

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

August 10, 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 1039-18  
NE/SW, SEC. 18, T9S, R23E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0337  
FEDERAL LANDS**

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

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

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

Sincerely,



Ed Trotter  
Agent  
EOG Resources, Inc.

Attachments

**RECEIVED**  
**AUG 16 2005**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
**U-0337**

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
**CHAPITA WELLS UNIT 1039-18**

1a. Type of Work:  DRILL  REENTER

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

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

9. API Well No.  
**43-047-36977**

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

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **1824' FSL, 2154' FWL 439021X NE/SW 40.033821**  
At proposed prod. Zone **44325734 -109.370625**

11. Sec., T., R., M., or Blk. and Survey or Area  
**SEC. 18, T9S, R23E,  
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office\*  
**20.4 MILES SOUTHEAST OF OURAY, UTAH**

12. County or Parish  
**UINTAH**

13. State  
**UTAH**

15. Distance from proposed\* location to nearest property or lease line, ft. **1824'**  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
**2344**

17. Spacing Unit dedicated to this well

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

19. Proposed Depth  
**9320'**

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**4911.2 FEET GRADED GROUND**

22. Approximate date work will start\*  
**UPON APPROVAL**

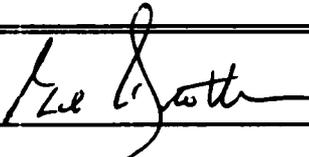
23. Esti mated duration  
**45 DAYS**

24. Attachments

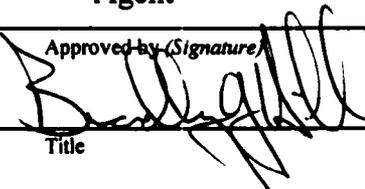
Attachments

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

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

25. Signature 	Name (Printed/Typed) <b>Ed Trotter</b>	Date <b>August 10, 2005</b>
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Title  
**Agent**

Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III</b>	Date <b>RECEIVED 08-17-05 AUG 16 2005</b>
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Title  
**Office**

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

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

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

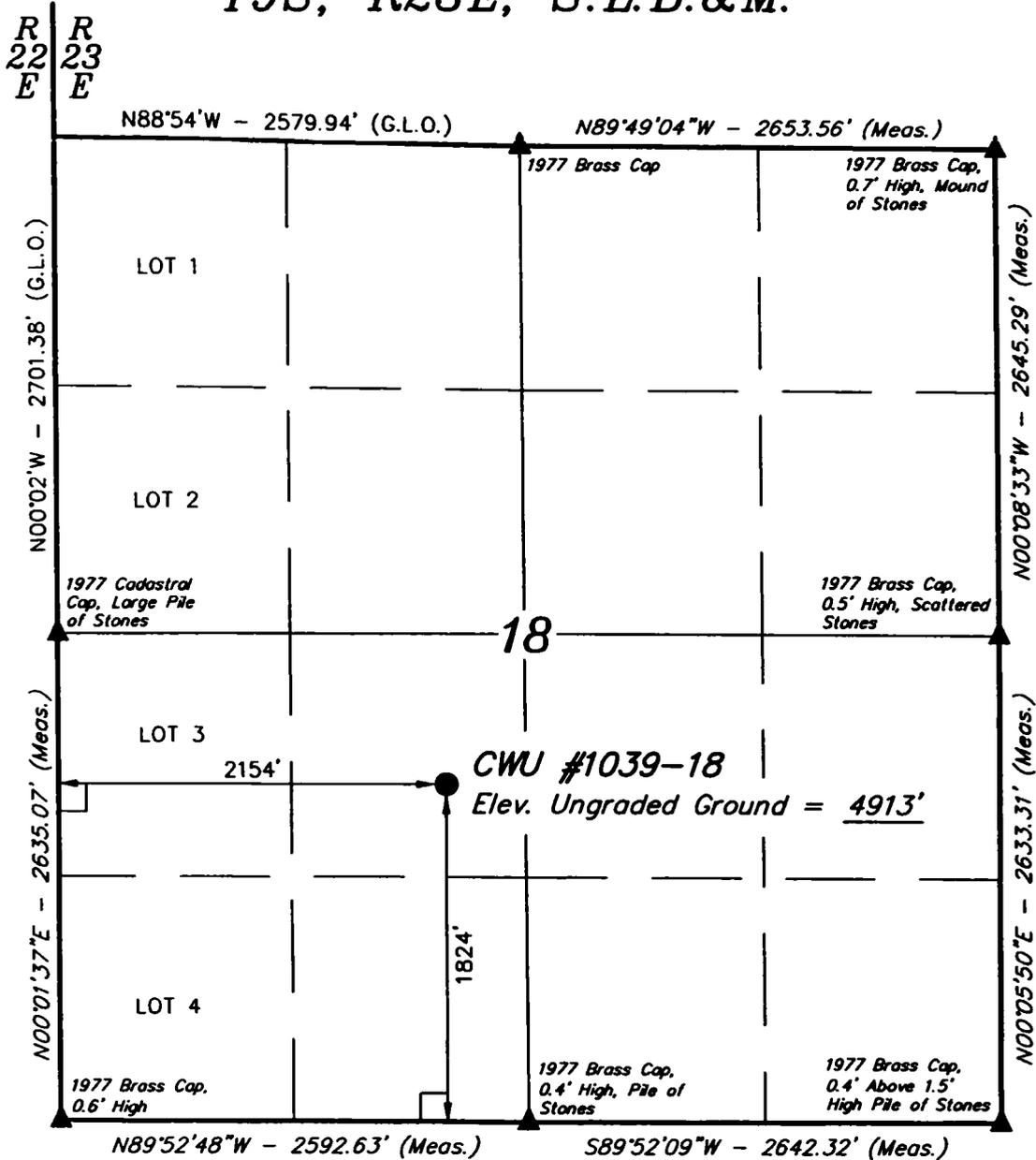
\*(Instructions on page 2)

**Federal Approval of this  
Action is Necessary**

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

## EOG RESOURCES, INC.

Well location, CWU #1039-18, located as shown in the NE 1/4 SW 1/4 of Section 18, T9S, R23E, S.L.B.&M. Uintah County, Utah.

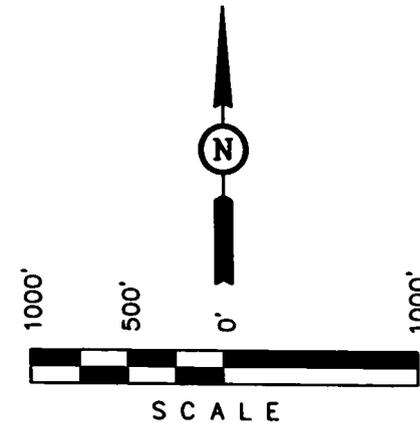


### BASIS OF ELEVATION

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

### BASIS OF BEARINGS

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



### CERTIFICATE

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

*Robert Hay*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	06-07-05	06-16-05
PARTY	REFERENCES	
T.B. B.C. P.M.	G.L.O. PLAT	
WEATHER	FILE	
COOL	EOG RESOURCES, INC.	

### LEGEND:

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

(NAD 83)  
 LATITUDE = 40°02'01.49" (40.033747)  
 LONGITUDE = 109°22'16.53" (109.371258)  
 (NAD 27)  
 LATITUDE = 40°02'01.61" (40.033781)  
 LONGITUDE = 109°22'14.08" (109.370578)

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1039-18**  
**NE/SW, SEC. 18, T9S, R23E, 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	1,725'
Wasatch	4,712'
North Horn	6,679'
Island	6,969'
KMV Price River	7,180'
KMV Price River Middle	7,842'
KMV Price River Lower	8,661'
Sego	9,124'

Estimated TD: 9,320' or 200'± below Sego top

**Anticipated BHP: 5,090 Psig**

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12-1/4"	0' – 2,300'KB±	2,300'±	9-5/8"	36.0#	J-55	ST&C	2020 Psi	3520 Psi	394,000#
7-7/8"	2,300'± – TD	9,320±	4-1/2"	11.6#	N-80	LT&C	6350 Psi	7780 Psi	223,000#

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

All casing will be new or inspected.

**5. Float Equipment:**

**Surface Hole Procedure (0' - 2300'±)**

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± 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 1039-18**  
**NE/SW, SEC. 18, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

**8. EVALUATION PROGRAM:**

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

**9. CEMENT PROGRAM:**

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

**Lead:** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% 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.

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1039-18**  
**NE/SW, SEC. 18, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

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

**Lead:** 120 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:** 890 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 volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe. Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

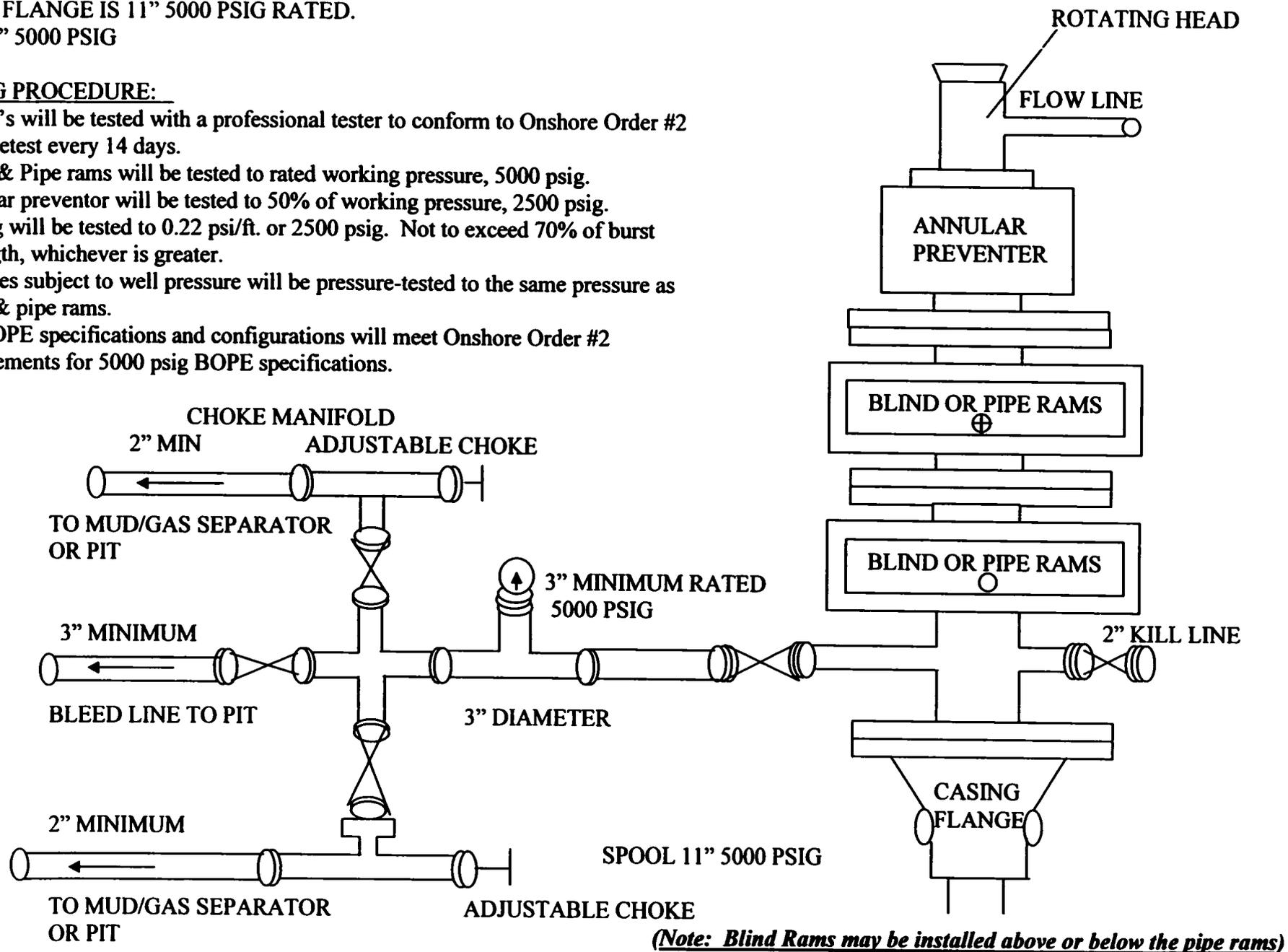
(Attachment: BOP Schematic Diagram)

## 5000 PSIG DIAGRAM

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

### TESTING PROCEDURE:

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



**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 1039-18  
Lease Number: U-0337  
Location: 1824' FSL & 2154' FWL, NE/SW, Sec. 18,  
T9S, R23E, S.L.B.&M., Uintah County, Utah  
Surface Ownership: Federal

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

## **THIRTEEN POINT SURFACE USE PROGRAM**

### **1. EXISTING ROADS**

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 20.4 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 0.3 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.

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

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

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

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

- A. Abandoned wells - 6\*
- B. Producing wells - 11\*  
(\*See attached TOPO map "C" for location)

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

**A. ON WELL PAD**

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

**B. OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 1980' from proposed location to a point in the SE/SW of Section 18, T9S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of -Way grant will not be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

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

The required paint color is Carlsbad Canyon.

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

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

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

**6. SOURCE OF CONSTRUCTION MATERIAL**

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

**7. METHODS OF HANDLING WASTE DISPOSAL**

**A. METHODS AND LOCATION**

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

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

**On BLM administered land:**

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

**The reserve pit shall be lined with felt and a 12 millimeter plastic liner.**

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
  - Gardner Salt Bush – 4 pounds per acre
  - Shad Scale – 3 pounds per acre
  - Hi-Crest Crested Wheat Grass – 4 pounds per acre

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

The stockpiled pit topsoil will be stored separate from the location topsoil Southwest of Corner #5. The stockpiled location topsoil will be stored between Corners #2 and #8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the East.

Corners #6 & #8 will be rounded off to minimize excavation.

### **FENCING REQUIREMENTS:**

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

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

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

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

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

#### **A. PRODUCING LOCATION**

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

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

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

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

**B. DRY HOLE/ABANDONED LOCATION**

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

**11. SURFACE OWNERSHIP**

Access road: Federal

Location: Federal

**12. OTHER INFORMATION**

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

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

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

**X No construction or drilling activities shall be conducted between May 15 and June 20 due to Antelope Stipulations.**

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

**PERMITTING AGENT**

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

**DRILLING OPERATIONS**

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

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

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

**Certification**

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 1039-18 Well, located in the NE/SW of Section 18, T9S, R23E, Uintah County, Utah; Lease #U-0337;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

8-10-2005  
Date

  
Agent

# EOG RESOURCES, INC.

CWU #1039-18

SECTION 18, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; 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 SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE CWU #1048-18 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 51.5 MILES.

# EOG RESOURCES, INC.

CWU #1039-18  
LOCATED IN UTAH COUNTY, UTAH  
SECTION 18, T9S, R23E, S.1.B.&M.

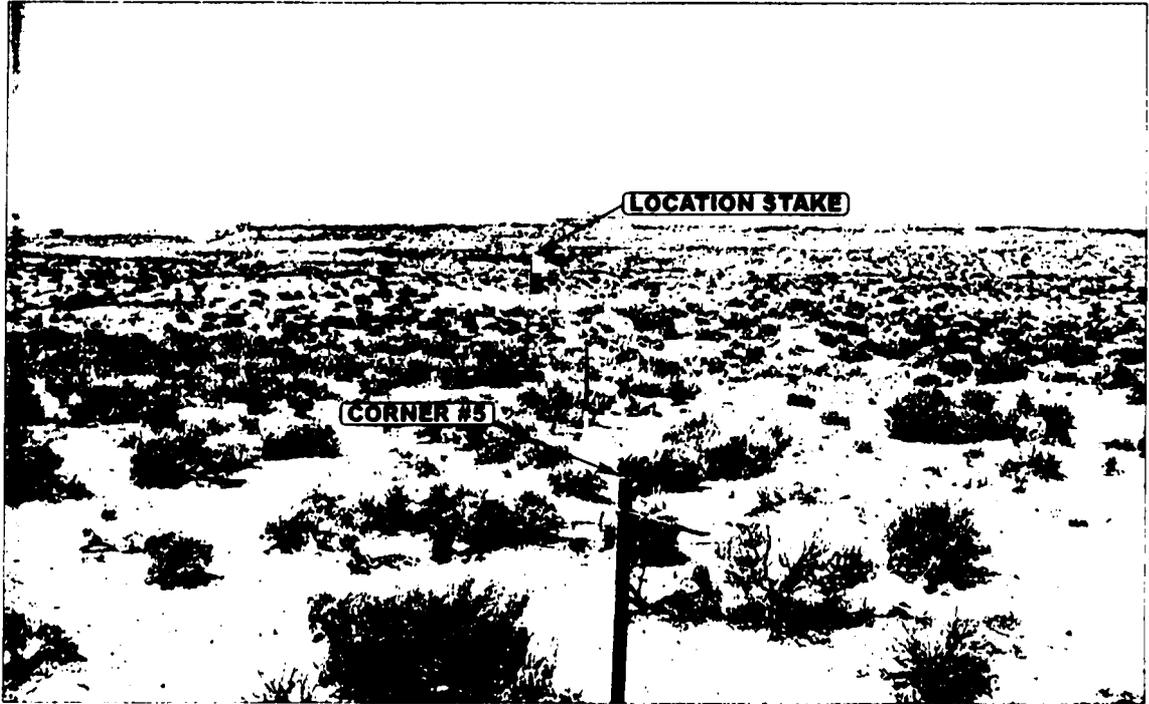


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS	06	23	05	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY T.B.	DRAWN BY S.L.		REVISED: 00-00-00	

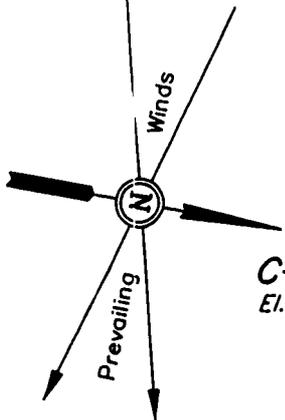
EOG RESOURCES, INC.

FIGURE #1

LOCATION LAYOUT FOR

CWU #1039-18  
SECTION 18, T9S, R23E, S.L.B.&M.  
1824' FSL 2154' FWL

Approx.  
Toe of  
Fill Slope



C-1.6'  
El. 912.8'

C-2.1'  
El. 913.3'

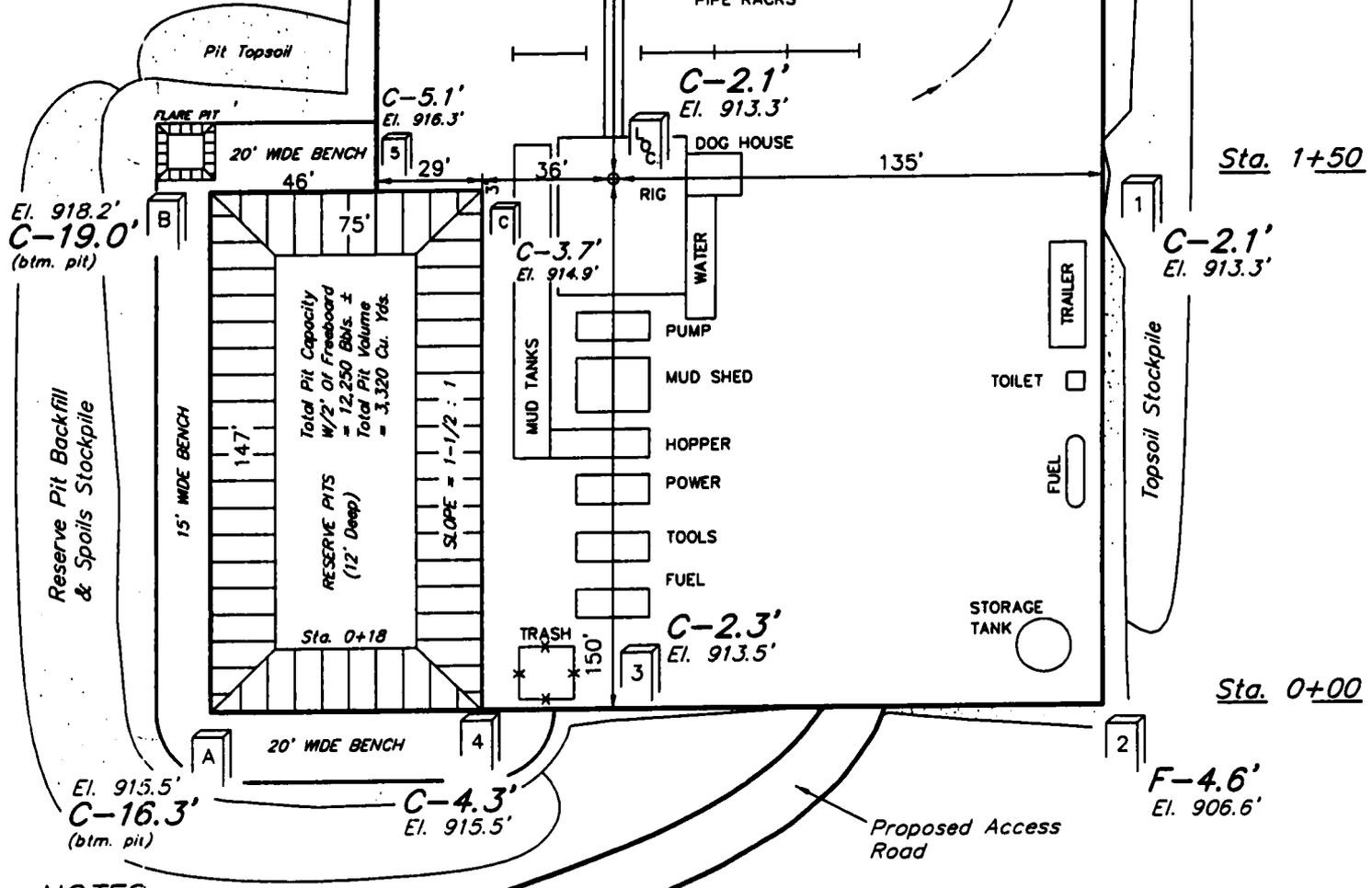
SCALE: 1" = 50'  
DATE: 06-16-05  
Drawn By: P.M.

Sta. 3+25

Approx.  
Top of  
Cut Slope

NOTE:

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



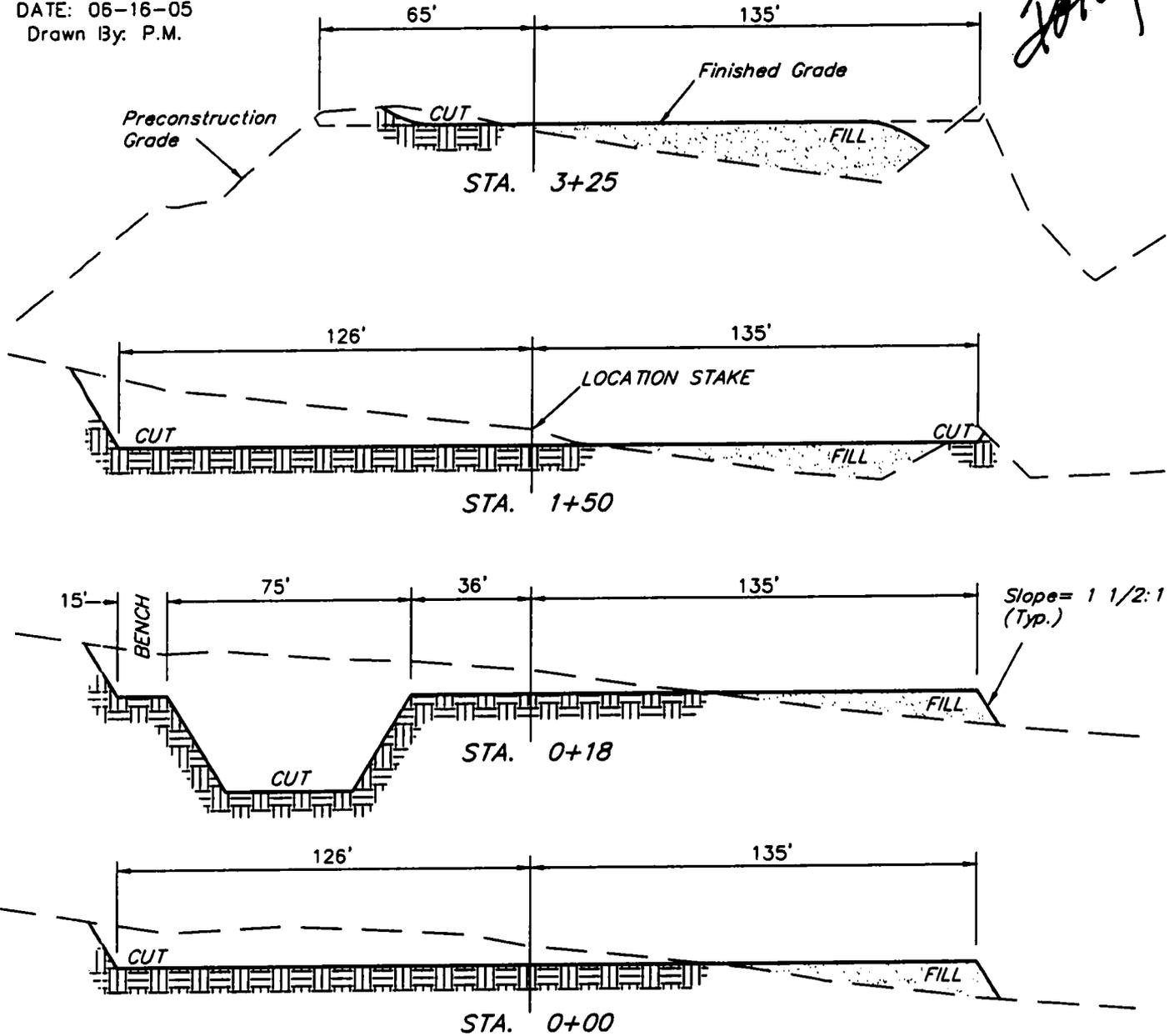
NOTES:

Elev. Ungraded Ground At Loc. Stake = 4913.3'  
FINISHED GRADE ELEV. AT LOC. STAKE = 4911.2'

TYPICAL CROSS SECTIONS FOR  
 CWU #1039-18  
 SECTION 18, T9S, R23E, S.L.B.&M.  
 1824' FSL 2154' FWL

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

DATE: 06-16-05  
 Drawn By: P.M.



NOTE:

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

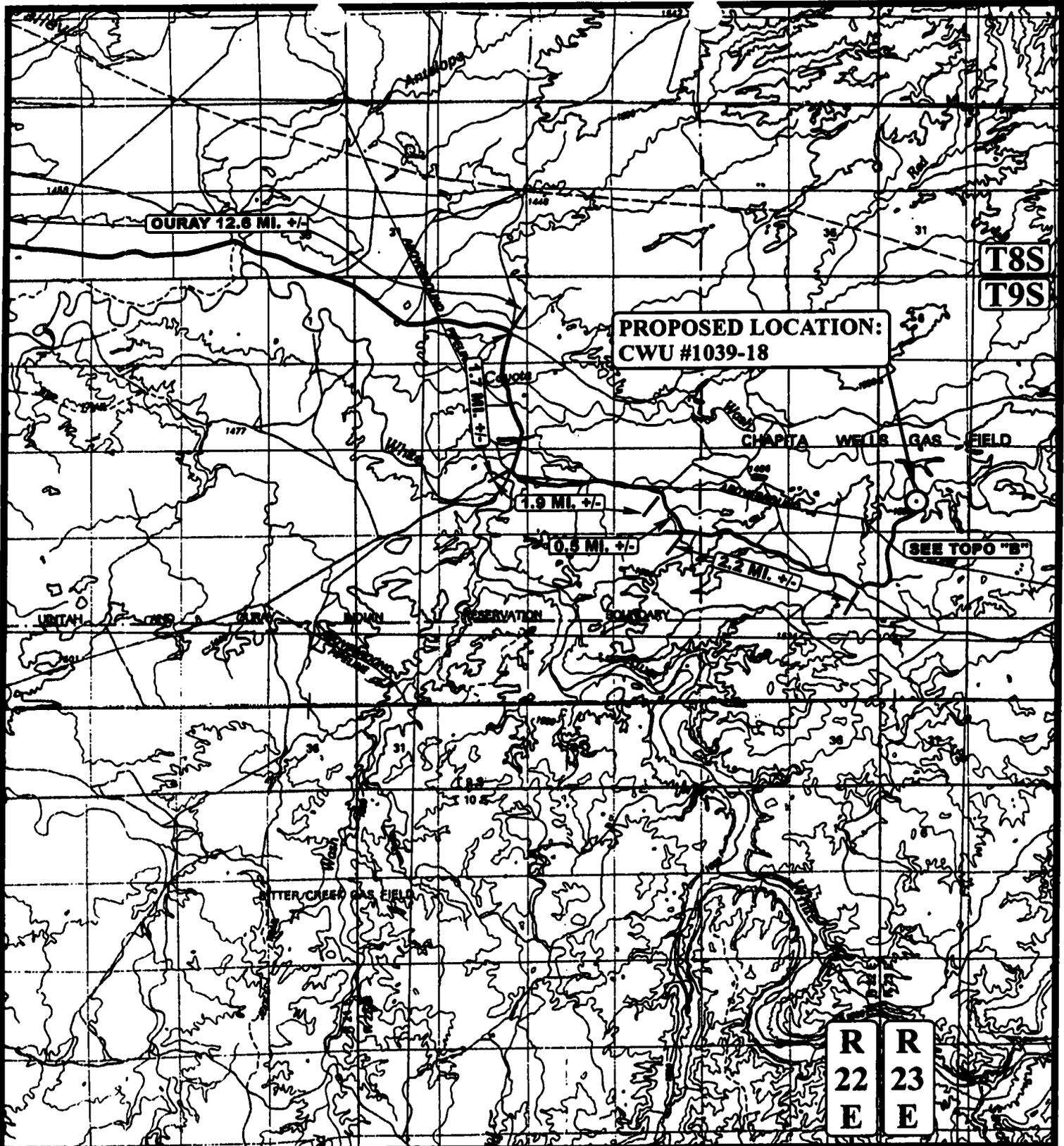
\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,640 Cu. Yds.
Remaining Location	= 7,950 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,590 CU.YDS.</b>
<b>FILL</b>	<b>= 6,290 CU.YDS.</b>

EXCESS MATERIAL	= 3,300 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,300 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**LEGEND:**

○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

CWU #1039-18  
 SECTION 18, T9S, R23E, S.L.B.&M.  
 1824' FSL 2154' FWL



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

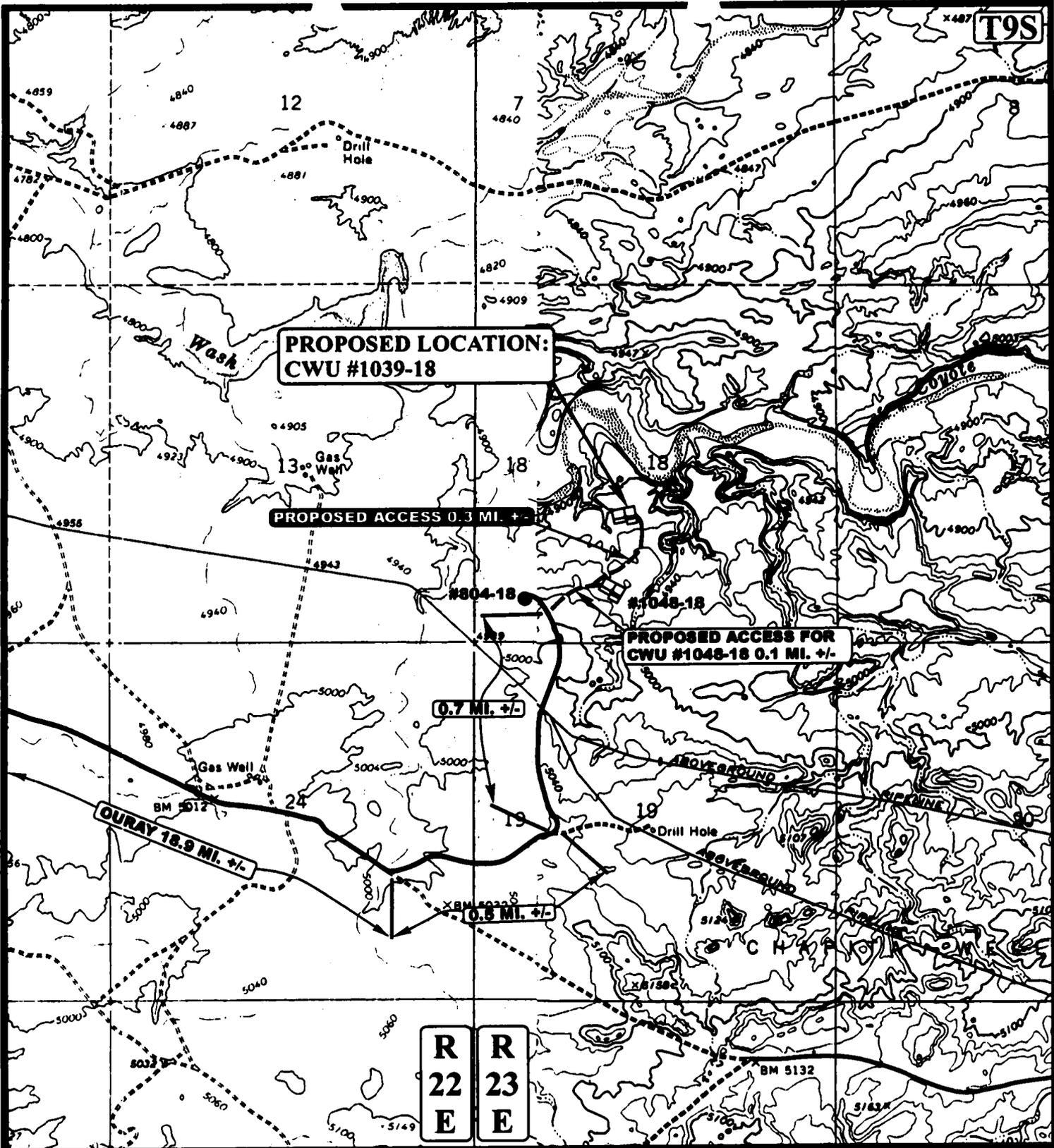
TOPOGRAPHIC  
 MAP

06	23	05
MONTH	DAY	YEAR

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



T9S



**PROPOSED LOCATION:  
CWU #1039-18**

**PROPOSED ACCESS 0.3 MI +/-**

**PROPOSED ACCESS FOR  
CWU #1048-18 0.1 MI +/-**

**0.7 MI +/-**

**OURAY 18.9 MI +/-**

**0.8 MI +/-**

R	R
22	23
E	E

**LEGEND:**

- PROPOSED ACCESS ROAD
- PROPOSED ACCESS ROAD
- SERVICING OTHER WELLS
- EXISTING ROAD



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



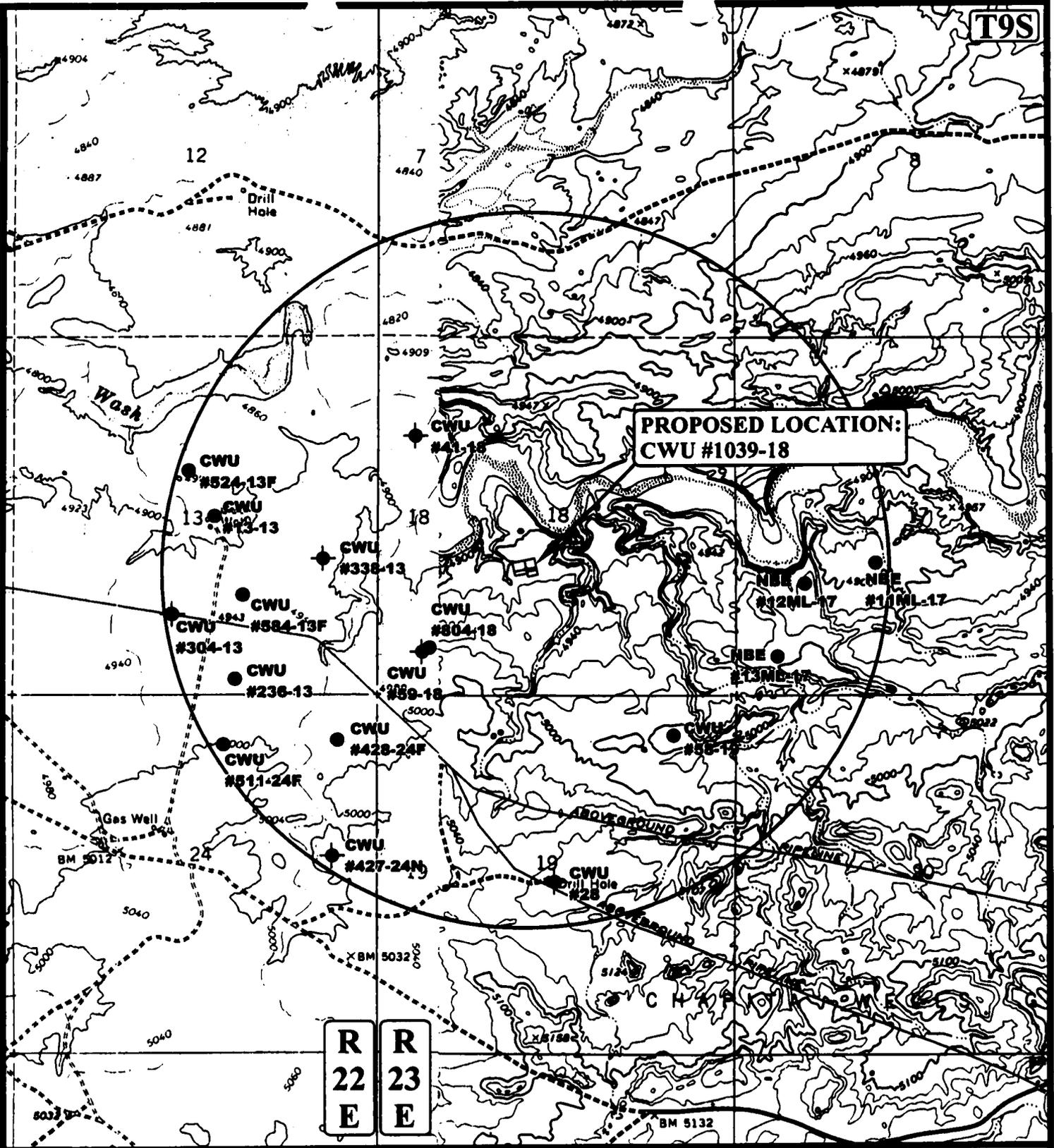
**EOG RESOURCES, INC.**

**CWU #1039-18**  
**SECTION 18, T9S, R23E, S.L.B.&M.**  
**1824' FSL 2154' FWL**

**TOPOGRAPHIC MAP** **06 23 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00

**B**  
 TOPO

T9S



**PROPOSED LOCATION:  
CWU #1039-18**

R  
22  
E

R  
23  
E

**LEGEND:**

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

**EOG RESOURCES, INC.**

**CWU #1039-18  
SECTION 18, T9S, R23E, S.L.B.&M.  
1824' FSL 2154' FWL**

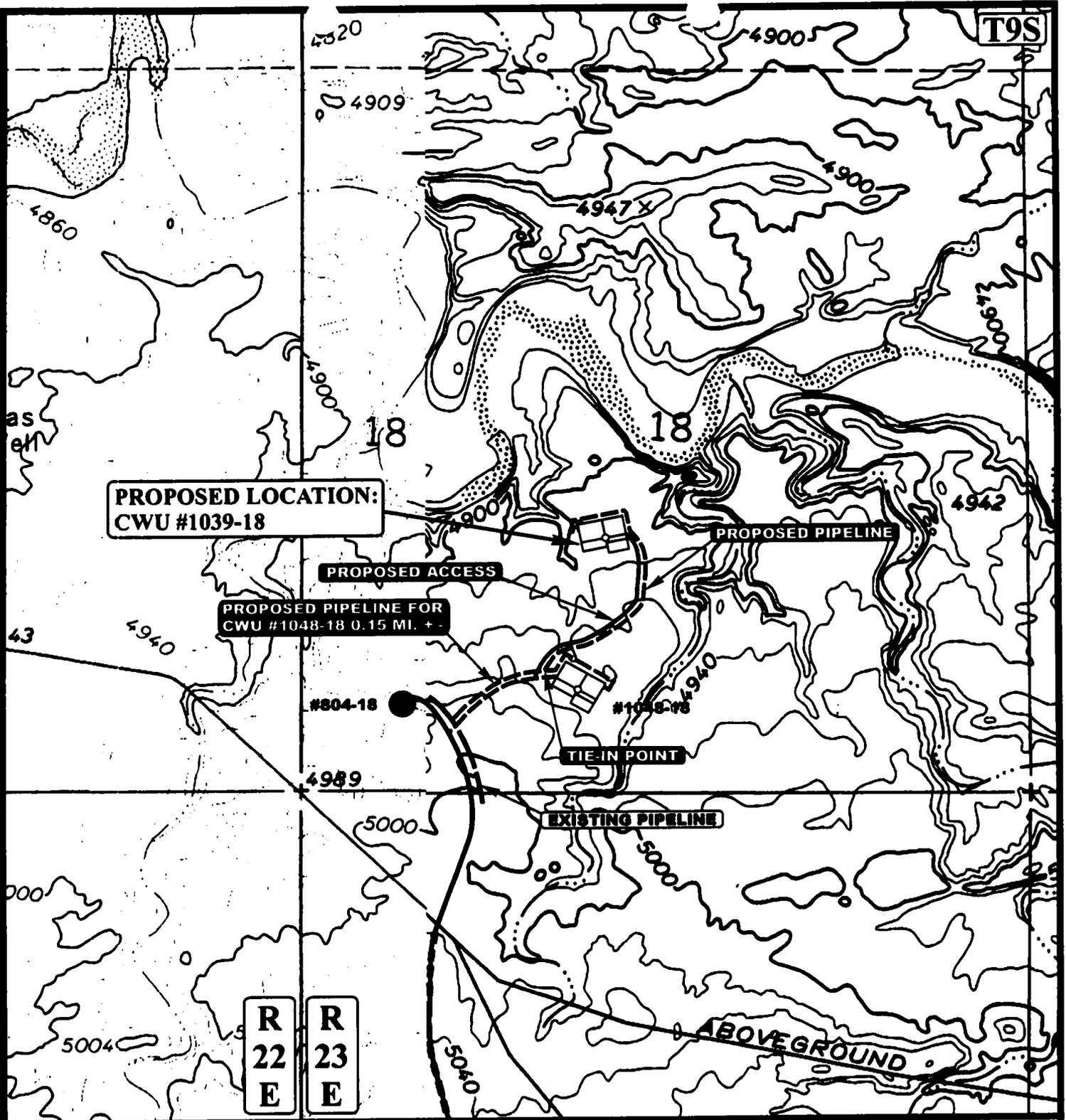


**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC MAP** 06 23 05  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00





**PROPOSED LOCATION:  
CWU #1039-18**

**PROPOSED ACCESS**

**PROPOSED PIPELINE FOR  
CWU #1048-18 0.15 MI. +/-**

**PROPOSED PIPELINE**

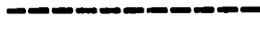
**TIE-IN POINT**

**EXISTING PIPELINE**

**ABOVEGROUND**

**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,980' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



**EOG RESOURCES, INC.**

**CWU #1039-18  
SECTION 18, T9S, R23E, S.L.B.&M.  
1824' FSL 2154' FWL**



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

**TOPOGRAPHIC  
MAP**

**06 23 05**  
MONTH DAY YEAR

**SCALE: 1" = 1000' DRAWN BY: S.L. REVISED: 00-00-00**

**D**  
TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/16/2005

API NO. ASSIGNED: 43-047-36977
--------------------------------

WELL NAME: CWU 1039-18  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

**PROPOSED LOCATION:**

NESW 18 090S 230E  
 SURFACE: 1824 FSL 2154 FWL  
 BOTTOM: 1824 FSL 2154 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

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

LATITUDE: 40.03382  
 LONGITUDE: -109.3706

**RECEIVED AND/OR REVIEWED:**

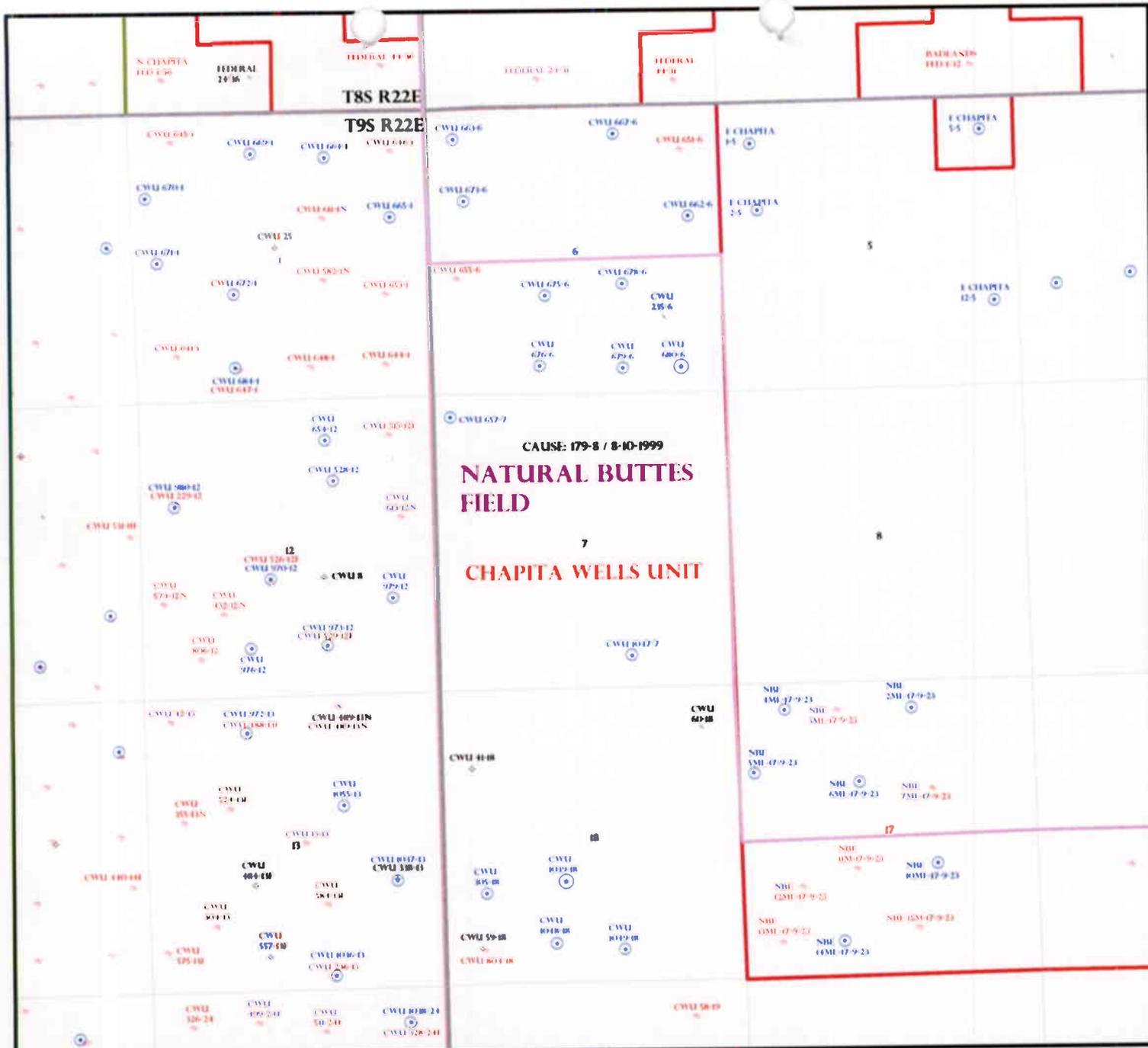
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM-2308 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-1501 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

**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: 8-4-1999  
Siting: Suspend General Siting
- R649-3-11. Directional Drill

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

STIPULATIONS: 1-Federal Approval



CAUSE: 179-8 / 8-10-1999

## NATURAL BUTTES FIELD

### CHAPITA WELLS UNIT

**OPERATOR: EOG RESOURCES INC (N9550)**

**SEC: 6 & 18 T. 9S R. 23E**

**FIELD: NATURAL BUTTES (630)**

**COUNTY: UINTAH**

**CAUSE: 179-8 / 8-10-1999**

- |                     |                    |
|---------------------|--------------------|
| <b>Field Status</b> | <b>Unit Status</b> |
| ABANDONED           | EXPLORATORY        |
| ACTIVE              | GAS STORAGE        |
| COMBINED            | NF PP OIL          |
| INACTIVE            | NF SECONDARY       |
| PROPOSED            | PENDING            |
| STORAGE             | PI OIL             |
| TERMINATED          | PP GAS             |
|                     | PP GEOTHERML       |
|                     | PP OIL             |
|                     | SECONDARY          |
|                     | TERMINATED         |

- Wells Status**
- GAS INJECTION
  - GAS STORAGE
  - LOCATION ABANDONED
  - NEW LOCATION
  - PLUGGED & ABANDONED
  - PRODUCING GAS
  - PRODUCING OIL
  - SHUT-IN GAS
  - SHUT-IN OIL
  - TEMP. ABANDONED
  - TEST WELL
  - WATER INJECTION
  - WATER SUPPLY
  - WATER DISPOSAL
  - DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 16-AUG-2005

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

August 17, 2005

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2005 Plan of Development Chapita Wells Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2005 within the Chapita Wells Unit, Uintah County, Utah.

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

(Proposed PZ Price River)

43-047-36952	CWU 1055-13 Sec 13 T09S R22E 2022 FNL 1755 FEL	
43-047-36953	CWU 1036-13 Sec 13 T09S R22E 0250 FSL 1960 FEL	
43-047-36954	CWU 1037-13 Sec 13 T09S R22E 1933 FSL 0829 FEL	
43-047-36966	CWU 917-14 Sec 14 T09S R22E 0654 FSL 2069 FWL	
43-047-36967	CWU 1059-14 Sec 14 T09S R22E 0679 FSL 1945 FEL	
43-047-36958	CWU 1038-24 Sec 24 T09S R22E 0627 FNL 0678 FEL	
43-047-36968	CWU 640-26 Sec 26 T09S R22E 0275 FNL 2121 FEL	
43-047-36969	CWU 937-26 Sec 26 T09S R22E 0426 FNL 0189 FWL	
43-047-36949	CWU 1066-3 Sec 3 T09S R22E 1715 FNL 0825 FWL	
43-047-36950	CWU 1065-3 Sec 3 T09S R22E 0687 FNL 0492 FEL	
43-047-36951	CWU 1067-3 Sec 3 T09S R22E 2185 FNL 2120 FEL	
43-047-36964	CWU 986-10 Sec 10 T09S R22E 1772 FSL 0353 FWL	
43-047-36965	CWU 987-10 Sec 10 T09S R22E 0429 FSL 1831 FWL	
43-047-36973	CWU 1024-10 Sec 10 T09S R22E 0613 FNL 0693 FWL	
43-047-36974	CWU 991-15 Sec 15 T09S R22E 0675 FSL 1760 FWL	
43-047-36975	CWU 990-15 Sec 15 T09S R22E 1822 FSL 0815 FWL	
43-047-36976	CWU 989-15 Sec 15 T09S R22E 2037 FNL 1659 FWL	
43-047-36978	CWU 1035-19 Sec 19 T09S R23E 2108 FNL 0530 FWL	
43-047-36979	CWU 1034-19 Sec 19 T09S R23E 0853 FNL 2018 FWL	

Page 2

43-047-36957 CWU 1068-28 Sec 28 T09S R23E 1783 FSL 1988 FWL  
43-047-36958 CWU 688-30 Sec 30 T09S R23E 1671 FNL 0637 FEL  
43-047-36959 CWU 687-30 Sec 30 T09S R23E 0569 FSL 0764 FEL  
43-047-36960 CWU 686-30 Sec 30 T09S R23E 2007 FSL 0635 FWL  
43-047-36971 CWU 955-32 Sec 32 T09S R23E 2179 FNL 0657 FEL  
43-047-36961 CWU 1069-33 Sec 33 T09S R23E 0544 FNL 2180 FEL  
43-047-36972 CWU 961-33 Sec 33 T09S R23E 2149 FSL 0712 FWL  
43-047-36970 CWU 680-6 Sec 6 T09S R23E 0461 FSL 0790 FEL  
43-047-36977 CWU 1039-18 Sec 18 T09S R23E 1824 FSL 2154 FWL

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

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit  
Division of Oil Gas and Mining  
Central Files  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:8-17-05



**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*

August 17, 2005

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

Re: Chapita Wells Unit 1039-18 Well, 1824' FSL, 2154' FWL, NE SW,  
Sec. 18, T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36977.

Sincerely,

**Gil Hunt**  
Associate Director

pab  
Enclosures

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

**Operator:** EOG Resources, Inc.  
**Well Name & Number** Chapita Wells Unit 1039-18  
**API Number:** 43-047-36977  
**Lease:** U-0337

**Location:** NE SW                      **Sec.** 18                      **T.** 9 South                      **R.** 23 East

### **Conditions of Approval**

**1. General**

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

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

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

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

AUG 15 2005

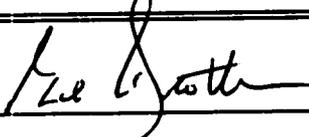
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

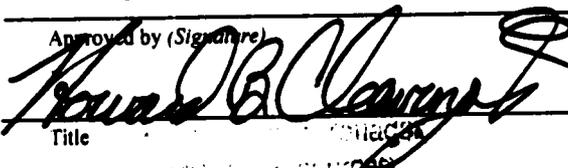
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-0337</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>
3a. Address <b>P.O. BOX 1815 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1039-18</b>
3b. Phone No. (Include area code) <b>(435)789-0790</b>		9. API Well No. <b>43-047-36977</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>1824' FSL, 2154' FWL</b> <b>NE/SW</b> At proposed prod. Zone		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
14. Distance in miles and direction from nearest town or post office* <b>20.4 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC. 18, T9S, R23E, S.L.B.&amp;M.</b>
15. Distance from proposed* location to nearest property or lease line, ft. <b>1824'</b> (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease <b>2344</b>	12. County or Parish <b>UINTAH</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth <b>9320'</b>	13. State <b>UTAH</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4911.2 FEET GRADED GROUND</b>	20. BLM/BIA Bond No. on file <b>NM-2308</b>	17. Spacing Unit dedicated to this well
22. Approximate date work will start* <b>UPON APPROVAL</b>		23. Estimated duration <b>45 DAYS</b>
24. Attachments		

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

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

25. Signature 	Name (Printed/Typed) <b>Ed Trotter</b>	Date <b>August 10, 2005</b>
--	---	--------------------------------

Title <b>Agent</b>		Accepted by the Utah Division of Oil, Gas and Mining	
Approved by (Signature) 	Name (Printed/Typed) <b>Kevin B. Conway</b>	Date <b>01/06/2006</b>	FOR RECORD ONLY
Title <b>Assistant State Engineer</b>	Office		

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

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

**RECEIVED**  
**CONDITIONS OF APPROVAL ATTACHED**  
JAN 18 2006

*\*(Instructions on page 2)*  
**NOTICE OF APPROVAL**



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

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



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

<b>Company:</b>	<b>EOG Resources Inc</b>	<b>Location:</b>	<b>NESW Sec 18, T9S, R22E</b>
<b>Well No:</b>	<b>CWU 1039-18</b>	<b>Lease No:</b>	<b>UTU-0337</b>
<b>API No:</b>	<b>43-047-36977</b>	<b>Agreement:</b>	<b>Chapita Wells Unit</b>

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

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

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

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

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:
  - 9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate.
- As a Best Management Practice (BMP), the pipeline will be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation).
- Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.
- A Paleontologist acceptable to the BLM will monitor construction activity for surface disturbing activities described in the APD. If paleontologic resources are uncovered during construction activities, the operator shall immediately suspend all operations that will further disturb such resources, and immediately notify the Authorized Officer (AO). The AO will arrange for a determination of significance and, if necessary, recommend a recovery or avoidance plan.

### ***Downhole Conditions of Approval***

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

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

- None

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

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended

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

- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report [OGOR]) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.
- **Please submit an electronic copy of all logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be

submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

- A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
- This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and / or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

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

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5 LEASE DESIGNATION AND SERIAL NUMBER <b>U-0337</b>
			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.			
1 TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7 UNIT or CA AGREEMENT NAME <b>CHAPITA WELLS UNIT</b>
2 NAME OF OPERATOR <b>EOG RESOURCES, INC.</b>			8 WELL NAME and NUMBER <b>CHAPITA WELLS UNIT 1039-18</b>
3 ADDRESS OF OPERATOR <b>1060 East Highway 40</b>		VERNAL UT 84078	9 API NUMBER <b>43-047-36977</b>
4 LOCATION OF WELL FOOTAGES AT SURFACE <b>1824 FSL 2154 FWL 40.033747 LAT 109.371258 LON</b>		PHONE NUMBER <b>(435) 789-0790</b>	10 FIELD AND POOL, OR WILDCAT <b>NATURAL BUTTES</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN <b>NESW 18 9S 23E S.L.B. &amp; M</b>		COUNTY <b>UINTAH</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"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start _____  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only)  Date of work completion _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER <u><b>APD EXTENSION REQUEST</b></u>

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 08-21-06  
By: [Signature]

NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u>	TITLE <u>Regulatory Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/15/2006</u>

(This space for State use only)

RECEIVED  
 AUG 1 / 2006  
 DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

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

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

**API:** 43-047-36977  
**Well Name:** CHAPITA WELLS UNIT 1039-18  
**Location:** 1824 FSL 2154 FWL (NESW), SECTION 18, T9S, R23E S.L.B.&M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 8/17/2005

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

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

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

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

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

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

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

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

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

  
Signature

8/15/2006

Date

Title: REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

RECEIVED

AUG 1 / 2006

CAS & MINING

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1039-18

Api No: 43-047-36977 Lease Type: FEDERAL

Section 18 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

### **SPUDDED:**

Date 02/11/07

Time 12:00 NOON

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 02/12/2007 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES, INC. Operator Account Number: N 9550  
 Address: 600 17th Street  
city Denver  
state CO zip 80202 Phone Number: (303) 262-2812

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36977	CHAPITA WELLS UNIT 1039-18		NESW	18	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>XB</i>	99999	<i>14074</i>	2/11/2007		<i>2/16/07</i>		
Comments: <i>PRRV=MVRD</i>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36757	CHAPITA WELLS UNIT 1048-18		SESW	18	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>XB</i>	99999	<i>14074</i>	2/11/2007		<i>2/16/07</i>		
Comments: <i>PRRV=MVRD</i>							

**Well 3**

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

**ACTION CODES:**

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

Carrie MacDonald

Name (Please Print)

*Carrie MacDonald*

Signature

Operations Clerk

2/13/2007

Title

Date

**RECEIVED**  
**FEB 14 2007**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>U-0337</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG Resources, Inc.</b>		7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>		8. Well Name and No. <b>Chapita Wells Unit 1039-18</b>
3b. Phone No. (include area code) <b>303-262-2812</b>		9. API Well No. <b>43-047-36977</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1,824' FSL &amp; 2,154' FWL (NESW) Sec. 18-T9S-R23E 40.033747 LAT 109.371258 LON</b>		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

**The referenced well spud on 2/11/2007.**

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) <b>Carrie MacDonald</b>	Title <b>Operations Clerk</b>
Signature 	Date <b>02/13/2007</b>

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

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

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

(Instructions on page 2)

**RECEIVED**

**FEB 14 2007**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-0337</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>		7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
3b. Phone No. (include area code) <b>303-262-2812</b>		8. Well Name and No. <b>Chapita Wells Unit 1039-18</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1,824' FSL &amp; 2,154' FWL (NESW) Sec. 18-T9S-R23E 40.033747 LAT 109.371258 LON</b>		9. API Well No. <b>43-047-36977</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

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

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

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

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

Name (Printed/Typed) <b>Carrie MacDonald</b>	Title <b>Operations Clerk</b>
Signature <i>Carrie MacDonald</i>	Date <b>02/13/2007</b>

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

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

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

(Instructions on page 2)

**RECEIVED**

**FEB 14 2007**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

**RECEIVED**

DEC 21 2006

BLM PERMITS, UTAH

1. Type of Well  
 Oil Well     Gas Well     Other

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

3a. Address  
**1060 East Highway 40 Vernal, Ut 84078**

3b. Well Name (Include area code)  
**43-047-36977**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1824' FSL & 2154' FWL (NE/SW)  
 Sec. 18-T9S-R23E 40.033747 LAT 109.371258 LON**

5. Lease Serial No.  
**U-0337**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Chapita Wells Unit 1039-18**

9. API Well No.  
**43-047-36977**

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

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

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

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

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

**EOG Resources, Inc. requests the APD for the referenced well originally approved 1/06/2006 be extended for one year.**

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

Name (Printed/Typed)    **Kaylene R. Gardner**    Title    **Sr. Regulatory Assistant**

Signature    *[Signature]*    Date    **12/20/2006**

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

Approved by    *[Signature]*    Title    **Petroleum Engineer**    Date    **FEB 6 2007**

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

Office

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(Instructions on page 2)

**RECEIVED**

**MAR 05 2007 CONDITIONS OF APPROVAL ATTACHED**

DIV. OF OIL, GAS & MINING



# CONDITIONS OF APPROVAL

## EOG Resources, Inc.

### Notice of Intent APD Extension

**Lease:** UTU-0337  
**Well:** CWU 1039-18  
**Location:** NESW Sec 18-T9S-R23E

An extension for the referenced APD is granted with the following conditions:

---

1. The extension and APD shall expire on <sup>1/6/08</sup>~~2/6/08~~.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

RECEIVED

MAR 05 2007

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>U-0337</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG Resources, Inc.</b>		7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
3a. Address <b>600 17th St., Suite 1000N, Denver, CO 80202</b>		8. Well Name and No. <b>Chapita Wells Unit 1039-18</b>
3b. Phone No. (include area code) <b>303-824-5526</b>		9. API Well No. <b>43-047-36977</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1824' FSL &amp; 2154' FWL (NE/SW) Sec. 18-T9S-R23E 40.033747 LAT 109.371258 LON</b>		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

**The referenced well was turned to sales on 6/25/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Mary A. Maestas</b>		Title <b>Regulatory Assistant</b>
Signature 	Date <b>06/29/2007</b>	

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

Approved by _____	Title _____	Date _____
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(Instructions on page 2)

**RECEIVED**  
**JUL 03 2007**

DIV. OF OIL, GAS & MINING

# WELL CHRONOLOGY REPORT

Report Generated On: 06-28-2007

<b>Well Name</b>	CWU 1039-18	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-36977	<b>Well Class</b>	1SA
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	05-01-2007	<b>Class Date</b>	06-25-2007
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,320/ 9,320	<b>Property #</b>	056689
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,927/ 4,911				
<b>Location</b>	Section 18, T9S, R23E, NESW, 1824 FSL & 2154 FWL				

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

<b>AFE No</b>	303375	<b>AFE Total</b>	1,811,000	<b>DHC / CWC</b>	887,100/ 923,900						
<b>Rig Contr</b>	SST	<b>Rig Name</b>	SST #2	<b>Start Date</b>	08-19-2005	<b>Release Date</b>	05-09-2007				
<b>08-19-2005</b>	<b>Reported By</b>	ED TROTTER									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0						
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0	<b>Days</b>	0	<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: LOCATION DATA**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA 1824' FSL & 2154' FWL (NE/SW) SECTION 18, T9S, R23E UINTAH COUNTY, UTAH  LAT 40.033781, LONG 109.370578  RIG: SST #2 OBJECTIVE: 9320' TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A: CHAPITA DEEP NATURAL BUTTES FIELD  LEASE: U-0337 ELEVATION: 4913.3' NAT GL, 4911.2' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4911'), 4927' KB (16')  EOG WI 50%, NRI 43.5%

<b>01-09-2007</b>	<b>Reported By</b>	SHARON CAUDILL			
<b>Daily Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$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 STARTING LOCATION TODAY.

01-10-2007 Reported By BRYON TOLMAN

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 LOCATION 30% COMPLETE.

01-11-2007 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 LOCATION 40% COMPLETE.

01-12-2007 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 LOCATION IS 50% COMPLETE.

01-15-2007 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 LOCATION 50% COMPLETE.

01-16-2007 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 LOCATION IS 50% COMPLETE.

**01-17-2007 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 LOCATION 50% COMPLETE.

**01-18-2007 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 ROCKED OUT.

**01-19-2007 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 ROCKED OUT.

**01-22-2007 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 ROCKED OUT.

**01-23-2007 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 ROCKED OUT.

**01-24-2007 Reported By TERRY CSERE**

**DailyCosts: 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 DRILLING HOLES IN ROCK.

**01-25-2007 Reported By TERRY CSERE**

**DailyCosts: 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 DRILLING HOLES IN ROCK.

**01-26-2007 Reported By TERRY CSERE**

**DailyCosts: 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 DRILLING HOLES IN ROCK.

**01-29-2007 Reported By TERRY CSERE**

**DailyCosts: 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 DRILLING HOLES IN ROCK.

**01-30-2007 Reported By TERRY CSERE**

**DailyCosts: 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      DRILLING HOLES IN ROCK.

**01-31-2007**      **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      DRILLING HOLES IN ROCK.

**02-01-2007**      **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      DRILLING HOLES IN ROCK.

**02-02-2007**      **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:** BUILDING LOCATION

**Start**      **End**      **Hrs**      **Activity Description**  
 06:00      06:00      24.0      DRILLING HOLES IN ROCK.

**02-05-2007**      **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:** BUILDING LOCATION

**Start**      **End**      **Hrs**      **Activity Description**  
 06:00      06:00      24.0      DRILLING HOLES IN ROCK.

**02-06-2007**      **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: BUILDING LOCATION

Start End Hrs Activity Description  
 06:00 06:00 24.0 DRILLING HOLES IN ROCK.

02-07-2007 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: BUILDING LOCATION

Start End Hrs Activity Description  
 06:00 06:00 24.0 DRILLING HOLES IN ROCK.

02-08-2007 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: BUILDING LOCATION

Start End Hrs Activity Description  
 06:00 06:00 24.0 DRILLING HOLES IN ROCK.

02-09-2007 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: BUILDING LOCATION

Start End Hrs Activity Description  
 06:00 06:00 24.0 PUSHING ON PIT.

02-12-2007 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: BUILDING LOCATION

Start End Hrs Activity Description  
 06:00 06:00 24.0 PUSHING ON PIT.

02-13-2007 Reported By BRYON TOLMAN

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	LINING PIT TODAY. ROCKY MOUNTAIN DRILLING SPUD AN 20" HOLE ON 2/11/2007 @ 12:00 PM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED MICHAEL LEE W/BLM AND CAROL DANIELS W/UDOGM OF THE SPUD 2/11/2007 @ 10:40 AM.

**02-14-2007** **Reported By** BRYON TOLMAN

**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	LOCATION COMPLETE.

**04-17-2007** **Reported By** JERRY BARNES

**Daily Costs: Drilling** \$201,556 **Completion** \$0 **Daily Total** \$201,556  
**Cum Costs: Drilling** \$239,556 **Completion** \$0 **Well Total** \$239,556  
**MD** 2,335 **TVD** 2,335 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time: WORT**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG # 3 ON 2/14/2007. DRILLED 12-1/4" HOLE TO 2380' GL. ENCOUNTERED WATER @ 870' & @ 1790'. RAN 55 JTS (2319.10') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2335' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO AIR RIG.

MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 165 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 220 SX (149.6 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10#/SX GILSONITE, 3#/SX GR-3, 3% SALT & 1/4 #/SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX.

TAILED IN W/200 SX (40 BBLS) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED TAIL CEMENT TO 15.8 W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/175.9 BBLS FRESH WATER. BUMPED PLUG W/920# @ 10:24 PM, 2/17/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE PARTIAL CIRCULATION 80 BBLS INTO LEAD CEMENT. NO CEMENT TO SURFACE. HOLE FELL BACK HARD WHEN PLUG BUMPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB # 2: MIXED & PUMPED 150 SX (30.6 BBLS) OF PREMIUM CEMENT W/3% CaCl2, & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS, 5 MINUTES.

TOP JOB # 3: MIXED & PUMPED 150 SX (30.6 BBLS) OF PREMIUM CEMENT W/2% CACL2, & 1/4#/SX FLOCELE. MIXED CEMENT TO 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO BIG 4 CEMENTERS.

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

RAN SURVEY @ 2150', 2 DEGREE. TAGGED @ 2164'.

JOHN HELCO NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 2/16/2007 @ 10:00 AM.

04-30-2007      Reported By      JIM LOUDERMILK

Daily Costs: Drilling	\$81,749	Completion	\$0	Daily Total	\$81,749						
Cum Costs: Drilling	\$321,305	Completion	\$0	Well Total	\$321,305						
MD	2,335	TVD	2,335	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTB : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: TEST BOPE

Start	End	Hrs	Activity Description
06:00	07:00	1.0	RD / PREPARE FOR TRUCKS.
07:00	17:30	10.5	HSM WITH WESTROC TRUCKING & RIG CREWS. RDMO / MIRU, .5 MILES TO THE CWU 1039-18.
17:30	01:00	7.5	RAISED DERRICK @ 20:00 HRS ON 4/29/2007.
01:00	04:00	3.0	NU BOP & NEW CHOKE MANIFOLD. RIG ON DAYWORK @ 01:00 ON 4/30/2007.
04:00	06:00	2.0	TEST BOP. DETAILS TO FOLLOW.

NOTIFIED DONNA KENNEY WITH THE VERNAL DISTRICT BLM FIELD OFFICE ON 4/29/2007 @ 10:00 HRS OF INTENT TO TEST BOP'S ON 4/30/2007 @ 04:00 HRS +/-.

TRANSFERRED FROM THE CWU 1048-18 TO THE CWU 1039-18.

6 JTS, (259.9'), OF 4.5"-11.6#-N80-LT&C-R3 CSG.

1 LJT, (22"), OF 4.5"-11.6#-HCP 110-LT&C CSG.

2835 GAL. OF #2 DIESEL FUEL.

05-01-2007      Reported By      JIM LOUDERMILK

Daily Costs: Drilling	\$45,222	Completion	\$0	Daily Total	\$45,222						
Cum Costs: Drilling	\$366,527	Completion	\$0	Well Total	\$366,527						
MD	2,470	TVD	2,470	Progress	135	Days	1	MW	0.0	Visc	0.0
Formation :	PBTB : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	16:30	10.5	TEST PIPE RAMS, BLIND RAMS, KILL LINE & VALVES. CHOKE LINE & MAINIFOLD, INSIDE BOP, FLOOR VALVE, UPPER AND LOWER KELLY COCK TO 5000 PSI FOR 10 MINUTES. TEST ANNULAR TO 2500 PSI FOR 10 MINUTES. FUNCTION TEST ACCUMULATOR, PUMPED UP IN 30 SECONDS, PRECHARGE 950 PSI. TEST CASING TO 500 PSI FOR 30 MINUTES. INSTALLED WEAR BUSHING.

SEVERAL FLANGE LEAKS DUE TO INSTALLATION OF NEW CHOKE MANIFOLD. (20 NEW FLANGES).

DONNA KENNEY WITH THE VERNAL DISTRICT BLM FIELD OFFICE ON LOCATION TO WITNESS TEST.

16:30	17:30	1.0 HSM & RU WEATHERFORD.
17:30	21:30	4.0 PU BHA & DP.
21:30	00:30	3.0 INSTALL FLARE LINES & RESERVE PIT APRON.
00:30	02:30	2.0 WORK ON #1 PUMP.
02:30	03:30	1.0 SURFACE TEST EQUIP MENT TO 1000 PSI / INSTALL ROTATING HEAD.
03:30	04:30	1.0 DRILL CEMENT, FLOAT & SHOE. FLOAT @ 2293' & SHOE @ 2335'.
04:30	05:00	0.5 PERFORM 11.7 PPG EMW @ 2343', SLOW BLEED FROM 450 PSI TO 400 PSI AFTER 10 MINUTES. CHECK COM / FUNCTION ANNULAR PREVENTER / HELD BOP DRILL.
05:00	06:00	1.0 DRILLED 2335'-2470'. (15-18K / 60 RPM-85 MTR / 388 GPM), 135'/HR.

CREWS: SHORT 1 ON DAYLIGHT / 1 INCIDENT REPORTED / HSM: PU BHA & DRILL PIPE.  
FUEL: RECEIVED 4500 GAL / 6544 GAL ON HAND.

06:00 18.0 SPUD 7 7/8" HOLE @ 05:00 HRS, 5/1/2007.

05-02-2007 Reported By JIM LOUDERMILK

<b>Daily Costs: Drilling</b>	\$36,205	<b>Completion</b>	50	<b>Daily Total</b>	\$36,205						
<b>Cum Costs: Drilling</b>	\$402,732	<b>Completion</b>	50	<b>Well Total</b>	\$402,732						
<b>MD</b>	4,425	<b>TVD</b>	4,425	<b>Progress</b>	1,955	<b>Days</b>	2	<b>MW</b>	8.7	<b>Visc</b>	29.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRLG AHEAD @ 4425'.</b>											

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILLED 2470'-3040', (15-18K / 60 RPM-85 MTR / 388 GPM-#2 PUMP), 76'/HR.
13:30	14:00	0.5	SERVICED RIG / HELD BOP DRILL, FUNCTION PIPE RAMS / CHECK COM.
14:00	19:00	5.0	DRILLED 3040'-3480', (18-24K / 60 RPM 85-92MTR / 388-420 GPM), 88'/HR.
19:00	19:30	0.5	WLS / 1.75 DEGREES @ 3406'.
19:30	06:00	10.5	DRILLED 3480'-4425', (18-24K / 60 RPM 85-92MTR / 388-420 GPM), 90'/HR. VIS 30 WT 9.1 MTR #1: 23 / 24 HRS.

CREWS: FULL + 3 ON LIGHT DUTY / NO ACCIDENTS REPORTED / HSM: STAIRS, STEP & LADDERS.  
FUEL: USED 1065 / 5479 GAL ON HAND.

05-03-2007 Reported By JESSE TATMAN

<b>Daily Costs: Drilling</b>	\$29,013	<b>Completion</b>	50	<b>Daily Total</b>	\$29,013						
<b>Cum Costs: Drilling</b>	\$431,745	<b>Completion</b>	50	<b>Well Total</b>	\$431,745						
<b>MD</b>	6,080	<b>TVD</b>	6,080	<b>Progress</b>	1,655	<b>Days</b>	3	<b>MW</b>	9.2	<b>Visc</b>	31.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILLING AHEAD @ 6080'.</b>											

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILL ROTATE 4425' - 4642', 18-20K WOB, 60/67 RPM, 120 SPM, 420 GPM, 350-450 PSI DIFF, 72 FPH.
09:00	09:30	0.5	SURVEY @ 4567' = 2 DEG.
09:30	14:00	4.5	DRILL ROTATE 4642' - 5055' 18-20K WOB, 55/67 RPM, 120 SPM, 420 GPM, 350-450 PSI DIFF, 92 FPH.

14:00 14:30 0.5 SERVICE RIG.  
 14:30 06:00 15.5 DRILL ROTATE 5055' - 6080', 18-20K WOB, 55/67 RPM, 120 SPM, 420 GPM, 350-450 PSI DIFF, 66 FPH.

WEATHER IS CLEAR & TEMP IS 49 DEG.  
 SAFETY MEETING ON HOUSE KEEPING & WEARING PPE.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & NO BLACK OUTS.  
 FUEL 42" = 4270 GAL.  
 MUD WT 10.0 PPG & 36 VIS.  
 BG GAS 30-500 U.  
 CONN GAS 885-4800 U.

05-04-2007 Reported By JESSE TATMAN  
**Daily Costs: Drilling** \$43,938 **Completion** \$0 **Daily Total** \$43,938  
**Cum Costs: Drilling** \$475,684 **Completion** \$0 **Well Total** \$475,684  
**MD** 6,670 **TVD** 6,670 **Progress** 590 **Days** 4 **MW** 10.1 **Visc** 39.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING AHEAD @ 6670'.

Start	End	Hrs	Activity Description
06:00	15:15	9.25	DRILL ROTATE 6080' - 6442', 18-24K WOB, 55/92 RPM, 120 SPM, 420 GPM, 150-350 PSI DIFF, 39 FPH.
15:15	15:45	0.5	SERVICE RIG
15:45	17:00	1.25	DRILL ROTATE 6442' - 6505', 18-24K WOB, 55/92 RPM, 120 SPM, 420 GPM, 150-350 PSI DIFF, 50 FPH.
17:00	21:00	4.0	PUMP PILL, DROP SURVEY & TRIP OUT FOR BIT #2.
21:00	22:00	1.0	LAYDOWN REAMERS & CHANGE OUT MUD MOTOR & BIT.
22:00	01:30	3.5	TRIP IN HOLE.
01:30	02:00	0.5	WASH & REAM 60' TO BOTTOM.
02:00	06:00	4.0	DRILL ROTATE 6505' - 6670', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 41 FPH.

WEATHER IS PARTLY CLOUDY & TEMP IS 33 DEG.  
 SAFETY MEETING ON MAKING CONNECTION & TRIPPING.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & RIG BLACKED OUT 1 TIME ON TRIP OUT OF HOLE.  
 FUEL 34" = 3218 GAL.  
 BG GAS 30-80 U.  
 CONN GAS 100-400 U.  
 TRIP GAS 2097 U.  
 MUD WT 10.3 PPG & 36 VIS.

05-05-2007 Reported By JESSE TATMAN  
**Daily Costs: Drilling** \$40,621 **Completion** \$0 **Daily Total** \$40,621  
**Cum Costs: Drilling** \$516,305 **Completion** \$0 **Well Total** \$516,305  
**MD** 7,680 **TVD** 7,680 **Progress** 1,009 **Days** 5 **MW** 10.4 **Visc** 37.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time: DRILLING AHEAD @ 7680'.**

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILL ROTATE 6670' - 6713', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 43 FPH.
07:00	07:30	0.5	SERVICE RIG
07:30	06:00	22.5	DRILL ROTATE 6713' - 7680', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 43 FPH.

WEATHER IS CLOUDY & TEMP IS 40 DEG.  
 SAFETY MEETINGS ON WEARING PPE & SLICK SURFACES.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & RIG BLACKED OUT 2 TIMES.  
 FUEL 58" = 6412 GAL.  
 BG GAS 65-232 U.  
 CONN GAS 1532 U.  
 MUD 10.6 PPG & 36 VIS.

05-06-2007		Reported By		JESSE TATMAN							
<b>Daily Costs: Drilling</b>	\$40,480	<b>Completion</b>	\$7,384	<b>Daily Total</b>	\$47,864						
<b>Cum Costs: Drilling</b>	\$556,785	<b>Completion</b>	\$7,384	<b>Well Total</b>	\$564,170						
<b>MD</b>	8,340	<b>TVD</b>	8,340	<b>Progress</b>	660	<b>Days</b>	6	<b>MW</b>	10.6	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: TOH FOR BIT**

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL ROTATE 7680' - 7936', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 47 FPH.
11:30	12:00	0.5	SERVICE RIG.
12:00	01:00	13.0	DRILL ROTATE 7936' - 8340', 18-22K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 31 FPH.
01:00	05:00	4.0	PUMP PILL, DROP SURVEY & TRIP OUT FOR BIT #3.
05:00	06:00	1.0	CHANGE OUT BIT.

WEATHER IS RAINING & TEMP IS 40 DEG.  
 SAFETY MEETING ON MSDS & TRIPPING.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & RIG BLACKED OUT 1 TIME WHILE DRILLING.  
 FUEL 48" = 5076 GAL.  
 BG GAS 150-1050 U.  
 CONN GAS 1300 U.  
 MUD WT 10.7 PPG & 37 VIS.

05-07-2007		Reported By		JESSE TATMAN							
<b>Daily Costs: Drilling</b>	\$31,008	<b>Completion</b>	\$0	<b>Daily Total</b>	\$31,008						
<b>Cum Costs: Drilling</b>	\$587,794	<b>Completion</b>	\$7,384	<b>Well Total</b>	\$595,178						
<b>MD</b>	9,075	<b>TVD</b>	9,075	<b>Progress</b>	735	<b>Days</b>	7	<b>MW</b>	10.8	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: DRILLING AHEAD @ 9075'.**

Start	End	Hrs	Activity Description
06:00	11:30	5.5	TRIP IN HOLE.

11:30 12:30 1.0 WASH & REAM 120' TO BOTTOM.  
 12:30 06:00 17.5 DRILL ROTATE 8340' - 9075'. 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 42 FPH.

SAFETY MEETING ON TRIPPING & ELECTRICAL.  
 WEATHER IS PARTLY CLOUDY & TEMP IS 39 DEG.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & NO BLACK OUTS.  
 FUEL 39" = 3871 GAL.  
 BG GAS 500-2000 U.  
 CONN GAS 5000 U.  
 TRIP GAS 7911 U.  
 MUD WT 11.0 PPG & 36 VIS.

05-08-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$27,979 Completion \$0 Daily Total \$27,979  
 Cum Costs: Drilling \$615,773 Completion \$7,384 Well Total \$623,157

MD 9.320 TVD 9.320 Progress 245 Days 8 MW 11.2 Visc 39.0  
 Formation : PBTd : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: LAYING DOWN DRILL STRING

Start	End	Hrs	Activity Description
06:00	16:30	10.5	DRILL ROTATE 9075' - 9320' TD, 18-22K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 23 FPH. REACHED TD AT 16:30 HRS, 5/7/07.
16:30	18:30	2.0	SHORT TRIP 20 STANDS.
18:30	21:30	3.0	CIRCULATE FOR LAYING DOWN DRILL STRING, RIG UP LAYDOWN CREW & HOLD SAFETY MEETING.
21:30	06:00	8.5	LAYDOWN DRILL STRING.

WEATHER IS CLEAR & TEMP IS 34 DEG.  
 SAFETY MEETING ON TEAM WORK & LAYING DOWN DRILL STRING.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & NO BLACK OUTS.  
 FUEL 28" = 2463 GAL.  
 MUD WT 11.3 PPG & 37 VIS.

05-09-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$40,349 Completion \$153,025 Daily Total \$193,375  
 Cum Costs: Drilling \$656,122 Completion \$160,410 Well Total \$816,532

MD 9.320 TVD 9.320 Progress 0 Days 9 MW 11.3 Visc 38.0  
 Formation : PBTd : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	LAYDOWN DRILL STRING.
06:30	08:30	2.0	RIG UP CASING CREW & HOLD SAFETY MEETING ON RUNNING CASING.
08:30	16:30	8.0	RUN (218 FULL JTS + 2 MARKER JTS) OF 4.5", 11.6#, N-80, LTC CASING AS FOLLOWS: FLOAT SHOE SET @ 9302, 1 SHOE JOINT, 1 FLOAT COLLAR SET @ 9256', 48 JOINTS CASING, 1 MARKER JOINT SET @ 7199', 67 JOINTS CASING, 1 MARKER JOINT SET @ 4332', 102 JOINT OF CASING.

RUN 37 CENTRALIZERS AS FOLLOWS: 1- 5' ABOVE SHOE ON JOINT #1, ON TOP OF JOINT #2, THEN EVERY 2ND JOINT TO JOINT #72 @ 6220'. TAGGED WITH JOINT #219 @ 9320'.

HIT BRIDGE WITH CASING @ 6585' WASHED DOWN CASING TO 6756'.

16:30	18:00	1.5	CIRCULATE FOR CEMENT, RIG UP CEMENTERS & HOLD SAFETY MEETING ON CEMENTING
18:00	20:00	2.0	PRESSURE TEST LINES TO 5000 PSI & CEMENT AS FOLLOWS: PUMPED 20 BBLS CHEMICAL WASH, 20 BBLS FRESH WATER, PUMPED 149 BBLS, 369 SACKS OF LEAD CEMENT, 35.65 POZ G, 6.0% EXTENDER, .125#/SK LOST CIRC, .20% ANTIFOAM, .75% FLUID LOSS, .30% RETARDER, .20% DISPERSANT, 2.0% EXPANDING CE, 12.0 PPG, 2.26 CFPS, 12.94 GPS WATER. PUMPED LEAD CEMENT @ 6.0 BPM, & 500 PSI. PUMPED 345 BBLS, 1505 SACKS OF 50/50 POZ G, 2.0% EXTENDER, .20% DISPERSANT, .20% FLUID LOSS, .10% ANTIFOAM, .10% RETARDER, 14.10 PPG, 5.96 GPS WATER, 1.29 CFPS, PUMPED TAIL CEMENT @ 6.0 BPM & 300 PSI. DISPLACED AS FOLLOWS: PUMPED 143 BBLS OF DISPLACEMENT WITH 15 GAL, 2% CLAY STABILIZER ADDED. PUMPED 133 BBLS @ 6.0 BPM, & 2200 PSI, FINAL 10 BBLS @ 2 BPM, & 2400 PSI. BUMPED PLUG @ 20:00 HOURS WITH 3400 PSI. TESTED FLOATS, FLOATS HELD.
20:00	20:15	0.25	LAND HANGER IN CASING HEAD AND TEST TO 5000 PSI.
20:15	00:00	3.75	NIPPLE DOWN B.O.P & CLEAN MUD TANKS.
00:00	06:00	6.0	RIG DOWN.

COM OK & NO BLACK OUTS.  
 SAFETY MEETING ON RUNNING CASING & CEMENTING.  
 FULL CREWS & NO ACCIDENTS.  
 MOVING RIG 5.9 MILES TO CWU 944-29.  
 TRUCKS SCHEDULED FOR 05/09/2007.  
 TRANSFER 2161 GAL OF DIESEL TO CWU 944-29.  
 TRANSFER 9 JOINTS 388' OF 4.5", 11.6#, N80 CASING TO CWU 944-29.  
 HAULED 600 BBLS OF MUD TO MUD PLANT & 200 BBLS OF MUD TO TRUE 27.

06:00 18.0 RIG RELEASED @ 00:30 HRS, 5/9/2007.  
 CASING POINT COST \$652,608

<b>05-17-2007</b>		<b>Reported By</b>		MCCURDY	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$44,492	<b>Daily Total</b>	\$44,492
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$204,902	<b>Well Total</b>	\$861,024
<b>MD</b>	9,320	<b>TVD</b>	9,320	<b>Progress</b>	0
<b>Days</b>	10	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>		<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0
<b>Activity at Report Time: WO COMPLETION</b>					
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>		
06:00	06:00	24.0	RU SCHLUMBERGER. RAN RST/CBL/VDL/GR/CCL FROM PBTD TO 710'. TOC @ 1040'. RD SCHLUMBERGER. WO COMPLETION.		

<b>05-26-2007</b>		<b>Reported By</b>		MCCURDY	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,030	<b>Daily Total</b>	\$2,030
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$206,932	<b>Well Total</b>	\$863,054
<b>MD</b>	9,320	<b>TVD</b>	9,320	<b>Progress</b>	0
<b>Days</b>	11	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>		<b>PBTD :</b>	0.0	<b>Perf :</b>	
				<b>PKR Depth :</b>	0.0
<b>Activity at Report Time: PREP FOR FRAC</b>					
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>		

09:00 10:00 1.0 NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 6500 PSIG, HELD OK. PREP FOR FRAC .

05-31-2007 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$5,082 Daily Total \$5,082

Cum Costs: Drilling \$656,122 Completion \$212,014 Well Total \$868,136

MD 9,320 TVD 9,320 Progress 0 Days 10 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 9257.0 Perf : 8623-9093 PKR Depth : 0.0

Activity at Report Time: FRAC MESAVERDE

Start End Hrs Activity Description

12:00 18:00 6.0 SICP 0 PSIG. RU CUTTERS WL. PERFORATED LPR FROM 9092'-93', 9086'-87', 9071'-72', 9056'-57', 9044'-45', 9009'-10', 9000'-01', 8994'-95', 8952'-53', 8947'-48', 8933'-34', 8929'-30' AND 8916'-18' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5200 GAL WF120 PAD, 49274 GAL WF120 & YF116ST+ WITH 125700# 20/40 SAND @ 1-5 PPG. MTP 6044 PSIG. MTR 50.7 BPM. ATP 4708 PSIG. ATR 46.6 BPM. ISIP 2920 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8850'. PERFORATED LPR/MPR FROM 8836'-37', 8805'-06', 8796'-97', 8786'-87', 8776'-77', 8754'-55', 8736'-37', 8730'-31', 8708'-09', 8694'-95', 8680'-81', 8652'-53', 8628'-29' AND 8623'-24' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5176 GAL WF120 PAD, 51734 GAL WF120 & YF116ST+ WITH 133400# 20/40 SAND @ 1-5 PPG. MTP 6094 PSIG. MTR 50.7 BPM. ATP 5057 PSIG. ATR 46.9 BPM. ISIP 3000 PSIG. RD SCHLUMBERGER. SDFN.

06-01-2007 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$374,932 Daily Total \$374,932

Cum Costs: Drilling \$656,122 Completion \$586,946 Well Total \$1,243,068

MD 9,320 TVD 9,320 Progress 0 Days 11 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

Activity at Report Time: PREP TO MIRUSU

Start End Hrs Activity Description

06:00 19:00 13.0 SICP 2300 PSIG. RUWL. SET 10K CFP @ 8570'. PERFORATED MPR FROM 8556'-57', 8545'-46', 8526'-27', 8509'-10', 8496'-97', 8488'-89', 8466'-67', 8439'-40', 8433'-34', 8409'-10', 8402'-03' AND 8395'-96' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5175 GAL WF120 PAD, 51273 GAL WF120 AND YF116ST+ WITH 131400# 20/40 SAND @ 1-5 PPG. MTP 6097 PSIG. MTR 49.1 BPM. ATP 4924 PSIG. ATR 44.3 BPM. ISIP 3330 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8360'. PERFORATED MPR FROM 8341'-44', 8318'-19', 8286'-87', 8275'-76', 8266'-67', 8235'-36', 8225'-26', 8214'-15', 8200'-01' AND 8188'-89' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5169 GAL WF120 PAD, 50271 GAL WF120 AND YF116ST+ WITH 134600# 20/40 SAND @ 1-5 PPG. MTP 6249 PSIG. MTR 48.7 BPM. ATP 4907 PSIG. ATR 44.9 BPM. ISIP 2360 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8160'. PERFORATED MPR FROM 8140'-42', 8126'-27', 8098'-99', 8091'-92', 8084'-85', 8061'-62', 8055'-56', 8042'-43', 8030'-31', 8019'-20' AND 8007'-08' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5176 GAL WF120 PAD, 51398 GAL WF120 AND YF116ST+ WITH 133500# 20/40 SAND @ 1-5 PPG. MTP 6729 PSIG. MTR 49.1 BPM. ATP 4772 PSIG. ATR 43.6 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7980'. PERFORATED MPR/UPR FROM 7966'-67', 7951'-52', 7934'-35', 7924'-25', 7893'-94', 7881'-82', 7850'-51', 7834'-35', 7802'-03', 7792'-93', 7781'-82' AND 7768'-69' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5166 GAL WF120 PAD, 59304 GAL WF120 AND YF116ST+ WITH 167700# 20/40 SAND @ 1-5 PPG. MTP 6020 PSIG. MTR 48.4 BPM. ATP 4581 PSIG. ATR 45.5 BPM. ISIP 2600 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7740'. PERFORATED UPR FROM 7716'-17', 7690'-91', 7685'-86', 7653'-55', 7593'-94', 7584'-85', 7568'-69', 7558'-59', 7522'-23', 7493'-94' AND 7487'-88' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106. 4161 GAL WF120 PAD. 52332 GAL WF120 AND YF116ST+ WITH 133400# 20/40 SAND @ 1-5 PPG. MTP 6632 PSIG. MTR 51.6 BPM. ATP 4865 PSIG. ATR 45.4 BPM. ISIP 2600 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7440'. PERFORATED UPR FROM 7422'-23', 7404'-05', 7362'-63', 7350'-51', 7340'-41', 7310'-11', 7298'-99', 7281'-82', 7273'-74', 7256'-57' AND 7250'-51' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106. 4138 GAL WF120 PAD. 50882 GAL WF120 AND YF116ST+ WITH 132100# 20/40 SAND @ 1-5 PPG. MTP 5500 PSIG. MTR 48.5 BPM. ATP 4035 PSIG. ATR 45.5 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 7230'. PERFORATED UPR FROM 7209'-10', 7198'-99', 7182'-83', 7168'-69', 7150'-51', 7143'-44', 7113'-14', 7097'-98', 7092'-93', 7071'-72', 7040'-41' AND 7034'-35' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER & FRAC DOWN CASING WITH 165 GAL GYPTRON T-106. 4123 GAL WF120 PAD. 62069 GAL WF120 AND YF116ST+ WITH 129340# 20/40 SAND @ 1-5 PPG. MTP 5365 PSIG. MTR 48.4 BPM. ATP 3951 PSIG. ATR 45.9 BPM. ISIP 2600 PSIG. RDMO SCHLUMBERGER.

RUWL. SET 10K CBP @ 7005'. BLED OFF PRESSURE. RDWL. SDFN.

<b>06-05-2007</b>		<b>Reported By</b>		HAL IVIE	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$25,638	<b>Daily Total</b>	\$25,638
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$612,584	<b>Well Total</b>	\$1,268,706
<b>MD</b>	9.320	<b>TVD</b>	9.320	<b>Progress</b>	0
		<b>Days</b>	12	<b>MW</b>	0.0
<b>Formation : MESA VERDE</b>		<b>PBTD : 9257.0</b>		<b>Perf : 7034-9093</b>	
				<b>PKR Depth : 0.0</b>	
<b>Activity at Report Time: CLEAN OUT AFTER FRAC</b>					
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>		
06:00	18:00	12.0	MIRU ROYAL RIG # 1. ND TREE. NU BOP. RIH W/HURRICANE MILL & PUMP OFF BIT SUB TO CBP @ 7005'. CLEANED OUT & DRILLED OUT PLUGS @ 7005', 7230', 7440', 7740' & 7980'. POH TO 6883'. SDFN.		

<b>06-06-2007</b>		<b>Reported By</b>		HAL IVIE	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$57,293	<b>Daily Total</b>	\$57,293
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$669,877	<b>Well Total</b>	\$1,325,999
<b>MD</b>	9.320	<b>TVD</b>	9.320	<b>Progress</b>	0
		<b>Days</b>	13	<b>MW</b>	0.0
<b>Formation : MESA VERDE</b>		<b>PBTD : 9257.0</b>		<b>Perf : 7034-9093</b>	
				<b>PKR Depth : 0.0</b>	
<b>Activity at Report Time: FLOW TEST</b>					
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>		
06:00	06:00	24.0	SICP 1750 PSIG. RIH. CLEANED OUT & DRILLED OUT PLUGS @ 8160', 8360', 8570' & 8850'. RIH. CLEANED OUT TO PBTD @ 9257'. LAND TBG @ 7812' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.		

FLOWED 16 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 1950 PSIG. 45 BFPH. RECOVERED 689 BLW. 10741 BLWTR.

**TUBING DETAIL LENGTH**

PUMP OFF SUB 1.00'  
 1 JT 2-3/8" 4.7# L-80 TBG 32.43'  
 XN NIPPLE 1.10'  
 243 JTS 2-3/8" 4.7# L-80 TBG 7761.87'  
 BELOW KB 16.00'

LANDED @ 7812.40' KB

06-07-2007 Reported By HAL IVIE

Daily Costs: Drilling \$0 Completion \$3,070 Daily Total \$3,070  
 Cum Costs: Drilling \$656,122 Completion \$672,947 Well Total \$1,329,069  
 MD 9,320 TVD 9,320 Progress 0 Days 14 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2250 PSIG. 40 BFPH. RECOVERED 959 BLW. 9782 BLWTR.

06-08-2007 Reported By HAL IVIE

Daily Costs: Drilling \$0 Completion \$2,570 Daily Total \$2,570  
 Cum Costs: Drilling \$656,122 Completion \$675,517 Well Total \$1,331,639  
 MD 9,320 TVD 9,320 Progress 0 Days 15 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 3000 PSIG. 40 BFPH. RECOVERED 956 BLW. 8826 BLWTR.

06-10-2007 Reported By HAL IVIE

Daily Costs: Drilling \$0 Completion \$2,570 Daily Total \$2,570  
 Cum Costs: Drilling \$656,122 Completion \$678,087 Well Total \$1,334,209  
 MD 9,320 TVD 9,320 Progress 0 Days 17 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

Activity at Report Time: FLOW WELL BACK

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2950 PSIG. 30 BFPH. RECOVERED 750 BLW. 7240 BLWTR.

06-11-2007 Reported By HAL IVIE

Daily Costs: Drilling \$0 Completion \$2,570 Daily Total \$2,570  
 Cum Costs: Drilling \$656,122 Completion \$680,657 Well Total \$1,336,779  
 MD 9,320 TVD 9,320 Progress 0 Days 18 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

Activity at Report Time: WO FACILITIES

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2800 PSIG. 25 BFPH. RECOVERED 650 BLW. 6590 BLWTR.  
 SI. WO FACILITIES.

FINAL COMPLETION DATE: 6/10/07

06-26-2007 Reported By HEATH LEMON

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling \$656,122 Completion \$680,657 Well Total \$1,336,779  
 MD 9,320 TVD 9,320 Progress 0 Days 19 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBTB : 9257.0 Perf : 7034-9093 PKR Depth : 0.0

**Activity at Report Time: INITIAL PRODUCTION**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	INITIAL PRODUCTION. OPENING PRESSURE: TP 1400 PSIG & CP 3200 PSI. TURNED WELL TO QUESTAR SALES AT 9:30 AM, 6/25/07. FLOWED 180 MCFD RATE ON 12/64" POS CHOKE. STATIC 360 PSIG.

06-27-2007      Reported By      ALAN WATKINS

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$680,657	<b>Well Total</b>	\$1,336,779						
<b>MD</b>	9,320	<b>TVD</b>	9,320	<b>Progress</b>	0	<b>Days</b>	20	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESA VERDE</b>		<b>PBTD : 9257.0</b>		<b>Perf : 7034-9093</b>		<b>PKR Depth : 0.0</b>					

**Activity at Report Time: ON SALES**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 95 MCFD, 25 BC & 75 BW IN 24 HRS ON 12/64" CK, TP 2150 & CP 3200 PSIG.

06-28-2007      Reported By      ALAN WATKINS

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$656,122	<b>Completion</b>	\$680,657	<b>Well Total</b>	\$1,336,779						
<b>MD</b>	9,320	<b>TVD</b>	9,320	<b>Progress</b>	0	<b>Days</b>	21	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESA VERDE</b>		<b>PBTD : 9257.0</b>		<b>Perf : 7034-9093</b>		<b>PKR Depth : 0.0</b>					

**Activity at Report Time: ON SALES**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 89 MCFD, 10 BC & 70 BW IN 24 HRS ON 12/64" CK, TP 1750 & CP 3200 PSIG.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No. **U-0337**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
**Chapita Wells Unit**

8. Lease Name and Well No.  
**Chapita Wells Unit 1039-18**

9. AFI Well No.  
**43-047-36977**

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

11. Sec., T., R. M., on Block and Survey or Area **Sec. 18-T9S-R23E**

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

17. Elevations (DF, RKB, RT, GL)\*  
**4913' NAT GL**

1a. Type of Well  Oil Well  Gas Well  Dry  Other

b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Resrv. .  
Other \_\_\_\_\_

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

3. Address **600 17th Street, Suite 1000N, Denver, CO 80202** 3a. Phone No. (include area code)  
**303-824-5526**

14. Date Spudded **02/11/2007** 15. Date T.D. Reached **05/07/2007** 16. Date Completed **06/25/2007**  
 D & A  Ready to Prod.

18. Total Depth: MD **9320** 19. Plug Back T.D.: MD **9257** 20. Depth Bridge Plug Set: MD  
TVD TVD TVD

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2335		820 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-9320		1874 sx			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	7812'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7034	9093	8916-9093		3/spf	
B)			8623-8837		2/spf	
C)			8395-8557		3/spf	
D)			8188-8344		3/spf	

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

Depth Interval	Amount and Type of Material
8916-9093	54,639 GALS GELLED WATER & 125,700# 20/40 SAND
8623-8837	57,075 GALS GELLED WATER & 133,400# 20/40 SAND
8395-8557	56,613 GALS GELLED WATER & 131,400# 20/40 SAND
8188-8344	55,605 GALS GELLED WATER & 134,600# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/25/2007	06/29/2007	24	→	45	769	365			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
12/64"	SI 2100	3100	→	45	769	365			PRODUCING GAS WELL

28a. Production - Interval B

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

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

RECEIVED  
JUL 05 2007  
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

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

28c. Production - Interval D

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

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

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Mesaverde	7034	9093		Wasatch Chapita Wells Buck Canyon Price River Middle Price River Lower Price River Sego	4726 5285 5983 7003 7913 8714 9162

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date 07/02/2007

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

**Chapita Wells Unit 1039-18 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8007-8142	3/spf
7768-7967	3/spf
7487-7717	3/spf
7250-7423	3/spf
7034-7210	3/spf

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

8007-8142	56,739 GALS GELLED WATER & 133,500# 20/40 SAND
7768-7967	64,635 GALS GELLED WATER & 167,700# 20/40 SAND
7487-7717	56,658 GALS GELLED WATER & 133,400# 20/40 SAND
7250-7423	55,185 GALS GELLED WATER & 132,100# 20/40 SAND
7034-7210	66,357 GALS GELLED WATER & 129,340# 20/40 SAND

Perforated the Lower Price River from 8916-8918', 8929-8930', 8933-8934', 8947-8948', 8952-8953', 8994-8995', 9000-9001', 9009-9010', 9044-9045', 9056-9057', 9071-9072', 9086-9087' & 9092-9093' w/ 3 spf.

Perforated the Lower/Middle Price River from 8623-8624', 8628-8629', 8652-8653', 8680-8681', 8694-8695', 8708-8709', 8730-8731', 8736-8737', 8754-8755', 8776-8777', 8786-8787', 8796-8797', 8805-8806' & 8836-8837' w/ 2 spf.

Perforated the Middle Price River from 8395-8396', 8402-8403', 8409-8410', 8433-8434', 8439-8440', 8466-8467', 8488-8489', 8496-8497', 8509-8510', 8526-8527', 8545-8546' & 8556-8557' w/ 3 spf.

Perforated the Middle Price River from 8188-8189', 8200-8201', 8214-8215', 8225-8226', 8235-8236', 8266-8267', 8275-8276', 8286-8287', 8318-8319' & 8341-8344' w/ 3 spf.

Perforated the Middle Price River from 8007-8008', 8019-8020', 8030-8031', 8042-8043', 8055-8056', 8061-8062', 8084-8085', 8091-8092', 8098-8099', 8126-8127' & 8140-8142' w/ 3 spf.

Perforated the Middle/Upper Price River from 7768-7769', 7781-7782', 7792-7793', 7802-7803', 7834-7835', 7850-7851', 7881-7882', 7893-7894', 7924-7925', 7934-7935', 7951-7952' & 7966-7967' w/ 3 spf.

Perforated the Upper Price River from 7487-7488', 7493-7494', 7522-7523', 7558-7559', 7568-7569', 7584-7585', 7593-7594', 7653-7655', 7685-7686', 7690-7691' & 7716-7717' w/ 3 spf.

Perforated the Upper Price River from 7250-7251', 7256-7257', 7273-7274', 7281-7282', 7298-7299', 7310-7311', 7340-7341', 7350-7351', 7362-7363', 7404-7405' & 7422-7423' w/ 3 spf.

Perforated the Upper Price River from 7034-7035', 7040-7041', 7071-7072', 7092-7093', 7097-7098', 7113-7114', 7143-7144', 7150-7151', 7168-7169', 7182-7183', 7198-7199' & 7209-7210' w/ 3 spf.

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

FORM 7

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 1039-18

API number: \_\_\_\_\_

Well Location: QQ NESW Section 18 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIG'S ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1367

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
870	875	NO FLOW	NOT KNOWN
1,790	1,820	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 7/2/2007

Form 3160-4  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. **U-0337**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. **Chapita Wells Unit**

8. Lease Name and Well No. **Chapita Wells Unit 1039-18**

9. AFI Well No. **43-047-36977**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 18-T9S-R23E**

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

14. Date Spudded **02/11/2007** 15. Date I.D. Reached **05/07/2007** 16. Date Completed **06/11/2007**  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\* **4913' NAT GL**

18. Total Depth: MD **9320** 19. Plug Back T.D.: MD **9257** 20. Depth Bridge Plug Set: MD  
TVD TVD TVD

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36.0#	J-55	0-2335		820 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-9320		1874 sx			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	7812'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7034	9093	8916-9093		3/spf	
B)			8623-8837		2/spf	
C)			8395-8557		3/spf	
D)			8188-8344		3/spf	

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

Depth Interval	Amount and Type of Material
8916-9093	54.639 GALS GELLED WATER & 125.700# 20/40 SAND
8623-8837	57.075 GALS GELLED WATER & 133.400# 20/40 SAND
8395-8557	56.613 GALS GELLED WATER & 131.400# 20/40 SAND
8188-8344	55.605 GALS GELLED WATER & 134.600# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/11/2007	06/29/2007	24	→	45	769	365			FLOW FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 2100	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	PRODUCING GAS WELL
12/64"			→	45	769	365			

28a. Production - Interval B

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

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

AUG 02 2007

DIV OF OIL & GAS

28b. Production - Interval C

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

28c. Production - Interval D

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

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

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
<b>Mesaverde</b>	<b>7034</b>	<b>9093</b>		<b>Wasatch</b>	<b>4726</b>
				<b>Chapita Wells</b>	<b>5285</b>
				<b>Buck Canyon</b>	<b>5983</b>
				<b>Price River</b>	<b>7003</b>
				<b>Middle Price River</b>	<b>7913</b>
				<b>Lower Price River</b>	<b>8714</b>
				<b>Sego</b>	<b>9162</b>

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date 07/31/2007

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

**Chapita Wells Unit 1039-18 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8007-8142	3/spf
7768-7967	3/spf
7487-7717	3/spf
7250-7423	3/spf
7034-7210	3/spf

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

8007-8142	56,739 GALS GELLED WATER & 133,500# 20/40 SAND
7768-7967	64,635 GALS GELLED WATER & 167,700# 20/40 SAND
7487-7717	56,658 GALS GELLED WATER & 133,400# 20/40 SAND
7250-7423	55,185 GALS GELLED WATER & 132,100# 20/40 SAND
7034-7210	66,357 GALS GELLED WATER & 129,340# 20/40 SAND

Perforated the Lower Price River from 8916-8918', 8929-8930', 8933-8934', 8947-8948', 8952-8953', 8994-8995', 9000-9001', 9009-9010', 9044-9045', 9056-9057', 9071-9072', 9086-9087' & 9092-9093' w/ 3 spf.

Perforated the Lower/Middle Price River from 8623-8624', 8628-8629', 8652-8653', 8680-8681', 8694-8695', 8708-8709', 8730-8731', 8736-8737', 8754-8755', 8776-8777', 8786-8787', 8796-8797', 8805-8806' & 8836-8837' w/ 2 spf.

Perforated the Middle Price River from 8395-8396', 8402-8403', 8409-8410', 8433-8434', 8439-8440', 8466-8467', 8488-8489', 8496-8497', 8509-8510', 8526-8527', 8545-8546' & 8556-8557' w/ 3 spf.

Perforated the Middle Price River from 8188-8189', 8200-8201', 8214-8215', 8225-8226', 8235-8236', 8266-8267', 8275-8276', 8286-8287', 8318-8319' & 8341-8344' w/ 3 spf.

Perforated the Middle Price River from 8007-8008', 8019-8020', 8030-8031', 8042-8043', 8055-8056', 8061-8062', 8084-8085', 8091-8092', 8098-8099', 8126-8127' & 8140-8142' w/ 3 spf.

Perforated the Middle/Upper Price River from 7768-7769', 7781-7782', 7792-7793', 7802-7803', 7834-7835', 7850-7851', 7881-7882', 7893-7894', 7924-7925', 7934-7935', 7951-7952' & 7966-7967' w/ 3 spf.

Perforated the Upper Price River from 7487-7488', 7493-7494', 7522-7523', 7558-7559', 7568-7569', 7584-7585', 7593-7594', 7653-7655', 7685-7686', 7690-7691' & 7716-7717' w/ 3 spf.

Perforated the Upper Price River from 7250-7251', 7256-7257', 7273-7274', 7281-7282', 7298-7299', 7310-7311', 7340-7341', 7350-7351', 7362-7363', 7404-7405' & 7422-7423' w/ 3 spf.

Perforated the Upper Price River from 7034-7035', 7040-7041', 7071-7072', 7092-7093', 7097-7098', 7113-7114', 7143-7144', 7150-7151', 7168-7169', 7182-7183', 7198-7199' & 7209-7210' w/ 3 spf.

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

FORM 6

**ENTITY ACTION FORM**

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

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36977	CWU 1039-18		NESW	18	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	14074	13650	2/11/2007		10/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**Well 2**

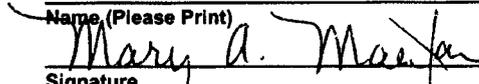
API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36954	CWU 1037-13		NESE	13	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15612	13650	8/25/2006		10/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36952	CWU 1055-13		SWNE	13	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15573	13650	8/10/2006		10/1/2006		
Comments: <u>MVRD</u> <span style="float: right;"><u>12/31/07</u></span>							

**ACTION CODES:**

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

Mary A. Maestas  
 Name (Please Print)  
  
 Signature  
 Regulatory Assistant  
 Title 12/26/2007  
 Date

**RECEIVED**

**DEC 26 2007**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0337

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1039-18

9. API Well No.  
43-047-36977

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
EOG RESOURCES, INC. Contact: MICKENZIE THACKER  
E-Mail: MICKENZIE\_THACKER@EOGRESOURCES.COM

3a. Address  
1060 E. HWY 40  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 453-781-9145

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 18 T9S R23E NESW 1824FSL 2154FWL  
40.03375 N Lat, 109.37126 W Lon

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

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

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

The reserve pit on the referenced location was closed on 4/28/2008 as per the attached APD procedure.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #66969 verified by the BLM Well Information System  
For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* (Electronic Submission) Date 02/04/2009

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

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

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

**RECEIVED**  
**FEB 09 2009**

DIV. OF OIL, GAS & MINING