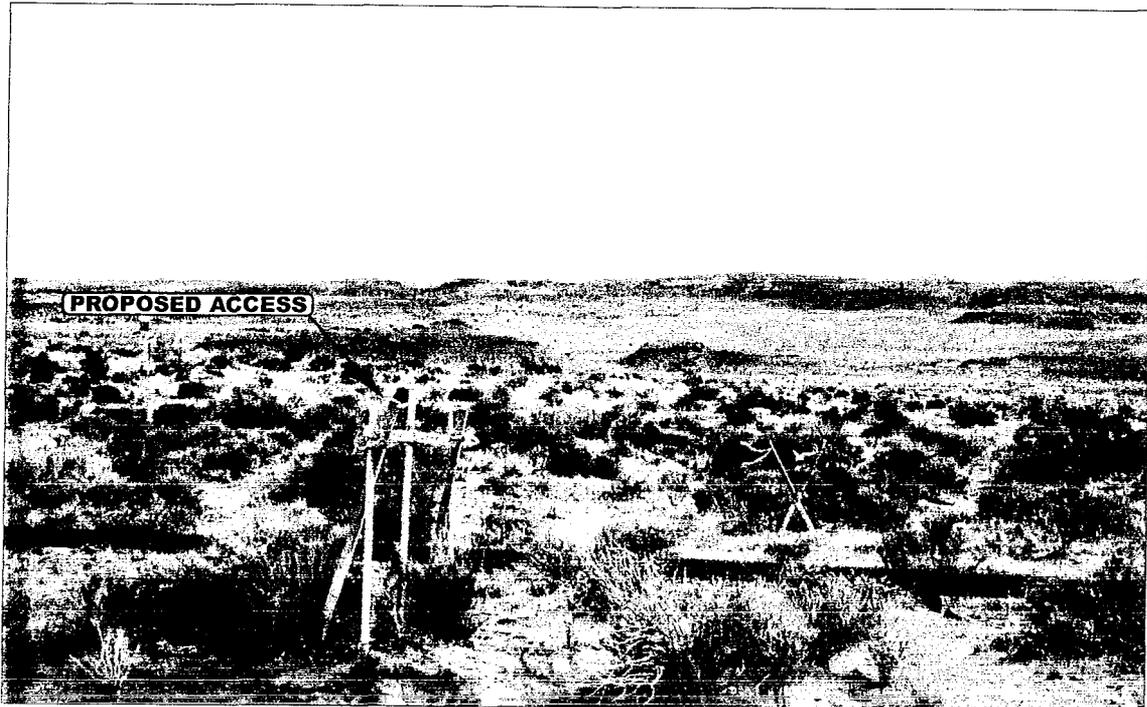


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

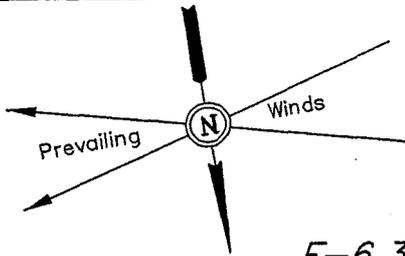
E&L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	4	20	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.S.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

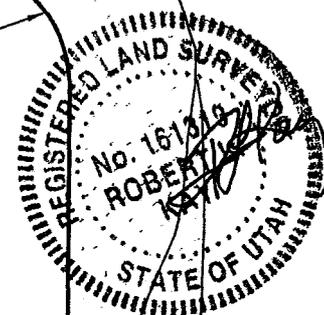
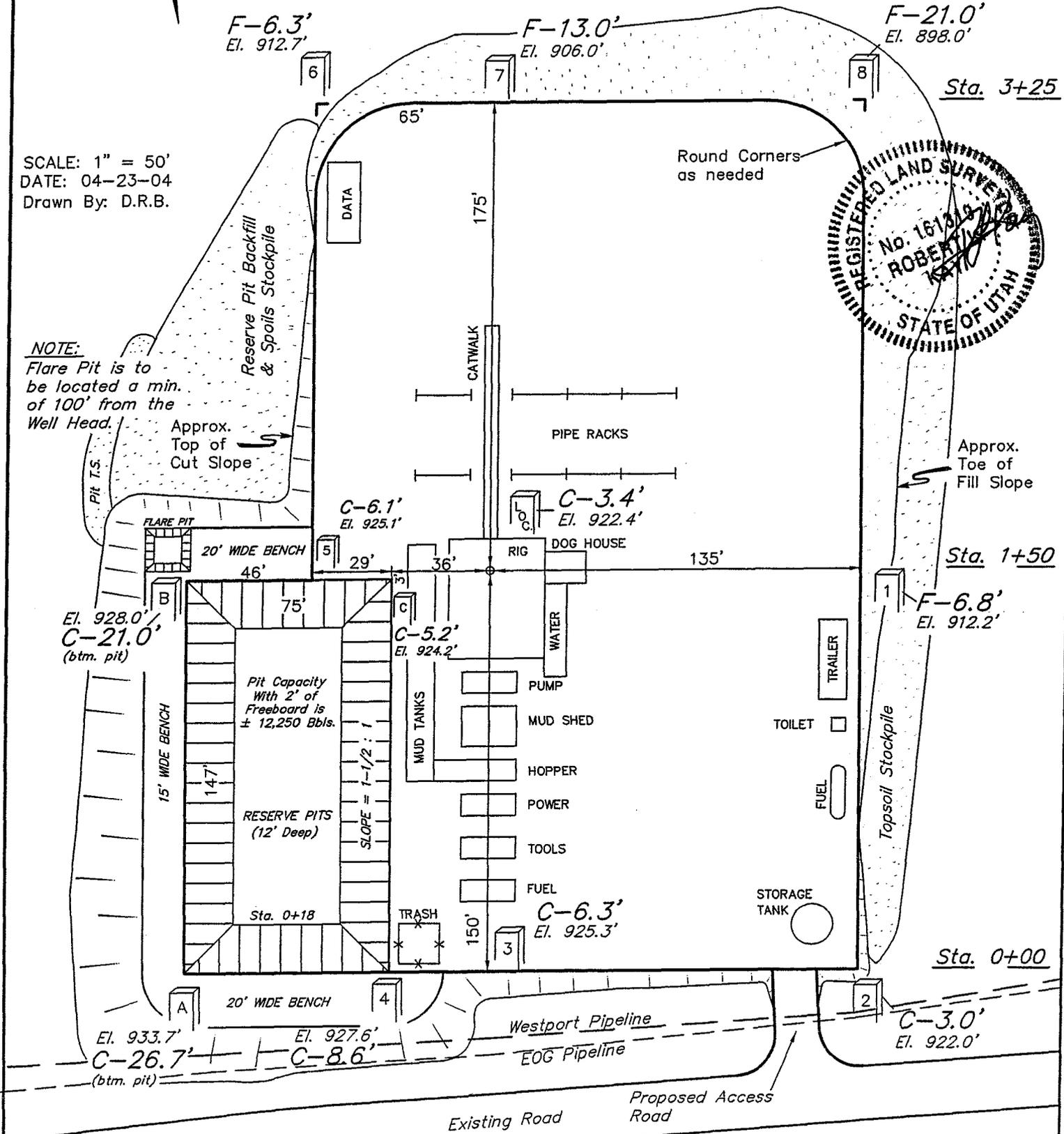
NBU #539-24E
SECTION 24, T9S, R21E, S.L.B.&M.
1870' FSL 477' FEL



SCALE: 1" = 50'
DATE: 04-23-04
Drawn By: D.R.B.

NOTE:

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



Elev. Ungraded Ground at Location Stake = 4922.4'
Elev. Graded Ground at Location Stake = 4919.0'

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

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

NBU #539-24E

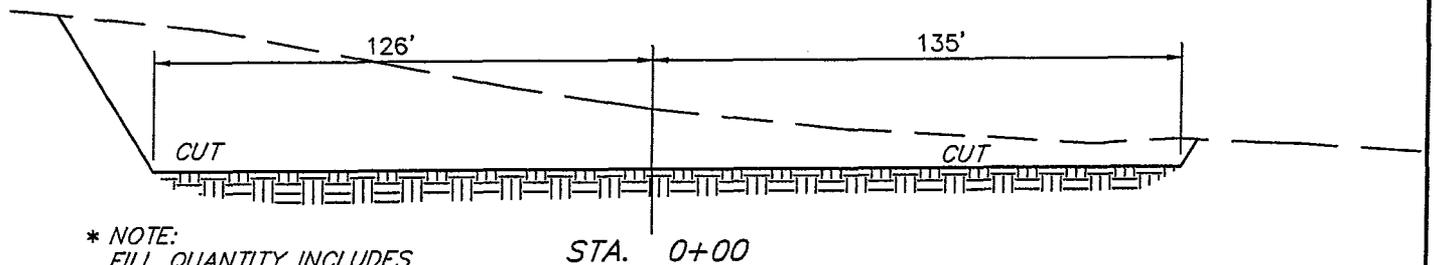
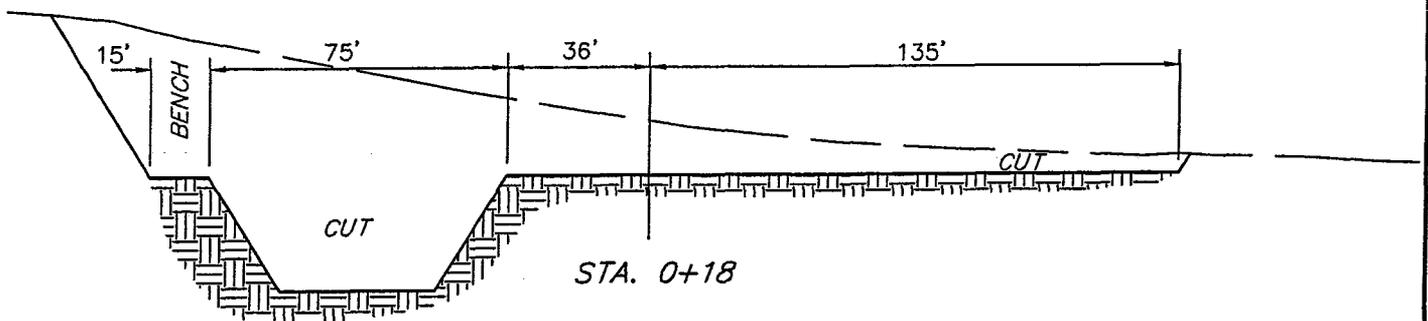
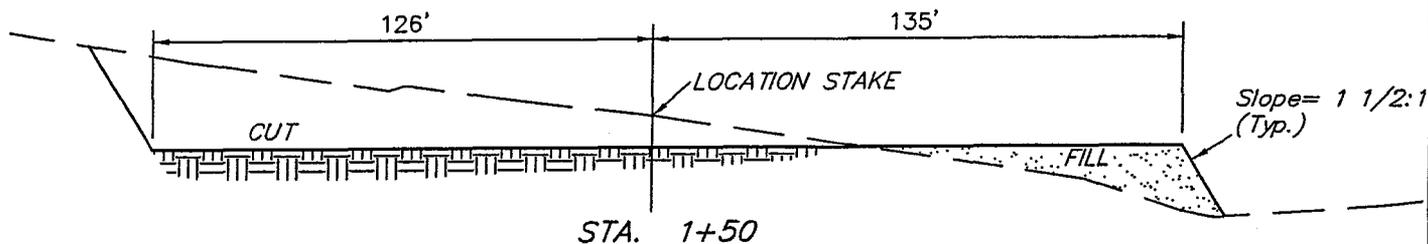
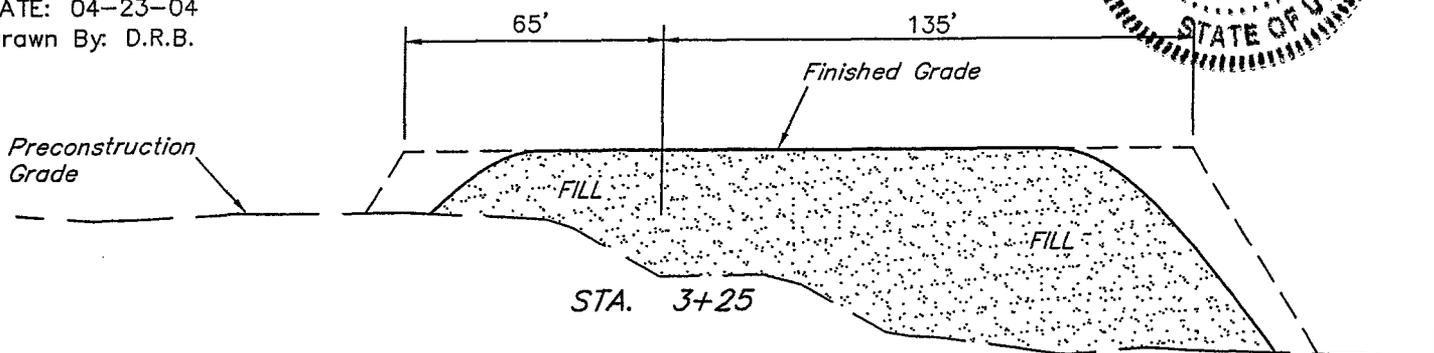
SECTION 24, T9S, R21E, S.L.B.&M.

1870' FSL 477' FEL



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

DATE: 04-23-04
Drawn By: D.R.B.



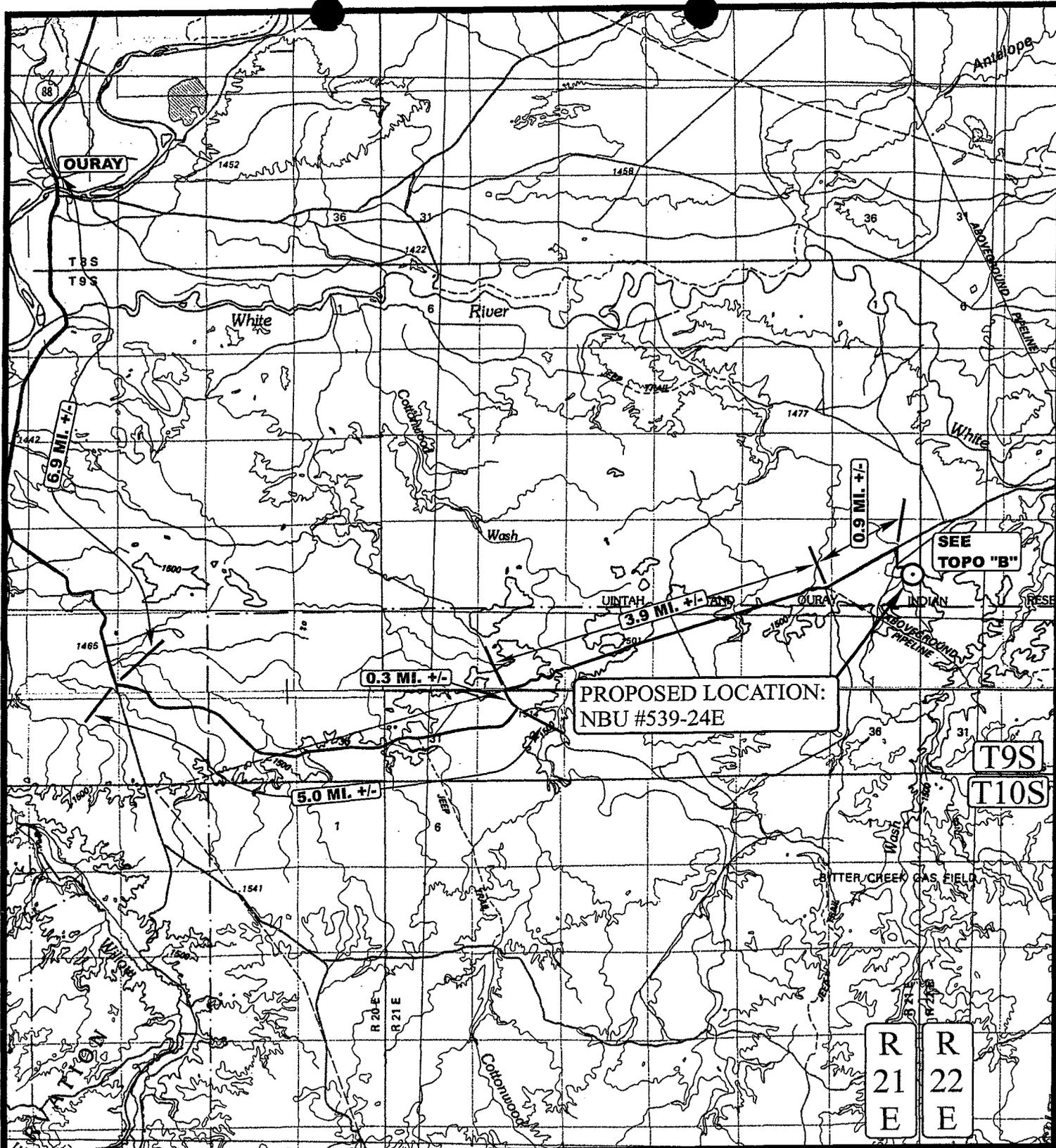
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(12") Topsoil Stripping	= 3,740 Cu. Yds.
Remaining Location	= 12,530 Cu. Yds.
TOTAL CUT	= 16,270 CU.YDS.
FILL	= 10,870 CU.YDS.

EXCESS MATERIAL	= 5,400 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,400 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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



**PROPOSED LOCATION:
NBU #539-24E**

**SEE
TOPO "B"**

**T9S
T10S**

**R
21
E**

**R
22
E**

LEGEND:

○ PROPOSED LOCATION



EOG RESOURCES, INC.

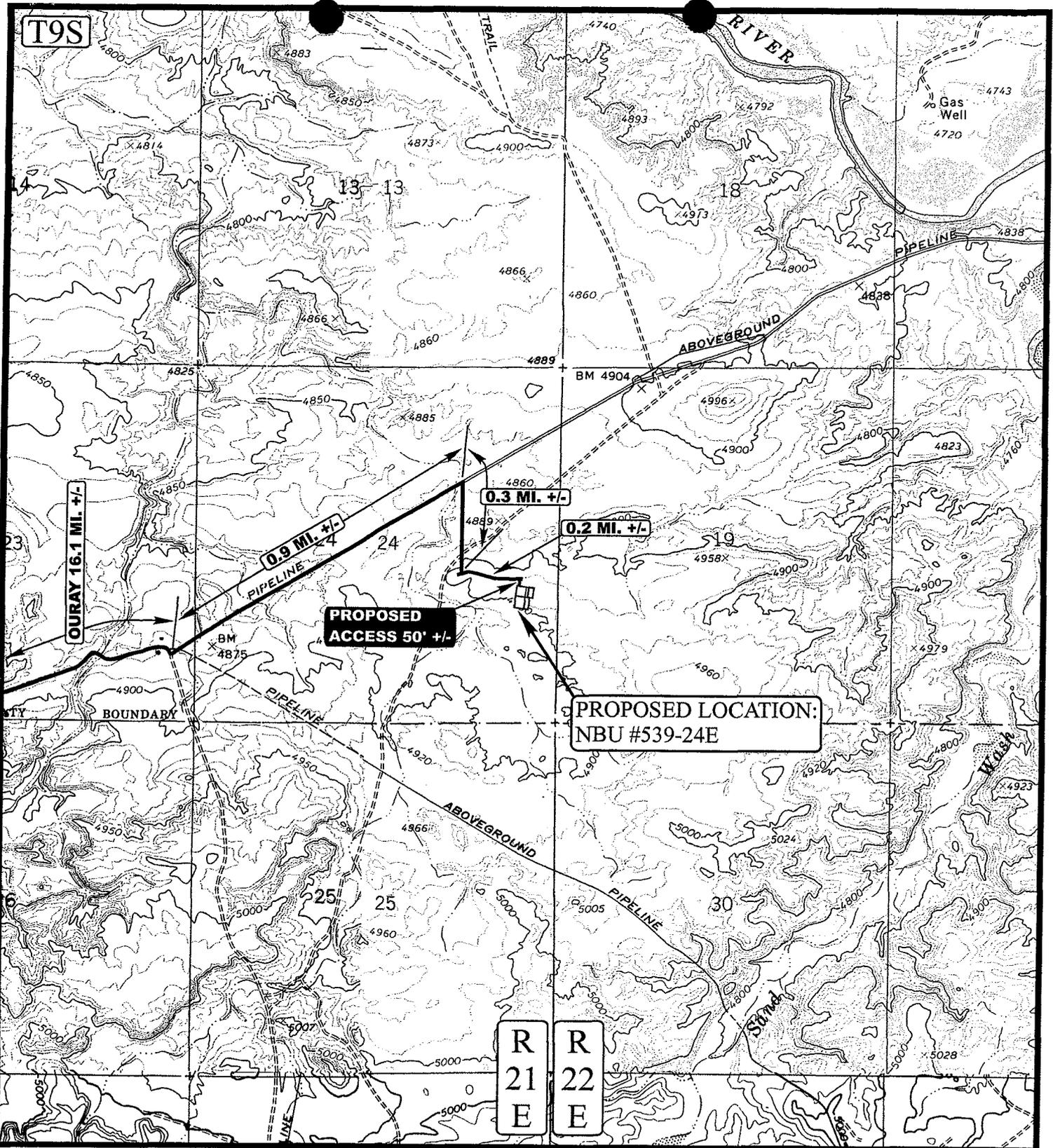
**NBU #539-24E
SECTION 24, T9S, R21E, S.L.B.&M.
1870' FSL 477' FEL**



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

TOPOGRAPHIC 4 2004
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



EOG RESOURCES, INC.

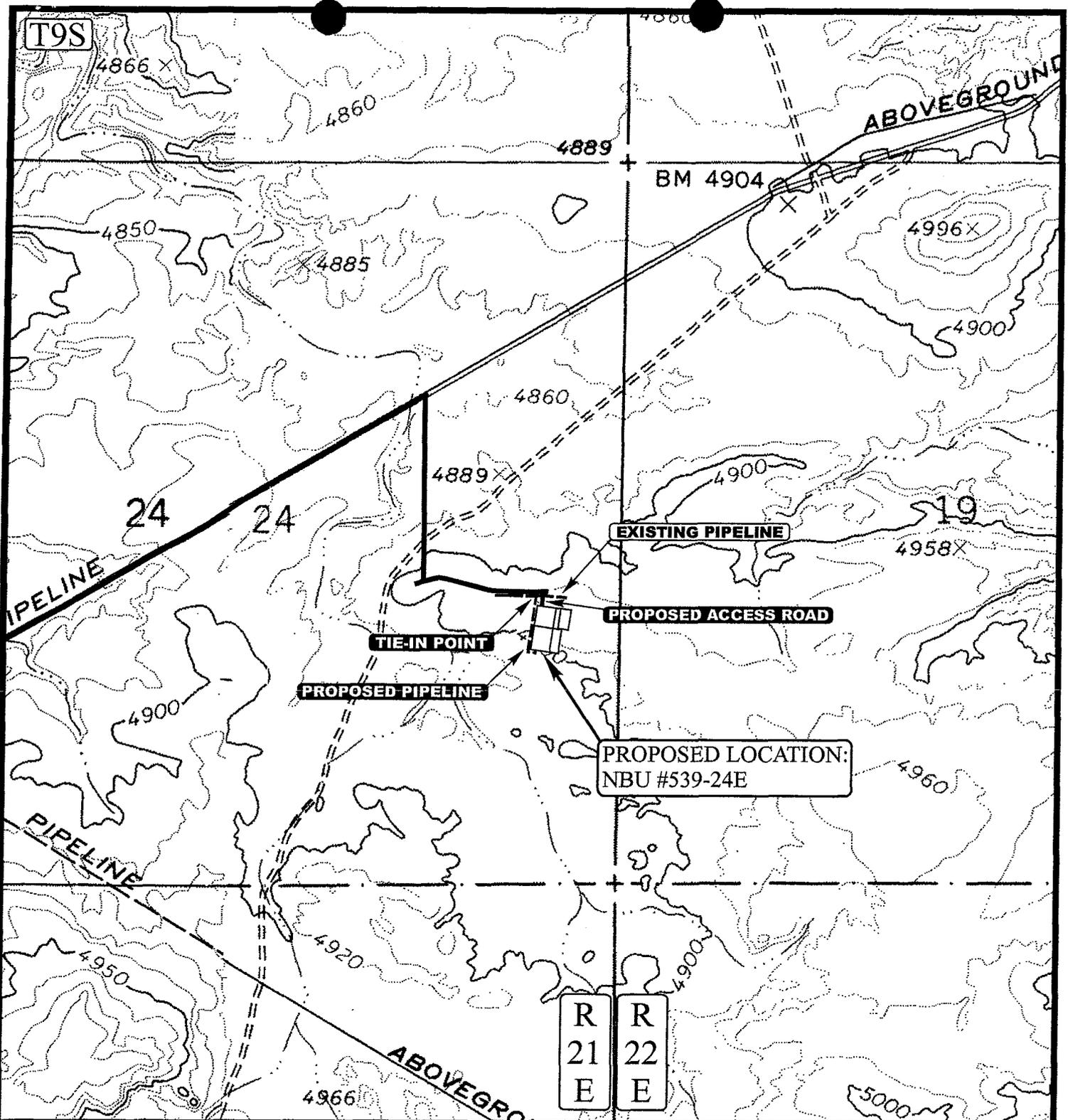
NBU #539-24E
 SECTION 24, T9S, R21E, S.L.B.&M.
 1870' FSL 477' FEL



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

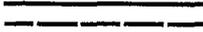
TOPOGRAPHIC MAP
 4 20 04
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 456' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

EOG RESOURCES, INC.

NBU #539-24E
 SECTION 24, T9S, R21E, S.L.B.&M.
 1870' FSL 477' FEL



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



TOPOGRAPHIC MAP
 4 20 04
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00

D
 TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/18/2004

API NO. ASSIGNED: 43-047-35887

WELL NAME: NBU 539-24E
OPERATOR: EOG RESOURCES INC (N9550)
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NESE 24 090S 210E
SURFACE: 1870 FSL 0477 FEL
BOTTOM: 1870 FSL 0477 FEL
UINTAH
NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-0149076
SURFACE OWNER: 2 - Indian
PROPOSED FORMATION: PRRV
COALBED METHANE WELL? NO

LATITUDE: 40.01950
LONGITUDE: -109.4916

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

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- OIL SHALE



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 26, 2004

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

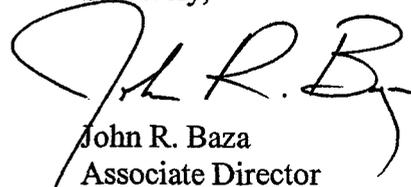
Re: Natural Buttes Unit 539-24E Well, 1870' FSL, 477' FEL, NE SE, Sec. 24,
T. 9 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35887.

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 Natural Buttes Unit 539-24E
API Number: 43-047-35887
Lease: U-0149076

Location: NE SE Sec. 24 T. 9 South R. 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

005

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 **1870' FSL, 477' FEL** **NE/SE**
At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office*
17.51 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. **477'**
(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
9875'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4919.0 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

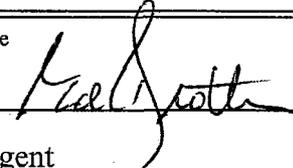
23. Estimated duration
45 DAYS RECEIVED

24. Attachments

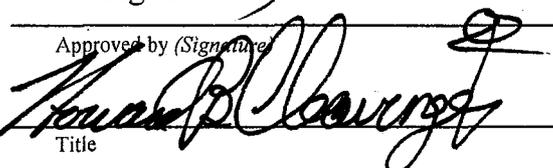
Attachments

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 to BLM (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **August 6, 2004**

Title **Agent**

Approved by (Signature)  Name (Printed/Typed) Title Office Date **12/16/2004**

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)

JAN 10 2005

DIV. OF OIL, GAS & MINING

40061M

MS 05/05/04

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources Inc.
Well Name & Number: NATURAL BUTTES UNIT 539-24E
API Number: 43-047-35887
Lease Number: UTU - 0149076
Location: NESE Sec. 24 TWN: 09S RNG: 21E
Agreement: NATURAL BUTTES UNIT

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 5M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

In addition, to the cementing proposal for the surface casing under Option 1, a minimum of 200 ft. of Class G or Type 5 neat cement shall be placed from 200 ft. to surface in the 9 5/8" X 12 1/4" annulus.

As a minimum, the usable water and other valuable resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Wasatch Formation, identified at $\pm 4,863$ ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

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

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

7. Other Information

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

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

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

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

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

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

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

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

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

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

EOG Resources, Inc. (EOG) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All EOG personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

EOG employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

EOG employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

EOG will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of Way (ROW). EOG shall receive written notification of authorization or denial of the requested modification. Without authorization, EOG will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. EOG shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified archaeologist accompanied by a Tribal Technician will monitor any trenching construction of the pipeline.

At the North Chapita 257-7 well, a ROW, 30 feet wide and 870 feet long, shall be granted by BIA for the new access road. A corridor ROW, 30 feet wide and 849 feet long, shall be granted for the pipeline construction.

At the North Chapita 259-5 well, a ROW, 30 feet wide and 364 feet long, shall be granted by BIA for the new access road. The pipeline construction and tie-in would be within the location construction ROW.

At the Natural Buttes Unit 384-23E well, a ROW, 30 feet wide and 437 feet long, shall be granted by BIA for the new access road. A corridor ROW, 30 feet wide and 248 feet long, shall be granted for the pipeline construction.

At the Natural Buttes Unit 539-24E well, the new access road and the pipeline construction and tie-in will be within the location construction ROW.

At these locations, the constructed, travel width of the access roads will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the ROWs may be wider

where sharp curves; deep cuts and fills occur; or, where intersections with other roads are required.

Culverts and diversion ditches will be placed and constructed where needed. Road base gravel will be used where sandy soils make roadways and the drilling location hazardous for access or drilling operations.

Upon completion of the pertinent APD and ROWs, EOG will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

EOG will implement "Safety and Emergency Plan" and ensure plan compliance.

EOG shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontology resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

EOG employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontology fossils. No significant cultural resources shall be disturbed.

EOG will control noxious weeds on the well site and ROWs. EOG will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. A fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled, to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The pipeline portion of the ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on access roads. They shall be pulled into place and assembled with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface. After construction is completed the disturbed area shall be contoured to blend into the natural landscape and be

reseeded between September 15 and November 1 of the year following construction with perennial vegetation seed mixture provided by the BIA or Ute Tribe.

Before a well site is abandoned, EOG will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Soil erosion will be mitigated, by reseeding all disturbed areas.

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-0149076
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE
		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: NATURAL BUTTES UNIT 539-24E	
2. NAME OF OPERATOR: EOG RESOURCES, INC.		9. API NUMBER: 4304735887
3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 789-4120	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1870' FSL, 477' FEL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 9S 21E 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"/> 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: <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: 08-18-2005
By: [Signature]

COPY SENT TO OPERATOR
Date: 8-22-05
Initials: [Signature]

NAME (PLEASE PRINT) <u>Ed Trotter</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/16/2005</u>

(This space for State use only)

RECEIVED
AUG 1 / 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: 43-047-35887
Well Name: NATURAL BUTTES UNIT 539-24E
Location: 1870' FSL, 477' FEL, NESE, SEC. 24, T9S, R21E
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 8/26/2004

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

8/16/2005

Date

Title: Agent

Representing: EOG RESOURCES, INC.

RECEIVED
AUG 1 / 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-0149076

6. If Indian, Allottee or Tribe Name
UTE INDIAN TRIBE

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

RECEIVED
NOV 18 2005

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		8. Well Name and No. NATURAL BUTTES UNIT 539-24E
2. Name of Operator EOG RESOURCES, INC.		9. API Well No. 43-047-35887
3a. Address P.O. BOX 1910, VERNAL, UT 84078	3b. Phone No. (include area code) (435)789-4120	10. Field and Pool, or Exploratory Area NATURAL BUTTES
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1870' FSL, 477' FEL NE/SE SECTION 24, T9S, R21E, S.L.B.&M.		11. County or Parish, State UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Extension Request
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

**EOG Resources, Inc. requests that the APD for the subject well be extended for one year.
This APD was originally approved December 16, 2004.**

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

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Ed Trotter	Title Agent
Signature	Date November 16, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Petroleum Engineer	DATE NOV 30 2005
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, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**RECEIVED
DEC 12 2005
DIV. OF OIL, GAS & MINING**

UDOGM

CONDITIONS OF APPROVAL

EOG Resources Inc.

Notice of Intent APD Extension

Lease: UTU-0149076
Well: NBU 539-24E
Location: NESE Sec 24-T9S-R21E

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

1. The extension and APD shall expire on 12/16/06
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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: NBU 539-24E

Api No: 43-047-35887 Lease Type: FEDERAL

Section 24 Township 09S Range 21E County UINTAH

Drilling Contractor ROCKER DRILLING RIG # 1

SPUDDED:

Date 01/14/06

Time 9:00 AM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # 1-435-828-3630

Date 01/17/2006 Signed CHD

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

ENTITY ACTION FORM

Operator: EOG RESOURCES Operator Account Number: N 9550
 Address: P.O. BOX 250
city BIG PINEY
state WY zip 83113 Phone Number: (307) 276-3331

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35887	NATURAL BUTTES UNIT 539-24E		NESE	24	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
AB	99999	2900	1/14/2006			1/19/05	
Comments: <u>PRRV = ymVRD = WSMVD</u> - J							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35271	CHAPITA WELLS UNIT 847-22		NENW	22	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
AB	99999	13650	1/12/2006			1/19/06	
Comments: <u>PRRV = ymVRD</u> - J							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments: 							

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)

Kaylene B. Gardner

Name (Please Print)



Regulatory Assistant

Title

1/16/2006

Date

JAN 17 2006

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well Oil Well Gas Well Other

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

3a. Address **P.O. BOX 250 Big Piney WY, 83113**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**NESE 1870 FSL 477 FEL S.L.B.&M
SECTION 24, T9S, R21E 40.019408 LAT 109.491703 LON**

5. Lease Serial No.
U-0149076

6. If Indian, Allottee or Tribe Name
UTE INDIAN TRIBE

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

8. Well Name and No.
NATURAL BUTTES UNIT 539-24E

9. API Well No.
43-047-35887

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

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

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

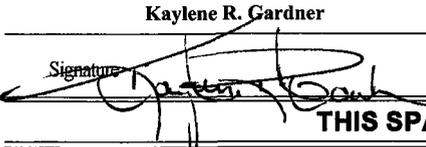
EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

- 1. Natural Buttes Unit 21-20B SWD.
- 2. Ace Disposal
- 3. 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) **Kaylene R. Gardner** Title **Regulatory Assistant**

Signature  Date **01/16/2006**

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
JAN 19 2006
DIV. OF OIL, GAS & MINING

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 8/17/2006

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/17/2006

3. Bond information entered in RBDMS on: n/a

4. Fee/State wells attached to bond in RBDMS on: n/a

5. Injection Projects to new operator in RBDMS on: n/a

6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: CO1203

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236

2. The **FORMER** operator has requested a release of liability from their bond on: n/a

The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

Well to transfer upon completion to Unit Operator (See 9/23/2003 letter from EOG & agreement from Westport of 9/17/03)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well Oil Well Gas Well Other

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**NESE 1870 FSL 477 FEL S.L.B.&M
SECTION 24, T9S, R21E 40.019408 LAT 109.491703 LON**

5. Lease Serial No.
U-0149076

6. If Indian, Allottee or Tribe Name
UTE INDIAN TRIBE

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

8. Well Name and No.
NATURAL BUTTES UNIT 539-24E

9. API Well No.
43-047-35887

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

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 WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.)

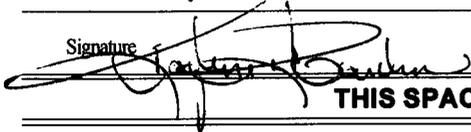
EOG Resources, Inc. spud a 20" surface hole at the referenced location 1/14/2006 at 9:00 a.m. Dall Cook, representative for EOG, notified Matt Baker of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 1/14/2006 @ 7:45 a.m.

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

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature



Date

01/16/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

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JAN 19 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
 Oil Well Gas Well Other

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

3a Address
600 17th St. Suite 1000N, Denver, CO 80202

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

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

**NESE SECTION 24, T9S, R21E S.L.B.&M.
 1870 FSL 477 FEL 40.0195 LAT -109.4916 LON**

5. Lease Serial No.
U-0149076

6. If Indian, Allottee or Tribe Name
UTE INDIAN TRIBE

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

8. Well Name and No.
Natural Buttes Unit 539-24E

9. API Well No.
43-047-35887

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

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 Drilling Operations
	<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.)

Please see attached operations summary report for drilling operations performed on the subject well 1/28/2006 - 2/10/2006.

EOG Resources, Inc. operates under Nationwide Bond #2308

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

Mary Maestas

Title **Operations Clerk**

Signature



Date

02/10/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

FEB 13 2006

BLM OF CO, CO 2006

PERCY

OPERATIONS SUMMARY REPORT

WELL NAME: NBU 539-24E
RIG NAME: PATTERSON #779
FIELD NAME: CHAPITA WELLS DEEP
EVENT NO.: 1

AFE NO: 302757
WELL ID NO.: 054759
API NO.: 43-047-35887
EVENT DESC.: DRILL & COMPLETE

DATE: 1/28/2006 **DSS:** **DEPTH:** 2,440 **MUD WT:** **CUM COST TO DATE:** 286,552.00

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	D	OT		MOVE RIG W/ERIE TRUCKING & RURT.
				SAFETY MEETING: RIG MOVE/RIGGING UP/GETTING UNDER SUSPENDED LOADS
				BOILER 12 HRS, FUEL USED 1120 GALS
				NO ACCIDENTS
				TEMP 22 DEGREES

DATE: 1/29/2006 **DSS:** **DEPTH:** 2,440 **MUD WT:** **CUM COST TO DATE:** 346,268.00

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
1.00	D	OT		RURT.
5.50	D	NU		NU BOP STACK. DAY WORK START @ 0700 HRS, 1/28/06.
6.50	D	TB		TEST BOP STACK, PIPE RAMS, BLIND RAMS, CHOKE LINES, KILL LINES, UPPER & LOWER KELLY VALES, SAFETY VALES, CHOKE MANIFOLD, SUPER CHOKE TO 5000 PSI FOR 10 MINUTES, ANNULAR TO 2500 PSI, FOR 10 MINUTES. TESTED CASING 1500 PSI FOR 30 MINUTES. ACCUMULATOR TESTED OK. TESTED BY SINGLE JACK TESTING. NOTIFIED BLM & UTE TRIBE BEFORE TESTING.
3.00	D	OT		PU MM & 7 7/8" BIT. DRILL RAT HOLE 16', SOLID ROCK.
2.00	D	OT		PRE-SPUD INSPECTION. STRAP BHA & DRILL PIPE.
2.00	D	OT		WORKED ON ANNULAR HYDRO VALVE. INSTALLED WEAR RING.
4.00	D	BH		PU BHA & DRILL PIPE.
				SAFETY MEETING: NIPPLE UP BOPS/PICKING UP BHA
				FUEL USED 452 GAL, BOILER 24 HRS
				TEMP 22 DEGREES
				NO ACCIDENTS

DATE: 1/30/2006 **DSS:** 1 **DEPTH:** 3,820 **MUD WT:** 8.40 **CUM COST TO DATE:** 377,907.00

PERCY**OPERATIONS SUMMARY REPORT**

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 1/30/2006	DSS: 1	DEPTH: 3,820	MUD WT: 8.40	CUM COST TO DATE: 377,907.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
2.00	D	OT		PU DRILL PIPE. TOP CEMENT @ 2340'.
3.00	D	DC		INSTALL ROTATING HEAD. DRILL FLOAT COLLAR/CEMENT 100' & 10' NEW HOLE FOR TEST.
0.50	D	OT		RUN FORMATION INTEGRITY TEST TO 11.0 PPG.
1.50	D	DR		DRILL 2450' TO 2557', 107', 71.33' PH, WT 12, RPM 50/55, PSI 1200, SPM 120, GPM 440.
0.50	D	SU		WIRELINE SURVEY @ 2449', 1 1/2 DEGREES.
1.00	D	DR		DRILL 2557' TO 2621', 64', 64' PH, WT 15, RPM 50/55, PSI 1300, SPM 120, GAL 440.
0.50	D	RS		RIG SERVICED. CK CROWN-O-MATIC.
4.00	D	DR		DRILL 2621' TO 2971', 350', 87.5' PH, WT 15/20, RPM 50/55, PSI 1400, SPM 120, GAL 440.
0.50	D	SU		WIRELINE SURVEY @ 2860', 2 DEGREES.
4.50	D	DR		DRILL 2971' TO 3481', 510', 113.33' PH, WT 15/20, RPM 50/55, PSI 1500, SPM 120, GAL 440.
0.50	D	SU		WIRELINE SURVEY @ 3412', 2.5 DEGREES.
5.50	D	DR		DRILL 3481' TO 3820', 339' @ 61.63' PH, WT 15/20, RPM 50/55, PSI 1500, SPM 120, GAL 440.
FORMATION GREEN RIVER, BG GAS 400-600U, CONN GAS 2000-2300U, DOWN TIME GAS 4142 @ 2558', HIGH GAS 5504U @ 3227'				
SAFETY MEETING: PU DRILL PIPE/RUNNING WIRELINE SURVEYS				
FUEL USED 1375, BOILER 24 HRS				
TEMP 40 DEGREES				
NO ACCIDENTS				
18.00	D			SPUD 7 7/8" HOLE AT 11:30 HRS, 1/29/06.

DATE: 1/31/2006	DSS: 2	DEPTH: 4,810	MUD WT: 8.90	CUM COST TO DATE: 407,113.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.00	D	DR		DRILL 3820' TO 3992', 172', 57.33' PH, WT 15/20, RPM 50/114, PSI 1500, SPM 120, GPM 440.
0.50	D	SU		WIRELINE SURVEY @ 3921', 3 DEGREES.
1.50	D	DR		DRILL 3992' TO 4055', 63', 42' PH, WT 14/20, RPM 50/114, PSI 1500, SPM 120, GPM 440.
1.00	D	RS		RIG SERVICED. GREASED CROWN. CHECKED CROWN-O-MATIC.
7.50	D	DR		DRILL 4055' TO 4501', 446', 59.46, WT 15/20, RPM 50/114, PSI 1500, SPM 120, GPM 440.
0.50	D	SU		WIRELINE SURVEY @ 4431', 2.25 DEGREES.
5.00	D	DR		DRILL 4501' TO 4788', 287', 57.40' PH, WT 18/20, RPM 50/114, PSI 1500, SPM 120, GPM 440.
3.50	D	OT		WORK STUCK PIPE & TIGHT HOLE @ 4761'. PULLED 250,000# MAX, INCREASED MW TO 9.5 PPG.
0.50	D	CA		CIRC & CLEAN UP HOLE, MUD WT 9.5, VIS 38/40.
1.00	D	DR		DRILL 4788' TO 4810', 22', 22' PH, WT 20, RPM 50/114, PSI 1550, SPM 120, GPM 440.
FORMATION GREEN RIVER, BG GAS 2900-3400U, CONN GAS 3100-3500U, HIGH GAS 3951 @ 4557'				
NO SHOWS, 60% SHALE, 30% SANDSTONE, 10% LIMESTONE				
SAFETY MEETING: PU PIPE/WATCH OUT FOR FINGER BITES				
FUEL ON HAND 5614 GAL, USED 1060 GAL				
BOILER 24 HRS				
TEMP 29 DEGREES				
NO ACCIDENTS				

DATE: 2/1/2006	DSS: 3	DEPTH: 4,820	MUD WT: 9.60	CUM COST TO DATE: 436,641.00
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PERCY**OPERATIONS SUMMARY REPORT**

WELL NAME:	NBU 539-24E	AFE NO:	302757
RIG NAME:	PATTERSON #779	WELL ID NO.:	054759
FIELD NAME:	CHAPITA WELLS DEEP	API NO.:	43-047-35887
EVENT NO.:	1	EVENT DESC.:	DRILL & COMPLETE

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
1.00	D	DR		DRILL 4810' TO 4820', 10', 10' PH, WT 20, RPM 50/114, PSI 1550, SPM 120, GPM 440.
3.00	D	OT		ROTARY CLUTCH WENT OUT ON CONNECTION. WORKED TIGHT HOLE @ 4800'.
5.50	D	TR		TRIP OUT TO 2135' TO REPAIR ROTARY CLUTCH, LAY DOWN 2 JTS PIPE.
14.50	K	RR		RIG REPAIR, REMOVED ROTARY CLUTCH. SENT TO SHOP FOR REPAIR, SHOULD BE BACK TODAY.

SAFETY MEETING: TRIPPING/CHANGING OIL ON MOTORS
 FUEL 5076 GAL ON HAND, USED 538 GAL
 BOILER 24 HRS
 FORMATION
 NO ACCIDENTS

DATE:	2/2/2006	DSS:	4	DEPTH:	4,820	MUD WT:		CUM COST TO DATE:	460,728.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	K	RR		WORKING ON ROTARY CLUTCH AND NUMBER ONE PUMP INPUT BOX.

NO ACCIDENTS OR INCIDENTS
 SAFETY MEETING: 100 % TIE OFF WHILE WORKING ABOVE GROUND

DATE:	2/3/2006	DSS:	5	DEPTH:	4,820	MUD WT:	9.90	CUM COST TO DATE:	468,165.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	K	RR		WORKING ON PUMP DRIVE AND ROTARY DRIVE SYSTEM.

NO ACCIDENTS OR INCIDENTS
 SAFETY MEETING: PAINTING AND CLEANING IN COLD WEATHER

DATE:	2/4/2006	DSS:	6	DEPTH:	4,820	MUD WT:		CUM COST TO DATE:	474,465.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
16.50	K	ER		WAIT ON PARTS TO REPAIR RIG ROTARY DRIVE & #1 PUMP OUTPUT SHAFT.
7.50	K	ER		INSTALL #1 PUMP SHAFT AND BEARING. CIRCULATE OUT EACH 2 HOURS.

DATE:	2/5/2006	DSS:	7	DEPTH:	5,445	MUD WT:	9.80	CUM COST TO DATE:	508,110.00
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.50	K	ER		REPAIR #1 PUMP SHAFT. TEST RUN, PUMP BOTTOMS UP.
1.00	K	TR		TIH 20 STANDS, HOLE IN GOOD SHAPE.
1.00	K	CA		CIRCULATE/CONDITION HOLE. 4000U GAS.
0.50	K	TR		TIH 10 STANDS TO 4078', HOLE IN GOOD SHAPE.
13.00	K	CA		CIRCULATE/CONDITION HOLE 4800U GAS ON BOTTOMS UP.
12.00	K	TR		TIH TO 4634' HOLE TAKING WT. LAY DOWN 4 JTS TO CLEAR DERRICK.
2.50	K	WA		WASH/REAM 4634' TO 4820', 4800U MAX GAS. NOTE: RIG BACK ON DAYWORK @ 15:30 HRS, 2/4/06
14.50	D	DR		DRILL 4820' TO 5445'.

SAFETY MEETING: HELPING WELDER & MECHANIC/BOP PROCEDURES
 BOP DRILL DAY TOWER 40 SEC

PERCY

OPERATIONS SUMMARY REPORT

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 2/6/2006 **DSS:** 8 **DEPTH:** 6,180 **MUD WT:** 9.90 **CUM COST TO DATE:** 540,512.20

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
2.50	D	DR		DRILL 5445' TO 5521', 76' @ .30 FPH.
1.00	D	SU		WLS @ 5545', 2 DEG. CHECK FLOW, NO FLOW.
2.50	D	DR		DRILL 5521' TO 5616', 95' @ 38 FPH.
1.00	D	SR		SERVICED RIG. GREASED CROWN AND BLOCKS. CHECKED CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS.
17.00	D	DR		DRILL 5616' TO 6180', 564' @ 33.1 FPH.

FUEL ON HAND 4672 GAL, FUEL USED 1477 GALS
 FORMATION WASATCH
 TEMP 22 DEG
 SAFETY MEETING: RUNNING SURVEYS/TEAM WORK
 NO ACCIDENTS

DATE: 2/7/2006 **DSS:** 9 **DEPTH:** 6,470 **MUD WT:** 9.60 **CUM COST TO DATE:** 572,670.95

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
8.50	D	DR		DRILL 6180' TO 6414', 234' @ 28 FPH.
1.00	D	CA		CIRCULATE. MIX AND PUMP PILL. DROP SURVEY.
1.50	D	TR		TOH.
0.50	D	SR		SERVICE RIG. CREW CHANGE.
3.50	D	TR		TOH, LAY DOWN REAMERS.
1.00	D	TR		CHANGE OUT MUD MOTOR AND BIT.
6.00	D	TR		TIH TO 6364' FILLING PIPE EACH 30 STD.
0.50	D	WA		WASH/REAM 6364' TO 6414', NO FILL.
1.50	D	DR		DRILL 6414' TO 6470', 56' @ 38 FPH.

FUNCTION TEST BOP, PIPE AND BLIND RAMS
 SAFETY MEETING: TRIPS/MIXING CHEMICALS
 FUEL 4004 GALS, USED 668 GALS
 NO ACCIDENTS
 TEMP 16 DEG
 BOP DRILL NIGHTS 41 SEC

FORMATION WASATCH

DATE: 2/8/2006 **DSS:** 10 **DEPTH:** 7,180 **MUD WT:** **CUM COST TO DATE:** 610,766.85

PERCY**OPERATIONS SUMMARY REPORT**

WELL NAME: NBU 539-24E
RIG NAME: PATTERSON #779
FIELD NAME: CHAPITA WELLS DEEP
EVENT NO.: 1

AFE NO: 302757
WELL ID NO.: 054759
API NO.: 43-047-35887
EVENT DESC.: DRILL & COMPLETE

DATE: 2/8/2006 **DSS:** 10 **DEPTH:** 7,180 **MUD WT:** **CUM COST TO DATE:** 610,766.85

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
7.00	D	DR		DRILL 6470' TO 6758', 288', 41.14' PH, WT 18/24, RPM 45/50, PSI 1350/1450, SPM 110, GPM 408.
0.50	D	RS		RIG SERVICED. FUNCTION TESED PIPE RAM & ANNULAR. CHECKED CROWN-O-MATIC.
3.50	D	DR		DRILL 6758' TO 6853', 95', 27.14' PH, WT 18/24, RPM 45/50, PSI 1350/1450, SPM 110, GPM 408.
0.50	D	OT		REPAIR FLOW SENSOR.
12.50	D	DR		DRILL 6853' TO 7180', 327', 26.16' PH, WT 18/24, RPM 35/60, PSI 1350/1600, SPM 110, GPM 408.

FORMATION NORTH HORN TOP 6831'
 BG GAS 150-200U, CONN GAS 200-300U, TRIP GAS 1550-6415U, HIGH GAS 1863U @ 6711'

SAFETY MEETING: MAKING CONNECTIONS/CHANGING OIL IN MOTORS
 FUEL USED 1663 GAL, ON HAND 2341 GAL
 BOILER 24 HRS
 TEMP 23 DEGREES
 NO ACCIDENTS

DATE: 2/9/2006 **DSS:** 11 **DEPTH:** 8,000 **MUD WT:** **CUM COST TO DATE:** 657,850.25

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
6.50	D	DR		DRILL 7180' TO 7490', 310', 47.69' PH, WT 20/25, RPM 35/60, PSI 1350/1650, SPM 110, GPM 408.
0.50	D	RS		RIG SERVICED. FUNCTION TESTED PIPE RAMS. CHECKED CROWN-O-MATIC.
17.00	D	DR		DRILL 7490' TO 8000', 510', 30' PH, WT 20/25, RPM 35/55, PSI 1550/1750, SPM 110, GPM 408.

FORMATION KMV PRICE RIVER TOP 7692
 BG GAS 200-300U, CONN GAS 1500-2500U, DOWN TIME GAS 2608U @ 7491', HIGH GAS 3546U @ 7252'
 40% SANDSTONE, 30% SHALE, 10% RED SHALE, 10% SILTSTONE

SAFETY MEETING: MAKING CONNECTIONS
 BOP DRILL 35 SECONDS
 FUEL ON HAND 5749 GAL, BOILER 24 HRS
 TEMP 20 DEGREES
 NO ACCIDENTS

DATE: 2/10/2006 **DSS:** 12 **DEPTH:** 8,250 **MUD WT:** **CUM COST TO DATE:** 687,562.85

PERC**OPERATIONS SUMMARY REPORT**

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 2/10/2006	DSS: 12	DEPTH: 8,250	MUD WT:	CUM COST TO DATE: 687,562.85
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
5.00	D	DR		DRILL 8000' TO 8121', 121', 24.2' PH, WT 20/25, RPM 45/55, PSI 1350/1650, SPM 110, GAL 408.
1.00	D	CR		CIRC BOTTOMS UP BEFORE TRIP OUT HOLE. DROP SURVEY.
7.00	D	TR		TOH. PU NEW MUD MOTOR & BIT (HC506Z).
6.50	D	TR		TIH. FILL PIPE @ 35 & 68 STANDS. WASH/REAM 60' TO BOTTOM, 15' FILL.
4.50	D	DR		DRILL 8121' TO 8250', 129', 28.66' PG, WT 12/18, RPM 43/55, PSI 1500/1650, SPM 108, GPM 408.
FORMATION KMV PRICE RIVER TOP 7692'				
BG GAS 500-1000U, CONN GAS 2100-2500U, TRIP GAS 9113U @ 8122', HIGH GAS 9113U TG @ 8122'				
50% SANDSTONE, 30% SHALE, 10% RED SHALE, 10% CARB SHALE, 10'-15' FLARE @ BOTTOMS UP				
SAFETY MEETING: TRIPPING/TRIPPING IN HOLE				
BOILER 24 HRS				
FUEL USED 942 GAL, ON HAND 4807 GAL				
NO PROBLEMS ON TRIP				
TEMP 25 DEGREES				
NO ACCIDENTS				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

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303-824-5526

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 1870 FSL 477 FEL 40.0195 LAT -109.4916 LON**

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<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 Drilling Operations
	<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	

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EOG Resources, Inc. operates under Nationwide Bond #2308

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

Mary Maestas

Title **Operations Clerk**

Signature

Mary Maestas

Date

03/09/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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

Title

Date

Office

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(Instructions on page 2)

MAR 13 2006

RECEIVED

PERCY**OPERATIONS SUMMARY REPORT**

WELL NAME:	NBU 539-24E	AFE NO:	302757
RIG NAME:	PATTERSON #779	WELL ID NO.:	054759
FIELD NAME:	CHAPITA WELLS DEEP	API NO.:	43-047-35887
EVENT NO.:	1	EVENT DESC.:	DRILL & COMPLETE

DATE: 2/10/2006	DSS: 12	DEPTH: 8,250	MUD WT:	CUM COST TO DATE: 687,562.85
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
5.00	D	DR		DRILL 8000' TO 8121', 121', 24.2' PH, WT 20/25, RPM 45/55, PSI 1350/1650, SPM 110, GAL 408.
1.00	D	CR		CIRC BOTTOMS UP BEFORE TRIP OUT HOLE. DROP SURVEY.
7.00	D	TR		TOH. PU NEW MUD MOTOR & BIT (HC506Z).
6.50	D	TR		TIH. FILL PIPE @ 35 & 68 STANDS. WASH/REAM 60' TO BOTTOM, 15' FILL.
4.50	D	DR		DRILL 8121' TO 8250', 129', 28.66' PG, WT 12/18, RPM 43/55, PSI 1500/1650, SPM 108, GPM 408.

FORMATION KMV PRICE RIVER TOP 7692'
 BG GAS 500-1000U, CONN GAS 2100-2500U, TRIP GAS 9113U @ 8122', HIGH GAS 9113U TG @ 8122'
 50% SANDSTONE, 30% SHALE, 10% RED SHALE, 10% CARB SHALE, 10'-15' FLARE @ BOTTOMS UP

SAFETY MEETING: TRIPPING/TRIPPING IN HOLE
 BOILER 24 HRS
 FUEL USED 942 GAL, ON HAND 4807 GAL
 NO PROBLEMS ON TRIP
 TEMP 25 DEGREES
 NO ACCIDENTS

DATE: 2/11/2006	DSS: 13	DEPTH: 9,120	MUD WT: 10.30	CUM COST TO DATE: 721,484.25
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
8.00	D	DR		DRILL 8250' TO 8541', 291', 36.38' PH, WT 12/24, RPM 45/65, PSI 1550/1650, SPM 110, GPM 408.
0.50	D	RS		RIG SERVICED. FUNCTION TESTED PIPE RAMS. CHECKED CROWN-O-MATIC.
15.50	D	DR		DRILL 8541' TO 9120', 579', 37.35' PH, WT 14/24, RPM 35/65, PSI 1650/1850, SPM 110, GPM 410.

FORMATION MID KMV PRICE TOP 8454', 60% SANDSTONE, 30% CARB SHALE, 10% SILTSTONE
 BG GAS 5900-7000U, CONN 8600-8900U, HIGH GAS 8913 CG @ 8638', NO FLARE

SAFETY MEETING: MIXING CHEMICALS/CHANGING OIL
 BOP DRILL 42 SECONDS
 BOILER 24 HRS
 FUEL USED 1589 GAL, ON HAND 3218 GAL
 TEMP 11 DEG
 NO ACCIDENTS

DATE: 2/12/2006	DSS: 14	DEPTH: 9,615	MUD WT: 10.70	CUM COST TO DATE: 768,833.85
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PERCY**OPERATIONS SUMMARY REPORT**

WELL NAME: NBU 539-24E
RIG NAME: PATTERSON #779
FIELD NAME: CHAPITA WELLS DEEP
EVENT NO.: 1

AFE NO: 302757
WELL ID NO.: 054759
API NO.: 43-047-35887
EVENT DESC.: DRILL & COMPLETE

DATE: 2/12/2006 **DSS:** 14 **DEPTH:** 9,615 **MUD WT:** 10.70 **CUM COST TO DATE:** 768,833.85

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
10.00	D	DR		DRILL 9120' TO 9371', 251', 25.1' PH, WT 18/25, RPM 35/65, PSI 1600/1800, SPM 110, GPM 408.
0.50	D	RS		RIG SERVICED. FUNCTION TESTED ANNULAR, PIPE RAMS. CHECKED CROWN-O-MATIC.
13.50	D	DR		DRILL 9371' TO 9615', 244', 18.07' PH, WT20/30, RPM 35/65, PSI 1750/1900, SPM 110, GPM 408.

SAFETY MEETING: MIXING MUD/DRIVING FORKLIFT
 BOP DRILL 40 SEC, 32 SEC
 FUEL ON HAND 6113 GAL, BOILER 24HRS

FORMATION LOWER KMV PRICE TOP 9297', 50% CARB SHALE, 40% SANDSTONE, 10% SILTSTONE
 BG GAS 1400-2500U, CONN GAS 6800-8100U, HIGH GAS 8324U CG @ 9276'
 TEMP 13 DEG
 NO ACCIDENTS

DATE: 2/13/2006 **DSS:** 15 **DEPTH:** 9,818 **MUD WT:** 11.60 **CUM COST TO DATE:** 802,600.75

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.00	D	DR		DRILL 9615' TO 9664', 49', 16.33' PH, WT 20/30, RPM 35/65, PSI 1600/1800, SPM 110, GPM 408.
0.50	D	RS		RIG SERVICED. FUNCTION TESTED PIPE RAMS.
1.50	D	OT		RIG REPAIRED, CHANGED SWAB IN #1, #2 PUMP MOTOR WOULDN'T GO UP TO SPEED.
6.50	D	DR		DRILL 9664' TO 9783', 119', 18.30' PH, WT20/30, RPM 35/65, PSI 1600/1900, SPM 120, GPM 400.
0.50	D	OT		RIG REPAIR, CHANGED SWAB IN PUMP.
7.50	D	DR		DRILL 9783' TO 9818' TD, 35', 4.66' PH, WT 20/30, RPM 35/65, PSI 1600/1900, SPM 120, GPM 400, ROP DOWN TO 2' PH. REACHED TD AT 01:30 HRS, 2/13/06.
4.50	D	CR		CIRC OUT GAS, RAISE MUD WT TO 11.7. LOST RETURNS. MIX LCM AND REDUCE MW TO 11.6. RE-ESTABLISH FULL CIRCULATION. TOTAL LOST 150 BBLS. NOW CIRC AND COND MUD WITH 9000 UNITS, 10' - 15' FLARE WITH MINIMAL LOSSES.

FORMATION: SEGO TOP 9724', 50% CARB SHALE, 40% SANDSTONE, 10% SILTSTONE
 BG GAS 700U-1400U, CONN GAS 5100U-9300U, DOWN TIME GAS 9215U @ 9816', HIGH GAS 9215U DTG/CG @ 9816'
 NO ACCIDENTS

DATE: 2/14/2006 **DSS:** 16 **DEPTH:** 9,818 **MUD WT:** 11.50 **CUM COST TO DATE:** 841,806.75

<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.50	D	CR		CIRC OUT GAS, RAISE MUD WT TO 11.6. NEW TD OF 9818' APPROVED BY ANNE GRAU VIA PHONE CONVERSATION.
0.50	D	RS		RIG SERVICED. GREASED BLOCKS & CROWN. FUNCTION TESTED PIPE RAMS.
9.00	D	CR		CIRC HOLE. WAIT ON 14.5# MUD PILL. MIX PILL, SPOT 14.5# MUD PILL ON BOTTOM.
8.00	D	LD		LAY DOWN 4 1/2" DRILL PIPE. BREAK KELLY.
2.00	D	BH		LAY DOWN DRILL COLLARS & BHA. PULLED WEAR BUSHING.
1.00	D	OT		HOLD SAFETY MEETING W/CALIBER CASING CREW. RIG UP CASING TOOLS.

SAFETY MEETING: LAYING DOWN DRILL STRING/RIG UP CASING TOOLS
 FUEL USED 1072 GALS, ON HAND 4004 GALS, BOILER 24 HRS
 TEMP 19 DEGREES
 NO ACCIDENTS

PERC**OPERATIONS SUMMARY REPORT**

WELL NAME:	NBU 539-24E	AFE NO:	302757
RIG NAME:	PATTERSON #779	WELL ID NO.:	054759
FIELD NAME:	CHAPITA WELLS DEEP	API NO.:	43-047-35887
EVENT NO.:	1	EVENT DESC.:	DRILL & COMPLETE

DATE: 2/15/2006	DSS: 17	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 990,436.75
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
10.00	D	RC		RUN 247 JTS (244 FULL + 1 SHORT JT + 2 MARKER JTS) OF 4 1/2", 11.6#, P-110, LTC CASING. LANDED AT 9817' KB. RAN CASING AS FOLLOWS: FLOAT SHOE, SHORT JT, FLOAT COLLAR, 59 JTS CASING, MARKER JT 7447', 75 JTS CASING, MARKER JT 4419', 110 CASING.
2.00	D	CA		CIRCULATE CASING. LOST ±100 BBLs. CIRCULATED BOTTOMS UP.
3.00	D	CM		CEMENTING W/SCHLUMBERGER. LEAD 970 SKS 35:65 POZ G 4% DO20, 2% D174, .750% D112, .2% DO46, .20% DO13, .25#/SK DO29. TAIL 1630 SKS 50:50 POZ G + 2% DO20, .1% DO46, 0.075% DO13, .2% D167, .2% DO65, HAD FULL RETURNS UNTILL JUST BEFORE DROPPING PLUG, NO RETURNS REST CEMENTING JOB, PLUG HELD FOR ±10 MINUTES, STARTED LEAKING 1/4 STREAM, SHUT IN CASING.
6.00	D	WC		FLOAT STARTED LEAKING, SHUT CASING IN. WAIT ON CEMENT.
2.00	D	OT		NIPPLE DOWN BOP. SET CASING SLIPS W/85,000#. LAND CASING @ 9818' KB.
1.00	D	CB		SET OUT BOP STACK & CLEAN MUD TANK.
				SAFETY MEETING: RUNNING CASING W/CALIBER/CEMENTING CASING W/SCHLUMBERGER FUEL USED 786 GAL, ON HAND 3218 GAL TEMP 25 DEG NO ACCIDENT

DATE: 2/16/2006	DSS: 18	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 993,278.75
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.00	D	OT		CLEAN MUD TANKS. SET OUT BOPE.
15.00	D			RELEASED RIG AT 09:00 HRS, 2/15/06. CASING POINT COST \$883,236

DATE: 2/22/2006	DSS: 19	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,039,471.75
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 1000'. CEMENT TOP ABOVE 1000'. RD SCHLUMBERGER.

DATE: 2/26/2006	DSS: 20	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,040,021.75
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		TESTED CASING & FRAC TREE TO 8500 PSIG. PREP TO FRAC 3/1/06.

DATE: 3/1/2006	DSS: 21	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,041,971.75
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OPERATIONS SUMMARY REPORT

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 3/1/2006	DSS: 21	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,041,971.75
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
12.00	C	OT		<p>RU CUTTERS WIRELINE. PERFORATED LPR FROM 9398'-99', 9417'-18', 9429'-30', 9443'-44', 9470'-71', 9477'-78', 9491'-92', 9497'-98', 9515'-16', 9525'-26', 9544'-45', 9560'-61' & 9583'-84' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5226 GAL YF125ST+ PAD, 42,948 GAL YF125ST+ & YF118ST+ WITH 130,400 # 20/40 SAND @ 1-6 PPG. MTP 7160 PSIG. MTR 50.3 BPM. ATP 5337 PSIG. ATR 49.4 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 9375'. PERFORATED MPR FROM 9143'-44', 9150'-51', 9155'-56', 9174'-75', 9252'-53', 9260'-61', 9300'-01', 9311'-12', 9325'-26', 9337'-38' & 9357'-58' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4938 GAL YF125ST+ PAD, 50,670 GAL YF125ST+ & YF118ST+ WITH 166,500# 20/40 SAND @ 1-6 PPG. MTP 7612 PSIG. MTR 50.3 BPM. ATP 5953 PSIG. ATR 48.6 BPM. ISIP 3535 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 9100'. PERFORATED MPR FROM 8813'-14', 8829'-30', 8840'-41', 8855'-56', 8873'-74', 8885'-86', 8934'-35', 8943'-44', 8956'-57', 8967'-68', 9001'-02', 9030'-31', 9061'-62' & 9068'-69' @ 2 SPF & 180° PHASING. RDWL. SDFN.</p>

DATE: 3/2/2006	DSS: 22	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,234,967.44
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OPERATIONS SUMMARY REPORT

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 3/2/2006	DSS: 22	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,234,967.44
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
13.00	C	OT		<p>INITIAL PRESSURE 2613 PSIG. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4937 GAL YF125ST+ PAD, 54,955 GAL YF125ST+ & YF118ST+ WITH 192,800# 20/40 SAND @ 1-6 PPG. MTP 7317 PSIG. MTR 50.3 BPM. ATP 6025 PSIG. ATR 49.6 BPM. ISIP 3270 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 8,785'. PERFORATE MPR FROM 8623'-24', 8635'-36', 8645'-46', 8653'-54', 8661'-62', 8675'-76', 8683'-84', 8715'-16', 8740'-41', 8747'-48', 8772'-73' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4935 GAL YF125ST+ PAD, 50,631 GAL YF125ST+ & YF118ST+ WITH 167,700# 20/40 SAND @ 1-6 PPG. MTP 7267 PSIG. MTR 50.4 BPM. ATP 5608 PSIG. ATR 49.8 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 8,604'. PERFORATE MPR FROM 8416'-17', 8428'-29', 8471'-72', 8481'-82', 8523'-24', 8534'-36', 8552'-53', 8558'-59', 8576'-77' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4944 GAL YF125ST+ PAD, 50,958 GAL YF125ST+ & YF118ST+ WITH 169,300# 20/40 SAND @ 1-6 PPG. MTP 8155 PSIG. MTR 50.3 BPM. ATP 6263 PSIG. ATR 47.7 BPM. ISIP 3680 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 8,390'. PERFORATE UPR FROM 8124'-25', 8137'-38', 8155'-56', 8164'-65', 8217'-18', 8232'-33', 8244'-45', 8256'-57', 8278'-79', 8289'-90', 8311'-12', 8338'-39', 8373'-74' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4937 GAL YF125ST+ PAD, 62,935 GAL YF125ST+ & YF118ST+ WITH 236,900# 20/40 SAND @ 1-6 PPG. MTP 8414 PSIG. MTR 50.3 BPM. ATP 5496 PSIG. ATR 49 BPM. ISIP 2660 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 8,060'. PERFORATE UPR FROM 7715'-16', 7726'-27', 7741'-42', 7804'-05', 7817'-18', 7832'-33', 7857'-58', 7881'-82', 7907'-08', 7965'-66', 7986'-87', 8025'-27' @ 2SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4948 GAL YF125ST+ PAD, 49,988 GAL YF125ST+ & YF118ST+ WITH 167,000 # 20/40 SAND @ 1-6 PPG. MTP 8525 PSIG. MTR 50.3 BPM. ATP 5949 PSIG. ATR 47.2 BPM. ISIP 2660 PSIG. RD SCHLUMBERGER.</p> <p>RUWL SET 10K CFP AT 7,690'. PERFORATE UPR FROM 7468'-69', 7485'-86', 7496'-97', 7545'-46', 7557'-58', 7580'-81', 7590'-91', 7600'-01', 7661'-62', 7668'-69' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4931 GAL YF125ST+ PAD, 63,109 GAL YF125ST+ & YF118ST+ WITH 191,560 # 20/40 SAND @ 1-6 PPG. MTP 6312 PSIG. MTR 50.3 BPM. ATP 4716 PSIG. ATR 50 BPM. ISIP 2860 PSIG. RDMO SCHLUMBERGER.</p> <p>RUWL SET 10K CBP AT 7,440'. BLEED WELL OFF TO 0 PSIG. RDMO CUTTERS WIRELINE. SWIFN.</p>

DATE: 3/3/2006	DSS: 23	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,316,836.34
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
11.00	C	OT		<p>MIRU ROYAL WELL SERVICE. SICP 0 PSIG. ND FRAC TREE. NU BOPE. RIH W/3 7/8" BIT & PUMP OFF SUB. CLEANED OUT & DRILLED OUT PLUGS @ 7440' & 7690'. POH TO 7400'. SDFN.</p>

DATE: 3/4/2006	DSS: 24	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,398,705.24
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OPERATIONS SUMMARY REPORT

WELL NAME: NBU 539-24E	AFE NO: 302757
RIG NAME: PATTERSON #779	WELL ID NO.: 054759
FIELD NAME: CHAPITA WELLS DEEP	API NO.: 43-047-35887
EVENT NO.: 1	EVENT DESC.: DRILL & COMPLETE

DATE: 3/4/2006	DSS: 24	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,398,705.24
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		SICP 1600 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 8060', 8390', 8604', 8785', 9100' & 9,375'. RIH. CLEANED OUT TO PBD @ 9794'. LANDED TBG AT 7443' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RD MOSU.
				FLOWED 16 HRS. 16/64" CHOKE. FTP 1700 PSIG. CP 1900 PSIG. 50 BFPH. RECOVERED 904 BLW. 10342 BLWTR.
				TUBING DETAIL
				LENGTH
				PUMP OFF SUB .85'
				1 JT 2-3/8" 4.7# N-80 TBG 32.55'
				XN NIPPLE 1.10'
				227 JTS 2-3/8" 4.7# N-80 TBG 7390.79'
				BELOW KB 18.00'
				LANDED @ 7443.29' KB

DATE: 3/5/2006	DSS: 25	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,456,651.24
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2600 PSIG. 39 BFPH. RECOVERED 1071 BLW. 9,313 BLWTR.

DATE: 3/6/2006	DSS: 26	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,514,597.24
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		FLOWED 24 HRS. 16/64" CHOKE. FTP 2200 PSIG. CP 3250 PSIG. 35 BFPH. RECOVERED 853 BLW. 8466 BLWTR.

DATE: 3/7/2006	DSS: 27	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,517,474.74
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
24.00	C	OT		FLOWED 24 HRS. 16/64" CHOKE. FTP 2050 PSIG. CP 3000 PSIG. 30 BFPH. RECOVERED 735 BLW. 7731 BLWTR.

DATE: 3/8/2006	DSS: 28	DEPTH: 9,818	MUD WT:	CUM COST TO DATE: 1,519,924.74
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<u>HOURS</u>	<u>PH</u>	<u>OP</u>	<u>ACT</u>	<u>ACTIVITY DESCRIPTION</u>
3.00	C	OT		FLOWED 3 HRS. 16/64" CHOKE. FTP 2050 PSIG. CP 3300 PSIG. 30 BFPH. RECOVERED 90 BLW. 7641 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 3/7/06

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No. **U-0149076**

6. If Indian, Allottee or Tribe Name
Ute Indian Tribe

7. Unit or CA Agreement Name and No.
Natural Buttes Unit

8. Lease Name and Well No.
Natural Buttes Unit 539-24E

9. AFI Well No.
43-047-35887

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 24-T9S-R21E**

12. County or Parish **Uintah County** 13. State **UT**

17. Elevations (DF, RKB, RT, GL)*
4922 NAT GL

1. a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
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 **1870' FSL & 477' FEL (NESE) 40.0195 LAT 109.4916 LON**
At top prod. interval reported below **Same**
At total depth **Same**

14. Date Spudded **01/14/2006** 15. Date T.D. Reached **02/13/2006** 16. Date Completed **03/14/2006**
 D & A Ready to Prod.

18. Total Depth: MD **9818** 19. Plug Back T.D.: MD **9794** 20. Depth Bridge Plug Set: MD
TVD TVD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST/CBL/CCL/VDL/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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	J-55	36.0#	0-2436		645 sx			
7-7/8"	4-1/2"	P-110	11.6#	0-9818		2600 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"	7443							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7468	9584	9398-9584		2/spf	
B)			9143-9358		3/spf	
C)			8813-9069		2/spf	
D)			8623-8773		2/spf	

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

Depth Interval	Amount and Type of Material
9398-9584	48,339 GALS GELLED WATER & 130,400# 20/40 SAND
9143-9358	55,773 GALS GELLED WATER & 166,500# 20/40 SAND
8813-9069	60,057 GALS GELLED WATER & 192,800# 20/40 SAND
8623-8773	55,731 GALS GELLED WATER & 167,700# 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
03/14/2006	03/18/2006	24	→	25	549	180			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
10/64"	2300	2500	→						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	
			→						

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

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	7468	9584		Wasatch	4858
				Chapita Wells	5468
				Buck Canyon	6164
				North Horn	6717
				Island	7243
				Upper Price River	7525
				Middle Price River	8454
				Lower Price River	9272
				Sego	9749

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 Operations Clerk

Signature Mary A. Maestas

Date 07/19/2006

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.

Natural Buttes Unit 539-24E - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

8416-8577	2/spf
8124-8374	2/spf
7715-8027	2/spf
7468-7669	3/spf

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

8416-8577	56,067 GALS GELLED WATER & 169,300# 20/40 SAND
8124-8374	68,037 GALS GELLED WATER & 236,900# 20/40 SAND
7715-8027	55,101 GALS GELLED WATER & 167,000# 20/40 SAND
7468-7669	68,205 GALS GELLED WATER & 191,560# 20/40 SAND

Perforated the Lower Price River from 9398-99', 9417-18', 9429-30', 9443-44', 9470-71', 9477-78', 9491-92', 9497-98', 9515-16', 9525-26', 9544-45', 9560-61' & 9583-84' w/ 2 spf.

Perforated the Middle Price River from 9143-44', 9150-51', 9155-56', 9174-75', 9252-53', 9260-61', 9300-01', 9311-12', 9325-26', 9337-38' & 9357-58' w/ 3 spf.

Perforated the Middle Price River from 8813-14', 8829-30', 8840-41', 8855-56', 8873-74', 8885-86', 8934-35', 8943-44', 8956-57', 8967-68', 9001-02', 9030-31', 9061-62' & 9068-69' w/ 2 spf.

Perforated the Middle Price River from 8623-24', 8635-36', 8645-46', 8653-54', 8661-62', 8675-76', 8683-84', 8715-16', 8740-41', 8747-48' & 8772-73' w/ 2 spf.

Perforated the Middle Price River from 8416-17', 8428-29', 8471-72', 8481-82', 8523-24', 8534-36', 8552-53', 8558-59' & 8576-77' w/ 2 spf.

Perforated the Upper Price River from 8124-25', 8137-38', 8155-56', 8164-65', 8217-18', 8232-33', 8244-45', 8256-57', 8278-79', 8289-90', 8311-12', 8338-39' & 8373-74' w/ 2 spf.

Perforated the Upper Price River from 7715-16', 7726-27', 7741-42', 7804-05', 7817-18', 7832-33', 7857-58', 7881-82', 7907-08', 7965-66', 7986-87' & 8025-27' w/ 2 spf.

Perforated the Upper Price River from 7468-69', 7485-86', 7496-97', 7545-46', 7557-58', 7580-81', 7590-91', 7600-01', 7661-62' & 7668-69' w/ 3 spf.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
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.
Multiple Leases

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc

3a. Address
1060 EAST HIGHWAY 40, VERNAL, UT 84078

3b. Phone No. (include area code)
435-781-9145

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

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

8. Well Name and No.
Multiple Wells

9. API Well No.
See Attached

10. Field and Pool or Exploratory Area
Natural Buttes

11. Country or Parish, State
Utah, Utah

12. CHECK THE 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 <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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. has assigned all of its right, title and interest in the wells described in the attached list ("the Subject Wells") to Kerr-McGee Oil & Gas Onshore LP and will relinquish and transfer operatorship of all of the Subject Wells to Kerr-McGee Oil & Gas Onshore LP on January 1, 2010.

As of January 1, 2010, Kerr-McGee Oil & Gas Onshore LP will be considered to be the operator of each of the Subject Wells and will be responsible under the terms and conditions of the applicable lease for the operations conducted upon the leased lands. Bond coverage is provided under Kerr-McGee Oil & Gas Onshore LP's Nationwide BLM Bond No. WYB-000291.

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202-1918

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only *ER 1/31/2010*

By: *Michael A. Nixon* Date: 12/17/2009
Michael A. Nixon
Agent and Attorney-in-Fact

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

Name (Printed/Typed)
J. Michael Schween

Title Agent and Attorney-in-Fact

Signature *J. Michael Schween*

Date 12/17/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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Approved by _____ Title _____ Date **DEC 24 2009**

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

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.

Lease #	API #	Well Name	Footages	Legal Description
UTUO2270A	4304730261	NBU 1-07B	1975' FNL 1850' FWL	T10S-R21E-07-SESW
UTUO144868	4304730262	NBU 2-15B	1630' FSL 2125' FEL	T09S-R20E-15-NWSE
ML22651	4304730267	NBU 3-02B	1819' FNL 716' FWL	T10S-R22E-02-SWNW
UTUO10954A	4304730273	NBU 4-35B	2037' FNL 2539' FWL	T09S-R22E-35-SESW
ML22650	4304730272	NBU 5-36B	1023' FNL 958' FWL	T09S-R22E-36-NWNW
UTUO1791	4304730278	NBU 7-09B	330' FSL 1600' FWL	T10S-R21E-09-SESW
UTUO1207 ST	4304730274	NBU 10-29B	1100' FSL 1540' FEL	T09S-R22E-29-SWSE
UTUO1791	4304730294	NBU 13-08B	1600' FSL 1300' FEL	T10S-R21E-08-NESE
UTUO581	4304730296	NBU 15-29B	821' FNL 687' FWL	T09S-R21E-29-NWNW
UTUO1791	4304730316	NBU 16-06B	330' FSL 900' FEL	T10S-R21E-06-SESE
UTUO2270A	4304730317	NBU 17-18B	1014' FSL 2067' FEL	T10S-R21E-18-SWSE
UTUO144869	4304730328	NBU 19-21B	2015' FNL 646' FEL	T09S-R20E-21-SENE
UTUO575	4304730363	NBU 25-20B	1905' FNL 627' FWL	T09S-R21E-20-SWNW
UTU4485	4304730364	NBU 26-13B	600' FSL 661' FEL	T10S-R20E-13-SESE
UTUO1393B	4304730367	NBU 28-04B	529' FNL 2145' FWL	T10S-R21E-04-NENW
UTUO1393B	4304730368	NBU 29-05B	398' FSL 888' FWL	T10S-R21E-05-SESE
UTUO575	4304730380	NBU 30-18B	1895' FSL 685' FEL	T09S-R21E-18-NESE
ML01197A	4304730385	NBU 31-12B	565' FNL 756' FWL	T10S-R22E-12-NWNW
UTU461	4304730396	NBU 33-17B	683' FSL 739' FWL	T09S-R22E-17-SWSW
UTUO575	4304730404	NBU 34-17B	210' FNL 710' FEL	T09S-R21E-17-NENE
UTUO149767	4304730397	NBU 35-08B	1830' FNL 660' FWL	T09S-R21E-8-SWNW
UTUO144878B	4304730470	NBU 49-12B	551' FSL 1901' FEL	T09S-R20E-12-SWSE
UTUO140225	4304730473	NBU 52-01B	659' FSL 658' FEL	T09S-R21E-01-SESE
UTUO141315	4304730474	NBU 53-03B	495' FSL 601' FWL	T09S-R21E-03-SWSW
ML21510	4304730475	NBU 54-02B	660' FSL 660' FWL	T09S-R21E-02-SWSW
UTUO1193	4304730464	NBU 57-12B	676' FSL 1976' FEL	T09S-R21E-12-SWSE
UTUO1198B	4304730463	NBU 58-23B	1634' FNL 2366' FEL	T10S-R22E-23-SWNE
UTUO37167	4304730477	NBU 62-35B	760' FNL 2252' FEL	T10S-R22E-35-NWNE
UTU10186	4304730466	NBU 63-12B	1364' FNL 1358' FEL	T10S-R20E-12-SWNE
UTUO37167	4304730577	NBU 70-34B	1859' FSL 2249' FWL	T10S-R22E-34-NESW
UTU4476	4304730578	NBU 71-26B	1877' FNL 528' FEL	T10S-R20E-26-SENE
UTUO141315	4304731150	NBU 202-03	898' FSL 1580' FEL	T09S-R21E-03-SWSE
UTUO1791	4304731238	NBU 205-08	1432' FSL 1267' FWL	T10S-R21E-08-NWSW
UTUO1791	4304731165	NBU 206-09	1789' FNL 1546' FWL	T10S-R21E-09-SESW
UTUO1393B	4304731177	NBU 207-04	1366' FSL 1445' FWL	T10S-R21E-04-NESW
UTUO149076	4304731153	NBU 210-24	1000' FSL 1000' FWL	T09S-R21E-24-SWSW
UTUO284	4304731156	NBU 211-20	916' FSL 822' FEL	T09S-R22E-20-SESE
UTUO284	4304731267	NBU 212-19	289' FSL 798' FWL	T09S-R22E-19-SWSW
UTU22650	4304731268	NBU 213-36J	597' FNL 659' FEL	T09S-R22E-36-NENE
ML22651	4304731282	NBU 217-02	2045' FSL 766' FWL	T10S-R22E-02-NWSW
UTUO2270A	4304731310	NBU 218-17	2600' FNL 1500' FWL	T10S-R21E-17-SESW
UTUO149076	4304731308	NBU 219-24	1300' FNL 500' FWL	T09S-R21E-24-NWNW
UTUO149076	4304732131	NBU 301-24E	700' FSL 2450' FEL	T09S-R21E-24-SWSE
UTUO1791	4304732010	NBU 302-09E	1899' FSL 912' FWL	T10S-R21E-09-NWSW
UTUO575	4304732130	NBU 304-18E	782' FSL 1783' FEL	T09S-R21E-18-SWSE
UTUO149767	4304732135	NBU 305-07E	670' FNL 1950' FWL	T09S-R21E-07-NENW
UTUO581	4304732282	NBU 306-18E	1604' FSL 2797' FWL	T09S-R21E-18-NESW
UTUO1791	4304732014	NBU 307-06E	1979' FSL 2000' FEL	T10S-R21E-06-NWSE
UTUO284	4304732202	NBU 308-20E	1503' FSL 954' FWL	T09S-R22E-20-NWSW
UTUO575	4304732283	NBU 309-20E	930' FNL 667' FEL	T09S-R21E-20-NENE
UTUO149075	4304732203	NBU 311-23E	1101' FSL 1978' FEL	T09S-R21E-23-SWSE
UTUO581	4304732378	NBU 313-29E	1000' FNL 660' FEL	T09S-R21E-29-NENE
UTUO141315	4304732271	NBU 314-03E	1045' FSL 2584' FWL	T09S-R21E-03-SESW
UTUO575	4304732381	NBU 316-17E	1935' FNL 1067' FWL	T09S-R21E-17-SWNW
UTUO144868B	4304732362	NBU 317-12E	867' FNL 701' FEL	T09S-R20E-12-NENE
UTUO2270A	4304737511	NBU 319-17E	807' FNL 990' FWL	T10S-R21E-17-NWNW
UTUO1188	4304732379	NBU 321-10E	940' FSL 2508' FWL	T09S-R21E-10-SESW
UTUO575B	4304732376	NBU 325-08E	832' FSL 669' FWL	T09S-R21E-08-SWSW
UTUO1393B	4304733697	NBU 326-04E	1906' FNL 695' FWL	T10S-R21E-04-SWNW
UTUO1393B	4304739303	NBU 327-05E	1117' FNL 942' FEL	T10S-R21E-05-NENE (LOT 1)
UTU4485	4304732386	NBU 328-13E	1766' FSL 1944' FWL	T10S-R20E-13-NESW
UTUO1207 ST	4304732229	NBU 329-29E	2490' FNL 949' FEL	T09S-R22E-29-SENE

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DIV. OF OIL, GAS & MINING

Lease #	API #	Well Name	Footages	Legal Description
UTUO10954A	4304732147	NBU 331-35E	1531' FNL 1153' FEL	T09S-R22E-35-SENE
UTUO1791	4304732148	NBU 332-08E	955' FSL 2508' FEL	T10S-R21E-08-SWSE
ML21510	4304732518	NBU 333-02E	1951' FSL 2245' FWL	T09S-R21E-02-NESW
UTUO149075	4304732265	NBU 335-23E	1419' FNL 828' FEL	T09S-R21E-23-SENE
UTUO149076	4304732264	NBU 336-24E	2024' FNL 1958' FWL	T09S-R21E-24-SENW
UTUO284	4304732281	NBU 339-19E	1890' FSL 674' FWL	T09S-R22E-19-NWSW
UTUO284B	4304732327	NBU 340-20E	1326' FSL 2569' FEL	T09S-R22E-20-NWSE
UTUO1207 ST	4304733055	NBU 341-29E	307' FSL 898' FEL	T09S-R22E-29-SESE
UTUO10954A	4304732212	NBU 342-35E	918' FNL 2563' FEL	T09S-R22E-35-NWNE
UTUO1393B	4304739338	NBU 346-05E	2233' FSL 676' FEL	T10S-R21E-05-NESE
UTUO575B	4304732326	NBU 349-07E	1641' FNL 1036' FWL	T09S-R21E-07-SWNW
UTUO1188	4304732519	NBU 352-10E	1806' FSL 842' FWL	T09S-R21E-10-NWSW
UTUO581	4304732383	NBU 356-29E	1600' FNL 1980' FEL	T09S-R21E-29-SWNE
UTUO2270A	4304732388	NBU 358-01E	736' FSL 1941' FEL	T10S-R20E-01-SWSE
UTU4485	4304750032	NBU 359-13E	661' FSL 2149' FEL	T10S-R20E-13-SWSE
UTU4485	4304732387	NBU 360-13E	1998' FSL 775' FWL	T10S-R20E-13-NWSW
ML21510	4304733782	NBU 379-02E	1967' FSL 898' FWL	T09S-R21E-02-NWSW
UTUO575	4304733064	NBU 382-18E	2030' FSL 2172' FEL	T09S-R21E-18-NWSE
UTUO149075	4304735889	NBU 384-23E	491' FSL 929' FEL	T09S-R21E-23-SESE
UTUO149076	4304733056	NBU 386-24E	450' FSL 1850' FWL	T09S-R21E-24-SESW
UTUO284	4304733057	NBU 388-19E	382' FSL 1847' FWL	T09S-R22E-19-SESW
UTUO1207 ST	4304733049	NBU 389-29E	2226' FSL 2166' FEL	T09S-R22E-29-NWSE
UTUO1393B	4304732835	NBU 390-04E	2577' FSL 1951' FWL	T10S-R21E-04-NESW
UTUO1393B	4304732988	NBU 391-05E	1215' FSL 2090' FEL	T10S-R21E-05-SWSE
UTUO1791	4304733783	NBU 392-06E	1926' FSL 611' FEL	T10S-R21E-06-NESE
UTU4485	4304733071	NBU 393-13E	1850' FSL 2141' FEL	T10S-R20E-13-NWSE
UTU4485	4304733072	NBU 394-13E	725' FSL 2027' FWL	T10S-R20E-13-SESW
UTUO1188	4304732544	NBU 400-11E	1983' FSL 1321' FWL	T09S-R21E-11-NESW
UTUO581	4304734216	NBU 421-29E	1985' FNL 972' FEL	T09S-R21E-29-SENE
UTUO581	4304733698	NBU 422-29E	1980' FNL 785' FWL	T09S-R21E-29-SWNW
UTUO581	4304734206	NBU 423-30E	1980' FSL 660' FEL	T09S-R21E-30-NESE
ML3142	4304733699	NBU 424-32E	744' FNL 773' FEL	T09S-R21E-32-NENE
UTUO2270A	4304740049	NBU 428-07E	660' FSL 855' FWL	T10S-R21E-07-SWSW (Lot 4)
UTUO1791	4304733069	NBU 431-09E	2599' FNL 662' FWL	T10S-R21E-09-SWNW
UTUO2270A	4304738536	NBU 434-17E	1799' FNL 2176' FWL	T10S-R21E-17-SENW
UTUO2270A	4304738376	NBU 435-17E	1837' FNL 571' FWL	T10S-R21E-17-SWNW
UTUO2270A	4304734195	NBU 436-18E	1644' FSL 748' FEL	T10S-R21E-18-NESE
UTUO2270A	4304735499	NBU 437-18E	322' FSL 748' FEL	T10S-R21E-18-SESE
ML22792	4304737534	NBU 438-19E	661' FNL 1941' FEL	T10S-R21E-19-NWNE
ML22792	4304737535	NBU 439-19E	2111' FNL 1980' FWL	T10S-R21E-19-SWNE
UTUO10953	4304736279	NBU 451-01E	1965' FSL 2132' FWL	T10S-R22E-01-NESW
ML22651	4304736053	NBU 456-02E	493' FNL 1080' FWL	T10S-R22E-02-NWNW (Lot 4)
UTUO141315	4304733063	NBU 481-03E	1490' FSL 556' FEL	T09S-R21E-03-NESE
UTUO581	4304733065	NBU 483-19E	1850' FSL 1980' FWL	T09S-R21E-19-NESW
UTUO575	4304733784	NBU 484-20E	350' FNL 823' FWL	T09S-R21E-20-NWNW
UTUO2270A	4304739897	NBU 486-07E	1895' FSL 1834' FWL	T10S-R21E-07-NESW
UTUO575B	4304733121	NBU 489-07E	763' FSL 733' FWL	T09S-R21E-07-SWSW (Lot 4)
UTUO2270A	4304733123	NBU 497-01E	2091' FSL 894' FEL	T10S-R20E-01-NESE
UTUO577A	4304733140	NBU 506-23E	720' FNL 1818' FWL	T09S-R20E-23-NENW
UTUO1791	4304733124	NBU 508-08E	915' FSL 355' FEL	T10S-R21E-08-SESE
UTUO1197A ST	4304739283	NBU 513-12EX	1850' FNL 2133' FWL	T10S-R22E-12-SENW
UTUO2270A	4304733696	NBU 516-12E	1950' FSL 1786' FEL	T10S-R20E-12-NWSE
UTUO141315	4304733779	NBU 519-03E	1749' FSL 798' FWL	T09S-R21E-03-NWSW
UTUO575B	4304733780	NBU 521-08E	2250' FSL 900' FWL	T09S-R21E-08-NWSW
UTUO1188	4304733781	NBU 522-10E	732' FSL 841' FEL	T09S-R21E-10-SESE
UTUO2270A	4304733685	NBU 523-12E	660' FSL 660' FEL	T10S-R20E-12-SESE
UTUO2270A	4304733701	NBU 524-12E	841' FSL 1795' FEL	T10S-R20E-12-SWSE
UTUO2270A	4304739722	NBU 529-07E	704' FNL 762' FWL	T10S-R21E-07-NWNW
UTUO581	4304734639	NBU 534-18E	1885' FSL 115' FWL	T09S-R21E-18-NWSW
UTUO2270A	4304735200	NBU 535-17E	1893' FSL 580' FWL	T10S-R21E-17-NWSW
ML22791	4304735252	NBU 536-18E	734' FSL 2293' FWL	T10S-R21E-18-SESW
UTUO2270A	4304735253	NBU 537-18E	1880' FSL 1830' FEL	T10S-R21E-18-NWSE

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Lease #	API #	Well Name	Footages	Legal Description
UTUO284	4304735886	NBU 538-19E	1937' FSL 1833' FWL	T09S-R22E-19-NESW
UTUO149076	4304735887	NBU 539-24E	1870' FSL 477' FEL	T09S-R21E-24-NESE
UTUO10953	4304736280	NBU 546-01E	2036' FSL 699' FWL	T10S-R22E-01-NWSW
UTUO10953	4304736278	NBU 547-01E	749' FSL 598' FWL	T10S-R22E-01-SWSW
UTU474	4304737687	NBU 553-28E	767' FNL 753' FWL	T10S-R22E-28-NWNW
UTU474	4304737686	NBU 554-28E	2023' FNL 465' FWL	T10S-R22E-28-SWNW
ML22791	4304737685	NBU 555-18E	1984' FSL 1790' FWL	T10S-R21E-18-NESW
ML22791	4304737514	NBU 556-18E	1800' FSL 870' FWL	T10S-R21E-18-NWSW
ML22791	4304737513	NBU 557-18E	852' FSL 661' FWL	T10S-R21E-18-SWSW
UTUO2270A	4304737510	NBU 558-17E	748' FSL 611' FWL	T10S-R21E-17-SWSW
UTUO2278C	4304737509	NBU 559-17E	467' FSL 2065' FWL	T10S-R21E-17-SESW
UTUO2278	4304737508	NBU 560-17E	1946' FSL 1896' FWL	T10S-R21E-17-NESW
UTUO2278	4304737512	NBU 561-17E	857' FSL 1988' FEL	T10S-R21E-17-SWSE
ML22792	4304737536	NBU 562-19E	859' FNL 859' FEL	T10S-R21E-19-NENE
ML22792	4304737537	NBU 563-19E	1982' FSL 1878' FEL	T10S-R21E-19-NWSE
UTU4476	4304738962	NBU 564-26E	665' FNL 1945' FWL	T10S-R20E-26-NENW
ML22793	4304737533	NBU 565-30E	1865' FNL 1786' FEL	T10S-R21E-30-SWNE
UTUO2270A	4304738375	NBU 566-17E	538' FNL 1806' FWL	T10S-R21E-17-NENW
UTUO1791	4304738535	NBU 567-17E	690' FNL 1988' FEL	T10S-R21E-17-NWNE
UTUO1791	4304738537	NBU 568-17E	850' FNL 807' FEL	T10S-R21E-17-NENE
UTUO1791	4304738534	NBU 569-17E	2009' FNL 1809' FEL	T10S-R21E-17-SWNE
UTUO1791	4304738529	NBU 570-17E	2031' FNL 672' FEL	T10S-R21E-17-SENE
UTUO2278	4304738377	NBU 571-17E	1964' FSL 1831' FEL	T10S-R21E-17-NWSE
UTUO2278	4304738374	NBU 572-17E	1810' FSL 739' FEL	T10S-R21E-17-NESE
UTUO2278	4304738510	NBU 573-17E	813' FSL 481' FEL	T10S-R21E-17-SESE
ML22650	4304739308	NBU 602-36E	1723' FNL 719' FWL	T09S-R22E-36-SWNW
UTUO1393B	4304739305	NBU 614-05E	716' FNL 1967' FEL	T10S-R21E-05-NWNE
UTUO1393B	4304739655	NBU 615-05E	2384' FNL 1015' FEL	T10S-R21E-05-SENE
UTUO1393B	4304739337	NBU 617-04E	933' FNL 745' FWL	T10S-R21E-04-NWNW
UTUO1393B	4304739336	NBU 618-04E	998' FSL 661' FWL	T10S-R21E-04-SWSW
UTUO1393B	4304739414	NBU 625-04E	1937' FNL 1722' FWL	T10S-R21E-04-SENW
UO01197A ST	4304739192	NBU 632-12E	860' FNL 2032' FWL	T10S-R22E-12-NENW
UO01197A ST	4304739193	NBU 633-12E	789' FNL 2179' FEL	T10S-R22E-12-NWNE
UO01197A ST	4304739190	NBU 635-12E	1808' FNL 1754' FEL	T10S-R22E-12-SWNE
UTUO1197A ST	4304739191	NBU 636-12E	1824' FNL 461' FEL	T10S-R22E-12-SENE
UTUO8512 ST	4304750016	NBU 638-13E	1926' FNL 2504' FWL	T10S-R22E-13-SENW
UTUO8512 ST	4304750019	NBU 639-13E	859' FNL 1902' FEL	T10S-R22E-13-NWNE
UTUO8512 ST	4304750014	NBU 640-13E	1619' FNL 1639' FEL	T10S-R22E-13-SWNE
UTUO8512A ST	4304750058	NBU 641-13E	990' FNL 1184' FEL	T10S-R22E-13-NENE
UTUO8512 ST	4304750013	NBU 642-13E	1949' FNL 858' FEL	T10S-R22E-13-SENE
UTUO2270A	4304739957	NBU 653-07E	660' FNL 1980' FWL	T10S-R21E-07-NENW
UTUO2270A	4304739956	NBU 654-07E	1913' FNL 522' FWL	T10S-R21E-07-SWNW
UTUO2270A	4304739860	NBU 655-07E	1926' FSL 750' FWL	T10S-R21E-07-NWSW
UTUO1791	4304739856	NBU 658-01E	2177' FNL 1784' FEL	T10S-R20E-01-SWNE
UTUO2270A	4304739858	NBU 660-12E	661' FNL 691' FEL	T10S-R20E-12-NENE
ML22790	4304750011	NBU 661-24E	1734' FSL 661' FWL	T10S-R20E-24-NWSW
ML22790	4304750017	NBU 662-24E	809' FSL 807' FWL	T10S-R20E-24-SWSW
ML22790	4304750010	NBU 663-24E	810' FSL 1979' FWL	T10S-R20E-24-SESW
ML22790	4304739867	NBU 664-24E	1810' FNL 1781' FEL	T10S-R20E-24-NWSE
ML22790	4304750018	NBU 665-24E	1950' FSL 660' FEL	T10S-R20E-24-NESE
ML22790	4304750057	NBU 666-24E	1043' FSL 1722' FEL	T10S-R20E-24-SWSE
ML22790	4304750012	NBU 667-24E	660' FSL 660' FEL	T10S-R20E-24-SESE
UTUO2270A	4304739901	NBU 668-12E	859' FNL 1915' FEL	T10S-R20E-12-NWNE
UO1207 ST	4304740084	NBU 670-29E	2018' FSL 859' FEL	T09S-R22E-29-NESE
UO1207 ST	4304750027	NBU 691-29E	680' FNL 797' FEL	T09S-R22E-29-NENE
ML3140.5	4304738330	NBU 760-36E	1320' FNL 1320' FEL	T09S-R20E-36-NENE
UTU4476	4304738632	NBU 762-26E	1506' FNL 1449' FEL	T10S-R20E-26-SWNE
ML22792	4304738332	NBU 763-19E	1258' FSL 1388' FEL	T10S-R21E-19-SWSE
ML3142	4304738331	NBU 764-32E	875' FNL 667' FWL	T09S-R21E-32-NWNW
UTUO1791	4304738633	NBU 765-09E	1000' FSL 1640' FWL	T10S-R21E-09-SESW

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DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: U-0149076
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 539-24E
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047358870000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514 9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1870 FSL 0477 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 24 Township: 09.0S Range: 21.0E Meridian: S	COUNTY: UINTAH 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 Approximate date work will start: 9/11/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT 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 type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

The operator requests authorization to temporarily abandon the subject well location to drill the NBU 921-24I Well Pad. Please see attached procedure. Thank you.

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

Date: September 17, 2012

By: *Dark Quist*

NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 9/11/2012	

Well Name: NBU 539-24E
Surface Location: NESE Sec. 24, T9S, R21E
 Uintah County, UT

8/23/12

Recommended action for disposition of well bore:

This well will be temporarily abandoned to accommodate drilling operations in one of 2 ways. We will either plug the wellbore as outlined in the attached procedure or Shut-In in the following manner: a) Set a tubing plug near EOT, install a flange over the tbg hanger, removal of master valve, set VR plugs in casing head at surface, and removal of casing wing valves, replaced with blind flanges.

API: 4304735887 **LEASE#:** U-0149076
ELEVATIONS: 4922' GL 4940' KB
TOTAL DEPTH: 9818' **PBTD:** 9794'
SURFACE CASING: 9 5/8", 36# J-55 @ 2436'
PRODUCTION CASING: 4 1/2", 11.6# P-110 @ 9818'
 TOC @ Surface per CBL
PRODUCTION TUBING: 2 3/8" J-55, SN @ 7397' (WL rpt dated 8/8/11)
PERFORATIONS: MESAVERDE 7468' - 9584'

Tubular/Borehole	Drift inches	Collapse psi	Burst psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.0217	0.0039
4.5" 11.6# P-110	3.875	7560	10690	0.6528	0.0872	0.0155
9.625" 36# K-55	8.921	2020	3520	3.247	0.434	0.0773
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.0101
4.5" csg X 9 5/8" 36# csg				2.227	0.2977	0.053
4.5" csg X 7.875 borehole				1.704	0.2276	0.0406
9 5/8" csg X 12 1/4" borehole				2.3436	0.3132	0.0558

GEOLOGICAL TOPS:
 4858' Wasatch

NBU 539-24E TEMPORARY ABANDONMENT PROCEDURE

GENERAL

- H2S MAY BE PRESENT. CHECK FOR H2S AND TAKE APPROPRIATE PRECAUTIONS.
- CEMENT QUANTITIES BELOW ASSUME NEAT CLASS G, YIELD 1.145 CUFT./SX. IF A DIFFERENT PRODUCT IS USED, WELLSITE PERSONNEL ARE RESPONSIBLE FOR CORRECTING QUANTITIES TO YIELD THE STATED SLURRY VOLUME. WHEN SQUEEZING, INCLUDE 10% EXCESS PER 1000' OF DEPTH.
- TREATED FRESH WATER WILL BE PLACED BETWEEN ALL PLUGS INSTEAD OF BRINE.
- ALL DISPLACEMENT FLUID SHALL CONTAIN CORROSION INHIBITOR AND BIOCIDES. PREMIX 5 GALLONS PER 100 BBLs FLUID.
- NOTIFY BLM/UDOGM 24 HOURS BEFORE MOVING ON LOCATION.

PROCEDURE

Note: An estimated 24 sx of cement needed to perform procedure.

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE.
2. RU WIRELINE. ENSURE WELLBORE IS CLEAN. A GPS READING WILL NEED TO BE TAKEN AT THE WELL SITE AND RECORDED IN OPENWELLS. PLEASE TAKE IT TO THE 6TH DECIMAL PLACE.
3. RUN GYRO SURVEY.
4. **PLUG #1, ISOLATE MV PERFORATIONS (7468' - 9584')**: RIH W/ 4 1/2" CBP. SET @ ~7420'. RELEASE CBP, PUH 10', BRK CIRC W/ FRESH WATER. PRESSURE TEST CASING TO 500 PSI. INFORM ENGINEERING IF IT DOESN'T TEST. DISPLACE A MINIMUM OF **8 SX / 1.5 BBL / 8.7 CUFT**. ON TOP OF PLUG. PUH ABOVE TOC (~7320'). REVERSE CIRCULATE W/ TREATED FRESH WATER.
5. **PLUG #2, PROTECT TOP OF WASATCH (4858')**: PUH TO ~4960'. BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF **16 SX / 3.3 BBL / 18.3 CUFT** AND BALANCE PLUG W/ TOC @ ~4750' (210' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED FRESH WATER.
6. LOWER WELLHEAD TO GROUND LEVEL TO ACCOMMODATE DRILLING OPS AND INSTALL MARKER PER UDOGM GUIDELINES.
7. RDMO. TURN OVER TO DRILLING OPERATIONS.

ALM 8/23/12