

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

October 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
CHAPITA WELLS UNIT 925-23
SE/SW, SEC. 23, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: U-0282
FEDERAL LANDS

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

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

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

Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

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 **663' FSL, 2007' FWL** *635796 X* *SE/SW* *40.016094*
4430546 Y *-109.408832*

At proposed prod. Zone

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

15. Distance from proposed* location to nearest property or lease line, ft. **663'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
2440

17. Spacing Unit dedicated to this well
6

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

19. Proposed Depth
9275'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4955.3 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

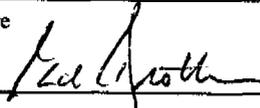
23. Estimated duration
45 DAYS

24. Attachments

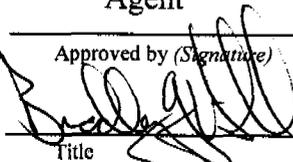
Attachments

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  Name (Printed/Typed) **Ed Trotter** Date **October 6, 2004**

Title
Agent

Approved by (Signature)  Name (Printed/Typed) **BRADLEY G. HILL** Date **10-14-04**
ENVIRONMENTAL SCIENTIST III

Title

Office

RECEIVED
OCT 08 2004
DIV. OF OIL, GAS & MINING

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)

**Federal Approval of this
Action is Necessary**

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

EOG RESOURCES, INC.

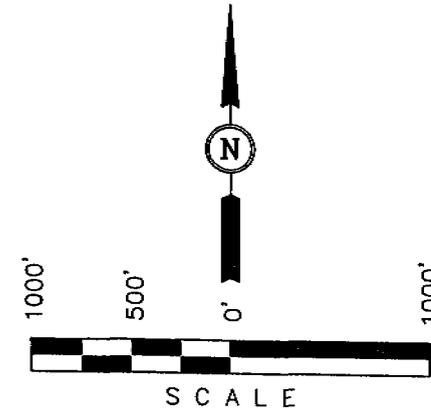
Well location, CWU #925-23, located as shown in the SE 1/4 SW 1/4 of Section 23, T9S, R22 E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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

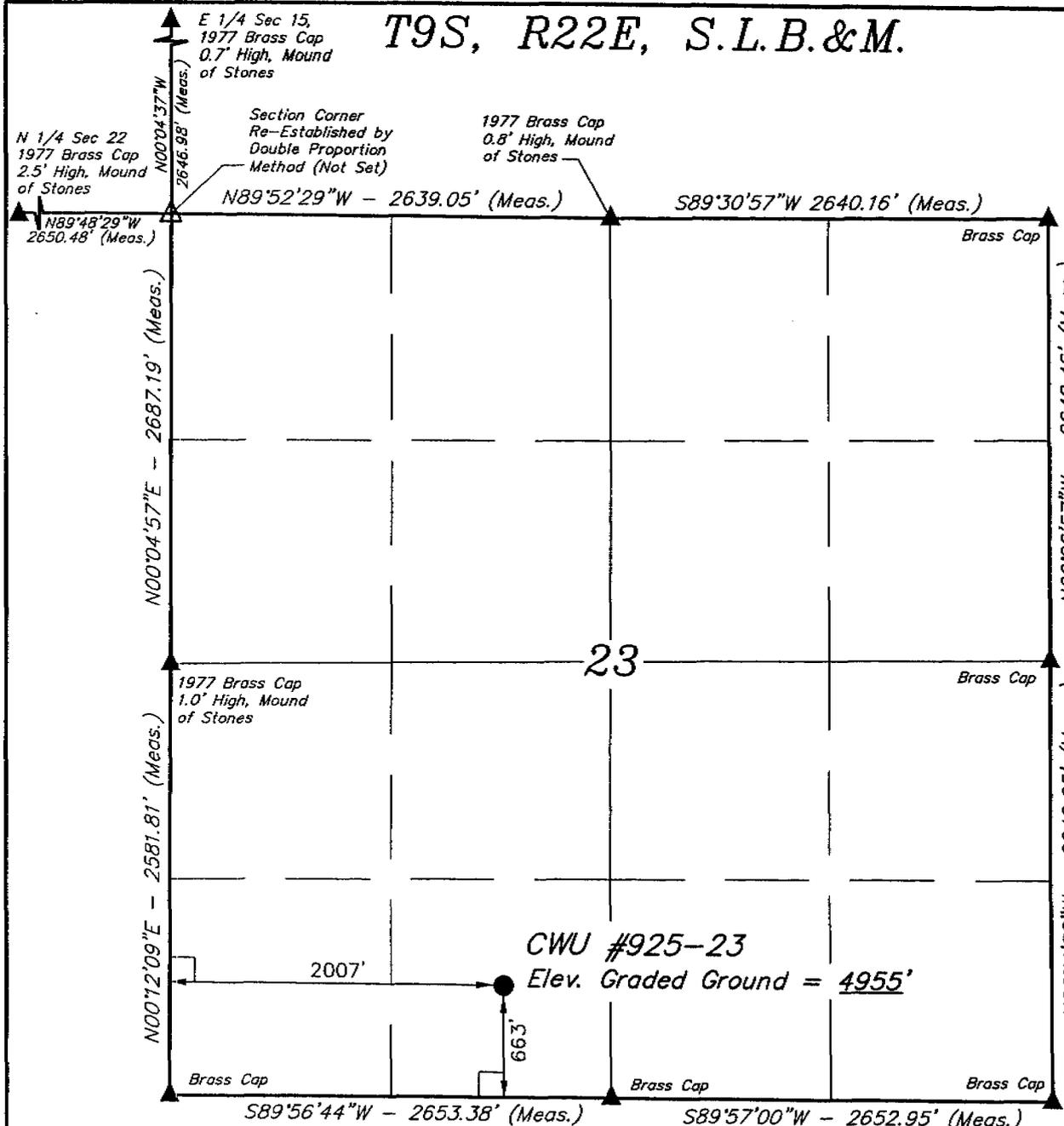


CERTIFICATE

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

John H. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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



LEGEND:

- └─┘ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.
 - △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)
- (NAD 27)
- LATITUDE = 40°00'57.94" (40.016094)
 LONGITUDE = 109°24'31.82" (109.408839)

SCALE 1" = 1000'	DATE SURVEYED: 08-19-04	DATE DRAWN: 08-26-04
PARTY G.S. W.L. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 925-23
SE/SW, SEC. 23, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River	2,361'
Wasatch	4,646'
Chapita Wells	5,199'
Buck Canyon	5,822'
North Horn	6,557'
Island	6,994'
KMV Price River	7,239'
KMV Price River Middle	7,918'
KMV Price River Lower	8,761'
Sego	9,217'

EST. TD: 9,275'

Anticipated BHP 4000 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	9275' +/-	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 300' 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.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 925-23 SE/SW, SEC. 23, T9S, R22E, 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: Schlumberger Platform Express TD – Surface Casing, with Di-pole Sonic from TD to surface in 1 run.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 925-23
SE/SW, SEC. 23, T9S, R22E, 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

CHAPITA WELLS UNIT 925-23
SE/SW, SEC. 23, T9S, R22E, 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.

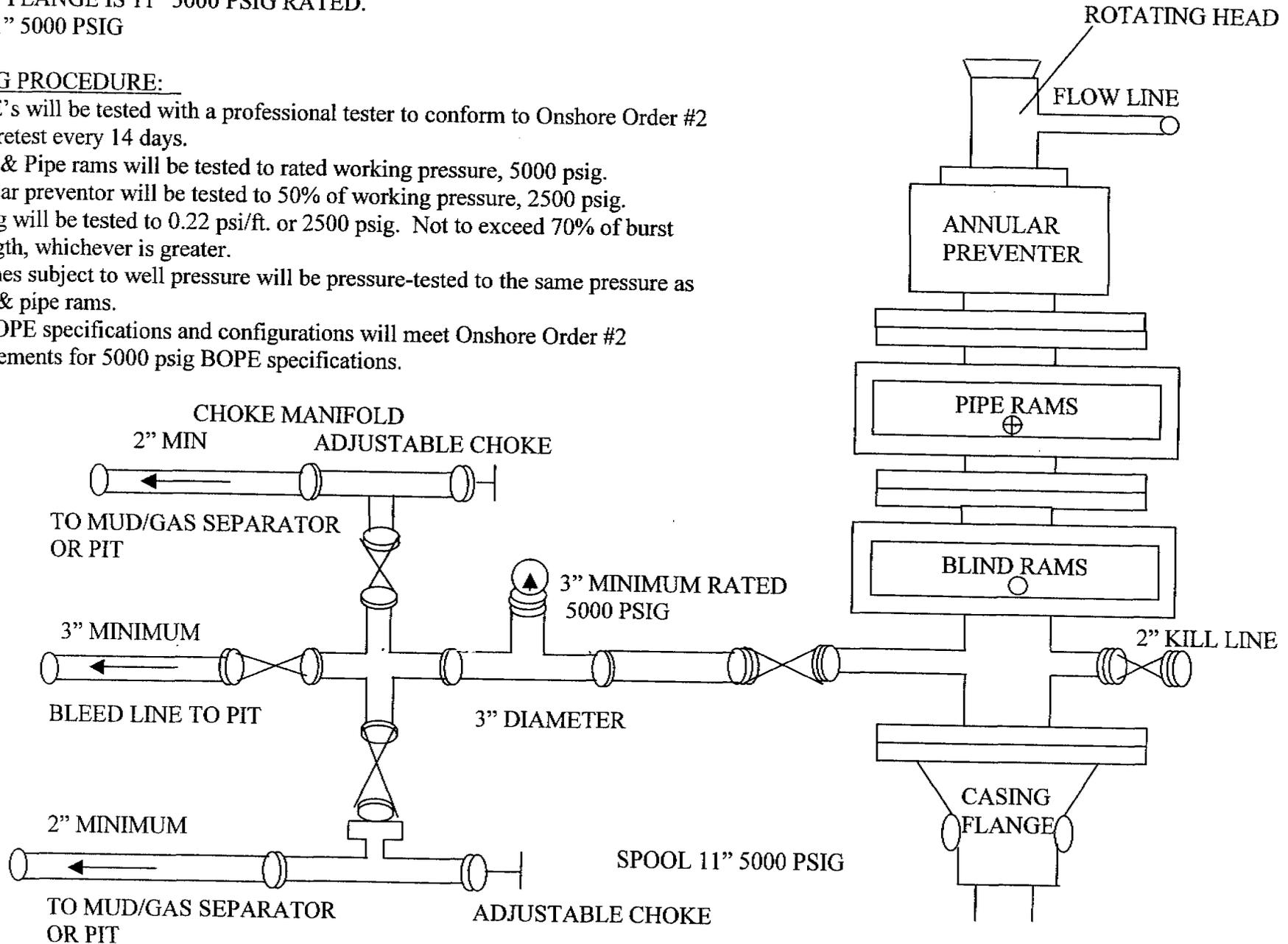
(Attachment: BOP Schematic Diagram)

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: Chapita Wells Unit
Lease Number: U-0282
Location: 663' FSL & 2007' FWL, SE/SW, Sec. 23,
T9S, R22E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 18.89 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 200 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

A. Abandoned wells - 7*

B. Producing wells - 45*

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

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

A. **ON WELL PAD**

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
2. Gas gathering lines - A 4" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction

in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

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

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

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
 - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
 - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
 - 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
 - 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore

hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

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

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The approved seed mixture for this location is:

- Gardner Salt Bush – 3 pounds per acre
- Shad Scale – 3 pounds per acre
- Hi-Crest Crested Wheat Grass – 3 pounds per acre

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

The stockpiled pit topsoil will be stored separate from the location topsoil Southeast of Corners B and 5. The stockpiled location topsoil will be stored between Corners 5 and 6. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the Southeast.

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

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast

seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:
- whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used.
 - a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

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

application of herbicides or other pesticides or possible hazardous chemicals.

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

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

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

DRILLING OPERATIONS

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

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

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

Certification

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 925-23 Well, located in the SE/SW of Section 23, T9S, R22E, Uintah County, Utah; Lease #U-0282;** 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.

10-6-2004
Date


Agent

EOG RESOURCES, INC.
CWU #925-23
SECTION 23, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE #344-23N AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.9 MILES.

EOG RESOURCES, INC.

CWU #925-23

LOCATED IN UINTAH COUNTY, UTAH
SECTION 23, T9S, R22E, S.L.B.&M.

RECEIVED
BY QMI DATE 9-3-04
doy

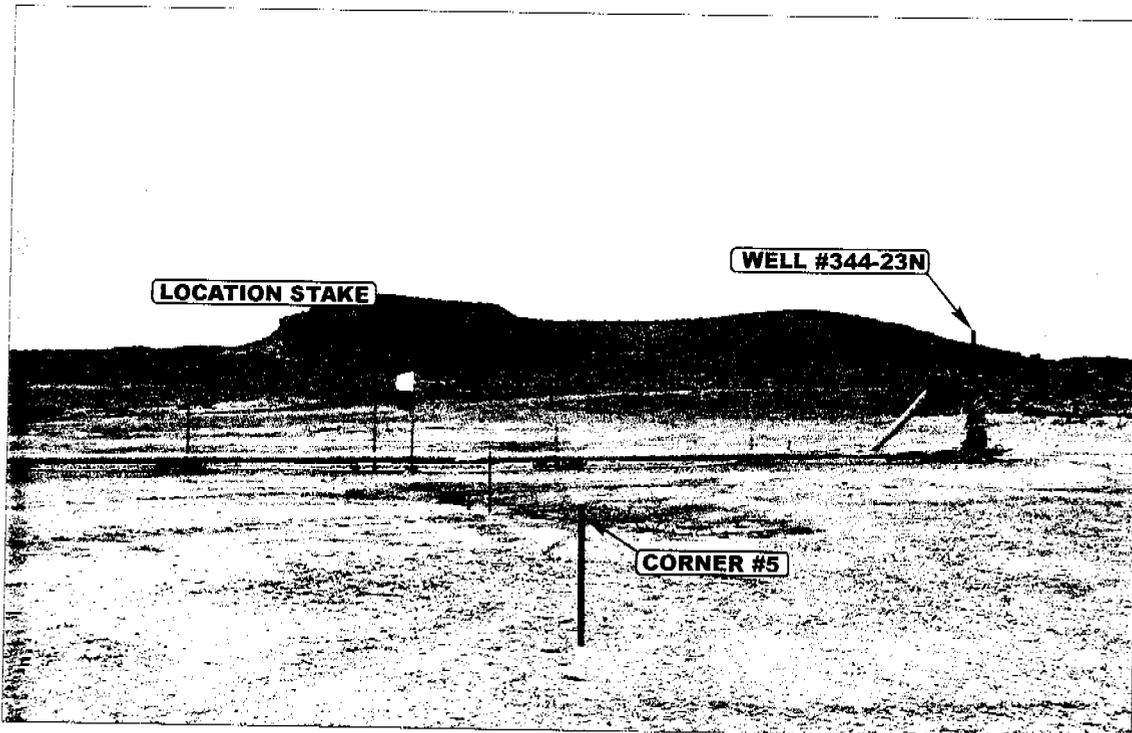


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

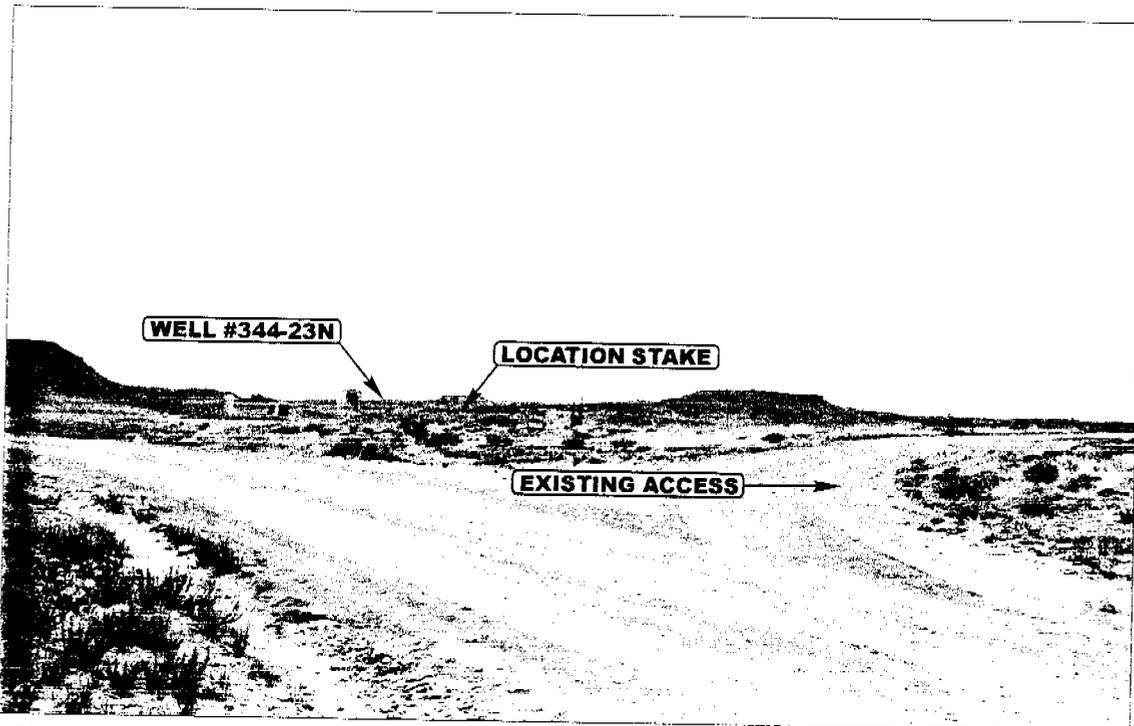


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

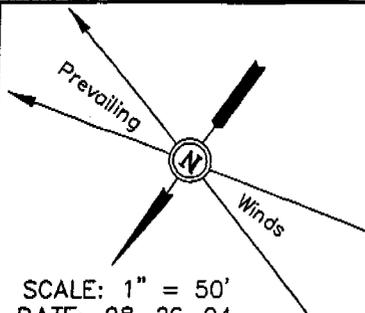
- Since 1964 -

LOCATION PHOTOS	08	26	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.S.	DRAWN BY: P.M.		REVISED: 00-00-00	

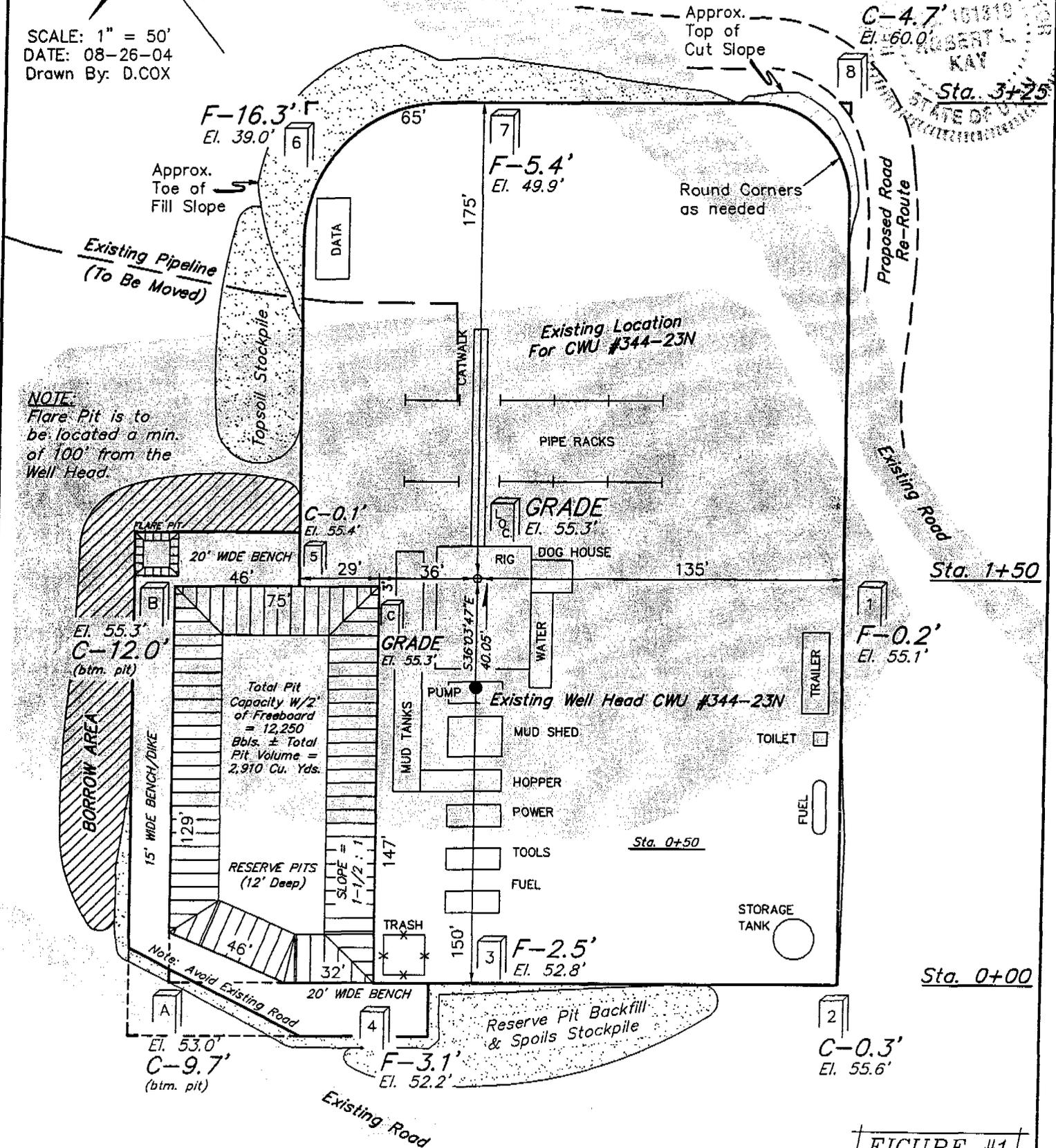
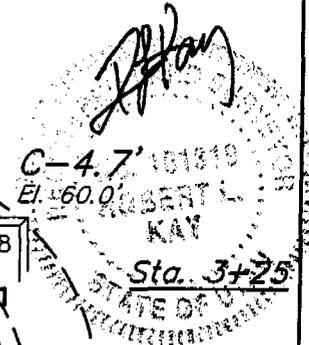
EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #925-23
SECTION 23, T9S, R22E, S.L.B.&M.
663' FSL 2007' FWL



SCALE: 1" = 50'
DATE: 08-26-04
Drawn By: D.COX



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

NOTES:
Elev. Graded Ground at Location Stake = 4955.3'

FIGURE #1

EOG RESOURCES, INC.

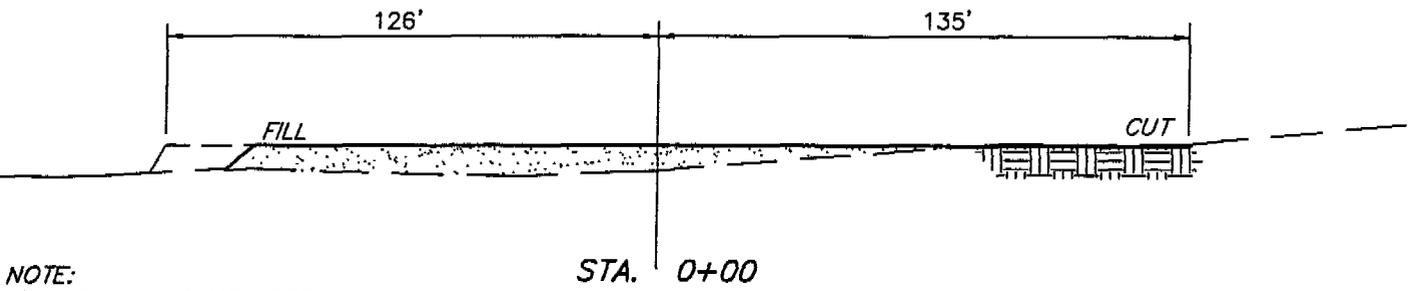
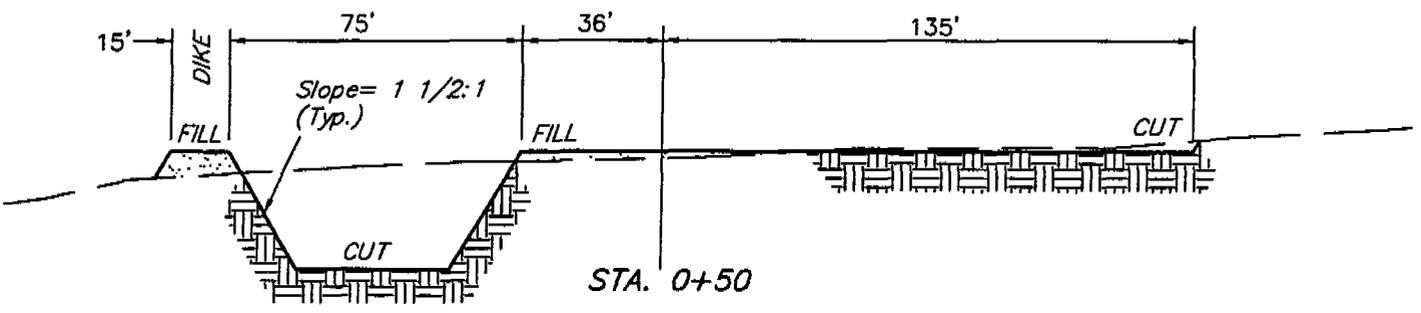
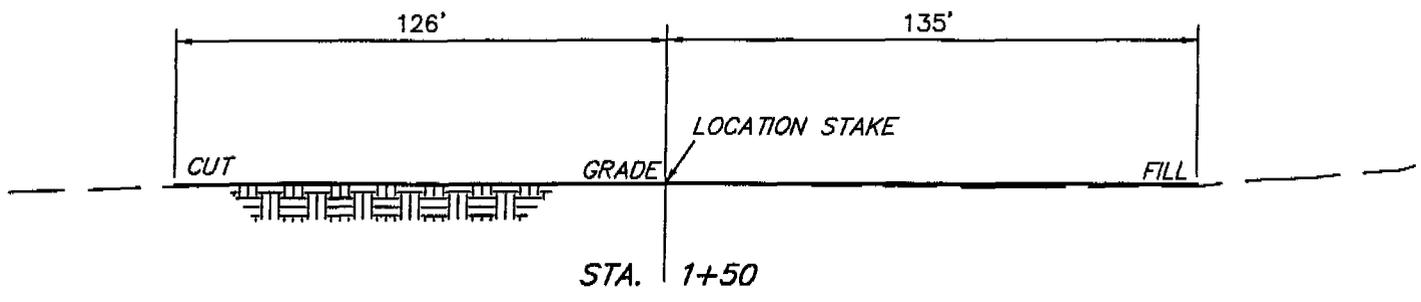
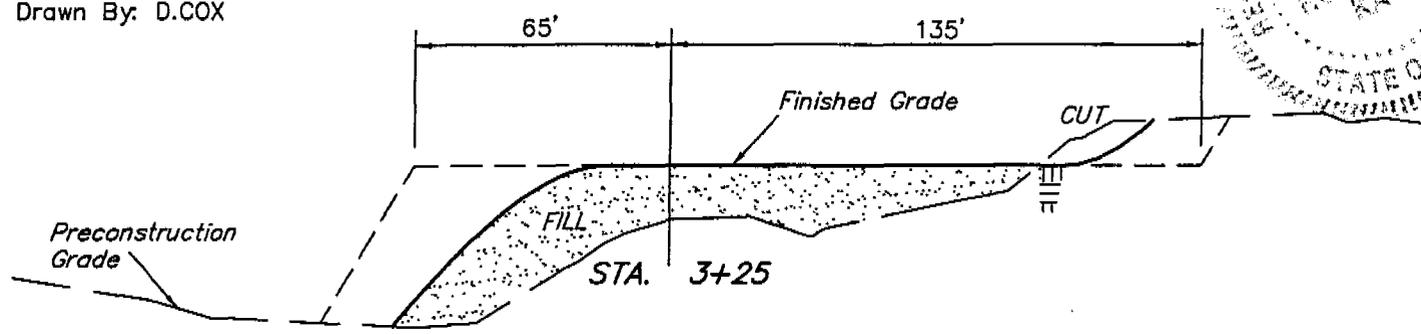
TYPICAL CROSS SECTIONS FOR

CWU #925-23
SECTION 23, T9S, R22E, S.L.B.&M.
663' FSL 2007' FWL



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

DATE: 08-26-04
Drawn By: D.COX

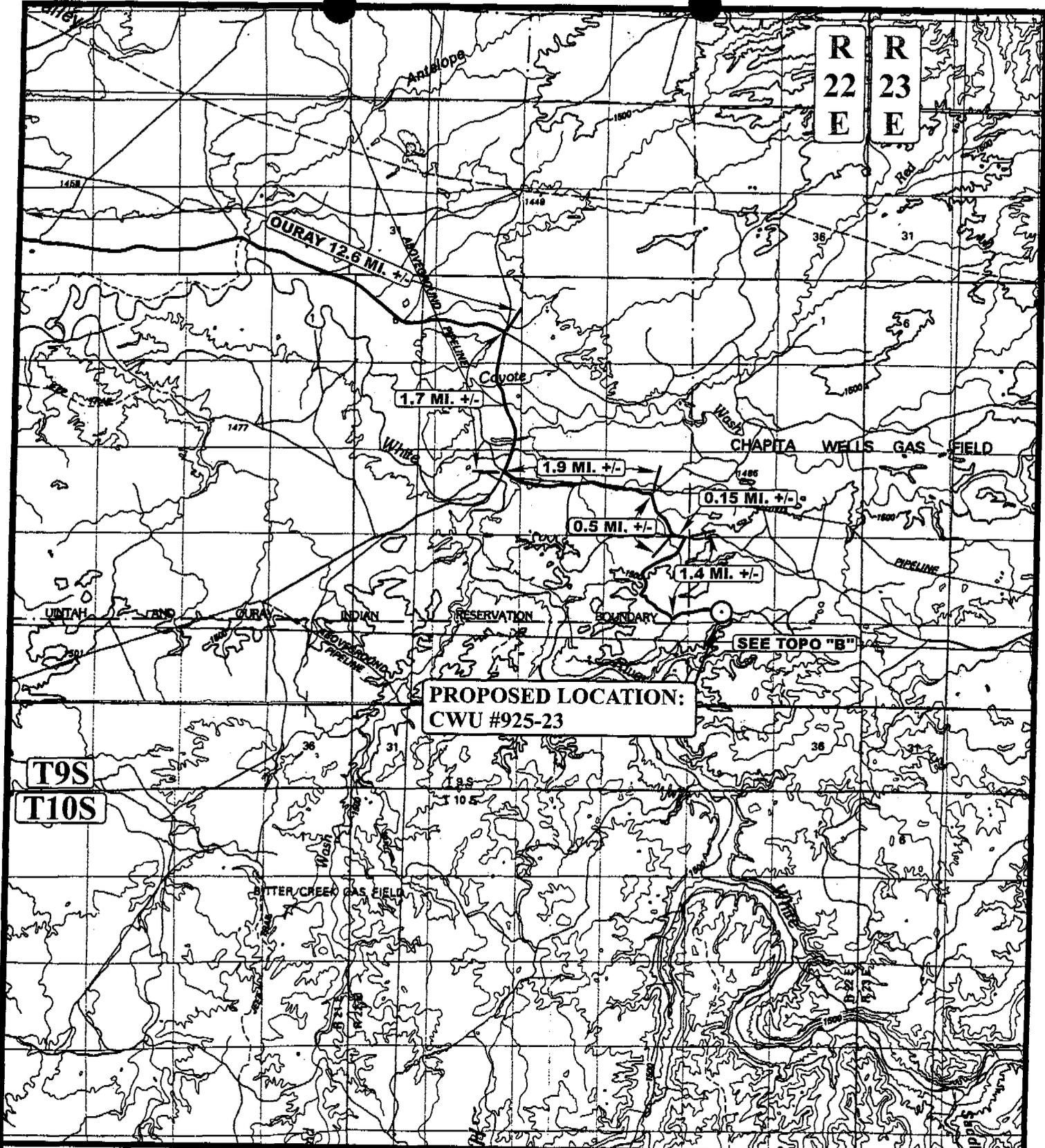


* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 700 Cu. Yds.
(NEW CONSTRUCTION ONLY)	
Remaining Location	= 3,140 Cu. Yds.
TOTAL CUT	= 3,840 CU.YDS.
FILL	= 5,550 CU.YDS.

DEFICIT MATERIAL	=	< 1,710 >	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,160	Cu. Yds.
DEFICIT UNBALANCE (After Rehabilitation)	=	< 3,870 >	Cu. Yds.



**PROPOSED LOCATION:
CWU #925-23**

LEGEND:

○ PROPOSED LOCATION

N

EOG RESOURCES, INC.

CWU #925-23
SECTION 23, T9S, R22E, S.L.B.&M.
663' FSL 2007' FWL

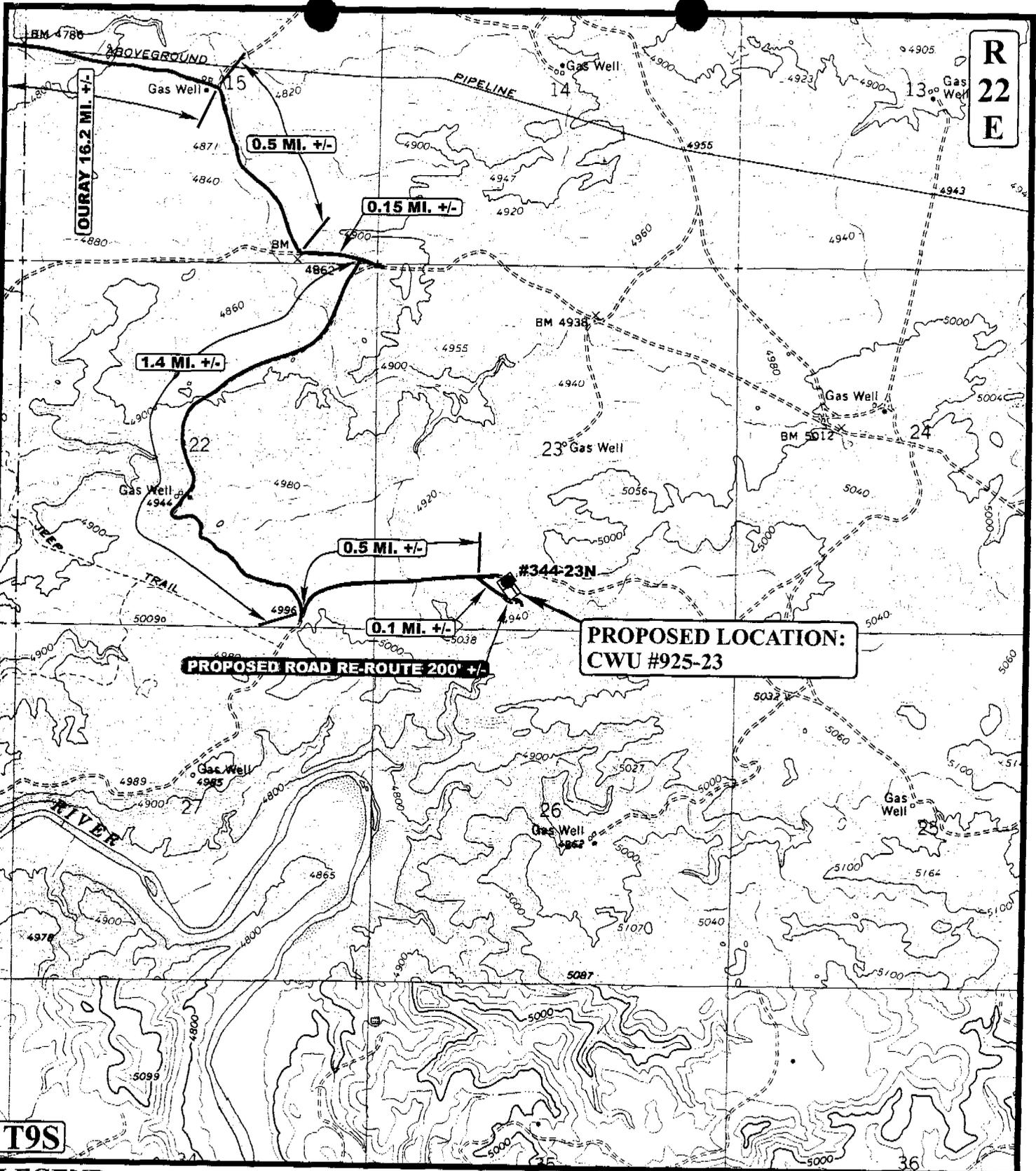


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC	08	26	04	A TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: P.M.		REVISED: 00-00-00	

R
22
E



T9S

LEGEND:

————— EXISTING ROAD

————— PROPOSED ROAD RE-ROUTE

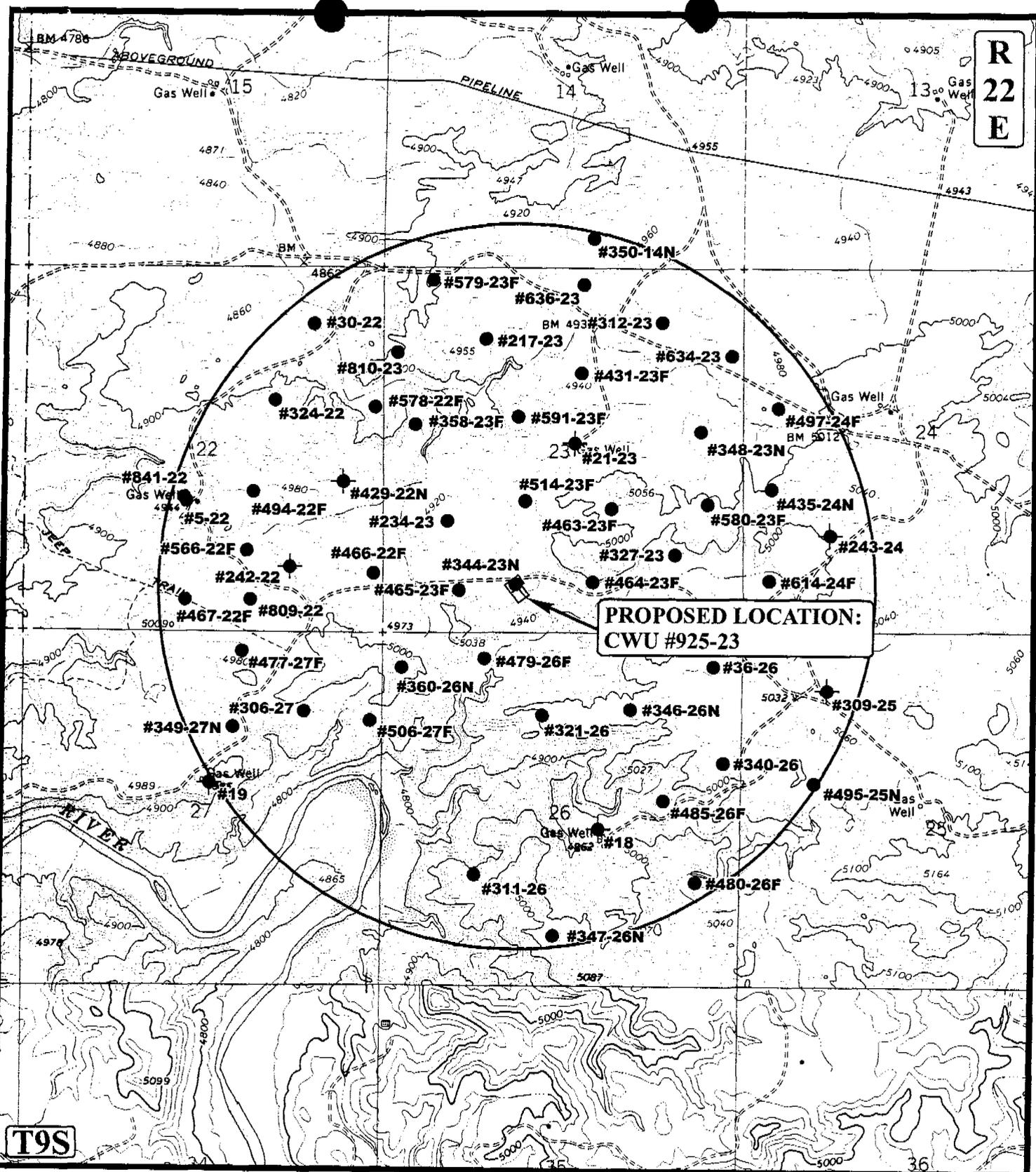
EOG RESOURCES, INC.

CWU #925-23
 SECTION 23, T9S, R22E, S.L.B.&M.
 663' FSL 2007' FWL



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

TOPOGRAPHIC MAP	08	26	04	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00	



R
22
E

**PROPOSED LOCATION:
CWU #925-23**

T9S

LEGEND:

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

EOG RESOURCES, INC.

CWU #925-23
SECTION 23, T9S, R22E, S.L.B.&M.
663' FSL 2007' FWL



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



TOPOGRAPHIC	08	26	04	C TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00	

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/08/2004

API NO. ASSIGNED: 43-047-36002

WELL NAME: CWU 925-23
OPERATOR: EOG RESOURCES INC (N9550)
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SESW 23 090S 220E
SURFACE: 0663 FSL 2007 FWL
BOTTOM: 0663 FSL 2007 FWL
UINTAH
NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-0282
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: PRRV
COALBED METHANE WELL? NO

LATITUDE: 40.01610
LONGITUDE: -109.4088

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)

Potash (Y/N)

Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit
(No. 49-1501)

RDCC Review (Y/N)
(Date: _____)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

____ R649-2-3.

Unit CHAPITA WELLS

____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

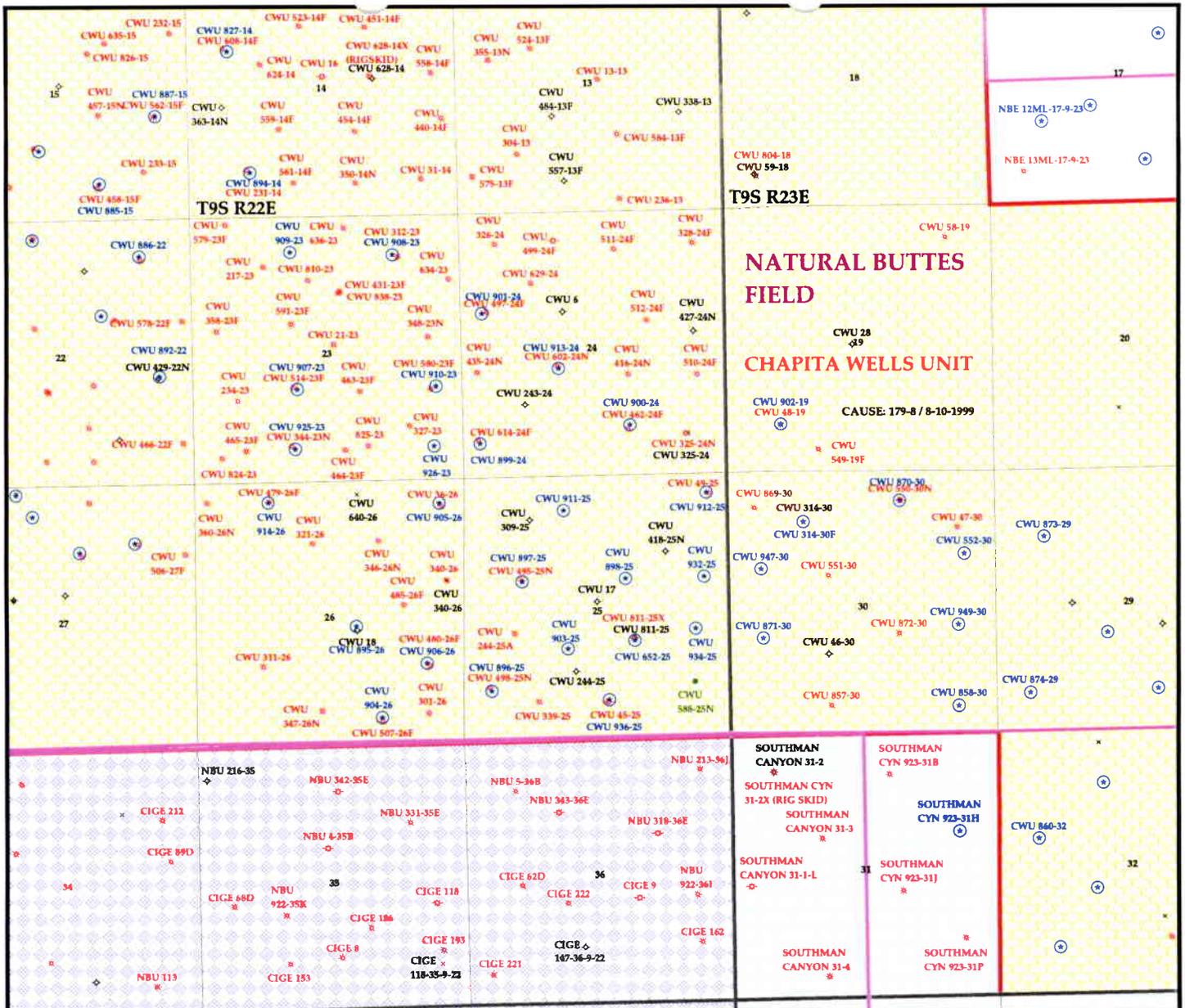
____ R649-3-3. Exception

Drilling Unit
Board Cause No: 179-8
Eff Date: 8-10-1999
Siting: Suspends General Siting

____ R649-3-11. Directional Drill

COMMENTS: _____

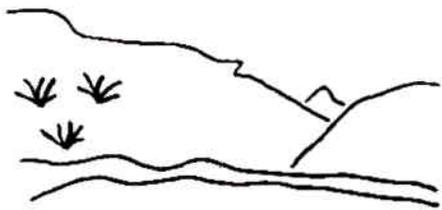
STIPULATIONS: 1-Federal approval
2-OIL SHALE



NATURAL BUTTES FIELD
CHAPITA WELLS UNIT

CAUSE: 179-8 / 8-10-1999

OPERATOR:EOG RESOURCES INC (N9550)
SEC. 23 T.9S R.22E
FIELD: NATURAL BUTTES (630)
COUNTY: UINTAH
CAUSE: 179-8 / 8-10-1999



Utah Oil Gas and Mining

- | | | |
|-----------------------|------------------|-------------------|
| Wells | Units.shp | Fields.shp |
| ○ GAS INJECTION | □ EXPLORATORY | □ ABANDONED |
| ○ GAS STORAGE | □ GAS STORAGE | □ ACTIVE |
| × LOCATION ABANDONED | □ NF PP OIL | □ COMBINED |
| ○ NEW LOCATION | □ NF SECONDARY | □ INACTIVE |
| ◇ PLUGGED & ABANDONED | □ PENDING | □ PROPOSED |
| * PRODUCING GAS | □ PI OIL | □ STORAGE |
| ● PRODUCING OIL | □ PP GAS | □ TERMINATED |
| ○ SHUT-IN GAS | □ PP GEOTHERML | |
| ○ SHUT-IN OIL | □ PP OIL | |
| × TEMP. ABANDONED | □ SECONDARY | |
| ○ TEST WELL | □ TERMINATED | |
| ▲ WATER INJECTION | | |
| ◆ WATER SUPPLY | | |
| ♣ WATER DISPOSAL | | |



PREPARED BY: DIANA WHITNEY
 DATE: 14-OCTOBER-2004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

October 14, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Chapita Wells Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2004 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Price River Lower)

43-047-35998	CWU 837-11	Sec 11 T09S R22E 0662 FSL 1831 FEL
43-047-35999	CWU 971-11	Sec 11 T09S R22E 1537 FSL 0553 FEL
43-047-36000	CWU 970-12	Sec 12 T09S R22E 2090 FSL 2322 FWL
43-047-36001	CWU 973-12	Sec 12 T09S R22E 0867 FSL 1965 FEL
43-047-36004	CWU 932-25	Sec 25 T09S R22E 2085 FNL 0493 FEL
43-047-36005	CWU 934-25	Sec 25 T09S R22E 2185 FSL 0671 FEL
43-047-36006	CWU 936-25	Sec 25 T09S R22E 0782 FSL 2416 FEL
43-047-36002	CWU 925-23	Sec 23 T09S R22E 0663 FSL 2007 FWL
43-047-36003	CWU 926-23	Sec 23 T09S R22E 0662 FSL 0560 FEL
43-047-36007	CWU 314-30F	Sec 30 T09S R23E 1017 FNL 1498 FWL
43-047-36008	CWU 949-30	Sec 30 T09S R23E 2164 FSL 0740 FEL
43-047-36009	CWU 947-30	Sec 30 T09S R23E 1947 FNL 0641 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard



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

October 14, 2004

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

Re: Chapita Wells Unit 925-23 Well, 663' FSL, 2007' FWL, SE SW, Sec. 23,
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36002.

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 Chapita Wells Unit 925-23

API Number: 43-047-36002

Lease: U-0282

Location: SE SW Sec. 23 T. 9 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

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

RECEIVED
OCT - 7 2004

5. Lease Serial No.
U-0282

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
CHAPITA WELLS UNIT 925-23

2. Name of Operator
EOG RESOURCES, INC.

9. API Well No.
43-047-36002

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

At surface **663' FSL, 2007' FWL** **SE/SW**

At proposed prod. Zone

11. Sec., T., R., M., or Blk. and Survey or Area
**SEC. 23, T9S, R22E,
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office*
18.89 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. **663'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
2440

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
9275'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4955.3 FEET GRADED GROUND

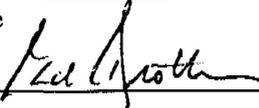
22. Approximate date work will start*
UPON APPROVAL

23. Estimated duration
45 DAYS

24. Attachments

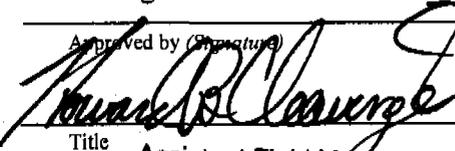
Attachments
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 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 
Title **Agent**

Name (Printed/Typed) **Ed Trotter**
RECEIVED
JUL 12 2005

Date **October 6, 2004**

Approved by 
Title **Assistant Field Manager
Mineral Resources**

Name (Printed/Typed) **DIV. OF OIL, GAS & MINING**
Office

Date **06/30/2005**

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.

NOTICE OF APPROVAL **CONDITIONS OF APPROVAL ATTACHED**

04PS1944A 400677 nos 09/29/04

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources, Inc.
Well Name & Number: CWU 925-23
Lease Number: U-0282
API Number: 43-047-36002
Location: SESW Sec. 23 T.9S R. 22E
Agreement: Chapita Wells Unit

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

CONDITIONS OF APPROVAL

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

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil 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.

3. Casing Program and Auxiliary Equipment

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

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

As a minimum requirement, the cement behind to production casing must extend at least 200' above the Wasatch Formation which has been identified at ±4745'

If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43

CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).

6. Notifications of Operations

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

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

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

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

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

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

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

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

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

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

7. Other Information

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

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

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

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

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

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

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due

anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

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

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

Kirk Fleetwood (435) 828-7874
Petroleum Engineer

Michael Lee (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.

Conditions for Approval are in the APD

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
U-0282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
CHAPITA WELLS UNIT

8. WELL NAME and NUMBER:
CHAPITA WELLS UNIT 925-23

9. API NUMBER:
4304736002

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

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.

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
EOG RESOURCES, INC.

3. ADDRESS OF OPERATOR:
P.O. BOX 1910 CITY **VERNAL** STATE **UT** ZIP **84078** PHONE NUMBER: **(435) 789-4120**

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **663' FSL, 2007' FWL** COUNTY: **UINTAH**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESW 23 9S 22E S** STATE: **UTAH**

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"/> 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension request
	<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: **10-18-05**
By: *[Signature]*

COPIES SENT TO OPERATOR
DATE: **10-20-05**
BY: *[Signature]*

NAME (PLEASE PRINT) Ed Trotter TITLE Agent
SIGNATURE *[Signature]* DATE 10/4/2005

(This space for State use only)

**RECEIVED
OCT 13 2005**

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

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

API: 4304736002
Well Name: CHAPITA WELLS UNIT 925-23
Location: 663' FSL, 2007' FWL, SESW, Sec. 23, T9S, R22E
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 10/14/2004

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

10/4/2005

Date

Title: Agent

Representing: EOG RESOURCES, INC.

RECEIVED
OCT 13 2005

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 925-23

Api No: 43-047-36002 Lease Type: FEDERAL

Section 23 Township 09S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # 1

SPUDDED:

Date 04/06/06

Time 4:00 PM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # (435) 828-3630

Date 04/07/2006 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 1816
city VERNAL
state UT zip 84078 Phone Number: (435) 781-9111

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35526	CHAPITA WELLS UNIT 892-22		NESE	22	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	99999	13650	3/16/2006		4/13/06		
Comments: <u>PRRU = MVRD</u> - K							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35541	CHAPITA WELLS UNIT 906-26		NESE	26	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	99999	13918	4/6/2006		4/13/06		
Comments: <u>PRRU = MVRD</u> - K							

Well 3

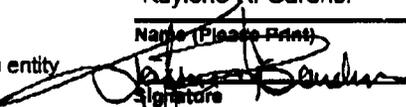
API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36002	CHAPITA WELLS UNIT 925-23		SESW	23	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	99999	13650	4/6/2006		4/13/06		
Comments: <u>PRRU = MVRD</u> - K							

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 R. Gardner

Name (Please Print)



Regulatory Assistant

Title

4/7/2006

Date

RECEIVED
APR 07 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
P.O. Box 1815 Vernal, UT 84078

3b. Phone No. (include area code)
435-781-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**663 FSL 2007 FWL (SE/SW) S.L.B.&M
SECTION 23, T9S, R22E 40.016094 LAT 109.408839 LON**

5. Lease Serial No.

U-0282

6. If Indian, Allottee or Tribe Name

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

CHAPITA WELLS UNIT

8. Well Name and No.

CHAPITA WELLS UNIT 925-23

9. API Well No.

43-047-36002

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

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

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

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

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

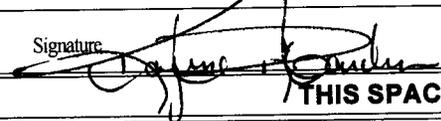
**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

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

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature



Date

04/07/2006

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)

RECEIVED

APR 10 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
P.O. Box 1815 Vernal, UT 84078

3b. Phone No. (include area code)
435-781-9111

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

**663 FSL 2007 FWL (SE/SW) S.L.B.&M
SECTION 23, T9S, R22E 40.016094 LAT 109.408839 LON**

5. Lease Serial No.

U-0282

6. If Indian, Allottee or Tribe Name

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

CHAPITA WELLS UNIT

8. Well Name and No.

CHAPITA WELLS UNIT 925-23

9. API Well No.

43-047-36002

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other 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.)

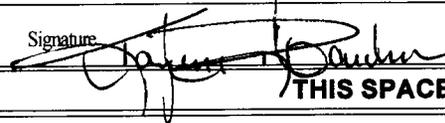
EOG Resources, Inc. spud a 20" surface hole at the referenced location 4/6/2006 at 4:00 p.m. Dall Cook, representative for EOG, notified Matt Baker of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 4/6/2006 @ 3:45 p.m.

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

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature



Date

04/07/2006

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)

RECEIVED

APR 10 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 Street, Suite 1000N, Denver, CO 80202**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**663 FSL 2007 FWL (SESW) S.L.B.&M
 Sec. 23-T9S-R22E, 40.016094 LAT -109.408839 LON**

5. Lease Serial No.
U-0282

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CHAPITA WELLS UNIT 925-23

9. API Well No.
43-047-36002

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

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

No drilling activity has occurred since spud 4/6/2006.

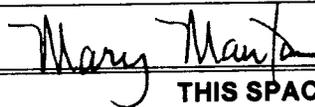
EOG Resources, Inc. operates under Nationwide Bond #2308

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

Mary Maestas

Title **Operations Clerk**

Signature



Date

04/10/2006

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.

RECEIVED

(Instructions on page 2)

APR 11 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0282
2. Name of Operator EOG RESOURCES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 1815 Vernal, UT 84078	3b. Phone No. (include area code) 435-781-9111	7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 663 FSL 2007 FWL (SE/SW) S.L.B.&M SECTION 23, T9S, R22E 40.016094 LAT 109.408839 LON		8. Well Name and No. CHAPITA WELLS UNIT 925-23
		9. API Well No. 43-047-36002
		10. Field and Pool, or Exploratory Area NATURAL BUTTES
		11. County or Parish, State UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE TD
	<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. respectfully requests permission to change the TD for the referenced well,

From: 9275'

To: 9400'

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 07-15-06
By: [Signature]

COPY SENT TO OPERATOR
Date: 07-15-06
Initials: [Signature]

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

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature

[Signature]

Date

07/10/2006

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)

RECEIVED
JUL 12 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 Street, Suite 1000N, Denver, CO 80202

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**663' FSL & 2007' FWL (SE/SW)
 Sec. 23-T9S-R22E 40.016094 LAT 109.408839 LON**

5. Lease Serial No.
U-0282

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Chapita Wells Unit 925-23

9. API Well No.
43-047-36002

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

11. County or Parish, State
Uintah County, Utah

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

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

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

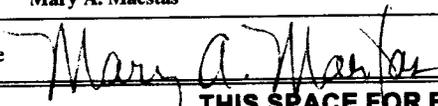
The referenced well was turned to sales on 9/8/2006. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

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

Mary A. Maestas

Title **Regulatory Assistant**

Signature



Date

09/12/2006

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.

RECEIVED

(Instructions on page 2)

SEP 15 2006

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 09-12-2006

Well Name	CWU 925-23	Well Type	DEVG	Division	DENVER
Field	CHAPITA WELLS DEEP	API #	43-047-36002	Well Class	1SA
County, State	UINTAH, UT	Spud Date	07-12-2006	Class Date	09-08-2006
Tax Credit	N	TVD / MD	9,400/ 9,400	Property #	054914
Water Depth	0	Last CSG	0.0	Shoe TVD / MD	0/ 0
KB / GL Elev	4,975/ 4,955				
Location	Section 23, T9S, R22E, SESW, 663 FSL & 2007 FWL				

Event No	1.0	Description	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	WI %	50.0	NRI %	43.5

AFE No	302783	AFE Total	1,814,800	DHC / CWC	900,100/ 914,700
Rig Contr	BASIC	Rig Name	BASIC #30	Start Date	10-12-2004
10-12-2004	Reported By				
Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$0	Completion	\$0	Well Total	\$0
MD	0	TVD	0	Progress	0
Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA

663' FSL & 2007' FWL (SE/SW)
SECTION 23, T9S, R22E
UINTAH COUNTY, UTAH

LAT 40.016094, LONG 109.408839 (NAD 27)

BASIC RIG #30
OBJECTIVE: 9400' TD, MESAVERDE
DW/GAS
CHAPITA WELLS DEEP PROSPECT
DD&A: CHAPITA WELLS DEEP
NATURAL BUTTES FIELD

LEASE: U-0282

ELEVATION: 4955.3 NAT GL, 4955.3' PREP GL (DUE TO ROUNDING 4955' IS THE PREP GL), 4975' KB (20')

EOG WI 50%, NRI 43.5%

04-11-2006	Reported By	ED TROTTER			
Daily Costs: Drilling	\$32,790	Completion	\$0	Daily Total	\$32,790

Cum Costs: Drilling \$32,790 Completion \$0 Well Total \$32,790
 MD 0 TVD 0 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0
 Activity at Report Time: WO BUCKET RIG

Start End Hrs Activity Description
 06:00 06:00 24.0 4955' NAT GL, CUT AT STAKE GRADE.

MI CRAIG'S ROUSTABOUT SERVICE. BUILD ACCESS ROAD & LOCATION. LINED RESERVE PIT. WO BUCKET RIG.

04-12-2006 Reported By COOK/BARNES

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0
 Cum Costs: Drilling \$32,790 Completion \$0 Well Total \$32,790
 MD 40 TVD 40 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0
 Activity at Report Time: WO AIR RIG

Start End Hrs Activity Description
 06:00 06:00 24.0 MIRU ROCKY MOUNTAIN DRILLING BUCKET RIG. SPUD WELL @ 4:00 P.M., 4/6/2006. DRILLED 20" HOLE TO 40". RAN 40' OF 14" CONDUCTOR PIPE. CEMENTED CONDUCTOR TO SURFACE WITH READY MIX CEMENT.

DALL COOK NOTIFIED MIKE LEE, BLM & CAROL DANIELS, UDOGM OF WELL SPUD, ON 4/6/2006 @ 3:30 P.M.

06-21-2006 Reported By COOK/BARNES

Daily Costs: Drilling \$216,247 Completion \$0 Daily Total \$216,247
 Cum Costs: Drilling \$249,037 Completion \$0 Well Total \$249,037
 MD 2,120 TVD 2,120 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0
 Activity at Report Time: WORT

Start End Hrs Activity Description
 06:00 06:00 24.0 MIRU BILL JR'S AIR RIG #6, DRILLED 12-1/4" HOLE TO 2100' GL. ENCOUNTERED WATER AT 1750'. RAN 48 JTS (2073') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2096' KB. RDMO BILL JR'S AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (41 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/ 150 BBLs FRESH WATER. BUMPED PLUG W/650# @ 6:48 PM, 4/27/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

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

TOP JOB #2: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4#/SX FLOCELE, 1 #GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 30 MIN.

TOP JOB #3: MIXED & PUMPED 130 SX (26 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4#/SX FLOCELE + 100 # GR-3. NO RETURNS. WOC 2 HRS.

TOP JOB #4: MIXED & PUMPED 285 SX (58 BBLs) OF PREMIUM CEMENT W/2% CaCL2 & 1/4 #/SX FLOCELE + 100 # GR-3. HOLE FILLED BUT FELL BACK WHEN PUMPING STOPPED. WOC 1 HR.

TOP JOB #5: MIXED & PUMPED 35 SX (7 BBLs) OF PREMIUM CEMENT W/2% CaCL2 & 1/4 #/SX FLOCELE + 100 #GR-3. HOLE STOOD FULL. RD BIG 4 CEMENTERS.

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

DALL COOK NOTIFIED DONNA KENNY W/BLM OF THE SURFACE CASING & CEMENT JOB ON 4/25/2006 @ 11:00 AM.

07-12-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling	\$7,605	Completion	\$0	Daily Total	\$7,605						
Cum Costs: Drilling	\$256,642	Completion	\$0	Well Total	\$256,642						
MD	2,120	TVD	2,120	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: TESTING BOPE

Start	End	Hrs	Activity Description
06:00	12:00	6.0	HELD SAFETY MEETING WITH RIG CREWS & WESTROC. RIG UP BASIC RIG 30 DERRICK, 1/2 MAST AT 11:00 AM. TRUCKS OFF LOCATION AT 12:00.
12:00	17:00	5.0	CONT RIG UP. DERRICK UP 14:00 HRS. RIG UP FLOOR, MUD LINES, GROUND, PITS & PUMPS, FILLING TANKS W/WATER.
17:00	01:00	8.0	NIPPLE UP AND RIG UP CHOKE MANIFOLD, FLOWLINE & GAS BUSTER. PICK UP & MAKE UP KELLY SET BACK. RIG ON DAYWORK RATE AT 17:00 HRS, 7/11/06.
01:00	06:00	5.0	TEST BOPE, CHOKE MANIFOLD, LINES, KOOMEY, UPPER & LOWER KELLY VALVE, STAND PIPE, MUD LINES. TEST CSG TO 1,500, OK. TESTED HYDRIL 250 & 2500 PSI, 4.5" PIPE RAMS, BLIND RAMS, CHOKE LINE, CHOKE MANIFOLD, UPPER & LOWER KELLY VALVE, SAFETY VALVE & INSIDE BOP TO 250 & 5000 PSI. ALL TESTS WERE OK, GOOD TEST.

NO ACCIDENTS

FUEL O/H 1013, USED 411,

SAFETY MEET TOPIC: TRUCKS MOVING ON LOCATION, RIGGING UP, FORKLIFT SAFETY

NOTIFIED REGULATORY AGENCIES BLM VERNAL UTAH MICHAEL LEE 07/07/06 AT 0900 OF RIG MOVE, BOP TEST & SPUD FOR CWU 925-23.

NOTIFIED STATE OF UTAH OIL & GAS DIVISION CAROL DANIELS FOR RIG MOVE AND SPUD OF THE CWU 925-23 AT 0930 AM, 07-07-06. SECOND NOTICE: 7/11/2006 @ 15.30

07-13-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling	\$112,560	Completion	\$0	Daily Total	\$112,560						
Cum Costs: Drilling	\$369,202	Completion	\$0	Well Total	\$369,202						
MD	3,084	TVD	3,084	Progress	984	Days	1	MW	8.9	Visc	29.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: DRLG.

Start	End	Hrs	Activity Description
06:00	07:30	1.5	FINISH BOP TEST & UPPER & LOWER KELLY VALVES 250-5000 PSI.

07:30 08:00 0.5 INSTALL WEAR BUSHING, STRAP PIPE.
 08:00 09:00 1.0 RIG UP PICK UP MACHINE.
 09:00 12:30 3.5 PU BHA & D/P TAG CEMENT @ 2010'.
 12:30 14:00 1.5 RIG DOWN & INSTALL ROT. HEAD.
 14:00 14:30 0.5 CIRC. FILL PIPE @ 2010'.
 14:30 17:00 2.5 DRLG CEMENT & FLOAT EQUIPMENT. SHOE @ 2092'. WASH & REAM TO BOTTOM @ 2100'.

 17:00 17:30 0.5 DRLG 2100 TO 2110'.
 17:30 18:00 0.5 FIT TEST = 11.0 MUD WT 350 PSI.
 18:00 19:00 1.0 CIRC & WLS @ 2096', 1".
 19:00 06:00 11.0 DRLG 2110 TO 3084' (974'). ROP 88.5, WOB 16-18, RPM 55+62 117 GPM 402.

NO ACCIDENTS
 SAFETY MEETING TOPIC, WORKING WITH ROY (IRON ROUGHNECK)
 CREWS FULL

FUEL O/H 8398 USED 878

LITHOLOGY SH.100 % SS
 CONN. GAS 500 B/G 300,
 MUD WT.8.9 VIS. 30.

06:00 18.0 RIG ON DAY WORK AT 17:00, 7-11-2006
 SPUD 7-7/8" HOLE AT 18:00, 7-12-2006

07-14-2006		Reported By		DAVID FOREMAN							
Daily Costs: Drilling	\$38,882	Completion	\$0	Daily Total		\$38,882					
Cum Costs: Drilling	\$408,085	Completion	\$0	Well Total		\$408,085					
MD	4,665	TVD	4,665	Progress	1,581	Days	2	MW	9.4	Visc	35.0
Formation :			PBTD : 0.0			Perf :			PKR Depth : 0.0		

Activity at Report Time: DRLG.

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRLG 3084 TO 3368'. 284 ROP, 94.6 WOB, 14-16 RPM 60+62 GPM 402.
09:00	09:30	0.5	SURVEY @ 3291', 1 3/4".
09:30	11:30	2.0	DRLG 3368 TO 3590'. 222 ROP 111 WOB 14-16 RPM 60+62 GPM 402.
11:30	12:30	1.0	SERVICE RIG.
12:30	22:30	10.0	DRLG 3590 TO 4348'. 758 ROP 75.8 WOB 14-16 RPM 60+62 GPM 402.
22:30	23:00	0.5	SURVEY @ 4305', 2".
23:00	06:00	7.0	DRLG 4348 TO 4665' 317 ROP 45.3 WOB 14-16 RPM 60+62 GPM 402.

NO ACCIDENTS
 SAFETY MEETING TOPIC, PINCH POINTS, LADDER SAFETY
 BOP DRILL. 45. SEC. GOOD DRILL. FUNCTION TEST BOP HY DRILL
 CREWS FULL
 FUEL O/H 7566 USED 832

LITHOLOGY SH.90 % SS 10%
 CONN. GAS 1000 B/G 250,
 MUD WT.9.5 VIS. 35.

07-15-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling \$43,201 Completion \$0 Daily Total \$43,201
 Cum Costs: Drilling \$451,287 Completion \$0 Well Total \$451,287

MD 5,445 TVD 5,445 Progress 780 Days 3 MW 9.5 Visc 35.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL 4665' TO 4985', 320', ROP 33.6, WOB 16-18, RPM 60+62, GPM 402.
15:30	16:00	0.5	SURVEY RIG.
16:00	06:00	14.0	DRILL 4985' TO 5445', 460', ROP 32.8, WOB 18-20, RPM 65+62, GPM 402.

MUD LOGGER ON LOCATION 7/12/06
 NO ACCIDENTS
 SAFETY MEETING: PINCH POINTS/WO PUMPS/MIX MUD

BOP DRILL 33 SEC, GOOD DRILL
 FUNCTION TESTED BOP HYDRIL
 CREWS FULL (ONE MAN WORKING OVER)
 FUEL ON HAND 6675 GALS, USED 891 GALS

LITHOLOGY SH 80%, SS 20%
 CONN GAS 300, BG 50
 MUD WT 9.6, VIS 35

07-16-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling \$46,178 Completion \$0 Daily Total \$46,178
 Cum Costs: Drilling \$497,465 Completion \$0 Well Total \$497,465

MD 6,405 TVD 6,405 Progress 960 Days 4 MW 10.0 Visc 36.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	16:30	10.5	DRILL 5445' TO 5836', 391', ROP 37.3, WOB 18-20, RPM 60+62, GPM 402.
16:30	17:00	0.5	SERVICE RIG.
17:00	06:00	13.0	DRILL 5836' TO 6405', 569', ROP 43.8, WOB 16-18, RPM 55+62, GPM 402.

NO ACCIDENTS
 SAFETY MEETING: HOUSEKEEPING/PPE/FORK LIFT SAFETY
 BOP DRILL 45 SEC, GOOD DRILL
 CREWS FULL (ONE MAN WORKING OVER DAYS)
 FUEL ON HAND 5614 GALS, USED 1060 GALS

LITHOLOGY SH 40%, SS 60%
 CONN GAS 800U, BG 400U
 WASATCH 4665', CHAPITA WELLS 5270', BUCK CANYON 5860'
 MUD WT10.2, VIS 37

07-17-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling \$35,550 Completion \$0 Daily Total \$35,550
 Cum Costs: Drilling \$533,016 Completion \$0 Well Total \$533,016

MD 7,250 TVD 7,250 Progress 845 Days 5 MW 10.2 Visc 37.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 6405' TO 6659', 254', ROP 36.3, WOB 18-20, RPM 60+62, GPM 402.
13:00	13:30	0.5	SERVICE RIG.
13:30	06:00	16.5	DRILL 6659' TO 7250', 591', ROP 35.8, WOB 18-20, RPM 55+62, GPM 402.

EXTRA HANDS ARE TRAINING FOR BASIC, WILL MOVE TO NEW RIG
 NO ACCIDENTS
 SAFETY MEETING: LOCK OUT-TAG OUT/PROPER LIFTING
 BOP DRILL GOOD DRILL, DAYS
 CREWS FULL
 FUEL ON HAND 4538 GALS, USED 1076 GALS

LITHOLOGY SH 70%, SS 30%
 CONN GAS 100U, BG 55U
 WASATCH 4665', CHAPITA WELLS 5270', BUCK CANYON 5860',
 NORTH HORN 6570', ISLAND 6925', PRICE RIVER 7070'
 MUD WT10.4, VIS 37

07-18-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling \$41,339 Completion \$0 Daily Total \$41,339
 Cum Costs: Drilling \$574,355 Completion \$0 Well Total \$574,355

MD 7,396 TVD 7,396 Progress 147 Days 6 MW 10.5 Visc 36.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WASH/REAM TO BTM

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL 7250' TO 7396', 146', ROP 16.2, WOB 14-16, RPM 50+62, GPM 402.
15:00	18:00	3.0	TRIP OUT FOR BIT TIGHT FROM 7380' TO 7320', 60,000# OVER PULL. WORK PIPE. CONT TRIP OUT W/NO PROBLEM. MINIMUM DRAG 15/20,000 OVER PULL.
18:00	22:30	4.5	CONT TRIP OUT. LD REAMERS, RECOVER SURVEY. BREAK BIT.
22:30	06:00	7.5	LAY DOWN, PICK UP MUD MOTOR. MU BIT, 506 ZX. TRIP IN HOLE W/BHA #2 & 50 STDS DP. BREAK CIRC @ 3891'. CONT TIH. LD ONE JT DP. PU KELLY. CIRC, WASHING FROM 7326'.

ACCIDENTS (REPORTED JAMES HOLD TWISTED BACK)
 SAFETY MEETING: PROPER LIFTING/PINCH POINTS/MIXING CHEM
 TRIP DRILL, GOOD DRILL, NIGHTS

FUNCTION TESTED BOP
 CREWS FULL
 FUEL ON HAND 3872 GALS, USED 666 GALS

LITHOLOGY SH 70%, SS 30%
 CONN GAS 200U, BG 100U
 WASATCH 4665', CHAPITA WELLS 5270', BUCK CANYON 5860', NORTH HORN 6570', ISLAND 6925', PRICE RIVER 7070'
 MUD WT10.5+, VIS 37

07-19-2006 Reported By DAVID FOREMAN

Daily Costs: Drilling \$33,144 Completion \$0 Daily Total \$33,144
 Cum Costs: Drilling \$607,500 Completion \$0 Well Total \$607,500

MD 7,975 TVD 7,975 Progress 579 Days 7 MW 10.4 Visc 34.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	WORK STUCK PIPE FREE @ 7300', REGAIN. CIRC @ 7300' W/SLOW PUMP 800 PSI, 76 SPM 1/4 HR.
07:00	08:30	1.5	WASH/REAM FROM 7300' TO 7396', BOTTOM W/1200 PSI, 110 SPM.
08:30	09:00	0.5	DRILL 7396' TO 7402', 6', ROP 12, WOB 4-12, RPM 45+62, GPM 402.
09:00	10:00	1.0	SERVICE RIG & PUMP REPAIR CHARGER PUMP ELECTRIC.
10:00	06:00	20.0	DRILL 7402' TO 7975', 573' ROP 28.65, WOB 12-14, RPM 55-62, GPM 402.

COND MUD & BUILD MUD WT FROM 10.4 TO 10.6
 ACCIDENTS NONE REPORTED
 SAFETY MEETING: PROPER LIFTING/HOUSEKEEPING
 BOP DRILL 45 SEC
 CREWS FULL
 FUEL ON HAND 3872 GALS, USED 1036 GALS

LITHOLOGY: SH 40%, SS 60%
 CONN GAS 400U, BG 200U
 WASATCH 4665', CHAPITA WELLS 5270', BUCK CANYON 5860', NORTH HORN 6570', ISLAND 6925', PRICE RIVER 7070'
 SHOW GAS:
 7850'-7880', 3968U
 7900'-7910', 3200U
 MUD WT10.8, VIS 40

07-20-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$39,072 Completion \$0 Daily Total \$39,072
 Cum Costs: Drilling \$646,573 Completion \$0 Well Total \$646,573

MD 8,729 TVD 8,729 Progress 754 Days 8 MW 10.9 Visc 43.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

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

06:00 16:30 10.5 DRILL 7975' TO 8348', 373', 35.52' PH, WT 10/15, RPM 43/60, PSI 1750, SPM 120, GPM 404.
 16:30 17:00 0.5 RIG SERVICE.
 17:00 06:00 13.0 DRILL 8348' TO 8729', 381', WT 10/18, RPM 43/60, PSI 1750, SPM 120, GPM 404.

ACCIDENTS NONE REPORTED
 SAFETY MEETING: PROPER LIFTING/HOUSEKEEPING
 BOP DRILL 45 SEC
 CREWS FULL
 FUEL ON HANDS 3872 GALS, USED 1036 GALS

LITHOLOGY: SH 40%, SS 60%
 CONN GAS 400U, BG 200U
 WASATCH 4665', CHAPITA WELLS 5270', BUCK CANYON 5860', NORTH HORN 6570', ISLAND 6925', PRICE RIVER 7070'
 SHOW GAS:
 7850'-7880', 3968U
 7900'-7910', 3200U

07-21-2006	Reported By	DOUG GRINOLDS									
Daily Costs: Drilling	\$34,106	Completion	\$0	Daily Total	\$34,106						
Cum Costs: Drilling	\$680,680	Completion	\$0	Well Total	\$680,680						
MD	9,150	TVD	9,150	Progress	421	Days	9	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0					Perf :	PKR Depth : 0.0				

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:00	24.0	DRILL 8729' TO 9150', 421', 18' PH, WT 10/22, RPM 48/60, PSI 1800, SPM 120, GPM 404.

FORMATION PRICE RIVER LOWER TOP 8712', SHALE 35%, SILTSTONE 25%, SS 30%
 BACK GROUND GAS 1500U, CONNECTION GAS 3500U, SMALL FLARE 2' TO 6'

SAFETY MEETING: MIXING MUD/WORKING IN THE HEAT
 NO ACCIDENTS
 FUEL ON HAND 561 GAL, USED 1194 GALS
 MUD WT 11#, VIS 42
 BOP DRILL 45 SEC
 FULL CREWS

07-22-2006	Reported By	DOUG GRINOLDS									
Daily Costs: Drilling	\$42,082	Completion	\$0	Daily Total	\$42,082						
Cum Costs: Drilling	\$722,762	Completion	\$0	Well Total	\$722,762						
MD	9,400	TVD	9,400	Progress	250	Days	10	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0					Perf :	PKR Depth : 0.0				

Activity at Report Time: CIRC FOR SHORT TRIP

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL 9150' TO 9267', 117', 14.62' PH, WT 15/20, RPM 43/60, PSI 1800, SPM 120, GPM 404.
14:00	14:30	0.5	RIG SERVICE. VISUAL INSPECTION OF PULL BACK CABLE ON ROY FIXED.

14:30 05:30 15.0 DRILL 9267' TO 9400', 133', 8.86' PH. REACHED TD @ 05:30 HRS, 7/22/06.
 05:30 06:00 0.5 CIRC BOTTOMS UP, BEFORE SHORT TRIP.

FORMATION SEGO TOP 9204', SHALE 40%, SILTSTONE 30%, SS 10%
 BACK GROUND GAS 1500-2500U, CONNECTION GAS 3100U.

SAFETY MEETING: PU PIPE/WIRE LIFT SYSTEM
 NO ACCIDENTS
 FUEL ON HAND 1330 GAL
 MUD WT 11, VIS 42
 FULL CREWS

07-23-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$31,125 Completion \$10,128 Daily Total \$41,253
 Cum Costs: Drilling \$753,887 Completion \$10,128 Well Total \$764,015

MD 9,400 TVD 9,400 Progress 0 Days 11 MW 0.0 Visc 0.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: LAY DOWN DRILL STRING

Start	End	Hrs	Activity Description
06:00	09:30	3.5	CIRCULATE/CONDITION MUD FOR CASING. CK FOR FLOW, PUMP PILL.
09:30	12:00	2.5	SHORT TRIP TO 7006', 38 STANDS, 9400' TO 9140' TIGHT.
12:00	13:00	1.0	CHANGE OUT ROTATING RUBBER & WORK ON ROY.
13:00	15:00	2.0	TRIP IN HOLE TO 9332'.
15:00	16:00	1.0	WASH/REAM 9332' TO 9400', 20' FLARE BOTTOMS UP.
16:00	19:30	3.5	CIRC/CONDITION MUD, RAISE MUD WT TO 11.2#. SPOT 13.4# MUD PILL ON BOTTOM.
19:30	06:00	10.5	LAY DOWN DRILL STRING & BOTTOM HOLE ASSEMBLY.

SAFETY MEETING: LAYING DOWN DRILL STRING
 NO ACCIDENTS
 FULL CREWS
 MUD WT 11.2# VIS 42
 FUEL ON HAND 823 GAL, USED 507 GAL

07-24-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$31,398 Completion \$69,584 Daily Total \$100,982
 Cum Costs: Drilling \$785,286 Completion \$79,712 Well Total \$864,998

MD 9,400 TVD 9,400 Progress 0 Days 12 MW 0.0 Visc 0.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WOC

Start	End	Hrs	Activity Description
06:00	07:00	1.0	PULL ROTATING HEAD & BREAK KELLY.
07:00	09:00	2.0	LAY DOWN HEAVY WT & COLLARS. PULL WEAR RING.
09:00	10:00	1.0	RIG UP TO RUN CASING. HELD SAFETY MEETING W/CALIBER CASING CREW.
10:00	11:00	1.0	RIG REPAIR. ADJUST BRAKES AND ROLLERS ON DRAWWORKS.

11:00 20:30 9.5 RUN 240 JTS (238 FULL JTS + 2 MARKER JTS OF 4 1/2", 11.6#, P-110 CASING. LANDED AT 9379.14' KB. RAN AS FOLLOWS: FS, 1 JT CASING, FLOAT COLLAR AT 9336.56', 57 JTS CASING, 1 MARKER JT AT 7044.71', 71 JTS CASING, 1 MARKER JT AT 4201.33', 105 JTS CASING, 1 LANDING JT. RAN CASING W/CALIBER CASING.

20:30 22:00 1.5 INSTALL ROTATING HEAD, WASH 15' TO BOTTOM.

22:00 23:30 1.5 CIRC BOTTOMS UP, 15/25' FLARE BOTTOMS UP.

23:30 02:30 3.0 CHANGE OUT ROTATING HEAD. LAY DOWN 1 JT CASING, PKUP LANDING JT & MANDEL HANGER.

02:30 05:00 2.5 CEMENTING W/ SCHLUMBERGER. HELD SAFETY MEETING W/ CREW

05:00 05:30 0.5 SET MANDEL HANGER W/50,000#. TEST TO 5,000#. RIG DOWN SCHLUMBERGER.

05:30 06:00 0.5 WAIT ON CEMENT.

NO ACCIDENTS
 FULL CREWS
 SAFETY MEETING: RUNNING CASING/CEMENTING
 FUEL ON HAND 145, GAL USED 678 GAL

07-25-2006 **Reported By** DOUG GRINOLDS

DailyCosts: Drilling	\$27,277	Completion	\$79,900	Daily Total	\$107,177
Cum Costs: Drilling	\$812,563	Completion	\$159,612	Well Total	\$972,175
MD	9,400	TVD	9,400	Progress	0
		Days	13	MW	0.0
Formation :		PBTD :	0.0	Perf :	
				PKR Depth :	0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	WAIT ON CEMENT.
07:00	11:00	4.0	CLEAN MUD TANKS. NIPPLE DOWN BOP STACK.
11:00	06:00	19.0	RDRT & MOVE TO CWU 909-23. WESTROC TRUCKING. HELD SAFETY MEETING.

NO ACCIDENTS
 FULL CREWS
 SAFETY MEETING: RDRT/MOVING RIG
 TRANSFERRED 145 GALS FUEL FROM CWU 925-23 TO CWU 909-23

06:00 18.0 RIG RELEASED @ 11:00 HRS, 7/24/06.
 CASING POINT \$811,454

07-27-2006 **Reported By** SEARLE

DailyCosts: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$812,563	Completion	\$159,612	Well Total	\$972,175
MD	9,400	TVD	9,400	Progress	0
		Days	14	MW	0.0
Formation :		PBTD :	9372.0	Perf :	
				PKR Depth :	0.0

Activity at Report Time: PREP FOR COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU SCHLUMBERGER. RAN RST/CBL/V/DL/GR/CCL FROM PBTD TO 900'. CEMENT TOP ABOVE 900'. RD SCHLUMBERGER.

07-29-2006 **Reported By** MCCURDY

DailyCosts: Drilling	\$0	Completion	\$1,920	Daily Total	\$1,920
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Cum Costs: Drilling \$812,563 **Completion** \$161,532 **Well Total** \$974,095
MD 9,400 **TVD** 9,400 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9372.0** **Perf :** **PKR Depth : 0.0**
Activity at Report Time: PREP FOR FRAC

Start **End** **Hrs** **Activity Description**
 11:00 12:00 1.0 NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 8500 PSIG. PREP FOR FRAC.

08-03-2006 **Reported By** HISLOP

Daily Costs: Drilling \$0 **Completion** \$7,045 **Daily Total** \$7,045
Cum Costs: Drilling \$812,563 **Completion** \$168,577 **Well Total** \$981,140

MD 9,400 **TVD** 9,400 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9372.0** **Perf : 7707 - 9136** **PKR Depth : 0.0**
Activity at Report Time: FRAC

Start **End** **Hrs** **Activity Description**
 06:00 18:00 12.0 RU CUTTERS WL. PERFORATED LPR FROM 8891'-92', 8896'-97', 8927'-28', 8953'-54', 8959'-60', 8985'-86', 8991'-92', 8999'-9000', 9014'-15', 9100'-01', 9108'-09', 9115'-16', 9126'-27' & 9135'-36' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4937 GAL YF125ST+ PAD, 35930 GAL YF125ST+ & YF118ST+ WITH 130704# 20/40 SAND @ 1-6 PPG. MTP 6416 PSIG. MTR 50.4 BPM. ATP 5516 PSIG. ATR 45.2 BPM. ISIP 3208 PSIG. RD SCHLUMBERGER.

RUWL. SET WEATHERFORD 10K CFP @ 8864'. PERFORATED MPR FROM 8576'-77', 8595'-96', 8626'-27', 8683'-84', 8692'-93', 8728'-29', 8760'-61', 8767'-68', 8794'-95', 8814'-15' & 8835'-36' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4955 GAL YF125ST+ PAD, 36620 GAL YF125ST+ & YF118ST+ WITH 128937# 20/40 SAND @ 1-6 PPG. MTP 7464 PSIG. MTR 50.4 BPM. ATP 6056 PSIG. ATR 46.9 BPM. ISIP 3225 PSIG. RD SCHLUMBERGER. (NO PERFS @ 8744'-45' DUE TO MISSFIRE).

RUWL. SET 10K CFP @ 8550'. PERFORATED MPR FROM 8576'-77', 8215'-16', 8245'-46', 8259'-60', 8279'-80', 8294'-95', 8372'-73', 8396'-97', 8416'-17', 8425'-26', 8443'-44', 8470'-71', 8486'-87', 8514'-15' & 8522'-23' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4952 GAL YF125ST+ PAD, 50936 GAL YF125ST+ & YF118ST+ WITH 190378# 20/40 SAND @ 1-5 PPG. MTP 7915 PSIG. MTR 50.2 BPM. ATP 6145 PSIG. ATR 47.0 BPM. ISIP 4275 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8180'. PERFORATED MPR FROM 8022'-23', 8030'-31', 8058'-59', 8077'-78', 8092'-93', 8101'-02', 8110'-11', 8116'-17', 8138'-39', 8144'-45' & 8158'-59' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4960 GAL YF123ST+ PAD, 37858 GAL YF123ST+ & YF118ST+ WITH 189807# 20/40 SAND @ 1-6 PPG. MTP 6070 PSIG. MTR 50.5 BPM. ATP 5184 PSIG. ATR 48.2 BPM. ISIP 3360 PSIG. RD SCHLUMBERGER. (NO PERFS @ 8123'-24' DUE TO MISSFIRE)

RUWL. SET 10K CFP @ 8000'. PERFORATED UPR FROM 7707'-08', 7764'-65', 7779'-81', 7870'-71', 7876'-78', 7914'-15', 7952'-54', 7963'-65' & 7974'-76' @ 2 SPF & 180° PHASING. RDWL. SDFN.

08-04-2006 **Reported By** HISLOP

Daily Costs: Drilling \$0 **Completion** \$357,362 **Daily Total** \$357,362
Cum Costs: Drilling \$812,563 **Completion** \$525,939 **Well Total** \$1,338,502

MD 9,400 **TVD** 9,400 **Progress** 0 **Days** 17 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9372.0** **Perf : 7082 - 9136** **PKR Depth : 0.0**

Activity at Report Time: PREP TO MIRUSU

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

06:00 14:00 8.0 SICP 2105 PSIG. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4945 GAL YF123ST+ PAD, 45556 GAL YF123ST+ & YF118ST+ WITH 168717# 20/40 SAND @ 1-6 PPG. MTP 7063 PSIG. MTR 50.5 BPM. ATP 5235 PSIG. ATR 48.0 BPM. ISIP 3120 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7660'. PERFORATED UPR FROM 7413'-14', 7421'-22', 7426'-27', 7469'-70', 7514'-16', 7533'-35', 7602'-04', 7610'-12', 7623'-24' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4981 GAL YF123ST+ PAD, 45750 GAL YF123ST+ & YF118ST+ WITH 168282# 20/40 SAND @ 1-6 PPG. MTP 8482 PSIG. MTR 50.4 BPM. ATP 5848 PSIG. ATR 43.4 BPM. ISIP 3680 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7380'. PERFORATED UPR FROM 7082'-84', 7113'-15', 7131'-32', 7165'-66', 7216'-17', 7300'-01', 7306'-07', 7327'-28', 7341'-43', 7354'-56' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5786 GAL YF123ST+ PAD, 45267 GAL YF123ST+ & YF118ST+ WITH 166807# 20/40 SAND @ 1-6 PPG. MTP 8446 PSIG. MTR 50.7 BPM. ATP 6619 PSIG. ATR 42.6 BPM. ISIP 3350 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 7040'. RDWL. BLEED OFF PRESSURE. SDFN.

08-08-2006 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$12,718	Daily Total	\$12,718
Cum Costs: Drilling	\$812,563	Completion	\$538,657	Well Total	\$1,351,220
MD	9,400	TVD	9,400	Progress	0
				Days	18
				MW	0.0
				Visc	0.0
Formation : MESAVERDE	PBTD : 9372.0		Perf : 7082-9136	PKR Depth : 0.0	

Activity at Report Time: CLEAN OUT AFTER FRAC

Start End Hrs Activity Description

06:00 14:00 8.0 SICP 0 PSIG. MIRU BASIC SERVICE UNIT. ND FRAC TREE. NU BOPE. RIH W/ 3-7/8" BIT & PUMP OFF BIT SUB TO CBP AT 7040'. RU POWER SWIVEL. SDFN.

08-09-2006 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$25,095	Daily Total	\$25,095
Cum Costs: Drilling	\$812,563	Completion	\$563,752	Well Total	\$1,376,315
MD	9,400	TVD	9,400	Progress	0
				Days	19
				MW	0.0
				Visc	0.0
Formation : MESAVERDE	PBTD : 9234.0		Perf : 7082-9136	PKR Depth : 0.0	

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description

06:00 06:00 24.0 SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS AT 7040', 7380', 7660', 8000', 8180', 8550' AND 8864'. RIH. CLEANED OUT TO 9234'. LANDED TBG AT 7057' KB. ND BOPE, NU TREE. PUMPED OFF BIT AND SUB. RDMOSU.

FLOWED 15 HRS ON 16/64" CHOKE, FTP 1600 PSIG, CP 1900 PSIG, 52 BFPH. RECOVERED 789 BLW, 8143 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB 1.00'
 1 JT 2 3/8" 4.7# L80 TBG 32.96'
 XN NIPPLE 1.10'
 215 JTS 2 3/8" 4.7# L80 TBG 7001.94'
 BELOW KB 20.00'

LANDED @ 7057.00' KB

08-10-2006 **Reported By** HOOLEY

Daily Costs: Drilling	\$0	Completion	\$2,450	Daily Total	\$2,450
Cum Costs: Drilling	\$812,563	Completion	\$566,202	Well Total	\$1,378,765
MD	9,400	TVD	9,400	Progress	0
				Days	20
				MW	0.0
				Visc	0.0
Formation : MESAVERDE		PBTD : 9234.0		Perf : 7082-9136	
				PKR Depth : 0.0	

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE, FTP 1750 PSIG, CP 2550 PSIG, 41 BFPH. RECOVERED 993 BLW, 7150 BLWTR.

08-11-2006 **Reported By** HOOLEY

Daily Costs: Drilling	\$0	Completion	\$2,450	Daily Total	\$2,450
Cum Costs: Drilling	\$812,563	Completion	\$568,652	Well Total	\$1,381,215
MD	9,400	TVD	9,400	Progress	0
				Days	21
				MW	0.0
				Visc	0.0
Formation : MESAVERDE		PBTD : 9234.0		Perf : 7082-9136	
				PKR Depth : 0.0	

Activity at Report Time: SI - WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE, FTP 1700 PSIG, CP 3050 PSIG, 22 BFPH. RECOVERED 670 BLW, 6480 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 8/10/06

09-11-2006 **Reported By** RASMUSSEN

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$812,563	Completion	\$568,652	Well Total	\$1,381,215
MD	9,400	TVD	9,400	Progress	0
				Days	22
				MW	0.0
				Visc	0.0
Formation : MESAVERDE		PBTD : 9234.0		Perf : 7082-9136	
				PKR Depth : 0.0	

Activity at Report Time: INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	INITIAL PRODUCTION. OPENING PRESSURE: TP 1800 PSIG & CP 3250 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 12:00 HRS, 9/8/06. FLOWED 352 MCFD RATE ON 10/64" CHOKE.

9/10/06 FLOWED 50 MCFD, 5 BC & 40 BW IN 24 HRS ON 10/64" CK. TP 1700 PSIG & CP 3300 PSIG.

9/11/06 FLOWED 316 MCFD, 0 BC & 240 BW IN 24 HRS ON 10/64" CK. TP 2200 PSIG & CP 3300 PSIG.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
U-0282

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
Chapita Wells Unit

8. Lease Name and Well No.
Chapita Wells Unit 925-23

9. AFI Well No.
43-047-36002

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

11. Sec., T., R., M., on Block and Survey or Area
23-T9S-R22E

12. County or Parish
Uintah County

13. State
UT

14. Date Spudded
04/06/2006

15. Date T.D. Reached
07/22/2006

16. Date Completed
09/08/2006
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
4955 NAT GL

18. Total Depth: MD **9400**
TVD

19. Plug Back T.D.: MD **9372**
TVD

20. Depth Bridge Plug Set: MD
TVD

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

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2096		850 sx			
7-7/8"	4-1/2"	11.6#	P-110	0-9379		1945 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"	7057							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7082	9136	8891-9136		2/spf	
B)			8576-8836		3/spf	
C)			8215-8523		2/spf	
D)			8022-8159		3/spf	

26. Perforation Record

Depth Interval	Amount and Type of Material
8891-9136	41,032 GALS GELLED WATER & 130,704# 20/40 SAND
8576-8836	41,740 GALS GELLED WATER & 128,937# 20/40 SAND
8215-8523	56,053 GALS GELLED WATER & 190,378# 20/40 SAND
8022-8159	42,983 GALS GELLED WATER & 189,807# 20/40 SAND

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

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/08/2006	09/14/2006	24	→	0	593	230			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	PRODUCING GAS WELL
10/64"	SI 2200	2900	→						

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
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

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

RECEIVED

OCT 16 2006

DIV. OF OIL, GAS & MINING

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	7082	9136		Wasatch Chapita Wells Buck Canyon North Horn Island Upper Price River Middle Price River Lower Price River Sego	4652 5241 5893 6688 6910 7083 7944 8720 9157

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature Mary A. Maestas

Date 10/12/2006

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.

Chapita Wells Unit 925-23 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7707-7976	2/spf
7413-7624	2/spf
7082-7356	2/spf

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

7707-7976	50,666 GALS GELLED WATER & 168,717# 20/40 SAND
7413-7624	50,896 GALS GELLED WATER & 168,282# 20/40 SAND
7082-7356	51,218 GALS GELLED WATER & 166,807# 20/40 SAND

Perforated the Lower Price River from 8891-8892', 8896-8897', 8927-8928', 8953-8954', 8959-8960', 8985-8986', 8991-8992', 8999-9000', 9014-9015', 9100-9101', 9108-9109', 9115-9116', 9126-9127' & 9135-9136' w/ 2 spf.

Perforated the Middle Price River from 8576-8577', 8595-8596', 8626-8627', 8683-8684', 8692-8693', 8728-8729', 8760-8761', 8767-8768', 8794-8795', 8814-8815' & 8835-8836' w/ 3 spf.

Perforated the Middle Price River from 8215-8216', 8245-8246', 8259-8260', 8279-8280', 8294-8295', 8372-8373', 8396-8397', 8416-8417', 8425-8426', 8443-8444', 8470-8471', 8486-8487', 8514-8515' & 8522-8523' w/ 2 spf.

Perforated the Middle Price River from 8022-8023', 8030-8031', 8058-8059', 8077-8078', 8092-8093', 8101-8102', 8110-8111', 8116-8117', 8138-8139', 8144-8145' & 8158-8159' w/ 3 spf.

Perforated the Upper Price River from 7707-7708', 7764-7765', 7779-7781', 7870-7871', 7876-7878', 7914-7915', 7952-7954', 7963-7965' & 7974-7976' w/ 2 spf.

Perforated the Upper Price River from 7413-7414', 7421-7422', 7426-7427', 7469-7470', 7514-7516', 7533-7535', 7602-7604', 7610-7612' & 7623-7624' w/ 2 spf.

Perforated the Upper Price River from 7082-7084', 7113-7115', 7131-7132', 7165-7166', 7216-7217', 7300-7301', 7306-7307', 7327-7328', 7341-7343' & 7354-7356' w/ 2 spf.