

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

March 28, 2005

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

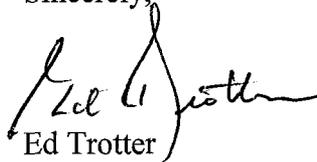
RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT 663-6
LOT 4, SEC. 6, T9S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: U-01304
FEDERAL LANDS

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.

RECEIVED

MAR 31 2005

DIV. OF OIL, GAS & MINING

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001 APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. U-01304 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator EOG RESOURCES, INC. | | 7. If Unit or CA Agreement, Name and No. CHAPITA WELLS UNIT |
| 3a. Address P.O. BOX 1815 VERNAL, UT 84078 | | 8. Lease Name and Well No. CHAPITA WELLS UNIT 663-6 |
| 3b. Phone No. (Include area code) (435)789-0790 | | 9. API Well No. 43-047-36482 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 531' FNL, 470' FWL <i>638441X 40.070546</i> At proposed prod. Zone <i>4436640Y NW/NW (Lot 4)</i> <i>-109.376557</i> | | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| 14. Distance in miles and direction from nearest town or post office* 41.94 MILES SOUTHEAST OF VERNAL, UTAH | | 11. Sec., T., R., M., or Blk. and Survey or Area SEC. 6, T9S, R23E, S.L.B.&M. |
| 15. Distance from proposed* location to nearest property or lease line, ft. 470' (Also to nearest drig. Unit line, if any) | 16. No. of Acres in lease 2451 | 12. County or Parish UINTAH |
| 17. Spacing Unit dedicated to this well | 13. State UTAH | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C | 19. Proposed Depth 7700' | 20. BLM/BIA Bond No. on file NM-2308 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4838.5 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 person.

| | | |
|------------------------------------|---|----------------------------|
| 25. Signature <i>Ed Trotter</i> | Name (Printed/Typed) Ed Trotter | Date MAR 31 2005 |
| Title Agent | DIV. OF OIL, GAS & MINING | |

| | | |
|---|--|-------------------------|
| Approved by (Signature) <i>Bradley G. Hill</i> | Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III | Date 04-04-05 |
| Title Agent | Office | |

Federal Approval of this Action is Necessary

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

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

*(Instructions on page 2)

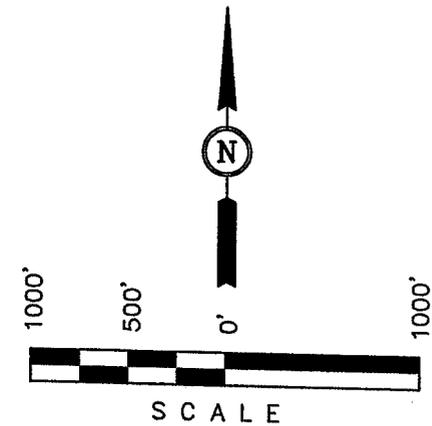
T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, CWU #663-6, located as shown in the NW 1/4 NW 1/4 (LOT 4) of Section 6, T9S, R23E, S.L.B.&M. Uintah County, Utah.

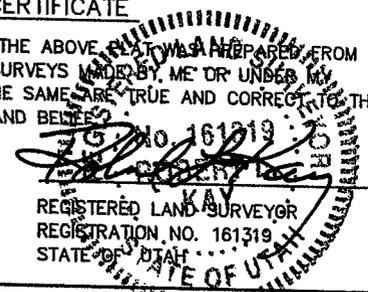
BASIS OF ELEVATION

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



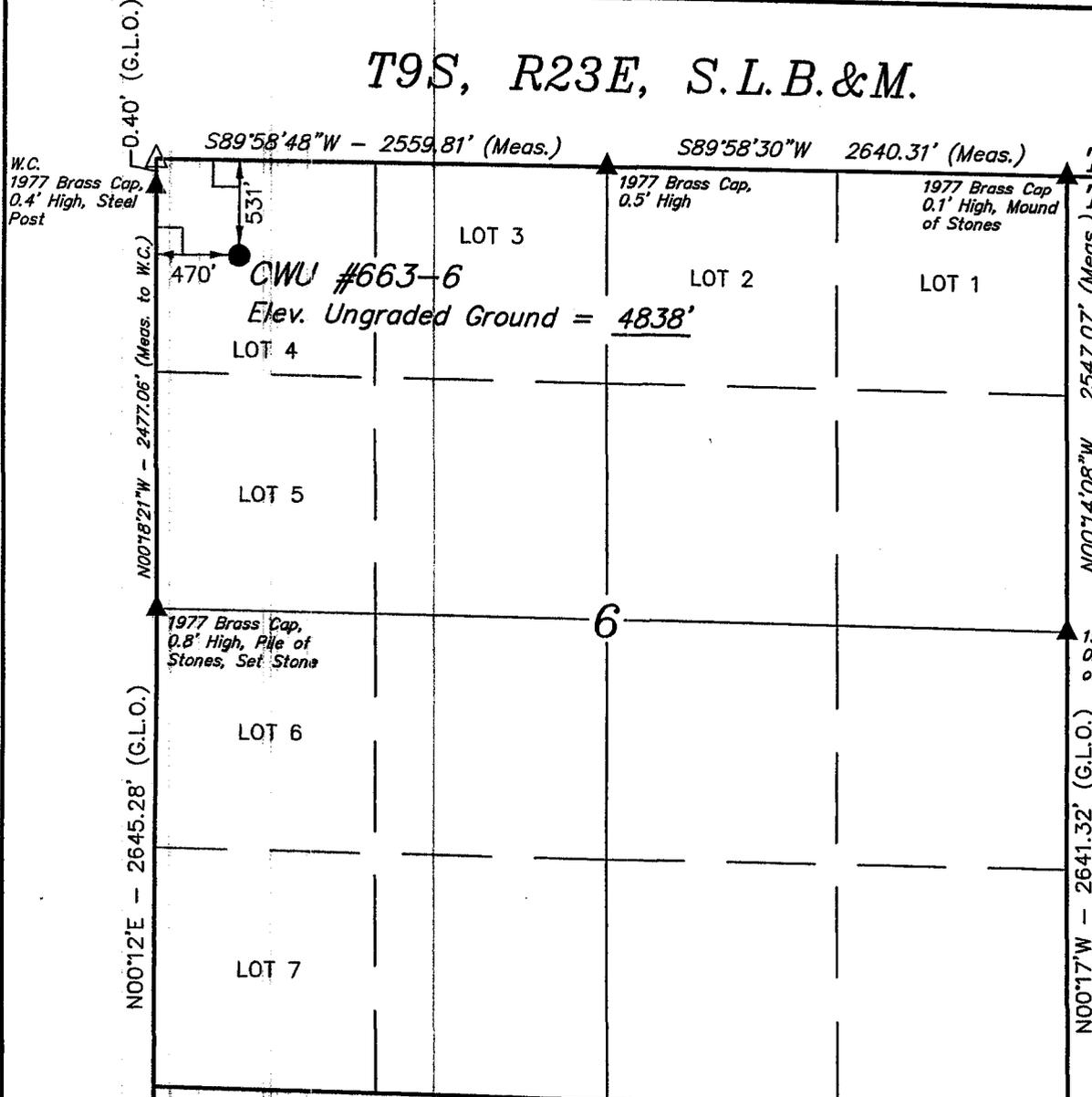
CERTIFICATE

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.



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

| | | |
|-------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-29-04 | DATE DRAWN: 12-30-04 |
| PARTY G.S. D.L. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE EOG RESOURCES, INC. | |



LEGEND:

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

BASIS OF BEARINGS

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

(NAD 83)
 LATITUDE = 40°04'13.97" (40.070547)
 LONGITUDE = 109°22'38.02" (109.377228)
 (NAD 27)
 LATITUDE = 40°04'14.10" (40.070583)
 LONGITUDE = 109°22'35.57" (109.376547)

R 22 E N89°09'W - 2574.66' (G.L.O.)
 R 23 E N89°53'W - 2645.28' (G.L.O.)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 663-6
NW/NW, SEC. 6, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|-----------------|------------|
| Green River | 1,891' |
| Wasatch | 5,006' |
| Chapita Wells | 5,658' |
| Buck Canyon | 6,324' |
| North Horn | 6,968' |
| Island | 7,408' |
| KMV Price River | 7,603' |

EST. TD: 7,700'

Anticipated BHP 3300 PSI

3. PRESSURE CONTROL EQUIPMENT: 3,000 PSI - BOP Schematic Diagram attached.

4. CASING PROGRAM:

| HOLE SIZE | INTERVAL | LENGTH | SIZE | WEIGHT | GRADE | THREAD | RATING FACTOR | | |
|-----------|-----------------|------------|--------|--------|-------|--------|---------------|----------|----------|
| | | | | | | | COLLAPSE | BURST | TENSILE |
| 12 1/4" | 0' - 500'+/-KB | 250'+/- | 9 5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 PSI | 394,000# |
| 7 7/8" | 500' - TD +/-KB | 7,700' +/- | 4 1/2" | 11.6 # | J-55 | LTC | 4960 PSI | 5350 PSI | 162,000# |

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-500' Below GL):

Guide Shoe
Insert Baffle
Wooden wiper plug
Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500'-TD):

Texas-Pattern shoe, short casing shoe joint ($\pm 20'$), Float Collar, and balance of casing to surface. Run short casing joint ($< 38'$) at $\pm 4,000'$ ($1,000'$ above projected top of Wasatch). Centralize 5' above shoe on joint #1, top of joint #2, then every 4th joint to $\pm 4,600'$ ($400'$ above Wasatch top - 15 total). Thread lock shoe, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM:

Surface Hole Procedure (0-500' below GL):

500' - 1,700': Water (circulate through reserve pit). Anco-Drill sweeps for hole cleaning, Paper sweeps to seal off loss zones. Add LIME to reserve pit to keep clear.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 663-6 NW/NW, SEC. 6, T9S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

MUD PROGRAM (Continued):

Production Hole Procedure (500'-TD):

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

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

7. VARIANCE REQUESTS:

- A. EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).
- B. EOG Resources, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).
- 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: Cased Hole Logs – RST

TD to Surface

EIGHT POINT PLAN

CHAPITA WELLS UNIT 663-6
NW/NW, SEC. 6, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (0-500' Below GL)

Lead: 200 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.15. ft³/sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg,, 1.15. ft³/sk., 4.95 gps via 1" tubing set at 25' if needed.

Production Hole Procedure (500' to TD)

Lead: 100 sks: Class 'G' lead cement with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 250 sks: 50:50 Poz G w/ 2% D20 (Bentonite), 10% D44 (Salt), mixed at 14.1 ppg, 1.35 cu. ft./sk., 5.0 gps water. 50:50 Poz G w/ 2% D20 (Bentonite), 10% D44 (Salt), mixed at 14.1 ppg, 1.35 ft³/sk., 5.0 gps water.

10. ABNORMAL CONDITIONS:

PRODUCTION HOLE (500'-TD)

Potential Problems: Lost circulation, asphaltic, black oil flows, large Trona water flows and gas flows may be encountered in the Green River, beginning at ± 1,900'. Other wells in the general area of the **CWU 663-06** (all drilled with air/mist or aerated water) reported problems with sloughing formation in the Wasatch while attempting to mud up for logs or to run casing.

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

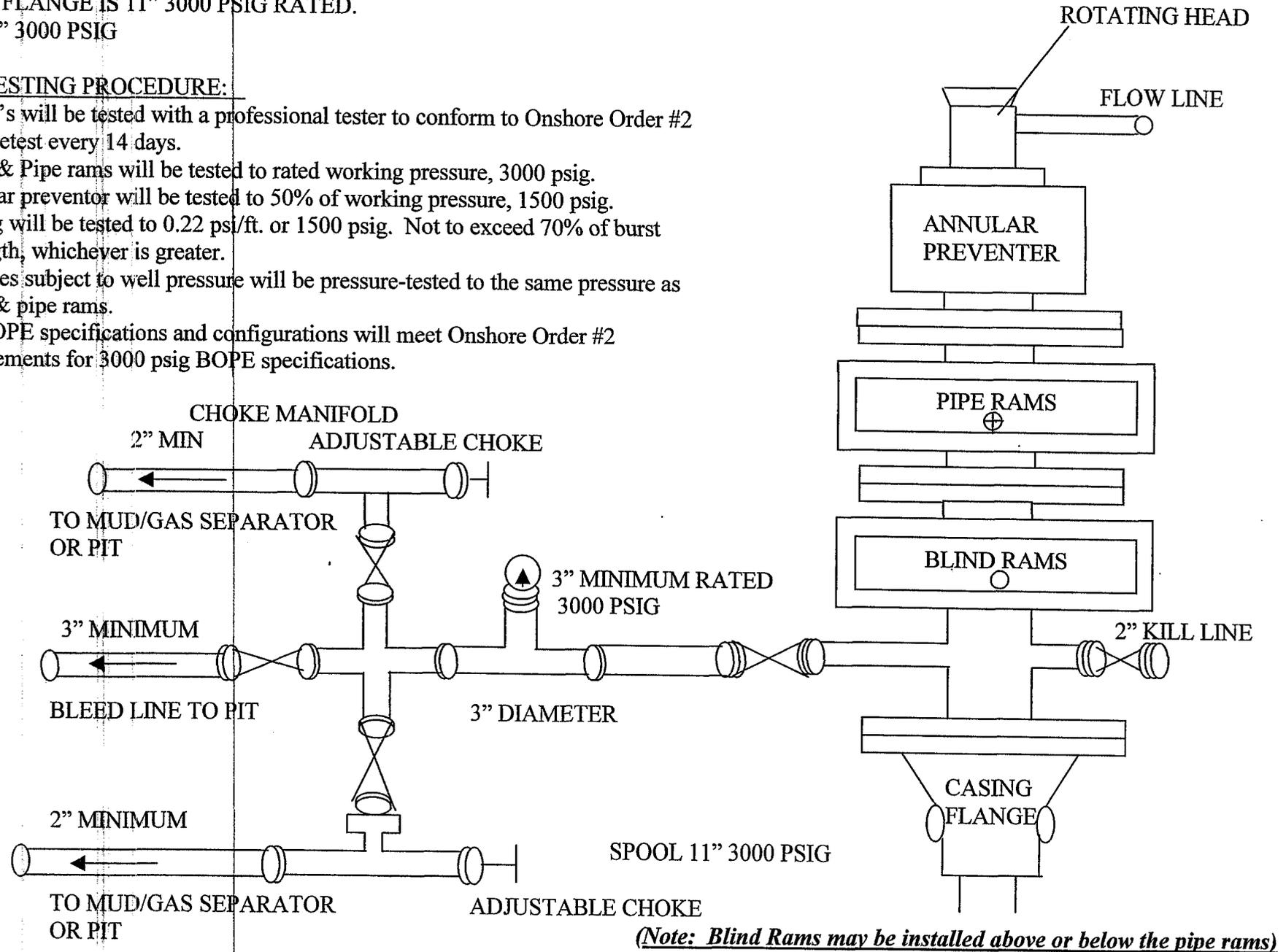
(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 PSIG RATED.
 CASING FLANGE IS 11" 3000 PSIG RATED.
 BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig.
3. Annular preventor will be tested to 50% of working pressure, 1500 psig.
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



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

Company/Operator: EOG Resources, Inc.
Well Name & Number: Chapita Wells Unit 663-6
Lease Number: U-01304
Location: 531' FNL & 470' FWL, NW/NW (Lot 4), Sec. 6,
T9S, R23E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 41.94 miles southeast of Vernal, 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 230 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

- A. Abandoned wells - 1*
- B. Producing wells - 10*
- C. Shut in wells - 1*

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

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

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 308' from proposed location to a point in the NW/NW (Lot 4) of Section 6, T9S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of -Way grant will not be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities

required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

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

5. LOCATION & TYPE OF WATER SUPPLY

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

6. SOURCE OF CONSTRUCTION MATERIAL

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

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

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

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

On BLM administered land:

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

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - Four-Wing Salt Bush – 3 pounds per acre
 - Indian Rice Grass – 2 pounds per acre
 - Needle and Thread Grass – 2 pounds per acre
 - Hi-Crest Crested Wheat Grass – 1 pound per acre.

The reserve pit will be located on the Southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the South 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 West of Corners B and 5. The stockpiled location topsoil will be stored between Corners 2 and 8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the Southwest.

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

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

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

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

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

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

B. As operator, EOG Resources, Inc. will control noxious weeds

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

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

Additional Surface Stipulations

X No construction or drilling activities shall be conducted between May 15 and June 20 because of Antelope Stipulations.

X Pond will be constructed according to BLM specifications Southeast of Corner #2, as flagged on the onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

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

DRILLING OPERATIONS

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

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

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

Certification

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 663-6 Well, located in the NW/NW (Lot 4) of Section 6, T9S, R23E, Uintah County, Utah; Lease #U-01304;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

3-28-2005
Date


Agent

EOG RESOURCES, INC.
CWU #663-6
SECTION 6, T9S, R23E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 19.2 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 13.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO EAST; TURN RIGHT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 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 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 230' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 41.95 MILES.

EOG RESOURCES, INC.

CWU #663-6

LOCATED IN UINTAH COUNTY, UTAH
SECTION 6, T9S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

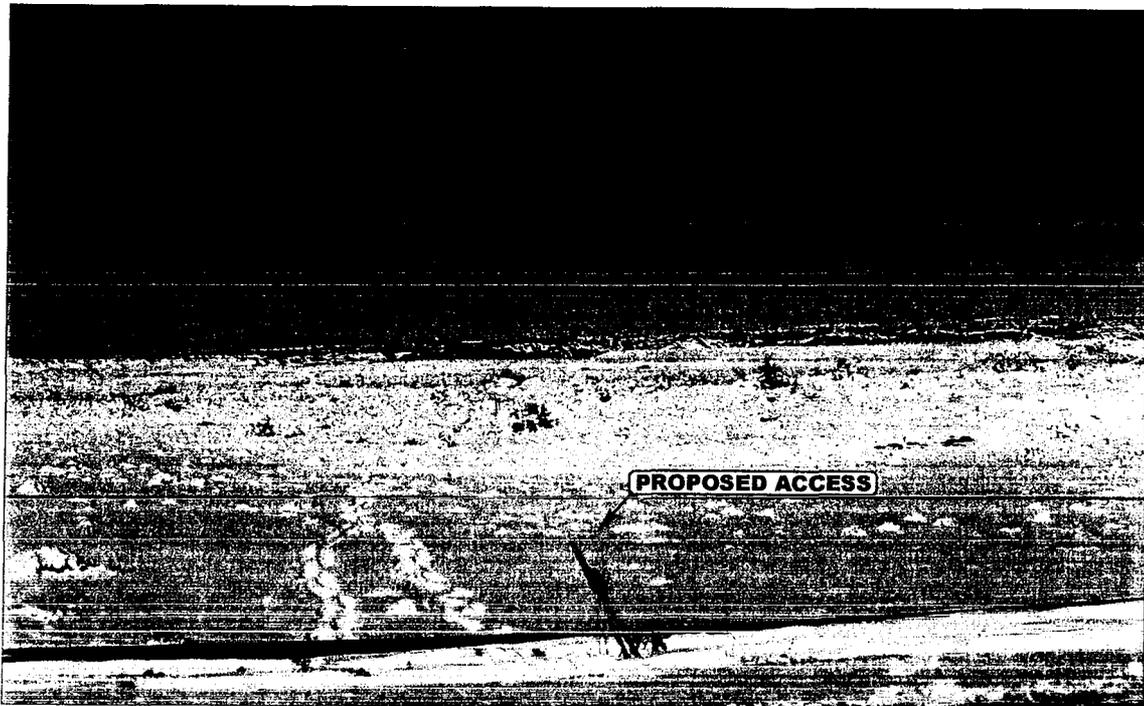


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

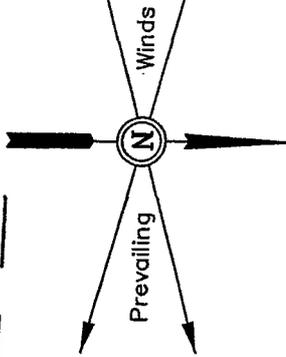
E&L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

| | | | | |
|-----------------|----------------|-------------------|------|-------|
| LOCATION PHOTOS | 12 | 01 | 04 | PHOTO |
| | MONTH | DAY | YEAR | |
| TAKEN BY: G.S. | DRAWN BY: P.M. | REVISED: 00-00-00 | | |

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #663-6
SECTION 6, T9S, R23E, S.L.B.&M.
531' FNL 470' FWL



F-0.3'
El. 38.2'

F-2.6'
El. 35.9'

SCALE: 1" = 50'
DATE: 12-30-04
Drawn By: K.G.

Existing Pipeline

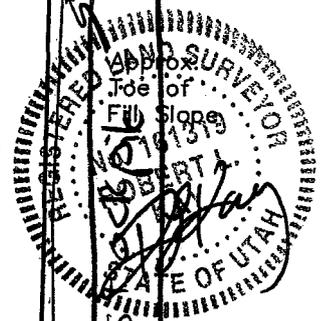
Proposed Access Road

Sta. 3+25

NOTE:

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

NOTE:
Earthwork Calculations Require a Fill of 0.7' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.



El. 39.9'
C-13.4'
(btm. pit)

Reserve Pit Backfill & Spoils Stockpile

FLARE PIT
20' WIDE BENCH
46'

GRADE
El. 38.5'

29'

75'

147'

Total Pit Capacity
W/2' Of Freeboard
= 12,250 Bbls. ±
Total Pit Volume
= 3,320 Cu. Yds.

RESERVE PITS
(12' Deep)

SLOPE = 1-1/2 : 1

Sta. 0+18

El. 45.0'
C-18.5'
(btm. pit)

C-2.8'
El. 41.3'

Approx. Top of Cut Slope

F-0.4'
El. 38.1'

F-0.7'
El. 37.8'

F-2.0'
El. 36.5'

F-3.2'
El. 35.3'

C-1.9'
El. 40.4'

F-2.8'
El. 35.7'

Sta. 1+50

Sta. 0+00

CONSTRUCT DIVERSION DITCH

Existing Drainage

DATA

CATWALK

PIPE RACKS

DOG HOUSE

RIG

WATER

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

TRAILER

TOILET

FUEL

STORAGE TANK

TRASH

3

2



FIGURE #1

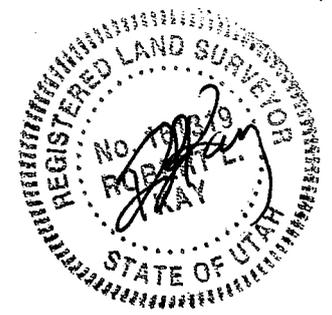
Elev. Ungraded Ground At Loc. Stake = 4837.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 4838.5'

TYPICAL CROSS SECTIONS FOR

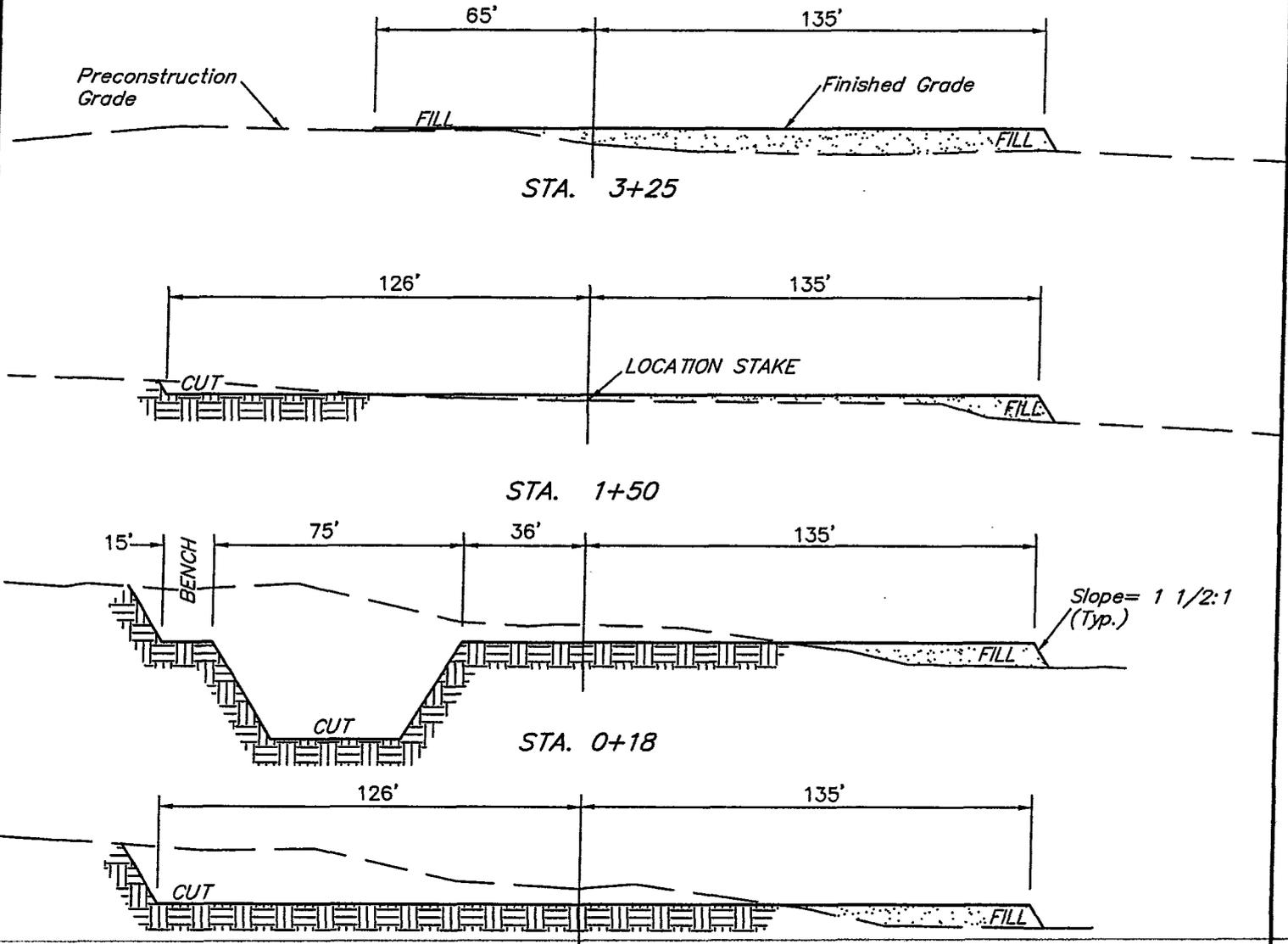
CWU #663-6

SECTION 6, T9S, R23E, S.L.B.&M.
531' FNL 470' FWL



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

DATE: 12-30-04
Drawn By: K.G.



NOTE:

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

* NOTE:

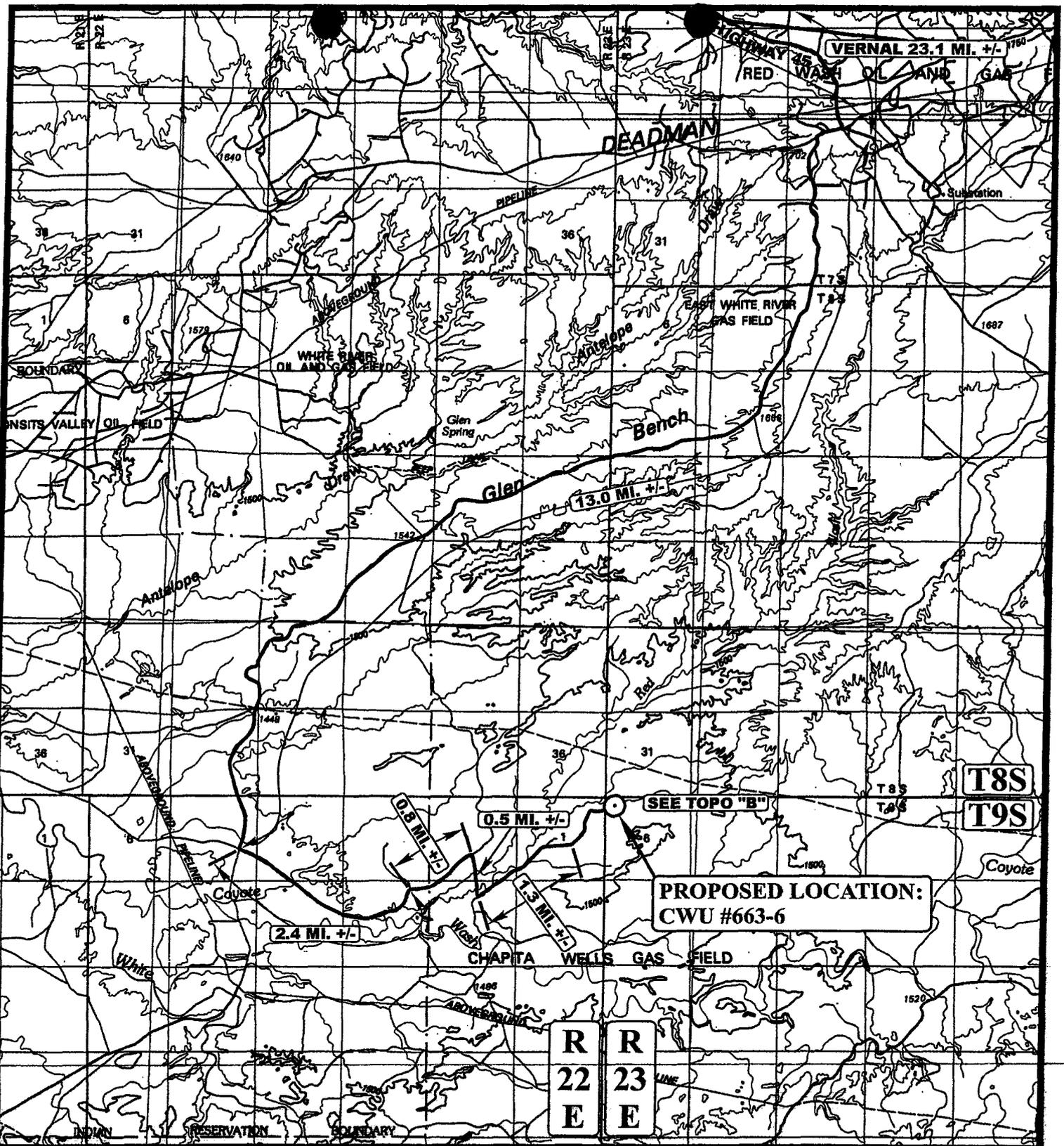
FILL QUANTITY INCLUDES 5% FOR COMPACTION

STA. 0+00

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,570 Cu. Yds. |
| Remaining Location | = 5,750 Cu. Yds. |
| TOTAL CUT | = 7,320 CU.YDS. |
| FILL | = 4,090 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL | = 3,230 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,230 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

⊙ PROPOSED LOCATION



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



EOG RESOURCES, INC.

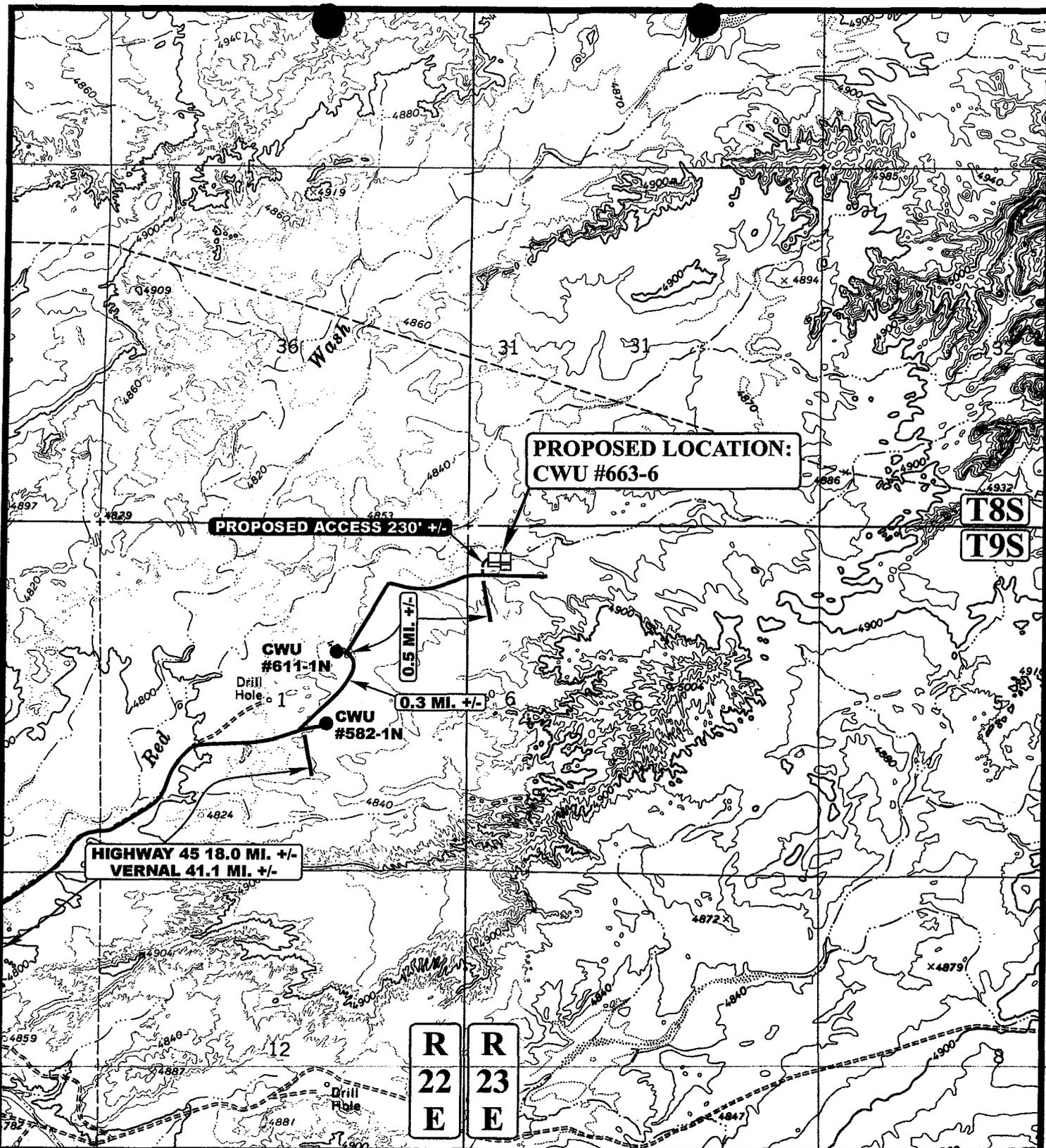
CWU #663-6
 SECTION 6, T9S, R23E, S.L.B.&M.
 531' FNL 470' FWL

TOPOGRAPHIC
MAP

| | | |
|-------|-----|------|
| 12 | 01 | 04 |
| MONTH | DAY | YEAR |

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

EOG RESOURCES, INC.

CWU #663-6
 SECTION 6, T9S, R23E, S.L.B.&M.
 531' FNL 470' FWL

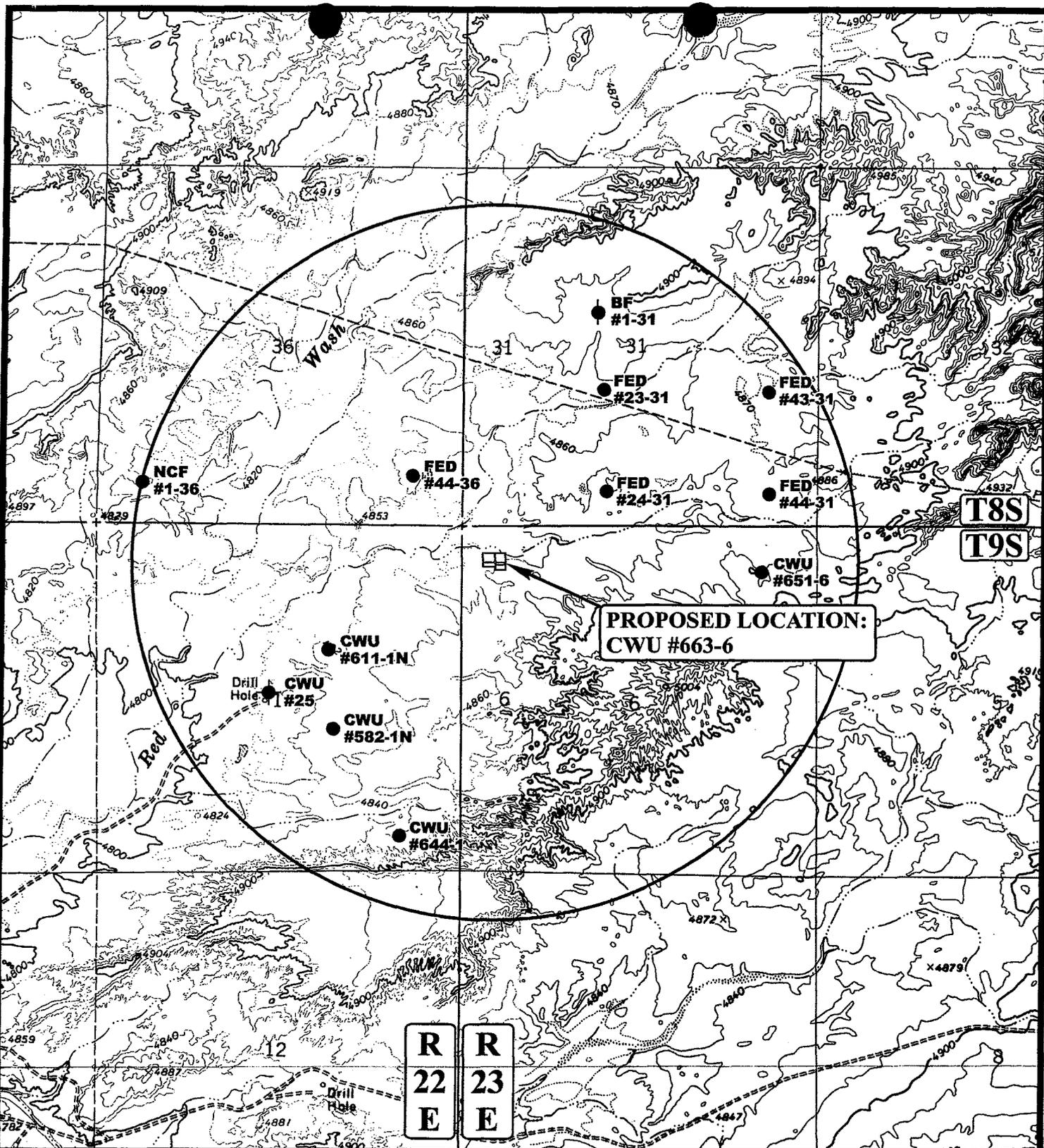


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 12 01 04
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:
CWU #663-6**

| | |
|----|----|
| R | R |
| 22 | 23 |
| E | E |

LEGEND:

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



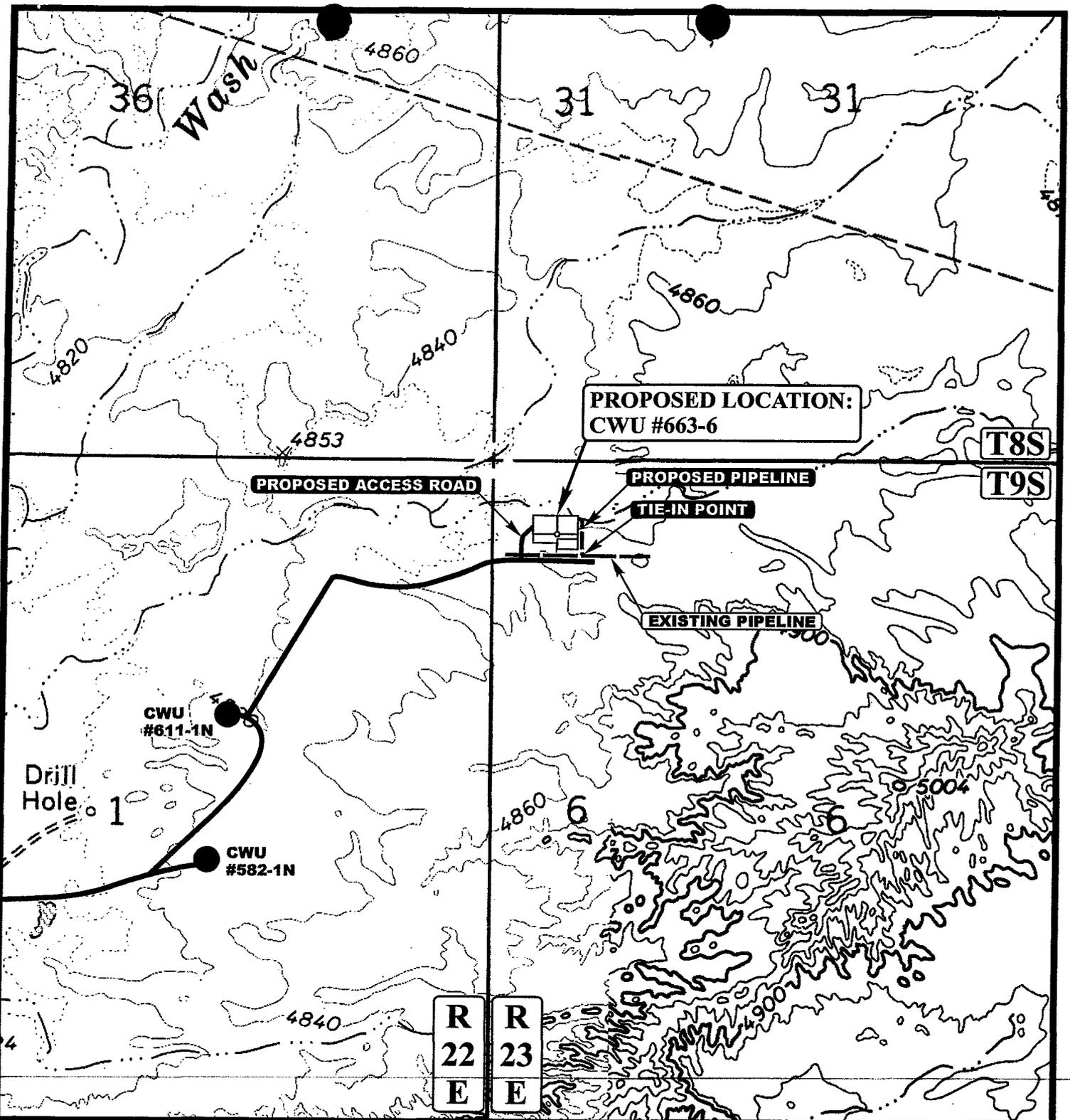
EOG RESOURCES, INC.

**CWU #663-6
SECTION 6, T9S, R23E, S.L.B.&M.
531' FNL 470' FWL**



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

| | | | | |
|----------------------------|-----------|----------------|-----------|-------------------|
| TOPOGRAPHIC MAP | 12 | 01 | 04 | C TOPO |
| | MONTH | DAY | YEAR | |
| SCALE: 1" = 2000' | | DRAWN BY: P.M. | | REVISED: 00-00-00 |



APPROXIMATE TOTAL PIPELINE DISTANCE = 308' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

EOG RESOURCES, INC.

CWU #663-6
SECTION 6, T9S, R23E, S.L.B.&M.
531' FNL 470' FWL



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

TOPOGRAPHIC MAP
12 01 04
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/31/2005

API NO. ASSIGNED: 43-047-36482

WELL NAME: CWU 663-6
OPERATOR: EOG RESOURCES INC (N9550)
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NWNW 06 090S 230E
SURFACE: 0531 FNL 0470 FWL
BOTTOM: 0531 FNL 0470 FWL
UINTAH
NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-01304
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: PRRV
COALBED METHANE WELL? NO

LATITUDE: 40.07055
LONGITUDE: -109.3766

RECEIVED AND/OR REVIEWED:

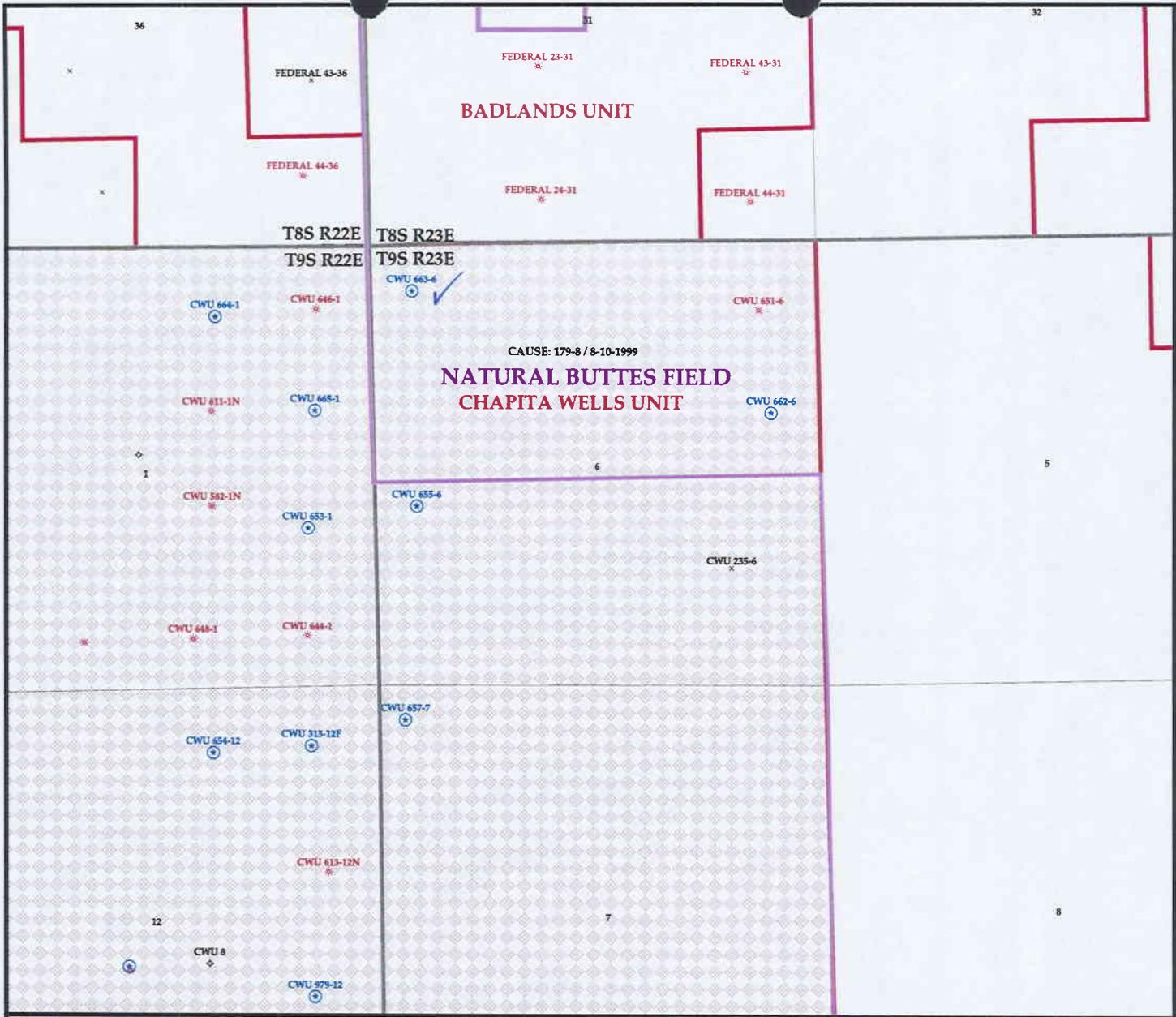
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1501)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

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



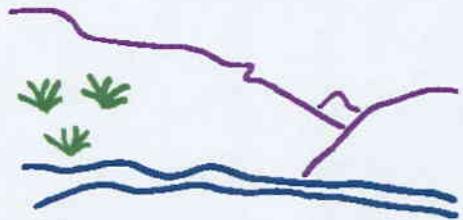
OPERATOR- EOG RESOURCES INC (N9550)

SEC. 6 T.9S R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 04-APRIL-2005

| 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 | | | | |

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)

April 4, 2005

Memorandum

To: Assistant District Manager Minerals, Vernal District
 From: Michael Coulthard, Petroleum Engineer
 Subject: 2005 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 2005 within the Chapita Wells Unit, Uintah County, Utah.

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

(Proposed PZ Blackhawk)

43-047-36481 CWU 849-21 Sec 21 T09S R22E 1807 FSL 2357 FEL

(Proposed PZ Price River)

43-047-36483 CWU 658-30 Sec 30 T09S R23E 0707 FNL 0518 FWL
 43-047-36484 CWU 659-30 Sec 30 T09S R23E 0649 FSL 1967 FWL
 43-047-36485 CWU 660-30 Sec 30 T09S R23E 1940 FSL 1993 FEL
 43-047-36476 CWU 665-1 Sec 1 T09S R22E 1900 FNL 0675 FEL
 43-047-36479 CWU 976-12 Sec 12 T09S R22E 0860 FSL 1935 FWL
 43-047-36482 CWU 663-6 Sec 6 T09S R23E 0531 FNL 0470 FWL
 43-047-36486 CWU 957-32 Sec 32 T09S R23E 0859 FSL 0820 FEL
 43-047-36487 CWU 953-32 Sec 32 T09S R23E 0859 FNL 2079 FEL

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

/s/ Michael L. Coulthard

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 4, 2005

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

Re: Chapita Wells Unit 663-6 Well, 531' FNL, 470' FWL, NW NW, Sec. 6,
T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36482.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Associate Director

pab
Enclosures

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

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 663-6

API Number: 43-047-36482

Lease: U-01304

Location: NW NW Sec. 6 T. 9 South R. 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.
U-01304

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 663-6

2. Name of Operator
EOG RESOURCES, INC.

9. API Well No.
43-047-31482

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 **531' FNL, 470' FWL** **NW/NW (Lot 4)**

At proposed prod. Zone

11. Sec., T., R., M., or Blk. and Survey or Area
**SEC. 6, T9S, R23E,
S.L.B.&M.**

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

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

15. Distance from proposed* location to nearest property or lease line, ft. **470'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
2451

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
7700'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4838.5 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

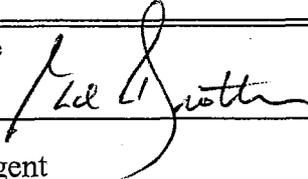
23. Esti mated duration
45 DAYS

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 **March 28, 2005**

Title **Agent**

Approved by (Signature)  Name (Printed/Typed) _____ Date **09/15/2005**

Title **Assistant Field Manager
Mineral Resources** Office _____

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

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

NOTICE OF APPROVAL **RECEIVED** **CONDITIONS OF APPROVAL ATTACHED** **OCT 05 2005**

*(Instructions on page 2)

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: EOG Resources, Inc.

Well Name & Number: CWU 663-6

Lease Number: U-01304

API Number: 43-047-36482

Location: Lot 4 Sec. 6 T.9S R. 23E

Agreement: Chapita Wells Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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.

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 **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

The blooie line variances requested in section 7 of the APD are granted only when conditions of the well pad will not allow a straight line that extends 100' from the wellhead.

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 base of usable water which has been identified at ±1706'.

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.

Company/Operator: EOG Resources Inc.

API Number 43-047-36482

Well Name & Number: CWU 663-6

Lease number: UTU-01304

Location: NWNW Sec, 6 T.9S. R. 23E.

Surface Ownership: BLM

Date NOS Received: 1/19/05

Date APD Received: 1/27/05

Conditions for Approval are in the APD

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

FORM 9

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01304 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | 8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 663-6 |
| 3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304736482 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 531' FNL, 470' FWL | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: LOT4 6 9S 23E S | | COUNTY: UINTAH |
| | | STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|--|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <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 authorization to change the drilling plan on the above-described well. These changes would include changes in the Casing program, float equipment, mud, and cement program. The modified drilling program is attached.

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

| | |
|---------------------------------------|-----------------------|
| NAME (PLEASE PRINT) <u>Ed Trotter</u> | TITLE <u>Agent</u> |
| SIGNATURE <u><i>Ed Trotter</i></u> | DATE <u>11/3/2005</u> |

(This space for State use only)

RECEIVED
NOV 09 2005
DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN
CHAPITA WELLS UNIT 663-6
NW/NW (Lot 4), SEC. 6, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Defloculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

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

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
Cement Bond / Casing Collar Locator and Pulsed Neutron

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

EIGHT POINT PLAN
CHAPITA WELLS UNIT 663-6
NW/NW (Lot 4), SEC. 6, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

Production Hole Procedure (2300'± - TD)

Lead: 154 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), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 550 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

11. STANDARD REQUIRED EQUIPMENT:

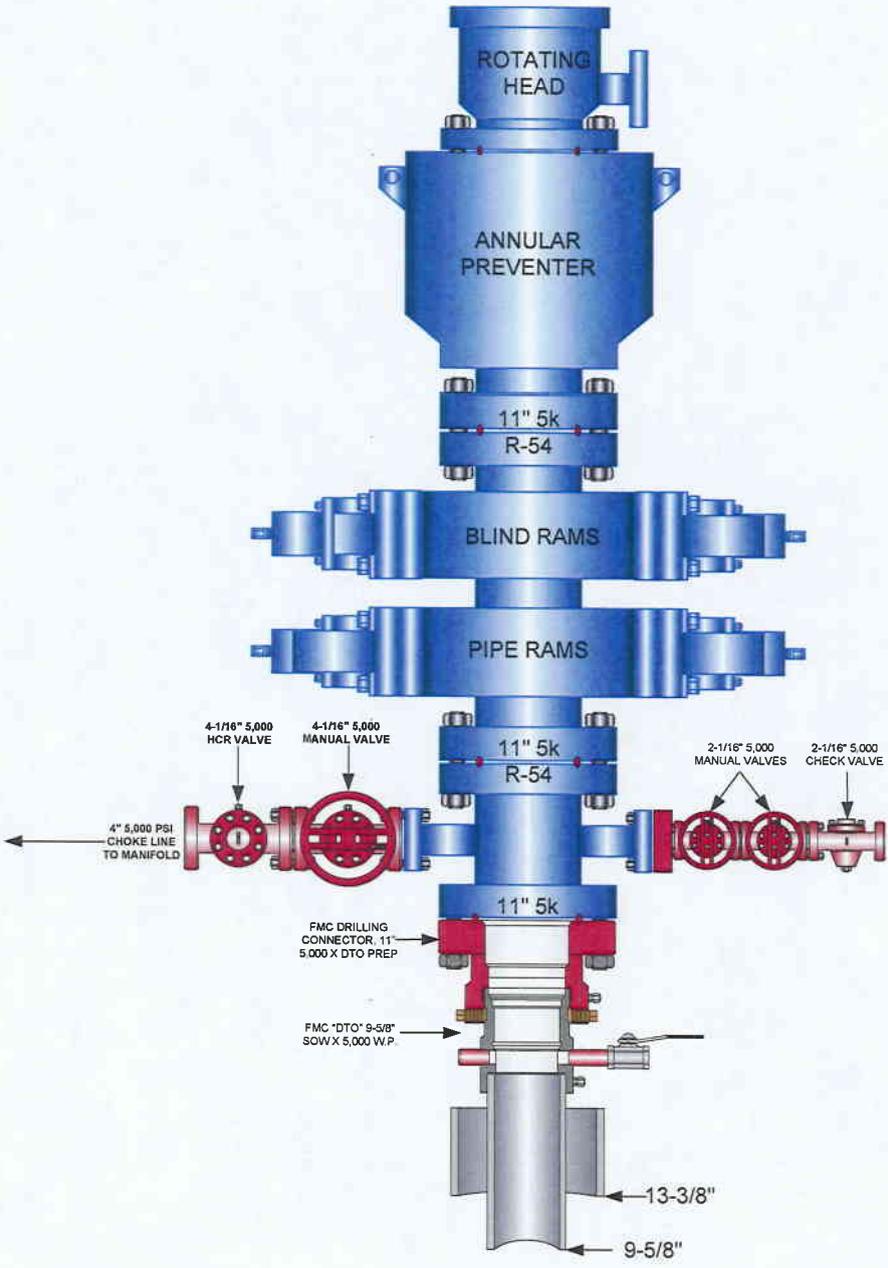
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

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.

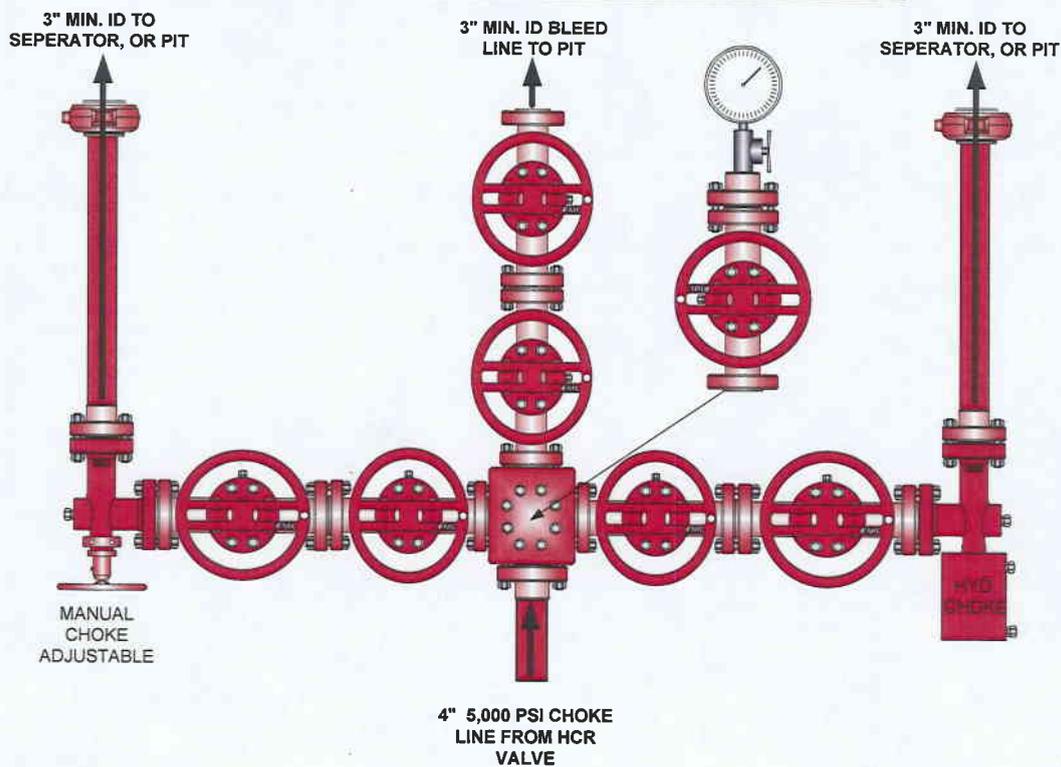
(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



**EOG RESOURCES CHOKE MANIFOLD CONFIGURATION
W/ 5,000 PSI WP VALVES**

PAGE 2 OF 2



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
4. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

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

FORM 9

| | | | |
|--|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01304 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | | 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | | 8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 663-06 |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | | 9. API NUMBER: 43-047-36482 |
| 3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078 | | PHONE NUMBER: (435) 789-0790 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 531 FNL 470 FWL 40.070547 LAT 109.377228 LON | | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 6 9S 23E S.L.B. & M | | | STATE: UTAH |

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

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

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 04-25-06
By: [Signature]

| | |
|---|-----------------------------------|
| NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>3/23/2006</u> |

(This space for State use only)

MAR 29 2006

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

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

API: 43-047-36482
Well Name: CHAPITA WELLS UNIT 663-06
Location: 531 FNL 470 FWL (NW/NW) SECTION 6, T9S, R23E S.L.B. &M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 4/4/2005

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

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

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

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

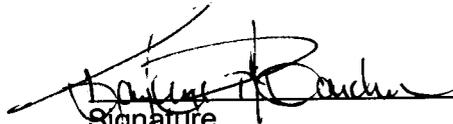
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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



Signature

3/23/2006

Date

Title: REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

MAR 29 2006

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 663-6

Api No: 43-047-36482 Lease Type: FEDERAL

Section 06 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKY MTN DRILLING RIG # 1

SPUDDED:

Date 07/06/06

Time 6:00 PM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # (435) 828-3630

Date 07/07/2006 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|------------------------------|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-36482 | Chapita Wells Unit 663-06 | | NWNW | 6 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 99999 | 15493 | 7/6/2006 | | 7/13/06 | | |
| Comments: <u>PRRV = MVRD</u> | | | | | | | |

Well 2

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

Well 3

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

ACTION CODES:

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

Mary A. Maestas

Name (Please Print)

Signature

Operations Clerk

Title

7/11/2006

Date

RECEIVED

JUL 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. | | 5. Lease Serial No. U-01304 |
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator EOG Resources, Inc. | | 7. If Unit or CA/Agreement, Name and/or No. Chapita Wells Unit |
| 3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202 | | 8. Well Name and No. Chapita Wells Unit 663-06 |
| 3b. Phone No. (include area code) 303-824-5526 | | 9. API Well No. 43-047-36482 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 531' FNL & 470' FWL (NWNW) Sec. 6-T9S-R23E 40.070547 LAT 109.377228 LON | | 10. Field and Pool, or Exploratory Area Natural Buttes/Wasatch |
| | | 11. County or Parish, State Uintah County, UT |

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

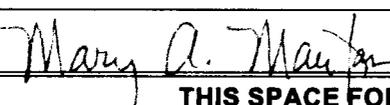
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> 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 type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | |

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

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

- 1. Natural Buttes Unit 21-20B SWD
- 2. Chapita Wells Unit 550-30N SWD
- 3. Ace Disposal
- 4. RN Industries

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

| | | |
|---|---------------------------|-------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Mary A. Maestas | | Title Operations Clerk |
| Signature  | Date 07/11/2006 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

(Instructions on page 2)

RECEIVED
JUL 13 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)
**531' FNL & 470' FWL (NWNW)
 Sec. 6-T9S-R23E 40.070547 LAT 109.377228 LON**

5. Lease Serial No.
U-01304

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 663-06

9. API Well No.
43-047-36482

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

11. County or Parish, State
Uintah County, UT

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

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

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The referenced well spud on 7/6/2006.

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

Mary A. Maestas

Title **Operations Clerk**

Signature

Mary A. Maestas

Date

07/11/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

Office

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(Instructions on page 2)

RECEIVED

JUL 13 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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1. Type of Well
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2. Name of Operator **EOG Resources, Inc.**

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**531' FNL & 470' FWL (NWNW)
 Sec. 6-T9S-R23E 40.070547 LAT 109.377228 LON**

5. Lease Serial No.
U-01304

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 663-6

9. API Well No.
43-047-36482

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

11. County or Parish, State
Uintah County, Utah

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

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

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EOG Resources, Inc. requests permission to set two (2) 400 bbl vertical condensate tanks and attaching piping on the referenced location.

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

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

Mary A. Maestas

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date

10/10/06

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Approved by _____

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(Instructions on page 2)

RECEIVED
OCT 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

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| <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 | |
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The referenced well was turned to sales on 9/29/06. 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

Mary A. Maestas

Date

10/10/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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(Instructions on page 2)

RECEIVED

OCT 11 2006

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 10-09-2006

| | | | | | |
|----------------------|---|------------------|--------------|----------------------|------------|
| Well Name | CWU 663-06 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS UNIT | API # | 43-047-36482 | Well Class | 1SA |
| County, State | UINTAH, UT | Spud Date | 08-22-2006 | Class Date | 09-29-2006 |
| Tax Credit | N | TVD / MD | 7.700/ 7.700 | Property # | 056040 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 4.857/ 4.839 | | | | |
| Location | Section 6, T9S, R23E, NWNW, 531 FNL & 470 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|-------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 50.0 | NRI % | 42.25 |

| | | | | | |
|------------------|-----------|------------------|----------------|---------------------|------------------|
| AFE No | 303247 | AFE Total | 1,170,900 | DHC / CWC | 632,700/ 538,200 |
| Rig Contr | PATTERSON | Rig Name | PATTERSON #779 | Start Date | 04-13-2005 |
| | | | | Release Date | 08-31-2006 |

04-13-2005 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 |
| | | | 531' FNL & 470' FWL (NW/NW) LOT 4 |
| | | | SECTION 6, T9S, R23E |
| | | | UINTAH COUNTY, UTAH |
| | | | LAT 40.070583, LONG 109.376547 (NAD 27) |
| | | | PATTERSON RIG #779 |
| | | | OBJECTIVE: 7700' TD, WASATCH |
| | | | DW/GAS |
| | | | CHAPITA WELLS PROSPECT |
| | | | DD&A: NATURAL BUTTES |
| | | | NATURAL BUTTES FIELD |
| | | | LEASE: U-01304 |
| | | | ELEVATION: 4837.8' NAT GL, 4838.5' PREP GL (DUE TO ROUNDING 4839' IS THE PREP GL), 4857' KB (18') |
| | | | EOG WI 50%, NRI 42.25% |

| | | | | | |
|------------------------------|--------------------|-------------------|-----|--------------------|----------|
| 07-05-2006 | Reported By | ED TROTTER | | | |
| Daily Costs: Drilling | \$32,025 | Completion | \$0 | Daily Total | \$32,025 |

06:00 06:00 24.0 ROCKY MOUNTAIN DRILLING SPUD 20" HOLE 7/6/2006 @ 6:00 PM. SET 40' CONDUCTOR, CEMENT TO SURFACE WITH READY MIX. DALL COOK NOTIFIED MICHAEL LEE, VERNAL BLM, CAROL DANIELS, UDOGM OF THE SPUD 7/6/2006 @ 5:15 PM.

07-13-2006 Reported By JERRY BARNES

| | | | | | | | | | | | |
|-----------------------|------------|------------|--------|-------------|-----------------|------|---|----|-----|------|-----|
| Daily Costs: Drilling | \$196,215 | Completion | \$0 | Daily Total | \$196,215 | | | | | | |
| Cum Costs: Drilling | \$228,240 | Completion | \$0 | Well Total | \$228,240 | | | | | | |
| MD | 2,498 | TVD | 2,498 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: WORT

Start End Hrs Activity Description

06:00 06:00 24.0 MIRU CRAIG'S AIR RIG # 2, DRILLED 12-1/4" HOLE TO 2480' GL. ENCOUNTERED WATER AT 2030'. RAN 56 JTS (2430') 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 @ 2448' KB. RDMO CRAIG'S AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 180 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/ 184.4 BBLs FRESH WATER. BUMPED PLUG W 620# @ 6:28 PM, 7/10/2006. 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 125 SX (25 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 #3: MIXED & PUMPED 195 SX (40 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE + 75 # GR-3 HOLE FILLED AND STOOD FULL, 1 BBL TO PIT. RD BIG 4 CEMENTERS.

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

MIRU SLICK LINE UNIT & SURVEY TOOL. RAN IN HOLE & TAGGED @ 2315' PICK UP TO 2310' & TOOK SURVEY, = 1 DEGREE.

JERRY BARNES NOTIFIED RAY ARNOLD (IN PERSON) OF CASING & CEMENT JOB ON 7/8/2006 @ 6:00 PM. TALKED TO RAY SATURDAY, SUNDAY AND MONDAY.

08-20-2006 Reported By DUANE C WINKLER

| | | | | | | | | | | | |
|-----------------------|------------|------------|--------|-------------|-----------------|------|---|----|-----|------|-----|
| Daily Costs: Drilling | \$25,515 | Completion | \$0 | Daily Total | \$25,515 | | | | | | |
| Cum Costs: Drilling | \$253,755 | Completion | \$0 | Well Total | \$253,755 | | | | | | |
| MD | 2,498 | TVD | 2,498 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: RIG DOWN RIG AND EQUIPMENT

Start End Hrs Activity Description

22:00 06:00 8.0 RIG DOWN EQUIPMENT. LOAD UP TWO LOADS AND DELIVER TO LOCATION.

NO ACCIDENTS

NO REPAIRS

CONTRACTORS ON LOCATION: PATTERSON 8, L&S TRUCKING 1, CONTRACTOR WORKED 12 HRS ON LOCATION

THE TRUCKS HAUL IS 8 MILES OF ROUGH ROAD

| | | | | | | | | | | | |
|------------------------------|-------------------|--------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 08-21-2006 | | Reported By | | DUANE C WINKLER | | | | | | | |
| Daily Costs: Drilling | \$47,749 | Completion | \$0 | Daily Total | \$47,749 | | | | | | |
| Cum Costs: Drilling | \$301,504 | Completion | \$0 | Well Total | \$301,504 | | | | | | |
| MD | 2,498 | TVD | 2,498 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: SETTING UP EQUIPMENT FOR DRLG

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 14:00 | 8.0 | RIG DOWN EQUIPMENT. LOAD TRUCKS, MOB RIG AND EQUIPMENT. SET UP RIG AND EQUIPMENT. |

NO ACCIDENTS

CONTRACTORS ON LOCATION: PATTERSON 9, L&S TRUCKING 8

THE TRUCKS HAUL IS 8 MILES TO LOCATION

TRANSFERRED 4000 GALS DIESEL FROM CWU 671-1 TO CWU 663-6 8/20/2006

| | | | |
|-------|-------|------|---|
| 14:00 | 06:00 | 16.0 | SAFETY MEETING. SETTING UP EQUIPMENT TO START DRILLING OPERATIONS |
|-------|-------|------|---|

NO ACCIDENTS

NO REPAIRS

ONE CREW SETTING UP EQUIPMENT

SAFETY MEETING: RIG DOWN/RIG UP

FUEL USED 600 GALS

| | | | | | | | | | | | |
|------------------------------|-------------------|--------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 08-22-2006 | | Reported By | | DUANE C WINKLER | | | | | | | |
| Daily Costs: Drilling | \$29,190 | Completion | \$0 | Daily Total | \$29,190 | | | | | | |
| Cum Costs: Drilling | \$330,694 | Completion | \$0 | Well Total | \$330,694 | | | | | | |
| MD | 2,498 | TVD | 2,498 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: TEST BOP

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 14:00 | 8.0 | SET UP DRILLING EQUIPMENT. EQUIPMENT ON SUB STRUCTURE, GAS BUSTER, FLARE LINE, MUD PITS & ALL STORAGE TANK FILLED WITH FRESH WATER. SAFETY MAINTENTANCE. |
| 14:00 | 19:00 | 5.0 | RIG MAINTENANCE, INSTALL TOXIC WARNING LABELS ON REQUIRED EQUIPMENT, WELDER FABRICATE AND REPAIRING EQUIPMENT TO ENHANCE SAFER WORKING ZONES. STRING NEW DRILLING LINE. N.U. BOPE, DAY WORK STARTED 8/21/06 AT 14:00 HRS. |
| 19:00 | 06:00 | 11.0 | RIG ON DAYWORK AT 19:00 HRS, 8/21/06. TEST BOP STACK, UPPER & LOWER KELLY VALVE, INSIDE BOP, SAFETY VALVE, PIPE RAMS & INSIDE VALVE, PIPE RAMS & OUTSIDE VALVE, BLIND RAMS, CHOKE LINES & MANIFOLD, BLIND RAMS, KILL LINE, CHOKE LINE & OUT SIDE MANIFOLD VALVES TO 5,000 PSI HIGH. 250 PSI LOW FOR 10/10 MINUTES. TESTED ANNNULAR PREVENTER 2500 PSI HIGH. 250 PSI LOW FOR 10/10 MINUTES. SURFACE CASING 1500 PSI FOR 30 MINUTES SUPER CHOKE TO 5,000 PSI HIGH, 250 PSI LOW FOR 10/10 MINUTES. |

FUEL CREWS
 NO ACCIDENTS
 RIG MAINTENANCE AND REPAIRS
 SAFETY MEETING: PICKING UP KELLY/TESTING BOPS
 FUEL USED 800 GALS

| | | | | | | | | | | | |
|------------------------------|------------|--------------------|-------|-------------------|-----------------|-------------|---|--------------------|-----------|-------------|-----|
| 08-23-2006 | | Reported By | | DUANE C WINKLER | | | | | | | |
| Daily Costs: Drilling | \$38,659 | | | Completion | \$0 | | | Daily Total | \$38,659 | | |
| Cum Costs: Drilling | \$369,403 | | | Completion | \$0 | | | Well Total | \$369,403 | | |
| MD | 3,166 | TVD | 3,166 | Progress | 701 | Days | 1 | MW | 8.5 | Visc | 0.0 |
| Formation : | PBDT : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:30 | 2.5 | COMPLETE RIGGING UP EQUIPMENT. |
| 08:30 | 09:30 | 1.0 | PRE SPUD, SAFETY INSPECTION. |
| 09:30 | 16:30 | 7.0 | PU BHA AND TAGGED @ 2337'. START RIG ON DAY RATE AT 09:30 HRS, 8/22/06. |
| 16:30 | 17:30 | 1.0 | RIG MAINTENANCE, INSTALL HIGH PRESSURE HOSE ON FILL LINE AND VALVE ON TRIP TANK. |
| 17:30 | 19:30 | 2.0 | DRILLED CEMENT FC & FS FROM 2337' TO 2465'. |
| 19:30 | 20:00 | 0.5 | FIT TEST @ 2465', 200 PSIG, 9.9 PPG. |
| 20:00 | 20:30 | 0.5 | SURVEY @ 2465', 1.5 DEGREE. |
| 20:30 | 04:00 | 7.5 | DRILLED FORMATION 2465' TO 2965', 500', ROP 67, RPM 45, WOB 20K, MW 8.6, VIS 32, ON/OFF/DIFF 779/1163/384 PSIG. |
| 04:00 | 04:30 | 0.5 | SURVEY @ 2965', .75 DEGREE. |
| 04:30 | 06:00 | 1.5 | DRILLED FORMATION 2965' TO 3166', 201', ROP 134, RPM 50, WOB 20K, MW 8.6, VIS 32, ON/OFF/DIFF 796/1090/294 PSIG, NO LOSS/GAINS. |

NO RIG REPAIRS
 FUEL CREWS
 SAFETY MEETING: MAKING CONNECTIONS/OPERATING AIR HOIST
 FUEL USED 900 GALS

LITHOLOGY: GREEN RIVER: 10% SS, 60% SH, 30% LS
 BG GAS 5000-6000U, CONN GAS 6200/7200U, HIGH GAS 7413U @ 2976'

06:00 18.0 SPUD 7 7/8" HOLE AT @ 20:30 HRS, 8/22/06.

| | | | | | | | | | | | |
|------------------------------|------------|--------------------|-------|-------------------|-----------------|-------------|---|--------------------|-----------|-------------|------|
| 08-24-2006 | | Reported By | | DUANE C WINKLER | | | | | | | |
| Daily Costs: Drilling | \$42,420 | | | Completion | \$0 | | | Daily Total | \$42,420 | | |
| Cum Costs: Drilling | \$411,823 | | | Completion | \$0 | | | Well Total | \$411,823 | | |
| MD | 4,760 | TVD | 4,760 | Progress | 1,594 | Days | 2 | MW | 8.5 | Visc | 31.0 |
| Formation : | PBDT : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 12:30 | 6.5 | DRILLED 3166' TO 3677', 511', ROP 79, RPM 45, WOB 20K, MW 8.6, VIS 32, ON/OFF/DIFF 779/1163/384 PSIG. |
| 12:30 | 13:30 | 1.0 | SURVEY @ 3595', 1.75 DEGREE. |
| 13:30 | 14:30 | 1.0 | DRILLED 3677' TO 3795', 118', ROP 118, RPM 45, WOB 20K, MW 8.6, VIS 32, ON/OFF/DIFF 1025/1263/238 PSIG. |

14:30 15:00 0.5 SERVICE RIG.
 15:00 20:30 5.5 DRILLED 3795' TO 4313', 518', ROP 94, RPM 50, WOB 20K, MW 8.7, VIS 32, ON/OFF/DIFF 1025/1230/205 PSIG.
 20:30 21:00 0.5 SURVEY@ 4200', 1.5 DEGREE.
 21:00 06:00 9.0 DRILLED 4313' TO 4760', 447', ROP 49, RPM 50, WOB 10/20K, MW 8.9, VIS 32, ON/OFF/DIFF 1100/1320/220 PSIG.

NO LOSS/GAINS
 NO RIG REPAIRS
 FUEL CREWS
 SAFETY MEETING: ARRANGE PIPE IN V-DOOR/WET CONNECTIONS
 FUEL USED 1207 GALS

LITHOLOGY: GREEN RIVER 20% SS, 70% SH, 10% LS
 BG GAS 4100-4900U, CONN GAS 4600/5300U
 HIGH GAS 6515U @ 4091'

08-25-2006 Reported By DUANE C WINKLER

Daily Costs: Drilling \$52,512 Completion \$0 Daily Total \$52,512
 Cum Costs: Drilling \$464,335 Completion \$0 Well Total \$464,335
 MD 5,353 TVD 5,353 Progress 599 Days 3 MW 9.0 Visc 33.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING WASATCH FORMATION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | DRILLED 4754' TO 4775', 21', ROP 10, RPM 45, WOB 21K, MW 8.9, VIS 33, ON/OFF/DIFF, 1025/1263/238 PSIG. |
| 08:00 | 09:00 | 1.0 | CIRCULATE/CONDITION MUD. PUMP PILL. |
| 09:00 | 13:00 | 4.0 | TRIP OUT OF HOLE. LOWER ROLLER REAMER DEFECT: A BOLT BROKE AND WEDGED BEHIND THE ROLLER INPEDING WITH ROTATION. THE CUTTERS ON THE ROLLER WAS WORN SMOOTH. |
| 13:00 | 18:30 | 5.5 | TRIP IN HOLE (HIGH WINDS CREATED SERIOUS BLOWING SANDS). |
| 18:30 | 19:00 | 0.5 | WASH/REAM FROM 4745' TO 4775' (30'). |
| 19:00 | 00:30 | 5.5 | DRILLED 4775' TO 5097', 322', ROP 58, RPM 45, WOB 18K, MW 9.2 VIS 34, ON/OFF/DIFF 1125/1326/201 PSIG. |
| 00:30 | 01:00 | 0.5 | SURVEY @ 5000', 1 DEGREE. |
| 01:00 | 06:00 | 5.0 | DRILLED 5097' TO 5353', 256', ROP 51, RPM 50, WOB 18K, MW 9.3 VIS 35, ON/OFF/DIFF, 1220/1480/260 PSIG. |

NO LOSS/GAINS
 NO RIG REPAIRS
 FUEL CREWS
 SAFETY MEETING: TRIP PIPE/WIRE LINE SURVEY
 FUEL USED 1000 GALS

LITHOLOGY: WASATCH 30% SS, 40% SH, 30% LS
 BG GAS 350/500U, CONN GAS 500/650U, HIGH GAS 6556U @ 4776'

08-26-2006 Reported By DUANE C WINKLER

Daily Costs: Drilling \$32,715 Completion \$0 Daily Total \$32,715
 Cum Costs: Drilling \$497,050 Completion \$0 Well Total \$497,050
 MD 5,718 TVD 5,718 Progress 365 Days 4 MW 9.4 Visc 37.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORK STUCK PIPE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 12:00 | 6.0 | DRILLED 5353' TO 5480', 127', ROP 21, RPM 45, WOB 21K, MW 9.4, VIS 33, ON/OFF/DIFF 1025/1263/238 PSIG. |
| 12:00 | 13:00 | 1.0 | CIRCULATE/CONDITION MUD. |
| 13:00 | 15:00 | 2.0 | DRILLED 5480' TO 5529', 49', ROP 22, RPM 45, WOB 21K, MW 9.4, VIS 33, ON/OFF/DIFF 1125/1363/238 PSIG. |
| 15:00 | 16:00 | 1.0 | GENERATOR FAILED. |
| 16:00 | 21:30 | 5.5 | DRILLED 5529' TO 5718', 189', ROP 34, RPM 45/50, WOB 18/21K, MW 9.4, VIS 33, ON/OFF/DIFF 1165/1380/215 PSIG. |
| 21:30 | 23:30 | 2.0 | RIG REPAIRS, DRILLING WITH PUMP #1 AND PUMP OVER HEATED. WILL NOT START. WAITING ON MECHANIC. STARTED UP PUMP #2 AND FOUND THAT THE POT WAS WASHED OUT. |
| 23:30 | 00:00 | 0.5 | PUMP #1 DOWN. PUMP # 2 WAITING ON MECHANIC TO REPAIR. PUMP PILL, PULL 25 JTS DRILL PIPE. STUCK PIPE @ 4925', PULL INTO BRIDGE. FREE PIPE TO ROTATE AND GO DOWN, CAN NOT PULL PAST 4925', WORKING PIPE. |
| 00:00 | 06:00 | 6.0 | DRILL BRDG @ 4925'. CIRCULATING AND WORKING DP INTO BRIDGE, NO GAIN/LOSS. |

RIG REPAIRS
 FUEL CREWS
 SAFETY MEETING: SWITCHING LIGHT PLANT/MAKING CONNECTIONS
 FUEL USED 670 GALS

LITHOLOGY: CHAPITA WELLS 20% SS, 40% SH, 40% RSH
 BG GAS 350-500U, CONN GAS 600-800U, HIGH GAS 5354U @ 5662'

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|-------------------|-----------------|---------|--------------------|---|------------------------|-----|-------------|------|
| 08-27-2006 | | Reported By | | DUANE C WINKLER | | | | | | | |
| Daily Costs: Drilling | | \$34,508 | Completion | | \$2,100 | Daily Total | | \$36,608 | | | |
| Cum Costs: Drilling | | \$531,599 | Completion | | \$2,100 | Well Total | | \$533,699 | | | |
| MD | 5.895 | TVD | 5.895 | Progress | 78 | Days | 5 | MW | 9.5 | Visc | 37.0 |
| Formation : | | PBTD : 0.0 | | | | Perf : | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 10:30 | 4.5 | WASH/REAM FROM 4925' TO 5200'. CONDITIONING MUD. |
| 10:30 | 12:30 | 2.0 | RUNNING SHALE, CONDITION AND WEIGHT UP MUD TO 10. PPG, VIS 37. |
| 12:30 | 13:30 | 1.0 | WASH/REAM FROM 5200' TO 5520'. PARTS FOR PATTERSON PUMP #2 ARRIVED ON LOCATION. |
| 13:30 | 14:00 | 0.5 | CIRCULATE BTM, PULL 4 STD OF DP OFF BTM. |
| 14:00 | 14:30 | 0.5 | SERVICE RIG. |
| 14:30 | 20:30 | 6.0 | PUMP REPAIRS, PUMP #1 MOTOR SEIZED. RECONDITIONED MOTOR DUE MONDAY. PUMP #2 REPLACE MODULE. |
| 20:30 | 23:30 | 3.0 | WASH/REAM FROM 5520' TO 5718' BTM, MW 10 PPG VIS 37 AT 5688'. LOST 270 BBLS, MW 10 PPG VIS 37. |
| 23:30 | 02:00 | 2.5 | CONDITON MUD & CIRCULATE. BUILDING PIT VOLUME. PUMPING LCM SWEEPS, MW 10 PPG, VIS 38. |
| 02:00 | 06:00 | 4.0 | DRILLED 5718' TO 5895', 78', ROP 19, RPM 50, WOB 18/22K, NO LOSS/GAIN. MW 10 PPG, VIS 37, ON/OFF/DIFF 1100/1318/218 PSIG. LOST 270 BBLS @ 5688', NO GAINS. RIG REPAIRS, REPAIRED PUMPS. |

FULL CREWS
 SAFETY MEETING: TRIP PIPE/WORK ON PUMPS
 FUEL USED 560 GALS

LITHOLOGY: CHAPITA WELLS: 30% SS, 30% SH, 40% RSH

BG GAS 90/120U, CONN GAS 150/400U, HIGH GAS 4846U @ 5737'

08-28-2006 Reported By DUANE C WINKLER

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| Daily Costs: Drilling | \$40,262 | Completion | \$2,100 | Daily Total | \$42,362 | | | | | | |
| Cum Costs: Drilling | \$571,862 | Completion | \$4,200 | Well Total | \$576,062 | | | | | | |
| MD | 6,692 | TVD | 6,692 | Progress | 815 | Days | 6 | MW | 9.8 | Visc | 37.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRILLING

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

| | | | |
|-------|-------|------|---|
| 06:00 | 08:00 | 2.0 | DRILLED 5895' TO 5957', 62', ROP 31, RPM 45, WOB 21K, MW 9.8, VIS 33, ON/OFF/DIFF 1125/1363/238 PSIG. |
| 08:00 | 08:30 | 0.5 | SERVICE RIG. |
| 08:30 | 11:30 | 3.0 | RIG REPAIR, PUMP #2 BROKEN PRESSURE CAP. |
| 11:30 | 06:00 | 18.5 | DRILLED 5957' TO 6692', 753', ROP 40, RPM 50, WOB 18/22K, AT 6152' LOST 100 BBLS, 6153' TO 6692' NO LOSS/GAIN. MW 10 PPG, VIS 37, ON/OFF/DIFF 1200/1448/248 PSIG. RIG REPAIRS, REPAIRED PUMP # 2. |

FULL CREWS

SAFETY MEETING: CHANGE TONG DIES/DO NOT WORK IN A HURRY

FUEL USED 935 GALS

LITHOLOGY: BUCK CANYON 40% SS, 40% SH, 20% RSH

BG GAS 200/300U, CONN GAS 600/1400U, HIGH GAS 4846U @ 5737'

08-29-2006 Reported By DUANE C WINKLER

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|------|-------------|------|
| Daily Costs: Drilling | \$39,610 | Completion | \$2,100 | Daily Total | \$41,710 | | | | | | |
| Cum Costs: Drilling | \$611,472 | Completion | \$6,300 | Well Total | \$617,772 | | | | | | |
| MD | 7,435 | TVD | 7,435 | Progress | 743 | Days | 7 | MW | 10.0 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRILLING ISLAND FORMATION

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

| | | | |
|-------|-------|------|--|
| 06:00 | 12:00 | 6.0 | DRILLED 6692' TO 6916', 224', ROP 37, RPM 45, WOB 21K, MW 10.1, VIS 37, ON/OFF/DIFF 1225/1463/238 PSIG. |
| 12:00 | 12:30 | 0.5 | SERVICE RIG. |
| 12:30 | 06:00 | 17.5 | DRILLED 6916' TO 7435', 743', ROP 32, RPM 40/50, WOB 18/23K, (6950' TO 7200' LOST 40 BBLS, SEALED OFF LEAKAGE WITH LCM SWEEPS), 7200' TO 7435' NO LOSS/GAIN, MW 10.3 VIS 38, ON/OFF/DIFF 1458/1621/143 PSIG. |

RIG REPAIRS: REPLACED ENGINE ON PUMP #1

FULL CREWS

SAFETY MEETING: DRILL PIPE IN "V" DOOR/PULL/SETTING SLIPS

FUEL USED 935 GALS

LITHOLOGY: ISLAND 50% SS, 30% SH, 10% RSH, 10% SILTSTONE

BG GAS: 60/100U, CONN GAS 900/1500U, HIGH GAS 3867U @ 7388'

08-30-2006 Reported By DUANE C WINKLER

| | | | | | | | | | | | |
|------------------------------|-----------|-------------------|----------|--------------------|-----------|-------------|---|-----------|------|-------------|------|
| Daily Costs: Drilling | \$35,191 | Completion | \$86,625 | Daily Total | \$121,816 | | | | | | |
| Cum Costs: Drilling | \$646,663 | Completion | \$92,925 | Well Total | \$739,588 | | | | | | |
| MD | 7,700 | TVD | 7,700 | Progress | 265 | Days | 8 | MW | 10.3 | Visc | 38.0 |

Formation : PBTBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREPARING TO LAY DOWN PIPE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 09:30 | 3.5 | DRILLED FORMATION 7435' TO 7560', 125', ROP 36, RPM 35/45, WOB 18/21K, MW 10.3, VIS 38, ON/OFF/DIFF, 1425/1563/138 PSIG. |
| 09:30 | 10:00 | 0.5 | SERVICE RIG. |
| 10:00 | 13:30 | 3.5 | DRILLED FORMATION 7560' TO 7700' TD, 140', ROP 40, RPM 35/45, WOB 18/24K, MW 10.5, VIS 38, ON/OFF/DIFF, 1425/1663/238 PSIG. REACHED TD AT 13:30 HRS, 8/29/2006. |
| 13:30 | 14:30 | 1.0 | CIRCULATE AND CONDITION MUD, PUMP PILL. |
| 14:30 | 18:00 | 3.5 | SHORT TRIP OUT OF HOLE. WORK BRIDGES FROM 4930' TO 4900', PULL BIT TO 4740'. RELEASE MUD LOGGER 8/29/2006 @ 18:00 HRS. |
| 18:00 | 00:30 | 6.5 | TRIP IN HOLE WASH AND REAM TO BTM 7700', MW 10.5 VIS 38. |
| 00:30 | 01:30 | 1.0 | CIRCULATE HOLE AND PUMP PILL. |
| 01:30 | 06:00 | 4.5 | LOST CIRCULATION, 450 BBLS. BUILD VOLUMES IN PITS, PUMP LCM SWEEPS, HAVE FULL CIRCULATION, MW 9.8, VIS 38. REPAIRS ON PUMP # 1. |

FULL CREW
 NO ACCIDENTS
 SAFETY MEETING: TRIP IN HOLE/LAY DOWN PIPE
 FUEL USED 850 GALS

08-31-2006 Reported By DUANE C WINKLER

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$49,487 | Completion | \$17,535 | Daily Total | \$67,022 |
| Cum Costs: Drilling | \$696,150 | Completion | \$110,460 | Well Total | \$806,610 |

MD 7,700 TVD 7,700 Progress 0 Days 9 MW 0.0 Visc 0.0

Formation : PBTBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: CEMENTING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 09:30 | 3.5 | BUILD VOLUME IN PITS, CIRCULATE WELL. |
| 09:30 | 10:30 | 1.0 | SHORT TRIP BIT TO 6440'. |
| 10:30 | 12:30 | 2.0 | CIRCULATE CONDITION MUD. PUMP PILL. |
| 12:30 | 19:00 | 6.5 | LAY DOWN DRILL PIPE, BHA AND PULL WEAR BUSHING. |
| 19:00 | 02:30 | 7.5 | RUN 180 JTS (178 FULL JTS + 2 MARKER JTS) OF 4 1/2", HC P-110, 11.6#, LTC PRODUCTION CASING. LANDED AT @ 7700' KB. RAN AS FOLLOWS: FLOAT SHOE @ 7700', 1 JT CASING, FLOAT COLLAR @ 7659', 3 JTS CASING, MJ @ 7510', 67 JTS CASING, MJ @ 4615', 109 JTS CASING. RUN IN HOLE AND TAG BTM @ 7700', PU HANGER. |
| 02:30 | 03:30 | 1.0 | ESTABLISH CIRCULATION, RIG DOWN WEATHERFORD EQUIPMENT. |
| 03:30 | 06:00 | 2.5 | SAFETY MEETING: RIG UP SCHLUMBERGER CEMENT EQUIPMENT. CEMENT AS FOLLOWS: LEAD CMT 300 SKS (159 BBLS CMT) G+ADDITIVES, (YEILD 2.98), H2O 18.2 GAL/SK @ 11.5 PPG, TAIL CMT 935 SKS (215 BBLS CMT) 50/50 P0Z G+ ADDITIVES, (YEILD 1.29), H2O 5.96 GAL/SK, @ 14.1 PPG, PRESENT OPERATION PUMPING CMT. |

FULL CREWS
 NO ACCIDENTS
 SAFETY MEETING: REPAIRS ON PUMP/LAY DOWN DP/BHA/RUNNING CASING
 FUEL USED 680 GALS

09-01-2006 Reported By DUANE C WINKLER

DailyCosts: Drilling \$29,231 Completion \$4,074 Daily Total \$33,305

Cum Costs: Drilling \$725,568 Completion \$114,534 Well Total \$840,102

MD 7,700 TVD 7,700 Progress 0 Days 10 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 06:30 | 0.5 | COMPLETE CEMENTING WELL AT 06:30 HRS AS FOLLOWS: LEAD CMT 300 SKS, 159 BBLs CMT G+ ADDITIVES, (YEILD 2.98), H2O 18.2 GAL/SK @ 11.5 PPG, TAIL CMT 935 SKS, 215 BBLs CMT, 50/50 POZ G+ ADDITIVES, (YEILD 1.29), H2O 5.96 GAL/SK, @ 14.1 PPG. GOOD CIRCULATION THROUGH OUT JOB, BUMP PLUG TO 2750 PSIG. |
| 06:30 | 08:30 | 2.0 | CEMENTING HEAD LEFT CLOSED ON CASING. RIG DOWN SCHLUMBERGER CEMENTING EQUIPMENT. |
| 08:30 | 10:30 | 2.0 | CLEAN PITS. RIG REPAIRS ON PUMP #1/MUD HOPPER/PILL TANK. |

TRUCKS SCHEDULED TO MOVE RIG ON 9/1/2006 @ 07:00 TO CWU 673-06.

FULL CREWS
NO ACCIDENTS

TRANSFERRED THE FOLLOWING TO CWU # 673-06

3000 GALS FUEL

6 - JTS 4.5 X 11.6# P110, LTC (254.03')

3 - MARKER JTS 4.5 X 11.6# P110, LTC, (60.46')

10:30 13.5 RELEASE RIG 8/31/2006 @ 10:30 HRS
CASING POINT COST: 723,845

09-05-2006 Reported By SEARLE

DailyCosts: Drilling \$0 Completion \$44,500 Daily Total \$44,500

Cum Costs: Drilling \$725,568 Completion \$159,034 Well Total \$884,602

MD 7,700 TVD 7,700 Progress 0 Days 11 MW 0.0 Visc 0.0

Formation : PBTB : 7659.0 Perf : PKR Depth : 0.0

Activity at Report Time:

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTB TO SURFACE. CEMENT TOP @ SURFACE. RD SCHLUMBERGER. |

09-09-2006 Reported By MCCURDY

DailyCosts: Drilling \$0 Completion \$1,320 Daily Total \$1,320

Cum Costs: Drilling \$725,568 Completion \$160,354 Well Total \$885,922

MD 7,700 TVD 7,700 Progress 0 Days 12 MW 0.0 Visc 0.0

Formation : WASATCH PBTB : 7659.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP FOR FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 07:00 | 09:00 | 2.0 | NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. PREP FOR FRAC. |

09-16-2006 Reported By MCCURDY

DailyCosts: Drilling \$0 Completion \$170,974 Daily Total \$170,974
 Cum Costs: Drilling \$725,568 Completion \$331,328 Well Total \$1,056,896

MD 7.700 TVD 7.700 Progress 0 Days 13 MW 0.0 Visc 0.0
 Formation : WASATCH PBT D : 7659.0 Perf : 5649 - 7495 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description

06:00 06:00 24.0 RU CUTTERS WIRELINE. PERFORATED ISLAND FROM 7301'-02', 7336'-37', 7344'-46', 7395'-96', 7436'-37', 7446'-49', 7459'-60' & 7494'-95' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 500 GAL 7.5%HCL, 165 GAL GYPTRON T-106, 4988 GAL YF125ST+ PAD. 29998 GAL YF125ST+ & YF118ST+ WITH 75500# 20/40 SAND @ 1-6 PPG. MTP 5194 PSIG. MTR 35.7 BPM. ATP 4210 PSIG. ATR 35.4 BPM. ISIP 2840 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7240'. PERFORATED NORTH HORN FROM 7027'-28', 7069'-71', 7080'-81', 7092'-94', 7135'-37', 7176'-77', 7181'-83' & 7189'-90' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 500 GAL 7.5% HCL, 165 GAL GYPTRON T-106, 4963 GAL YF125ST+ PAD, 22463 GAL YF125ST+ WITH 55200# 20/40 SAND @ 1-6 PPG. MTP 4509 PSIG. MTR 35.7 BPM. ATP 3792 PSIG. ATR 32.5 BPM. ISIP 2420 PSIG. RD SCHLUMBERGER.

RUWL. PERFORATED BF/BA FROM 6455'-56', 6463'-64', 6589'-90', 6610'-11', 6682'-83', 6756'-57', 6776'-77', 6810'-11' & 6868'-69' @ 3 SPF & 120° PHASING. RDWL. SET 10K CFP AT 6210'. PERFORATED BA FROM 5989'-90', 6028'-30', 6039'-40', 6044'-47', 6113'-15' & 6131'-32' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 500 GAL 7.5% HCL, 2486 GAL YF125ST+ PAD, 31324 GAL YF125ST+ WITH 12200# 20/40 SAND @ 1-8 PPG. MTP 3055 PSIG. MTR 30.1 BPM. ATP 2686 PSIG. ATR 27.6 BPM. ISIP 1920 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 5870'. PERFORATED CA FROM 5732'-33', 5754'-56', 5761'-63', 5804'-05', 5813'-15' & 5823'-25' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 500 GAL 7.5% HCL, 2494 GAL YF125ST+ PAD, 22286 GAL YF125ST+ WITH 75000# 20/40 SAND @ 1-8 PPG. MTP 4282 PSIG. MTR 30.1 BPM. ATP 3437 PSIG. ATR 29 BPM. ISIP 2280 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 5700'. PERFORATED CA FROM 5649'-52', 5658'-61' & 5671'-74' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 500 GAL 7.5% HCL, 2499 GAL YF125ST+ PAD, 30555 GAL YF125ST+ WITH 99120 # 20/40 SAND @ 1-8 PPG. MTP 3605 PSIG. MTR 26.2 BPM. ATP 3027 PSIG. ATR 25.2 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER.

FLOWED 16 HRS. 16/64" CHOKE. FCP 1250 PSIG. 55 BFPH. RECOVERED 770 BLW. 3014 BLWTR.

09-17-2006 Reported By MCCURDY

DailyCosts: Drilling \$0 Completion \$2,345 Daily Total \$2,345
 Cum Costs: Drilling \$725,568 Completion \$333,673 Well Total \$1,059,241

MD 7.700 TVD 7.700 Progress 0 Days 14 MW 0.0 Visc 0.0
 Formation : WASATCH PBT D : 7659.0 Perf : 5649 - 7495 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED 24 HRS ON 24/64" CHOKE. FCP 1300 PSIG. 20 BFPH. RECOVERED 612 BLW. 2402 BLWTR.

09-18-2006 Reported By MCCURDY

DailyCosts: Drilling \$0 Completion \$2,345 Daily Total \$2,345
 Cum Costs: Drilling \$725,568 Completion \$336,018 Well Total \$1,061,586

MD 7,700 TVD 7,700 Progress 0 Days 15 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 7659.0 Perf : 5649 - 7495 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 32/64" CHOKE. FCP 850 PSIG. 19 BFPH. RECOVERED 459 BLW. 1943 BLWTR.

09-19-2006 Reported By BAUSCH

Daily Costs: Drilling \$0 Completion \$24,201 Daily Total \$24,201
 Cum Costs: Drilling \$725,568 Completion \$360,219 Well Total \$1,085,787

MD 7,700 TVD 7,700 Progress 0 Days 16 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 7659.0 Perf : 5649 - 7495 PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start End Hrs Activity Description
 07:00 15:00 8.0 MIRUSU. TOP KILLED W/60 BLS TREATED WATER. ND FRAC VALVE. NU 4'-1/16" 10K BOPE. RIH W/3-7/8" BIT & PUMP OFF BIT SUB TO 5638'. SDFN.

09-20-2006 Reported By BAUSCH

Daily Costs: Drilling \$0 Completion \$13,619 Daily Total \$13,619
 Cum Costs: Drilling \$725,568 Completion \$373,838 Well Total \$1,099,406

MD 7,700 TVD 7,700 Progress 0 Days 17 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 7638.0 Perf : 5649 - 7495 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description
 07:00 06:00 23.0 SICP 1650 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 5700', 5870', 6210', 7240' & 7820'. RIH. CLEANED OUT TO PBTB @ 7638'. LANDED TBG AT 5645' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RU TO SWAB. MADE 2 RUNS & WELL STARTED FLOWING. RDMSU.

FLOWED 15 HRS. 16/64" CHOKE. FTP 1100 PSIG. CP 1250 PSIG. 32 BFPH. RECOVERED 480 BLW. 1488 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB 1.00'
 1 JT 2-3/8" 4.7# N80 TBG 32.70'
 XN NIPPLE 1.10'
 197 JTS 2-3/8" 4.7# N80 TBG 5592.19'
 BELOW KB 18.00'
 LANDED @ 5644.99' KB

09-21-2006 Reported By BAUSCH

Daily Costs: Drilling \$0 Completion \$5,465 Daily Total \$5,465
 Cum Costs: Drilling \$725,568 Completion \$379,303 Well Total \$1,104,871

MD 7,700 TVD 7,700 Progress 0 Days 18 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 7659.0 Perf : 5649 - 7495 PKR Depth : 0.0

Activity at Report Time: SI - WO FACILITIES

Start End Hrs Activity Description

06:00 10:00 4.0 FLOWED 4 HRS. 16/64" CHOKE. FTP 1400 PSIG. CP 1450 PSIG. 8 BFPH. RECOVERED 35 BLW. 1373 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 9/20/06

10-02-2006 **Reported By** COOK

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |

MD 7,700 **TVD** 7,700 **Progress** 0 **Days** 19 **MW** 0.0 **Visc** 0.0

Formation : WASATCH **PBTD : 7659.0** **Perf : 5649 - 7495** **PKR Depth : 0.0**

Activity at Report Time: INITIAL PRODUCTION

| | | | |
|--------------|------------|------------|--|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | 9/30/06 INITIAL PRODUCTION. OPENING PRESSURE: TP 1750 PSIG & CP 1800 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 9:30 HRS, 9/29/06. FLOWED 800 MCFD RATE ON 10/64" CHOKE. |

10/1/06 FLOWED 661 MCF, 1 BO & 33 BW IN 24 HRS ON 10/64" CH, TP 1800 PSIG, CP 1800 PSIG.

10/2/06 FLOWED 829 MCF, 1 BO & 18 BW IN 24 HRS ON 10/64" CH, TP 1700 PSIG, CP 1750 PSIG.

10-03-2006 **Reported By** WATKINS

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |

MD 7,700 **TVD** 7,700 **Progress** 0 **Days** 20 **MW** 0.0 **Visc** 0.0

Formation : WASATCH **PBTD : 7659.0** **Perf : 5649 - 7495** **PKR Depth : 0.0**

Activity at Report Time: ON SALES

| | | | |
|--------------|------------|------------|---|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | FLOWED 860 MCF, 20 BO & 30 BW IN 24 HRS ON 12/64" CH, TP 1600 PSIG, CP 1675 PSIG. |

10-04-2006 **Reported By** WATKINS

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |

MD 7,700 **TVD** 7,700 **Progress** 0 **Days** 21 **MW** 0.0 **Visc** 0.0

Formation : WASATCH **PBTD : 7659.0** **Perf : 5649 - 7495** **PKR Depth : 0.0**

Activity at Report Time: ON SALES

| | | | |
|--------------|------------|------------|---|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | FLOWED 1119 MCF, 2 BO & 13 BW IN 24 HRS ON 12/64" CH, TP 1500 PSIG, CP 1600 PSIG. |

10-05-2006 **Reported By** ROGER DART

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |

MD 7,700 **TVD** 7,700 **Progress** 0 **Days** 22 **MW** 0.0 **Visc** 0.0

Formation : WASATCH **PBTD : 7659.0** **Perf : 5649 - 7495** **PKR Depth : 0.0**

Activity at Report Time: ON SALES

| | | | |
|--------------|------------|------------|---|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | FLOWED 1004 MCF, 4 BO & 28 BW IN 24 HRS ON 12/64" CH, TP 1500 PSIG, CP 1550 PSIG. |

10-06-2006 **Reported By** ALAN WATKINS

| | | | | | |
|------------------------------|-----------|----------------------|-----------|---------------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |
| MD | 7.700 | TVD | 7.700 | Progress | 0 |
| | | | | Days | 23 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : WASATCH | | PBTD : 7659.0 | | Perf : 5649 - 7495 | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: ON SALES

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

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 1017 MCF, 3 BO & 27 BW IN 24 HRS ON 14/64" CH, TP 1450 PSIG, CP 1550 PSIG. |
|-------|-------|------|---|

| | | |
|-------------------|--------------------|----------------|
| 10-09-2006 | Reported By | ROBERT WILKINS |
|-------------------|--------------------|----------------|

| | | | | | |
|------------------------------|-----------|----------------------|-----------|---------------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$725,568 | Completion | \$379,303 | Well Total | \$1,104,871 |
| MD | 7.700 | TVD | 7.700 | Progress | 0 |
| | | | | Days | 24 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : WASATCH | | PBTD : 7659.0 | | Perf : 5649 - 7495 | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: ON SALES

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

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | 10/7/06 FLOWED 1232 MCF, 9 BO & 40 BW IN 24 HRS ON 14/64" CH, TP 1325 PSIG, CP 1400 PSIG. |
|-------|-------|------|---|

FINAL REPORT

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)
**531' FNL & 470' FWL (NWNW)
 Sec. 6-T9S-R23E 40.070547 LAT 109.377228 LON**

5. Lease Serial No.
U-01304

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 663-6

9. API Well No.
43-047-36482

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

11. County or Parish, State
Uintah County, Utah

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

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

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

EOG Resources, Inc. requests a variance to the requirement for a buried pipeline for the referenced well.

See attached sheet.

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

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

Mary A. Maestas

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date

10/10/06

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

OCT 11 2006

DIV. OF OIL, GAS & MINING

Request for Exception to Buried Pipeline Requirement
Chapita Wells Unit 663-06
NW/NW, Section 6, T9S, R23E
Lease Number U-01304

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately .35 acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No. **U-01304**

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 663-6**

9. AFI Well No. **43-047-36482**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 6-T9S-R23E**

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

14. Date Spudded **07/06/2006** 15. Date T.D. Reached **08/29/2006** 16. Date Completed **09/29/2006**
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* **4838' NAT GL**

18. Total Depth: MD **7700** 19. Plug Back T.D.: MD **7659** 20. Depth Bridge Plug Set: MD **MD**
TVD **TVD** TVD **TVD**

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

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

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12-1/4" | 9-5/8" | 36.0# | J-55 | 0-2448 | | 645 sx | | | |
| 7-7/8" | 4-1/2" | 11.6# | P-110 | 0-7700 | | 1235 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" | 5645 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|------------|------|--------|---------------------|------|-----------|--------------|
| A) Wasatch | 5649 | 7495 | 7301-7495 | | 3/spf | |
| B) | | | 7027-7190 | | 3/spf | |
| C) | | | 6455-6869 | | 3/spf | |
| D) | | | 5989-6132 | | 3/spf | |

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

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 7301-7495 | 500 GALS HCL; 35,151 GALS GELLED WATER & 75,500# 20/40 SAND |
| 7027-7190 | 500 GALS HCL; 27,591 GALS GELLED WATER & 55,200# 20/40 SAND |
| 6455-6869 | PERF ONLY |
| 5989-6132 | 500 GALS HCL; 33,810 GALS GELLED WATER & 12,200# 20/40 SAND |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|--------------------|
| 09/29/2006 | 10/02/2006 | 24 | → | 20 | 860 | 30 | | | 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 |
| 12/64" | 1600 | 1675 | → | | | | | | |

28a. Production - Interval B

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

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

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NOV 29 2006

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 |
| Wasatch | 5649 | 7495 | | Wasatch Chapita Wells Buck Canyon North Horn Upper Price River | 5016 5571 6278 6925 7512 |

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 **11/28/2006**

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 663-6 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 5732-5825 | 3/spf |
| 5649-5674 | 3/spf |
| | |
| | |

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

| | |
|-----------|---|
| 5732-5825 | 500 GALS HCL; 24,780 GALS GELLED WATER & 75,000# 20/40 SAND |
| 5649-5674 | 500 GALS HCL; 33,054 GALS GELLED WATER & 99,120# 20/40 SAND |
| | |
| | |

Perforated the Island from 7301-7302', 7336-7337', 7344-7346', 7395-7396', 7436-7437', 7446-7449', 7459-7460' & 7494-7495' w/ 3 spf.

Perforated the North Horn from 7027-7028', 7069-7071', 7080-7081', 7092-7094', 7135-7137', 7176-7177', 7181-7183' & 7189-7190' w/ 3 spf.

Perforated the Buck Canyon from 6455-6456', 6463-6464', 6589-6590', 6610-6611', 6682-6683', 6756-6757', 6776-6777', 6810-6811' & 6868-6869' w/ 3 spf.

Perforated the Chapita Wells from 5989-5990', 6028-6030', 6039-6040', 6044-6047', 6113-6115' & 6131-6132' w/ 3 spf.

Perforated the Chapita Wells from 5732-5733', 5754-5756', 5761-5763', 5804-5805', 5813-5815' & 5823-5825' w/ 3 spf.

Perforated the Chapita Wells from 5649-5652', 5658-5661' & 5671-5674' w/ 3 spf.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO
3180
UT-922

June 5, 2007

EOG Resources, Inc.
Attn: Debbie Spears
600 Seventeenth Street, Suite 100N
Denver, Colorado 80202

Re: Consolidated Wasatch Formation PA "B-C-D-E-F"
Chapita Wells Unit
Uintah County, Utah

Gentlemen:

The Consolidated Wasatch Formation PA "B-C-D-E-F", Chapita Wells Unit, CRS No. UTU63013AE, AFS No. 892000905AE, is hereby approved effective as of September 1, 2006, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Wasatch Formation PA "B-C-D-E-F" results in an initial consolidated participating area of 13,115.82 acres and is based upon the completion of Well No. 663-6, API No. 43-047-36482, located in Lot 4 of Section 6, Township 9 South, Range 23 East, SLM&B, Federal Unit Tract No. 15, Lease No. UTU01304, as being a well capable of producing unitized substances in paying quantities.

15493 to 4905

Copies of the approved request are being distributed to the appropriate federal agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Consolidated Wasatch Formation PA "B-C-D-E-F", Chapita Wells Unit, and the effective date.

Sincerely,

/s/ Greg J. Noble

Greg J. Noble
Acting Chief, Branch of Fluid Minerals

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JUN 08 2007

DIV. OF OIL, GAS & MINING

Enclosure

*also 43-047-35547
14312 to 4905
CWU 651-6*

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

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES Operator Account Number: N 9550
 Address: P.O. BOX 1815
city VERNAL
state UT zip 84078 Phone Number: (435) 781-9111

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---------------------------------------|--------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-36482 | CHAPITA WELLS UNIT 663-6 | | NWNW | 6 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| C | 15493 | 4905 | 7/6/2006 | | 9/1/2006 | | |
| Comments: <i>per BLM WSTC 6/28/07</i> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---------------------------------------|--------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-35547 | CHAPITA WELLS UNIT 651-6 | | NENE | 6 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| C | 14312 | 4905 | 9/22/2004 | | 9/1/2006 | | |
| Comments: <i>per BLM WSTC 6/28/07</i> | | | | | | | |

Well 3

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

ACTION CODES:

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

Kaylene R. Gardner

Name (Please Print)

Signature

Sr Regulatory Assistant

Title

6/28/2007

Date

RECEIVED

JUN 28 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU01304

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CHAPITA WELLS UNIT 663-06

2. Name of Operator
EOG RESOURCES INC

Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-36482

3a. Address
600 17TH STREET SUITE 1000N
DENVER, CO 80202

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

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

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

Sec 6 T9S R23E NWNW 531FNL 470FWL
40.07055 N Lat, 109.37723 W Lon

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

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

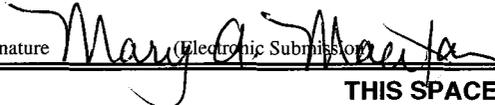
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/>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

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

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

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

**Electronic Submission #58149 verified by the BLM Well Information System
For EOG RESOURCES INC, sent to the Vernal**

| | |
|---|----------------------------|
| Name (Printed/Typed) MARY A. MAESTAS | Title REGULATORY ASSISTANT |
| Signature  | Date 01/21/2008 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

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

RECEIVED

JAN 22 2008

DIV. OF OIL, GAS & MINING