

UNITED STATES JUL 13 2005
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

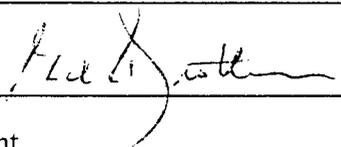
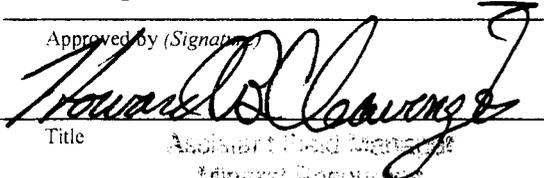
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80613
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.
3a. Address P.O. BOX 1815 VERNAL, UT 84078		8. Lease Name and Well No. SOUTH CHAPITA 15-3
3b. Phone No. (Include area code) (435)789-0790		9. API Well No. 43.0A7.36884
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2256' FSL, 2231' FEL NW/SE At proposed prod. Zone		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 29.87 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area SEC. 3, T10S, R23E, S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. 2231' (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease 642	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 8280'	13. State UTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5409.8 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	17. Spacing Unit dedicated to this well 320
23. Estimated duration 45 DAYS		20. BLM/BIA Bond No. on file NM-2308
24. Attachments		

Attachments

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

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

25. Signature 	Name (Printed/Typed) Ed Trotter	RECEIVED DEC 20 2005	Date July 7, 2005
Title Agent			
Approved by (Signature) 	Name (Printed/Typed) DIV. OF OIL, GAS & MINING	Date 12/14/2005	
Title Assistant Field Manager Bureau of Land Management	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)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



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

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



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	EOG Resources, Inc.	Location:	NWSE, Sec. 3, T10S, R23E
Well No:	South Chapita 15-3	Lease No:	UTU-80613
API No:	43-047-36884	Agreement:	N/A

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After hours contact number: (435) 781-4513		FAX: (435) 781-4410	

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

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

NOTIFICATION REQUIREMENTS

- | | |
|---|--|
| Location Construction
(Notify Paul Buhler) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify Paul Buhler) | - Prior to moving on the drilling rig. |
| Spud Notice
(Notify PE) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify SPT) | - Twenty-Four (24) hours prior to running casing and cementing) all casing strings. |
| BOP & Related Equipment Tests
(Notify SPT) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify PE) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

**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 shall 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.

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

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

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

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

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

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended

for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

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

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

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

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

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. 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 other).

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

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

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the

API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

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

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



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

April 28, 2006

43-047-36884

State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attention: Ms. Diana Whitney

RE: Request for Exception to Location
and Siting of Wells
South Chapita 15-3
NW/4SE/4 of Sec. 3-10S-23E, SLM
Uintah County, Utah
Chapita Wells Prospect
1500-G06, 0077037-000

Ladies and Gentlemen:

Reference is made to that certain Order promulgated in Cause No. 179-12 (which modifies Cause Nos. 179-1, 179-6 and 179-9) for the production of oil, gas and associated hydrocarbons from the Wasatch formation and Mesaverde Group. Said spacing order allows the drilling and production of up to eight wells on the 320-acre drilling and spacing units established under the 179-1 Order covering, among other lands, the E/2 of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah. The authorized wells therein may be located no closer than 920' from an existing well producing from the same formations and no closer than 460' from the exterior boundary of each unit.

EOG Resources, Inc. ("EOG") proposes and respectfully requests permission to drill the South Chapita 15-3, an 8,280' Mesaverde test well, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah. The subject well location was selected based on geology and EOG attempted to stake it at the most optimum location allowed by existing topography and other drilling operations in the area. Said location could not be staked in compliance with Cause No. 179-12 due to topography. Therefore, EOG is requesting this exception location.

Enclosed herewith is a copy of the survey plat for the proposed well and another plat labeled Exhibit "A" which depicts the outlines of the 320-acre drilling units established in Cause No. 179-12 and the location at which EOG requests permission to drill the proposed South Chapita 15-3 well. The Wasatch and/or Mesaverde wells which have been drilled within the drilling unit and offsetting drilling units are also visually displayed.

RECEIVED
MAY 01 2006
REGISTRATION

EOG, Kerr-McGee Oil & Gas Onshore LP, TDT Diverse LP, Aviva America, Inc. and Allen Gann dba Amcon Resources are the only owners of operating rights directly or diagonally offsetting the 320-acre drilling unit in which the South Chapita 15-3 well would be drilled (see enclosed Exhibit "B"). Letters dated January 18, 2006, on which the above stated owners have evidenced their written consent to EOG's proposed drilling of the South Chapita 15-3 at the requested exception location, are also enclosed.

EOG respectfully requests the Utah Division of Oil, Gas and Mining review and grant administrative approval of this application for an exception well location and permission to drill the proposed Mesaverde formation well described herein at its earliest opportunity.

If you have any questions or need any additional information, please do not hesitate to contact the undersigned.

Yours very truly,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

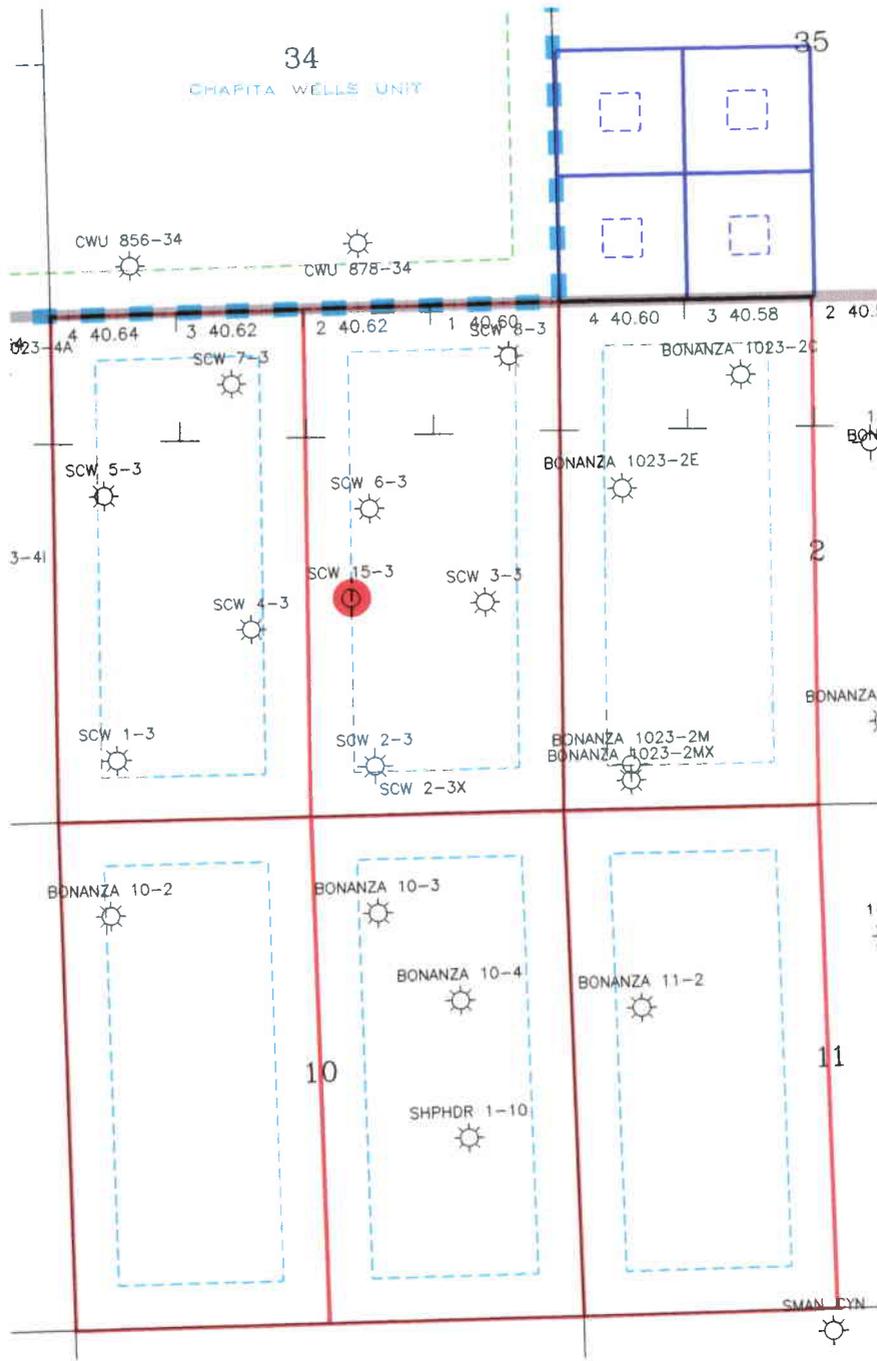
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Enclosures

M:\das\exceptionlocation\ec15-3.doc

cc: Ed Trotter (with copies of enclosures)
Denver Well File

R 23 E



T 9 S

T 10 S

- Drilling Units established for Wasatch-Mesaverde Formation under Cause No. 179-12 (8 wells per 320 acre Unit)
- Legal window within which a Wasatch-Mesaverde well could be drilled in each Drilling Unit in compliance with order (460' setback)
- Oil or Gas well location pattern pursuant to Utah Administrative Code Rule R649-3-2
- Legal window within which Oil or Gas well could be drilled in compliance with Utah Administrative Code Rule R649-3-2
- The Chapita Wells Unit has been suspended from Rule R649-3-2
- - - 460' setback from Chapita Wells Unit outline
- Locations at which Wasatch and /or Mesaverde wells have been drilled
- Location at which applicant requests permission to drill the proposed S. Chapita 15-3 well 2256' FSL, 2231' FEL, (NWSE) of Sec. 3, T10S - R23E

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MAY 01 2006
DIV. OF OIL, GAS & MINING

Exhibit "A"



Denver Division

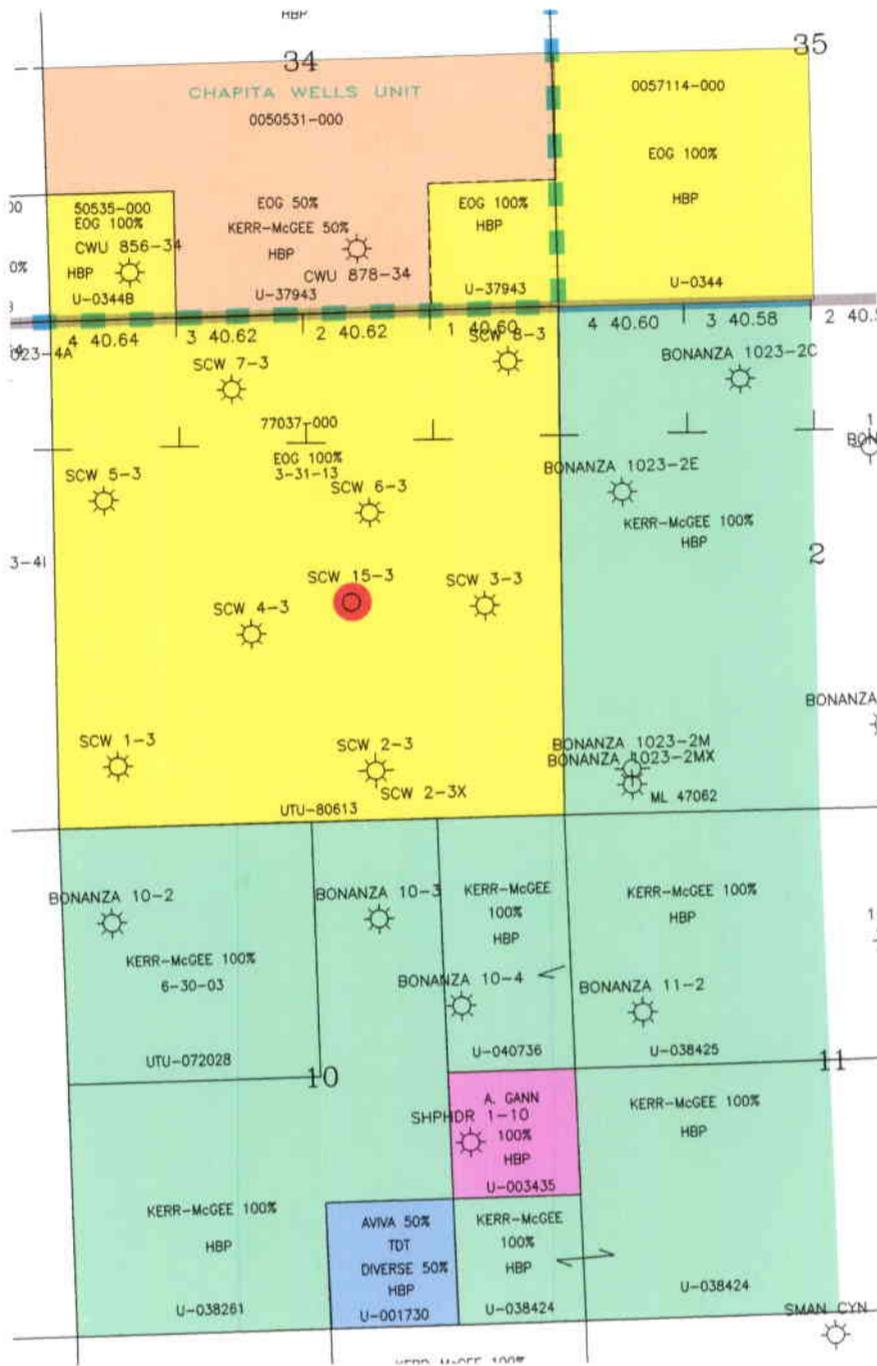
Application for Exception Well Location

S. Chapita 15-3 Well

UINTAH COUNTY, UTAH

Scale: 1"=2000'	D:\utah\exception_plat\exc10s23e-03.dwg exc_A_legal	Author T.M.	Apr 11, 2006 - 11:02am
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R 23 E



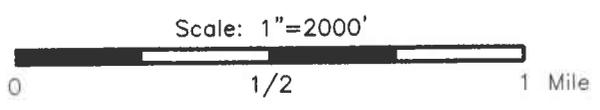
- EOG 100% Working Interest
- Kerr-McGee 50%, EOG 50% Working Interest
- Kerr-McGee 100% Working Interest
- Aviva 50%, TDT Diverse 50% Working Interest
- A. Gann 100% Working Interest

● Location at which applicant requests permission to drill the proposed S. Chapita 15-3 well
2256' FSL, 2231' FEL, (NWSE) of Sec. 3, T10S - R23E

RECEIVED
MAY 01 2006

DIV. OF OIL, GAS & MINING

Exhibit "B"



Denver Division

Application for
Exception Well Location

S. Chapita 15-3 Well

UINTAH COUNTY, UTAH

Scale: 1"=2000'	D:\utah\exception_plata\exc10s23e-03.dwg exc_B_legal	Author T.M.	Apr 11, 2006 - 11:02am
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EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

January 18, 2005

CERTIFIED – RETURN RECEIPT REQUESTED

Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, Colorado 80202
Attention: Mr. W. Chris Latimer

TDT Diverse LP
1001 McKinney, Suite 520
Houston, Texas 77002

Mr. Allen Gann
dba Amcon Resources
One North Hudson, Suite 450
Oklahoma City, Oklahoma 73102

Aviva America, Inc.
8235 Douglas, Suite 400
Dallas, Texas 75225

RE: Consent to Exception Well Location
South Chapita 15-3
NW/4SE/4 of Sec. 3-10S-23E, SLM
Uintah County, Utah
Chapita Wells Prospect
1500-G06, 0077037-000

Gentlemen:

EOG Resources, Inc. ("EOG") is the sole owner of the federal lease covering All of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah. It has staked and proposes to drill the South Chapita 15-3, an 8,280' Mesaverde formation test well, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah (see enclosed copy of plat).

Reference is made to that certain Order in Cause No. 179-12 for the production of oil, gas and associated hydrocarbons from the Wasatch formation and Mesaverde Group. Said spacing order allow the drilling and production of up to eight (8) wells in the established 320-acre stand-up drilling and spacing unit covering the E/2 of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, and similar drilling and spacing units covering other lands. The authorized wells may be located no closer than 920' from an existing well producing from the Wasatch formation and Mesaverde Group and no closer than 460' from the exterior boundary of each drilling and spacing unit.

The location of the proposed South Chapita 15-3 well is not in compliance with this spacing order due to topography. So, EOG will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. Such Rule requires EOG to submit written consent from all owners of directly or diagonally offsetting drilling units.

MAY 01 2006

Therefore, if you have no objections to EOG's drilling its proposed Mesaverde test, the South Chapita 15-3, at the above-described location, EOG respectfully requests you so indicate such written consent to same by having this letter dated and executed in the spaces provided below and returning two (2) originally executed copies to my attention at the letterhead address at your very earliest opportunity.

Thank you for your favorable consideration of this request. If you have any questions, please don't hesitate to call the undersigned at (303) 824-5430.

Sincerely,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

/das
exloc\SC15-3

On this 18th day of JANUARY, 2006 KERR-McGEE OIL & GAS ONSHORE LP hereby grants its written consent to EOG Resources, Inc.'s drilling the proposed Mesaverde test, the South Chapita 15-3, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, which location is an exception to State of Utah Board of Oil, Gas and Mining's Order in Cause No. 179-12.

KERR-McGEE OIL & GAS ONSHORE LP

TDT DIVERSE LP

By: 

By: _____

Title: SENIOR LANDMAN

Title: _____

ALLEN GANN dba AMCON RESOURCES

AVIVA AMERICA, INC.

By: _____

By: _____

Title: _____

Title: _____



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

January 18, 2005

CERTIFIED – RETURN RECEIPT REQUESTED

Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, Colorado 80202
Attention: Mr. W. Chris Latimer

TDT Diverse LP
1001 McKinney, Suite 520
Houston, Texas 77002

RECEIVED

FEB 21 2006

Mr. Allen Gann
dba Amcon Resources
One North Hudson, Suite 450
Oklahoma City, Oklahoma 73102

Aviva America, Inc.
8235 Douglas, Suite 400
Dallas, Texas 75225

EOG Resources, Inc.

RE: Consent to Exception Well Location
South Chapita 15-3
NW/4SE/4 of Sec. 3-10S-23E, SLM
Uintah County, Utah
Chapita Wells Prospect
1500-G06, 0077037-000

Gentlemen:

EOG Resources, Inc. ("EOG") is the sole owner of the federal lease covering All of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah. It has staked and proposes to drill the South Chapita 15-3, an 8,280' Mesaverde formation test well, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah (see enclosed copy of plat).

Reference is made to that certain Order in Cause No. 179-12 for the production of oil, gas and associated hydrocarbons from the Wasatch formation and Mesaverde Group. Said spacing order allow the drilling and production of up to eight (8) wells in the established 320-acre stand-up drilling and spacing unit covering the E/2 of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, and similar drilling and spacing units covering other lands. The authorized wells may be located no closer than 920' from an existing well producing from the Wasatch formation and Mesaverde Group and no closer than 460' from the exterior boundary of each drilling and spacing unit.

The location of the proposed South Chapita 15-3 well is not in compliance with this spacing order due to topography. So, EOG will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. Such Rule requires EOG to submit written consent from all owners of directly or diagonally offsetting drilling units.

Therefore, if you have no objections to EOG's drilling its proposed Mesaverde test, the South Chapita 15-3, at the above-described location, EOG respectfully requests you so indicate such written consent to same by having this letter dated and executed in the spaces provided below and returning two (2) originally executed copies to my attention at the letterhead address at your very earliest opportunity.

Thank you for your favorable consideration of this request. If you have any questions, please don't hesitate to call the undersigned at (303) 824-5430.

Sincerely,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

/das
exloc\SC15-3

On this 15th day of February, 2006, TDT Diverse LP
hereby grants its written consent to EOG Resources, Inc.'s drilling the proposed Mesaverde test, the South Chapita 15-3, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, which location is an exception to State of Utah Board of Oil, Gas and Mining's Order in Cause No. 179-12.

KERR-McGEE OIL & GAS ONSHORE LP

TDT DIVERSE LP

By: _____

By: Wanda S. Collier

Title: _____

Title: Land Manager

ALLEN GANN dba AMCON RESOURCES

AVIVA AMERICA, INC.

By: _____

By: _____

Title: _____

Title: _____



EOG Resources, Inc.
 600 Seventeenth Street
 Suite 1000N
 Denver, CO 80202
 Main: 303-572-9000
 Fax: 303-824-5400

January 18, 2005

CERTIFIED – RETURN RECEIPT REQUESTED

Kerr-McGee Oil & Gas Onshore LP
 1999 Broadway, Suite 3700
 Denver, Colorado 80202
 Attention: Mr. W. Chris Latimer

TDT Diverse LP
 1001 McKinney, Suite 520
 Houston, Texas 77002

Mr. Allen Gann
 dba Amcon Resources
 One North Hudson, Suite 450
 Oklahoma City, Oklahoma 73102

Aviva America, Inc.
 8236 Douglas, Suite 400
 Dallas, Texas 75225

RE: Consent to Exception Well Location
 South Chapita 15-3
 NW/4SE/4 of Sec. 3-10S-23E, SLM
 Uintah County, Utah
 Chapita Wells Prospect
 1500-G06, 0077037-000

Gentlemen:

EOG Resources, Inc. ("EOG") is the sole owner of the federal lease covering All of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah. It has staked and proposes to drill the South Chapita 15-3, an 8,280' Mesaverde formation test well, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah (see enclosed copy of plat).

Reference is made to that certain Order in Cause No. 179-12 for the production of oil, gas and associated hydrocarbons from the Wasatch formation and Mesaverde Group. Said spacing order allow the drilling and production of up to eight (8) wells in the established 320-acre stand-up drilling and spacing unit covering the E/2 of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, and similar drilling and spacing units covering other lands. The authorized wells may be located no closer than 920' from an existing well producing from the Wasatch formation and Mesaverde Group and no closer than 460' from the exterior boundary of each drilling and spacing unit.

The location of the proposed South Chapita 15-3 well is not in compliance with this spacing order due to topography. So, EOG will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. Such Rule requires EOG to submit written consent from all owners of directly or diagonally offsetting drilling units.

Kerr-McGee Oil & Gas Onshore LP, et al
January 18, 2006
Page 2 of 2

Therefore, if you have no objections to EOG's drilling its proposed Mesaverde test, the South Chapita 15-3, at the above-described location, EOG respectfully requests you so indicate such written consent to same by having this letter dated and executed in the spaces provided below and returning two (2) originally executed copies to my attention at the letterhead address at your very earliest opportunity.

Thank you for your favorable consideration of this request. If you have any questions, please don't hesitate to call the undersigned at (303) 824-5430.

Sincerely,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

/das
exloc\SC15-3

On this _____ day of _____, 2006, Allen Gann Gr Aviva America, Inc. hereby grants its written consent to EOG Resources, Inc.'s drilling the proposed Mesaverde test, the South Chapita 15-3, at a location 2256' FSL, 2231' FEL (NW/4SE/4) of Section 3, Township 10 South, Range 23 East, SLM, Uintah County, Utah, which location is an exception to State of Utah Board of Oil, Gas and Mining's Order in Cause No. 179-12.

KERR-McGEE OIL & GAS ONSHORE LP

TDT DIVERSE LP

By: _____

By: _____

Title: _____

Title: _____

~~ALLEN GANN dba AMGON RESOURCES~~
AMGON Resources, Inc. PJ

AVIVA AMERICA, INC.

By: [Signature]

By: _____

Title: President

Title: _____

RECEIVED

JUL 11 2005

EOG Resources, Inc.

FILED

JUL 05 2005

SECRETARY, BOARD OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF WESTPORT OIL AND GAS COMPANY, L.P. FOR AN ORDER MODIFYING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 179-1, 179-6, 179-7 AND 179-9 TO PROVIDE FOR THE DRILLING OF ADDITIONAL WELLS TO ACHIEVE THE EQUIVALENT OF AN APPROXIMATE 40-ACRE WELL DENSITY PATTERN FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE WASATCH FORMATION AND MESAVERDE GROUP IN ALL OF SECTION 31, TOWNSHIP 9 SOUTH, RANGE 23 EAST, SLM, AND ALL OF SECTIONS 1-12, THE N $\frac{1}{2}$ OF SECTIONS 13 AND 14, ALL OF SECTION 15, THE E $\frac{1}{2}$ OF SECTION 16, AND ALL OF SECTIONS 17 AND 18, TOWNSHIP 10 SOUTH, RANGE 23 EAST, SLM, UINTAH COUNTY, UTAH

FINDINGS OF FACT,
CONCLUSIONS OF LAW
AND ORDER

Docket No. 2005-010

Cause No. 179-12

This cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, June 22, 2005, at 10:00 a.m., in Richfield, Utah. The following Board members were present and participated at the hearing: Chairman J. James Peacock, Robert J. Bayer, Douglas E. Johnson, Kent R. Petersen, Samuel C. Quigley and Jean Semborski. Board member Jake Y. Harouny was unable to attend. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Westport Oil and Gas Company, L.P. ("Westport") were Chris Latimer - Senior Landman, Robert Single - Geologist, and Scott

Gamble – Senior Reservoir Engineer. Frederick M. MacDonald, Esq., of and for Pruitt Gushee, a Professional Corporation, appeared as attorney for Westport.

Testifying on behalf of the Division of Oil, Gas and Mining (the “Division”) was Dustin Doucet, Petroleum Engineer. Alison Garner, Esq., Assistant Attorney General, appeared as attorney on behalf of the Division. The Division expressed its support for the granting of the Request for Agency Action at the conclusion of its presentation.

At the conclusion of Westport’s and the Division’s presentation, Assad Raffoul, Petroleum Engineer, Utah State Office of the Bureau of Land Management (“BLM”), and LaVonne Garrison, Assistant Director – Oil and Gas, Utah School and Institutional Trust Lands Administration, expressed their respective agencies’ support for the granting of the Request for Agency Action. Kirk Fleetwood, Petroleum Engineer, Vernal District Office of the BLM, was present but did not make a formal appearance or participate in the hearing.

EOG Resources, Inc. (“EOG”), the operating rights owner and operator of Section 3, Township 10 South, Range 23 East, SLM, filed with the Board a letter dated May 23, 2005 expressing its support for the granting of the Request for Agency Action.

No other party filed a response to Westport’s Request for Agency Action and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order.

FINDINGS OF FACT

1. Westport is a Delaware limited partnership in good standing and authorized to conduct business in the State of Utah. It is duly bonded with all appropriate State of Utah and Federal agencies relative to this cause.

2. By Order entered October 24, 1978 in Cause No. 179-1 (the "179-1 Order"), the Board established 320-acre or substantial equivalent stand-up drilling and spacing units for the development and production of oil, gas and associated hydrocarbons "from the interval described as commencing at the surface down to the top of the Mancos formation," for the following Uintah County, Utah lands:

Township 10 South, Range 23 East, SLM

- Section 1: Lots 1 (40.61), 2 (40.60), 3 (40.58) and 4 (40.57), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 2: Lots 1 (40.56), 2 (40.58), 3 (40.58) and 4 (40.60), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 3: Lots 1 (40.60), 2 (40.62), 3 (40.62) and 4 (40.64), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 4: Lots 1 (40.64), 2 (40.63), 3 (40.63) and 4 (40.62), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 5: Lots 1 (40.62), 2 (40.60), 3 (40.60) and 4 (40.58), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 6: Lots 1 (40.59), 2 (40.59), 3 (40.61),

- 4 (39.42), 5 (38.87), 6 (38.93) and
7 (38.97), S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,
SE $\frac{1}{4}$ [All]
- Section 7: Lots 1 (39.04), 2 (39.11), 3 (39.19)
and 4 (39.26), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All]
- Section 8: All
- Section 9: All
- Section 10: All
- Section 11: All
- Section 12: Lot 1 (34.43), portion of Allotment 278
(5.57), SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ [All]
- Section 15: All
- Section 16: E $\frac{1}{2}$
- Section 17: All
- Section 18: Lots 1 (39.31), 2 (39.34), 3 (39.36)
and 4 (39.39), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All],

among other lands, and 320-acre or substantial equivalent lay-down drilling and spacing units for the same production from the same interval for the following Uintah County,

Utah lands:

Township 10 South, Range 23 East, SLM

- Section 13: Lots 1 (11.39), 2 (35.48), 3 (39.12)
and 4 (36.85), portion of Allotment 278
(37.16), E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ [N $\frac{1}{2}$]
- Section 14: N $\frac{1}{2}$.

The lands specifically described above are hereafter referred to as the "Bonanza Lands." The Board additionally ruled only one well on each unit producing from said interval would be allowed.

3. By Order entered May 24, 1994 in Cause No. 179-6 (the "179-6 Order"), the Board modified the 179-1 Order to allow the drilling of a second production well within the drilling and spacing units created under the 179-1 Order.

4. By Order entered February 3, 1995 in Cause No. 179-7 (the "179-7 Order"), the Board established 80-acre or substantial equivalent stand-up drilling and spacing units for the production of oil, gas and associated hydrocarbons from the interval between "the top of the Wasatch formation down to the base of the Mesaverde formation" for the following Uintah County, Utah lands:

Township 9 South, Range 23 East, SLM

Section 31: Lots 1 (39.01), 2 (38.95), 3 (38.89)
and 4 (38.83), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All],

hereinafter referred to as the "Southman Canyon Lands," and ruled only one well on each such unit producing in said interval would be allowed. The permitted wells for each unit were to be located in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ within a drilling window 400 foot square on the center location; provided, however, that the Division may grant administrative approval for exception well locations for topographic, environmental and archaeological considerations and when "no surface occupancy" stipulations imposed by the lessors prohibited drilling at a legal location, without the necessity of a full hearing before the Board.

5. By Order entered December 28, 1999 in Cause No. 179-9 (the "179-9 Order"), the Board modified the 179-1 and 179-6 Orders to allow the drilling of up to four production wells on each of the drilling and spacing units created under the 179-1 Order. The additional authorized wells were to be located no closer than 920 feet from an existing well producing from the spaced interval and 460 feet from the exterior boundary of each unit; provided, however, that administrative approval may be granted for exception well locations for topographical, environmental and archaeological considerations and when "no surface occupancy" stipulations imposed by the lessors prohibited drilling at a legal location, without the necessity of a full hearing before the Board.

6. The oil, gas and associated hydrocarbons underlying the Bonanza and Southman Canyon Lands are primarily Federal, with the exception of Section 2 and the E $\frac{1}{2}$ of Section 16, which are owned by the State of Utah in trust for the benefit of its schools and institutions, and Allotment No. 278, which is Indian owned. All of the Bonanza and Southman Canyon Lands are leased except Allotment No. 278, and Lots 1 and 4 and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13.

7. Westport is the sole lessee under the leases covering the Bonanza and Southman Canyon Lands except for the W $\frac{1}{2}$ of Section 15, in which it is a co-operating rights owner, and Section 3 and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, in which it owns no interest. Section 3 is under lease to EOG.

8. Westport and/or its predecessors in title have drilled numerous wells on the Bonanza and Southman Canyon Lands in accordance with the 179-1, 179-6, 179-7 and 179-9 Orders, all of which produce only from the Wasatch Formation and that part of the Mesaverde Group to the top of the Castlegate Sandstone as referenced by R.D. Hettinger and M.A. Kirschbaum in 2002 as pamphlet to Geologic Investigations Series I-2764, U.S. Department of the Interior, U.S. Geologic Survey, "Stratigraphy of the Upper Cretaceous Mancos Shale (Upper Part) and Mesaverde Group in the Southern Part of the Uintah and Piceance Basins, Utah and Colorado," defined for purposes of this Cause as:

that interval from the stratigraphic equivalent of 4,298 feet down to the stratigraphic equivalent of 8,726 feet, as shown on the Gamma and Caliper logs, Dual Laterologs and Compensated Neutron-Formation Density log of the Southman Canyon Federal 1-5 well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, T10S, R23E, SLM.

9. Sandstones of the Wasatch and Mesaverde were deposited by meandering river channels that traversed a broad low-lying plain in the general region of the Bonanza and Southman Canyon Lands. These fluvial sands were eventually buried and encased in fine grained mud as the area subsided. New meandering channel systems established themselves nearby and, similarly with time, would be buried and preserved in the subsurface. Today, this package is a thick sequence of laterally discontinuous, compartmentalized, stacked-channel deposits. Data generated from the wells drilled on the

Bonanza and Southman Canyon Lands has confirmed that it is difficult to intersect many of these thin sandstones with a single wellbore; only a few channel sandstones are intersected in each well.

10. Production data from wells drilled on the Bonanza and Southman Canyon Lands indicates that initial rates have not degraded with respect to subsequent wells drilled within the same drilling and spacing unit; this is an indication of compartmentalization or discontinuous sand bodies with no pressure communication or depletion between wells. Compartmentalization based on the discontinuous nature of the sands within the Bonanza and Southman Canyon Lands inherently results in small drainage areas and inefficient extraction of reserves. Additionally, decline curve analysis of these wells indicates an unacceptably low recovery factor of less than 30% of original gas in place under the density pattern established under the existing 179-1, 179-6, 179-7 and 179-9 Orders.

11. The drilling of additional wells on the Bonanza and Southman Canyon Lands to achieve the equivalent of an approximate 40-acre well density pattern, *i.e.* allowing up to eight wells on the 320-acre or substantial equivalent drilling and spacing units established under the 179-1 Order and allowing a second well in each of the 80-acre or substantial equivalent drilling and spacing units established under the 179-7 Order, is economic and expected to bring recoveries up to a more respectable level by encountering additional sandstones. In other words, there is likelihood that, if development of the

Wasatch Formation and Mesaverde Group underlying the Bonanza and Southman Canyon Lands does not occur on an approximate 40-acre well density pattern, valuable resources will not be recovered.

12. There are numerous communitization agreements already in place covering portions of the Bonanza and Southman Canyon Lands, which were executed and approved by the requisite agencies in order to establish proration units in conformance with the 179-1 and 179-7 Orders. Production from any additional wells drilled within the existing drilling and spacing units subject to said agreements will be allocated to all royalty, overriding royalty and working and other production interest owners within the units in the same manner as is production from the wells currently within said units.

13. A copy of the Request for Agency Action was mailed, postage pre-paid and properly addressed, to all royalty, overriding royalty and working interest owners within the entirety of the Bonanza and Southman Canyon Lands, and to the working interest owners and operators of the eight sections contiguous to the Southman Canyon Lands, at their last addresses disclosed by the appropriate Federal, State and County realty records.

14. Notice of the filing of Westport's Request for Agency Action and of the hearing thereon was duly published in the Salt Lake Tribune, Deseret Morning News and Vernal Express.

15. The vote of the Board members present in the hearing and in this cause was unanimous in favor of granting the Request for Agency Action.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request for Agency Action in the form and manner as required by law and the rules and regulations of the Board and Division.

2 The Board has jurisdiction over all matter covered by the Request for Agency Action and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6(6).

3. The modification of the Board's Orders in Cause Nos. 179-1, 179-6, 179-7 and 179-9 to allow the drilling of additional wells on the Bonanza and Southman Canyon Lands to achieve the equivalent of an approximate 40-acre well density pattern, *i.e.* to allow up to eight producing wells on the 320-acre or substantial equivalent drilling and spacing units established under the 179-1 Order and two producing wells on the 80-acre or substantial equivalent drilling and spacing units established under the 179-7 Order, for the production of oil, gas and associated hydrocarbons from the Wasatch Formation and Mesaverde Group as defined under Findings of Fact No. 8 above, with the proviso that the additional wells so authorized may be located no closer than 920 feet from an existing well

producing from said formations and no closer than 460 feet from the exterior boundary of each unit unless an exception is granted by the Division in accordance with Utah Admin. Code Rule R649-3-3 for topographical, geological, environmental, and archeological considerations and when “no surface occupancy” stipulations imposed by the lessors prohibit drilling at a legal location, is just and reasonable under the circumstances.

4. Declaring that all existing wells located on the Bonanza and Southman Canyon Lands and producing oil, gas and associated hydrocarbons from the Wasatch Formation and Mesaverde Group as defined under Findings of Fact No. 8 above are authorized and deemed to be at lawful locations, notwithstanding the relief granted hereby, is necessary to avoid inconsistency with the existing 179-1, 179-6, 179-7 and 179-9 Orders and is just and reasonable under the circumstances.

5. Authorizing in-fill drilling, rather than vacating the existing orders and downspacing, is necessary to avoid interfering with the contractual rights established under the existing communitization agreement covering portions of the Bonanza and Southman Canyon Lands. The correlative rights of the parties to said agreements will not be adversely affected by the in-fill drilling authorized hereby.

6. Westport has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of its Request for Agency Action.

7. The relief granted hereby will result in the orderly development and greatest recovery of oil, gas and associated hydrocarbons from the Wasatch Formation and Mesaverde Group as defined under Findings of Fact No. 8 above as to the Bonanza and Southman Canyon Lands, prevent waste and adequately protect the correlative rights of all affected parties.

ORDER

Based upon the Request for Agency Action, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request for Agency Action in this cause is granted.
2. The Board's Orders entered in Cause Nos. 179-1, 179-6, 179-7 and 179-9 are hereby modified to allow the drilling of additional wells on the Bonanza and Southman Canyon Lands to achieve the equivalent of an approximate 40-acre well density pattern, *i.e.* to allow up to eight producing wells on the 320-acre or substantial equivalent drilling and spacing units established under the 179-1 Order and two producing wells on the 80-acre or substantial equivalent drilling and spacing units established under the 179-7 Order, for the production of oil, gas and associated hydrocarbons from the Wasatch Formation and Mesaverde Group as defined above.
3. The additional wells so authorized may be located no closer than 920 feet from an existing well producing from said formations and no closer than 460 feet from the

exterior boundary of each unit; provided, however, that administrative approval by the Division may be granted in accordance with Utah Admin. Code Rule R649-3-3 for exception well locations for topographical, geological, environmental, and archaeological considerations and when “no surface occupancy” stipulations imposed by the lessors prohibit drilling at a legal location, without the necessity of a full hearing before the Board.

4. All existing wells located on the Bonanza and Southman Canyon Lands and producing oil, gas and associated hydrocarbons from the Wasatch Formation and Mesaverde Group as defined above are hereby declared to be authorized and located at lawful locations, notwithstanding the consequences of the relief granted hereby.

5. Pursuant to Utah Admin. Code Rule R641 and Utah Code Ann. § 63-46b-6 to 10, the Board has considered and decided this matter as a formal adjudication.

6. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board’s decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. § 63-46b-10 and Utah Administrative Code Rule R641-109.

7. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63-46b-10(e) to -

10(g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. § 63-46b-14(3)(a) and - 16. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63-46b-13, entitled, "Agency Review - Reconsideration," states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63-46b-12 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing

of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, “Rehearing and Modification of Existing Orders,” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

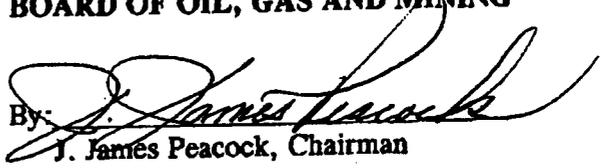
Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. § 63-46b-13 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

8. The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

9. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 5th day of July, 2005.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By: 
J. James Peacock, Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing "Findings of Fact, Conclusions of Law and Order" for Docket No. 2005-010, Cause No. 179-12 to be mailed with postage prepaid, this 6th day of July, 2005, to the following:

Frederick M. MacDonald
PRUITT GUSHEE
Attorneys for Westport Oil & Gas Co., LP
36 South State Street, Suite 1800
Salt Lake City, UT 84111

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
(Hand Delivered)

Stephen Schwendiman
Assistant Attorney General
Utah Board of Oil, Gas & Mining
160 East 300 South, 5th Floor
P.O. Box 140815
Salt Lake City, UT 84114-0815

Steven F. Alder
Alison D. Garner
Assistant Attorneys General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
(Hand Delivered)

Gil Hunt, Acting Associate Director
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801
(Hand Delivered)

Westport Oil and Gas Company, L.P.
Attn: W. Chris Latimer, Senior Landman
1670 Broadway, Suite 2800
Denver, CO 80202

Aviva America Inc.
8235 Douglas #400
Dallas, TX 75225

Allen Gann
d/b/a Amcon Resources
One North Hudson #450
Oklahoma City, OK 73102

Questar Exploration and Production Co.
Attn: Nate Koeniger
1050 Seventeenth Street, Suite 500
Denver, CO 80265

EOG Resources Inc
Attn: Toni Miller
600 Seventeenth Street, Suite 1100N
Denver, CO 80202

Amy C. Davenport
P. O. Box 10422
Midland, TX 79702

Robert M. Davenport, Jr.
104 S. Pecos
Midland, TX 79701

K C Premium Royalty Corp.
P. O. Box 950
Midland, TX 79702

Pecos Bend Royalties Inc.
Attn: C. R. Bailey
P. O. Box 2802
Midland, TX 79702

Robert F. Bailey, Jr.
PO Box 10926
Midland, TX 79702

Rebecca L. Bailey
P.O. Box 3365
Midland, TX 79702

Lynn Franklin Cowden
P.O. Box 190
Skellytown, TX 79080-0190

Robert M. Davenport
P.O. Box 3511
Midland, TX 79702

Richard A. King
4416 Perry Lane
Fort Worth, TX 76133

Uintah Basin Royalty Partnership
PO Box 587
Marlow, OK 73055

Pat M. Yocham
1604 Shell
Midland, TX 79705

Osmond Oil & Gas LLC
400 South Steele St. #55
Denver, CO 80209-3500

Patina Oil & Gas Corporation
1625 Broadway, Suite 2000
Denver, CO 80202

Sandfer Capital Partners
515 Congress Avenue, Suite 1875
Austin, TX 78701

TDT Diverse L.P.
1001 McKinney, Suite 520
Houston, TX 77002

Bucy Properties, LLC
1776 Lincoln Street Ste. 811
Denver, CO 80203

Sheridan L. McGarry, Jr.
4043 Indian Summer Dr. SE
Olympia, WA 98513-4281

Cheryl L. Watkins
13241 North 14th Place
Phoenix, AZ 85022

Stanley P. Pelanis
P.O. Box 2062
Kenosha, WI 53141-2062

Resource Service Co. Inc.
Attn: Rebecca L. Engle, President
P.O. Box 26245
Milwaukee, WI 53226

Bowers Oil and Gas Inc.
2532 F RD #11
Grand Junction, CO 81505

Forcenergy Onshore Inc.
3838 N. Causeway, Blvd.
Metairie, LA 70002

Old West Royalty Partnership
c/o Charles Brown
P.O. Box 587
Marlow, OK 73055

Newfield Production Company
f/k/a Inland Production Company
1401 Seventeenth Street, Suite 1000
Denver, CO 80202

Suzanne Pickett Martinson
6038 North 52nd Place
Paradise Valley, AZ 85253

Suzanne Pickett Martinson, Trustee of
the Lisa Pickett Pierson Spendthrift Trust
6038 North 52nd Place
Paradise Valley, AZ 85253

George Barlett
Two Broadway
New York, NY 10004

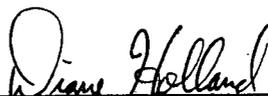
M. Peyton Bucy
1776 Lincoln St.
Denver, CO 80202

Bureau of Indian Affairs – Uintah
and Ouray Agency (on behalf of
Allotment No. 278)
Attn: Mr. Chester Mills,
Superintendent
P.O. Box 130
Fort Duchesne, UT 84026

State of Utah School and
Institutional Trust Lands Admin.
Attn: LaVonne Garrison
675 E. 500 South, Ste. 500
Salt Lake City, UT 84102

United States of America
Bureau of Land Management
Utah State Office
Attn: Terry Catlin
P.O. Box 45155
Salt Lake City, UT 84145-0155

United States of America
Bureau of Land Management
Vernal Field Office
Attn: Howard Cleavinger
170 South 500 East
Vernal, UT 84078



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/12/2005

API NO. ASSIGNED: 43-047-36884

WELL NAME: S CHAPITA 15-3
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:
 NWSE 03 100S 230E
 SURFACE: 2256 FSL 2231 FEL
 BOTTOM: 2256 FSL 2231 FEL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-80613
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: PRRV
 COALBED METHANE WELL? NO

LATITUDE: 39.97695
 LONGITUDE: -109.3111

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 _____

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

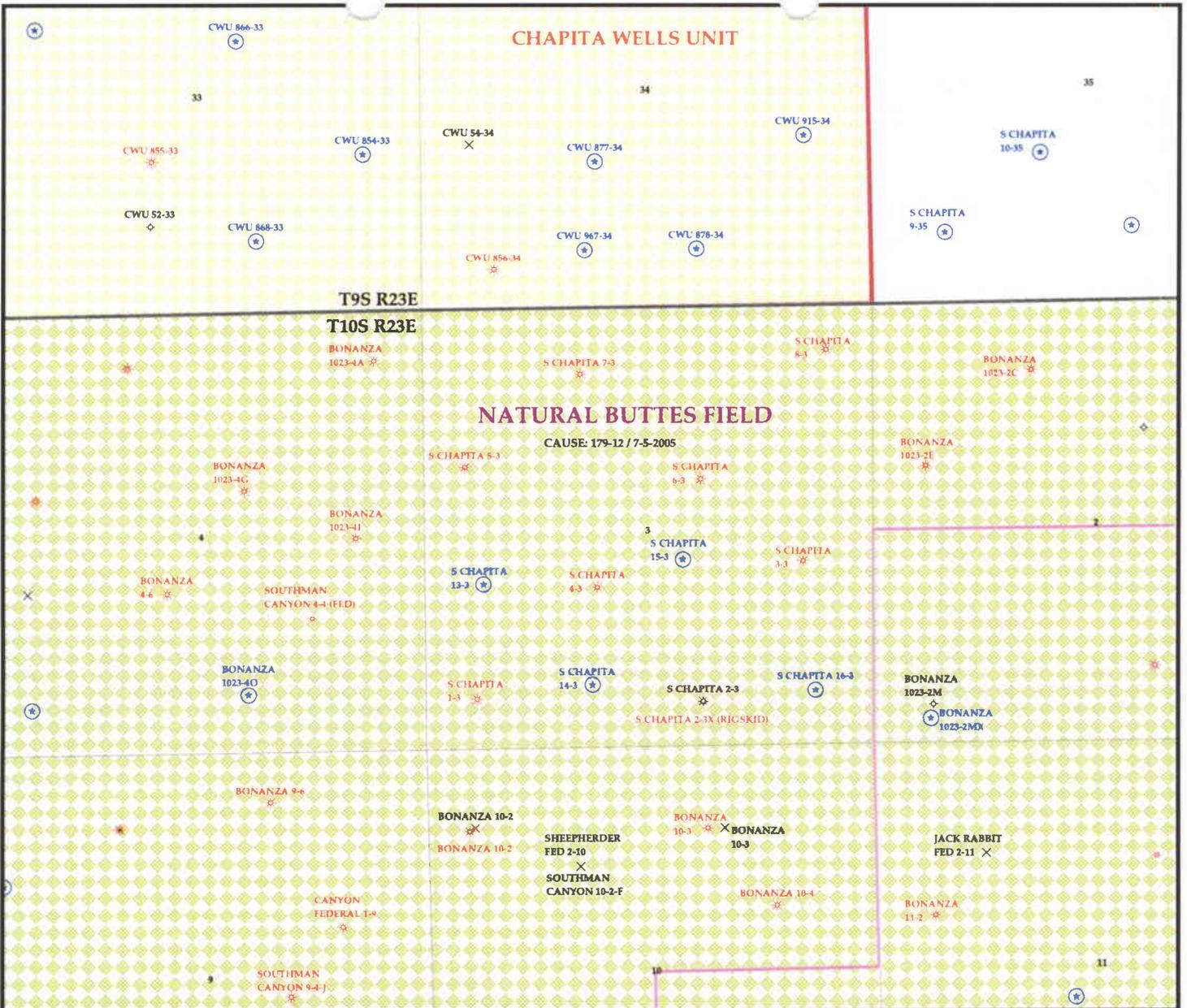
___ R649-3-3. Exception

Drilling Unit
 Board Cause No: 179-12 (8/320')
 Eff Date: 7-5-05
 Siting: 460' fr ubdrg & 920' fr other wells.

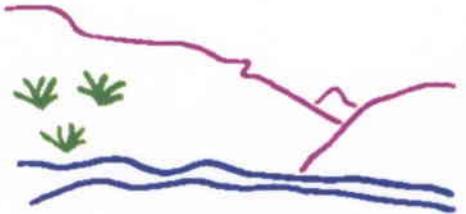
___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Fed. of C. Approved



OPERATOR: EOG RESOURCES INC (N1095)
 SEC: 3 T. 10S R. 23E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
 CAUSE: 179-12 / 7-5-2005



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 14-JULY-2005

19

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		

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

July 12, 2005

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

RE: **Corrected APD documents**
SOUTH CHAPITA 15-3
NW~~1~~SE, SEC. 3, T10S, R23E, S.L.B. & M.
UINTAH COUNTY, UTAH
LEASE NO.: UTU-80613
FEDERAL LANDS

Enclosed please find a complete copy of the corrected APD.

Sorry for any inconvenience.

Thank you for your attention to this matter.

Sincerely,



Ed Trotter, Agent
EOG Resources, Inc.
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420
E-mail: edtrotter@easilink.com

RECEIVED

JUL 14 2005

DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN
SOUTH CHAPITA 15-3
NW/SE, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

FORMATION	DEPTH (KB)
Green River	1,543'
Wasatch	4,153'
North Horn	6,024'
Island	6,298'
KMV Price River	6,551'
KMV Price River Middle	7,075'
KMV Price River Lower	7,698'
Sego	8,186'

Estimated TD: **8,280' or 200'± below Segó top**

Anticipated BHP: 4,520 Psig

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
 BOP schematic diagrams 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>
12-1/4"	0' – 2,300'KB±	2,300'±	9-5/8"	36.0#	J-55	ST&C	2020 Psi	3520 Psi	394,000#
7-7/8"	2,300'± – TD	8,280±	4-1/2"	11.6#	N-80	LT&C	6350 Psi	7780 Psi	223,000#

Note: 12-1/4" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (50± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN
SOUTH CHAPITA 15-3
NW/SE, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

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

7. VARIANCE REQUESTS:

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 approximately 75' in length.

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD. Cased hole evaluation logs will be run in lieu of open hole logs.

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

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

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

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

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

EIGHT POINT PLAN
SOUTH CHAPITA 15-3
NW/SE, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (2300'± - TD)

Lead: 410 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 535 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. 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.

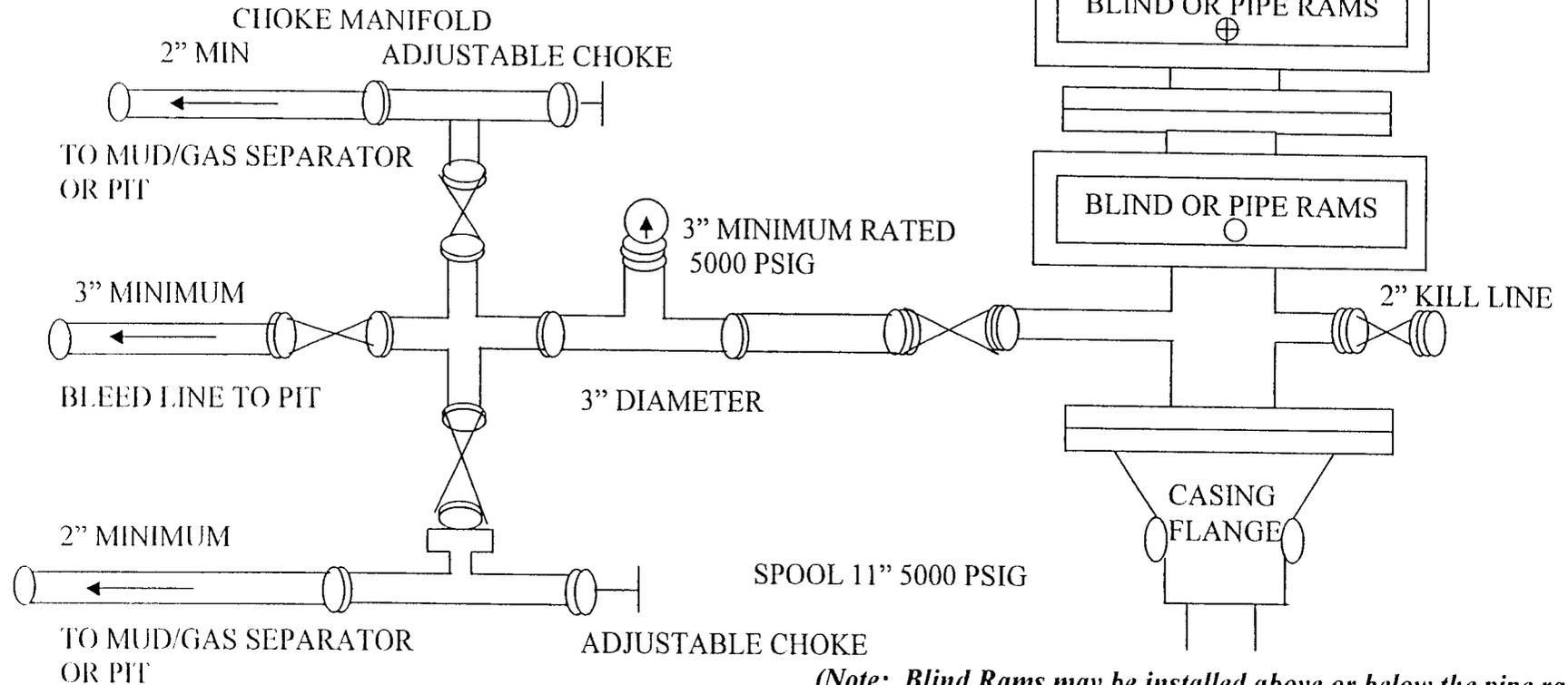
(Attachment: BOP Schematic Diagram)

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.



(Note: Blind Rams may be installed above or below the pipe rams)

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

Company/Operator: EOG Resources, Inc.
Well Name & Number: South Chapita 15-3
Lease Number: UTU-80613
Location: 2256' FSL & 2231' FEL, NW/SE, Sec. 3,
T10S, 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 29.87 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 350 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. **A high water crossing will be placed in the access road with a 24" culvert.** Other Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. The access road will be dirt surface.
- G. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

- A. Abandoned wells - 1*
- B. Producing wells - 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 238' from proposed location to a point in the NW/SE of Section 3, T10S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

The production facilities will be placed on the West 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 felt and a 12 millimeter plastic liner.

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:
 - Wyoming Big Sage – 3 pounds per acre
 - Gardner Salt Bush – 3 pounds per acre
 - Indian Rice Grass – 2 pounds per acre
 - Hi-Crest Crested Wheat Grass – 1 pound per acre
 - Shad Scale – 2 pounds per acre.

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

The stockpiled pit topsoil will be stored separate from the location topsoil West of Corners B and 5. The stockpiled location topsoil will be stored East of Corner #6, as well as between Corners 1 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 Northeast.

Corners A, #4, #2, #6, & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.
If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

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

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal
Location: Federal

12. OTHER INFORMATION

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

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

from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

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

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

Additional Surface Stipulations

A high water crossing will be placed in the access road with a 24” culvert.

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 **South Chapita 15-3 Well, located in the NW/SE of Section 3, T10S, R23E, Uintah County, Utah; Lease #UTU-80613**; 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.

July 7, 2005
Date

Lee L. Smith
Agent

EOG RESOURCES, INC.
S. CHAPITA #15-3
SECTION 3, T10S, 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 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 350' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 60.3 MILES.

EOG RESOURCES, INC.

S. CHAPITA #15-3
LOCATED IN UTAH COUNTY, UTAH
SECTION 3, T10S, R23E, S.L.B.&M.

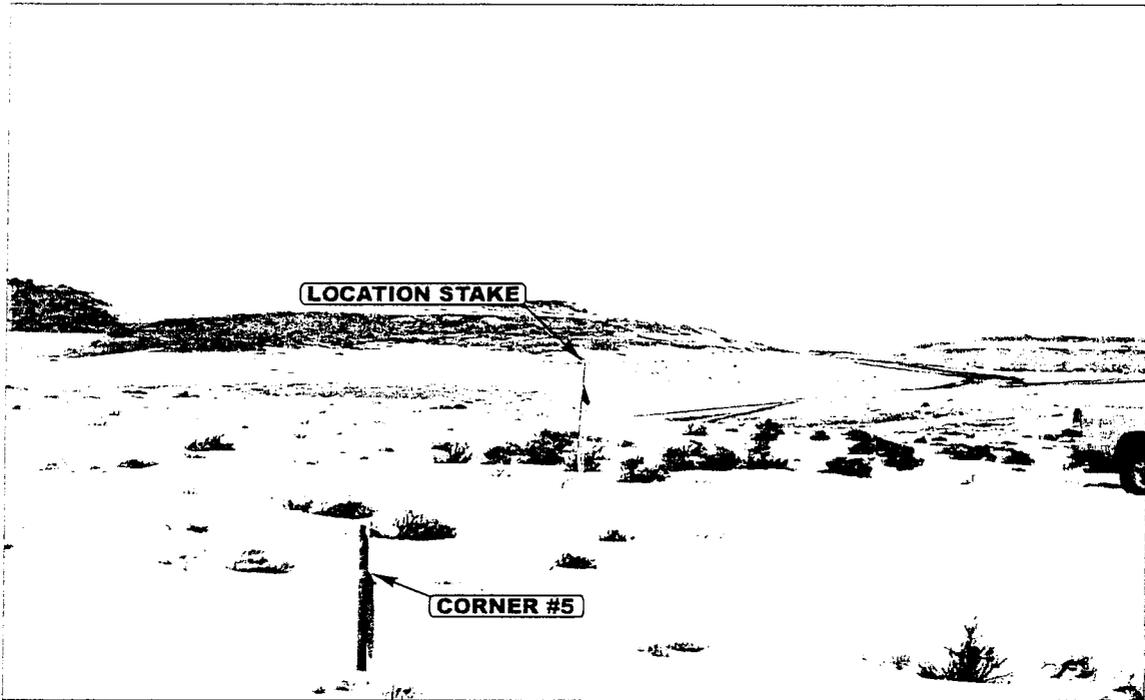


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

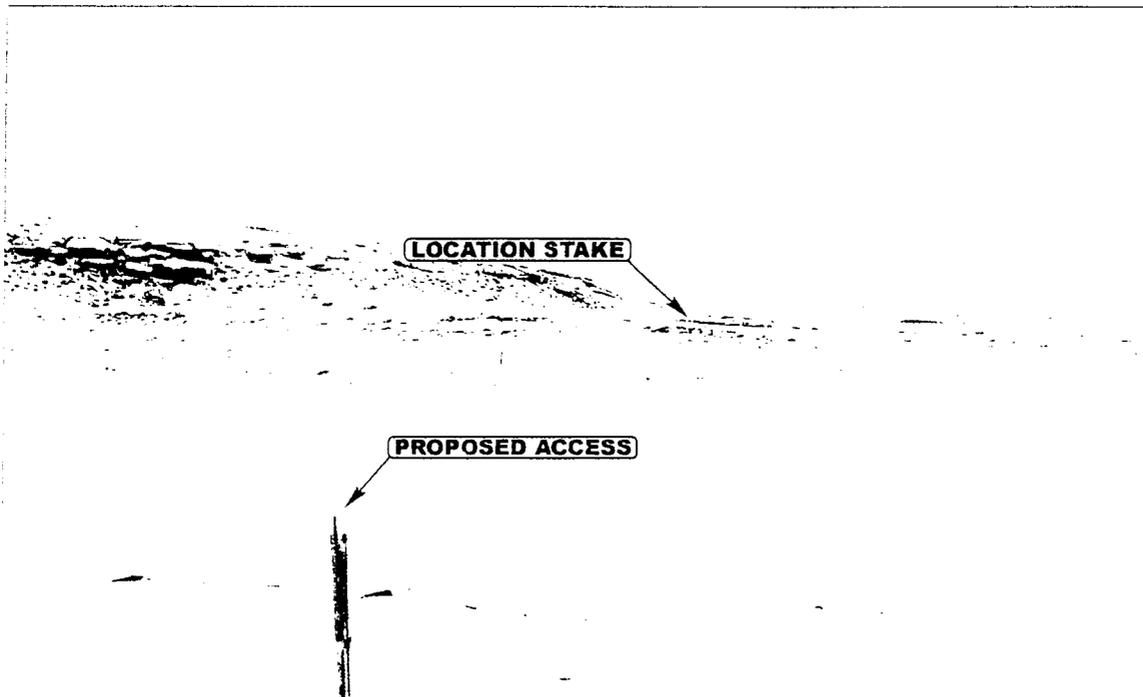


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



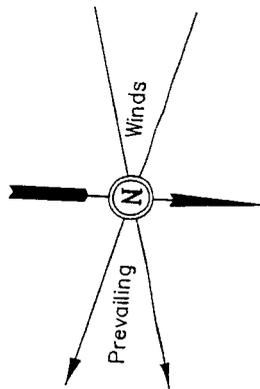
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	02	27	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: P.M.		REVISED: 00-00-001	

EOG RESOURCES, INC.

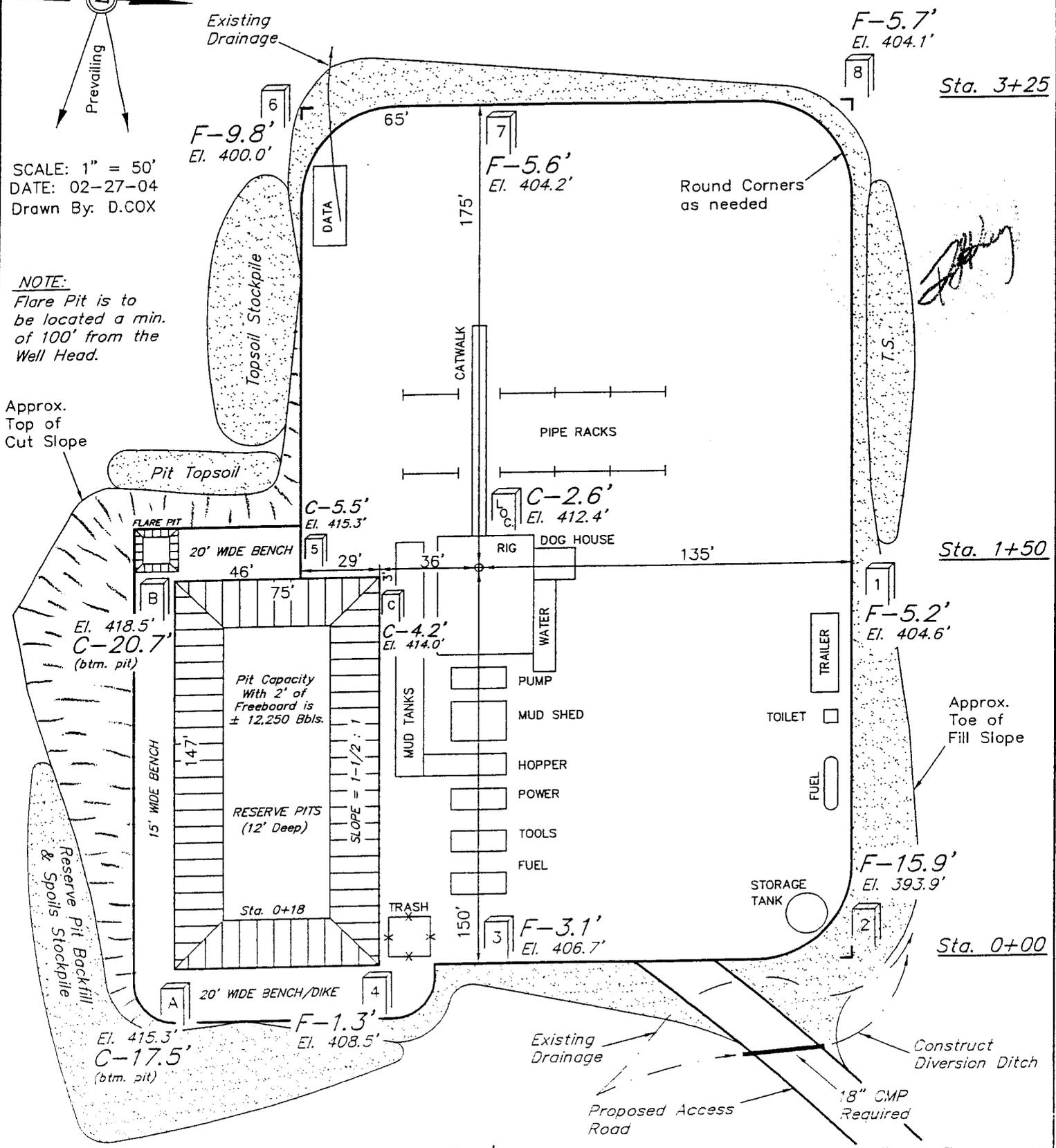
LOCATION LAYOUT FOR

S. CHAPITA #15-3
SECTION 3, T10S, R23E, S.L.B.&M.
2256' FSL 2231' FEL



SCALE: 1" = 50'
DATE: 02-27-04
Drawn By: D.COX

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



Elev. Ungraded Ground at Location Stake = 5412.4'
Elev. Graded Ground at Location Stake = 5409.8'

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

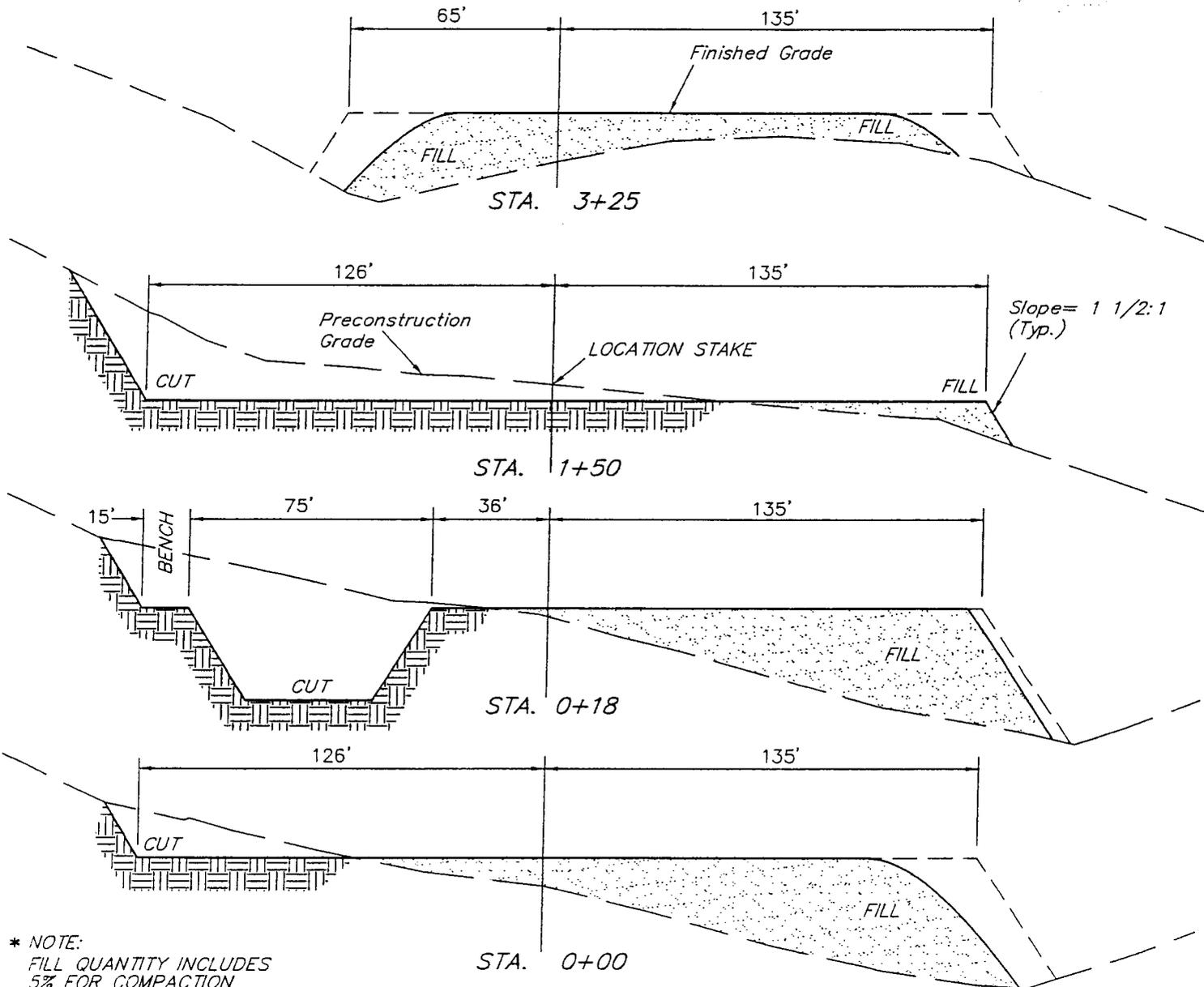
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

S. CHAPITA #15-3
SECTION 3, T10S, R23E, S.L.B.&M.
2256' FSL 2231' FEL

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

DATE: 02-27-04
Drawn By: D.COX



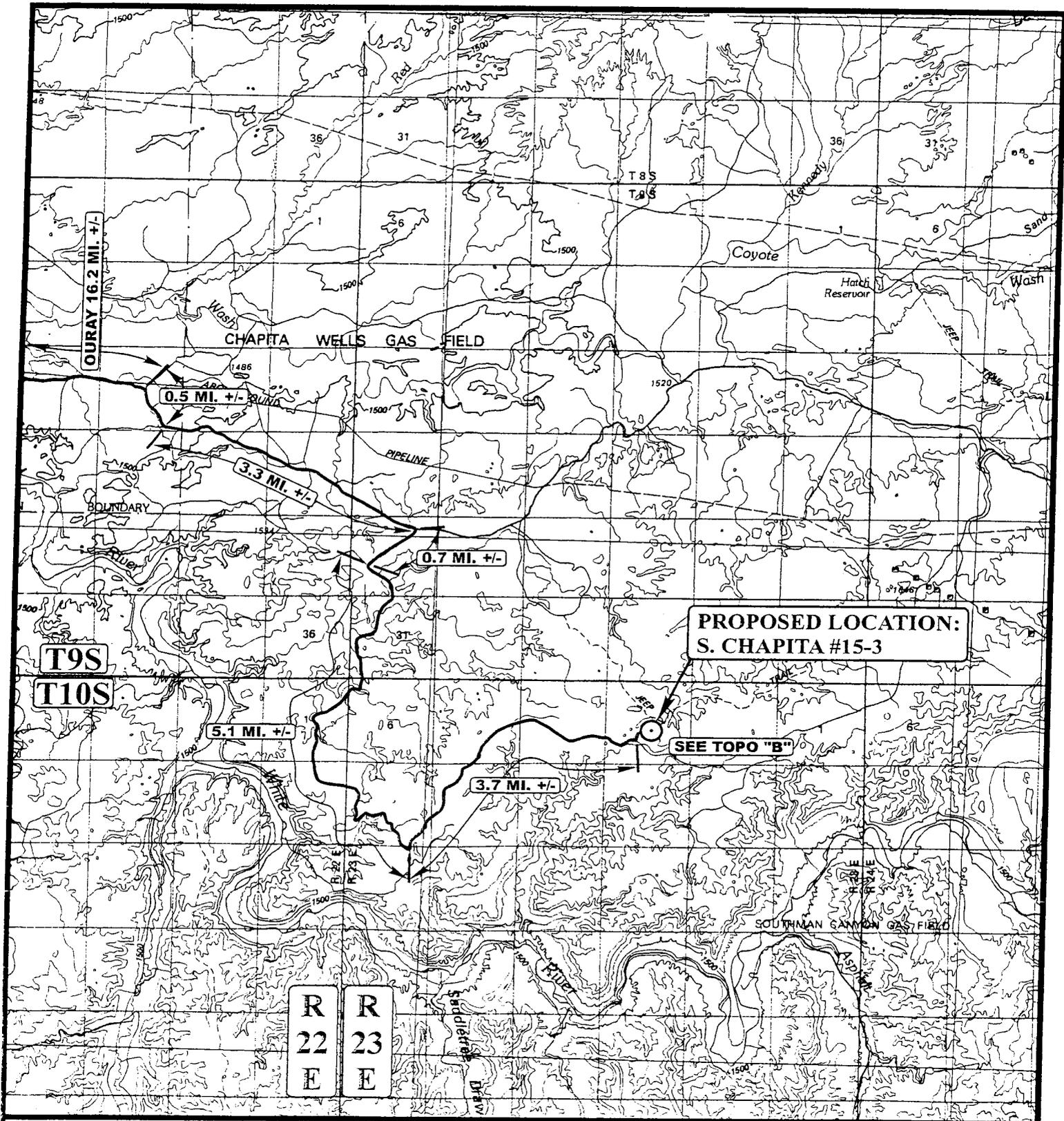
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,900 Cu. Yds.
Remaining Location = 9,420 Cu. Yds.
TOTAL CUT = 11,320 CU.YDS.
FILL = 7,770 CU.YDS.

EXCESS MATERIAL = 3,560 Cu. Yds.
Topsoil & Pit Backfill = 3,560 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

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



LEGEND:

○ PROPOSED LOCATION

N

EOG RESOURCES, INC.

S. CHAPITA #15-3
 SECTION 3, T10S, R23E, S.L.B.&M.
 2256' FSL 2231' FEL

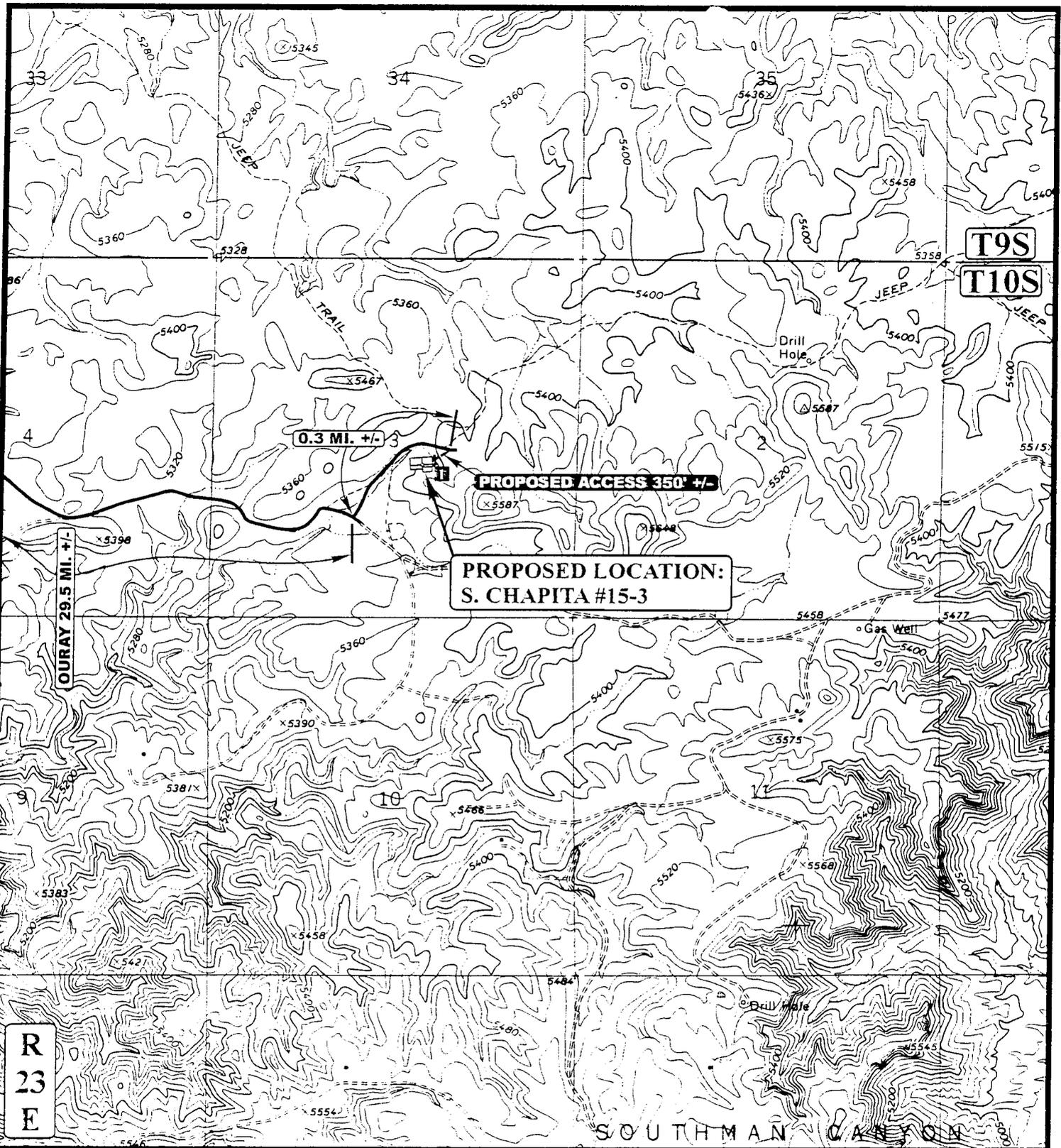


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 02 27 04
 MONTH DAY YEAR

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





LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD
- 18" CMP REQUIRED

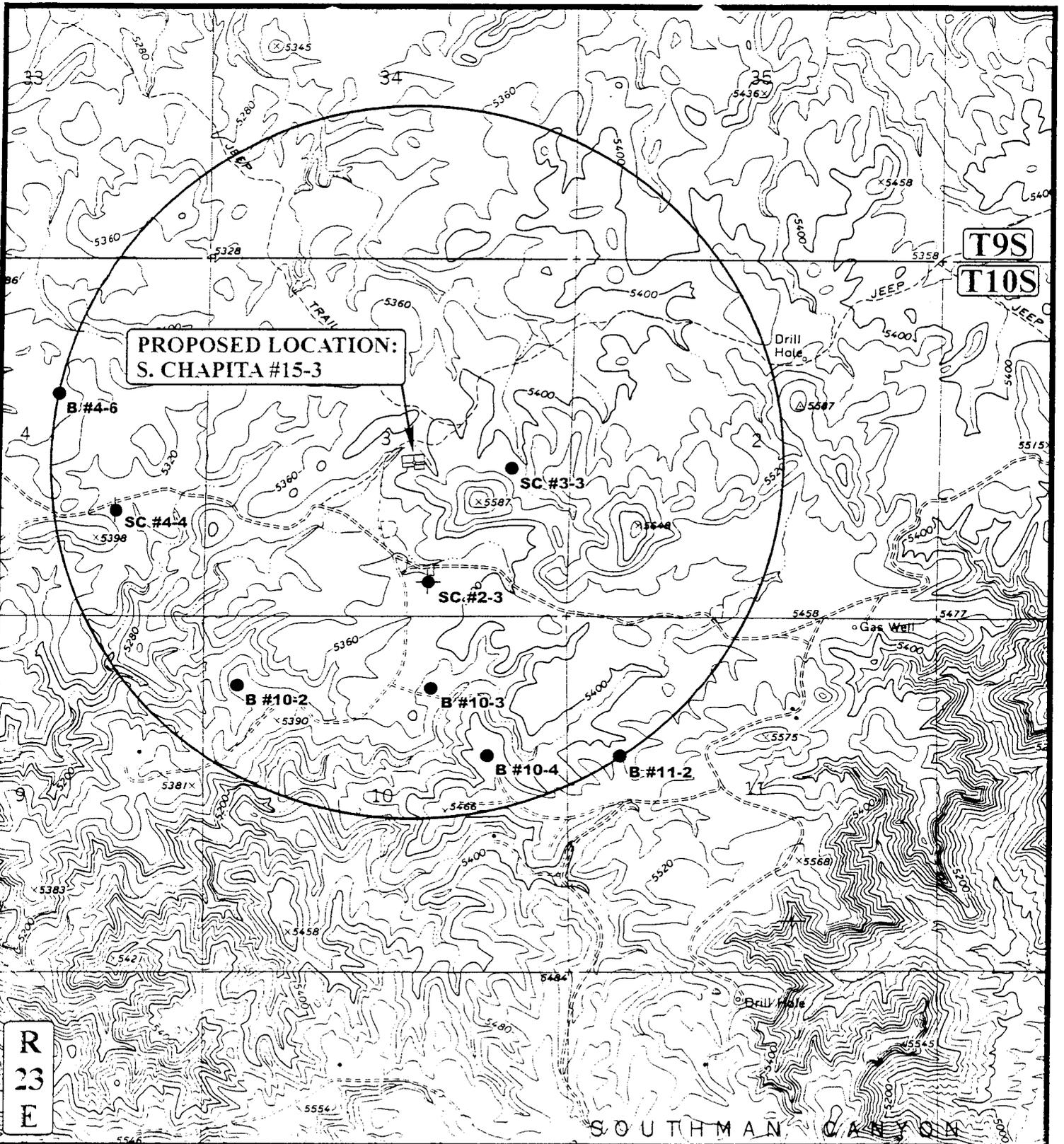
U&L Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

EOG RESOURCES, INC.

S. CHAPITA #15-3
 SECTION 3, T10S, R23E, S.L.B.&M.
 2256' FSL 2231' FEL

TOPOGRAPHIC 02/27/04
 MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-001

B
TOPO



**PROPOSED LOCATION:
S. CHAPITA #15-3**

**R
23
E**

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



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



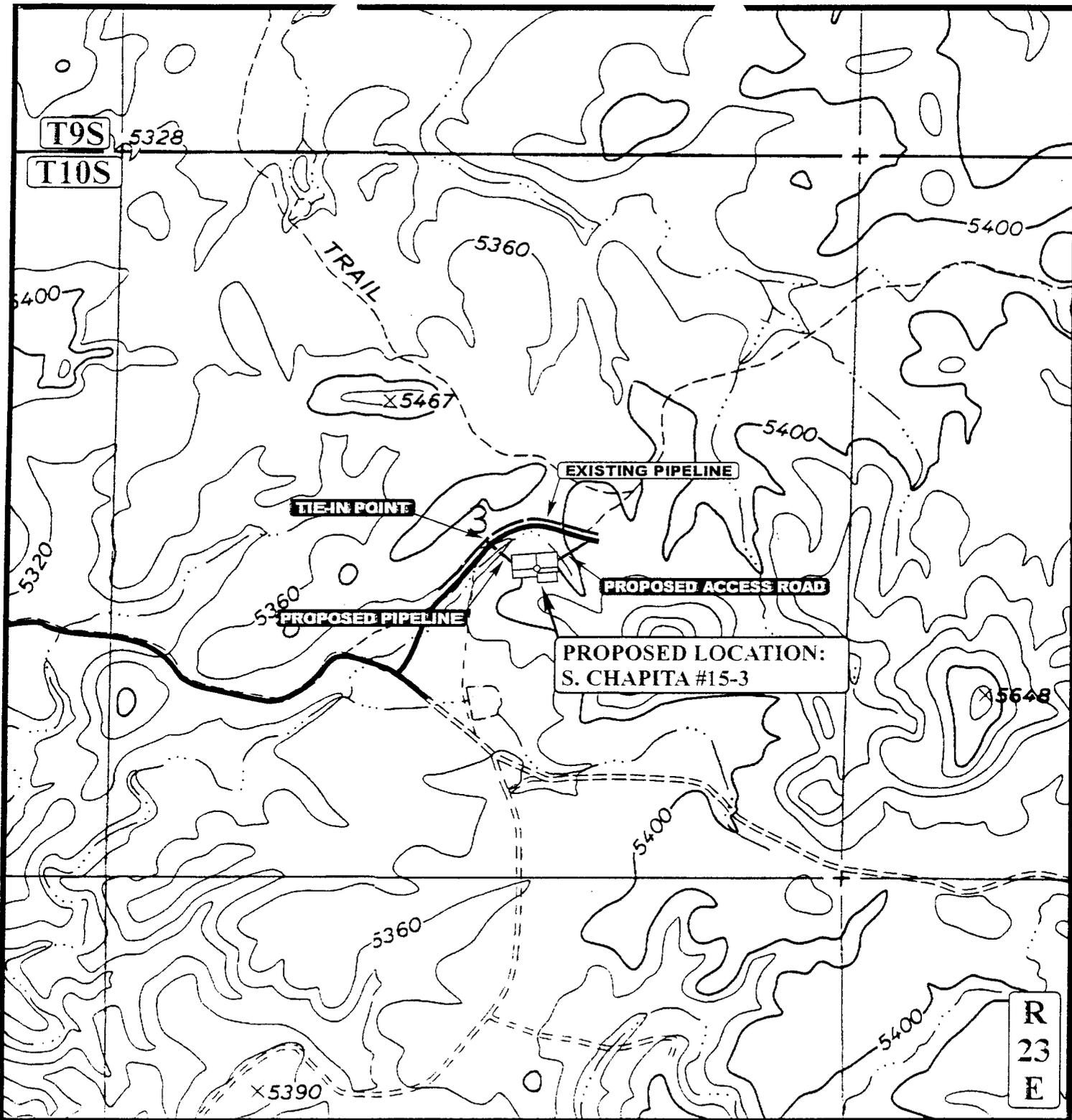
EOG RESOURCES, INC.

**S. CHAPITA #15-3
SECTION 3, T10S, R23E, S.L.B.&M.
2256' FSL 2231' FEL**

TOPOGRAPHIC 02 27 04
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 238' +/-

LEGEND:

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



EOG RESOURCES, INC.

S. CHAPITA #15-3
 SECTION 3, T10S, R23E, S.L.B.&M.
 2256' FSL 2231' FEL



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

TOPOGRAPHIC 02 27 04
 MAP MONTH DAY YEAR
 SCALE: 1"=1000' DRAWN BY: P.M. REVISED: 00-00-001





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, 2006
AMENDED

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

Re: South Chapita 15-3 Well, 2256' FSL, 2231' FEL, NW SE, Sec. 3, T. 10 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-36884.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

Operator: EOG Resources, Inc.
Well Name & Number South Chapita 15-3
API Number: 43-047-36884
Lease: UTU-80613

Location: NW SE **Sec.** 3 **T.** 10 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.

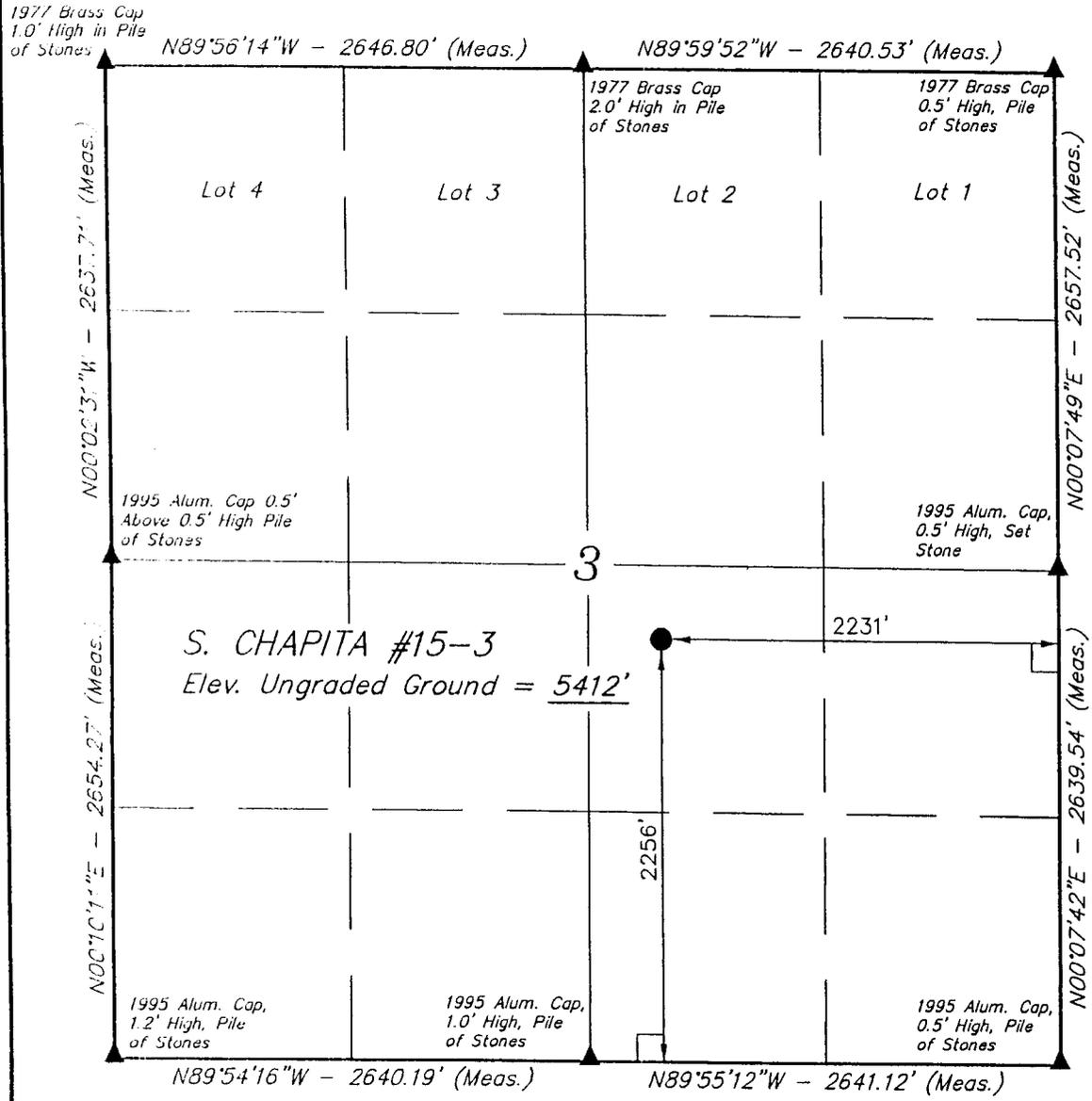
- Contact Dan Jarvis at (801) 538-5338

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.

T10S, R23E, S.L.B.&M.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 27)

LATITUDE = 39°58'36.84" (39.976900)

LONGITUDE = 109°18'39.40" (109.310944)

EOG RESOURCES, INC.

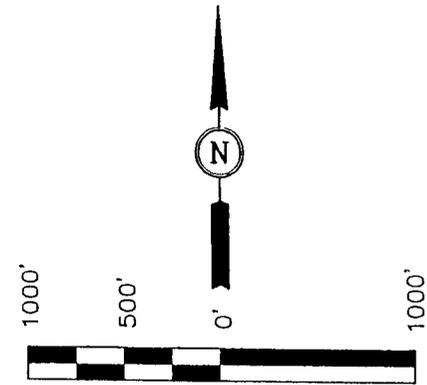
Well location, S. CHAPITA #15-3, located as shown in the NW 1/4 SE 1/4 of Section 3, T10S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCHMARK 58 EAM (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.

BASIS OF BEARINGS

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



CERTIFICATE

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

David J. Kay

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 02-18-04	DATE DRAWN: 02-25-04
PARTY D.K. L.M. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	



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

July 14, 2005

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

Re: South Chapita 15-3 Well, 2256' FSL, 2231' FEL, NW SE, Sec. 3, T. 10 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 43-047-36884.

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 South Chapita 15-3
API Number: 43-047-36884
Lease: UTU-80613

Location: NW SE **Sec.** 3 **T.** 10 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: S CHAPITA 15-3

Api No: 43-047-36884 Lease Type: FEDERAL

Section 03 Township 10S Range 23E County UINTAH

Drilling Contractor ROCKER DRILLING RIG # 1

SPUDDED:

Date 06/15/06

Time 2:30 PM

How DRY

Drilling will Commence: _____

Reported by JERRY

Telephone # (435) 828-1720

Date 06/15/2006 Signed CHD

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. UTU-80613
2. Name of Operator EOG Resources, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202	3b. Phone No. (include area code) 303-824-5526	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2256' FSL & 2231' FEL (NWSE) Sec. 3-T10S-R23E 39.396900 LAT -109.310944 LON		8. Well Name and No. South Chapita 15-3
		9. API Well No. 43-047-36884
		10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde
		11. County or Parish, State Uintah County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other 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 17-1/2" surface hole at the referenced location 6/15/2006.

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

Mary A. Maestas

Title **Operations Clerk**

Signature

Mary A. Maestas

Date

06/22/2006

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

JUN 26 2006

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36884	South Chapita 15-3		NWSE	3	10S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15450	6/15/2006			6/22/06	
Comments: <u>PRRV=MURD</u> <u>- K</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37043	Chapita Wells Unit 1063-24		NENW	24	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15451	6/16/2006			6/22/06	
Comments: <u>PRRV=MURD</u> <u>- K</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35599	South Chapita 10-35		NESW	35	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15452	6/17/2006			6/22/06	
Comments: <u>PRRV=MURD</u> <u>outside unit</u> <u>- K</u>							

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)
Mary A. Maestas
 Signature
Operations Clerk 6/22/06
 Title Date

RECEIVED

JUN 22 2006

(5/2000)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc.

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2256' FSL & 2231' FEL (NWSE)
 Sec. 3-T10S-R23E 39.396900 LAT -109.310944 LON**

5. Lease Serial No.
UTU-80613

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
South Chapita 15-3

9. API Well No.
43-047-36884

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

11. County or Parish, State
Uintah County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal		

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

Mary A. Maestas

Title **Operations Clerk**

Signature

Mary A. Maestas

Date

06/22/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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

RECEIVED

(Instructions on page 2)

JUN 25 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.		5. Lease Serial No. UTU-80613
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202	3b. Phone No. (include area code) 303-824-5526	8. Well Name and No. South Chapita 15-3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2256' FSL & 2231' FEL (NWSE) Sec. 3-T10S-R23E 39.976900 LAT -109.310944 LON		9. API Well No. 43-047-36884
		10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde
		11. County or Parish, State Uintah County, UT

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

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

The referenced well was turned to sales on 8/19/2006. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Mary A. Maestas	Title Regulatory Assistant
Signature <i>Mary A. Maestas</i>	Date 08/21/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

(Instructions on page 2)

RECEIVED

AUG 23 2006

DIV OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 08-21-2006

Well Name	SCW 15-03	Well Type	DEVG	Division	DENVER
Field	CHAPITA WELLS DEEP	API #	43-047-36884	Well Class	COMP
County, State	UINTAH, UT	Spud Date	07-12-2006	Class Date	
Tax Credit	N	TVD / MD	8.280/ 8.280	Property #	054585
Water Depth	0	Last CSG	2.375	Shoe TVD / MD	0/ 0
KB / GL Elev	5,429/ 5,410				
Location	Section 3, T10S, R23E, NWSE, 2256 FSL & 2231 FEL				

Event No	1.0	Description	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	WI %	100.0	NRI %	87.5

AFE No	302720	AFE Total	1,905,500	DHC / CWC	789,500/ 1,116,000
Rig Contr	PIONEER	Rig Name	PIONEER #59	Start Date	07-13-2005
				Release Date	07-22-2006
07-13-2005 Reported By					
Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$0	Completion	\$0	Well Total	\$0
MD	0	TVD	0	Progress	0
				Days	0
				MW	0.0
				Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			2256' FSL & 2231' FEL (NE/SE)
			SECTION 3, T10S, R23E
			UINTAH COUNTY, UTAH
			 LAT 39.976900, LONG 109.310944
			 PIONEER RIG #59
			OBJECTIVE: 8280' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			NATURAL BUTTES FIELD
			 LEASE: UTU-80613
			ELEVATION: 5412.4' NAT GL, 5409.8' PREP GL (DUE TO ROUNDING 5410' IS THE PREP GL), 5429' KB (19')
			 EOG WI 100%, NRI 87.5%

06-08-2006 Reported By JERRY BARNES

Daily Costs: Drilling	\$31,678	Completion	\$0	Daily Total	\$31,678
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Cum Costs: Drilling	\$31,678	Completion	\$0	Well Total	\$31,678
MD	2,169	TVD	2,169	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 5412' CUT @ STAKE 2.6'

MI CRAIG'S ROUSTABOUT. CONSTRUCTION EQUIPMENT, BUILD ACCESS ROAD AND LOCATION, LINED RESERVE PIT.

WO AIR IRG

06-16-2006 Reported By JERRY BARNES

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$31,678	Completion	\$0	Well Total	\$31,678
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 SPUD WELL @ 2:30 PM, 6/15/2006. DRILLED 17.5" HOLE TO 40'. RAN 40" OF 14" CONDUCTOR PIPE. CEMENTED CONDUCTOR TO SURFACE W/ READY MIX CEMENT.

JERRY BARNES NOTIFIED MICHAEL LEE W/BLM AND CAROL DANIELS W/UDOGM @ 2:15 PM ON 6/15/2006.

06-27-2006 Reported By JERRY BARNES

Daily Costs: Drilling	\$216,259	Completion	\$0	Daily Total	\$216,259
Cum Costs: Drilling	\$247,937	Completion	\$0	Well Total	\$247,937
MD	2,169	TVD	2,169	Progress	0
				Days	0
				MW	0.0
				Visc	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG S AIR RIG # 2, DRILLED 12-1/4" HOLE TO 2150' GL. ENCOUNTERED WATER AT 1490'. RAN 48 JTS (2095') 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 @ 2114' KB. RDMO CRAIGS AIR RIG..

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (41 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/ 157 BBLs FRESH WATER. BUMPED PLUG W 700# @ 10:16 AM, 6/19/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

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

TOP JOB #2: MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #3: MIXED & PUMPED 250 SX (51 BBLs) OF PREMIUM CEMENT W/2% CaCL2 & ¼ #/SX FLOCELE. HOLE FILLED AND STOOD FULL. 1 BBL TO PIT. RD BIG 4 CEMENTERS.

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

MIRU SLICK LINE UNIT & SURVEY TOOL. RAN IN HOLE & TAGGED @ 1960' PICK UP TO 1950' & TOOK SURVEY, =1 DEGREE.

JERRY BARNES NOTIFIED JAMIE SPARGER W/ VBLM OF THE SURFACE CASING & CEMENT JOB ON 6/20/2006 @ 3:30 PM. CADE TAYLOR W/ VFO BLM PET WITNESSED COMPLETE JOB.

07-10-2006 Reported By KENT DEVENPORT

Daily Costs: Drilling	\$32,792	Completion	\$0	Daily Total	\$32,792
Cum Costs: Drilling	\$280,729	Completion	\$0	Well Total	\$280,729
MD	2,169	TVD	2,169	Progress	0
		Days	0	MW	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: MOVING F/ SCW 10-35 TO SCW 15-3

Start	End	Hrs	Activity Description
06:00	18:00	12.0	RIG DOWN AND MOVE TO SOUTH CHAPITA 15-3 ALL CREWS FULL, NO DOWN TIME DUE TO EQUIPMENT FAILURE RIG 70% RIGGED DOWN RIG 20% MOVED CAMP 100% RIGGED DOWN AND MOVED NO INCIDENT OR ACIDENTS REPORTED: SAFETY MEETING HELD ON RIGGING DOWN RIG MOVE DISTANCE 2.2 MILES ESTIMATE SPUD 17:00 JULY 11 2006, ESTIMATE BOP TEST 06:00 JULY 11, 2006
18:00	06:00	12.0	SPOOL NEW DRILLING LINE ON HYDAULIC SPOOL, CONNECT OLD AND NEW LINES, REEL OFF OLD LINE, STRING NEW LINE THROUGHOUT MAST. PROJECT REQUIRES NEW LINE STOP (DOG KNOT) TO COMPLETE. CONTINUE RIGGING DOWN. TRANSFER FROM SOUTH CHAPITA 10-35 TO SOUTH CHAPITA 15-3 4450 GALLONS OF DYED DIESEL FUEL @ 2.588 PER GALLON TOTAL COST \$11,516.00 1 MARKER JOINT 4.5" X 11.6# X LTC 21.82' THREADS OFF. 4 JOINTS 4.5" X 11.6# X LTC X P-110 171.28 THREADS OFF 5 JOINTS 4.5" X 11.6# X LTC X P-110 197.25 THREADS OFF (SENT TO STEWARTS MACHINE SHOP TO RE-CUT PIN THREADS.

07-11-2006 Reported By KENT DEVENPORT

Daily Costs: Drilling	\$24,124	Completion	\$0	Daily Total	\$24,124
Cum Costs: Drilling	\$304,853	Completion	\$0	Well Total	\$304,853
MD	2,169	TVD	2,169	Progress	0
		Days	0	MW	0.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: RIGGING UP

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CONTINUED MOVING FROM SOUTH CHAPITA 10-35 TO SOUTH CHAPITA 15-3. CONTINUE SPOOLING LINE, DOG KNOT ARRIVED @ 07:00 FROM VERNAL.

RIG MOVED 100%. ALL TRUCKS ON LOCATION 07:00 & TRUCKS RELEASED @ 20:00, JULY 10, 2006.
RIGGED UP 80% (AT HALF MAST AT 21:00 NOT EXTENDED)

BOP TEST NOW SET FOR 10:00 AM, JULY 11, 2006

NO INCIDENTS OR ACCIDENTS REPORTED.

SAFETY MEETINGS:

#1 = SAFETY MEETING HELD ON RAISING MAST FROM CARRIER

#2 = GENERAL RIG UP OF EQUIPMENT

#3 = RIG MOVE MEETING CONDUCTED WITH ALL PEOPLE INVOLVED WITH THE RIG MOVE.

CREWS 100%

ESTIMATED SPUD 21:00 HRS. JULY 11, 2006

07-12-2006		Reported By		KENT DEVENPORT/ RICHARD STRONG							
Daily Costs: Drilling		\$33,268	Completion		\$0	Daily Total		\$33,268			
Cum Costs: Drilling		\$338,121	Completion		\$0	Well Total		\$338,121			
MD	2,169	TVD	2,169	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :		PBTD : 0.0			Perf :		PKR Depth : 0.0				

Activity at Report Time: TIH W/BIT #1

Start	End	Hrs	Activity Description
06:00	08:00	2.0	CONTINUE WITH THE MOVE IN AND RIG UP, PICK UP KELLY. RIGGED UP 100%.
CONTACTED ALLAN WALKER WITH W/BLM, LEFT MESSAGE OF BOP TEST # 435-781-4504.			
08:00	14:30	6.5	NIPPLE UP 5.000# BOP STACK WITH ROTATING HEAD. RIG DAYWORK BEGAN AT 08:00, JULY 11, 2006.
14:30	19:15	4.75	RIG UP BC QUICK TEST AND TEST BOPE. TEST KELLY VALVES, FLOOR VALVES, PIPE RAMS, BLIND RAMS, MANIFOLD VALVES, KILL LINE, CHOKE LINE, HCR & SUPER CHOKE TO 250 PSI LOW F OR 5 MIN, 5000 PSI HIGH FOR 10 MIN. TEST ANNULAR TO 250 PSI LOW FOR 5 MIN, 2500 PSI HIGH FOR 10 MIN.
19:15	20:30	1.25	TEST CASING: TEST 9 5/8" CASING TO 1500 PSI HELD TEST 30 MINS, GOOD TEST. RIG DOWN TESTER.
20:30	00:30	4.0	STRAP BHA & PERFORM PRE-SPUD RIG INSPECTION. FINISH INSTALL SUB BRACES & TIGHTEN GAS BUSTER FLOWLINE.
00:30	01:00	0.5	SET WEAR BUSHING.
01:00	06:00	5.0	PU BIT #1 , MTR, 2 REAMERS, 2 - 6 1/4" DC'S, 22 HWDP, JARS & 8 JTS HWDP.

SAFETY MTGS: NU BOP & TEST: NIGHTS PU BHA.

WEATHER: CLOUDY, WIND-WEST @ 7 MPH, 53 DEG W/ 67% HUMIDITY.

CREWS: FULL.

NO ACCIDENTS.

FUEL: 3722 GAL ON HAND.

START DAYWORK @ 10:00 HRS ON 7-11-06.

07-13-2006 Reported By RICHARD STRONG

Daily Costs: Drilling \$33,862 Completion \$428 Daily Total \$34,290
 Cum Costs: Drilling \$371,983 Completion \$428 Well Total \$372,411

MD 3.022 TVD 3.022 Progress 853 Days 1 MW 8.4 Visc 27.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	SINGLE IN HOLE W/DP TO 1853'.
07:30	09:00	1.5	KELLY UP, INSTALL ROT HEAD RUBBER. PUMP THROUGH CHOKES & GAS BUSTER.
09:00	12:00	3.0	WASH DOWN & TAG CEMENT @ 1960'. DRILL CEMENT/FLOAT EQUIP FROM 1960' TO 2169'.
12:00	13:00	1.0	CIRC CLEAN, SPOT 60 VIS GEL PILL ON BOTTOM. PERFORM FIT TO 375 PSI (11.7 PPG EMW). PRESSURE BLED TO 280 PSI (10.9 PPG EMW) IN 10 MINS.
13:00	13:30	0.5	LUBE RIG, FUNCTION ANNULAR.
13:30	18:00	4.5	DRILL ROTATE 2169' - 2422', ROT 45-50 RPM, MOTOR 60, 9-12K WOB, 56.22 FPH.
18:00	20:30	2.5	DRILL ROTATE 2422' - 2492', ROT 50 RPM, MOTOR 60-70 RPM, 9-12K WOB, 28 FPH.
20:30	21:00	0.5	WL SURVEY @ 2410' = 1.25 DEG.
21:00	00:00	3.0	DRILL ROTATE 2492' - 2645', ROT 45-50 RPM, MOTOR 60, 9-12K WOB, 51 FPH.
00:00	05:00	5.0	DRILL ROTATE 2645' - 3022', ROT-50 RPM, MOTOR 60, TOT 110 BIT RPM, 14-18K WOB, 75.4 FPH.
05:00	06:00	1.0	WL SURVEY @ 2952' = 1.75 DEG.

SAFETY MTGS: DAYS: PU SINGLES: NIGHTS: LO/TO
 CREWS: (FULL), DRILLS: DAYS: N/A . NIGHT: 1 MIN 14 SEC.
 NO ACCIDENTS.

BGG: 200U-500U, CG: 800-U-1200U, HIGH GAS: 5812 U @ 2169'. DTG 5630 U @ 2537'.
 LITHOLOGY: 45% SH, 35% SS, 20% LS.
 FORMATION TOPS: GREEN RIVER UNTIL 4101' EST.
 CURRENT MW @ 8.5 PPG W/28 VIS.

FUEL: 2930 GAL ON HAND.
 WEATHER: CLEAR, CALM, 49 DEG W/ 55% HUMIDITY.

06:00 18.0 SPUD 7-7/8" HOLE AT 13:30 HRS ON 7/12/06

07-14-2006 Reported By RICHARD STRONG

Daily Costs: Drilling \$74,219 Completion \$0 Daily Total \$74,219
 Cum Costs: Drilling \$446,202 Completion \$428 Well Total \$446,630

MD 4.100 TVD 4.100 Progress 1,078 Days 2 MW 8.9 Visc 28.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL ROTATE 3022' - 3528', ROT-50 RPM, MOTOR 69, TOT 119 BIT RPM PUMPING 147 SPM (423 GPM) W/14-18K WOB, AVG 67.0 FPH/P RATE.

14:00 14:30 0.5 WL SURVEY @ 3451', 2.0 DEG.
 14:30 15:00 0.5 LUBE RIG. FUNCTION PIPE RAMS.
 15:00 18:00 3.0 DRILL ROTATE 3528' - 3725'. ROT-50 RPM, MOTOR 69, TOT 119 BIT RPM PUMPING 147 SPM (423 GPM) W/14-18K WOB, AVG 65.6 FPH/P RATE. SPR #2 PUMP 230 PSI @ 64 SPM.
 18:00 22:00 4.0 DRILL ROTATE 3725' - 4035'. ROT 50 RPM, MOTOR 69, TOT 119 BIT RPM PUMPING 147 SPM (423 GPM) W/14-18K WOB, AVG 77.5 FPH/P RATE.
 22:00 23:00 1.0 WL SURVEY @ 3958 = 2.0 DEG.
 23:00 00:10 1.17 DRILL ROTATE 4035' - 4067. ROT-50 RPM, MOTOR 69, TOT 119 BIT RPM PUMPING 147 SPM (423 GPM) W/14-18K WOB, AVG 27.5 FPH/P RATE.

 00:10 02:00 1.83 PU TO MAKE CONNECTION, ENCOUNTERED TIGHT SPOT. PULLED 30K OVER & HOLE PACKED OFF. POPPED NAIL ON #1 PUMP @ 1250 PSI. PUT #2 PUMP BACK ON LINE & IT STARTED MISSING. WORKED PIPE THROUGH TIGHT SPOT.
 02:00 03:30 1.5 NO PARTS ON LOCATION TO REBUILD #1 POP OFF. ORDER PARTS FOR PUMP POP OFFS. ROTATE, RECIP & CIRC WHILE WAITING ON PUMP REPAIR PARTS TO ARRIVE LOCATION. WORK ON #2 PUMP & GOT IT UP & RUNNING SMOOTH. DECISION WAS MADE TO GO BACK TO DRILLING WITH ONE PUMP.

 03:30 06:00 2.5 DRILL ROTATE 4067' - 4100. ROT-55 RPM, MOTOR 60, TOT 115 BIT RPM PUMPING 130 SPM (382 GPM) W/14-18K WOB, AVG 13.3 FPH/P RATE.

SAFETY MTGS: DAYS: DON'T HURRY: NIGHTS:HOUSEKEEPING
 CREWS: (FULL). DRILLS: DAYS 58 SEC. NIGHT N/A.
 NO ACCIDENTS.

BGG: 200U-500U, CG: 800-U-1100U, HIGH GAS: 4637 U @ 3622'.DTG= 4637 U @ 3622'.
 LITHOLOGY: 45% SH, 40% SS, 15% LS.
 FORMATION TOPS: N/A

CURRENT MW @ 9.2 PPG W/31 VIS.
 FUEL: 2930 GAL ON HAND.
 WEATHER: CLEAR, 5 MPH WIND, 60 DEG W/ 41% HUMIDITY.

07-15-2006		Reported By	RICHARD STRONG								
Daily Costs: Drilling		\$33,714		Completion	\$0		Daily Total	\$33,714			
Cum Costs: Drilling		\$479,917		Completion	\$428		Well Total	\$480,345			
MD	4,679	TVD	4,679	Progress	550	Days	3	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	18:00	12.0	DRILL ROTATE 4100' - 4345, ROT 55 RPM, MOTOR 60, TOT 115 BIT RPM PUMPING 130 SPM (382 GPM) W/14-18K WOB, AVG 20.4 FPH/P RATE.
18:00	00:00	6.0	DRILL ROTATE 4345-4500', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 25.8 FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 4500-4679', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 29.8 FPH/P RATE.

SAFETY MEETING: HIGH PRESSURE PUMPING/HOISTING DP W/SLINGS
 CREWS: (FULL)
 DRILLS: DAYS= N/A, NIGHT=N/A

NO ACCIDENTS
FUEL 1346 GAL ON HAND
TEMP 59 DEG

BGG 100U-300U, CG 600-U-900U, HIGH GAS 956 U @ 4287', DTG 947U @ 4423'
LITHOLOGY: 35% SH, 45% SS, 5% LS, 15% Red SH
FORMATION TOPS: N/A
CURRENT MW @ 9.8 PPG W/34 VIS

07-15-2006 Reported By RICHARD STRONG

Daily Costs: Drilling	\$33,714	Completion	\$0	Daily Total	\$33,714
Cum Costs: Drilling	\$479,917	Completion	\$428	Well Total	\$480,345
MD	4.679	TVD	4.679	Progress	550
		Days	3	MW	9.7
		Visc			32.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	18:00	12.0	DRILL ROTATE 4100'- 4345, ROT 55 RPM, MOTOR 60, TOT 115 BIT RPM PUMPING 130 SPM (382 GPM) W/14-18K WOB, AVG 20.4 FPH/P RATE.
18:00	00:00	6.0	DRILL ROTATE 4345-4500', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 25.8 FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 4500-4679', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 29.8 FPH/P RATE.

SAFETY MEETING: HIGH PRESSURE PUMPING/HOISTING DP W/SLINGS
CREWS: (FULL)
DRILLS: DAYS= N/A, NIGHT=N/A
NO ACCIDENTS
FUEL 1346 GAL ON HAND
TEMP 59 DEG

BGG 100U-300U, CG 600-U-900U, HIGH GAS 956 U @ 4287', DTG 947U @ 4423'
LITHOLOGY: 35% SH, 45% SS, 5% LS, 15% Red SH
FORMATION TOPS: N/A
CURRENT MW @ 9.8 PPG W/34 VIS

07-16-2006 Reported By RICHARD STRONG

Daily Costs: Drilling	\$48,170	Completion	\$3,427	Daily Total	\$51,597
Cum Costs: Drilling	\$528,087	Completion	\$3,855	Well Total	\$531,942
MD	5,290	TVD	5,290	Progress	611
		Days	4	MW	10.0
		Visc			35.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL ROTATE 4679'-4699', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 40 FPH/P RATE.
06:30	07:00	0.5	C&C MUD. PREP TO TOH FOR BIT #2.
07:00	07:20	0.33	SET KELLY BACK, MONITOR FOR FLOW. DROP TOTCO SURVEY. PICK UP BAILS & ELEVATORS.
07:20	10:00	2.67	TOH FOR BIT. FOUND 1 EXTRA JT IN STRING, ADJUST HOLE DEPTH.

10:00	11:20	1.33 LD BIT & MOTOR, PU NEW BIT & MOTOR (HC506Z- SN-7110003). REED DSX 516 BIT HAD BADLY CHIPPED, CUTTERS SHATTERED ON SHOULDERS & FACE. SURVEY @ 4622', 2 DEGREES.
11:20	14:05	2.75 TIH TO 4622'.
14:05	14:40	0.58 KELLY UP & BREAK CIRC. WASH/REAM BACK TO BOTTOM @ 4699'.
14:40	15:00	0.33 LUBE RIG. FUNCTION TESTED PIPE RAMS.
15:00	18:00	3.0 DRILL ROTATE 4699'-4814', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/10-18K WOB, AVG 40 FPH/P RATE.
18:00	00:00	6.0 DRILL ROTATE 4814'- 5000', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/10-18K WOB, AVG 31 FPH/P RATE.
00:00	06:00	6.0 DRILL ROTATE 5000'- 5290, ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM, 131 SPM (382 GPM-390) W/10-18K WOB, AVG 48.3 FPH/P RATE.

SAFETY MEETING: PROPER LIFTING TECHNIQUES/WORKING AROUND MUD PITS
 CREWS: (FULL)
 DRILLS: DAYS= N/A, NIGHT=N/A
 NO ACCIDENTS
 FUEL: 5064 GAL ON HAND, RECEIVED 4500 GALS FUEL
 TEMP 67 DEG

BGG 100U-300U, CG 300-U-500U, HIGH GAS 794U @ 4699', DTG 794U @ 4699', TG 794
 LITHOLOGY: 30% SH, 50% SS, 20% Red SH
 FORMATION TOPS: N/A
 CURRENT MW @ 10 PPG W/36 VIS

07-16-2006 Reported By RICHARD STRONG

Daily Costs: Drilling	\$48,170	Completion	\$3,427	Daily Total	\$51,597
Cum Costs: Drilling	\$528,087	Completion	\$3,855	Well Total	\$531,942
MD	5,290	TVD	5,290	Progress	611
		Days	4	MW	0.0
Formation :		PBTD : 0.0		Perf :	
				PKR Depth : 0.0	

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL ROTATE 4679'-4699', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/14-18K WOB, AVG 40 FPH/P RATE.
06:30	07:00	0.5	C&C MUD. PREP TO TOH FOR BIT #2.
07:00	07:20	0.33	SET KELLY BACK, MONITOR FOR FLOW. DROP TOTCO SURVEY. PICK UP BAILS & ELEVATORS.
07:20	10:00	2.67	TOH FOR BIT. FOUND 1 EXTRA JT IN STRING, ADJUST HOLE DEPTH.
10:00	11:20	1.33	LD BIT & MOTOR, PU NEW BIT & MOTOR (HC506Z- SN-7110003). REED DSX 516 BIT HAD BADLY CHIPPED, CUTTERS SHATTERED ON SHOULDERS & FACE. SURVEY @ 4622', 2 DEGREES.
11:20	14:05	2.75	TIH TO 4622'.
14:05	14:40	0.58	KELLY UP & BREAK CIRC. WASH/REAM BACK TO BOTTOM @ 4699'.
14:40	15:00	0.33	LUBE RIG. FUNCTION TESTED PIPE RAMS.
15:00	18:00	3.0	DRILL ROTATE 4699'-4814', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/10-18K WOB, AVG 40 FPH/P RATE.
18:00	00:00	6.0	DRILL ROTATE 4814'- 5000', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 130 SPM, 150 SPM (382 GPM-430 GPM) W/10-18K WOB, AVG 31 FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 5000'- 5290, ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM, 131 SPM (382 GPM-390) W/10-18K WOB, AVG 48.3 FPH/P RATE.

SAFETY MEETING: PROPER LIFTING TECHNIQUES/WORKING AROUND MUD PITS
 CREWS: (FULL)
 DRILLS: DAYS= N/A, NIGHT=N/A
 NO ACCIDENTS
 FUEL: 5064 GAL ON HAND, RECEIVED 4500 GALS FUEL
 TEMP 67 DEG

BGG 100U-300U, CG 300-U-500U, HIGH GAS 794U @ 4699', DTG 794U @ 4699', TG 794
 LITHOLOGY: 30% SH, 50% SS, 20% Red SH
 FORMATION TOPS: N/A
 CURRENT MW @ 10 PPG W/36 VIS

07-17-2006	Reported By	RICHARD STRONG									
Daily Costs: Drilling	\$34,500	Completion	\$3,427	Daily Total	\$37,927						
Cum Costs: Drilling	\$562,588	Completion	\$7,282	Well Total	\$569,870						
MD	6.045	TVD	6.045	Progress	755	Days	5	MW	10.1	Visc	37.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL ROTATE 5290'- 5300, ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM, 131 SPM (382 GPM-390) W/10-18K WOB, AVG 20.0 FPH/P RATE.
06:30	07:00	0.5	LUBE RIG. FUNCTION TESTED ANNULAR.
07:00	18:00	11.0	DRILL ROTATE 5300'- 5664, ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM -131 SPM (382 GPM-390) W/10-18K WOB, AVG 33.1 FPH/P RATE. SPR #1 = 380 PSI @ 58 SPM, 5663' W/10.2 PPG MUD.
18:00	00:00	6.0	DRILL ROTATE 5664'- 5830', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM, 131 SPM (382 GPM 390) W/10-18K WOB, AVG 27.6. FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 5830'- 6045', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127 SPM, 131 SPM (372 GPM-385 GPM) W/14K-18K WOB, AVG 35.8 FPH/P RATE.

SAFETY MEETING: INSPECT & REPAIR TONGS/LADDER USE
 CREWS: (FULL)
 DRILLS: DAYS 1 MIN 10 SEC, NIGHT=N/A
 NO ACCIDENTS
 FUEL 4118 GAL ON HAND
 TEMP 67 DEG

BGG 100U-200U, CG 300-U-500U, HIGH GAS 2079U @ 5933', DTG 1482U @ 5690', TG=N/A
 LITHOLOGY: 35% SH, 45% SS, 15% Red SH, 5% SLTSTN
 FORMATION TOPS: N/A
 CURRENT MW @ 10.3PPG W/36 VIS.

RECEIVED 206 JTS 4.5", 11.6#, N-80, LT&C CSG. FOUND 6 JTS W/OVAL SHAPED PINS WHILE INSPECTING THREADS. TOOK THEM OUT OF STRING.

07-18-2006	Reported By	RICHARD STRONG							
Daily Costs: Drilling	\$39,685	Completion	\$3,427	Daily Total	\$43,112				
Cum Costs: Drilling	\$602,273	Completion	\$10,709	Well Total	\$612,982				

MD 6.750 TVD 6.750 Progress 705 Days 6 MW 10.4 Visc 40.0
 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	DRILL ROTATE 6045'- 6186', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM, PUMPING 127-131SPM (382-390 GPM) W/10-18K WOB, AVG 25.6 FPH/P RATE.
11:30	12:00	0.5	LUBE RIG. FUNCTION TESTED PIPE RAMS.
12:00	18:00	6.0	DRILL ROTATE 6186'- 6367', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 30.2 FPH/P RATE.
18:00	00:00	6.0	DRILL ROTATE 6367'- 6536', ROT-45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 28.2 FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 6536'- 6750', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 34.3 FPH/P RATE.

SAFETY MEETING: MUD PUMP REPAIRS/ROTARY TABLE
 CREWS: (FULL)
 DRILLS: DAYS= 57 SEC, NIGHT=N/A
 NO ACCIDENTS
 FUEL 3168 GAL ON HAND
 TEMP 65 DEG

BGG 300U-500U, CG 800U-1200U, HIGH GAS 2170U @ 6376', DTG 2012U @ 5996', TG=N/A
 LITHOLOGY: 25% SH, 50% SS, 15%, 20% SLTSTN, 5% CARB SH 5%
 FORMATION TOPS: N/A
 CURRENT MW @ 10.7 PPG W/36 VIS

07-19-2006 Reported By RICHARD STRONG

Daily Costs: Drilling \$33,703 Completion \$0 Daily Total \$33,703
 Cum Costs: Drilling \$635,976 Completion \$10,709 Well Total \$646,685

MD 6.946 TVD 6.946 Progress 196 Days 7 MW 10.7 Visc 38.0
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TIH

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL ROTATE 6750'- 6946', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 23.0 FPH/P RATE.
14:30	15:15	0.75	SLUG DP. SET KELLY BACK, DROP TOTCO. FLOW CHECK WHILE TOTCO FALLING. PU BAILS & ELEVATORS.
15:15	21:30	6.25	TOH FOR BIT #3. PULLED 30K OVER IN TIGHT SPOT 8' OFF SLIPS ON FIRST STAND. AFTER WORKING THROUGH TIGHT SPOT NO MORE OVER PULL WHILE TOH TO BIT.
21:30	23:00	1.5	LD 2 REAMERS & BIT. PU BIT #3 (HYCALOG DSX199GJUW-A1- SN# 109835). FUNCTION TESTED PIPE & BLIND RAMS, ANNULAR & CROWN-O-MATIC. SURVEY @ 6874', 1". (NOTE: FOUND SMALL, 1 1/8" X 3/4", PIECE OF METAL ON SIDE OF JARS).
23:00	06:00	7.0	TIH W/BIT #3 ON SLICK BHA TO 6800'. FILL DP 3 TIMES WHILE TIH.

SAFETY MEETING: WATER BLASTING/TRIPPING
 FULL CREWS
 DRILLS: DAYS N/A, NIGHT N/A
 NO ACCIDENTS

FUEL: 2376 GALS ON HAND
 TEMP 65 DEG

BGG 100U-400U, CG 700-U-1100U, HIGH GAS 2231 U @ 6756'. DTG 1525U @ 6804'.TG N/A
 LITHOLOGY: 25% SH, 50% SS, 15%, 20% SLTSTN, 5% CARB SH
 FORMATION TOPS: N/A
 CURRENT MW @ 10.8 PPG W/36 VIS

07-20-2006	Reported By	RICHARD STRONG									
Daily Costs: Drilling	\$47,468	Completion	\$0	Daily Total	\$47,468						
Cum Costs: Drilling	\$683,445	Completion	\$10,709	Well Total	\$694,154						
MD	7.710	TVD	7.710	Progress	764	Days	8	MW	10.8	Visc	37.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	KELLY UP & BREAK CIRC @ 6830'. WASH/REAM BACK TO BOTTOM @ 6946' WITHOUT USING ROTARY. BIT TORQUING & TAKING 3K-13K TO PASS SOME SPOTS.
07:30	08:00	0.5	PUMP HIGH VIS SWEEP AROUND BIT & IN TO ANNULUS W/BIT JUST TAGGING BOTTOM TO CLEAN BOTTOM OF HOLE BEFORE WE START DRILLING.
08:00	12:30	4.5	DRILL ROTATE 6946' - 7154', ROT 45-55 RPM, MOTOR 60-70, TOT 115-120 BIT RPM, PUMPING 127-131 SPM (382-390 GPM), W/10-18K WOB, AVG 46.20 FPH/P RATE.
12:30	13:00	0.5	LUBE RIG.
13:00	13:45	0.75	CHANGE VALVES & SEATS IN #1 PUMP, #2 PUMP NOT PUMPING AT CAPACITY, COULD NOT DRILL W/#2 PUMP DURING THIS TIME.
13:45	18:00	4.25	DRILL ROTATE 7154' - 7256, ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM, PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 24.0 FPH/P RATE.
18:00	00:00	6.0	DRILL ROTATE 7256' - 7503', ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM, PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 41.0 FPH/P RATE.
00:00	06:00	6.0	DRILL ROTATE 7503' - 7710, ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM, PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 34.50 FPH/P RATE.

SAFETY MEETING: HANDLING PIPE SLIPS/PUMP REPAIRS
 FULL CREWS
 DRILLS: DAYS = 1MIN,10 SEC NIGHT = 45 SEC
 NO ACCIDENTS
 CURRENT MW @ 11.0 PPG W/36 VIS
 FUEL 4514 GALS ON HAND
 TEMP 64 DEG

BG 300U-800U, CG 900U-1600U, HIGH GAS 4020U @ 6965', DTG 4020U @ 6965', TG 4020U
 LITHOLOGY: 30% SH, 45% SS, 15% SLTSTN, 10% CARB SH
 FORMATION TOPS: N/A

07-21-2006	Reported By	RICHARD STRONG									
Daily Costs: Drilling	\$37,052	Completion	\$0	Daily Total	\$37,052						
Cum Costs: Drilling	\$720,497	Completion	\$10,709	Well Total	\$731,206						
MD	8.280	TVD	8.280	Progress	570	Days	9	MW	11.1	Visc	37.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	13:15	7.25	DRILL ROTATE 7710'-7977'. ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 36.80 FPH/P RATE.
13:15	13:45	0.5	LUBE RIG. FUNCTION TESTED PIPE RAMS.
13:45	18:00	4.25	DRILL ROTATE 7977'-8126'. ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 35. FPH/P RATE.
18:00	22:15	4.25	DRILL ROTATE 8126'-8280'. REACHED TD AT 22:15, 7/20/06. ROT 50-60 RPM, MOTOR 60-70, TOT 115-120 BIT RPM. PUMPING 127-131 SPM (382-390 GPM) W/10-18K WOB, AVG 36.2 FPH/P RATE.
22:15	23:30	1.25	CIRC CLEAN. PUMP SLUG. SET KELLY BACK. PU BAILS & ELEVATORS. FLOW CHECK, NO FLOW.
23:30	01:30	2.0	SHORT TRIP TO 6900' & BACK TO BOTTOM. 20K DRAG 1 STD OFF BOTTOM. RAN SLICK ON WAY BACK TO BOTTOM.
01:30	04:00	2.5	KELLY UP. CIRC CLEAN WHILE RAISING MUD WT TO 11.3 PPG.
04:00	05:00	1.0	PJSM W/FRANKS & RIG CREW. RU FRANKS LD MACHINE. PUMP SLUG. SET KELLY BACK. FLOW CHECK, OK. DROP TOTCO.
05:00	06:00	1.0	TOH LD DP.

NOTIFIED MICHEAL LEE W/BLM, ENGR @ 14:00 HRS, 7/20/06 OF INTENT TO RUN & CEMENT PROD CSG AROUND 23:00 HRS, 7/21/06.

SAFETY MEETING: USING CHAIN HOIST/LATCHING ELEVATORS
 CREWS: (FULL)
 DRILLS: DAYS=N/A, NIGHT= N/A
 NO ACCIDENTS
 FUEL 3901 GALS ON HAND
 TEMP 63 DEG

BGG 1000U-1500U, CG 1700-U-2200U, HIGH GAS 3157 U @ 7882', DTG 2471U @ 8265', TG 2002U
 LITHOLOGY: 35% SH, 45% SS, 20% SLTSTN
 FORMATION TOPS: N/A
 CURRENT MW @ 11.3 PPG W/38 VIS

07-22-2006		Reported By		RICHARD STRONG							
Daily Costs: Drilling	\$19,287	Completion	\$99,686	Daily Total	\$118,973						
Cum Costs: Drilling	\$739,784	Completion	\$110,395	Well Total	\$850,179						
MD	8.280	TVD	8.280	Progress	0	Days	10	MW	11.5	Visc	38.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: ND BOPS / CLEANING TANKS

Start	End	Hrs	Activity Description
06:00	10:30	4.5	TOH LD DP.
10:30	12:00	1.5	PULL WEAR BUSHING & BREAK DOWN KELLY.
12:00	13:45	1.75	LD BHA.
13:45	14:45	1.0	PULL WEAR BUSHING, CLEAN FLOOR.
14:45	16:00	1.25	PJSM W/FRANKS CSG CREWS & PIONEER RIG CREWS. RU FRANKS CSG CREW & RECONFIGURE LD MACHINE TO PU PIPE.

16:00 21:30 5.5 RUN CASING, RUN 209 JTS (207 FULL JTS + 2 MARKER JTS) OF 4 1/2", 11.6#, N80, LTC CSG AS FOLLOWS:
 FLOAT SHOE, SHOE JOINT, FLOAT COLLAR, 55 JTS CSG, MARKER JT "A" @ 6033'-6055', 57 JTS CSG,
 MARKER JT "B" @ 3758'-3780', 94 JTS CSG, 5.55' PUP JT, CSG HANGER & LANDING JT. BTM SHOE @ 8265',
 FLOAT COLLAR @ 8220'. THREAD LOCK SHOE, FLOAT COLLAR, TOP OF JT #2. RAN CTLZRS 5' UP ON SHOE
 JT, TOP OF JT #2, THEN EVERY OTHER JT TO 5555', 35 TOTAL. TAG BTM. PICK UP LANDING JT W/MANDREL
 HANGER. INSTALL ROTATING HEAD PACK OFF. LAND & SPACE OUT HANGER.

NOTIFIED MICHEAL LEE W/ BLM, VERNAL UTAH @ 15:00 HRS OF INTENT TO RUN & CEMENT CSG. BLM
 DECLINED TO WITNESS CEMENT JOB.

21:30 22:45 1.25 CIRCULATE FOR CEMENTING. MU CMT HEAD. CIRC CSG 6 - 7 BPM, 7825 PSI W/RIG PUMP. RD MOL
 W/FRANKS CASING RUNNING TOOLS & LD MACHINE WHILE CIRC. PJSM W/SCHLUMBERGER CEMENTERS
 & RIG CREW.

22:45 01:45 3.0 HOOK SCHLUMBERGER PUMP TO CEMENT HEAD. TEST LINES TO 4500 PSI. PUMP 20 BBLS CHEMICAL
 WASH, 20 BBLS FRESH WATER SPACER. MIX & PUMP 310 SX (125 BBLS) 35/65 POZ LEAD CMT W/6% D020, 2%
 D174, .2% D046, .20% D046, .750% D112, .3% D013 & .125 LB/SX D130 @ 12 PPG, 2.26 FT3/SK. PUMP 1365 SX
 (314 BBLS) 50/50 POZ G TAIL CMT W/2% D020, .1% D046, .2% D065, .5% D112, 1.0% S001 @ 14.1 PPG, 1.29
 FT3/SK. WASH UP LINES, DROP PLUG. DISPLACE W/127.5 BBLS FW. FPP 2200 PSI, BUMP PLUG W/3000 PSI.
 HELD PRESSURE FOR 5 MIN, OK. CIP @ 01:40 HRS ON 7/22/06. BLEED PRESSURE FROM CASING, FLOATS
 HOLDING OK. FULL MUD RETURNS W/CHEM WASH WATER RETURNS AT END OF DISPLACEMENT.

01:45 02:15 0.5 DRAIN STACK, LAND CSG W/70K ON HANGER. PRESSURE TEST LSAS SEALS TO 5000 PSI 15 MIN, OK.

02:15 03:00 0.75 RD RELEASE SCHLUMBERGER CEMENTERS. LD LANDING JT.

03:00 06:00 3.0 ND BOPS, START CLEANING MUD PITS.

SAFETY MEETING: DAYS ELEVATOR LATCHING, NTS RUNNING CASING.
 FULL CREWS
 DRILLS: DAYS N/A, NIGHT N/A
 NO ACCIDENTS

CURRENT MW @ 11.5 PPG W/ 38 VIS
 FUEL: 2851 GALS ON HAND
 TEMP 61 DEG

TRANSFERRED:
 4 JTS (144.7') 4.5" 11.6# N80 LTC R 3 CSG TO SCW 20-03
 2 PUP JTS (43.7') 4.5" 11.6# N 80 LTC CSG TO SCW 20-03
 3 JTS (128.52') 4.5" 11.6# PH110 LTC R 3 CSG TO SCW 20-03
 2851 GALS FUEL @ \$2.744/GAL TO SCW 20-03

07-23-2006		Reported By		RICHARD STRONG							
Daily Costs: Drilling	\$9,858	Completion	\$0	Daily Total	\$9,858						
Cum Costs: Drilling	\$749,642	Completion	\$110,395	Well Total	\$860,037						
MD	8.280	TVD	8,280	Progress	0	Days	11	MW	0.0	Visc	0.0
Formation :	PBSD : 0.0			Perf :	PKR Depth : 0.0						
Activity at Report Time: WO COMPLETION											
Start	End	Hrs	Activity Description								
06:00	08:00	2.0	FINISH ND BOPS. ASSIST FMC W/NU DRY HOLE TREE & TEST DTO ADAPTOR.								
08:00	12:00	4.0	FINISHED CLEANING PITS. START RD PREP TO MOVE RIG.								

12:00 12.0 RELEASED RIG @ 12:00 HRS. 07/22/2006.
CASING POINT COST: \$747,657

07-26-2006 Reported By MCCURDY

Daily Costs: Drilling	\$0	Completion	\$19,820	Daily Total	\$19,820
Cum Costs: Drilling	\$749,642	Completion	\$130,215	Well Total	\$879,857
MD	8,280	TVD	8,280	Progress	0
		Days	12	MW	0.0
Formation :		PBTD :	0.0	Perf :	
				PKR Depth :	0.0

Activity at Report Time: PREPFRAC

Start End Hrs Activity Description

10:00 11:00 1.0 RU SCHLUMBERGER. LOG WITH RST/CBL/VDL/CCL/GR FROM PBTD TO SURFACE. CEMENT TOP 200'. RD SCHLUMBERGER.
NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 6500 PSIG, HELD OK. PREP FOR FRAC.

08-03-2006 Reported By MCCURDY

Daily Costs: Drilling	\$0	Completion	\$1,795	Daily Total	\$1,795
Cum Costs: Drilling	\$749,642	Completion	\$132,010	Well Total	\$881,652
MD	8,280	TVD	8,280	Progress	0
		Days	13	MW	0.0
Formation :	MESAVERDE	PBTD :	8220.0	Perf :	6876-8076
				PKR Depth :	0.0

Activity at Report Time: FRAC MPR/UPR

Start End Hrs Activity Description

06:00 18:00 12.0 RU CUTTERS WL. PERFORATED LPR FROM 7827'-28', 7842'-43', 7865'-66', 7962'-64', 7981'-83', 8057'-59' & 8074'-76' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10476 GAL SLICKWATER PAD, 55422 GAL SLICKWATER WITH 43500# 20/40 SAND @ .5-1.25 PPG. MTP 6846 PSIG. MTR 52.7 BPM. ATP 5604 PSIG. ATR 45.6 BPM. ISIP 2270 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7800'. PERFORATED MPR FROM 7564'-65', 7573'-74', 7589'-90', 7619'-20', 7640'-41', 7649'-50', 7673'-74', 7710'-11', 7723'-24', 7745'-46', 7756'-57' & 7771'-72' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10462 GAL SLICKWATER PAD, 90632 GAL SLICKWATER W/101500# 20/40 SAND @ .5-1.8 PPG. MTP 6357 PSIG. MTR 60.7 BPM. ATP 5330 PSIG. ATR 54 BPM. ISIP 2536 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7510'. PERFORATED MPR FROM 7331'-32', 7374'-76', 7385'-86', 7398'-7400', 7426'-28', 7451'-53', 7479'-80' & 7490'-91' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5085 GAL YF125ST+ PAD, 39144 GAL YF125ST+ & YF118ST+ WITH 89500# 20/40 SAND @ 1-4 PPG. MTP 6775 PSIG. MTR 49.7 BPM. ATP 5526 PSIG. ATR 30.5 BPM. ISIP 5360 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7305'. PERFORATED MPR FROM 7106'-07', 7113'-14', 7127'-28', 7140'-41', 7152'-53', 7205'-07', 7212'-13', 7220'-21', 7227'-28', 7247'-49', 7277'-78' & 7286'-87' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4970 GAL YF123ST+ PAD, 56686 GAL YF123ST+ & YF118ST+ WITH 193400# 20/40 SAND @ 1-6 PPG. MTP 6462 PSIG. MTR 50 BPM. ATP 4786 PSIG. ATR 43.8 BPM. ISIP 2160 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7070'. PERFORATED UPR/MPR FROM 6876'-77', 6885'-86', 6917'-18', 6933'-34', 6940'-41', 6950'-51', 6978'-80', 6990'-92', 7013'-14', 7023'-24' & 7041'-43' @ 2 SPF & 180° PHASING. RDWL. SDFN.

08-04-2006 Reported By MCCURDY

Daily Costs: Drilling	\$0	Completion	\$377,631	Daily Total	\$377,631
------------------------------	-----	-------------------	-----------	--------------------	-----------

Cum Costs: Drilling \$749,642 **Completion** \$509,641 **Well Total** \$1,259,284
MD 8,280 **TVD** 8,280 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 8220.0** **Perf : 6037-8076** **PKR Depth : 0.0**

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SICP 1463 PSIG. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4966 GAL YF123ST+ PAD, 65342 GAL YF123ST+ & YF118ST+ WITH 249000# 20/40 SAND @ 1-6 PPG. MTP 6353 PSIG. MTR 50.9 BPM. ATP 4515 PSIG. ATR 49.5 BPM. ISIP 2160 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6850'. PERFORATED UPR FROM 6608'-10', 6627'-28', 6638'-39', 6648'-49', 6705'-06', 6735'-37', 6764'-66', 6780'-82', 6803'-04' & 6832'-33' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10460 GAL SLICKWATER PAD, 112516 GAL SLICKWATER WITH 125900# 20/40 SAND @ .5-2.5 PPG. MTP 6458 PSIG. MTR 58 BPM. ATP 5104 PSIG. ATR 51.4 BPM. ISIP 1980 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6560'. PERFORATED UPR FROM 6292'-94', 6303'-04', 6325'-26', 6355'-56', 6367'-69', 6403'-04', 6467'-69', 6514'-16' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10461 GAL SLICKWATER PAD, 87021 GAL SLICKWATER WITH 100851# 20/40 SAND @ .5-2 PPG. MTP 6857 PSIG. MTR 60.7 BPM. ATP 4250 PSIG. ATR 54.8 BPM. SCREENED OUT 40 BBLS SHORT OF FLUSH. RD SCHLUMBERGER. FLOWED BACK ON 16/64" CHOKE.

RUWL. SET 10K CFP AT 6235'. PERFORATED UPR FROM 6037'-38', 6051'-53', 6065'-66', 6089'-91', 6098'-100', 6195'-97' & 6209'-11' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 10458 GAL SLICKWATER PAD, 103698 GAL SLICKWATER WITH 131000# 20/40 SAND @ .5-2.5 PPG. MTP 6273 PSIG. MTR 60 BPM. ATP 4486 PSIG. ATR 58 BPM. ISIP 1970 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 6000'. RDWL. BLEED OFF PRESSURE. POH. RDWL. SDFN.

08-05-2006 **Reported By** HISLOP

Daily Costs: Drilling \$0 **Completion** \$9,721 **Daily Total** \$9,721
Cum Costs: Drilling \$749,642 **Completion** \$519,362 **Well Total** \$1,269,005
MD 8,280 **TVD** 8,280 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 8220.0** **Perf : 6037-8076** **PKR Depth : 0.0**

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
06:00	15:00	9.0	MIRU ROYAL WELL SERVICE. SICP 0 PSIG. ND FRAC VALVE. NU BOPE. RIH WITH 3 7/8" MILL TOOTH BIT & PUMP OFF BIT SUB TO CBP @ 6000'. SDFN.

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

Daily Costs: Drilling \$0 **Completion** \$78,991 **Daily Total** \$78,991
Cum Costs: Drilling \$749,642 **Completion** \$598,353 **Well Total** \$1,347,996
MD 8,280 **TVD** 8,280 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 8220.0** **Perf : 6037-8076** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SITP 0 PSIG. SICP 0 PSIG. CLEANED OUT & DRILLED PLUGS @ 6000', 6235', 6560', 6850', 7070', 7305', 7510' & 7800'. CLEANED OUT TO 8187'. LANDED TUBING @ 6027' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB. RD MOSU.

FLOWED 15 HRS. 16/64" CHOKE. FTP 1450 PSIG. CP 1950 PSIG. 40 BFPH. RECOVERED 670 BLW. 15030 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB .91'
 1 JT 2-3/8" 4.7# L80 TUBING 32.29'
 XN NIPPLE 1.10'
 182 JTS 2-3/8" 4.7# L80 TUBING 5973.20'
 BELOW KB 19.00'
 LANDED @ 6026.50' KB

08-09-2006 Reported By HISLOP

Daily Costs: Drilling \$0 Completion \$2,650 Daily Total \$2,650
 Cum Costs: Drilling \$749,642 Completion \$601,003 Well Total \$1,350,646
 MD 8,280 TVD 8,280 Progress 0 Days 17 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTB : 8220.0 Perf : 6037-8076 PKR Depth : 0.0

Activity at Report Time: FLOW TESTING

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE. FTP 1400 PSIG, CP 2600 PSIG, 38 BFPH. RECOVERED 970 BLW. 14060 BLWTR.

08-10-2006 Reported By HISLOP

Daily Costs: Drilling \$0 Completion \$2,650 Daily Total \$2,650
 Cum Costs: Drilling \$749,642 Completion \$603,653 Well Total \$1,353,296
 MD 8,280 TVD 8,280 Progress 0 Days 18 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTB : 8220.0 Perf : 6037-8076 PKR Depth : 0.0

Activity at Report Time: FLOW TESTING

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE. FTP 1350 PSIG, CP 2500 PSIG, 35 BFPH. RECOVERED 891 BLW. 13169 BLWTR.

08-11-2006 Reported By HISLOP

Daily Costs: Drilling \$0 Completion \$2,650 Daily Total \$2,650
 Cum Costs: Drilling \$749,642 Completion \$606,303 Well Total \$1,355,946
 MD 8,280 TVD 8,280 Progress 0 Days 19 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTB : 8220.0 Perf : 6037-8076 PKR Depth : 0.0

Activity at Report Time: FLOW TESTING

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE. FTP 1300 PSIG, CP 2450 PSIG, 31 BFPH. RECOVERED 813 BLW. 12356 BLWTR.

08-12-2006 Reported By HISLOP

Daily Costs: Drilling \$0 Completion \$2,650 Daily Total \$2,650
 Cum Costs: Drilling \$749,642 Completion \$608,953 Well Total \$1,358,596
 MD 8,280 TVD 8,280 Progress 0 Days 20 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTB : 8220.0 Perf : 6037-8076 PKR Depth : 0.0

Activity at Report Time: SI - WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 1300 PSIG. CP 2350 PSIG. 26 BFPH. RECOVERED 699 BLW. 11657 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 8/11/06

08-21-2006 **Reported By** ROGER DART

Daily Costs: Drilling	\$0	Completion	\$2,650	Daily Total	\$2,650
Cum Costs: Drilling	\$749,642	Completion	\$611,603	Well Total	\$1,361,246

MD 8.280 **TVD** 8.280 **Progress** 0 **Days** 21 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD : 8220.0** **Perf : 6037-8076** **PKR Depth : 0.0**

Activity at Report Time: INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	8/20/06 INITIAL PRODUCTION. OPENING PRESSURE: TP 2100 PSIG & CP 2600 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 8:30 HRS. 8/19/06. FLOWED 1058 MCFD RATE ON 12/64" CHOKE.

8/21/06 FLOWED 660 MCFD, 15 BC & 200 BW IN 24 HRS ON 12/64" CK. FTP 1775 & CP 2450 PSIG.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-80613

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
South Chapita 15-3

9. AFI Well No.
43-047-36884

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

11. Sec., T., R., M., on Block and Survey or Area
Sec. 3-T10S-R23E

12. County or Parish
Uintah County

13. State
UT

14. Date Spudded
06/15/2006

15. Date T.D. Reached
07/20/2006

16. Date Completed
08/19/2006
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
5412' NAT GL

18. Total Depth: MD **8280'**
TVD

19. Plug Back T.D.: MD **8220'**
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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2114		775 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-8265		1675 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"	6027							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6037	8076	7827-8076		3/spf	
B)			7564-7772		3/spf	
C)			7331-7491		3/spf	
D)			7106-7287		2/spf	

26. Perforation Record

Depth Interval	Amount and Type of Material
7827-8076	165 GALS GYPTRON, 65,898 GALS SLICKWATER & 43,500# 20/40 SAND
7564-7772	165 GALS GYPTRON, 101,094 GALS SLICKWATER & 101,500# 20/40 SAND
7331-7491	44,394 GALS GELLED WATER & 89,500# 20/40 SAND
7106-7287	61,821 GALS GELLED WATER & 193,400# 20/40 SAND

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

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
08/19/2006	08/25/2006	24	→	20	458	166			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"	SI 1700	2375	→						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	
	SI		→						

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

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OCT 10 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	6037	8076		Wasatch	4119
				Chapita Wells	4679
				Buck Canyon	5356
				North Horn	5814
				Upper Price River	5999
				Middle Price River	7000
				Lower Price River	7687
			Sego	8177	

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature Mary A. Maestas

Date 10/09/2006

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.

South Chapita 15-3 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

6876-7043	2/spf
6608-6833	2/spf
6292-6516	3/spf
6037-6211	3/spf

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

6876-7043	70,473 GALS GELLED WATER & 249,000# 20/40 SAND
6608-6833	165 GALS GYPTRON; 122,976 GALS SLICKWATER & 125,900# 20/40 SAND
6292-6516	165 GALS GYPTRON; 97,482 GALS SLICKWATER & 100,851# 20/40 SAND
6037-6211	165 GALS GYPTRON; 114,156 GALS SLICKWATER & 131,000# 20/40 SAND

Perforated the Lower Price River from 7827-7828', 7842-7843', 7865-7866', 7962-7964', 7981-7983', 8057-8059' & 8074-8076' w/ 3 spf.

Perforated the Middle Price River from 7564-7565', 7573-7574', 7589-7590', 7619-7620', 7640-7641', 7649-7650', 7673-7674', 7710-7711', 7723-7724', 7745-7746', 7756-7757' & 7771-7772' w/ 3 spf.

Perforated the Middle Price River from 7331-7332', 7374-7376', 7385-7386', 7398-7400', 7426-7428', 7451-7453', 7479-7480' & 7490-7491' w/ 3 spf.

Perforated the Middle Price River from 7106-7107', 7113-7114', 7127-7128', 7140-7141', 7152-7153', 7205-7207', 7212-7213', 7220-7221', 7227-7228', 7247-7249', 7277-7278' & 7286-7287' w/ 2 spf.

Perforated the Upper/Middle Price River from 6876-6877', 6885-6886', 6917-6918', 6933-6934', 6940-6941', 6950-6951', 6978-6980', 6990-6992', 7013-7014', 7023-7024' & 7041-7043' w/ 2 spf.

Perforated the Upper Price River from 6608-6610', 6627-6628', 6638-6639', 6648-6649', 6705-6706', 6735-6737', 6764-6766', 6780-6782', 6803-6804' & 6832-6833' w/ 2 spf.

Perforated the Upper Price River from 6292-6294', 6303-6304', 6325-6326', 6355-6356', 6367-6369', 6403-6404', 6467-6469' & 6514-6516' w/ 3 spf.

Perforated the Upper Price River from 6037-6038', 6051-6053', 6065-6066', 6089-6091', 6098-6100', 6195-6197' & 6209-6211' w/ 3 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 **1060 East Highway 40, Vernal, UT 84078**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2256' FSL & 2231' FEL (NWSE)
 Sec. 3-T10S-R23E 39.396900 LAT -109.310944 LON**

5. Lease Serial No.
UTU-80613

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
South Chapita 15-3

9. API Well No.
43-047-36884

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

11. County or Parish, State
Uintah County, UT

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

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

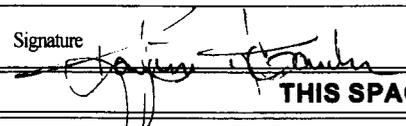
EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD
2. Ace Disposal
3. RN Industries
4. Chapita Wells Unit 550-30N SWD (ROW # UTU 84418)

**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 **Sr. Regulatory Assistant**

Signature  Date **04/02/2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Office _____

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

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(Instructions on page 2)

APR 05 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU80613

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
SOUTH CHAPITA 15-03

2. Name of Operator
EOG RESOURCES, INC. Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-36884

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

3b. Phone No. (include area code)
Ph: 303-824-5526
Fx: 303-824-5527

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

Sec 3 T10S R23E NWSE 2256FSL 2231FEL
39.97690 N Lat, 109.31094 W Lon

11. County or Parish, and State

UINTAH COUNTY, UT

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

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

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

The reserve pit on the referenced location was closed on 5/7/2009 as per the APD procedure.

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

**RECEIVED
JUN 08 2009**

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #70444 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS Title REGULATORY ASSISTANT

Signature *Mary A. Maestas* (Electronic Submission) Date 06/02/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80613
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: S CHAPITA 15-3
2. NAME OF OPERATOR: EOG Resources, Inc.	9. API NUMBER: 43047368840000
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 N , Denver, CO, 80202	PHONE NUMBER: 435 781-9111 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2256 FSL 2231 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 03 Township: 10.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/10/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

EOG Resources, Inc. requests authorization to install an H2S treatment tower on the above referenced well pad. The proposed tower will be installed on existing disturbance; no new disturbance will be required. Attached is a diagram showing general placement of the facilities.

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

NAME (PLEASE PRINT) Mary Maestas	PHONE NUMBER 303 824-5526	TITLE Regulatory Assistant
SIGNATURE N/A		DATE 12/6/2010

