

**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 1171-3  
NE/SW, SEC. 3, 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 1171-3 B

RECEIVED

FEB 03 2006

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

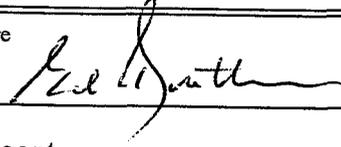
APPLICATION FOR PERMIT TO DRILL OR REENTER

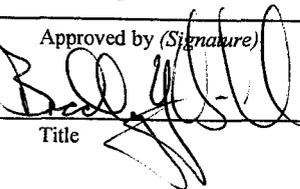
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-0281</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>
3a. Address <b>P.O. BOX 1815 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1171-3</b>
3b. Phone No. (Include area code) <b>(435)789-0790</b>		9. API Well No. <b>43-047-37695</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>2074' FSL, 1443' FWL 633919X 40.063575 NE/SW</b> At proposed prod. Zone <b>4435778Y -109.429743</b>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
14. Distance in miles and direction from nearest town or post office* <b>15.86 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC. 3, T9S, R22E, S.L.B.&amp;M.</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) <b>1443'</b>	16. No. of Acres in lease <b>2558</b>	12. County or Parish <b>UINTAH</b>
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	13. State <b>UTAH</b>
19. Proposed Depth <b>10,035'</b>	20. BLM/BIA Bond No. on file <b>NM-2308</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4807.8 FEET GRADED GROUND</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	23. Esti mated duration <b>45 DAYS</b>
24. Attachments		

Attachments

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

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

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

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

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.

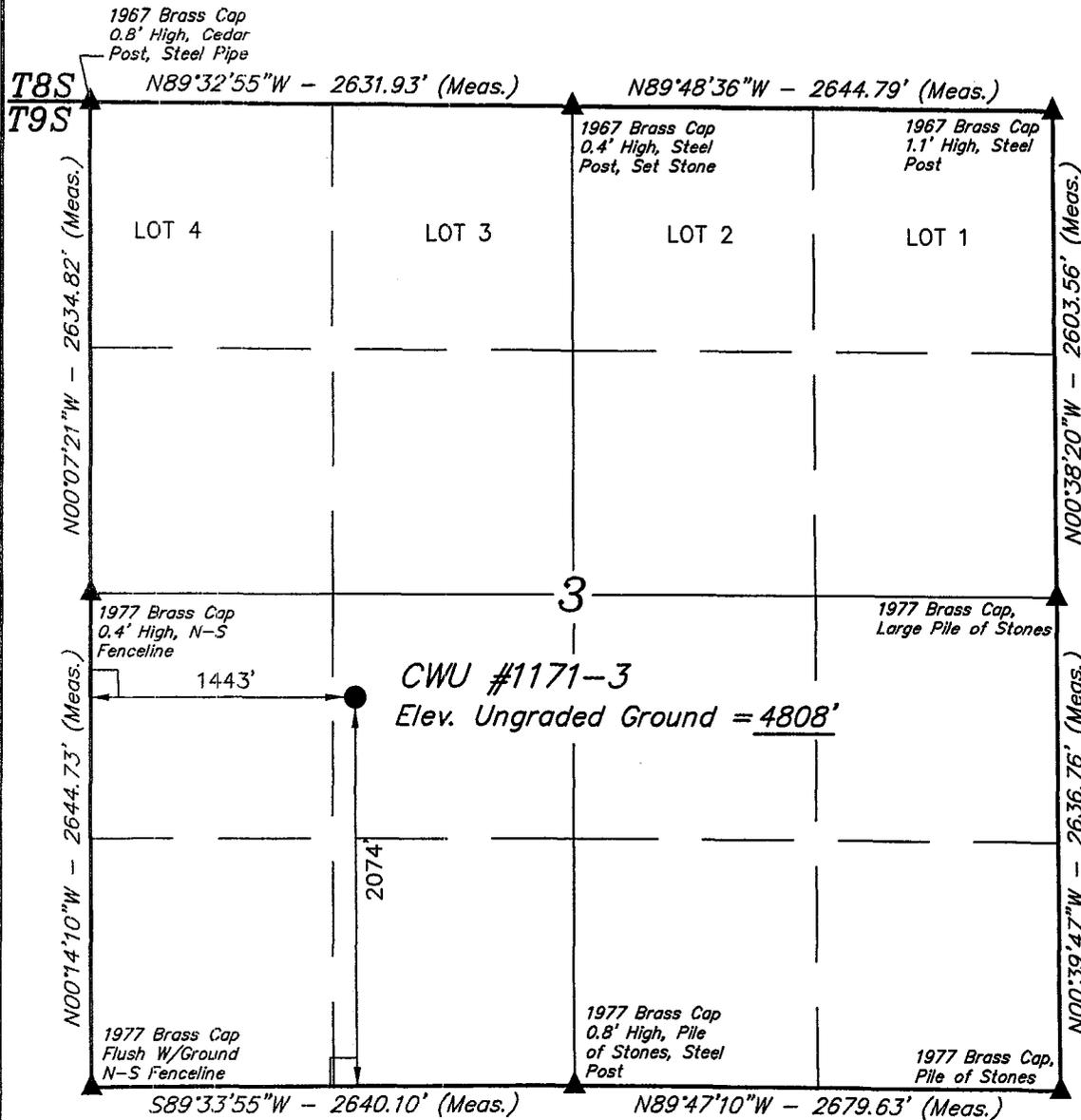
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**FEB 03 2006**

\*(Instructions on page 2)

Federal Approval of this  
Action Is Necessary

DIV. OF OIL, GAS & MINING

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



## BASIS OF BEARINGS

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

(NAD 83)  
 LATITUDE = 40°03'48.65" (40.063514)  
 LONGITUDE = 109°25'49.55" (109.430431)  
 (NAD 27)  
 LATITUDE = 40°03'48.78" (40.063550)  
 LONGITUDE = 109°25'47.09" (109.429747)

## LEGEND:

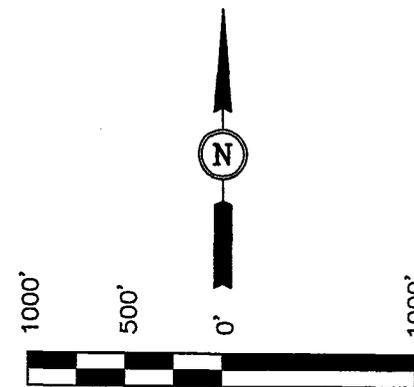
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

## EOG RESOURCES, INC.

Well location, CWU #1171-3, located as shown in the NE 1/4 SW 1/4 of Section 3, 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.



SCALE

## CERTIFICATE

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

*Robert Hay*

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: 01-05-06
PARTY T.A. J.H. S.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1171-3**  
**NE/SW, SEC. 3, 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	2,052'
Wasatch	5,114'
North Horn	6,998'
Island	7,561'
KMV Price River	7,802'
KMV Price River Middle	8,522'
KMV Price River Lower	9,361'
Sego	9,835'

Estimated TD: **10,035' or 200'± below Sego top**

**Anticipated BHP: 5,480 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 1171-3**  
**NE/SW, SEC. 3, 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. Defloculants/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 1171-3**  
**NE/SW, SEC. 3, 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>, 1/4#/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:** 162 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:** 940 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9 gps water.

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

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

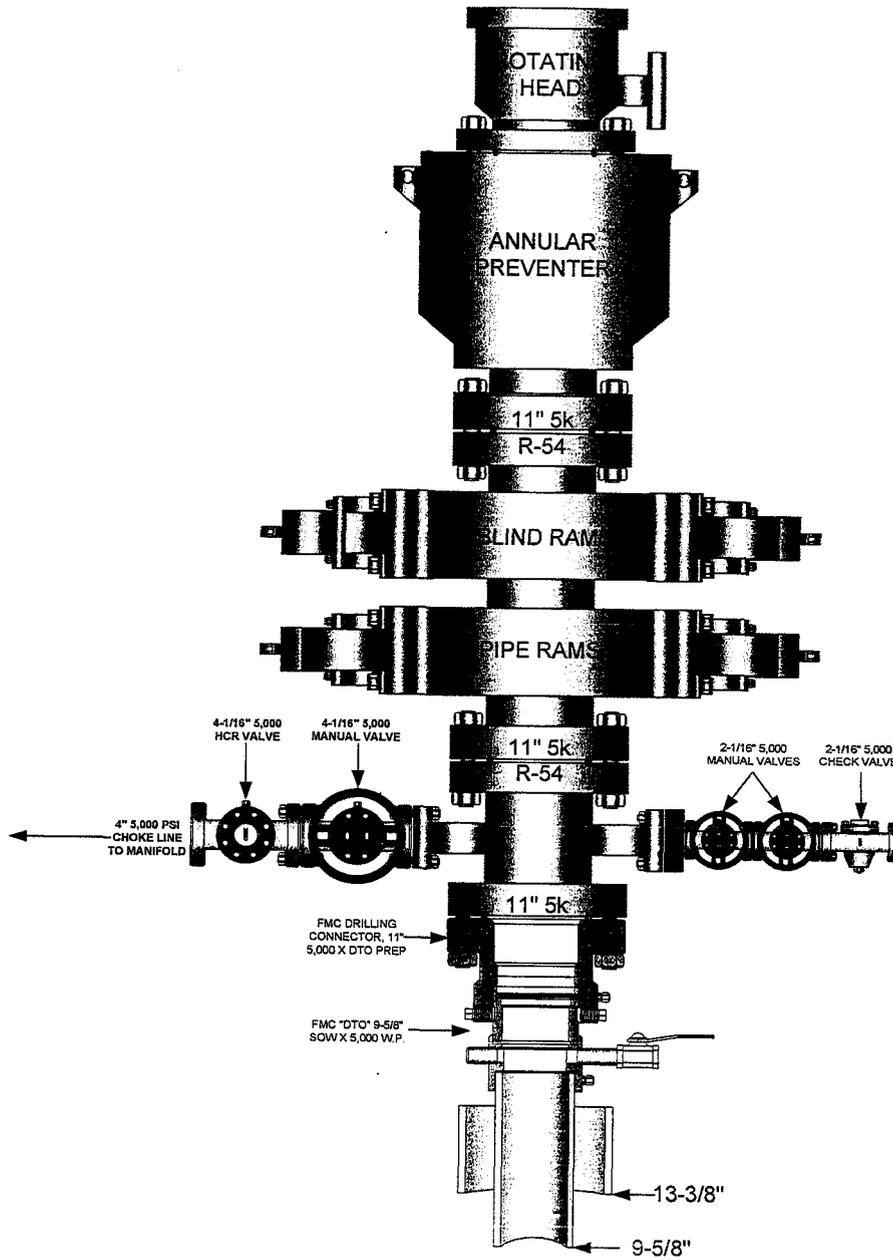
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**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.

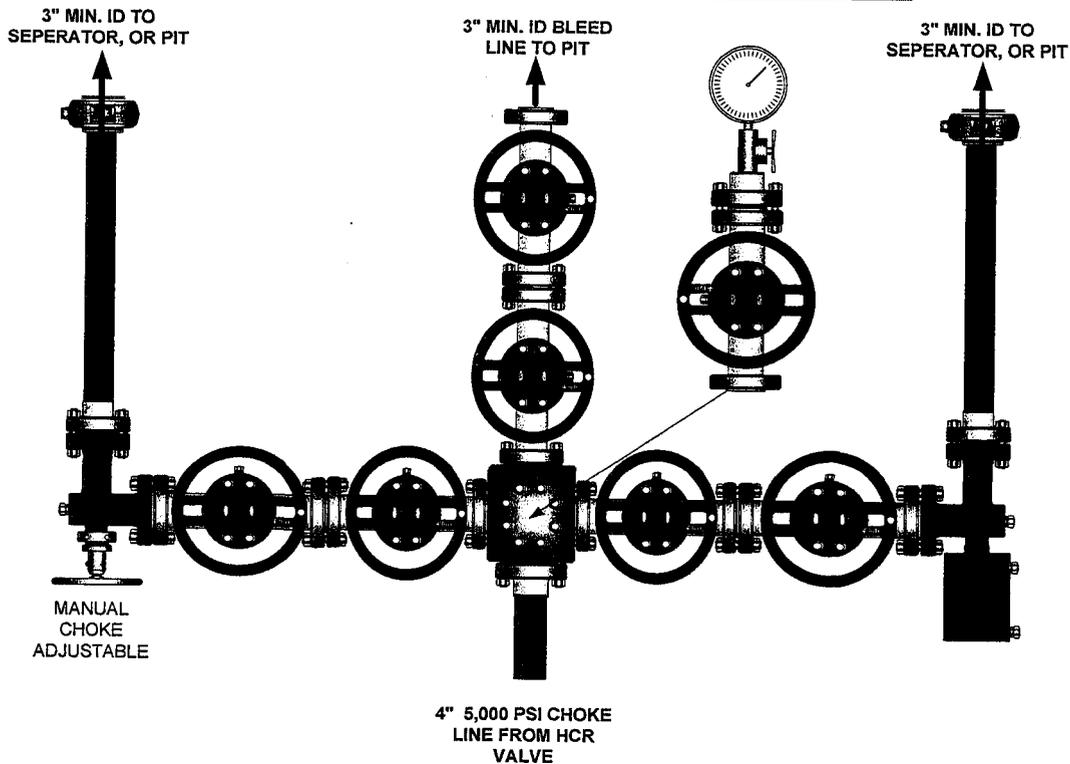
(Attachment: BOP Schematic Diagram)

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 1171-3  
Lease Number: U-0281  
Location: 2074' FSL & 1443' FWL, NE/SW, Sec. 3,  
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 15.86 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 - 2\*

B. Producing wells - 42\*

(\*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 South 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 Southwest corner of the location.

The flare pit will be located downwind of the prevailing wind direction on the West 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 from Corner #2 to Corner #8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the North.

Corners #2 & #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**

None

**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 1171-3 Well, located in the NE/SW of Section 3, 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

Lee Smith  
Agent

EOG RESOURCES, INC.  
CWU #1171-3  
SECTION 3, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 300' TO THE CWU #538-3 AND THE PROPOSED LOCATION

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 46.9 MILES.

# EOG RESOURCES, INC.

CWU #1171-3

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 3, T9S, R22E, S.L.B.&M.

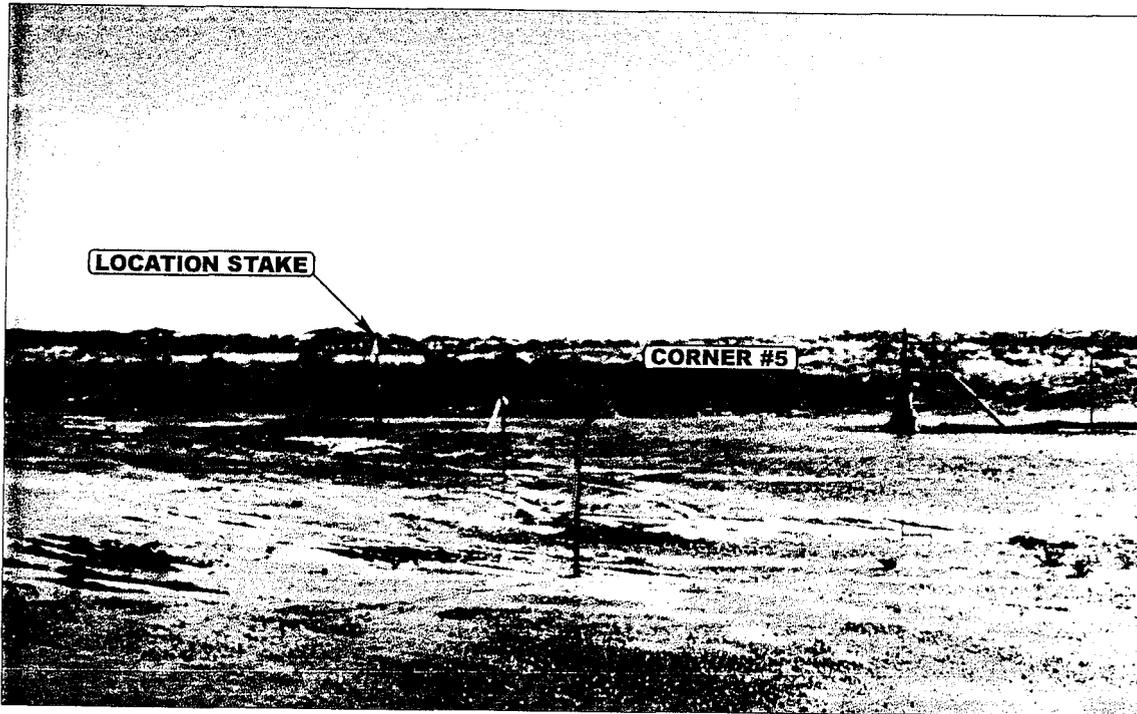


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

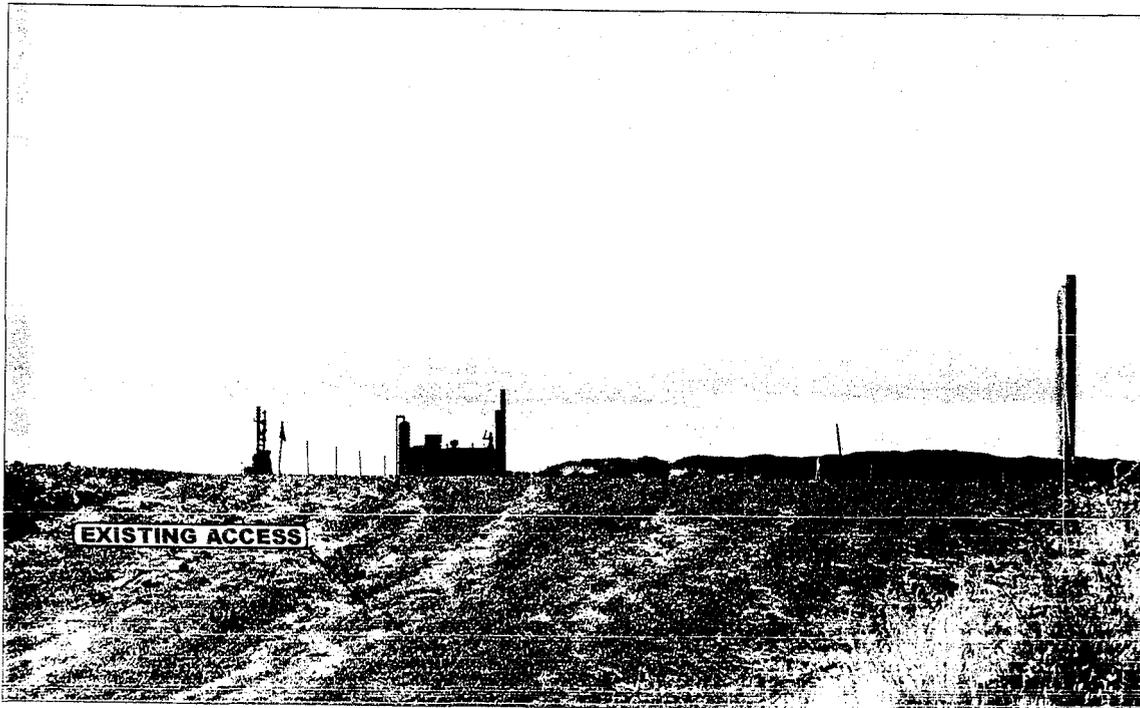


PHOTO: VIEW FROM EXISTING ACCESS

CAMERA ANGLE: SOUTHWESTERLY



Since 1964

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

LOCATION PHOTOS	01	12	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: T.A.	DRAWN BY: B.C.	REVISED: 00-00-00		



EOG RESOURCES, INC.

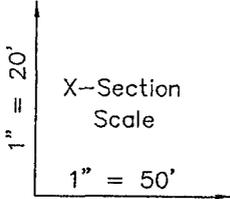
FIGURE #2

TYPICAL CROSS SECTIONS FOR

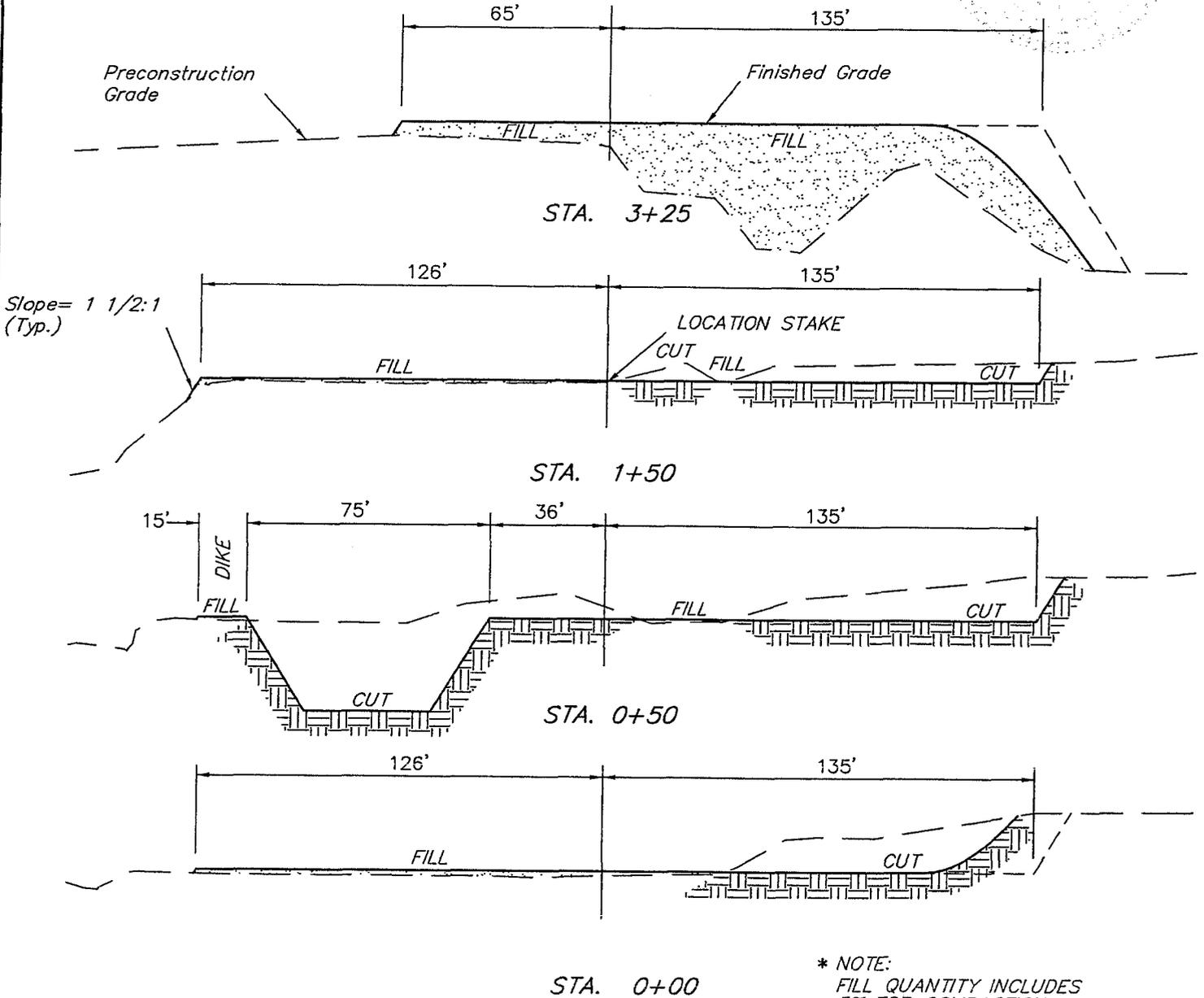
CWU #1171-3

SECTION 3, T9S, R22E, S.L.B.&M.

2074' FSL 1443' FWL



DATE: 01-05-06  
Drawn By: S.L.

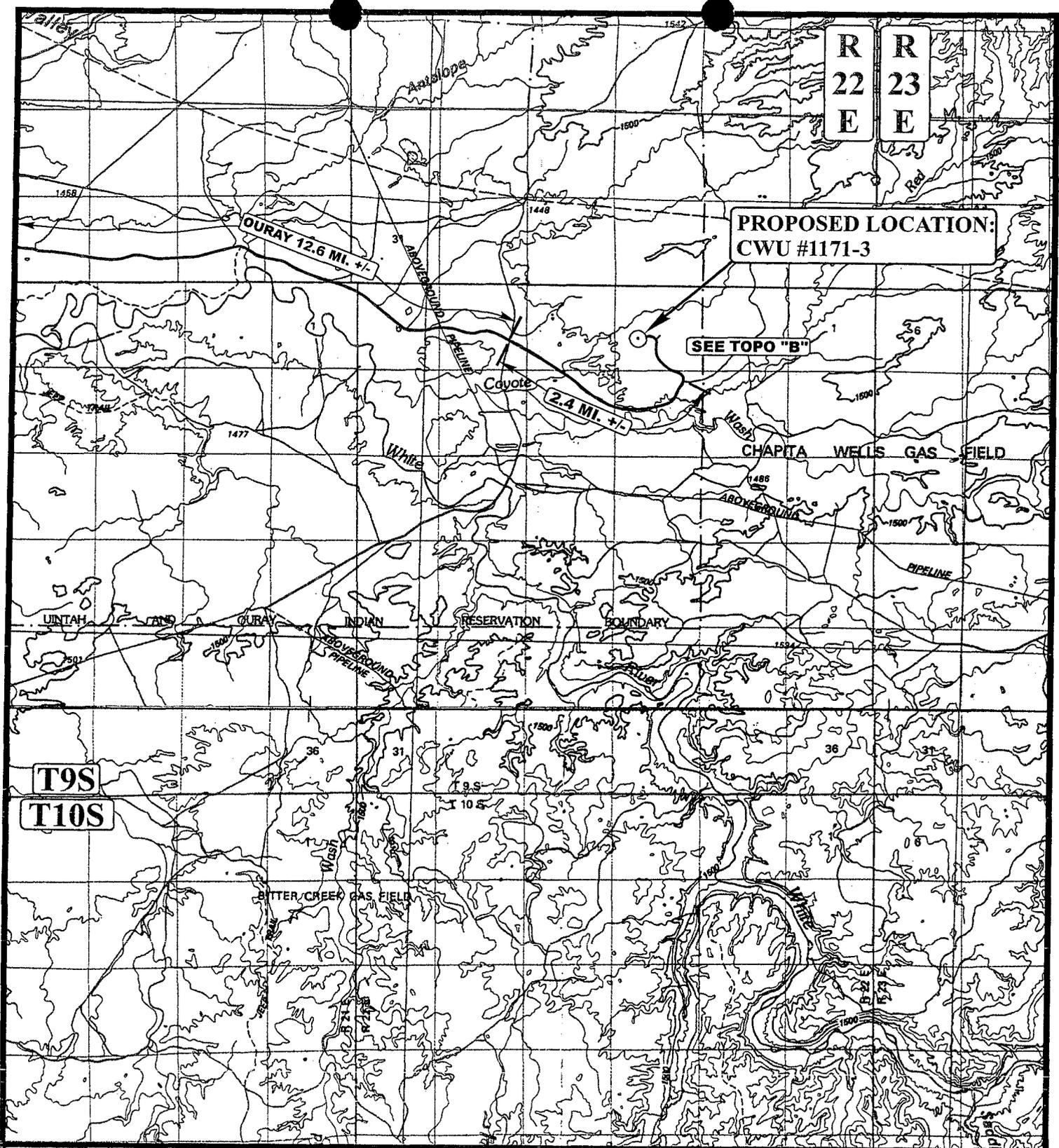


\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 710 Cu. Yds.
(New Construction Only)	
Remaining Location	= 6,020 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,730 CU.YDS.</b>
<b>FILL</b>	<b>= 4,360 CU.YDS.</b>

EXCESS MATERIAL	= 2,370 Cu. Yds.
Topsoil & Pit Backfill	= 2,370 Cu. Yds.
(1/2 Pit Vol.)	
EXCESS UNBALANCE	= 0 Cu. Yds.
(After Rehabilitation)	



R  
22  
E

R  
23  
E

**PROPOSED LOCATION:  
CWU #1171-3**

**SEE TOPO "B"**

T9S  
T10S

**LEGEND:**

⊙ PROPOSED LOCATION



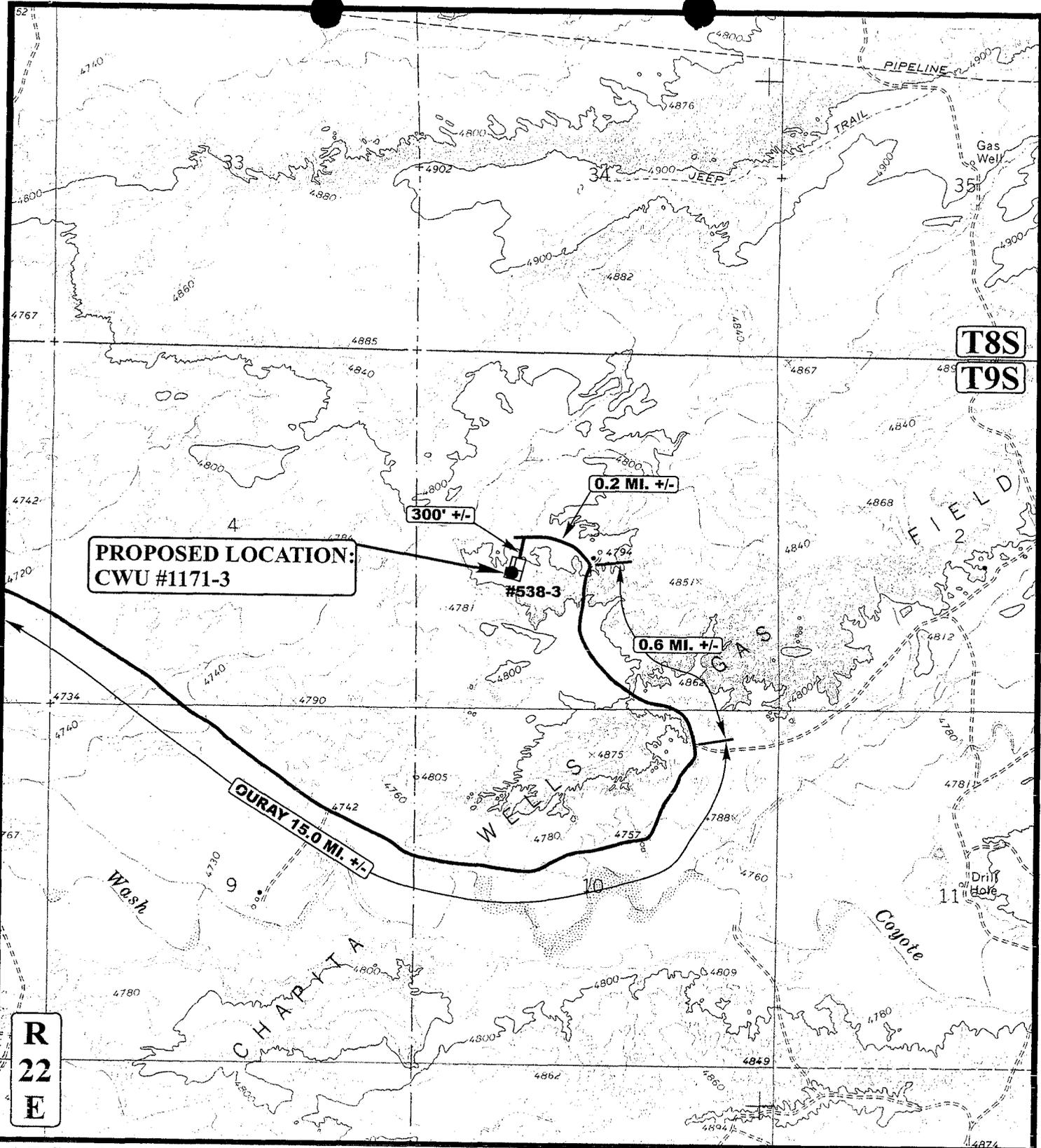
**EOG RESOURCES, INC.**

CWU #1171-3  
SECTION 3, T9S, R22E, S.L.B.&M.  
2074' FSL 1443' FWL

**UES**  
 Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 34078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 01 12 06  
 MAP MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: B.C. REVISED: 00-00-00





**T8S**  
**T9S**

**PROPOSED LOCATION:  
CWU #1171-3**

**300' +/-**

**0.2 MI. +/-**

**0.6 MI. +/-**

**DURAY 15.0 MI. +/-**

**R**  
**22**  
**E**

**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**EOG RESOURCES, INC.**

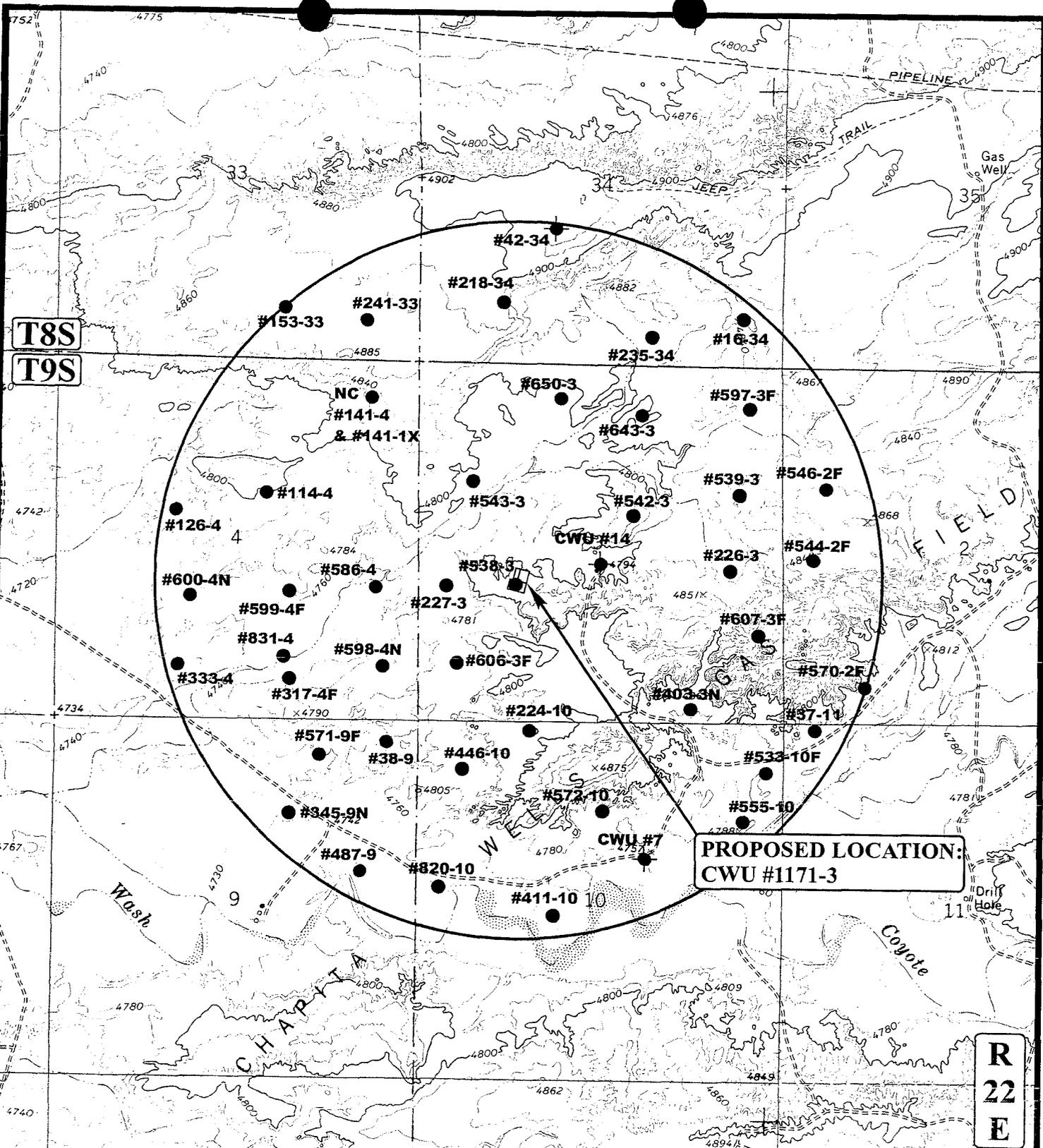
**CWU #1171-3**  
**SECTION 3, T9S, R22E, S.L.B.&M.**  
**2074' FSL 1443' FWL**



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

**TOPOGRAPHIC** 01 12 06  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00





**PROPOSED LOCATION:  
CWU #1171-3**

**R  
22  
E**

**LEGEND:**

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



**EOG RESOURCES, INC.**

**CWU #1171-3  
SECTION 3, T9S, R22E, S.L.B.&M.  
2074' FSL 1443' FWL**



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

**TOPOGRAPHIC MAP**  
01 12 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: 43-047-37695

WELL NAME: CWU 1171-3  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:  
 NESW 03 090S 220E  
 SURFACE: 2074 FSL 1443 FWL  
 BOTTOM: 2074 FSL 1443 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.06352 LONGITUDE: -109.4297  
 UTM SURF EASTINGS: 633919 NORTHINGS: 4435778  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

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 )  
 Potash (Y/N)  
 Oil Shale 190-5 (B) or 190-3 or 190-13  
 Water Permit  
 (No. 49-1501 )  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_ )  
 Fee Surf Agreement (Y/N)  
 Intent to Commingle (Y/N)

LOCATION AND SITING:

\_\_\_\_ R649-2-3.  
 Unit: CHAPITA WELLS  
 \_\_\_\_ R649-3-2. General  
 Siting: 460 From Qtr/Qtr & 920' Between Wells  
 \_\_\_\_ R649-3-3. Exception  
 Drilling Unit  
 Board Cause No: 179-8  
 Eff Date: 8-10-1999  
 Siting: Suspends General Siting  
 \_\_\_\_ R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Approval  
2- OIL SHALE

# NATURAL BUTTES FIELD

N CHAPITA  
218-34  
**T8S R22E**

**T9S R22E**

WRU  
LW33-35-8-22  
WRU  
B-35-8-22  
WRU  
E11  
H4MU-35-8-22  
WRU  
E11  
H5MU-35-8-22  
WRU  
E11  
H6MU-35-8-22  
N CHAPITA  
HED-36

N CHAPITA H1-4  
N CHAPITA H1-4X

CWU 650-3  
CWU 643-3  
CWU 1065-3  
CWU 597-3F  
CWU 1066-3  
CWU 543-3  
CWU 700-3GR  
CWU 519-3  
CWU 542-3  
CWU 1067-3  
CWU 114  
CWU 227-3  
CWU 1071-3  
CWU 518-3N  
CWU 226-3  
CWU 606-3F  
CWU 598-4N  
CWU 833-3  
CWU 224-10  
CWU 403-3N  
CWU 607-3F  
CWU 334-2  
CWU 547-2F  
CWU 1173-2  
CWU 547-2F  
CWU 1173-2  
CWU 570-2F  
CWU 486-2F  
CWU 630-2  
CWU 40-2N  
CWU 315-2F  
CWU 642-2  
CWU 649-2  
CWU 708-2  
CWU 645-1  
CWU 670-1  
CWU 554-2F  
CWU 554-2F  
CWU 671-1  
CWU 641-1  
CWU 1156-1

CAUSE: 179-8 / 8-10-1999

CWU 38-9  
CWU 1024-10  
CWU 446-10F  
CWU 639-10  
CWU 572-10F  
CWU 637-10  
CWU 533-10F  
CWU 555-10F  
CWU 487-9F  
CWU 820-10  
CWU 332-10  
CWU 986-10  
CWU 448-10F  
CWU 44-10  
CWU 1040-10  
CWU 807-10  
CWU 627-10  
CWU 419-10F  
CWU 987-10  
CWU 410N  
CWU 1174-10  
CWU 220-10  
CWU 1169-10  
CWU 404-10N  
CWU 834-10  
CWU 594-10F  
CWU 520-15F  
CWU 483-15F  
CWU 343-15N  
CWU 635-15  
CWU 219-15  
CWU 625-15  
CWU 884-15

# CHAPITA WELLS UNIT

CWU 442-11F  
CWU 320-11  
CWU 120-11X  
(REG-SKID)  
CWU 441-11F  
CWU 536-11F  
CWU 443-11F  
CWU 592-11F  
CWU 15  
CWU 632-11  
CWU 593-11F  
CWU 531-11F  
CWU 980-12  
CWU 229-12  
CWU 574-12N  
CWU 439-11N  
CWU 971-11  
CWU 807-11  
CWU 573-11N  
CWU 315-11F  
CWU 806-12  
CWU 43-11  
CWU 409-11N  
CWU 315-11F  
CWU 42-13  
CWU 891-16  
CWU 407-16N  
CWU 230-14  
CWU 1061-14  
CWU 319-14  
CWU 608-14F  
CWU 523-14F  
CWU 451-14F  
CWU 576-14F  
CWU 974-14  
CWU 560-14F

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**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - 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 1171-3 Well, 2074' FSL, 1443' FWL, NE SW, Sec. 3,  
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 43-047-37695.

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 1171-3  
API Number: 43-047-37695  
Lease: U-0281

Location: NE SW                      Sec. 3                      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.

# RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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 **2074' FSL, 1443' FWL** **NE/SW**  
At proposed prod. Zone

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

15. Distance from proposed\* location to nearest property or lease line, ft. **1443'**  
(Also to nearest drig. Unit line, if any)

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

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

19. Proposed Depth  
**10,035'**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**4807.8 FEET GRADED GROUND**

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

24. Attachments

### Attachments

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

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

25. Signature 	Name (Printed/Typed) <b>Ed Trotter</b>	Date <b>January 26, 2006</b>
Title <b>Agent</b>	<p style="text-align: center;"><b>Accepted by the Utah Division of Oil, Gas and Mining</b></p> <p style="text-align: center;"><b>FOR RECORD ONLY</b></p>	

Approved by (Signature) 	Name (Printed/Typed) <b>JERRY KEVORKA</b>	Date <b>9-29-2006</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office	

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

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

\*(Instructions on page 2)

# CONDITIONS OF APPROVAL ATTACHED

**OFFICE 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>NESW, Sec 3, T9S, R22E</b>
<b>Well No:</b>	<b>CWU 1171-3</b>	<b>Lease No:</b>	<b>UTU-0281</b>
<b>API No:</b>	<b>43-047-37695</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
- This location is on an existing location so there will be no buried pipeline
- Paleontological monitoring will be required on all surface disturbance activity, by a professional Paleontologist. 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. "Blooiie line discharge 100 feet from well bore and securely anchored"
- Blooiie 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

5. LEASE DESIGNATION AND SERIAL NUMBER:

~~U-20585~~ U-0281

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
**CHAPITA WELLS UNIT**

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

8. WELL NAME and NUMBER:  
**CHAPITA WELLS UNIT 1171-3**

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

9. API NUMBER:  
**43-047-37695**

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

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

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **2,074' FSL & 1,443' FWL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESW 3 9S 22E S.L.B. & M.**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input 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>APD EXTENSION REQUEST</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: 

2-9-07  
RM

NAME (PLEASE PRINT) Carrie MacDonald

TITLE Operations Clerk

SIGNATURE 

DATE 2/6/2007

(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:** 43-047-37695  
**Well Name:** CHAPITA WELLS UNIT 1171-3  
**Location:** 2074 FSL 1443 FWL (NESW), SECTION 3, 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 1171-3

API No: 43-047-37695 Lease Type: Federal

Section 03 Township 09S Range 22E County Uintah

Drilling Contractor Rocky Mountain Drilling Rig # Bucket

**SPUDDED:**

Date 4-30-07

Time 4:30 PM

How Dry

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

Reported by Dall Cook

Telephone # 435-828-3630

Date 5-1-07 Signed RM

**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
43-047-37695	CHAPITA WELLS UNIT 1171-3		NESW	3	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16108	4/30/2007			5/30/07	
Comments: <u>PRRV = MVRD</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37606	CHAPITA WELLS UNIT 833-3		SWSE	3	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16109	5/8/2007			5/30/07	
Comments: <u>PRRV = MVRD</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37874	CHAPITA WELLS UNIT 836-11		SWSW	11	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16110	5/11/2007			5/30/07	
Comments: <u>PRRV = MVRD</u>							

**ACTION CODES:**

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

Carrie MacDonald

Name (Please Print)

Signature

Operations Clerk

5/14/2007

Date

**MAY 17 2007**

Title

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)  
**2,074' FSL & 1,443' FWL (NESW)  
 Sec. 3-T9S-R22E 40.063514 LAT 109.430431 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 1171-3**

9. API Well No.  
**43-047-37695**

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

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

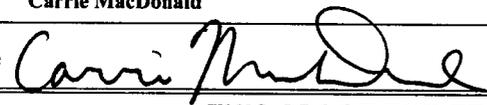
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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 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.)

**The referenced well spud on 4/30/2007.**

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

Signature  Date **05/14/2007**

**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)

**RECEIVED**  
**MAY 17 2007**  
 DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**2,074' FSL & 1,443' FWL (NESW)  
 Sec. 3-T9S-R22E 40.063514 LAT 109.430431 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 1171-3**

9. API Well No.  
**43-047-37695**

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 checked="" type="checkbox"/> Other <b>Change tank size</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 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 to set two (2) 400 bbl vertical condensate tanks and attaching piping on the referenced location.**

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

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

**Carrie MacDonald**

Title **Operations Clerk**

Signature



Date

**05/14/2007**

**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)

**MAY 17 2007**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
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**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-0281</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-262-2812</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2,074' FSL &amp; 1,443' FWL (NESW) Sec. 3-T9S-R22E 40.063514 LAT 109.430431 LON</b>		8. Well Name and No. <b>Chapita Wells Unit 1171-3</b>
		9. API Well No. <b>43-047-37695</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

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

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

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

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

Name (Printed/Typed) <b>Carrie MacDonald</b>	Title <b>Operations Clerk</b>
Signature 	Date <b>05/14/2007</b>

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

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

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

(Instructions on page 2)

**RECEIVED**  
**MAY 1 / 2007**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-0281</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-824-5526</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2074' FSL &amp; 1443' FWL (NESW) Sec. 3-T9S-R22E 40.063514 LAT 109.430431 LON</b>		8. Well Name and No. <b>Chapita Wells Unit 1171-3</b>
		9. API Well No. <b>43-047-37695</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

**The referenced well was turned to sales on 6/30/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Mary A. Maestas</b>		Title <b>Regulatory Assistant</b>
Signature <i>Mary A. Maestas</i>	Date <b>07/05/2007</b>	

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

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

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

(Instructions on page 2)

**RECEIVED**

**JUL 09 2007**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 07-05-2007

<b>Well Name</b>	CWU 1171-03	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-37695	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	05-21-2007	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	10.035/ 10.035	<b>Property #</b>	058337
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,899/ 4,808				
<b>Location</b>	Section 3, T9S, R22E, NESW, 2074 FSL & 1443 FWL				

<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

**AFE No** 303866      **AFE Total** 2,026,800      **DHC / CWC** 1,058,900/ 967,900

**Rig Contr** TRUE      **Rig Name** TRUE #9      **Start Date** 02-09-2006      **Release Date** 06-02-2007

02-09-2006      **Reported By**

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

**Cum Costs: Drilling** \$0      **Completion** \$0      **Well Total** \$0

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

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

**Activity at Report Time:** LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA

06:00      06:00      24.0      LOCATION DATA  
2074' FSL & 1443' FWL (NE/SW)  
SECTION 3, T9S, R22E  
UINTAH COUNTY, UTAH

LAT 40.063550, LONG 109.430431 (NAD 83)  
LAT 40.063550, LONG 109.429747 (NAD 27)

RIG: TRUE #9  
OBJECTIVE: 10,035' TD, MESAVERDE  
DW/GAS  
CHAPITA WELLS DEEP PROSPECT  
DD&A: CHAPITA DEEP  
NATURAL BUTTES FIELD

LEASE: U-0281

ELEVATION: 4807.6' NAT GL, 4807.8 PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4808'), 4825' KB (17')

EOG WI BPO 100%, NRI 82.25%

EOG WI APO 50%, NRI 43.5%

04-30-2007 Reported By BRYON TOLMAN

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
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILD LOCATION/WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION STARTED 4/28/07. LINING PIT TODAY. ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 4/30/2007 @ 4:30 PM. 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 4/30/2007 @ 4:00 PM.

05-01-2007 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
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: WO BUCKET RIG

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

05-09-2007 Reported By DALL COOK

Daily Costs: Drilling	\$192,398	Completion	\$0	Daily Total	\$192,398
Cum Costs: Drilling	\$230,398	Completion	\$0	Well Total	\$230,398

MD	2,423	TVD	2,423	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #3 ON 5/5/2007. DRILLED 12-1/4" HOLE TO 2460' GL. RAN 56 JTS (2406.00') OF 9-5/8", 36.0#, J-55. ST&C CASING WITH DRIVER/LYNCH GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2423' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO CRAIG'S #3 AIR RIG.

MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 175 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 250 SX (170 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/176 BBLs FRESH WATER. BUMPED PLUG W/560# @ 8:52 PM, 5/4/2007. CHECKED FLOAT. FLOAT DID NOT HOLD. SHUT-IN CASING VALVE. BROKE CIRCULATION 140 BBL INTO DISPLACEMENT. CIRCULATED 36 BBLs OF LEAD CEMENT TO PIT. CEMENT FELL BACK AT SURFACE WHEN PLUG BUMPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (21 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. HOLE STOOD FULL WHEN PUMPING STOPPED. RDMO BIG 4 CEMENTERS.

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

RAN SURVEY @ 2265', 3/4 DEGREE. TAGGED @ 2284'.

LESTER FARSNWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 5/3/2007 @ 5:30 PM.

05-19-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$17,682	<b>Completion</b>	\$0	<b>Daily Total</b>	\$17,682
<b>Cum Costs: Drilling</b>	\$248,080	<b>Completion</b>	\$0	<b>Well Total</b>	\$248,080
<b>MD</b>	2,423	<b>TVD</b>	2,423	<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: MIRURT

Start	End	Hrs	Activity Description
06:00	18:00	12.0	RIG DOWN ROTARY TOOLS. 100% READY FOR TRUCKS. L/D DERRICK @ 10:30 HRS

SAFETY TOPIC: RIGGING DOWN  
NO ACCIDENTS OR INCIDENTS REPORTED.  
2 FULL CREWS 120 MAN HRS.

18:00	06:00	12.0	WAIT ON DAYLIGHT.
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05-20-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$18,837	<b>Completion</b>	\$0	<b>Daily Total</b>	\$18,837
<b>Cum Costs: Drilling</b>	\$266,917	<b>Completion</b>	\$0	<b>Well Total</b>	\$266,917
<b>MD</b>	2,423	<b>TVD</b>	2,423	<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: RURT

Start	End	Hrs	Activity Description
06:00	06:30	0.5	WAIT ON DAYLIGHT.
06:30	07:00	0.5	HELD PRE-JOB SAFETY MEETING WITH TREW AND WESTROC TRUCKING CREWS.
07:00	19:00	12.0	MOVE RIG F/ 1217-02 TO 1171-03 (2.4 MILES). DERRICK PINNED AND ON CROWN STAND. BACK END COMPLETE. READY TO RAISE DERRICK IN AM. 60 % RIGGED UP. TRUCKS RELEASED @ 19:00 HRS. 3 FULL CREWS 12 HRS. TOTAL 180 MAN HRS. SAFETY TOPIC: MOVING RIG. NO ACCIDENTS OR INCIDENTS REPORTED.

19:00	06:00	11.0	WAIT ON DAYLIGHT.
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05-21-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$38,732	<b>Completion</b>	\$0	<b>Daily Total</b>	\$38,732
<b>Cum Costs: Drilling</b>	\$305,649	<b>Completion</b>	\$0	<b>Well Total</b>	\$305,649
<b>MD</b>	2,650	<b>TVD</b>	2,650	<b>Progress</b>	227
<b>Days</b>	1	<b>MW</b>	8.6	<b>Visc</b>	29.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILL AHEAD

Start	End	Hrs	Activity Description
06:00	17:00	11.0	COMPLETE RIGGING UP.

LEFT MESSAGE @ 10:30 HRS W/ JAMIE SPARGER BLM, REGARDING TESTING BOPS.

\*\*\*RIG EXCEPTED FOR DAY WORK 05/20/07 @ 17:00 HRS\*\*\*

17:00 20:30 3.5 TEST BOPS AS FOLLOWS. TESTERS, B&C QUICK TEST, TESTER: BRENT.  
 TESTED UPPER & LOWER KELLY VALVES, SAFETY VALVE & INSIDE BOP TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI FOR 10 MINUTES. TESTED PIPE RAMS & INSIDE BOP VALVES TO 250 PSE FOR 5 MINUTES & 5000 PSI FOR 10 MINUTES. TEST PIPE RAMS & OUTSIDE BOP VALVES TO 250 PSI FOR 5 MINUTES & 5000 PSI FOR 10 MINUTES. TEST PIPE RAMS, CHOKE LINE, CHECK VALVE, UPRIGHT GAUGE VALVE & INSIDE MANIFOLD VALVES TO 250 PSI FOR 5 MINUTES & 5000 PSI FOR 10 MINUTES. TEST ANNULAR TO 250 PSI FOR 5 MINUTES & 2500 PSI FOR 10 MINUTES. TEST BLIND RAMS, CHOKE LINE & OUTSIDE MANIFOLD VALVES TO 250 PSI FOR 5 MINUTES & 5000 FOR 10 MINUTES. TEST PIPE RAM, CHOKE LINE & SUPER CHOKE TO 250 PSI FOR 5 MINUTES & 5000 PSI FOR 10 MINUTES. TEST SURFACE CASING TO 1500 PSI FOR 30 MINUTES. NO LEAKS. PREFORM KOOMEY TEST AND CHECK ALL PRESSURES IN BOTTLES.

20:30 21:00 0.5 R/U L/D MACHINE. HELD PRE-JOB SAFETY MEETING WITH TRUE AND WEATHERFORD CREWS.

21:00 01:00 4.0 P/U BHA. MAKE AND BREAK NEW STRING OF HWDP, TAG CEMENT @ 2,320'.

01:00 01:30 0.5 R/D L/D MACHINE. INSTALL ROTATING HEAD RUBBER.

01:30 03:00 1.5 DRILL OUT CEMENT, FLOAT EQUIPMENT, CLEAN OUT RATHOLE TO 2,467', DRILL 10 FEET OF NEW FORMATION.

03:00 03:30 0.5 PUMP 20 BBL H/V SWEEP AND CIRCULATE HOLE CLEAN. SPOT 20 BBL H/V PILL ON BOTTOM. FIT TO 220 PSI, EMW - 10.1 PPG

03:30 06:00 2.5 DRILL 7 7/8" HOLE F/ 2,477' TO 2,650', 227' @ 90.8 FPH. MW- 8.6, VIS 29, WOB 10-15K, ROTARY 53, MUD MOTOR 72, 130 SPM, 455 GPM @ 1000 PSI.

BG GAS-250U, CONN GAS-700 U, HIGH GAS-2477U @ 2426'  
 LITHOLOGY- CMT/SH  
 FUNCTION TEST COM, BOP DRILL HELD.  
 FUEL 2,700 GAL, USED 500 GAL. FULL CREWS.

SAFETY TOPICS: RIGGING UP, PT BOPS, P/U DRILL PIPE. NO ACCIDENTS OR INCIDENTS REPORTED.

06:00 18.0 SPUD 7 7/8" HOLE AT 03:30 HRS, 5/21/07.

<b>05-22-2007</b>		<b>Reported By</b>	NEIL BOURQUE								
<b>Daily Costs: Drilling</b>	\$62,386	<b>Completion</b>	50	<b>Daily Total</b>	\$62,386						
<b>Cum Costs: Drilling</b>	\$368,035	<b>Completion</b>	50	<b>Well Total</b>	\$368,035						
<b>MD</b>	4.110	<b>TVD</b>	4.110	<b>Progress</b>	1.460	<b>Days</b>	2	<b>MW</b>	8.9	<b>Visc</b>	28.0
<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	16:30	10.5	DRILL 7 7/8" HOLE F/ 2,650' TO 3,365', 715' @ 68 FPH. MW 9.2 VIS 32, WOB 15-17K, RPM 53, MOTOR 72, SPM 130 455 GPM @ 1150 PSI. WELL WAS FLOWING WITH 9 # MUD ON CONNECTION @ 3,208' BOP DRILL @ 2,560'
16:30	17:00	0.5	RIG SERVICE, FUNCTION TEST COM AND HCR.
17:00	17:30	0.5	SURVEY @ 3,285' 1.44 DEGREE.
17:30	18:30	1.0	DRILL 7 7/8" HOLE F/ 3,365' TO 3,464'. FLOW LINE LEAKING.
18:30	19:00	0.5	FLOW CHECK, SLUG PIPE, PULL TO SHOE. HOLE SLICK.
19:00	20:00	1.0	FLOW CHECK, GAS DETECT. CLOSE PIPE RAMS, WELD FLOW LINE.
20:00	20:30	0.5	TRIP IN HOLE

20:30 06:00 9.5 DRILL 7 7/8" HOLE F/ 3,464' TO 4,110' 646' @ 68 FPH, MW 9.3, VIS 32, WOB 15-17K, ROTARY 53 MUD MOTOR 72, 130 SPM, 455 GPM @ 1450 PSI.

FUEL-9,800 GAL, RECEIVED-8,000 GAL, USED-900 GAL FULL CREWS.

LITHOLOGY: SH-75%, SS-15%, LS-10%  
 BG GAS-390U, 970U, HIGH GAS-5073U @ 3,168'  
 SHOWS- 3118'-3263' TOP OF GREEN RIVER @ 2,054'

SAFETY TOPICS: RIG TONGS, WELDING ON FLOW LINE. NO ACCIDENTS OR INCIDENTS REPORTED.

05-23-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$41,431	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,431
<b>Cum Costs: Drilling</b>	\$409,579	<b>Completion</b>	\$0	<b>Well Total</b>	\$409,579
<b>MD</b>	5,420	<b>TVD</b>	5,420	<b>Progress</b>	1,310
<b>Days</b>		<b>Days</b>	3	<b>MW</b>	9.6
<b>Visc</b>		<b>Visc</b>		<b>Visc</b>	32.0
<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	10:00	4.0	DRILL 7 7/8" HOLE F/ 4,110' TO 4,418', 308' @ 77 FPH MW 9.5, VIS 32, WOB 15-17K, ROTARY 53, MUD MOTOR 72, 130 SPM, 455 GPM, 1600 PSI.
10:00	10:30	0.5	SERVICE RIG. FUNCTION TEST COM % ANNULAR.
10:30	11:00	0.5	FLOW CHECK, SURVEY @ 4,330', 1.5 DEGREE.
11:00	20:00	9.0	DRILL 7 7/8" HOLE F/ 4,418' TO 5,003'. 585' @ 65 FPH, MW 9.6, VIS 33, WOB 17K, ROTARY 53, MUD MOTOR 455 GPM, 1600 PSI.
20:00	20:30	0.5	SURVEY @ 4,920', 0.47 DEGREE.
20:30	06:00	9.5	DRILL 7 7/8" HOLE F/ 5,003' TO 5,420', 417' @ 43.9 FPH, MW 9.7, VIS 33, WOB 17K, ROTARY 53, MUD MOTOR 72, 130 SPM, 455 GPM, 1700 PSI.

FUEL 8,600 GAL, USED 1,200 GAL. FULL CREWS.

LITHOLOGY: SH 90%, SS 10 %  
 BG GAS-650U, CONN GAS-780U, HIGH GAS-1601U @ 5,083'  
 TOP OF WASATCH @ 5,109'

SAFETY TOPICS: 2 X WIRELINE. NO ACCIDENTS OR INCIDENTS REPORTED.

05-24-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$33,557	<b>Completion</b>	\$0	<b>Daily Total</b>	\$33,557
<b>Cum Costs: Drilling</b>	\$443,136	<b>Completion</b>	\$0	<b>Well Total</b>	\$443,136
<b>MD</b>	6,300	<b>TVD</b>	6,300	<b>Progress</b>	880
<b>Days</b>		<b>Days</b>	4	<b>MW</b>	9.9
<b>Visc</b>		<b>Visc</b>		<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	13:30	7.5	DRILL 7 7/8" HOLE F/ 5,420' TO 5,812', 392' @ 52.3 FPH, MW 9.9, VIS 34, LOSSES OF 40 BBL @ 5,907', MIXED LCM. UNTIL CURED. TREAT ACTIVE W/ LCM @ 15 MIN/SK. WOB 17-19K, ROTARY 53, MUD MOTOR 70, 127 SPM, 444 GPM, 1800 PSI.
13:30	14:00	0.5	SERVICE RIG. FUNCTION TEST COM & PIPE RAMS.

14:00 06:00 16.0 DRILL 7 7/8" HOLE F/ 5.812' TO 6.300'. 488' @ 30.5 FPH, MW 10.2, VIS 36, WOB 16-19K, ROTARY 53, MUD MOTOR 70, 125 SPM, 438 GPM, 1750 PSI.

FUEL-7,300 GAL. USED 1,300 GAL. FULL CREWS.

LITHOLOGY: SH-70%, SS-30%. TOP OF CHAPITA WELLS @ 5.660'  
 BG GAS-190U, CONN GAS-250U, HIGH GAS-5762U @ 5.668'  
 SHOWS: 5660'-5673'

SAFETY TOPICS: 100% TIE-OFF ABOVE 6'. MIXING CHEMICALS. NO ACCIDENTS OR INCIDENTS REPORTED.

05-25-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$100,006	<b>Completion</b>	\$3,845	<b>Daily Total</b>	\$103,851
<b>Cum Costs: Drilling</b>	\$543,142	<b>Completion</b>	\$3,845	<b>Well Total</b>	\$546,987
<b>MD</b>	7.070	<b>TVD</b>	7.070	<b>Progress</b>	770
				<b>Days</b>	5
				<b>MW</b>	10.2
				<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: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	FLOW CHECK, DROP SURVEY, SLUG PIPE.
06:30	08:30	2.0	POOH, L/D RMRS, CHANGE OUT BITS, FUNCTION COM AND BLIND RAMS.
08:30	10:30	2.0	TRIP IN HOLE TO 6,220', HOLE SLICK
10:30	11:00	0.5	WASH 80' TO BOTTOM, 3' FILL.
11:00	14:00	3.0	DRILL 7 7/8" HOLE F/ 6,300' TO 6,393'. 93' @ 31 FPH, MW 10.2, VIS 36, WOB 15K, 125 SPM, 438 GPM, 1750 PSI.
14:00	14:30	0.5	SERVICE RIG, FUNCTION TEST COM.
14:30	06:00	15.5	DRILL 7 7/8" HOLE F/ 6,393' TO 7,070'. 677' @ 43.7 FPH, MW 10.5, VIS 35, WOB 15-19K, ROTARY 53, MUD MOTOR 70, 125 SPM 438 GPM, 1950 PSI.

FUEL 6,200 GAL, USED 1,200 GAL, FULL CREWS.

LITHOLOGY: SH 75%, SS-25% TOP OF BUCK CANYON @ 6,437'

BG GAS-210U, CONN GAS-300U, TRIP GAS-535U, HIGH GAS-3,431U @ 6,676'

SAFETY TOPICS: MIXING CHEMICALS, TRIPPING. NO ACCIDENTS OR INCIDENTS REPORTED.

05-26-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$30,461	<b>Completion</b>	\$6,865	<b>Daily Total</b>	\$37,326
<b>Cum Costs: Drilling</b>	\$573,603	<b>Completion</b>	\$10,710	<b>Well Total</b>	\$584,313
<b>MD</b>	7.890	<b>TVD</b>	7.890	<b>Progress</b>	820
				<b>Days</b>	6
				<b>MW</b>	10.8
				<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: DRILLING

Start	End	Hrs	Activity Description
06:00	16:30	10.5	DRILL 7 7/8" HOLE F/ 7,070' TO 7,447'. 377' @ 35.9 FPH, MW 10.7, VIS 35, 125 SPM, 438 GPM, 2,000 PSI.
16:30	17:00	0.5	SERVICE RIG, FUNCTION TEST COM AND KELLY COCKS.
17:00	06:00	13.0	DRILL 7 7/8" HOLE F/ 7,447' TO 7,890'. 820' @ 34.9 FPH, MW 11.0, VIS 34, WOB 20K, ROTARY 53, MUD MOTOR 72, 125 SPM, 438 GPM @ 2,000 PSI.

FUEL 5,000 GAL, USED 1,200 GAL. FULL CREWS.

LITHOLOGY: SH-35%, SS-60%, SLTSTN 10%

TOP OF NORTH HORN @ 7,060', TOP OF PRICE RIVER @ 7,671'

BG GAS-350U, CONN GAS-620U, HIGH GAS 3083U @ 7,679'

SHOWS: 7059'-7081', 7424'-7434', 7504'-7522', 7670'-7744', 7793'-7818'

SAFETY TOPICS, SLIPS, MAINTAINANCE. NO ACCIDENTS OR INCIDENTS REPORTED.

05-27-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$50,370	<b>Completion</b>	\$0	<b>Daily Total</b>	\$50,370
<b>Cum Costs: Drilling</b>	\$623,973	<b>Completion</b>	\$10,710	<b>Well Total</b>	\$634,684
<b>MD</b>	8,407	<b>TVD</b>	8,407	<b>Progress</b>	517
				<b>Days</b>	7
				<b>MW</b>	11.0
				<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: SURVEY, SLUG, TRIP

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL 7 7/8" HOLE F/ 7,890' TO 8,128'. 238' @ 26.4 FPH. MW 11.0, VIS 34, WOB 20, ROTARY 53, MUD MOTOR 70, 125 SPM, 438 GPM, 2,100 PSI
15:00	15:30	0.5	SERVICE RIG. FUNCTION TEST COM AND SAFETY VALVES.
15:30	06:00	14.5	DRILL 7 7/8" HOLE F/ 8,128' TO 8,407'. 279' @ 19.2 FPH. MW 11.1, VIS 34, WOB 20-22K, ROTARY 53, MUD MOTOR 67, 2050 PSI.

FUEL 7,700 GAL, RECEIVED 4,000 GAL, USED 1,300 GAL FULL CREWS.

BOP DRILL HELD.

LITHOLOGY: SH-65%, SS-35%, SLTSTN-5%

BG GAS-320U, CONN GAS-410U, HIGH GAS-3964U @ 8,137'

SHOWS- 8126'-8158', 8276'-8280'

SAFETY TOPICS: LCM (NEED TO WASH SHAKERS), SLIPS, NO ACCIDENTS OR INCIDENTS REPORTED.

05-28-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$40,948	<b>Completion</b>	\$0	<b>Daily Total</b>	\$40,948
<b>Cum Costs: Drilling</b>	\$664,922	<b>Completion</b>	\$10,710	<b>Well Total</b>	\$675,632
<b>MD</b>	8,840	<b>TVD</b>	8,840	<b>Progress</b>	433
				<b>Days</b>	8
				<b>MW</b>	11.3
				<b>Visc</b>	37.0
<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	FLOW CHECK, PUMP PILL, DROP SURVEY.
06:30	10:00	3.5	TRIP OUT OF HOLE CHANGE OUT MUD MOTOR AND BIT.
10:00	14:30	4.5	TRIP IN HOLE, FILL PIPE @ 4,200'. 45 BBL LOSSES F/ TRIP. HOLE IN GOOD SHAPE.
14:30	15:30	1.0	WASH AND REAM 78' TO BOTTOM, 6' FILL.
15:30	17:00	1.5	DRILL 7 7/8" HOLE F/ 8,407' TO 8,438'.

17:00 17:30 0.5 SERVICE RIG, FUNCTION COM AND SUPER CHOKE.  
 17:30 06:00 12.5 DRILL 7 7/8" HOLE F/ 8,438' TO 8,840'. 433' @ 30.9 FPH, MW-11.3, VIS 35, WOB 17K, ROTARY 53, MUD MOTOR 72, 120 SPM, 420 GPM, 2,000 PSI.

FUEL 6,700 GAL, USED 1,000 GAL. FULL CREWS.

LITHOLOGY: SH 55%, SS 35%, SLTSTN 10%.

BG GAS 370U, CONN GAS 540U, TRIP GAS 1059U, HIGH GAS 3487U @ 8,560'.

TOP OF PRICE RIVER M @ 8,487

SHOWS: 8424'-8467', 8530'-8579', 8609'-8730'

SAFETY TOPICS: TONGS, AIRHOIST. NO ACCIDENTS OR INCIDENTS REPORTED.

05-29-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$34,045	<b>Completion</b>	\$0	<b>Daily Total</b>	\$34,045
<b>Cum Costs: Drilling</b>	\$698,968	<b>Completion</b>	\$10,710	<b>Well Total</b>	\$709,678
<b>MD</b>	9,240	<b>TVD</b>	9,240	<b>Progress</b>	-400
				<b>Days</b>	9
				<b>MW</b>	11.3
				<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: TRIP

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL 7 7/8" HOLE F/ 8,840' TO 8,937'. 97' @ 27.7 FPH. MW 11.4, VIS 37, WOB 13-17K, ROTARY 53, MUD MOTOR 72, 120 SPM, 420 GPM, 2000 PSI.
09:30	10:00	0.5	SERVICE RIG. FUNCTION TEST COM. CHECK FLOOR VALVES FOR PROPER POSITION.
10:00	05:30	19.5	DRILL 7 7/8" HOLE F/ 8,937' TO 9,240' 400' @ 20.5 FPH. 35 BBLs LOST @ 8,970'. TREATING ACTIVE W/ LCM @ 15 MIN/SK. MW 11.5, VIS 35, WOB 22K, ROTARY 53, MUD MOTOR 72, 120 SPM, 420 GPM, 2050 PSI.
05:30	06:00	0.5	FLOW CHECK, DROP SURVEY, SLUG PIPE

FUEL 5,400 GAL, USED 1,300 GAL FULL CREWS

LITHOLOGY: SS 50%, SH 30%, CARB SH 10%, SLTSTN 10%

BG GAS-1003U, CONN GAS-5318U, HIGH GAS 4187U @ 8796'.

SHOWS: 8784'-8827', 8898'-8961', 8998'-9078', 9136'-9210'

SAFETY TOPICS: 100% TIE OFF, HIGH PRESSURE. NO ACCIDENTS OR INCIDENTS REPORTED.

05-30-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$41,516	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,516
<b>Cum Costs: Drilling</b>	\$740,484	<b>Completion</b>	\$10,710	<b>Well Total</b>	\$751,194
<b>MD</b>	9,435	<b>TVD</b>	9,435	<b>Progress</b>	195
				<b>Days</b>	10
				<b>MW</b>	11.5
				<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: DRILLING 7 7/8" HOLE

Start	End	Hrs	Activity Description
06:00	10:00	4.0	POOH, TIGHT HOLE @ 6,100', WIPE CLEAN.FLOW CHECK @ SHOE. CHANGE OUT BIT.
10:00	12:30	2.5	TRIP IN HOLE TO SHOE @ 2,423'
12:30	13:30	1.0	SLIP AND CUT DRILLING LINE.
13:30	16:30	3.0	TRIP IN HOLE SLOWLY TO 9,170'

16:30 17:00 0.5 WASH AND REAM F/ 9,170' TO 9,240', NO FILL.  
 17:00 18:30 1.5 DRILL 7 7/8" HOLE F/ 9,240' TO 9,249'  
 18:30 19:00 0.5 SERVICE RIG. FUNCTION TEST COM  
 19:00 06:00 11.0 DRILL 7 7/8" HOLE F/ 9,249' TO 9,435', 195' @ 15.6 FPH. MW 11.6, VIS 35, WOB 17K, ROTARY 53, MUD MOTOR 72, 120 SPM, 420 GPM, 2100 PSI.

FUEL 4,500 GAL, USED 900 GAL. FULL CREWS.

LITHOLOGY: CARB SH 60%, SS 30%, SLTSTN 10%. TOP OF LOWER PRICE @ 9,340'

BG GAS 393U, CONN GAS 1484U, TRIP GAS 7486U @ 9,240U,  
 SHOWS: 9266'-9304', 9333'-9348'

SAFETY TOPICS: WINDY CONDITIONS, HOUSEKEEPING. NO ACCIDENTS OR INCIDENTS REPORTED.

05-31-2007 Reported By NEIL BOURQUE  
**Daily Costs: Drilling** \$30,506 **Completion** \$0 **Daily Total** \$30,506  
**Cum Costs: Drilling** \$770,991 **Completion** \$10,710 **Well Total** \$781,701  
**MD** 9,870 **TVD** 9,870 **Progress** 435 **Days** 11 **MW** 11.7 **Visc** 38.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILL 7 7/8" HOLE

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL 7 7/8" HOLE F/ 9,435' TO 9,559'. 124' @ 24.8 FPH. MW 11.6, VIS 36, WOB 14-17K, ROTARY 53, MUD MOTOR 72, 120 SPM, 420 GPM, 2100 PSI.
11:00	11:30	0.5	SERVICE RIG, FUNCTION TEST COM & PIPE RAMS.
11:30	06:00	18.5	DRILL 7 7/8" HOLE F/ 9,559' TO 9,870'. 311' @ 16.8 FPH. MW 11.7, VIS 37, WOB 17-21K, ROTARY 53, MUD MOTOR 72, 120 SPM, 2100 PSI, 420 GPM.

FUEL 3,400 GAL, USED 1,100 GAL. FULL CREWS.

LITHOLOGY: SS 60%, CARB SH 30%, SLTSTN 10%.  
 TOP OF SEGO @ 9,821'  
 BG GAS 1851U, CONN GAS 3124U, HIGH GAS 6305U @ 9,820'  
 SHOWS: 9550'-9679', 9688'-9731', 9766'-9778', 9813'-9833'.

SAFETY TOPICS: PPE, MAKING CONNECTIONS. NO ACCIDENTS OR INCIDENTS REPORTED.

LEFT MESSAGE ON 05/30/07 @ 11:00 HRS WITH JAMIE SPARGER (BLM) REGARDING CASING AND CEMENT JOB.

06-01-2007 Reported By NEIL BOURQUE  
**Daily Costs: Drilling** \$48,938 **Completion** \$376 **Daily Total** \$49,314  
**Cum Costs: Drilling** \$819,929 **Completion** \$11,086 **Well Total** \$831,015  
**MD** 10,031 **TVD** 10,031 **Progress** 161 **Days** 12 **MW** 11.7 **Visc** 36.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: LAY DOWN DRILL PIPE

Start	End	Hrs	Activity Description
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06:00 10:00 4.0 DRILL 7 7/8" HOLE F/ 9,870' TO 9,933'. 63' @ 15.7 FPH. MW 11.7, VIS 36, WOB 20, ROTARY 53, MUD MOTOR 64, 115 SPM, 402 GPM, 2,000 PSI

10:00 10:30 0.5 SERVICE RIG. FUNCTION TEST COM AND CHOKE.

10:30 21:00 10.5 DRILL 7 7/8" HOLE F/ 9,933' TO 10,031' TD. 98' @ 9.3 FPH. MW 11.7, VIS 36. TD 4' SHORT. VERY HIGH DIFF PRESSURE AND NO PROGRESS. APPROVED BY GEORGE ROSS. REACHED TD AT 21:00 HRS, 5/31/07.

21:00 21:30 0.5 FLOW CHECK, NO FLOW, SLUG PIPE

21:30 23:00 1.5 WIPER TRIP TO 6,000', WORK TIGHT HOLE @ 6,100'.

23:00 01:00 2.0 TRIP IN HOLE.

01:00 02:00 1.0 CIRCULATE BOTTOMS UP. R/U L/D MACHINE. HELD PRE-JOB SAFETY MEETING W/ TRUE AND WEATHERFORD CREWS.

02:00 06:00 4.0 FLOW CHECK. LAY DOWN DRILL PIPE.

FUEL 4,300 GAL, RECEIVED 2,000 GAL, USED 1,100 GAL. FULL CREWS.

LITHOLOGY: SS 60%, CARBSH 30%, SLTSTN 10%. TOP OF SEGO @ 9,821'.  
 BG GAS 1850U, CONN GAS 4100U, TRIP GAS 7180U, HIGH GAS 7449U @ 9,858'.  
 SHOWS: 9849'-9907', 9959'-10015'

SAFETY TOPICS: TRIPPING, L/D DRILL PIPE. NO ACCIDENTS OR INCIDENTS REPORTED.

TRUCK ORDERED TO MOVE MINI CAMP 06/02/07 @ 07:30 HRS.

06-02-2007 Reported By NEIL BOURQUE

<b>Daily Costs: Drilling</b>	\$39,340	<b>Completion</b>	\$193,242	<b>Daily Total</b>	\$232,582
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$204,328	<b>Well Total</b>	\$1,063,598
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
				<b>Days</b>	13
				<b>MW</b>	11.7
				<b>Visc</b>	36.0

**Formation :** PBTBTD : 0.0 **Perf :** PKR Depth : 0.0

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

Start	End	Hrs	Activity Description
06:00	07:30	1.5	LAY DOWN DRILLPIPE
07:30	10:00	2.5	BREAK KELLY, L/D BHA.
10:00	10:30	0.5	PULL WEAR BUSHING.
10:30	11:30	1.0	R/U WEATHERFORD CSG EQUIPMENT. HELD PRE-JOB SAFETY MEETING W/ CREWS.
11:30	19:30	8.0	RAN TOTAL OF 250 JTS OF 4 1/2". 11.6#, HCP-110 CASING, SHOE SET @ 10,012.62'. RAN 2 MARKER JOINTS AS PER TALLY.FC @ 9,969', TOP OF SEGO @ 9,821'. CENTRALIZERS PLACED 5' ABOVE SHOE ON JT# 1, TOP OF JT #2, AND EVERY OTHER JT AFTER FOR A TOTAL OF 30.
19:30	21:00	1.5	R/D CASERS, R/U SLB.
21:00	00:00	3.0	HELD PRE-JOB SAFETY MEETING WITH ALL CREWS. PRESSURE TEST SURFACE LINES TO 5,000 PSI/10 MIN. CEMENT AS FOLLOWS: PUMPED 20 BBLS CW100, 20 BBLS WATER, 169 BBLS (545 SX) OF LEAD CMT, 1.75 CUFT/SX YIELD PLUS ADDS, SLURRY WT 13.0 PPG. 368 BBLS (1605 SX) OF 50/50 POZ CMT, 1.29 CUFT/SX YIELD PLUS ADDS. SLURRY WT 14.1 PPG. DISPLACE W/ 154 BBLS WATER. BUMPED PLUG W/ 3,500 PSI, (1000 PSI OVER FCP). BLEED OFF, FLOATS HELD. LAND CASING WITH MANDREL HANGER (50K) TEST SEAL ASSY TO 5000 PSI/15 MIN. NOTE: LOST RETURNS AFTER 90 BBLS INTO DISPLACEMENT.
00:00	06:00	6.0	RDRT

TRUCKS ORDERED TO MOVE MINI CAMP 06/02/07 @ 07:30 HRS.

TRUCKS ORDERED TO MOVE RIG F/ CWU 1171-03 TO CWU 883-03 (0.6 MILE) 06/03/07 @ 06:30 HRS.

FUEL 3,800 GAL. USED 500 GAL. FULL CREWS.

SAFETY TOPICS: L/D PIPE, RUN AND CMT CASING. NO ACCIDENTS OR INCIDENTS REPORTED.

RIG MOVE WORK: WELD ROLLED LINER IN SUCTION/PILL TANK. INSPECT DRILL PIPE. INSTALL PASON AUTO DRILLER.

06:00 18.0 RELEASE RIG @ 00:00 HRS (MIDNIGHT), 6/2/07.  
CASING POINT COST \$850,121

06-06-2007 Reported By SEARLE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$45,831	<b>Daily Total</b>	\$45,831
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$250,159	<b>Well Total</b>	\$1,109,429
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
		<b>Days</b>	14	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation :</b>	<b>PBTD : 9969.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

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 70". EST CEMENT TOP @ 2260'. RD SCHLUMBERGER.

06-23-2007 Reported By MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,030	<b>Daily Total</b>	\$2,030
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$252,189	<b>Well Total</b>	\$1,111,459
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
		<b>Days</b>	15	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation :</b>	<b>PBTD : 9969.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
09:00	10:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION.

06-27-2007 Reported By MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$11,389	<b>Daily Total</b>	\$11,389
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$263,579	<b>Well Total</b>	\$1,122,848
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
		<b>Days</b>	16	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9969.0</b>		<b>Perf : 8777'-9827'</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: FRAC UPR

Start	End	Hrs	Activity Description
10:00	18:00	8.0	RU CUTTERS WIRELINE. PERFORATED LPR FROM 9566'-67', 9580'-81', 9600'-01', 9624'-25', 9652'-53', 9662'-63', 9680'-81', 9788'-89' & 9826'-27' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4787 GAL YF116ST+ PAD, 51283 GAL YF116ST+ WITH 139000# 20/40 SAND @ 1-5 PPG. MTP 8167 PSIG. MTR 51.4 BPM. ATP 5184 PSIG. ATR 48.3 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9500'. PERFORATED LPR/MPR FROM 9214'-15', 9220'-21', 9232'-33', 9252'-53', 9260'-61', 9293'-94', 9308'-09', 9348'-49', 9354'-55', 9404'-05', 9460'-61' & 9466'-67' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4779 GAL YF116ST+ PAD, 50787 GAL YF116ST+ WITH 139300# 20/40 SAND @ 1-5 PPG. MTP 6124 PSIG. MTR 50.7 BPM. ATP 5270 PSIG. ATR 48.2 BPM. ISIP 3353 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9150'. PERFORATED MPR FROM 9020'-21', 9034'-35', 9040'-41', 9050'-51', 9057'-58', 9064'-65', 9072'-73', 9078'-79', 9094'-95', 9108'-09', 9119'-20' & 9124'-25' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4770 GAL YF116ST+ PAD 50754 GAL YF116ST+ WITH 139800# 20/40 SAND @ 1-5 PPG. MTP 6159 PSIG. MTR 50.7 BPM. ATP 5206 PSIG. ATR 48.2 BPM. ISIP 3600 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8990'. PERFORATED MPR FROM 8777'-78', 8790'-91', 8806'-07', 8812'-13', 8830'-31', 8846'-47', 8910'-11', 8916'-17', 8946'-47', 8952'-53', 8958'-59' & 8964'-65' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4780 GAL YF116ST+ PAD, 57968 GAL YF116ST+ WITH 164000# 20/40 SAND @ 1-5 PPG. MTP 6878 PSIG. MTR 50.6 BPM. ATP 4802 PSIG. ATR 48.7 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER. SDFN.

06-28-2007 Reported By MCCURDY / IVIE

Daily Costs: Drilling	\$0	Completion	\$312,638	Daily Total	\$312,638
Cum Costs: Drilling	\$859,269	Completion	\$576,218	Well Total	\$1,435,487

MD	10.031	TVD	10.031	Progress	0	Days	17	MW	0.0	Visc	0.0
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Formation : MESAVERDE PBTB : 9969.0 Perf : 7852'-9827' PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
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06:00	06:00	24.0	SICP 2260 PSIG. RUWL. SET 10K CFP AT 8750'. PERFORATED MPR FROM 8542'-43', 8564'-65', 8580'-81', 8610'-11', 8620'-21', 8662'-63', 8674'-75', 8692'-93', 8702'-03', 8710'-11', 8725'-26' & 8730'-31' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4788 GAL YF116ST+ PAD, 58086 GAL YF116ST+ WITH 164500# 20/40 SAND @ 1-5 PPG. MTP 6894 PSIG. MTR 50.9 BPM. ATP 4560 PSIG. ATR 48.7 BPM. ISIP 2770 PSIG. RD SCHLUMBERGER.
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RUWL. SET 10K CFP AT 8500'. PERFORATED UPR FROM 8306'-07', 8312'-13', 8320'-21', 8326'-27', 8340'-41', 8351'-52', 8364'-65', 8396'-97', 8432'-33', 8440'-41', 8450'-51' & 8472'-73' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4154 GAL YF116ST+ PAD, 50154 GAL YF116ST+ WITH 140700# 20/40 SAND @ 1-5 PPG. MTP 6888 PSIG. MTR 50.7 BPM. ATP 4480 PSIG. ATR 48.3 BPM. ISIP 2700 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8210'. PERFORATED UPR FROM 7852'-53', 7858'-59', 7924'-25', 7972'-73', 7986'-87', 8011'-12', 8020'-21', 8114'-15', 8138'-39', 8144'-45', 8153'-54' & 8164'-65' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4167 GAL YF116ST+ PAD, 46065 GAL YF116ST+ WITH 120660# 20/40 SAND @ 1-5 PPG. MTP 7920 PSIG. MTR 50.5 BPM. ATP 5060 PSIG. ATR 47.8 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 7780'. BLED OFF PRESSURE. RDWL. MIRU ROYAL RIG # 1. NU BOPE. RIH W/HURRICANE MILL & PUMP OFF BIT SUB TO CBP @ 7780'. SDFN.

06-29-2007 Reported By HAL IVIE

Daily Costs: Drilling	\$0	Completion	\$54,737	Daily Total	\$54,737
Cum Costs: Drilling	\$859,269	Completion	\$630,955	Well Total	\$1,490,224

MD	10.031	TVD	10.031	Progress	0	Days	18	MW	0.0	Visc	0.0
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Formation : MESAVERDE PBTB : 9969.0 Perf : 7852'-9827' PKR Depth : 0.0

Activity at Report Time: FLOW WELL BACK

Start	End	Hrs	Activity Description
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06:00 06:00 24.0 SICP 0 PSIG. CLEANED OUT & DRILLED OUT CFP'S @ 7780', 8210', 8500', 8750', 8990', 9150', & 9500'. RIH. CLEANED OUT TO PBTD @ 9969'. LANDED TBG AT 8204.93' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RD MOSU. RIG RECOVERED 1000 BBL FW. LOAD LEFT TO RECOVER 8764 BBL.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'  
 1 JT 2-3/8 4.7# N-80 TBG 32.83'  
 XN NIPPLE 1.10'  
 178 JTS 2-3/8 4.7# N-80 TBG 5804.88'  
 72 JTS 2-3/8 4.7# L-80 TBG 2348.12'  
 BELOW KB 17.00'  
 LANDED @ 8204.93' KB

FLOWED 12 HRS. 16/64" CHOKE. FTP 1500 PSIG. CP 1700 PSIG. 64 BFPH. RECOVERED 770 BLW. 7994 BLWTR.

06-30-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,625	<b>Daily Total</b>	\$2,625
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$633,580	<b>Well Total</b>	\$1,492,849
<b>MD</b>	10,031	<b>TVD</b>	10,031	<b>Progress</b>	0
<b>Days</b>	19	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9969.0</b>	<b>Perf : 7852'-9827'</b>	<b>PKR Depth : 0.0</b>		

Activity at Report Time: FLOWED BACK WELL. RIG UP TEST UNIT IN AFTERNOON.

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 23 HRS. 16/64" CHOKE. FTP 1600 PSIG. CP 2150 PSIG. 53 BFPH. RECOVERED 1215 BLW. 6779 BLWTR. RU TEST UNIT.

07-01-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,625	<b>Daily Total</b>	\$2,625
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$636,205	<b>Well Total</b>	\$1,495,474
<b>MD</b>	10,031	<b>TVD</b>	10,031	<b>Progress</b>	0
<b>Days</b>	20	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9969.0</b>	<b>Perf : 7852'-9827'</b>	<b>PKR Depth : 0.0</b>		

Activity at Report Time: FLOW TEST - INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED THRU TEST UNIT TO SALES 20 HRS. 20/64" CHOKE. FTP 1600 PSIG. CP 2550 PSIG. 960 MCFD. 53 BFPH. RECOVERED 1277 BLW. 5502 BLWTR.

INITIAL PRODUCTION. OPENING PRESSURE: TP 1580 & CP 2400 PSI. TURNED WELL TO QUESTAR SALES AT 10:00 PM, 6/30/07. FLOWED 652 MCFD RATE ON 20/64" POS CHOKE. STATIC 410.

07-02-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,625	<b>Daily Total</b>	\$2,625
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$638,830	<b>Well Total</b>	\$1,498,099
<b>MD</b>	10,031	<b>TVD</b>	10,031	<b>Progress</b>	0
<b>Days</b>	21	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9969.0</b>	<b>Perf : 7852'-9827'</b>	<b>PKR Depth : 0.0</b>		

Activity at Report Time: FLOW TEST TO SALES

Start	End	Hrs	Activity Description
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06:00 06:00 24.0 FLOWED THRU TEST UNIT TO SALES 24 HRS, 20/64" CHOKE, FTP 1550 PSIG, CP 2600 PSIG, 840 MCFD, 53 BFPH. RECOVERED 1291 BLW. 4211 BLWTR.

FLOWED 857 MCF, 98 BC & 1179 BW IN PRIOR 22 HRS ON 20/64" CK, TP 1600 & CP 2500 PSIG.

07-03-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,492	<b>Daily Total</b>	\$9,492
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$648,322	<b>Well Total</b>	\$1,507,591
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
				<b>Days</b>	22
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9969.0</b>		<b>Perf : 7852'-9827'</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED THRU TEST UNIT TO SALES 24 HRS, 20/64" CHOKE, FTP 1400 PSIG, CP 2450 PSIG, 999 MCFD, 48 BFPH. RECOVERED 1170 BLW. 3041 BLWTR.

FLOWED 1008 MCFD, 30 BC & 1291 BW IN 24 HRS ON 20/64" CK, TP 1500 & CP 2600 PSIG.

07-04-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$9,492	<b>Daily Total</b>	\$9,492
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$650,947	<b>Well Total</b>	\$1,510,216
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
				<b>Days</b>	23
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9969.0</b>		<b>Perf : 7852'-9827'</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED THRU TEST UNIT TO SALES 24 HRS, 20/64 CHOKE, FTP 1250 PSIG, CP 2200 PSIG, 44 BFPH, RECOVERED 1064 BLW, 1977 BLWTR, 1,000 MCFD RATE.

FLOWED 1073 MCFD, 50 BC & 1170 BW IN 24 HRS ON 20/64" CK, TP 1400 & CP 2350 PSIG.

07-05-2007 Reported By HAL IVIE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,625	<b>Daily Total</b>	\$2,625
<b>Cum Costs: Drilling</b>	\$859,269	<b>Completion</b>	\$653,572	<b>Well Total</b>	\$1,512,841
<b>MD</b>	10.031	<b>TVD</b>	10.031	<b>Progress</b>	0
				<b>Days</b>	24
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9969.0</b>		<b>Perf : 7852'-9827'</b>	
				<b>PKR Depth : 0.0</b>	

Activity at Report Time: FLOW TEST TO SALES

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED THRU TEST UNIT TO SALES 24 HRS, 20/64" CHOKE, FTP 1200 PSIG, CP 2100 PSIG, 1100 MCFD, 32 BFPH. RECOVERED 756 BLW, 1221 BLWTR.

FLOWED 1094 MCFD, 30 BC & 1067 BW IN 24 HRS ON 20/64" CK, TP 1200 & CP 2100 PSIG.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No. **U-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 1171-3**

9. AFI Well No. **43-047-37695**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 3-T9S-R22E**

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

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

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

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

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

14. Date Spudded **04/30/2007** 15. Date T.D. Reached **05/31/2007** 16. Date Completed **06/30/2007**  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\* **4808' NAT GL**

18. Total Depth: MD **10,031** 19. Plug Back T.D.: MD **9969** 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	0-2423		550 sx			
7-7/8"	4-1/2"	11.6#	P-110	0-10,013		2150 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"	8205							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7852	9827	9566-9827		3/spf	
B)			9214-9467		3/spf	
C)			9020-9125		3/spf	
D)			8777-8965		3/spf	

26. Perforation Record

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

Depth Interval	Amount and Type of Material
9566-9827	56,235 GALS GELLED WATER & 139,000# 20/40 SAND
9214-9467	55,731 GALS GELLED WATER & 139,300# 20/40 SAND
9020-9125	55,689 GALS GELLED WATER & 139,800# 20/40 SAND
8777-8965	62,913 GALS GELLED WATER & 164,000# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/30/2007	07/09/2007	24	→	60	1005	465			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 1400	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	PRODUCING GAS WELL
24/64"	SI 650		→	60	1005	465			

28a. Production - Interval B

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

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

RECEIVED  
JUL 13 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	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

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

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

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
<b>Mesaverde</b>	<b>7852</b>	<b>9827</b>		<b>Wasatch</b>	<b>5111</b>
				<b>Chapita Wells</b>	<b>5712</b>
				<b>Buck Canyon</b>	<b>6410</b>
				<b>Price River</b>	<b>7827</b>
				<b>Middle Price River</b>	<b>8575</b>
				<b>Lower Price River</b>	<b>9368</b>
				<b>Sego</b>	<b>9852</b>

32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) Mary A. Maestas

Title Regulatory Assistant

Signature

*Mary A. Maestas*

Date 07/11/2007

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 1171-3 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8542-8731	3/spf
8306-8473	3/spf
7852-8165	3/spf

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

8542-8731	63,039 GALS GELLED WATER & 164,500# 20/40 SAND
8306-8473	54,473 GALS GELLED WATER & 140,700# 20/40 SAND
7852-8165	50,397 GALS GELLED WATER & 120,660# 20/40 SAND

Perforated the Lower Price River from 9566-9567', 9580-9581', 9600-9601', 9624-9625', 9652-9653', 9662-9663', 9680-9681', 9700-9701', 9768-9769', 9780-9781', 9788-9789' & 9826-9827' w/ 3 spf.

Perforated the Lower/Middle Price River from 9214-9215', 9220-9221', 9232-9233', 9252-9253', 9260-9261', 9293-9294', 9308-9309', 9348-9349', 9354-9355', 9404-9405', 9460-9461' & 9466-9467' w/ 3 spf.

Perforated the Middle Price River from 9020-9021', 9034-9035', 9040-9041', 9050-9051', 9057-9058', 9064-9065', 9072-9073', 9078-9079', 9094-9095', 9108-9109', 9119-9120' & 9124-9125' w/ 3 spf.

Perforated the Middle Price River from 8777-8778', 8790-8791', 8806-8807', 8812-8813', 8830-8831', 8846-8847', 8910-8911', 8916-8917', 8946-8947', 8952-8953', 8958-8959' & 8964-8965' w/ 3 spf.

Perforated the Middle Price River from 8542-8543', 8564-8565', 8580-8581', 8610-8611', 8620-8621', 8662-8663', 8674-8675', 8692-8693', 8702-8703', 8710-8711', 8725-8726' & 8730-8731' w/ 3 spf.

Perforated the Upper Price River from 8306-8307', 8312-8313', 8320-8321', 8326-8327', 8340-8341', 8351-8352', 8364-8365', 8396-8397', 8432-8433', 8440-8441', 8450-8451' & 8472-8473' w/ 3 spf.

Perforated the Upper Price River from 7852-7853', 7858-7859', 7924-7925', 7972-7973', 7986-7987', 8011-8012', 8020-8021', 8114-8115', 8138-8139', 8144-8145', 8153-8154' & 8164-8165' 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 1171-3

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

Well Location: QQ NESW Section 3 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		
NO WATER			

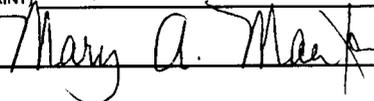
Formation tops:            1 \_\_\_\_\_            2 \_\_\_\_\_            3 \_\_\_\_\_  
 (Top to Bottom)            4 \_\_\_\_\_            5 \_\_\_\_\_            6 \_\_\_\_\_  
    7 \_\_\_\_\_            8 \_\_\_\_\_            9 \_\_\_\_\_  
    10 \_\_\_\_\_            11 \_\_\_\_\_            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 7/11/2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
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 1171-03

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

9. API Well No.  
43-047-37695

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 3 T9S R22E NESW 2074FSL 1443FWL  
40.06351 N Lat, 109.43043 W Lon

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

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

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

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

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

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #58150 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 01/21/2008

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

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

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

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

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

**RECEIVED**

**JAN 22 2008**



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

JUL 16 2008

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

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

Dear Ms. Spears:

The Consolidated Mesaverde Formation PA "A-X,AA-BB", Chapita Wells Unit, CRS No. UTU63013BD, AFS No. 892000905B, is hereby approved effective as of June 1, 2007, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Mesaverde Formation PA "A-X,AA-BB" results in an initial consolidated participating area of 15,177.63 acres and is based upon the completion the following wells as capable of producing unitized substances in paying quantities.

*To 13650*

WELL NO.	API NO.	LOCATION	LEASE NO.
CWU1171-03	43-047-37695	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , 3-9S-22E	UTU0281
CWU1172-03	43-047-37838	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 3-9S-22E	UTU0281

*from 16108*

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-X,AA-BB", Chapita Wells Unit, and the effective date.

*also 15  
14 wells from entity  
14406*

Sincerely,

*/s/ Becky J. Hammond*

Becky J. Hammond  
Chief, Branch of Fluid Minerals

Enclosure

RECEIVED

JUL 28 2008

DIV. OF OIL, GAS & MINING

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES 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
43-047-37366	CHAPITA WELLS UNIT 1053-01		SWNE	1	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	15795	14406	11/8/2006		5/1/2007		
Comments: <u>MVRD</u> — <u>8/26/08</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37695	CHAPITA WELLS UNIT 1171-03		NESW	3	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	16108	13650	4/30/2007		6/1/2007		
Comments: <u>MVRD</u> — <u>8/26/08</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37838	CHAPITA WELLS UNIT 1172-03		NESE	3	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	16079	13650	4/26/2007		6/1/2007		
Comments: <u>MVRD</u> — <u>8/26/08</u>							

**ACTION CODES:**

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

Mickenzie Thacker

Name (Please Print)

Mickenzie Thacker

Signature

Operations Clerk

8/21/2008

Title

Date

**RECEIVED**

AUG 21 2008

DIV. OF OIL, GAS & MINING