

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

February 13, 2006

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

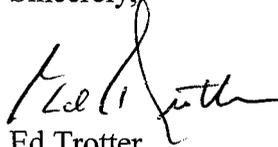
RE: APPLICATION FOR PERMIT TO DRILL  
SOUTH CHAPITA 23-35  
SE/SW, SEC. 35, T9S, R23E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0344  
FEDERAL LANDS

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

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

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

Sincerely,



Ed Trotter  
Agent  
EOG Resources, Inc.

Attachments

**RECEIVED**  
**FEB 23 2006**

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-0344</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.
3a. Address <b>P.O. BOX 1815 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>SOUTH CHAPITA 23-35</b>
3b. Phone No. (Include area code) <b>(435)789-0790</b>		9. API Well No. <b>43-047-37861</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>692' FSL, 1858' FWL</b> <i>645461X 39.987117</i> At proposed prod. Zone <i>44275074 SE/SW 109.296315</i>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
14. Distance in miles and direction from nearest town or post office* <b>25.15 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC. 35, T9S, R23E, 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>692'</b>	16. No. of Acres in lease <b>640</b>	12. County or Parish <b>UINTAH</b>
17. Spacing Unit dedicated to this well <b>40</b>	13. State <b>UTAH</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C <b>8375'</b>	19. Proposed Depth <b>8375'</b>	20. BLM/BIA Bond No. on file <b>NM-2308</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5419.7 FEET GRADED GROUND</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	23. Estimated duration <b>45 DAYS</b>
24. Attachments		

Attachments

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

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

25. Signature 	Name (Printed/Typed) <b>Ed Trotter</b>	Date <b>February 13, 2006</b>
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Title  
**Agent**

Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL ENVIRONMENTAL MANAGER</b>	Date <b>03-02-06</b>
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Title  
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)

**Federal Approval of this  
Action is Necessary**

**FEB 23 2006**

DIV. OF OIL, GAS & MINING

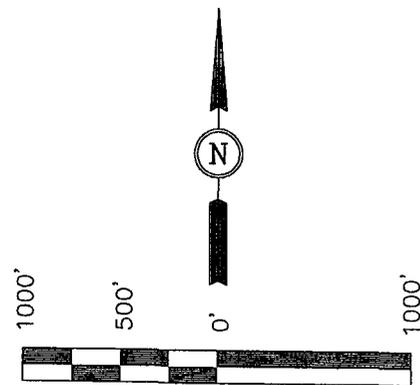
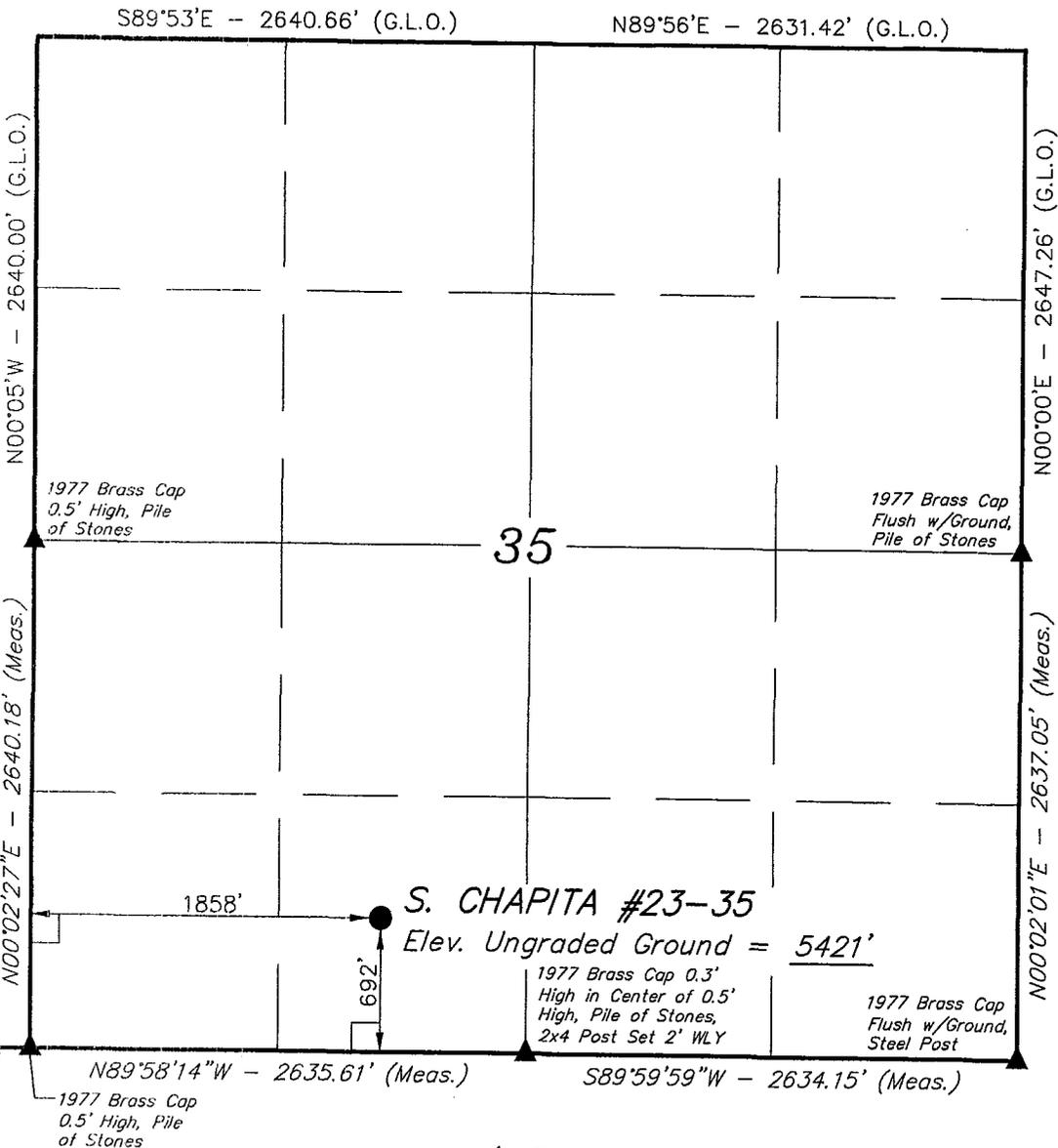
T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, S. CHAPITA #23-35, located as shown in the SE 1/4 SW 1/4 of Section 35, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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



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 A. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 461319  
 STATE OF UTAH

LEGEND:

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 39°59'13.54" (39.987094)  
 LONGITUDE = 109°17'49.19" (109.296997)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 39°59'13.66" (39.987128)  
 LONGITUDE = 109°17'46.75" (109.296319)

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-28-04	DATE DRAWN: 01-18-05
PARTY G.S. D.L. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**  
**SOUTH CHAPITA 23-35**  
**SE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River FM	1,410'
Wasatch	4,225'
North Horn	6,024'
Island	6,347'
KMV Price River	6,572'
KMV Price River Middle	7,126'
KMV Price River Lower	7,718'
Sego	8,183'

Estimated TD: 8,375' or 200'± below Sego top

**Anticipated BHP: 4,573 Psig**

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12-1/4"	0' – 2,300'KB±	2,300'±	9-5/8"	36.0#	J-55	ST&C	2020 Psi	3520 Psi	394,000#
7-7/8"	2,300'± – TD	8,375±	4-1/2"	11.6#	N-80	LT&C	6350 Psi	7780 Psi	223,000#

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

All casing will be new or inspected.

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (50± total). Thread lock float shoe, top and bottom of float collar, and top of 2<sup>nd</sup> joint.

**EIGHT POINT PLAN**  
**SOUTH CHAPITA 23-35**  
**SE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

**8. EVALUATION PROGRAM:**

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

**9. CEMENT PROGRAM:**

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

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

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

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

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

**EIGHT POINT PLAN**  
**SOUTH CHAPITA 23-35**  
**SE/SW, SEC. 35, T9S, R23E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

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

**Lead:** 410 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:** 545 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

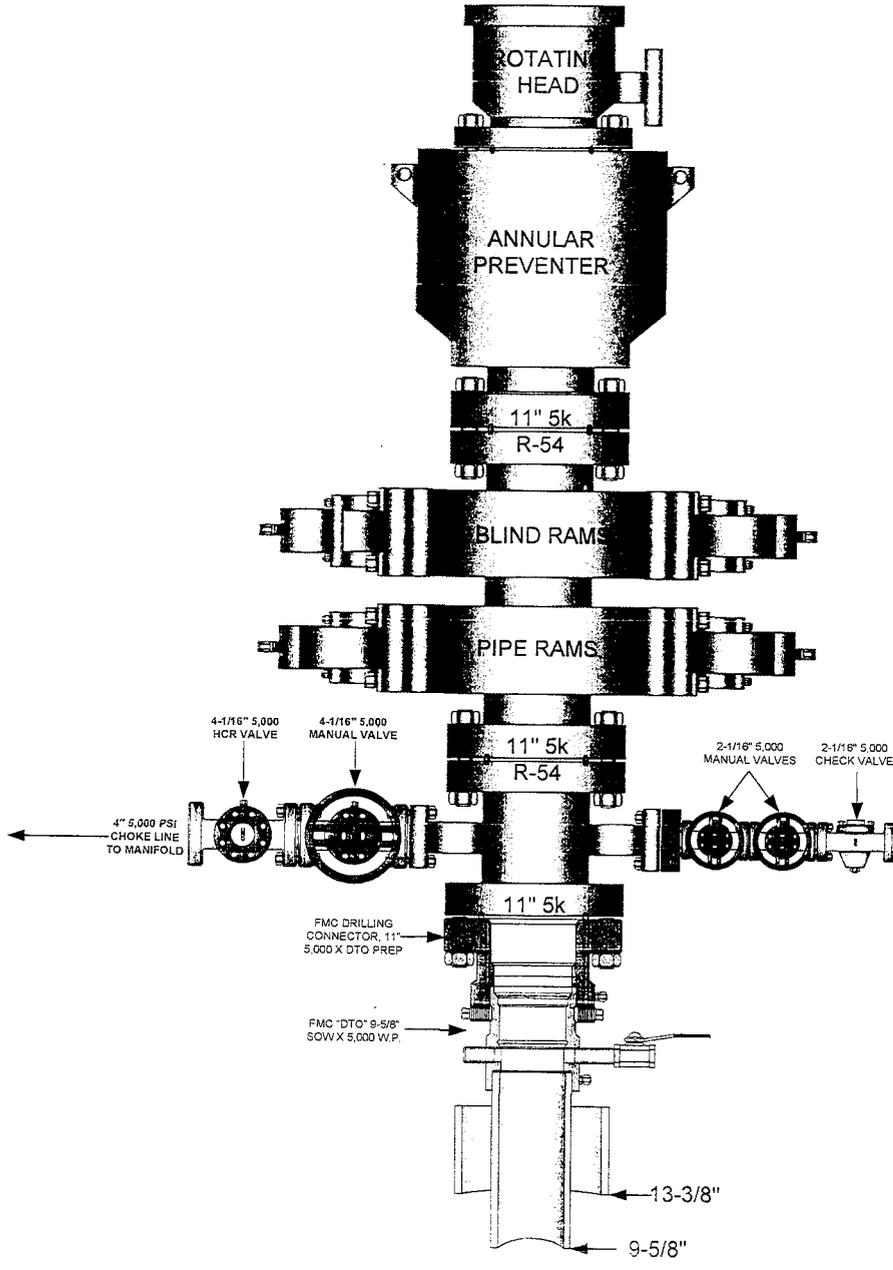
- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**12. HAZARDOUS CHEMICALS:**

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

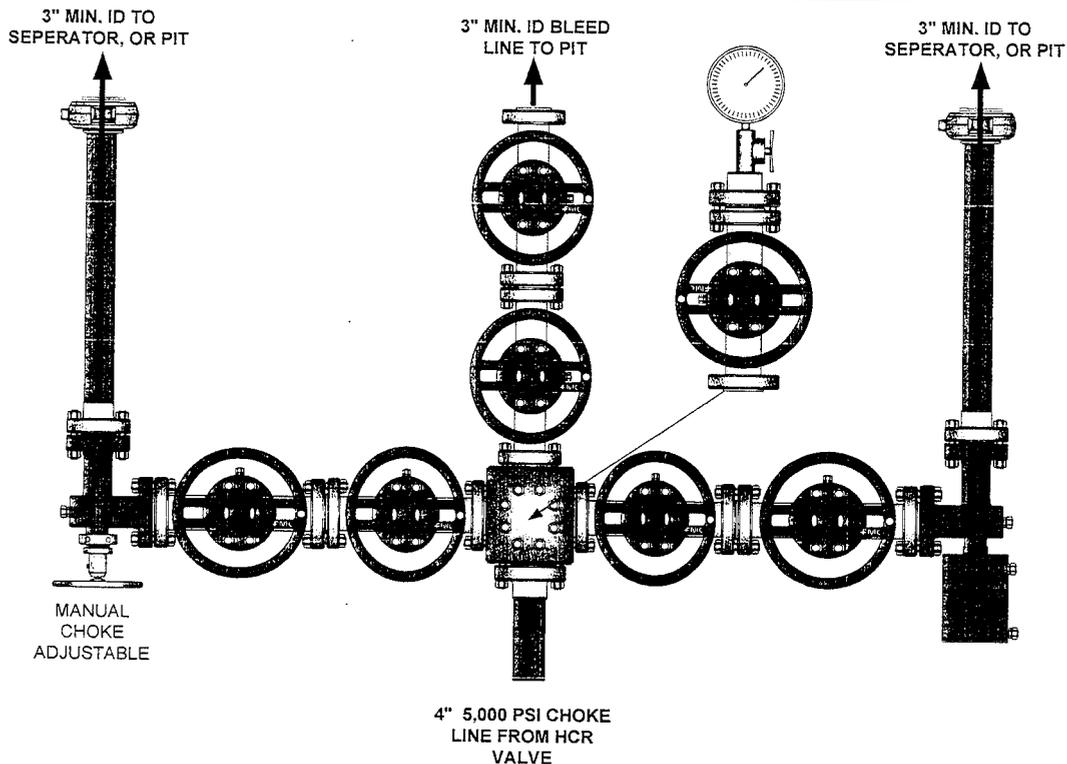
(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BCP  
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: South Chapita 23-35  
Lease Number: U-0344  
Location: 692' FSL & 1858' FWL, SE/SW, Sec. 35,  
T9S, R23E, S.L.B.&M., Uintah County, Utah  
Surface Ownership: Federal

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

## THIRTEEN POINT SURFACE USE PROGRAM

### 1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 25.15 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

### 2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.15 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

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

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

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

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

A. Abandoned wells - 1\*

B. Producing wells - 4\*

(\*See attached TOPO map "C" for location)

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

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 4" OD steel above ground natural gas pipeline will be laid approximately 1300' from proposed location to a point in the NE/SW of Section 35, T9S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline lies within the lease area, thus a Right-of-Way grant will not be required.
3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

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

The required paint color is Carlsbad Canyon.

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

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

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

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

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

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

**On BLM administered land:**

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

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved interim seed mixture for this location is:  
Hi-Crest Crested Wheatgrass – 9 pounds per acre  
Kochia Prostrata – 3 pounds per acre.

The final abandonment seed mixture for this location is:

- Wyoming Big Sage – 3 pounds per acre
- Gardner Salt Bush – 3 pounds per acre
- Indian Rice Grass – 2 pounds per acre
- Hi-Crest Crested Wheat Grass – 1 pound per acre.

The reserve pit will be located on the Southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the South side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence. The stockpiled pit topsoil will be stored separate from the location topsoil from Corner #3 to South of Corner #4. 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 Northwest.

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.

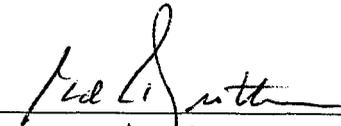
**Certification**

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 **South Chapita 23-35 Well, located in the SE/SW of Section 35, T9S, R23E, Uintah County, Utah; Lease #U-0344;** 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.

2-13-2006

Date

  
Agent

**Request for Exception to Buried Pipeline Requirement  
For the South Chapita 23-35  
SE/SW, Sec. 35, T9S, R23E  
Lease Number U-0344**

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

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 1.49 acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.  
S. CHAPITA #23-35  
SECTION 35, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTELY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #9-35 TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #11-35 TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.45 MILES.

# EOG RESOURCES, INC.

S. CHAPITA #23-35  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 35, T9S, R23E, S.L.B.&M.

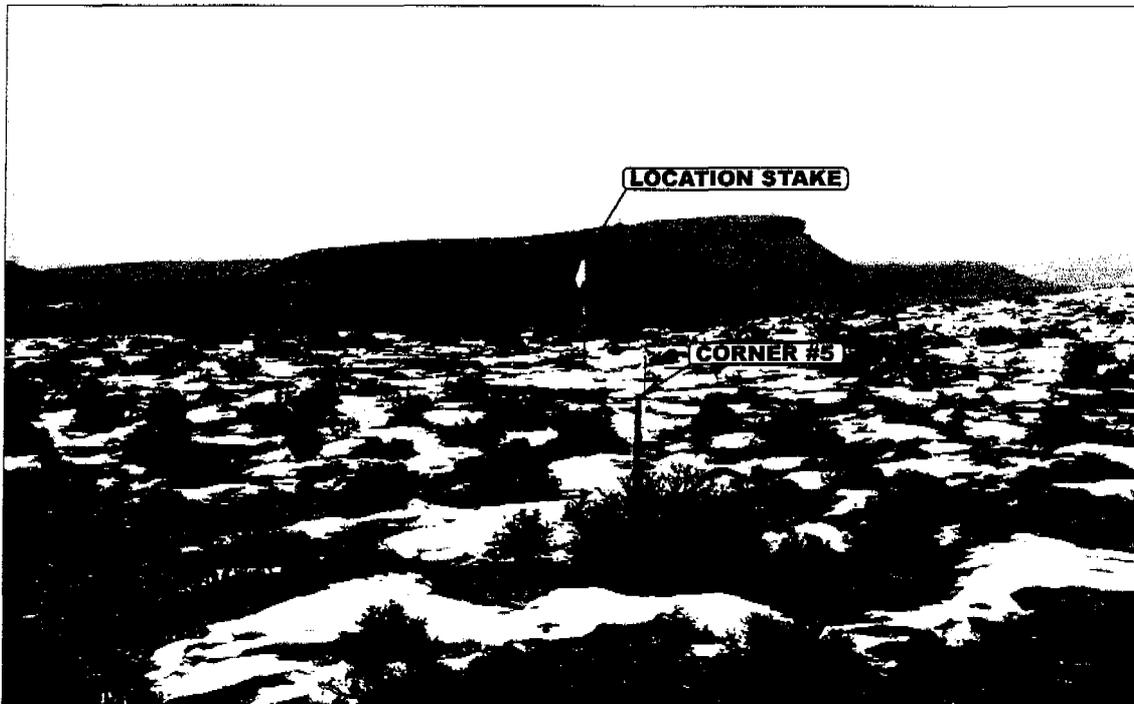


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

01 03 05  
MONTH DAY YEAR

PHOTO

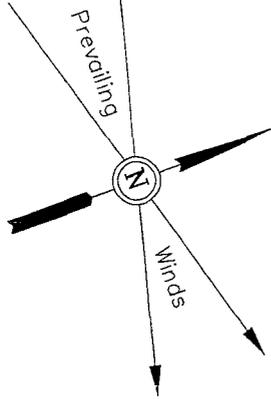
TAKEN BY: G.S.

DRAWN BY: C.P.

REVISED: 00-00-00

EOG RESOURCES, INC.

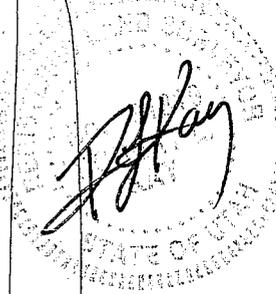
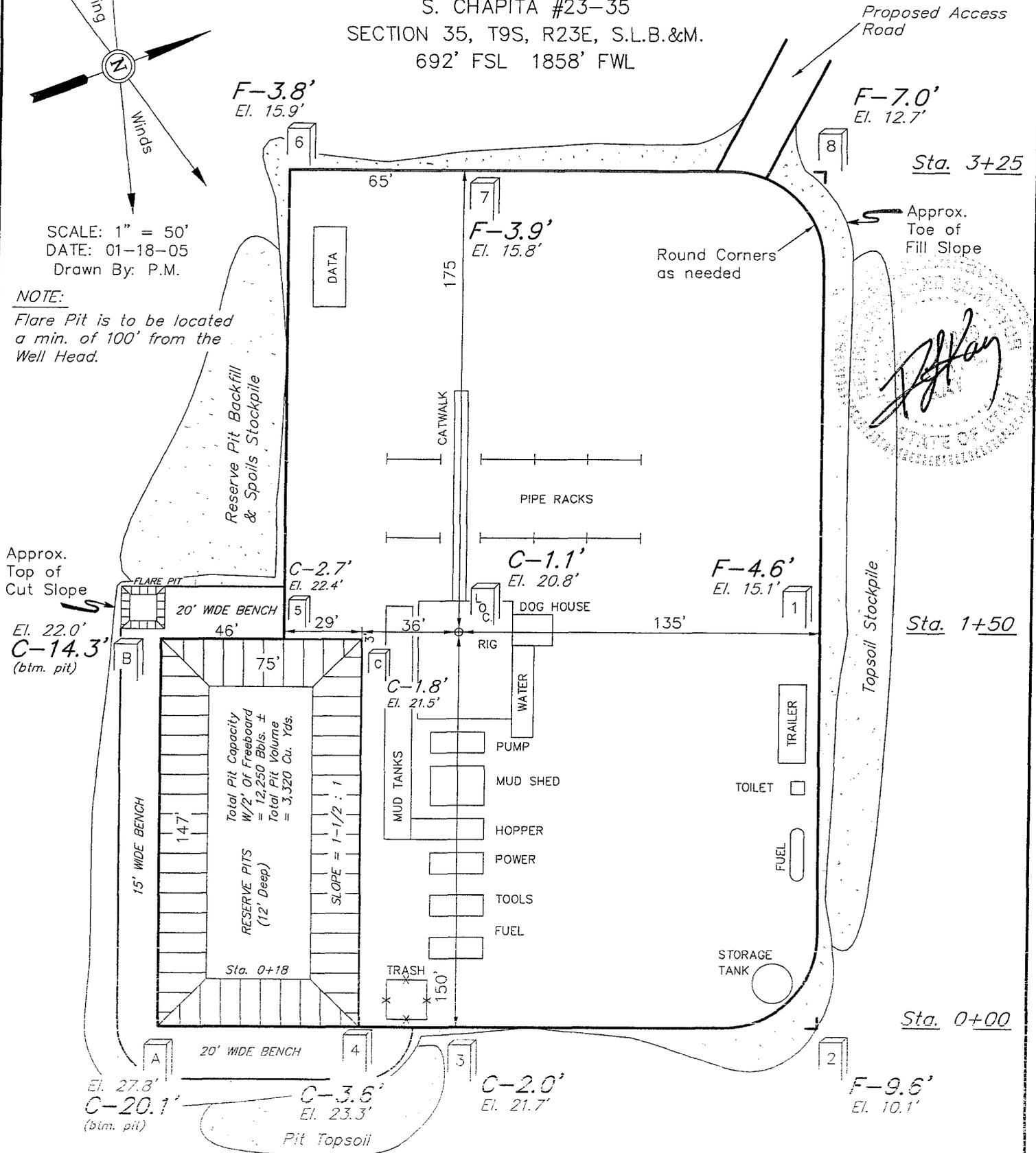
LOCATION LAYOUT FOR  
 S. CHAPITA #23-35  
 SECTION 35, T9S, R23E, S.L.B.&M.  
 692' FSL 1858' FWL



SCALE: 1" = 50'  
 DATE: 01-18-05  
 Drawn By: P.M.

NOTE:

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



NOTES:

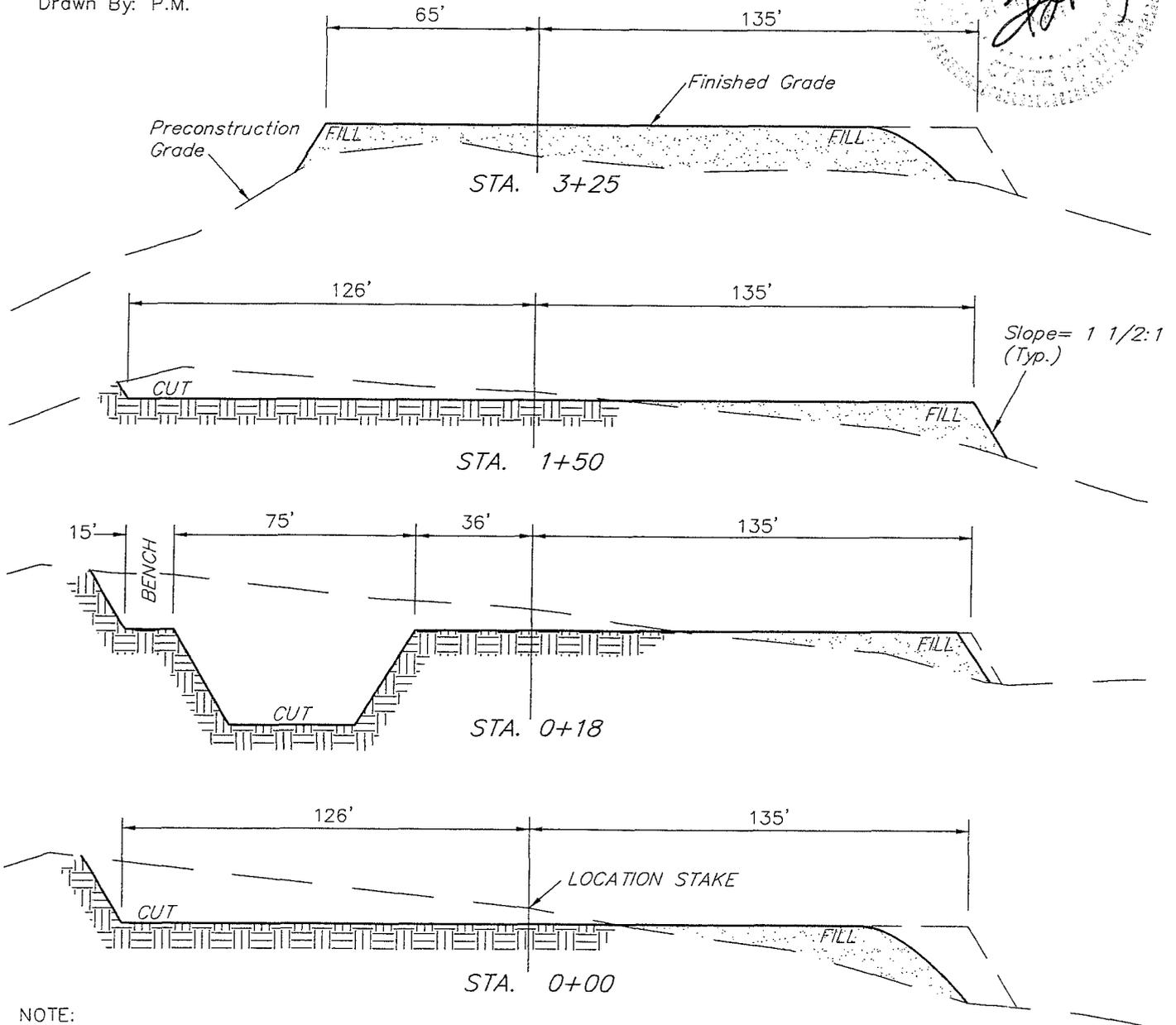
Elev. Ungraded Ground At Loc. Stake = 5420.8'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5419.7'

FIGURE #1

TYPICAL CROSS SECTIONS FOR  
 S. CHAPITA #23-35  
 SECTION 35, T9S, R23E, S.L.B.&M.  
 692' FSL 1858' FWL

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

DATE: 01-18-05  
 Drawn By: P.M.



NOTE:

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

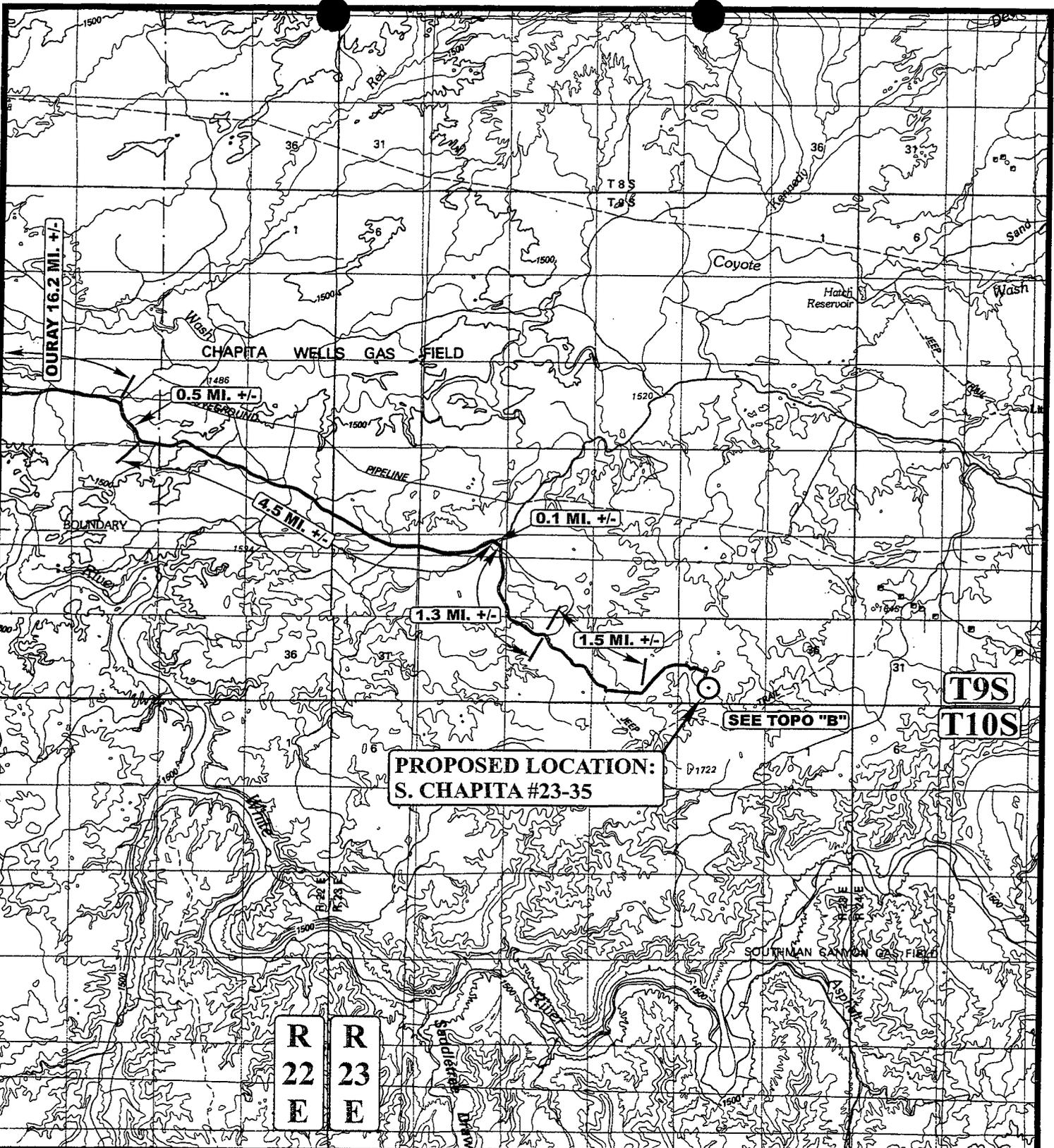
\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,640 Cu. Yds.
Remaining Location	= 7,050 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 8,690 CU.YDS.</b>
<b>FILL</b>	<b>= 5,390 CU.YDS.</b>

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



**PROPOSED LOCATION:  
S. CHAPITA #23-35**

**SEE TOPO "B"**

**T9S  
T10S**

**R R  
22 23  
E E**

**LEGEND:**

○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

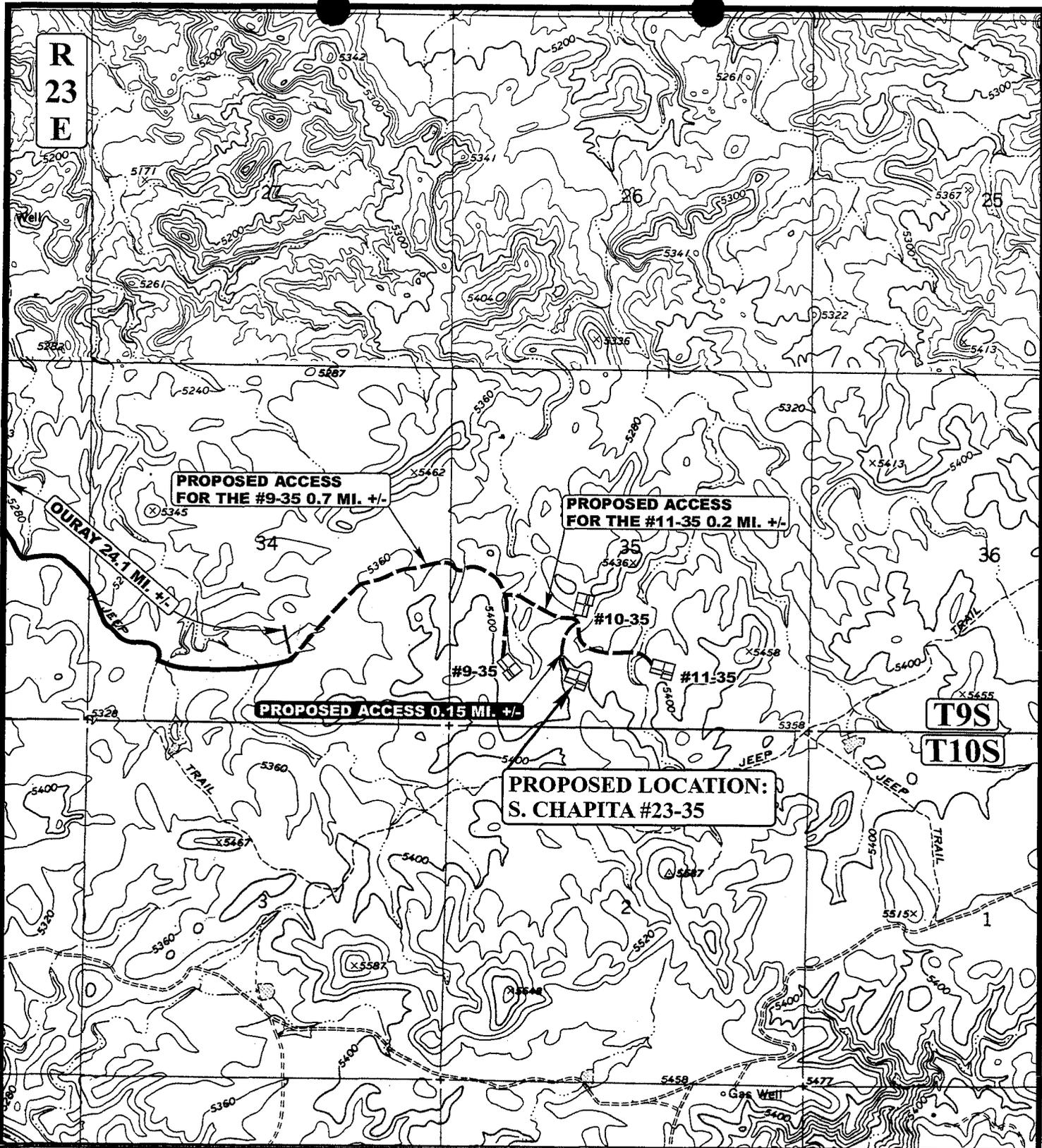
**S. CHAPITA #23-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
692' FSL 1858' FWL**



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

**TOPOGRAPHIC** 01 | 03 | 05  
**MAP** MONTH | DAY | YEAR  
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



**EOG RESOURCES, INC.**

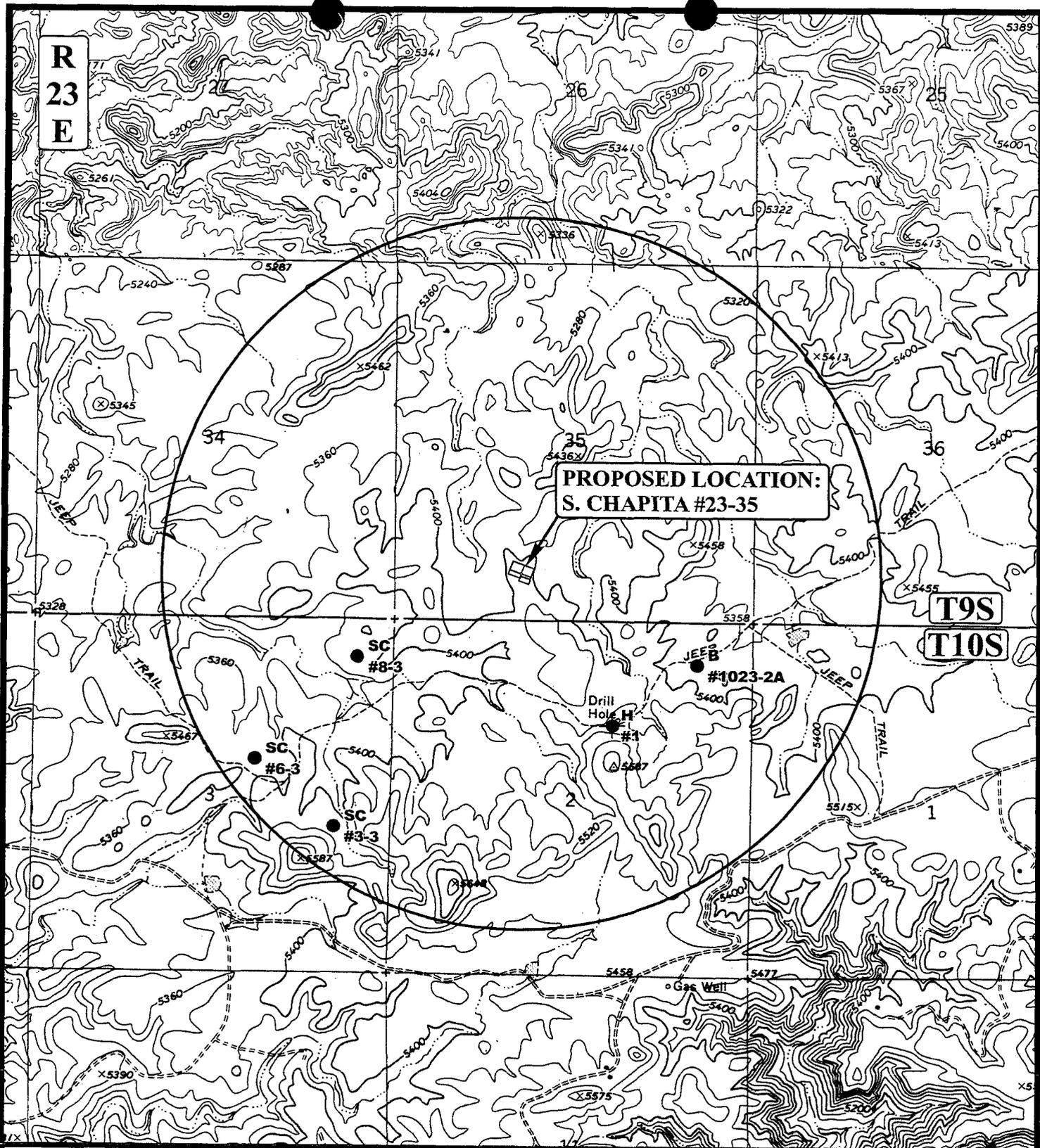
**S. CHAPITA #23-35**  
**SECTION 35, T9S, R23E, S.L.B.&M.**  
**692' FSL 1858' FWL**



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

**TOPOGRAPHIC MAP** **01 03 05**  
MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





R  
23  
E

**PROPOSED LOCATION:  
S. CHAPITA #23-35**

T9S  
T10S

**LEGEND:**

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



**EOG RESOURCES, INC.**

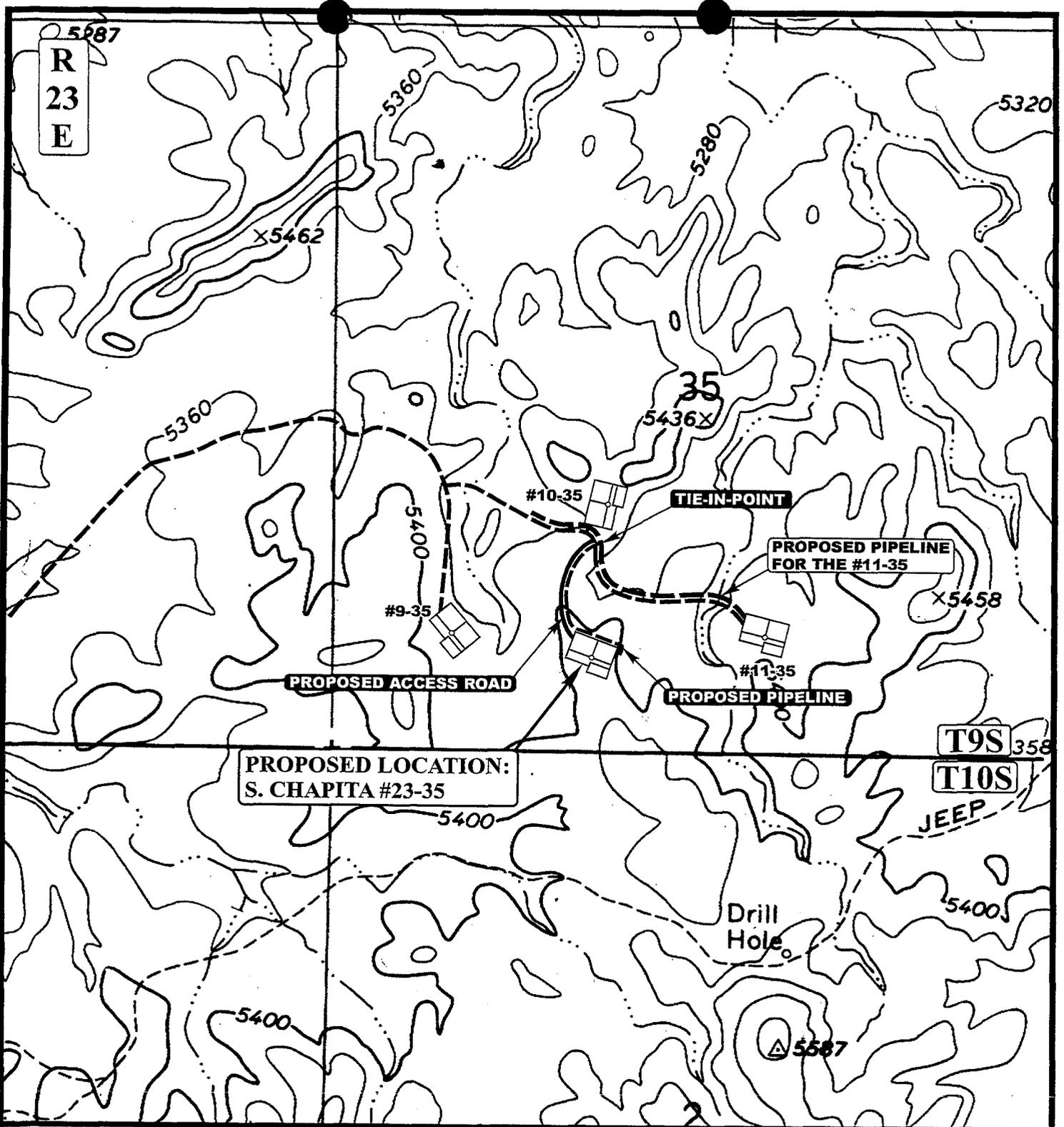
**S. CHAPITA #23-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
692' FSL 1858' FWL**



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

**TOPOGRAPHIC** 01 03 05  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





**PROPOSED LOCATION:  
S. CHAPITA #23-35**

**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,300' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- - - EXISTING PIPELINE
- - - PROPOSED PIPELINE

**EOG RESOURCES, INC.**

**S. CHAPITA #23-35  
SECTION 35, T9S, R23E, S.L.B.&M.  
692' FSL 1858' FWL**

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



**TOPOGRAPHIC** 01 | 03 | 05  
**MAP** MONTH | DAY | YEAR

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

**D**  
**TOPO**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/23/2006

API NO. ASSIGNED: 43-047-37861

WELL NAME: S CHAPITA 23-35  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:  
 SESW 35 090S 230E  
 SURFACE: 0692 FSL 1858 FWL  
 BOTTOM: 0692 FSL 1858 FWL  
 COUNTY: UINTAH  
 LATITUDE: 39.98712 LONGITUDE: -109.2963  
 UTM SURF EASTINGS: 645461 NORTHINGS: 4427507  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0344  
 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: \_\_\_\_\_

R649-3-2. General  
 Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_  
 Siting: \_\_\_\_\_

R649-3-11. Directional Drill

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

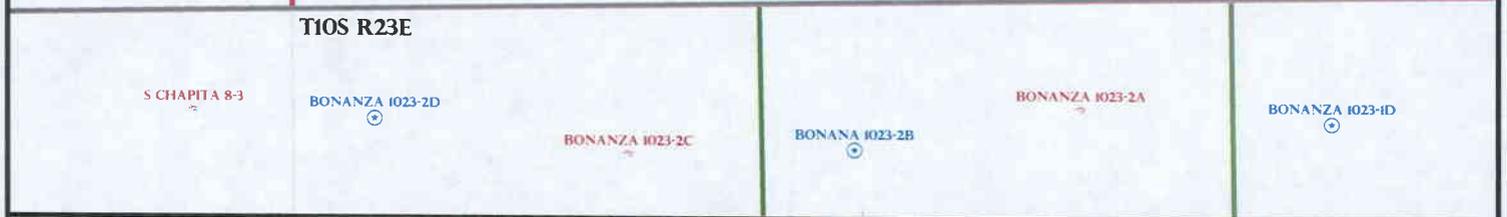
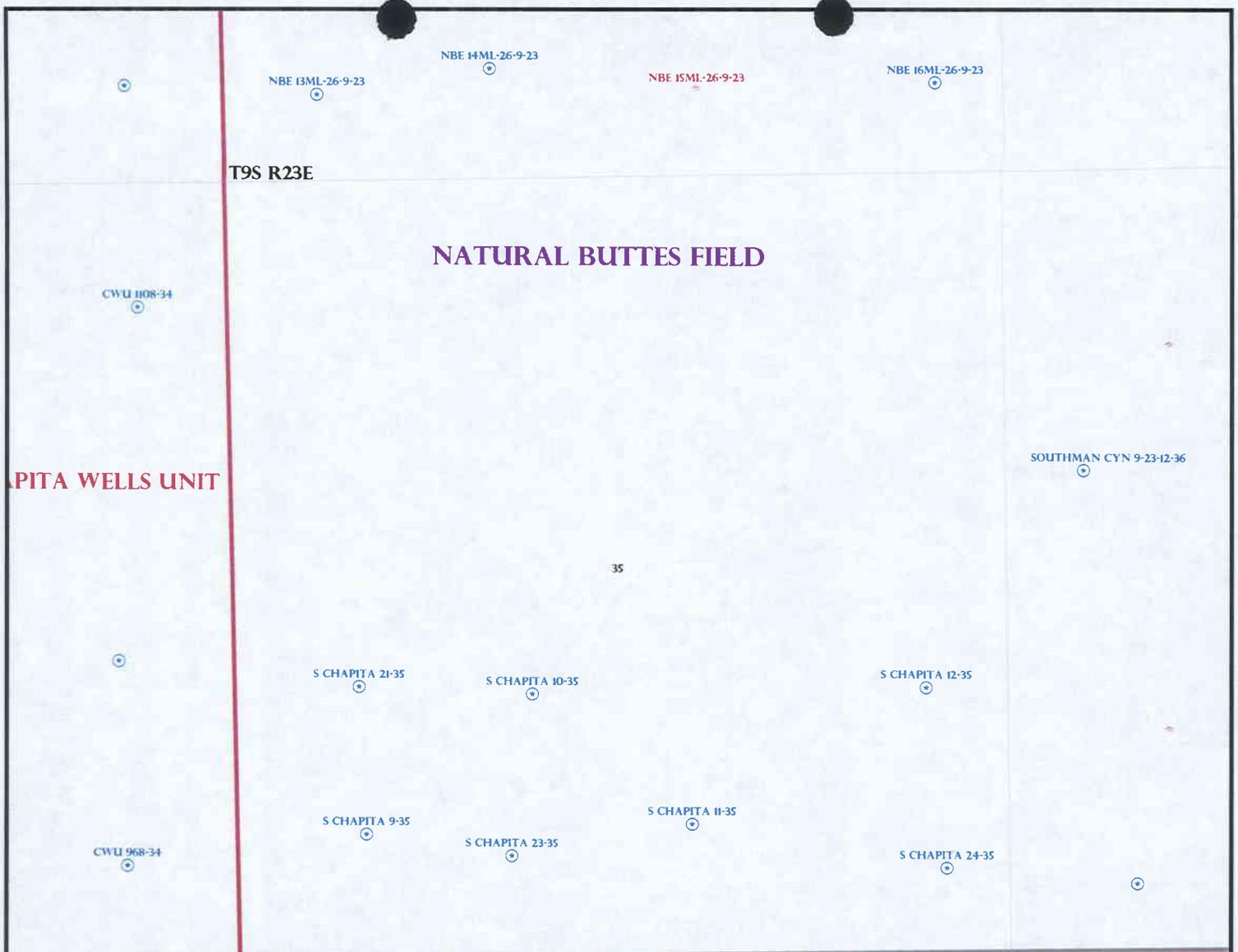
\_\_\_\_\_

\_\_\_\_\_

STIPULATIONS: 1-Federal Approval  
2 Spacing Str

\_\_\_\_\_

\_\_\_\_\_



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 35 T. 9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

**Wells Status**

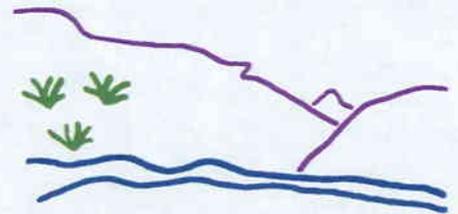
- ⊗ GAS INJECTION
- ⊗ GAS STORAGE
- ⊗ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⊗ PLUGGED & ABANDONED
- ⊗ PRODUCING GAS
- PRODUCING OIL
- ⊗ SHUT-IN GAS
- SHUT-IN OIL
- ⊗ TEMP. ABANDONED
- ⊙ TEST WELL
- ⊙ WATER INJECTION
- ⊙ WATER SUPPLY
- ⊙ WATER DISPOSAL
- ⊙ DRILLING

**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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 02-MARCH-2006



**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*

March 2, 2006

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

Re: South Chapita 23-35 Well, 692' FSL, 1858' FWL, SE SW, Sec. 35, T. 9 South,  
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37861.

Sincerely,

Gil Hunt  
Associate Director

mf  
Enclosures

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

**Operator:** EOG Resources, Inc  
**Well Name & Number** South Chapita 23-35  
**API Number:** 43-047-37861  
**Lease:** U-0344

**Location:** SE SW                      **Sec.** 35                      **T.** 9 South                      **R.** 23 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

#### 3. Reporting Requirements

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

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

#### 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FEB 17 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

U-0344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

SOUTH CHAPITA 23-35

9. API Well No.

43.047.37861

10. Field and Pool, or Exploratory

NATURAL BUTTES

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

SEC. 35, T9S, R23E,  
S.L.B.&M.

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

2. Name of Operator  
EOG RESOURCES, INC.

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

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

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

At surface 692' FSL, 1858' FWL SE/SW  
At proposed prod. Zone

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

12. County or Parish UINTAH  
13. State UTAH

15. Distance from proposed\* location to nearest property or lease line, ft. 692'  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
640

17. Spacing Unit dedicated to this well  
40

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

19. Proposed Depth  
8375'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
5419.7 FEET GRADED GROUND

22. Approximate date work will start\*  
UPON APPROVAL

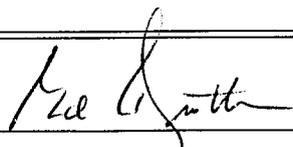
23. Esti mated duration  
45 DAYS

24. Attachments

Attachments

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

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

25. Signature 

Name (Printed/Typed)  
Ed Trotter

SEP 15 2006

Date  
February 13, 2006

Title  
Agent

DIV. OF OIL, GAS & MINING

Approved by (Signature)

Name (Printed/Typed)

Date

  
Title Assistant Field Manager  
Lands & Mineral Resources

JERRY KENICKA  
Office

9-8-2006

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)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE  
VERNAL, UT 84078

170 South 500 East

(435) 781-4400



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

<b>Company:</b>	<b>EOG Resources</b>	<b>Location:</b>	<b>SESW, Sec 35, T9S, R23E</b>
<b>Well No:</b>	<b>South Chapita 23-35</b>	<b>Lease No:</b>	<b>UTU-0344</b>
<b>API No:</b>	<b>43-047-37861</b>	<b>Agreement:</b>	<b>N/A</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:	Chris Carusona	Office: 435-781-4441	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
<b>After Hours Contact Number:</b>	<b>435-781-4513</b>	Fax: 435-781-4410	

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

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

**NOTIFICATION REQUIREMENTS**

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

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

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this 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 and 3 lbs of Kochia Prostrata.
  
- 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**

- Variance is granted for Onshore Order #2 III.E. Special Drilling Operations. Blooie line for drilling of surface may be 75' instead of 100'.
- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.

### **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.

- All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- 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.

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: S CHAPITA 23-35

Api No: 43-047-37861 Lease Type: FEDERAL

Section 35 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

**SPUDDED:**

Date 02/20/07

Time 12:30 PM

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 02/20/2007 Signed CHD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

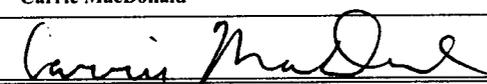
<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>U-0344</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG Resources, Inc.</b>		7. If Unit or CA/Agreement, Name and/or No.
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-262-2812</b>	8. Well Name and No. <b>South Chapita 23-35</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>692' FSL &amp; 1,858' FWL (SESW) Sec. 35-T9S-R23E 39.987094 LAT 109.296997 LON</b>		9. API Well No. <b>43-047-37861</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Wasatch/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

**The referenced well spud on 2/20/2007.**

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) <b>Carrie MacDonald</b>	Title <b>Operations Clerk</b>
Signature 	Date <b>02/22/2007</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**

**FEB 26 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  
 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)  
**692' FSL & 1,858' FWL (SESW)  
 Sec. 35-T9S-R23E 39.987094 LAT 109.296997 LON**

5. Lease Serial No.  
**U-0344**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**South Chapita 23-35**

9. API Well No.  
**43-047-37861**

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

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

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

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

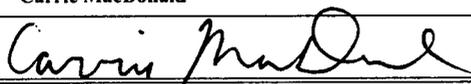
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths 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. Ace Disposal
- 3. 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>02/22/2007</b>

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

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Office _____		

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(Instructions on page 2)

**RECEIVED  
FEB 26 2007**

**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, 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
43-047-37862	SOUTH CHAPITA 21-35		NWSW	35	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15951	2/21/2007		2/28/07		
Comments: <u>PRRV = MVRD</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37861	SOUTH CHAPITA 23-35		SESW	35	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15952	2/20/2007		2/28/07		
Comments: <u>PRRV = MVRD</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36921	CHAPITA WELLS UNIT 1009-22		SENW	22	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13650	2/21/2007		2/28/07		
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

Title

2/22/2007

Date

**RECEIVED**

**FEB 26 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**

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

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

**692' FSL & 1858' FWL (SESW)  
 Sec. 35-T9S-R23E 39.987094 LAT 109.296997 LON**

5. Lease Serial No.  
**U-0344**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**South Chapita 23-35**

9. API Well No.  
**43-047-37861**

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 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 recomplate 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 4/25/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

RECEIVED

MAY 02 2007

DIV. OF OIL, GAS & MINING

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

**Mary A. Maestas**

Title **Regulatory Assistant**

Signature

*Mary A. Maestas*

Date

**04/30/2007**

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

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

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

Title

Date

Office

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(Instructions on page 2)

## WELL CHRONOLOGY REPORT

Report Generated On: 04-30-2007

<b>Well Name</b>	SCW 23-35	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA WELLS DEEP	<b>API #</b>	43-047-37861	<b>Well Class</b>	1SA
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	03-17-2007	<b>Class Date</b>	04-25-2007
<b>Tax Credit</b>	N	<b>TVD / MD</b>	8,375/ 8,375	<b>Property #</b>	054960
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	5,436/ 5,420				
<b>Location</b>	Section 35, T9S, R23E, SE/SW, 692 FSL & 1858 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

<b>AFE No</b>	302829	<b>AFE Total</b>		<b>DHC / CWC</b>	
<b>Rig Contr</b>	ENSIGN	<b>Rig Name</b>	ENSIGN #72	<b>Start Date</b>	04-25-2006
<b>04-25-2006</b>	<b>Reported By</b>	SHARON WHITLOCK			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			692' FSL & 1858' FWL (SE/SW)
			SECTION 35, T9S, R23E
			UINTAH COUNTY, UTAH
			LAT 39.987128, LONG 109.296319 (NAD 27)
			ENSIGN RIG #72
			OBJECTIVE: 8375' TD
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			NATURAL BUTTES FIELD
			LEASE: U-0344
			ELEVATION: 5420.8' NAT GL, 5419.7' PREP GL (DUE TO ROUNDING 5420' IS THE PREP GL), 5436' KB (16')
			EOG WI 100%, NRI 82.25%

<b>01-31-2007</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>		<b>Completion</b>	\$0	<b>Daily Total</b>	







Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling Completion \$0 Well Total  
 MD 0 TVD 0 Progress 0 Days 0 MW 0.0 Visc 0.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	WALKING IN PIT.

02-23-2007 Reported By TERRY CSERE

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling Completion \$0 Well Total  
 MD 40 TVD 40 Progress 0 Days 0 MW 0.0 Visc 0.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO AIR RIG

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

03-12-2007 Reported By JERRY BARNES

Daily Costs: Drilling Completion \$0 Daily Total  
 Cum Costs: Drilling Completion \$0 Well Total  
 MD 2.165 TVD 2.165 Progress 0 Days 0 MW 0.0 Visc 0.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU MAJOR'S AIR RIG #28 ON 2/24/2007. DRILLED 12-1/4" HOLE TO 2170' GL. ENCOUNTERED WATER @ 1650'. RAN 50 JTS (2149.89') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2165' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO MAJOR'S #28 AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 160 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CaCl2, & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/162 BBLs FRESH WATER. BUMPED PLUG W/600# @ 5:50 AM, 2/27/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 100 SX (20 BBLs) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS, 50 MINS.

TOP JOB #2: MIXED & PUMPED 125 SX (25 BBLs) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS.

TOP JOB #3: MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS.

TOP JOB #4: MIXED & PUMPED 125 SX (25 BBLs) OF PREMIUM CEMENT W/3% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HAD RETURNS. CEMENT TO THE SURFACE AND STAYED. WOC 1 HRS.



10:00 18:00 8.0 RIG UP FLOOR, PKUP KELLY, RIG UP MUD TANKS, START DAY WORK @ 1800 HRS, 3/16/07  
 18:00 22:30 4.5 TEST BOP STACK W/ QUICK TEST, TEST LOWER, UPPER KELLY VALVES, SAFETY VALVE, INSIDE BOP/DART VALVE, PIPE RAMS & INSIDE VALVES, PIPE RAMS, OUTSIDE KILL LINE VALVE, & HCR, PIPE RAMS }, CHOKE LINE, CHECK VALVE, UPRIGHT GAGE VALVE, & INSIDE MANIFOLD, BLIND RAM, CHOKE LINE, & MIDDLE MANIFOLD VALVE, BLIND RAMS, CHOKE LINE, AND SUPER CHOKE TO 250 PSI LOW, 5 MINUTES, 5,000 PSI HIGH FOR 10 MINUTES, ANNULAR 250 PSI LOW, 2500PSI HIGH 5/10 MINUTES, SURFACE CASING 1500 PSI FOR 30 MINUTES, ANNULAR NEEDS TO BE REPAIRED NEXT WELL, CAROL KUBLEY WITH BLM WITNESS TEST  
 22:30 00:00 1.5 INSTALL WEAR RING, SAFETY MEETING W/ CALIBER CREW, RIG UP PKUP MACHINE  
 00:00 06:00 6.0 PKUP BHA & DRILL PIPE W/CALIBER, TOP CEMENT @ 2074

SAFETY MEETINGS ON RAISING DERRICK, PICKING UP BHA W/ CALIBER FULL CREWS  
 NO ACCIDENTS  
 FUEL ON HAND 6001 GAL  
 TRANSFER 2996 GAL FUEL FROM SCW 24-35 TO SCW 23-35  
 START DAY WORK @ 1800 HRS, 3/16/07

03-18-2007 Reported By DOUG GRINOLDS

<b>Daily Costs: Drilling</b>		<b>Completion</b>		50	<b>Daily Total</b>	
<b>Cum Costs: Drilling</b>		<b>Completion</b>			<b>Well Total</b>	
<b>MD</b>	3,570	<b>TVD</b>	3,570	<b>Progress</b>	1,405	<b>Days</b> 1
<b>Formation :</b>		<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>MW</b> 8.4 <b>Visc</b> 28.0
						<b>PKR Depth : 0.0</b>

Activity at Report Time: DRLG AHEAD

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRLG CEMENT, FLOAT COLLAR, FLOAT SHOE, + 10'
07:30	09:30	2.0	FIT TEST FOR 15 MINUTES @ 300 PSI, 10.2# MUD WT
09:30	13:30	4.0	DRLG 2165' TO 2466'[301']][75.25'PH]WT 15, RPM 50/67, PSI 700, SPM 113, GPM 432
13:30	14:00	0.5	WIRELINE SURVEY @ 2375', 1.25 DEGREES
14:00	16:00	2.0	DRLG 2466' TO 2652'[186']][93'PH]WT 15, RPM 50/67, PSI 940, SPM 113, GPM 432
16:00	16:30	0.5	RIG SERVICE, CK COM
16:30	21:30	5.0	DRLG 2652' TO 3024'[372']][74.4'PH]WT 14, RPM 57/67, PSI 1030, SPM 113, GPM 432
21:30	22:00	0.5	WIRELINE SURVEY @ 2944', 31/2 DEGREES
22:00	05:00	7.0	DRLG 3024' TO 3550'[526']][75.14'PH]WT 14, RPM 57/67, PSI 1030, SPM 113, GPM 432
05:00	05:30	0.5	WIRELINE SURVEY @ 3473', 2.75 DEGREES
05:30	06:00	0.5	DRLG 3550' TO 3570'[20']][40'PH]WT 16, RPM 57/67, PSI 1100, SPM 113, GPM 420

FORMATION GREEN RIVER, 30% LS, 35% SHALE, 35% SS  
 BACKGROUND GAS 150U-200U, CONN 200U-400U, DTG 4786U @ 2669', HIGH GAS 6835U @ 2440'  
 FULL CREWS  
 NO ACCIDENTS  
 SAFETY MEETINGS ON FIT TEST, CLEANING RIG  
 FUEL ON HAND 5178 GAL, USED 1423 GAL  
 MUD WT 8.9, VIS 30  
 FUNCTION TEST CROWN O MATIC

06:00 18.0 SPUD 7 7/8" HOLE AT 09:30 HRS, 3/17/07.

03-19-2007 Reported By DOUG GRINOLDS

DailyCosts: Drilling Completion \$0 Daily Total  
 Cum Costs: Drilling Completion Well Total  
 MD 5.025 TVD 5.025 Progress 1,455 Days 2 MW 8.9 Visc 31.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRLG AHEAD

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRLG 3570' TO 3868'[298'] [85.14'PH]WT 18, RPM 60/66, PSI 1310, SPM 113, 416
09:30	10:00	0.5	WIRELINE SURVEY, @ 3773, 1 DEGREE
10:00	15:30	5.5	DRLG 3868' TO 4387'[519'] [94.36'PH]WT 15/20, RPM 60/66, PSI 1325, SPM 113, 416
15:30	16:00	0.5	RIG SERVICE, PUT FIRST GEAR CHAIN BACK ON
16:00	06:00	14.0	DRLG 4387' TO 5025'[638] [45.57'PH]WT 15/25, RPM 33/66, PSI 1425, SPM 113, 416

FORMATION CHAPITA WELLS TOP 4991', 15% LS, 45% SHALE, 40% SS  
 BACK GROUND GAS 40U-80U, CONN 90U-110U, HIGH GAS 1371U @ 4842', NO FLARE  
 FULL CREWS  
 NO ACCIDENTS  
 SAFETY MEETINGS ON BOP DRILLS, PAINTING, PUMP REPAIR  
 FUEL ON HAND 4708 GAL, USED 470 GAL  
 MUD WT 9.5#, VIS 33  
 FUNCTION TEST CROWN O MATIC

03-20-2007 Reported By DOUG GRINOLDS

DailyCosts: Drilling Completion \$0 Daily Total  
 Cum Costs: Drilling Completion Well Total  
 MD 6.000 TVD 6.000 Progress 975 Days 3 MW 9.5 Visc 37.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRLG AHEAD

Start	End	Hrs	Activity Description
06:00	07:30	1.5	REPAIR RIG, CHANGE AIR BOOT ON # 1 PUMP SUCTION
07:30	17:30	10.0	DRLG 5025' TO 5595'[570'] [57'PH]WT 18/25, RPM 50/66, PSI 1500, SPM 113, GPM 416
17:30	18:00	0.5	RIG SERVICE
18:00	06:00	12.0	DRLG 5595' TO 6,000'[405] [33.75'PH]WT 15/25, RPM 35/66, PSI 1500, SPM 113, GPM 416

FORMATION NORTH HORN TOP 5916', 10% RS, 25% SHALE, 65% SS  
 BACK GROUND GAS 40U-80U, CONN GAS 90U-110U, HIGH GAS 4018U @ 5195  
 SAFETY MEETINGS ON PAINTING, WIRELINE SURVEY  
 FULL CREWS  
 NO ACCIDENTS  
 FUEL ON HAND 3939 GAL, USED 776 GAL  
 MUD WT 9.7#, VIS 42  
 FUNCTION TEST CROWN O MATIC

03-21-2007 Reported By DOUG GRINOLDS

DailyCosts: Drilling Completion Daily Total





03-25-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling Completion Daily Total  
 Cum Costs: Drilling \$ Completion Well Total  
 MD 8,375 TVD 8,375 Progress 0 Days 8 MW 11.3 Visc 43.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

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

Start	End	Hrs	Activity Description
06:00	12:30	6.5	CIRCULATE CONDITION MUD AND HOLE, RAISED MUD WT FROM 11.0 TO 11.3, ON BOTTOMS UP FROM SHORT TRIP HAD 8000U OF GAS WITH 12 FT FLARE.
12:30	21:30	9.0	HELD SAFETY MEETING WITH CALIBER LAY DOWN CREW, RIG UP MACHINE AND LAY DOWN DRILL PIPE. AND B.H.A.
21:30	03:00	5.5	RIG UP CSG CREW, HOLD SAFETY MEETING ON RUNNING CSG, RUN 4-1/2" .
03:00	04:00	1.0	REPAIR CALIBER PICKUP MACHINE FOR CSG.
04:00	06:00	2.0	RUNNING 4-1/2" CSG.WITH CALIBER CSG CREW.

AN EMPLOYEE OF ENSIGN RIG 72 ,LEANDOR SANCHEZ, HAD A INCIDENT, INJURING LOWER BACK, DID NOT LEAVE LOCATION, ACCIDENT FORMS HAVE BEEN FILED.

TOTAL FUEL,2333, USED-1300 GALS.

NO LOST TIME ACCIDENTS.

03-26-2007 Reported By DEMPSEY DAY

Daily Costs: Drilling Completion Daily Total  
 Cum Costs: Drilling Completion Well Total  
 MD 8,375 TVD 8,375 Progress 0 Days 9 MW 0.0 Visc 0.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	08:30	2.5	FINISH RUNNING 4-1/2" CSG, RUN 197 JTS OF N80, LT@C 11.60-R-3 (LANDED AT 8362' KB) TWO MRK JTS, ONE CSY HANGER, ONE LANDING JT=8360.80 FT, FLOAT COLLAR AT 8317.59'. FIRST MRK JT BOTTOM AT 3769, SECOND MRK JT BOT. AT 6071 ft,RUN ( 15 ) CENTRALIZERS, FIRST ONE 5 ft UP FROM FLOAT SHOE ON SHOE JT. THEN EVERY OTHER JT THERE AFTER.CSY LANDED AT 8360-KB.STRING WT, 86.K.
08:30	10:00	1.5	CIRCULATE BOTTOMS UP, HAD GOOD 12 ft FLARE, RIG CSY CREWS DOWN AND RELEASE.
10:00	13:00	3.0	RIG UP SCHLUMBERGER CEMENTERS, HELD SAFETY MEETING WITH RIG CREW @ CEMENTERS, CEMENT 4-1/2" CSY WITH THE FOLLOWING, LEAD 320 SX 35/65 POZ-G + D020 2.000% BWOB EXTENDER + D046 0.100% BWOB ANTIFOAM + D065 0.200% BWOB DISPERSANT + D167 0.200% BWOB FLUID LOSS., SLURRY WT- 11.5 PPG, YIELD 2.26.45.68 SLURRY, H2O-129 BBLs. TAILED IN WITH 1360 SX 50/50 POZ-G-> D020 10.000% BWOC EXTENDER + D167 0.200% BWOC FLUID LOSS + D046 0.200% BWOC ANTIFOAM + D013 0.500% BWOC RETARDER + D130 0.125 lb/sk blend LOST CIRC + D065 0.500% BWOC DISPERSANT. SLURRY WT-14.1, SLURRY VOLUME-306.93 BBLs, YIELD-1.29, 312 BBLs OF H2O, HAD GOOD RETURNS THROUGH OUT THE JOB. CIRC NO CEMENT TO SURFACE, BUT GOT BACK SPACER AHEAD OF CEMENT.MAX LIFT PSI-1232, DISPLACED WITH- 129 BBLs OF H2O, PLUG DOWN AT 12:48-3/25/2007, RELEASED SCHLUMBERGER.

13:00 14:00 1.0 SET D.O.T. CSY HANGER AND NIPPLE DOWN B.O.P. STACK.  
 14:00 18:00 4.0 CLEAN MUD TANKS.  
 18:00 06:00 12.0 RIG DOWN ROTARY RIG AND TOOLS.

ENSIGN RIG # 72

3/26/2007 RIG WILL BE MOVING TO SCW-21-35 WITH BOB JONES TRUCKING.

NO ACCIDENTS

06:00 18.0 RELEASED RIG AT 18:00 HRS, 3/25/07.  
 CASING POINT COST \$665,214

**03-30-2007**      **Reported By**      SEARLE

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

**MD**      8,375      **TVD**      8,375      **Progress**      0      **Days**      10      **MW**      0.0      **Visc**      0.0

**Formation :**      **PBTD :** 8318.0      **Perf :**      **PKR Depth :** 0.0

**Activity at Report Time:** PREP FOR FRACS

**Start**      **End**      **Hrs**      **Activity Description**  
 06:00      06:00      24.0      MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 150'. EST CEMENT TOP @ 190'.  
 RD SCHLUMBERGER.

**04-07-2007**      **Reported By**      MCCURDY

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

**MD**      8,375      **TVD**      8,375      **Progress**      0      **Days**      11      **MW**      0.0      **Visc**      0.0

**Formation :**      **PBTD :** 8318.0      **Perf :**      **PKR Depth :** 0.0

**Activity at Report Time:** WO COMPLETION

**Start**      **End**      **Hrs**      **Activity Description**  
 13:00      14:00      1.0      NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

**04-10-2007**      **Reported By**      DEAN KOUTROULIS

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

**MD**      8,375      **TVD**      8,375      **Progress**      0      **Days**      12      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 8318.0      **Perf :** 6976' - 8127'      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC

**Start**      **End**      **Hrs**      **Activity Description**  
 06:00      06:00      24.0      RU CUTTERS WL. PERFORATED LPR FROM 7904-05', 7929-30', 7978-79', 7986-87', 8008-09', 8029-30', 8053-54', 8061-62', 8070-71', 8075-76', 8082-83', 8103-04', 8111-12', 8119-20' & 8126-27' @ 2 SPF & 180° PHASING. RDWL .RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 5002 GAL YF116ST+ PAD & 48471 GAL YF116ST+ WITH 145700# 20/40 SAND @ 1-5 PPG. MTP 6237 PSIG. MTR 50.3 BPM. ATP 4130 PSIG. ATR 44.1 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7870'. PERFORATED LPR FROM 7671-72', 7675-76', 7695-96', 7702-03', 7710-11', 7750-51', 7772-73', 7778-79', 7799-800', 7822-23', 7834-35', 7846-47', 7850-51' & 7857-58' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4989 GAL YF116ST+ PAD & 24905 GAL YF116ST+ WITH 56744# 20/40 SAND @ 1-4 PPG. MTP 6.329 PSIG. MTR 50.3 BPM. ATP 5347 PSIG. ATR 39.6 BPM. ISIP 2400 PSIG. CUT JOB SHORT DUE TO PCM PROBLEM. OVERFLUSHED 100 BBL. REFRACED DOWN CASING WITH 6444 GAL YF116ST+ PAD & 49812 GAL YF116ST+ WITH 146031# 20/40 SAND @ 1-5 PPG. MTP 6026 PSIG. MTR 50.6 BPM. ATP 4677 PSIG. ATR 48.3 BPM. ISIP 2800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7605'. PERFORATED MPR FROM 7469-70', 7474-75', 7494-95', 7499-500', 7513-14', 7522-23', 7529-30', 7542-43', 7547-48', 7555-56', 7562-63' & 7565-66' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4156 GAL YF116ST+ PAD & 41207 GAL YF116ST+ WITH 119900# 20/40 SAND @ 1-5 PPG. MTP 6098 PSIG. MTR 51.5 BPM. ATP 4682 PSIG. ATR 45 BPM. ISIP 2700 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7435'. PERFORATED MPR FROM 7294-95', 7300-01', 7319-20', 7325-26', 7334-35', 7345-46', 7354-55', 7372-73', 7387-88', 7393-94', 7401-02' & 7408-09' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4170 GAL YF116ST+ PAD & 43290 GAL YF116ST+ WITH 128500# 20/40 SAND @ 1-5 PPG. MTP 5079 PSIG. MTR 45.1 BPM. ATP 3979 PSIG. ATR 43.1 BPM. ISIP 2800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7275'. PERFORATED MPR FROM 7171-72', 7175-76', 7181-82', 7196-97', 7207-08', 7210-1', 7217-18', 7242-43', 7245-46', 7254-55', 7258-59' & 7262-63' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4156 GAL YF116ST+ PAD & 40746 GAL YF116ST+ WITH 119200# 20/40 SAND @ 1-5 PPG. MTP 4851 PSIG. MTR 45.2 BPM. ATP 3283 PSIG. ATR 43.4 BPM. ISIP 1550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7140'. PERFORATED MPR FROM 6976-77', 6985-86', 6989-90', 7004-05', 7012-13', 7025-26', 7040-41', 7049-50', 7071-72', 7079-80', 7090-91', 7096-97', 7109-10' & 7113-14' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4177 GAL YF116ST+ PAD & 45239 GAL YF116ST+ WITH 134500# 20/40 SAND @ 1-5 PPG. MTP 3761 PSIG. MTR 46.7 BPM. ATP 2970 PSIG. ATR 46.7 BPM. ISIP 1700 PSIG. RD SCHLUMBERGER. SDFN.

<b>04-11-2007</b>		<b>Reported By</b>		<b>DEAN KOUTROULIS</b>							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		<b>Daily Total</b>					
<b>Cum Costs: Drilling</b>				<b>Completion</b>		<b>Well Total</b>					
<b>MD</b>	8.375	<b>TVD</b>	8.375	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>			<b>PBTD : 8318.0</b>			<b>Perf : 6196 - 8127</b>			<b>PKR Depth : 0.0</b>		

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RUWL. SET 10K CFP AT 6950'. PERFORATED UPR FROM 6743-44', 6753-54', 6764-65', 6769-70', 6789-90', 6800-01', 6821-22', 6879-81', 6926-27', 6932-33' & 6936-37' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4152 GAL YF116ST+ PAD & 41142 GAL YF116ST+ WITH 120900# 20/40 SAND @ 1-5 PPG. MTP 4212 PSIG. MTR 50.2 BPM. ATP 3393 PSIG. ATR 46.1 BPM. ISIP 2000 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6660'. PERFORATED UPR FROM 6458-59', 6461-62', 6498-99', 6517-18', 6525-26', 6529-30', 6570-71', 6607-08', 6612-13', 6620-21', 6626-27' & 6640-41' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4162 GAL YF116ST+ PAD & 40877 GAL YF116ST+ WITH 119400# 20/40 SAND @ 1-5 PPG. MTP 4158 PSIG. MTR 41.3 BPM. ATP 3144 PSIG. ATR 39 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6400'. PERFORATED UPR FROM 6196-97', 6202-03', 6230-31', 6238-39', 6261-62', 6266-67', 6285-86', 6305-06', 6314-15', 6322-23', 6331-32', & 6381-82' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4180 GAL YF116ST+ PAD & 43217 GAL YF116ST+ WITH 135380# 20/40 SAND @ 1-5 PPG. MTP 3291 PSIG. MTR 40.6 BPM. ATP 2867 PSIG. ATR 39.8 BPM. ISIP 2000 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 6105'. BLEED OFF PRESSURE. RDWL. SDFN.

04-14-2007      Reported By      DEAN KOUTROULIS

DailyCosts: Drilling      \$0      Completion           Daily Total      \$

Cum Costs: Drilling           Completion      \$      Well Total      \$

MD      8.375      TVD      8.375      Progress      0      Days      14      MW      0.0      Visc      0.0

Formation : MESAVERDE      PBTB : 8318.0      Perf : 6196 - 8127      PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start      End      Hrs      Activity Description

07:00      15:00      8.0      MIRUSU. ND FRAC TREE. NU BOPE. RIH W/3-7/8" BIT & PUMP OFF SUB TO 6105'. SDFN.

04-15-2007      Reported By      POWELL

DailyCosts: Drilling      \$0      Completion           Daily Total      \$

Cum Costs: Drilling           Completion      \$      Well Total      \$

MD      8.375      TVD      8.375      Progress      0      Days      15      MW      0.0      Visc      0.0

Formation : MESAVERDE      PBTB : 8318.0      Perf : 6196 - 8127      PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start      End      Hrs      Activity Description

07:00      17:30      10.5      CLEANED OUT & DRILLED OUT PLUGS @ 6105', 6400', 6660', 6950', 7140', 7275', 7435', 7605' & 7870'. RIH. CLEANED OUT TO PBTB @ 8310'. LANDED TBG @ 6843' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 11 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2750 PSIG. 39 BFPH. RECOVERED 486 BLW. 11863 BLWTR.

TUBING DETAIL      LENGTH

PUMP OFF SUB      1.00'

1 JT 2-3/8" 4.7# N-80 TBG      32.75'

XN NIPPLE      1.10'

207 JTS 2-3/8" 4.7# N-80 TBG      6797.10'

BELOW KB      12.00'

LANDED @      6843.95' KB

04-16-2007      Reported By      POWELL

DailyCosts: Drilling      \$0      Completion           Daily Total      \$

Cum Costs: Drilling           Completion      \$      Well Total      \$

MD      8.375      TVD      8.375      Progress      0      Days      16      MW      0.0      Visc      0.0

Formation : MESAVERDE      PBTB : 8318.0      Perf : 6196 - 8127      PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start      End      Hrs      Activity Description

05:00 05:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1950 PSIG. CP 2850 PSIG. 34 BFPH. RECOVERED 765 BLW. 11098 BLWTR.

04-17-2007 Reported By POWELL

Daily Costs: Drilling \$0 Completion Daily Total  
 Cum Costs: Drilling Completion Well Total \$  
 MD 8,375 TVD 8,375 Progress 0 Days 17 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8318.0 Perf : 6196 - 8127 PKR Depth : 0.0

Activity at Report Time: WO FACILITIES

Start End Hrs Activity Description  
 05:00 05:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1900 PSIG. CP 2750 PSIG. 27 BFPH. RECOVERED 652 BLW. 10446 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 4/16/07

04-26-2007 Reported By

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling Completion Well Total  
 MD 8,375 TVD 8,375 Progress 0 Days 18 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8318.0 Perf : 6196 - 8127 PKR Depth : 0.0

Activity at Report Time: INITIAL PRODUCTION

Start End Hrs Activity Description  
 06:00 06:00 24.0 INITIAL PRODUCTION. OPENING PRESSURE: TP 2400 & CP 2800 PSI. TURNED WELL OVER TO QUESTAR SALES AT 1:15 PM, 4/25/07. FLOWED 1037 MCFD RATE ON 12/64" POS CHOKE.

04-27-2007 Reported By ALAN WATKINS

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling Completion Well Total  
 MD 8,375 TVD 8,375 Progress 0 Days 19 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8318.0 Perf : 6196 - 8127 PKR Depth : 0.0

Activity at Report Time: ON SALES

Start End Hrs Activity Description  
 06:00 06:00 24.0 FLOWED 678 MCFD, 25 BC & 140 BW IN 24 HRS ON 12/64" CK, TP 2050 & CP 2775 PSIG.

04-30-2007 Reported By LANCE ARNOLD

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0  
 Cum Costs: Drilling Completion Well Total  
 MD 8,375 TVD 8,375 Progress 0 Days 20 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 8318.0 Perf : 6196 - 8127 PKR Depth : 0.0

Activity at Report Time: ON SALES

Start End Hrs Activity Description  
 06:00 06:00 24.0 4/28/07 FLOWED 719 MCFD, 15 BC & 260 BW IN 24 HRS ON 12/64" CK, TP 1950 & CP 2700 PSIG.

4/29/07 FLOWED 754 MCFD, 60 BC & 241 BW IN 24 HRS ON 12/64" CK, TP 1950 & CP 2650 PSIG.

4/30/07 FLOWED 748 MCFD, 26 BC & 245 BW IN 24 HRS ON 12/64" CK, TP 1900 & CP 2600 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-0344**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. **South Chapita 23-35**

9. AFI Well No. **43-047-37861**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 35-T9S-R23E**

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

14. Date Spudded **02/20/2007** 15. Date T.D. Reached **03/24/2007** 16. Date Completed **04/25/2007**  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\* **5421' NAT GL**

18. Total Depth: MD **8375** TVD  
19. Plug Back T.D.: MD **8318** TVD  
20. Depth Bridge Plug Set: MD 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	0-2165		800 sx			
7-7/8"	4-1/2"	11.6#	N-80	0-8362		1680 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"	6844							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	6196	8127	7904-8127		2/spf	
B)			7671-7858		2/spf	
C)			7469-7566		3/spf	
D)			7294-7409		3/spf	

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

Depth Interval	Amount and Type of Material
7904-8127	53,638 GALS GELLED WATER & 145,700# 20/40 SAND
7671-7858	86,315 GALS GELLED WATER & 202,775# 20/40 SAND
7469-7566	45,528 GALS GELLED WATER & 119,900# 20/40 SAND
7294-7409	47,625 GALS GELLED WATER & 128,500# 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
04/25/2007	04/30/2007	24	→	26	748	245			FLOWERS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	PRODUCING GAS WELL
12/64"	SI 1900	2600	→	26	748	245			

28a. Production - Interval B

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

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

RECEIVED

MAY 14 2007

28b. Production - Interval C

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

28c. Production - Interval D

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

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

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
<b>Mesaverde</b>	<b>6196</b>	<b>8127</b>		<b>Wasatch</b>	<b>4211</b>
				<b>Chapita Wells</b>	<b>4761</b>
				<b>Buck Canyon</b>	<b>5408</b>
				<b>North Horn</b>	<b>5880</b>
				<b>Price River</b>	<b>6091</b>
				<b>Middle Price River</b>	<b>6952</b>
				<b>Lower Price River</b>	<b>7722</b>
			<b>Sego</b>	<b>8216</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 05/10/2007

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.

**South Chapita 23-35 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7171-7263	3/spf
6976-7114	2/spf
6743-6937	3/spf
6458-6641	3/spf
6196-6382	3/spf

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

7171-7263	45,067 GALS GELLED WATER & 119,200# 20/40 SAND
6976-7114	49,581 GALS GELLED WATER & 134,500# 20/40 SAND
6743-6937	45,459 GALS GELLED WATER & 120,900# 20/40 SAND
6458-6641	45,204 GALS GELLED WATER & 119,400# 20/40 SAND
6196-6382	47,562 GALS GELLED WATER & 135,380# 20/40 SAND

Perforated the Lower Price River from 7904-7905', 7929-7930', 7978-7979', 7986-7987', 8008-8009', 8029-8030', 8053-8054', 8061-8062', 8070-8071', 8075-8076', 8082-8083', 8103-8104', 8111-8112', 8119-8120' & 8126-8127' w/ 2 spf.

Perforated the Lower Price River from 7671-7672', 7675-7676', 7695-7696', 7702-7703', 7710-7711', 7750-7751', 7772-7773', 7778-7779', 7799-7800', 7822-7823', 7834-7835', 7846-7847', 7850-7851' & 7857-7858' w/ 2 spf.

Perforated the Middle Price River from 7469-7470', 7474-7475', 7494-7495', 7499-7500', 7513-7514', 7522-7523', 7529-7530', 7542-7543', 7547-7548', 7555-7556', 7562-7563' & 7565-7566' w/ 3 spf.

Perforated the Middle Price River from 7294-7295', 7300-7301', 7319-7320', 7325-7326', 7334-7335', 7345-7346', 7354-7355', 7372-7373', 7387-7388', 7393-7394', 7401-7402' & 7408-7409' w/ 3 spf.

Perforated the Middle Price River from 7171-7172', 7175-7176', 7181-7182', 7196-7197', 7207-7208', 7210-7211', 7217-7218', 7242-7243', 7245-7246', 7254-7255', 7258-7259' & 7262-7263' w/ 3 spf.

Perforated the Middle Price River from 6976-6977', 6985-6986', 6989-6990', 7004-7005', 7012-7013', 7025-7026', 7040-7041', 7049-7050', 7071-7072', 7079-7080', 7090-7091', 7096-7097', 7109-7110' & 7113-7114' w/ 2 spf.

Perforated the Upper Price River from 6743-6744', 6753-6754', 6764-6765', 6769-6770', 6789-6790', 6800-6801', 6821-6822', 6879-6881', 6926-6927', 6932-6933' & 6936-6937' w/ 3 spf.

Perforated the Upper Price River from 6458-6459', 6461-6462', 6498-6499', 6517-6518', 6525-6526', 6529-6530', 6570-6571', 6607-6608', 6612-6613', 6620-6621', 6626-6627' & 6640-6641' w/ 3 spf.

Perforated the Upper Price River from 6196-6197', 6202-6203', 6230-6231', 6238-6239', 6261-6262', 6266-6267', 6285-6286', 6305-6306', 6314-6315', 6322-6323', 6331-6332' & 6381-6382' w/ 3 spf.

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: SCW 23-35

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

Well Location: QQ SESW Section 35 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: MAJOR DRILLING

Address: 2200 S 4000 W

city SALT LAKE CITY state UT zip 84120

Phone: (801) 974-0645

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1,650	1,700	NO FLOW	NOT KNOWN

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE *Mary A. Maestas*

DATE 5/10/2007

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.  
UTU0344

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

8. Well Name and No.  
SOUTH CHAPITA 23-35

9. API Well No.  
43-047-37861

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 35 T9S R23E SESW 692FSL 1858FWL  
39.98709 N Lat, 109.29700 W Lon

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

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests authorization for commingling of production from the Wasatch and Mesaverde formations in the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from cased-hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open-ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.

Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.

**COPY SENT TO OPERATOR**  
Date: 3-10-2008  
Initials: KS

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #58554 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 02/11/2008

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

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

Accepted by the \_\_\_\_\_  
Office \_\_\_\_\_  
Utan Division of  
Oil, Gas and Mining  
Federal Approval of this  
Action is Necessary

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

Title 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.

By: *[Signature]* **RECEIVED**  
**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**FEB 13 2008**

DIV. OF OIL, GAS & MINING

STATE OF COLORADO )

) ss

COUNTY OF DENVER )

VERIFICATION

Mary A. Maestas, of lawful age, being first duly sworn upon oath, deposes and says:

She is a Regulatory Assistant of EOG Resources, Inc., of Denver, Colorado. EOG Resources, Inc. is the operator of the following described well:

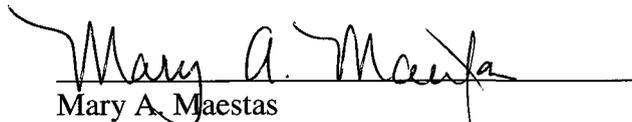
**SOUTH CHAPITA 23-35  
692' FSL – 1858' FWL (SESW)  
SECTION 35, T9S, R23E  
UINTAH COUNTY, UTAH**

EOG Resources, Inc., and Kerr-McGee Oil & Gas Onshore LP, Exhibit A, are the only owners in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

On the 11<sup>th</sup> day of February, 2008 she placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling in one wellbore for the subject well.

Said envelope, which contained these instruments, was addressed to the Utah Division of Oil, Gas & Mining, Bureau of Land Management, and Kerr-McGee Oil & Gas Onshore LP.

Further affiant saith not.

  
Mary A. Maestas  
Regulatory Assistant

Subscribed and sworn before me this 11<sup>th</sup> day of February, 2008.

  
Notary Public

My Commission Expires:



Exhibit "A" to Affidavit  
South Chapita 23-35 Application to Commingle

Kerr-McGee Oil & Gas Onshore LP  
1999 Broadway, Suite 3700  
Denver, CO 80202  
Attn: Mr. W. Chris Latimer

R 23 E

35

CHAPITA WELLS UNIT

SCW 21-35

SCW 10-35

SCW 9-35

SCW 23-35

SCW 11-35

U-0344

4 40.60

3 40.58

2 40.58

BONANZA 1023-2D

BONANZA 1023-2C

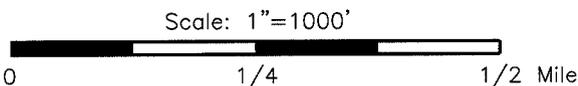
ML 47062

BONANZA 1023

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10  
S

○ SOUTH CHAPITA 23-35



**Geog resources**

Denver Division

**EXHIBIT "A"**

SOUTH CHAPITA 23-35  
Commingling Application  
Uintah County, Utah

Scale: 1"=1000'

D:\utah\Commingled\page\_SC23-35\_commingled.pwg  
WELL

Author

TLM

Apr 20, 2007 - 10:08am

**UTAH DIVISION OF OIL, GAS AND MINING**  
**NOTICE OF REPORTING PROBLEMS**

Operator: EOG Resources, Inc. Account: N9550 Today's Date: 09/16/2008

Problems:

- Late Report(s)
- Inaccurate Report(s)
- Incomplete Report(s)
- Other: No Subsequent Report

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

**To avoid compliance action, these reporting problems should be resolved within 7 days.**

Send reports to:

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

Fax to:

(801) 359-3940

*43 047 37861  
 S Chapita 23-35  
 AS 23E 35*

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input checked="" type="checkbox"/> Other <u>Subsequent Sundry</u>	<input checked="" type="checkbox"/> List Attached		

Description of Problem:

Operator has submitted sundry of intents on the following wells that have been approved by DOGM. Per Rule 649-3-23, a subsequent report shall be submitted on Form 9, Sundry Notice, with in 30 days after completion. The report should show workover results, well status, work completion date, new perforation depths, etc.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File  
 RAM  
 Well File  
 CHD



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.  
UTU0344

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
SOUTH CHAPITA 23-35

9. API Well No.  
43-047-37861

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

3b. Phone No. (include area code)  
Ph: 303-824-5526  
Fx: 303-824-5527

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 35 T9S R23E SESW 692FSL 1858FWL  
39.98709 N Lat, 109.29700 W Lon

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

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

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

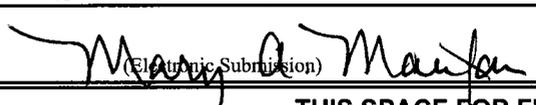
The reserve pit on the referenced location was closed on 5/7/2009 as per the APD procedure.

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

RECEIVED  
JUN 08 2009  
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #70438 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  (Electronic Submission) Date 06/02/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

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

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-0344
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> S CHAPITA 23-35
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047378610000
<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 0692 FSL 1858 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 35 Township: 09.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 11/24/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
 EOG Resources, Inc. respectfully requests authorization to use the attached well specific Interim Reclamation Plan.

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 November 23, 2009

<b>NAME (PLEASE PRINT)</b> Mickenzie Gates	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A		<b>DATE</b> 11/24/2009



# Conservation Seeding & Restoration, Inc.

## EOG Resources, Inc., Vernal, UT Interim Reclamation Plan

September 25, 2009

**Location:** South Chapita 23-35  
Uintah County, Utah  
Section 35, Township 9S, Range 23E

**2009 Reclamation Actions:** **Annual Reclamation Monitoring:**  
On 31 July 2009, South Chapita 23-35 was monitored to assess reclamation conditions. At the time of monitoring there was no desirable vegetation established in the designated restoration areas. During monitoring one close-up picture of the soil surface and four landscape pictures were taken (Appendix I).

**GPS Monitoring:**

During annual monitoring GPS data was collected to measure the initial, reclamation, and road disturbance areas. The initial and reclamation area for South Chapita 23-35 pad is 3.06 and 1.72 acres, respectively. The road disturbance is 0.69 acres. The total disturbance area for this facility is 3.06 acres (Appendix II).

**Weed Control:**

Halogeton (*Halogeton glomeratus*) was controlled with a broadleaf herbicide 2,4-D (2,4-D low volatility ester) in the reclamation and long-term disturbance and along the access road on 19 July 2009. The table below shows the area and amount of 2,4-D herbicide that was applied.

**Table 1.** Halogeton was controlled on South Chapita 23-35 using 2,4-D Herbicide. The total acres treated was 0.88.

Area	Gallons (2,4-D Herbicide)	Acres
Reclamation	4	0.08
Long-term	21	0.42
Road	19	0.38
<b>TOTAL</b>	<b>44</b>	<b>0.88</b>

RECEIVED November 24, 2009

## Re-Vegetation Plan

**2009  
Reclamation  
Plan:**

***Seedbed Preparation:***

At the time of monitoring the reclamation area had a rocky surface. Soils were compacted and had a grey color. In an effort to reduce high pH and salts (which is common in the area) the seedbed surface will be amended with sulfur and gypsum. The application rate will be 200 and 1000 lbs per acre, respectively. In addition a liquid mixture of humic and fulvic acids and tea compost extract will be applied to the soil surface around the time of fall seeding.

***Re-vegetation:***

The interim reclamation area (1.72) will be seeded with an interim seed mix (Table 2). Seeding of the reclamation area will occur in late fall when the soil temperatures are consistently below 55°F. This is to prevent seed from germinating before the spring growing season. The seed mix that will be used was designed specifically for the vegetation present in the adjacent community.

**Table 2.** The reclamation area for South Chapita 23-35 will be re-vegetated with the Interim Sagebrush Seed Mix. The application rate of each species is measured by pounds of pure live seeds per acre (PLS lbs/ac.)

<b>Interim Sagebrush Seed Mix</b>		
<b>Species</b>	<b>Common Name</b>	<b>PLS lbs/acre</b>
<i>Achnatherum hymenoides</i>	Indian ricegrass	5.0
<i>Cleome serrulata</i>	Rocky mountain bee plant	1.50
<i>Elymus elymoides</i>	squirreltail	1.50
<i>Elymus lanceolatus</i>	thickspike wheatgrass	2.00
<i>Plueraphis jamesii</i>	James' galleta	5.0
<i>Poa secunda</i>	Sandberg bluegrass	2.0
<b>Total PLS lbs/acre:</b>		<b>17.0</b>

**RECEIVED** November 24, 2009

## Future Reclamation Plan

**Monitoring** Beginning in 2010, effectiveness monitoring will be carried out to assess if implemented reclamation activities have advanced restoration toward reclamation goals and objectives. Additionally monitoring data will be used to assess compliance with the reclamation plan objectives stated in the GRD Reclamation Guidelines on an annual basis. An annual reclamation report containing monitoring data, reclamation activities taken, and compliance with the reclamation objectives will be submitted to the Authorized Officer.

The spring after fall seeding a subsequent application of liquid organic mixture with the inclusion of fish emulsion will be applied to the seeded area to provide a further boost for soil microbes and nutrients needed for plant growth. Further applications of a liquid organic soil amendment will be based on observations made during annual monitoring and/or results from a soil analysis.

**Control of Undesirable Species**

*Interim reclamation area*

A broadleaf herbicide will be used to control noxious weeds and other undesirable species such as halogeton (*Halogeton glomeratus*). Spraying of herbicide will begin in late spring when target weeds are large enough to be effectively killed and/or seed production stymied. Application of herbicide will continue as needed until late summer before plants are able to set viable seed.

*Final reclamation area*

Undesirable and noxious species will be controlled in the final reclamation area. As a safety precaution a biannual pre-emergent herbicide will be applied as 10-15 foot weed free buffer zone around well infrastructure. If weeds emerge between dragging and pre-emergent herbicide treatments, a broadleaf herbicide will be applied to control weed occurrences across the entire final reclamation area.

**Reclamation Action Plan**

This well reclamation plan is designed to provide a course of action to stabilize soils, build soil biota, and restore temporary wildlife habitat and forage during the interim period between well construction and plug and abandonment. The reclamation plan provides a building block for restoring properly functioning self-perpetuating diverse native plant community. In subsequent years, reclamation activities will focus on vegetation recruitment and the development of a diverse plant community. Reclamation activities will continue until a location has reached the reclamation objectives as stated by the GRD Reclamation Guidelines.

## Appendix I:

Pictures were taken at South Chapita 23-35 during annual monitoring on 31 July 2009. The pictures were taken 30 meters west of the well head.



## Appendix II:

