

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

May 5, 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 940-26  
SE/SW, SEC. 26, T9S, R22E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-010956  
FEDERAL LANDS

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

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

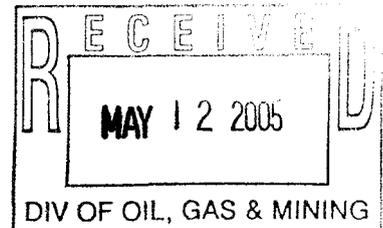
Ed Trotter  
P.O. Box 1910  
Vernal, UT 84078  
Phone: (435)789-4120  
Fax: (435)789-1420

Sincerely,



Ed Trotter  
Agent  
EOG Resources, Inc.

Attachments



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

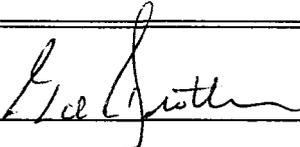
**001 APPLICATION FOR PERMIT TO DRILL OR REENTER**

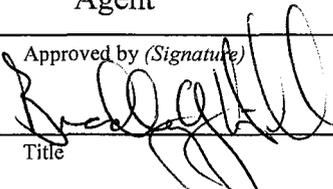
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-010956</b>	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>	
3a. Address <b>P.O. BOX 1815 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 940-26</b>	
3b. Phone No. (Include area code) <b>(435)789-0790</b>		9. API Well No. <b>43-047-36691</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>735' FSL, 2519' FWL 635981X SE/SW 40.001797</b> At proposed prod. Zone <b>44289621 -109.407003</b>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>	
14. Distance in miles and direction from nearest town or post office* <b>21.61 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC. 26, T9S, R22E, S.L.B.&amp;M.</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) <b>735'</b>	16. No. of Acres in lease <b>320</b>	12. County or Parish <b>UINTAH</b>	
17. Spacing Unit dedicated to this well	13. State <b>UTAH</b>		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth <b>9125'</b>	20. BLM/BIA Bond No. on file <b>NM-2308</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5013.5 FEET GRADED GROUND</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	23. Esti mated duration <b>45 DAYS</b>	
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) <b>Ed Trotter</b>	Date <b>May 5, 2005</b>
Title <b>Agent</b>		

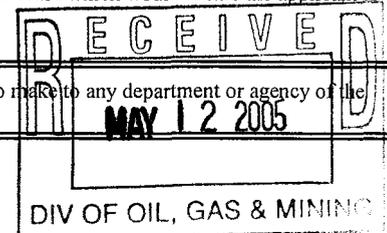
Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III</b>	Date <b>05-17-05</b>
Title	Office	

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

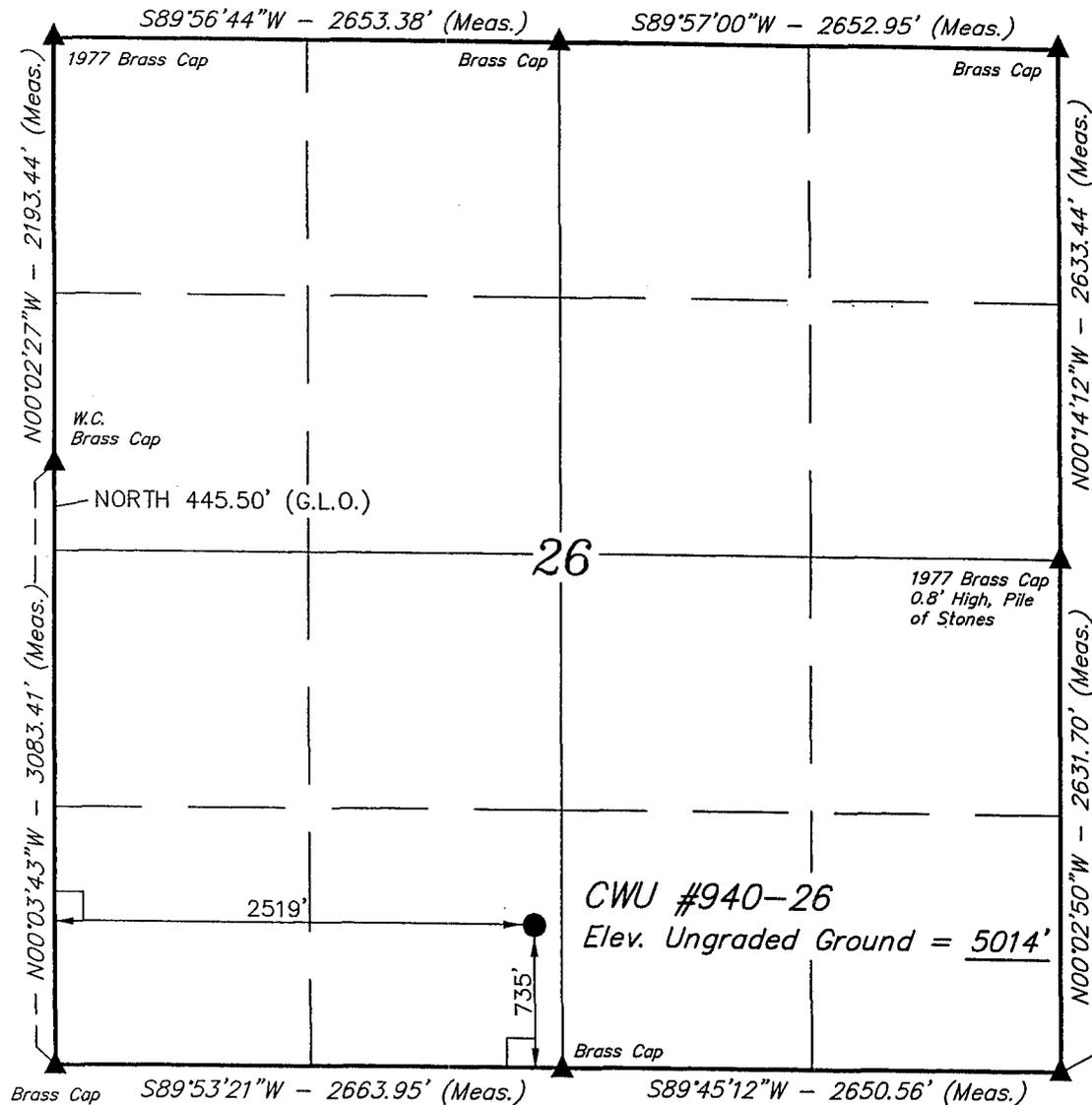
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**Federal Approval of this  
Action is Necessary**



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



**EOG RESOURCES, INC.**

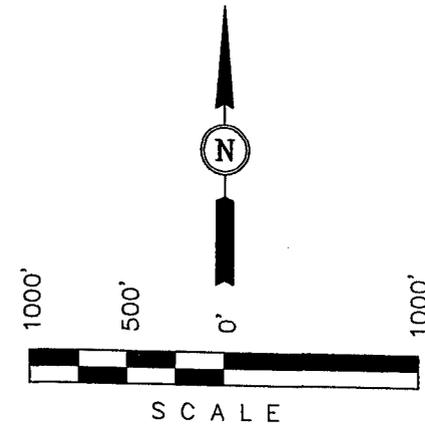
Well location, CWU #940-26, located as shown in the SE 1/4 SW 1/4 of Section 26, T9S, R22E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

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

**BASIS OF BEARINGS**

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



**CERTIFICATE**

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

*Robert H. Kay*

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

1977 Brass Cap  
0.4' High, Steel  
Post, Pile of Stones

(NAD 83)  
LATITUDE = 40°00'06.41" (40.001781)  
LONGITUDE = 109°24'27.75" (109.407708)  
(NAD 27)  
LATITUDE = 40°00'06.53" (40.001814)  
LONGITUDE = 109°24'25.29" (109.407025)

**LEGEND:**

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

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

SCALE 1" = 1000'	DATE SURVEYED: 09-14-04	DATE DRAWN: 09-24-04
PARTY G.S. J.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 940-26**  
**SE/SW, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River	2,361'
Wasatch	4,494'
North Horn	6,514'
Island	6,952'
KMV Price River	7,054'
KMV Price River Middle	7,733'
KMV Price River Lower	8,540'
Sego	8,976'

EST. TD: **9,125'**

Anticipated BHP 4000 PSI

**3. PRESSURE CONTROL EQUIPMENT:** 5000 PSIG BOP Schematic Diagram attached.

**4. CASING PROGRAM:**

<b>HOLE SIZE</b>	<b>INTERVAL</b>	<b>LENGTH</b>	<b>SIZE</b>	<b>WEIGHT</b>	<b>GRADE</b>	<b>THREAD</b>	<b>RATING FACTOR</b>		
							<b>COLLAPSE</b>	<b>BURST</b>	<b>TENSILE</b>
17 1/2"	0' - 45'	45'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
12 1/4"	45' - 2300' +/- KB	2300' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2300' - TD +/- KB	9,125' +/-	4 1/2"	11.6 #	N-80	LT&C	6350 PSI	7780 PSI	223,000#

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

All casing will be new or inspected.

**5. Float Equipment:**

**Surface Hole Procedure (0-45' Below GL):**

None

**Intermediate Hole Procedure (45' - ±2300')**

Guide Shoe

Insert Float Collar (PDC drillable)

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 940-26**  
**SE/SW, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**Float Equipment (Continued):**

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

FS, 1 joint of casing, FC, and balance of casing to surface. Run 11.6#, N-80 burst rating or equivalent marker collars or short casing joints at  $\pm 7,539'$  (**Top of Price River**) and  $\pm 4,600'$  (**400' above the Wasatch**) (alter depth if needed to avoid placing across any potentially- productive intervals). Centralize 5' above shoe on joint #1, top of joint #2, then every 2nd joint to **400' above Price River top** (50 total). Thread lock FS, top and bottom of FC, and top of 2<sup>nd</sup> joint.

**6. MUD PROGRAM**

**Surface Hole Procedure (0-45' below GL):**

Air – Air Water Mist

**Intermediate Hole Procedure (45'- $\pm 2300'$ ):**

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

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

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

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

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

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 940-26**  
**SE/SW, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**7. VARIANCE REQUESTS:**

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

**8. EVALUATION PROGRAM:**

**Logs: No Open Hole Logs**  
**Cased Hole Logs.**

**9. CEMENT PROGRAM:**

**Surface Hole Procedure (0-45' Below GL)**  
**Redi Mix Cement**

**Intermediate Hole Procedure (45'-± 2300'):**

**Option #1**

**Lead: 85 sks:** (50% excess volume) Class 'G' lead cement (coverage from 1700-1000') with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft<sup>3</sup>/sk., 24.5 gps water.

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

**Option 2:**

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 940-26**  
**SE/SW, SEC. 26, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

**Production Hole Procedure ( $\pm$  2300' to TD)**

**Lead: 110 sks** 35:65 Poz G w/ 4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.25 pps D29 (cello flakes), mixed at 13.0 ppg, 1.73 ft<sup>3</sup>/sk., 9.06 gps water

**Tail: 190 sks:** 50:50 Poz G w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.15% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9 gps water.

**10. ABNORMAL CONDITIONS:**

**Intermediate Hole (45'  $\pm$  2300'):**

Lost circulation

**Production Hole ( $\pm$  2300'-TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

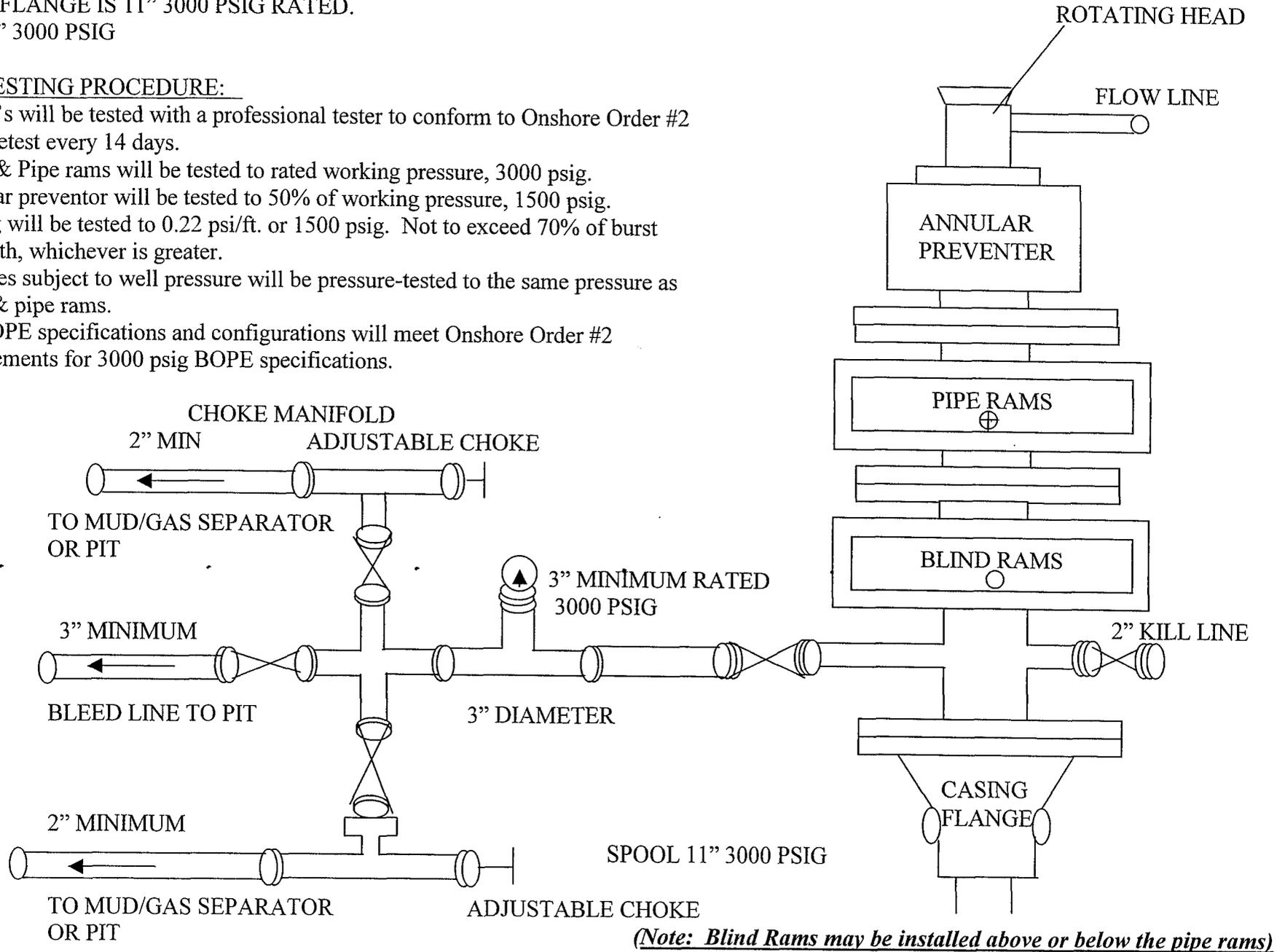
(Attachment: BOP Schematic Diagram)

### 3000 PSIG DIAGRAM

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

#### TESTING PROCEDURE:

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



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: Chapita Wells Unit 940-26  
Lease Number: U-010956  
Location: 735' FSL & 2519' FWL, SE/SW, Sec. 26,  
T9S, R22E, S.L.B.&M., Uintah County, Utah  
Surface Ownership: Federal

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

## THIRTEEN POINT SURFACE USE PROGRAM

### 1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 21.61 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

### 2. PLANNED ACCESS ROAD

- A. An existing access road will be utilized to service this well. 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 - 4\*
  - B. Temporarily abandoned wells - 1\*
  - C. Producing wells - 29\*
- (\*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

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

B. OFF WELL PAD

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

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

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

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

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 Southwest corner of the location.

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

The stockpiled pit topsoil will be stored separate from the location topsoil between Corners A and B. The stockpiled location topsoil will be stored South of Corner #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 North.

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

## **FENCING REQUIREMENTS:**

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

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

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

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

## **10. PLANS FOR RESTORATION OF SURFACE**

### **A. PRODUCING LOCATION**

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

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

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

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

**B. DRY HOLE/ABANDONED LOCATION**

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

**11. SURFACE OWNERSHIP**

Access road: Federal

Location: Federal

**12. OTHER INFORMATION**

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

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

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

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable

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

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

**Additional Surface Stipulations**

None

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

**PERMITTING AGENT**

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

**DRILLING OPERATIONS**

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

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

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

**Certification**

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 940-26 Well, located in the SE/SW of Section 26, T9S, R22E, Uintah County, Utah; Lease #U-010956;** 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.

5-5-2005  
Date

  
Agent

EOG RESOURCES, INC.  
CWU #940-26  
SECTION 26, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.9 MILES, TURN RIGHT AND PROCEED IN A SOUTHERLY THEN, A WESTERLY THEN, A SOUTHWESTERLY THEN, A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY THEN, A SOUTHERLY THEN, A EASTERLY THEN, A SOUTHWESTERLY THEN, A SOUTHERLY THEN, A EASTERLY THEN, A SOUTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; PROCEED IN A WESTERLY THEN, A NORTHWESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE CWU #347-26 AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.9 MILES.

# EOG RESOURCES, INC.

CWU #940-26

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 26, T9S, R22E, S.L.B.&M.

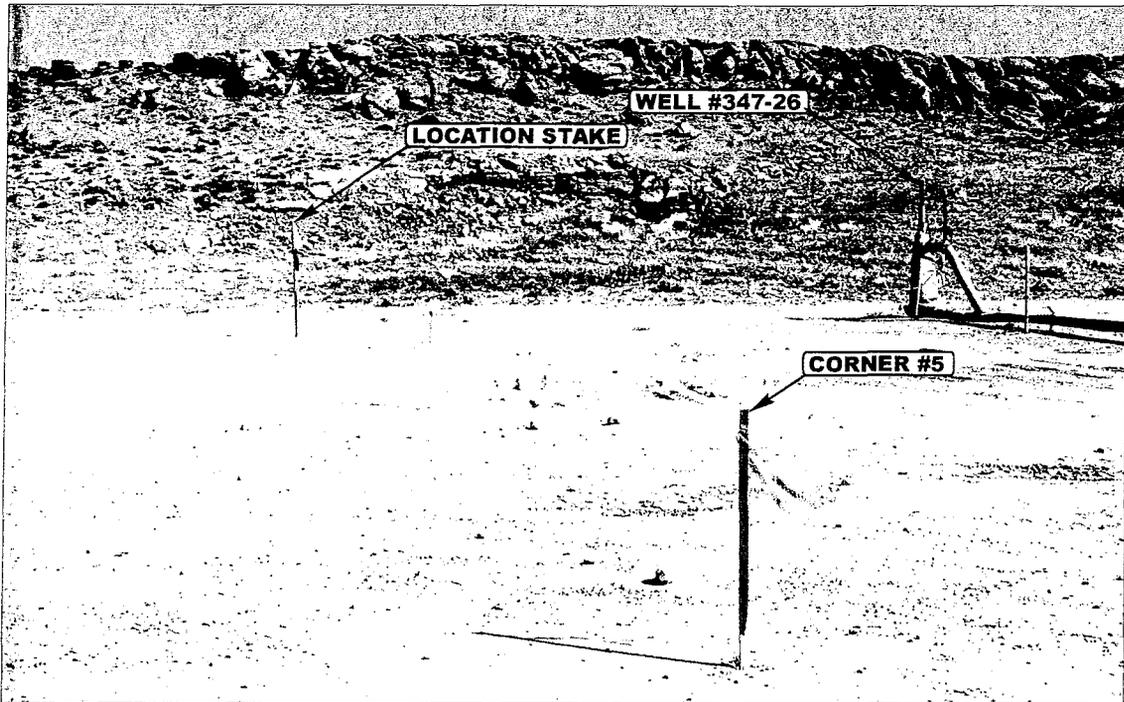


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY

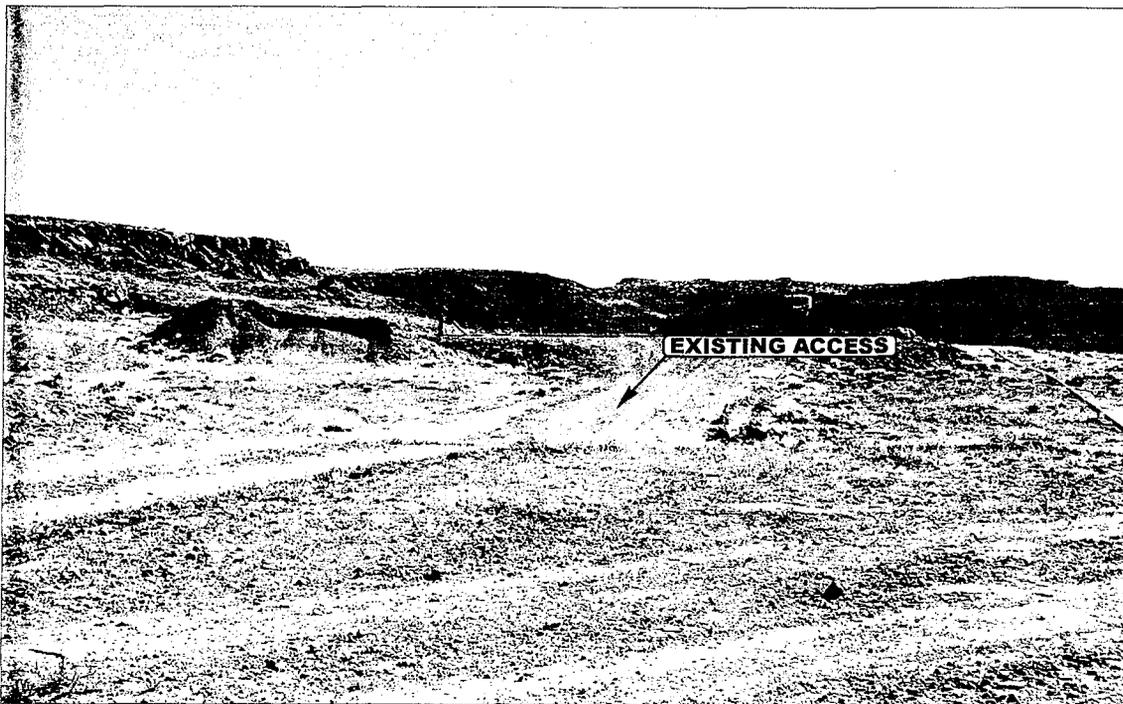


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

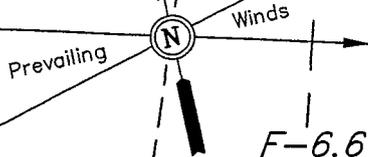
**E&L S** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	09	22	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.S.	DRAWN BY: L.K.		REVISED: 00-00-00	

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #940-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
735' FSL 2519' FWL



SCALE: 1" = 50'  
DATE: 09-24-04  
Drawn By: D.R.B.

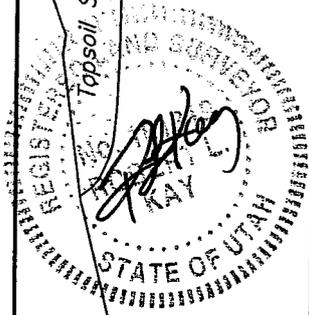
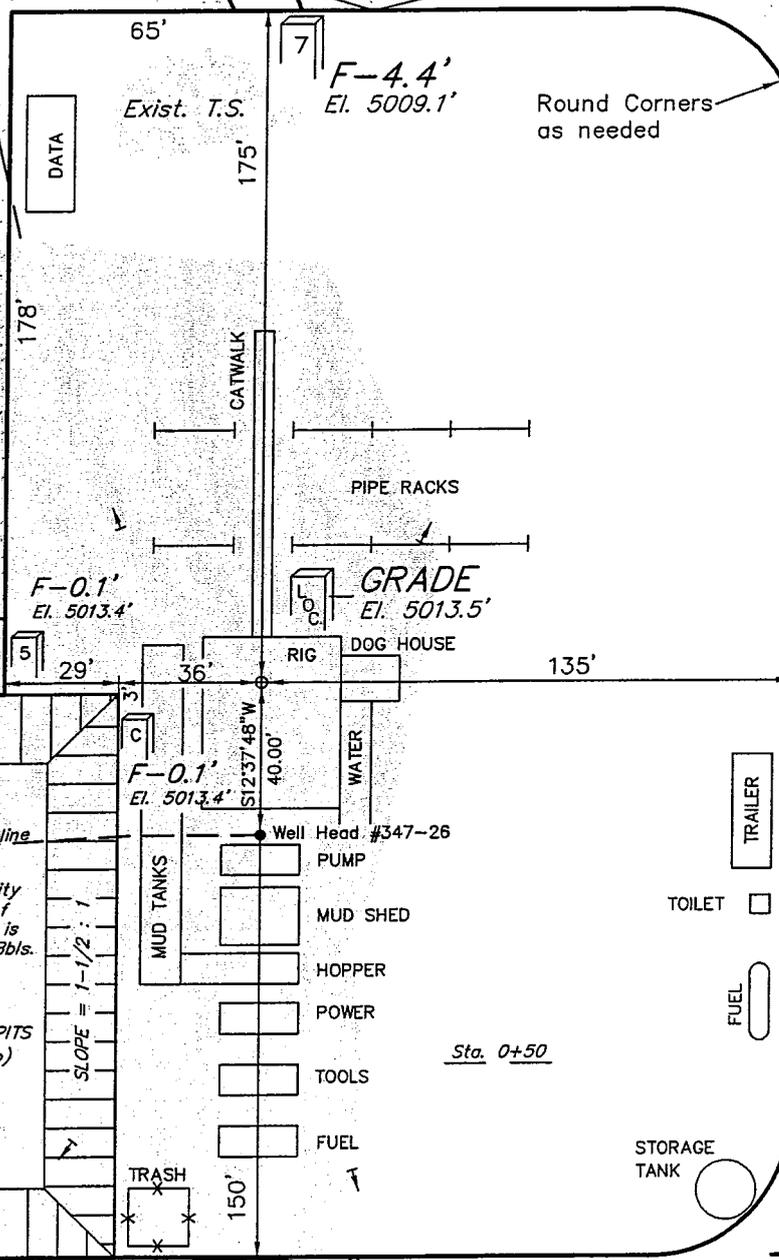
F-6.6'  
El. 5006.9'

Proposed Access Road

Reserve Pit Backfill & Spoils Stockpile

C-10.8'  
El. 5024.3'

Sta. 3+25



Sta. 1+50

C-15.2'  
El. 5028.7'

Sta. 0+50

Sta. 0+00

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

Approx. Toe of Fill Slope

El. 5013.2'  
C-11.7'  
(btm. pit)

El. 5013.9'  
C-12.4'  
(btm. pit)

El. 5013.5'  
GRADE

C-0.2'  
El. 5013.7'

Reserve Pit Backfill & Spoils Stockpile

C-20.8'  
El. 5034.3'

**NOTE:**  
THE PROPOSED LOCATION MAY REQUIRE ANY EXISTING FACILITIES STRUCTURES, PIPELINES, ECT. TO BE RELOCATED DURING DRILLING AND CONSTRUCTION.

Elev. Ungraded Ground at Location Stake = 5013.5'  
Elev. Graded Ground at Location Stake = 5013.5'

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

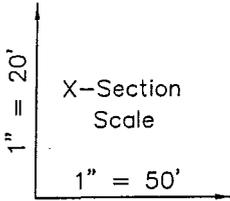
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

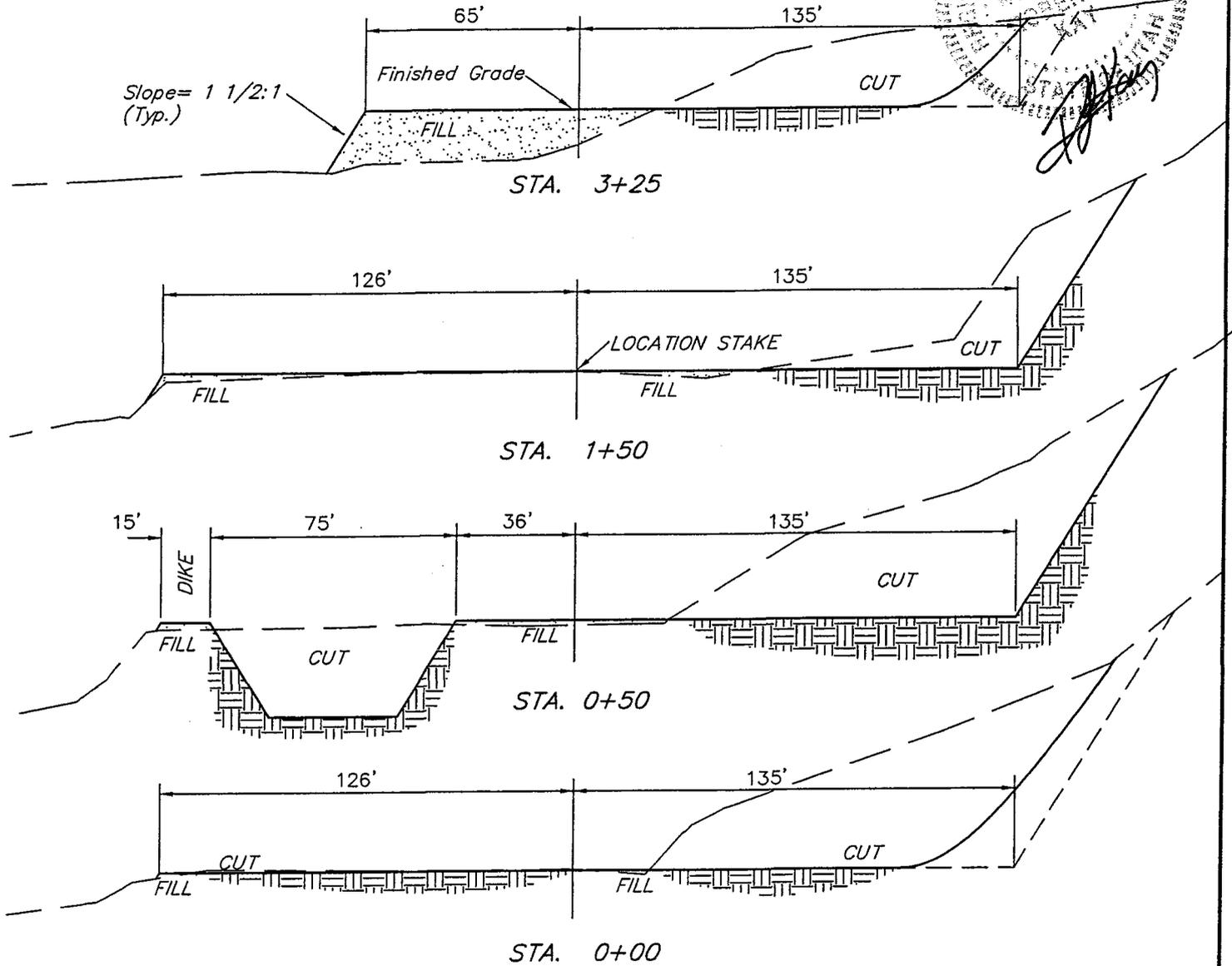
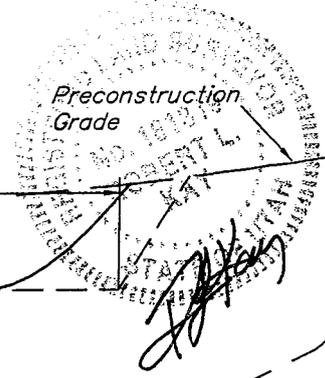
CWU #940-26

SECTION 26, T9S, R22E, S.L.B.&M.

735' FSL 2519' FWL



DATE: 09-24-04  
Drawn By: D.R.B.



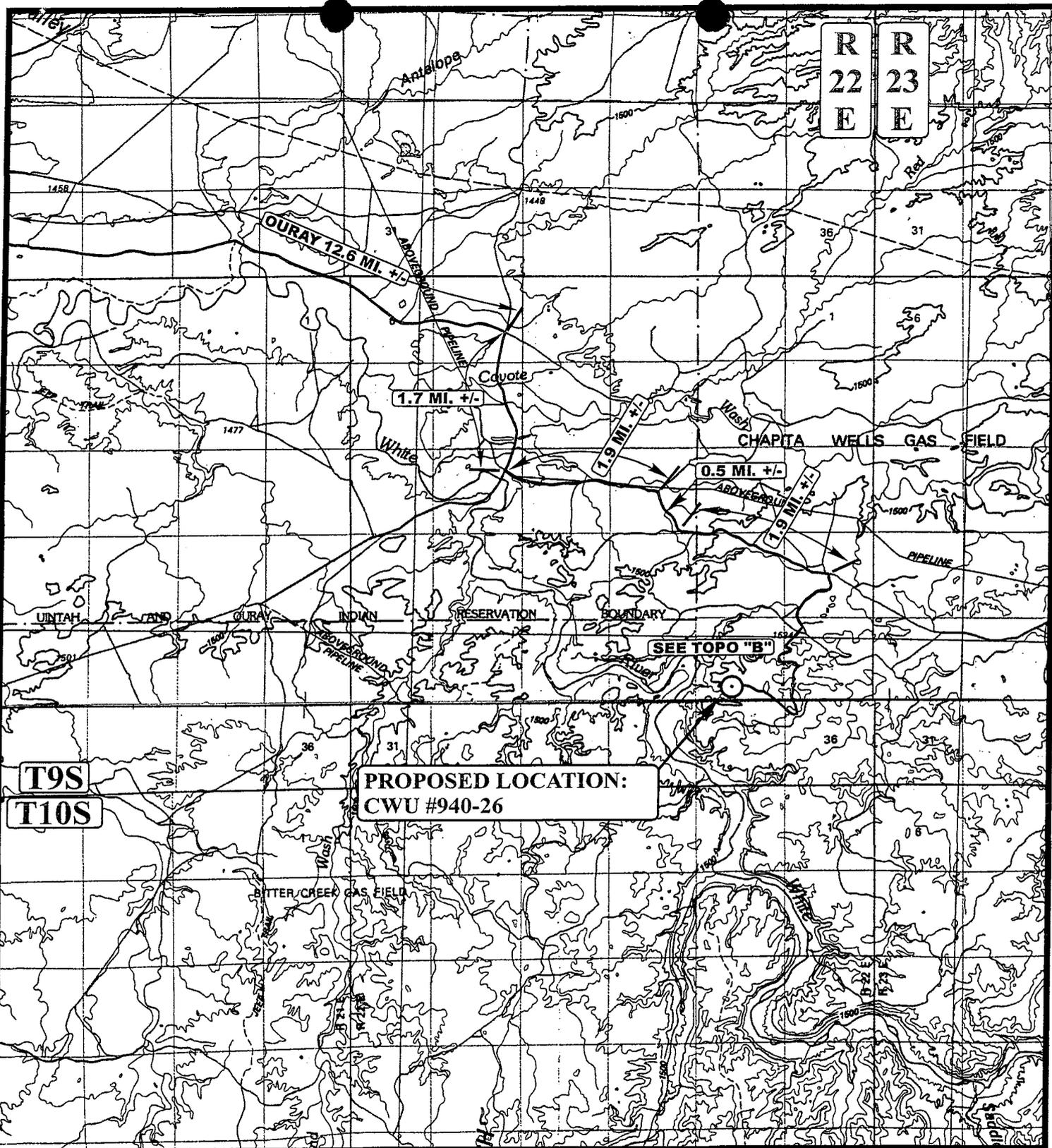
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	460 Cu. Yds.
(NEW CONSTRUCTION ONLY)		
Remaining Location	=	12,420 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>12,880 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>2,170 CU.YDS.</b>

EXCESS MATERIAL	=	10,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,120 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	8,590 Cu. Yds.

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



**LEGEND:**

⊙ PROPOSED LOCATION



**EOG RESOURCES INC.**

CWU #940-26  
SECTION 26, T9S, R22E, S.L.B.&M.  
735' FSL 2519' FWL



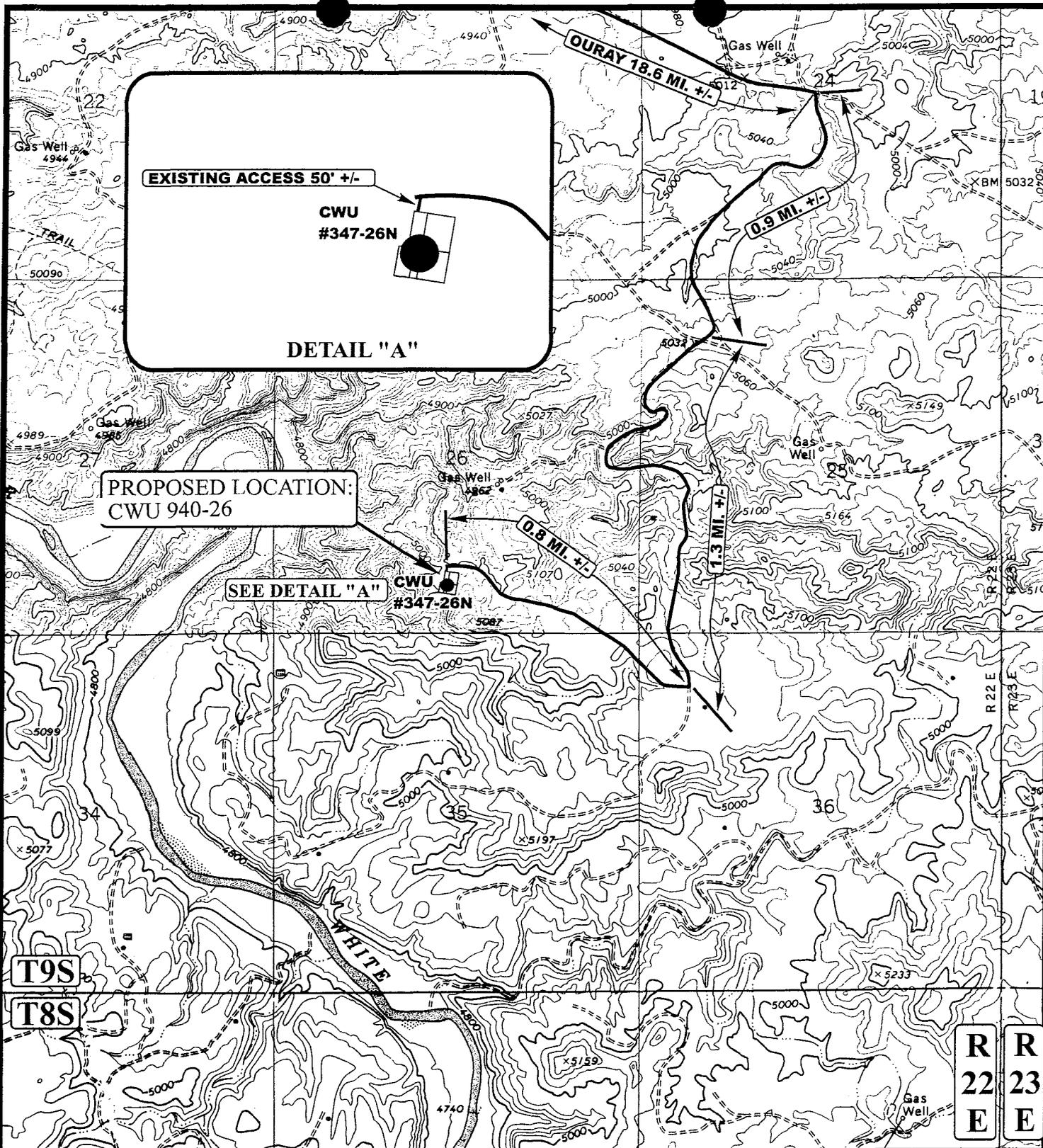
Utah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC MAP

09	22	04
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**EOG RESOURCES INC.**

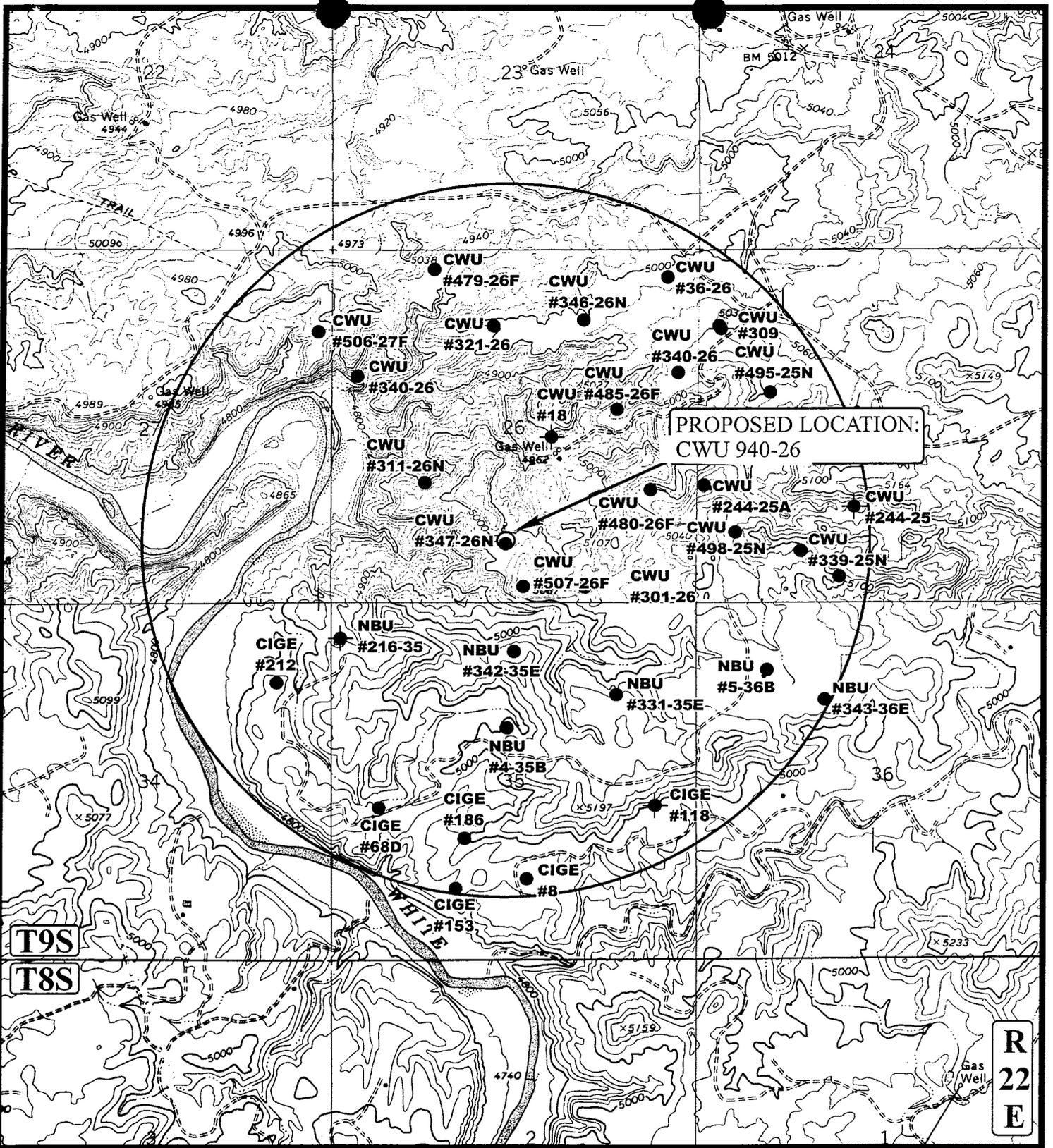
**CWU #940-26**  
**SECTION 26, T9S, R22E, S.L.B.&M.**  
**735' FSL 2519' FWL**



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

**TOPOGRAPHIC** **09 22 04**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





**LEGEND:**

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

**EOG RESOURCES INC.**

CWU #940-26  
 SECTION 26, T9S, R22E, S.L.B.&M.  
 735' FSL 2519' FWL

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

**TOPOGRAPHIC MAP** 09 22 04  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **C TOPO**



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

**004**

APD RECEIVED: 05/12/2005

API NO. ASSIGNED: 43-047-36691
--------------------------------

WELL NAME: CWU 940-26  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SESW 26 090S 220E  
 SURFACE: 0735 FSL 2519 FWL  
 BOTTOM: 0735 FSL 2519 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-010956  
 SURFACE OWNER: 1 - Federal  
 PROPOSED FORMATION: PRRV  
 COALBED METHANE WELL? NO

LATITUDE: 40.00180  
 LONGITUDE: -109.4070

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)

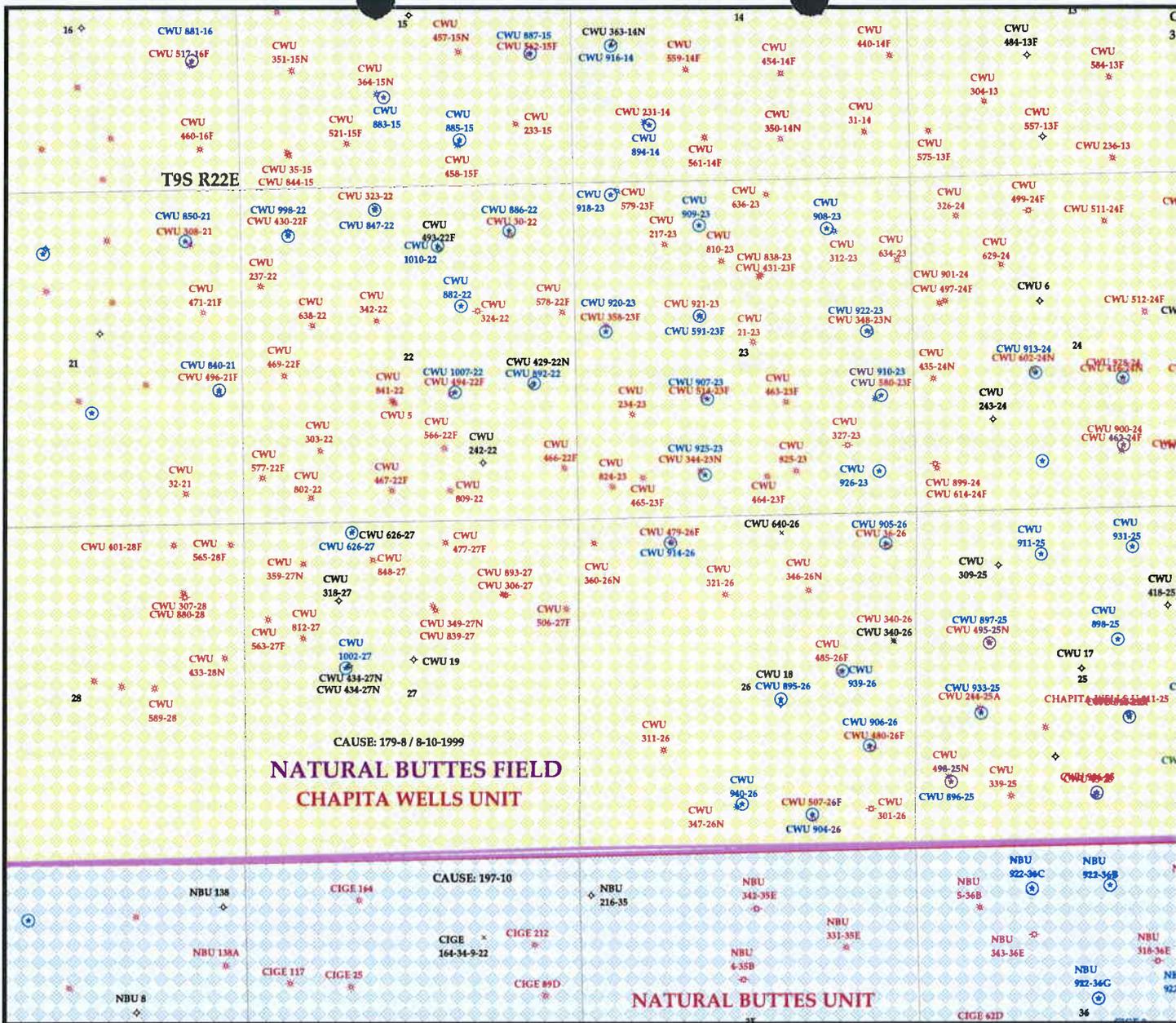
LOCATION AND SITING:

- 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: 174-8  
Eff Date: 8-10-1999  
Siting: Suspends General Siting
- R649-3-11. Directional Drill

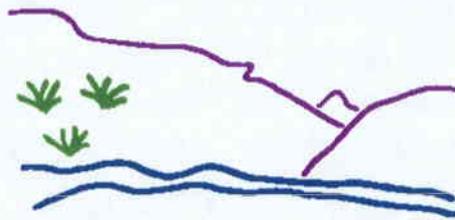
COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

*1- Federal Approved*  
*2- OIL SHALE*



**OPERATOR: EOG RESOURCES INC (N9550)**  
**SEC: 26 T. 9S R. 22E**  
**FIELD: NATURAL BUTTES (630)**  
**COUNTY: UINTAH**  
**CAUSE: 179-8 / 8-10-1999**



Utah Oil Gas and Mining



**PREPARED BY: DIANA WHITNEY**  
**DATE: 13-MAY-2005**

- |  |   |  |
|--|---|--|
| <b>Wells</b>   | <b>Units.shp</b>  | <b>Fields.shp</b>  |
| <ul style="list-style-type: none"> <li>⊕ GAS INJECTION</li> <li>⊙ GAS STORAGE</li> <li>× LOCATION ABANDONED</li> <li>⊕ NEW LOCATION</li> <li>⊕ PLUGGED &amp; ABANDONED</li> <li>⊕ PRODUCING GAS</li> <li>● PRODUCING OIL</li> <li>⊕ SHUT-IN GAS</li> <li>⊕ SHUT-IN OIL</li> <li>⊕ TEMP. ABANDONED</li> <li>⊙ TEST WELL</li> <li>⊕ WATER INJECTION</li> <li>⊕ WATER SUPPLY</li> <li>⊕ WATER DISPOSAL</li> </ul> | <ul style="list-style-type: none"> <li>□ EXPLORATORY</li> <li>□ GAS STORAGE</li> <li>□ NF PP OIL</li> <li>□ NF SECONDARY</li> <li>□ PENDING</li> <li>□ PI OIL</li> <li>□ PP GAS</li> <li>□ PP GEOTHERML</li> <li>□ PP OIL</li> <li>□ SECONDARY</li> <li>□ TERMINATED</li> </ul> | <ul style="list-style-type: none"> <li>□ ABANDONED</li> <li>□ ACTIVE</li> <li>□ COMBINED</li> <li>□ INACTIVE</li> <li>□ PROPOSED</li> <li>□ STORAGE</li> <li>□ TERMINATED</li> </ul> |

# 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)

May 17, 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 Price River)		
43-047-36687	CWU 980-12 Sec 12	T09S R22E 1834 FNL 0631 FWL
43-047-36688	CWU 1010-22 Sec 22	T09S R22E 0949 FNL 2147 FEL
43-047-36689	CWU 918-23 Sec 23	T09S R22E 0195 FNL 0606 FWL
43-047-36692	CWU 1002-27 Sec 27	T09S R22E 2305 FNL 1574 FWL
43-047-36696	CWU 939-26 Sec 26	T09S R22E 2487 FNL 1179 FEL
43-047-36691	CWU 940-26 Sec 26	T09S R22E 0735 FSL 2519 FWL
43-047-36690	CWU 929-24 Sec 24	T09S R22E 0773 FSL 2028 FWL
43-047-36693	CWU 817-28 Sec 28	T09S R23E 2013 FNL 1637 FWL
43-047-36694	CWU 950-30 Sec 30	T09S R23E 0468 FSL 0467 FWL
43-047-36695	CWU 969-30 Sec 30	T09S R23E 0944 FNL 1992 FEL
43-047-36697	CWU 528-12 Sec 12	T09S R22E 1450 FNL 1800 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**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 17, 2005

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

Re: Chapita Wells Unit 940-26 Well, 735' FSL, 2519' FWL, SE SW, Sec. 26,  
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36691.

Sincerely,

Gil Hunt  
Acting 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 940-26  
**API Number:** 43-047-36691  
**Lease:** U-010956

**Location:** SE SW                      Sec. 26                      T. 9 South                      R. 22 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
**EOG RESOURCES, INC.** MAY 11 2005

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

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **735' FSL, 2519' FWL SE/SW**  
At proposed prod. Zone  
11. Sec., T., R., M., or Blk. and Survey or Area  
**SEC. 26, T9S, R22E,  
S.L.B.&M.**

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

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) **735'** 16. No. of Acres in lease **320** 17. Spacing Unit dedicated to this well

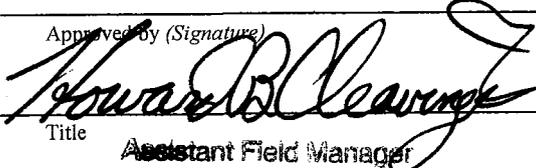
18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C **9125'** 20. BLM/BIA Bond No. on file **NM-2308**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **5013.5 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 officer.

25. Signature  Name (Printed/Typed) **RECEIVED**  
**Ed Trotter** **NOV 08 2005** Date **May 5, 2005**

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

Approved By (Signature)  Name (Printed/Typed) Date **10/13/2005**  
Title **Assistant Field Manager** Office

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

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



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO  
DRILL**

Company: **EOG Resources Inc**  
Well No: **CWU 940-26**

Location: **SESW Sec 26, T9S, R22E**  
Lease No: **UTU-010956**

Petroleum Engineer: Matt Baker  
Petroleum Engineer: Michael Lee  
Supervisory Petroleum Technician:  
Jamie Sparger

Office: 435-781-4490      Cell: 435-828-4470  
Office: 435-781-4432      Cell: 435-828-7875  
Office: 435-781-4502      Cell: 435-828-3913

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval.. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

## *Downhole Conditions of Approval*

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. Top of cement for the production casing shall be at a minimum of 2100'

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. 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 BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM 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 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers 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 BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location (1/4, Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first

production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt

The pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. The operator may request in writing an exception to this COA. Exceptions to this COA may be included but are not limited to: laterally extensive, hard indurated bedrock, such as sandstone, which is at or within 2 feet of the surface; and, soil types with a poor history for successful rehabilitation. The exception request will be reviewed by the authorized officer (AO) and a determination made.

Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.



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

ENTITY ACTION FORM

Operator: EOG RESOURCES  
Address: P.O. BOX 1815  
city VERNAL  
state UT zip 84078

Operator Account Number: N 9550  
Phone Number: (435) 781-9111

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36691	CHAPITA WELLS UNIT 940-26		SESW	26	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	99999	15302	4/6/2006		4/13/06		
Comments: <i>PRRV = MVRD - K</i>							

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)

Kaylene R. Gardner

Name (Please Print)

Signature

Regulatory Assistant

Title

4/7/2006

Date

RECEIVED  
APR 07 2006

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

3a. Address  
**P.O. Box 1815 Vernal, UT 84078**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**735 FSL 2519 FWL (SE/SW) S.L.B.&M  
 SECTION 26, T9S, R22E 40.001781 LAT 109.407708 LON**

5. Lease Serial No.  
**U-010956**

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 940-26**

9. API Well No.  
**43-047-36691**

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

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

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

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

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

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

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

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

**Kaylene R. Gardner**

Title **Regulatory Assistant**

Signature

Date

**04/07/2006**

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

Approved by

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

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(Instructions on page 2)

**RECEIVED**

**APR 10 2006**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
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**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  Oil Well  Gas Well  Other

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

3a. Address  
**P.O. Box 1815 Vernal, UT 84078**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**735 FSL 2519 FWL (SE/SW) S.L.B.&M  
SECTION 26, T9S, R22E 40.001781 LAT 109.407708 LON**

5. Lease Serial No.  
**U-010956**

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 940-26**

9. API Well No.  
**43-047-36691**

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

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

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

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

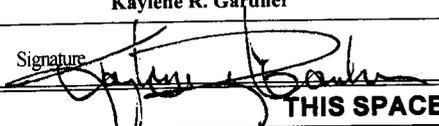
**EOG Resources, Inc. spud a 20" surface hole at the referenced location 4/6/2006 at 1:00 p.m. Dall Cook, representative for EOG, notified Matt Baker of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 4/6/2006 @ 10:45 a.m.**

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

**Kaylene R. Gardner**

Title **Regulatory Assistant**

Signature



Date

**04/07/2006**

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

Approved by

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Title

Date

Office

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-010956</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-824-5526</b>	7. If Unit or CA/Agreement, Name and/or No. <b>CHAPITA WELLS UNIT</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>735 FSL 2519 FWL (SESW) S.L.B.&amp;M Sec. 26-T9S-T22E, 40.001781 LAT -109.407708 LON</b>		8. Well Name and No. <b>CHAPITA WELLS UNIT 940-26</b>
		9. API Well No. <b>43-047-36691</b>
		10. Field and Pool, or Exploratory Area <b>NATURAL BUTTES</b>
		11. County or Parish, State <b>UINTAH COUNTY, UT</b>

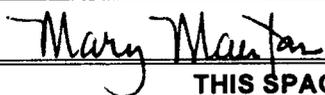
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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

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

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

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Mary Maestas</b>		Title <b>Operations Clerk</b>
Signature 	Date <b>04/10/2006</b>	

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

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

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(Instructions on page 2)

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**APR 11 2006**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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5. Lease Serial No.  
**U-010956**

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 940-26**

9. API Well No.  
**43-047-36691**

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

11. County or Parish, State  
**Uintah County, UT**

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**735' FSL & 2519' FWL (SESW)  
Sec. 26-T9S-R22E 40.0018 LAT 109.407 LON**

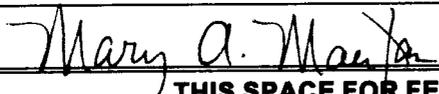
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	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompletable 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 recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**The referenced well was turned to sales 6/26/2006**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **Mary A. Maestas** Title **Operations Clerk**

Signature  Date **06/30/2006**

**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 07 2006**

RECEIVED

SEP 27 2006

Form 3160-4  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DIV. OF OIL, GAS & MINERAL

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

3. Address **600 17th Street, Suite 1000N, Denver, CO 80202**

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

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

At surface **735' FSL & 2519' FWL (SESW) 40.001781 LAT 109.407708 LON**

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

At total depth **Same**

14. Date Spudded  
**04/06/2006**

15. Date T.D. Reached  
**05/13/2006**

16. Date Completed **06/26/2006**  
 D & A  Ready to Prod.

18. Total Depth: MD **9125'**  
TVD

19. Plug Back T.D.: MD **8995**  
TVD

20. Depth Bridge Plug Set: MD  
TVD

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

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2126		600 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-9122		1880 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"	6771							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6785	8877	8662-8877		2/spf	
B)			8363-8612		2/spf	
C)			8077-8302		2/spf	
D)			7897-8032		2/spf	

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

Depth Interval	Amount and Type of Material
8662-8877	63,837 GALS GELLED WATER & 190,800# 20/40 SAND
8363-8612	57,201 GALS GELLED WATER & 168,700# 20/40 SAND
8077-8302	71,691 GALS GELLED WATER & 239,100# 20/40 SAND
7897-8032	61,233 GALS GELLED WATER & 192,800# 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
06/26/2006	07/03/2006	24	→	2	954	160			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"	2300	2900	→						

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)

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
<b>Mesaverde</b>	<b>6785</b>	<b>8877</b>		<b>Wasatch</b>	<b>4498</b>
				<b>Chapita Wells</b>	<b>5048</b>
				<b>Buck Canyon</b>	<b>5724</b>
				<b>North Horn</b>	<b>6476</b>
				<b>Island</b>	<b>6677</b>
				<b>Upper Price River</b>	<b>6752</b>
				<b>Middle Price River</b>	<b>7717</b>
<b>Lower Price River</b>	<b>8486</b>				
				<b>Sego</b>	<b>8992</b>

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) Mary A. Maestas

Title Operations Clerk

Signature

*Mary A. Maestas*

Date 08/07/2006

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 940-26 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7662-7848	2/spf
7346-7578	2/spf
7002-7289	2/spf
6785-6942	2/spf

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

7662-7848	55,689 GALS GELLED WATER & 169,000# 20/40 SAND
7346-7578	57,327 GALS GELLED WATER & 168,700# 20/40 SAND
7002-7289	62,199 GALS GELLED WATER & 191,500# 20/40 SAND
6785-6942	60,939 GALS GELLED WATER & 185,320# 20/40 SAND

Perforated the Lower Price River from 8662'-63', 8682'-83', 8729'-30', 8767'-68', 8791'-92', 8805'-06', 8838'-40', 8846'-47', 8870'-72' & 8876'-77' w/ 2 spf.

Perforated the Lower/Middle Price River from 8363'-64', 8411'-13', 8433'-34', 8445'-47', 8491'-92', 8516'-17', 8556'-57', 8579'-80', 8586'-87' & 8611'-12' w/ 2 spf.

Perforated the Middle Price River from 8077'-78', 8092'-93', 8104'-05', 8120'-22', 8141'-42', 8150'-51', 8197'-98', 8214'-15', 8226'-27', 8241'-42', 8281'-83' & 8301'-02 w/ 2 spf.

Perforated the Middle Price River from 7897'-99', 7927'-29', 7938'-40', 7949'-50', 7968'-69', 7976'-77', 7992'-93', 8001'-02', 8009'-10', 8021'-22' & 8031'-32' w/ 2 spf.

Perforated the Middle Price River from 7662'-63', 7690'-91', 7722'-23', 7774'-75', 7788'-90', 7799'-7801', 7810'-12', 7839'-40' & 7847'-48' w/ 2 spf.

Perforated the Upper Price River from 7346'-47', 7357'-58', 7400'-01', 7422'-23', 7434'-35', 7442'-43', 7449'-50', 7489'-91', 7501'-03', 7533'-34', 7553'-54' & 7577'-78' w/ 2 spf.

Perforated the Upper Price River from 7002'-03', 7013'-14', 7026'-27', 7045'-47', 7063'-64', 7115'-16', 7126'-27', 7134'-35', 7203'-04', 7224'-25', 7234'-35' & 7287'-89' w/ 2 spf.

Perforated the Upper Price River from 6785'-86', 6800'-02', 6819'-20', 6866'-67', 6887'-89', 6903'-04', 6920'-21', 6931'-33' & 6941'-42' w/ 2 spf.

43-047-36691



**EOG Resources, Inc.**  
**600 Seventeenth St., Ste. 1100 N**  
**Denver, CO 80202**  
**(303) 572-9000**  
**Fax (303) 824-5400**

January 22, 2006

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

RE: CWU #940-26  
T9S-R22E-Sec.26  
Uintah, Utah

Gentlemen:

Enclosed herewith are the following logs and data associated with the subject well:

Reservoir Saturation Log Gamma Ray / CCL  
Cement Bond Log Gamma Ray CCL

If you have any questions, please do not hesitate to contact me.

Very truly yours,

EOG RESOURCES, INC.

Delores Montoya  
Exploration & Operations Senior Secretary  
Denver Office

Enc.  
Cc: Well File

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JAN 30 2007  
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**

*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)

**735' FSL & 2519' FWL (SESW)  
 Sec. 26-T9S-R22E 40.001781 LAT 109.407708 LON**

5. Lease Serial No.

**U-010956**

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 940-26**

9. API Well No.

**43-047-36691**

10. Field and Pool, or Exploratory Area

**Natural Buttes/Mesaverde**

11. County or Parish, State

**Uintah County, UT**

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

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

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

**The reserve pit on the referenced location was closed on 8/25/2006 as per the APD procedure.**

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

**Mary A. Maestas**

Title **Regulatory Assistant**

Signature

*Mary A. Maestas*

Date

**02/06/2007**

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

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

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**FEB 08 2007**

DIV. OF OIL, GAS & MINING



# 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

**AUG 27 2007**

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

Re: Consolidated Mesaverde Formation PA  
"A-B-D-E-F-G-H-I-J-K-L-N-P" Chapita Wells Unit  
Uintah County, Utah

Gentlemen:

The Consolidated Mesaverde Formation PA "A-B-D-E-F-G-H-I-J-K-L-N-P", Chapita Wells Unit, CRS No. UTU63013AH, AFS No. 892000905AH, is hereby approved effective as of June 1, 2006, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Wasatch Formation PA "A-B-D-E-F-G-H-I-J-K-L-N-P" results the addition of 240.00 to the participating area for a total of 8,874.69 acres and is based upon the completion of the following wells capable of producing unitized substances in paying quantities.

*To 13650*

WELL NO.	API NO.	LOCATION	LEASE NO.
1029-26	43-047-36899	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , 26-9S-22E	UTU0285A
940-26	43-047-36691	SE $\frac{1}{4}$ SW $\frac{1}{4}$ , 26-9S-22E	UTU010956
852-32	43-047-35205	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 32-9S-23E	ML3355

*from*

*15302*

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 Mesaverde Formation PA "A-B-D-E-F-G-H-I-J-K-L-N-P", Chapita Wells Unit, and the effective date.

Sincerely,

*/s/ Julie Howard*

Julie Howard  
Acting Chief, Branch of Fluid Minerals

**RECEIVED**

**- AUG 31 2007**

Enclosure

DIV. OF OIL, GAS & MINING

**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
43-047-36972	CWU 961-33		NWSW	33	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	14091	13650	4/25/2006		6/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36899	CWU 1029-26		NESW	26	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15253	13650	3/22/2006		6/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36691	CWU 940-26		SESW	26	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15302	13650	4/6/2006		6/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**ACTION CODES:**

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

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

12/26/2007

Date

**RECEIVED**

**DEC 26 2007**

DIV. OF OIL, GAS & MINING