

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

January 26, 2006

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 1169-10  
NE/SE, SEC. 10, T9S, R22E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0281  
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 1169-10 B

**RECEIVED**

**FEB 03 2006**

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-0281

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 1169-10

9. API Well No.

4304237692

10. Field and Pool, or Exploratory

NATURAL BUTTES

11. Sec., T., R., M., or Blk. and Survey or Area

SEC. 10, T9S, R22E,  
S.L.B.&M.

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

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface 1751' FSL, 694' FEL 634913X 40.048118 NE/SE  
At proposed prod. Zone 4434086Y -109.418437

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

15. Distance from proposed\* location to nearest property or lease line, ft. 694'  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
2558

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  
9700'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
4762.8 FEET GRADED GROUND

22. Approximate date work will start\*  
UPON APPROVAL

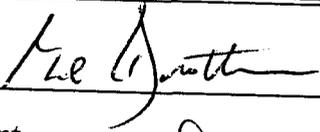
23. Estimated duration  
45 DAYS

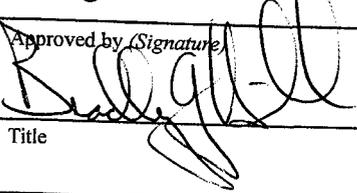
24. Attachments

Attachments

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

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

25. Signature  Name (Printed/Typed) Ed Trotter Date January 26, 2006  
Title Agent

Approved by (Signature)  Name (Printed/Typed) BRADLEY G. HILL Date 02-09-06  
Title Office ENVIRONMENTAL SCIENTIST III

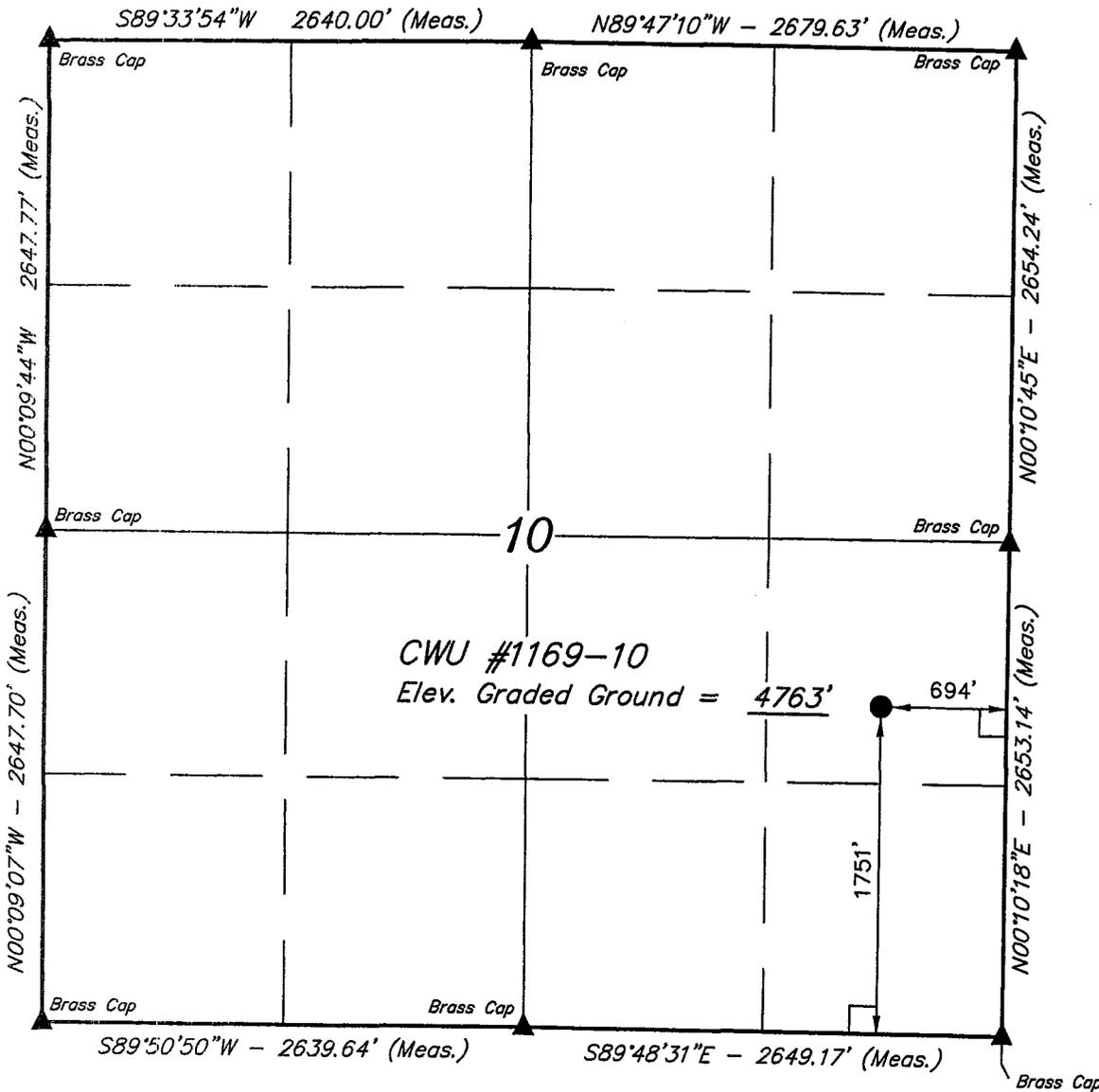
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of Approval, if any, are attached.

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

\*(Instructions on page 2)

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



**LEGEND:**

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

(NAD 83)  
 LATITUDE = 40°02'53.01" (40.048058)  
 LONGITUDE = 109°25'08.72" (109.419089)  
 (NAD 27)  
 LATITUDE = 40°02'53.14" (40.048094)  
 LONGITUDE = 109°25'06.26" (109.418406)

**EOG RESOURCES, INC.**

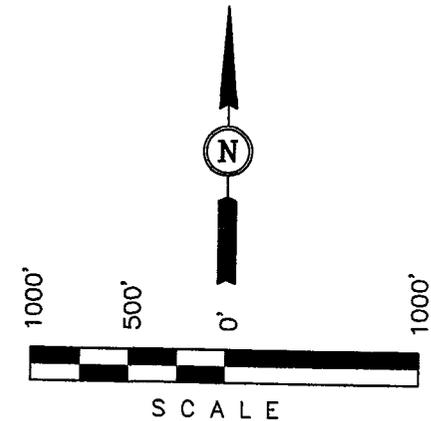
Well location, CWU #1169-10, located as shown in the NE 1/4 SE 1/4 of Section 10, T9S, R22E, S.L.B.&M. Uintah County, Utah.

**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.



**CERTIFICATE**

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

*Robert H. ...*

REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 01-04-06	DATE DRAWN: 01-10-06
PARTY J.R. N.G. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1169-10**  
**NE/SE, SEC. 10, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River FM	1,843'
Wasatch	4,924'
North Horn	6,826'
Island	7,254'
KMV Price River	7,529'
KMV Price River Middle	8,239'
KMV Price River Lower	9,033'
Sego	9,499'

Estimated TD: 9,700' or 200'± below Sego top

**Anticipated BHP: 5,300 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 5<sup>th</sup> joint to surface. (15 total)

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1169-10**  
**NE/SE, SEC. 10, 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 2<sup>nd</sup> joint.

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

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

**8. EVALUATION PROGRAM:**

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

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

**9. CEMENT PROGRAM:**

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

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

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

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1169-10**  
**NE/SE, SEC. 10, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

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

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

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

**Lead:** 152 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft<sup>3</sup>/sk., 9.19 gps water.

**Tail:** 820 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

**Note:** 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.

**11. STANDARD REQUIRED EQUIPMENT:**

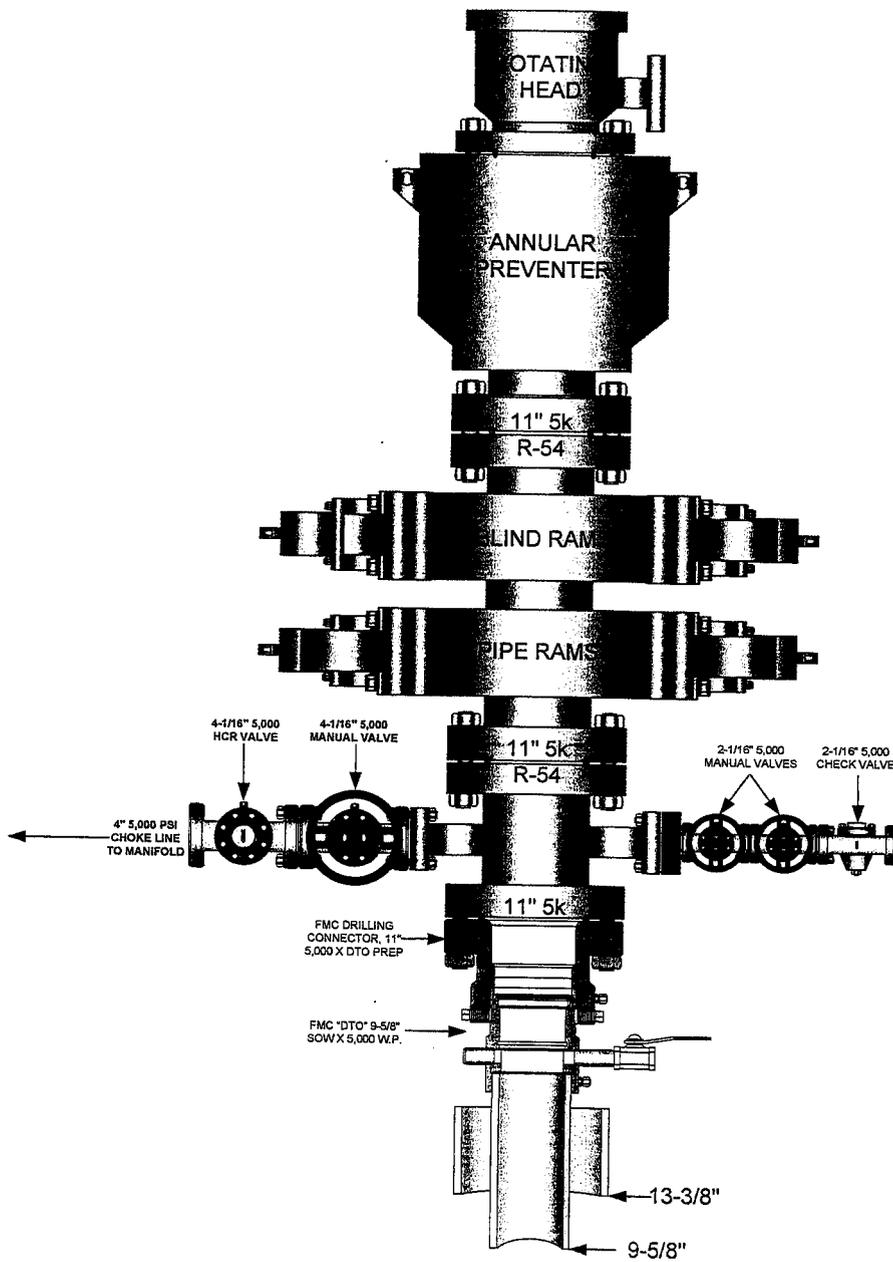
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**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.

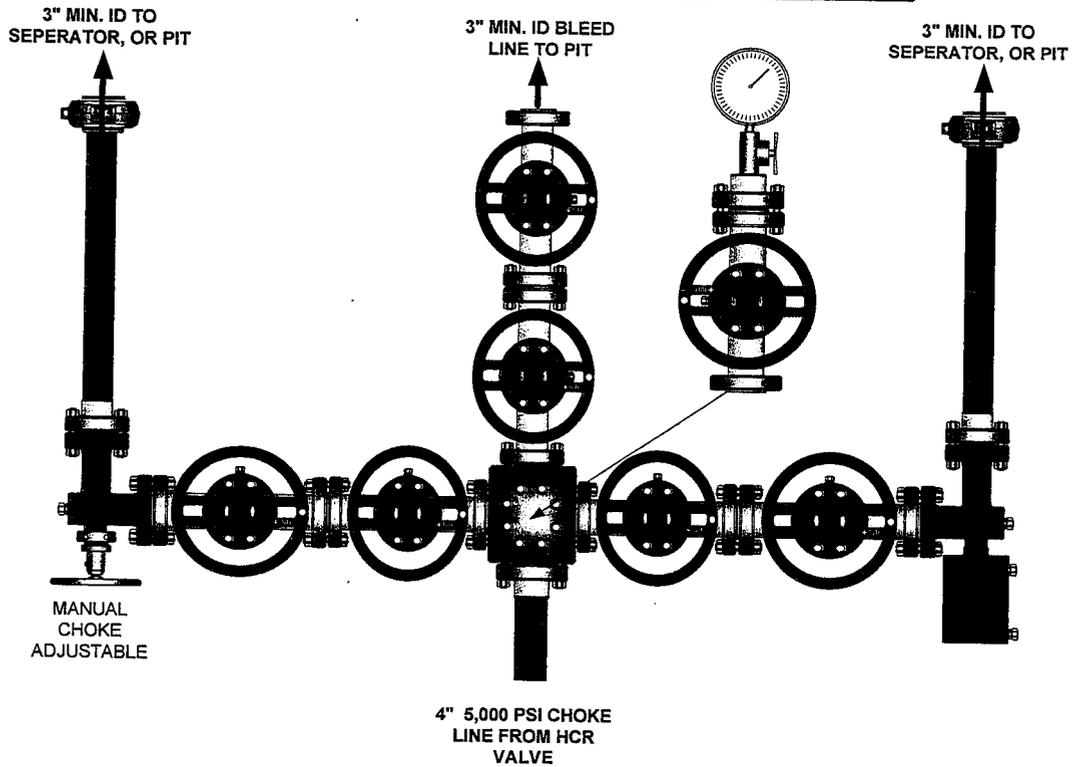
(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION  
W/ 5,000 PSI WP VALVES

PAGE 2 OF 2



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
4. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

**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 1169-10  
Lease Number: U-0281  
Location: 1751' FSL & 694' FEL, NE/SE, Sec. 10,  
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 17.5 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. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

- A. Abandoned wells - 3\*
- B. Producing wells - 54\*
- C. Shut in wells - 2\*

(\*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. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction

in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

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

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

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
  - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
  - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
  - 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
  - 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore

hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

**On BLM administered land:**

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

**The reserve pit shall be lined with felt and a 12 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 interim seed mixture for this location is:
  - Needle and Thread Grass – 6 pounds per acre
  - Hi-Crest Crested Wheat Grass – 6 pounds per acre.

The final abandonment seed mixture for this location is:

- Four-Wing Salt Bush – 3 pounds per acre
- Indian Rice Grass – 2 pounds per acre
- Needle and Thread Grass – 2 pounds per acre
- Hi-Crest Crested Wheat Grass – 1 pound per acre.

The reserve pit will be located on the Southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the South side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence. The stockpiled location topsoil will be stored East of Corner #6. 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 Southeast.

Corner #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**

**The location excavation will be kept out of the floodplain.**

**Corner #8 will be rounded to stay on the existing location.**

**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 1169-10 Well, located in the NE/SE of Section 10, T9S, R22E, Uintah County, Utah; Lease #U-0281;** 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.

1-26-2006  
Date

  
Agent

# EOG RESOURCES, INC.

CWU #1169-10

## SECTION 10, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; 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 NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY 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 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE EXISTING CWU #404-10N AND THE PROPOSED LOCATION.

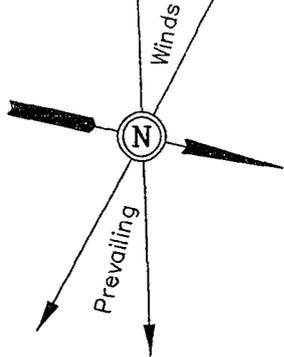
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.5 MILES.



EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #1169-10  
SECTION 10, T9S, R22E, S.L.B.&M.  
1751' FSL 694' FEL



SCALE: 1" = 50'  
DATE: 01-10-06  
Drawn By: S.L.

NOTE:

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

F-4.7'  
El. 758.1'

Sta. 3+25

Round Corner

Approx. Toe of Fill Slope

El. 770.6'  
C-19.8'  
(btm. pit)

Sta. 1+50

F-0.1'  
El. 762.7'

Sta. 0+50

Sta. 0+00

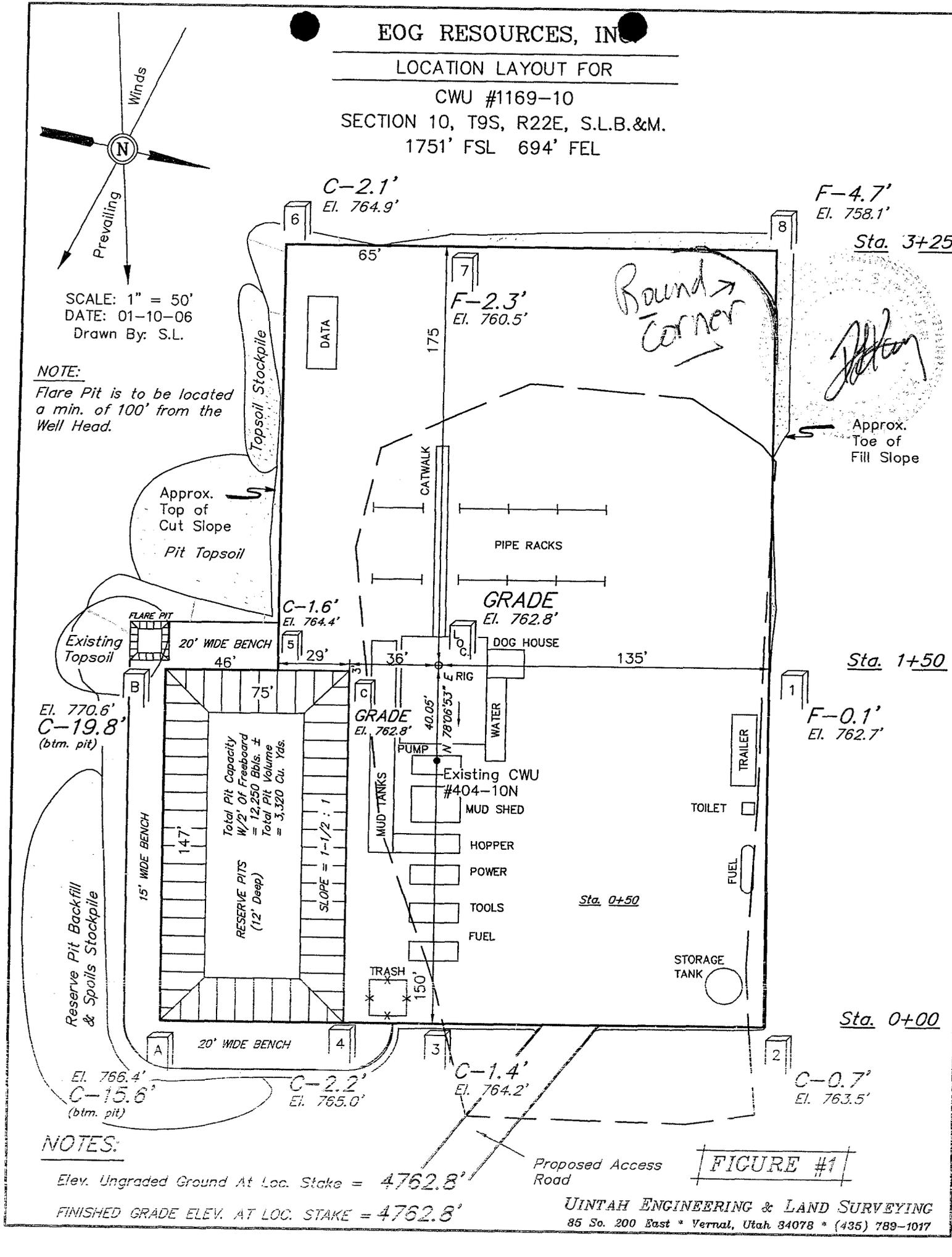
NOTES:

Elev. Ungraded Ground At Loc. Stake = 4762.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 4762.8'

Proposed Access Road

FIGURE #1



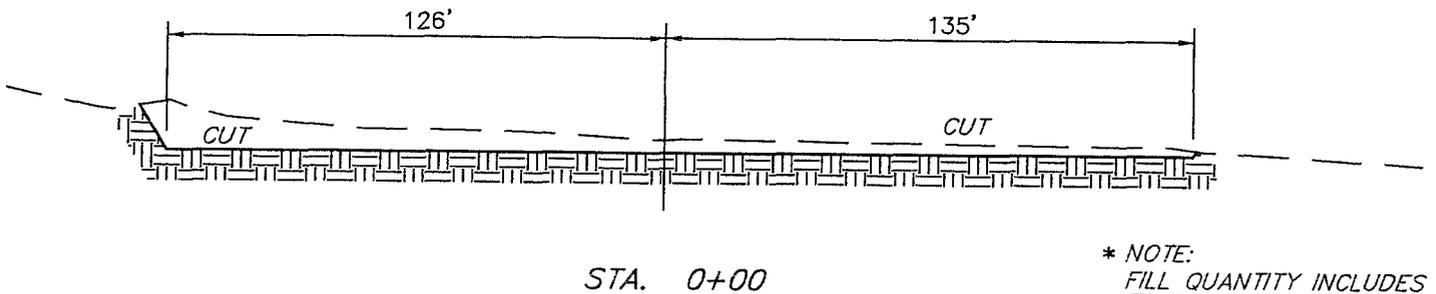
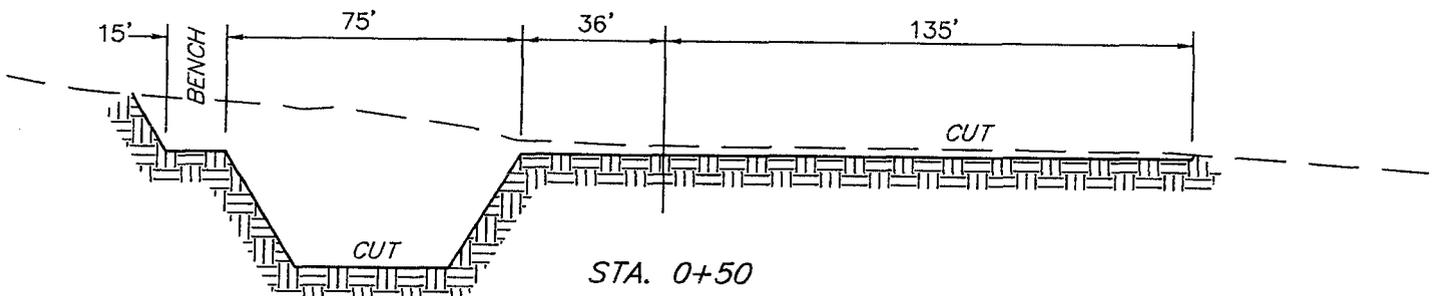
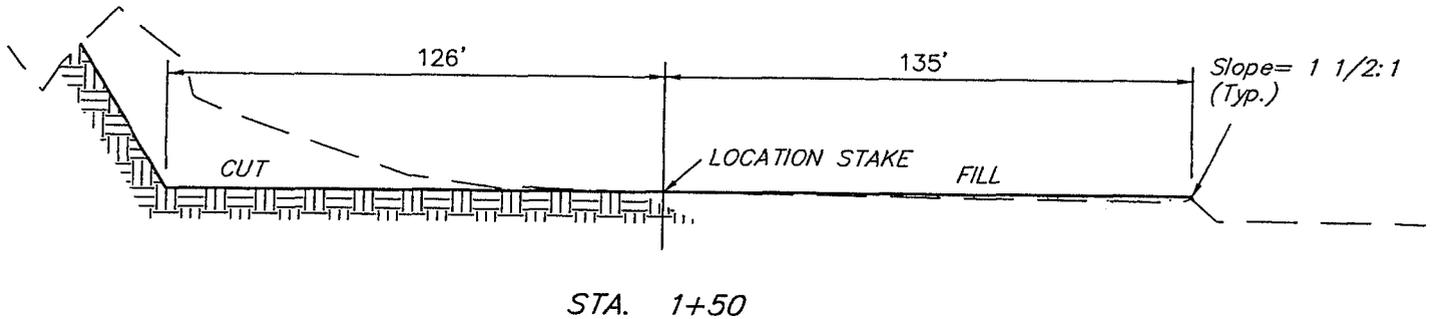
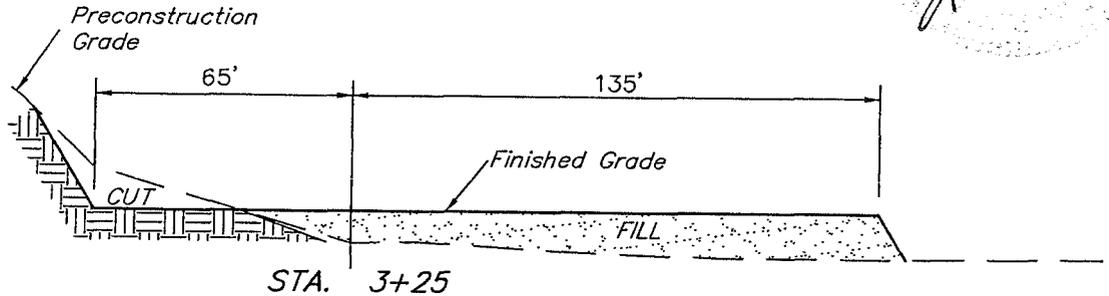
EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 CWU #1169-10  
 SECTION 10, T9S, R22E, S.L.B.&M.  
 1751' FSL 694' FEL

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

DATE: 01-10-06  
 Drawn By: S.L.



\* NOTE:  
 FILL QUANTITY INCLUDES  
 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 690 Cu. Yds.
(New Construction Only)	
Remaining Location	= 6,700 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 7,390 CU.YDS.</b>
<b>FILL</b>	<b>= 1,930 CU.YDS.</b>

EXCESS MATERIAL	= 5,460 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,350 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3,110 Cu. Yds.

R  
22  
E

R  
23  
E

PROPOSED LOCATION:  
CWU #1169-10

1.7 MI. +/-

1.9 MI. +/-

SEE TOPO "B"

T9S  
T10S

**LEGEND:**  
○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

CWU #1169-10  
SECTION 10, T9S, R22E, S.L.B.&M.  
1751' FSL 694' FEL



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

TOPOGRAPHIC MAP  
01 | 18 | 06  
MONTH | DAY | YEAR  
SCALE: 1:100,000 DRAWN BY: B.C. REVISED: 00-00-00



Drill  
**T9S**

**PROPOSED LOCATION:  
CWU #1169-10**

**#404-10N**

**0.5 MI. +/-**

**0.3 MI. +/-**

**OURAY 16.2 MI. +/-**

**R  
22  
E**

**LEGEND:**  
—— EXISTING ROAD  
- - - - PROPOSED ACCESS ROAD

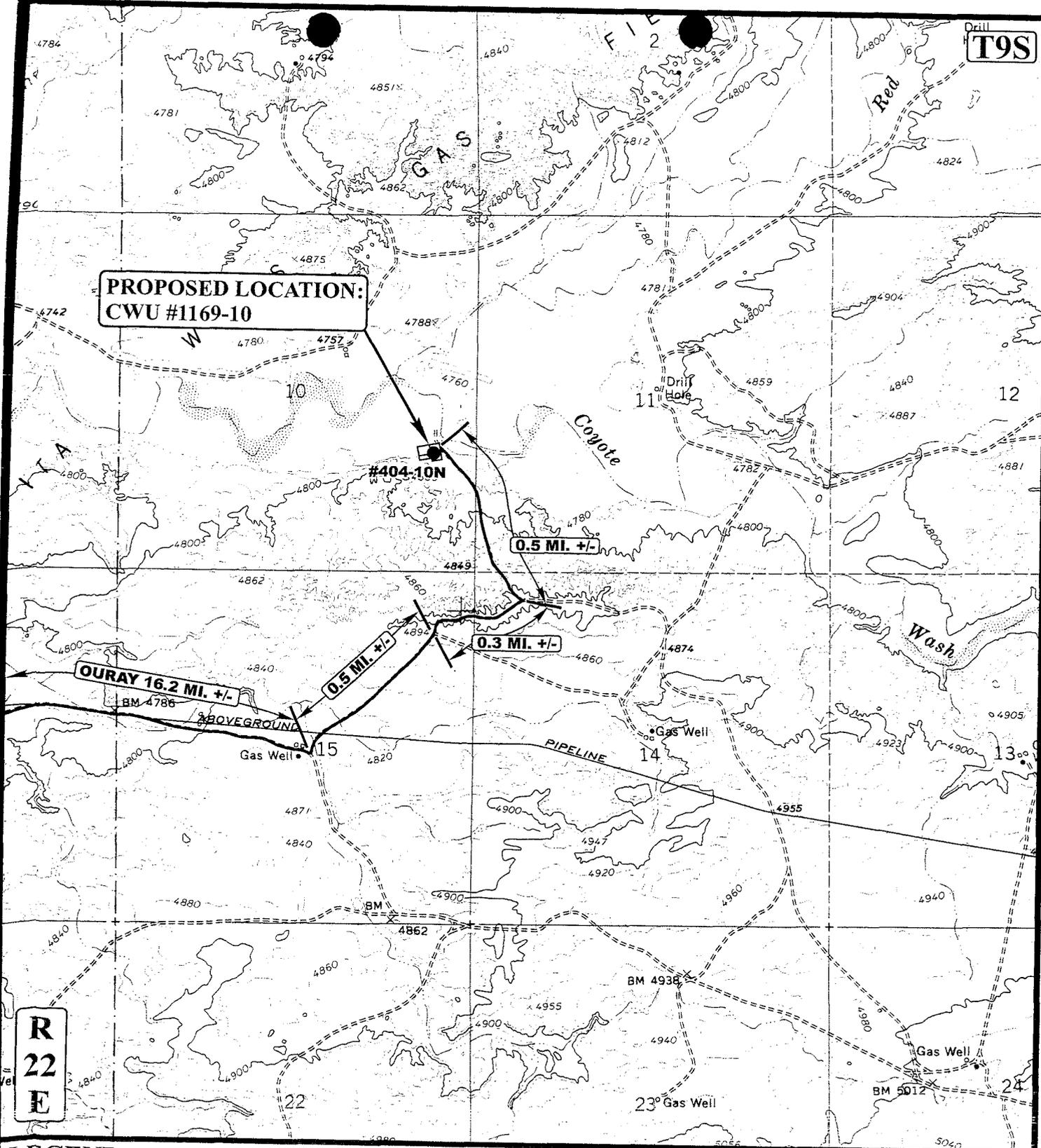


**Utah Engineering & Land Surveying**  
35 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



**EOG RESOURCES, INC.**  
CWU #1169-10  
SECTION 10, T9S, R22E, S.L.B.&M.  
1751' FSL 694' FEL

**TOPOGRAPHIC MAP**  
01 18 06  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00





**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/03/2006

API NO. ASSIGNED: 43-047-37692
--------------------------------

WELL NAME: CWU 1169-10  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

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

NESE 10 090S 220E  
 SURFACE: 1751 FSL 0694 FEL  
 BOTTOM: 1751 FSL 0694 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.04812 LONGITUDE: -109.4184  
 UTM SURF EASTINGS: 634913 NORTHINGS: 4434086  
 FIELD NAME: NATURAL BUTTES ( 630 )

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0281  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

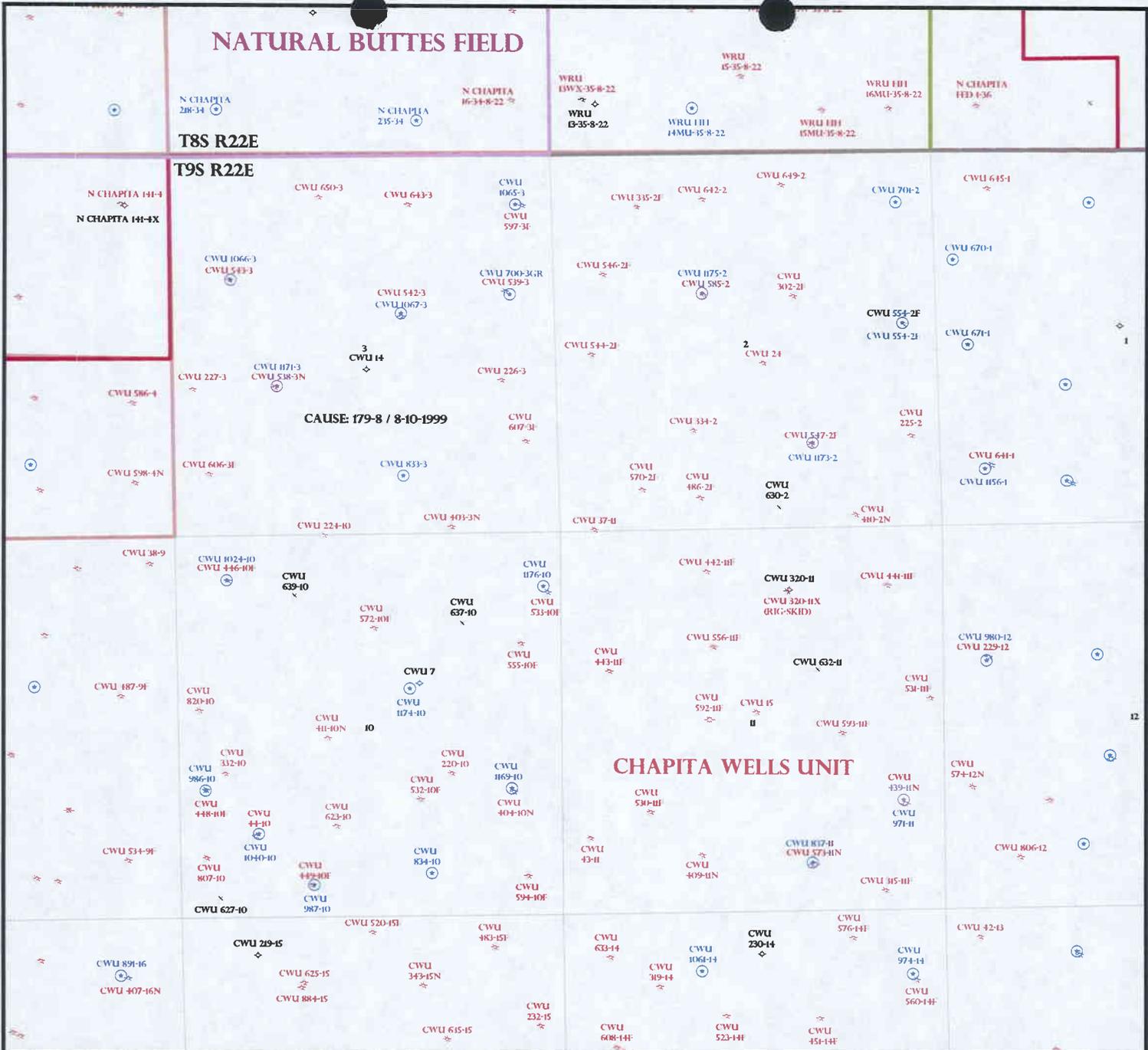
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM-2308 )
- N Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-1501 )
- N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NA Fee Surf Agreement (Y/N)
- NA Intent to Commingle (Y/N)

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: Suspends General Siting
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Approval  
2- OIL SHALE



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

SEC: 2,3,10 T. 9S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

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



PREPARED BY: DIANA WHITNEY  
DATE: 7-FEBRUARY-2006

# 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)

February 7, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2006 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 2006 within the Chapita Wells Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Price River)		
43-047-37696	CWU 1173-2	Sec 02 T09S R22E 1216 FSL 1724 FEL
43-047-37697	CWU 1175-2	Sec 02 T09S R22E 1931 FNL 2061 FWL
43-047-37695	CWU 1171-3	Sec 03 T09S R22E 2074 FSL 1443 FWL
43-047-37692	CWU 1169-10	Sec 10 T09S R22E 1751 FSL 0694 FEL
43-047-37698	CWU 1176-10	Sec 10 T09S R22E 0763 FNL 0230 FEL
43-047-37699	CWU 1174-10	Sec 10 T09S R22E 2142 FNL 2088 FEL
43-047-37693	CWU 1122-28	Sec 28 T09S R23E 1003 FNL 2160 FWL
43-047-37694	CWU 1170-20	Sec 20 T09S R23E 0472 FSL 0726 FWL

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

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit  
Division of Oil Gas and Mining  
Central Files



**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*

February 9, 2006

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

Re: Chapita Wells Unit 1169-10 Well, 1751' FSL, 694' FEL, NE SE, Sec. 10,  
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 43-047-37692.

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 1169-10  
**API Number:** 43-047-37692  
**Lease:** U-0281

**Location:** NE SE                      **Sec.** 10                      **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**

FEB 02 2006

**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-0281**

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 1169-10**

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

9. API Well No.  
**43-047-37692**

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 **1751' FSL, 694' FEL** **NE/SE**  
At proposed prod. Zone

11. Sec., T., R., M., or Blk. and Survey or Area  
**SEC. 10, T9S, R22E,  
S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office\*  
**17.5 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. **694'**  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
**2558**

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  
**9700'**

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**4762.8 FEET GRADED GROUND**

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

23. Estimated duration  
**45 DAYS**

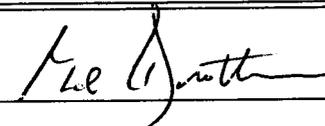
24. Attachments

**Attachments**

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Land the SUPO shall be filed with the appropriate Forest Service Office).
- Operator's permit.
- Specific information and/or plans as may be required by the authorized officer.

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

25. Signature 

Name (Printed/Typed)  
**Ed Trotter**

Date  
**January 26, 2006**

Title  
**Agent**

**RECEIVED**

Approved by (Signature)

Name (Printed/Typed)

Date  
**OCT 06 2006**

  
Title **Assistant Field Manager  
Lands & Mineral Resources**

**JERRY KENNER**  
Office

**9-29-2006**  
DIV. OF OIL, GAS & MINING

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

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

\*(Instructions on page 2)

**CONDITIONS OF APPROVAL ATTACHED**

**NOTICE OF APPROVAL**



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



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

<b>Company:</b>	<b>EOG Resources</b>	<b>Location:</b>	<b>NESE, Sec 10, T9S, R22E</b>
<b>Well No:</b>	<b>CWU 1169-10</b>	<b>Lease No:</b>	<b>UTU-0281</b>
<b>API No:</b>	<b>43-047-37692</b>	<b>Agreement:</b>	<b>Chapita Wells Unit</b>

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
<b>After Hours Contact Number:</b>	<b>435-781-4513</b>	<b>Fax:</b>	<b>435-781-4410</b>

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

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

**NOTIFICATION REQUIREMENTS**

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

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

Conditions for Approval are in the APD

- 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 would include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
- During interim management of the surface, use the following seed mix:
  - 9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate
- If paleontological materials are uncovered during construction, the operator is to immediately stop work, and contact the Authorized Officer (AO). A report will be prepared by the Paleontologist and submitted to the BLM at the completion of surface disturbing activities.

## **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**

- A surface casing shoe integrity test shall be performed.
- A variance is granted for Onshore Order #2-Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored"
- Blooie line can be 75 feet.
- Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.

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

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) 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.
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and / or participating area name and number, if applicable.

- Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, 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.
- 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.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>U-0281</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>CHAPITA WELLS UNIT</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>CHAPITA WELLS UNIT 1169-10</b>
2. NAME OF OPERATOR: <b>EOG Resources, Inc.</b>		9. API NUMBER: <b>43-047-37692</b>
3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		PHONE NUMBER: <b>(303) 262-2812</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,751' FSL &amp; 694' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 10 9S 22E S.L.B. &amp; M.</b>		COUNTY: <b>UINTAH</b> STATE: <b>UTAH</b>

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

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

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-08-07  
By: [Signature]

2-9-07  
pm

NAME (PLEASE PRINT) <u>Carrie MacDonald</u>	TITLE <u>Operations Clerk</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/6/2007</u>

(This space for State use only)

**RECEIVED**  
**FEB 07 2007**

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

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

**API:** 43-047-37692  
**Well Name:** CHAPITA WELLS UNIT 1169-10  
**Location:** 1751 FSL 694 FEL (NESE), SECTION 10, T9S, R22E S.L.B.&M.  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 2/9/2006

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

2/6/2007  
Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

**RECEIVED**  
**FEB 07 2007**  
DIV. OF OIL, GAS & MINING

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG Resources, Inc

Well Name: CWU 1169-10

API No: 43-047-37692 Lease Type: Federal

Section 10 Township 09S Range 22E County Uintah

Drilling Contractor Craig's Roustabout Services Rig # Rathole

### **SPUDDED:**

Date 6-01-07

Time 7:30 AM

How Dry

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

Reported by Jerry Barnes

Telephone # 435-828-1720

Date 6-01-07 Signed RM

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)  
**303-262-2812**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1,751' FSL & 694' FEL (NESE)  
 Sec. 10-T9S-R22E 40.048058 LAT 109.419089 LON**

5. Lease Serial No.  
**U-0281**

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 1169-10**

9. API Well No.  
**43-047-37692**

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

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

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

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

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

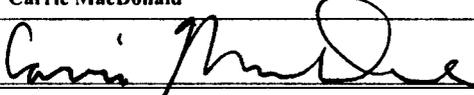
**The referenced well spud on 6/1/2007.**

**RECEIVED**

**JUN 05 2007**

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

14. I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed)    **Carrie MacDonald**    Title    **Operations Clerk**

Signature        Date    **06/04/2007**

**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.

**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
43-047-38901	OLD SQUAWS CROSSING UNIT II 126-34	NESW	34	10S	19E	UINTAH
Action Code	Current Entity Number	New Entity Number		Spud Date		Entity Assignment Effective Date
AB	99999	10687		6/1/2007		6/14/07
Comments: <u>PRRU = MVRD</u>						

**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-37692	CHAPITA WELLS UNIT 1169-10	NESE	10	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number		Spud Date		Entity Assignment Effective Date
A	99999	16161		6/1/2007		6/14/07
Comments: <u>PRRU = MVRD</u>						

**Well 3**

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

Comments:

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JUN 05 2007

**ACTION CODES:**

- A - Establish new entity for new well (single well)
- 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

6/4/2007

Date

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) **303-262-2812**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1,751' FSL & 694' FEL (NESE)  
Sec. 10-T9S-R22E 40.048058 LAT 109.419089 LON**

5. Lease Serial No.  
**U-0281**

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 1169-10**

9. API Well No.  
**43-047-37692**

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

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

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

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

**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**

**RECEIVED  
JUN 05 2007  
DIV. OF OIL, GAS & MINING**

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

Name (Printed/Typed) **Carrie MacDonald** Title **Operations Clerk**

Signature  Date **06/04/2007**

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

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

(Instructions on page 2)

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-0281**

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 1169-10**

9. AFI Well No. **43-047-37692**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 10-T9S-R22E**

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

14. Date Spudded **06/01/2007** 15. Date T.D. Reached **07/06/2007** 16. Date Completed **08/01/2007**  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\* **4763' NAT GL**

18. Total Depth: MD **9700** 19. Plug Back T.D.: MD **9653** 20. Depth Bridge Plug Set: MD  
TVD TVD TVD

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	0-2523		520 sx			
7-7/8"	4-1/2"	11.6#	P-110	0-9700		2040 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"	8199							

25. Producing Intervals

Formation	Top	Bottom	Perforation Record	Size	No. Holes	Perf. Status
A) Mesaverde	7460	9501	9343-9501		3/spf	
B)			9120-9295		3/spf	
C)			8883-9080		2/spf	
D)			8650-8837		3/spf	

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

Depth Interval	Amount and Type of Material
9343-9501	38.221 GALS GELLED WATER & 75.000# 20/40 SAND
9120-9295	36.159 GALS GELLED WATER & 74.700# 20/40 SAND
8883-9080	49.490 GALS GELLED WATER & 109.100# 20/40 SAND
8650-8837	65.181 GALS GELLED WATER & 149.700# 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
08/01/2007	08/13/2007	24	→	115	767	85			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
12/64"	1950	2300	→	115	767	85			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. SI	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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AUG 17 2007

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
<b>Mesaverde</b>	<b>7460</b>	<b>9501</b>		<b>Wasatch</b>	<b>4918</b>
				<b>Chapita Wells</b>	<b>5515</b>
				<b>Buck Canyon</b>	<b>6192</b>
				<b>Price River</b>	<b>7459</b>
				<b>Middle Price River</b>	<b>8245</b>
				<b>Lower Price River</b>	<b>9041</b>
				<b>Sego</b>	<b>9537</b>

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date 08/15/2007

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 1169-10 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8450-8602	3/spf
8246-8390	3/spf
7950-8165	3/spf
7733-7887	3/spf
7460-7626	3/spf

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

8450-8602	45,987 GALS GELLED WATER & 100,600# 20/40 SAND
8246-8390	69,507 GALS GELLED WATER & 161,600# 20/40 SAND
7950-8165	50,859 GALS GELLED WATER & 115,100# 20/40 SAND
7733-7887	38,175 GALS GELLED WATER & 81,500# 20/40 SAND
7460-7626	54,681 GALS GELLED WATER & 119,500# 20/40 SAND

Perforated the Lower Price River from 9343-9345', 9363-9365', 9387-9389', 9411-9412', 9434-9435', 9441-9442', 9465-9466', 9477-9478' & 9500-9501' w/ 3 spf.

Perforated the Lower Price River from 9120-9121', 9133-9134', 9140-9141', 9149-9150', 9183-9184', 9214-9215', 9238-9239', 9244-9245', 9259-9260', 9272-9273' & 9293-9295' w/ 3 spf.

Perforated the Middle Price River from 8883-8884', 8887-8888', 8905-8906', 8920-8921', 8925-8926', 8951-8952', 8990-8991', 8997-8998', 9022-9023', 9027-9028', 9054-9055', 9066-9068' & 9079-9080' w/ 2 spf.

Perforated the Middle Price River from 8650-8651', 8657-8658', 8663-8664', 8701-8702', 8721-8722', 8760-8761', 8769-8770', 8784-8785', 8799-8800', 8822-8823' & 8835-8837' w/ 3 spf.

Perforated the Middle Price River from 8450-8452', 8470-8471', 8482-8483', 8488-8489', 8496-8497', 8508-8509', 8531-8532', 8544-8545', 8564-8565', 8580-8581' & 8601-8602' w/ 3 spf.

Perforated the Middle Price River from 8246-8247', 8250-8251', 8256-8257', 8284-8285', 8300-8301', 8311-8312', 8323-8324', 8349-8350', 8362-8363', 8369-8370', 8381-8382' & 8389-8390' w/ 3 spf.

Perforated the Upper Price River from 7950-7951', 7960-7961', 7973-7974', 8008-8009', 8012-8013', 8037-8038', 8061-8062', 8090-8091', 8110-8111', 8122-8123', 8134-8135', 8159-8160' & 8164-8165' w/ 3 spf.

Perforated the Upper Price River from 7733-7734', 7742-7743', 7752-7755', 7762-7763', 7768-7769', 7855-7857', 7880-7882' & 7886-7887' w/ 3 spf.

Perforated the Upper Price River from 7460-7461', 7469-7470', 7483-7484', 7494-7495', 7537-7538', 7542-7543', 7549-7550', 7559-7560', 7607-7608', 7612-7613', 7618-7619' & 7625-7626' w/ 3 spf.

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

FORM 7

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 1169-10

API number: 4304737692

Well Location: QQ NESE Section 10 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: CRAIGS 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		
270	275	NO FLOW	NOT KNOWN
305	310	NO FLOW	NOT KNOWN
1,170	1,180	NO FLOW	NOT KNOWN

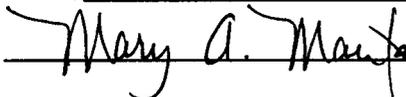
Formation tops:            1 \_\_\_\_\_            2 \_\_\_\_\_            3 \_\_\_\_\_  
 (Top to Bottom)            4 \_\_\_\_\_            5 \_\_\_\_\_            6 \_\_\_\_\_  
    7 \_\_\_\_\_            8 \_\_\_\_\_            9 \_\_\_\_\_  
    10 \_\_\_\_\_            11 \_\_\_\_\_          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

DATE 8/15/2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>U-0281</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG Resources, Inc.</b>		7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>		8. Well Name and No. <b>Chapita Wells Unit 1169-10</b>
3b. Phone No. (include area code) <b>303-824-5526</b>		9. API Well No. <b>43-047-37692</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1751' FSL &amp; 694' FEL (NESE) Sec. 10-T9S-R22E 40.048058 LAT 109.419089 LON</b>		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

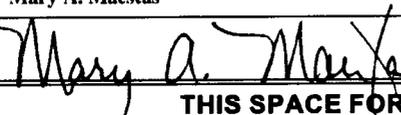
**The referenced well was turned to sales on 8/1/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

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

**Mary A. Maestas**

Title **Regulatory Assistant**

Signature



Date

**08/08/2007**

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

Approved by \_\_\_\_\_

Title

Date

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

Office

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

**RECEIVED**

(Instructions on page 2)

**AUG 10 2007**

DIV. OF OIL, GAS & MINING

## WELL CHRONOLOGY REPORT

Report Generated On: 08-07-2007

<b>Well Name</b>	CWU 1169-10	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-37692	<b>Well Class</b>	1SA
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	06-24-2007	<b>Class Date</b>	08-01-2007
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,700/ 9,700	<b>Property #</b>	058335
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,779/ 4,763				
<b>Location</b>	Section 10, T9S, R22E, NESE, 1751 FSL & 694 FEL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	100.0	<b>NRI %</b>	82.25

<b>AFE No</b>	303864	<b>AFE Total</b>	1,845,700	<b>DHC / CWC</b>	912,100/ 933,600
<b>Rig Contr</b>	ENSIGN	<b>Rig Name</b>	ENSIGN #72	<b>Start Date</b>	02-09-2006
				<b>Release Date</b>	07-07-2007
<b>02-09-2006</b>	<b>Reported By</b>				
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
				<b>Days</b>	0
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: LOCATION DATA**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			1751' FSL & 694' FWL (NE/SE)
			SECTION 10, T9S, R22E
			UINTAH COUNTY, UTAH
			LAT 40.048058, LONG 109.419089 (NAD 83)
			LAT 40.048094, LONG 109.418406 (NAD 27)
			ENSIGN #72
			OBJECTIVE: 9,700' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA WELLS DEEP
			NATURAL BUTTES FEILD
			LEASE: U-0281
			ELEVATION: 4762.8' NAT GL, 4762.8 PREP GL, (DUE TO ROUNDING PREP GL WILL BE 4763), 4779' KB (16')
			EOG BPO WI 100%, NRI 82.25%
			EOG APO WI 50%, NRI 43.5%
			INCLUDES EOG'S 2.25% ORRI

05-29-2007 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 : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

Start End Hrs Activity Description  
06:00 06:00 24.0 CONSTRUCTION OF LOCATION WILL START TODAY, 2/29/07.

05-30-2007 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 : PBTB : 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 30% COMPLETE.

05-31-2007 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 : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

Start End Hrs Activity Description  
06:00 06:00 24.0 LOCATION 40% COMPLETE.

06-01-2007 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 : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

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

06-04-2007 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 40 TVD 40 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION/NO AIR RIG

Start End Hrs Activity Description

06:00 06:00 24.0 LOCATION COMPLETE. CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 6/1/2007 @ 7:30 AM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 6/1/2007 @ 6:15 AM.

06-12-2007 Reported By TERRY CSERE

Daily Costs: Drilling \$191,267 Completion \$0 Daily Total \$191,267
Cum Costs: Drilling \$229,267 Completion \$0 Well Total \$229,267

MD 2,523 TVD 2,523 Progress 0 Days 0 MW 0.0 Visc 0.0
Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

Start End Hrs Activity Description

06:00 06:00 24.0 MIRU CRAIG'S AIR RIG # 3 ON 6/2/2007. DRILLED 12-1/4" HOLE TO 2560' GL. ENCOUNTERED WATER @ 270', 305', & @ 1170'. RAN 58 JTS (2507.58') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH DAVIS/LYNCH GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2523' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO AIR RIG.

MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 180 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 240 SX (163 BBLs) OF PREMIUM LEAD CEMENT W/16% GEL. 10#/SX GILSONITE, 3#/SX GR-3, 3% SALT & 1/4 #/SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX.

TAILED IN W/200 SX (42 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/SX FLOCELE. MIXED TAIL CEMENT TO 15.6 W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/191 BBLs FRESH WATER. BUMPED PLUG W/1000# @ 11:15 AM. 6/5/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 10 BBLs INTO GELLED WATER. CIRCULATED 29 BBLs LEAD CEMENT TO PIT. CEMENT FELL BACK WHEN PLUG BUMPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 80 SX (16.8 BBLs) OF PREMIUM CEMENT W/4% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/ YIELD OF 1.18 CF/SX. HOLE FILLED & CIRCULATED APPROXIMATELY 5 BBLs LEAD CEMENT TO PIT. CEMENT STAYED @ SURFACE WHEN PUMPING STOPPED. RDMO BIG 4 CEMENTERS.

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

NO SURVEY AT THIS TIME.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 6/1/2007 @ 3:30 P.M.

06-23-2007 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$20,344 Completion \$711 Daily Total \$21,055
Cum Costs: Drilling \$249,611 Completion \$711 Well Total \$250,322

MD 2,523 TVD 2,523 Progress 0 Days 0 MW 0.0 Visc 0.0
Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RURT

Start End Hrs Activity Description

06:00 18:00 12.0 MOVE RIG FROM CWU 1213-11 TO CWU 1169-10, W/ WEST ROC TRUCKING, HELD SAFETY MEETING W/TRUCKERS & CREWS
18:00 06:00 12.0 RURT, RAISED DERRICK @ 20:00 HR, 6/22/07

SAFETY MEETINGS W/ WEST ROC TRUCKER, RIGGING UP ROTARY TOOLS  
 FULL CREWS  
 NO ACCIDENTS  
 FUEL ON HAND 4242 GAL, USED 152 GAL  
 NOTIFIED BLM (JAMIE SPARTER) OF BOP TEST, 1500 HRS, 6/22/07

**06-24-2007**      **Reported By**      DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$33,105	<b>Completion</b>	\$0	<b>Daily Total</b>	\$33,105
<b>Cum Costs: Drilling</b>	\$282,730	<b>Completion</b>	\$711	<b>Well Total</b>	\$283,441
<b>MD</b>	2.625	<b>TVD</b>	2.626	<b>Progress</b>	102
				<b>Days</b>	1
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	10:30	4.5	RURT, PKUP KELLY
10:30	13:30	3.0	NIPPLE UP BOP STACK. DAY WORK START 10:30 HRS, 6/23/07.
13:30	16:30	3.0	TEST BOP STACK, TEST PIPE RAMS, BLIND RAMS, CHOKE LINES, INSIDE BOP, CHOKE MANIFOLD, UPPER & LOWER KELLY COCK, SAFETY VALVE TO 250 PSI FOR 5 MINUTES, 5,000 PSI FOR 10 MINUTES, ANNULAR 250 PSI FOR 5 MINUTES, 2500 PSI FOR 10 MINUTES, CASING 1500 PSI FOR 30 MINUTES, NO LEAKS
16:30	18:00	1.5	INSTALL WEAR RING, SAFETY MEETING W/WEATHERFORD CREW, BOTH RIG CREWS
18:00	21:30	3.5	PKUP BIT # 1. BHA, DRILL PIPE W/ WEATHERFORD CREW, TAG CEMENT @ 2455' , CK COM
21:30	00:00	2.5	RIG DOWN WEATHERFORD, TORQUE KELLY, INSTALL KELLY SPINNERS, ROTATING RUBBER
00:00	01:00	1.0	DRLG CEMENT 2455' TO 2470'
01:00	02:00	1.0	CHANGE SEAL IN KELLY HOSE
02:00	02:30	0.5	DRILLING CEMENT, FLOAT COLLAR, FLOAT SHOE FROM 2470' TO 2534'
02:30	03:00	0.5	CIRC FOR FIT TEST, FIT TEST 500 PSI HELD FOR 15 MINUTES
03:00	06:00	3.0	DRLG 2534' TO 2625'[91']][30.3'PH]WT 10/18, RPM 52/67, PSI 1,000, SPM 112, GPM 413.

FORMATION GREEN RIVER TOP 1844',  
 BACK GROUND GAS 500U-1400U, CONN GAS 2800U, DOWN TIME GAS 8834U @ 2588', HIGH GAS 1746U @ 2591'  
 SAFETY MEETINGS ON BEATING UP UNIONS, MOUSE HOLE CONNECTION  
 FULL CREWS  
 NO ACCIDENTS  
 FUEL ON HAND 3633 GAL, USED 764 GAL  
 WATER TO DRILL  
 LOGGER PHIL GOTCHER 1 DAY

06:00      18.0 SPUD 7 7/8" HOLE AT 03:00 HRS, 6/24/07.

**06-25-2007**      **Reported By**      DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$34,655	<b>Completion</b>	\$0	<b>Daily Total</b>	\$34,655
<b>Cum Costs: Drilling</b>	\$317,385	<b>Completion</b>	\$711	<b>Well Total</b>	\$318,096
<b>MD</b>	4.700	<b>TVD</b>	4.700	<b>Progress</b>	2,075
				<b>Days</b>	2
				<b>MW</b>	8.7
				<b>Visc</b>	27.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: DRLG AHEAD**

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRLG 2625' TO 2688'[163'][[126'PH]WT 10/12, RPM 52/67, PSI 1,000, SPM 112, GPM 413
06:30	07:00	0.5	WIRELINE SURVEY @ 2613' 7.5 DEGREES
07:00	07:30	0.5	DRLG 2688' TO 2719'[31'][[62'PH]WT 10/12, RPM 55/67, PSI 1,000, SPM 112, GPM 413
07:30	08:00	0.5	WIRELINE SURVEY @ 2644' 7.5 DEGREES
08:00	09:30	1.5	DRLG 2719' TO 2843'[124'][[82.66'PH]WT 12/18, RPM 55/67, PSI 1,000, SPM 112, GPM 413
09:30	10:00	0.5	WIRELINE SURVEY @ 2768', 7 DEGREES
10:00	11:30	1.5	2843' TO 2968'[125'][[83.88'PH]WT 15/18, RPM 55/67, PSI 1100, SPM 112, GPM 413
11:30	12:00	0.5	WIRELINE SURVEY @ 2893', 4 DEGREES
12:00	13:30	1.5	DRLG 2968' TO 3123'[155'][[103.33'PH]WT 15/20, RPM 55/67, PSI 1100, SPM 112, GPM 413
13:30	14:00	0.5	RIG SERVICE, FUNCTION PIPE RAMS, CK COM
14:00	16:30	2.5	DRLG 3123' TO 3461'[338'][[135.2'PH]WT 15/20, RPM 55/67, PSI 1400, SPM 112, GPM 413
16:30	17:30	1.0	WIRELINE SURVEY @ 3387', 2 DEGREES
17:30	02:30	9.0	DRLG 3461' TO 4484'[1977'][[219.66'PH]WT 15/20, RPM 55/67, PSI 1400, SPM 112, GPM 413
02:30	03:00	0.5	WIRELINE SURVEY @ 4387', 2.75 DEGREES
03:00	06:00	3.0	DRLG 4484' TO 4700'[216'][[72'PH]WT 18/22, RPM 55/67, PSI 1400, SPM 112, GPM 413

FORMATION GREEN RIVER TOP 1844', 50% SHALE, 35% LIMESTONE, 15% SANDSTONE  
 BACK GROUND GAS 150U-1700U, CONN GAS 1600U-3000U, DT GAS 7931U 3461, HIGH GAS 3986U @3239  
 SAFETY MEETINGS ON DOPPING TUBULARS, SCRUBBING RIG  
 BOP DRILL 1MINUTE 27 SECONDS  
 BOP DRILL 1MINUTE 25 SECONDS  
 FULL CREWS  
 NO ACCIDENTS  
 FUEL ON HAND 2753 GAL, USED 880 GAL  
 MUD WT 9.4, VIS 29  
 LOGGER PHIL GOTCHER 3 DAYS

<b>06-26-2007</b>		<b>Reported By</b>		DOUG GRINOLDS							
<b>Daily Costs: Drilling</b>	\$46,998	<b>Completion</b>	\$0	<b>Daily Total</b>	\$46,998						
<b>Cum Costs: Drilling</b>	\$364,383	<b>Completion</b>	\$711	<b>Well Total</b>	\$365,094						
<b>MD</b>	6.225	<b>TVD</b>	6.225	<b>Progress</b>	1.525	<b>Days</b>	3	<b>MW</b>	9.2	<b>Visc</b>	31.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILLING</b>											

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRLG 4700' TO 5474'[774'][[86'PH]WT 15/20, RPM 50/67, PSI 1450, SPM 112, GPM 413
15:00	15:30	0.5	RIG SERVICE, FUNCTION TEST ANNULAR, CK COM
15:30	06:00	14.5	DRLG 5474' TO 6225'[751'][[51.79'PH]WT 18/22, RPM 55/67, PSI 1600, SPM 112, GPM 413, LOST APP 158 B'LS MUD @ 5650' & 5850'. MOST OF THE MUD CAME BACK

FORMATION CHAPITA WELLS TOP 5454', 60% SANDSTONE, 40% SHALE  
 BACK GROUND GAS 170U 210U, CONN 250U-320U, DTG 2858U @ 5783', HIGH GAS 1643U @ 4899'  
 SAFETY MEETINGS ON SCUBBING RIG, PULLING SLIPS  
 FULL CREWS,  
 NO ACCIDENTS  
 FUEL ON HAND 5969 GAL, USED 1284

MUD WT 9.8, VIS 30  
 LOGGER PHIL GOTCHER 4 DAYS

06-27-2007 Reported By DOUG GRINOLDS

Daily Costs: Drilling \$29,286 Completion \$0 Daily Total \$29,286  
 Cum Costs: Drilling \$393,781 Completion \$711 Well Total \$394,492

MD 6.840 TVD 6.840 Progress 615 Days 4 MW 9.9 Visc 33.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRLG AHEAD

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRLG 6225' TO 6589'[364'] [40.44'PH] WT 18/24, RPM 50/67, PSI 1400/1600, SPM 112, GPM 413
15:00	15:30	0.5	RIG SERVICE, FUNCTION COM
15:30	06:00	14.5	DRLG 6589' TO 6840'[251'] [17.31'PH] WT 18/22, RPM 50/67, PSI 1500/1600, SPM 112, GPM 413

FORMATION NORTH HORN TOP 6783', 60% SANDSTONE, 40% SHALE  
 BACK GROUND GAS 16U-180U, CONN GAS 200U-250U, HIGH GAS 1789U @ 6142'  
 SAFETY MEETINGS ON TRIPPING PIPE, CONNECTIONC  
 BOP DRILL 3 MINUTES  
 FULL CREWS  
 NO ACCIDENTS  
 FUEL 5178 GAL, USED 791 GAL  
 MUD WT 10.4, VIS 35  
 LOGGER PHIL GOTCHER 5 DAYS

06-28-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling \$86,583 Completion \$0 Daily Total \$86,583  
 Cum Costs: Drilling \$480,365 Completion \$711 Well Total \$481,076

MD 7.175 TVD 7.175 Progress 335 Days 5 MW 9.6 Visc 34.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING AHEAD

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL FROM 6840 TO 6931, 18/24 K, 34 VIS, 10.6 WT. FULL RETURNS.
12:00	16:00	4.0	PUMP DRY JOB, DROP SURVEY, TRIP OUT FOR NEW BIT AT 6931.
16:00	20:30	4.5	LAY ( 2 ) -3- POINT REAMS DOWN, CHANGE OUT MUD MOTORS, TRIP IN WITH BIT # 2-HC506Z- BROKE CIRC AT 3965. FINISH TRIPING IN, WASHED DOWN 43 FT TO BOTTOM-6931.
20:30	06:00	9.5	DRILL 6931 TO 7175, 15/18 K, 34 VIS, 10.6 WT, 9% LCM. FULL RETURNS.

BOTTOMS UP FROM TRIP # 1, 482 UNITS, BGG 45/150 U, CONNECTION 200/250 U,  
 HIGH GAS 1522 U AT 7093'—60% SS, 40% SH.

TOTAL FUEL,4397,USED-781 GALS,

TWO FULL CREWS. BOTH CRWS HELD SAFETY MEETINGS, TRIPPING DRILL PIPE.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER—6 DAYS.

06-29-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling \$40,173 Completion \$0 Daily Total \$40,173  
 Cum Costs: Drilling \$520,539 Completion \$711 Well Total \$521,250

MD 7.705 TVD 7.705 Progress 530 Days 6 MW 10.7 Visc 38.0  
 Formation : PBTd : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL 7175 TO 7353, 15/18 K, 34 VIS, 10.6 WT, 8 % LCM.
12:30	13:00	0.5	RIG REPAIR, WORK ON # 1 PUMP.
13:00	13:30	0.5	DRILL 7353 TO 7383, 15/18 K, 36 VIS, 10.7 WT, 7% L.CM.
13:30	14:00	0.5	LUBRICATE RIG, CHECK CROWN-O-MATIC.
14:00	23:00	9.0	DRILL 7383 TO 7583, 15/18 K, 34 VIS, 10.9 WT, 7% LCM. FULL RETURNS.
23:00	23:30	0.5	RIG REPAIR, WORK ON # 1 PUMP.
23:30	06:00	6.5	DRILL FROM 7583 TO 7705, 18/20 K, 34 VIS, 11.0 WT, 7% LCM. FULL RETURNS.

TOP OF KMV PRICE RIVER, 7351, 50% SS, 40% SH, 10% SLTSTN. BGG-100/150 U—CONNECTION-200/250 U, HIGH GAS-3573 U AT 7269.'

TOTAL FUEL-3334, USED-1063 GALS

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, HIGH PRESSURE VALVES.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER, DAY # 6.

06-30-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling \$33,092 Completion \$0 Daily Total \$33,092  
 Cum Costs: Drilling \$553,631 Completion \$711 Well Total \$554,342

MD 8.320 TVD 8.320 Progress 615 Days 7 MW 11.0 Visc 35.0  
 Formation : PBTd : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL FROM 7705 TO 7971, 15/18 K, 34 VIS, 11.0 WT FULL RETURNS.
15:30	16:00	0.5	LUBRICATE RIG, CHECK CROWN -O-MATIC.
16:00	06:00	14.0	DRILL FROM 7971 TO 8320, 18/20 K, 34 VIS, 11.4 WT, 7% LCM. FULL RETURNS.

TOP OF KMV PRICE RIVER MIDDLE-8243, 50% SS, 40% SH, 10% SLTSTN, BGG 300/450 U—CONNECTION GAS-700/1100 U., HIGH GAS-5409 U, AT 8164 '

TOTAL FUEL 2197, USED-1137 GALS.

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, WORKING ON PUMPS @ TONGS.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER, DAY # 8.

AT 8170 NOTICE A LOT OF METAL CUTTINGS IN SAMPLE .SURVEY 7.5 DEGS AT 2613.

07-01-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling \$43,855 Completion \$0 Daily Total \$43,855
Cum Costs: Drilling \$597,487 Completion \$711 Well Total \$598,198

MD 8,604 TVD 8,604 Progress 284 Days 8 MW 11.3 Visc 35.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TRIPPING OUT FOR NEW BIT

Table with 4 columns: Start, End, Hrs, Activity Description. Contains 5 rows of activity logs including drilling times and descriptions.

BGG-150/700 U.CONNECTION GAS-400/2800U, HIGH GAS-4431U AT 8317..50% SS,40% SH,10% SLTSTN. NOTICE SOME METAL IN SAMPLES.

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, TRIPPING DRILL PIPE, MIXING, CAUSTIC IN MUD.

TOTAL FUEL-5494, USED-980 GALS.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER, DAY # 9

07-02-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling \$33,331 Completion \$0 Daily Total \$33,331
Cum Costs: Drilling \$630,818 Completion \$711 Well Total \$631,529

MD 8,740 TVD 8,740 Progress 136 Days 9 MW 11.4 Visc 35.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BIT TRIP.

Table with 4 columns: Start, End, Hrs, Activity Description. Contains 5 rows of activity logs including tripping out and drilling times.

TOP OF KMV PRICE RIVER MIDDLE-8243, .50% SS,40% SH,10 SLTSTN.. BGG- 185/350 U- CONNECTION GAS-400/500 U., HIGH GAS-718 U AT 8666'. TRIP GAS-2966 U, NO FLARE.

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, TRIPING PIPE.WORKING ON-PUMPS.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER, DAY # 10.

TOTAL FUEL-4706, USED--788 GALS.

07-03-2007 Reported By DEMPSEY DAY

<b>Daily Costs: Drilling</b>	\$29,517	<b>Completion</b>	\$0	<b>Daily Total</b>	\$29,517						
<b>Cum Costs: Drilling</b>	\$660,335	<b>Completion</b>	\$711	<b>Well Total</b>	\$661,046						
<b>MD</b>	8,956	<b>TVD</b>	8,956	<b>Progress</b>	216	<b>Days</b>	10	<b>MW</b>	11.4	<b>Visc</b>	41.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	TRIPPING OUT WITH BIT # 3 HC506Z.
06:30	09:00	2.5	RIG REPAIR, AIR LINES GOING TO HIGH DRUM CLUTCH.
09:00	10:30	1.5	FINISH TRIPPING OUT WITH BIT # 3
10:30	15:00	4.5	DRESS BIT # 4 AND MAKE UP, TRIP IN WITH BIT# 4 SMITH-MI-616, TO 8400. BROKE CIRC AT 4560.
15:00	15:30	0.5	KELLY UP, WASH AND REAM OUT TIGHT SPOT AT 8400 TO 8431.
15:30	16:00	0.5	FINISH TRIPING IN 3-2/3 STANDS, WASHED DOWN 31 FEET TO BOTTOM--8740.
16:00	06:00	14.0	DRILL FROM 8740 TO 8956, 12/22 K, 45/55 RPMS, 43 VIS, 11.7 WT, 7% LCM, FULL RETURNS.

BOTTOMS FROM TRIP # 4, 3744 U, NO FLARE, 30% SS, 65% SH, 5% SLTSTN, BGG-1100/2600U-, CONNECTION GAS, 1200/7000 U, HIGH GAS, 6828 U, AT 8804'.

TOTAL FUEL-4089, USED-717 GALS

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, SETTING SLIPS, MIXING MUD.

NO ACCIDENTS, MUD LOGGER, PHIL COTCHER, DAY # 11.

07-04-2007 Reported By DEMPSEY DAY

<b>Daily Costs: Drilling</b>	\$29,439	<b>Completion</b>	\$0	<b>Daily Total</b>	\$29,439						
<b>Cum Costs: Drilling</b>	\$689,775	<b>Completion</b>	\$711	<b>Well Total</b>	\$690,486						
<b>MD</b>	9,295	<b>TVD</b>	9,295	<b>Progress</b>	339	<b>Days</b>	11	<b>MW</b>	11.5	<b>Visc</b>	41.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	18:00	12.0	DRILL FROM 8956 TO 9119, 18/22 K, 45/55 RPMS, 41 VIS, 11.7 WT 6% LCM.
18:00	18:30	0.5	LUBRICATE RIG, CHECK CROWN-O- MATIC
18:30	06:00	11.5	DRILL FROM 9119 TO 9295, 18/23 K, 38 VIS, 11.7 WT 6% LCM, FULL RETURNS..

TOP OF KVM PRICE RIVER LOWER -9012, 40% SS, 55% SH, 5% SLTSTN, BGG 2200/3900U-- CONNECTION GAS-4500/5500 U--HIGH GAS-7628 AT 9043'

TOTAL FUEL-2753, USED-1330 GALS.

TWO FULL CREWS, BOTH CREWS HELD SAFETY MEETINGS, SERVICE RIG, CLEANING--  
LOCATION.

NO ACCIDENTS, MUD LOGGER, PHIL GOTCHER, DAY # 12.

**07-05-2007**      **Reported By**                      DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$35,123	<b>Completion</b>	\$0	<b>Daily Total</b>	\$35,123						
<b>Cum Costs: Drilling</b>	\$724,899	<b>Completion</b>	\$711	<b>Well Total</b>	\$725,610						
<b>MD</b>	9.552	<b>TVD</b>	9.552	<b>Progress</b>	257	<b>Days</b>	12	<b>MW</b>	11.6	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRLG 9295' TO 9398'[103][12.11'PH]WT 20/24, RPM 50/67, PSI 1937, SPM 112, GPM, 413
14:30	15:00	0.5	RIG SERVICE, FUCTION CROWN SAVER
15:00	06:00	15.0	DRLG 9398' TO 9552'[154][10.26'PH]WT 22/24, RPM 55/67, PSI 2,000, SPM 112, GPM 413

FORMATION SECO TOP 9496', 50% SS, 45% SHALE, 5% SLTSTN  
BACK GROUND GAS 2200U-3200U, CONN GAS 6400U-7500U, HIGH GAS 6126U @ 9447'  
MUD WT 11.8, VIS 38  
FULL CREWS  
NO ACCIDENTS  
SAFETY MEETINGS ON MOUSE HOLE CONNECTION, BOTH CREWS  
FUEL ON HAND 1674 GAL, USED 1079 GAL  
FUCTION COM  
LOGGER PHIL GOTCHER, DAY 13

**07-06-2007**      **Reported By**                      DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$45,456	<b>Completion</b>	\$0	<b>Daily Total</b>	\$45,456						
<b>Cum Costs: Drilling</b>	\$770,355	<b>Completion</b>	\$711	<b>Well Total</b>	\$771,066						
<b>MD</b>	9.700	<b>TVD</b>	9.700	<b>Progress</b>	148	<b>Days</b>	13	<b>MW</b>	11.8	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: LAY DOWN DRILL PIPE**

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRLG 9552' TO 9553'[1][1'PH]WT 22/26, RPM 40/67, PSI 2,000, SPM 112, GPM 413
07:00	12:00	5.0	PUMP PILL, TRIP OUT FOR BIT # 5, FUCTION CROWN SAVER
12:00	18:30	6.5	PKUP BIT # 5, NEW MUD MOTOR, TRIP IN HOLE, FILL PIPE @ 2600', & 8400'
18:30	19:30	1.0	WASH & REAM 100' TO BOTTOM
19:30	01:00	5.5	DRLG 9552' TO 9700' TD, [148][26.90'PH]WT 16,000, RPM 45/67, PSI 2200, SPM 111, GPM 398. REACHED TD @ 01:00 HRS, 7/6/07.
01:00	02:30	1.5	CIRC BOTTOMS UP FOR CASING
02:30	03:30	1.0	SHORT TRIP 5 STANDS, FUCTION CROWN SAVER
03:30	05:00	1.5	CIRC FOR CASING
05:00	06:00	1.0	HELD SAFETY MEETING W/ WEATHERFORD CREW, PUMP WT PILL, LAY DOWN DRILL PIPE

FORMATION SEGO TOP 9496', 50% SS, 45% SHALE, 5% SLTSTN

BACK GROUND GAS 600U-2400U, CONN GAS 2700U-3350U, TRIP GAS 7072U @ 9554', 4650U @ 9700' HIGH GAS 3073U @ 9590'

SAFETY MEETINGS ON TRIPPING, BOTH CREWS

FULL CREWS

NO ACCIDENTS

FUEL ON HAND 5026 GAL, USED 1153 GAL

MUD WT 12.2#, VIS 36

LOGGER PHIL GOTCHER DAY 14

TD @ 0100 HRS, 7/06/07

07-07-2007 Reported By DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$54,679	<b>Completion</b>	\$124,441	<b>Daily Total</b>	\$179,120
<b>Cum Costs: Drilling</b>	\$825,035	<b>Completion</b>	\$125,152	<b>Well Total</b>	\$950,187

<b>MD</b>	9.700	<b>TVD</b>	9.700	<b>Progress</b>	0	<b>Days</b>	14	<b>MW</b>	11.9	<b>Visc</b>	46.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: CEMENT PRODUCTION CASING

Start	End	Hrs	Activity Description
06:00	12:30	6.5	LAY DOWN DRILL PIPE
12:30	14:00	1.5	BREAK KELLY, PULL ROTATING HEAD,
14:00	16:00	2.0	LAY DOWN BHA, RIG DOWN LAY DOWN MACHINE, PULL WEAR RING
16:00	03:00	11.0	SAFETY MEETING W/ WEATHERFORD CREW, RIG UP CASERS, RUN 4 1/2 CASING, RUN 221 JTS OF 4 1/2", 11.6 #, HCP110, LTC, CASING, 2 MARKER JTS @ 4514' & 6934' FLOAT SHOE, FLOAT COLLAR, 15 CENTRALIZERS, LANDING JT, DTO HANGER
03:00	04:00	1.0	CIRC CASING FOR CEMENTING
04:00	06:00	2.0	SAFETY MEETING W/SCHLUMBERGER CREW, CEMENTING 4 1/2 CASING

SAFETY MEETINGS ON LAYING DOWN DP, PKUP CASING

FULL CREWS

NO ACCIDENTS

FUEL ON HAND 4706 GAL, USED 315 GAL

LOGGER PHIL GOTCHER 15 DAYS

CALLED BLM [JAMIE SPARGER] OF CASING & CEMENTING PRODUCTION CASING

07-08-2007 Reported By DOUG GRINOLDS

<b>Daily Costs: Drilling</b>	\$23,441	<b>Completion</b>	\$56,732	<b>Daily Total</b>	\$80,173
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$181,884	<b>Well Total</b>	\$1,030,360

<b>MD</b>	9.700	<b>TVD</b>	9.700	<b>Progress</b>	0	<b>Days</b>	15	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	CEMENT W/ LEAD 480 SK'S 35/65 POZ G, TAIL 1560 SK'S 50/50 POZ G, BUMPED PLUG W/ 3725PSI, FLOATS HELD, RIG DOWN SCHLUMBERGER
07:00	12:00	5.0	CLEAN MUD TANKS, NIPPLE DOWN BOP STACK.
12:00	06:00	18.0	RDRT, LOWER DERRICK @ 17:00 HHRS

SAFETY MEETINGS ON LAY DOWN KELLY, RIGGING DOWN

FULL CREWS

NO ACCIDENTS  
 TRANSFER 4706 GAL FUEL TO CWU 1174-10  
 MUD LOGGER RELEASED  
 TRUCKS TODAY 7/8/07  
 MOVE IS 4.0 MILES

06:00 18.0 RELEASE RIG @ 12:00 HRS (NOON), 7/7/07.  
 CASING POINT COST \$848,476

**07-10-2007**      **Reported By**      SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$44,725	<b>Daily Total</b>	\$44,725
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$226,609	<b>Well Total</b>	\$1,075,085

**MD**      9,700    **TVD**      9,700    **Progress**      0    **Days**      16    **MW**      0.0    **Visc**      0.0

**Formation :**                      **PBTD :** 9953.0                      **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 PBTD TO 970'. EST CEMENT TOP @ 1670'. RD SCHLUMBERGER.

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

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$1,780	<b>Daily Total</b>	\$1,780
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$228,389	<b>Well Total</b>	\$1,076,865

**MD**      9,700    **TVD**      9,700    **Progress**      0    **Days**      17    **MW**      0.0    **Visc**      0.0

**Formation :**                      **PBTD :** 9953.0                      **Perf :**                      **PKR Depth :** 0.0

**Activity at Report Time:** WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION.

**07-27-2007**      **Reported By**      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$28,028	<b>Daily Total</b>	\$28,028
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$256,417	<b>Well Total</b>	\$1,104,893

**MD**      9,700    **TVD**      9,700    **Progress**      0    **Days**      17    **MW**      0.0    **Visc**      0.0

**Formation :** MESAVERDE                      **PBTD :** 9953.0                      **Perf :** 8650-9501                      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC MESAVERDE.

Start	End	Hrs	Activity Description
08:00	05:00	21.0	SICP- 0 PSIG. MIRU CUTTERS WIRELINE. PERFORATE LPR FROM 9500'-01', 9477'-78', 9465'-66', 9441'-42', 9434'-35', 9411'-12', 9387'-89', 9363'-65' AND 9343'-45' @ 3 SPF @ 120° PHASING. RDWL. MIRU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4157 GAL WF120 PAD, 33,899 GAL WF120 & YF116ST+ WITH 75,000# 20/40 SAND @ .75 - 4 PPG. MTP 8241 PSIG. MTR 50.7 BPM. ATP 5540 PSIG. ATR 45.8 BPM. ISIP 2780 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9312'. PERFORATE LPR FROM 9293'-95', 9272'-73', 9259'-60', 9244'-45', 9238'-39', 9214'-15', 9183'-84', 9149'-50', 9140'-41', 9133'-34' AND 9120'-21' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL WF120 PAD, 33,929 GAL WF120 & YF116ST+ WITH 74,700# 20/40 SAND @ .75 - 4 PPG. MTP 8285 PSIG. MTR 50.3 BPM. ATP 5816 PSIG. ATR 45.6 BPM. ISIP 3050 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9094'. PERFORATE MPR FROM 9079'-80', 9066'-68', 9054'-55', 9027'-28', 9022'-23', 8997'-98', 8990'-91', 8951'-52', 8925'-26', 8920'-21', 8905'-06', 8887'-88', AND 8883'-84' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2924 GAL WF120 PAD, 46,401 GAL WF120 & YF116ST+ WITH 109,100# 20/40 SAND @ .75 - 4 PPG. MTP 8403 PSIG. MTR 50.3 BPM. ATP 6463 PSIG. ATR 47.1 BPM. ISIP 3350 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8854'. PERFORATE MPR FROM 8835'-37', 8822'-23', 8799'-8800', 8784'-85', 8769'-70', 8760'-61', 8721'-22', 8701'-02', 8663'-64', 8657'-58' AND 8650'-52' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4139 GAL WF120 PAD, 60,877 GAL WF120 & YF116ST+ WITH 149,700# 20/40 SAND @ .75 - 4 PPG. MTP 8271 PSIG. MTR 50.7 BPM. ATP 5174 PSIG. ATR 46.6 BPM. ISIP 2690 PSIG. RD SCHLUMBERGER.

RUWL. PLUG SAT DOWN 55' HIGH. RDWL. RIG TO FLOW WELL TO PIT.

FLOWED 10 HRS. 16/64 CHOKE. CP 2000 PSIG. RECOVERED 917 BLW. SHUT WELL IN @ 5 AM.

07-28-2007      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	50	<b>Completion</b>	\$312,293	<b>Daily Total</b>	\$312,293
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$568,710	<b>Well Total</b>	\$1,417,186
<b>MD</b>	9,700	<b>TVD</b>	9,700	<b>Progress</b>	0
				<b>Days</b>	18
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9953.0</b>		<b>Perf : 7460-9501</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILL OUT PLUGS.

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SICP- 2150 PSIG. RUWL. SET 10K CFP AT 8620'. PERFORATE MPR FROM 8601'-02', 8580'-81', 8564'-65', 8544'-45', 8531'-32', 8508'-09', 8496'-97', 8488'-89', 8482'-83', 8470'-71' AND 8450'-52' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2698 GAL WF120 PAD, 43,124 GAL WF120 & YF116ST+ WITH 100,600# 20/40 SAND @ .75 - 4 PPG. MTP 8583 PSIG. MTR 50.3 BPM. ATP 6787 PSIG. ATR 42.9 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8410'. PERFORATE MPR FROM 8389'-90', 8381'-82', 8369'-70', 8362'-63', 8349'-50', 8323'-24', 8311'-12', 8300'-01', 8284'-85', 8256'-57', 8250'-51' AND 8246'-47' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4345 GAL WF120 PAD, 64,997 GAL WF120 & YF116ST+ WITH 161,600# 20/40 SAND @ .75 - 4 PPG. MTP 7994 PSIG. MTR 50.4 BPM. ATP 5111 PSIG. ATR 47.8 BPM. ISIP 3080 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8180'. PERFORATE UPR FROM 8164'-65', 8159'-60', 8134'-35', 8122'-23', 8110'-11', 8090'-91', 8061'-62', 8037'-38', 8012'-13', 8008'-09', 7973'-74', 7960'-61' AND 7950'-51' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 3099 GAL WF120 PAD, 47,595 GAL WF120 & YF116ST+ WITH 115,100# 20/40 SAND @ .75 - 4 PPG. MTP 7915 PSIG. MTR 50.3 BPM. ATP 4969 PSIG. ATR 47.4 BPM. ISIP 2550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7906'. PERFORATE UPR FROM 7886'-87', 7880'-82', 7855'-57', 7768'-69', 7762'-63', 7752'-55', 7742'-43' AND 7733'-34' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2074 GAL WF120 PAD, 35,936 GAL WF120 & YF116ST+ WITH 81,500# 20/40 SAND @ .75 - 4 PPG. MTP 8460 PSIG. MTR 50.4 BPM. ATP 4906 PSIG. ATR 43.3 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7644'. PERFORATE UPR FROM 7625'-26', 7618'-19', 7612'-13', 7607'-08', 7559'-60', 7549'-50', 7542'-43', 7537'-38', 7494'-95', 7483'-84', 7469'-70' AND 7460'-61' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 3511 GAL WF120 PAD, 51,005 GAL WF120 & YF116ST+ WITH 119,500# 20/40 SAND @ .75 - 4 PPG. MTP 6004 PSIG. MTR 50.3 BPM. ATP 3848 PSIG. ATR 47.1 BPM. ISIP 2150 PSIG. RDMO SCHLUMBERGER.

RUWL. SET CBP @ 7354'. BLEED WELL TO 0 PSIG. RDMOWL. SWIFN.

**07-31-2007**      **Reported By**      POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$23,838	<b>Daily Total</b>	\$23,838
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$592,548	<b>Well Total</b>	\$1,441,024

**MD**      9,700    **TVD**      9,700    **Progress**    0    **Days**      19    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 9953.0**      **Perf : 7460-9501**      **PKR Depth : 0.0**

**Activity at Report Time:** CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
07:00	15:30	8.5	MIRUSU. ND FRAC TREE. NU BOPE. RIH W/ BIT & PUMP OFF SUB TO 7354'. SDFN.

**08-01-2007**      **Reported By**      POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,958	<b>Daily Total</b>	\$9,958
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$602,506	<b>Well Total</b>	\$1,450,982

**MD**      9,700    **TVD**      9,700    **Progress**    0    **Days**      20    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 9653.0**      **Perf : 7460-9501**      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TEST

Start	End	Hrs	Activity Description
07:00	07:00	24.0	CLEANED OUT & DRILLED OUT PLUGS @ 7354', 7644', 7906', 8180', 8410', 8620', 8847', 9094' & 9312'. RIH. CLEANED OUT TO PBTD @ 9653'. LANDED TBG AT 8198' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 13 HRS. 24/64" CHOKE. FTP 1300 PSIG. CP 1600 PSIG. 76 BFPH. RECOVERED 1080 BLW. 9702 BLWTR. PREP TO RU TEST UNIT.

TUBING DETAIL    LENGTH

PUMP OFF SUB    1.00'  
 1 JT 2-3/8" 4.7# N-80 TBG    32.56'  
 XN NIPPLE    1.10'  
 251 JTS 2-3/8" 4.7# N-80 TBG    8152.25'  
 BELOW KB    12.00'  
 LANDED @    8198.91' KB

**08-02-2007**      **Reported By**      SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,300	<b>Daily Total</b>	\$2,300
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$604,806	<b>Well Total</b>	\$1,453,282

**MD**      9,700    **TVD**      9,700    **Progress**    0    **Days**      21    **MW**      0.0    **Visc**      0.0

**Formation : MESAVERDE**      **PBTD : 9653.0**      **Perf : 7460-9501**      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TEST TO SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOW TEST TO SALES 24HRS. 20/64 CHOKE. FTP 1600 PSIG. CP 1700 PSIG. 47 BPH. RECONERED 1057 BLW. 8645 BLWTR. 1,128 MCFD RATE.

**08-03-2007**      **Reported By**      SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,300	<b>Daily Total</b>	\$2,300
<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$607,106	<b>Well Total</b>	\$1,455,582

MD 9,700 TVD 9,700 Progress 0 Days 22 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9653.0 Perf : 7460-9501 PKR Depth : 0.0

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOW TEST TO SALES 24HRS. 22/64 CHOKE. FTP 1500 PSIG. CP 2600 PSIG. 43 BPH. RECOVERED 1076 BLW.  
 7569 BLWTR. 1,530 MCFD RATE.

INITIAL PRODUCTION. OPENING PRESSURE: TP 1600 & CP 1700 PSI. TURNED WELL TO QUESTAR SALES AT 12:30 PM, 8/1/07. FLOWED 500 MCFD RATE ON 20/64" POS CHOKE. STATIC 247.

FLOWED 813 MCF, 68 BC & 1063 BW IN 21 HRS ON 22/64" CHOKE. TP 1500 PSIG & CP 1900 PSIG.

08-04-2007 Reported By SEARLE

Daily Costs: Drilling \$0 Completion \$2,300 Daily Total \$2,300  
 Cum Costs: Drilling \$848,476 Completion \$609,406 Well Total \$1,457,882

MD 9,700 TVD 9,700 Progress 0 Days 23 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9653.0 Perf : 7460-9501 PKR Depth : 0.0

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOW TEST TO SALES 24 HRS. 24/64" CHOKE. FTP 1200 PSIG. CP 2200 PSIG. 30 BPH. RECOVERED 866 BLW.  
 6703 BLWTR. 1760 MCFD RATE.

FLOWED 1244 MCF, 40 BC & 999 BW IN 24 HRS ON 22/64" CHOKE. TP 1500 PSIG & CP 2500 PSIG.

08-05-2007 Reported By SEARLE

Daily Costs: Drilling \$0 Completion \$2,300 Daily Total \$2,300  
 Cum Costs: Drilling \$848,476 Completion \$611,706 Well Total \$1,460,182

MD 9,700 TVD 9,700 Progress 0 Days 24 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9653.0 Perf : 7460-9501 PKR Depth : 0.0

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOW TEST TO SALES 24 HRS. 24/64" CHOKE. FTP 1000 PSIG. CP 1850 PSIG. 26 BPH. RECOVERED 645 BLW.  
 6058 BLWTR. 1718 MCFD RATE.

FLOWED 1590 MCF, 50 BC & 754 BW IN 24 HRS ON 24/64" CHOKE. TP 1200 PSIG & CP 2000 PSIG.

08-06-2007 Reported By

Daily Costs: Drilling \$0 Completion \$2,300 Daily Total \$2,300  
 Cum Costs: Drilling \$848,476 Completion \$614,006 Well Total \$1,462,482

MD 9,700 TVD 9,700 Progress 0 Days 25 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9653.0 Perf : 7460-9501 PKR Depth : 0.0

Activity at Report Time:

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 1590 MCF, 70 BC & 604 BW IN 24 HRS ON 24/64" CHOKE. TP 1000 PSIG & CP 1800 PSIG.

08-07-2007 Reported By ALAN WATKINS

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0

<b>Cum Costs: Drilling</b>	\$848,476	<b>Completion</b>	\$614,006	<b>Well Total</b>	\$1,462,482						
<b>MD</b>	9,700	<b>TVD</b>	9,700	<b>Progress</b>	0	<b>Days</b>	26	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9653.0</b>		<b>Perf : 7460-9501</b>		<b>PKR Depth : 0.0</b>					

**Activity at Report Time: SI-INSULATING FACILITY**

<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>
06:00	06:00	24.0	FLOWED 1285 MCF, 63 BC & 600 BW IN 24 HRS ON 24/64" CHOKE, TP 1000 PSIG & CP 1800 PSIG. SHUT IN TO INSULATE FACILITY.

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.  
UTU0281

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 1169-10

2. Name of Operator  
EOG RESOURCES INC.

Contact: MARY A MAESTAS  
E-Mail: mary\_maestas@eogresources.com

9. API Well No.  
43-047-37692

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/MESAVERDE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
  
Sec 10 T9S R22E NESE 1751FSL 694FEL  
40.04806 N Lat, 109.41909 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 checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<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.)

EOG Resources, Inc. requests authorization to install a 4" surface pipeline for the referenced well.

The proposed pipeline will be approximately 914' long with a 20-foot width.

See attached.

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

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #56825 verified by the BLM Well Information System  
For EOG RESOURCES INC., sent to the Vernal**

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

Signature *Mary A. Maestas* Date 10/19/2007

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

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

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

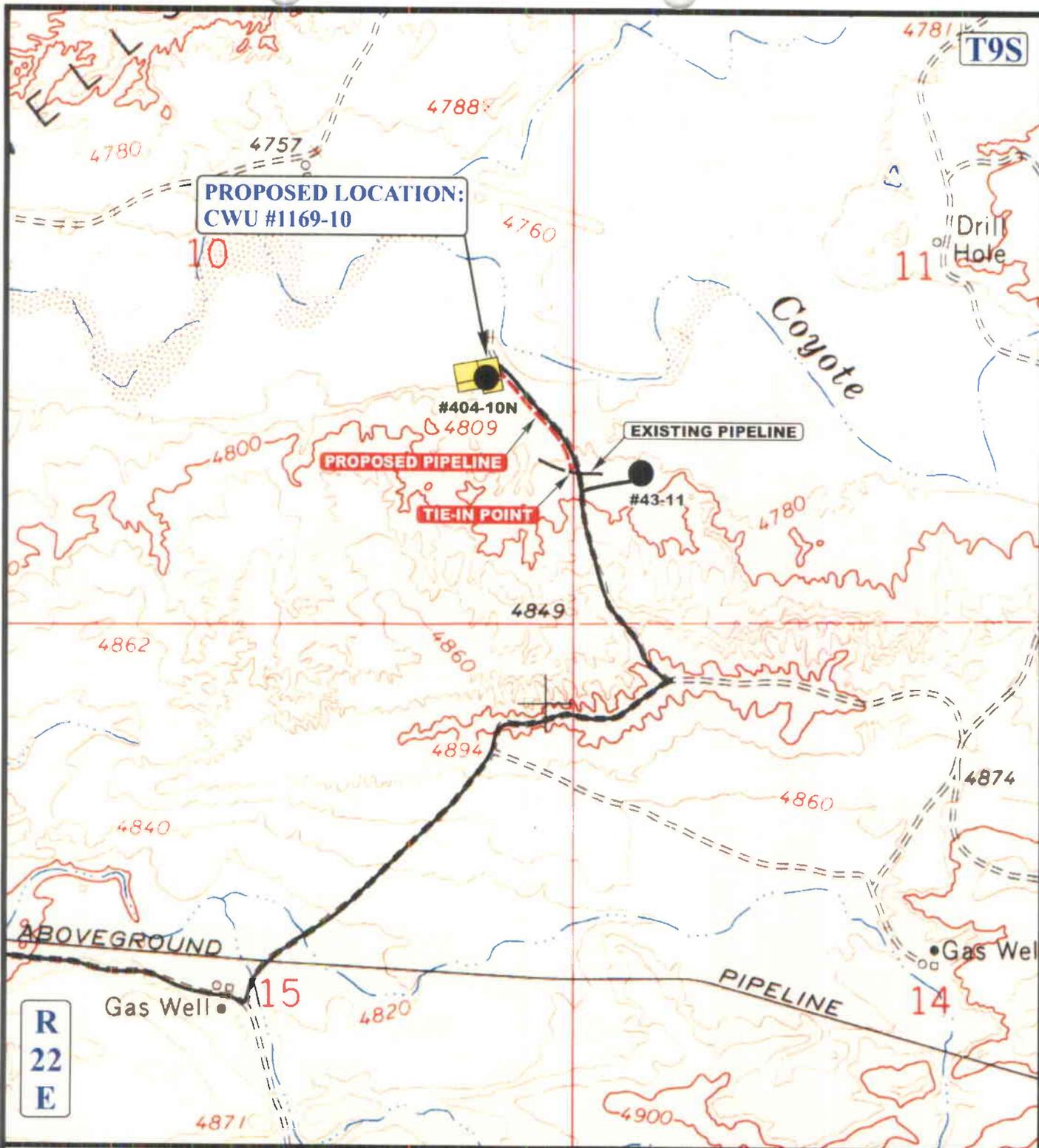
Office \_\_\_\_\_

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

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

**RECEIVED**

**OCT 25 2007**



APPROXIMATE TOTAL PIPELINE DISTANCE = 914' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**EOG RESOURCES, INC.**

CWU #1169-10  
 SECTION 10, T9S, R22E, S.L.B.&M.  
 1751' FSL 694' FEL



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

**TOPOGRAPHIC MAP** 07 17 07  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: B.C. REVISED: 00-00-00





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO  
3180  
UT-922

SEP 08 2008

RECEIVED

SEP 15 2008

EOG Resources, Inc.  
Attn: Debbie Spears  
600 Seventeenth Street  
Suite 1000N  
Denver, CO 80202

DIV. OF OIL, GAS & MINERALS

Re: Consolidated Mesaverde Formation PA  
"A-Z,AA-BB" Chapita Wells Unit  
Uintah County, Utah

Dear Ms. Spears:

The Consolidated Mesaverde Formation PA "A-Z,AA-BB", Chapita Wells Unit, CRS No. UTU63013BF, AFS No. 892000905BF, is hereby approved effective as of August 1, 2007, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

*To 13650*

The Consolidated Mesaverde Formation PA "A-Z,AA-BB" results in an initial consolidated participating area of 16,930.04 acres and is based upon the completion the following wells as capable of producing unitized substances in paying quantities.

WELL NO.	API NO.	LOCATION	LEASE NO.	from
CWU 672-1	43-047-36762	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , 01-9S-22E	UTU01458	16078
CWU 1223-01	43-047-38409	NW $\frac{1}{4}$ SE $\frac{1}{4}$ , 01-9S-22E	UTU01458	16160
CWU 1169-10	43-047-37692	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 10-9S-22E	UTU0281	16161
CWU 447-10	43-047-38084	SE $\frac{1}{4}$ NW $\frac{1}{4}$ , 10-9S-22E	UTU0281	16077
CWU 1174-10	43-047-37699	SW $\frac{1}{4}$ NE $\frac{1}{4}$ , 10-9S-22E	UTU0281	16162
CWU 1224-11	43-047-38599	NW $\frac{1}{4}$ NW $\frac{1}{4}$ , 11-9S-22E	UTU0281	16230
CWU 836-11	43-047-37874	SW $\frac{1}{4}$ SW $\frac{1}{4}$ , 11-9S-22E	UTU0281	16110
CWU 716-07	43-047-38408	SW $\frac{1}{4}$ SW $\frac{1}{4}$ , 07-9S-23E	UTU0343	16118
CWU 1236-21	43-047-38066	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 21-9S-23E	UTU0336A	16263
CWU 1237-21	43-047-38078	SW $\frac{1}{4}$ SE $\frac{1}{4}$ , 21-9S-23E	UTU0336A	16291
CWU 1118-22	43-047-37495	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 22-9S-23E	UTU01301	16228
CWU 1117-22	43-047-37496	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , 22-9S-23E	UTU01301	16195
CWU 1090-27	43-047-37048	SW $\frac{1}{4}$ SW $\frac{1}{4}$ , 27-9S-23E	UTU0344A	16196
CWU 1095-22	4304737457	SWSW 22, 9S, 23E	UTU-01301	15647

Copies of the approved request are being distributed to the appropriate federal agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Consolidated Mesaverde Formation PA "A-Z,AA-BB", Chapita Wells Unit, and the effective date.

Sincerely,

*/s/ Becky J. Hammond*

Becky J. Hammond  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Division of Oil, Gas & Mining  
SITLA  
Chapita Wells Unit w/enclosure  
MMS - Data Management Division (Attn: Leona Reilly w/exhibit B)  
Field Manager - Vernal w/enclosure  
Fluids – Judy  
Fluids - Mickey  
Agr. Sec. Chron.  
Reading File  
Central Files

CSeare:cs: (09/08/08)cons.chapita.A-Z,AA-BB" (U63013BF)

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES Operator Account Number: N 9550  
 Address: 1060 East Highway 40  
city VERNAL  
state UT zip 84078 Phone Number: (435) 781-9145

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37692	CHAPITA WELLS UNIT 1169-10		NESE	10	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	16161	13650	6/1/2007		8/1/2007		
<b>Comments:</b> MESAVERDE <span style="float: right;">— 10/23/08</span>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38084	CHAPITA WELLS UNIT 447-10		SENE	10	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	16077	13650	5/4/2007		8/1/2007		
<b>Comments:</b> MESAVERDE <span style="float: right;">— 10/23/08</span>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37699	CHAPITA WELLS UNIT 1174-10		SWNE	10	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	16162	13650	6/5/2007		8/1/2007		
<b>Comments:</b> MESAVERDE <span style="float: right;">— 10/23/08</span>							

**ACTION CODES:**

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

Mickenzie Thacker

Name (Please Print)

*Mickenzie Thacker*

Signature

Operations Clerk

10/14/2008

**RECEIVED**

Title

Date

OCT 14 2008

DIV. OF OIL, GAS & MINING