

003

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 969-30
NW/NE, SEC. 30, T9S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: U-0337
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

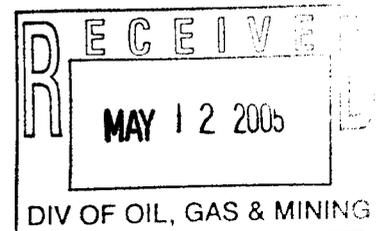
Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

CWU 969-30 B



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001 APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0337
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC.		7. If Unit or CA Agreement, Name and No. CHAPITA WELLS UNIT
3a. Address P.O. BOX 1815 VERNAL, UT 84078		8. Lease Name and Well No. CHAPITA WELLS UNIT 969-30
3b. Phone No. (Include area code) (435)789-0790		9. API Well No. 43-047-36695
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 944' FNL, 1992' FEL <i>639410 X 40.011732</i> At proposed prod. Zone <i>44301274 NW/NE -109.366596</i>		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 19.92 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area SEC. 30, T9S, R23E, S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. 944' (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease 2344	12. County or Parish UINTAH
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth 9050'	13. State UTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5113.6 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	17. Spacing Unit dedicated to this well
24. Attachments		20. BLM/BIA Bond No. on file NM-2308
23. Estimated duration 45 DAYS		

Attachments

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

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

25. Signature 	Name (Printed/Typed) Ed Trotter	Date May 5, 2005
Title Agent		

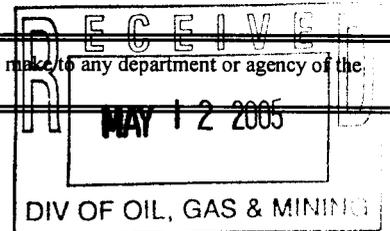
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III	Date 05-17-05
Title	Office	

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**

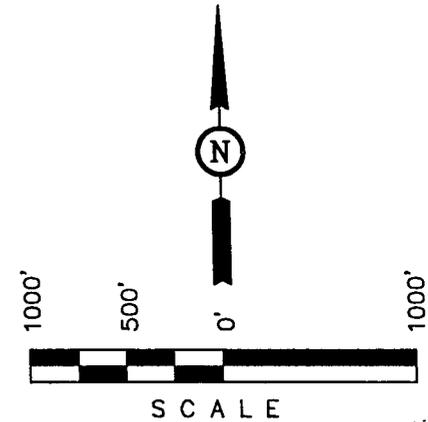


EOG RESOURCES, INC.

Well location, CWU #969-30, located as shown in the NW 1/4 NE 1/4 of Section 30, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 58EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.



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.

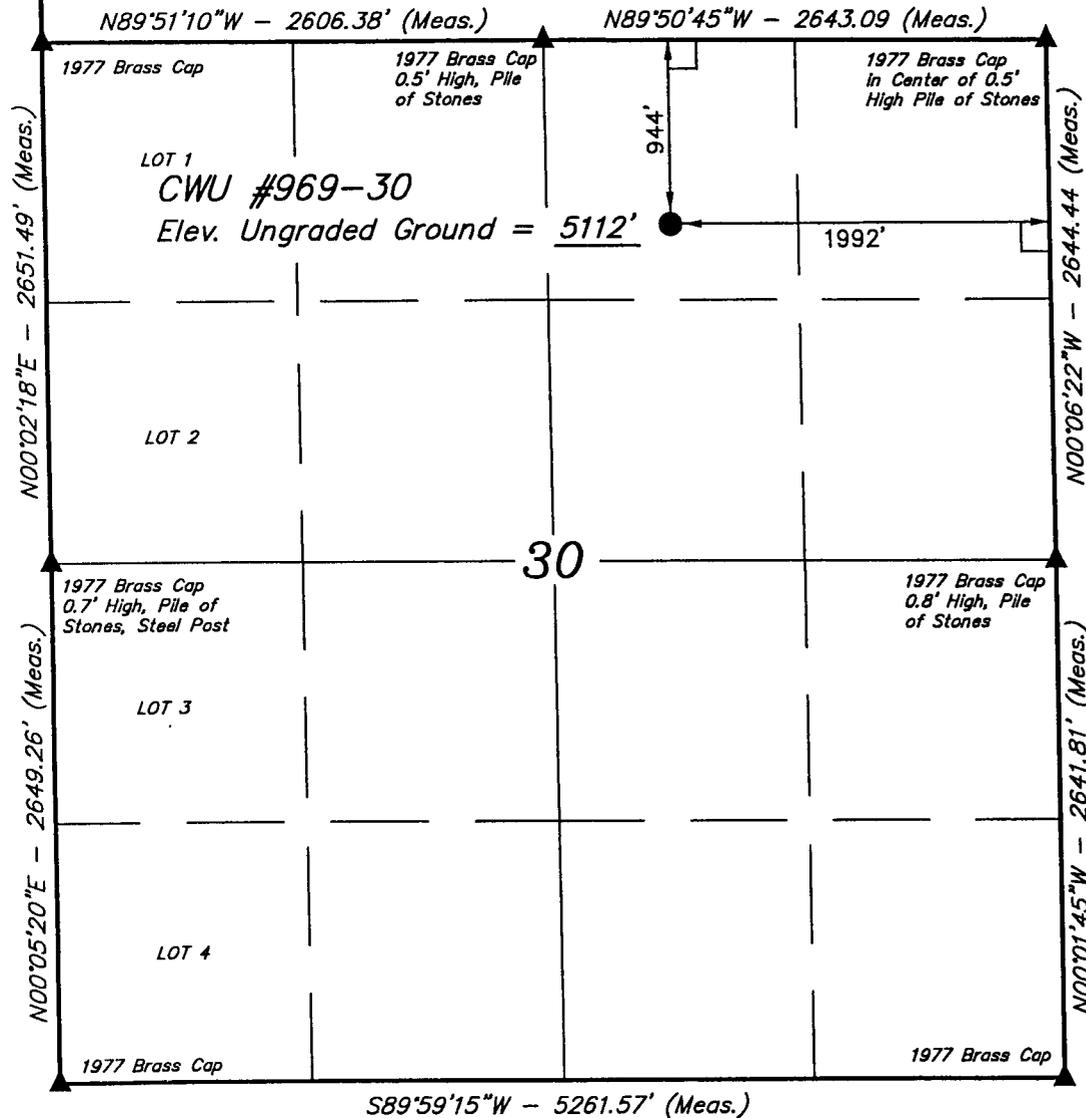
Robert H. ...
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 181819
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 03-02-04	DATE DRAWN: 03-10-04
PARTY G.O. D.J. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

R
22
E

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



BASIS OF BEARINGS

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

LEGEND:

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

(NAD 27)
 LATITUDE = 40°00'42.09" (40.011692)
 LONGITUDE = 109°21'59.82" (109.366617)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 969-30
NW/NE, SEC. 30, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River	2,361'
Wasatch	4,592'
Island	6,821'
KMV Price River	7,037'
KMV Price River Middle	7,651'
KMV Price River Lower	8,397'
Sego	8,847'

EST. TD: **9,050'**

Anticipated BHP **3,900 PSI**

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

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
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	9,050' +/-	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 5th joint to surface. (15 total)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 969-30 NW/NE, SEC. 30, T9S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

Float Equipment (Continued):

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

FS, 1 joint of casing, FC, and balance of casing to surface. Run 11.6#, N-80 burst rating or equivalent marker collars or short casing joints at $\pm 7,539'$ (**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 2nd 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):

± 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 CO₂ 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 CO₂ contamination with Lime and/or Gypsum.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 969-30 NW/NE, SEC. 30, T9S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

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

8. EVALUATION PROGRAM:

Logs: No Open Hole Logs
Cased Hole Logs.

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 ft³/sk., 24.5 gps water.

Tail: 290 sks: (50% excess volume) Class 'G' cement (coverage from 2700-1700') with 10% D53 (Gypsum), 2% S1 (CaCl₂) & 0.25 pps D29 (Cellophane flakes) mixed at 14.2 ppg, 1.61 ft³/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 ft³/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 ft³/sk., 5.2 gps water.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 969-30
NW/NE, SEC. 30, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (\pm 2300' to TD)

Lead: 110 sks 35:65 Poz G w/ 4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.25 pps D29 (cello flakes), mixed at 13.0 ppg, 1.73 ft³/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 ft³/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.

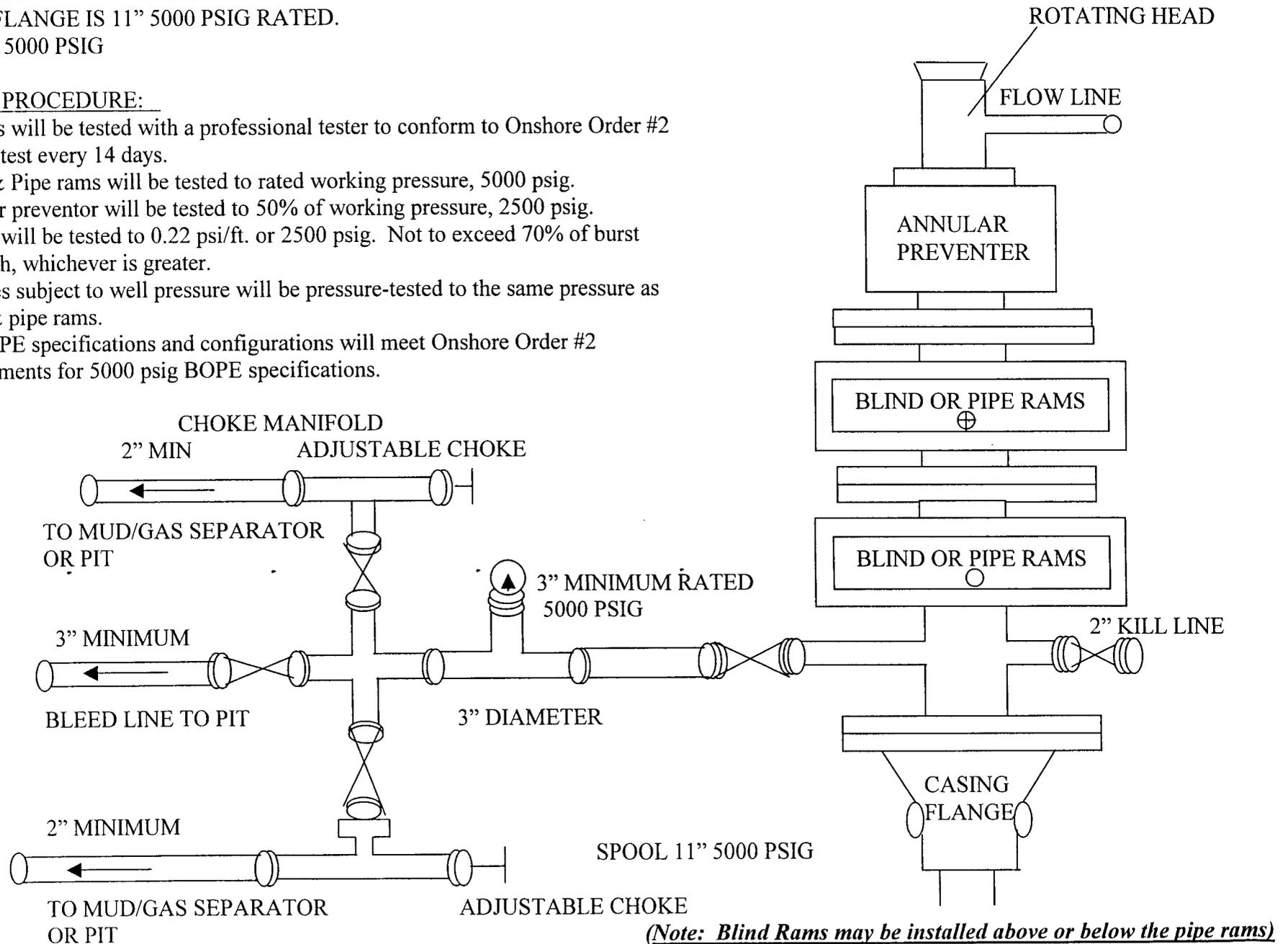
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

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

TESTING PROCEDURE:

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



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

Company/Operator: EOG Resources, Inc.
Well Name & Number: Chapita Wells Unit 969-30
Lease Number: U-0337
Location: 944' FNL & 1992' FEL, NW/NE, Sec. 30,
T9S, R23E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 19.92 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 100 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

- A. Abandoned wells - 4*
- B. Producing wells - 6*
- C. Shut in wells - 1*

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

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

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 479' from proposed location to a point in the NW/NE of Section 30, T9S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of-Way grant will not be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

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

5. LOCATION & TYPE OF WATER SUPPLY

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

6. SOURCE OF CONSTRUCTION MATERIAL

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

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

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

drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

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

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

On BLM administered land:

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

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

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

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

The stockpiled pit topsoil will be stored separate from the location topsoil Southwest of Corners B and 5. The stockpiled location topsoil will be stored between Corners 2 and 8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the

approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the North.

X The reserve pit shall be narrowed to 65' wide to avoid the existing pond.

X Corner #6 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

- X The spillway on the existing pond will be lowered one (1) foot, and the overflow diverted around the location on the Southeast side.
The berm of the pond will be smoothed and the reserve pit shall be narrowed to 65' wide to avoid the pond.**

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 969-30 Well, located in the NW/NE of Section 30, T9S, R23E, Uintah County, Utah; Lease #U-0337;** 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 #969-30
SECTION 30, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 100' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 50.9 MILES.

EOG RESOURCES, INC.

CWU #969-30

LOCATED IN UINTAH COUNTY, UTAH
SECTION 30, T9S, R23E, S.L.B.&M.

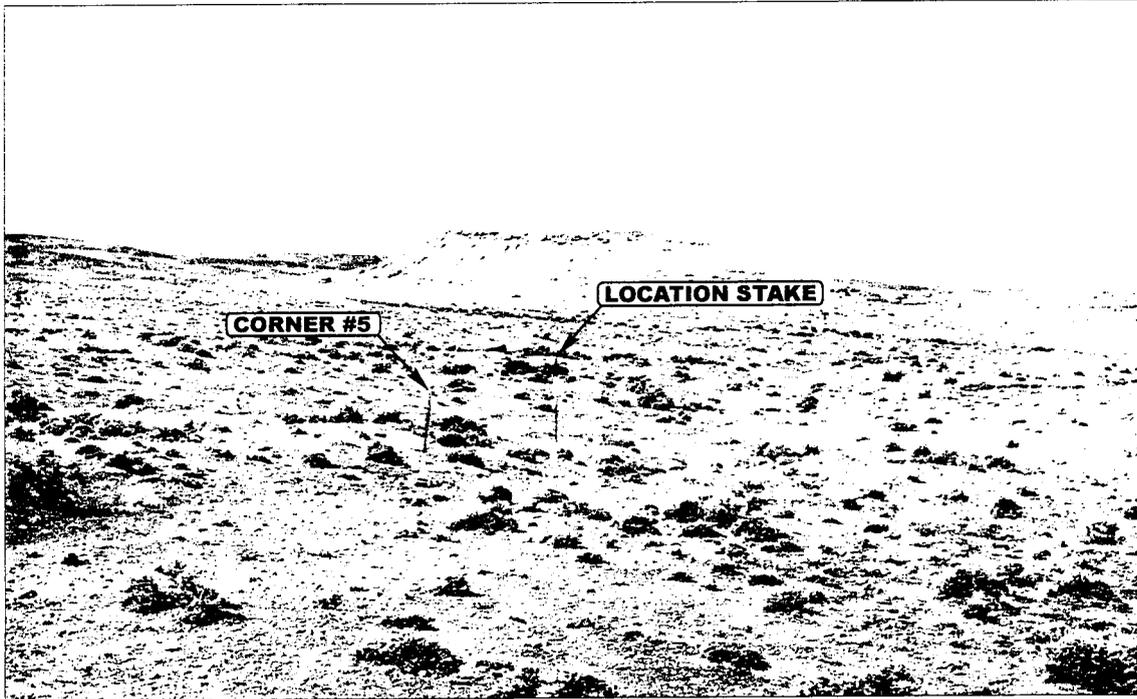


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

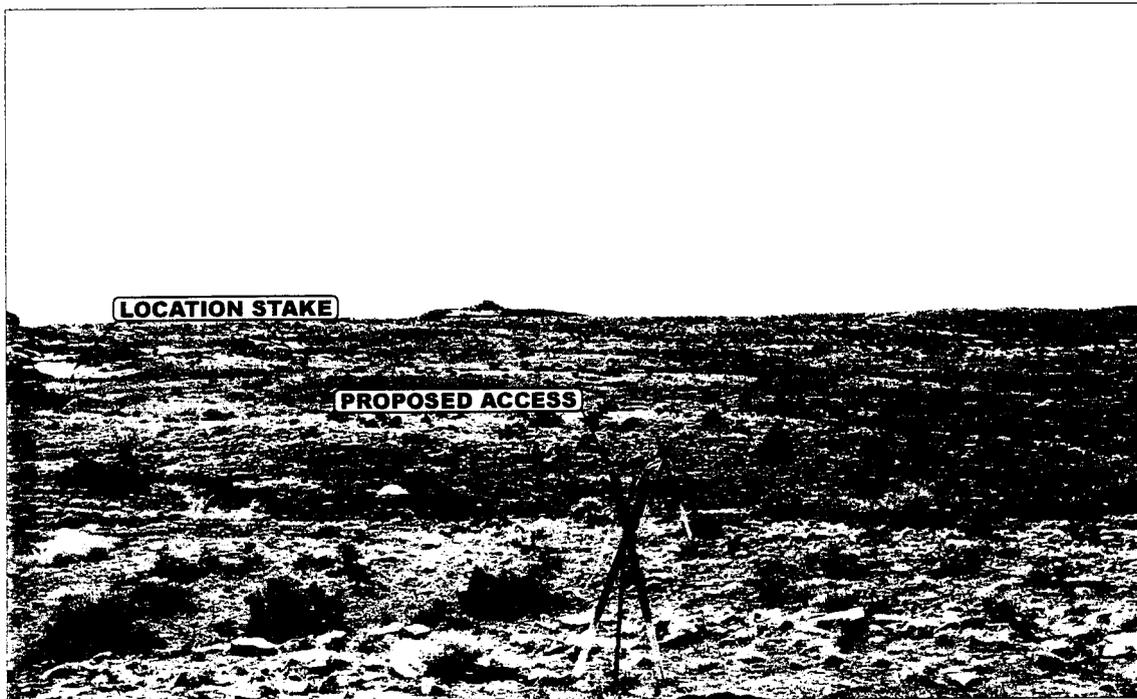


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	03	02	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.O.	DRAWN BY: P.M.		REVISED: 00-00-00	

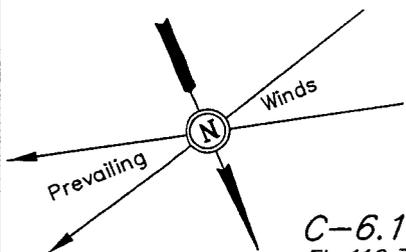
EOG RESOURCES, INC.

LOCATION LAYOUT FOR

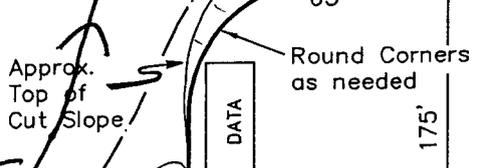
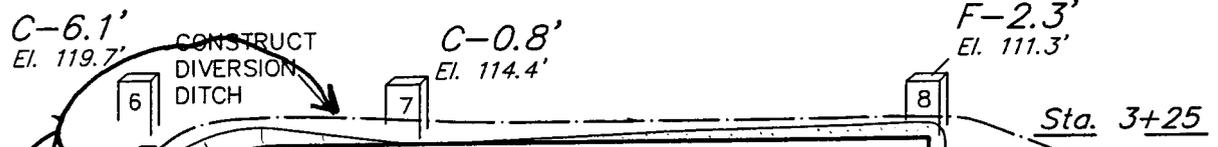
CWU #969-30

SECTION 30, T9S, R23E, S.L.B.&M.

944' FNL 1992' FEL

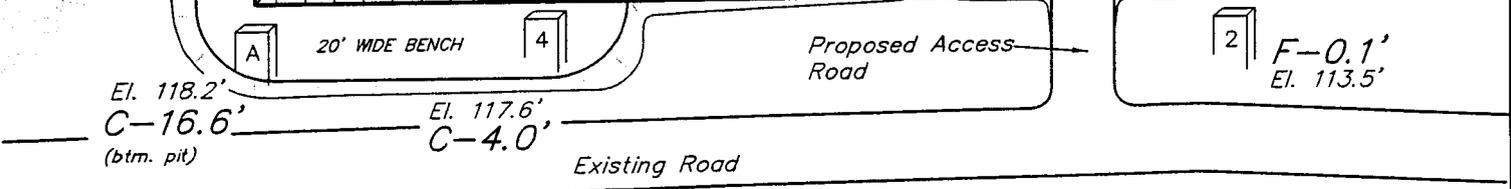
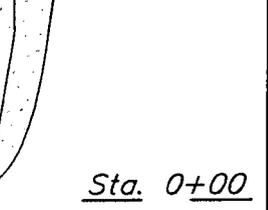
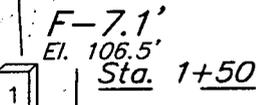
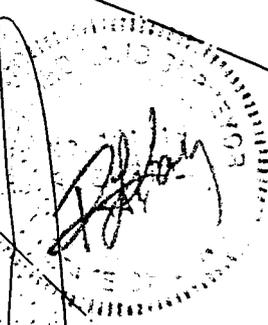
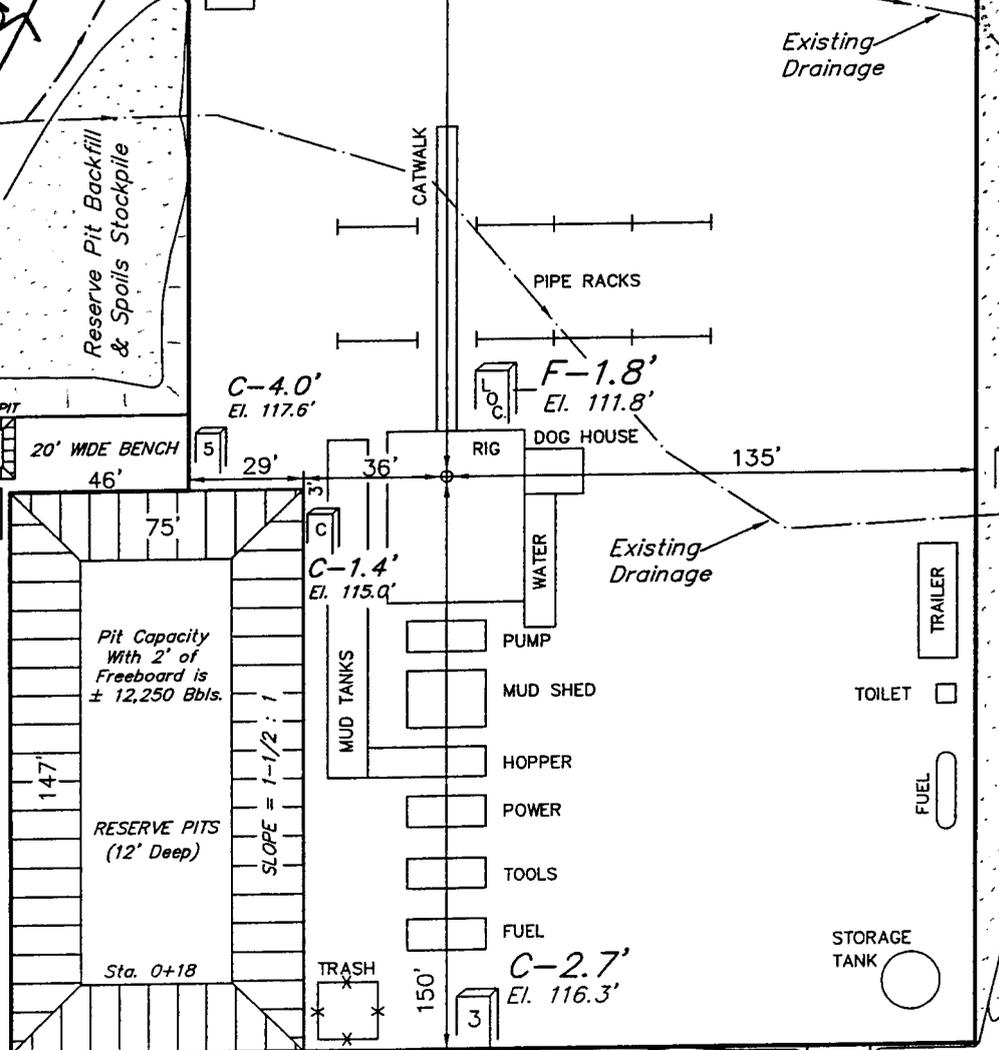
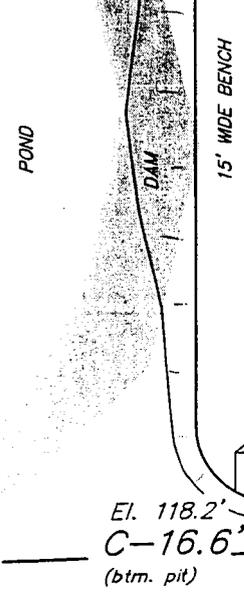
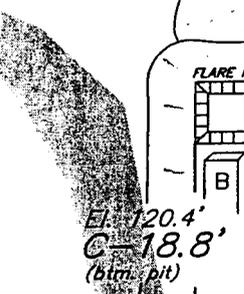
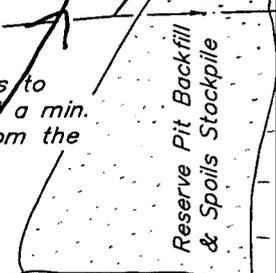


SCALE: 1" = 50'
DATE: 03-10-04
Drawn By: D.R.B.



NOTE:
EARTHWORK CALCULATIONS REQUIRED A FILL OF 1.8' @ THE LOCATION STAKE FOR BALANCE. ALL FILL IS TO BE COMPACTED TO A MINIMUM OF 95% OF THE MAXIMUM DRY DENSITY OBTAINED BY AASHTO METHOD t-99.

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



Elev. Ungraded Ground at Location Stake = 5111.8'
Elev. Graded Ground at Location Stake = 5113.6'

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

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

CWU #969-30

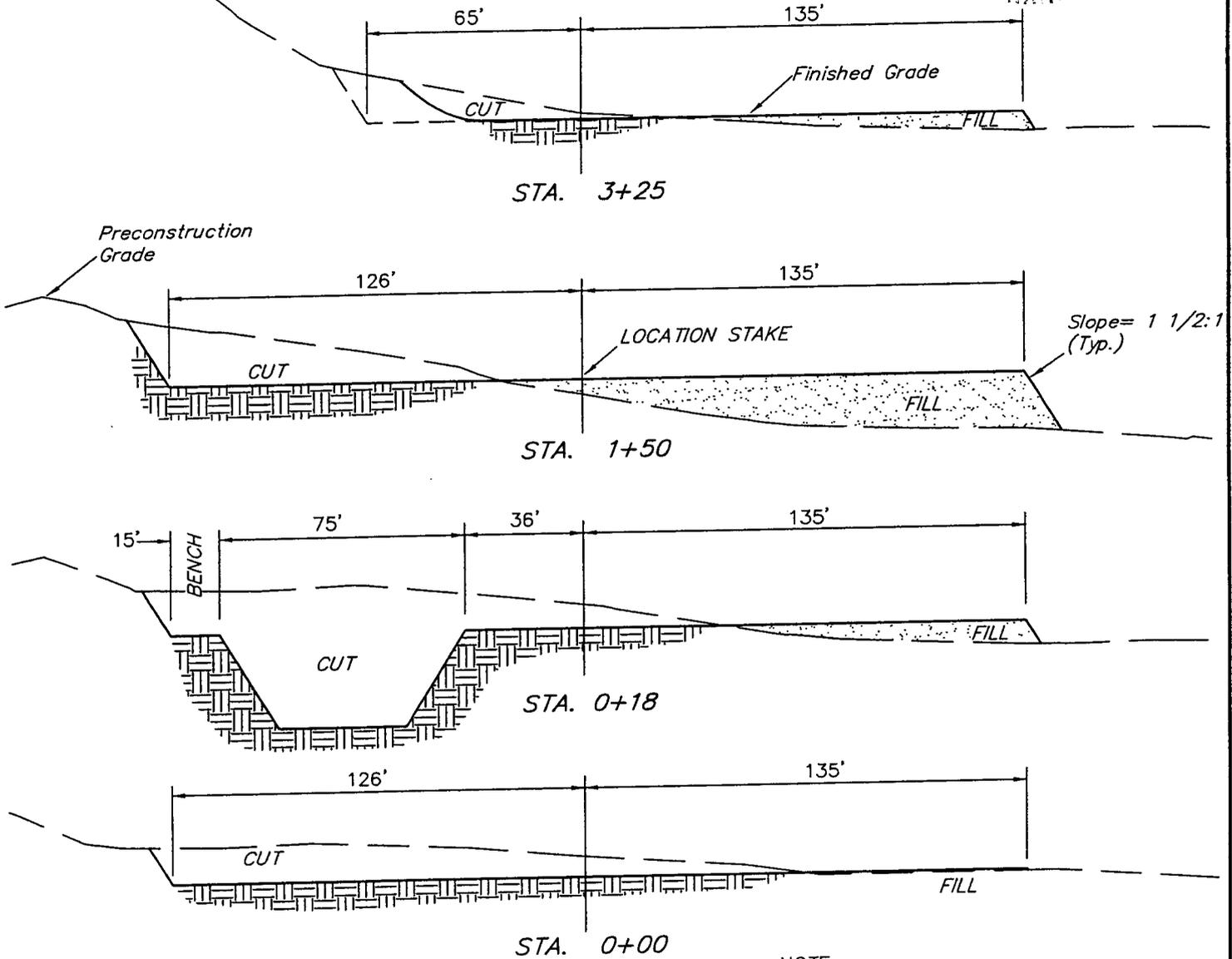
SECTION 30, T9S, R23E, S.L.B.&M.

944' FNL 1992' FEL



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

DATE: 03-10-04
Drawn By: D.R.B.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

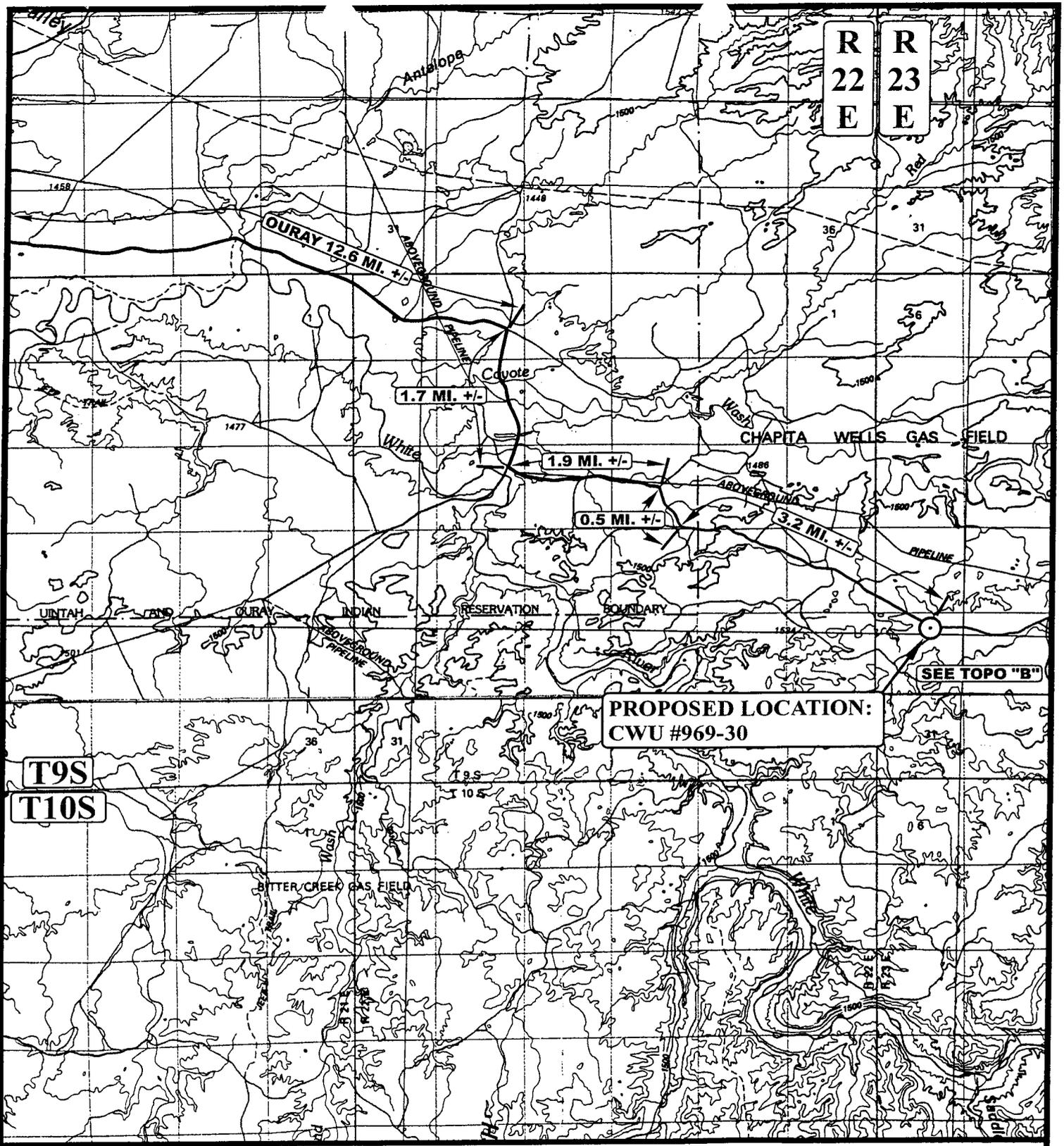
NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,620 Cu. Yds.
Remaining Location	=	7,860 Cu. Yds.
TOTAL CUT	=	9,480 CU.YDS.
FILL	=	6,200 CU.YDS.

EXCESS MATERIAL	=	3,280 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,280 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

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



**PROPOSED LOCATION:
CWU #969-30**

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION



EOG RESOURCES, INC.

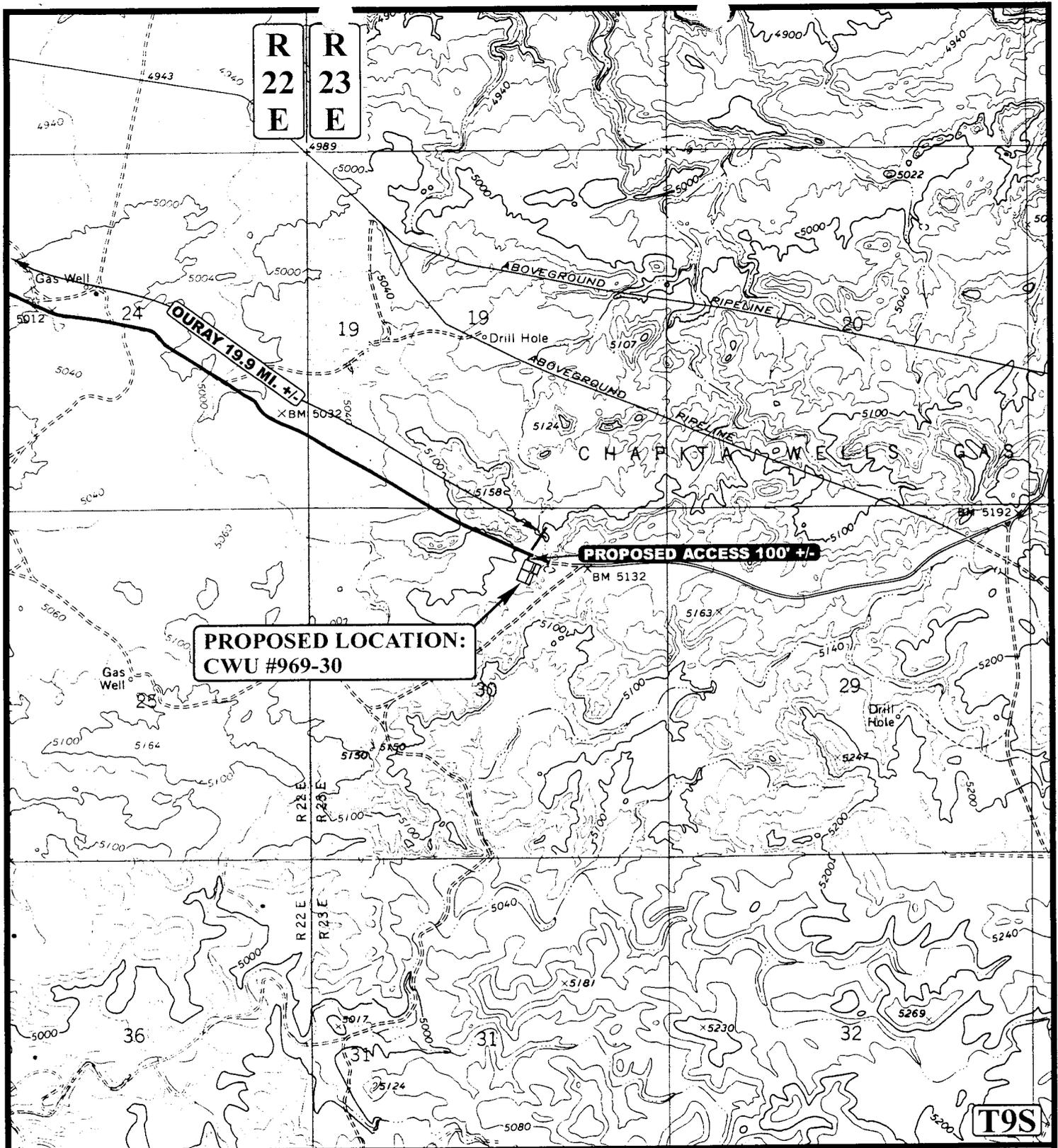
CWU #969-30
SECTION 30, T9S, R23E, S.L.B.&M.
944' FNL 1992' FEL



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

TOPOGRAPHIC MAP
03 MONTH 02 DAY 04 YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



EOG RESOURCES, INC.

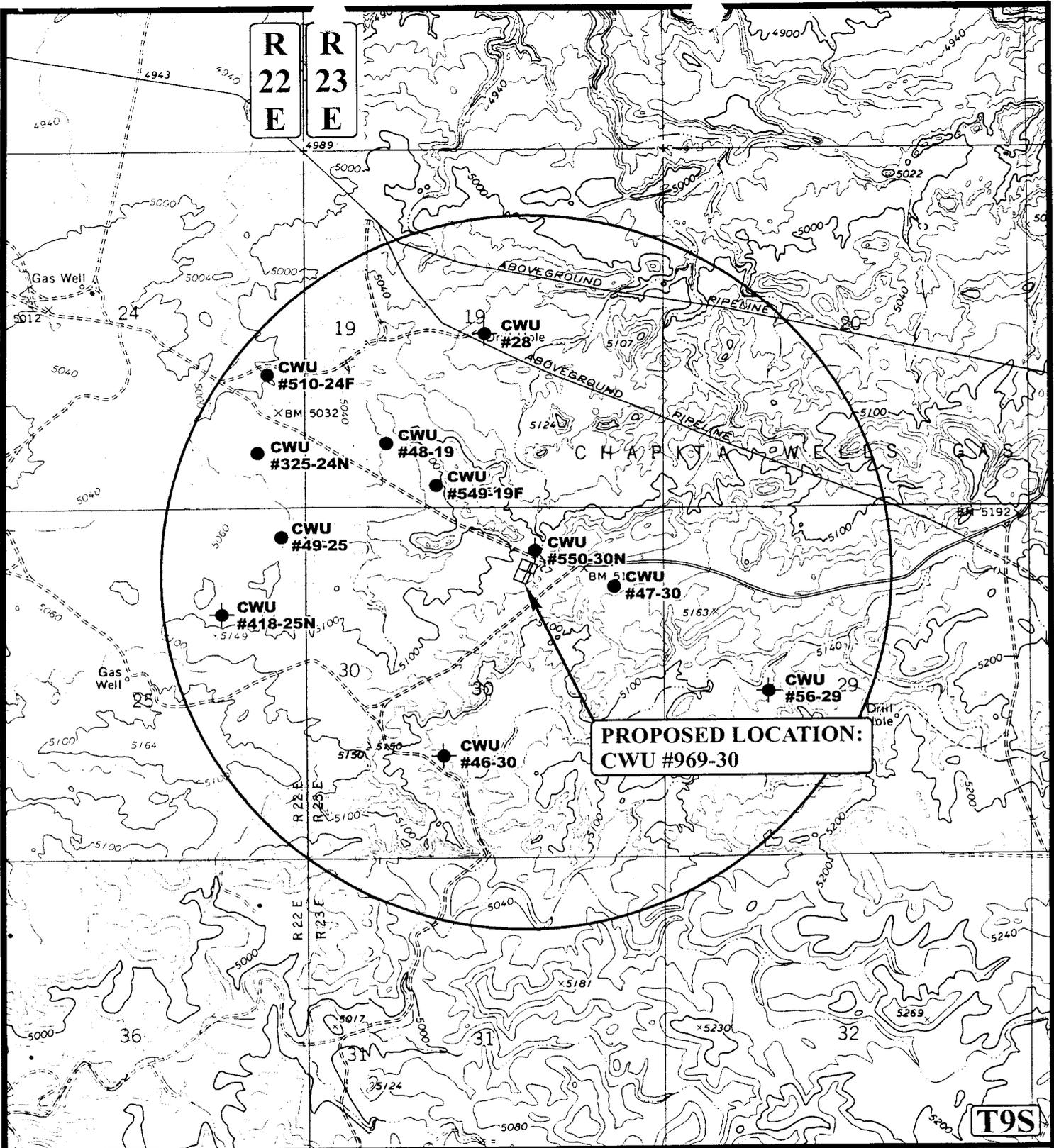
CWU #969-30
SECTION 30, T9S, R23E, S.L.B.&M.
944' FNL 1992' FEL



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

TOPOGRAPHIC MAP	03	02	04
	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00





LEGEND:

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



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

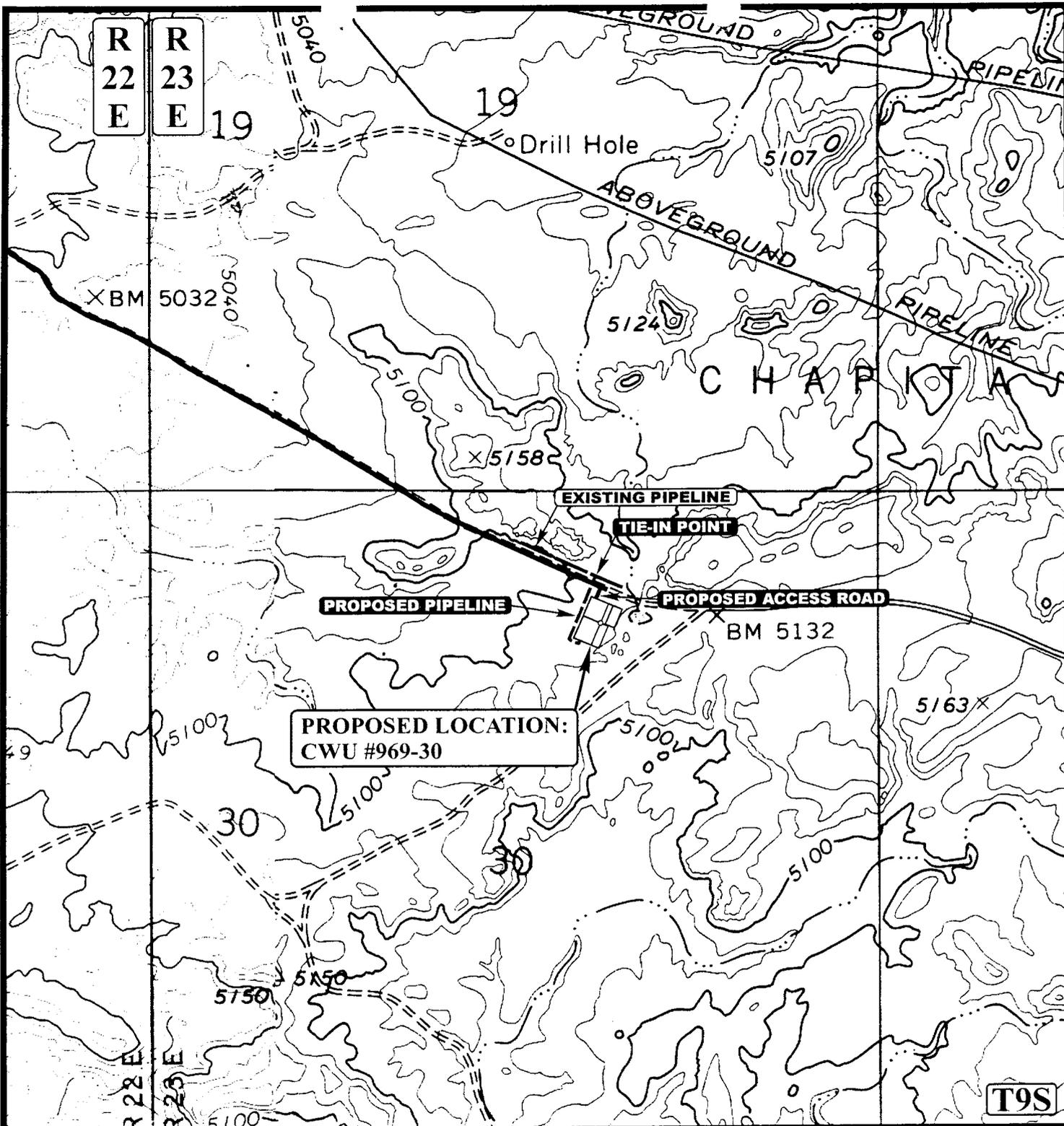


EOG RESOURCES, INC.

CWU #969-30
SECTION 30, T9S, R23E, S.L.B.&M.
944' FNL 1992' FEL

TOPOGRAPHIC	03	02	04
MAP	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 479' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



EOG RESOURCES, INC.

CWU #969-30
 SECTION 30, T9S, R23E, S.L.B.&M.
 944' FNL 1992' FEL



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

TOPOGRAPHIC
 MAP
 SCALE: 1" = 1000' DRAWN BY: P.M.

03	02	04
MONTH	DAY	YEAR
REVISED: 00-00-00		



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/12/2005

API NO. ASSIGNED: 43-047-36695

WELL NAME: CWU 969-30
OPERATOR: EOG RESOURCES INC (N9550)
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NWNE 30 090S 230E
SURFACE: 0944 FNL 1992 FEL
BOTTOM: 0944 FNL 1992 FEL
UINTAH
NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-0337
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: PRRV
COALBED METHANE WELL? NO

LATITUDE: 40.01173
LONGITUDE: -109.3666

RECEIVED AND/OR REVIEWED:

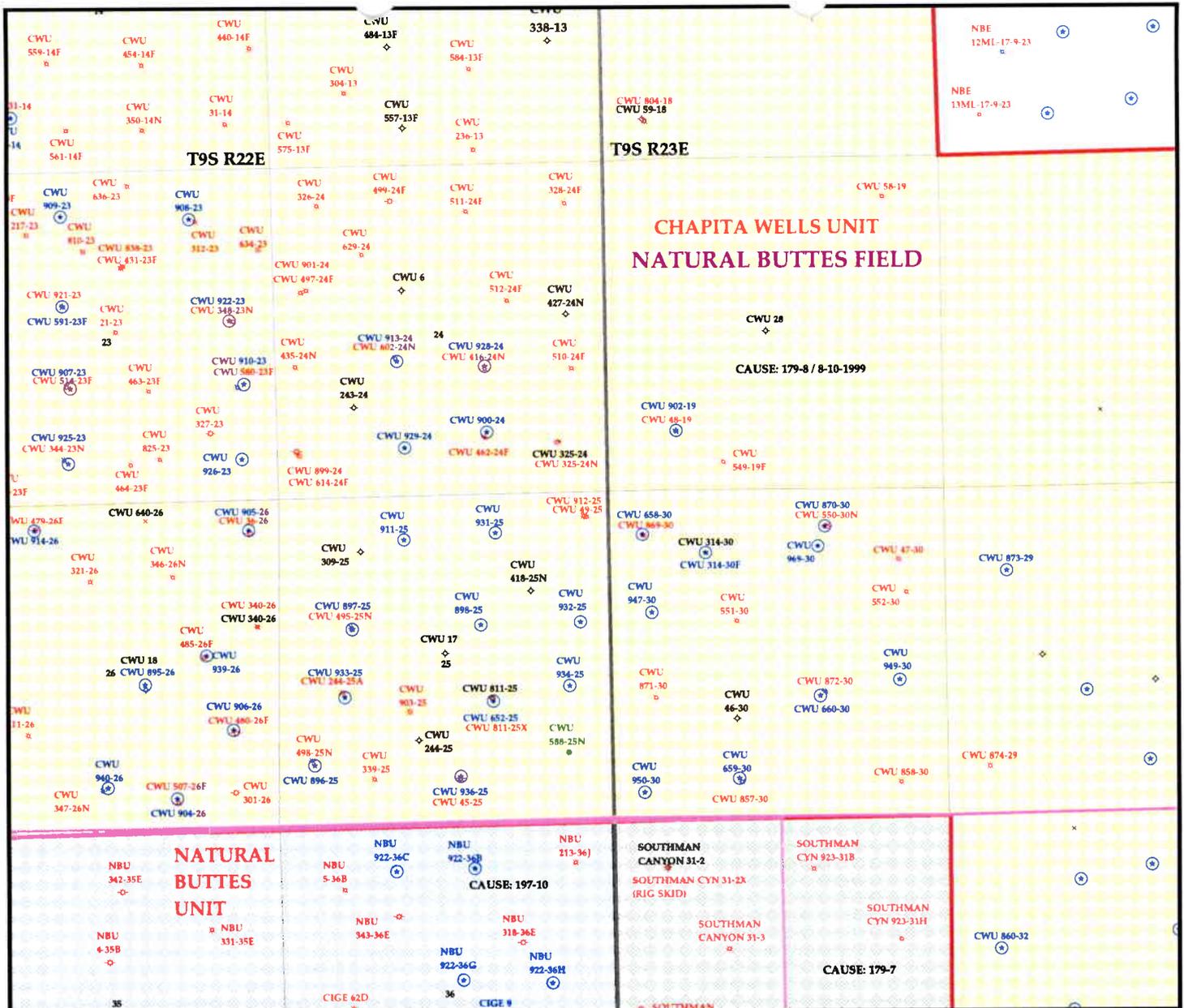
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1501)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit CHAPITA WELLS
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 179-8
Eff Date: 8-10-1999
Siting: Suspends General Siting
- ___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval



OPERATOR: EOG RESOURCES INC (N9550)
SEC: 30 T. 9S R. 23E
FIELD: NATURAL BUTTES (630)
COUNTY: UINTAH
CAUSE: 179-8 / 8-10-1999



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



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

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 969-30 Well, 944' FNL, 1992' FEL, NW NE, Sec. 30,
T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36695.

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 969-30

API Number: 43-047-36695

Lease: U-0337

Location: NW NE **Sec.** 30 **T.** 9 South **R.** 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
U-0337

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
CHAPITA WELLS UNIT 969-30

9. API Well No.
4304736695

1a. Type of Work: DRILL REENTER

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

2. Name of Operator
EOG RESOURCES, INC.

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

At surface **944' FNL, 1992' FEL** **NW/NE**

At proposed prod. Zone

11. Sec., T., R., M., or Blk. and Survey or Area
**SEC. 30, T9S, R23E,
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office*
19.92 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. **944'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
2344

17. Spacing Unit dedicated to this well

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

19. Proposed Depth
9050'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5113.6 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

23. Esti mated duration
45 DAYS

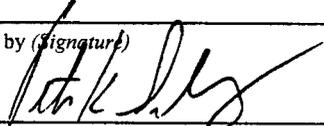
24. Attachments

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

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

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

Title **Agent**

Approved by (Signature)  Name (Printed/Typed) **PETER K SOKOLOWSKI** Date **NOV 8 2005**

Title **ACTING Assistant Field Manager** Office **VERNAL FIELD OFFICE**

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

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

*(Instructions on page 2)

RECEIVED

NOV 21 2005

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Operator/Company: EOG Resources Inc.

Well Name/Number: CWU 969-30

API Number: 43-047-36695

Location: NWNE Sec. 30 T. 9S R. 23E

Lease Number: UTU-0337

Agreement Name (If Applicable): Chapita Wells Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

(1) Proposed production casing cementing volumes are inadequate and does not circulate cement to a high enough fill-up. Additional cement beyond the proposed levels indicated in the operators application will need to be pumped. The cement volumes pumped should include appropriate excess factors. For the cementing program of the production casing string, the circulation or top of cement on the production string is to be at a minimum two hundred feet (200') above the formation named Wasatch. Per BLM estimates, the formation named Wasatch is estimated to be at depth feet 4686. Production casing string circulation or top of cement is to be at or above depth feet 4486 to formation~Wasatch.

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

Michael Lee (435) 828-7875
Petroleum Engineer

Matt Baker (435) 828-4470
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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

1. 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.
2. As a Best Management Practice (BMP), the pipeline will be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation.
3. 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.
4. During interim management of the surface, use the following seed mix:
9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 969-30

Api No: 43-047-36695 Lease Type: FEDERAL

Section 30 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKER DRILLING RIG # 1

SPUDDED:

Date 05/09/06

Time 4:00 PM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # (435) 828-3630

Date 05/10/2006 Signed CHD

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

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36695	CHAPITA WELLS UNIT 969-30		NWNE	30	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	13918	5/9/2006		5/11/06		
Comments: <i>PRRV = MVRD - R</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

5/10/2006

Date

(5/2000)

MAY 10 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)
**944' FNL 1992' FEL (NWNE) S.L.B.&M
SECTION 30, T9S, R23E 40.011692 LAT 109.366617 LON**

5. Lease Serial No.

U-0337

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 969-30

9. API Well No.

43-047-36695

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

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

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

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

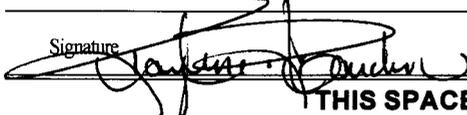
EOG Resources, Inc. spud a 20" surface hole at the referenced location 5/9/2006 at 4:00 p.m. Dall Cook, representative for EOG, notified Michael Lee of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 5/9/2006 @ 3:00 p.m.

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

KAYLENE R. GARDNER

Title **REGULATORY ASSISTANT**

Signature



Date

05/10/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

RECEIVED

MAY 11 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
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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)
**944' FNL 1992' FEL (NWNE) S.L.B.&M
SECTION 30, T9S, R23E 40.011692 LAT 109.366617 LON**

5. Lease Serial No.
U-0337

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 969-30

9. API Well No.
43-047-36695

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

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

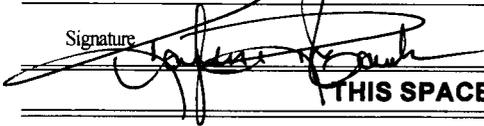
Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

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

KAYLENE R. GARDNER

Title **REGULATORY ASSISTANT**

Signature



Date **05/10/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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Title _____

Date _____

Office _____

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(Instructions on page 2)

RECEIVED

MAY 11 2006

DIV. OF OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0337
2. Name of Operator EOG RESOURCES, INC		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1815 VERNAL, UT 84078	3b. Phone No. (include area code) 435-781-9111	7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 944' FNL 1992' FEL (NWNE) S.L.B.&M SECTION 30, T9S, R23E 40.011692 LAT 109.366617 LON		8. Well Name and No. CHAPITA WELLS UNIT 969-30
		9. API Well No. 43-047-36695
		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 checked="" type="checkbox"/> Other CHANGE TD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

EOG Resources, Inc. respectfully requests permission to change TD for the referenced well,

From: 9050

To: 9150

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 07-05-2006
By: [Signature]

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) KAYLENE R. GARDNER		Title REGULATORY ASSISTANT
Signature <u>[Signature]</u>		Date 07/05/2006

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)

COPY SENT TO OPERATOR
Date: 9/12/06
Initials: PNA

RECEIVED

JUL 10 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0337
2. Name of Operator EOG RESOURCES, INC		6. If Indian, Allottee or Tribe Name
3a. Address 600 17th St., Suite 100N, Denver, CO 80202	3b. Phone No. (include area code) 303-824-5526	7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 944' FNL 1992' FEL (NW/NE) S.L.B.&M SECTION 30, T9S, R23E 40.011692 LAT 109.366617 LON		8. Well Name and No. CHAPITA WELLS UNIT 969-30
		9. API Well No. 43-047-36695
		10. Field and Pool, or Exploratory Area NATURAL BUTTES/MESAVERDE
		11. County or Parish, State UINTAH COUNTY, UTAH

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

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

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

The referenced well was turned to sales on 9/14/2006. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

SEP 18 2006

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed) Mary A. Maestas	Title Regulatory Assistant
Signature <i>Mary A. Maestas</i>	Date 09/15/2006

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)

WELL CHRONOLOGY REPORT

Report Generated On: 09-15-2006

Well Name	CWU 969-30	Well Type	DEVG	Division	DENVER
Field	CHAPITA WELLS DEEP	API #	43-047-36695	Well Class	1SA
County, State	UINTAH, UT	Spud Date	07-29-2006	Class Date	09-14-2006
Tax Credit	N	TVD / MD	9,150/ 9,150	Property #	054713
Water Depth	0	Last CSG	2.375	Shoe TVD / MD	0/ 0
KB / GL Elev	5,132/ 5,114				
Location	Section 30, T9S, R23E, NWNE, 944 FNL & 1992 FEL				

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

AFE No 302749 **AFE Total** 1,735,700 **DHC / CWC** 818,700/ 917,000

Rig Contr PATTERSON **Rig Name** PATTERSON #779 **Start Date** 05-16-2005 **Release Date**

05-16-2005 **Reported By**

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

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

Activity at Report Time: LOCATION DATA

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

06:00	06:00	24.0	LOCATION DATA
944' FNL & 1992' FEL (NW/NE)			
SECTION 30, T9S, R23E			
UINTAH COUNTY, UTAH			
LAT40.011692, LONG 109.366617 (NAD 27)			
PATTERSON RIG #779			
TD: 9150' MESAVERDE			
DW/GAS			
CHAPITA WELLS DEEP PROSPECT			
DD&A: CHAPITA WELLS DEEP			
NATURAL BUTTES FIELD			
LEASE: U-0337			
ELEVATION: 5111.8' NAT GL, 5113.6' PREP GL (DUE TO ROUNDING 5114' IS THE PREP GL), 5132' KB (18')			
EOG WI 50%, NRI 43.5%			

05-02-2006 **Reported By** COOK/BARNES

Daily Costs: Drilling	\$46,612	Completion	\$0	Daily Total	\$46,612
------------------------------	----------	-------------------	-----	--------------------	----------

Cum Costs: Drilling \$46,612 **Completion** \$0 **Well Total** \$46,612
MD 2,188 **TVD** 2,188 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILDING LOCATION/WO BUCKET RIG

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 GROUND LEVEL ELEVATION 5112'. FILL @ STAKE 1.8'.

MI CRAIGS ROUSTABOUT, BUILD ACCESS ROAD AND LOCATION, LINED RESERVE PIT.

WO BUCKET RIG

05-17-2006 **Reported By** COOK/BARNES
Daily Costs: Drilling \$0 **Completion** \$0 **Daily Total** \$0
Cum Costs: Drilling \$46,612 **Completion** \$0 **Well Total** \$46,612
MD 40 **TVD** 40 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: WO AIR RIG

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 MIRU ROCKER DRILLING RIG #1, SPUD WELL @ 4:00 PM, 5/9/2006. DRILLED 17.5" HOLE TO 40". RAN 40' OF 14", CONDUCTOR PIPE. CEMENTED CONDUCTOR TO SURFACE WITH READY MIX CEMENT.

DALL COOK NOTIFIED MIKE LEE W/BLM & CAROL DANIELS W/UDOGM OF WELL SPUD ON 5/9/2006 @ 3:00 PM.

06-10-2006 **Reported By** COOK/BARNES
Daily Costs: Drilling \$181,064 **Completion** \$0 **Daily Total** \$181,064
Cum Costs: Drilling \$227,676 **Completion** \$0 **Well Total** \$227,676
MD 2,188 **TVD** 2,188 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: WORT

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 MIRU CRAIGS AIR RIG #2. DRILLED 12-1/4" HOLE TO 2170'. ENCOUNTERED NO WATER. RAN 49 JTS (2124') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2142' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIG'S AIR RIG.

RU BIG 4 CEMENTING @ 1530'. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 250 SX (51 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10#/SX GILSONITE, 3#/SX GR-3, 3% SALT & 1/4 #/SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CFS. DISPLACED CEMENT W/159 BBLS FRESH WATER. BUMPED PLUG W/700# @ 1832', 5/24/2006. CHECKED FLOAT, NO GOOD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 150 SX (40 BBLS) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURN. PUMPING STOPPED @ 1900. WOC 1 HR 30 MIN.

05/24/2006
 05/24/2006

TOP JOB #2: MIXED & PUMPED 200 SX (53 BBLs) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL, 5 BBL TO PIT. RD BIG 4 CEMENTERS.

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

MIRU SLICK LINE UNIT & SURVEY TOOL. RAN IN HOLE & TAGGED @ 2027' GL. PICK UP TO 2020' & TOOK SURVEY, 3/4 DEGREE.

JERRY BARNES NOTIFIED DONNA KENNY W/BLM OF THE SURFACE CASING & CEMENT JOB ON 5/23/06 @ 9:15 AM.

07-22-2006 Reported By DUANE WINKLER

Daily Costs: Drilling	\$25,536	Completion	\$0	Daily Total	\$25,536						
Cum Costs: Drilling	\$253,212	Completion	\$0	Well Total	\$253,212						
MD	2.170	TVD	2.170	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: ORGANIZE LOADS FOR TRUCKS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RIG DOWN EQUIPMENT. LOAD UP THREE LOADS AND DELIVER TO LOCATION.

07-23-2006 Reported By DUANE WINKLER

Daily Costs: Drilling	\$25,536	Completion	\$0	Daily Total	\$25,536						
Cum Costs: Drilling	\$278,748	Completion	\$0	Well Total	\$278,748						
MD	2.170	TVD	2.170	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: MOB

Start	End	Hrs	Activity Description
06:00	18:00	12.0	RIG DOWN EQUIPMENT. LOAD UP EIGHT LOADS AND DELIVER TO LOCATION.

NO ACCIDENTS

NO REPAIRS

CONTRACTORS ON LOCATION: PATTERSON 11/L&S TRUCKING 12/1 MUD ENGINEER/2 OVER THE ROAD TRUCK HAUL BACK MUD

CONTRACTOR WORKED 12 HRS ON LOCATION

THE TRUCKS HAUL IS VERY SLOW DUE TO 45 MILES OF ROUGH ROCKY ROAD, TOTAL MILES TO LOCATION IS 65 MILES

18:00 06:00 12.0 W.O. DAYLIGHT

07-24-2006 Reported By DUANE WINKLER

Daily Costs: Drilling	\$24,716	Completion	\$0	Daily Total	\$24,716						
Cum Costs: Drilling	\$303,423	Completion	\$0	Well Total	\$303,423						
MD	2.170	TVD	2.170	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: PREPARE EQUIPMENT FOR TRUCKS

Start	End	Hrs	Activity Description
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06:00 18:00 12.0 RIG DOWN EQUIPMENT. TRUCKING COMPANY DRIVERS TOOK THE DAY OFF. PATTERSON PERSONNEL PREPARE EQUIPMENT FOR LOADING ON TRUCKS AND FULL MAINTENANCE ON ALL EQUIPMENT.

NO ACCIDENTS
 NO REPAIRS: WELDER WORKED ON MOST OF THE EQUIPMENT
 CONTRACTORS ON LOCATION: PATTERSON 12/L&S TRUCKING 0/1 WELDER
 CONTRACTOR WORKED 12 HRS ON LOCATION

07-25-2006 Reported By DUANE WINKLER
 Daily Costs: Drilling \$24,675 Completion \$0 Daily Total \$24,675
 Cum Costs: Drilling \$328,098 Completion \$0 Well Total \$328,098
 MD 2,170 TVD 2,170 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: LOADING FINAL LOADS

Start End Hrs Activity Description
 06:00 18:00 12.0 RIG DOWN EQUIPMENT. LOAD UP NINE LOADS AND DELIVER TO LOCATION.

NO ACCIDENTS
 NO REPAIRS
 CONTRACTORS ON LOCATION: PATTERSON 11/L&S TRUCKING 12
 CONTRACTOR WORKED 12 HRS ON LOCATION

THE TRUCKS HAUL IS VERY SLOW DUE TO 45 MILES OF ROUGH ROCKY ROAD. THE TOTAL MILES TO LOCATION IS 65 MILES

NOTIFIED BLM INSPECTOR CLIFF JOHNSON FOR BOP TEST JULY 24, 2006 @ 10:00 HRS

07-26-2006 Reported By DUANE WINKLER
 Daily Costs: Drilling \$24,675 Completion \$0 Daily Total \$24,675
 Cum Costs: Drilling \$352,773 Completion \$0 Well Total \$352,773
 MD 2,170 TVD 2,170 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: MOBILIZE RIG AND RIGGING UP

Start End Hrs Activity Description
 06:30 20:30 14.0 LOAD UP TEN LOADS AND DELIVER TO LOCATION, RIGGING UP EQUIPMENT AND HALF MASK RIG, CONTRACTORS ON LOCATION, PATTERSON 11, L&S TRUCKING 12, CONTRACTOR WORKED 14 HRS ON LOCATION. THE TRUCKS HAUL WAS SLOW DUE TO 45 MILES OF ROUGH ROCKY ROAD. THE TOTAL MILES TO LOCATION IS 65 MILES.

07-27-2006 Reported By DUANE WINKLER
 Daily Costs: Drilling \$38,935 Completion \$0 Daily Total \$38,935
 Cum Costs: Drilling \$391,708 Completion \$0 Well Total \$391,708
 MD 2,170 TVD 2,170 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TESTING BOP/DIVERTER

Start End Hrs Activity Description

06:00 03:00 21.0 COMPLETE SCOPING UP DERRICK AND SUB STRUCTURE. LOCATION NOT LEVEL, RAT HOLE 10" OFF. SHIM AND SHIFT EQUIPMENT TO CENTER. LEVEL OVER WELL BORE. WELDER ADDED SHEET METAL TO UPPER DOG HOUSE FLOOR IN ORDER TO CONNECT TO SUBSTRUCTURE. SHIM UP MUD PUMPS.
 03:00 05:00 2.0 NU ND BOP/DIVERTER. DAY WORK STARTED 7/27/2006 @ 03:00 HRS, 7/27/06.
 05:00 06:00 1.0 TESTING BOPS/DIVERTER.

07-28-2006 Reported By DUANE WINKLER

Daily Costs: Drilling \$56,816 Completion \$0 Daily Total \$56,816
 Cum Costs: Drilling \$448,524 Completion \$0 Well Total \$448,524

MD 2,170 TVD 2,170 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: INSTALL RING GASKET

Start	End	Hrs	Activity Description
06:00	14:00	8.0	TEST BOPS/DIVERTER. BLM INSPECTOR CLIFF JOHNSON WITNESS THE TEST. MUD LOGGER ON LOCATION 7/20/2006 @ 06:00 HRS.
14:00	15:00	1.0	INSTALL WEAR BUSHING.
15:00	20:00	5.0	PU BHA & TOOLS.
20:00	21:30	1.5	CUT & SLIP DRILL LINE. WHEN RIG WAS WAITING ON TRUCKS TO MOVE RIG ON OTHER LOCATION THEY DID NOT CUT AND SLIP LINE.
21:30	22:00	0.5	STRAP DRILL PIPE.
22:00	23:00	1.0	PIPE UP DRILL PIPE, RUN IN HOLE.
23:00	01:30	2.5	RIG REPAIR, FUEL LINE FAILED.
01:30	03:00	1.5	PIPE UP DRILL PIPE, RUN IN HOLE.
03:00	05:00	2.0	TOH TO INSTALL RING GASKET ON ROTATING HEAD, RING GASKET WAS NOT INSTALLED DURING NIPPLE UP.
05:00	06:00	1.0	NIPPLE DOWN FLOW LINE AND ROTATING HEAD TO INSTALL RING GASKET.

NOT A FULL CREW
 NO ACCIDENTS
 FUEL USED 260 GALS

07-29-2006 Reported By DUANE WINKLER

Daily Costs: Drilling \$43,176 Completion \$0 Daily Total \$43,176
 Cum Costs: Drilling \$491,700 Completion \$0 Well Total \$491,700

MD 2,170 TVD 2,170 Progress 448 Days 1 MW 0.0 Visc 0.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	INSTALL RING GASKET ROT. HEAD FLANGE. WAS NOT INSTALLED DURING NIPPLE UP.
07:30	11:00	3.5	TIH TAG @ 2093'. EXTRA TRIP TO INSTALL RING GASKET THAT WAS SUPPOSE TO BE INSTALLED ON NIPPLE UP. PATTERSON MANAGEMENT WOULD NOT ALLOW TOOLPUSHER TO SHOW AS CODE 8. NOTED ON IADC REPORT PROTESTED BY EOG FOREMAN, INEVITABLE CODE 8.
11:00	14:00	3.0	RIG REPAIR, WORK ON MUD PUMPS.
14:00	14:30	0.5	SERVICE RIG.
14:30	18:00	3.5	(WORK ON ROTATING HEAD ON IADC REPORT), TIGHTING UP ROTATING HEAD FROM INSTALLING A RING GASKET THAT WAS SUPPOSE TO BE INSTALLED ON NIPPLE UP, PATTERSON MANAGEMENT WOULD NOT ALLOW TOOLPUSHER TO SHOW AS CODE 8, (NOTED ON IADC REPORT PROTESTED BY EOG FOREMAN / INEVITABLE CODE 8)

18:00 19:30 1.5 WORK ON ROTATING HEAD WITH WELDER. FILL UP LINE COLLAR DAMAGED ON RIG MOVE.
 19:30 21:30 2.0 PRE SPUD TEST.
 21:30 00:00 2.5 DRILL OUT FLOAT COLLAR AND SHOE @ 2152'.
 00:00 00:30 0.5 FIT TEST @ 2152' PRESSURE TEST SHOE AT 100 PSIG. TEST FAILED @ 9.2 PPG.
 00:30 06:00 5.5 DRILLED 2152' TO 2600, 448', ROP 81, WOB 10K, SPM 106, MW 8.4 FRESH WATER.

NO ACCIDENTS
 FULL CREWS
 FUEL USED 750 GALS
 PROTESTED PATTERSON IADC REPORT

LITHOLOGY: HIGH GAS 3219U CG @ 2377'

06:00 18.0 SPUD 7 7/8" HOLE AT 00:30 HRS, 7/29/06.

07-30-2006 Reported By DUANE WINKLER

Daily Costs: Drilling	\$50,667	Completion	\$0	Daily Total	\$50,667
Cum Costs: Drilling	\$542,367	Completion	\$0	Well Total	\$542,367
MD	4.450	TVD	4.450	Progress	1.850
Days		Days		MW	8.5
Visc		Visc		PKR Depth	0.0
Formation :		PBTD :	0.0	Perf :	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILLED 2600' TO 2790', 190', ROP 63, MW FRESH WATER, VIS 32, WOB 8K, RPM 45, MM 64, BIT 108.
09:00	09:30	0.5	SERVICE RIG.
09:30	10:00	0.5	SURVEY @ 2790', 2 DEGREE
10:00	15:30	5.5	DRILLED 2790' TO 3267', 477', ROP 82, MW FRESH WATER, VIS 33, WOB 8/11K, RPM 50, MM 60, BIT 110.
15:30	16:00	0.5	SURVEY @ 3267', 2 DEGREE.
16:00	22:00	6.0	DRILLED 3267' TO 3767', 500', ROP 83, MW FRESH WATER, VIS 34, WOB 11/15K, RPM 50, MM 45, BIT 95, NO LOSS/GAIN, DIFF PRESS 280.
22:00	22:30	0.5	SURVEY @ 3697', 2 3/4 DEGREE.
22:30	02:30	4.0	DRILLED 3767' TO 4288', 521', ROP 130, MW FRESH WATER, VIS 33, WOB 11/18K, RPM 52, MM 65, BIT 117, NO LOSS/GAIN, DIFF PRESS 380.
02:30	03:00	0.5	SURVEY @ 4197', 3 DEGREE.
03:00	06:00	3.0	DRILLED 4288 TO 4450 (162') ROP 54, MW FRESH WATER, VIS 33, WOB 20K, RPM 40, MM 50, BIT 90. NO GAIN/LOSS, DIFF PRES 420, PRESENT OPERATION DRILLING.

NO ACCIDENTS
 FULL CREW
 NO RIG REPAIRS
 FUEL USED 1036 GALS
 SAFETY MEETING: MAKING CONNECTION/OPERATING FORKLIFT

LITHOLOGY GREEN RIVER 20% SS, 70% SH, 10% LS
 BG 700-2400U, CONN GAS 1900-3600U, HIGH GAS 4377U DTG @ 4290'

07-31-2006 Reported By DUANE WINKLER

Daily Costs: Drilling	\$32,711	Completion	\$0	Daily Total	\$32,711
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Cum Costs: Drilling \$575,079 **Completion** 50 **Well Total** \$575,079
MD 4,990 **TVD** 4,990 **Progress** 413 **Days** 3 **MW** 9.1 **Visc** 35.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: TRIP OUT FOR MUD MOTOR

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILLED 4450' TO 4672', 222', ROP 37, RPM 50, MM 55, WOB 15/20K, NO GAIN/LOSS, DIFF PRESS 210.
12:00	13:00	1.0	SURVEY @ 4596', 2 DEGREE.
13:00	03:00	14.0	DRILLED 4672' TO 4990', 191', ROP 23, RPM 45, MM 50, WOB 15/20K, MW 9.2, VIS 35, NO GAIN/LOSS, DIFF PRESS 135, MM FAILED.
03:00	06:00	3.0	TRIP OUT OF HOLE FOR MUD MOTOR AND BIT, MW 9.4, VIS 34.

NO ACCIDENTS

FULL CREWS

NO RIG REPAIRS

FUEL USED 1070 GALS

SAFETY MEETING: PUMP REPAIR/PULLING SLIPS

PATTERSON SAFETY SUPERVISOR (KEITH SCHMITT) INSPECTED RIG/EQUIPMENT: WILL IMPLEMENT HOUSE CLEANING AND DAILY OPERATIONS OF EQUIPMENT

LITHOLOGY WASATCH 4990', 20% SS, 40% SH, 20% LS, 20% RS

BG GAS 40-70U, CONNECTION GAS 300-400U, HIGH GAS 4115U CG/DTG @ 4674'

08-01-2006 **Reported By** DUANE WINKLER

Daily Costs: Drilling \$36,948 **Completion** 50 **Daily Total** \$36,948
Cum Costs: Drilling \$612,027 **Completion** 50 **Well Total** \$612,027
MD 5,366 **TVD** 5,366 **Progress** 376 **Days** 4 **MW** 9.5 **Visc** 36.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	PU BHA & TOOLS.
07:00	10:30	3.5	TRIP IN HOLE.
10:30	11:30	1.0	CIRCULATE/CONDITION MUD FOR SLUFFING SHALE, INCREASE MW TO 9.5, VIS 34.
11:30	12:30	1.0	REAM FROM 4860 TO 4990, MW 9.5, VIS 34.
12:30	17:00	4.5	DRILLED 4990' TO 5140', 150', ROP 33, RPM 50, MM 45, MW 9.6, VIS 36, NO GAIN/LOSS, DIFF PRESS 220.
17:00	17:30	0.5	SERVICE RIG.
17:30	18:00	0.5	DRILLED 5140' TO 5156', 16', ROP 32, RPM 50, MM 45, MW 9.6, VIS 36, NO GAIN/LOSS, DIFF PRESS 220.
18:00	19:30	1.5	CIRCULATE/CONDITION MUD FOR SLUFFING SHALE, INCREASE MW 9.9, VIS 36.
19:30	06:00	10.5	DRILLED 5156 TO 5366, 210', ROP 20, RPM 45/50, MM 40/45, MW 10, VIS 36, NO GAIN/LOSS, DIFF PRESS 90.

NO ACCIDENTS

FULL CREWS

FUEL USED 1030 GALS

SAFETY MEETING: MIXING MUD/MOUSE HOLE CONNECTION

LITHOLOGY: WASATCH 40% SS, 20% SH, 40% RSH

BG GAS 50-70U, CONN GAS 1320-360U, HIGH GAS 8757U TG @ 4983'

08-02-2006 **Reported By** DUANE WINKLER

Daily Costs: Drilling	\$49,990	Completion	\$0	Daily Total	\$49,990
Cum Costs: Drilling	\$662,017	Completion	\$0	Well Total	\$662,017

MD 5.557 **TVD** 5.557 **Progress** 197 **Days** 5 **MW** 10.0 **Visc** 45.0

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

Activity at Report Time: DRILLING - SWEEP BIT

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DRILLED 5360' TO 5421', 61', ROP 13, WOB 12/22K, RPM 45/55, MW 10, VIS 38, NO GAIN/LOSS, DIFF PRESS 0.
10:30	11:00	0.5	CONDITION MUD AND CIRCULATE HOLE.
11:00	11:30	0.5	TRIP OUT OF HOLE.
11:30	12:00	0.5	SERVICE RIG.
12:00	12:30	0.5	PUMP PILL.
12:30	15:00	2.5	TRIP OUT OF HOLE.
15:00	17:00	2.0	LAY DOWN BHA & TOOLS, BIT WAS BALLED UP.
17:00	22:00	5.0	TRIP IN HOLE WITH BHA & TOOLS, RUN NEW MM AND DIFFERENT BIT.
22:00	22:30	0.5	PICK UP KELLY AND START CIRCULATION.
22:30	06:00	7.5	DRILLED 5421' TO 5543', 122', ROP 16, RPM 35/50, WOB 6/18K, NO GAIN/LOSS, MW 10.1, VIS 38. PUMP NUMEROUS SWEEPS OF WALNUT SHELLS AND CEDAR FIBER TO CLEAN OFF BIT.

FULL CREWS
 NO RIG REPAIRS
 NO ACCIDENTS
 SAFETY MEETING: TRIP IN HOLE/MAKING CONNECTION
 PUMP WALNUT SHELL, CEDAR FIBER SWEEP AND ROP IS IMPROVING

LITHOLOGY: WASATCH: 10% SS, 20% SH, 30% RSH, 40% CLAYSTONE
 BG GAS 60-80U, CONN GAS 50-130U, TRIP 2461-5422U, HIGH GAS 4261-5480U

08-03-2006 **Reported By** DOUG GRINOLDS

Daily Costs: Drilling	\$36,038	Completion	\$0	Daily Total	\$36,038
Cum Costs: Drilling	\$698,056	Completion	\$0	Well Total	\$698,056

MD 6.260 **TVD** 6.260 **Progress** 703 **Days** 6 **MW** 9.8 **Visc** 34.0

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

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRLG 5557' TO 5641', 84', 15.27' PH, WT 20/25, RPM 45/60, PSI 1500, SPM 70/65, GPM 450. LOST ±200 BBLs MUD, MIX LCM SWEEP, LOWERED MUD WT TO 9.8#, VIS 35, FULL RETURNS.
11:30	12:00	0.5	RIG SERVICE.
12:00	06:00	18.0	DRLG 5641' TO 6260', 619', 34.38' PH, WT 15/20, RPM 38/60, PSI 1400, SPM 115, GPM 437.

FORMATION WASATCH TOP 4613', 40% SS, 30% SHALE, 30% RED SHALE
 BACK GROUND GAS 40-80U, CONN GAS 100-160U, HIGH GAS 3452U CG @ 5742'
 SAFETY MEETING: PUTTING PIPE IN V-DOOR/PULLING & SETTING SLIPS

SEP 10 2006

FULL CREWS
NO ACCIDENTS
FUEL ON HAND 7566 GALS, USED 832 GALS

08-04-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$49,971 Completion \$0 Daily Total \$49,971
Cum Costs: Drilling \$748,027 Completion \$0 Well Total \$748,027

MD 7,172 TVD 7,172 Progress 912 Days 7 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL 6260' TO 6469', 209', 34.83' PH, WT15/20, RPM 50/60, PSI 1500, SPM 115, GPM 423.
12:00	12:30	0.5	RIG SERVICE. FUNCTION TESTED PIPE RAMS. INSPECT WIRE ROPE & LIFT SYSTEMS. CHECK CROWN-O-MATIC.
12:30	06:00	17.5	DRILL 6469' TO 7172', 703', 40.17' PH, WT 15/20, RPM 50/60, PSI 1650, SPM 115, GPM 423.

FORMATION KMV PRICE RIVER TOP 6781'
SS 40%, SHALE 30%, RED SHALE 10%, SILTSTONE 20%
BACK GROUND GAS 90-150U, CONN GAS 950-2150U, HIGH GAS 3918U CG @ 6776'

SAFETY MEETING: MIXING CAUSTIC/INSPECTING SNUB LINES
BOP DRILL 49 SECONDS
FULL CREWS
NO ACCIDENTS
FUEL ON HAND 6413 GAL, USED 1153 GAL

08-05-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$35,155 Completion \$1,970 Daily Total \$37,125
Cum Costs: Drilling \$783,182 Completion \$1,970 Well Total \$785,152

MD 8,075 TVD 8,075 Progress 903 Days 8 MW 10.2 Visc 38.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL 7172' TO 7459', 287', 47.83' PH, WT 15/22, RPM 45/60, PSI 1700, SPM 115, GPM 437.
12:00	12:30	0.5	RIG SERVICE. FUNCTION TESTED PIPE RAMS. CHECK CROWN-O-MATIC.
12:30	06:00	17.5	DRLG 7459' TO 8075', 616', 35.20' PH, WT 15/25, RPM 45/60, PSI 1700, SPM 115, GPM 437.

FORMATION PRICE RIVER MIDDLE TOP 7655', SS40%, SHALE10%, SILTSTONE10%, CARB SHALE 40%
BACK GROUND GAS 600-1200U, CONN GAS 4300-7400U, HIGH GAS 7438U FG @ 7969'

SAFETY MEETING: OPERATING HOIST/MIXING CAUSTIC/REPLACING SNUB LINES
SHORT TWO HANDS ON MORNING TOUR
NO ACCIDENTS
FUEL ON HAND 5260 GAL, USED 1153 GAL

08-06-2006 Reported By DOUG GRINOLDS

RECEIVED

SEP 18 2006

BY OFFICE OF MINING

Daily Costs: Drilling \$32,410 **Completion** \$3,556 **Daily Total** \$35,966
Cum Costs: Drilling \$815,592 **Completion** \$5,526 **Well Total** \$821,118
MD 8,280 **TVD** 8,280 **Progress** 205 **Days** 9 **MW** 10.4 **Visc** 37.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: TRIP IN HOLE

Start	End	Hrs	Activity Description
06:00	16:00	10.0	DRILL 8075' TO 8280', 205', 20.5' PH, WT 15/25, RPM 45/60, PSI 1700, SPM 115, GPM 423.
16:00	22:00	6.0	MIX & PUMP WT PILL. DROP SURVEY. CHECK FOR FLOW, TIGHT 2 STANDS. TRIP OUT OF HOLE.
22:00	23:00	1.0	LAY DOWN BIT & MM. PU NEW BIT & MM. FUNCTION TESTE PIPE & BLIND RAMS. SURVEY MISS RUN.
23:00	01:00	2.0	TRIP IN HOLE W/BHA.
01:00	01:30	0.5	RIG SERVICE. FILL PIPE.
01:30	06:00	4.5	TRIP IN HOLE.

FORMATION PRICE RIVER MIDDLE TOP 7655', SS 40%, SHALE 20%, SILTSTONE 20%, SC 20%
 BACK GROUND GAS 1400-1800U, CONN GAS 7400- 8100U, HIGH GAS 8138U FG @ 8256', 7961' TO 8070', 40'-50' FLARE
 MUD WT 10.8, VIS 38

SAFETY MEETING: TRIPPING OUT OF HOLE/TRIPPING IN HOLE
 SHORT ONE HAND MORNING TOUR
 NO ACCIDENTS
 BOP DRILL 42 SEC
 FUEL ON HAND 5076 GALS

08-07-2006 **Reported By** **DOUG GRINOLDS**
Daily Costs: Drilling \$33,048 **Completion** \$2,094 **Daily Total** \$35,142
Cum Costs: Drilling \$848,641 **Completion** \$7,620 **Well Total** \$856,261
MD 9,030 **TVD** 9,030 **Progress** 750 **Days** 10 **MW** 10.8 **Visc** 41.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TRIP IN HOLE.
07:30	08:30	1.0	FILL PIPE. WASH/REAM TO BOTTOM 8,000' TO 8280', NO FILL.
08:30	19:30	11.0	DRILL 8280' TO 8638', 358', 32.54' PH, WT 15/20, RPM 45/60, PSI 1700, SPM 115, GPM 423.
19:30	20:00	0.5	RIG SERVICE. FUNCTION TESTED PIPE RAMS. CHECK CROWN-O-MATIC.
20:00	06:00	10.0	DRLG 8638' TO 9030', 392', 39.2' PH, WT 15/22, RPM 45/60, PSI 1700, SPM 115, GPM 423.

FORMATION SEGO TOP 8947', SS 50%, SHALE 10%, SILTSTONE 20%, CARB SHALE 20%
 BACK GROUND GAS 3000-4700U, CONN GAS 7000-8100U, TRIP GAS 8324U @ 8283', HIGH GAS 8324U TG @ 8283', 8392' TO 8457', 10-15' FLARE, SMALL FLARE WHILE DRLG

SAFETY MEETING: TRIPPING/AIR HOIST/FORK LIFT
 SHORT ONE HAND ON MORNING TOUR
 NO ACCIDENTS
 MUD WT 11#, VIS 42

RECEIVED
SEP 18 2006

FUEL ON HAND 3218 GAL, USED 1658 GAL

08-08-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$95,824 Completion \$0 Daily Total \$95,824

Cum Costs: Drilling \$944,465 Completion \$7,620 Well Total \$952,085

MD 9,150 TVD 9,150 Progress 120 Days 11 MW 10.9 Visc 42.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU 4 1/2" CASING

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL 9030' TO 9150' TD, 120', 34.28' PH, WT 15/25, RPM 45/60, PSI 1700, SPM 115, GPM 423. REACHED TD @ 09:30 HRS, 8/7/06.
09:30	11:30	2.0	CIRC/CONDITION MUD. CIRC BOTTOMS UP, BEFORE SHORT TRIP.
11:30	13:30	2.0	SHORT TRIP 20 STANDS (7869'). HOLE IN GOOD SHAPE.
13:30	15:30	2.0	CIRC/CONDITION MUD FOR CASING.
15:30	16:30	1.0	HOLD SAFETY MEETING W/FRANKS CASING CREW. RIG UP FRANKS LAY DOWN UNIT.
16:30	01:30	9.0	LAY DOWN DP & BHA. SPOT 200 BBLs, 12.8# MUD ON BOTTOM.
01:30	06:00	4.5	HOLD SAFETY MEETING W/FRANKS CREW. RIG UP TO RUN CASING. RUN 4 1/2" P-110 CASING.

FORMATION SEGO TOP 8947', TD 9150', SS 50%, SHALE 10%, SILTSTONE 20%, CS 20%

BACK GROUND GAS 3000-4700U, CONN GAS 7000-8100U, TRIP GAS 8324U @ 8283', HG 8324U TG @ 8283', 8392'-8457', 10'-15' FLARE

MUD WT 11.3#, VIS 40

SAFETY MEETING: MAKING CONN/LAY DOWN DP & BHA/RUN CASING

SHORT ONE HAND ON MORNING TOUR

NO ACCIDENTS

FUEL ON HAND 3347 GALS

08-09-2006 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$31,749 Completion \$142,681 Daily Total \$174,430

Cum Costs: Drilling \$976,214 Completion \$150,301 Well Total \$1,126,515

MD 9,150 TVD 9,150 Progress 0 Days 12 MW 11.4 Visc 38.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	09:00	3.0	RAN 215 JTS (212 FULL JTS + 2 MARKER JTS + SHORT JT) OF 4 1/2", P-110, 11.6#, LTC CASING. LANDED AT 9148' KB. RAN AS FOLLOWS: FLOAT SHOE, 1 JT CASING, FLOAT COLLAR AT 9102'. 54 JTS CASING, MARKER JT AT 6777', 59 JTS CASING, MARKER JT AT 4240', 98 JTS CASING, SHORT JT, MANDREL HANGER & LANDING JT.
09:00	10:00	1.0	RIG DOWN FRANKS CASERS. RIG UP SCHLUMBERGER CEMENTERS.
10:00	11:30	1.5	CIRC CASING. CIRC OUT GAS, 15-30' FLARE.
11:30	14:00	2.5	SAFETY MEETING W/SCHLUMBERGER CREW. TEST LINES TO 5,000#, CEMENT CASING W/LEAD 1942 SKS CLASS G CEMENT, DO20-10.000% BWOC, D167.200% BWOC, DO46 0.200% BWOC, DO13 0.500% BWOC, D130 0.125 LB/SK BLEND, DO65 0.500 % BWOC. TAIL 4200 SKS 50/50 POZ G CEMENT DO20 2.000% BWOC, DO46 0.100 % BWOC, DO65 0.200 % BWOC, D167 0.200% BWOC, DO13 0.100 % BWOC. FULL RETURNS DURATION OF JOB. DISPLACE W/141 BBLs WATER. BUMPED TOP PLUG TO 4,000 PSI.

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DIV. OF OIL, GAS & MINING

14:00 18:00 4.0 CLEAN MUD TANKS. NIPPLE DOWN BOP STACK.
 18:00 06:00 12.0 RIG DOWN ROTARY TOOLS.

SAFETY MEETING: LAY DOWN DRILL STRING/PICKING UP CASING/CEMENTING
 SHORT ONE HAND ON MORNING TOUR
 NO ACCIDENTS
 NOTIFIED MICKSEL LEE W/BLM OF CASING & CEMENTING 8/7/06

06:00 18.0 RELEASE RIG @ 18:00 HRS, 8/8/06.
 CASING POINT COST \$976,256

08-15-2006 Reported By SEARLE

Daily Costs: Drilling \$0 **Completion** \$44,575 **Daily Total** \$44,575
Cum Costs: Drilling \$976,214 **Completion** \$194,876 **Well Total** \$1,171,090

MD 9,150 **TVD** 9,150 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 9103.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LOG

Start End Hrs Activity Description
 06:00 06:00 24.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/VL/DL/CCL/GR FROM PBTD TO 50'. CEMENT TOP ABOVE 50'. RD SCHLUMBERGER.

08-20-2006 Reported By MCCURDY

Daily Costs: Drilling \$0 **Completion** \$2,020 **Daily Total** \$2,020
Cum Costs: Drilling \$976,214 **Completion** \$196,896 **Well Total** \$1,173,110

MD 9,150 **TVD** 9,150 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD :** 9103.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRAC

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

08-25-2006 Reported By HISLOP

Daily Costs: Drilling \$0 **Completion** \$20,341 **Daily Total** \$20,341
Cum Costs: Drilling \$976,214 **Completion** \$217,237 **Well Total** \$1,193,451

MD 9,150 **TVD** 9,150 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD :** 9103.0 **Perf :** 7698 - 8828 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start End Hrs Activity Description
 06:00 19:00 13.0 RU CUTTERS WL. PERFORATED LPR FROM 8685'-86', 8699'-8700', 8708'-09', 8736'-37', 8749'-50', 8768'-69', 8774'-75', 8791'-92', 8806'-07', 8814'-15', 8821'-22' & 8827'-28' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4961 GAL YF125ST+ PAD, 36890 GAL YF125ST+ & YF118ST+ WITH 131500# 20/40 SAND @ 1-6 PPG. MTP 6859 PSIG. MTR 49.6 BPM. ATP 5634 PSIG. ATR 48.9 BPM. ISIP 2750 PSIG.

RUWL. SET WEATHERFORD 10K CFP @ 8660'. PERFORATED LPR & MPR FROM 8428'-29', 8446'-47', 8453'-54', 8462'-63', 8516'-17', 8545'-46', 8571'-73', 8604'-05', 8612'-14', 8629'-31' & 8641'-42'. @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4961 GAL YF125ST+ PAD, 45237 GAL YF125ST+ & YF118ST+ WITH 168600# 20/40 SAND @ 1-6 PPG. MTP 6746 PSIG. MTR 50.1 BPM. ATP 5559 PSIG. ATR 48.3 BPM. ISIP 3075 PSIG.

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RUWL. SET 10K CFP @ 8400'. PERFORATED MPR FROM 8221'-22', 8241'-42', 8250'-51', 8257'-58', 8287'-88', 8302'-03', 8337'-38', 8345'-46', 8359'-60', 8365'-66', 8380'-81' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4975 GAL YF125ST+ PAD, 36818 GAL YF125ST+ & YF118ST+ WITH 130900# 20/40 SAND @ 1-6 PPG. MTP 6591 PSIG. MTR 51.2 BPM. ATP 5570 PSIG. ATR 48.3 BPM. ISIP 3050 PSIG.

RUWL. SET 10K CFP @ 8190'. PERFORATED MPR FROM 7993'-94', 8002'-03', 8011'-12', 8026'-27', 8035'-36', 8054'-56', 8074'-75', 8080'-82', 8109'-10', 8114'-15', 8146'-47' & 8151'-52' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4978 GAL YF123ST+ PAD, 45441 GAL YF123ST+ & YF118ST+ WITH 169807# 20/40 SAND @ 1-6 PPG. MTP 7014 PSIG. MTR 51.1 BPM. ATP 5654 PSIG. ATR 50.1 BPM. ISIP 3400 PSIG.

RUWL. SET 10K CFP @ 7965'. PERFORATED MPR FROM 7853'-55', 7867'-69', 7883'-84', 7894'-95', 7918'-19', 7926'-28', 7940'-42' & 7946'-47' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4943 GAL YF123ST+ PAD, 45118 GAL YF123ST+ & YF118ST+ WITH 168501# 20/40 SAND @ 1-6 PPG. MTP 6582 PSIG. MTR 50.1 BPM. ATP 4858 PSIG. ATR 49.4 BPM. ISIP 2200 PSIG.

RUWL. SET 10K CFP @ 7820'. PERFORATED MPR FROM 7698'-7700', 7714'-16', 7736'-38', 7747'-48', 7755'-56', 7780'-82', 7786'-87', 7795'-96' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 7167 GAL YF123ST+ PAD, 45709 GAL YF123ST+ & YF118ST+ WITH 169110# 20/40 SAND @ 1-6 PPG. MTP 5445 PSIG. MTR 50.8 BPM. ATP 4250 PSIG. ATR 42.0 BPM. ISIP 2685 PSIG. SDFN.

08-26-2006		Reported By	HISLOP								
Daily Costs: Drilling	\$0	Completion	\$379,839	Daily Total	\$379,839						
Cum Costs: Drilling	\$976,214	Completion	\$597,076	Well Total	\$1,573,290						
MD	9,150	TVD	9,150	Progress	0	Days	16	MW	0.0	Visc	0.0
Formation : MESAVERDE		PBTD : 9103.0		Perf : 6805- 8828		PKR Depth : 0.0					

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	14:00	8.0	SICP 2000 PSIG. RUWL. SET 10K CFP @ 7650'. PERFORATED UPFR FROM 7326'-28', 7339'-40', 7353'-54', 7409'-10', 7424'-25', 7468'-69', 7484'-86', 7520'-21', 7531'-32', 7588'-89' & 7615'-17' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10920 GAL YF123ST+ PAD, 49345 GAL YF123ST+ & YF118ST+ WITH 191100# 20/40 SAND @ 1-6 PPG. MTP 5867 PSIG. MTR 50.1 BPM. ATP 4655 PSIG. ATR 47.5 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7222'. PERFORATED UPFR FROM 7046'-47', 7079'-80', 7094'-96', 7105'-07', 7125'-26', 7129'-30', 7137'-39', 7180'-81', 7188'-89' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4963 GAL YF123ST+ PAD, 26374 GAL YF123ST+ & YF118ST+ WITH 89397# 20/40 SAND @ 1-6 PPG. MTP 5811 PSIG. MTR 50.2 BPM. ATP 4310 PSIG. ATR 47.0 BPM. ISIP 2320 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7000'. PERFORATED UPFR FROM 6805'-06', 6813'-14', 6821'-22', 6836'-37', 6842'-43', 6854'-55', 6872'-74', 6908'-10', 6942'-44', 6954'-56' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4948 GAL YF123ST+ PAD, 54190 GAL YF123ST+ & YF118ST+ WITH 218646# 20/40 SAND @ 1-6 PPG. MTP 4788 PSIG. MTR 53.5 BPM. ATP 4068 PSIG. ATR 49.6 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 6770'. BLEED OFF PRESSURE. RDWL. SDFW.

08-29-2006		Reported By	HISLOP						
Daily Costs: Drilling	\$0	Completion	\$30,704	Daily Total	\$30,704				
Cum Costs: Drilling	\$976,214	Completion	\$627,780	Well Total	\$1,603,994				

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MD 9,150 TVD 9,150 Progress 0 Days 17 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTD : 9103.0 Perf : 6805- 8828 PKR Depth : 0.0

Activity at Report Time: DRILL CFPS

Start End Hrs Activity Description

06:00 15:00 9.0 MIRU ROYAL WELL SERVICE. SICP 0 PSIG. ND FRAC VALVE. NU BOP. RIH WITH 3-7/8" MILL TOOTH BIT, POBS, 1 JT 2-3/8", L-80, 8RD, 4.7# TBG XN, 214 JTS TBG TO CBP. SWI. SDFD.

08-30-2006 Reported By HISLOP

DailyCosts: Drilling \$0 Completion \$61,469 Daily Total \$61,469
 Cum Costs: Drilling \$976,214 Completion \$689,249 Well Total \$1,665,463

MD 9,150 TVD 9,150 Progress 0 Days 18 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTD : 9103.0 Perf : 6805- 8828 PKR Depth : 0.0

Activity at Report Time: FLOW TESTING

Start End Hrs Activity Description

06:00 06:00 24.0 SITP 0 PSIG. SICP 0 PSIG. CLEAN OUT & DRILL OUT CBP @ 6770'. CFP'S @ 7000', 7222', 7650', 7820', 7965', 8190', 8400', 8660'. CLEAN OUT TO 8945'. CIRCULATE CLEAN. LAND TUBING @ 6791' KB. ND. BOP. NU. TREE. PUMP OFF BIT & SUB. RDMOSU.

FLOWED 16 HRS ON 16/64" CHOKE, FTP 1850 PSIG, CP 2400 PSIG, 43 BFPH. RECOVERED 624 BBLs, 10528 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB .91'
 1 JT 2 3/8" L-80 8RD 4.7# 31.33'
 XN NIPPLE 1.10'
 215 JTS 2 3/8" L-80 8RD 4.7# 6739.86'
 BELOW KB 18.00'
 LANDED @ 6791.20' KB

08-31-2006 Reported By HISLOP

DailyCosts: Drilling \$0 Completion \$3,150 Daily Total \$3,150
 Cum Costs: Drilling \$976,214 Completion \$692,399 Well Total \$1,668,613

MD 9,150 TVD 9,150 Progress 0 Days 19 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTD : 9103.0 Perf : 6805- 8828 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 2000 PSIG. CP 3200 PSIG. 43 BFPH. RECOVERED 881 BLW. 9647 BLWTR.

09-01-2006 Reported By HISLOP

DailyCosts: Drilling \$0 Completion \$3,144 Daily Total \$3,144
 Cum Costs: Drilling \$976,214 Completion \$695,543 Well Total \$1,671,757

MD 9,150 TVD 9,150 Progress 0 Days 20 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTD : 9103.0 Perf : 6805- 8828 PKR Depth : 0.0

Activity at Report Time: FLOW TESTING

Start End Hrs Activity Description

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06:00 06:00 24.0 FLOWED 24 HRS 16/64" CHOKE. FTP 2050 PSIG. CP 3100 PSIG. 26 BFPH. RECOVERED 698 BLW. 8949 BLWTR.

09-02-2006 **Reported By** HISLOP

Daily Costs: Drilling	\$0	Completion	\$2,650	Daily Total	\$2,650
Cum Costs: Drilling	\$976,214	Completion	\$698,193	Well Total	\$1,674,407

MD	9,150	TVD	9,150	Progress	0	Days	21	MW	0.0	Visc	0.0
Formation : MESAVERDE		PBTD : 9103.0		Perf : 6805- 8828		PKR Depth : 0.0					

Activity at Report Time: WO FACILITIES

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED 10 HRS ON 16/64" CHOKE. FTP 2050 PSIG. CP 3000 PSIG. 26 BFPH. RECOVERED 260 BLW. 8689 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 9/1/06

09-15-2006 **Reported By** COOK

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$976,214	Completion	\$698,193	Well Total	\$1,674,407

MD	9,150	TVD	9,150	Progress	0	Days	22	MW	0.0	Visc	0.0
Formation : MESAVERDE		PBTD : 9103.0		Perf : 6805- 8828		PKR Depth : 0.0					

Activity at Report Time: INITIAL PRODUCTION

Start End Hrs Activity Description

06:00 06:00 24.0 INITIAL PRODUCTION. OPENING PRESSURE: TP 2800 PSIG & CP 3200 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 11:45 HRS, 9/14/06. FLOWED 1550 MCFD RATE ON 12/64" CHOKE.

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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
43-047-35203	Chapita Wells Unit 853-32		NENW	32	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	13884	15657	4/13/2006		9/28/06		
Comments: New entity beginning with initial production. <i>MVRD</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35537	Chapita Wells Unit 896-25		SWSW	25	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	13918	15658	6/7/2005		9/28/06		
Comments: New entity beginning with initial production. <i>MVRD</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36695	Chapita Wells Unit 969-30		NWNE	30	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	13918	15659	5/9/2006		9/28/06		
Comments: <i>MVRD</i>							

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

9/28/2006

Date

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SEP 28 2006

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

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

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

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

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

At surface **944' FNL & 1992' FEL (NW/NE) 40.011692 LAT 109.366617 LON**

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

At total depth **Same**

14. Date Spudded
05/09/2006

15. Date T.D. Reached
08/07/2006

16. Date Completed **09/14/2006**
 D & A Ready to Prod.

18. Total Depth: MD **9150**
TVD

19. Plug Back T.D.: MD **9103**
TVD

20. Depth Bridge Plug Set: MD
TVD

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

RST/CBL/VDL/CCL/GR

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2142		600 sx			
7-7/8"	4-1/2"	11.6#	P-110	0-9148		1780 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"	6791							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6805	8828	8685-8828		3/spf	
B)			8428-8642		2/spf	
C)			8221-8381		3/spf	
D)			7993-8152		2/spf	

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

Depth Interval	Amount and Type of Material
8685-8828	42,016 GALS GELLED WATER & 131,500# 20/40 SAND
8428-8642	50,363 GALS GELLED WATER & 168,600# 20/40 SAND
8221-8381	41,958 GALS GELLED WATER & 130,900# 20/40 SAND
7993-8152	50,584 GALS GELLED WATER & 169,807# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/14/2006	09/16/2006	24	→	81	790	143			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	
12/64"	2500	2950	→						PRODUCING GAS WELL

28a. Production - Interval B

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

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

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NOV 28 2006

28b. Production - Interval C

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

28c. Production - Interval D

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

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Mesaverde	6805	8828		Wasatch Chapita Wells Buck Canyon North Horn Island Upper Price River Middle Price River Lower Price River Sego	4601 5174 5859 6505 6671 6798 7685 8489 8985

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature Mary A. Maestas

Date 11/27/2006

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 969-30 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7853-7947	3/spf
7698-7796	3/spf
7326-7617	2/spf
7046-7189	3/spf
6805-6956	2/spf

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

7853-7947	50,226 GALS GELLED WATER & 168,501# 20/40 SAND
7698-7796	53,041 GALS GELLED WATER & 169,110# 20/40 SAND
7326-7617	60,430 GALS GELLED WATER & 191,100# 20/40 SAND
7046-7189	31,502 GALS GELLED WATER & 89,397# 20/40 SAND
6805-6956	59,303 GALS GELLED WATER & 218,646# 20/40 SAND

Perforated the Lower Price River from 8685-8686', 8699-8700', 8708-8709', 8736-8737', 8749-8750', 8768-8769', 8774-8775', 8791-8792', 8806-8807', 8814-8815', 8821-8822' & 8827-8828' w/ 3 spf.

Perforated the Lower/Middle Price River from 8428-8429', 8446-8447', 8453-8454', 8462-8463', 8516-8517', 8545-8546', 8571-8573', 8604-8605', 8612-8614', 8629-8631' & 8641-8642' w/ 2 spf.

Perforated the Middle Price River from 8221-8222', 8241-8242', 8250-8251', 8257-8258', 8287-8288', 8302-8303', 8337-8338', 8345-8346', 8359-8360', 8365-8366' & 8380-8381' w/ 3 spf.

Perforated the Middle Price River from 7993-7994', 8002-8003', 8011-8012', 8026-8027', 8035-8036', 8054-8056', 8074-8075', 8080-8082', 8109-8110', 8114-8115', 8146-8147' & 8151-8152' w/ 2 spf.

Perforated the Middle Price River from 7853-7855', 7867-7869', 7883-7884', 7894-7895', 7918-7919', 7926-7928', 7940-7942' & 7946-7947' w/ 3 spf.

Perforated the Middle Price River from 7698-7700', 7714-7716', 7736-7738', 7747-7748', 7755-7756', 7780-7782', 7786-7787' & 7795-7796' w/ 3 spf.

Perforated the Upper Price River from 7326-7328', 7339-7340', 7353-7354', 7409-7410', 7424-7425', 7468-7469', 7484-7486', 7520-7521', 7531-7532', 7588-7589' & 7615-7617' w/ 2 spf.

Perforated the Upper Price River from 7046-7047', 7079-7080', 7094-7096', 7105-7107', 7125-7126', 7129-7130', 7137-7139', 7180-7181' & 7188-7189' w/ 3 spf.

Perforated the Upper Price River from 6805-6806', 6813-6814', 6821-6822', 6836-6837', 6842-6843', 6854-6855', 6872-6874', 6908-6910', 6942-6944' & 6954-6956' w/ 2 spf.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
600 17th St., Suite 100N, Denver, CO 80202

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**944' FNL 1992' FEL (NWNE) S.L.B.&M
 SECTION 30, T9S, R23E 40.011692 LAT 109.366617 LON**

5. Lease Serial No.
U-0337

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 969-30

9. API Well No.
43-047-36695

10. Field and Pool, or Exploratory Area
NATURAL BUTTES/MESAVERDE

11. County or Parish, State

UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 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 was closed on 11/29/2006 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.

RECEIVED

(Instructions on page 2)

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

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

October 12, 2007

Re: 1st Revision Consolidated Mesaverde Formation PA
"A-B-D-E-F-G-H-I-J-K-L-M-N-P" Chapita Wells Unit
Uintah County, Utah

Gentlemen:

The 1st Revision to the Consolidated Mesaverde Formation PA "A-B-D-E-F-G-H-I-J-K-L-M-N-P", Chapita Wells Unit, CRS No. UTU63013AI, AFS No. 892000905AI, is hereby approved effective as of September 1, 2006, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The 1st Revision to the Consolidated Wasatch Formation PA "A-B-D-E-F-G-H-I-J-K-L-M-N-P" results the addition of 240.00 acres to the participating area for a total of 9,994.69 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.
1056-13	43-047-37372	NE $\frac{1}{4}$ NE $\frac{1}{4}$, 13-9S-22E	UTU0282
969-30	43-047-36695	NW $\frac{1}{4}$ NE $\frac{1}{4}$, 30-9S-23E	UTU0337
864-33	43-047-3522 <i>6</i>	SW $\frac{1}{4}$ NW $\frac{1}{4}$, 33-9S-23E	UTU0336

from 15659

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 1st Revision to the Consolidated Mesaverde Formation PA "A-B-D-E-F-G-H-I-J-K-L-M-N-P", Chapita Wells Unit, and the effective date.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

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
43-047-35401	CWU 877-34		NESW	34	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15171	13650	2/1/2006		8/1/2006		
Comments: <i>MVRD</i>							<i>12/31/07</i>

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37372	CWU 1056-13		NENE	13	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15533	13650	7/21/2006		9/1/2006		
Comments: <i>MVRD</i>							<i>12/31/07</i>

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36695	CWU 969-30		NWNE	30	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15659	13650	5/9/2006		9/1/2006		
Comments: <i>MVRD</i>							<i>12/31/07</i>

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