

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

December 2, 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 696-25
SW/NE, SEC. 25, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: U-0285A
FEDERAL LANDS

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

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

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

Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

CWU 696-25 B

RECEIVED
DEC 14 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-0285A

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 696-25

9. API Well No.
43-047-375-04

1a. Type of Work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
EOG RESOURCES, INC.

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **2151' FNL, 1963' FEL** *637817X 40-008433*
At proposed prod. Zone *44297324 -109.385340*
SWINE

11. Sec., T., R., M., or Blk. and Survey or Area
**SEC. 25, T9S, R22E,
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office*
20.1 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. **1963'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
1800

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
7000'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5074.7 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

23. Estimated duration
45 DAYS

24. Attachments

Attachments

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

- 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 *Ed Trotter* Name (Printed/Typed) **Ed Trotter** Date **December 2, 2005**

Title
Agent

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **01-17-06**

Title **ENVIRONMENTAL SCIENTIST III** Office

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

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

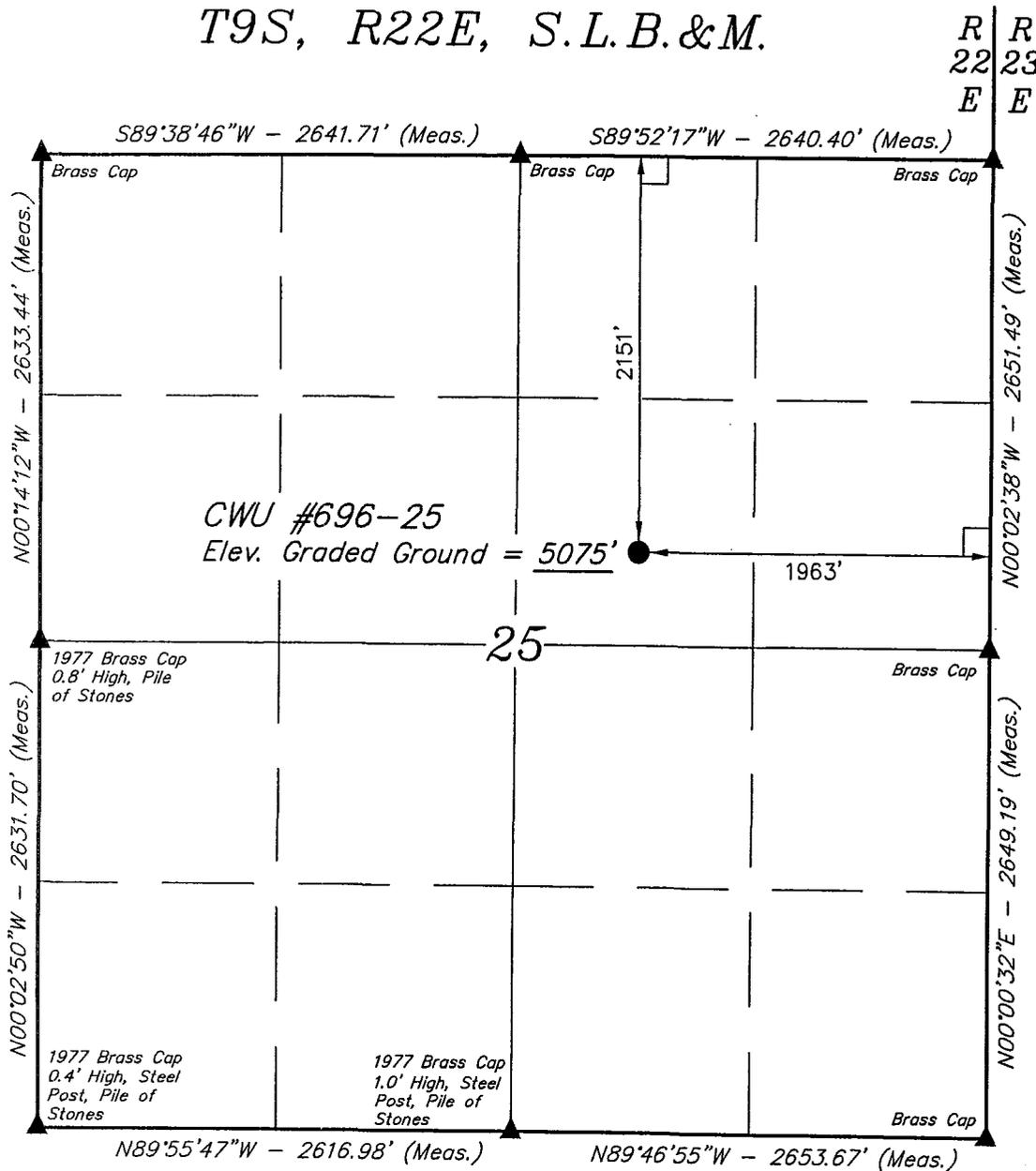
*(Instructions on page 2)

RECEIVED
DEC 14 2005

**Federal Approval of this
Action Is Necessary**

DIV. OF OIL, GAS & MINING

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



EOG RESOURCES, INC.

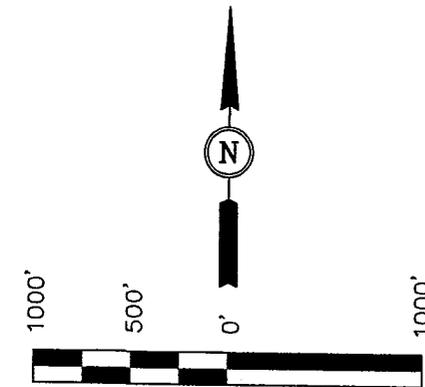
Well location, CWU #696-25, located as shown in the SW 1/4 NE 1/4 of Section 25, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



SCALE

CERTIFICATE

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

Robert H. Gray
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

LEGEND:

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

(NAD 83)
 LATITUDE = 40°00'30.15" (40.008375)
 LONGITUDE = 109°23'09.29" (109.385914)
 (NAD 27)
 LATITUDE = 40°00'30.27" (40.008408)
 LONGITUDE = 109°23'06.84" (109.385233)

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 10-28-05 | DATE DRAWN: 11-7-05 |
| PARTY G.S. T.B. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN
CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------|-------------------|
| Green River FM | 1,577' |
| Wasatch | 4,588' |
| Chapita Wells | 5,145' |
| Buck Canyon | 5,797' |
| North Horn | 6,533' |
| Island | 6,722' |

EST. TD: 7,000' or 200' ± below North Horn Top

Anticipated BHP: 3,450 Psig

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

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

4. CASING PROGRAM:

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

All casing will be new or inspected.

5. Float Equipment:

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

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500' ± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 1000' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (15± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN
CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. **MUD PROGRAM:**

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

Air/air mist or aerated water

Production Hole Procedure (500' ± - TD):

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

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

7. **VARIANCE REQUESTS:**

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

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

8. **EVALUATION PROGRAM:**

Logs: Mud log from base of surface casing to TD.

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
Cement Bond / Casing Collar Locator and Pulsed Neutron

9. **CEMENT PROGRAM:**

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

Lead: Class 'G' cement with 2% S1 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³/sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.16 ft³/sk., 4.95 gps via 1" tubing set at 25' if needed.

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

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

EIGHT POINT PLAN
CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (500' ± to TD)

Lead: 132 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 500 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 500'±):

Lost circulation

Production Hole (500'± - TD):

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

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

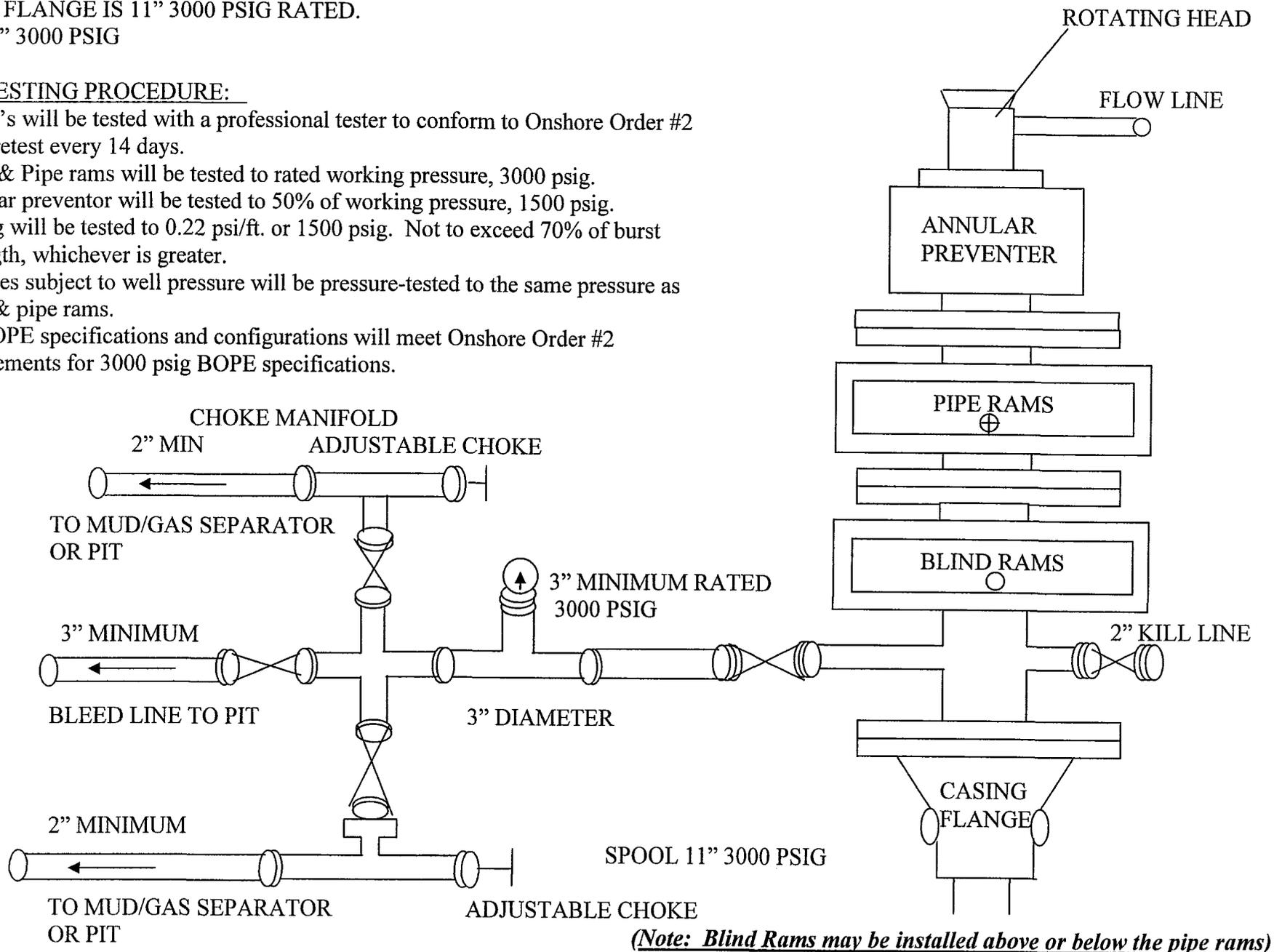
(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

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

TESTING PROCEDURE:

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



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

Company/Operator: EOG Resources, Inc.
Well Name & Number: Chapita Wells Unit 696-25
Lease Number: U-0285A
Location: 2151' FNL & 1963' FEL, SW/NE, Sec. 25,
T9S, R22E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 20.1 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. An existing access road will be utilized to service this well. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. **Culverts with high water crossings will be installed in the access road as needed.** No 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 - 9*
- B. Producing wells - 29*
- C. Shut in wells - 7*

(*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 200' from proposed location to a point in the SW/NE of Section 25, T9S, R22E, 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 Southeast 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 mill 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:
Hi-Crest Crested Wheatgrass – 9 pounds per acre
Kochia Prostrata – 3 pounds per acre.

The final abandonment seed mixture for this location is:

- Gardner Salt Bush – 4 pounds per acre
- Shad Scale – 3 pounds per acre
- Hi-Crest Crested Wheat Grass – 2 pounds per acre

The existing reserve pit is located on the Northwest corner of the location. The flare pit is located downwind of the prevailing wind direction on the North side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The existing stockpiled location topsoil is stored along the Southwest side. 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 West.

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. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. 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

Culverts with high water crossings will be installed in the access road as needed.

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 696-25 Well, located in the SW/NE of Section 25, T9S, R22E, Uintah County, Utah; Lease #U-0285A;** 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.

12-2-2005
Date


Agent

**Request for Exception to Buried Pipeline Requirement
For the Chapita Wells Unit 696-25
SW/NE, Sec. 25, T9S, R22E
Lease Number 0285A**

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately .23 acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.
CWU #696-25
SECTION 25, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY 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, THEN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 51.1 MILES.

EOG RESOURCES, INC.

CWU #696-25

LOCATED IN UINTAH COUNTY, UTAH
SECTION 25, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

LOCATION PHOTOS

11 01 05
MONTH DAY YEAR

PHOTO

TAKEN BY: T.B.

DRAWN BY: C.P.

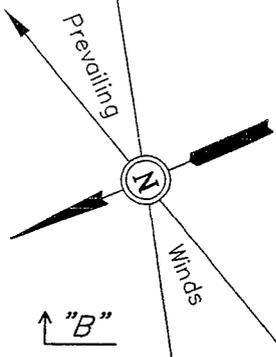
REVISED: 00-00-00

EOG RESOURCES, INC.

FIGURE #1

LOCATION LAYOUT FOR

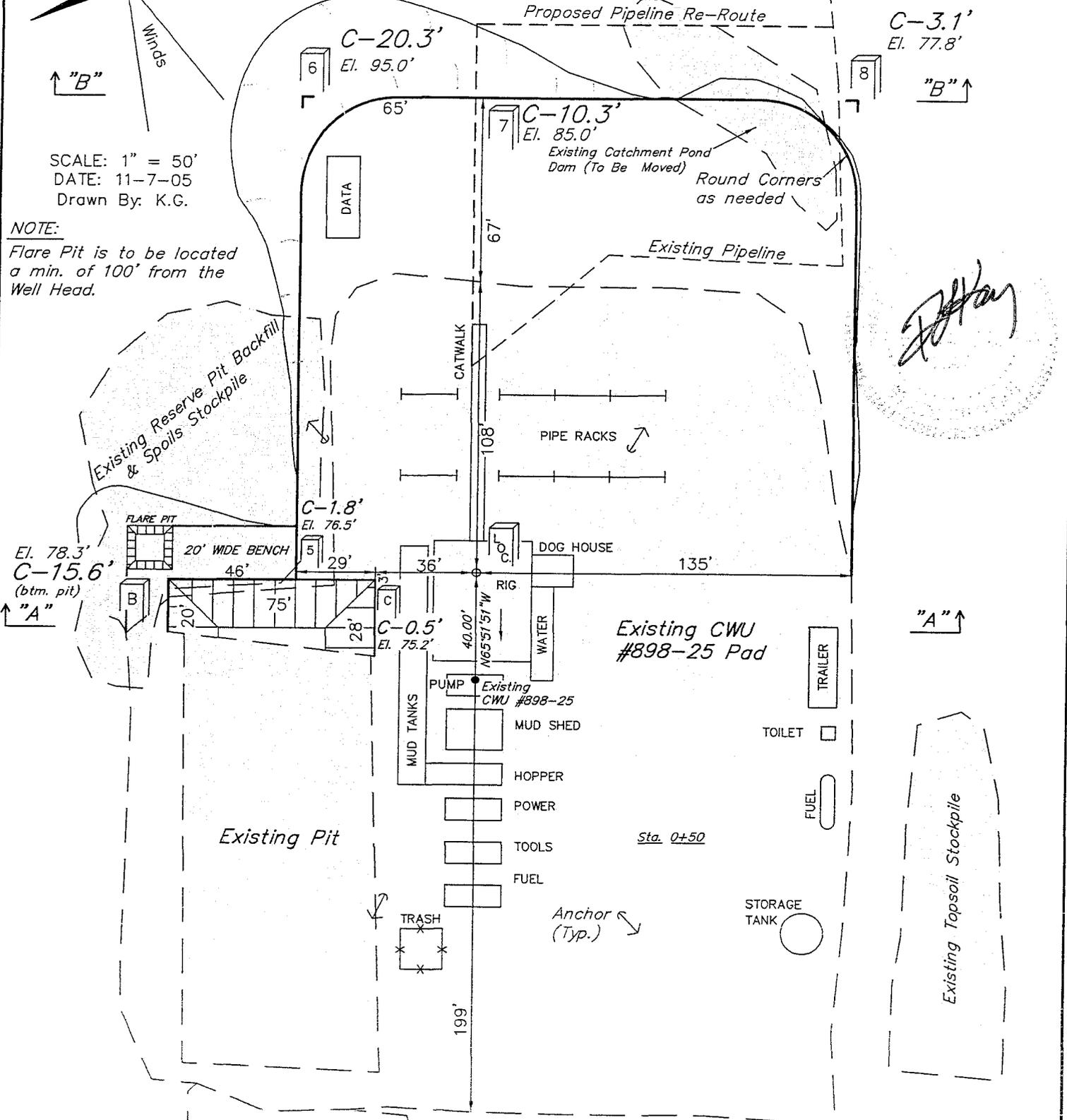
CWU #696-25
SECTION 25, T9S, R22E, S.L.B.&M.
2151' FNL 1963' FEL



Approx. Top of Cut Slope

SCALE: 1" = 50'
DATE: 11-7-05
Drawn By: K.G.

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



C-3.1'
El. 77.8'

C-20.3'
El. 95.0'

C-10.3'
El. 85.0'

C-1.8'
El. 76.5'

El. 78.3'
C-15.6'
(btm. pit)

C-0.5'
El. 75.2'

Existing CWU #898-25 Pad

Existing Pit

"A" ↑

NOTES:

FINISHED GRADE ELEV. = 5074.7'

Existing Reserve Pit Backfill & Spoils Stockpile

Pit Extension
Total Pit Capacity
W/2' Of Freeboard
= 2,310 Bbls. ±
Total Pit Volume
= 610 Cu. Yds.

RESERVE PITS
(12' Deep)

Existing Access Road

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

EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

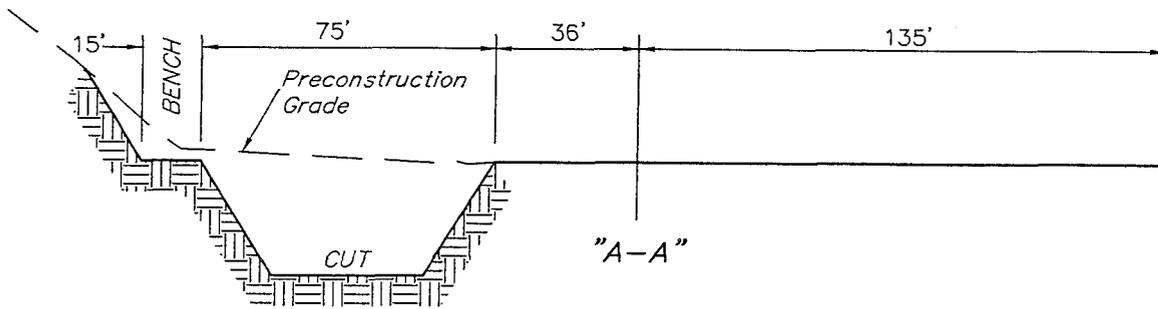
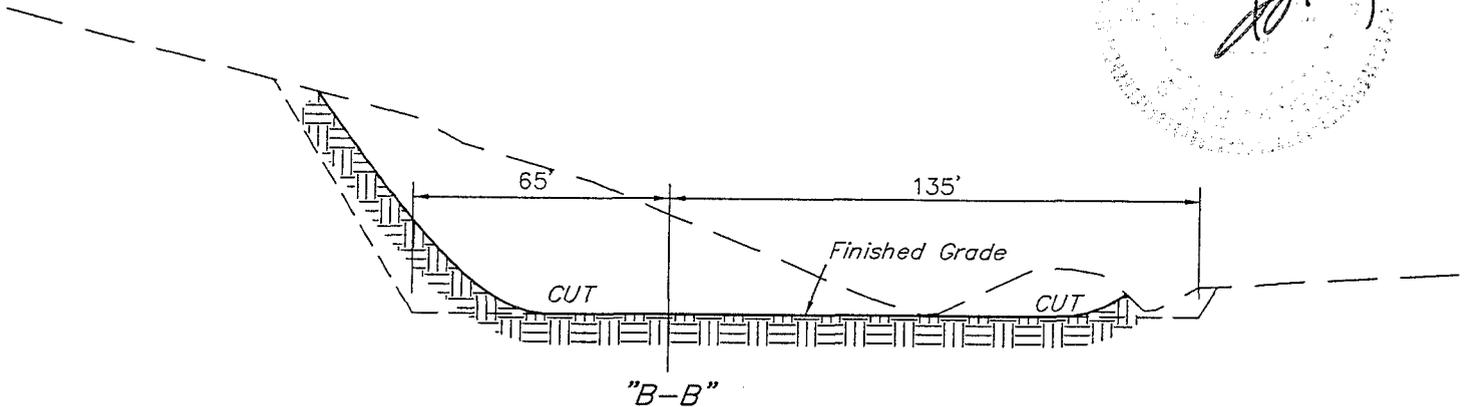
CWU #696-25

SECTION 25, T9S, R22E, S.L.B.&M.

2151' FNL 1963' FEL

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

DATE: 11-7-05
Drawn By: K.G.

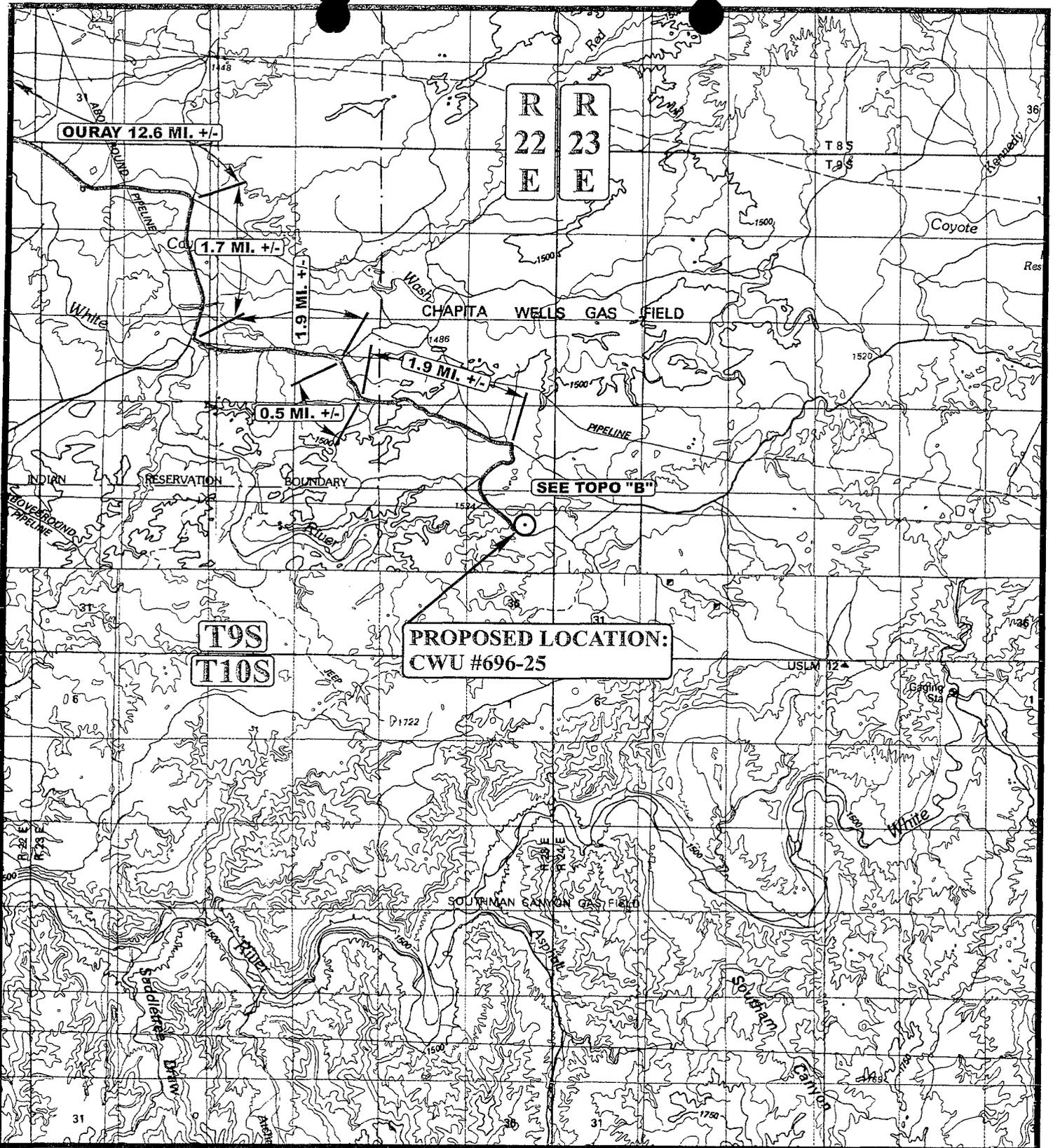


* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|-------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 530 Cu. Yds. |
| (New Construction Only) | |
| Remaining Location | = 3,390 Cu. Yds. |
| TOTAL CUT | = 3,920 CU.YDS. |
| FILL | = 60 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,860 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 840 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 3,020 Cu. Yds. |



**PROPOSED LOCATION:
CWU #696-25**

LEGEND:

○ PROPOSED LOCATION



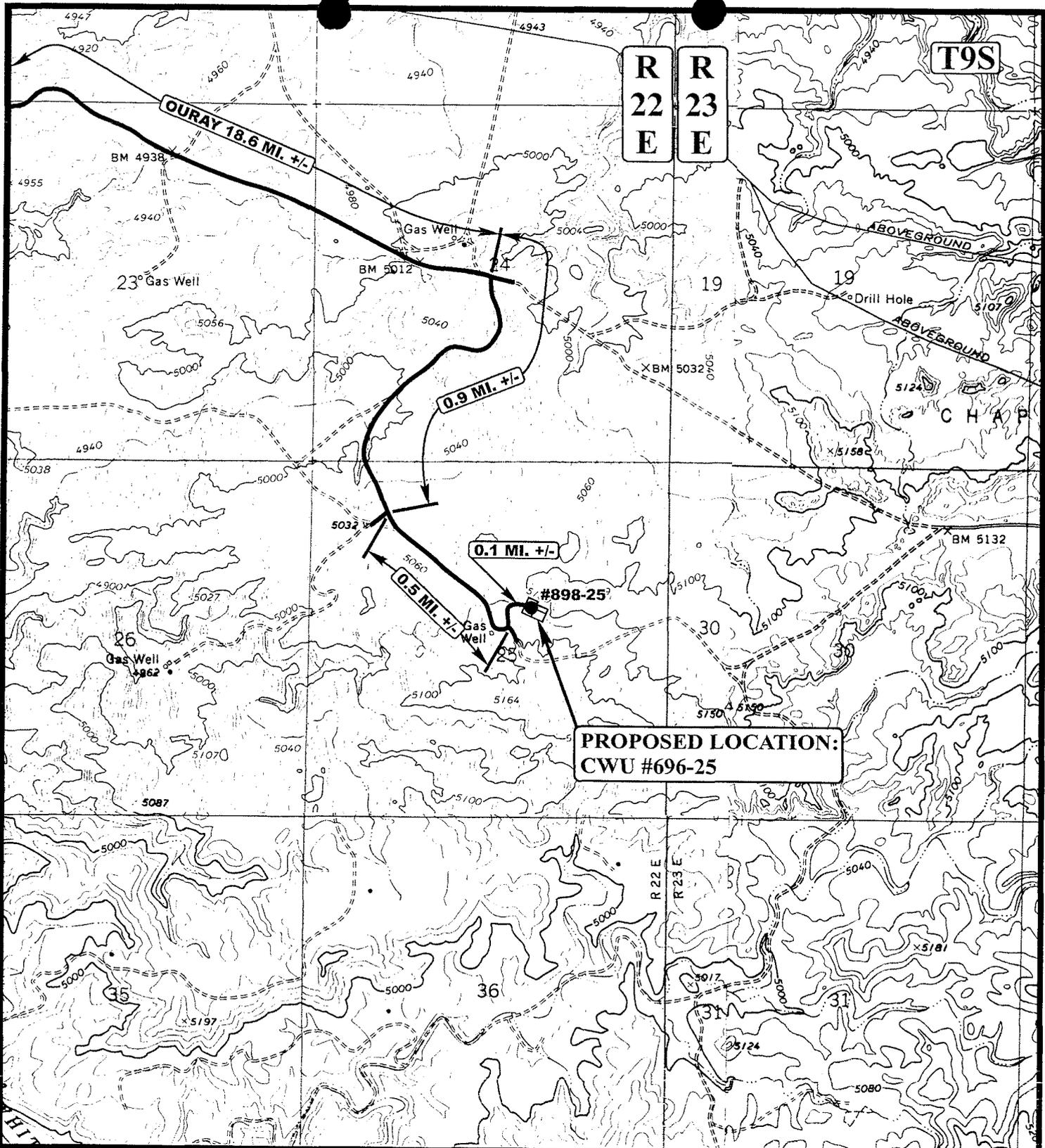
EOG RESOURCES, INC.

CWU #696-25
SECTION 25, T9S, R22E, S.L.B.&M.
2151' FNL 1963' FEL

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

TOPOGRAPHIC 11 01 05
MAP MONTH DAY YEAR
 SCALE: 1:100,000 | DRAWN BY: C.P. | REVISED: 00-00-00





LEGEND:

— EXISTING ROAD



EOG RESOURCES, INC.

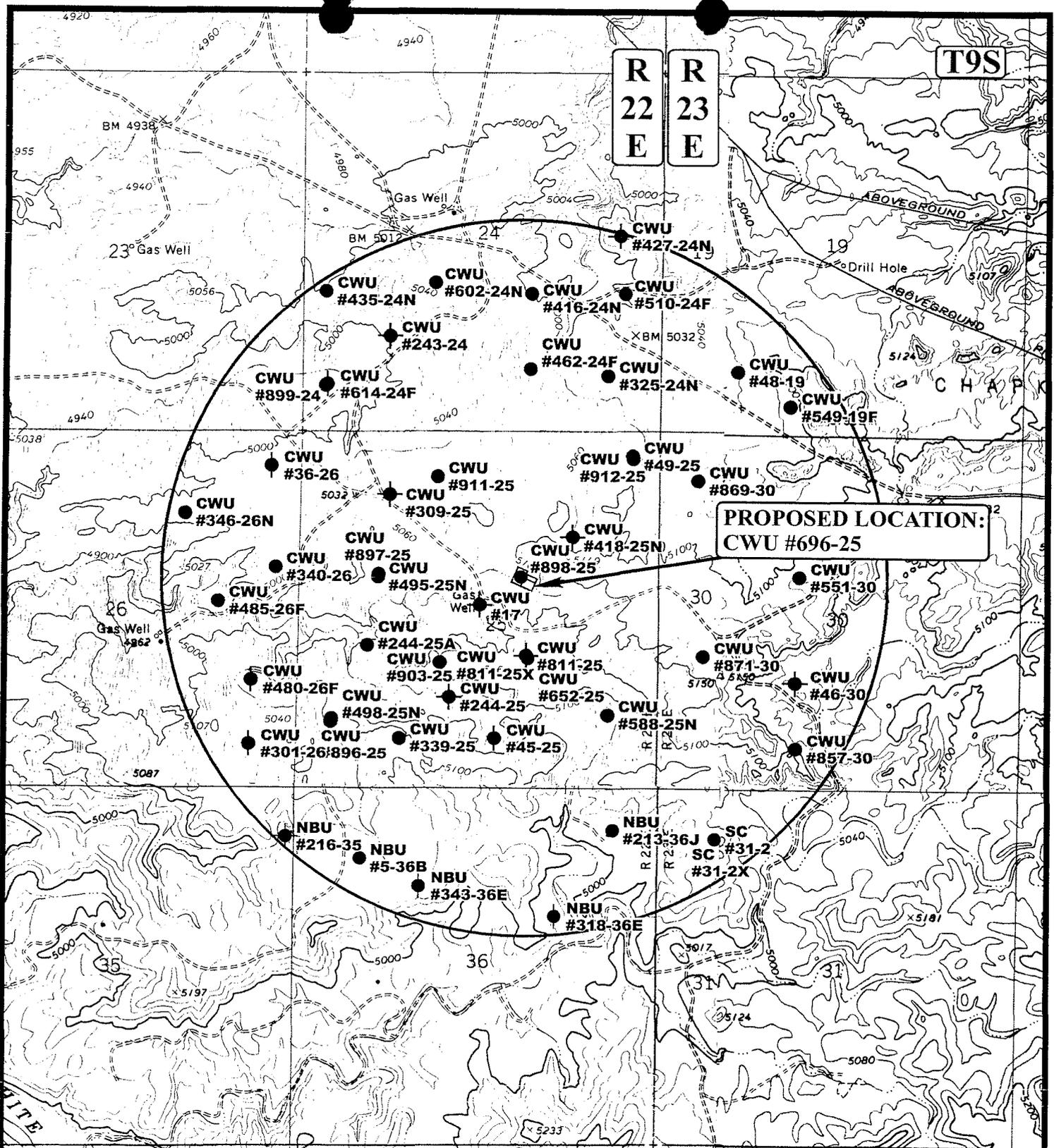
CWU #696-25
 SECTION 25, T9S, R22E, S.L.B.&M.
 2151' FNL 1963' FEL



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

TOPOGRAPHIC 11 01 05
 MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





**PROPOSED LOCATION:
CWU #696-25**

LEGEND:

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



EOG RESOURCES, INC.

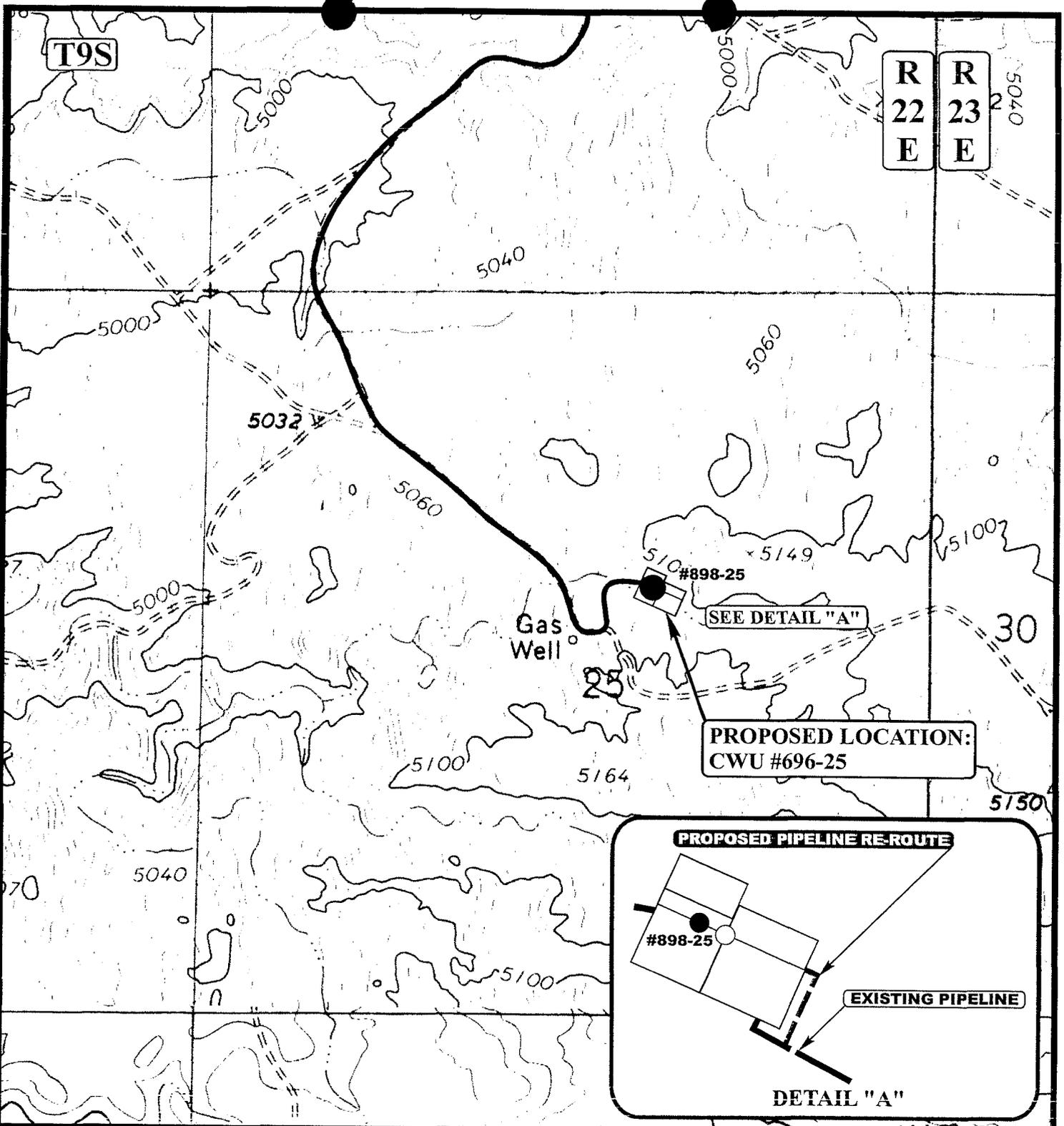
**CWU #696-25
SECTION 25, T9S, R22E, S.L.B.&M.
2151' FNL 1963' FEL**



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

TOPOGRAPHIC MAP
11 01 05
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. [REVISED: 00-00-00]





APPROXIMATE TOTAL PIPELINE RE-ROUTE DISTANCE = 200' +/-

LEGEND:

- PROPOSED PIPELINE RE-ROUTE
- EXISTING PIPELINE



EOG RESOURCES, INC.

CWU #696-25
 SECTION 25, T9S, R22E, S.L.B.&M.
 2151' FNL 1963' FEL



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

TOPOGRAPHIC MAP 11/01/05
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/14/2005

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-37504 |
|--------------------------------|

WELL NAME: CWU 696-25
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:
 SWNE 25 090S 220E
 SURFACE: 2151 FNL 1963 FEL
 BOTTOM: 2151 FNL 1963 FEL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-0285A
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: NHORN
 COALBED METHANE WELL? NO

LATITUDE: 40.00843
 LONGITUDE: -109.3853

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: 8-10-1999
Siting: Suspend General Siting
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval
2- OIL SHALE

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)

January 12, 2006

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 Green River) | | |
| 43-047-37493 | CWU 3005-6GR Sec 06 T09S R23E 2081 | FSL 0473 FWL |
| (Proposed PZ Wasatch) | | |
| 43-047-37504 | CWU 696-25 Sec 25 T09S R22E 2151 | FNL 1963 FEL |
| 43-047-37503 | CWU 702-25 Sec 25 T09S R22E 0624 | FNL 1954 FWL |
| 43-047-37499 | CWU 681-28 Sec 28 T09S R23E 0646 | FSL 0754 FWL |
| 43-047-37500 | CWU 703-29 Sec 29 T09S R23E 1777 | FSL 0540 FEL |
| 43-047-37494 | CWU 689-33 Sec 33 T09S R23E 1831 | FSL 2061 FWL |
| (Proposed PZ Price River) | | |
| 43-047-37495 | CWU 1118-22 Sec 22 T09S R23E 1859 | FSL 0463 FEL |
| 43-047-37496 | CWU 1117-22 Sec 22 T09S R23E 1952 | FSL 2134 FWL |
| 43-047-37501 | CWU 1082-30 Sec 30 T09S R23E 1050 | FNL 0380 FWL |
| 43-047-37497 | CWU 1147-18 Sec 18 T09S R23E 0680 | FNL 0680 FEL |
| 43-047-37498 | CWU 1142-18 Sec 18 T09S R23E 0737 | FNL 1928 FWL |
| 43-047-37505 | CWU 1076-25 Sec 25 T09S R22E 1687 | FSL 2224 FEL |
| 43-047-37502 | CWU 1088-22 Sec 22 T09S R22E 2400 | FNL 2392 FEL |
| 43-047-37506 | CWU 1042-28 Sec 28 T09S R22E 0313 | FNL 1172 FEL |
| 43-047-37607 | CWU 1040-10 Sec 10 T09S R22E 1150 | FSL 1070 FWL |
| 43-047-37606 | CWU 833-3 Sec 03 T09S R22E 0808 | FSL 2129 FEL |
| 43-047-37608 | CWU 1086-22 Sec 22 T09S R22E 0323 | FNL 0174 FEL |
| 43-047-37609 | CWU 1089-22 Sec 22 T09S R22E 2256 | FNL 0939 FEL |
| 43-047-37610 | CWU 1084-30 Sec 30 T09S R23E 1580 | FNL 0980 FWL |

Page 2

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:1-12-06



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

January 17, 2006

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

Re: Chapita Wells Unit 696-25 Well, 2151' FNL, 1963' FEL, SW NE, Sec. 25,
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37504.

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 696-25

API Number: 43-047-37504

Lease: U-0285A

Location: SW NE Sec. 25 T. 9 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 13 2005

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

5. Lease Serial No.
U-0285A
6. If Indian, Allottee or Tribe Name

2. Name of Operator
EOG RESOURCES, INC.

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

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

8. Lease Name and Well No.
CHAPITA WELLS UNIT 696-25

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface **2151' FNL, 1963' FEL** **SW/NE**
At proposed prod. Zone

9. API Well No.
43-047-3750A
10. Field and Pool, or Exploratory
NATURAL BUTTES
11. Sec., T., R., M., or Blk. and Survey or Area
**SEC. 25, T9S, R22E,
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office*
20.1 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. **1963'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
1800

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
7000'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5074.7 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

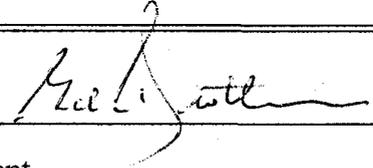
23. Esti mated duration
45 DAYS

24. Attachments

Attachments

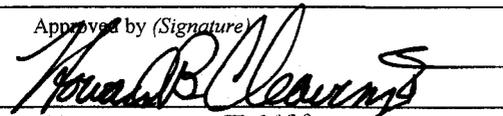
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **December 2, 2005**

Title **Agent**

Accepted by the
Utah Division of
Oil, Gas and Mining

Approved by (Signature)  Name (Printed/Typed) **FOR RECORD ONLY** Date **05/04/2006**

Title **Assistant Field Manager
Mineral Resources** 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
MAY 11 2006

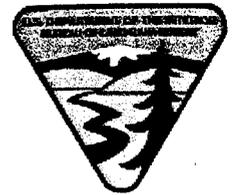
*(Instructions on page 2)

110067M
NOTICE OF APPROVAL **CONDITIONS OF APPROVAL ATTACHED**



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

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



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

| | |
|---|---|
| Company: EOG Resources, Inc. | Location: SWNE, Sec 25, T9S, R22E |
| Well No: Chapita Wells Unit 696-25 | Lease No: UTU-0285A |
| API No: 43-047-37504 | Agreement: Chapita Wells Unit UTU-63013B |

| | | | |
|---|----------------|----------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Petroleum Engineer: | Roger Hall | Office: 435-781-4470 | |
| 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 | |
| Natural Resource Specialist: | Nathaniel West | Office: 435-781-4447 | |
| Natural Resource Specialist: | Chris Carusona | Office: 435-781-4441 | |
| Natural Resource Specialist: | Scott Ackerman | Office: 435-781-4437 | |
| After Hours Contact Number: 435-781-4513 | | Fax: 435-781-4410 | |

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **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 (Notify Paul Buhler) - Forty-Eight (48) hours prior to construction of location and access roads.
- Location Completion (Notify Paul Buhler) - Prior to moving on the drilling rig.
- Spud Notice (Notify Petroleum Engineer) - Twenty-Four (24) hours prior to spudding the well.
- Casing String & Cementing (Notify Jamie Sparger) - Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- BOP & Related Equipment Tests (Notify Jamie Sparger) - Twenty-Four (24) hours prior to initiating pressure tests.
- First Production Notice (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)***

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

2. If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

All BOPE components shall 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 & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall 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 & Gas Order No. 2.

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

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

5. All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
6. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall 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 shall be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports shall 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 shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall 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, shall require the filing of a suitable plan pursuant to Onshore Oil & 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 shall 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.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall 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, shall 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) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Please submit an electronic copy of all other 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.

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

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

10. Oil and gas meters shall 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 shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & 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 & 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 & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location ($\frac{1}{4}$ $\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production

15. Pursuant to Onshore Oil & 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.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2151' FNL & 1963' FEL (SW/NE)
 Sec. 25-T9S-R22E 40.008375 LAT 109.385914 LON**

5. Lease Serial No.
U-0285A

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 696-25

9. API Well No.
43-047-37504

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

11. County or Parish, State
Uintah County, Utah

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input checked="" 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 that the drilling plan be changed per the attached procedure.

COPY SENT TO OPERATOR
 Date: 10-16-06
 Initials: RM

Accepted by the
 Utah Division of
 Oil, Gas and Mining

Date: 10/13/06
 By: [Signature]

Federal Approval Of This
 Action Is Necessary

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

Mary A. Maestas

Title **Regulatory Assistant**

Signature

[Signature: Mary A. Maestas]

Date

10/11/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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

Title

Date

Office

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

(Instructions on page 2)

(REVISED) EIGHT POINT PLAN

CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------|-------------------|
| Green River FM | 1,577' |
| Wasatch | 4,588' |
| Chapita Wells | 5,145' |
| Buck Canyon | 5,797' |
| North Horn | 6,533' |
| Island | 6,722' |

EST. TD: 7,000' or 200' ± below North Horn Top

Anticipated BHP: 3,450 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

| | <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|--------------------|------------------|-----------------|-------------|---------------|--------------|---------------|----------------------|--------------|----------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| Conductor: | 17 ½" | 0' – 45' | 13 ¾" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12-1/4" | 45' – 2,300'KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production: | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone. All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

(REVISED) EIGHT POINT PLAN

CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore conditions encountered while drilling.

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

7. VARIANCE REQUESTS:

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

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

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.

Open Hole Logs: Open Hole Logs will be run consisting of the following:
Schlumberger Platform Express: Open Hole Gamma Ray, Resistivity, and Neutron Porosity

(REVISED) EIGHT POINT PLAN

CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

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

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

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

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

Production Hole Procedure (2300'± - TD)

Lead: 125 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 520 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9 gps water.

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

(REVISED) EIGHT POINT PLAN

CHAPITA WELLS UNIT 696-25
SW/NE, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

(Attachment: BOP Schematic Diagram)

From: <Mary_Maestas@eogresources.com>
To: "Diana Whitney" <DIANAWHITNEY@utah.gov>
Date: 10/12/2006 4:41:33 PM
Subject: Re: Sundries

My apologies about these sundries, Diana. Kaylene and I were in a rush to get these submitted and we forgot to detail the information in the sundry.

On all referenced wells, EOG is changing the depth of the 12-1/4" casing string from 500' to 2300'.

Sorry for the confusion. Unfortunately, I just sent some yesterday that are going to have the same problems. Let me know when you get those and I can check on what's changed for you on them as well.

Thanks,
Mary Maestas

"Diana Whitney"
<DIANAWHITNEY@utah.gov>
10/12/2006 04:07 PM
To
<mary_maestas@eogresources.com>
cc
<Kaylene_Gardner@eogresources.com>
Subject
Sundries

Hi Mary,

On these sundries that you sent in, I'm not sure what exactly EOG wants to change. Will you let me know.

They are for the CWU 681-28, 685-29, 682-30, 684-1 3000-12GR and 695-32.

Thank you,
Diana

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

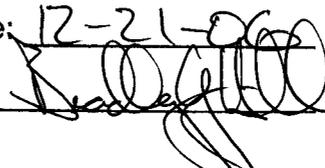
FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-0285-A |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | 8. WELL NAME and NUMBER: Chapita Wells Unit 696-25 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 43-047-37504 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2151 FNL 1963 FEL 40.008375 LAT 109.385914 LON | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 25 9S 22E S.L.B. & M | | COUNTY: UINTAH STATE: UTAH |

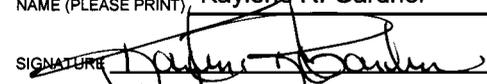
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input checked="" type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: APD Extension Request |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

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

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-21-06
By: 

DATE SENT TO US: _____
DATE: 12-22-06
NAME: RM

| | |
|--|---------------------------------------|
| NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u> | TITLE <u>Sr. Regulatory Assistant</u> |
| SIGNATURE  | DATE <u>12/20/2006</u> |

(This space for State use only)

RECEIVED
DEC 21 2006

DIV. OF OIL, GAS & MINING

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

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

API: 43-047-37504
Well Name: Chapita Wells Unit 696-25
Location: 2151 FNL 1963 FEL (SWNE), Section 25, T9S, R22E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 1/17/2006

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

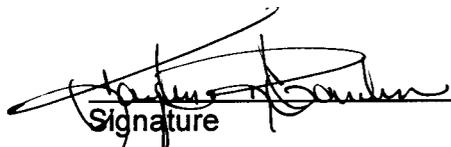
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

12/20/2006

Date

Title: SR. REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

RECEIVED

DEC 21 2006

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 696-25

Api No: 43-047-37504 Lease Type: FEDERAL

Section 25 Township 09S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

SPUDDED:

Date 02/08/07

Time 3:30 PM

How DRY

Drilling will Commence: _____

Reported by KYLAN COOK

Telephone # (435) 790-8236

Date 02/09/2007 Signed CHD

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 |
|-------------------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-37503 | CHAPITA WELLS UNIT 702-25 | | NENW | 25 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| A | 99999 | 4905 | 2/8/2007 | | | 2/16/07 | |
| Comments: <u>NHORN = WSTC</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|------------------------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-37860 | SOUTH CHAPITA 24-35 | | SESE | 35 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| A | 99999 | 15930 | 2/5/2007 | | | 2/16/07 | |
| Comments: <u>PRRV = MVRD</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-37504 | CHAPITA WELLS UNIT 696-25 | | SWNE | 25 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| A | 99999 | 4905 | 2/8/2007 | | | 2/16/07 | |
| Comments: <u>NHORN = WSTC</u> | | | | | | | |

ACTION CODES:

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

Carrie MacDonald

Name (Please Print)

Signature

Operations Clerk

Title

2/12/2007

Date

RECEIVED

FEB 13 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.

| | | |
|---|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. U-0285A |
| 2. Name of Operator EOG Resources, Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202 | 3b. Phone No. (include area code) 303-262-2812 | 7. If Unit or CA/Agreement, Name and/or No. Chapita Wells Unit |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2,151' FNL & 1,963' FEL (SWNE) Sec. 25-T9S-R22E 40.008375 LAT 109.385914 LON | | 8. Well Name and No. Chapita Wells Unit 696-25 |
| | | 9. API Well No. 43-047-37504 |
| | | 10. Field and Pool, or Exploratory Area Natural Buttes/Wasatch |
| | | 11. County or Parish, State Uintah County, Utah |

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

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

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

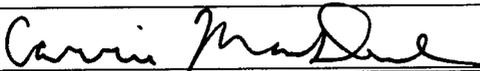
The referenced well spud on 2/8/2007.

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

Carrie MacDonald

Title **Operations Clerk**

Signature



Date

02/12/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

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SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

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

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

3b. Phone No. (include area code)
303-262-2812

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2,151' FNL & 1,963' FEL (SWNE)
 Sec. 25-T9S-R22E 40.008375 LAT 109.385914 LON**

5. Lease Serial No.
U-0285A

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 696-25

9. API Well No.
43-047-37504

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

11. County or Parish, State
Uintah County, Utah

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

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

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

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

- 1. Natural Buttes Unit 21-20B SWD
- 2. 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)

Carrie MacDonald

Title **Operations Clerk**

Signature



Date

02/12/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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

Title

Date

Office

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

(Instructions on page 2)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

**2.151' FNL & 1.963' FEL (SWNE)
 Sec. 25-T9S-R22E 40.008375 LAT 109.385914 LON**

5. Lease Serial No.

U-0285A

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 696-25

9. API Well No.

43-047-37504

10. Field and Pool, or Exploratory Area

Natural Buttes/Wasatch

11. County or Parish, State

Uintah County, Utah

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

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

The referenced well was turned to sales on 5/8/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

RECEIVED

MAY 14 2007

DIV. OF OIL, GAS & MINING

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

Mary A. Maestas

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date

05/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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

Title

Date

Office

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

(Instructions on page 2)

**WELL CHRONOLOGY
REPORT**
Report Generated On: 05-10-2007

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|------------|
| Well Name | CWU 696-25 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS UNIT | API # | 43-047-37504 | Well Class | ISA |
| County, State | UINTAH, UT | Spud Date | 03-23-2007 | Class Date | 05-08-2007 |
| Tax Credit | N | TVD / MD | 7,000/ 7,000 | Property # | 057589 |
| Water Depth | 0 | Last CSG | 2.375 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 5,088/ 5,075 | | | | |
| Location | Section 25, T9S, R22E, SWNE, 2151 FNL & 1963 FEL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|-------------------------------|--------------|--------|
| Event No | 1.0 | Description | CHAPITA WELLS UNIT 696-25 D&C | | |
| Operator | EOG RESOURCES, INC | WI % | 55.033 | NRI % | 46.667 |

| | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|------------------|
| AFE No | 303607 | AFE Total | 1,124,200 | DHC / CWC | 613,600/ 510,600 |
| Rig Contr | TRUE | Rig Name | TRUE #27 | Start Date | 01-11-2006 |
| 01-11-2006 | Reported By | | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOCATION DATA

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

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | LOCATION DATA 2151' FNL & 1963' FEL (SW/NE) SECTION 25, T9S, R22E UINTAH COUNTY, UTAH |
|-------|-------|------|--|

LAT 40.008408, LONG 109.385233

RIG: TRUE #27

OBJECTIVE: 7000' TD, WASATCH

DW/GAS

CHAPITA WELLS PROSPECT

DD&A: NATURAL BUTTES

NATURAL BUTTES FIELD

LEASE: U-0285A

ELEVATION: 5075' NAT GL, 5075' PREP GL, 5088' KB (13')

EOG WI 55.0327%, NRI 46.666533%

| | | | | | |
|------------------------------|--------------------|-------------------|-----|--------------------|----------|
| 01-29-2007 | Reported By | TERRY CSERE | | | |
| Daily Costs: Drilling | \$38,000 | Completion | \$0 | Daily Total | \$38,000 |

Cum Costs: Drilling \$38,000 **Completion** \$0 **Well Total** \$38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILD LOCATION

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

01-30-2007 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 40% COMPLETE.

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 ROCKED OUT.

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 ROCKED OUT.

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 ROCKED OUT.

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 ROCKED OUT.

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 ON PIT.

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 SHOOTING PIT TODAY.

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 PUSHING ON PIT.

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 LINE PIT TODAY.

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: WO BUCKET RIG

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

02-23-2007 Reported By JERRY BARNES

Daily Costs: Drilling \$195,115 **Completion** \$0 **Daily Total** \$195,115
Cum Costs: Drilling \$233,115 **Completion** \$0 **Well Total** \$233,115
MD 2,258 **TVD** 2,258 **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 | ROCKY MOUNTAIN DRILLING SPUD AN 20" HOLE ON 2/8/2007 @ 3:30 PM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. KYLAN COOK NOTIFIED MICHAEL LEE W/BLM AND CAROL DANIELS W/UDOGM OF THE SPUD 2/8/2007 @ 2:30 PM. |

MIRU CRAIG'S AIR RIG #3 ON 2/10/2007. DRILLED 12 1/4" HOLE TO 2290' GL. WATER ENCOUNTERED AT 1830'. RAN 54 JTS (2245.60') OF 9 5/8", 36.0 #/FT. J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2558' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO CRAIG'S AIR RIG #3.

RU BIG 4 CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 145 BBLS FRESH WATER & 40 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 PPG W/YIELD OF 3.82 CFS.

TAILED IN W/200 SACKS (41 BBLS) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED TAIL CEMENT TO 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/165 BBLS FRESH WATER. BUMPED PLUG W/1000# @ 5:32 PM, 2/13/2007. CHECKED FLOAT, FLOAT HELD. SHUT IN CASING VALVE. BROKE CIRCULATION 40 BBLS INTO GELLED WATER. CIRCULATED 24 BBLS OF LEAD CEMENT TO PIT. CEMENT FELL BACK AT SURFACE WHEN PLUG BUMPED.

TOP JOB#1: PUMPED DOWN 200' OF 1" PIPE. MIXED & PUMPED 125 SX (25.6 BBLS) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED AND CIRCULATED APPROXIMATELY 11 BBL LEAD CEMENT TO PIT. HOLE FELL BACK WHEN PUMPING STOPPED. WOC 1 HR, 30 MINS.

TOP JOB #2: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HAD RETURNS. HOLE FILLED AND STOOD FULL. RD BIG 4 CEMENTERS.

NO SURVEY AT THIS TIME.

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

JOHN E HELCO NOTIFIED JAMIE SPARGER OF V/BLM OF THE SURFACE CASING & CEMENT JOB ON 2/12/2007 @ 8:30 PM.

03-23-2007 Reported By TOM HARKINS

DailyCosts: Drilling \$29,919 **Completion** \$0 **Daily Total** \$29,919
Cum Costs: Drilling \$263,034 **Completion** \$0 **Well Total** \$263,034
MD 2,258 **TVD** 2,258 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: RIG UP L/D MACHINE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 15:30 | 9.5 | RIG DOWN MOVE OFF OF CWU 702-25 MOVE IN RIG UP ON CWU 696-25 RIG UP ROTARY TOOLS WITH TRUCKS , C/O BRIDEL LINES , RELEASED TRUCKS AT 15:30 RAISED DERRICK AT 15:30 |
| 15:30 | 22:00 | 6.5 | R/U ROTARY TOOLS |
| 22:00 | 00:00 | 2.0 | N/U BOPS , LAY OUT BHA AND MEASURE AND DRILL PIPE .PREP FOR TEST (RIG ACCEPTED @ 22:00 3/22/07). |
| 00:00 | 04:30 | 4.5 | TEST BOPS , CHOKE, KELLY,IBOP,TIW,AND ALL HP VALES 250 LOW / 5MIN 5000PSI / 10MIN , TEST ANN ULAR 250 PSI/5MIN 2500 PSI/10MIN TEST 9 5/8 1500 PSI 30 MIN .PREFORM ACCUMULATOR FUNCTION TEST GOOD |
| 04:30 | 05:00 | 0.5 | INSTALL WEAR BUSHING |
| 05:00 | 06:00 | 1.0 | SAFTY MEETING WITH L/D CREW R/U SAME |
| | | | NO ACCIDENTS REPORTED , CREWS FULL , SAFTY MEETING TOPICS : WATCHING EACH OTHER WORKING WITH 3RD PARTYS , C/O BRIDEL LINES |
| | | | FUEL ON HAND 5685 , |

03-24-2007 **Reported By** TOM HARKINS

DailyCosts: Drilling \$31,127 **Completion** \$0 **Daily Total** \$31,127
Cum Costs: Drilling \$294,161 **Completion** \$0 **Well Total** \$294,161
MD 4,062 **TVD** 4,062 **Progress** 1,804 **Days** 1 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|--|-----|---|
| 06:00 | 09:30 | 3.5 | P/U BHA AND DRILL PIPE (R/D P/U CREW) |
| 09:30 | 11:00 | 1.5 | TOOH TO PICK UP JARS (JARS BROUGHT TO RIG WRONG CONN) |
| 11:00 | 14:00 | 3.0 | DRILL CEMENT/FLOAT EQUIP. TAG @ 2150 DRILL FLOAT AT 2225 AND SHOE 2268 |
| 14:00 | 14:30 | 0.5 | CIRC AND SPOT PILL FIT @ 2361 PRESSURE TO 271PSI EQUIVALENT MUD WT 10.5 PPG |
| 14:30 | 15:30 | 1.0 | DRILL 2376 TO 2498 =122 @ 122 FPH WTOB 10-14 RPM 65 MMRPM 70 |
| 15:30 | 16:00 | 0.5 | SURVEY @ 2498 1.75deg |
| 16:00 | 01:00 | 9.0 | DRILL 2498 TO 3594 =1096 @ 121.8 FPH (GREEN RIVER) WTOB 15-18 RPM 65 MMRPM 70 GPM 454 MD WT 8.9 VIS 32 |
| 01:00 | 01:30 | 0.5 | SURVEY @ 3516 2 deg |
| 01:30 | 06:00 | 4.5 | DRILL 3594 TO 4062 = 468 @ 104 FPH (GREEN RIVER) WTOB 16-18 RPM 65 MMRPM 70 GPM 454 |
| | | | NO ACCIDENTS REPORTED , CREWS DAYLIGHT FULL , MOURN I SHORT , COM CHECK X 2 |
| | | | FUEL ON HAND 4787 USED 823 , SAFTY MEETING TOPIC , P/U BHA , SURVEYS , MWT 9.1 VIS 32 |
| | | | LITHOLOGY (GREEN RIVER) BG GAS 900-3000 u HIGH GAS 6126 @ 2700. |
| 06:00 | 18.0 SPUD 7 7/8" HOLE AT 14:30 HRS, 3/23/07. | | |

03-25-2007 **Reported By** TOM HARKINS

DailyCosts: Drilling \$71,351 **Completion** \$0 **Daily Total** \$71,351
Cum Costs: Drilling \$365,512 **Completion** \$0 **Well Total** \$365,512
MD 5,058 **TVD** 5,058 **Progress** 1,022 **Days** 2 **MW** 9.1 **Visc** 34.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 09:30 | 3.5 | DRILL 4062 TO 4404 = 342 @ 97.7 FPH(GREEN RIVER) WTOB 16-18 RPM 60-65 MMRPM 70 |
| 09:30 | 10:00 | 0.5 | SERVICE RIG CHECK COM |
| 10:00 | 20:00 | 10.0 | DRILL 4404 TO 5059 = 655 @ 65.5 FPH (GREEN RIVER @ 4590 WASATCH) WTOB 16 19 RPM 60 MMRPM70 MDWT 9.3+ VIS 35 |
| 20:00 | 00:00 | 4.0 | TOOH FOR BIT PUMP PILL AND DROP SURVEY |
| 00:00 | 01:00 | 1.0 | C/O MUD MTR & BIT |
| 01:00 | 02:00 | 1.0 | TIH WITH NE W BHA TO SHOE |
| 02:00 | 03:00 | 1.0 | RIG REPAIR SET AND ALINE # 2 FLOOR MTR HOOK UP ALL LINES AND TEST |
| 03:00 | 05:00 | 2.0 | TIH WITH NEW BHA |
| 05:00 | 05:30 | 0.5 | WASH/REAM FROM 5010 TO 5084 NO FILL |
| 05:30 | 06:00 | 0.5 | DRILL 5059 TO 5084 WTOB 15-18 RPM 60 MMRPM 70 GPM 454 NO ACCIDENTS REPORTED , CREWS FULL , MD WT 94+ VIS 34 , COM CHECK X 2 , FUEL ON HAND 3889 USED 898 SAFTY MEETING TOPIC ,HOUSE KEEPING , WORKING WITH CRANES LITHOLOGY , WASATH , BG GAS 360-988u HIGH GAS 4088 @ 3651 |

03-26-2007 Reported By TOM HARKINS

| | | | | | | | | | | | |
|----------------------|-----------|------------|-------|-------------|-----------|------|---|----|-----|------|------|
| DailyCosts: Drilling | \$43,391 | Completion | \$0 | Daily Total | \$43,391 | | | | | | |
| Cum Costs: Drilling | \$408,904 | Completion | \$0 | Well Total | \$408,904 | | | | | | |
| MD | 5,910 | TVD | 5,910 | Progress | 826 | Days | 3 | MW | 9.6 | Visc | 35.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 14:30 | 8.5 | DRILL 5084 TO 5367 = 283 @ 33.3 FPH (WASATH , CHAPITA WELLS @ 5139) WTOB 15-20 RPM 55-70 MMRPM 70 GPM 454 MD WT 96+ VIS 34 |
| 14:30 | 15:00 | 0.5 | SERVICE RIG CHECK COM |
| 15:00 | 06:00 | 15.0 | DRILL 5367 TO 5910 = 543 @ 36.2 FPH (CHAPITA WELLS , BUCK CANYON @ 5793) WTOB 16-20 RPM 55-70 MMRPM 70 GPM 454 MD WT 10.0 VIS 35 NO ACCIDENTS REPORTED ,CREWS FULL , SAFTY MEETING TOPICS , CATHEAD SAFTY , 100 % FALL PROTECTION , P/U 126K , ROT 119K , SO 117K FUEL ON HAND 2842 USED 1047 LITHOLOGY , BUCK CAYON , BG GAS 10-365 u HIGH GAS 6699u @ 5780 |

03-27-2007 Reported By TOM HARKINS

| | | | | | | | | | | | |
|----------------------|-----------|------------|-------|-------------|-----------|------|---|----|------|------|------|
| DailyCosts: Drilling | \$46,074 | Completion | \$0 | Daily Total | \$46,074 | | | | | | |
| Cum Costs: Drilling | \$454,978 | Completion | \$0 | Well Total | \$454,978 | | | | | | |
| MD | 6,896 | TVD | 6,896 | Progress | 986 | Days | 4 | MW | 10.2 | Visc | 34.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 13:00 | 7.0 | DRILL 5910 TO 6208 = 298 @ 45 FPH (BUCK CAYON) WTOB 17-20 RPM 60-65 MMRPM 70 GPM 454 |
| 13:00 | 13:30 | 0.5 | SERVICE RIG CHECK COM |
| 13:30 | 06:00 | 16.5 | DRILL 6208 TO 6896 = 688 @ 41.7 FPH (BUCK HORN , KMV PRICE RIVER 6816) WTOB 17-20 RPM 60-65 MMRPM 70 GPM 454 MD WT 10.2 VIS 35 |

NO ACCIDENTS REPORTED , CREWS FULL , SAFTY MEETING TOPIC , PPE FALL PROTECTION , HOUSE KEEPING

FUEL ON HAND 1645 USED 1197

LITHOLOGY , KMV PRICE RIVER , BG GAS 80-350u HIGH GAS 5031 @ 6625

03-28-2007 Reported By TOM HARKINS

Daily Costs: Drilling \$38,388 Completion \$23,364 Daily Total \$61,752
Cum Costs: Drilling \$493,367 Completion \$23,364 Well Total \$516,731

MD 7.000 TVD 7.000 Progress 104 Days 5 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: CEMENTING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:00 | 2.0 | DRILL 6896 TO 6990 = 104 @ 52 FPH (KMV PRICE RIVER) WTOB 17-20 RPM 60-65 MMRPM 70 GPM 454 |
| 08:00 | 08:30 | 0.5 | SERVICE RIG CHECK COM |
| 08:30 | 09:00 | 0.5 | DRILL 6990 TO 7000 TD= 10 @ 20 FPH (KMV PRICE RIVER) WTOB 17-20 RPM 65 MMRPM 70 GPM 454 MD WT 10.3 VIS 35. REACHED TD @ 09:00 HRS, 3/27/06. |
| 09:00 | 10:00 | 1.0 | CIRCULATE FOR SHORT TRIP RAISE MD WT 10.4+ VIS 36 |
| 10:00 | 11:00 | 1.0 | WIPER TRIP/SHORT TRIP TO 5050 TRIP WENT WELL NO TIGHT GOOD WELL BORE |
| 11:00 | 11:30 | 0.5 | WASH 6990 TO 7000 NO FILL |
| 11:30 | 13:30 | 2.0 | CIRC AND COND R/U L/D MACHINE HAVE SAFTY MEETING AND PUMP PILL |
| 13:30 | 18:30 | 5.0 | LD DRILL PIPE BREAK KELLY ,L/D BHA |
| 18:30 | 20:00 | 1.5 | SAFTEY MEETING WITH CASERS AND RIG CREW R/U CASERS |
| 20:00 | 03:00 | 7.0 | RUN 167 TOTAL JTS OF 4.5" x N-80 CASING WITH 2 MARKER JTS @ 4118 AND 6510 W/ FOLLOWING: 1 FLOAT SHOE - 1 JOINT CSG. - 1 FLOAT COLLAR - 10 JT'S CSG - MJ - 56 JT'S CSG - MJ - 97 JT'S CSG - 1 LANDING MANDREL (DTO) |
| 03:00 | 04:30 | 1.5 | CIRC AND COND (R/D CSAERS SAFTY MEETING WITH SCHLUMBERGER) |
| 04:30 | 06:00 | 1.5 | CEMENTING 4.5 CSG DETAIL TO FOLLOW NO ACCIDENTS REPORTED , CREWS FULL ,SAFTY MEETING TOPICS , L/D DP , RUN CASING FUEL ON HAND 2092 GAL LITHOLOGY KMV PRICE RIVER , BC GAS 110-323u HIGH GAS 3393 @ 6840 |

03-29-2007 Reported By TOM HARKINS

Daily Costs: Drilling \$9,114 Completion \$104,218 Daily Total \$113,333
Cum Costs: Drilling \$502,482 Completion \$127,582 Well Total \$630,065

MD 7.000 TVD 7.000 Progress 0 Days 6 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 07:00 | 1.0 | CEMENT 4.5 CASEING AS FOLLOWS SCHLUMBERGER MIXED AND PUMPED 20 bbl CHEM WASH , 20bbl FRESH WATER SPACER , 145 bbl LEAD SLURRY CLASS G ,SLURRY WT 11.5 ppg , (275 SX) . FOLLOWED W / 195 bbl , TAIL SLURRY ,50/50 POZ "G" SLURRY WT 14.1 ppg , (850) SX, DISPLACED WITH 108 bbl FRESH H2O , BUMPED PLUG W/ 3280 psi , CHECKED FLOATS , GOOD . LANDED 167 TOTAL JTS 4.5" 11.60# N-80 LT&C WITH DAVIS DIFF FILL FILL FLOAT SHOE AND FLOAT COLLAR , CENTRILIZERS PLACED 5 ' ABOVE SHOE , ON TOP OF SECOND JOINT THEN EVERY OTHER UNTIL GONE TOTAL 30 , SHOE @ 6999 FLOAT COLLAR @ 6956 " , MARKER JT @ 6510 AND 4118 ' . LANDED HANGER W/ 73 K TESTED HANGER SEALS @ 5000psi , CEMENT IN PLACE @ 0700 3/28/07 |
| 07:00 | 07:30 | 0.5 | R/D CEMENTERS (TEST HANGER TO 5000psi GOOD). |

07:30 09:00 1.5 N/D BOPS AND CLEAN MUD TANKS. ///// RIG RELEASED @ 0900 3/28/07 /////
 09:00 20:00 11.0 RIG DOWN ROTARY TOOLS BY HAND
 MOVE CAMP TODAY, TRUCKS @ 0700 3/29/07
 MOVE F/ CWU 696-25 TO CWU 932-25 .6 MILES
 NO ACCIDENTS REPORTED CREWS FULL SAFTY MEETING TOPICS , RUN CASEING , PPE
 INSPECTED BHA 4 HWDP TO WEATHERFORD 3 THREAD DAMAGE I UNDER OD BOX , 1 DC THREAD
 DAMAGE , BOILER TO GO TO YARD THIS MOVE ,

20:00 4.0 RIG RELEASED @ 09:00 3/28/07.
 CASING POINT COST: \$502,482

04-02-2007 Reported By SEARLE

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$40,085 | Daily Total | \$40,085 |
| Cum Costs: Drilling | \$502,482 | Completion | \$167,667 | Well Total | \$670,150 |

MD 7.000 TVD 7.000 Progress 0 Days 7 MW 0.0 Visc 0.0

Formation : PBTBTD : 6957.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP FOR FRACS

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTBTD TO 50'. EST CEMENT TOP @ 1050'. RD SCHLUMBERGER. |

04-07-2007 Reported By MCCURDY

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$2,030 | Daily Total | \$2,030 |
| Cum Costs: Drilling | \$502,482 | Completion | \$169,697 | Well Total | \$672,180 |

MD 7.000 TVD 7.000 Progress 0 Days 8 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTBTD : 6957.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 11:00 | 12:00 | 1.0 | NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION. |

04-12-2007 Reported By DEAN KOUTROULIS

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$159,601 | Daily Total | \$159,601 |
| Cum Costs: Drilling | \$502,482 | Completion | \$329,298 | Well Total | \$831,781 |

MD 7.000 TVD 7.000 Progress 0 Days 9 MW 0.0 Visc 0.0

Formation : NH, WASATCH PBTBTD : 6957.0 Perf : 5398 - 6793 PKR Depth : 0.0

Activity at Report Time: PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | RU CUTTERS WL. PERFORATED NORTH HORN FROM 6696-99', 6737-39', 6746-47', 6752-53', 6764-65', 6772-74', 6783-84' & 6792-93' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4172 GAL YF116ST+ PAD & 34088 GAL YF116ST+ WITH 99502# 20/40 SAND @ 1-4 PPG. MTP 5053 PSIG. MTR 40.5 BPM. ATP 3495 PSIG. ATR 39.3 BPM. ISIP 1600 PSIG. RD SCHLUMBERGER. |
| | | | RUWL. SET 10K CFP @ 6660'. PERFORATED NORTH HORN FROM 6525-26', 6542-43', 6547-48', 6563-65' (MISFIRE), 6587-88', 6597-98', 6620-23' & 6638-40' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4165 GAL YF116ST+ PAD & 34363 GAL YF116ST+ WITH 100209# 20/40 SAND @ 1-4 PPG. MTP 6593 PSIG. MTR 40.5 BPM. ATP 5282 PSIG. ATR 36.6 BPM. ISIP 2700 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CFP @ 6365'. PERFORATED BA FROM 5903-04', 5958-59', 5993-94', 6025-26', 6061-62', 6110-11', 6119-20', 6161-62', 6202-03', 6244-45', 6261-62', 6269-70', 6304-05' & 6330-31' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 3122 GAL WF120 PAD & 20743 GAL WF120 WITH 28728# 20/40 SAND @ 0.5-2 PPG. MTP 6090 PSIG. MTR 40.5 BPM. ATP 4342 PSIG. ATR 39 BPM. ISIP 1360 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 5815'. PERFORATED CA FROM 5754-58', 5766-70', 5776-78' & 5794-95' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 2497 GAL YF116ST+ PAD & 24211 GAL YF116ST+ WITH 65401# 20/40 SAND @ 1-4 PPG. MTP 2761 PSIG. MTR 40.5 BPM. ATP 2313 PSIG. ATR 40 BPM. ISIP 1400 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 5650'. PERFORATED CA FROM 5614-24' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 2505 GAL YF116ST+ PAD & 21942 GAL YF116ST+ WITH 56014# 20/40 SAND @ 1-4 PPG. MTP 3335 PSIG. MTR 40.5 BPM. ATP 2578 PSIG. ATR 40.2 BPM. ISIP 1620 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 5450'. PERFORATED CA FROM 5398-5406', 5410-12', & 5427-29' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 2498 GAL YF116ST+ PAD & 23232 GAL YF116ST+ WITH 61803# 20/40 SAND @ 1-4 PPG. MTP 3582 PSIG. MTR 40.5 BPM. ATP 2905 PSIG. ATR 39.9 BPM. ISIP 1950 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 5304'. BLED OFF PRESSURE. RDWL. SDFN.

| | | | | | | | | | | | |
|--|------------|----------------------|--|---------------------------|-----------|------------------------|----|--------------------|-----------|-------------|-----|
| 04-14-2007 | | Reported By | | JERRY COLBORN | | | | | | | |
| DailyCosts: Drilling | \$0 | | | Completion | \$46,613 | | | Daily Total | \$46,613 | | |
| Cum Costs: Drilling | \$502,482 | | | Completion | \$375,911 | | | Well Total | \$878,394 | | |
| MD | 7,000 | TVD | 7,000 | Progress | 0 | Days | 10 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | | PBTD : 6957.0 | | Perf : 5398 - 6793 | | PKR Depth : 0.0 | | | | | |
| Activity at Report Time: CLEAN OUT AFTER FRAC | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | 06:00 | 24.0 | MIRU DUCO SU. ND FRAC TREE. NU BOPE. RIH W/3 7/8" BIT & PUMP OFF BIT SUB TO CBP. SDFW. | | | | | | | | |

| | | | | | | | | | | | |
|---|------------|----------------------|--|---------------------------|-----------|------------------------|----|--------------------|-----------|-------------|-----|
| 04-15-2007 | | Reported By | | JERRY COLBORN | | | | | | | |
| DailyCosts: Drilling | \$0 | | | Completion | \$9,430 | | | Daily Total | \$9,430 | | |
| Cum Costs: Drilling | \$502,482 | | | Completion | \$385,341 | | | Well Total | \$887,824 | | |
| MD | 7,000 | TVD | 7,000 | Progress | 0 | Days | 11 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | | PBTD : 6957.0 | | Perf : 5398 - 6793 | | PKR Depth : 0.0 | | | | | |
| Activity at Report Time: FLOW TEST | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | 06:00 | 24.0 | SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 5304', 5450', 5650', 5815', 6365' & 6650'. RIH. CLEANED OUT TO 6918'. LANDED TUBING @ 6398' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. FLOWED 14 HRS. 32/64" CHOKE. FTP 0 PSIG. CP 1600 PSIG. 0 BFPH. RECOVERED 420 BLW. 4416 BLWTR. WELL DIED @ 4 AM. | | | | | | | | |

TUBING DETAIL LENGTH

PUMP OFF SUB .90'
 1 JT 2-3/8" 4.7# J-55 TBG 32.43'
 XN NIPPLE 1.10'

196 JTS 2-3/8" 4.7# J-55 TBG 6350.80'

BELOW KB 13.00'

LANDED @ 6398.23' KB

04-16-2007 **Reported By** JERRY COLBORN

| | | | | | |
|--------------------------------|----------------------|---------------------------|------------------------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$4,460 | Daily Total | \$4,460 |
| Cum Costs: Drilling | \$502,482 | Completion | \$388,851 | Well Total | \$891,334 |
| MD | 7,000 | TVD | 7,000 | Progress | 0 |
| Days | 12 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | PBTD : 6957.0 | Perf : 5398 - 6793 | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

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

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 16 HRS. 32/64" CHOKE. FTP 725 PSIG. CP 1200 PSIG. 25 BFPH. RECOVERED 647 BLW. 3769 BLWTR. |
|-------|-------|------|--|

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

| | | | | | |
|--------------------------------|----------------------|---------------------------|------------------------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$2,060 | Daily Total | \$2,060 |
| Cum Costs: Drilling | \$502,482 | Completion | \$390,911 | Well Total | \$893,394 |
| MD | 7,000 | TVD | 7,000 | Progress | 0 |
| Days | 13 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | PBTD : 6957.0 | Perf : 5398 - 6793 | PKR Depth : 0.0 | | |

Activity at Report Time: WO FACILITIES

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

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 2 HRS. 32/64" CHOKE. FTP 725 PSIG. CP 1200 PSIG. 15 BFPH. RECOVERED 30 BLW. 3739 BLWTR. RD MOSU. SI. WO FACILITIES. |
|-------|-------|------|--|

FINAL COMPLETION DATE: 4/16/07

05-09-2007 **Reported By**

| | | | | | |
|--------------------------------|----------------------|---------------------------|------------------------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$502,482 | Completion | \$390,911 | Well Total | \$893,394 |
| MD | 7,000 | TVD | 7,000 | Progress | 0 |
| Days | 14 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | PBTD : 6957.0 | Perf : 5398 - 6793 | 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 1800 & CP 1950 PSI. TURNED WELL TO QUESTAR SALES AT 10:30 AM, 5/8/07. FLOWED 1472 MCFD RATE ON 12/64" POS CHOKE. |
|-------|-------|------|---|

05-10-2007 **Reported By** ROGER DART

| | | | | | |
|--------------------------------|----------------------|---------------------------|------------------------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$502,482 | Completion | \$390,911 | Well Total | \$893,394 |
| MD | 7,000 | TVD | 7,000 | Progress | 0 |
| Days | 15 | MW | 0.0 | Visc | 0.0 |
| Formation : NH, WASATCH | PBTD : 6957.0 | Perf : 5398 - 6793 | PKR Depth : 0.0 | | |

Activity at Report Time: ON SALES

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

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 861 MCFD, 3 BC & 35 BW IN 24 HRS ON 12/64" CK, TP 1430 & CP 1660 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-0285A**

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 696-25**

9. AFI Well No. **43-047-37504**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 25-T9S-R22E**

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

14. Date Spudded **02/08/2007** 15. Date T.D. Reached **03/27/2007** 16. Date Completed D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* **5075' NAT GL**

18. Total Depth: MD **7000** 19. Plug Back T.D.: MD **6957** 20. Depth Bridge Plug Set: MD **7000**
TVD **7000** TVD **6957** TVD **7000**

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

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

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4" | 9-5/8" | 36.0# | J-55 | 0-2558 | | 645 sx | | | |
| 7-7/8" | 4-1/2" | 11.6# | N-50 | 0-6999 | | 1125 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" | 6398 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|------------|------|--------|---------------------|------|-----------|--------------|
| A) Wasatch | 5398 | 6793 | 6696-6793 | | 3/spf | |
| B) | | | 6525-6640 | | 3/spf | |
| C) | | | 5903-6331 | | 2/spf | |
| D) | | | 5754-5795 | | 3/spf | |

26. Perforation Record

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 6696-6793 | 38,425 GALS GELLED WATER & 99,502# 20/40 SAND |
| 6525-6640 | 38,693 GALS GELLED WATER & 100,209# 20/40 SAND |
| 5903-6331 | 23,865 GALS GELLED WATER & 28,728# 20/40 SAND |
| 5754-5795 | 26,708 GALS GELLED WATER & 65,401# 20/40 SAND |

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

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|--------------------|
| 05/08/2007 | 05/16/2007 | 24 | → | 0 | 653 | 80 | | | 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 1145 | 1340 | → | 0 | 653 | 80 | | | PRODUCING GAS WELL |

28a. Production - Interval B

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

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

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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 | 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 |
| Wasatch | 5398 | 6793 | | Wasatch Chapita Wells Buck Canyon North Horn Price River | 4580 5137 5794 6525 6815 |

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

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

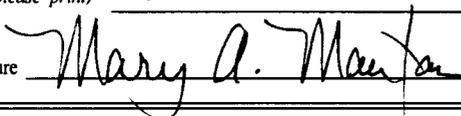
- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

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



Date **05/21/2007**

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 696-25 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 5614-5624 | 3/spf |
| 5398-5429 | 3/spf |
| | |
| | |

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

| | |
|-----------|---|
| 5614-5624 | 24,447 GALS GELLED WATER & 56,014# 20/40 SAND |
| 5398-5429 | 25,730 GALS GELLED WATER & 61,803# 20/40 SAND |
| | |
| | |

Perforated the North Horn from 6696-6699', 6737-6739', 6746-6747', 6752-6753', 6764-6765', 6772-6774', 6783-6784' & 6792-6793' w/ 3 spf.

Perforated the North Horn from 6525-6526', 6542-6543', 6547-6548', 6587-6588', 6597-6598', 6620-6623' & 6638-6640' w/ 3 spf.

Perforated the Buck Canyon from 5903-5904', 5958-5959', 5993-5994', 6025-6026', 6061-6062', 6110-6111', 6119-6120', 6161-6162', 6202-6203', 6244-6245', 6261-6262', 6269-6270', 6304-6305' & 6330-6331' w/ 2 spf.

Perforated the Chapita Wells from 5754-5758', 5766-5770', 5776-5778' & 5794-5795' w/ 3 spf.

Perforated the Chapita Wells from 5614-5624' w/ 3 spf.

Perforated the Chapita Wells from 5398-5406', 5410-5412' & 5427-5429' w/ 3 spf.

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 696-25

API number: _____

Well Location: QQ SWNE Section 25 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: 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 | | |
| 980 | 985 | NO FLOW | NOT KNOWN |
| 1,830 | 1,880 | 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 5/21/2007

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

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

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

At surface **2151' FNL & 1963' FEL (SWNE) 40.008375 LAT 109.385914 LON**

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

At total depth **Same**

14. Date Spudded **02/08/2007** 15. Date F.D. Reached **03/27/2007** 16. Date Completed **05/08/2007**
 D & A Ready to Prod.

18. Total Depth: MD **7000** 19. Plug Back T.D.: MD **6957** 20. Depth Bridge Plug Set: MD
FVD TVD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) **RST/CBI/CCL/VDL/GR** 22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4" | 9-5/8" | 36.0# | J-55 | 0-2558 | | 645 sx | | | |
| 7-7/8" | 4-1/2" | 11.6# | N-50 | 0-6999 | | 1125 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" | 6398 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|------------|------|--------|---------------------|------|-----------|--------------|
| A) Wasatch | 5398 | 6793 | 6696-6793 | | 3/spf | |
| B) | | | 6525-6640 | | 3/spf | |
| C) | | | 5903-6331 | | 2/spf | |
| D) | | | 5754-5795 | | 3/spf | |

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

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 6696-6793 | 38.425 GALS GELLED WATER & 99.502# 20/40 SAND |
| 6525-6640 | 38.693 GALS GELLED WATER & 100.209# 20/40 SAND |
| 5903-6331 | 23.865 GALS GELLED WATER & 28.728# 20/40 SAND |
| 5754-5795 | 26.708 GALS GELLED WATER & 65.401# 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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|--------------------|
| 05/08/2007 | 05/16/2007 | 24 | → | 0 | 653 | 80 | | | 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" | 1145 | 1340 | → | 0 | 653 | 80 | | | PRODUCING GAS WELL |

28a. Production - Interval B

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

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

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LAND MANAGEMENT

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 |
| Wasatch | 5398 | 6793 | | Wasatch Chapita Wells Buck Canyon North Horn Price River | 4580 5137 5794 6525 6815 |

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 **05/29/2007**

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 696-25 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 5614-5624 | 3/spf |
| 5398-5429 | 3/spf |
| | |
| | |

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

| | |
|-----------|---|
| 5614-5624 | 24,447 GALS GELLED WATER & 56,014# 20/40 SAND |
| 5398-5429 | 25,730 GALS GELLED WATER & 61,803# 20/40 SAND |
| | |
| | |

Perforated the North Horn from 6696-6699', 6737-6739', 6746-6747', 6752-6753', 6764-6765', 6772-6774', 6783-6784' & 6792-6793' w/ 3 spf.

Perforated the North Horn from 6525-6526', 6542-6543', 6547-6548', 6587-6588', 6597-6598', 6620-6623' & 6638-6640' w/ 3 spf.

Perforated the Buck Canyon from 5903-5904', 5958-5959', 5993-5994', 6025-6026', 6061-6062', 6110-6111', 6119-6120', 6161-6162', 6202-6203', 6244-6245', 6261-6262', 6269-6270', 6304-6305' & 6330-6331' w/ 2 spf.

Perforated the Chapita Wells from 5754-5758', 5766-5770', 5776-5778' & 5794-5795' w/ 3 spf.

Perforated the Chapita Wells from 5614-5624' w/ 3 spf.

Perforated the Chapita Wells from 5398-5406', 5410-5412' & 5427-5429' w/ 3 spf.

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 696-25

API number: _____

Well Location: QQ SWNE Section 25 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: 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 | | |
| 980 | 985 | NO FLOW | NOT KNOWN |
| 1,830 | 1,880 | 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
 SIGNATURE *Mary A. Maestas*

TITLE Regulatory Assistant
 DATE 5/29/2007

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.
UTU0285A

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 UNI

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CHAPITA WELLS UNIT 696-25

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

9. API Well No.
43-047-37504

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 25 T9S R22E SWNE 2151FNL 1963FEL
40.00838 N Lat, 109.38591 W Lon

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

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

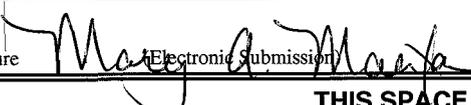
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 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.)

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #58108 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal

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

Signature  Date 01/16/2008

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

JAN 18 2008

DIV. OF OIL, GAS & MINING