

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

February 24, 2006

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

RE: APPLICATION FOR PERMIT TO DRILL  
CHAPITA WELLS UNIT 1043-23  
SW/SW, SEC. 23, T9S, R22E  
UINTAH COUNTY, UTAH  
LEASE NO.: U-0282  
FEDERAL LANDS

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

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

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

Sincerely,

  
Ed Trotter  
Agent  
EOG Resources, Inc.

Attachments

CWU 1043-23 B

RECEIVED  
MAR 06 2006  
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

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

5. Lease Serial No.  
**U-0282**

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
**CHAPITA WELLS UNIT 1043-23**

9. API Well No.  
**43047-37877**

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

11. Sec., T., R., M., or Blk. and Survey or Area  
**SEC. 23, T9S, R22E,  
S.L.B.&M.**

12. County or Parish  
**UINTAH**

13. State  
**UTAH**

17. Spacing Unit dedicated to this well

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

23. Estimated duration  
**45 DAYS**

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 **597' FSL, 1040' FWL** **6355034** **40.015905**  
At proposed prod. Zone **44305194** **SW/SW** **-109.412276**

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

15. Distance from proposed\* location to nearest property or lease line, ft. **597'**  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
**2440**

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

19. Proposed Depth  
**9425'**

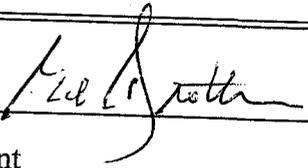
21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**4958.2 FEET GRADED GROUND**

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

24. Attachments

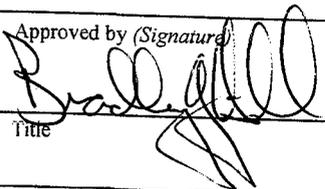
Attachments  
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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

25. Signature  
  
Title  
**Agent**

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

Date  
**February 24, 2006**

Approved by (Signature)  
  
Title

Name (Printed/Typed)  
**BRADLEY G. HILL  
ENVIRONMENTAL MANAGER**

Date  
**03-13-06**

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**

**RECEIVED  
MAR 06 2006  
DIV. OF OIL, GAS & MINING**

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

## EOG RESOURCES, INC.

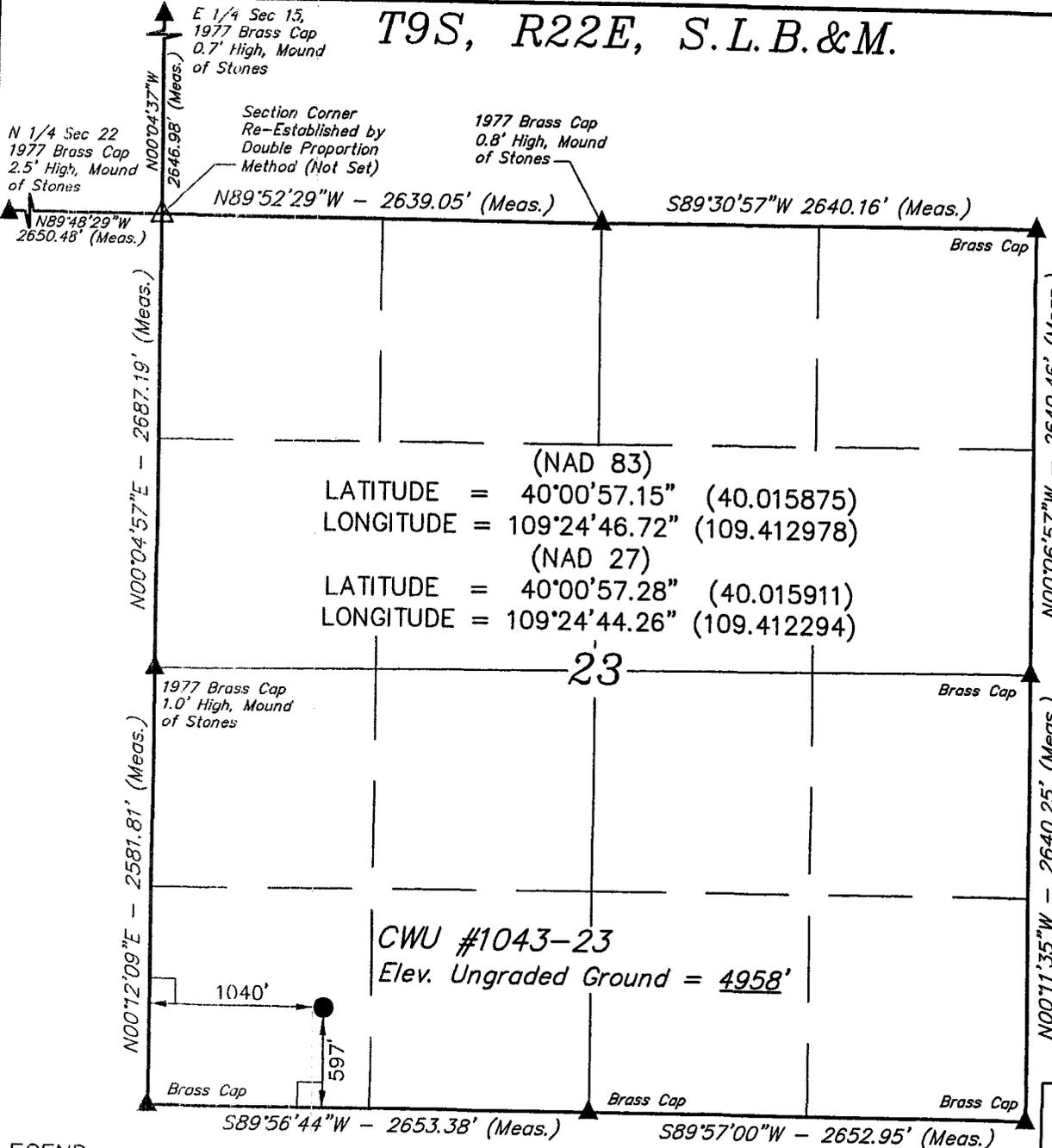
Well location, CWU #1043-23, located as shown in the SW 1/4 SW 1/4 of Section 23, T9S, R22E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

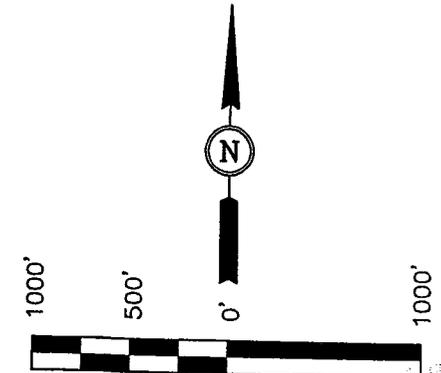
BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

### BASIS OF BEARINGS

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



(NAD 83)  
 LATITUDE = 40°00'57.15" (40.015875)  
 LONGITUDE = 109°24'46.72" (109.412978)  
 (NAD 27)  
 LATITUDE = 40°00'57.28" (40.015911)  
 LONGITUDE = 109°24'44.26" (109.412294)



**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.

*John A. [Signature]*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

- LEGEND:**
- └─┘ = 90° SYMBOL
  - = PROPOSED WELL HEAD.
  - ▲ = SECTION CORNERS LOCATED.
  - △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)

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

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1043-23**  
**SW/SW, SEC. 23, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River FM	1,616'
Wasatch	4,657'
North Horn	6,675'
Island	6,949'
KMV Price River	7,114'
KMV Price River Middle	7,937'
KMV Price River Lower	8,744'
Sego	9,225'

Estimated TD: **9,425' or 200'± below Sego top**

**Anticipated BHP: 5,145 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

	<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
Conductor:	17 1/2"	0' – 45'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12-1/4"	45' – 2,300'KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production:	7-7/8"	2,300'± – TD	4-1/2"	11.6#	N-80	LTC	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)

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1043-23**  
**SW/SW, SEC. 23, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**Float Equipment: (Cont'd)**

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

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

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

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

**8. EVALUATION PROGRAM:**

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

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

**9. CEMENT PROGRAM:**

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

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

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

**EIGHT POINT PLAN**  
**CHAPITA WELLS UNIT 1043-23**  
**SW/SW, SEC. 23, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**CEMENT PROGRAM (Continued):**

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

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

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

**Lead:** 135 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:** 915 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

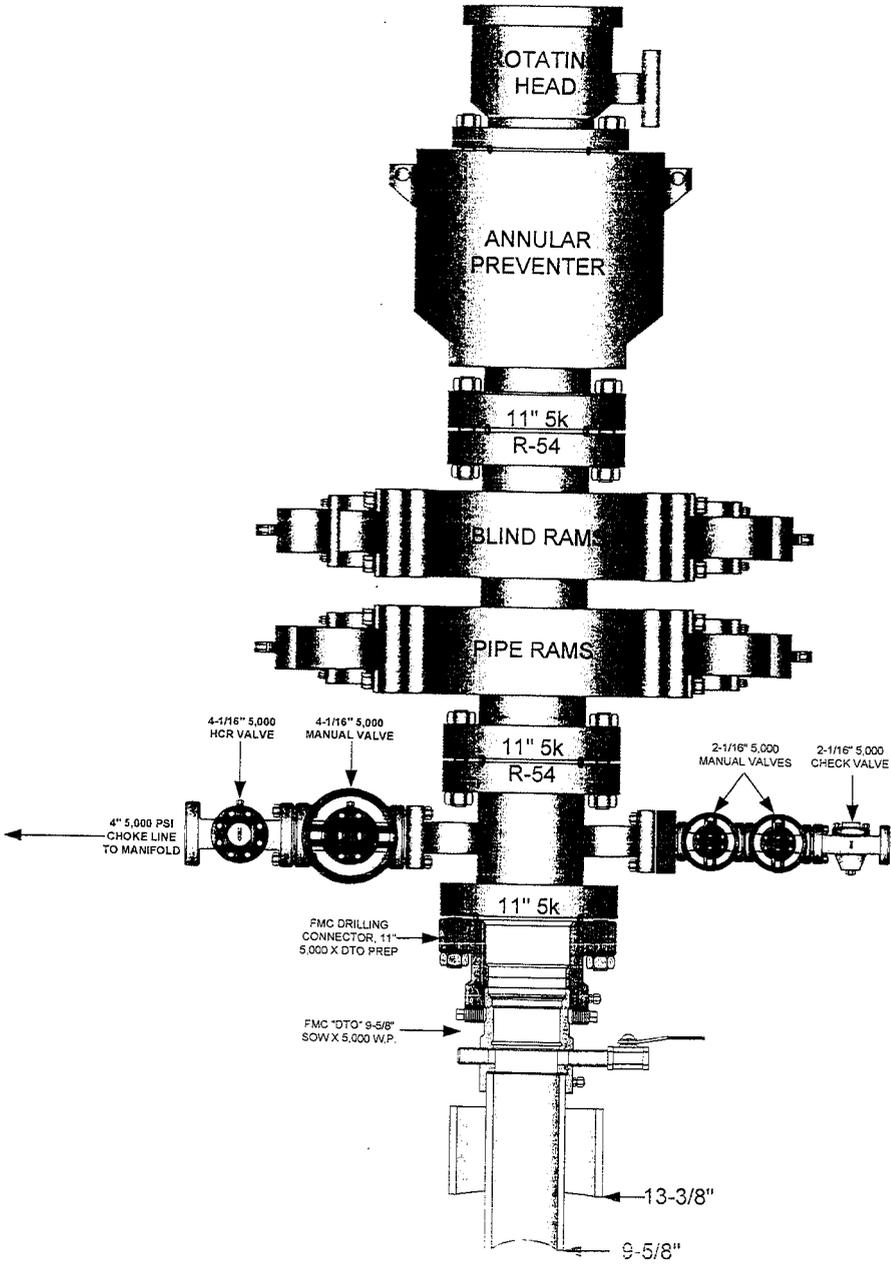
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**12. HAZARDOUS CHEMICALS:**

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

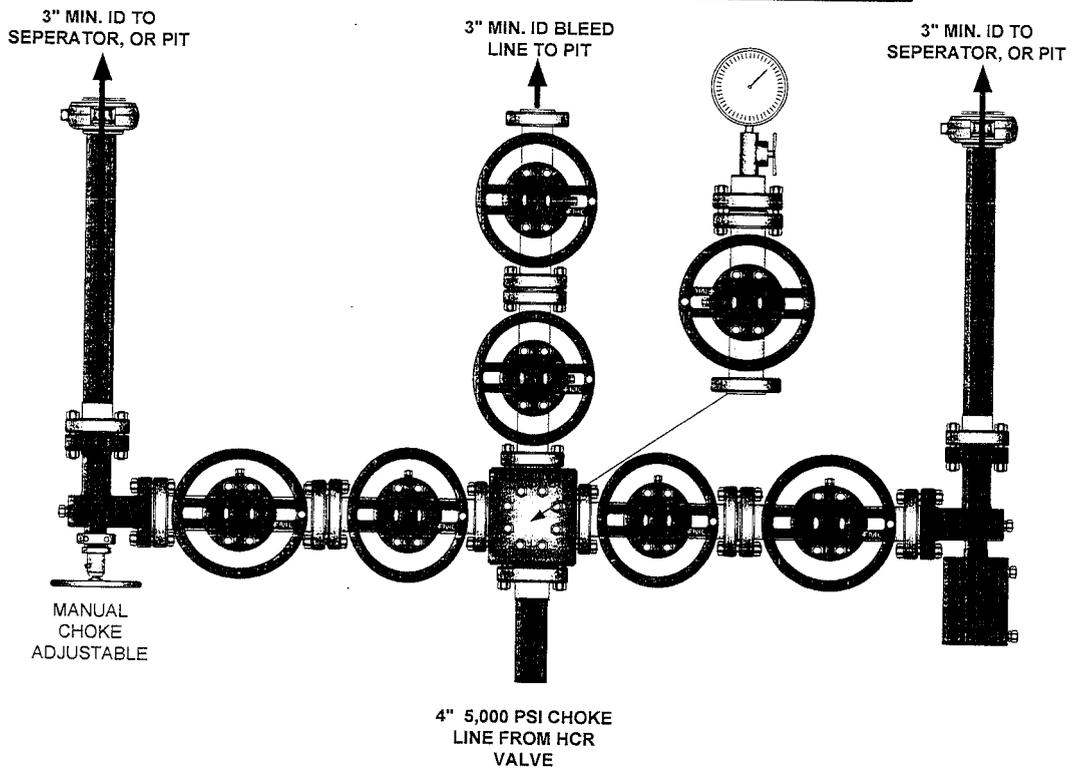
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF 2



Testing Procedure:

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

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

Company/Operator: EOG Resources, Inc.  
Well Name & Number: Chapita Wells Unit 1043-23  
Lease Number: U-0282  
Location: 597' FSL & 1040' FWL, SW/SW, Sec. 23,  
T9S, R22E, S.L.B.&M., Uintah County, Utah  
Surface Ownership: Federal

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

## THIRTEEN POINT SURFACE USE PROGRAM

### 1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 18.72 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

### 2. PLANNED ACCESS ROAD

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

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

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

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

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

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

A. Abandoned wells - 6\*

B. Producing wells - 45\*

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

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

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a

change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

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

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah. 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:

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

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

The stockpiled pit topsoil will be stored separate from the location topsoil Southwest of Corner #5. The stockpiled location topsoil will be stored from East of Corner #6 to the access road. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the North.

Corner #6 will be rounded off to minimize excavation.

## **FENCING REQUIREMENTS:**

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

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

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

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

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

### **A. PRODUCING LOCATION**

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

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

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

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

**B. DRY HOLE/ABANDONED LOCATION**

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

**11. SURFACE OWNERSHIP**

Access road: Federal

Location: Federal

**12. OTHER INFORMATION**

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:
- whether the materials appear eligible for the National Register of Historic Places;
  - the mitigation measures the operator will likely have to undertake before the site can be used.
  - a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable

facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

**Additional Surface Stipulations**

None

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

**PERMITTING AGENT**

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

**DRILLING OPERATIONS**

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

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

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

**Certification**

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 1043-23 Well, located in the SW/SW of Section 23, T9S, R22E, Uintah County, Utah; Lease #U-0282;** 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.

2-24-2006

Date

  
Agent

EOG RESOURCES, INC.  
CWU #1043-23  
SECTION 23, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE 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 DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND THE EXISTING ACCESS ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 20' TO CWU #465-23F AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.7 MILES.

# EOG RESOURCES, INC.

CWU #1043-23

LOCATED IN UTAH COUNTY, UTAH  
SECTION 23, T9S, R22E, S.L.B.&M.

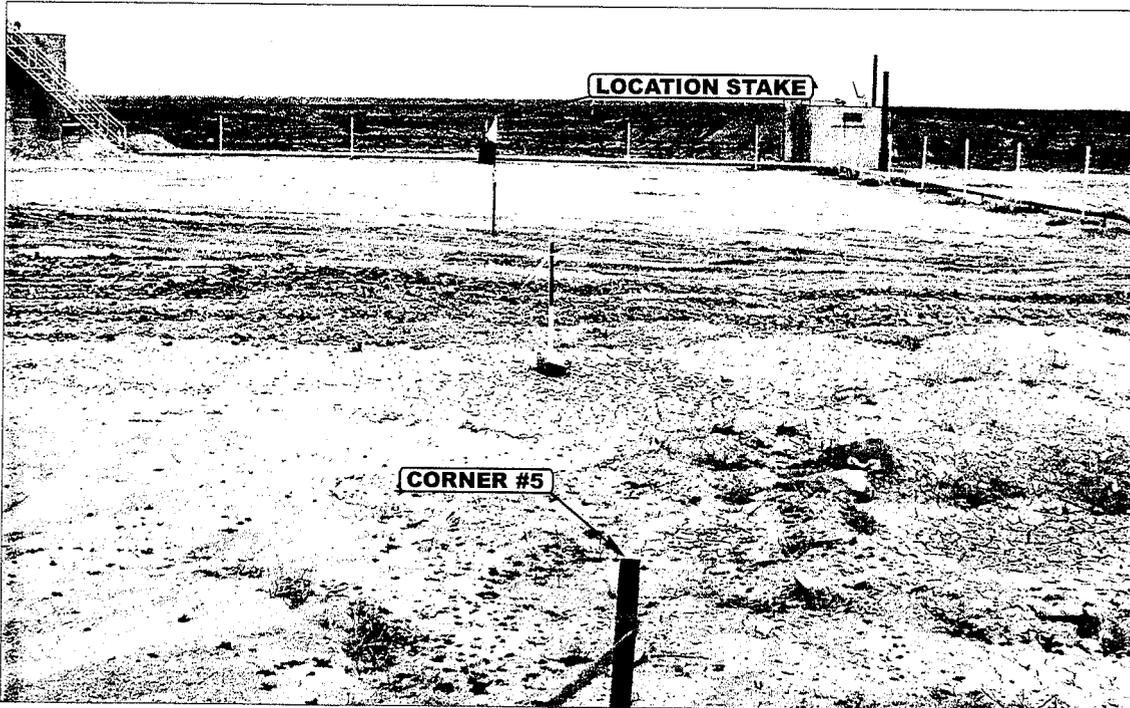


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

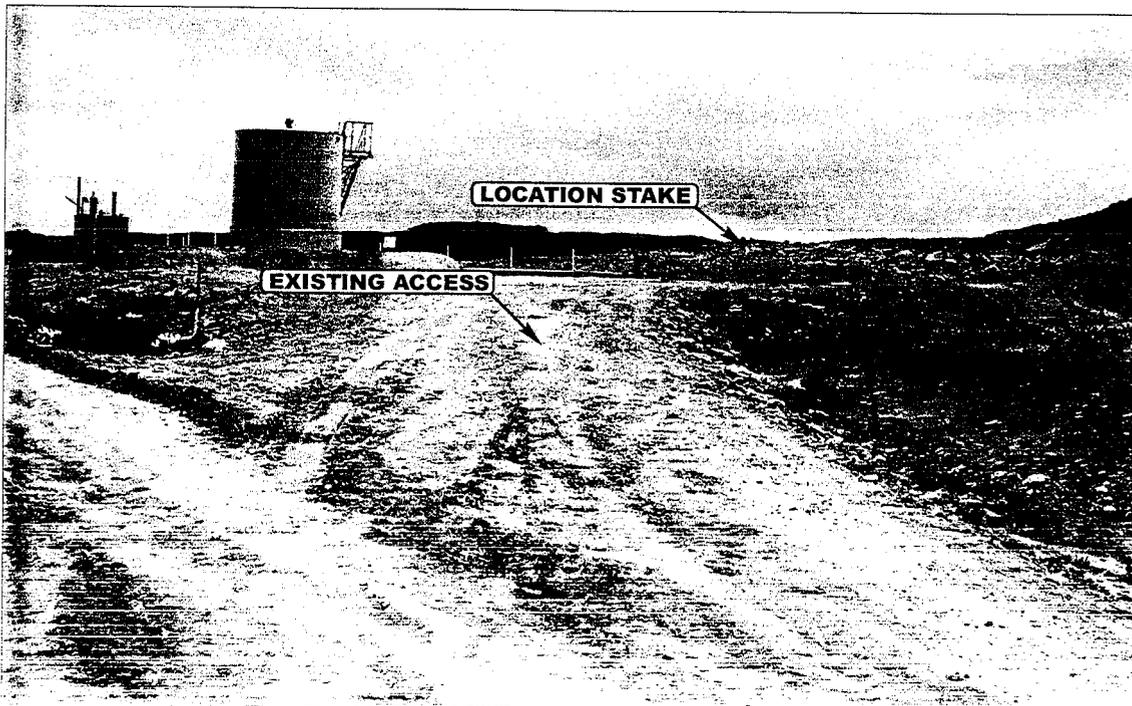


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY



Utah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435.789.1017 [info@unelandsurveying.com](mailto:info@unelandsurveying.com)

LOCATION PHOTOS	11/24/05	PHOTO
TAKEN BY: T.B.	MONTH DAY YEAR	
DRAWN BY: S.L.	REVISED: 00-00-00	



EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

CWU #1043-23

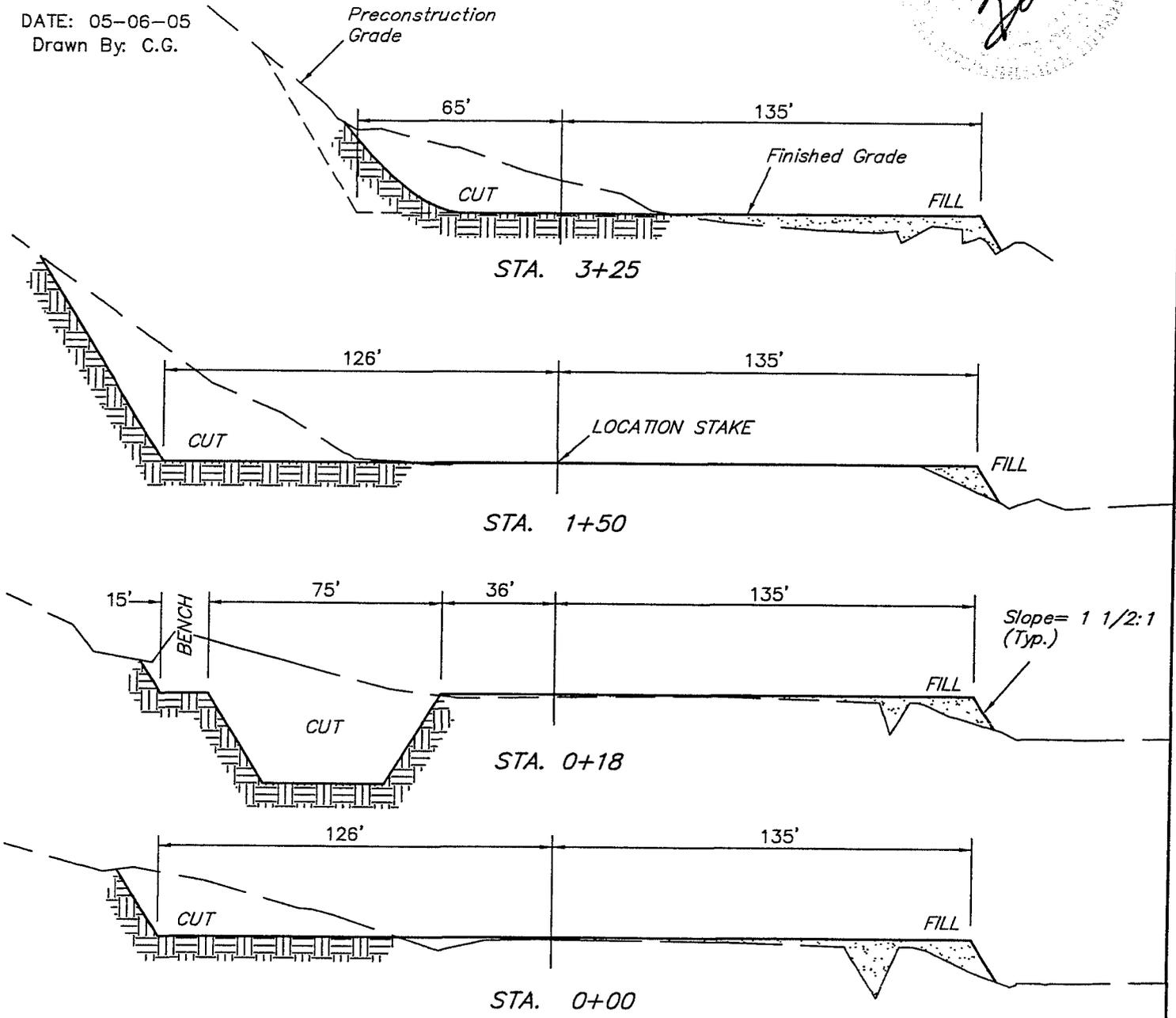
SECTION 23, T9S, R22E, S.L.B.&M.

597' FSL 1040' FWL



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

DATE: 05-06-05  
Drawn By: C.G.



\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 880 Cu. Yds.

(New Construction Only)

Remaining Location = 8,310 Cu. Yds.

TOTAL CUT = 9,190 CU.YDS.

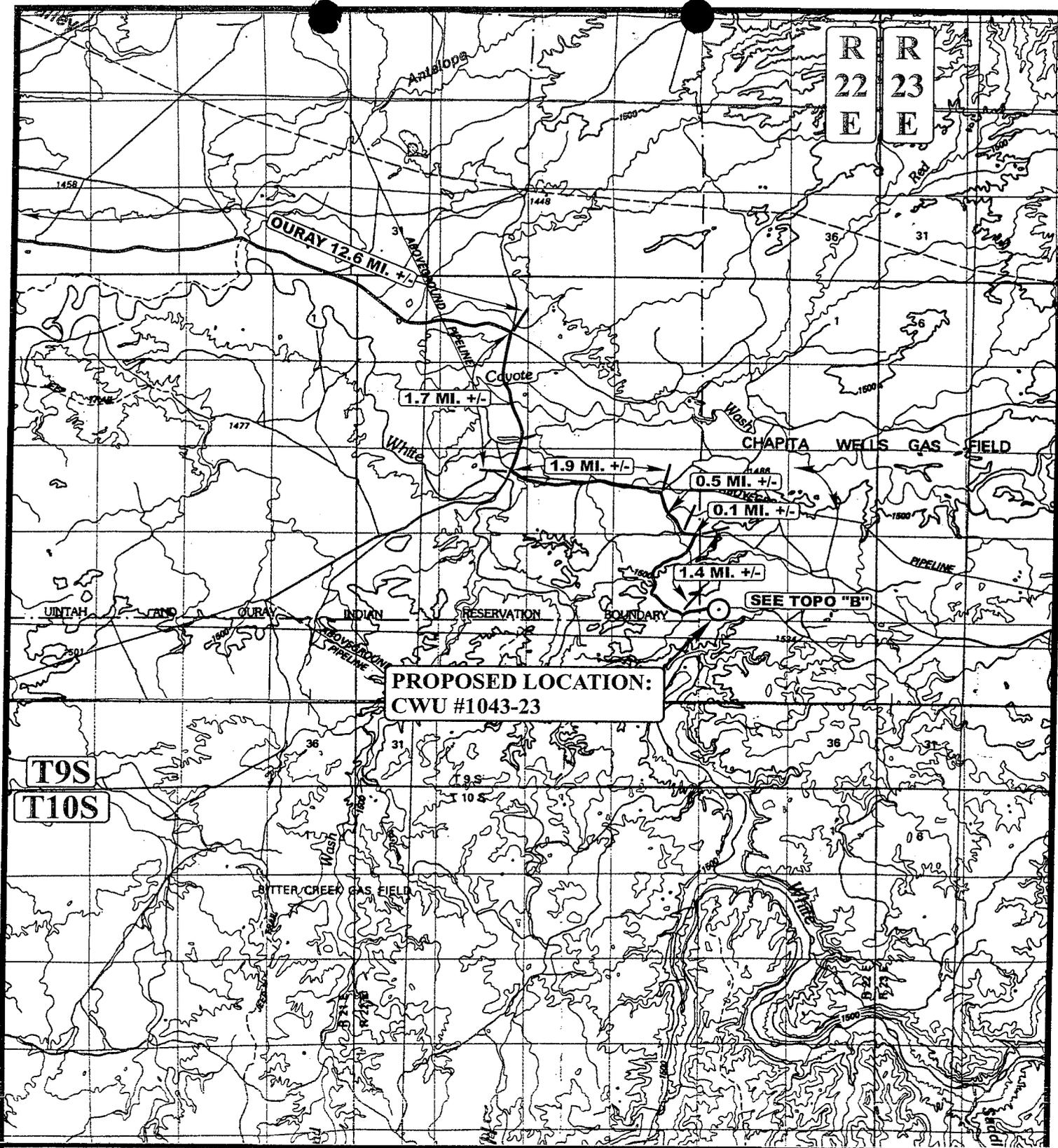
FILL = 6,310 CU.YDS.

EXCESS MATERIAL = 2,880 Cu. Yds.

Topsail & Pit Backfill = 2,540 Cu. Yds.  
(1/2 Pit Vol.)

EXCESS UNBALANCE = 340 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 788-1017



**PROPOSED LOCATION:  
CWU #1043-23**

**LEGEND:**

○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

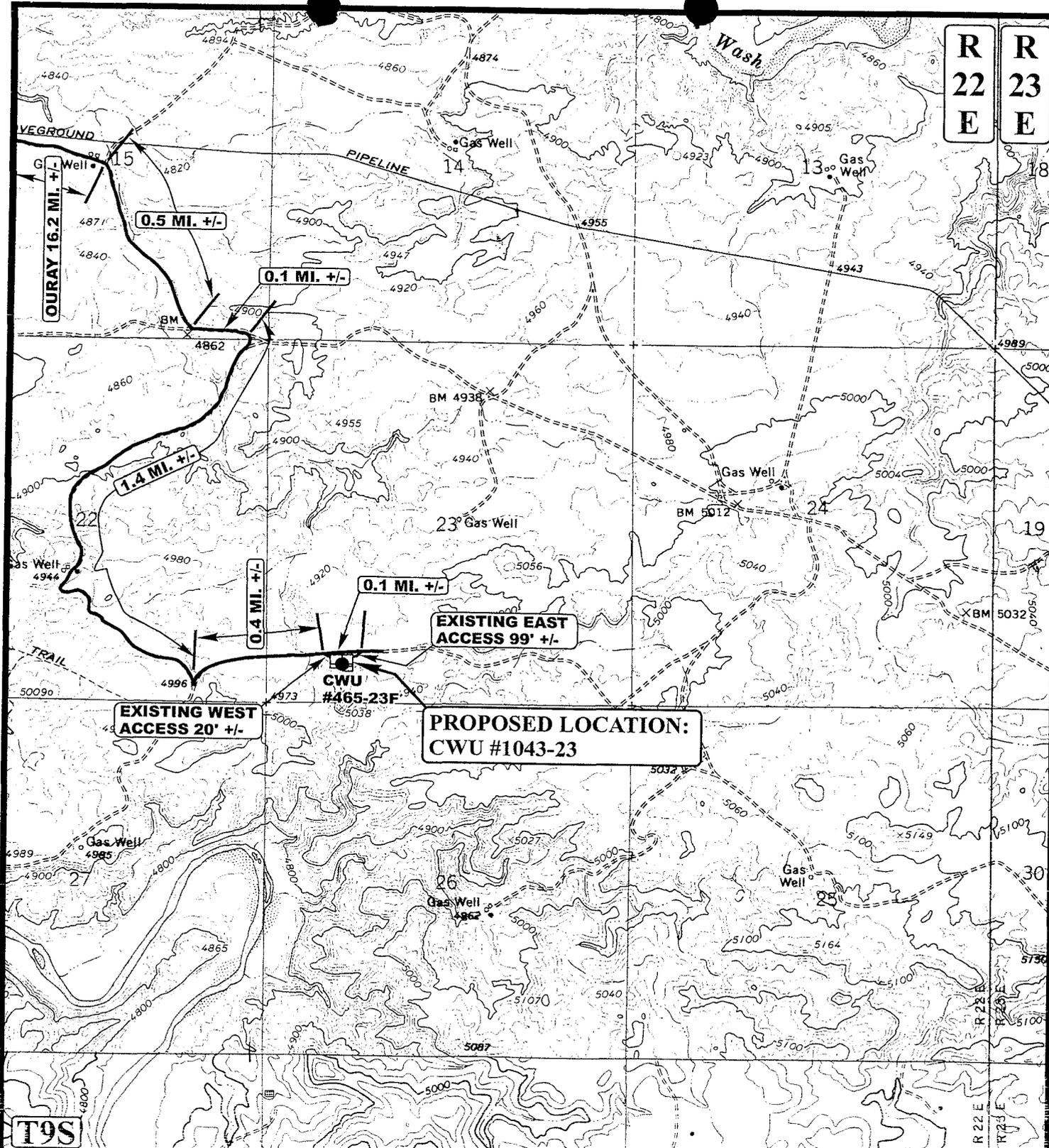
CWU #1043-23  
SECTION 23, T9S, R22E, S.L.B.&M.  
597' FSL 1040' FWL



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

TOPOGRAPHIC MAP  
05 09 05  
MONTH DAY YEAR  
SCALE: 1:100,000 | DRAWN BY: S.L. | REVISED: 00-00-00





**LEGEND:**

— EXISTING ROAD



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

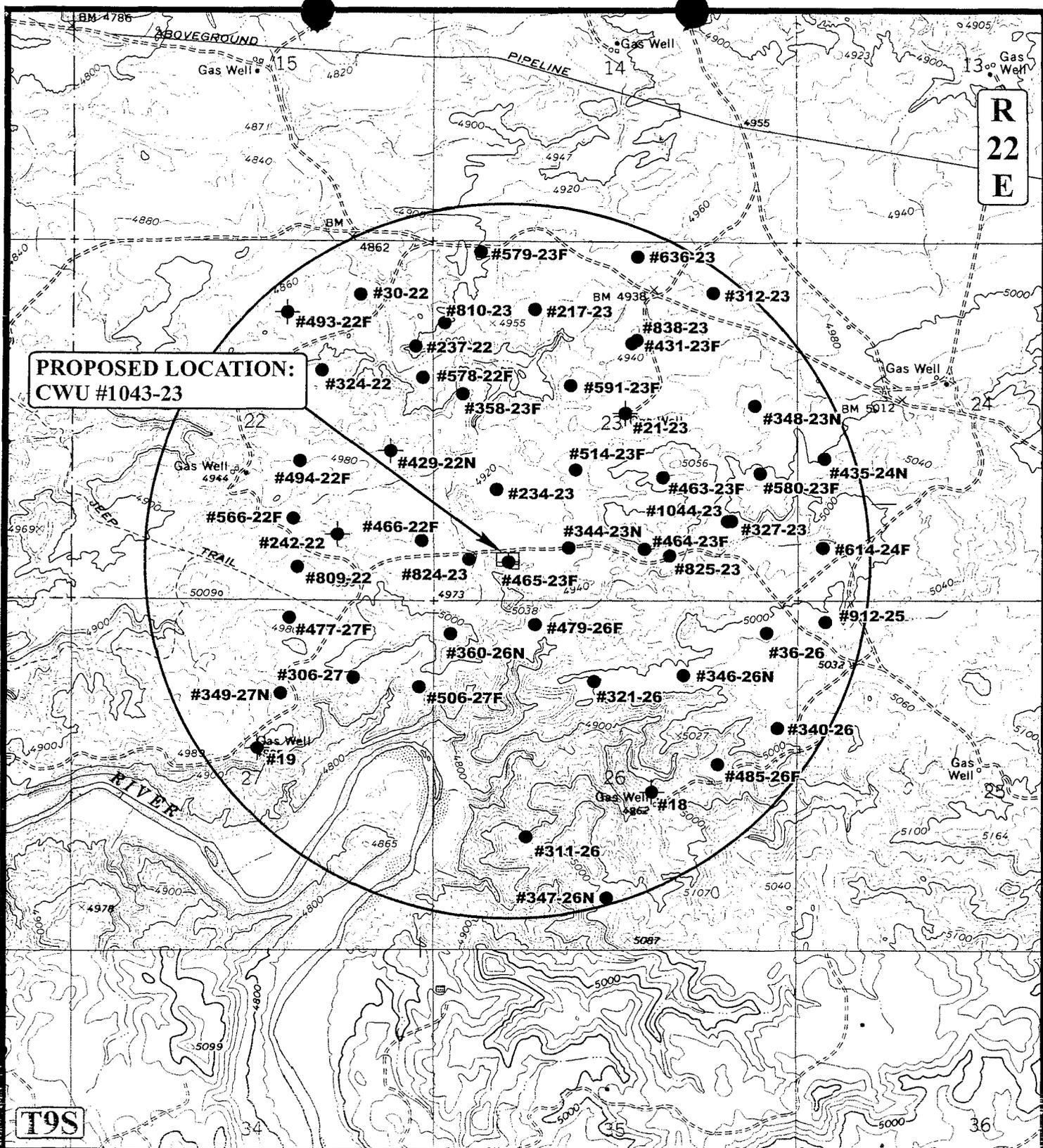


**EOG RESOURCES, INC.**

CWU #1043-23  
 SECTION 23, T9S, R22E, S.L.B.&M.  
 597' ESL 1040' FWL

TOPOGRAPHIC MAP 05/09/05  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00





**PROPOSED LOCATION:  
CWU #1043-23**

**R  
22  
E**

**T9S**

**LEGEND:**

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



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



**EOG RESOURCES, INC.**

CWU #1043-23  
SECTION 23, T9S, R22E, S.L.B.&M.  
597' FSL 1040' FWL

TOPOGRAPHIC MAP  
05/09/05  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-001



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/06/2006

API NO. ASSIGNED: 43-047-37877
--------------------------------

WELL NAME: CWU 1043-23  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SWSW 23 090S 220E  
 SURFACE: 0597 FSL 1040 FWL  
 BOTTOM: 0597 FSL 1040 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.01590 LONGITUDE: -109.4123  
 UTM SURF EASTINGS: 635503 NORTHINGS: 4430519  
 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-0282  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

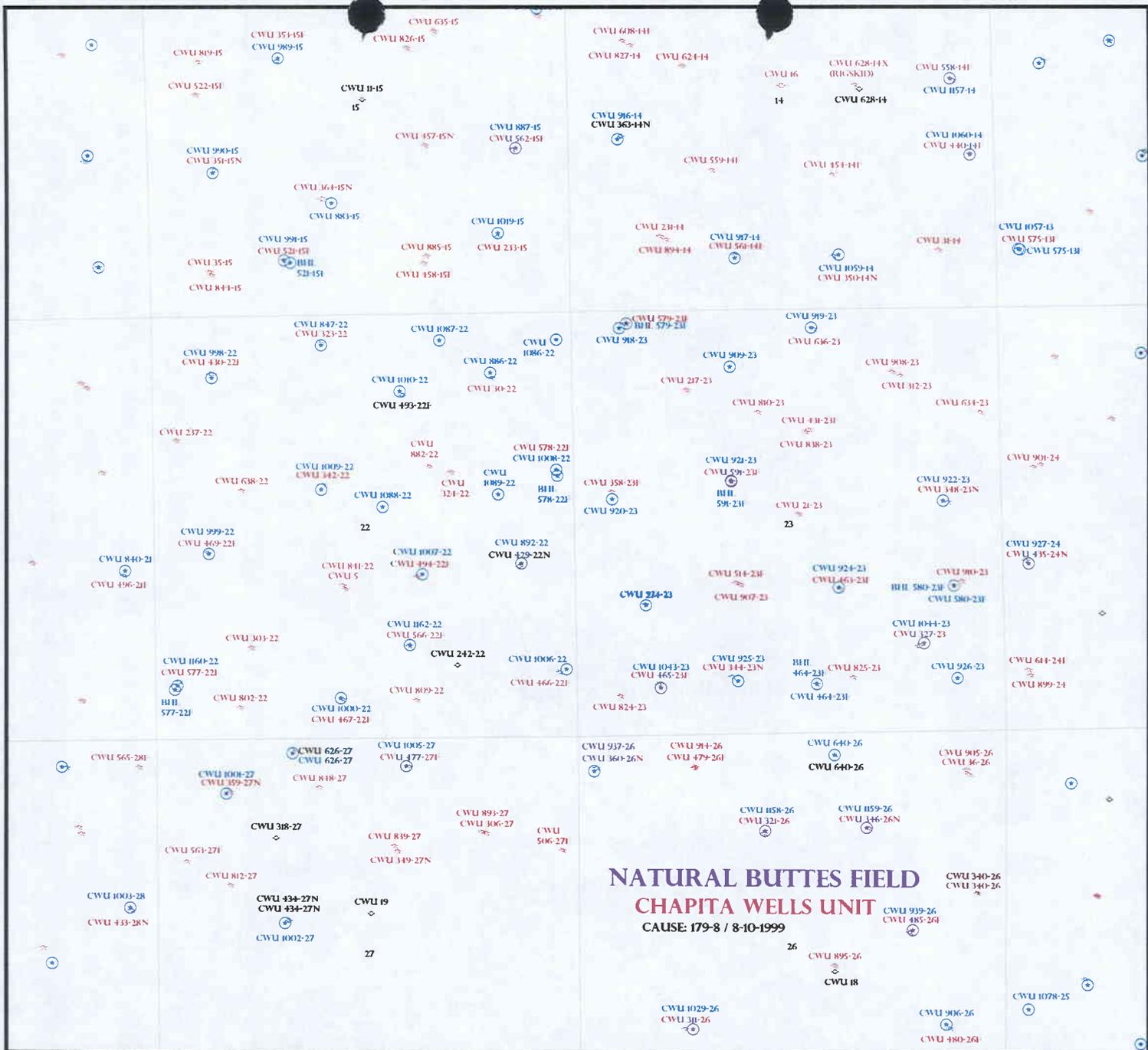
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM-2308 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: CHAPITA WELLS
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 179-8  
Eff Date: 8-10-99  
Siting: Suspends General Drilling
- R649-3-11. Directional Drill

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

STIPULATIONS: 1 - Federal Approval  
2 - OIL SHALE



**NATURAL BUTTES FIELD**  
**CHAPITA WELLS UNIT**  
 CAUSE: 179-8 / 8-10-1999

OPERATOR: EOG RESOURCES INC (N9550)  
 SEC: 22,23 T. 9S R. 22E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH  
 CAUSE: 179-8 / 8-10-1999

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

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



PREPARED BY: DIANA WHITNEY  
 DATE: 09-MARCH-2006

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

March 9, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Chapita Wells Unit Uintah  
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Chapita Wells Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Price River)		
43-047-37879	CWU 1079-25 Sec 25 T09S R22E 1321 FSL 1643	FWL
43-047-37878	CWU 1078-25 Sec 25 T09S R22E 1768 FSL 0253	FWL
43-047-37875	CWU 1087-22 Sec 22 T09S R22E 0310 FNL 1638	FEL
43-047-37876	CWU 1044-23 Sec 23 T09S R22E 1108 FSL 0977	FEL
43-047-37877	CWU 1043-23 Sec 23 T09S R22E 0597 FSL 1040	FWL
43-047-37880	CWU 1127-21 Sec 21 T09S R23E 1848 FSL 1924	FWL
43-047-37874	CWU 0836-11 Sec 11 T09S R22E 0685 FSL 0654	FWL
43-047-37873	CWU 1183-10 Sec 10 T09S R22E 2484 FSL 2023	FWL

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

/s/ Michael L. Coulthard

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



**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 13, 2006

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

Re: Chapita Wells Unit 1043-23 Well, 597' FSL, 1040' FWL, SW SW, Sec. 23,  
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37877.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 1043-23

API Number: 43-047-37877

Lease: U-0282

Location: SW SW                      Sec. 23                      T. 9 South                      R. 22 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

**RECEIVED**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAR 03 2006

**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-0282</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG RESOURCES, INC.</b>		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>
3a. Address <b>P.O. BOX 1815 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1043-23</b>
3b. Phone No. (Include area code) <b>(435)789-0790</b>		9. API Well No. <b>431047.37877</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>597' FSL, 1040' FWL SW/SW</b> At proposed prod. Zone		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
14. Distance in miles and direction from nearest town or post office* <b>18.72 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC. 23, T9S, R22E, S.L.B.&amp;M.</b>
15. Distance from proposed* location to nearest property or lease line, ft. <b>597'</b> (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease <b>2440</b>	12. County or Parish <b>UINTAH</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth <b>9425'</b>	13. State <b>UTAH</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4958.2 FEET GRADED GROUND</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	17. Spacing Unit dedicated to this well
24. Attachments		20. BLM/BIA Bond No. on file <b>NM-2308</b>
		23. Esti mated duration <b>45 DAYS</b>

**Attachments**

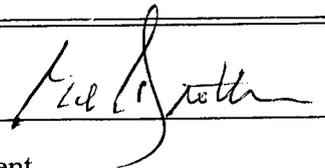
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 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.

**RECEIVED**

**SEP 11 2006**

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

25. Signature 	Name (Printed/Typed) <b>Ed Trotter</b>	Date <b>February 24, 2006</b>
Title <b>Agent</b>	<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>	

Approved by (Signature) 	Name (Printed/Typed) <b>JERRY KEWZKA</b>	Date <b>8-30-2006</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office <b>VERNAL FIELD OFFICE</b>	

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

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

\*(Instructions on page 2)

**NOTICE OF APPROVAL**





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

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. During interim management of the surface, use the following seed mix:
3. 9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate.
4. This location is on an existing location so there will be no buried pipeline

### ***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**

1. Variance is granted for Onshore Order #2 III.E. Special Drilling Operations. Blooie line for drilling of surface may be 75' instead of 100'.
2. A surface casing shoe integrity test shall be performed.
3. Production casing cement top shall be at a minimum of 200' above the surface casing shoe.
4. A CBL shall be run from TD to the base of the surface casing..

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

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

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

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

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

5. All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
6. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

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

**Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.  
  
All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
10. Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, 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:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.

13. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**U-0282**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

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

8. WELL NAME and NUMBER:  
**CHAPITA WELLS UNIT 1043-23**

2. NAME OF OPERATOR:  
**EOG RESOURCES, INC.**

9. API NUMBER:  
**43-047-37877**

3. ADDRESS OF OPERATOR:  
P.O. BOX 1815 CITY **VERNAL** STATE **UT** ZIP **84078**

PHONE NUMBER:  
**(435) 789-0790**

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

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **597 FSL 1040 FWL 40.015875 LAT 109.412978 LON**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 23 9S 22E S.L.B. & M**

STATE: **UTAH**

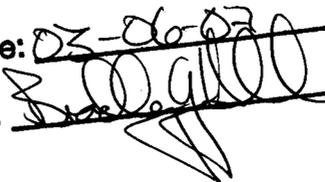
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

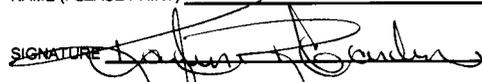
Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: ~~03-06-07~~  
By: 

3-7-07  
RM

NAME (PLEASE PRINT) **Kaylene R. Gardner**

TITLE **Sr. Regulatory Assistant**

SIGNATURE 

DATE **3/2/2007**

(This space for State use only)

**RECEIVED**  
**MAR 05 2007**

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

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

**API:** 43-047-37877  
**Well Name:** CHAPITA WELLS UNIT 1043-23  
**Location:** 597 FSL 1040 FWL (SWSW), SECTION 23, T9S, R22E S.L.B.&M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 3/13/2006

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

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

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

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

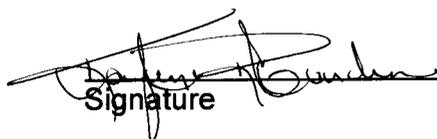
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
Signature

3/2/2007

Date

Title: Sr. Regulatory Assistant

Representing: EOG Resources, Inc.

RECEIVED

MAR 05 2007

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: 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.  
U-0282

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
EOG Resources, Inc.

3a. Address  
1060 East Highway 40, Vernal, UT 84078

3b. Phone No. (include area code)  
435-781-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
597 FSL & 1040 FWL (SWSW)  
Section 23-T9S-R22E 40.015911 Lat 109.412294 Lon

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

8. Well Name and No.  
Chapita Wells Unit 1043-23

9. API Well No.  
43-047-37877

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

11. Country or Parish, State  
Utah, UT

12. CHECK THE 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 <u>APD Extension</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

EOG Resources, Inc. requests the APD for the referenced well originally approved 8/30/2006 be extended for one year.

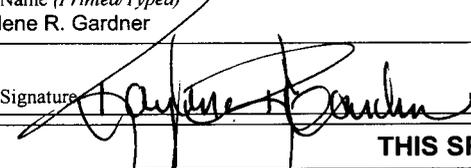
RECEIVED  
 VERNAL FIELD OFFICE  
 2007 AUG 24 PM 1:02  
 DEPT. OF THE INTERIOR  
 BUREAU OF LAND MGMT.

**CONDITIONS OF APPROVAL ATTACHED**

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

Name (Printed/Typed)  
Kaylene R. Gardner

Title Lead Regulatory Assistant

Signature 

Date 08/24/2007

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

Approved by  **Petroleum Engineer** Date **SEP 06 2007**

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

Office

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)

**UDOGM**

RECEIVED  
SEP 18 2007

DIV. OF OIL, GAS & MINERAL

# CONDITIONS OF APPROVAL

## EOG Resources Inc.

### Notice of Intent APD Extension

**Lease:** UTU-0282  
**Well:** CWU 1043-23  
**Location:** SWSW Sec 23-T9S-R22E

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

---

1. The extension and APD shall expire on 08/30/08
2. No other extension shall be granted.

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

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1043-23

Api No: 43-047-37877 Lease Type: FEDERAL

Section 23 Township 09S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

### **SPUDED:**

Date 11/01/07

Time 9:00 AM

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 11/01/07 Signed 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.*

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. UTU0282
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNI
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. CHAPITA WELLS UNIT 1043-23
2. Name of Operator EOG RESOURCES, INC.      Contact: CARRIE E MACDONALD E-Mail: carrie_macdonald@eogresources.com		9. API Well No. 43-047-37877
3a. Address 600 17TH STREET, SUITE 1000N DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-262-2812 Fx: 303-262-2813	10. Field and Pool, or Exploratory NATURAL BUTTES/MESAVERDE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T9S R22E SWSW 597FSL 1040FWL 40.01588 N Lat, 109.41298 W Lon		11. County or Parish, and State UINTAH COUNTY COUNTY, UT

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports 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 referenced well spud on 11/1/2007.

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

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #57030 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal</b>	
Name (Printed/Typed) CARRIE E MACDONALD	Title OPERATIONS CLERK
Signature (Electronic Submission)	Date 11/05/2007

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

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

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

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

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES, INC.  
Address: 600 17th Street, Suite 1000N  
city Denver  
state CO zip 80202

Operator Account Number: N 9550  
Phone Number: (303) 262-2812

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37877	CHAPITA WELLS UNIT 1043-23		SWSW	23	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>13650</i>	11/1/2007		<i>11/20/07</i>		
Comments: <i>PRRV=MVRD</i>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38696	CHAPITA WELLS UNIT 720-12		SESW	12	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>13650</i>	11/3/2007		<i>11/20/07</i>		
Comments: <i>PRRV=MVRD</i>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38697	CHAPITA WELLS UNIT 721-12		SWNE	12	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>16462</i>	11/3/2007		<i>11/20/07</i>		
Comments: <i>PRRV=MVRD</i> <i>RECEIVED NOV 07 2007</i>							

DIV. OF OIL, GAS & MINING

**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

11/5/2007

Date

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will 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.

---

As of the mailing of this notice, the division has not received the required reports for

Operator: EOG Resources, Inc.

Today's Date: 04/21/2008

Well:            43 047 37877            API Number:            Drilling Commenced:  
                  0WU 1043-23  
                  9S 22E 23

List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

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

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

cc:            Well File  
                  Compliance File

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

**ATTACHMENT**

Operator: EOG Resources, Inc.

Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
CWU 1362-32	4304739294	10/20/2007
NBU 563-19E	4304737537	10/28/2007
CWU 1043-23	4304737877	11/01/2007
NBU 456-2E	4304736053	11/06/2007
CWU 1093-27	4304738603	11/13/2007
E Chapita 3-5	4304737854	11/16/2007
E Chapita 44-05	4304738138	11/17/2007
CWU 1079-25	4304737879	11/20/2007
Hoss 13-31	4304738674	11/25/2007
Hoss 79-19	4304738952	11/30/2007
E Chapita 4-5	4304737853	12/01/2007
CWU 689-33	4304737494	12/12/2007
Hoss 46-29	4304738726	12/15/2007

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.  
UTU0282

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1043-23

9. API Well No.  
43-047-37877

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

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@eogresources.com

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 23 T9S R22E SWSW 597FSL 1040FWL  
40.01588 N Lat, 109.41298 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 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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Please see the attached operations summary report.

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

**Electronic Submission #59934 verified by the BLM Well Information System  
For EOG RESOURCES, INC, sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



Date 04/29/2008

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

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

Title

Date

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

Office

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

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

**RECEIVED**  
APR 30 2008

DIV. OF OIL, GAS & MINING

## WELL CHRONOLOGY REPORT

Report Generated On: 04-29-2008

<b>Well Name</b>	CWU 1043-23	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-37877	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	12-18-2007	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,425/ 9,425	<b>Property #</b>	056832
<b>Water Depth</b>	0	<b>Last CSG</b>	4.5	<b>Shoe TVD / MD</b>	9,408/ 9,408
<b>KB / GL Elev</b>	4,971/ 4,958				
<b>Location</b>	Section 23, T9S, R22E, SWSW, 597 FSL & 1040 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	56.707	<b>NRI %</b>	48.546

<b>AFE No</b>	303409	<b>AFE Total</b>	1,840,000	<b>DHC / CWC</b>	912,100/ 927,900
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	03-16-2006
<b>03-16-2006</b>	<b>Reported By</b>	CINDY VAN RANKEN			
<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: 597' FSL & 1040' FWL (SW/SW) SECTION 23, T9S, R22E UINTAH COUNTY, UTAH  LAT 40.015911, LONG 109.412294 (NAD 27) LAT 40.015911, LONG 109.412294 (NAD 83)  TRUE #27 OBJECTIVE: 9425' TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A FIELD: CHAPITA DEEP NATURAL BUTTES FIELD  LEASE: U-0282 ELEVATION: 4958.2' NAT GL, 4958.2' PREP GL (DUE TO ROUNDING 4958' IS THE PREP GL), 4971' KB (13')  EOG WI 56.7071%, NRI 48.5457%

10-19-2007      Reported By      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**10-22-2007      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

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

**10-23-2007      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

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

**10-24-2007      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	WAITING ON DRILL.

**10-25-2007      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT.

**10-26-2007      Reported By      TERRY CSERE**

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<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: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT.

10-29-2007 Reported By TERRY CSERE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<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: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT AND LOCATION.

10-30-2007 Reported By TERRY CSERE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<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: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT AND LOCATION.

10-31-2007 Reported By TERRY CSERE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<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: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT AND LOCATION.

11-01-2007 Reported By TERRY CSERE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<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: BUILD LOCATION

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

11-02-2007 Reported By TERRY CSERE

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000
<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: BUILD LOCATION

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

11-05-2007 Reported By JERRY BARNES

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000
<b>MD</b>	40	<b>TVD</b>	40	<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: WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 11/1/2007 @ 9:00 AM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 11/1/2007 @ 8:00 AM.

11-28-2007 Reported By JERRY BARNES

<b>Daily Costs: Drilling</b>	\$195,931	<b>Completion</b>	\$0	<b>Daily Total</b>	\$195,931
<b>Cum Costs: Drilling</b>	\$233,931	<b>Completion</b>	\$0	<b>Well Total</b>	\$233,931
<b>MD</b>	2,429	<b>TVD</b>	2,429	<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: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU PRO PETRO AIR RIG #9 ON 11/2/2007. DRILLED 12-1/4" HOLE TO 2460' GL. ENCOUNTERED WATER @ 1410' & 1695'. RAN 56 JTS (2416.95') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2429' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG.

MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLs FRESH WATER & 40 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 230 SX (156.4 BBLs) OF PREMIUM LEAD CEMENT W/16% GEL, 10 #/ SX GILSONITE, 3 #/ SX GR-3, 3% SALT & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX.

TAILED IN W/200 SX (40.9 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED TAIL CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/183.4 BBLs FRESH WATER. BUMPED PLUG W/1050# @ 10:55 AM, 11/5/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 1 BBLs INTO LEAD CEMENT. CIRCULATED NO GELLED WATER OR CEMENT TO SURFACE. HOLE FELL BACK WHEN PLUG BUMPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 125 SX (25.6 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & CIRCULATED APPROXIMATELY 1 BBL OF CEMENT TO SURFACE. HOLE FELL BACK WHEN PUMPING STOPPED. WOC 1 HR 55 MINUTES.

TOP JOB # 2: MIXED & PUMPED 125 SX (25.6 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD. RDMO PRO PETRO CEMENTERS.

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

MIRU GLENN'S WIRELINE SERVICE. RAN IN HOLE W/STRAIGHT HOLE SURVEY. TAGGED CEMENT @ 2262' GL. PICKED UP TO 2242' AND TOOK SURVEY. 1 DEGREE.

DALL COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 11/5/2007 @ 2:25 AM.

<b>12-17-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$37,280	<b>Completion</b>	\$0	<b>Daily Total</b>	\$37,280						
<b>Cum Costs: Drilling</b>	\$271,211	<b>Completion</b>	\$0	<b>Well Total</b>	\$271,211						
<b>MD</b>	2,429	<b>TVD</b>	2,429	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						

Activity at Report Time: RURT

Start	End	Hrs	Activity Description
06:00	07:00	1.0	PREPARE FOR MOVE, HELD SAFETY MEETING WITH RIG AND TRUCK CREWS. -7 DEGREES
07:00	12:00	5.0	LOAD OUT RIG OFF CWU 937-26 AND ROAD TO CWU 1043-23. -7 TO 0 DEGREES.
12:00	17:00	5.0	SET IN RIG, TRUCKS RELEASED AT 1700 HRS.
17:00	06:00	13.0	RIG UP, DERRICK RAISED AT 1730 HRS. COLD WEATHER CONDITIONS!! -13 to -3 DEGREES DURING THE NIGHT. FULL CREWS, EXTRA 4 HANDS FOR RIG MOVE. NO ACCIDENTS. SAFETY MEETINGS ON MOVING RIG AND STEAM LINES. FUEL ON HAND 6358 GALS, USED 538. BOILER 10 HRS. -4 DEGREES. CREWS AND TOOLPUSHER DID AN EXCELLENT JOB DRAINING UP RIG AND RIGGING UP CONSIDERING THE COLD WEATHER CONDITIONS. SHOULD START PRESSURE TESTING AROUND 0630 HRS. SPUD AROUND 1900 HRS. JAMIE SPARGER WITH BLM NOTIFIED 12/14/07 AT 0700 HRS ON CASING JOB LAST WELL, RIG MOVE AND SUBSEQUENT BOP TESTING ON 12/17/2007. ALSO WAS REMINDED ON 12/15/2007, 1000 HRS AND 12/12/2007, 1800 HRS OF BOP TEST. ALL VIA PHONE MESSAGES.

<b>12-18-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$44,558	<b>Completion</b>	\$2,902	<b>Daily Total</b>	\$47,460						
<b>Cum Costs: Drilling</b>	\$315,769	<b>Completion</b>	\$2,902	<b>Well Total</b>	\$318,671						
<b>MD</b>	2,875	<b>TVD</b>	2,875	<b>Progress</b>	446	<b>Days</b>	1	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NIPPLE UP. RIG ACCEPTED AT 06:00 HRS, 12/17/2007.
07:00	14:30	7.5	TEST BOP AS FOLLOWS: UPPER, LOWER KELLY, PIPE, BLIND RAMS, CHOKE MANIFOLD, ALL CHOKE VALVES, ALL FLOOR VALVES TO 250 PSI FOR 5 MINS LOW AND 5000 PSI HIGH FOR 10MINS EACH. TEST ANNULAR TO 250 PSI LOW FOR 5 MINS AND 2500 PSI HIGH FOR 10 MINS.
14:30	15:00	0.5	TEST CASING FOR 30 MINS TO 1500 PSI.

BOP TEST WITNESSED BY BLM. MR CADE.

15:00	16:00	1.0	INSTALL WEAR RING.
16:00	17:00	1.0	HELD SAFETY MEETING WITH WEATHERFORD. RIG UP WEATHERFORD PICKUP MACHINE.
17:00	20:30	3.5	PICK UP PIPE
20:30	21:30	1.0	RIG DOWN PICK UP MACHINE.
21:30	22:30	1.0	RIG SERVICE, TEST BOTH PUMPS, SET COM.
22:30	23:00	0.5	INSTALL ROTATING HEAD. CHECK GAS BUSTER FOR LEAKS.
23:00	01:00	2.0	TAG CEMENT AT 2275'. DRILL CEMENT AND FLOAT EQUIPMENT.
01:00	01:30	0.5	PUMP AND SPOT 45 VIS PILL, PERFORM FIT TEST TO 350 PSI, EQUIVALENT TO 11.1 PPG AT SHOE.
01:30	03:00	1.5	DRILL FROM 2429' TO 2570', 141' AT 94'/HR, 10-18K WOB, 45-65 RPM, 67 MOTOR RPM, 1000 PSI AT 125 STROKES, #1 PUMP. 100-300 PSI DIFFERENTIAL, 420 GPM.
03:00	03:30	0.5	SURVEY, 2*
03:30	06:00	2.5	DRILL FROM 2570' TO 2875', 446' AT 122'/HR. SAME PARAMETERS AS ABOVE.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON TESTING BOP AND PICKING UP PIPE.  
 FUEL ON HAND 5365 GALS, USED 973 GALS.  
 MUD WT 8.7 PPG, VIS 28.  
 BG GAS 7000U, NO FLARE OR BUBBLING. WILL HAVE DETECTOR CHECKED THIS MORN.  
 UNMANNED LOGGER 1 DAY.  
 BOILER 24 HRS.  
 TEMP -3 DEGREES.  
 SPUD AT 0130 HRS., 12/18/2007.  
 HAULED 520 BBLs RESERVE PIT WATER AND 200 BBLs LEFTOVER WATER TANK WATER FROM

06:00 18.0 SPUD 7 7/8" HOLE AT 01:30 HRS, 12/18/07.

<b>12-19-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$44,048	<b>Completion</b>	\$0	<b>Daily Total</b>	\$44,048						
<b>Cum Costs: Drilling</b>	\$359,817	<b>Completion</b>	\$2,902	<b>Well Total</b>	\$362,719						
<b>MD</b>	4,989	<b>TVD</b>	4,989	<b>Progress</b>	2,114	<b>Days</b>	2	<b>MW</b>	8.9	<b>Visc</b>	27.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL FROM 2875' TO 3262', 387' AT 110'/HR. 16K WOB, 45-65 RPM, 67 MOTOR RPM, 1200 PSI AT 125 STROKES, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATED COM.
09:30	10:00	0.5	RIG SERVICE.
10:00	12:00	2.0	DRILL FROM 3262' TO 3512', 250' AT 125'/HR, SAME PARAMETERS AS ABOVE.
12:00	12:30	0.5	SURVEY 2*, NO FLOW.
12:30	13:00	0.5	CHANGE OUT SAVER SUB.
13:00	21:30	8.5	DRILL FROM 3512' TO 4519', 1007' AT 118'/HR, SAME PARAMETERS AS ABOVE.
21:30	22:00	0.5	SURVEY 3*, NO FLOW
22:00	06:00	8.0	DRILL FROM 4519' TO 4989', 470' AT 58'/HR, 15-20K WOB, 45-65 RPM, 67 MOTOR RPM, 1650 PSI AT 125 STROKES, #1 PUMP OFF BOTTOM. 100-350 PSI DIFFERENTIAL. 420 GPM.

FULL CREWS, NO ACCIDENTS.  
 SAFETY METTINGS ON SPINNING CHAIN TAIL AND TONGS.

FUEL ON HAND 3815 GALS, USED 1570 GALS.  
 MUD WT 9.4 PPG, VIS 34  
 WASATCH TOP AT 4657'.  
 BOP DRILLS ON MORN AND DAYS, 1.5 MINS, WELL WAS SECURED EACH.  
 OPERATED COM (2).  
 BG GAS 50U, CONN GAS 200U.  
 UNMANNED LOGGER 2 DAYS.  
 NO LOSSES, FLOW OR FLARES.  
 BOILER 24 HRS.  
 11 DEGREES.LIGHT SNOW.

---

<b>12-20-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$32,197	<b>Completion</b>	\$800	<b>Daily Total</b>	\$32,997						
<b>Cum Costs: Drilling</b>	\$392,014	<b>Completion</b>	\$3,702	<b>Well Total</b>	\$395,716						
<b>MD</b>	6,120	<b>TVD</b>	6,120	<b>Progress</b>	1,131	<b>Days</b>	3	<b>MW</b>	9.8	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL FROM 4989' TO 5412', 423' AT 47'/HR, 15-20K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATED COM.
15:00	15:30	0.5	RIG SERVICE
15:30	06:00	14.5	DRILL FROM 5412' TO 6120', 708' AT 48'/HR, SAME PARAMETERS AS ABOVE. FULL CREWS. NO ACCIDENTS. SAFETY MEETINGS ON PPE AND MAKING CONNECTIONS. FUEL ON HAND 1645 GALS. USED 2170 GALS. MUD WT 10.1 PPG, VIS 35. WASATCH TOP AT 4657', NORTH HORN AT 6675'. BG GAS 125U, CONN GAS 125U. UNMANNED LOGGER 3 DAYS. OPERATED COM(2). NO FLOW OR LOSSES. 10 DEGREES.

---

<b>12-21-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$98,643	<b>Completion</b>	\$0	<b>Daily Total</b>	\$98,643						
<b>Cum Costs: Drilling</b>	\$490,658	<b>Completion</b>	\$3,702	<b>Well Total</b>	\$494,360						
<b>MD</b>	6,775	<b>TVD</b>	6,775	<b>Progress</b>	655	<b>Days</b>	4	<b>MW</b>	10.3	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILL FROM 6120' TO 6223', 103' AT 25.7'/HR, 15-22K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATE COM.
10:00	11:00	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL, DROP SURVEY(MISS RUN).
11:00	15:00	4.0	TRIP OUT, SET COM, 20-30K DRAG FROM 5700'-5400' AND FROM 3700' TO 3300'. LAY DOWN 3 JTS. HWDP THAT HAD 2 WASHED BOXES AND 1 WASHED PIN. STILL HAVE 30K FOR BIT WEIGHT. PIPE WAS INSPECTED PRIOR TO THIS WELL. LAID DOWN REAMERS.
15:00	15:30	0.5	CHANGE OUT BIT AND MOTORS. OPERATE PIPE AND BLIND RAMS.

HOLE TOOK AN EXTRA 40 BBLs.

15:30	17:00	1.5 TRIP IN TO 2400'.
17:00	17:30	0.5 BREAK CIRCULATION, CIRCULATE OUT PILL.
17:30	19:00	1.5 TRIP IN, HOLE IN GOOD SHAPE.
19:00	19:30	0.5 SAFETY REAM 68' TO BOTTOM. NO DETECTABLE FILL.
19:30	21:30	2.0 DRILL FROM 6223' TO 6356', 133' AT 66.5'/HR, 10-16K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP, 100-375 PSI DIFFERENTIAL. 420 GPM. RESET COM.
21:30	22:00	0.5 RIG SERVICE.
22:00	06:00	8.0 DRILL FROM 6356' TO 6775', 419' AT 52.3/HR, SAME PARAMETERS AS ABOVE.

DAYS SHORT 1 HAND, NO ACCIDENTS.  
 SAFETY MEETINGS ON TRIPPING PIPE AND TRIP HAZARDS.  
 FUEL ON HAND 4338 GALS, USED 1807 GALS.  
 MUD WT 10.3 PPG, 34 VIS.  
 NORTH HORN TOP AT 6675'.  
 BG GAS 75U, CONN 75U, TRIP GAS 950U.  
 UNMANNED LOGGER 4 DAYS.  
 40 BBL LOSS ON TRIP. NO LOSSES SINCE.  
 25 DEGREES. SNOWING.  
 BOILER 24 HRS.

06:00                      18.0

---

<b>12-22-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$32,650	<b>Completion</b>	\$3,956	<b>Daily Total</b>	\$36,606						
<b>Cum Costs: Drilling</b>	\$523,308	<b>Completion</b>	\$7,658	<b>Well Total</b>	\$530,966						
<b>MD</b>	7,450	<b>TVD</b>	7,450	<b>Progress</b>	675	<b>Days</b>	5	<b>MW</b>	10.4	<b>Visc</b>	35.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL FROM 6775' TO 6980', 205' AT 29.2'/HR, 14-23K WOB, 45-60 RPM, 67 MOTOR RPM, 1700 PSI AT 125 STROKES, #1 PUMP OFF BOTTOM. 100-375 PSI DIFFERENTIAL. 420 GPM. OPERATE COM.
13:00	13:30	0.5	RIG SERVICE.
13:30	06:00	16.5	DRILL FROM 6980' TO 7450', 470' AT 28.4'/HR, SAME PARAMETERS AS ABOVE.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON AWARENESS AND SNOWY CONDITIONS.  
 FUEL ON HAND 2393 GALS, USED 1945 GALS.  
 MUD WT 10.6 PPG, VIS 36.  
 PRICE RIVER TOP AT 7114'.  
 BG GAS 80U, CONN GAS 80U.  
 UNMANNED LOGGER DAYS 5.  
 NO LOSSES OR FLOW.  
 BOILER 24 HRS.  
 5 DEGREES.

---

<b>12-23-2007</b>	<b>Reported By</b>	PETE AYOTTE							
<b>Daily Costs: Drilling</b>	\$63,481	<b>Completion</b>	\$6,888	<b>Daily Total</b>	\$70,369				
<b>Cum Costs: Drilling</b>	\$586,790	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$601,336				

MD 7,813 TVD 7,813 Progress 363 Days 6 MW 10.8 Visc 36.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TIH W/BIT #3

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL FROM 7450' TO 7611', 161' AT 32.2'/HR, 15-23K WOB, 45-65 RPM, 67 MOTOR RPM, 1800 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. TEST COM.
11:00	11:30	0.5	RIG SERVICE
11:30	21:30	10.0	DRILL FROM 7611' TO 7813', 202' AT 20.2'/HR, SAME PARAMETERS AS ABOVE.
21:30	22:30	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL, DROP SURVEY.
22:30	01:30	3.0	TRIP OUT, SET COM 1st STAND, HOLE IN GOOD SHAPE. OPERATE PIPE, BLIND RAMS.
01:30	03:30	2.0	CHANGE MOTORS AND BITS, TRIP IN TO 1000'.
03:30	04:00	0.5	SLIP & CUT DRILL LINE 80', NO FLOW. RESET COM.
04:00	04:30	0.5	BREAK CIRCULATION.
04:30	06:00	1.5	TRP IN.

FULL CREWS. NO ACCIDENTS.

SAFETY MEETINGS ON TESTING COM AND COLD WEATHER.

FUEL ON HAND 6133 GALS, USED 2260 GALS.

MUD WT 10.8+, VIS 36. RAISED WT FROM 10.6 TO 10.8 DUE TO SLOUGHING SHALE.

PRICE RIVER MIDDLE TOP AT 7937'.

BG GAS 150U, CONN GAS 150U.

UNMANNED LOGGER 6 DAYS.

NO LOSSES OR FLOWS.

BOILER 24 HRS.

0 DEGREES.

12-24-2007 Reported By PETE AYOTTE

Daily Costs: Drilling	\$39,991	Completion	\$0	Daily Total	\$39,991
Cum Costs: Drilling	\$626,782	Completion	\$14,546	Well Total	\$641,328

MD 8,012 TVD 8,012 Progress 199 Days 7 MW 10.9 Visc 36.0  
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TRIP IN.
07:30	08:00	0.5	SAFETY REAM 97' TO BOTTOM.
08:00	10:00	2.0	DRILL FROM 7813' TO 7853', 40' AT 20'/HR, 3-14K WOB, 45-60 RPM, 64 MOTOR RPM, 1600 PSI AT 120 STROKES, #1 PUMP, 200-500 PSI DIFFERENTIAL, 403 GPM. SET COM FOR DRILLING.
10:00	10:30	0.5	RIG SERVICE.
10:30	16:30	6.0	DRILL FROM 7853' TO 7975', 122' AT 20.3'/HR, SAME PARAMETERS AS ABOVE. TOO MUCH DIFFERENTIAL PRIOR TO PULLING BIT. 350-600 PSI WITH 8-13 K WOB. STALLED OUT AT THE END.
16:30	17:30	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL.
17:30	21:00	3.5	TRIP OUT, SET COM FOR TRIP, HOLE IN GOOD SHAPE.
21:00	22:00	1.0	CHANGE OUT MOTORS AND BITS, OPERATED BLIND RAMS. MOTOR WOULD NOT DRAIN.
22:00	22:30	0.5	TRIP IN WITH BHA TO 1000'.
22:30	00:30	2.0	REPAIR WATER LINE INSIDE BRAKE DRUM. CIRCULATE.
00:30	03:30	3.0	TRIP IN, BROKE CIRCULATION AT 6000'.
03:30	04:00	0.5	SAFETY REAM 90' TO BOTTOM.

04:00 06:00 2.0 DRILL FROM 7975' TO 8012', 37' AT 18.5'/HR, 5-13K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP. 100-200 PSI DIFFERENTIAL. 420 GPM.  
 FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON WORKING ON BRAKES AND TRIPPING.  
 FUEL ON HAND 5088 GALS, USED 1047 GALS.  
 MUD WT 10.6 PPG(AIRED UP), VIS 36.  
 PRICE RIVER MIDDLE TOP AT 7937'.  
 BG GAS 200U, CONN GAS 200U, TRIP GAS 5193U.  
 UNMANNED LOGGER 7 DAYS.  
 NO FLOW OR LOSSES.  
 BOILER 24 HRS.  
 2 DEGREES.

<b>12-25-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$41,104	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,104						
<b>Cum Costs: Drilling</b>	\$667,886	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$682,432						
<b>MD</b>	8,487	<b>TVD</b>	8,487	<b>Progress</b>	475	<b>Days</b>	8	<b>MW</b>	10.9	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: CHANGE OUT BIT & MOTOR

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILL FROM 8012' TO 8137', 125' AT 41.6'/HR, 10-20K WOB, 45-60 RPM, MOTOR RPM 67, 1800 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL. 420 GPM. CHECK COM.
09:00	09:30	0.5	RIG SERVICE
09:30	02:00	16.5	DRILL FROM 8137' TO 8487', 350' AT 21.2'/HR, 5-25K WOB, 45-60 RPM, MOTOR RPM 67, 1900 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM.
02:00	02:30	0.5	CIRCULATE, MIX AND PUMP PILL.
02:30	06:00	3.5	TRIP OUT. WORK COM ON 1ST STAND.,CHANGE OUT MOTORS AND BITS. FULL CREWS. NO ACCIDENTS. SAFETY MEETINGS ON DRIVING TO AND FROM WORK, BOILER CHEMICALS. FUEL ON HAND 2842 GALS, USED 2244 GALS. MUD WT 10.6 PPG, VIS 36. PRICE RIVER MIDDLE TOP AT 7937', LOWER 8744'. BG GAS 300U, CONN GAS 300U. UNMANNED LOGGER DAYS 8. NO FLOW, LOSSES, FLARES. BOILER 24 HRS. 13 DEGREES.

<b>12-26-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$33,883	<b>Completion</b>	\$0	<b>Daily Total</b>	\$33,883						
<b>Cum Costs: Drilling</b>	\$701,769	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$716,315						
<b>MD</b>	9,035	<b>TVD</b>	9,035	<b>Progress</b>	548	<b>Days</b>	9	<b>MW</b>	11.2	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	TRIP IN TO 2400'.

07:00 08:00 1.0 SLIP & CUT DRILL LINE 125'.  
 08:00 08:30 0.5 ADJUST BRAKES AND ROLLERS, BREAK CIRCULATION. RESET COM.  
 08:30 11:00 2.5 TRIP IN  
 11:00 11:30 0.5 SAFETY REAM 87' TO BOTTOM. NO DETECTABLE FILL.  
 11:30 13:30 2.0 DRILL FROM 8487' TO 8541', 54' AT 27'/HR, 5-15K WOB, 45-60 RPM, MOTOR RPM 67, 1800 PSI AT 125 STROKES., #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM. RESET COM FOR DRILLING.  
 13:30 14:00 0.5 RIG SERVICE  
 14:00 06:00 16.0 DRILL FROM 8541' TO 9035', 494' 30.8'/HR, 15-18K WOB, 45-60 RPM, 64 MOTOR RPM, 1900 PSI AT 120 STROKES., #1 PUMP, 100-350 PSI DIFFERENTIAL. 402 GPM.  
 FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON MIXING CAUSTIC AND GAS BUSTER OPERATION.  
 FUEL ON HAND 5535 GALS, USED 1707 GALS.  
 MUD WT 11.2 PPG, 36 VIS.  
 PRICE RIVER TOP AT 8744', SEGO TOP AT 9225'.  
 BOP DRILL ON DAYS, WELL SECURED 70 SECS.  
 BG GAS 550U, CONN GAS 550U, TRIP GAS 9300U.  
 RAISED MUD WT TO 11.2 PPG FROM TO 11 PPG TO BRING BG GAS DOWN(6000U).  
 HOLE STARTED SEEPING. LOST 100 BBLs AT 8919. RAN A FEW LCM SWEEPS. HOLE STABLE. GOING OVER SHAKER.  
 UN MANNED LOGGER 9 DAYS.  
 BOILER 24 HRS.  
 2 DEGREES.

---

<b>12-27-2007</b>	<b>Reported By</b>	PAUL WHITE / PETE AYOTTE									
<b>DailyCosts: Drilling</b>	\$36,691	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,691						
<b>Cum Costs: Drilling</b>	\$738,461	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$753,007						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	298	<b>Days</b>	10	<b>MW</b>	11.2	<b>Visc</b>	35.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> TRIP IN HOLE W/BIT #6											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	11:30	5.5	DRILL F/ 9035 TO 9169. 134' 24 FPH. WOB 19 RPM 45.								
11:30	12:00	0.5	SERVICE RIG.								
12:00	23:00	11.0	DRILL F/ 9169 TO 9333' 164' 15 FPH. WOB 18 RPM 45/50. MUD WT. 11.2 VIS 36. DECREASE IN ROP AND PRESSURED UP.								
23:00	06:00	7.0	MIX AND PUMP PILL, RESET COM FOR TRIP. POH, LAY DOWN MOTOR AND CHANGE BIT. RIH. HOLE IN GOOD CONDITION. DRILLING SEGO. MUD WT 11.2 VIS 36. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: PROPER CLOTHING, TRIP HAZARDS, STEAM HEATERS. INFORMED BLM "JAMIE SPARGER" OF INTENTION TO RUN PROD. CASING AND CEMENT. FUEL ON HAND 3515 USED 2020.								

---

<b>12-28-2007</b>	<b>Reported By</b>	PAUL WHITE									
<b>DailyCosts: Drilling</b>	\$101,896	<b>Completion</b>	\$0	<b>Daily Total</b>	\$101,896						
<b>Cum Costs: Drilling</b>	\$840,358	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$854,904						
<b>MD</b>	9,425	<b>TVD</b>	9,425	<b>Progress</b>	92	<b>Days</b>	11	<b>MW</b>	11.2	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> RUNNING 4.5" CASING											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	07:00	1.0	TRIP IN HOLE.								

---

07:00 07:30 0.5 WASH/REAM  
 07:30 09:00 1.5 DRILL F/9333 TO 9417. 84' 56 FPH, WOB 15 RPM 50.  
 09:00 09:30 0.5 SERVICE RIG.  
 09:30 10:00 0.5 DRILL F/9417 TO 9425' TD, 8', 16 FPH. REACHED TD AT 10:00 HRS, 12/27/07.  
  
 10:00 13:00 3.0 CIRCULATE AND RAISE MUD WT. TO 11.5 PPG.  
 13:00 13:30 0.5 MAKE 5 STAND SHORT TRIP.  
 13:30 15:00 1.5 CIRCULATE BOTTOMS UP, RIG UP WEATHERFORD LAY DOWN CREW.  
 15:00 21:30 6.5 LAY DOWN DRILL PIPE AND BHA.  
 21:00 22:00 1.0 PULL WEAR BUSHING.  
 22:00 06:00 8.0 RUN 4.5" N-80 PRODUCTION CASING. MUD WT. 11.5 VIS 36 NO ACCIDENTS OR INCIDENTS. HOLD SAFETY MEETING W/ WEATHERFORD LAY DOWN AND CASING CREWS. TOPICS: COLD WEATHER OPERATIONS. FROSTBITE. (TEMP -19) FULL CREW. MUD WT. 11.5 VIS 36. CHECK AND SET COM. FUEL ON HAND 2094 USED 1421.  
 TRUCKS FOR MOVE TO CWU 1158-26 SCHEDULED FOR SAT 12/29, 1 1/2 MILE MOVE.

<b>12-29-2007</b>		<b>Reported By</b>		PAUL WHITE							
<b>Daily Costs: Drilling</b>		\$53,145	<b>Completion</b>		\$144,929	<b>Daily Total</b>		\$198,074			
<b>Cum Costs: Drilling</b>		\$893,504	<b>Completion</b>		\$159,475	<b>Well Total</b>		\$1,052,979			
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	12	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>			PBTB : 0.0			<b>Perf :</b>			PKR Depth : 0.0		

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	08:30	2.5	RUN 234 JTS OF 4.5" 11.6# N-80 LT&C CASING. TAG BOTTOM. PICKUP HANGER AND LAND CASING.
08:30	11:00	2.5	CIRCULATE, HOLD SAFETY MEETING W/ SCHLUMBERGR, RIG UP FOR CEMENTING.
11:00	14:00	3.0	CEMENTING. SCHLUMBER MIXED AND PUMPED CEMENT AS FOLLOWS: 20 BBLs CHEM WASH, 20 BBLs WATER, 138 BBLs LEAD SLURRY: 35/65 POZ G, SLURRY WT. 12 PPG. (345 SX). FOLLOWED W/ 357 BBLs. TAIL SLURRY, 50/50 POZ "G" SLURRY WT. 14.1 PPG. 1555 SX), DISPLACED W/ 145 BBLs. WATER. BUMPED PLUG W/ 2,500 PSI, CHECKED FLOATS OK.  LANDED 234 JTS. 4.5" 11.6 # N 80 CASING EQUIPED W/ DAVIS LYNCH FLOAT SHOE AND FLOAT COLLAR AND LATCH DOWN WIPER PLUG. CENTRILIZERS PLACED 5' ABOVE SHOE, ON TOP OF SECOND JOINT AND EVERY THIRD JOINT AFTER FOR A TOTAL OF 26. SHOE AT 9408' FLOAT COLLAR AT 9366'. MARKER JT AT 6732' AND 4244'. REMOVE LANDING JT. AND SET PACKOFF. TESTED SEALS TO 5,000 PSI, CEMENT IN PLACE AT 14:00 HRS. 12/28/07
14:00	18:00	4.0	NIPPLE DOWN BOP'S, CLEAN PITS, PREPARE FOR MOVE.
18:00	06:00	12.0	RIG DOWN ROTARY TOOLS, PREPARE FOR TRUCKS. NO ACCIDENTS OR INCIDENTS. SAFETY MEETINGS HELD W/ SCHLUMBERGER, WEATHFORD. FULL CREW. TRANSFERED 8 JTS. 4.5" N-80 CASING TO CWU 1158-26. FUEL TRANSFERED 2244.
06:00		18.0	RIG RELEASED AT 18:00 HRS, 12/28/07. CASING POINT COST \$1,003,324

<b>01-08-2008</b>		<b>Reported By</b>		SEARLE							
<b>Daily Costs: Drilling</b>		\$0	<b>Completion</b>		\$43,809	<b>Daily Total</b>		\$43,809			
<b>Cum Costs: Drilling</b>		\$893,504	<b>Completion</b>		\$203,284	<b>Well Total</b>		\$1,096,788			
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>			PBTB : 9366.0			<b>Perf :</b>			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 500'. EST CEMENT TOP @ 1040'. RD SCHLUMBERGER.

**01-13-2008**      **Reported By**      MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$3,005	<b>Daily Total</b>	\$3,005
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$206,289	<b>Well Total</b>	\$1,099,793
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0
				<b>Days</b>	14
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 9366.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: WO COMPLETION**

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
  
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will 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.

---

As of the mailing of this notice, the division has not received the required reports for

Operator: EOG RESOURCES, INC. Today's Date: 06/27/2008

Well: 43 047 37877 API Number: \_\_\_\_\_ Drilling Commenced: \_\_\_\_\_  
UWU 1043-23  
9S 22E 23

List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

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

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

cc: Well File  
Compliance File

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

**ATTACHMENT**

Operator: EOG RESOURCES, INC.

Today's Date: 06/27/2008

Well:	API Number:	Drilling Commenced:
PETES WASH 10-36	4301333094	10/18/2006
SIMOLEON 1-26GR	4304737507	02/23/2007
E CHAPITA 8-16	4304736815	03/17/2007
CWU 1112-27	4304737384	10/09/2007
CWU 1043-23	4304737877	11/01/2007
CWU 1079-25	4304737879	11/20/2007
HOSS 59-28	4304738906	12/20/2007
E CHAPITA 55-5	4304738732	01/03/2008
E CHAPITA 45-05	4304738942	01/17/2008
CWU 1083-30	4304738079	02/18/2008

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.*

5. Lease Serial No.

**UTU-0282**

6. If Indian, Allottee or Tribe Name

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

**Chapita Wells Unit**

8. Well Name and No.

**Chapita Wells Unit 1043-23**

9. API Well No.

**43-047-37877**

10. Field and Pool, or Exploratory Area

**Natural Buttes/Mesaverde**

11. County or Parish, State

**Uintah County, Utah**

**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

**1060 East Highway 40 Vernal, UT 84078**

3b. Phone No. (include area code)

**435-781-9145**

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

**597' FSL & 1040' FWL (SWSW)  
Sec. 23-T9S-R22E 40.015875 LAT 109.412978 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 <b>Drilling Operations</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.)

**TD of 9425' was reached on 12/27/2007. Completion operations are scheduled to begin on or about the week of 8/4/2008.**

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

**Mickenzie Thacker**

Title **Operations Clerk**

Signature



Date

**07/31/2008**

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

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

**RECEIVED**

**AUG 04 2008**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0282

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
CHAPITA WELLS UNIT 1043-23

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

9. API Well No.  
43-047-37877

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

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

10. Field and Pool, or Exploratory  
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 23 T9S R22E SWSW 597FSL 1040FWL

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input 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 Production Start-up
	<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.)

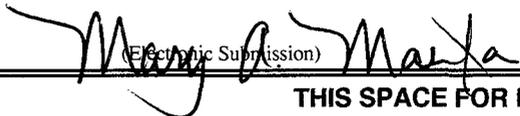
The referenced well was turned to sales on 9/10/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #62982 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 09/12/2008

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

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

Title

Date

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

Office

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

**RECEIVED**

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED SEP 15 2008**

## WELL CHRONOLOGY REPORT

Report Generated On: 09-12-2008

<b>Well Name</b>	CWU 1043-23	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-37877	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	12-18-2007	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,425/ 9,425	<b>Property #</b>	056832
<b>Water Depth</b>	0	<b>Last CSG</b>	2.375	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,971/ 4,958				
<b>Location</b>	Section 23, T9S, R22E, SWSW, 597 FSL & 1040 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	56.707	<b>NRI %</b>	48.546

<b>AFE No</b>	303409	<b>AFE Total</b>	1,840,000	<b>DHC / CWC</b>	912,100/ 927,900
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	03-16-2006
<b>03-16-2006</b>	<b>Reported By</b>	CINDY VAN RANKEN			
<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: 597' FSL & 1040' FWL (SW/SW) SECTION 23, T9S, R22E UINTAH COUNTY, UTAH  LAT 40.015911, LONG 109.412294 (NAD 27) LAT 40.015911, LONG 109.412294 (NAD 83)  TRUE #27 OBJECTIVE: 9425' TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A FIELD: CHAPITA DEEP NATURAL BUTTES FIELD  LEASE: U-0282 ELEVATION: 4958.2' NAT GL, 4958.2' PREP GL (DUE TO ROUNDING 4958' IS THE PREP GL), 4971' KB (13')  EOG WI 56.7071%, NRI 48.5457%

10-19-2007      Reported By      TERRY CSERE







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

MIRU GLENN'S WIRELINE SERVICE. RAN IN HOLE W/STRAIGHT HOLE SURVEY. TAGGED CEMENT @ 2262' GL. PICKED UP TO 2242' AND TOOK SURVEY. 1 DEGREE.

DALL COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 11/5/2007 @ 2:25 AM.

<b>12-17-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$37,280	<b>Completion</b>	\$0	<b>Daily Total</b>	\$37,280						
<b>Cum Costs: Drilling</b>	\$271,211	<b>Completion</b>	\$0	<b>Well Total</b>	\$271,211						
<b>MD</b>	2,429	<b>TVD</b>	2,429	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: RURT

Start	End	Hrs	Activity Description
06:00	07:00	1.0	PREPARE FOR MOVE, HELD SAFETY MEETING WITH RIG AND TRUCK CREWS. -7 DEGREES
07:00	12:00	5.0	LOAD OUT RIG OFF CWU 937-26 AND ROAD TO CWU 1043-23. -7 TO 0 DEGREES.
12:00	17:00	5.0	SET IN RIG, TRUCKS RELEASED AT 1700 HRS.
17:00	06:00	13.0	RIG UP, DERRICK RAISED AT 1730 HRS. COLD WEATHER CONDITIONS!! -13 to -3 DEGREES DURING THE NIGHT. FULL CREWS, EXTRA 4 HANDS FOR RIG MOVE. NO ACCIDENTS. SAFETY MEETINGS ON MOVING RIG AND STEAM LINES. FUEL ON HAND 6358 GALS, USED 538. BOILER 10 HRS. -4 DEGREES. CREWS AND TOOLPUSHER DID AN EXCELLENT JOB DRAINING UP RIG AND RIGGING UP CONSIDERING THE COLD WEATHER CONDITIONS. SHOULD START PRESSURE TESTING AROUND 0630 HRS. SPUD AROUND 1900 HRS. JAMIE SPARGER WITH BLM NOTIFIED 12/14/07 AT 0700 HRS ON CASING JOB LAST WELL, RIG MOVE AND SUBSEQUENT BOP TESTING ON 12/17/2007. ALSO WAS REMINDED ON 12/15/2007, 1000 HRS AND 12/12/2007, 1800 HRS OF BOP TEST. ALL VIA PHONE MESSAGES.

<b>12-18-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$44,558	<b>Completion</b>	\$2,902	<b>Daily Total</b>	\$47,460						
<b>Cum Costs: Drilling</b>	\$315,769	<b>Completion</b>	\$2,902	<b>Well Total</b>	\$318,671						
<b>MD</b>	2,875	<b>TVD</b>	2,875	<b>Progress</b>	446	<b>Days</b>	1	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NIPPLE UP. RIG ACCEPTED AT 06:00 HRS, 12/17/2007.
07:00	14:30	7.5	TEST BOP AS FOLLOWS: UPPER, LOWER KELLY. PIPE, BLIND RAMS, CHOKE MANIFOLD, ALL CHOKE VALVES, ALL FLOOR VALVES TO 250 PSI FOR 5 MINS LOW AND 5000 PSI HIGH FOR 10MINS EACH. TEST ANNULAR TO 250 PSI LOW FOR 5 MINS AND 2500 PSI HIGH FOR 10 MINS.
14:30	15:00	0.5	TEST CASING FOR 30 MINS TO 1500 PSI.

BOP TEST WITNESSED BY BLM. MR CADE.

15:00	16:00	1.0	INSTALL WEAR RING.
16:00	17:00	1.0	HELD SAFETY MEETING WITH WEATHERFORD. RIG UP WEATHERFORD PICKUP MACHINE.
17:00	20:30	3.5	PICK UP PIPE
20:30	21:30	1.0	RIG DOWN PICK UP MACHINE.
21:30	22:30	1.0	RIG SERVICE, TEST BOTH PUMPS, SET COM.
22:30	23:00	0.5	INSTALL ROTATING HEAD. CHECK GAS BUSTER FOR LEAKS.
23:00	01:00	2.0	TAG CEMENT AT 2275'. DRILL CEMENT AND FLOAT EQUIPMENT.
01:00	01:30	0.5	PUMP AND SPOT 45 VIS PILL, PERFORM FIT TEST TO 350 PSI, EQUIVALENT TO 11.1 PPG AT SHOE.
01:30	03:00	1.5	DRILL FROM 2429' TO 2570', 141' AT 94'/HR, 10-18K WOB, 45-65 RPM, 67 MOTOR RPM, 1000 PSI AT 125 STROKES, #1 PUMP. 100-300 PSI DIFFERENTIAL, 420 GPM.
03:00	03:30	0.5	SURVEY, 2*
03:30	06:00	2.5	DRILL FROM 2570' TO 2875', 446' AT 122'/HR. SAME PARAMETERS AS ABOVE.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON TESTING BOP AND PICKING UP PIPE.  
 FUEL ON HAND 5365 GALS, USED 973 GALS.  
 MUD WT 8.7 PPG, VIS 28.  
 BG GAS 7000U, NO FLARE OR BUBBLING. WILL HAVE DETECTOR CHECKED THIS MORN.  
 UNMANNED LOGGER 1 DAY.  
 BOILER 24 HRS.  
 TEMP -3 DEGREES.  
 SPUD AT 0130 HRS., 12/18/2007.  
 HAULED 520 BBLs RESERVE PIT WATER AND 200 BBLs LEFTOVER WATER TANK WATER FROM

06:00 18.0 SPUD 7 7/8" HOLE AT 01:30 HRS, 12/18/07.

<b>12-19-2007</b>		<b>Reported By</b>		PETE AYOTTE							
<b>Daily Costs: Drilling</b>	\$44,048	<b>Completion</b>	\$0	<b>Daily Total</b>	\$44,048						
<b>Cum Costs: Drilling</b>	\$359,817	<b>Completion</b>	\$2,902	<b>Well Total</b>	\$362,719						
<b>MD</b>	4,989	<b>TVD</b>	4,989	<b>Progress</b>	2,114	<b>Days</b>	2	<b>MW</b>	8.9	<b>Visc</b>	27.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL FROM 2875' TO 3262', 387' AT 110'/HR. 16K WOB, 45-65 RPM, 67 MOTOR RPM, 1200 PSI AT 125 STROKES, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATED COM.
09:30	10:00	0.5	RIG SERVICE.
10:00	12:00	2.0	DRILL FROM 3262' TO 3512', 250' AT 125'/HR, SAME PARAMETERS AS ABOVE.
12:00	12:30	0.5	SURVEY 2*, NO FLOW.
12:30	13:00	0.5	CHANGE OUT SAVER SUB.
13:00	21:30	8.5	DRILL FROM 3512' TO 4519', 1007' AT 118'/HR, SAME PARAMETERS AS ABOVE.
21:30	22:00	0.5	SURVEY 3*, NO FLOW
22:00	06:00	8.0	DRILL FROM 4519' TO 4989', 470' AT 58'/HR, 15-20K WOB, 45-65 RPM, 67 MOTOR RPM, 1650 PSI AT 125 STROKES, #1 PUMP OFF BOTTOM. 100-350 PSI DIFFERENTIAL. 420 GPM. FULL CREWS, NO ACCIDENTS. SAFETY METTINGS ON SPINNING CHAIN TAIL AND TONGS.

FUEL ON HAND 3815 GALS, USED 1570 GALS.  
 MUD WT 9.4 PPG, VIS 34  
 WASATCH TOP AT 4657'.  
 BOP DRILLS ON MORN AND DAYS, 1.5 MINS, WELL WAS SECURED EACH.  
 OPERATED COM (2).  
 BG GAS 50U, CONN GAS 200U.  
 UNMANNED LOGGER 2 DAYS.  
 NO LOSSES, FLOW OR FLARES.  
 BOILER 24 HRS.  
 11 DEGREES.LIGHT SNOW.

---

<b>12-20-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$32,197	<b>Completion</b>	\$800	<b>Daily Total</b>	\$32,997						
<b>Cum Costs: Drilling</b>	\$392,014	<b>Completion</b>	\$3,702	<b>Well Total</b>	\$395,716						
<b>MD</b>	6,120	<b>TVD</b>	6,120	<b>Progress</b>	1,131	<b>Days</b>	3	<b>MW</b>	9.8	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL FROM 4989' TO 5412', 423' AT 47'/HR, 15-20K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATED COM.
15:00	15:30	0.5	RIG SERVICE
15:30	06:00	14.5	DRILL FROM 5412' TO 6120', 708' AT 48'/HR, SAME PARAMETERS AS ABOVE. FULL CREWS. NO ACCIDENTS. SAFETY MEETINGS ON PPE AND MAKING CONNECTIONS. FUEL ON HAND 1645 GALS. USED 2170 GALS. MUD WT 10.1 PPG, VIS 35. WASATCH TOP AT 4657', NORTH HORN AT 6675'. BG GAS 125U, CONN GAS 125U. UNMANNED LOGGER 3 DAYS. OPERATED COM(2). NO FLOW OR LOSSES. 10 DEGREES.

---

<b>12-21-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$98,643	<b>Completion</b>	\$0	<b>Daily Total</b>	\$98,643						
<b>Cum Costs: Drilling</b>	\$490,658	<b>Completion</b>	\$3,702	<b>Well Total</b>	\$494,360						
<b>MD</b>	6,775	<b>TVD</b>	6,775	<b>Progress</b>	655	<b>Days</b>	4	<b>MW</b>	10.3	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILL FROM 6120' TO 6223', 103' AT 25.7'/HR, 15-22K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. OPERATE COM.
10:00	11:00	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL, DROP SURVEY(MISS RUN).
11:00	15:00	4.0	TRIP OUT, SET COM, 20-30K DRAG FROM 5700'-5400' AND FROM 3700' TO 3300'. LAY DOWN 3 JTS. HWDP THAT HAD 2 WASHED BOXES AND 1 WASHED PIN. STILL HAVE 30K FOR BIT WEIGHT. PIPE WAS INSPECTED PRIOR TO THIS WELL. LAID DOWN REAMERS.
15:00	15:30	0.5	CHANGE OUT BIT AND MOTORS. OPERATE PIPE AND BLIND RAMS.

HOLE TOOK AN EXTRA 40 BBLs.

15:30	17:00	1.5 TRIP IN TO 2400'.
17:00	17:30	0.5 BREAK CIRCULATION, CIRCULATE OUT PILL.
17:30	19:00	1.5 TRIP IN, HOLE IN GOOD SHAPE.
19:00	19:30	0.5 SAFETY REAM 68' TO BOTTOM. NO DETECTABLE FILL.
19:30	21:30	2.0 DRILL FROM 6223' TO 6356', 133' AT 66.5'/HR, 10-16K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP, 100-375 PSI DIFFERENTIAL. 420 GPM. RESET COM.
21:30	22:00	0.5 RIG SERVICE.
22:00	06:00	8.0 DRILL FROM 6356' TO 6775', 419' AT 52.3/HR, SAME PARAMETERS AS ABOVE.

DAYS SHORT 1 HAND, NO ACCIDENTS.  
 SAFETY MEETINGS ON TRIPPING PIPE AND TRIP HAZARDS.  
 FUEL ON HAND 4338 GALS, USED 1807 GALS.  
 MUD WT 10.3 PPG, 34 VIS.  
 NORTH HORN TOP AT 6675'.  
 BG GAS 75U, CONN 75U, TRIP GAS 950U.  
 UNMANNED LOGGER 4 DAYS.  
 40 BBL LOSS ON TRIP. NO LOSSES SINCE.  
 25 DEGREES. SNOWING.  
 BOILER 24 HRS.

06:00                      18.0

---

<b>12-22-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$32,650	<b>Completion</b>	\$3,956	<b>Daily Total</b>	\$36,606						
<b>Cum Costs: Drilling</b>	\$523,308	<b>Completion</b>	\$7,658	<b>Well Total</b>	\$530,966						
<b>MD</b>	7.450	<b>TVD</b>	7.450	<b>Progress</b>	675	<b>Days</b>	5	<b>MW</b>	10.4	<b>Visc</b>	35.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: DRILLING**

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL FROM 6775' TO 6980', 205' AT 29.2'/HR, 14-23K WOB, 45-60 RPM, 67 MOTOR RPM, 1700 PSI AT 125 STROKES, #1 PUMP OFF BOTTOM. 100-375 PSI DIFFERENTIAL. 420 GPM. OPERATE COM.
13:00	13:30	0.5	RIG SERVICE.
13:30	06:00	16.5	DRILL FROM 6980' TO 7450', 470' AT 28.4'/HR, SAME PARAMETERS AS ABOVE. FULL CREWS. NO ACCIDENTS. SAFETY MEETINGS ON AWARENESS AND SNOWY CONDITIONS. FUEL ON HAND 2393 GALS, USED 1945 GALS. MUD WT 10.6 PPG, VIS 36. PRICE RIVER TOP AT 7114'. BG GAS 80U, CONN GAS 80U. UNMANNED LOGGER DAYS 5. NO LOSSES OR FLOW. BOILER 24 HRS. 5 DEGREES.

---

<b>12-23-2007</b>	<b>Reported By</b>	PETE AYOTTE							
<b>Daily Costs: Drilling</b>	\$63,481	<b>Completion</b>	\$6,888	<b>Daily Total</b>	\$70,369				
<b>Cum Costs: Drilling</b>	\$586,790	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$601,336				

MD 7,813 TVD 7,813 Progress 363 Days 6 MW 10.8 Visc 36.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TIH W/BIT #3

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL FROM 7450' TO 7611', 161' AT 32.2'/HR, 15-23K WOB, 45-65 RPM, 67 MOTOR RPM, 1800 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP. 100-350 PSI DIFFERENTIAL. 420 GPM. TEST COM.
11:00	11:30	0.5	RIG SERVICE
11:30	21:30	10.0	DRILL FROM 7611' TO 7813', 202' AT 20.2'/HR, SAME PARAMETERS AS ABOVE.
21:30	22:30	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL, DROP SURVEY.
22:30	01:30	3.0	TRIP OUT, SET COM 1st STAND. HOLE IN GOOD SHAPE. OPERATE PIPE, BLIND RAMS.
01:30	03:30	2.0	CHANGE MOTORS AND BITS, TRIP IN TO 1000'.
03:30	04:00	0.5	SLIP & CUT DRILL LINE 80', NO FLOW. RESET COM.
04:00	04:30	0.5	BREAK CIRCULATION.
04:30	06:00	1.5	TRP IN.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON TESTING COM AND COLD WEATHER.  
 FUEL ON HAND 6133 GALS, USED 2260 GALS.  
 MUD WT 10.8+, VIS 36. RAISED WT FROM 10.6 TO 10.8 DUE TO SLOUGHING SHALE.  
 PRICE RIVER MIDDLE TOP AT 7937'.  
 BG GAS 150U, CONN GAS 150U.  
 UNMANNED LOGGER 6 DAYS.  
 NO LOSSES OR FLOWS.  
 BOILER 24 HRS.  
 0 DEGREES.

12-24-2007	Reported By	PETE AYOTTE			
Daily Costs: Drilling	\$39,991	Completion	\$0	Daily Total	\$39,991
Cum Costs: Drilling	\$626,782	Completion	\$14,546	Well Total	\$641,328

MD 8,012 TVD 8,012 Progress 199 Days 7 MW 10.9 Visc 36.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TRIP IN.
07:30	08:00	0.5	SAFETY REAM 97' TO BOTTOM.
08:00	10:00	2.0	DRILL FROM 7813' TO 7853', 40' AT 20'/HR, 3-14K WOB, 45-60 RPM, 64 MOTOR RPM, 1600 PSI AT 120 STROKES, #1 PUMP, 200-500 PSI DIFFERENTIAL, 403 GPM. SET COM FOR DRILLING.
10:00	10:30	0.5	RIG SERVICE.
10:30	16:30	6.0	DRILL FROM 7853' TO 7975', 122' AT 20.3'/HR, SAME PARAMETERS AS ABOVE. TOO MUCH DIFFERENTIAL PRIOR TO PULLING BIT. 350-600 PSI WITH 8-13 K WOB. STALLED OUT AT THE END.
16:30	17:30	1.0	CIRCULATE, PREPARE FOR TRIP, PUMP PILL.
17:30	21:00	3.5	TRIP OUT, SET COM FOR TRIP, HOLE IN GOOD SHAPE.
21:00	22:00	1.0	CHANGE OUT MOTORS AND BITS, OPERATED BLIND RAMS. MOTOR WOULD NOT DRAIN.
22:00	22:30	0.5	TRIP IN WITH BHA TO 1000'.
22:30	00:30	2.0	REPAIR WATER LINE INSIDE BRAKE DRUM. CIRCULATE.
00:30	03:30	3.0	TRIP IN, BROKE CIRCULATION AT 6000'.
03:30	04:00	0.5	SAFETY REAM 90' TO BOTTOM.

04:00 06:00 2.0 DRILL FROM 7975' TO 8012', 37' AT 18.5'/HR, 5-13K WOB, 45-60 RPM, 67 MOTOR RPM, 1600 PSI AT 125 STROKES, #1 PUMP. 100-200 PSI DIFFERENTIAL. 420 GPM.  
 FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON WORKING ON BRAKES AND TRIPPING.  
 FUEL ON HAND 5088 GALS, USED 1047 GALS.  
 MUD WT 10.6 PPG(AIRED UP), VIS 36.  
 PRICE RIVER MIDDLE TOP AT 7937'.  
 BG GAS 200U, CONN GAS 200U, TRIP GAS 5193U.  
 UNMANNED LOGGER 7 DAYS.  
 NO FLOW OR LOSSES.  
 BOILER 24 HRS.  
 2 DEGREES.

<b>12-25-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$41,104	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,104						
<b>Cum Costs: Drilling</b>	\$667,886	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$682,432						
<b>MD</b>	8,487	<b>TVD</b>	8,487	<b>Progress</b>	475	<b>Days</b>	8	<b>MW</b>	10.9	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: CHANGE OUT BIT & MOTOR

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILL FROM 8012' TO 8137', 125' AT 41.6'/HR, 10-20K WOB, 45-60 RPM, MOTOR RPM 67, 1800 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL. 420 GPM. CHECK COM.
09:00	09:30	0.5	RIG SERVICE
09:30	02:00	16.5	DRILL FROM 8137' TO 8487', 350' AT 21.2'/HR, 5-25K WOB, 45-60 RPM, MOTOR RPM 67, 1900 PSI AT 125 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM.
02:00	02:30	0.5	CIRCULATE, MIX AND PUMP PILL.
02:30	06:00	3.5	TRIP OUT. WORK COM ON 1ST STAND.,CHANGE OUT MOTORS AND BITS. FULL CREWS. NO ACCIDENTS. SAFETY MEETINGS ON DRIVING TO AND FROM WORK, BOILER CHEMICALS. FUEL ON HAND 2842 GALS, USED 2244 GALS. MUD WT 10.6 PPG, VIS 36. PRICE RIVER MIDDLE TOP AT 7937', LOWER 8744'. BG GAS 300U, CONN GAS 300U. UNMANNED LOGGER DAYS 8. NO FLOW, LOSSES, FLARES. BOILER 24 HRS. 13 DEGREES.

<b>12-26-2007</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$33,883	<b>Completion</b>	\$0	<b>Daily Total</b>	\$33,883						
<b>Cum Costs: Drilling</b>	\$701,769	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$716,315						
<b>MD</b>	9,035	<b>TVD</b>	9,035	<b>Progress</b>	548	<b>Days</b>	9	<b>MW</b>	11.2	<b>Visc</b>	36.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	TRIP IN TO 2400'.

07:00 08:00 1.0 SLIP & CUT DRILL LINE 125'.  
 08:00 08:30 0.5 ADJUST BRAKES AND ROLLERS, BREAK CIRCULATION. RESET COM.  
 08:30 11:00 2.5 TRIP IN  
 11:00 11:30 0.5 SAFETY REAM 87' TO BOTTOM. NO DETECTABLE FILL.  
 11:30 13:30 2.0 DRILL FROM 8487' TO 8541', 54' AT 27'/HR, 5-15K WOB, 45-60 RPM, MOTOR RPM 67, 1800 PSI AT 125 STROKES., #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM. RESET COM FOR DRILLING.  
 13:30 14:00 0.5 RIG SERVICE  
 14:00 06:00 16.0 DRILL FROM 8541' TO 9035', 494' 30.8'/HR, 15-18K WOB, 45-60 RPM, 64 MOTOR RPM, 1900 PSI AT 120 STROKES., #1 PUMP, 100-350 PSI DIFFERENTIAL. 402 GPM.  
 FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON MIXING CAUSTIC AND GAS BUSTER OPERATION.  
 FUEL ON HAND 5535 GALS, USED 1707 GALS.  
 MUD WT 11.2 PPG, 36 VIS.  
 PRICE RIVER TOP AT 8744', SEGO TOP AT 9225'.  
 BOP DRILL ON DAYS, WELL SECURED 70 SECS.  
 BG GAS 550U, CONN GAS 550U, TRIP GAS 9300U.  
 RAISED MUD WT TO 11.2 PPG FROM TO 11 PPG TO BRING BG GAS DOWN(6000U).  
 HOLE STARTED SEEPING. LOST 100 BBLs AT 8919. RAN A FEW LCM SWEEPS. HOLE STABLE. GOING OVER SHAKER.  
 UN MANNED LOGGER 9 DAYS.  
 BOILER 24 HRS.  
 2 DEGREES.

---

**12-27-2007**      **Reported By**      PAUL WHITE / PETE AYOTTE

<b>Daily Costs: Drilling</b>	\$36,691	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,691
<b>Cum Costs: Drilling</b>	\$738,461	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$753,007

**MD**      9,333      **TVD**      9,333      **Progress**      298      **Days**      10      **MW**      11.2      **Visc**      35.0

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

**Activity at Report Time:** TRIP IN HOLE W/BIT #6

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL F/ 9035 TO 9169. 134' 24 FPH. WOB 19 RPM 45.
11:30	12:00	0.5	SERVICE RIG.
12:00	23:00	11.0	DRILL F/ 9169 TO 9333' 164' 15 FPH. WOB 18 RPM 45/50. MUD WT. 11.2 VIS 36. DECREASE IN ROP AND PRESSURED UP.
23:00	06:00	7.0	MIX AND PUMP PILL, RESET COM FOR TRIP. POH, LAY DOWN MOTOR AND CHANGE BIT. RIH. HOLE IN GOOD CONDITION. DRILLING SEGO. MUD WT 11.2 VIS 36. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: PROPER CLOTHING, TRIP HAZARDS, STEAM HEATERS. INFORMED BLM "JAMIE SPARGER" OF INTENTION TO RUN PROD. CASING AND CEMENT. FUEL ON HAND 3515 USED 2020.

---

**12-28-2007**      **Reported By**      PAUL WHITE

<b>Daily Costs: Drilling</b>	\$101,896	<b>Completion</b>	\$0	<b>Daily Total</b>	\$101,896
<b>Cum Costs: Drilling</b>	\$840,358	<b>Completion</b>	\$14,546	<b>Well Total</b>	\$854,904

**MD**      9,425      **TVD**      9,425      **Progress**      92      **Days**      11      **MW**      11.2      **Visc**      36.0

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

**Activity at Report Time:** RUNNING 4.5" CASING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	TRIP IN HOLE.

---

07:00 07:30 0.5 WASH/REAM  
 07:30 09:00 1.5 DRILL F/ 9333 TO 9417. 84' 56 FPH, WOB 15 RPM 50.  
 09:00 09:30 0.5 SERVICE RIG.  
 09:30 10:00 0.5 DRILL F/ 9417 TO 9425' TD, 8', 16' FPH. REACHED TD AT 10:00 HRS, 12/27/07.  
  
 10:00 13:00 3.0 CIRCULATE AND RAISE MUD WT. TO 11.5 PPG.  
 13:00 13:30 0.5 MAKE 5 STAND SHORT TRIP.  
 13:30 15:00 1.5 CIRCULATE BOTTOMS UP, RIG UP WEATHERFORD LAY DOWN CREW.  
 15:00 21:30 6.5 LAY DOWN DRILL PIPE AND BHA.  
 21:00 22:00 1.0 PULL WEAR BUSHING.  
 22:00 06:00 8.0 RUN 4.5" N-80 PRODUCTION CASING. MUD WT. 11.5 VIS 36 NO ACCIDENTS OR INCIDENTS. HOLD SAFETY MEETING W/ WEATHERFORD LAY DOWN AND CASING CREWS. TOPICS: COLD WEATHER OPERATIONS. FROSTBITE. (TEMP -19) FULL CREW. MUD WT. 11.5 VIS 36. CHECK AND SET COM. FUEL ON HAND 2094 USED 1421.  
 TRUCKS FOR MOVE TO CWU 1158-26 SCHEDULED FOR SAT 12/29, 1 1/2 MILE MOVE.

<b>12-29-2007</b>		<b>Reported By</b>		PAUL WHITE							
<b>Daily Costs: Drilling</b>		\$53,145		<b>Completion</b>		\$144,929		<b>Daily Total</b>		\$198,074	
<b>Cum Costs: Drilling</b>		\$893,504		<b>Completion</b>		\$159,475		<b>Well Total</b>		\$1,052,979	
<b>MD</b>	9,425	<b>TVD</b>	9,425	<b>Progress</b>	0	<b>Days</b>	12	<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>		
<b>Activity at Report Time:</b> RDRT/WO COMPLETION											

Start	End	Hrs	Activity Description
06:00	08:30	2.5	RUN 234 JTS OF 4.5" 11.6# N-80 LT&C CASING. TAG BOTTOM. PICKUP HANGER AND LAND CASING.
08:30	11:00	2.5	CIRCULATE, HOLD SAFETY MEETING W/ SCHLUMBERGR, RIG UP FOR CEMENTING.
11:00	14:00	3.0	CEMENTING. SCHLUMBER MIXED AND PUMPED CEMENT AS FOLLOWS: 20 BBLs CHEM WASH, 20 BBLs WATER, 138 BBLs LEAD SLURRY: 35/65 POZ G, SLURRY WT. 12 PPG. (345 SX). FOLLOWED W/ 357 BBLs. TAIL SLURRY, 50/50 POZ "G" SLURRY WT. 14.1 PPG. 1555 SX), DISPLACED W/ 145 BBLs. WATER. BUMPED PLUG W/ 2,500 PSI, CHECKED FLOATS OK.  LANDED 234 JTS. 4.5" 11.6 # N 80 CASING EQUIPED W/ DAVIS LYNCH FLOAT SHOE AND FLOAT COLLAR AND LATCH DOWN WIPER PLUG. CENTRILIZERS PLACED 5' ABOVE SHOE, ON TOP OF SECOND JOINT AND EVERY THIRD JOINT AFTER FOR A TOTAL OF 26. SHOE AT 9408' FLOAT COLLAR AT 9366'. MARKER JT AT 6732' AND 4244'. REMOVE LANDING JT. AND SET PACKOFF. TESTED SEALS TO 5,000 PSI, CEMENT IN PLACE AT 14:00 HRS. 12/28/07
14:00	18:00	4.0	NIPPLE DOWN BOP'S, CLEAN PITS, PREPARE FOR MOVE.
18:00	06:00	12.0	RIG DOWN ROTARY TOOLS, PREPARE FOR TRUCKS. NO ACCIDENTS OR INCIDENTS. SAFETY MEETINGS HELD W/ SCHLUMBERGER, WEATHFORD. FULL CREW. TRANSFERED 8 JTS. 4.5" N-80 CASING TO CWU 1158-26. FUEL TRANSFERED 2244.
06:00		18.0	RIG RELEASED AT 18:00 HRS, 12/28/07. CASING POINT COST \$1,003,324

<b>01-08-2008</b>		<b>Reported By</b>		SEARLE							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$43,809		<b>Daily Total</b>		\$43,809	
<b>Cum Costs: Drilling</b>		\$893,504		<b>Completion</b>		\$203,284		<b>Well Total</b>		\$1,096,788	
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>			<b>PBTD : 9366.0</b>			<b>Perf :</b>			<b>PKR Depth : 0.0</b>		

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

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 500'. EST CEMENT TOP @ 1040'. RD SCHLUMBERGER.

01-13-2008 Reported By MCCURDY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$3,005	<b>Daily Total</b>	\$3,005						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$206,289	<b>Well Total</b>	\$1,099,793						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	14	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 9366.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: WO COMPLETION**

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

06-25-2008 Reported By RITA THOMAS

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$162,069	<b>Daily Total</b>	\$162,069						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$368,358	<b>Well Total</b>	\$1,261,862						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	15	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 9366.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: FACILITY COST**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FACILITY COST \$162,069

08-01-2008 Reported By HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$8,824	<b>Daily Total</b>	\$8,824						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$377,182	<b>Well Total</b>	\$1,270,686						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	16	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9366.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: PERF, BREAKDOWN STG 1.**

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SICP- 0 PSIG. MIRU EXCELL SERVICE UNIT. ND TREE, NU BOPE. RIH W/ BIT AND SCRAPER TO 9098'. CIRCULATED HOLE CLEAN. SDFN.

08-02-2008 Reported By HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$11,663	<b>Daily Total</b>	\$11,663						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$388,845	<b>Well Total</b>	\$1,282,349						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	17	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9366.0</b>			<b>Perf : 8950-9118</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time: SI TO RECORD PRESSURES**

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SICP 0 PSIG. POH. RU CUTTERS WL. PERFORATED LPR FROM 8950-51', 8953-54', 8957-58', 9100-01', 9109-12' AND 9117-18' @ 3 SPF & 1200 PHASING. RDWL. RIH W/HD PACKER AND SET @ 9020'. BROKE DOWN PERFS 8950-58' DOWN CSG @ 3000 PSIG. BROKE DOWN PERFS 9100-18' DOWN TBG @ 2800 PSIG. INSTALLED ELECTRONIC GUAGE. GUAGE WOULD NOT POWER UP. NEW GUAGE TO ARRIVE TOMORROW. SDFN.

08-03-2008 Reported By HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$3,380	<b>Daily Total</b>	\$3,380
------------------------------	-----	-------------------	---------	--------------------	---------

**Cum Costs: Drilling** \$893,504                      **Completion** \$392,225                      **Well Total** \$1,285,729  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 18    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 8950-9118**                      **PKR Depth : 0.0**

**Activity at Report Time: SI TO RECORD PRESSURES**

Start	End	Hrs	Activity Description
08:00	06:00	22.0	SITP 1690 PSIG. SICP 1740 PSIG. RU WIDESPREAD. PUMPED 1 BW DOWN TBG. ISIP 1990 PSIG. PUMPED 1 BW DOWN CSG. ISIP 2025 PSIG. SI FOR PRESSURE FALL-OFF TEST. RECORDED HOURLY PRESSURES FROM MECHANICAL GAUGES WHILE WAITING ON NEW ELECTRONIC GAUGE TO ARRIVE. SITP SICP
	8:15 AM		1990 PSIG (ISIP)                      2025 PSIG (ISIP)
	9:00 AM		1900                      1915
	10:00 AM		1845                      1885
	11:00 AM		1840                      1885
	12:00 PM		1840                      1880
1 PM - INSTALLED NEW ELECTRONIC GAUGE. SITP 1833 PSIG. SICP 1876 PSIG. RECORD PRESSURES OVER WEEKEND.			

08-05-2008                      **Reported By** HOOLEY

**DailyCosts: Drilling** \$0                      **Completion** \$74,946                      **Daily Total** \$74,946  
**Cum Costs: Drilling** \$893,504                      **Completion** \$467,171                      **Well Total** \$1,360,675  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 19    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 8742-9118**                      **PKR Depth : 0.0**

**Activity at Report Time: RIH W/PKR**

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SITP 1810 PSIG. SICP 1802 PSIG. BLEW DOWN. POH W/ PKR. RUWL. PERFORATED LPR FROM 8988-89', 8991-93' AND 9048-49' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4162 GAL WF120 PAD, 35696 GAL WF120 AND YF116ST+ WITH 86720# 20/40 SAND @ 1-4 PPG. MTP 6585 PSIG. MTR 50.6 BPM. ATP 5196 PSIG. ATR 46.4 BPM. ISIP 3000 PSIG. RD SCHLUMBERGER.  RUWL. SET 10K CBP @ 8905'. PERFORATED LPR FROM 8742-43', 8749-50', 8846-48' AND 8854-55' @ 3 SPF & 120°. RDWL. RIH W/HD PKR TO 740'. RIG TONGS BROKE DOWN. SDFN.

08-06-2008                      **Reported By** HOOLEY

**DailyCosts: Drilling** \$0                      **Completion** \$8,838                      **Daily Total** \$8,838  
**Cum Costs: Drilling** \$893,504                      **Completion** \$476,009                      **Well Total** \$1,369,513  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 20    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 8742-9118**                      **PKR Depth : 0.0**

**Activity at Report Time: SI FOR PRESSURE RECORDING**

Start	End	Hrs	Activity Description
06:00	14:30	8.5	SICP 200 PSIG. BLED OFF PRESSURE. WELL FLOWING. RIH W/PKR. CIRCULATED GAS FROM WELL. SET PKR @ 8798'. BROKE DOWN UPPER PERFS @ 4200 PSIG. BROKE DOWN LOWER PERFS @ 1900 PSIG. INSTALLED TEST GAUGE. SITP 1546 PSIG. SICP 2860 PSIG.

08-07-2008                      **Reported By** HOOLEY

**DailyCosts: Drilling** \$0                      **Completion** \$6,695                      **Daily Total** \$6,695  
**Cum Costs: Drilling** \$893,504                      **Completion** \$482,704                      **Well Total** \$1,376,208

MD 9,333 TVD 9,333 Progress 0 Days 21 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9366.0 Perf : 8742-9118 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SI FOR PRESSURE RECORDING. SITP 1822 PSIG. SICP 1849 PSIG.

08-08-2008 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$6,245	Daily Total	\$6,245
Cum Costs: Drilling	\$893,504	Completion	\$488,949	Well Total	\$1,382,453

MD 9,333 TVD 9,333 Progress 0 Days 22 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9366.0 Perf : 8742-9118 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES. PREP TO FRAC.

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SI TO RECORD PRESSURES. SITP 2011 PSIG. SICP 1789 PSIG.

08-09-2008 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$74,052	Daily Total	\$74,052
Cum Costs: Drilling	\$893,504	Completion	\$563,001	Well Total	\$1,456,505

MD 9,333 TVD 9,333 Progress 0 Days 23 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9366.0 Perf : 8493-9118 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SITP 2166 PSIG. SICP 1758 PSIG. BLED OFF PRESSURE. WELL FLOWING. CIRCULATED GAS OUT. POH W/PKR. RUWL. PERFORATED REMAINING LPR FROM 8768-69', 8776-77', 8782-83', 8787-88', 8805-06', 8826-27' AND 8893-94' @ 3 SPF AND 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4151 GAL WF120 PAD, 36547 GAL WF120 & YF116ST+ WITH 86240# 20/40 SAND @ 1-4 PPG. MTP 6676 PSIG. MTR 50.7 BPM. ATP 5546 PSIG. ATR 46.3 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP @ 8705'. PERFORATED MPR FROM 8493-94', 8498-99', 8652-53', 8659-60' AND 8666-67' @ 3 SPF AND 120° PHASING. RDWL. RIH W/HD PKR AND SET AT 8540'. BROKE DOWN UPPER PERFS @ 4200 PSIG. BROKE DOWN LOWER PERFS @ 2800 PSIG. INSTALLED TEST GAUGE. SITP 2092 PSIG. SICP 3154 PSIG. SI TO RECORD PRESSURES.

08-12-2008 Reported By HOOLEY

Daily Costs: Drilling	\$0	Completion	\$76,763	Daily Total	\$76,763
Cum Costs: Drilling	\$893,504	Completion	\$639,764	Well Total	\$1,533,268

MD 9,333 TVD 9,333 Progress 0 Days 24 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTB : 9366.0 Perf : 8281-9118 PKR Depth : 0.0

Activity at Report Time: RIH W/PKR

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SITP 1913 PSIG. SICP 2090 PSIG. BLED OFF PRESSURES. POH W/ PACKER. RUWL. PERFORATED REMAINING MPR FROM 8465-66', 8517-18', 8561-62', 8619-20', 8682-83' AND 8692-93' @ 3 SPF AND 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5185 GAL WF120 PAD, 46853 GAL WF120 & YF116ST+ WITH 96242# 20/40 SAND @ 1-3 PPG. MTP 6522 PSIG. MTR 52.2 BPM. ATP 5963 PSIG. ATR 47.5 BPM. ISIP 3300 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP @ 8425'. RDWL. ND DAMAGED BOP. NU NEW BOP. RUWL. PERFORATED MPR FROM 8281-82', 8287-88', 8300-01', 8307-08', 8397-98' AND 8404-05' @ 3 SPF AND 120° PHASING. RDWL. RIH W/HD PKR TO 8000'. SDFN.

08-13-2008      Reported By      HOOLEY

Daily Costs: Drilling	\$0	Completion	\$18,137	Daily Total	\$18,137						
Cum Costs: Drilling	\$893,504	Completion	\$657,901	Well Total	\$1,551,405						
MD	9,333	TVD	9,333	Progress	0	Days	25	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBTD : 9366.0	Perf : 8281-9118	PKR Depth : 0.0								

Activity at Report Time: SI TO RECORD PRESSURES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 0 PSIG. RIH W/HD PKR AND SET AT 8349'. BROKE DOWN UPPER PERFS @ 2450 PSIG. BROKE DOWN LOWER PERFS @ 2650 PSIG. INSTALLED TEST GAUGE. SITP 2123 PSIG. SICP 1975 PSIG. SI TO RECORD PRESSURES.

08-14-2008      Reported By      HOOLEY

Daily Costs: Drilling	\$0	Completion	\$6,245	Daily Total	\$6,245						
Cum Costs: Drilling	\$893,504	Completion	\$664,146	Well Total	\$1,557,650						
MD	9,333	TVD	9,333	Progress	0	Days	26	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBTD : 9366.0	Perf : 8281-9118	PKR Depth : 0.0								

Activity at Report Time: SI TO RECORD PRESSURES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SI TO RECORD PRESSURES. SITP 1987 PSIG. SICP 1747 PSIG.

08-15-2008      Reported By      HOOLEY

Daily Costs: Drilling	\$0	Completion	\$7,514	Daily Total	\$7,514						
Cum Costs: Drilling	\$893,504	Completion	\$671,660	Well Total	\$1,565,164						
MD	9,333	TVD	9,333	Progress	0	Days	27	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBTD : 9366.0	Perf : 8209-9118	PKR Depth : 0.0								

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SITP 1928 PSIG. SICP 1711 PSIG. BLED OFF PRESSURES. POH W/PKR. RUWL. PERFORATED REMAINING MPR FROM 8209-10', 8225-26', 8240-41', 8256-57', 8263-64' AND 8377-78' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. SDFN.

08-16-2008      Reported By      HOOLEY

Daily Costs: Drilling	\$0	Completion	\$87,564	Daily Total	\$87,564						
Cum Costs: Drilling	\$893,504	Completion	\$759,224	Well Total	\$1,652,728						
MD	9,333	TVD	9,333	Progress	0	Days	28	MW	0.0	Visc	0.0
Formation : MESAVERDE	PBTD : 9366.0	Perf : 8039-9118	PKR Depth : 0.0								

Activity at Report Time: SHUT IN F/ STG 5 PRESSURE FALL-OFF TEST.

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP- 1800 PSIG. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4164 GAL WF120 PAD, 53712 GAL WF120 & YF116ST+ WITH 137300# 20/40 SAND @ 1-4 PPG. MTP 6696 PSIG. MTR 51.6 BPM. ATP 5387 PSIG. ATR 47.5 BPM. ISIP 3380 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP @ 8160'. PERFORATED MPR FROM 8039-41', 8089-90', 8099-8100' AND 8104-05' @ 3 SPF AND 120 DEG PHASING. RDWL. BLED OFF PRESSURE- WELL FLOWING. RIH W/ HD PKR AND SET AT 8059' (LOWER PERFS FLOWING). BROKE UPPER PERFS @ 2100 PSIG. BROKE LOWER PERFS @ 2000 PSIG. INSTALLED TEST GAUGE. TBG IP- 1956 PSIG. CSG IP- 1999 PSIG. SHUT FOR STG 5 PRESSURE FALL-OFF TEST TILL 8/18.

08-19-2008      Reported By      HOOLEY

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$53,740	<b>Daily Total</b>	\$53,740						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$812,964	<b>Well Total</b>	\$1,706,468						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	29	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9366.0</b>		<b>Perf : 8039-9118</b>		<b>PKR Depth : 0.0</b>					

Activity at Report Time: PREP TO FISH PERF GUN

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SITP 1665 PSIG. SITP 1664 PSIG. BLEW WELL DOWN. POH W/PKR. RUWL. PERFORATED REMAINING MPR FROM 8053-54', 8061-62', 8074-75', 8079-80', 8129-30' AND 8143-45' @ 3 SPF & 120° PHASING. RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4188 GAL DELTA 200 PAD, 55508 GAL DELTA 200 WITH 143000# 20/40 SAND @ 1-4 PPG. MTP 5126 PSIG. MTR 52.2 BPM. ATP 4087 PSIG. ATR 52.1 BPM. ISIP 2636 PSIG. RD HALLIBURTON.

RUWL. SET 10K CBP @ 8002'. COULD NOT SHEAR OFF PLUG. PULLED OUT OF ROPE SOCKET. RDWL. BLED OFF PRESSURE. SDFN.

08-20-2008      Reported By      HOOLEY

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$21,252	<b>Daily Total</b>	\$21,252						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$834,216	<b>Well Total</b>	\$1,727,720						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	30	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9366.0</b>		<b>Perf : 8039-9118</b>		<b>PKR Depth : 0.0</b>					

Activity at Report Time: CLEAN OUT TO TOP OF FISH

Start	End	Hrs	Activity Description
06:00	19:30	13.5	SICP 0 PSIG. RIH W/3-1/8" OVERSHOT, BUMPER SUB AND JARS TO TAG AT 7899' (TOP OF FISH @ 7980'). ATTEMPTED TO CIRCULATE. TBG PLUGGED. POH. HAD SAND IN OVERSHOT. RIH W/22' 3-3/4" WASH PIPE AND JARS. WASHED SAND FROM 7899' TO 7931'. RECOVERED HEAVY GELLED FLUID W/SAND. POH TO 7200'. SDFN.

08-21-2008      Reported By      HOOLEY

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$15,986	<b>Daily Total</b>	\$15,986						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$850,202	<b>Well Total</b>	\$1,743,706						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	31	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9366.0</b>		<b>Perf : 8039-9118</b>		<b>PKR Depth : 0.0</b>					

Activity at Report Time: PREP TO PERF

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SICP 0 PSIG. RIH TO TAG AT 7931'. WASHED SAND TO TOP OF FISH AT 7980'. WASHED OVER FISH TO 7985'. COULD NOT GET DEEPER. POH. RIH W/3-1/8" OVERSHOT, BUMPER SUB AND JARS. LATCHED ON TO FISH. JARRED FREE AFTER 22 HITS @ 65K. POH. RECOVERED FISH. SDFN.

08-22-2008      Reported By      HOOLEY

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$18,924	<b>Daily Total</b>	\$18,924						
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$869,126	<b>Well Total</b>	\$1,762,630						
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	32	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9366.0</b>		<b>Perf : 7870-9118</b>		<b>PKR Depth : 0.0</b>					

Activity at Report Time: SI TO RECORD PRESSURES

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

06:00 06:00 24.0 SICP 0 PSIG. RUWL. PERFORATED MPR/UPR FROM 7870-71', 7875-76', 7882-83' AND 7986-89' @ 3 SPF AND 120° PHASING (MOVED BTM 3 PERF SETS UP HOLE- CBP SET HIGH). RDWL. RIH W/HD PKR AND SET AT 7940'. BROKE DOWN UPPER PERFS @ 1800 PSIG. BROKE DOWN LOWER PERFS @ 2450 PSIG. SITP 1621 PSIG. SICP 1215 PSIG.

08-23-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$6,780 Daily Total \$6,780  
 Cum Costs: Drilling \$893,504 Completion \$875,906 Well Total \$1,769,410  
 MD 9,333 TVD 9,333 Progress 0 Days 33 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 9366.0 Perf : 7870-9118 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start End Hrs Activity Description  
 06:00 06:00 24.0 SITP 1568 PSIG. SICP 1141 PSIG.

08-24-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$57,117 Daily Total \$57,117  
 Cum Costs: Drilling \$893,504 Completion \$933,023 Well Total \$1,826,527  
 MD 9,333 TVD 9,333 Progress 0 Days 34 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 9366.0 Perf : 7870-9118 PKR Depth : 0.0

Activity at Report Time: POH

Start End Hrs Activity Description  
 06:00 19:30 13.5 SITP 1534 PSIG. SICP 1041 PSIG. BLEW WELL DOWN.. POH W/ PKR. RUWL. PERFORATED REMAINING MPR/UPR FROM 7923-24', 7935-36', 7948-49', 7953-54', 7957-58' AND 7967-68' @ 3 SPF AND 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4157 GAL WATER FRAC LINEAR PAD, 52268 GAL WATER FRAC LINEAR & DELTA FRAC 200 XL WITH 122757# 20/40 SAND @ 1-4 PPG. MTP 6405 PSIG. MTR 49.9 BPM. ATP 4358 PSIG. ATR 45.2 BPM. ISIP 2603 PSIG. RD HALLIBURTON.

RUWL. SET 10K CBP @ 7780'. COULD NOT SHEAR OFF PLUG. PULLED OUT OF ROPE SOCKET. RDWL. TOF @ 7762' WL DEPTH. RIH W/22' 3-3/4" WASH PIPE AND 3-1/8" JARS. WASHED OVER FISH TO 7765' TBG DEPTH. CIRCULATED HOLE CLEAN. NO SAND. POH TO 7100'. SDFN.

08-26-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$15,434 Daily Total \$15,434  
 Cum Costs: Drilling \$893,504 Completion \$948,457 Well Total \$1,841,961  
 MD 9,333 TVD 9,333 Progress 0 Days 35 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 9366.0 Perf : 7604 - 9118 PKR Depth : 0.0

Activity at Report Time: RIH W/PACKER

Start End Hrs Activity Description  
 06:00 18:00 12.0 SICP 0 PSIG. RIH. WASHED OVER FISH. NO SAND. POH. RIH W/3-1/8" OVERSHOT, BUMPER SUB AND JARS. LATCHED FISH. JARRED FREE AT 67K. POH. RECOVERED FISH. RUWL. PERFORATED REMAINING UPR FROM 7604-05', 7608-09', 7709-10', 7716-17' AND 7722-23' @ 3 SPF & 120± PHASING. RDWL. SDFN.

08-27-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$18,258 Daily Total \$18,258  
 Cum Costs: Drilling \$893,504 Completion \$966,715 Well Total \$1,860,219  
 MD 9,333 TVD 9,333 Progress 0 Days 36 MW 0.0 Visc 0.0  
 Formation : MESAVERDE PBTD : 9366.0 Perf : 7604 - 9118 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 0 PSIG. RIH W/HD PKR AND SET AT 7642'. BROKE DOWN UPPER PREFS @ 2450 PSIG. BROKE LOWER PERFS @ 3000 PSIG. INSTALLED TEST GAUGE. SITP 2044 PSIG. SICP 1951 PSIG. SI TO RECORD PRESSURES.

08-28-2008      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$12,200	<b>Daily Total</b>	\$12,200
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$978,915	<b>Well Total</b>	\$1,872,419

<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	37	<b>MW</b>	0.0	<b>Visc</b>	0.0
-----------	-------	------------	-------	-----------------	---	-------------	----	-----------	-----	-------------	-----

**Formation :** MESAVERDE      **PBTD :** 9366.0      **Perf :** 7604 - 9118      **PKR Depth :** 0.0

**Activity at Report Time:** SI TO RECORD PRESSURES

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

06:00	06:00	24.0	SITP 720 PSIG. SICP 647 PSIG.
-------	-------	------	-------------------------------

08-29-2008      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$6,780	<b>Daily Total</b>	\$6,780
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$985,695	<b>Well Total</b>	\$1,879,199

<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	38	<b>MW</b>	0.0	<b>Visc</b>	0.0
-----------	-------	------------	-------	-----------------	---	-------------	----	-----------	-----	-------------	-----

**Formation :** MESAVERDE      **PBTD :** 9366.0      **Perf :** 7604 - 9118      **PKR Depth :** 0.0

**Activity at Report Time:** SI TO RECORD PRESSURES

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

06:00	06:00	24.0	SITP 724 PSIG. SICP 609 PSIG.
-------	-------	------	-------------------------------

08-31-2008      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$72,642	<b>Daily Total</b>	\$72,642
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$1,058,337	<b>Well Total</b>	\$1,951,841

<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	40	<b>MW</b>	0.0	<b>Visc</b>	0.0
-----------	-------	------------	-------	-----------------	---	-------------	----	-----------	-----	-------------	-----

**Formation :** MESAVERDE      **PBTD :** 9366.0      **Perf :** 7604 - 9118      **PKR Depth :** 0.0

**Activity at Report Time:** SI TO RECORD PRESSURES

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

06:00	06:00	24.0	RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 1160 GAL WATER FRAC 200 LINEAR PAD, 50048 GAL WATER FRAC 200 LINEAR & DELTA FRAC 200 XL WITH 129,100# 20/40 SAND @ 1-4 PPG. MTP 6616 PSIG. MTR 54.7 BPM. ATP 4483 PSIG. ATR 47.7 BPM. ISIP 2296 PSIG. RD HALLIBURTON.
-------	-------	------	--

RUWL. SET 10K CBP @ 7580'. PERFORATED UPR FROM 7342-43', 7348-49', 7418-19' AND 7424-25' @ 3 SPF AND 120° PHASING. RDWL. RIH W/HD PKR AND SET AT 7386'. BROKE DOWN UPPER PERFS @ 3000 PSIG. BROKE DOWN LOWER PERFS @ 5100 PSIG. INSTALLED TEST GAUGE. SITP 1940 PSIG. SICP 2109 PSIG. SI TO RECORD PRESSURE.

09-01-2008      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,780	<b>Daily Total</b>	\$2,780
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$1,061,117	<b>Well Total</b>	\$1,954,621

<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0	<b>Days</b>	41	<b>MW</b>	0.0	<b>Visc</b>	0.0
-----------	-------	------------	-------	-----------------	---	-------------	----	-----------	-----	-------------	-----

**Formation :** MESAVERDE      **PBTD :** 9366.0      **Perf :** 7604 - 9118      **PKR Depth :** 0.0

**Activity at Report Time:** SI TO RECORD PRESSURES

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

06:00	06:00	24.0	SITP 1817 PSIG. SICP 1668 PSIG.
-------	-------	------	---------------------------------

09-02-2008      Reported By      HOOLEY

**Daily Costs: Drilling** \$0 **Completion** \$79,672 **Daily Total** \$79,672  
**Cum Costs: Drilling** \$893,504 **Completion** \$1,140,789 **Well Total** \$2,034,293  
**MD** 9,333 **TVD** 9,333 **Progress** 0 **Days** 42 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 9366.0** **Perf : 7079 - 9118** **PKR Depth : 0.0**

**Activity at Report Time:** SI TO RECORD PRESSURES

**Start** **End** **Hrs** **Activity Description**  
 06:00 06:00 24.0 SITP 1591 PSIG. SICP 1501 PSIG. BLEW WELL DOWN. POH W/PKR. RUWL. PERFORATED REMAINING UPR FROM 7359-60', 7394-95', 7398-99', 7462-63', 7467-68', 7511-12', 7536-37' AND 7558-59' @ 3 SPF AND 120° PHASING. RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 6497 GAL WATER FRAC 200 LINEAR PAD, 58011 GAL WATER FRAC 200 LINEAR & DELTA FRAC 200 XL WITH 152000# 20/40 SAND @ 1-4 PPG. MTP 6349 PSIG. MTR 51.2 BPM. ATP 4088 PSIG. ATR 48.7 BPM. ISIP 2447 PSIG. RD HALLIBURTON.  
  
 RUWL. SET 10K CBP @ 7320'. PERFORATED UPR FROM 7079-80', 7082-83', 7087-88', 7095-96', 7239-40', 7243-44' AND 7247-48' @ 3 SPF AND 120 DEG PHASING. RDWL. RIH W/HD PKR AND SET AT 7162'. BROKE DOWN UPPER PERFS @ 1800 PSIG. BROKE DOWN LOWER PERFS @ 2600 PSIG. INSTALLED TEST GAUGE. SITP 1993 PSIG. SICP 1030 PSIG.

**09-03-2008** **Reported By** HOOLEY

**Daily Costs: Drilling** \$0 **Completion** \$6,780 **Daily Total** \$6,780  
**Cum Costs: Drilling** \$893,504 **Completion** \$1,147,569 **Well Total** \$2,041,073  
**MD** 9,333 **TVD** 9,333 **Progress** 0 **Days** 43 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 9366.0** **Perf : 7079 - 9118** **PKR Depth : 0.0**

**Activity at Report Time:** SHUT IN F/STG 9 PRESSURE FALL-OFF TEST.

**Start** **End** **Hrs** **Activity Description**  
 06:00 06:00 24.0 TP- 1704 PSIG. CP- 385 PSIG. SHUT IN FOR STG 9 PRESSURE FALL-OFF TEST.

**09-04-2008** **Reported By** HOOLEY

**Daily Costs: Drilling** \$0 **Completion** \$6,780 **Daily Total** \$6,780  
**Cum Costs: Drilling** \$893,504 **Completion** \$1,154,349 **Well Total** \$2,047,853  
**MD** 9,333 **TVD** 9,333 **Progress** 0 **Days** 44 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 9366.0** **Perf : 7079 - 9118** **PKR Depth : 0.0**

**Activity at Report Time:** SI TO RECORD PRESSURES

**Start** **End** **Hrs** **Activity Description**  
 06:00 06:00 24.0 SITP 1484 PSIG. SICP 291 PSIG.

**09-05-2008** **Reported By** HOOLEY

**Daily Costs: Drilling** \$0 **Completion** \$13,455 **Daily Total** \$13,455  
**Cum Costs: Drilling** \$893,504 **Completion** \$1,167,804 **Well Total** \$2,061,308  
**MD** 9,333 **TVD** 9,333 **Progress** 0 **Days** 45 **MW** 0.0 **Visc** 0.0  
**Formation : MESAVERDE** **PBTD : 9366.0** **Perf : 7079 - 9118** **PKR Depth : 0.0**

**Activity at Report Time:** PREP TO FRAC

**Start** **End** **Hrs** **Activity Description**  
 06:00 15:00 9.0 SITP 1360 PSIG. SICP 247 PSIG. BLEW WELL DOWN. POH W/PKR. RUWL. PERFORATED REMAINING UPR FROM 7135-36', 7201-02', 7289-91' AND 7296-97' @ 3 SPF AND 120° PHASING. RDWL. SDFN.

**09-06-2008** **Reported By** HOOLEY

**Daily Costs: Drilling** \$0 **Completion** \$62,450 **Daily Total** \$62,450

**Cum Costs: Drilling** \$893,504                      **Completion** \$1,230,254                      **Well Total** \$2,123,758  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 46    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 7079 - 9118**                      **PKR Depth : 0.0**

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

Start	End	Hrs	Activity Description
06:00	15:30	9.5	SICP 1200 PSIG. RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4998 GAL WATER FRAC 200 LINEAR PAD, 49429 GAL WATER FRAC 200 LINEAR & DELTA FRAC 200 XL WITH 117200# 20/40 SAND @ 1-4 PPG. MTP 5279 PSIG. MTR 51.2 BPM. ATP 4292 PSIG. ATR 47.7 BPM. ISIP 2715 PSIG. RD HALLIBURTON.

RUWL. SET 10K CBP @ 7024'. COULD NOT BLEED OFF PRESSURE. WAITED ON NEW CBP. SET 2ND 10K CBP @ 7000'. BLED OFF PRESSURE. RDWL.

RIH W/BIT. PUMP-OFF SUB AND XN NIPPLE TO CBP. RIGGED UP POWER SWIVEL. READY TO CLEAN OUT 9/8/08. SDFW.

**09-09-2008**                      **Reported By** HOOLEY

**Daily Costs: Drilling** \$0                      **Completion** \$14,470                      **Daily Total** \$14,470  
**Cum Costs: Drilling** \$893,504                      **Completion** \$1,244,724                      **Well Total** \$2,138,228  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 47    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 7079 - 9118**                      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TEST

Start	End	Hrs	Activity Description
06:00	21:00	15.0	SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 7000', 7024', 7320', 7580', 7780', 8002', 8160', 8425', 8705' AND 8905'. RIH. CLEANED OUT TO PBTD @ 9340'. POH ABOVE PERFS. SDFN.

**09-10-2008**                      **Reported By** HOOLEY

**Daily Costs: Drilling** \$0                      **Completion** \$7,702                      **Daily Total** \$7,702  
**Cum Costs: Drilling** \$893,504                      **Completion** \$1,252,426                      **Well Total** \$2,145,930  
**MD** 9,333    **TVD** 9,333    **Progress** 0    **Days** 48    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**                      **PBTD : 9366.0**                      **Perf : 7079 - 9118**                      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 2500 PSIG. BLEW WELL DOWN. CIRCULATED W/TFW. FCP 1200 PSIG. RIH TO PBTD. LANDED TBG @ 7786' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 20 HRS. 24/64" CHOKE. FTP 1300 PSIG. CP 2400 PSIG. 72 BFPH. RECOVERED 928 BLW. 10546 BLWTR.

TUBING DETAIL    LENGTH

PUMP OFF SUB    1.00'  
 1 JT 2-3/8" 4.7# N-80 TBG    31.80'  
 XN NIPPLE    1.10'  
 241 JTS 2-3/8" 4.7# N-80 TBG    7738.79'  
 BELOW KB    13.00'  
 LANDED @    7785.69' KB

**09-11-2008**                      **Reported By** HOOLEY/ DUANE COOK

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,725	<b>Daily Total</b>	\$2,725
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$1,255,151	<b>Well Total</b>	\$2,148,655
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0
		<b>Days</b>	49	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9366.0</b>	<b>Perf : 7079 - 9118</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FLOW TEST TO SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	INITIAL PRODUCTION- OPENING PRESSURE: TP 1200 PSIG & CP 2400 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 13:00 HRS, 09/10/08. FLOWED 1650 MCFD RATE ON 24/64" CHOKE. STATIC 250. QGM METER #7657.

INSTALLED BRECO TEST UNIT. FLOWED 24 HRS. 24/64" CHOKE. FTP 1100 PSIG. CP 2300 PSIG. 50 BFPH. RECOVERED 1201 BLW. 9345 BLWTR. 1315 MCFD RATE.

09-12-2008      Reported By      HOOLEY

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,725	<b>Daily Total</b>	\$2,725
<b>Cum Costs: Drilling</b>	\$893,504	<b>Completion</b>	\$1,257,876	<b>Well Total</b>	\$2,151,380
<b>MD</b>	9,333	<b>TVD</b>	9,333	<b>Progress</b>	0
		<b>Days</b>	50	<b>MW</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9366.0</b>	<b>Perf : 7079 - 9118</b>		<b>PKR Depth : 0.0</b>	

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64 CHOKE. FTP 950 PSIG. CP 2000 PSIG. 36 BFPH. RECOVERED 1028 BLW. 8317 BLWTR. 1365 MCFD TO SALES.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU0282

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion  New Well  Work Over  Deepen  Plug Back  Diff. Resvr.  
 Other \_\_\_\_\_

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
CHAPITA WELLS UNI

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

8. Lease Name and Well No.  
CHAPITA WELLS UNIT 1043-23

3. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202  
 3a. Phone No. (include area code) Ph: 303-824-5526

9. API Well No.  
43-047-37877

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface SWSW 597FSL 1040FWL 40.01588 N Lat, 109.41298 W Lon  
 At top prod interval reported below SWSW 597FSL 1040FWL 40.01588 N Lat, 109.41298 W Lon  
 At total depth SWSW 597FSL 1040FWL 40.01588 N Lat, 109.41298 W Lon

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

11. Sec., T., R., M., or Block and Survey  
or Area Sec 23 T9S R22E Mer SLB

12. County or Parish  
UINTAH 13. State  
UT

14. Date Spudded 11/01/2007  
 15. Date T.D. Reached 12/27/2007  
 16. Date Completed  D & A  Ready to Prod. 09/10/2008

17. Elevations (DF, KB, RT, GL)\*  
4958 GL

18. Total Depth: MD 9425 TVD  
 19. Plug Back T.D.: MD 9366 TVD  
 20. Depth Bridge Plug Set: MD TVD

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

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
12.250	9.625 J-55	36.0	0	2429		680		0	
7.875	4.500 N-80	11.6	0	9408		1900		1040	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7786							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7079	9118	8950 TO 9118		3	
B)			8742 TO 8894		3	
C)			8465 TO 8693		3	
D)			8209 TO 8405		3	

26. Perforation Record *7079*

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7079	9118	8950 TO 9118		3	
B)			8742 TO 8894		3	
C)			8465 TO 8693		3	
D)			8209 TO 8405		3	

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

Depth Interval	Amount and Type of Material
8950 TO 9118	40,023 GALS GELLED WATER & 86,720# 20/40 SAND
8742 TO 8894	40,863 GALS GELLED WATER & 86,240# 20/40 SAND
8465 TO 8693	52,203 GALS GELLED WATER & 96,242# 20/40 SAND
8209 TO 8405	58,041 GALS GELLED WATER & 137,300# 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
09/10/2008	09/21/2008	24		16.0	489.0	157.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Pwng.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
14/64"	1000 SI	1500.0		16	489	157		PGW	

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. Pwng.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI								

RECEIVED

(See Instructions and spaces for additional data on reverse side)  
 ELECTRONIC SUBMISSION #63941 VERIFIED BY THE BLM WELL INFORMATION SYSTEM  
 \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OCT 21 2008

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
MESAVERDE	7079	9118		GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER	1664 2280 4537 4649 5236 5915 7067 7893

32. Additional remarks (include plugging procedure):  
Please see the attached sheet for detailed perforation and additional formation marker information.

33. Circle enclosed attachments:

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

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

**Electronic Submission #63941 Verified by the BLM Well Information System.  
For EOG RESOURCES, INC., sent to the Vernal**

Name (please print) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



Date 10/16/2008

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.

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***

**Chapita Wells Unit 1043-23 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8039-8145	3/spf
7870-7989	3/spf
7604-7766	3/spf
7342-7559	3/spf
7079-7297	3/spf

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

8039-8145	59,861 GALS GELLED WATER & 143,000# 20/40 SAND
7870-7989	56,590 GALS GELLED WATER & 122,757# 20/40 SAND
7604-7766	51,373 GALS GELLED WATER & 129,100# 20/40 SAND
7342-7559	64,673 GALS GELLED WATER & 152,000# 20/40 SAND
7079-7297	54,592 GALS GELLED WATER & 117,200# 20/40 SAND

Perforated the Lower Price River from 8950-51', 8953-54', 8957-58', 8988-89', 8991-93', 9048-49', 9100-01', 9109-12', 9117-18' w/ 3 spf.

Perforated the Lower Price River from 8742-43', 8749-50', 8768-69', 8776-77', 8782-83', 8787-88', 8805-06', 8826-27', 8846-48', 8854-55', 8893-94' w/ 3 spf.

Perforated the Middle Price River from 8465-66', 8493-94', 8498-99', 8517-18', 8561-62', 8619-20', 8652-53', 8659-60', 8666-67', 8682-83', 8692-93' w/ 3 spf.

Perforated the Middle Price River from 8209-10', 8225-26', 8240-41', 8256-57', 8263-64', 8281-82', 8287-88', 8300-01', 8307-08', 8377-78', 8397-98', 8404-05' w/ 3 spf.

Perforated the Middle Price River from 8039-41', 8053-54', 8061-62', 8074-75', 8079-80', 8089-90', 8099-8100', 8104-05', 8129-30', 8143-45' w/ 3 spf.

Perforated the Middle/Upper Price River from 7870-71', 7875-76', 7882-83', 7923-24', 7935-36', 7948-49', 7953-54', 7957-58', 7967-68', 7986-89' w/ 3 spf.

Perforated the Upper Price River from 7604-05', 7608-09', 7616-17', 7634-35', 7641-42', 7683-84', 7709-10', 7716-17', 7722-23', 7751-52', 7755-56', 7765-66' w/ 3 spf.

Perforated the Upper Price River from 7342-43', 7348-49', 7359-60', 7394-95', 7398-99', 7418-19', 7424-25', 7462-63', 7467-68', 7511-12', 7536-37', 7558-59' w/ 3 spf.

Perforated the Upper Price River from 7079-80', 7082-83', 7087-88', 7095-96', 7135-36', 7201-02', 7239-40', 7243-44', 7247-48', 7289-91', 7296-97' w/ 3 spf.

**32. FORMATION (LOG) MARKERS**

Lower Price River	8698
Sego	9197

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 1043-23

API number: 4304737877

Well Location: QQ SWSW Section 23 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: PRO PETRO

Address: PO BOX 870

city VERNAL state UT zip 84078

Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1,410	1,415	NO FLOW	NOT KNOWN
1,695	1,710	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 10/16/2008