

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

August 1, 2005

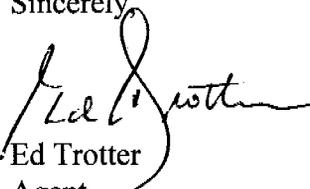
Utah Division of Oil, Gas, & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL  
CHAPITA WELLS UNIT 554-2F  
SE/NE, SEC. 2, T9S, R22E  
UINTAH COUNTY, UTAH  
LEASE NO.: ML-3077  
UTAH STATE LANDS

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

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

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

Sincerely,  
  
Ed Trotter  
Agent  
EOG Resources, Inc.

Attachments

RECEIVED  
AUG 04 2005

DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

|   |  |  |   |
|---|--|--|---|
| <b>APPLICATION FOR PERMIT TO DRILL</b>  |  | 5. MINERAL LEASE NO:<br><b>ML-3077</b>                                     | 6. SURFACE:<br><b>State</b>                                   |
| 1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>   |  | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:                                      |   |
| B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/> |  | 8. UNIT or CA AGREEMENT NAME:<br><b>CHAPITA WELLS UNIT</b>                 |   |
| 2. NAME OF OPERATOR:<br><b>EOG RESOURCES, INC.</b>  |  | 9. WELL NAME and NUMBER:<br><b>CHAPITA WELLS UNIT 554-2F</b>               |   |
| 3. ADDRESS OF OPERATOR:<br><b>P.O. BOX 1815</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>   |  | PHONE NUMBER:<br><b>(435) 789-0790</b>                                     | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES UNIT</b> |
| 4. LOCATION OF WELL (FOOTAGES)<br><br>AT SURFACE: <b>2368' FNL, 428' FEL</b><br>AT PROPOSED PRODUCING ZONE: <b>SAME</b>   |  | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br><b>SENE 2 9S 22E S</b> |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br><b>16.7 MILES SOUTHEAST OF OURAY, UTAH</b>   |  | 12. COUNTY:<br><b>UINTAH</b>   | 13. STATE:<br><b>UTAH</b>                                     |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br><b>428 FEET</b>  | 16. NUMBER OF ACRES IN LEASE:<br><b>640</b>              | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:                                 |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br><b>SEE TOPO MAP "C"</b>  | 19. PROPOSED DEPTH:<br><b>7,700</b>                      | 20. BOND DESCRIPTION:<br><b>JP-0921</b>                                    |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br><b>4801.1</b>  | 22. APPROXIMATE DATE WORK WILL START:<br><b>9/1/2005</b> | 23. ESTIMATED DURATION:<br><b>45 DAYS</b>                                  |   |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|---------------|---|
| 12 1/4"      | 9 5/8"    J-55    36.0#                 | 500           | SEE 8 POINT PLAN                                |
| 7 7/8"       | 4 1/2"    J-55    11.6#                 | 7,770         | SEE 8 POINT PLAN                                |
|              |   |               |   |
|              |   |               |   |
|              |   |               |   |
|              |   |               |   |
|              |   |               |   |
|              |   |               |   |

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

|  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Ed Trotter    TITLE Agent

SIGNATURE *Ed Trotter*

Approved by the  
**Utah Division of  
Oil, Gas and Mining**

**RECEIVED**  
**AUG 04 2005**  
DIV. OF OIL, GAS & MINING

API NUMBER ASSIGNED: 43-047-36935

Date APPROVAL: 8/1/2005  
11-22-06  
By: *[Signature]*

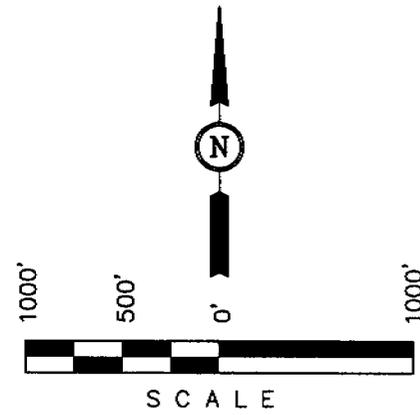
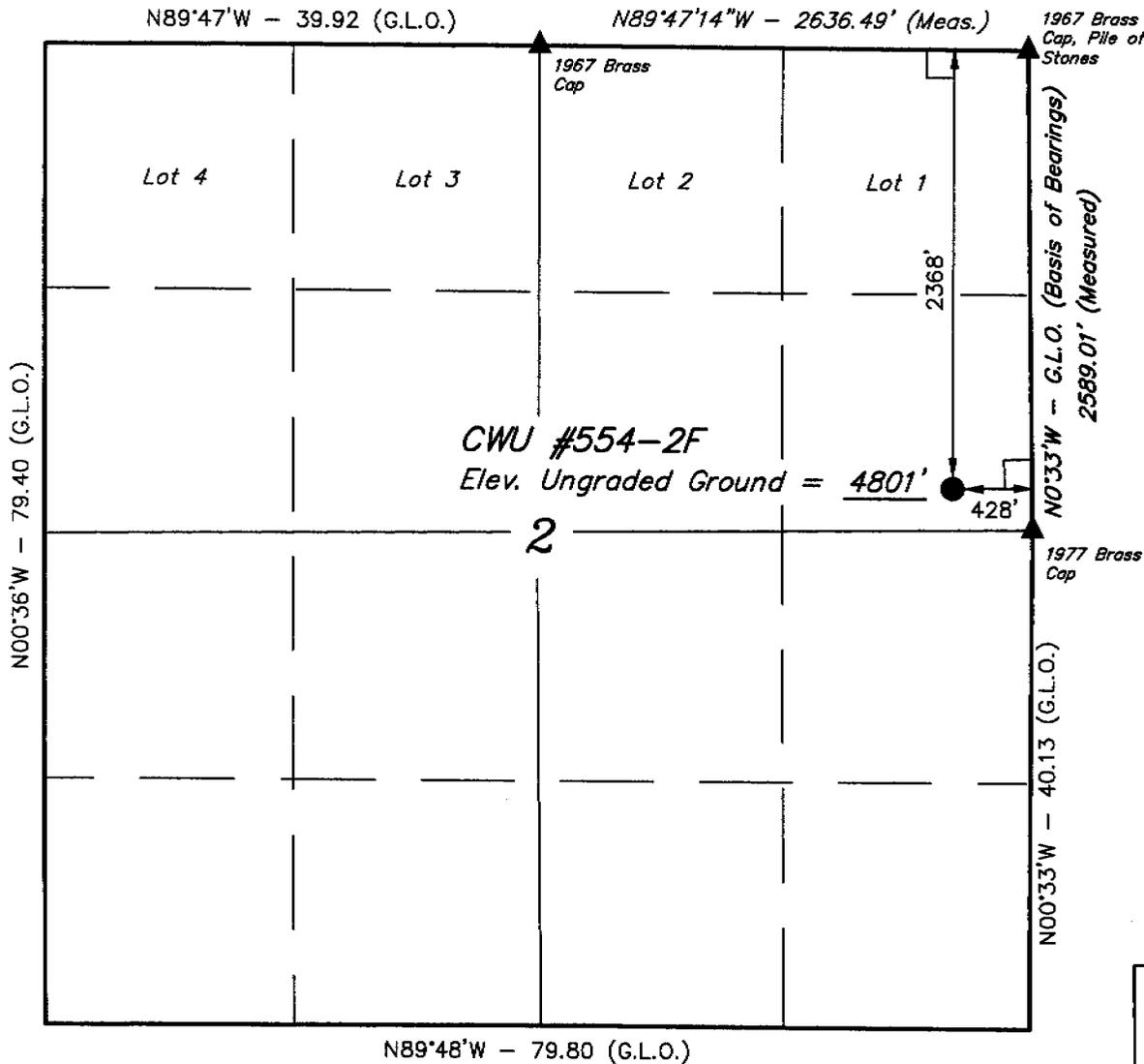
**EOG RESOURCES, INC.**

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

Well location, CWU #554-2F, located as shown in the SE 1/4 NE 1/4 of Section 2, T9S, R22E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 2, T9S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH SW 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 4829 FEET.



**CERTIFICATE**

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

*Robert H. Kay*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 181319  
 STATE OF UTAH

**LEGEND:**

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

LATITUDE = 40°03'56"  
 LONGITUDE = 110°23'56"

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

|                         |                             |                         |
|-------------------------|-----------------------------|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>12-4-01   | DATE DRAWN:<br>12-11-01 |
| PARTY<br>D.A. J.A. C.G. | REFERENCES<br>G.L.O. PLAT   |                         |
| WEATHER<br>COLD         | FILE<br>EOG RESOURCES, INC. |                         |

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 554-02X<sup>F</sup>**  
**SE/NE, SEC. 02, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

| <b>FORMATION</b>       | <b>DEPTH (KB)</b> |
|------------------------|-------------------|
| Green River FM         | 1,992'            |
| C-Zone                 | 2,310'            |
| Mahogany Oil Shale Bed | 2,665'            |
| Middle Carb Bed        | 3,479'            |
| Castle Peak MBR        | 4,619'            |
| Uteland Butte MBR      | 4,835'            |
| Wasatch                | 5,029'            |
| Chapita Wells          | 5,657'            |
| Buck Canyon            | 6,321'            |
| North Horn             | 6,881'            |
| Island                 | 7,336'            |

Estimated TD: 7,770' or 200'± below Island top

Anticipated BHP: 4,245 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
BOP schematic diagrams attached.

**4. CASING PROGRAM:**

|             | <u>HOLE SIZE</u> | <u>INTERVAL</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> |
| Conductor:  | 17 1/2"          | 0' – 45'        | 13 3/8"     | 48.0#         | H-40         | STC           | 770 PSI              | 1730 PSI     | 322,000#       |
| Surface     | 12-1/4"          | 45' – 2,300'KB± | 9-5/8"      | 36.0#         | J-55         | STC           | 2020 PSI             | 3520 Psi     | 394,000#       |
| Production: | 7-7/8"           | 2,300'± – TD    | 4-1/2"      | 11.6#         | N-80         | LTC           | 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 5<sup>th</sup> joint to surface. (15 total)

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JUN 01 2006

DIV. OF OIL, GAS & MINING

## **EIGHT POINT PLAN**

### **CHAPITA WELLS UNIT 554-02X** **SE/NE, SEC. 02, T9S, R22E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

#### **Float Equipment: (Cont'd)**

#### **Production Hole Procedure (2300'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 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. Thread lock float shoe, top and bottom of float collar, and top of 2<sup>nd</sup> joint.

#### **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:**

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

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

#### **8. EVALUATION PROGRAM:**

**Logs:** Mud log from base of surface casing to TD.  
**Cased-hole Logs:** Cased-hole logs will be run in lieu of open-hole logs consisting of the following:  
**Cement Bond / Casing Collar Locator and Pulsed Neutron**

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 554-02X**  
**SE/NE, SEC. 02, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**9. CEMENT PROGRAM:**

**Surface Hole Procedure (Surface - 2300'±):**

**Lead:** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl<sub>2</sub>, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft<sup>3</sup>/sk. yield, 23 gps water.

**Tail:** Class "G" cement with 2% CaCl<sub>2</sub>, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft<sup>3</sup>/sk., 5.2 gps water.

**Top Out:** As necessary with Class "G" cement with 2% CaCl<sub>2</sub>, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft<sup>3</sup>/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.

**Production Hole Procedure (2300'± - TD)**

**Lead:** 153 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail:** 560 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 ft<sup>3</sup>/sk., 5.9 gps water.

**Note:** The above number of sacks is based on gauge-hole calculation.  
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.  
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.  
**Final Cement volumes will be based upon gauge-hole plus 45% excess.**

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 554-02X**  
**SE/NE, SEC. 02, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

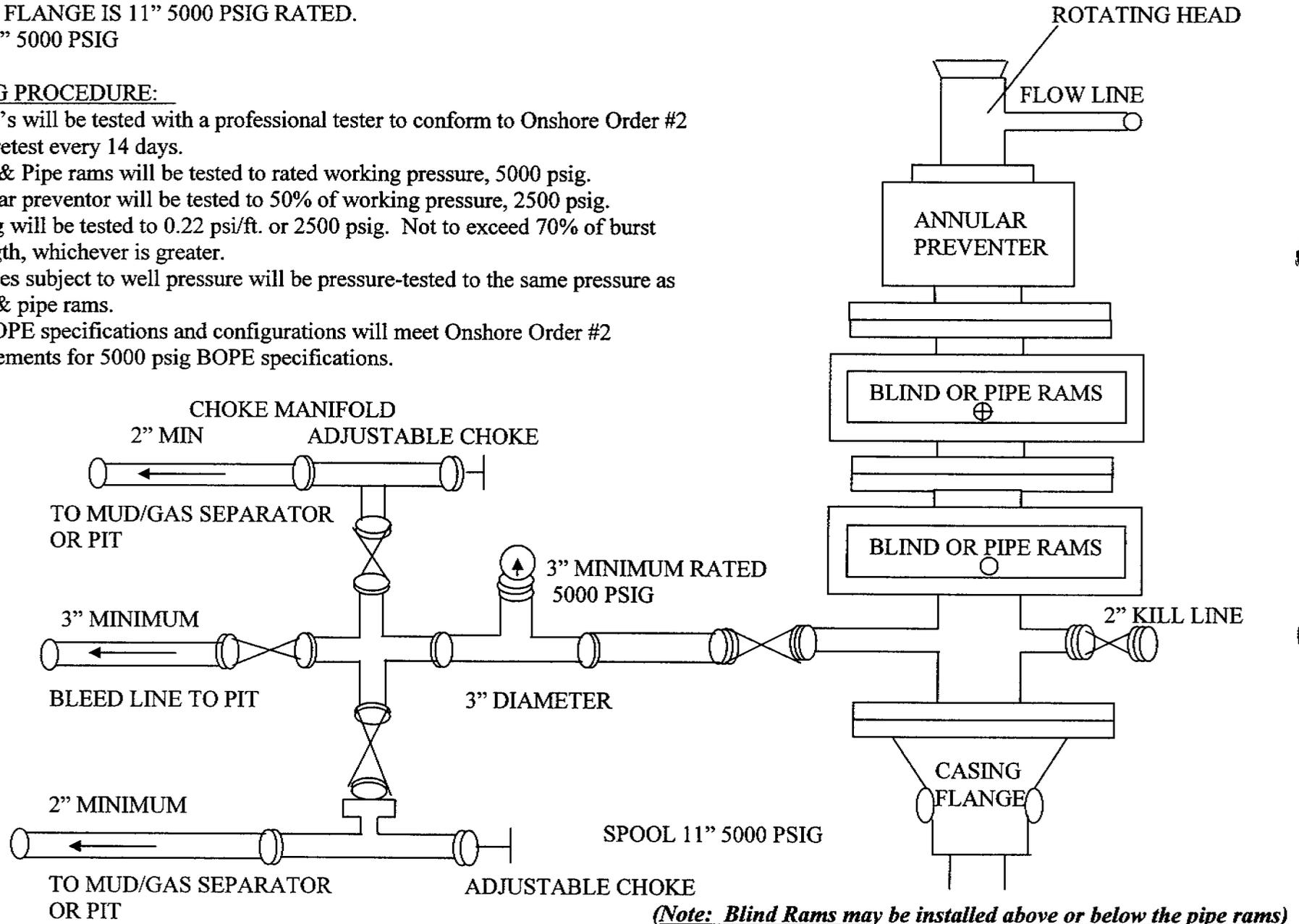
(Attachment: BOP Schematic Diagram)

## 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.



**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 554-2F**  
**SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

| <b>FORMATION</b>       | <b>DEPTH (KB)</b> |
|------------------------|-------------------|
| Green River FM         | 1,992'            |
| C-Zone                 | 2,310'            |
| Mahogany Oil Shale Bed | 2,665'            |
| Middle Carb Bed        | 3,479'            |
| Castle Peak MBR        | 4,619'            |
| Uteland Butte MBR      | 4,835'            |
| Wasatch                | 5,029'            |
| Chapita Wells          | 5,657'            |
| Buck Canyon            | 6,321'            |
| North Horn             | 6,881'            |
| Island                 | 7,336'            |

**EST. TD: 7,700' or 200' ± below Island Top**

**Anticipated BHP: 3,805 Psig**

**3. PRESSURE CONTROL EQUIPMENT:** Production Hole - 3,000 Psig  
 BOP Schematic Diagram attached.

**4. CASING PROGRAM:**

| <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>LENGTH</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> |              |                |
|------------------|-----------------|---------------|-------------|---------------|--------------|---------------|----------------------|--------------|----------------|
|                  |                 |               |             |               |              |               | <u>COLLAPSE</u>      | <u>BURST</u> | <u>TENSILE</u> |
| 12 ¼"            | 0' - 500' +/-KB | 500' +/-      | 9 5/8"      | 36.0#         | J-55         | STC           | 2020 PSI             | 3520 PSI     | 394,000#       |
| 7 7/8"           | 500' - TD +/-KB | 7,700' +/-    | 4 1/2"      | 11.6 #        | J-55         | LTC           | 4960 PSI             | 5350 PSI     | 162,000#       |

**All casing will be new or inspected.**

**5. Float Equipment:**

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

Guide Shoe  
 Insert Float Collar (PDC drillable)  
 Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

**Production Hole Procedure (500' ± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 1000' 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. (15± total). Thread lock float shoe, top and bottom of float collar, and top of 2<sup>nd</sup> joint.

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 554-2F**  
**SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

6. **MUD PROGRAM:**

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

Air/air mist or aerated water

**Production Hole Procedure (500' ± - TD):**

Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore condition encountered while drilling.

**500'± - TD**

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 (0-500' ± Below GL)**

**Lead:** 275 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl<sub>2</sub>) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft<sup>3</sup>/sk., 4.95 gps water.

**Top Out:** Top out with Class 'G' cement with 2% S1 (CaCl<sub>2</sub>) in mix water, 15.8 ppg, 1.16 ft<sup>3</sup>/sk., 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes with spud rig.

**Note:** Cement volumes will be calculated to bring cement to surface.

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 554-2F**  
**SE/NE, SEC. 2, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

**Production Hole Procedure (500' ± to TD)**

**Lead:** 225 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 ft<sup>3</sup>/sk., 9.19 gps water.

**Tail:** 500 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 ft<sup>3</sup>/sk., 5.9gps water.

**Note:** Number of sacks is based on gauged hole calculation.  
Lead volumes are 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 - 500'±):**

Lost circulation

**Production Hole (500'± - 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.

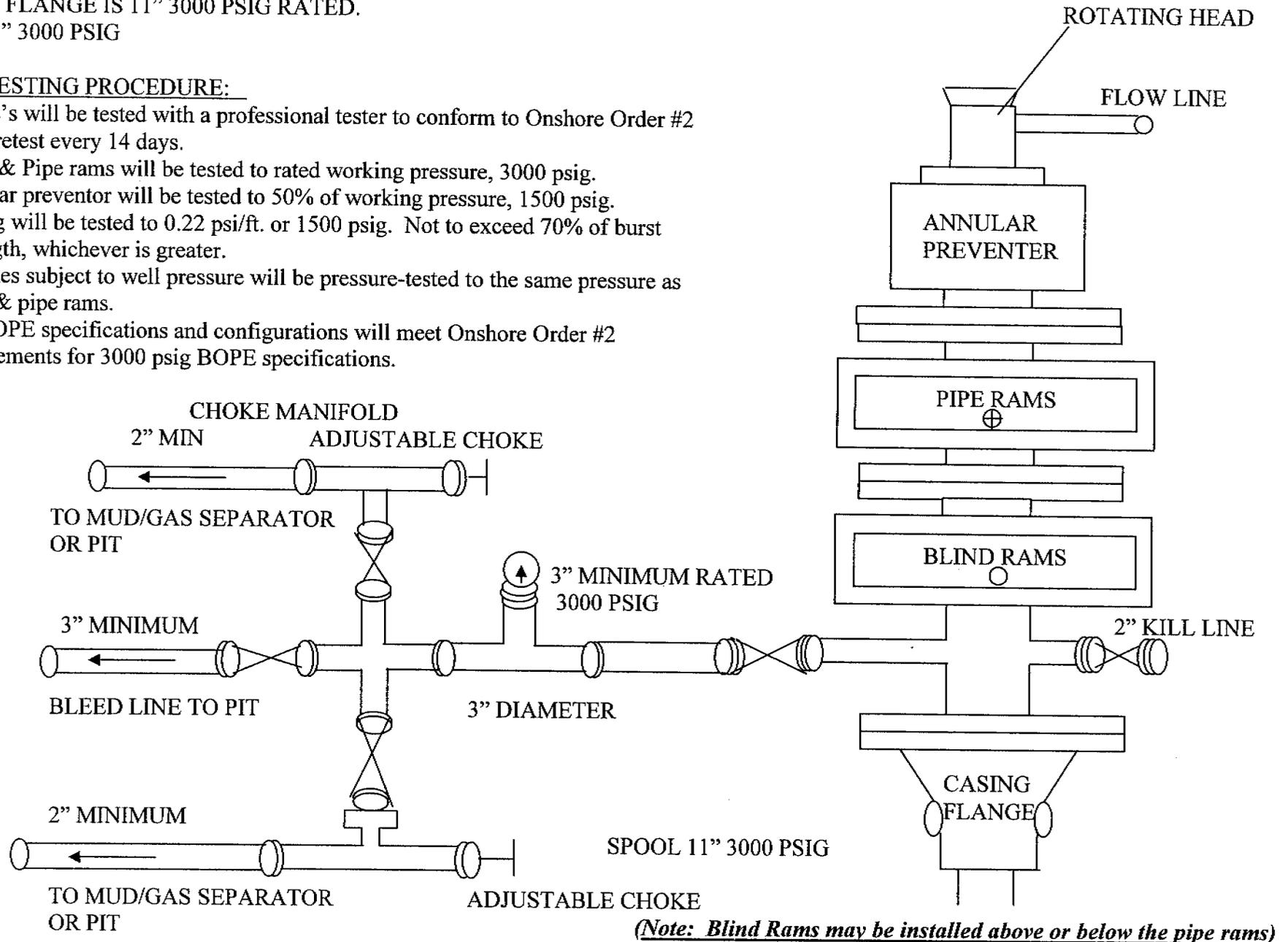
(Attachment: BOP Schematic Diagram)

### 3000 PSIG DIAGRAM

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

#### TESTING PROCEDURE:

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



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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: Chapita Wells Unit 554-2F  
Lease Number: ML-3077  
Location: 2368' FNL & 428' FEL, SE/NE, Sec. 2,  
T9S, R22E, S.L.B.&M.,  
Uintah County, Utah

Surface Ownership: STATE OF UTAH

**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 16.7 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 0.4 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

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. Diverting water off at frequent intervals by means of cutouts shall prevent erosion of drainage ditches by

run off water. 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 - 22\*

(\*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 well head valves, separator, dehy, 210 Bbl condensate tank, meter house 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 2013' from proposed location to a point in the SE/SE of Section 2, T9S, R22E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses State of Utah administered lands within the Chapita Wells Unit, thus a Right-of-Way grant will be not be required.
3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

- A. Water supply will be from the Ouray Municipal Water Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Section 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. 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.

The reserve pit will be constructed so as not to leak, break, or allow discharge.

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

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

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

The stockpiled topsoil will be stored between Corners #2 and #8.

Access to the well pad will be from the Southwest.

**FENCING REQUIREMENTS:**

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

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

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

## 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.

## 11. SURFACE OWNERSHIP

Access road: State of Utah

Location: State of Utah

## 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.

**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.

**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.

8-1-2005  
Date

Ed Trotter  
Agent

# EOG RESOURCES, INC.

---

CWU #554-2F

SECTION 2, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN 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 SOUTHEAST; PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.8 MILES THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO A FLAGGED ROAD TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

# EOG RESOURCES, INC.

**CWU #554-2F**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 2, T9S, R22E, 6th P.M.

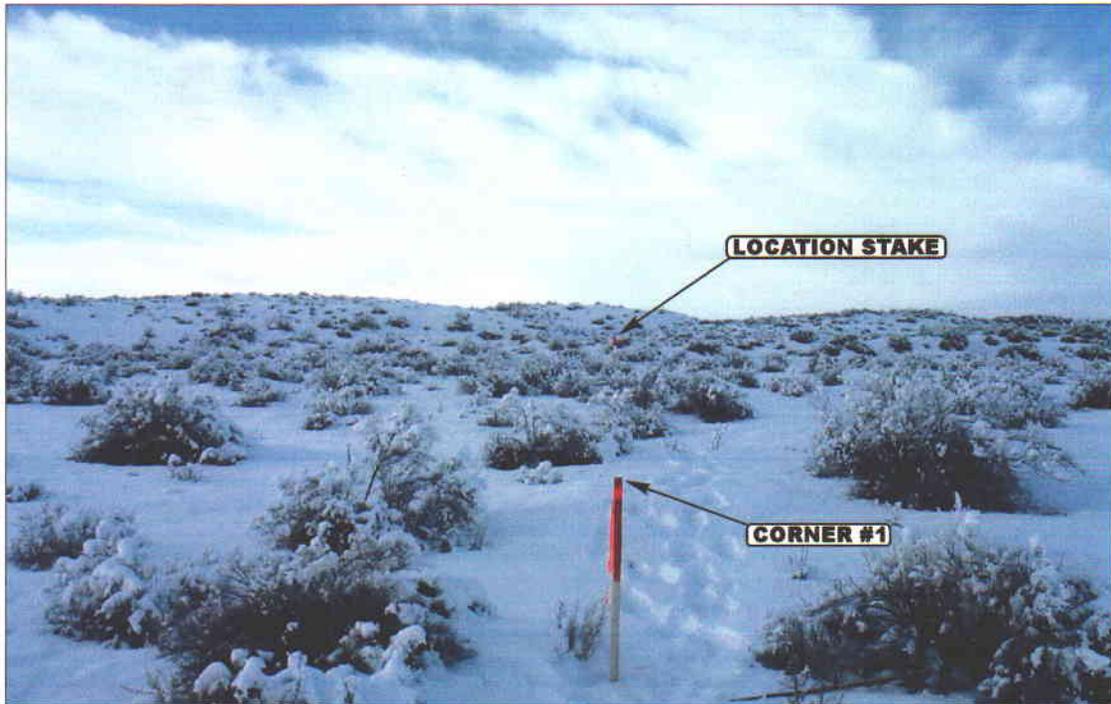


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS

12 12 01  
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

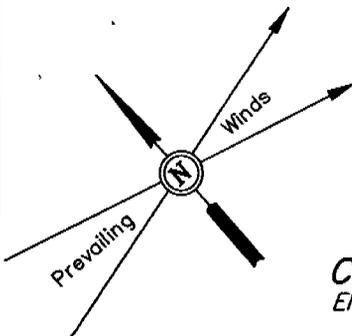
DRAWN BY: J.L.G.

REVISED: 00-00-00

# EOG RESOURCES, INC.

## LOCATION LAYOUT FOR

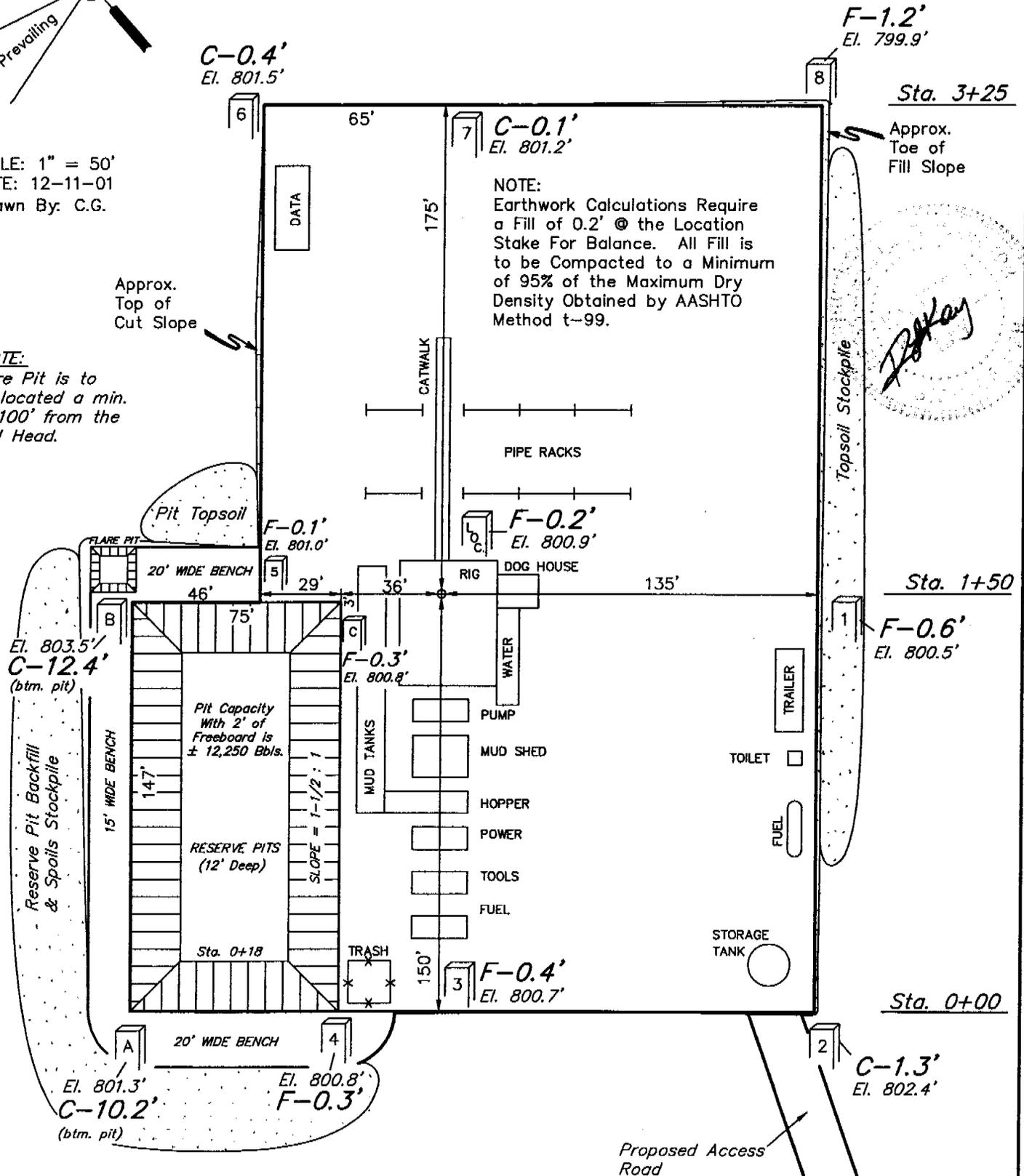
CWU #554-2F  
SECTION 2, T9S, R22E, S.L.B.&M.  
2368' FSL 428' FEL



SCALE: 1" = 50'  
DATE: 12-11-01  
Drawn By: C.G.

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

**NOTE:**  
Earthwork Calculations Require a Fill of 0.2' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.



Elev. Ungraded Ground at Location Stake = 4800.9'  
Elev. Graded Ground at Location Stake = 4801.1'

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

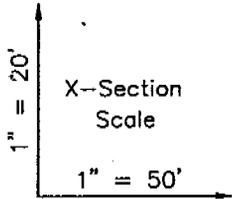
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

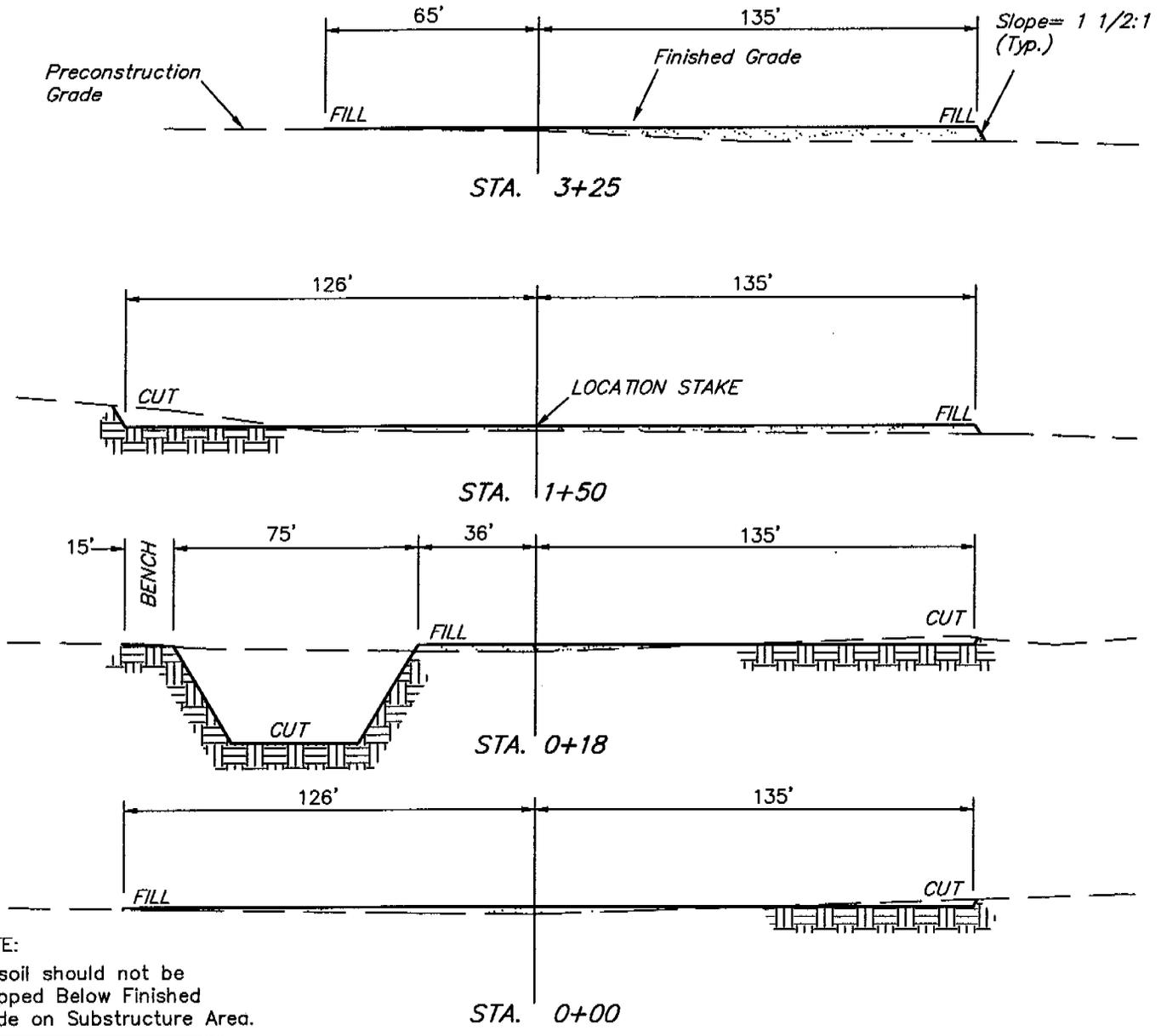
CWU #554-2F

SECTION 2, T9S, R22E, S.L.B.&M.

2368' FSL 428' FEL



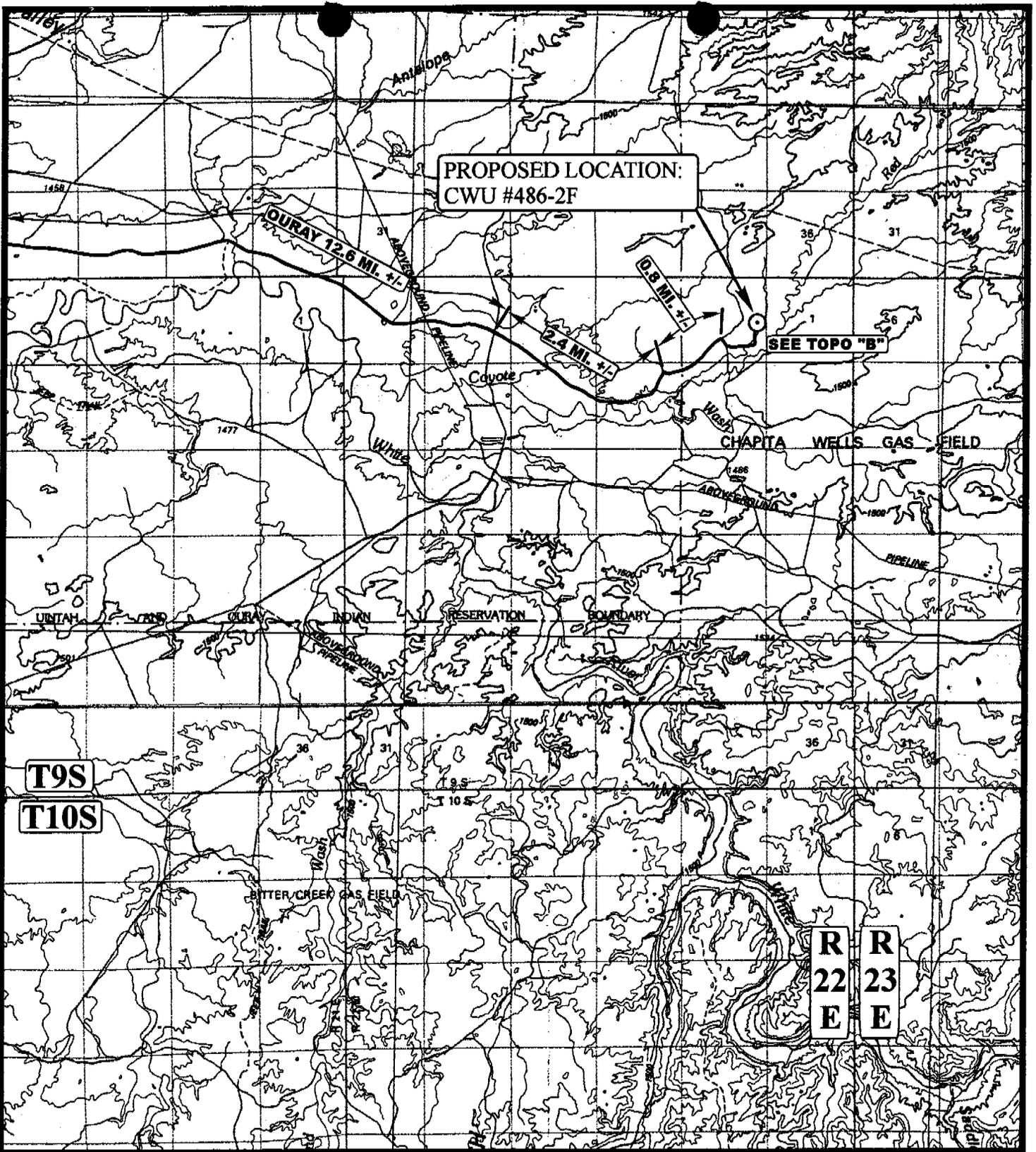
DATE: 12-11-01  
Drawn By: C.G.



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

APPROXIMATE YARDAGES

|                        |                        |   |                  |
|------------------------|------------------------|---|------------------|
| (6") Topsoil Stripping | = 1,430 Cu. Yds.       | EXCESS MATERIAL AFTER 5% COMPACTION     | = 3,090 Cu. Yds. |
| Remaining Location     | = 3,490 Cu. Yds.       | Topsoil & Pit Backfill (1/2 Pit Vol.)   | = 3,090 Cu. Yds. |
| <b>TOTAL CUT</b>       | <b>= 4,920 CU.YDS.</b> | EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds.     |
| <b>FILL</b>            | <b>= 1,740 CU.YDS.</b> |   |                  |



**PROPOSED LOCATION:  
CWU #486-2F**

**SEE TOPO "B"**

**T9S**

**T10S**

**R  
22  
E**

**R  
23  
E**

**LEGEND:**

○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

**CWU #554-2F  
SECTION 2, T9S, R22E, S.L.B.&M.  
2368' FNL 428' FEL**



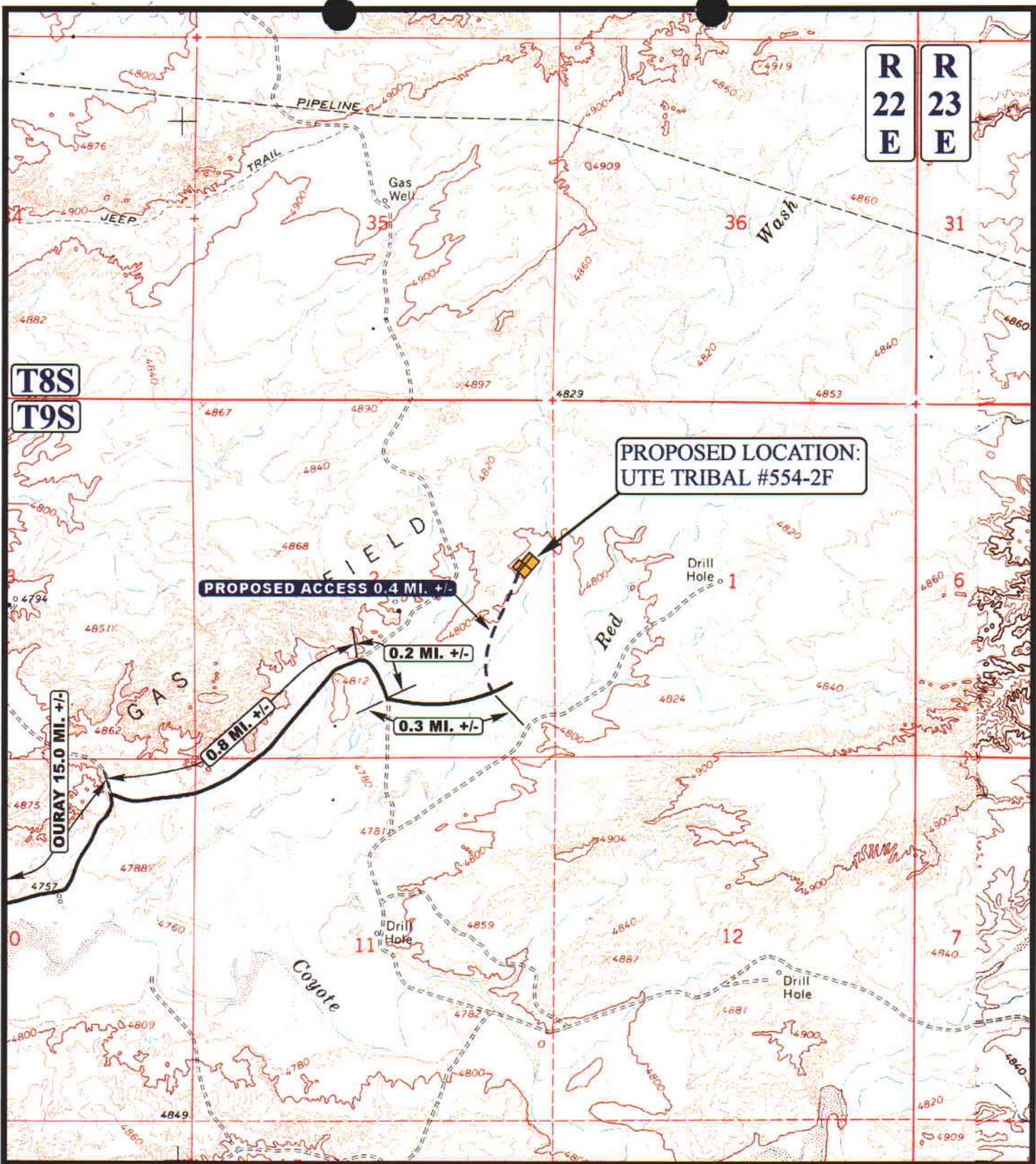
**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1018

**TOPOGRAPHIC  
MAP**

**1 21 98**  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 12-12-01





**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

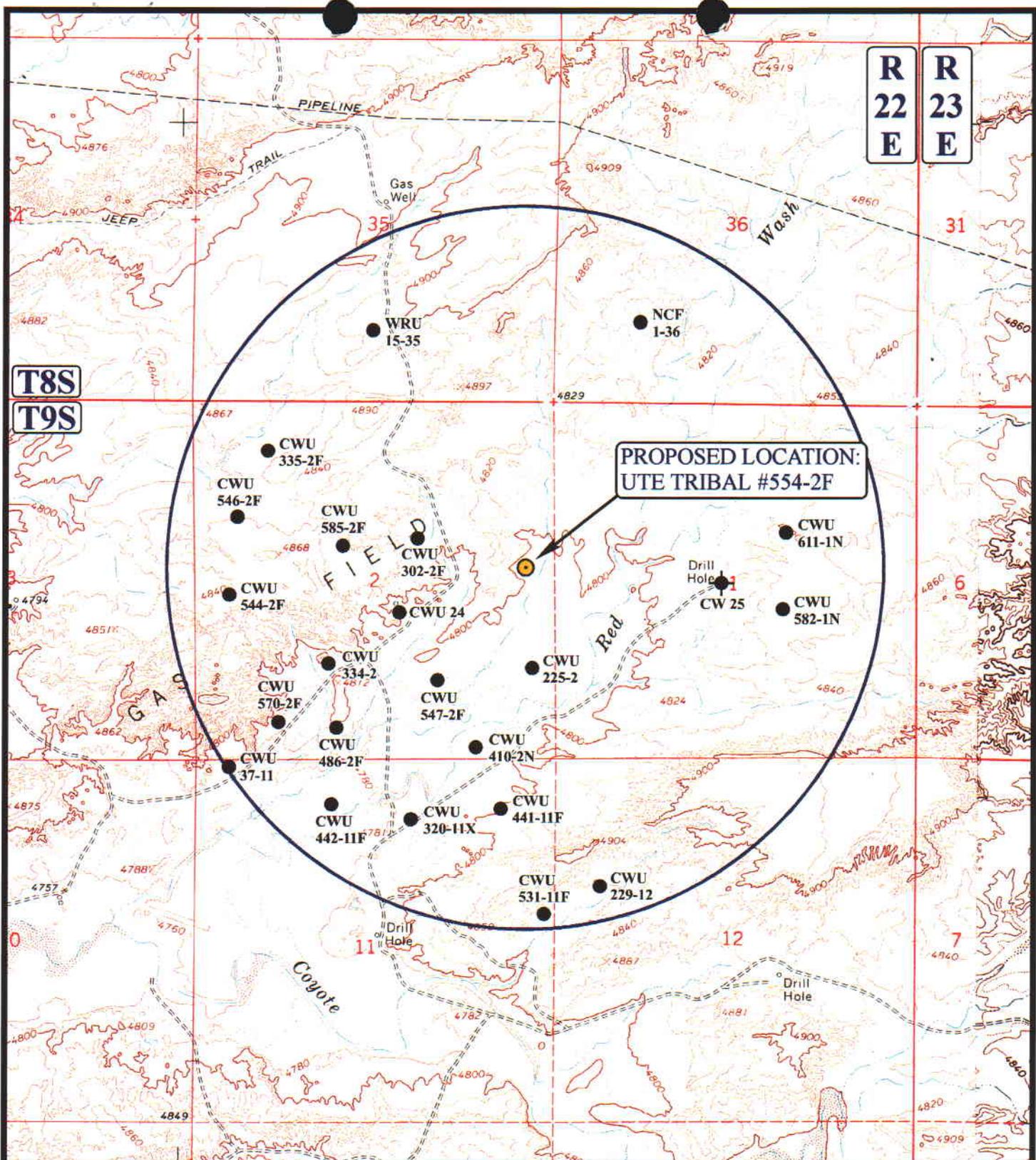


**EOG RESOURCES, INC.**

**CWU #554-2F**  
**SECTION 2, T9S, R22E, S.L.B.&M.**  
**2368' FNL 428' FEL**

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

**TOPOGRAPHIC MAP** **1 17 98**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 12-12-01 **B TOPO**



**LEGEND:**

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



**EOG RESOURCES, INC.**

**CWU #554-2F**  
**SECTION 2, T9S, R22E, S.L.B.&M.**  
**2368' FNL 428' FEL**



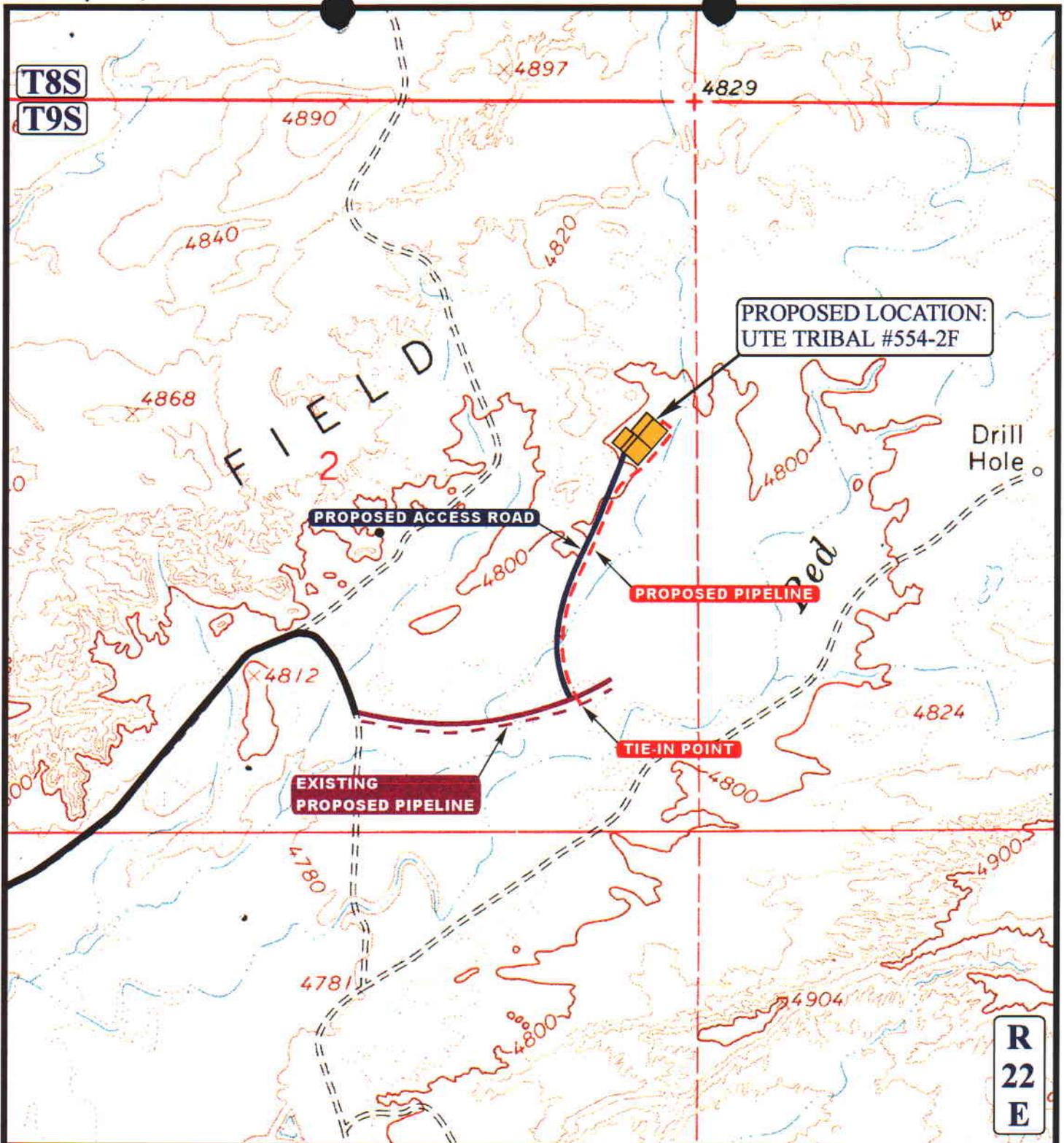
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**1 17 98**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 12-12-01





**APPROXIMATE TOTAL PIPELINE DISTANCE = 2013' +/-**

**LEGEND:**

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



**EOG RESOURCES, INC.**

**CWU #554-2F  
SECTION 2, T9S, R22E, S.L.B.&M.  
2368' FNL 428' FEL**



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

**TOPOGRAPHIC MAP**  
1 17 98  
MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 12-12-01



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/04/2005

API NO. ASSIGNED: 43-047-36935

WELL NAME: CWU 554-2F  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SENE 02 090S 220E  
 SURFACE: 2368 FNL 0428 FEL  
 BOTTOM: 2368 FNL 0428 FEL  
 UINTAH  
 NATURAL BUTTES ( 630 )

| INSPECT LOCATN BY: / / |          |        |
|------------------------|----------|--------|
| Tech Review            | Initials | Date   |
| Engineering            | DKD      | 6/7/06 |
| Geology                |          |        |
| Surface                |          |        |

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-3077  
 SURFACE OWNER: 3 - State  
 PROPOSED FORMATION: NHORN  
 COALBED METHANE WELL? NO

LATITUDE: 40.06565  
 LONGITUDE: -109.3987

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 16196017 )
- 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)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

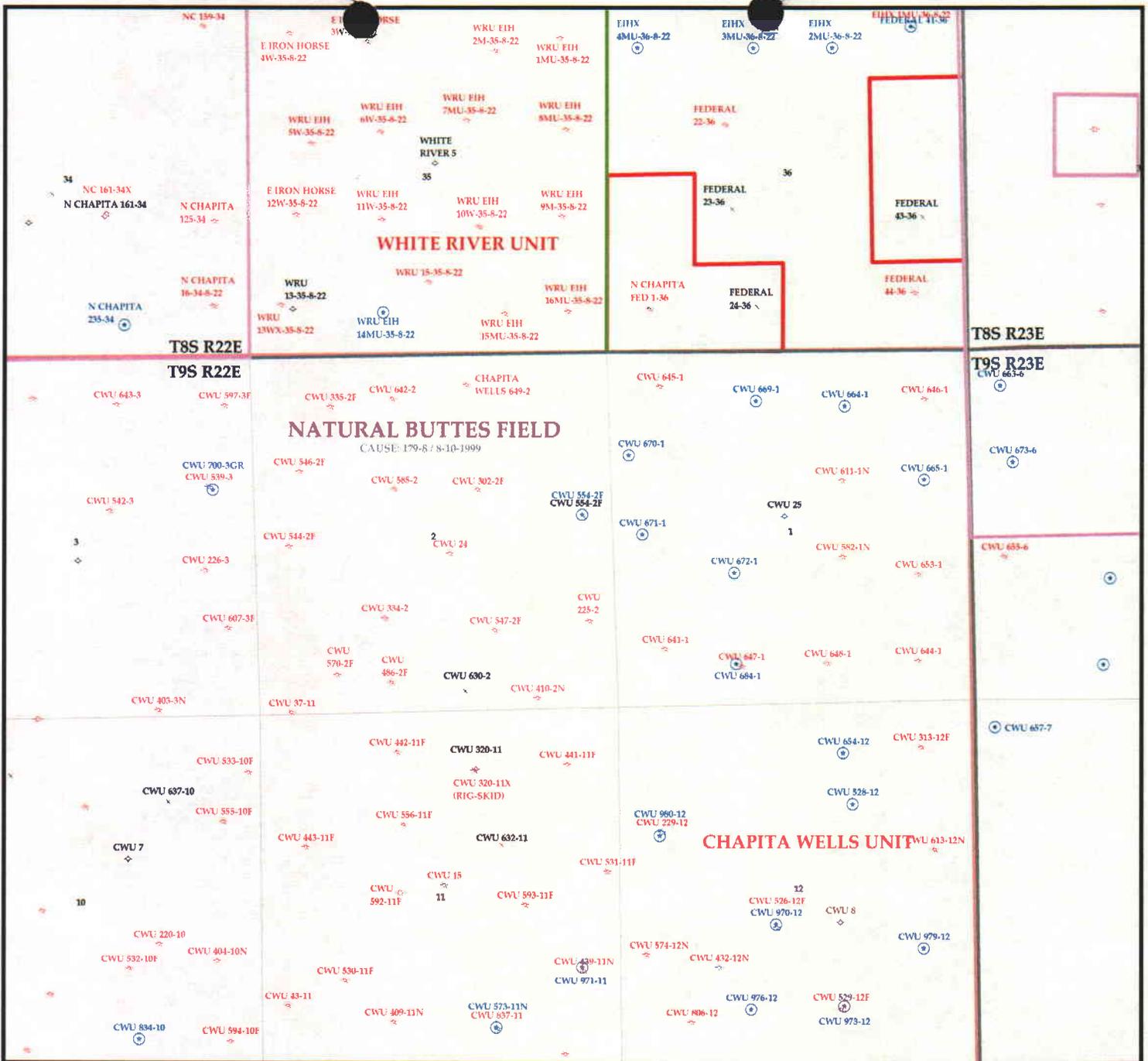
- R649-2-3.
- Unit CHAPITA WELLS
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 179-8  
Eff Date: 8-10-49  
Siting: Suspends General Siting
- R649-3-11. Directional Drill

COMMENTS:

PRESITE (08-30-05)

STIPULATIONS:

- 1- STATEMENT OF BASIS
- 2- OIL SHALE
- 3- Cement Stcpt# 3a (4 1/2" production, ±2000' MD, Green River fm)



**OPERATOR: EOG RESOURCES INC (N9550)**  
**SEC: 1 & 2 T. 9S R. 22E**  
**FIELD: NATURAL BUTTES (630)**  
**COUNTY: UINTAH**  
**CAUSE: 179-8 / 8-10-1999**

# LEGEND

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li><span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> Counties</li> <li><span style="border: 1px dashed black; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> Sections</li> <li><span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> Township</li> </ul> | <ul style="list-style-type: none"> <li><span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> ABANDONED</li> <li><span style="border: 1px solid black; background-color: #f0f0f0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> ACTIVE</li> <li><span style="border: 1px solid black; background-color: #e0e0e0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> COMBINED</li> <li><span style="border: 1px solid black; background-color: #d0d0d0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> INACTIVE</li> <li><span style="border: 1px solid black; background-color: #c0c0c0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PROPOSED</li> <li><span style="border: 1px solid black; background-color: #b0b0b0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> STORAGE</li> <li><span style="border: 1px solid black; background-color: #a0a0a0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> TERMINATED</li> </ul> |
|---|--|

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li><span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> EXPLORATORY</li> <li><span style="border: 1px solid black; background-color: #f0f0f0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> GAS STORAGE</li> <li><span style="border: 1px solid black; background-color: #e0e0e0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> NF PP OIL</li> <li><span style="border: 1px solid black; background-color: #d0d0d0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> NF SECONDARY</li> <li><span style="border: 1px solid black; background-color: #c0c0c0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PENDING</li> <li><span style="border: 1px solid black; background-color: #b0b0b0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PI OIL</li> <li><span style="border: 1px solid black; background-color: #a0a0a0; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PP GAS</li> <li><span style="border: 1px solid black; background-color: #909090; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PP GEOTHERML</li> <li><span style="border: 1px solid black; background-color: #808080; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> PP OIL</li> <li><span style="border: 1px solid black; background-color: #707070; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> SECONDARY</li> <li><span style="border: 1px solid black; background-color: #606060; display: inline-block; width: 10px; height: 10px; margin-right: 5px;"></span> TERMINATED</li> </ul> | <ul style="list-style-type: none"> <li><span style="color: red;">✱</span> GAS INJECTION</li> <li><span style="color: red;">✱</span> GAS STORAGE</li> <li><span style="color: red;">✱</span> LOCATION ABANDONED</li> <li><span style="color: red;">✱</span> NEW LOCATION</li> <li><span style="color: red;">✱</span> PLUGGED &amp; ABANDONED</li> <li><span style="color: red;">✱</span> PRODUCING GAS</li> <li><span style="color: red;">✱</span> PRODUCING OIL</li> <li><span style="color: red;">✱</span> SHUT-IN GAS</li> <li><span style="color: red;">✱</span> SHUT-IN OIL</li> <li><span style="color: red;">✱</span> TEMP. ABANDONED</li> <li><span style="color: red;">○</span> TEST WELL</li> <li><span style="color: blue;">△</span> WATER INJECTION</li> <li><span style="color: blue;">○</span> WATER SUPPLY</li> <li><span style="color: blue;">○</span> WATER DISPOSAL</li> <li><span style="color: blue;">○</span> DRILLING</li> </ul> |
|---|---|

**Utah Oil Gas and Mining**

PREPARED BY: DIANA WHITNEY  
 DATE: 5-AUG-2005

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** EOG RESOURCES INC.  
**WELL NAME & NUMBER:** CHAPITA WELLS UNIT 554-2F  
**API NUMBER:** 43-047-36935  
**LOCATION:** 1/4,1/4 SE/NE Sec: 2 TWP: 9S RNG: 22E 428' FEL 2368' FNL  
**COORD (UTM):** 636561 X; 4436062 Y **SURFACE OWNER:** STATE OF UTAH.

**Geology/Ground Water:**

EOG proposes to set 500 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 1,300 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 2. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 08-30-05

**Surface:**

The predrill investigation of the surface was performed on 08/30/2005. Surface and minerals for this well are owned by the State of Utah. Ed Bonner of S.I.T.L.A. and Ben Williams of U.D.W.R. were notified of this investigation on 8/23/2005. Mr. Williams of UDWR was present. The area is classified as year-round antelope range rated as high in value. He had no significant concerns about locating a well in this location. This site appears to be the best site in the immediate area for a location and well.

**Reviewer:** Floyd Bartlett **Date:** 08/31/2005

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12mils shall be properly installed and maintained in the reserve pit.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: EOG RESOURCES INC.  
WELL NAME & NUMBER: CHAPITA WELLS UNIT 554-2F  
API NUMBER: 43-047-36935  
LEASE: ML-3077 FIELD/UNIT: NATURAL BUTTES  
LOCATION: 1/4,1/4 SE/NE Sec: 2 TWP: 9S RNG: 22E 428' FEL 2368' FNL  
LEGAL WELL SITING: Statewide siting suspended.  
GPS COORD (UTM): 636561 X; 4436062 Y SURFACE OWNER: STATE OF UTAH.

**PARTICIPANTS**

Floyd Bartlett (DOGM), ED TROTTER (EOG), BEN WILLIAMS, (UDWR)

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

LOCATION IS 16.7 MILES SOUTHEAST OF OURAY, UTAH WITHIN THE COYOTE WASH DRAINAGE OF THE WHITE RIVER. NUMEROUS ROLLING HILLS AND SHALLOW DRAWS IS THE DOMINANT TOPOGRAPHY. THE SPECIFIC LOCATION IS ON THE EAST SIDE OF A HUMMOCKY SANDY RIDGE. THE WHITE RIVER IS APPROXIMATELY 5 MILES TO THE SOUTHWEST.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' BY 246'. PROPOSED ACCESS IS 0.4 MILES FROM AN EXISTING OILFIELD DEVELOPMENT ROAD.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: NEW PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. A GAS PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). Unlikely, as there are numerous other existing wells in the surrounding area.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. COMMERCIAL CONTRACTOR WILL HANDLE SEWAGE FACILITIES, STORAGE AND DISPOSAL. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: CHEAT GRASS, HALOGETON, GREASEWOOD, RUSSIAN THISTLE, CURLY MESQUITE, SHADSCALE: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY LOAM. LITTLE SURFACE ROCK.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 147' BY 75' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): SENSITIVITY LEVEL II. A LINER WILL BE REQUIRED FOR THE RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN: AS PER S.I.T.L.A.

SURFACE AGREEMENT: AS PER STATE OF UTAH

CULTURAL RESOURCES/ARCHAEOLOGY: SITE HAS BEEN INSPECTED BY TRUSDALE.

OTHER OBSERVATIONS/COMMENTS

THIS LOCATION WAS PREVIOUSLY PRE-SITED IN 2002 BUT NOT DRILLED. THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A HOT, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

Floyd Bartlett  
DOGM REPRESENTATIVE

08/30/2005 10:00AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

| <u>Site-Specific Factors</u>                            | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|---------------------|
| Distance to Groundwater (feet)                          |                |                     |
| >200  | 0              |                     |
| 100 to 200  | 5              |                     |
| 75 to 100   | 10             |                     |
| 25 to 75  | 15             |                     |
| <25 or recharge area                                    | 20             | <u>5</u>            |
| Distance to Surf. Water (feet)                          |                |                     |
| >1000   | 0              |                     |
| 300 to 1000   | 2              |                     |
| 200 to 300  | 10             |                     |
| 100 to 200  | 15             |                     |
| < 100   | 20             | <u>0</u>            |
| Distance to Nearest Municipal Well (feet)               |                |                     |
| >5280   | 0              |                     |
| 1320 to 5280  | 5              |                     |
| 500 to 1320   | 10             |                     |
| <500  | 20             | <u>0</u>            |
| Distance to Other Wells (feet)                          |                |                     |
| >1320   | 0              |                     |
| 300 to 1320   | 10             |                     |
| <300  | 20             | <u>0</u>            |
| Native Soil Type  |                |                     |
| Low permeability  | 0              |                     |
| Mod. permeability                                       | 10             |                     |
| High permeability                                       | 20             | <u>10</u>           |
| Fluid Type  |                |                     |
| Air/mist  | 0              |                     |
| Fresh Water   | 5              |                     |
| TDS >5000 and <10000                                    | 10             |                     |
| TDS >10000 or Oil Base Mud Fluid                        | 15             |                     |
| containing significant levels of hazardous constituents | 20             | <u>5</u>            |
| Drill Cuttings  |                |                     |
| Normal Rock   | 0              |                     |
| Salt or detrimental                                     | 10             | <u>0</u>            |
| Annual Precipitation (inches)                           |                |                     |
| <10   | 0              |                     |
| 10 to 20  | 5              |                     |
| >20   | 10             | <u>0</u>            |
| Affected Populations                                    |                |                     |
| <10   | 0              |                     |
| 10 to 30  | 6              |                     |
| 30 to 50  | 8              |                     |
| >50   | 10             | <u>0</u>            |
| Presence of Nearby Utility Conduits                     |                |                     |
| Not Present   | 0              |                     |
| Unknown   | 10             |                     |
| Present   | 15             | <u>0</u>            |

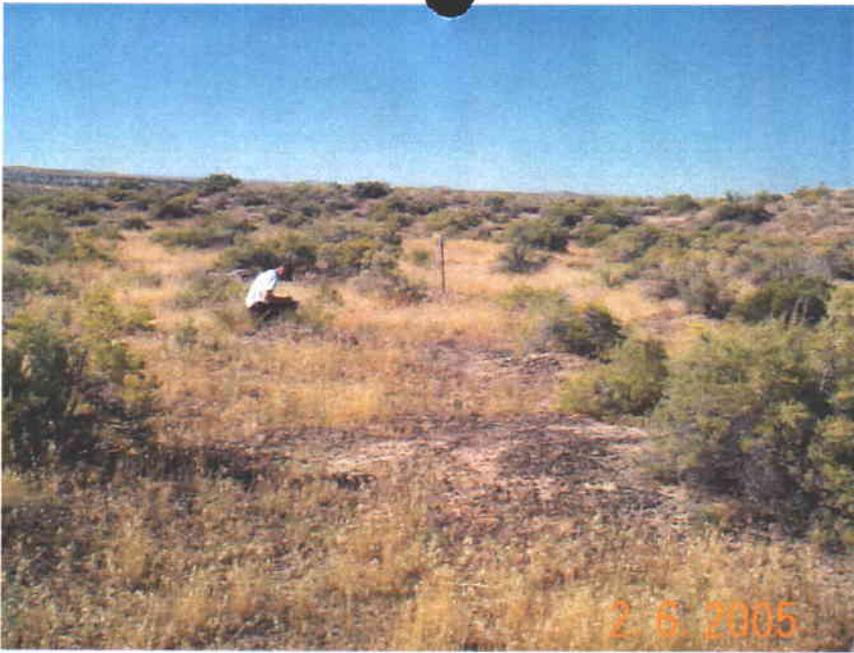
**Final Score**            20            (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





Casing Schematic

Uinta

Surface

TOC @ 0.

1300 Bmsw

✓ w/ 18% washout  
Lead 310 SKS w/ 3.52 yield  
Tail 250 SKS w/ 1.18 yield

1835 TOC Tail

1992 Green River

TOC @ 1997.

Surface  
2300. MD

9-5/8"  
MW 8.4  
Frac 19.3

BHP

$(.052)(10.5)(7770) = 4242$

Anticipate 4245

Gas

$(.12)(7770) = 932$

MHSP = 3313

BoPE - 5000 ✓

Surf Csg - 3520

70% = 2464

Max pressure @ Surf Csg shoe = 3042

Test To 2464 # ✓  
(± 1400psi surface press.)

✓ Adequate OK 6/2/06

4-1/2"  
MW 10.5

Production  
7770. MD

4623 TOC Tail

5024 Washout

w/ 0% washout  
✓ \* Cement Sts 39  
FOC ± 2000' MD

Well name:

09-05 EOG 554-2F

Operator: EOG Resources Inc

String type: Surface

Project ID:  
43-047-36935

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 107 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 350 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 2,024 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,300 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 2,014 ft

Completion type is subs  
Non-directional string.

**Re subsequent strings:**

Next setting depth: 7,770 ft  
Next mud weight: 10.500 ppg  
Next setting BHP: 4,238 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,300 ft  
Injection pressure 2,300 psi

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Internal Capacity (ft <sup>3</sup> ) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|--------------------------------------|
| 1       | 2300                | 9.625                   | 36.00                   | J-55             | ST&C                 | 2300                 | 2300                | 8.796                   | 163.8                                |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Klps) | Tension Strength (Klps) | Tension Design Factor                |
| 1       | 1004                | 2020                    | 2.013                   | 2300             | 3520                 | 1.53                 | 73                  | 394                     | 5.43 J                               |

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: June 1, 2006  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

09-05 EOG 554-2F

Operator: EOG Resources Inc

String type: Production

Project ID:

43-047-36935

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 10.500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 184 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 1,997 ft

**Burst**

Max anticipated surface pressure: 3,306 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 4,238 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Completion type is subs  
Non-directional string.

Tension is based on buoyed weight.

Neutral point: 6,550 ft

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1       | 7770                | 4.5                     | 11.60                   | N-80             | LT&C                 | 7770                 | 7770                | 3.875                   | 180.1                   |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor   |
| 1       | 4238                | 6350                    | 1.498                   | 4238             | 7780                 | 1.84                 | 76                  | 223                     | 2.93 J                  |

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: June 1, 2006  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7770 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**From:** Clinton Dworshak  
**To:** edtrotter@easilink.com  
**Date:** 9/2/2005 8:32:37 AM  
**Subject:** EOG APDs

Ed,

These three EOG APDs require information.

CWU 554-2F - The production string cement is not sufficient to cover these critical zones BMSW (1300'), Green River (1992'), or Mahogany Oil Shale (2665').

CWU 701-2 - The production string cement is not sufficient to cover these critical zones BMSW (1300'), Green River (2078'), or Mahogany Oil Shale (2724').

CWU 955-32 - The number of sacks to cement the surface casing was not reported.

Also, I have made other e-mail requests for information necessary to process EOG APDs that have not been answered. A small back-log of these are developing.

Clint

**From:** Ed Bonner  
**To:** Mason, Diana  
**Date:** 11/21/2006 10:14 AM  
**Subject:** Well Clearance

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Cabot Oil & Gas Corporation

Gusher 13-36-5-19 (API 43 047 38538)  
Gusher 14-36-5-19 (API 43 047 38539)

Dominion E&P, Inc

AP 11-2J (API 43 047 38786)  
AP 13-2J (API 43 047 38787)  
Kings Canyon 6-32E (API 43 047 38781)  
Kings Canyon 15-32E (API 43 047 38782)

EOG Resources, Inc

Chapita Wells Unit 554-2F (API 43 047 36935)  
Chapita Wells Unit 1218-2 (API 43 047 38320)

The Houston Exploration Company

Gusher 13-11-5-19 (API 43 047 38462)  
Squaw Ridge 14-16-7-25 (API 43 047 38461)

QEP Uinta Basin Inc

GB 4SG-36-8-21 (API 43 047 38764)

If you have any questions regarding this matter please give me a call.



**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*

November 22, 2006

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

Re: Chapita Wells Unit 554-2F Well, 2368' FNL, 428' FEL, SE NE, Sec. 2,  
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36935.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor (via e-mail)  
SITLA  
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 554-2F

API Number: 43-047-36935

Lease: ML-3077

Location: SE NE                      Sec. 2                      T. 9 South                      R. 22 East

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
  
7. Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to  $\pm 2000'$  MD in order to adequately isolate the Green River formation.

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 554-2F

Api No: 43-047-36935 Lease Type: STATE

Section 02 Township 09S Range 22E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # BUCKET

### **SPUDDED:**

Date 05/07/07

Time 12:30 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by DALL COOK

Telephone # (435) 828-3630

Date 05/07/07 Signed CHD

ENTITY ACTION FORM

Operator: EOG RESOURCES, INC.  
Address: 600 17th Street  
city Denver  
state CO zip 80202

Operator Account Number: N 9550  
Phone Number: (303) 262-2812

Well 1

| API Number                 | Well Name                 |                   | QQ        | Sec | Twp | Rng                              | County |
|----------------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-38320               | CHAPITA WELLS UNIT 1218-2 |                   | NWNE      | 2   | 9S  | 22E                              | UINTAH |
| Action Code                | Current Entity Number     | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| A                          | 99999                     | 16113             | 5/9/2007  |     |     | 5/30/07                          |        |
| Comments: <u>PRRU=MVRD</u> |                           |                   |           |     |     |                                  |        |

Well 2

| API Number                    | Well Name                  |                   | QQ        | Sec | Twp | Rng                              | County |
|-------------------------------|----------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-36935                  | CHAPITA WELLS UNIT 554-02F |                   | SENE      | 2   | 9S  | 22E                              | UINTAH |
| Action Code                   | Current Entity Number      | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| A                             | 99999                      | 4905              | 5/7/2007  |     |     | 5/30/07                          |        |
| Comments: <u>NHORN = WSTC</u> |                            |                   |           |     |     |                                  |        |

Well 3

| API Number      | Well Name                    |                   | QQ        | Sec | Twp | Rng                              | County |
|-----------------|------------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-39283    | NATURAL BUTTES UNIT 513-12EX |                   | SENE      | 12  | 10S | 22E                              | UINTAH |
| Action Code     | Current Entity Number        | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| A               | 99999                        |                   | 5/7/2007  |     |     |                                  |        |
| Comments: _____ |                              |                   |           |     |     |                                  |        |

ACTION CODES:

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

Carrie MacDonald

Name (Please Print)

*Carrie MacDonald*

Signature

Operations Clerk

5/14/2007

Date

RECEIVED

MAY 17 2007

Title

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

FORM 9

**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.

|   |  |  |
|---|--|--|
|   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3077</b>        |
|   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                            |
|   |  | 7. UNIT or CA AGREEMENT NAME:<br><b>Chapita Wells Unit</b>       |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 8. WELL NAME and NUMBER:<br><b>Chapita Wells Unit 554-02F</b>    |
| 2. NAME OF OPERATOR:<br><b>EOG Resources, Inc.</b>  |  | 9. API NUMBER:<br><b>43-047-36935</b>                            |
| 3. ADDRESS OF OPERATOR:<br>600 17th St., Suite 1000N CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>      |  | PHONE NUMBER:<br><b>(303) 262-2812</b>                           |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>2,368' FNL &amp; 428' FEL 40.065645 LAT 109.398713</b>         |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>Natural Buttes/Wasatch</b> |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 2 9S 22E S.L.B.&amp; M.</b>                              |  | COUNTY: <b>Uintah</b><br>STATE: <b>UTAH</b>                      |

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

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

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

The referenced well spud on 5/7/2007.

|   |                               |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Carrie MacDonald</u> | TITLE <u>Operations Clerk</u> |
| SIGNATURE                                   | DATE <u>5/14/2007</u>         |

(This space for State use only)

**RECEIVED**

**MAY 17 2007**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

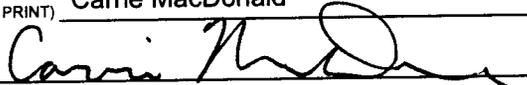
|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3077</b>        |
| 2. NAME OF OPERATOR:<br><b>EOG Resources, Inc.</b>  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br>_____                   |
| 3. ADDRESS OF OPERATOR:<br><b>600 17th St., Suite 1000N</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b> |  | 7. UNIT or CA AGREEMENT NAME:<br><b>Chapita Wells Unit</b>       |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>2,368' FNL &amp; 428' FEL 40.065645 LAT 109.398713</b>           |  | 8. WELL NAME and NUMBER:<br><b>Chapita Wells Unit 554-02F</b>    |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 2 9S 22E S.L.B.&amp; M.</b>                                |  | 9. API NUMBER:<br><b>43-047-36935</b>                            |
| COUNTY: <b>Uintah</b>   |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>Natural Buttes/Wasatch</b> |
| STATE: <b>UTAH</b>  |  |  |

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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____<br><br><input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION             |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                  |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                       |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                             |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                             |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                            |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                            |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u>Change tank size</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

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

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

|   |                               |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Carrie MacDonald</u>   | TITLE <u>Operations Clerk</u> |
| SIGNATURE  | DATE <u>5/14/2007</u>         |

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

(See Instructions on Reverse Side)

RECEIVED  
MAY 1 / 2007

(5/2000)

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-3077**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:  
**Chapita Wells Unit**

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Chapita Wells Unit 554-02F**

2. NAME OF OPERATOR:  
**EOG Resources, Inc.**

9. API NUMBER:  
**43-047-36935**

3. ADDRESS OF OPERATOR:  
**600 17th St., Suite 1000N**      CITY **Denver**      STATE **CO**      ZIP **80202**

PHONE NUMBER:  
**(303) 262-2812**

10. FIELD AND POOL, OR WILDCAT:  
**Natural Buttes/Wasatch**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **2,368' FNL & 428' FEL 40.065645 LAT 109.398713**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 9S 22E S.L.B.&M.**

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

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

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

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

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

NAME (PLEASE PRINT) Carrie MacDonald

TITLE Operations Clerk

SIGNATURE *Carrie MacDonald*

DATE 5/14/2007

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**RECEIVED  
MAY 17 2007**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-3077**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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7. UNIT or CA AGREEMENT NAME:

**Chapita Wells Unit**

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

**Chapita Wells Unit 554-02F**

2. NAME OF OPERATOR:

**EOG Resources, Inc.**

9. API NUMBER:

**43-047-36935**

3. ADDRESS OF OPERATOR:

**600 17th St., Suite 1000N**

CITY **Denver**

STATE **CO**

ZIP **80202**

PHONE NUMBER:

**(303) 824-5526**

10. FIELD AND POOL, OR WILDCAT:

**Natural Buttes/Wasatch**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **2368' FNL & 428' FEL 40.06565 LAT 109.39871**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 9S 22E S.L.B.& M.**

STATE:

**UTAH**

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

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

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

The referenced well was turned to sales on 8/6/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

NAME (PLEASE PRINT) **Mary A. Maestas**

TITLE **Regulatory Assistant**

SIGNATURE

*Mary A. Maestas*

DATE **8/8/2007**

(This space for State use only)

**RECEIVED**  
**AUG 10 2007**

## WELL CHRONOLOGY REPORT

Report Generated On: 08-08-2007

|                      |  |                  |              |                      |              |
|----------------------|--|------------------|--------------|----------------------|--------------|
| <b>Well Name</b>     | CWU 554-02F                                    | <b>Well Type</b> | DEVG         | <b>Division</b>      | DENVER       |
| <b>Field</b>         | NATURAL BUTTES                                 | <b>API #</b>     | 43-047-36935 | <b>Well Class</b>    | ISA          |
| <b>County, State</b> | UINTAH, UT                                     | <b>Spud Date</b> | 07-02-2007   | <b>Class Date</b>    | 08-06-2007   |
| <b>Tax Credit</b>    | N  | <b>TVD / MD</b>  | 7.700/ 7.700 | <b>Property #</b>    | 031413       |
| <b>Water Depth</b>   | 0  | <b>Last CSG</b>  | 4.5          | <b>Shoe TVD / MD</b> | 7.681/ 7.681 |
| <b>KB / GL Elev</b>  | 4.813/ 4.801                                   |                  |              |                      |              |
| <b>Location</b>      | Section 2, T9S, R22E, SENE, 2368 FNL & 428 FEL |                  |              |                      |              |

|                 |                    |                    |                  |              |        |
|-----------------|--------------------|--------------------|------------------|--------------|--------|
| <b>Event No</b> | 1.0                | <b>Description</b> | DRILL & COMPLETE |              |        |
| <b>Operator</b> | EOG RESOURCES, INC | <b>WI %</b>        | 55.033           | <b>NRI %</b> | 46.813 |

**AFE No** 303606      **AFE Total** 1,194,600      **DHC / CWC** 657,700/ 536,900

**Rig Contr** ENSIGN      **Rig Name** ENSIGN #81      **Start Date** 08-10-2005      **Release Date** 07-09-2007

**08-10-2005**      **Reported By** ED TROTTER

**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  |
|       |       |      | 2368' FNL & 428' FEL (SE/NE)   |
|       |       |      | SECTION 2, T9S, R22E   |
|       |       |      | UINTAH COUNTY, UTAH  |
|       |       |      | LAT 40.0356, LONG 110.2356   |
|       |       |      | RIG: ENSIGN #81  |
|       |       |      | OBJECTIVE: 7700' TD, WASATCH   |
|       |       |      | DW/GAS   |
|       |       |      | CHAPITA WELLS PROSPECT   |
|       |       |      | DD&A: NATURAL BUTTES   |
|       |       |      | NATURAL BUTTES FIELD   |
|       |       |      | LEASE: ML-3077   |
|       |       |      | ELEVATION: 4800.9' NAT GL, 4801.1' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4801'), 4813' KB (12') |
|       |       |      | EOG WI 55.0327%, NRI 46.813095%  |

**05-04-2007**      **Reported By** TERRY CSERE

**Daily Costs: Drilling** \$38,000      **Completion** \$0      **Daily Total** \$38,000

**Cum Costs: Drilling** \$38,000 **Completion** \$0 **Well Total** \$38,000  
**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:** BUILD LOCATION

| Start | End   | Hrs  | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LOCATION STARTED.    |

**05-07-2007** **Reported By** TERRY CSERE

**Daily Costs: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$38,000 **Completion** \$0 **Well Total** \$38,000  
**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:** BUILD LOCATION

| Start | End   | Hrs  | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LINE PIT TODAY.      |

**05-08-2007** **Reported By** TERRY CSERE

**Daily Costs: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$38,000 **Completion** \$0 **Well Total** \$38,000  
**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:** BUILD LOCATION

| Start | End   | Hrs  | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LINE PIT TODAY.      |

**05-09-2007** **Reported By** TERRY CSERE

**Daily Costs: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$38,000 **Completion** \$0 **Well Total** \$38,000  
**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:** BUILD LOCATION/WO BUCKET RIG

| Start | End   | Hrs  | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LOCATION COMPLETE.   |

**05-10-2007** **Reported By** DALL COOK

**Daily Costs: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$38,000 **Completion** \$0 **Well Total** \$38,000  
**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 | CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 5/7/2007 @ 12:30 PM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. DALL COOK NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 5/7/2007 @ 11:45 AM. |

**06-28-2007** **Reported By** JERRY BARNES

**Daily Costs: Drilling**      \$203,703                      **Completion**      50                      **Daily Total**      \$203,703  
**Cum Costs: Drilling**      \$241,703                      **Completion**      50                      **Well Total**      \$241,703  
**MD**              2,518      **TVD**              2,518      **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 BILL JR AIR RIG #11 ON 5/8/2007. DRILLED 12-1/4" HOLE TO 2550' GL. ENCOUNTERED WATER @ 2050'. RAN 58 JTS (2506.45') OF 9-5/8", 36.0#/FT. J-55. ST&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2518' KB. RDMO AIR RIG.<br><br>MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 180 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (41 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX.<br><br>DISPLACED CEMENT W/190.2 BBLs FRESH WATER. BUMPED PLUG W/600# @ 7:41 AM, 5/11/2007. CHECKED FLOAT. FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.<br><br>TOP JOB # 1: MIXED & PUMPED 100 SX (20.5 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 2 HRS, 40 MINUTES.<br><br>TOP JOB # 2: MIXED & PUMPED 150 SX (30.7 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO BIG 4 CEMENTERS 9 5/8 X 12 1/4 ANNULUS PLUS SHOE JOINT VOLUME EQUALS 700 SX CEMENT HOLE FILLED & STOOD FULL W/450 SX CEMENT.<br><br>PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.<br><br>MIRU GLENS SLICK LINE UNIT. RUN IN HOLE AND TAGGED @ 2360'. PICK UP TO 2340' & RUN STRAIGHT HOLE SURVEY - BULLS EYE.<br><br>DALL COOK NOTIFIED DAVE HACKFORD W/UDOGM OF THE SURFACE CASING & CEMENT JOB ON 5/7/2007 @ 12:00 PM. |

06-30-2007      **Reported By**      DAVID FOREMAN

**Daily Costs: Drilling**      \$24,976                      **Completion**      50                      **Daily Total**      \$24,976  
**Cum Costs: Drilling**      \$266,679                      **Completion**      50                      **Well Total**      \$266,679  
**MD**              2,518      **TVD**              2,518      **Progress**      0      **Days**              0      **MW**              0.0      **Visc**              0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: REPAIR DRAWWORKS CHAINS**

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 13:30 | 7.5  | RIG DOWN MOVE F/ CWU 701-2 TO CWU 554-2F CLEAR LOCATION @ 13:30  |
| 13:30 | 18:00 | 4.5  | RIG UP ALL TRUCKS OFF LOCATION @ 17:30.  |
| 18:00 | 06:00 | 12.0 | RIG REPAIR. REPLACE CHAINS IN DROWWORKS. REPAIR AIR. WATER & OIL LEAKS. RIG UP LIGHTING, DIG DITCHES AROUND RIG. PREPAIR DERRICK. W/ RAISE DERRICK AND CHANGE BREAK BLOCKS ON DRAWWORKS. |

ACCIDENTS NONE REPORTED

SAFETY MEETING: R/U & WORKING W/ TRUCKS  
CREWS FULL

FUEL ON HAND,2359 USED 290  
TRANSFERD FUEL 2649 GALS.

07-01-2007      **Reported By**      DAVID FOREMAN

**Daily Costs: Drilling**      \$36,292      **Completion**      \$0      **Daily Total**      \$36,292

**Cum Costs: Drilling**      \$302,971      **Completion**      \$0      **Well Total**      \$302,971

**MD**      2.518      **TVD**      2.518      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0

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

**Activity at Report Time:** RIG REPAIR

| Start | End   | Hrs  | Activity Description  |
|-------|-------|------|---|
| 06:00 | 10:00 | 4.0  | RIG REPAIR/ FINISH REPAIR TO DRUM CHAINS/ RAISE DERRICK TO CONT. RIG REPAIR.<br>DERRICK UP AT 10:00 AM.   |
| 10:00 | 06:00 | 20.0 | REPLACE HIGH & REVERSE CNAINS,CHECKING AND REPAIRING OIL LINES IN COMPOUND & DRAW<br>WORKS. HANG BLOCKS TO REMOVE BRAKE BANDS TO CHG. BRAKE BLOCKS. |

NOTIFIED STATE OF UTAH WOGCC. F/ BOP TEST @ 17:45 801-538-5284 & 801-538-5260 MAIN OFFICE L/M,  
S/L/C UTAH, TEST @ 18:00 7/01/07,+/-

ACCIDENTS NONE REPORTED  
SAFETY MEETING TEAM WORK & WORKING ON DRAWWORKS  
CREWS NIGHTS SHORT ONE MAN.

FUEL ON HAND,6859, USED 350, REC. 4500,

07-02-2007      **Reported By**      DAVID FOREMAN

**Daily Costs: Drilling**      \$34,602      **Completion**      \$0      **Daily Total**      \$34,602

**Cum Costs: Drilling**      \$337,573      **Completion**      \$0      **Well Total**      \$337,573

**MD**      2.518      **TVD**      2.518      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0

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

**Activity at Report Time:** PREP TO DRILL CEMENT

| Start | End   | Hrs | Activity Description   |
|-------|-------|-----|--|
| 06:00 | 12:00 | 6.0 | FINISH BRAKES & DRAWWORKS.REPAIR WATER PUMP.   |
| 12:00 | 17:00 | 5.0 | PICK UP KELLY,NIPPLE UP BOP,CHOCK LINE,RIG UP FLOW LINE,GAS BUSTER,FLAIR LINES,<br>CONT. RIG UP.   |
| 17:00 | 22:00 | 5.0 | RIG UP B & C QUICK TEST & TEST BOP. PIPE RAMS,BLIND RAMS,ALL KILL LINE VALVES.CHOCK LINE &<br>MANIFOLD.HCR,KELLY UPPER & LOWER KELLY VALVES.SAFETY VALVE,DART VALVE,ALL TO 250 PSI LOW<br>& 5000 PSI HIGH ANNULAR 250 PSI LOW 2500 HIGH,SURFACE CSG.1500 PSI GOOD TEST.<br>WITNESS DARY DURCAR B & C QUICK TEST. |
| 22:00 | 23:00 | 1.0 | RIG UP WEATHERFORD LAYDOWN MACHINE,JSA,SAFETY MEETING,W/ALL PERSONNAL. RIG ON DAY<br>WORK AT 22:00 HRS. 7/1/07.  |

23:00 00:00 1.0 PICK UP BHA.  
 00:00 01:00 1.0 ADJUST BRAKES.  
 01:00 04:30 3.5 CONT. P/U BHA TAG CEMENT @ 2400'  
 04:30 05:00 0.5 INSTALL ROT. RUBBER.  
  
 05:00 06:00 1.0 TIGHTEN ROTATING HEAD. FLANGE TO BOP

ACCIDENTS NONE REPORTED  
 SAFETY MEETING P/U BHA & TEST BOP  
 CREWS FULL.

FUNCTION TEST CROWN O MATIC  
 FUEL ON HAND.6900, USED 323,  
 MUD LOGGER ON LOCATION 7-1-07 (1) DAYS.

MATT GJURGREVICH

07-03-2007 Reported By DAVID FOREMAN

|  |           |                   |       |                        |           |
|--|-----------|-------------------|-------|------------------------|-----------|
| <b>Daily Costs: Drilling</b>             | \$31,400  | <b>Completion</b> | \$0   | <b>Daily Total</b>     | \$31,400  |
| <b>Cum Costs: Drilling</b>               | \$368,974 | <b>Completion</b> | \$0   | <b>Well Total</b>      | \$368,974 |
| <b>MD</b>                                | 3.650     | <b>TVD</b>        | 3.650 | <b>Progress</b>        | 1.132     |
| <b>Formation :</b>                       |           | <b>PBTD : 0.0</b> |       | <b>Perf :</b>          |           |
| <b>Activity at Report Time: DRILLING</b> |           |                   |       | <b>MW</b>              | 8.7       |
|  |           |                   |       | <b>Visc</b>            | 30.0      |
|  |           |                   |       | <b>PKR Depth : 0.0</b> |           |

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 09:00 | 3.0  | DRILL CEMENT & FLOAT EQUIP. + 15' TO 2533'   |
| 09:00 | 10:00 | 1.0  | CIRC.SPOT HY VIS. PILL. FIT TEST 300 PSI = 11. MUD WT.GOOD TEST.                   |
| 10:00 | 15:00 | 5.0  | DRILLING F/ 2533' TO 2789'.256'.ROP,51.2,WOB,18/20,RPM,45/50,GPM,410,DIFF,300/350. |
| 15:00 | 15:30 | 0.5  | SERVICE RIG  |
| 15:30 | 02:00 | 10.5 | DRILLING F/ 2789' TO 3426'.637'.ROP,60.6,WOB,18/20,RPM,50/55,GPM,422,DIFF,350/400. |
| 02:00 | 02:30 | 0.5  | SERVICE RIG  |
| 02:30 | 06:00 | 3.5  | DRILLING F/ 3426' TO 3650'.224'.ROP,64,WOB,18/20,RPM,50/55,GPM,422,DIFF,300/325.   |

MUD LOSS LAST 24 HRS. 0 BBLs.  
 MUD WT.9.8  
 ROT,97,PU,100,SO,95.  
 DRILLS 2 BOP

ACCIDENTS NONE REPORTED  
 FUNCTION TEST CROWN-O-MATIC  
 SAFETY MEETING: P.P.E. / WALKWAY SAFETY  
 CREWS FULL

FUEL ON HAND,6386, USED 514,  
 FORMATION TOP: MIDDLE CARB BED,  
 GAS BG.600 U, CONN. 1400 U,  
 MAX GAS 2646 U, @ 3029'

MUD LOGGER ON LOCATION F/7-1-07 TO (2) DAYS.  
MATT GJURGREVICH

06:00 18.0 SPUD 7 7/8" HOLE @ 10:00 HRS, 7/2/07.

07-04-2007 Reported By DAVID FOREMAN

Daily Costs: Drilling \$39,988 Completion \$0 Daily Total \$39,988  
Cum Costs: Drilling \$408,962 Completion \$0 Well Total \$408,962

MD 5.016 TVD 5.016 Progress 1.386 Days 2 MW 8.9 Visc 30.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 16:30 | 10.5 | DRILLING F/ 3650' TO 4540', 890', ROP 84.7, WOB, 20/22, RPM, 45/50, GPM, 410, DIFF, 100/350. |
| 16:30 | 17:00 | 0.5  | SERVICE RIG.   |
| 17:00 | 17:30 | 0.5  | WLS@ 4459', 3.04 DEG.  |
| 17:30 | 06:00 | 12.5 | DRILLING F/ 4540' TO 5016', 476', ROP 38., WOB, 17/18, RPM, 50/55, GPM, 410, DIFF, 95/220.   |

MUD LOSS LAST 24 HRS. 0 BBLs.  
MUD WT. 9.1  
ROT, 118, PU, 123, SO, 112.  
DRILLS 2 BOP

ACCIDENTS NONE REPORTED  
FUNCTION TEST CROWN-O-MATIC  
SAFETY MEETING: HOUSEKEEPING / WORKING ON SHAKERS,  
CREWS FULL

FUEL ON HAND, 5644, USED 742,  
FORMATION TOP: WASATCH  
GAS BG. 400 U, CONN. 2000 U,  
MAX GAS 3448 U, @ 4281'

MUD LOGGER ON LOCATION F/7-1-07 TO (3) DAYS.  
MATT GJURGREVICH

07-05-2007 Reported By DAVID FOREMAN

Daily Costs: Drilling \$29,434 Completion \$0 Daily Total \$29,434  
Cum Costs: Drilling \$438,396 Completion \$0 Well Total \$438,396

MD 5.916 TVD 5.916 Progress 900 Days 3 MW 9.1 Visc 29.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End   | Hrs  | Activity Description  |
|-------|-------|------|---|
| 06:00 | 16:30 | 10.5 | DRILLING F/ 5016' TO 5554', 538', ROP 51.2, WOB, 17/18, RPM, 50/55, GPM, 445, DIFF, 40/165. |

16:30 17:00 0.5 SERVICE RIG  
 17:00 06:00 13.0 DRILLING F/ 5554' TO 5916'.362'.ROP,27.8,WOB,16/17,RPM,50/55,GPM,445,DIFF,130/255.

MUD LOSS LAST 24 HRS. 151 BBLS.@ 5628  
 MUD WT.9.5  
 ROT.126.PU.128.SO.124.  
 DRILLS I BOP

ACCIDENTS NONE REPORTED  
 FUNCTION TEST CROWN-O-MATIC  
 SAFETY MEETING: HOUSEKEEPING / TEAM WORK  
 CREWS FULL

FUEL ON HAND,4567. USED 1819,  
 FORMATION TOP: CHAPITA WELLS  
 GAS BG.50 U, CONN. 350 U,  
 MAX GAS 1134 U, @ 5195'

MUD LOGGER ON LOCATION F/ 7-1-07 TO (4) DAYS.

MATT GJURGEVICH

|                              |                    |                      |               |                        |           |             |   |           |     |             |      |
|------------------------------|--------------------|----------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| <b>07-06-2007</b>            | <b>Reported By</b> | <b>DAVID FOREMAN</b> |               |                        |           |             |   |           |     |             |      |
| <b>Daily Costs: Drilling</b> | \$75,704           | <b>Completion</b>    | \$0           | <b>Daily Total</b>     | \$75,704  |             |   |           |     |             |      |
| <b>Cum Costs: Drilling</b>   | \$514,101          | <b>Completion</b>    | \$0           | <b>Well Total</b>      | \$514,101 |             |   |           |     |             |      |
| <b>MD</b>                    | 6.668              | <b>TVD</b>           | 6.668         | <b>Progress</b>        | 752       | <b>Days</b> | 4 | <b>MW</b> | 9.6 | <b>Visc</b> | 35.0 |
| <b>Formation :</b>           | <b>PBTD : 0.0</b>  |                      | <b>Perf :</b> | <b>PKR Depth : 0.0</b> |           |             |   |           |     |             |      |

Activity at Report Time: DRILLING

| Start | End   | Hrs  | Activity Description  |
|-------|-------|------|---|
| 06:00 | 17:00 | 11.0 | DRILLING F/ 5916' TO 6284'.368'.ROP,33.4,WOB,18/20,RPM,50/55,GPM,445,DIFF,40/165. |
| 17:00 | 17:30 | 0.5  | SERVICE RIG   |
| 17:30 | 06:00 | 12.5 | DRILLING F/ 6284' TO 6668'.384'.ROP,30.7,WOB,18/20,RPM,45/50,GPM,424,DIFF,15/265. |

MUD LOSS LAST 24 HRS. BBLS. 0  
 MUD WT.9.9, VIS.33,  
 ROT.138.PU.143.SO.132.  
 DRILLS I BOP

ACCIDENTS NONE REPORTED  
 FUNCTION TEST CROWN-O-MATIC  
 SAFETY MEETING: CLOSE/OPEN VALVES, CAR SAFETY,  
 CREWS FULL

FUEL ON HAND,3539. USED 1028,  
 FORMATION TOP: BUCK CANYON  
 GAS BG.30 U, CONN. 250 U,

MAX GAS 5468 U. @ 5931'

MUD LOGGER ON LOCATION F/ 7-1-07 TO (6) DAYS.

MATT GJURGREVICH

07-07-2007      **Reported By**      DAVID FOREMAN

|                              |           |                   |       |                    |           |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| <b>Daily Costs: Drilling</b> | \$48,214  | <b>Completion</b> | \$0   | <b>Daily Total</b> | \$48,214  |
| <b>Cum Costs: Drilling</b>   | \$562,316 | <b>Completion</b> | \$0   | <b>Well Total</b>  | \$562,316 |
| <b>MD</b>                    | 7.012     | <b>TVD</b>        | 7.012 | <b>Progress</b>    | 344       |
|                              |           |                   |       | <b>Days</b>        | 5         |
|                              |           |                   |       | <b>MW</b>          | 9.9       |
|                              |           |                   |       | <b>Visc</b>        | 32.0      |

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

Activity at Report Time: DRILLING

| Start | End   | Hrs | Activity Description  |
|-------|-------|-----|---|
| 06:00 | 12:00 | 6.0 | DRILLING F/ 6668' TO 6795' ,127' .ROP,21.2,WOB,20/22.RPM,37/55,GPM,445.DIFF,25/85.<br>CHECK NEW LOCATION OK. MOVE 9.1 MILES   |
| 12:00 | 18:00 | 6.0 | PUMP SLUG.DROP SURVEY,TRIP OUT F/BIT L/D TWO JTS PULL ROT. HEAD L/D REAMERS,MOTOR,<br>RECOVER SURVEY @ 6795 1*DEG. TIGHT SPOT @ 6600 TO 5939' 40,000 OVER PULL.                                   |
| 18:00 | 19:30 | 1.5 | P/U MOTOR,BIT,TRIP IN TO SHOE BREAK CIRC.   |
| 19:30 | 22:00 | 2.5 | CONT. TRIP IN W/ BIT#2 BREAK CIRC. CONT. TRIP IN TO 6725' KELLY UP & WASH 2 JTS.TO BOTTOM @ 6795'<br>NO FILL.   |
| 22:00 | 06:00 | 8.0 | DRILLING F/ 6795' TO 7012' ,217' .ROP,27.1,WOB,16/18.RPM,37/55,GPM,445.DIFF,125/180.<br>NOTIFIED STATE WOGCC IN S/L CITY,UTAH. MIKE HEBERTSON ,801-538-5340@16:05 F/<br>RUNING&CEMENTING 4.5 CSG. |

MUD LOSS LAST 24 HRS. BBLs. 0

MUD WT.9.9, VIS.32,

ROT,148,PU,151.SO,141.

DRILLS 1 BOP,TRIP DRILL, 1

ACCIDENTS NONE REPORTED

FUNCTION TEST CROWN-O-MATIC

SAFETY MEETING: JSA/PPE.

CREWS FULL

FUEL ON HAND,2578. USED 961.

FORMATION TOP: NORTH HORN

GAS BG.35 U. CONN. 300 U, TRIP GAS. 3180 .

MAX GAS 258 U. @ 6812'

MUD LOGGER ON LOCATION F/ 7-1-07 TO (7) DAYS.

MATT GJURGREVICH

07-08-2007      **Reported By**      DAVID FOREMAN

|                              |           |                   |       |                    |           |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| <b>Daily Costs: Drilling</b> | \$33,467  | <b>Completion</b> | \$0   | <b>Daily Total</b> | \$33,467  |
| <b>Cum Costs: Drilling</b>   | \$595,783 | <b>Completion</b> | \$0   | <b>Well Total</b>  | \$595,783 |
| <b>MD</b>                    | 7.700     | <b>TVD</b>        | 7.700 | <b>Progress</b>    | 688       |
|                              |           |                   |       | <b>Days</b>        | 6         |
|                              |           |                   |       | <b>MW</b>          | 10.0      |
|                              |           |                   |       | <b>Visc</b>        | 32.0      |

Formation : PBTBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: CIRC/COND MUD @ 7700, TD

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 16:00 | 10.0 | DRILLING F/ 7012' TO 7300', 288', ROP, 28.8, WOB, 20/22, RPM, 50/55, GPM, 428, DIFF, 80/195.<br>RIG MOVE 7-9-07, L&S TRUCKING TO BE ON LOCATION @ 07:00. |
| 16:00 | 16:30 | 0.5  | SERVICE RIG  |
| 16:30 | 03:30 | 11.0 | DRILLING F/ 7300' TO 7700' TD, 400', ROP, 36.3, WOB, 18/20, RPM, 48/50, GPM, 428, DIFF, 175/250. REACHED TD AT 03:30 HRS, 7/8/07.                        |
| 03:30 | 04:30 | 1.0  | CIRCULATE FOR SHORT TRIP.  |
| 04:30 | 05:00 | 0.5  | SET KELLY BACK WORK TIGHT HOLE, P/U KELLY CIRC. WORK TIGHT HOLE FREE.  |
| 05:00 | 06:00 | 1.0  | CIRC.COND. MUD BUILD MUD WT. F/ 10.4 TO 10.6 +,  |

MUD LOSS LAST 24 HRS. BBLs. 52 BBLs.  
MUD WT. 10.4, VIS. 34,  
ROT. 158, PU. 165, SO. 155.  
DRILLS 2 BOP

ACCIDENTS NONE REPORTED  
FUNCTION TEST CROWN-O-MATIC  
SAFETY MEETING: TRIPS/HOUSEKEEPING  
CREWS FULL

FUEL ON HAND, 1435, USED 1134,  
FORMATION TOP: PRICE RIVER  
GAS BG. 65 U, CONN. 250 U, TRIP GAS, 3180.  
MAX GAS 2892 U, @ 7446'

MUD LOGGER ON LOCATION F/ 7-1-07 TO (8) DAYS.

MATT GJURGREVICH

| 07-09-2007            |           | Reported By | DAVID FOREMAN |             |           |      |   |    |      |      |      |
|-----------------------|-----------|-------------|---------------|-------------|-----------|------|---|----|------|------|------|
| Daily Costs: Drilling | \$43,331  | Completion  | \$0           | Daily Total | \$43,331  |      |   |    |      |      |      |
| Cum Costs: Drilling   | \$639,115 | Completion  | \$0           | Well Total  | \$639,115 |      |   |    |      |      |      |
| MD                    | 7.700     | TVD         | 7.700         | Progress    | 0         | Days | 7 | MW | 10.4 | Visc | 34.0 |

Formation : PBTBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RUNNING 4 1/2" PROD CSG

| Start | End   | Hrs | Activity Description  |
|-------|-------|-----|---|
| 06:00 | 07:30 | 1.5 | CIRC. COND. MUD WT. F/ 10.4 TO 10.8.<br>RELEASE MUD LOGER 7-8-07.   |
| 07:30 | 08:30 | 1.0 | SHORT TRIP F/ 7700' TO 6661' TIGHT FIRST JT. 40.000 OVER. CONT. TRIP OUT NO PROBLEM.  |
| 08:30 | 09:30 | 1.0 | TRIP IN TAG BRIDGE @ 6722' P/U KELLY WASH TO 6759' SET KELLY BACK.<br>***CHG.RIG MOVE TO TUESDAY 7-10-07 @ 06:00 L&S TRUCKING.*** |
| 09:30 | 10:00 | 0.5 | TRIP IN F/ 6759' TO 7022' TAG BRIDGE, BRIDGE TOP HARD AS A BOLDER.  |

MUD WT. 10.8 TO 10.9. VIS 38,  
 10:00 17:30 7.5 WASH & REAM W/ 8 TO 10 K.F/ 7022' TO 7700'.  
 MUD WT. 10.8 TO 10.9. HARD REAMING . NO CUTTINGS.NO SLUFF NOTHING OVER SHAKER JUST FINE  
 VERY FINE FORMATION CUTTINGS COMING OVER SHAKER.PUMP HI-VIS SWEEP. WATCH SWEEP COME  
 BACK NOTHING NO CUTTINGS. BUILD MUD WT. F/ 10.9 TO 11.1,  
 17:30 19:00 1.5 CIRC. COND. MUD F/ 11.1 TO 11.2  
 19:00 20:00 1.0 SHORT TRIP F/ 7700' TO 6600'  
 20:00 21:00 1.0 CIRC. BOTTOMS UP JSA SAFETY MEETING W/ WEATHERFORD & ALL PERSONNEL.R/U TO LAY DOWN  
 DRILL PIPE & BHA. \*\*\*CASING POINT COST \$635,702.\*\*\*  
 21:00 01:00 4.0 DROP SURVEY.LAY DOWN DRILL PIPE.BREAK KELLY.REMOVE ROT. HEAD.  
 01:00 03:30 2.5 LAY DOWN BHA.REMOVE WEAR BUSHING.  
 03:30 05:00 1.5 JSA SAFETY MEETING W/ ALL PERSONNEL& WEATHERFORD CSG.& LAY DOWN CREW.  
 RIG UP TO RUN 4 1/2 CSG.  
 05:00 06:00 1.0 RUN CSG. 4 1/2 N-80 11.6# LTC. 1536' .36 JTS.

MUD LOSS LAST 24 HRS. BBLs. 0  
 MUD WT.11.1. VIS.37.

ACCIDENTS NONE REPORTED  
 FUNCTION TEST CROWN-O-MATIC  
 SAFETY MEETING: REAMING/ SET KELLY BACK.  
 CREWS FULL

FUEL ON HAND,5100. USED 835, REC. 4500,  
 FORMATION TOP: PRICE RIVER  
 GAS BG.12 U. CONN. 12 U. TRIP GAS. 189.  
 MAX GAS 189'

|                              |                   |                    |               |                    |                        |             |   |           |     |             |     |
|------------------------------|-------------------|--------------------|---------------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| <b>07-10-2007</b>            |                   | <b>Reported By</b> | DAVID FOREMAN |                    |                        |             |   |           |     |             |     |
| <b>Daily Costs: Drilling</b> | \$25,526          | <b>Completion</b>  | \$120,274     | <b>Daily Total</b> | \$145,800              |             |   |           |     |             |     |
| <b>Cum Costs: Drilling</b>   | \$664,641         | <b>Completion</b>  | \$120,274     | <b>Well Total</b>  | \$784,915              |             |   |           |     |             |     |
| <b>MD</b>                    | 7.700             | <b>TVD</b>         | 7.700         | <b>Progress</b>    | 0                      | <b>Days</b> | 8 | <b>MW</b> | 0.0 | <b>Visc</b> | 0.0 |
| <b>Formation :</b>           | <b>PBTD : 0.0</b> |                    |               | <b>Perf :</b>      | <b>PKR Depth : 0.0</b> |             |   |           |     |             |     |

**Activity at Report Time:** RDRT/WO COMPLETION

| Start | End   | Hrs | Activity Description  |
|-------|-------|-----|---|
| 06:00 | 10:30 | 4.5 | FINISH.RUN 4 1/2 CSG..RAN 181 JTS.4 1/2 CSG. 11.6#.N80.LTS.CSG. AS FOLLOWS, FLOAT SHOE.1JT.CSG.,<br>FLOAT COLLAR. 12 JTS. CSG.,1 MARJER JT., 60 JTS.CSG.,1 MARKER JT. 108 JTS.CSG.+ 1 PUP JT.,<br><br>HANGER ASSEMBLY. FLOAT SHOE @7681' FLOAT COLLAR @ 7637' MARKER JT. @ 7113 TOP. MARKER JT. @<br>4576' TOP,CENTRALIZERS.5 FT. ABOVE SHOE, TOP OF JT.#2 & EVERY 2ND JT.TO 4325 TOTAL 40, |
| 10:30 | 12:00 | 1.5 | TAG @ 7700' LAY DOWN TAG JT. PICK UP DOT HANGER SPACE OUT CIRC.W/ RIG PUMP.<br>CUT MUD WT. TO 10.8 F/CEMENTING. RIG DOWN WEATHERFORD LAY DOWN MACHINE.  |
| 12:00 | 14:30 | 2.5 | RIG UP SCHLUMBERGER, TEST LINES 5000 PSI.PUMPING 20 BBLs CHEM WASH & 20 BBLs WATER SPACER<br>AHEAD OF LEAD.CEMENT 7681' 4 1/2 N80 11.6# CSG. LEAD 300 SKS HI-LIFT G + ADDS MIX D020 10.%<br>EXTENDER,D167 .2% FLUID LOSS,D046.2%.ANTIFOAM,D013 .5% RATERDER,D130 .125   |

LB/SK BLEND LOST CIRC. D065 .5% DISPERSANT. YIELD 2.98 FT3/SK, H20 18.186, GAL/SK@ 11.5

PPG., TAIL 925 SKS 50/50 POZ G + ADDS D020 2% EXTENDER, D046 .1% ANTIFOAM, D167 .2% FLUID LOSS, DO65 .2% DISPERSANT, YIELD 1.29 FT3/SK , H2O 5.968 GAL/SK @ 14.1 PPG

DISP. TO FLOAT COLLER W/2GAL/1000 L064, FRESH WATER. W/ 118 BBLs. AVG. DISP. RATE 7.8 BPM. FULL RETURNS THROUGH OUT JOB. DROP PLUG @ 13:16 BUMPED PLUG TO 2800 PSI. 1100 PSI OVER LIFT PSI. @ 13:37, F/3 MINS. GOT 1. BBL. BACK FLOAT HELD. @ 13:40 CEMENT IN PLACE. RIG DOWN SCHLUMBERGER.

14:30 15:00 0.5 LAND CSG. HANGER W/ FULL STRING WT. 63,000, TEST 5000 PSI. OK REMOVE LANDING JT.  
 15:00 17:00 2.0 FINISH CLEANING MUD TANKS.  
 17:00 06:00 13.0 RIG DOWN, DERRICK DOWN @ 18:30, PRE PARE FOR TRUCKS.

ACCIDENTS NONE REPORTED  
 FUNCTION TEST CROWN-O-MATIC  
 SAFETY MEETING: CEMENTING/ LAYING OVER DERRICK  
 CREWS FULL

FUEL ON HAND, 4900, USED 200,  
 RELEASE MUD LOGER 7-8-07. @ 18:00 HRS.

TRANSFER 4900 GALS. DIESEL @ \$3.00 PER GAL. = \$14,700. F/ CWU 554-2F TO NBU 513-12EX

06:00 18.0 RELEASE RIG @ 17:00 HRS, 7/9/07.  
 CASING POINT COST \$658,493

**07-13-2007 Reported By SEARLE**

|                              |           |                   |           |                    |           |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| <b>Daily Costs: Drilling</b> | \$0       | <b>Completion</b> | \$41,495  | <b>Daily Total</b> | \$41,495  |
| <b>Cum Costs: Drilling</b>   | \$664,641 | <b>Completion</b> | \$161,769 | <b>Well Total</b>  | \$826,410 |
| <b>MD</b>                    | 7,700     | <b>TVD</b>        | 7,700     | <b>Progress</b>    | 0         |
|                              |           | <b>Days</b>       | 9         | <b>MW</b>          | 0.0       |
| <b>Formation :</b>           |           | <b>PBTD :</b>     | 7636.0    | <b>Perf :</b>      |           |
|                              |           |                   |           | <b>PKR Depth :</b> | 0.0       |

Activity at Report Time: PREP FOR FRACS

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 950'. EST CEMENT TOP 1670'. RD SCHLUMBERGER. |

**07-21-2007 Reported By MCCURDY**

|                              |           |                   |           |                    |           |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| <b>Daily Costs: Drilling</b> | \$0       | <b>Completion</b> | \$1,780   | <b>Daily Total</b> | \$1,780   |
| <b>Cum Costs: Drilling</b>   | \$664,641 | <b>Completion</b> | \$163,549 | <b>Well Total</b>  | \$828,190 |
| <b>MD</b>                    | 7,700     | <b>TVD</b>        | 7,700     | <b>Progress</b>    | 0         |
|                              |           | <b>Days</b>       | 10        | <b>MW</b>          | 0.0       |
| <b>Formation :</b>           |           | <b>PBTD :</b>     | 7636.0    | <b>Perf :</b>      |           |
|                              |           |                   |           | <b>PKR Depth :</b> | 0.0       |

Activity at Report Time: WO COMPLETION

| Start | End   | Hrs  | Activity Description  |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION. |

**07-28-2007 Reported By MCCURDY**

|                              |           |                   |           |                    |           |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| <b>Daily Costs: Drilling</b> | \$0       | <b>Completion</b> | \$3,380   | <b>Daily Total</b> | \$3,380   |
| <b>Cum Costs: Drilling</b>   | \$664,641 | <b>Completion</b> | \$166,929 | <b>Well Total</b>  | \$831,570 |
| <b>MD</b>                    | 7,700     | <b>TVD</b>        | 7,700     | <b>Progress</b>    | 0         |
|                              |           | <b>Days</b>       | 11        | <b>MW</b>          | 0.0       |
|                              |           | <b>Visc</b>       |           |                    | 0.0       |

**Formation :** WASATCH      **PBTD :** 7636.0      **Perf :** 7054'-7518      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC BA/CA

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU CUTTERS WIRELINE & PERFORATE NORTH HORN FROM 7321'-22', 7328'-29', 7332'-33', 7351'-52', 7367'-68', 7378'-79', 7438'-39', 7444'-45', 7447'-48', 7453'-54', 7497'-98', 7517'-18' @ 3 SPF @ 120° PHASING. RDWL. MIRU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 3106 GAL WF120 LINEAR PAD, 8423 GAL WF120 LINEAR 1# & 2#, 38,199 GAL YF116ST+ WITH 115,400 # 20/40 SAND @ 1-4 PPG. MTP 5736 PSIG. MTR 51.7 BPM. ATP 4317 PSIG. ATR 46.6 BPM. ISIP 2450 PSIG. RD SCHLUMBERGER. |

RUWL SET 10K CFP AT 7.270'. PERFORATE NORTH HORN FROM 7054'-55', 7074'-75', 7105'-06', 7111'-12', 7121'-22', 7137'-38', 7154'-55', 7232'-33', 7235'-36', 7240'-41', 7252'-53', 7256'-57' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 3111 GAL WF120 LINEAR PAD, 8417 GAL WF120 LINEAR, 37,864 GAL YF116ST+ WITH 114,600 # 20/40 SAND @ 1-4 PPG. MTP 6214 PSIG. MTR 44.6 BPM. ATP 4646 PSIG. ATR 44.6 BPM. ISIP 2450 PSIG. RD SCHLUMBERGER. UNSURE OF FLUSH AMOUNT. UNDER DISPLACED DENSTOMETERS AND FLOW RATE NOT CALCULATING.

FLOWED 10 HRS. 24/64 CHOKE. FCP- 220 PSIG. RECOVERED 700 BLW, 1717 BLWTR. SHUT WELL IN @ 5 AM.

| 07-29-2007                   |           | Reported By       |           | HOOLEY             |             |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| <b>Daily Costs: Drilling</b> | \$0       | <b>Completion</b> | \$195,445 | <b>Daily Total</b> | \$195,445   |
| <b>Cum Costs: Drilling</b>   | \$664,641 | <b>Completion</b> | \$362,374 | <b>Well Total</b>  | \$1,027,015 |
| <b>MD</b>                    | 7.700     | <b>TVD</b>        | 7.700     | <b>Progress</b>    | 0           |
| <b>Days</b>                  | 12        | <b>MW</b>         | 0.0       | <b>Vise</b>        | 0.0         |
| <b>Formation :</b>           | WASATCH   | <b>PBTD :</b>     | 7636.0    | <b>Perf :</b>      | 5658-7518   |
| <b>PKR Depth :</b>           | 0.0       |                   |           |                    |             |

**Activity at Report Time:** DRILL OUT PLUGS.

| Start | End   | Hrs | Activity Description   |
|-------|-------|-----|--|
| 09:00 | 16:00 | 7.0 | SICP 745 PSIG. RUWL. SET 10K CFP AT 6970'. PERFORATE THE Ba FROM 6943'-44', 6924'-25', 6916'-17', 6894'-95', 6803'-04', 6761'-62', 6729'-30', 6714'-15', 6663'-64', 6606'-08' AND 6572'-73' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 250 GAL 7-1/2% HCL, 3122 GAL WF120 PAD, 34,090 GAL WF120 & YF116ST+ WITH 73,800# 20/40 SAND @ 1-4 PPG. MTP 5712 PSIG. MTR 51.5 BPM. ATP 3904 PSIG. ATR 42.7 BPM. ISIP 1750 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CFP AT 6390'. PERFORATE THE Ca/Ba FROM 6090'-91', 6102'-03', 6128'-29', 6132'-33', 6164'-65', 6170'-71', 6191'-92', 6229'-30', 6280'-81', 6299'-300', 6343'-44', 6364'-65' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 250 GAL 7-1/2% HCL, 3099 GAL WF120 PAD, 45,621 GAL WF120 & YF116ST+ WITH 112,800 # 20/40 SAND @ 1-4 PPG. MTP 5087 PSIG. MTR 50.2 BPM. ATP 3330 PSIG. ATR 46.8 BPM. ISIP 1680 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 5,960'. PERFORATE THE Ca FROM 5857'-60', 5916'-18', 5924'-28', 5936'-39' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 250 GAL 7-1/2% HCL, 3098 GAL WF120 PAD, 37,642 GAL WF120 & YF116ST+ WITH 87,100# 20/40 SAND @ 1-4 PPG. MTP 4942 PSIG. MTR 50.2 BPM. ATP 3207 PSIG. ATR 46.8 BPM. ISIP 1890 PSIG. RD SCHLUMBERGER.

RUWL SET 10K CFP AT 5,700'. PERFORATE Ca FROM 5658'-60', 5664'-68', 5675'-77', 5680'-84' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 250 GAL 7-1/2% HCL, 2059 GAL WF120 PAD, 26,795 GAL WF120 & YF116ST+ WITH 57,200# 20/40 SAND @ 1-4 PPG. MTP 4435 PSIG. MTR 50.2 BPM. ATP 2868 PSIG. ATR 45.0 BPM. ISIP 1880 PSIG. RDMO SCHLUMBERGER.

RUWL. SET 10K CBP @ 5571'. BLEED WELL TO 0 PSIG. RDMOWL. SWIFN.

| 08-01-2007                   |           | Reported By       |           | BAUSCH             |             |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| <b>Daily Costs: Drilling</b> | \$0       | <b>Completion</b> | \$43,067  | <b>Daily Total</b> | \$43,067    |
| <b>Cum Costs: Drilling</b>   | \$664,641 | <b>Completion</b> | \$405,441 | <b>Well Total</b>  | \$1,070,082 |

MD 7.700 TVD 7.700 Progress 0 Days 13 MW 0.0 Visc 0.0

Formation : WASATCH PBT D : 7636.0 Perf : 5658-7518 PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC.

| Start | End   | Hrs  | Activity Description  |
|-------|-------|------|---|
| 07:00 | 17:00 | 10.0 | MIRUSU. ND FRAC TREE. NU BOPE. MU 3 7/8 MILL. POBS. 1 JT. XN. TALLY AND PU TBG. RIH TAGGED PLUG @ 5571'. RU POWER SWIVEL. PREP TO DO PLUGS. SIFN. |

08-02-2007 Reported By BAUSCH

|                       |           |            |           |             |             |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0       | Completion | \$10,473  | Daily Total | \$10,473    |
| Cum Costs: Drilling   | \$664,641 | Completion | \$415,914 | Well Total  | \$1,080,555 |

MD 7.700 TVD 7.700 Progress 0 Days 14 MW 0.0 Visc 0.0

Formation : WASATCH PBT D : 7636.0 Perf : 5658-7518 PKR Depth : 0.0

Activity at Report Time: WO FACILITIES

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 07:00 | 06:00 | 23.0 | SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 5571', 5700', 5960', 6390', 6970' & 7270'. RIH. CLEANED OUT TO PBT D @ 7637'. LANDED TBG AT 6797.17' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RU SWAB. IFL @ 1200'. SWABED WELL IN. RD SWAB. RD MOSU. FLOW TEST. |

FLOWED 12 HRS. 24/64 CHOKE. FTP 1200 PSIG. CP 750 PSIG. 12 BFPH. RECOVERED 298 BLW. 5882 BLWTR. SWI @ 6:00 AM. WO FACILITIES.

FINAL COMPLETION DATE: 8/1/07

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'  
 1 JT 2-3/8 4.7# N-80 TBG 32.80'  
 XN NIPPLE 1.30'  
 206 JTS 2-3/8 4.7# N-80 TBG 6750.07'  
 BELOW KB 12.00'  
 LANDED @ 6797.17' KB

08-07-2007 Reported By DUANE COOK

|                       |           |            |           |             |             |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0       | Completion | \$0       | Daily Total | \$0         |
| Cum Costs: Drilling   | \$664,641 | Completion | \$415,914 | Well Total  | \$1,080,555 |

MD 7.700 TVD 7.700 Progress 0 Days 15 MW 0.0 Visc 0.0

Formation : WASATCH PBT D : 7636.0 Perf : 5658-7518 PKR Depth : 0.0

Activity at Report Time: INITIAL PRODUCTION

| Start | End   | Hrs  | Activity Description   |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | INITIAL PRODUCTION. GAS SALES: OPENING PRESSURE: TP 1350 & CP 1100 PSI. TURNED WELL TO QUESTAR SALES AT 9:00 AM, 8/6/07. FLOWED 568 MCFD RATE ON 12/64" POS CHOKE. STATIC 314. |

08-08-2007 Reported By ROGER DART

|                       |           |            |           |             |             |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0       | Completion | \$0       | Daily Total | \$0         |
| Cum Costs: Drilling   | \$664,641 | Completion | \$415,914 | Well Total  | \$1,080,555 |

MD 7.700 TVD 7.700 Progress 0 Days 16 MW 0.0 Visc 0.0

Formation : WASATCH PBT D : 7636.0 Perf : 5658-7518 PKR Depth : 0.0

**Activity at Report Time: ON SALES**

| <b>Start</b> | <b>End</b> | <b>Hrs</b> | <b>Activity Description</b>   |
|--------------|------------|------------|---|
| 06:00        | 06:00      | 24.0       | FLOWED 616 MCF, 0 BC & 100 BW IN 24 HRS ON 12/64" CHOKE, TP 1250 PSIG & CP 2550 PSIG. |

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-3077**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME  
**Chapita Wells Unit**

8. WELL NAME and NUMBER:  
**Chapita Wells Unit 554-02F**

9. API NUMBER:  
**43-047-36935**

10. FIELD AND POOL, OR WILDCAT  
**Natural Buttes/Wasatch**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**SENE 2 9S 22E S**

12. COUNTY  
**Uintah**

13. STATE  
**UTAH**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**EOG Resources, Inc.**

3. ADDRESS OF OPERATOR: **600 17th St., Suite 1000N** CITY **Denver** STATE **CO** ZIP **80229** PHONE NUMBER: **(303) 824-5526**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **2368' FNL & 428' FEL 40.06565 LAT 109.39871 LON**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **Same**  
AT TOTAL DEPTH: **Same**

14. DATE SPURRED: **5/7/2007** 15. DATE T.D. REACHED: **7/8/2007** 16. DATE COMPLETED: **8/6/2007** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**4801' NAT GL**

18. TOTAL DEPTH: MD **7,700** TVD \_\_\_\_\_ 19. PLUG BACK T.D.: MD **7,636** TVD \_\_\_\_\_ 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* \_\_\_\_\_ 21. DEPTH BRIDGE MD \_\_\_\_\_ PLUG SET: TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**RST/CBL/CCL/VDL/GR, Press**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

**24. CASING AND LINER RECORD (Report all strings set in well)**

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 12-1/4"   | 9-5/8 J-55 | 36.0#          | 0        | 2,518       |                      | 450 sx                     |                     |               |               |
| 7-7/8"    | 4-1/2 N-80 | 11.6#          | 0        | 7,682       |                      | 1225 sx                    |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |

**25. TUBING RECORD**

| SIZE   | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2-3/8" | 6.797          |                 |      |                |                 |      |                |                 |

| 26. PRODUCING INTERVALS |          |             |           |              | 27. PERFORATION RECORD  |      |           |                               |                                   |
|-------------------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|-------------------------------|-----------------------------------|
| FORMATION NAME          | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS            |                                   |
| (A) Wasatch             | 5,658    | 7,518       |           |              | 7,321 7,518             |      | 3/spf     | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B)                     |          |             |           |              | 7,054 7,257             |      | 3/spf     | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C)                     |          |             |           |              | 6,572 6,944             |      | 3/spf     | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (D)                     |          |             |           |              | 6,090 6,365             |      | 3/spf     | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL                                 |
|----------------|---|
| 7321-7518      | 49,893 GALS GELLED WATER & 115,400# 20/40 SAND              |
| 7054-7257      | 49,557 GALS GELLED WATER & 114,600# 20/40 SAND              |
| 6572-6944      | 250 GALS HCL; 37,212 GALS GELLED WATER & 73,800# 20/40 SAND |

29. ENCLOSED ATTACHMENTS:  ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

30. WELL STATUS:  
**Producing**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

|                                  |                      |                        |             |                     |               |                           |                  |                   |                    |                               |
|----------------------------------|----------------------|------------------------|-------------|---------------------|---------------|---------------------------|------------------|-------------------|--------------------|-------------------------------|
| DATE FIRST PRODUCED:<br>8/6/2007 |                      | TEST DATE:<br>8/9/2007 |             | HOURS TESTED:<br>24 |               | TEST PRODUCTION RATES: →  | OIL – BBL:<br>12 | GAS – MCF:<br>780 | WATER – BBL:<br>90 | PROD. METHOD:<br>Flows        |
| CHOKE SIZE:<br>12/64"            | TBG. PRESS.<br>1,350 | CSG. PRESS.<br>1,400   | API GRAVITY | BTU – GAS           | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL:<br>12 | GAS – MCF:<br>780 | WATER – BBL:<br>90 | INTERVAL STATUS:<br>Producing |

INTERVAL B (As shown in item #26)

|                      |             |             |             |               |               |                           |            |            |              |                  |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

INTERVAL C (As shown in item #26)

|                      |             |             |             |               |               |                           |            |            |              |                  |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

INTERVAL D (As shown in item #26)

|                      |             |             |             |               |               |                           |            |            |              |                  |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. 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.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name   | Top (Measured Depth)             |
|-----------|----------|-------------|------------------------------|--|----------------------------------|
| Wasatch   | 5,658    | 7,518       |                              | Wasatch<br>Chapita Wells<br>Buck Canyon<br>Price River | 5,005<br>5,606<br>6,286<br>7,549 |

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant  
 SIGNATURE *Mary A. Maestas* DATE 8/16/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340  
 Fax: 801-359-3940

**Chapita Wells Unit 554-2F - ADDITIONAL REMARKS (CONTINUED):**

**27. PERFORATION RECORD**

|           |       |
|-----------|-------|
| 5857-5939 | 3/spf |
| 5658-5684 | 3/spf |
|           |       |
|           |       |

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

|           |  |
|-----------|--|
| 6090-6365 | 250 GALS HCL; 48,720 GALS GELLED WATER & 112,800# 20/40 SAND |
| 5857-5939 | 250 GALS HCL; 40,740 GALS GELLED WATER & 87,100# 20/40 SAND  |
| 5658-5684 | 250 GALS HCL; 28,854 GALS GELLED WATER & 57,200# 20/40 SAND  |
|           |  |

Perforated the North Horn from 7321-7322', 7328-7329', 7332-7333', 7351-7352', 7367-7368', 7378-7379', 7438-7439', 7444-7445', 7447-7448', 7453-7454', 7497-7498' & 7517-7518' w/ 3 spf.

Perforated the North Horn from 7054-7055', 7074-7075', 7105-7106', 7111-7112', 7121-7122', 7137-7138', 7154-7155', 7232-7233', 7235-7236', 7240-7241', 7252-7253' & 7256-7257' w/ 3 spf.

Perforated the Buck Canyon from 6572-6573', 6606-6608', 6663-6664', 6714-6715', 6729-6730', 6761-6762', 6803-6804', 6894-6895', 6916-6917', 6924-6925' & 6943-6944' w/ 3 spf.

Perforated the Chapita Wells/Buck Canyon from 6090-6091', 6102-6103', 6128-6129', 6132-6133', 6164-6165', 6170-6171', 6191-6192', 6229-6230', 6280-6281', 6299-6300', 6343-6344' & 6364-6365' w/ 3 spf.

Perforated the Chapita Wells from 5857-5860', 5916-5918', 5924-5928' & 5936-5939' w/ 3 spf.

Perforated the Chapita Wells from 5658-5660', 5664-5668', 5675-5677' & 5680-5684' w/ 3 spf.

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 554-2F

API number: 4304736935

Well Location: QQ SENE Section 2 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: BILL JR RATHOLE DRILLING

Address: 384 E 2500 S

city VERNAL state UT zip 84078

Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

| DEPTH |       | VOLUME<br>(FLOW RATE OR HEAD) | QUALITY<br>(FRESH OR SALTY) |
|-------|-------|-------------------------------|-----------------------------|
| FROM  | TO    |                               |                             |
| 2,050 | 2,060 | NO FLOW                       | NOT KNOWN                   |
|       |       |                               |                             |
|       |       |                               |                             |
|       |       |                               |                             |
|       |       |                               |                             |
|       |       |                               |                             |
|       |       |                               |                             |
|       |       |                               |                             |

Formation tops:            1 \_\_\_\_\_            2 \_\_\_\_\_            3 \_\_\_\_\_  
 (Top to Bottom)            4 \_\_\_\_\_            5 \_\_\_\_\_            6 \_\_\_\_\_  
                                      7 \_\_\_\_\_            8 \_\_\_\_\_            9 \_\_\_\_\_  
                                      10 \_\_\_\_\_            11 \_\_\_\_\_            12 \_\_\_\_\_

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE *Mary A. Maestas*

DATE 8/16/2007