

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

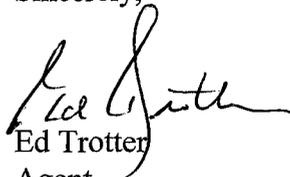
RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: U-0285-A
FEDERAL LANDS

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

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

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

Sincerely,


Ed Trotter
Agent
EOG Resources, Inc.

Attachments

RECEIVED
MAR 06 2006

DIV. OF OIL, GAS & MINING

CWU 1079-25 B

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
U-0285-A

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 1079-25

9. API Well No.
43047-37879

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

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 **1321' FSL, 1643' FWL**
At proposed prod. Zone
**637328X 40.003443
4429169Y NE/SW
-109.391182**

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

15. Distance from proposed* location to nearest property or lease line, ft. **1'**
(Also to nearest drig. Unit line, if any)
16. No. of Acres in lease
1800

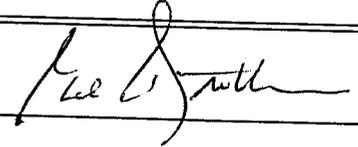
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C
9120'
17. Spacing Unit dedicated to this well
UINTAH UTAH

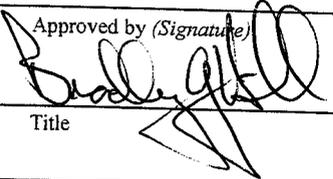
21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5058.8 FEET GRADED GROUND
22. Approximate date work will start*
UPON APPROVAL

23. Esti mated duration
45 DAYS
24. Attachments

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

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

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **February 24, 2006**
Title **Agent**

Approved by (Signature)  Name (Printed/Typed) **BRADLEY G. HILL** Date **03-13-06**
Title **ENVIRONMENTAL MANAGER** Office

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

RECEIVED
MAR 06 2006

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)

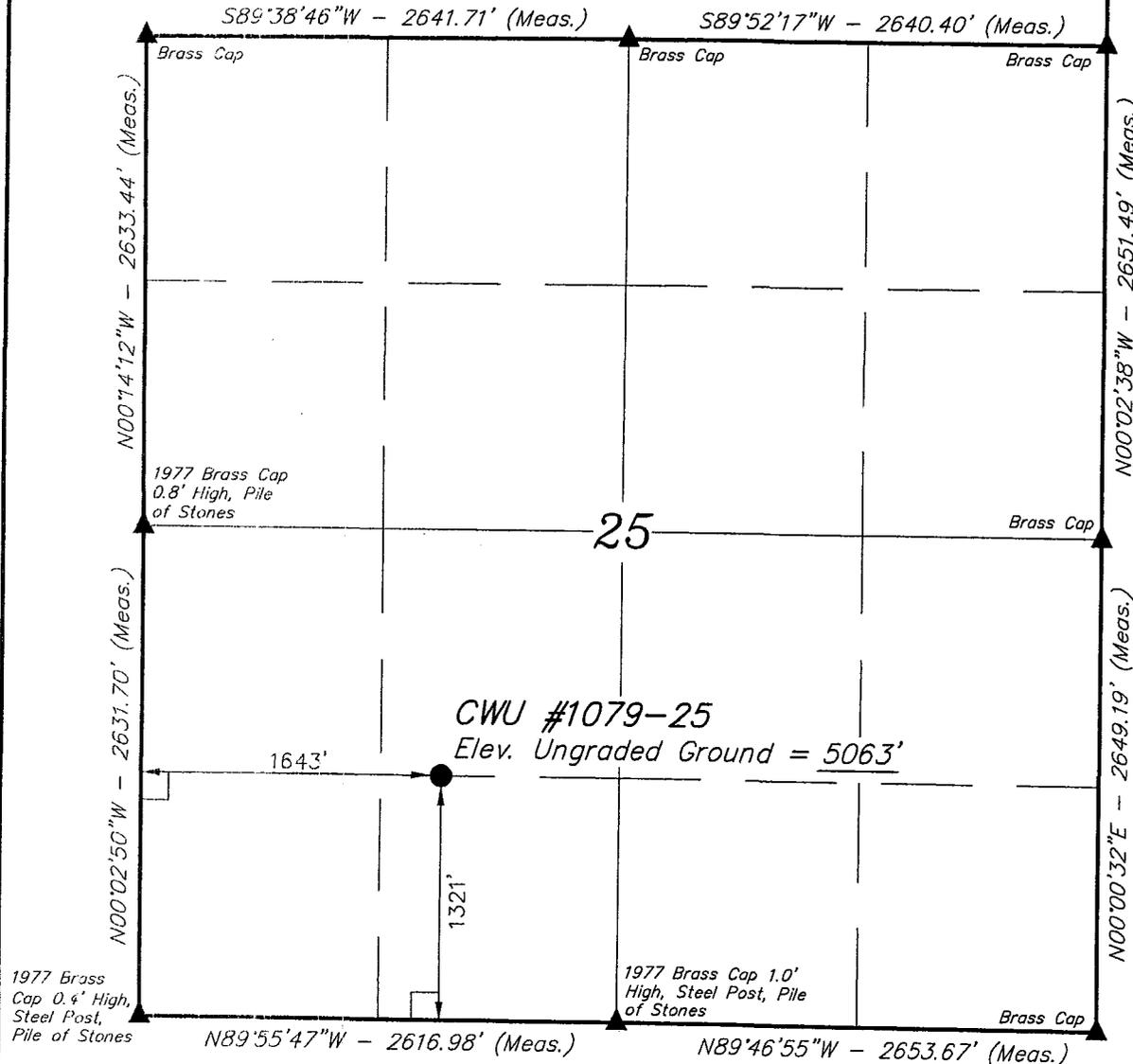
**Federal Approval of this
Action is Necessary**

DIV. OF OIL, GAS & MINING

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

R
22
E

R
23
E



EOG RESOURCES, INC.

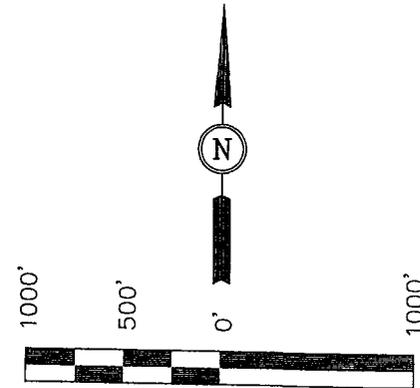
Well location, CWU #1079-25, located as shown in the NE 1/4 SW 1/4 of Section 25, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



SCALE
CERTIFICATE

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

John J. Han
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 40°00'12.25" (40.003403)
LONGITUDE = 109°23'30.73" (109.391869)

(NAD 27)

LATITUDE = 40°00'12.37" (40.003436)
LONGITUDE = 109°23'28.28" (109.391189)

| | | |
|-------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 07-21-05 | DATE DRAWN: 07-22-05 |
| PARTY T.B. B.C. P.M. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN
CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River FM | 1,490' |
| Wasatch | 4,527' |
| North Horn | 6,474' |
| Island | 6,668' |
| KMV Price River | 6,760' |
| KMV Price River Middle | 7,677' |
| KMV Price River Lower | 8,454' |
| Sego | 8,917' |

Estimated TD: **9,120' or 200'± below Sego top**

Anticipated BHP: 4,980 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
 BOP schematic diagrams attached.

4. CASING PROGRAM:

| | <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|--------------------|------------------|-----------------|-------------|---------------|--------------|---------------|----------------------|--------------|----------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| Conductor: | 17 ½" | 0' – 45' | 13 ⅝" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12-1/4" | 45' – 2,300'KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production: | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

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

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

EIGHT POINT PLAN
CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

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

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 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% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

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

EIGHT POINT PLAN
CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

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

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

Production Hole Procedure (2300'± - TD)

Lead: 127 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 884 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 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:

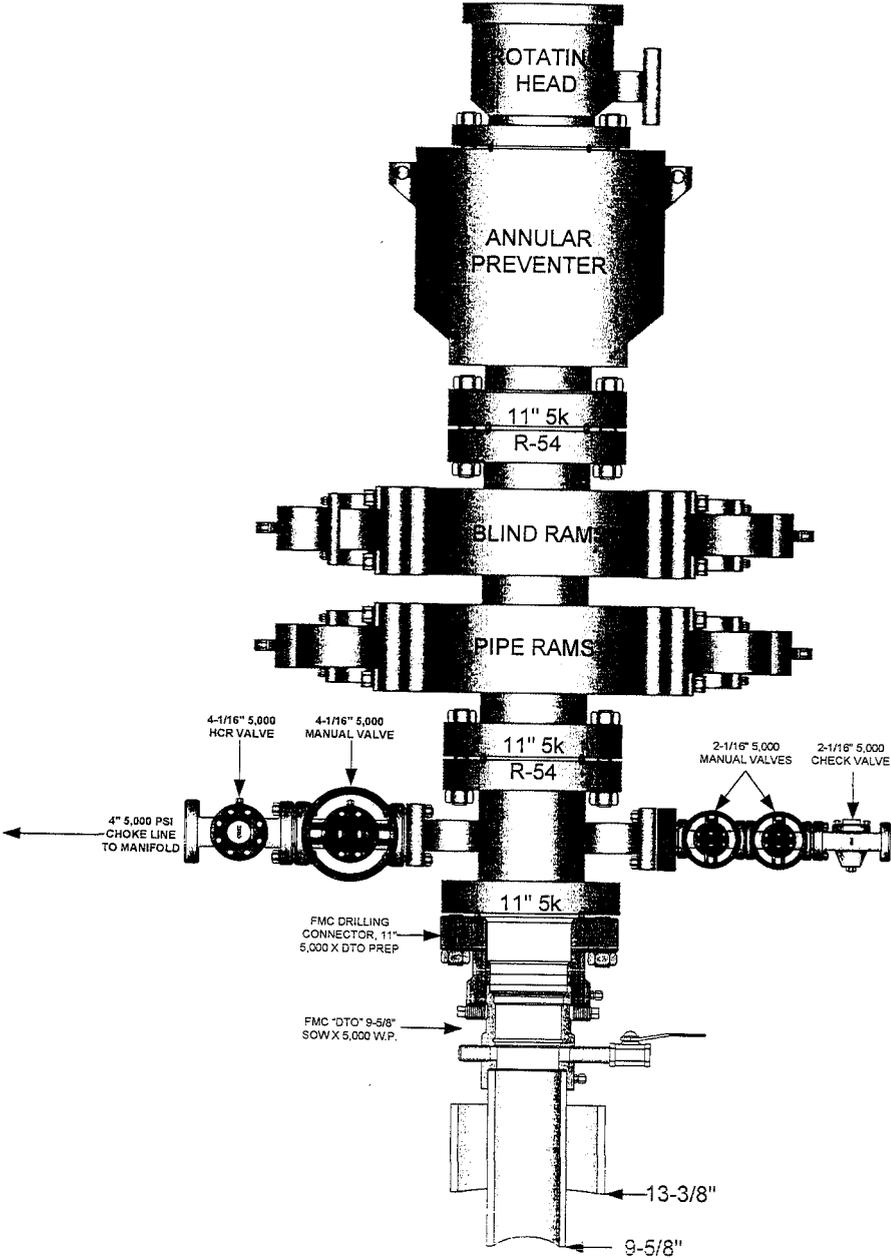
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

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.

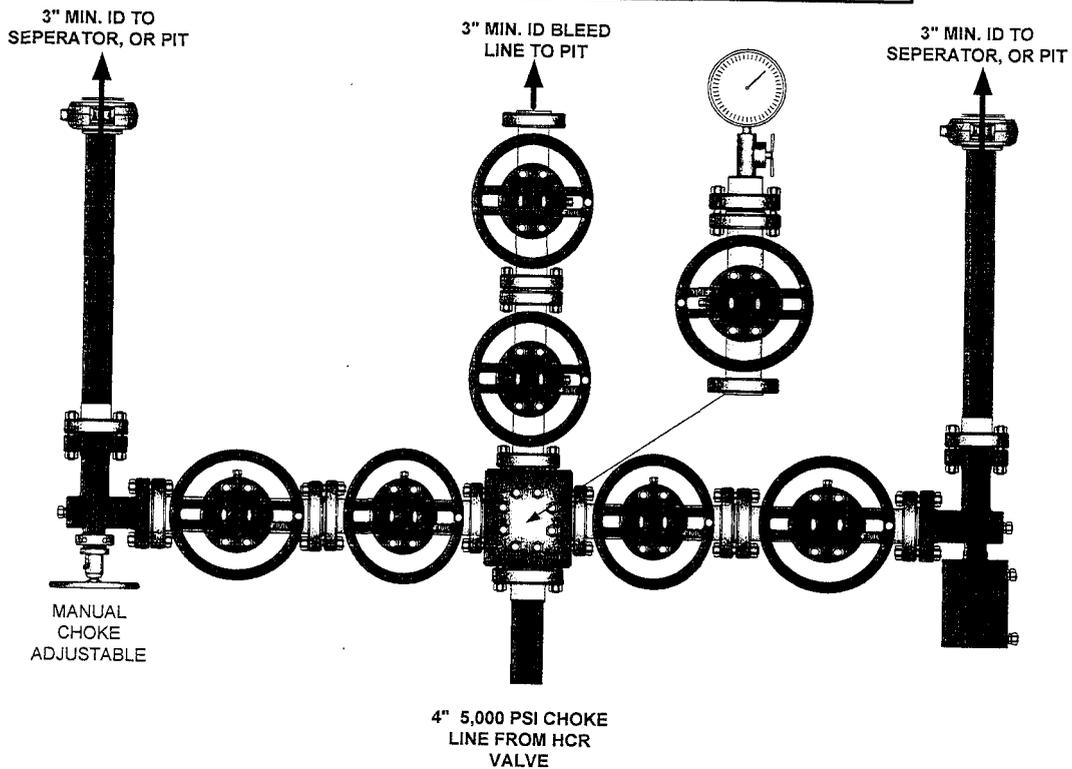
(Attachment: BOP Schematic Diagram)

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 1079-25
Lease Number: U-0285-A
Location: 1321' FSL & 1643' FWL, NE/SW, Sec. 25,
T9S, R22E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 21.2 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.1 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, catterguards, 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 catterguards, 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 - 7*
- B. Producing wells - 33*
- C. Shut in wells - 2*

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

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

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 17' from proposed location to a point in the NE/SW of Section 25, T9S, R22E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of -Way grant will not be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

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

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

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

The required paint color is Carlsbad Canyon.

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

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

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah. 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 East of Corner #6. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the East.

Corners #2 & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

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

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

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

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

from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

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

DRILLING OPERATIONS

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

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

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

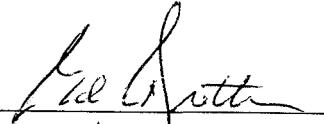
Certification

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 1079-25 Well, located in the NE/SW of Section 25, T9S, R22E, Uintah County, Utah; Lease #U-0285-A;** 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

**Request for Exception to Buried Pipeline Requirement
For the Chapita Wells Unit 1079-25
NE/SW, Sec. 25, T9S, R22E
Lease Number U-0285-A**

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

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 0.02 acre.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.
CWU #1079-25
SECTION 25, 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.1 MILES.

EOG RESOURCES, INC.

CWU #1079-25

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

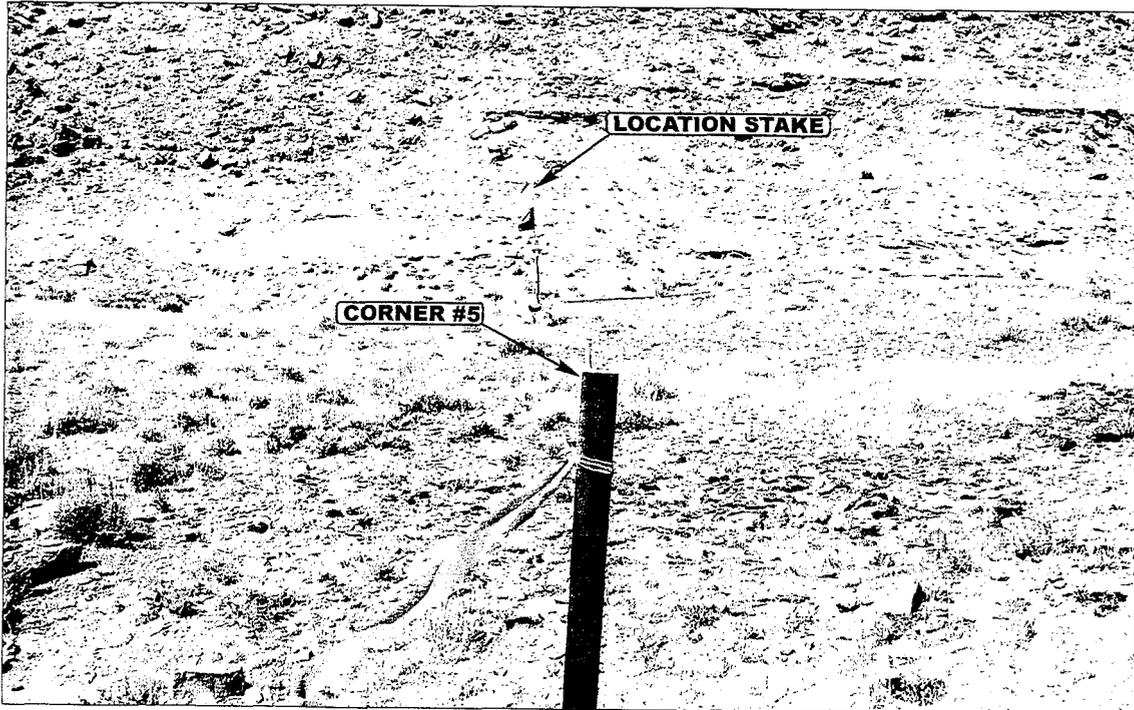


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

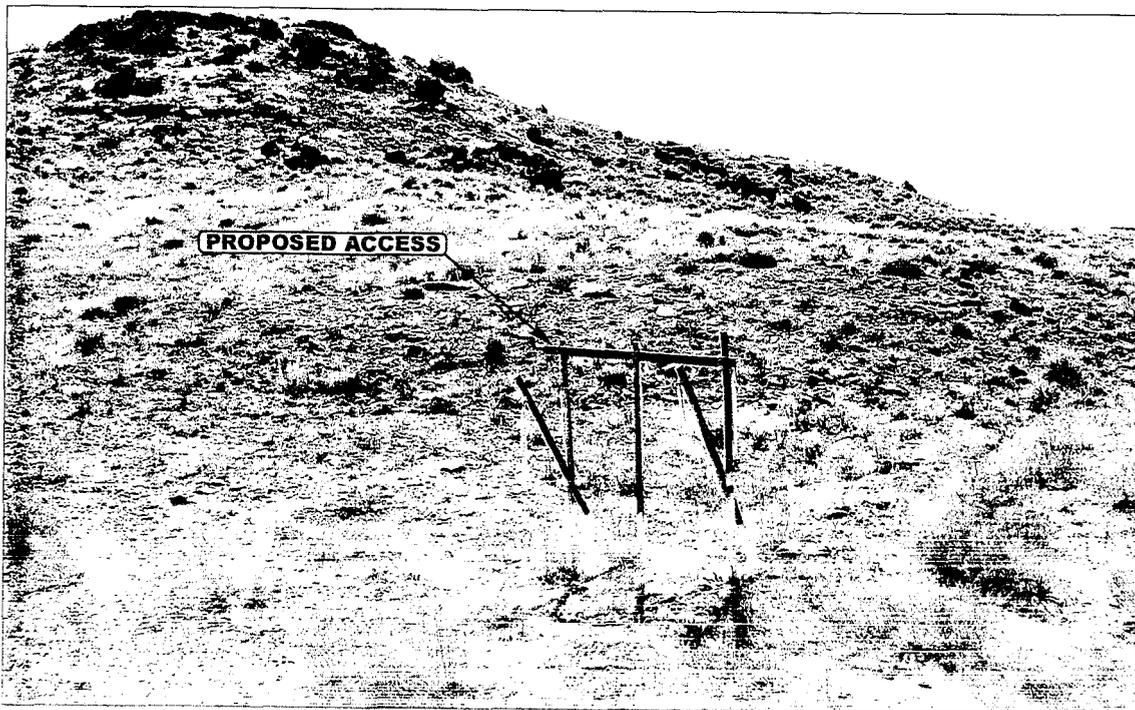


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY

Since 1964

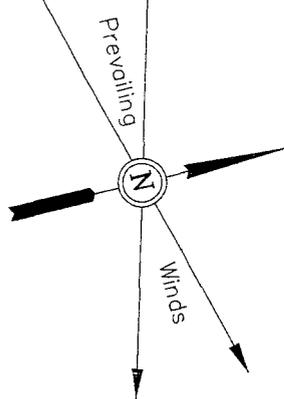
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-780-1017 uelso@uelso.com

| | | |
|----------------------|----------------|-------------------|
| DATE TAKEN: 07/29/05 | 07/29/05 | PHOTO |
| MONTH: 07 | DAY: 29 | YEAR: 05 |
| TAKEN BY: T.B. | DRAWN BY: S.L. | REVISED: 00-00-00 |

EOG RESOURCES, INC.

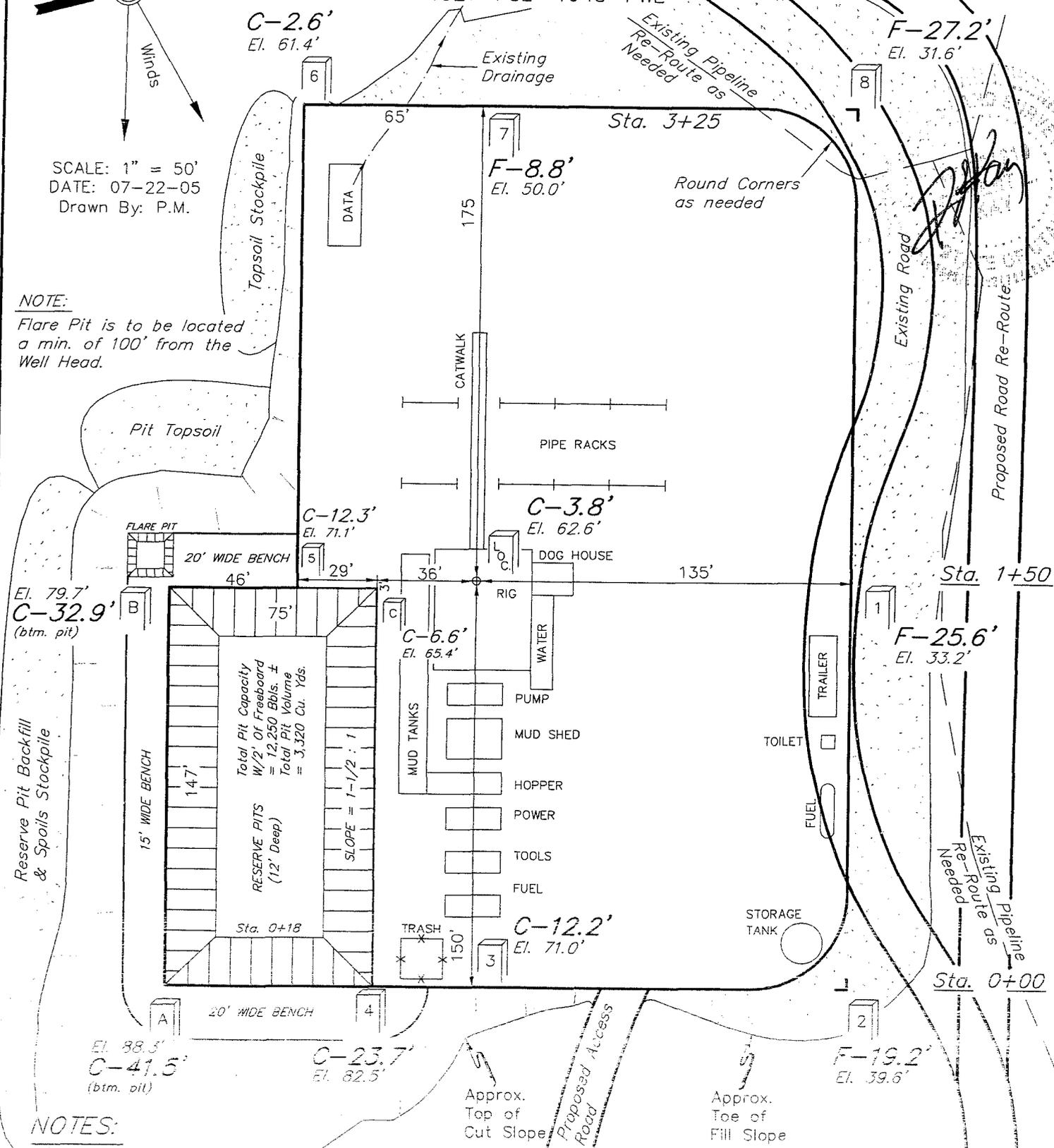
FIGURE #1

LOCATION LAYOUT FOR
 CWU #1079-25
 SECTION 25, T9S, R22E, S.L.B.&M.
 1321' FSL 1643' FWL



SCALE: 1" = 50'
 DATE: 07-22-05
 Drawn By: P.M.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5062.6'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5058.8'

EOG RESOURCES, INC.

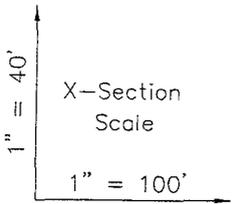
FIGURE #2

TYPICAL CROSS SECTIONS FOR

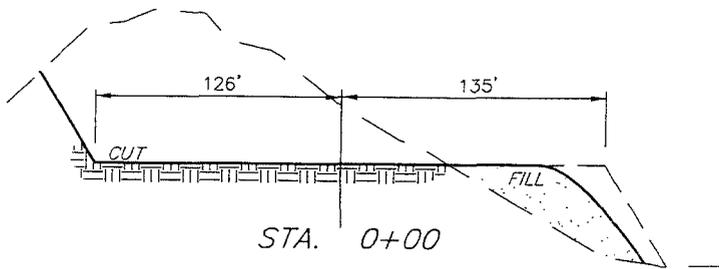
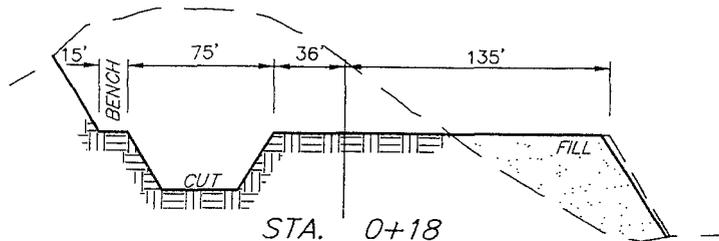
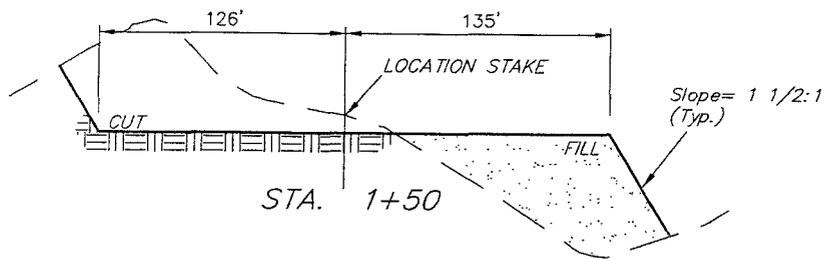
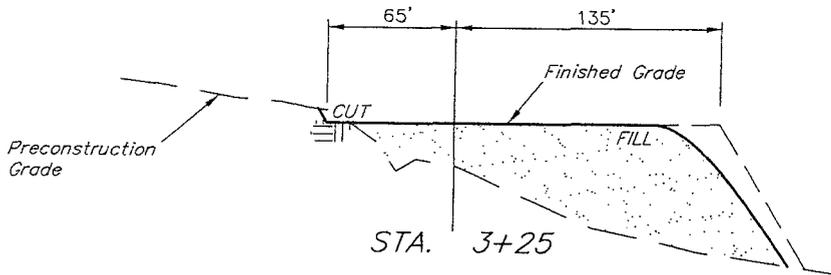
CWU #1079-25

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

1321' FSL 1643' FWL



DATE: 07-22-05
Drawn By: P.M.



NOTE:

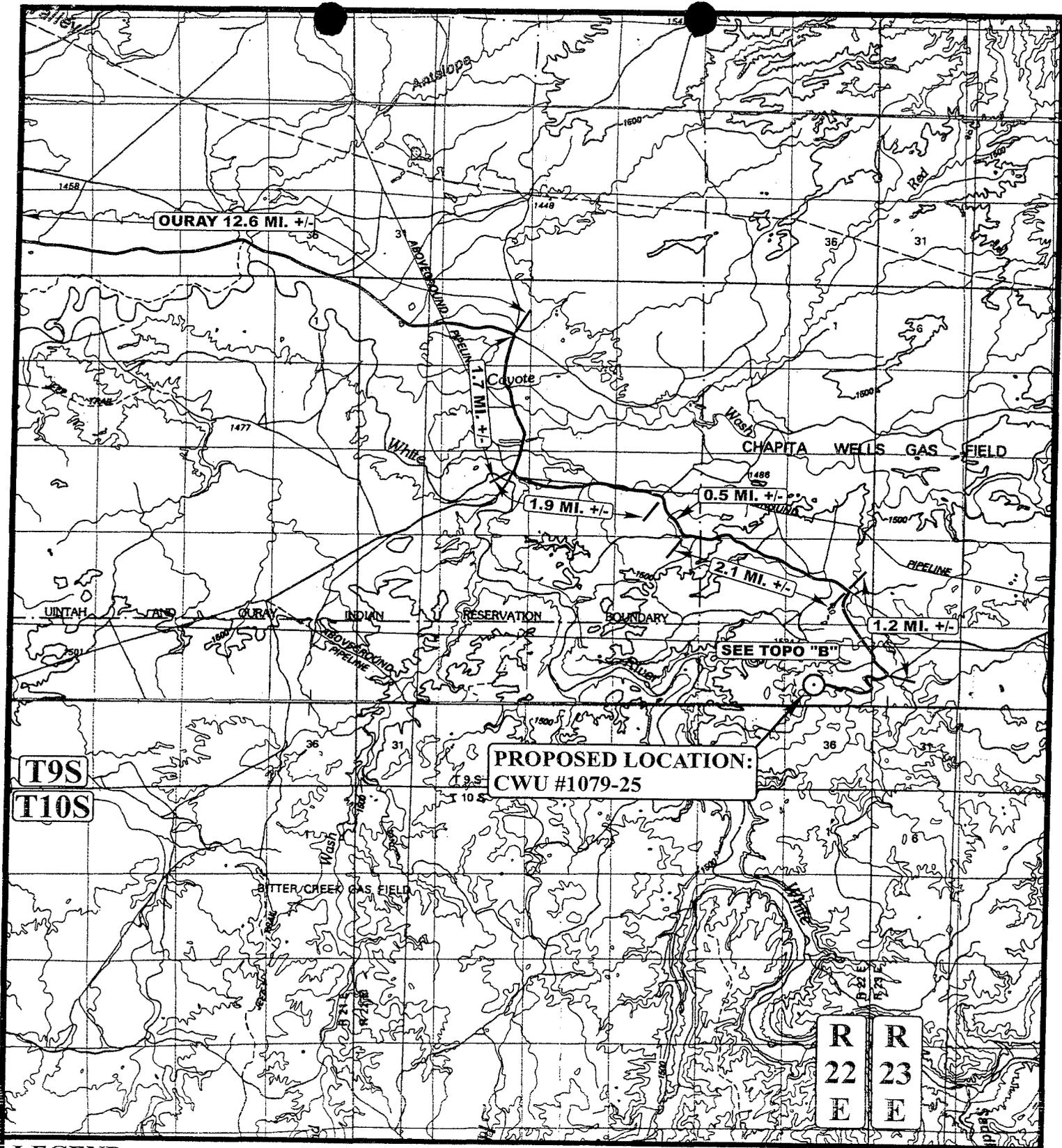
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|-------------------------|
| CUT | |
| (6") Topsoil Stripping | = 2,230 Cu. Yds. |
| Remaining Location | = 28,690 Cu. Yds. |
| TOTAL CUT | = 30,920 CU.YDS. |
| FILL | = 27,030 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL | = 3,890 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,890 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

○ PROPOSED LOCATION



EOG RESOURCES, INC.

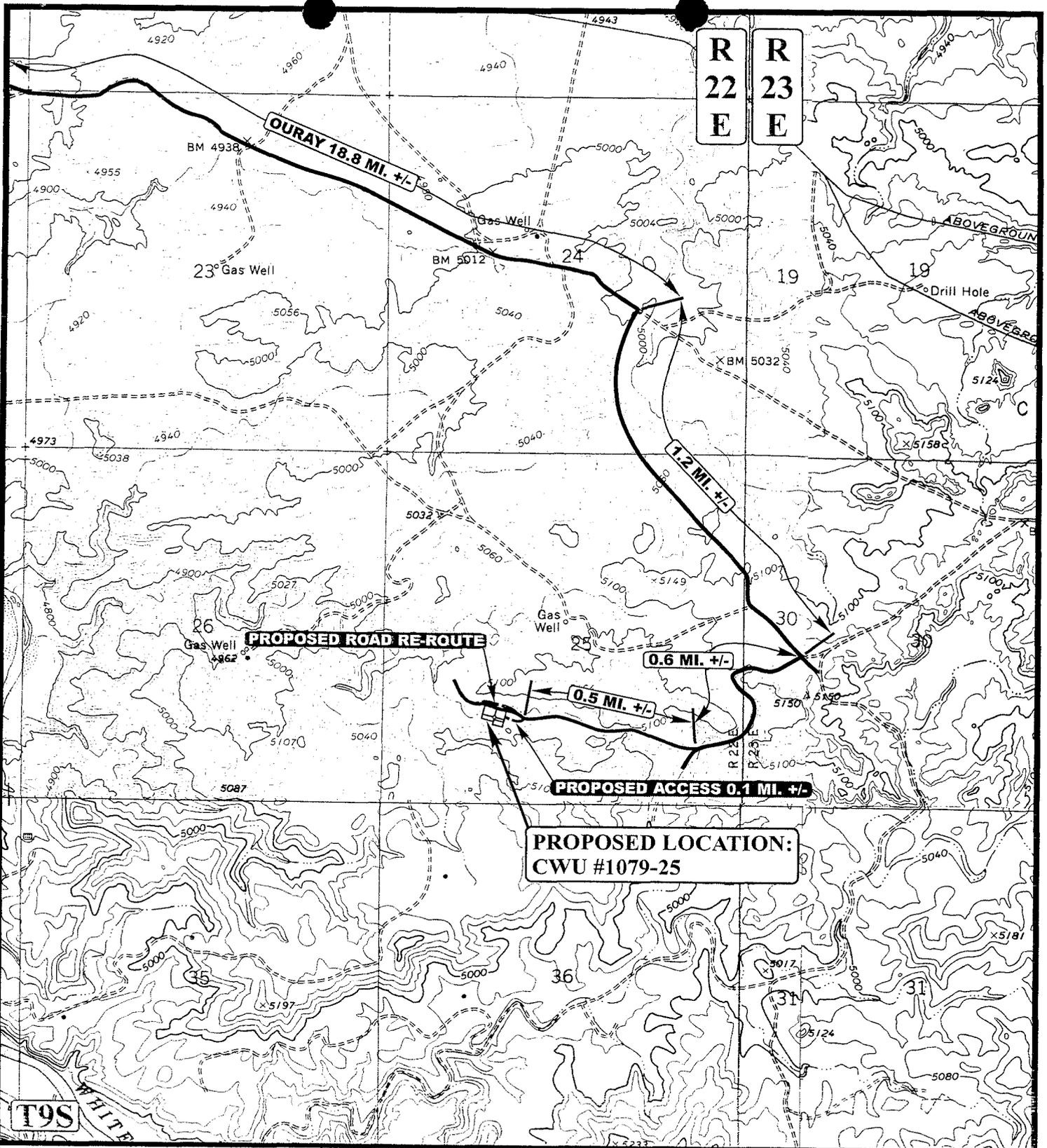
CWU #1079-25
SECTION 25, T9S, R22E, S.L.B.&M.
1321' FSL 1643' FWL



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

TOPOGRAPHIC MAP
07/29/05
MONTH DAY YEAR
SCALE: 1:100,000 | DRAWN BY: S.L. | REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD
- PROPOSED ROAD RE-ROUTE



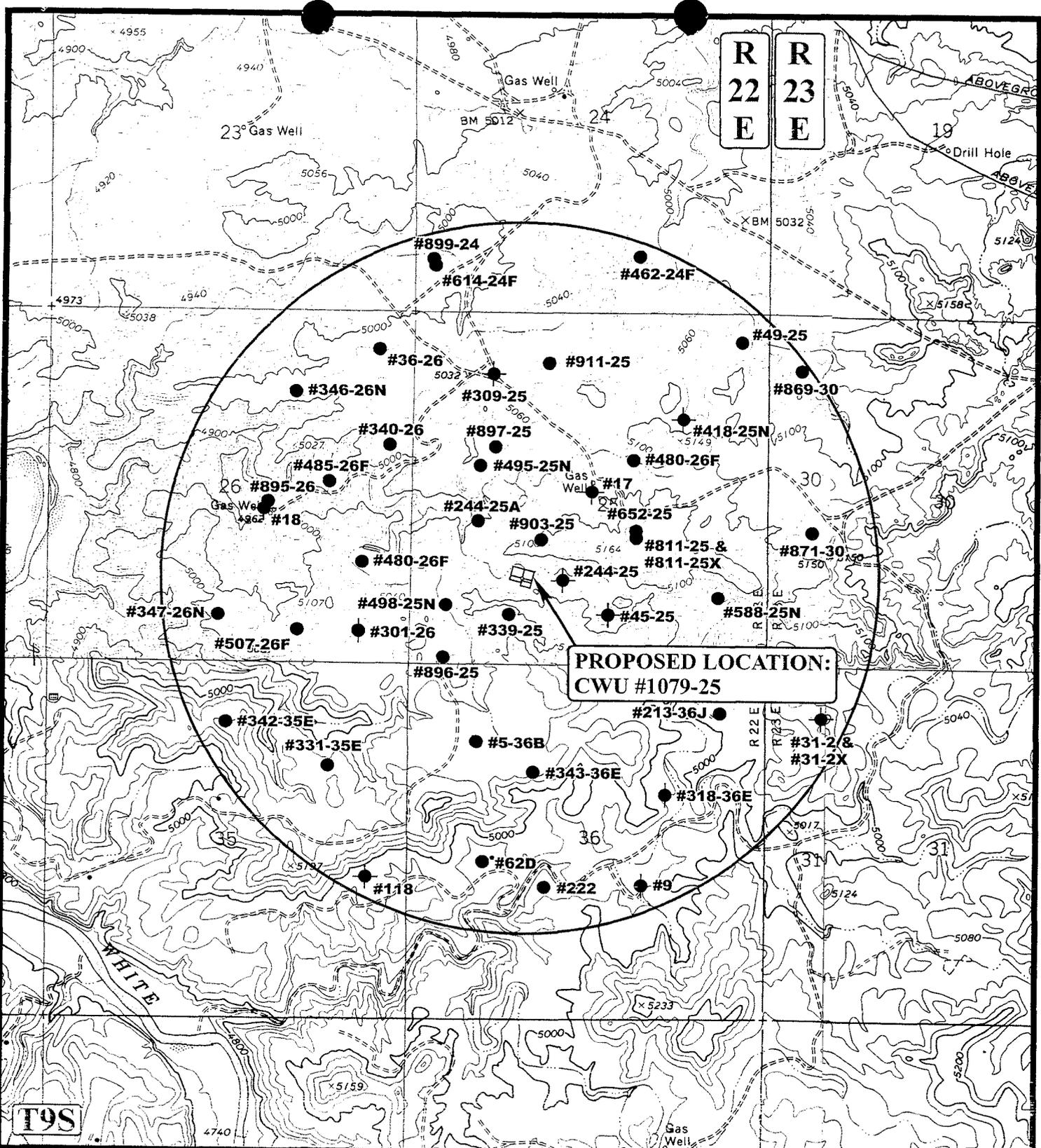
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1815



EOG RESOURCES, INC.
 CWU #1079-25
 SECTION 25, T9S, R22E, S.1.B.&M.
 1321' FSL 1643' FWL

TOPOGRAPHIC MAP 07/29/05
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-001





LEGEND:

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

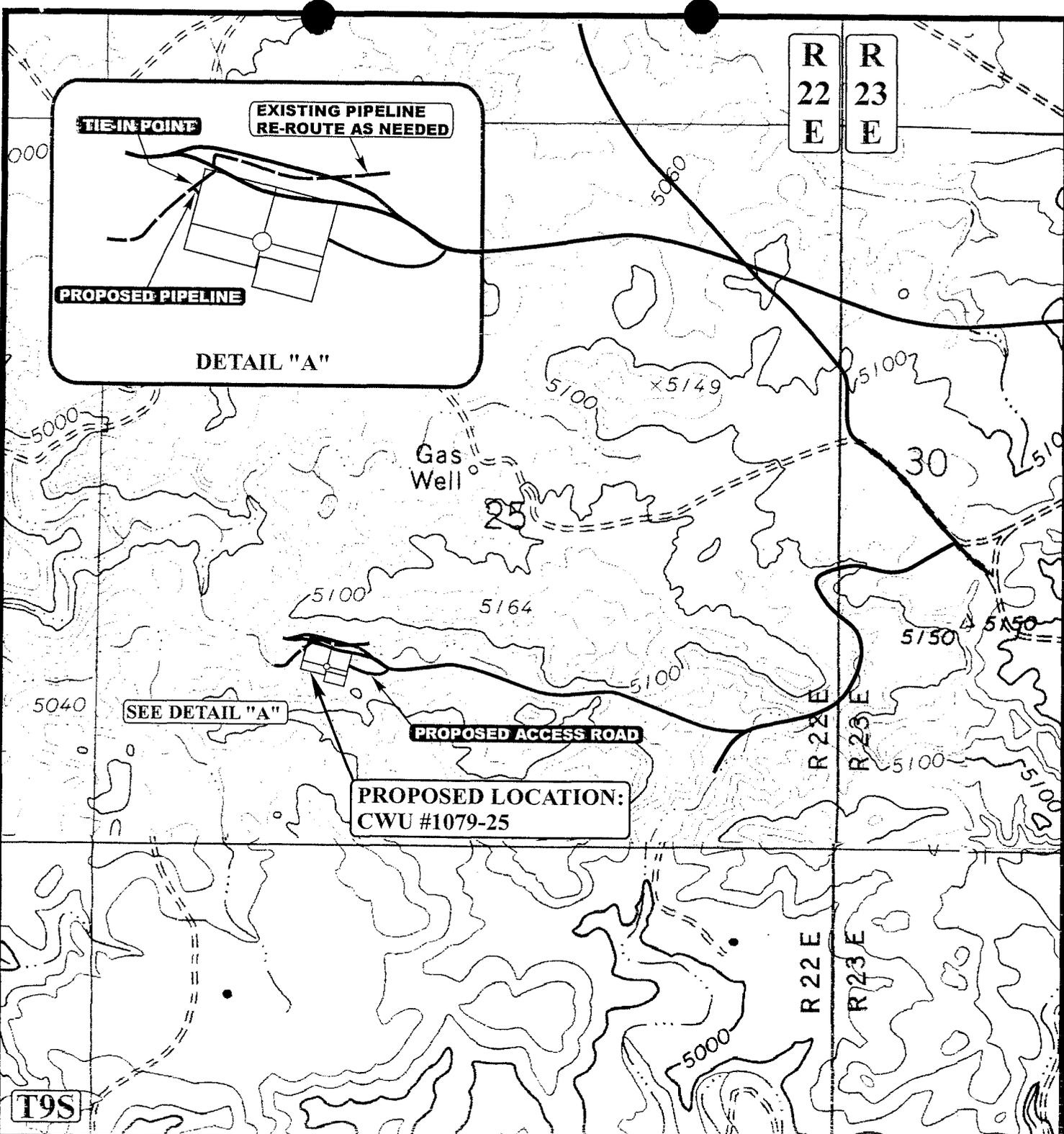
U
EG
 Uintah Engineering & Land Surveying
 35 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

EOG RESOURCES, INC.

CWU #1079-25
 SECTION 25, T9S, R22E, S.L.B.&M.
 1321' FSL 1643' FWL

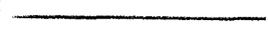
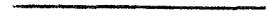
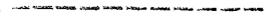
TOPOGRAPHIC MAP 07/29/05
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 17' +/-

LEGEND:

-  PROPOSED ROAD RE-ROUTE
-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

EOG RESOURCES, INC.

CWU #1079-25
 SECTION 15, T9S, R22E, S.L.B.&M.
 1321' FSL 1643' FWL

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



TOPOGRAPHIC **07/29/05**
 MAP MONTH DAY YEAR
 SCALE: 1"=1000' DRAWN BY: S.L. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/06/2006

API NO. ASSIGNED: 43-047-37879

WELL NAME: CWU 1079-25
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NESW 25 090S 220E
 SURFACE: 1321 FSL 1643 FWL
 BOTTOM: 1321 FSL 1643 FWL
 COUNTY: UINTAH
 LATITUDE: 40.00344 LONGITUDE: -109.3912
 UTM SURF EASTINGS: 637328 NORTHINGS: 4429169
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-0285-A
 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 Siting
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: Federal Approval
2-OIL SHALE

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

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 1079-25 Well, 1321' FSL, 1643' FWL, NE SW, Sec. 25,
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37879.

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 1079-25
API Number: 43-047-37879
Lease: U-0285-A
Location: NE SW Sec. 25 T. 9 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 03 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
U-0285-A

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 1079-25

9. API Well No.
431047137879

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

12. County or Parish
UINTAH

13. State
UTAH

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 **1321' FSL, 1643' FWL** **NE/SW**

At proposed prod. Zone

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

15. Distance from proposed* location to nearest property or lease line, ft. **1'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
1800

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

19. Proposed Depth
9120'

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5058.8 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

23. Esti mated duration
45 DAYS

24. Attachments

Attachments

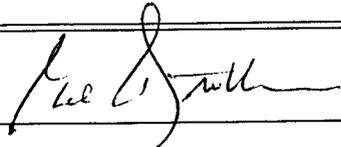
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

SEP 11 2006

- 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).

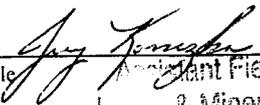
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

DIV. OF OIL, GAS & MINING

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **February 24, 2006**

Title **Agent**

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

Approved by (Signature)  Name (Printed/Typed) **JERRY KENIZKA** Date **8-30-2006**

Title **Assistant Field Manager** Office **VERNAL FIELD OFFICE**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of Approval, if any, are attached.

CONDITIONS OF APPROVAL 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 re-spreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

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 (1/41/4, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.

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

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

FORM 9

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-0285-A |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | 8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 1079-25 |
| 3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 43-047-37879 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1321 FSL 1643 FWL 40.003403 LAT 109.391869 LON | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 25 9S 22E S.L.B. & M | | COUNTY: UINTAH STATE: UTAH |

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

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

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-06-07
By: [Signature]

3-7-07
Rm

| | |
|---|---------------------------------------|
| NAME (PLEASE PRINT) Kaylene R. Gardner | TITLE Sr. Regulatory Assistant |
| SIGNATURE <u>[Signature]</u> | DATE 3/2/2007 |

(This space for State use only)

RECEIVED
MAR 05 2007
DIV. OF OIL, GAS & MINING

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

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

API: 43-047-37879
Well Name: CHAPITA WELLS UNIT 1079-25
Location: 1321 FSL 1643 FWL (NESE), SECTION 25, 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

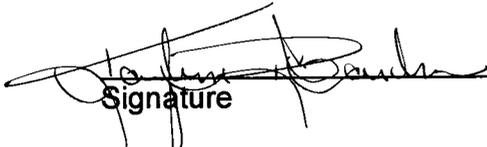
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|---|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. U-0285-A |
| 2. Name of Operator EOG Resources, Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 600 17th Street, Suite 1000N, Denver, CO 80202 | 3b. Phone No. (include area code) 303-824-5526 | 7. If Unit or CA/Agreement, Name and/or No. Chapita Wells Unit |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1321' FSL & 1643' FWL (NESW) Sec. 25-T9S-R22E 40.003403 LAT 109.391869 LON | | 8. Well Name and No. Chapita Wells Unit 1079-25 |
| | | 9. API Well No. 43-047-37879 |
| | | 10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde |
| | | 11. County or Parish, State Utah County, Utah |

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

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

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

EOG Resources, Inc. requests permission to change the TD on the referenced well from

9120'
to
9180'

A revised drilling plan is attached.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 07-16-07
By: [Signature]

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

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.

(Instructions on page 2)

7-12-07
RM

RECEIVED

JUL 09 2007

DIV. OF OIL, GAS & MINING

Wyoming Oil & Gas Conservation Commission
Office of the State Oil and Gas Supervisor
P. O. Box 2640
Casper, WY 82602

ELECTRICAL CERTIFICATION PER W.S. § 30-5-104(d)(v)(B).

The undersigned hereby certifies under the penalties of perjury that all underground electrical conductors outside of its facilities, fenced enclosures or posted areas for the 101-33D North LaBarge Unit well, located
Well Number Name

SW SW 33 28N 113W Lot 1
(Qtr. Qtr. Section. Township. Range) Lot or Tract

in Sublette County, will be or has been installed and maintained in compliance with the National Electrical Code 2002, Article 300 and Tables 300.5 and 300.50.

The undersigned also certifies they will install and maintain all electrical equipment located in and around an oil and gas well in compliance with the National Electrical Code 2002. Operator shall provide WOGCC twenty- four (24) hour prior notice of commencement of electrical work.

DATED this 5th day of July, 2007

By: _____

Name (printed): Jennifer Yu

Title: Senior Regulatory Assistant

Company: EOG Resources, Inc.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|------------------------|--------------|-----------|-----------|-----|
| Green River | 1,479 | | Shale | |
| Wasatch | 4,516 | | Sandstone | |
| Chapita Wells | 5,089 | | Sandstone | |
| Buck Canyon | 5,749 | | Sandstone | |
| North Horn | 6,463 | | Sandstone | |
| KMV Price River | 6,749 | Primary | Sandstone | Gas |
| KMV Price River Middle | 7,666 | Primary | Sandstone | Gas |
| KMV Price River Lower | 8,443 | Primary | Sandstone | Gas |
| Sego | 8,962 | | Sandstone | |
| | | | | |
| TD | 9,180 | | | |

Estimated TD: 9,180' or 200'± below Segoe top

Anticipated BHP: 5,013 Psig

- Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
- 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:

| CASING | Hole Size | Length | Size | WEIGHT | Grade | Thread | Rating Collapse | Factor Burst | Tensile |
|------------|-----------|-------------------|---------|--------|-------|--------|-----------------|--------------|----------|
| Conductor | 17 1/2" | 0 – 45' | 13 3/8" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12 1/4" | 0 – 2,300' KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production | 7-7/8" | Surface – 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.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M.,
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

Production Hole Procedure (2300'± - TD):

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

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

Tail: 207 sks Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

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

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

Production Hole Procedure (2300'± - TD)

Lead: 127 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 908 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1079-25
NE/SW, SEC. 25, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

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)

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-0285-A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No.
Chapita Wells Unit 1079-25

2. Name of Operator
EOG Resources, Inc.

9. API Well No.
43-047-37879

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1321 FSL & 1643 FWL (NESW)
Section 25-T9S-R22E 40.003436 Lat 109.391189 Lon

11. Country or Parish, State
Uintah, 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 1:01
 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

Mark Baker

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.

RECEIVED
SEP 18 2007

CONDITIONS OF APPROVAL

EOG Resources Inc.

Notice of Intent APD Extension

Lease: UTU-0285-A
Well: CWU 1079-25
Location: NESW Sec 25-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

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

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES, INC. Operator Account Number: N 9550
 Address: 1060 East Highway 40
 city Vernal
 state UT zip 84078 Phone Number: (435) 781-9111

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|----------------------------|----------------------------|-------------------|------------|-----|-----|----------------------------------|--------|
| 43-047-38077 | CHAPITA WELLS UNIT 1240-28 | | SWNE | 28 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| A | 99999 | 16528 | 11/19/2007 | | | 11/29/07 | |
| Comments: <u>PRRV=MVRD</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|----------------------------|----------------------------|-------------------|------------|-----|-----|----------------------------------|--------|
| 43-047-37879 | Chapita Wells Unit 1079-25 | | NWSW | 25 | 9S | 22E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| <u>D</u> | 99999 | 13650 | 11/20/2007 | | | 11/29/2007 | |
| Comments: <u>PRRV=MVRD</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|----------------------------|----------------------------|-------------------|------------|-----|-----|----------------------------------|--------|
| 43-047-37505 | Chapita Wells Unit 1076-25 | | NWSE | 25 | 9S | 22E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| <u>D</u> | 99999 | 13650 | 11/20/2007 | | | 11/29/07 | |
| Comments: <u>PRRV=MVRD</u> | | | | | | | |

CONFIDENTIAL

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)

Kaylene R. Gardner

Name (Please Print)

Signature

Lead Regulatory Assistant

11/28/2007

Title

Date

RECEIVED

NOV 29 2007

DIV. OF OIL, GAS & MINING

**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 37879 API Number: _____ Drilling Commenced: _____
CWU 1079-25
9S 22E 25

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.
UTU0285A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

8. Well Name and No.
CHAPITA WELLS UNIT 1079-25

9. API Well No.
43-047-37879

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 25 T9S R22E NESW 1321FSL 1643FWL
40.00340 N Lat, 109.39187 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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate 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 #59935 verified by the BLM Well Information System For EOG RESOURCES, INC, sent to the Vernal

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

Signature *Mary A. Maestas* Date 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.

RECEIVED

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **** APR 30 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 04-29-2008

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|--------------|
| Well Name | CWU 1079-25 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA DEEP | API # | 43-047-37879 | Well Class | COMP |
| County, State | UINTAH, UT | Spud Date | 01-04-2008 | Class Date | |
| Tax Credit | N | TVD / MD | 9,180/ 9,180 | Property # | 057448 |
| Water Depth | 0 | Last CSG | 4.5 | Shoe TVD / MD | 9,168/ 9,168 |
| KB / GL Elev | 5,072/ 5,059 | | | | |
| Location | Section 25, T9S, R22E, NESW, 1321 FSL & 1643 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|----------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 56.3053 | NRI % | 48.24336 |

| | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|------------------|
| AFE No | 303560 | AFE Total | 1,764,800 | DHC / CWC | 838,700/ 926,100 |
| Rig Contr | TRUE | Rig Name | TRUE #26 | Start Date | 03-16-2006 |
| 03-16-2006 | Reported By | CINDY VAN RANKEN | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | LOCATION DATA: 1321' FSL & 1643' FWL (NE/SW) SECTION 25, T9S, R22E UINTAH COUNTY, UTAH LAT 40.003436, LONG 109.391189 (NAD 27) LAT 40.003403, LONG 109.391869 (NAD 83) ELENBURG #28 OBJECTIVE: 9180' TD, MESAVERDE (TD SUNDRY 7/13/07) DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A FIELD: CHAPITA DEEP NATURAL BUTTES FIELD LEASE: U-0285A ELEVATION: 5062.6' NAT GL, 5058.8' PREP GL (DUE TO ROUNDING 5059' IS THE PREP GL), 5072' KB (13') EOG WI 56.3053%, NRI 48.24336% |

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

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | CONSTRUCTION OF LOCATION WILL START TODAY. |

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

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 5% COMPLETE. |

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

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 15% COMPLETE. |

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

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 30% COMPLETE. |

10-29-2007 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 35% COMPLETE. |

10-30-2007 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

10-31-2007 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

11-01-2007 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

11-02-2007 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

11-05-2007 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | SHOOTING TODAY. |

11-06-2007 Reported By TERRY CSERE

11-29-2007 Reported By TERRY CSERE

| | | | | | |
|-----------------------|----------|------------|-----|-------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |

| | | | | | | | | | | | |
|----|----|-----|----|----------|---|------|---|----|-----|------|-----|
| MD | 60 | TVD | 60 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
|----|----|-----|----|----------|---|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: BUILD LOCATION

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

12-11-2007 Reported By JERRY BARNES

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$211,029 | Completion | \$0 | Daily Total | \$211,029 |
| Cum Costs: Drilling | \$249,029 | Completion | \$0 | Well Total | \$249,029 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: WORT

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

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU PRO PETRO AIR RIG #9 ON 12/2/2007. DRILLED 12-1/4" HOLE TO 2261' GL. ENCOUNTERED WATER @ 1260' & 1800'. RAN FLUID LEVEL INDICATOR IN OPEN HOLE. FOUND FLUID LEVEL @ 317'. RAN 53 JTS (2256.25') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TEXAS PATTERN GUIDE SHOE AND NO FLOAT COLLAR. 3 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2269' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG. |
|-------|-------|------|--|

MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. RAN FLUID LEVEL INDICATOR INSIDE CASING. FOUND FLUID @ 317'. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 175 BBLS FRESH WATER. DROPPED 15 SX RAW BENTONITE PELETS (8 SX 3/4" & 7 SX 3/8") DOWN CASING WHILE PUMPING 15 BBLS GELLED WATER. DISPLACED BENTONITE W/216 BBLS FRESH WATER. CHECK FLUID LEVEL - 234'. W.O. BENTONITE 6 HRS. RAN FLUID LEVEL - 190'. PUMPED 75 BBLS FRESH WATER. NO RETURNS. DROPPED 15 SX RAW BENTONITE PELLETS (8 SX 3/4" & 7 SX 3/8") WHILE PUMPING 15 BBLS GELLED WATER. DISPLACED BENTONITE W/216 BBLS FRESH WATER. CHECKED FLUID LEVEL - 230'. W.O. BENTONITE 6 HRS. RAN FLUID LEVEL - 197'. PUMPED 50 BBLS FRESH WATER. NO RETURNS. DUMPED 15 SX RAW BENTONITE PELLETS (8 SX 3/4" & 7 SX 3/8") WHILE PUMPING 15 BBLS GELLED WATER. DISPLACED BENTONITE W/216 BBLS FRESH WATER. W.O. BENTONITE 1 HR. MIXED & PUMPED 200 SX (136 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/158.9 BBLS FRESH WATER. SHUT IN CASING W/160# @ 2:08 PM, 12/5/2007. NO RETURNS.

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. NO RETURNS. WOC 2 HRS.

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. NO RETURNS. WOC 2 HRS.

TOP JOB # 3: MIXED & PUMPED 225 SX (46 BBLS) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB # 4: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS 30 MINUTES.

TOP JOB # 5: MIXED & PUMPED 75 SX (15 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS.

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

NO SURVEY @ THIS TIME.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 12/4/2007 @ 8:15 AM.

| | | | | | | | | | | | |
|------------------------------|--------------------|------------------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 01-03-2008 | Reported By | BENNY BLACKWELL, TOM HARKINS | | | | | | | | | |
| Daily Costs: Drilling | \$28,985 | Completion | \$0 | Daily Total | \$28,985 | | | | | | |
| Cum Costs: Drilling | \$278,014 | Completion | \$0 | Well Total | \$278,014 | | | | | | |
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: RURT

| Start | End | Hrs | Activity Description |
|---|-------|------|---|
| 06:00 | 11:00 | 5.0 | RIG DOWN AND MOVE RIG OFF OF LOCATION. |
| 11:00 | 17:00 | 6.0 | MOVE RIG ONTO LOCATION CWU 1079-25 AND RIG UP. 100% MOVED OFF OF OLD LOCATION, 60% MOVED ONTO NEW LOCATION, 45% RIGGED UP (DERRICK NOT ON SUB). |
| 17:00 | 06:00 | 13.0 | WAIT ON DAYLIGHT. |
| DAYLIGHTS 2 HANDS SHORT. SAFETY MEETING W/ WESTROC AND TRUE CREW ON MOVING RIG. | | | |
| 1 INCIDENT REPORTED - JOSEPH KLIENSASSER CAUGHT BETWEEN BUILDING BEING LOWER AND ADJACENT BUILDING ALREADY SPOTTED. | | | |
| RIG MOVE IS 1.3 MILES. | | | |
| TRUCKS ON LOCATION: 07:00 HRS. WORKED UNTIL 17:00 HRS. | | | |

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 01-04-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$47,574 | Completion | \$0 | Daily Total | \$47,574 | | | | | | |
| Cum Costs: Drilling | \$325,588 | Completion | \$0 | Well Total | \$325,588 | | | | | | |
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: P/U BHA

| Start | End | Hrs | Activity Description |
|---|-------|------|--|
| 06:00 | 23:30 | 17.5 | RIG UP AND PREPARE RIG FOR DRILLING. |
| 23:30 | 04:00 | 4.5 | ACCEPT RIG ON DAYWORK @ 23:30 HRS ON 03 JAN 08. TEST BOPS - PIPE RAMS, BLIND RAMS, KILL LINE AND VALVES, CHOKE LINES AND MANIFOLD, FLOOR VALVES, UPPER AND LOWER KELLY COCK TO 250 PSI FOR 5 MIN, 5000 PSI FOR 10 MIN. TEST ANNULAR TO 250 PSI FOR 5 MIN, 2500 PSI FOR 10 MINS. TEST CSG TO 1500 PSI FOR 30 MIN. TEST ACCUMULATOR. TEST WITNESSED BY JAKE BIRCHELL OF BLM. HAD PROBLEM WORKING TEST PLUG UP THROUGH ANNULAR. |
| 04:00 | 04:30 | 0.5 | SET WEAR BUSHING. |
| 04:30 | 06:00 | 1.5 | STRAP & P/U BHA. |
| DAYS 1 MAN SHORT, NO ACCIDENTS. | | | |
| SAFETY MEETINGS ON RIGGING UP W/ WESTROC (2)), PICK UP BHA (1). | | | |
| FUEL REC'D: 4500 GALS #1 DIESEL. | | | |
| FUEL ON HAND 6283 GALS, USED 637 GALS. | | | |

BOILER 20 HRS.
OPERATED COM(1), WITNESSED
NO MUD LOGGER ON LOCATION.

01-05-2008 **Reported By** BENNY BLACKWELL

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$35,613 | Completion | \$1,178 | Daily Total | \$36,791 | | | | | | |
| Cum Costs: Drilling | \$361,201 | Completion | \$1,178 | Well Total | \$362,379 | | | | | | |
| MD | 3,545 | TVD | 3,545 | Progress | 1,276 | Days | 1 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRLG @ 3545'

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:30 | 1.5 | P/U BHA. |
| 07:30 | 08:30 | 1.0 | RIG UP L/D MACHINE. |
| 08:30 | 09:30 | 1.0 | P/U BHA. |
| 09:30 | 11:00 | 1.5 | P/U D.P. |
| 11:00 | 12:00 | 1.0 | RIG DOWN L/D MACHINE. |
| 12:00 | 12:30 | 0.5 | INSTALL ROTATING HEAD RUBBER. |
| 12:30 | 13:00 | 0.5 | SERVICE RIG - DAILY RIG SERVICE. |
| 13:00 | 16:00 | 3.0 | DRILL CEMENT AND FLOAT EQUIP FROM 2080' - 2269'. DRILL 10' OF NEW FORMATION TO 2289' |
| 16:00 | 16:30 | 0.5 | PERFORM FIT - 90 PSI SURFACE PRESSURE W/ 8.4 PPG FLUID WT = 9.3 EMW. |
| 16:30 | 17:00 | 0.5 | DRILL F/ 2289' - 2335', 15-18K WOB, 40-65 RPM @ TABLE, 1200PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 46' @ 92 FPH. |
| 17:00 | 17:30 | 0.5 | SURVEY @ 2260' - 1 DEG. |
| 17:30 | 03:00 | 9.5 | DRILL F/2335' - 3348', 15-18K WOB, 40-65 RPM @ TABLE, 1300PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 1013' @ 106.63 FPH. |
| 03:00 | 03:30 | 0.5 | SURVEY @ 3275' - 2.75 DEG. |
| 03:30 | 06:00 | 2.5 | DRILL F/3348' - 3545', 15-18K WOB, 40-65 RPM @ TABLE, 1300PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 197' @ 78.8 FPH. |
| 06:00 | | 18.0 | SPUD 7 7/8" HOLE @ 16:30 HRS, 1/4/08. |

01-06-2008 **Reported By** BENNY BLACKWELL

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| Daily Costs: Drilling | \$40,526 | Completion | \$0 | Daily Total | \$40,526 | | | | | | |
| Cum Costs: Drilling | \$401,727 | Completion | \$1,178 | Well Total | \$402,905 | | | | | | |
| MD | 5,360 | TVD | 5,360 | Progress | 1,815 | Days | 2 | MW | 9.5 | Visc | 32.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRILLING @ 5360'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 12:30 | 6.5 | DRILL F/ 3545' - 4171', 15-20K WOB, 40-65 RPM @ TABLE, 1400PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 626' @ 96.3 FPH. |
| 12:30 | 13:00 | 0.5 | SERVICE RIG - DAILY RIG SERVICE. |
| 13:00 | 15:30 | 2.5 | DRILL F/ 4171' - 4425', 15-20K WOB, 40-65 RPM @ TABLE, 1400PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 254' @ 101.6 FPH. |
| 15:30 | 16:00 | 0.5 | SURVEY @ 4350' - 2.50 DEG. |
| 16:00 | 06:00 | 14.0 | DRILL F/ 4425' - 5360', 15-20K WOB, 40-65 RPM @ TABLE, 1500PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 935' @ 66.78 FPH. |
| | | | FULL CREWS, NO ACCIDENTS. |

SAFETY MEETINGS: BLOWING DOWN BOILER, WIRE LINE SURVEY, GAS BUSTER OPERATIONS.
 BOP DRILLS: DAYLIGHTS – 90 SECS.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 3141 GALS, USED 1721 GALS.
 MUD WT 9.7 PPG, 33 VIS .
 BOILER 24 HRS.
 OPERATED COM(3), WITNESSED (1) .
 BG GAS: 145 U, PEAK GAS 4930 U AT 4455' .
 FORMATION: CHAPITA WELLS – TOP @ 5086' .
 UN MANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------|--------------------|------------------------|-------------|---|-----------|-----|-------------|------|
| 01-07-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$43,783 | Completion | \$0 | Daily Total | \$43,783 | | | | | | |
| Cum Costs: Drilling | \$445,511 | Completion | \$1,178 | Well Total | \$446,689 | | | | | | |
| MD | 6,630 | TVD | 6,630 | Progress | 1,270 | Days | 3 | MW | 9.9 | Visc | 36.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRLG @ 6630'

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 12:00 | 6.0 | DRILL F/ 5360' – 5785', 15–20K WOB, 40–65 RPM @ TABLE, 1500PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 425' @ 70.8 FPH. |
| 12:00 | 12:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |
| 12:30 | 06:00 | 17.5 | DRILL F/ 5785' 6630- , 15–20K WOB, 40–65 RPM @ TABLE, 1700PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 845' @ 48.28 FPH. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: PPE, RIG SERVICE, 1ST DAY BACK.
 BOP DRILLS: EVENING – 65 SECS.
 FUEL REC'D: 2800 GALS #1 DIESEL.
 FUEL ON HAND 4563 GALS, USED 1378 GALS.
 MUD WT 10.1 PPG, 34 VIS .
 BOILER 24 HRS.
 OPERATED COM(3), WITNESSED (1) .
 BG GAS: 75 U, PEAK GAS 4796 U AT 5928' .
 FORMATION: NORTH HORN – TOP @ 6463' .
 UN MANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------|--------------------|------------------------|-------------|---|-----------|------|-------------|------|
| 01-08-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$50,891 | Completion | \$0 | Daily Total | \$50,891 | | | | | | |
| Cum Costs: Drilling | \$496,403 | Completion | \$1,178 | Well Total | \$497,581 | | | | | | |
| MD | 7,930 | TVD | 7,930 | Progress | 1,300 | Days | 4 | MW | 10.2 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRLG @ 7930

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 12:00 | 6.0 | DRILL F/ 6630' – 7019', 15–20K WOB, 40–65 RPM @ TABLE, 1700PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 389' @ 64.8 FPH. |
| 12:00 | 12:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |
| 12:30 | 06:00 | 17.5 | DRILL F/ 7019' – 7930', 15–20K WOB, 40–65 RPM @ TABLE, 1800PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 911' @ 52 FPH. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: PPE (2), SPINNING CHAIN (1).
 OPERATED COM(3), WITNESSED (1).
 BOP DRILLS: NONE.
 FUEL REC'D: 2800 GALS #1 DIESEL.
 FUEL ON HAND 5685 GALS, USED 1678 GALS.
 BOILER 24 HRS.
 MUD WT 10.6 PPG, 40 VIS.
 BG GAS: 200 U, PEAK GAS 4805 U AT 7449'.
 FORMATION: MIDDLE PRICE RIVER - TOP @ 7666'.
 UNMANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------|--------------------|------------------------|-------------|---|-----------|------|-------------|------|
| 01-09-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$49,657 | Completion | \$0 | Daily Total | \$49,657 | | | | | | |
| Cum Costs: Drilling | \$542,243 | Completion | \$1,178 | Well Total | \$543,421 | | | | | | |
| MD | 8,587 | TVD | 8,587 | Progress | 657 | Days | 5 | MW | 10.6 | Visc | 39.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: CIRC KICK OUT OF HOLE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 09:00 | 3.0 | DRILL F/ 7930' - 8030, 15-20K WOB, 40-65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 TPMS @ MTR, 150 - 350 DIFF PRESS, 100' @ 33 FPH. LOW ROP - PULL BIT. |
| 09:00 | 09:30 | 0.5 | CIRC & PUMP PILL FOR BIT TRIP |
| 09:30 | 10:00 | 0.5 | DROP SURVEY. |
| 10:00 | 13:30 | 3.5 | POH W/ BIT #1 - LOW ROP - TIGHT FROM 7990' - 7960', WORK WITH 30 - 50K OVER STRING WT. |
| 13:30 | 15:00 | 1.5 | L/D 2 REAMERS, MOTOR & BIT - P/U MOTOR & BIT #2. |
| 15:00 | 18:30 | 3.5 | RIH W/ BIT #2 - HIT BRIDGE @ 7355' & P/U KELLY - WASH THROUG, SET KELLY BACK AND CONT. TO RIH. |
| 18:30 | 03:30 | 9.0 | DRILL F/ 8030' - 8587', 15-20K WOB, 40-65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 - 350 DIFF PRESS, 557' @ 61.88 FPH. |
| 03:30 | 06:00 | 2.5 | NOTICED INCREASE VOLUME IN PITS, SHORTLY AFTER INCREASE IN FLOW - WENT TO GAS BUSTER THEN TO ANNULAR AND CHOKE MANIFOLD. HIGHEST GAIN JUST BEFORE RAW GAS @ CHOKE WAS 80 BBLs. USING KILL SPEED AND 3/4 CHOKE WHILE RAW GAS AT CHOKE, THEN WENT TO OPEN CHOKE AND DRILLING SPEED ON PUMP, MAINTAINING CONSTANT DRILL PIPE PRESSURE. NOTICABLE LOSSES CALC @ 35 BBLs/ HR. MIXING LCM, BUILDING VOLUME AND RAISING MUD WT. BRINGING MUD IN FROM TANK FARM. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: PPE (2), SPINNING CHAIN (1).
 OPERATED COM(5), WITNESSED (3).
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 4263 GALS, USED 1678 GALS.
 BOILER 24 HRS.
 MUD WT 11.0 PPG, 37 VIS.
 BG GAS: 200 U, PEAK GAS 9204 U AT 8473'.
 FORMATION: LOWER PRICE RIVER - TOP @ 8443'.
 UNMANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | |
|------------------------------|--------------------|-------------------|-----|--------------------|----------|--|--|--|--|
| 01-10-2008 | Reported By | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | \$34,938 | Completion | \$0 | Daily Total | \$34,938 | | | | |

Cum Costs: Drilling \$577,182 **Completion** \$1,178 **Well Total** \$578,360
MD 8,765 **TVD** 8,765 **Progress** 178 **Days** 6 **MW** 9.9 **Visc** 34.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRLG @ 8765

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:30 | 1.5 | CIRC. ON CHOKE, RAISING MUD WT TO 10.7 AND INCREASING LCM TO 20 %. LOSING FLUID. |
| 07:30 | 15:00 | 7.5 | CIRCULATE THROUGH GAS BUSTER, LOSING MUD – APPROX 700 BBLS, BRINGING MUD IN FROM TANK FARM AND BUILDING MUD ON LOCATION. WEIGHTING UP TO 10.7 AND ADDING LCM TO 10%. |
| 15:00 | 16:00 | 1.0 | DRILL F/ 8587' – 8610', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 23' @ 23 FPH. ON GAS BUSTER. 15 – 40' FLARE. LOSING THEN GAINING FLUID. |
| 16:00 | 17:00 | 1.0 | CLOSE IN WELL, CHANGE OUT ROT. HEAD RUBBER – STRIPPED TOOL JOINT THROUGH ANNULAR. |
| 17:00 | 18:00 | 1.0 | DRILL F/ 8610' – 8621', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 11' @ 11 FPH. ON GAS BUSTER. DRLG W/ FLARE 10–25'. LOSING FLUID. |
| 18:00 | 18:30 | 0.5 | GAS IN WELL BLEW GASKET OUT OF FLOW LINE FLOW SENSOR – REINSTALL GASKET. |
| 18:30 | 19:00 | 0.5 | DRILL F/ 8621' – 8653', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 32' @ 64 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID. |
| 19:00 | 23:30 | 4.5 | CIRC. THROUGH COKE – RAISING MUD WT & LCM CONTENT. MUD WT. @ 10.9 PPG, LCM @ 10–15%. GAINING FLUID. |
| 23:30 | 00:30 | 1.0 | DRILL F/ 8653' – 8670', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 17' @ 17 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID. |
| 00:30 | 01:30 | 1.0 | LCM UNDER VALVES IN PUMP – CLEAN OUT – PUMP AIRED UP – TRY TO PURGE PUMP. |
| 01:30 | 06:00 | 4.5 | DRILL W/ DUPLEX PUMP F/ 8670' – 8765', 15–20K WOB, 49 RPM @ TABLE, 1400 PSI @ 52 SPM = 336 GPM = 53 RPMS @ MTR, 150 – 250 DIFF PRESS, 85' @ 18.8 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID SLOWLY. RAISING LCM CONTENT AND WEIGHT IN ANTICIPATION OF HEAVIER FLUID CAUSING LOSSES. |
| | | | FULL CREWS, NO ACCIDENTS. |
| | | | SAFETY MEETINGS: WELL CONTROL ISSUES (2), SPINNING CHAIN (1). |
| | | | OPERATED COM(3), WITNESSED (1) . |
| | | | BOP DRILLS: NONE. |
| | | | FUEL REC'D: 0 GALS #1 DIESEL. |
| | | | FUEL ON HAND 2992 GALS, USED 1271 GALS. |
| | | | BOILER 24 HRS. |
| | | | MUD WT 10.9 PPG, 37 VIS, LCM 12% |
| | | | BG GAS: 200 U, PEAK GAS 9204 U AT 8473'. |
| | | | FORMATION: LOWER PRICE RIVER – TOP @ 8443'. |
| | | | UNMANNED LOGGING UNIT ON LOCATION. |
| 06:00 | | 18.0 | |

01–11–2008 **Reported By** BENNY BLACKWELL

Daily Costs: Drilling \$52,016 **Completion** \$0 **Daily Total** \$52,016
Cum Costs: Drilling \$629,198 **Completion** \$1,178 **Well Total** \$630,376
MD 9,138 **TVD** 9,138 **Progress** 363 **Days** 7 **MW** 11.1 **Visc** 41.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRLG @ 9138'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 11:00 | 5.0 | DRILL F/ 8765' – 8842, 15–20K WOB, 35 – 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 – 250 DIFF PRESS, 77' @ 15.4 FPH. |
| 11:00 | 11:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |

11:30 14:00 2.5 DRILL F/ 8842' - 8891', 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 49' @ 19.6 FPH.

14:00 15:30 1.5 CIRC. WHILE WAITING FOR MUD FROM MUD STORAGE TANKS - DRAIN GAS BUSTER AND ALL LINES TO AND FROM.

15:30 16:00 0.5 DRILL F/ 8842 - 8906', 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 64' @ 128 FPH.

16:00 16:30 0.5 CIRC. WHILE WEIGHTING UP MUD FROM STORAGE TANKS.

16:30 06:00 13.5 DRILL F/ 8906' - 9138' TD, 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 232' @ 17.1 FPH. REACHED TD AT 06:00 HRS, 1/11/08.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: WELL CONTROL ISSUES (2), MIXING MUD (1).
 OPERATED COM(3), WITNESSED (1).
 BOP DRILLS: NONE.
 FUEL REC'D: 2200 GALS #1 DIESEL.
 FUEL ON HAND 3889 GALS, USED 1303 GALS.
 BOILER 24 HRS.
 MUD WT 11.3 PPG, 70 VIS, LCM 8%
 BG GAS: 4900 U, PEAK GAS 9385 U AT 9112'.
 FORMATION: SEGO - TOP @ 8962'.
 UNMANNED LOGGING UNIT ON LOCATION.

djf

| | | | | | | | | | | | |
|---|-------|--------------------|-------------------|-----------------|---------------|--------------------|------------------------|-----------|------|-------------|------|
| 01-12-2008 | | Reported By | | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | | \$44,596 | Completion | | \$0 | Daily Total | | \$44,596 | | | |
| Cum Costs: Drilling | | \$673,795 | Completion | | \$1,178 | Well Total | | \$674,973 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 42 | Days | 8 | MW | 11.1 | Visc | 58.0 |
| Formation : | | PBTD : 0.0 | | | Perf : | | PKR Depth : 0.0 | | | | |
| Activity at Report Time: RUNNING CSG | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 09:00 | 3.0 | DRILL F/ 9138' - 9180, 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 42' @ 14 FPH. REACHED TD @ 09:00 HRS ON 11 JAN 08. |
| 09:00 | 10:30 | 1.5 | CIRC. F/ SHORT TRIP. |
| 10:30 | 11:30 | 1.0 | SET KELLY BACK. TIGHT HOLE 40' OFF BOTTOM. KELLY UP AND WORK THROUGH TIGHT SPOT. |
| 11:30 | 12:00 | 0.5 | CIRC., BUILD PILL AND PUMP SAME. |
| 12:00 | 13:00 | 1.0 | SHORT TRIP 10 STANDS - RETURN TO BOTTOM. |
| 13:00 | 16:30 | 3.5 | CIRC. BOTTOMS UP, SPOT 250 BBLS OF 13.5 PPG MUD ACROSS PRICE RIVER - TOP OF PILL @ 6003'. (GAS TO SURFACE AFTER 3300 STROKES. 15'-25' FLARE AT BOTTOMS UP). RIG UP L/D EQUIP WHILE CIRC. |
| 16:30 | 17:00 | 0.5 | DROP SURVEY - BLOW DOWN KELLY, |
| 17:00 | 01:30 | 8.5 | LAY DOWN DP. BREAK KELLY, L/D BHA. |
| 01:30 | 02:00 | 0.5 | PULL WEAR BUSHING. |
| 02:00 | 03:30 | 1.5 | RIG UP CASING RUNNING EQUIP - HSM. |
| 03:30 | 06:00 | 2.5 | RUNNING 214 JTS. OF 4 1/2", 11.6#, N-80, LTC CSG. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: L/D D.P (2), RUN CASING (W/CALIBER CREW) (1).
 OPERATED COM(4), WITNESSED (2) .
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 3141 GALS, USED 1341 GALS.
 BOILER 24 HRS.
 MUD WT 11.2 PPG, 50 VIS, LCM 8%
 BG GAS: N/A U, PEAK GAS N/A U AT ' .
 FORMATION: SEGO - TOP @ 8962' .
 UNMANNED LOGGING UNIT ON LOCATION.

djf

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|-------------------|-----------------|-----------|--------------------|---|------------------------|-----|-------------|-----|
| 01-13-2008 | | Reported By | | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | | \$156,711 | Completion | | \$171,978 | Daily Total | | \$328,689 | | | |
| Cum Costs: Drilling | | \$830,506 | Completion | | \$173,156 | Well Total | | \$1,003,662 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 9 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | PKR Depth : 0.0 | | | |

Activity at Report Time: RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 12:00 | 6.0 | RUN 214 JTS OF 4 1/2", 11.6#, N-80, LTC R-3 CASING TO 9168.95' AS FOLLOWS: CONVENTIONAL FLOAT SHOE (1.00') SET @ 9168.95', 1 SHOE JT. CSG (43.43), CONVENTIONAL FLOAT COLLAR (1.50') SET W/ TOP OF FLOAT @ 9123.02, 72 JTS CSG (3069.14') MARKER JT. (21.81') SET @ 6032.07', 47 JTS CSG (1999.75'), MARKER JT. (22.23') SET @ 4010.09', 94 JTS CSG (3991.44'), 1 PUP JTS. (5.00') , 1 CASING HANGER (0.65), 1 LANDING JT 13.00'. |
| 12:00 | 12:30 | 0.5 | TAG BOTTOM W/ 1 JT. CASING AND L/D TAG JT. |
| 12:30 | 13:00 | 0.5 | P/U AND RUN LANDING JOINT. LAND CASING W/ 82,000K ON HANGER. |
| 13:00 | 14:00 | 1.0 | RIG UP CEMENTING FLOOR EQUIP. |
| 14:00 | 16:00 | 2.0 | CEMENT 4 1/2 CSG AS FOLLOWS PRESURE TEST LINES TO 5K , PUMP 20BBL CHEM WASH , 20 BBL FRESH WATER SPACER , LEAD 700 SK 271.94 bbl 35/65 POZ G + ADDS YEILD = 2.26 , H2O 12.9 GAL/SK @ 12.0 ppg. TAIL 1525 SK 305.91 bbl 50/50 POZ G + ADDS YEILD 1.29 H2O 5.96 GAL/SK @ 14.1ppg DISPLACE WITH FRESH WATER WITH 2gal/1000 LO64 TO FLOAT COLLAR 140.96 bbl 7 BPM. RETURNED 70 BBL MUD TOTAL FOR THE JOB. NO CEMENT RETURNS TO SURFACE. BUMPED PLUG @ 16:04 HRS 12 JAN 08 W/1000 psi OVER (3369) , BLED BACK 1.50 bbl FLOATS HELD. HOLD CEMENTING HEAD FOR 1 HOUR. |
| 16:00 | 20:00 | 4.0 | HOLD CEMENT HEAD FOR 1 HR. L/D CEMENTING HEAD, BACK OUT LANDING JOINT, INSTALL PACKER AND TEST TO 5000 PSI - OK. CLEAN PITS AND R/D BOP'S. |
| 20:00 | 06:00 | 10.0 | RIGGING DOWN FLOOR AND DERRICK AND PREPARE TO L/D DERRICK @ FIRST LIGHT. FULL CREWS, NO ACCIDENTS. |

SAFETY MEETINGS: CMENING (1), RUN CASING (W/CALIBER CREW) (1).

OPERATED COM(3), WITNESSED (1).
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 2141 GALS, USED 1000 GALS.
 BOILER 24 HRS.
 MUD WT 11.2 PPG, 50 VIS, LCM 8%
 BG GAS: N/A U, PEAK GAS N/A U AT '
 FORMATION: SEGO - TOP @ 8962'.
 UNMANNED LOGGING UNIT ON LOCATION.
 RIG MOVE 0.25 MILES TO CWU 1076-25

djf

06:00 18.0 RELEASE RIG @ 20:00 HRS ON 12 JAN 08.
 CASING POINT COST \$760,440

| | | | | | | | | | | | |
|--|----------------------|-------------------|---|--------------------|------------------------|-------------|----|-----------|-----|-------------|-----|
| 01-16-2008 | Reported By | SEARLE | | | | | | | | | |
| Daily Costs: Drilling | \$0 | Completion | \$43,492 | Daily Total | \$43,492 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$216,648 | Well Total | \$1,047,154 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 10 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 9123.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |
| Activity at Report Time: PREP FOR FRACS | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | | 18.0 | MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 800'. EST CEMENT TOP @ 2800'. RD SCHLUMBERGER. | | | | | | | | |

**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 37879
CWU 1079-25
9S 22E 25

API Number:

Drilling Commenced:

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 |

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc.

3a. Address
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)
**1321' FSL & 1643' FWL (NESW)
 Sec. 25-T9S-R22E 40.003403 LAT 109.391869 LON**

5. Lease Serial No.
U-0285-A

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 1079-25

9. API Well No.
43-047-37879

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

11. County or Parish, State
Uintah County, Utah

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

TD of 9180' was reached on 1/11/2008. Completion operations began on 7/19/2008. EOG anticipates the referenced well will be placed on sales on or about the week of 8/18/2008.

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

Mickenzie Thacker

Title **Operations Clerk**

Signature

Mickenzie Thacker

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.

RECEIVED

(Instructions on page 2)

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.
UTU0285A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

8. Well Name and No.
CHAPITA WELLS UNIT 1079-25

9. API Well No.
43-047-37879

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
600 17TH STREET SUITE 1000N
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 25 T9S R22E NESW 1321FSL 1643FWL
40.00340 N Lat, 109.39187 W Lon

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

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

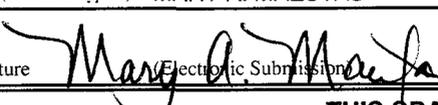
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 8/28/2008. 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 #62665 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 09/02/2008

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

SEP 08 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 09-02-2008

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|--------|
| Well Name | CWU 1079-25 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA DEEP | API # | 43-047-37879 | Well Class | COMP |
| County, State | UINTAH, UT | Spud Date | 01-04-2008 | Class Date | |
| Tax Credit | N | TVD / MD | 9,180/ 9,180 | Property # | 057448 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 5,072/ 5.059 | | | | |
| Location | Section 25, T9S, R22E, NESW, 1321 FSL & 1643 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|--------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 56.305 | NRI % | 48.243 |

| | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|------------------|
| AFE No | 303560 | AFE Total | 1,764,800 | DHC / CWC | 838,700/ 926,100 |
| Rig Contr | TRUE | Rig Name | TRUE #26 | Start Date | 03-16-2006 |
| 03-16-2006 | Reported By | CINDY VAN RANKEN | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOCATION DATA

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

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | LOCATION DATA: 1321' FSL & 1643' FWL (NE/SW) SECTION 25, T9S, R22E UINTAH COUNTY, UTAH |
|-------|-------|------|---|

LAT 40.003436, LONG 109.391189 (NAD 27)
LAT 40.003403, LONG 109.391869 (NAD 83)

ELENBURG #28

OBJECTIVE: 9180' TD, MESAVERDE (TD SUNDRY 7/13/07)

DW/GAS

CHAPITA WELLS DEEP PROSPECT

DD&A FIELD: CHAPITA DEEP

NATURAL BUTTES FIELD

LEASE: U-0285A

ELEVATION: 5062.6' NAT GL, 5058.8' PREP GL (DUE TO ROUNDING 5059' IS THE PREP GL), 5072' KB (13')

EOG WI 56.3053%, NRI 48.24336%

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

| | | | | | | | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$38,000 | Completion | \$0 | Daily Total | \$38,000 | | | | | | |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTBD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | CONSTRUCTION OF LOCATION WILL START TODAY. |

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

| | | | | | | | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$38,000 | Completion | \$0 | Daily Total | \$38,000 | | | | | | |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTBD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 5% COMPLETE. |

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

| | | | | | | | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTBD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 15% COMPLETE. |

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

| | | | | | | | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTBD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 30% COMPLETE. |

10-29-2007 **Reported By** TERRY CSERE

| | | | | | | | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|-------------|---|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |

Formation : PBTBD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 35% COMPLETE. |

10-30-2007 **Reported By** TERRY CSERE

11-29-2007 Reported By TERRY CSERE

| | | | | | |
|-----------------------|----------|------------|-----|-------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |

| | | | | | | | | | | | |
|----|----|-----|----|----------|---|------|---|----|-----|------|-----|
| MD | 60 | TVD | 60 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
|----|----|-----|----|----------|---|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: BUILD LOCATION

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

12-11-2007 Reported By JERRY BARNES

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$211,029 | Completion | \$0 | Daily Total | \$211,029 |
| Cum Costs: Drilling | \$249,029 | Completion | \$0 | Well Total | \$249,029 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: WORT

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

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU PRO PETRO AIR RIG #9 ON 12/2/2007. DRILLED 12-1/4" HOLE TO 2261' GL. ENCOUNTERED WATER @ 1260' & 1800'. RAN FLUID LEVEL INDICATOR IN OPEN HOLE. FOUND FLUID LEVEL @ 317', RAN 53 JTS (2256.25') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TEXAS PATTERN GUIDE SHOE AND NO FLOAT COLLAR. 3 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2269' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG. |
|-------|-------|------|--|

MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. RAN FLUID LEVEL INDICATOR INSIDE CASING. FOUND FLUID @ 317'. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 175 BBLs FRESH WATER. DROPPED 15 SX RAW BENTONITE PELETS (8 SX 3/4" & 7 SX 3/8") DOWN CASING WHILE PUMPING 15 BBLs GELLED WATER. DISPLACED BENTONITE W/216 BBLs FRESH WATER. CHECK FLUID LEVEL - 234'. W.O. BENTONITE 6 HRS. RAN FLUID LEVEL - 190'. PUMPED 75 BBLs FRESH WATER. NO RETURNS. DROPPED 15 SX RAW BENTONITE PELLETS (8 SX 3/4" & 7 SX 3/8") WHILE PUMPING 15 BBLs GELLED WATER. DISPLACED BENTONITE W/216 BBLs FRESH WATER. CHECKED FLUID LEVEL - 230'. W.O. BENTONITE 6 HRS. RAN FLUID LEVEL - 197'. PUMPED 50 BBLs FRESH WATER. NO RETURNS. DUMPED 15 SX RAW BENTONITE PELLETS (8 SX 3/4" & 7 SX 3/8") WHILE PUMPING 15 BBLs GELLED WATER. DISPLACED BENTONITE W/216 BBLs FRESH WATER. W.O. BENTONITE 1 HR. MIXED & PUMPED 200 SX (136 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/158.9 BBLs FRESH WATER. SHUT IN CASING W/160# @ 2:08 PM, 12/5/2007. NO RETURNS.

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. NO RETURNS. WOC 2 HRS.

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. NO RETURNS. WOC 2 HRS.

TOP JOB # 3: MIXED & PUMPED 225 SX (46 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB # 4: MIXED & PUMPED 100 SX (20.4 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS 30 MINUTES.

TOP JOB # 5: MIXED & PUMPED 75 SX (15 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS.

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

NO SURVEY @ THIS TIME.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 12/4/2007 @ 8:15 AM.

| | | | | | | | | | | | |
|--------------------------------------|-----------|--------------------|-------|------------------------------|-----------|---------------|---|------------------------|-----|-------------|-----|
| 01-03-2008 | | Reported By | | BENNY BLACKWELL, TOM HARKINS | | | | | | | |
| Daily Costs: Drilling | \$28,985 | Completion | \$0 | Daily Total | \$28,985 | | | | | | |
| Cum Costs: Drilling | \$278,014 | Completion | \$0 | Well Total | \$278,014 | | | | | | |
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : 0.0 | | | | Perf : | | PKR Depth : 0.0 | | | |
| Activity at Report Time: RURT | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 11:00 | 5.0 | RIG DOWN AND MOVE RIG OFF OF LOCATION. |
| 11:00 | 17:00 | 6.0 | MOVE RIG ONTO LOCATION CWU 1079-25 AND RIG UP. 100% MOVED OFF OF OLD LOCATION, 60% MOVED ONTO NEW LOCATION, 45% RIGGED UP (DERRICK NOT ON SUB). |
| 17:00 | 06:00 | 13.0 | WAIT ON DAYLIGHT. DAYLIGHTS 2 HANDS SHORT. SAFETY MEETING W/ WESTROC AND TRUE CREW ON MOVING RIG. 1 INCIDENT REPORTED - JOSEPH KLIENSASSER CAUGHT BETWEEN BUILDING BEING LOWER AND ADJACENT BUILDING ALREADY SPOTTED. RIG MOVE IS 1.3 MILES. TRUCKS ON LOCATION: 07:00 HRS. WORKED UNTIL 17:00 HRS. |

| | | | | | | | | | | | |
|---|-----------|--------------------|-------|--------------------|-----------|---------------|---|------------------------|-----|-------------|-----|
| | | Reported By | | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | \$47,574 | Completion | \$0 | Daily Total | \$47,574 | | | | | | |
| Cum Costs: Drilling | \$325,588 | Completion | \$0 | Well Total | \$325,588 | | | | | | |
| MD | 2,269 | TVD | 2,269 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : 0.0 | | | | Perf : | | PKR Depth : 0.0 | | | |
| Activity at Report Time: P/U BHA | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|---|-------|------|--|
| 06:00 | 23:30 | 17.5 | RIG UP AND PREPARE RIG FOR DRILLING. |
| 23:30 | 04:00 | 4.5 | ACCEPT RIG ON DAYWORK @ 23:30 HRS ON 03 JAN 08. TEST BOPS - PIPE RAMS, BLIND RAMS, KILL LINE AND VALVES, CHOKE LINES AND MANIFOLD, FLOOR VALVES, UPPER AND LOWER KELLY COCK TO 250 PSI FOR 5 MIN, 5000 PSI FOR 10 MIN. TEST ANNULAR TO 250 PSI FOR 5 MIN, 2500 PSI FOR 10 MINS. TEST CSG TO 1500 PSI FOR 30 MIN. TEST ACCUMULATOR. TEST WITNESSED BY JAKE BIRCHELL OF BLM. HAD PROBLEM WORKING TEST PLUG UP THROUGH ANNULAR. |
| 04:00 | 04:30 | 0.5 | SET WEAR BUSHING. |
| 04:30 | 06:00 | 1.5 | STRAP & P/U BHA. |
| DAYS 1 MAN SHORT, NO ACCIDENTS. SAFETY MEETINGS ON RIGGING UP W/ WESTROC (2), PICK UP BHA (1). FUEL REC'D: 4500 GALS #1 DIESEL. FUEL ON HAND 6283 GALS, USED 637 GALS. | | | |

BOILER 20 HRS.
 OPERATED COM(1), WITNESSED
 NO MUD LOGGER ON LOCATION.

01-05-2008 **Reported By** BENNY BLACKWELL

| | | | | | |
|------------------------------|-----------|-------------------|---------|--------------------|-----------|
| Daily Costs: Drilling | \$35,613 | Completion | \$1,178 | Daily Total | \$36,791 |
| Cum Costs: Drilling | \$361,201 | Completion | \$1,178 | Well Total | \$362,379 |

| | | | | | | | | | | | |
|--------------------|-------|------------|-------------------|-----------------|---------------|-------------|------------------------|-----------|-----|-------------|-----|
| MD | 3,545 | TVD | 3,545 | Progress | 1,276 | Days | 1 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | |

Activity at Report Time: DRLG @ 3545'

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:30 | 1.5 | P/U BHA. |
| 07:30 | 08:30 | 1.0 | RIG UP L/D MACHINE. |
| 08:30 | 09:30 | 1.0 | P/U BHA. |
| 09:30 | 11:00 | 1.5 | P/U D.P. |
| 11:00 | 12:00 | 1.0 | RIG DOWN L/D MACHINE. |
| 12:00 | 12:30 | 0.5 | INSTALL ROTATING HEAD RUBBER. |
| 12:30 | 13:00 | 0.5 | SERVICE RIG - DAILY RIG SERVICE. |
| 13:00 | 16:00 | 3.0 | DRILL CEMENT AND FLOAT EQUIP FROM 2080' - 2269'. DRILL 10' OF NEW FORMATION TO 2289' |
| 16:00 | 16:30 | 0.5 | PERFORM FIT - 90 PSI SURFACE PRESSURE W/ 8.4 PPG FLUID WT = 9.3 EMW. |
| 16:30 | 17:00 | 0.5 | DRILL F/ 2289' - 2335', 15-18K WOB, 40-65 RPM @ TABLE, 1200PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 46' @ 92 FPH. |
| 17:00 | 17:30 | 0.5 | SURVEY @ 2260' - 1 DEG. |
| 17:30 | 03:00 | 9.5 | DRILL F/2335' - 3348', 15-18K WOB, 40-65 RPM @ TABLE, 1300PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 1013' @ 106.63 FPH. |
| 03:00 | 03:30 | 0.5 | SURVEY @ 3275' - 2.75 DEG. |
| 03:30 | 06:00 | 2.5 | DRILL F/3348' - 3545', 15-18K WOB, 40-65 RPM @ TABLE, 1300PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 197' @ 78.8 FPH. |
| 06:00 | | 18.0 | SPUD 7 7/8" HOLE @ 16:30 HRS, 1/4/08. |

01-06-2008 **Reported By** BENNY BLACKWELL

| | | | | | |
|------------------------------|-----------|-------------------|---------|--------------------|-----------|
| Daily Costs: Drilling | \$40,526 | Completion | \$0 | Daily Total | \$40,526 |
| Cum Costs: Drilling | \$401,727 | Completion | \$1,178 | Well Total | \$402,905 |

| | | | | | | | | | | | |
|--------------------|-------|------------|-------------------|-----------------|---------------|-------------|------------------------|-----------|-----|-------------|------|
| MD | 5,360 | TVD | 5,360 | Progress | 1,815 | Days | 2 | MW | 9.5 | Visc | 32.0 |
| Formation : | | | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | |

Activity at Report Time: DRILLING @ 5360'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 12:30 | 6.5 | DRILL F/ 3545' - 4171', 15-20K WOB, 40-65 RPM @ TABLE, 1400PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 626' @ 96.3 FPH. |
| 12:30 | 13:00 | 0.5 | SERVICE RIG - DAILY RIG SERVICE. |
| 13:00 | 15:30 | 2.5 | DRILL F/ 4171' - 4425, 15-20K WOB, 40-65 RPM @ TABLE, 1400PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 254' @ 101.6 FPH. |
| 15:30 | 16:00 | 0.5 | SURVEY @4350' - 2.50 DEG. |
| 16:00 | 06:00 | 14.0 | DRILL F/ 4425' - 5360', 15-20K WOB, 40-65 RPM @ TABLE, 1500PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 - 350 DIFF PRESS, 935' @ 66.78 FPH. |

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS: BLOWING DOWN BOILER, WIRE LINE SURVEY, GAS BUSTER OPERATIONS.
 BOP DRILLS: DAYLIGHTS – 90 SECS.
 FUEL REC'D:0 GALS #1 DIESEL.
 FUEL ON HAND 3141 GALS, USED 1721 GALS.
 MUD WT 9.7 PPG, 33 VIS .
 BOILER 24 HRS.
 OPERATED COM(3), WITNESSED (1) .
 BG GAS: 145 U, PEAK GAS 4930 U AT 4455'.
 FORMATION: CHAPITA WELLS – TOP @ 5086'.
 UN MANNED LOGGING UNIT ON LOCATION.

01-07-2008 Reported By BENNY BLACKWELL

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| Daily Costs: Drilling | \$43,783 | Completion | \$0 | Daily Total | \$43,783 | | | | | | |
| Cum Costs: Drilling | \$445,511 | Completion | \$1,178 | Well Total | \$446,689 | | | | | | |
| MD | 6.630 | TVD | 6.630 | Progress | 1,270 | Days | 3 | MW | 9.9 | Visc | 36.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRLG @ 6630'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 12:00 | 6.0 | DRILL F/ 5360' – 5785', 15-20K WOB, 40-65 RPM @ TABLE, 1500PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 425' @ 70.8 FPH. |
| 12:00 | 12:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |
| 12:30 | 06:00 | 17.5 | DRILL F/ 5785' 6630- , 15-20K WOB, 40-65 RPM @ TABLE, 1700PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 845' @ 48.28 FPH. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS: PPE. RIG SERVICE, 1ST DAY BACK. BOP DRILLS: EVENING – 65 SECS. FUEL REC'D: 2800 GALS #1 DIESEL. FUEL ON HAND 4563 GALS, USED 1378 GALS. MUD WT 10.1 PPG, 34 VIS . BOILER 24 HRS. OPERATED COM(3), WITNESSED (1) . BG GAS: 75 U, PEAK GAS 4796 U AT 5928'. FORMATION: NORTH HORN – TOP @ 6463'. UN MANNED LOGGING UNIT ON LOCATION. |

01-08-2008 Reported By BENNY BLACKWELL

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|------|-------------|------|
| Daily Costs: Drilling | \$50,891 | Completion | \$0 | Daily Total | \$50,891 | | | | | | |
| Cum Costs: Drilling | \$496,403 | Completion | \$1,178 | Well Total | \$497,581 | | | | | | |
| MD | 7,930 | TVD | 7,930 | Progress | 1,300 | Days | 4 | MW | 10.2 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRLG @ 7930

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 12:00 | 6.0 | DRILL F/ 6630' – 7019', 15-20K WOB, 40-65 RPM @ TABLE, 1700PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 389' @ 64.8 FPH. |
| 12:00 | 12:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |
| 12:30 | 06:00 | 17.5 | DRILL F/ 7019' – 7930', 15-20K WOB, 40-65 RPM @ TABLE, 1800PSI @ 120 SPM = 420 GPM = 67 RPMS @ MTR, 150 – 350 DIFF PRESS, 911' @ 52 FPH. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: PPE (2), SPINNING CHAIN (1).
 OPERATED COM(3), WITNESSED (1) .
 BOP DRILLS: NONE.
 FUEL REC'D: 2800 GALS #1 DIESEL.
 FUEL ON HAND 5685 GALS, USED 1678 GALS.
 BOILER 24 HRS.
 MUD WT 10.6 PPG, 40 VIS.
 BG GAS: 200 U, PEAK GAS 4805 U AT 7449'.
 FORMATION: MIDDLE PRICE RIVER – TOP @ 7666'.
 UNMANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------|--------------------|------------------------|-------------|---|-----------|------|-------------|------|
| 01-09-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$49,657 | Completion | \$0 | Daily Total | \$49,657 | | | | | | |
| Cum Costs: Drilling | \$542,243 | Completion | \$1,178 | Well Total | \$543,421 | | | | | | |
| MD | 8,587 | TVD | 8,587 | Progress | 657 | Days | 5 | MW | 10.6 | Visc | 39.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: CIRC KICK OUT OF HOLE

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 09:00 | 3.0 | DRILL F/ 7930' – 8030, 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 TPMS @ MTR, 150 – 350 DIFF PRESS, 100' @ 33 FPH. LOW ROP – PULL BIT. |
| 09:00 | 09:30 | 0.5 | CIRC & PUMP PILL FOR BIT TRIP |
| 09:30 | 10:00 | 0.5 | DROP SURVEY. |
| 10:00 | 13:30 | 3.5 | POH W/ BIT #1 – LOW ROP – TIGHT FROM 7990' – 7960', WORK WITH 30 – 50K OVER STRING WT. |
| 13:30 | 15:00 | 1.5 | L/D 2 REAMERS, MOTOR & BIT – P/U MOTOR & BIT #2. |
| 15:00 | 18:30 | 3.5 | RIH W/ BIT #2 – HIT BRIDGE @ 7355' & P/U KELLY – WASH THROUGH, SET KELLY BACK AND CONT. TO RIH. |
| 18:30 | 03:30 | 9.0 | DRILL F/ 8030' – 8587', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 557' @ 61.88 FPH. |
| 03:30 | 06:00 | 2.5 | NOTICED INCREASE VOLUME IN PITS, SHORTLY AFTER INCREASE IN FLOW – WENT TO GAS BUSTER THEN TO ANNULAR AND CHOKE MANIFOLD. HIGHEST GAIN JUST BEFORE RAW GAS @ CHOKE WAS 80 BBLs. USING KILL SPEED AND 3/4 CHOKE WHILE RAW GAS AT CHOKE, THEN WENT TO OPEN CHOKE AND DRILLING SPEED ON PUMP, MAINTAINING CONSTANT DRILL PIPE PRESSURE. NOTICABLE LOSSES CALC @ 35 BBLs/ HR. MIXING LCM, BUILDING VOLUME AND RAISING MUD WT. BRINGING MUD IN FROM TANK FARM. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: PPE (2), SPINNING CHAIN (1).
 OPERATED COM(5), WITNESSED (3) .
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 4263 GALS, USED 1678 GALS.
 BOILER 24 HRS.
 MUD WT 11.0 PPG, 37 VIS.
 BG GAS: 200 U, PEAK GAS 9204 U AT 8473'.
 FORMATION: LOWER PRICE RIVER – TOP @ 8443'.
 UNMANNED LOGGING UNIT ON LOCATION.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|-----|--------------------|----------|--|--|--|--|--|--|
| 01-10-2008 | Reported By | BENNY BLACKWELL | | | | | | | | | |
| Daily Costs: Drilling | \$34,938 | Completion | \$0 | Daily Total | \$34,938 | | | | | | |

Cum Costs: Drilling \$577,182 **Completion** \$1,178 **Well Total** \$578,360
MD 8,765 **TVD** 8,765 **Progress** 178 **Days** 6 **MW** 9.9 **Visc** 34.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRLG @ 8765

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:30 | 1.5 | CIRC. ON CHOKE, RAISING MUD WT TO 10.7 AND INCREASING LCM TO 20 %. LOSING FLUID. |
| 07:30 | 15:00 | 7.5 | CIRCULATE THROUGH GAS BUSTER, LOSING MUD – APPROX 700 BBLs, BRINGING MUD IN FROM TANK FARM AND BUILDING MUD ON LOCATION. WEIGHTING UP TO 10.7 AND ADDING LCM TO 10%. |
| 15:00 | 16:00 | 1.0 | DRILL F/ 8587' – 8610', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 23' @ 23 FPH. ON GAS BUSTER. 15 – 40' FLARE. LOSING THEN GAINING FLUID. |
| 16:00 | 17:00 | 1.0 | CLOSE IN WELL, CHANGE OUT ROT. HEAD RUBBER – STRIPPED TOOL JOINT THROUGH ANNULAR. |
| 17:00 | 18:00 | 1.0 | DRILL F/ 8610' – 8621', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 11' @ 11 FPH. ON GAS BUSTER. DRLG W/ FLARE 10–25'. LOSING FLUID. |
| 18:00 | 18:30 | 0.5 | GAS IN WELL BLEW GASKET OUT OF FLOW LINE FLOW SENSOR – REINSTALL GASKET. |
| 18:30 | 19:00 | 0.5 | DRILL F/ 8621' – 8653', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 32' @ 64 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID. |
| 19:00 | 23:30 | 4.5 | CIRC. THROUGH COKE – RAISING MUD WT & LCM CONTENT. MUD WT. @ 10.9 PPG, LCM @ 10–15%. GAINING FLUID. |
| 23:30 | 00:30 | 1.0 | DRILL F/ 8653' – 8670', 15–20K WOB, 40–65 RPM @ TABLE, 2050 PSI @ 111 SPM = 387 GPM = 62 RPMS @ MTR, 150 – 350 DIFF PRESS, 17' @ 17 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID. |
| 00:30 | 01:30 | 1.0 | LCM UNDER VALVES IN PUMP – CLEAN OUT – PUMP AIRED UP – TRY TO PURGE PUMP. |
| 01:30 | 06:00 | 4.5 | DRILL W/ DUPLEX PUMP F/ 8670' – 8765', 15–20K WOB, 49 RPM @ TABLE, 1400 PSI @ 52 SPM = 336 GPM = 53 RPMS @ MTR, 150 – 250 DIFF PRESS, 85' @ 18.8 FPH. ON GAS BUSTER. DRLG W/ FLARE 15–25'. GAINING FLUID SLOWLY. RAISING LCM CONTENT AND WEIGHT IN ANTICIPATION OF HEAVIER FLUID CAUSING LOSSES. |
| | | | FULL CREWS, NO ACCIDENTS. |
| | | | SAFETY MEETINGS: WELL CONTROL ISSUES (2), SPINNING CHAIN (1). |
| | | | OPERATED COM(3), WITNESSED (1). |
| | | | BOP DRILLS: NONE. |
| | | | FUEL REC'D: 0 GALS #1 DIESEL. |
| | | | FUEL ON HAND 2992 GALS, USED 1271 GALS. |
| | | | BOILER 24 HRS. |
| | | | MUD WT 10.9 PPG, 37 VIS, LCM 12% |
| | | | BG GAS: 200 U, PEAK GAS 9204 U AT 8473'. |
| | | | FORMATION: LOWER PRICE RIVER – TOP @ 8443'. |
| | | | UNMANNED LOGGING UNIT ON LOCATION. |
| 06:00 | | 18.0 | |

01-11-2008 **Reported By** BENNY BLACKWELL

Daily Costs: Drilling \$52,016 **Completion** \$0 **Daily Total** \$52,016
Cum Costs: Drilling \$629,198 **Completion** \$1,178 **Well Total** \$630,376
MD 9,138 **TVD** 9,138 **Progress** 363 **Days** 7 **MW** 11.1 **Visc** 41.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRLG @ 9138'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 11:00 | 5.0 | DRILL F/ 8765' – 8842, 15–20K WOB, 35 – 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 – 250 DIFF PRESS, 77' @ 15.4 FPH. |
| 11:00 | 11:30 | 0.5 | SERVICE RIG – DAILY RIG SERVICE. |

| | | | |
|-------|-------|------|---|
| 11:30 | 14:00 | 2.5 | DRILL F/ 8842' - 8891', 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 49' @ 19.6 FPH. |
| 14:00 | 15:30 | 1.5 | CIRC. WHILE WAITING FOR MUD FROM MUD STORAGE TANKS - DRAIN GAS BUSTER AND ALL LINES TO AND FROM. |
| 15:30 | 16:00 | 0.5 | DRILL F/ 8842 - 8906', 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 64' @ 128 FPH. |
| 16:00 | 16:30 | 0.5 | CIRC. WHILE WEIGHTING UP MUD FROM STORAGE TANKS. |
| 16:30 | 06:00 | 13.5 | DRILL F/ 8906' - 9138' TD, 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 232' @ 17.1 FPH. REACHED TD AT 06:00 HRS, 1/11/08. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: WELL CONTROL ISSUES (2), MIXING MUD (1).
 OPERATED COM(3), WITNESSED (1) .
 BOP DRILLS: NONE.
 FUEL REC'D: 2200 GALS #1 DIESEL.
 FUEL ON HAND 3889 GALS, USED 1303 GALS.
 BOILER 24 HRS.
 MUD WT 11.3 PPG, 70 VIS, LCM 8%
 BG GAS: 4900 U, PEAK GAS 9385 U AT 9112'.
 FORMATION: SEGO - TOP @ 8962'.
 UNMANNED LOGGING UNIT ON LOCATION.

djf

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|-------------------|-----------------|---------|--------------------|---|-----------|------------------------|-------------|------|
| 01-12-2008 | | Reported By | | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | | \$44,596 | Completion | | \$0 | Daily Total | | \$44,596 | | | |
| Cum Costs: Drilling | | \$673,795 | Completion | | \$1,178 | Well Total | | \$674,973 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 42 | Days | 8 | MW | 11.1 | Visc | 58.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: RUNNING CSG

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 09:00 | 3.0 | DRILL F/ 9138' - 9180, 15-20K WOB, 35 - 50 RPM @ TABLE, 2050 PSI @ 99 SPM = 345 GPM = 55 RPMS @ MTR, 150 - 250 DIFF PRESS, 42' @ 14 FPH. REACHED TD @ 09:00 HRS ON 11 JAN 08. |
| 09:00 | 10:30 | 1.5 | CIRC. F/ SHORT TRIP. |
| 10:30 | 11:30 | 1.0 | SET KELLY BACK. TIGHT HOLE 40' OFF BOTTOM. KELLY UP AND WORK THROUGH TIGHT SPOT. |
| 11:30 | 12:00 | 0.5 | CIRC., BUILD PILL AND PUMP SAME. |
| 12:00 | 13:00 | 1.0 | SHORT TRIP 10 STANDS - RETURN TO BOTTOM. |
| 13:00 | 16:30 | 3.5 | CIRC. BOTTOMS UP. SPOT 250 BBLs OF 13.5 PPG MUD ACROSS PRICE RIVER - TOP OF PILL @ 6003'. (GAS TO SURFACE AFTER 3300 STROKES. 15'-25' FLARE AT BOTTOMS UP). RIG UP L/D EQUIP WHILE CIRC. |
| 16:30 | 17:00 | 0.5 | DROP SURVEY - BLOW DOWN KELLY, |
| 17:00 | 01:30 | 8.5 | LAY DOWN DP. BREAK KELLY, L/D BHA. |
| 01:30 | 02:00 | 0.5 | PULL WEAR BUSHING. |
| 02:00 | 03:30 | 1.5 | RIG UP CASING RUNNING EQUIP - HSM. |
| 03:30 | 06:00 | 2.5 | RUNNING 214 JTS. OF 4 1/2", 11.6#, N-80, LTC CSG. |

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS: L/D D.P (2), RUN CASING (W/CALIBER CREW) (1).
 OPERATED COM(4), WITNESSED (2).
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 3141 GALS, USED 1341 GALS.
 BOILER 24 HRS.
 MUD WT 11.2 PPG, 50 VIS, LCM 8%
 BG GAS: N/A U, PEAK GAS N/A U AT '.
 FORMATION: SEGO - TOP @ 8962'.
 UNMANNED LOGGING UNIT ON LOCATION.

djf

| | | | | | | | | | | | |
|------------------------------|-------------------|--------------------|-----------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 01-13-2008 | | Reported By | | BENNY BLACKWELL | | | | | | | |
| Daily Costs: Drilling | \$156,711 | Completion | \$171,978 | Daily Total | \$328,689 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$173,156 | Well Total | \$1,003,662 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 9 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 12:00 | 6.0 | RUN 214 JTS OF 4 1/2", 11.6#, N-80, LTC R-3 CASING TO 9168.95' AS FOLLOWS: CONVENTIONAL FLOAT SHOE (1.00') SET @ 9168.95', 1 SHOE JT. CSG (43.43), CONVENTIONAL FLOAT COLLAR (1.50') SET W/ TOP OF FLOAT @ 9123.02, 72 JTS CSG (3069.14') MARKER JT. (21.81') SET @ 6032.07', 47 JTS CSG (1999.75'), MARKER JT. (22.23') SET @ 4010.09', 94 JTS CSG (3991.44'), 1 PUP JTS. (5.00'), 1 CASING HANGER (0.65), 1 LANDING JT 13.00'. |
| 12:00 | 12:30 | 0.5 | TAG BOTTOM W/ 1 JT. CASING AND L/D TAG JT. |
| 12:30 | 13:00 | 0.5 | P/U AND RUN LANDING JOINT. LAND CASING W/ 82,000K ON HANGER. |
| 13:00 | 14:00 | 1.0 | RIG UP CEMENTING FLOOR EQUIP. |
| 14:00 | 16:00 | 2.0 | CEMENT 4 1/2 CSG AS FOLLOWS PRESURE TEST LINES TO 5K , PUMP 20BBL CHEM WASH , 20 BBL FRESH WATER SPACER , LEAD 700 SK 271.94 bbl 35/65 POZ G + ADDS YEILD = 2.26 , H2O 12.9 GAL/SK @ 12.0 ppg. TAIL 1525 SK 305.91 bbl 50/50 POZ G + ADDS YEILD 1.29 H2O 5.96 GAL/SK @ 14.1ppg DISPLACE WITH FRESH WATER WITH 2gal/1000 LO64 TO FLOAT COLLAR 140.96 bbl 7 BPM. RETURNED 70 BBL MUD TOTAL FOR THE JOB. NO CEMENT RETURNS TO SURFACE. BUMPED PLUG @ 16:04 HRS 12 JAN 08 W/1000 psi OVER (3369) , BLEED BACK 1.50 bbl FLOATS HELD. HOLD CEMENTING HEAD FOR 1 HOUR. |
| 16:00 | 20:00 | 4.0 | HOLD CEMENT HEAD FOR 1 HR. L/D CEMENTING HEAD, BACK OUT LANDING JOINT, INSTALL PACKER AND TEST TO 5000 PSI - OK. CLEAN PITS AND R/D BOP'S. |
| 20:00 | 06:00 | 10.0 | RIGGING DOWN FLOOR AND DERRICK AND PREPARE TO L/D DERRICK @ FIRST LIGHT. FULL CREWS, NO ACCIDENTS. |

SAFETY MEETINGS: CMENTING (1), RUN CASING (W/CALIBER CREW) (1).

OPERATED COM(3), WITNESSED (1) .
 BOP DRILLS: NONE.
 FUEL REC'D: 0 GALS #1 DIESEL.
 FUEL ON HAND 2141 GALS, USED 1000 GALS.
 BOILER 24 HRS.
 MUD WT 11.2 PPG, 50 VIS, LCM 8%
 BG GAS: N/A U, PEAK GAS N/A U AT ' .
 FORMATION: SEGO - TOP @ 8962'.
 UNMANNED LOGGING UNIT ON LOCATION.
 RIG MOVE 0.25 MILES TO CWU 1076-25

djf

06:00 18.0 RELEASE RIG @ 20:00 HRS ON 12 JAN 08.
 CASING POINT COST \$760,440

| | | | | | | | | | | | |
|--|--------------------|---------------|---|-------------------|-----------|--------------------|--------------------|-------------|-----|-------------|-----|
| 01-16-2008 | Reported By | SEARLE | | | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$43,492 | | Daily Total | \$43,492 | | | |
| Cum Costs: Drilling | \$830,506 | | | Completion | \$216,648 | | Well Total | \$1,047,154 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 10 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : | 9123.0 | Perf : | | PKR Depth : | 0.0 | | | | |
| Activity at Report Time: PREP FOR FRACS | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | 06:00 | 24.0 | RU SCHLUMBERGER. RAN RST/CBL/VDL/GR/CCL FROM PBTD TO 800'. EST CEMENT TOP @ 2800'. RD SCHLUMBERGER. | | | | | | | | |

| | | | | | | | | | | | |
|--|--------------------|---------------|---|-------------------|-----------|--------------------|--------------------|-------------|-----|-------------|-----|
| 07-19-2008 | Reported By | KERN | | | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$1,172 | | Daily Total | \$1,172 | | | |
| Cum Costs: Drilling | \$830,506 | | | Completion | \$217,820 | | Well Total | \$1,048,327 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 11 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : | 9123.0 | Perf : | | PKR Depth : | 0.0 | | | | |
| Activity at Report Time: PREP TO FRAC | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | 06:00 | 24.0 | NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION. | | | | | | | | |

| | | | | | | | | | | | |
|--|--------------------|---------------|---|-------------------|-----------|--------------------|--------------------|-------------|-----|-------------|-----|
| 07-25-2008 | Reported By | POWELL | | | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$9,313 | | Daily Total | \$9,313 | | | |
| Cum Costs: Drilling | \$830,506 | | | Completion | \$227,133 | | Well Total | \$1,057,640 | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 12 | MW | 0.0 | Visc | 0.0 |
| Formation : | | PBTD : | 9123.0 | Perf : | | PKR Depth : | 0.0 | | | | |
| Activity at Report Time: PREP TO PERF | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 07:00 | 17:00 | 10.0 | MIRUSU. ND FRAC TREE. NU BOPE. RIH W/BIT & SCRAPER TO PBTD @ 9123'. CIRCULATE CLEAN. POH. SDFN. | | | | | | | | |

07-26-2008 **Reported By** POWELL

| | | | | | | | | | | | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|------------------------|----|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$6,315 | Daily Total | \$6,315 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$233,448 | Well Total | \$1,063,955 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 13 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8667-8913 | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: SI FOR PBU TEST.

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 15:00 | 8.0 | MIRUWL. PERFORATE LPR INTERVALS FROM 8911-13', 8902-04' & 8667-69' @ 3-SPF AND 120 DE PHASING. RDWL. RIH W/PACKER, CIRCULATE CLEAN. SET PACKER @ 8790'. PUMP DOWN TBG BREAK DOWN LOWER PERFS @ 4900 PSIG. PUMP DOWN ANNULUS, BREAK DOWN UPPER PERFS @ 4300 PSIG. ISIP TBG 1992.9 PSIG. ISIP ANNULUS 1788.0 PSIG. |

SI 17 HRS FORE PBU. TBG 1811.5 PSIG. ANNULUS 1700.2 PSIG.

07-29-2008 Reported By POWELL

| | | | | | | | | | | | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|------------------------|----|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$62,043 | Daily Total | \$62,043 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$295,491 | Well Total | \$1,125,998 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 14 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8472-8913 | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: SI FOR PBU

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 07:00 | 16:00 | 9.0 | POH W/PACKER. RUWL. PERFORATED REMAINING LPR FROM 8883-84', 8875-76', 8854-55', 8838-39', 8790-91', 8776-77', 8726-27' & 8719-20' @ 3-SPF & 120° PHASING. RDWL. |

RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5251 GAL YF16 PAD, 39507 GAL YF116ST+ W/107080# 20/40 SAND @ 1-5 PPG. MTP 5616 PSIG. MTR 51 BPM. ATP 4482 PSIG. ATR 46 BPM. ISIP 2965 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP @ 8625'. PERFORATED MPR/LPR FROM 8580-81', 8574-75', 8564-65', 8554-55' & 8472-74' @ 3-SPF & 120° PHASING. RDWL. RIH W/PACKER. CIRCULATE CLEAN. SET PACKER @ 8509'. PUMPED DOWN TBG. BROKE DOWN LOWER PERFS @ 2500 PSIG. PUMPED DOWN ANNULUS. BROKE DOWN UPPER PERFS @ 4300 PSIG. SITP 1574 PSIG. SICP 1967 PSIG.

07-30-2008 Reported By POWELL

| | | | | | | | | | | | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|------------------------|----|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$4,550 | Daily Total | \$4,550 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$304,041 | Well Total | \$1,130,548 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 15 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8472-8913 | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: SI FOR PBU

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 05:00 | 05:00 | 24.0 | SI FOR PBU. SITP 1482 PSIG. SICP 1875 PSIG. |

07-31-2008 Reported By POWELL

| | | | | | | | | | | | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|------------------------|----|-----------|-----|-------------|-----|
| Daily Costs: Drilling | \$0 | Completion | \$4,550 | Daily Total | \$4,550 | | | | | | |
| Cum Costs: Drilling | \$830,506 | Completion | \$304,591 | Well Total | \$1,135,098 | | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 16 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8472-8913 | | PKR Depth : 0.0 | | | | | |

Activity at Report Time: SI FOR PBU. PREP TO POH W/PKR.

| Start | End | Hrs | Activity Description | | | | | | | | |
|---|-------|----------------------|---|-------------------------|--------------------|------------------------|----|-----------|-----|-------------|-----|
| 05:00 | 05:00 | 24.0 | SI FOR PBU. SITP 1451 PSIG. SICP 1856 PSIG. | | | | | | | | |
| 08-01-2008 | | | Reported By POWELL | | | | | | | | |
| Daily Costs: Drilling | | \$0 | Completion | \$4,550 | Daily Total | \$4,550 | | | | | |
| Cum Costs: Drilling | | \$830,506 | Completion | \$309,141 | Well Total | \$1,139,648 | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 17 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8409-8913 | | PKR Depth : 0.0 | | | | | |
| Activity at Report Time: FRAC | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 07:00 | 17:00 | 10.0 | POH W/PACKER. RUWL. PERFORATE MPR/LPR FROM 8597-98', 8509-11', 8450-51', 8443-44', 8423-24' & 8409-10' @ 3 SPF & 120° PHASING. RDWL. SDFN. | | | | | | | | |
| 08-02-2008 | | | Reported By POWELL | | | | | | | | |
| Daily Costs: Drilling | | \$0 | Completion | \$88,151 | Daily Total | \$88,151 | | | | | |
| Cum Costs: Drilling | | \$830,506 | Completion | \$397,292 | Well Total | \$1,227,799 | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 18 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8228-8913 | | PKR Depth : 0.0 | | | | | |
| Activity at Report Time: SI FOR PRESSURE RECORDING | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 07:00 | 15:00 | 8.0 | RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5231 GAL YF16 PAD, 38123 GAL YF 116ST+ WITH 114660# 20/40 SAND @ 1-5 PPG. MTP 6136 PSIG. MTR 51 BPM. ATP 4692 PSIG. ATR 47 BPM. ISIP 2190 PSIG. RD SHCLUMBERGR. RUWL. SET 10K CBP @ 8375'. PERFORATE MPR FROM 8338-39', 8331-32', 8326-27', 8236-37' & 8228-29' @ 3-SPF & 1200 PHASING. RDWL. RIH W/PACKER. CIRCULATE CLEAN. SET PACKER @ 8269'. BROKE DOWN LOWER PERFS @ 2800 PSIG. ISIP 1919 PSI. BROKE DOWN UPPER PERFS @ 2200PSIG. ISIP 1700 PSIG. SI FOR PRESSURE RECORDING. | | | | | | | | |
| 15 HR SITP 1896 PSIG. SICP 1458 PSIG. | | | | | | | | | | | |
| 08-05-2008 | | | Reported By HOOLEY | | | | | | | | |
| Daily Costs: Drilling | | \$0 | Completion | \$79,940 | Daily Total | \$79,940 | | | | | |
| Cum Costs: Drilling | | \$830,506 | Completion | \$477,232 | Well Total | \$1,307,739 | | | | | |
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 19 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Perf : 8027-8913 | | PKR Depth : 0.0 | | | | | |
| Activity at Report Time: SI TO RECORD PRESSURES | | | | | | | | | | | |
| Start | End | Hrs | Activity Description | | | | | | | | |
| 06:00 | 16:00 | 10.0 | SITP 1859 PSIG. SICP 1436 PSIG. BLEW DOWN. POH W/PKR. RUWL. PERFORATED MPR FROM 8256-57', 8268-69', 8275-76', 8300-01', 8352-53' AND 8361-63' @ 3 SPF AND 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5213 GAL YF116ST+ PAD, 55057 GAL YF116ST+ WITH 143260# 20/40 SAND @ 1-5 PPG. MTP 5951 PSIG. MTR 51.2 BPM. ATP 4547 PSIG. ATR 49.4 BPM. ISIP 3300 PSIG. RD SCHLUMBERGER. | | | | | | | | |
| RUWL. SET 10K CBP @ 8200'. PERFORATED MPR FROM 8027-28', 8037-38', 8048-49', 8171-72' AND 8177-78' @ 3 SPF AND 120° PHASING. RDWL. RIH W/HD PKR. SET AT 8114'. BROKE DOWN UPPER PERFS @ 4300 PSIG. ISIP 2045 PSIG. BROKE DOWN LOWER PERFS @ 3000 PSIG. SITP 2190 PSIG. SICP 2045 PSIG. SI TO RECORD PRESSURE. | | | | | | | | | | | |
| 08-06-2008 | | | Reported By HOOLEY | | | | | | | | |
| Daily Costs: Drilling | | \$0 | Completion | \$4,350 | Daily Total | \$4,350 | | | | | |
| Cum Costs: Drilling | | \$830,506 | Completion | \$481,582 | Well Total | \$1,312,089 | | | | | |

MD 9,180 TVD 9,180 Progress 0 Days 20 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTBTD : 9123.0 Perf : 8027-8913 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start End Hrs Activity Description
 06:00 06:00 24.0 SITP 2070 PSIG. SICP 1673 PSIG.

08-07-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$6,725 Daily Total \$6,725
 Cum Costs: Drilling \$830,506 Completion \$488,307 Well Total \$1,318,814

MD 9,180 TVD 9,180 Progress 0 Days 21 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTBTD : 9123.0 Perf : 8027-8913 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 1976 PSIG. SICP 1638 PSIG.

08-08-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$84,401 Daily Total \$84,401
 Cum Costs: Drilling \$830,506 Completion \$572,708 Well Total \$1,403,215

MD 9,180 TVD 9,180 Progress 0 Days 22 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTBTD : 9123.0 Perf : 7833-8913 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

Start End Hrs Activity Description
 06:00 06:00 24.0 SITP 1921 PSIG. SICP 1635 PSIG. BLEW WELL DOWN. POH W/PKR. RUWL. PERFORATED REMAINING MPR FROM 8019-20', 8060-61', 8075-76', 8082-83', 8100-01', 8107-08' AND 8118-19' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106. 5212 GAL YF116ST+ PAD, 54688 GAL YF116ST+ WITH 152860# 20/40 SAND @ 1-5 PPG. MTP 6095 PSIG. MTR 50.8 BPM. ATP 4367 PSIG. ATR 48.3 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP @ 7990'. PERFORATED MPR FROM 7833-34', 7846-47', 7850-51', 7857-58', 7910-11' AND 7915-16' @ 3 SPF & 120° PHASING. RDWL. RIH W/HD PKR AND SET @ 7886'. BROKE DOWN UPPER PERFS @ 4500 PSIG. BROKE DOWN LOWER PERFS @ 4200 PSIG. INSTALLED TEST GAUGE. SITP 2276 PSIG. SICP 3236 PSIG. SI TO RECORD PRESSURES.

08-09-2008 Reported By HOOLEY

Daily Costs: Drilling \$0 Completion \$5,310 Daily Total \$5,310
 Cum Costs: Drilling \$830,506 Completion \$578,018 Well Total \$1,408,525

MD 9,180 TVD 9,180 Progress 0 Days 23 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTBTD : 9123.0 Perf : 7833-8913 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 1956 PSIG. SICP 2731 PSIG.

08-12-2008 Reported By POWELL

Daily Costs: Drilling \$0 Completion \$90,229 Daily Total \$90,229
 Cum Costs: Drilling \$830,506 Completion \$668,247 Well Total \$1,498,754

MD 9,180 TVD 9,180 Progress 0 Days 19 MW 0.0 Visc 0.0
 Formation : UPPER PRICE RIVER PBTBTD : 9123.0 Perf : 7746-8913 PKR Depth : 0.0

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 07:00 | 18:00 | 11.0 | POH W/PACKER. RUWL. PERFORATE REMAINING MPR FROM 7968-69', 7959-60', 7942-43', 7934-35', 7929-30' & 7897-98' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5209 GAL YF16 PAD, 37311 GAL YF116ST+ WITH 115100 20/40 SAND @ 1-5 PPG. MTP 6151 PSIG. MTR 50 BPM. ATP 4502 PSIG. ATR 48 BPM. ISIP 3000 PSIG. RD SCHULUMBERGER. |

RUWL. SET 10K CBP @ 7810'. PERFORATE UPR FROM 7746-47', 7737-38', 7728-29', 7720-21', 7685-86' & 7677-78' @ 3 SPF & 120° PHASING. CBP LEAKED. SET SECOND 10K CBP @ 7803'. RDWL. RIH W/PACKER. CIRCULATE CLEAN. SET PACKER @ 7705'. PUMP DOWN TBG. BROKE DOWN LOWER PERFS @ 2100 PSIG. PUMP DOWN ANNULUS. BROKE DOWN UPPER PERFS @ 2500 PSIG. SITP 1568 PSIG. SICIP 1603 PSIG.

SI 11 HRS. SITP 1635 PSIG. SICIP 1603 PSIG.

| 08-14-2008 | | Reported By | | POWELL | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,695 | Daily Total | \$4,695 |
| Cum Costs: Drilling | \$830,506 | Completion | \$672,942 | Well Total | \$1,503,449 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Formation : UPR | | PBTD : 9123.0 | | Days | 20 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| | | | | Perf : 7746-8913 | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: POH W/PACKER. PERFORATE

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 05:00 | 05:00 | 24.0 | SI FORE PBU. TBG 1583.2 PSIG. ANNULUS 1577.8 PSIG. |

| 08-15-2008 | | Reported By | | POWELL | |
|------------------------------|-----------|----------------------|-----------|-------------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$10,252 | Daily Total | \$10,252 |
| Cum Costs: Drilling | \$830,506 | Completion | \$683,194 | Well Total | \$1,513,701 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Formation : UPR | | PBTD : 9123.0 | | Days | 21 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| | | | | Perf : 7665-8913 | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: PREP TO FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 15:00 | 8.0 | POH W/PACKER. RUWL. PERFORATE REMAINING UPR FROM 7778-79', 7768-69', 7758-59', 7707-08', 7699-00' & 7665-66' @ 3-SPF & 120° PHASING. RDWL. SDFN. |

| 08-16-2008 | | Reported By | | POWELL | |
|------------------------------|-----------|----------------------|-----------|---------------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$78,035 | Daily Total | \$78,035 |
| Cum Costs: Drilling | \$830,506 | Completion | \$761,229 | Well Total | \$1,591,736 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Formation : MESAVERDE | | PBTD : 9123.0 | | Days | 22 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| | | | | Perf : 7589'-8913' | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 07:00 | 15:00 | 8.0 | RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5214 GAL YF16 PAD, 51100 GAL YF 116ST+ WITH 150675 # 20/40 SAND @ 1-5 PPG. MTP 5509 PSIG. MTR 51 BPM. ATP 4049 PSIG. ATR 49 BPM. ISIP 2700 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CBP @ 7620'. PERFORATE UPR FROM 7589-91', 7581-82', 7416-17' & 7409-10' @ 3-SPF 120 DE PHASING. RDWL. RIH W/PACKER. CIRCULATE & SET PACKER @ 7524'. BROKE DOWN LOWER PERFS @ 2600 PSIG. BROKE DOWN UPPER PERFS @ 3400 PSIG. SI TO RECORD PRESSURES. SITP 1760 PSIG. SICIP 1776 PSIG. 14 HR SITP 1642 PSI. SICIP 1199 PSI.

08-17-2008 **Reported By** POWELL
Daily Costs: Drilling \$0 **Completion** \$1,950 **Daily Total** \$1,950
Cum Costs: Drilling \$830,506 **Completion** \$763,179 **Well Total** \$1,593,686
MD 9,180 **TVD** 9,180 **Progress** 0 **Days** 23 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9123.0** **Perf : 7589'-8913'** **PKR Depth : 0.0**

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 05:00 | 05:00 | 24.0 | SI TO RECORD PRESSURES. SITP 1540 PSIG. SICP 1035 PSIG. |

08-18-2008 **Reported By** POWELL
Daily Costs: Drilling \$0 **Completion** \$1,950 **Daily Total** \$1,950
Cum Costs: Drilling \$830,506 **Completion** \$765,129 **Well Total** \$1,595,636
MD 9,180 **TVD** 9,180 **Progress** 0 **Days** 24 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9123.0** **Perf : 7589'-8913'** **PKR Depth : 0.0**

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 05:00 | 05:00 | 24.0 | SI TO RECORD PRESSURES. SITP 1544 PSIG. SICP 955 PSIG. |

08-19-2008 **Reported By** POWELL
Daily Costs: Drilling \$0 **Completion** \$15,337 **Daily Total** \$15,337
Cum Costs: Drilling \$830,506 **Completion** \$780,466 **Well Total** \$1,610,973
MD 9,180 **TVD** 9,180 **Progress** 0 **Days** 25 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9123.0** **Perf : 8913'-7385'** **PKR Depth : 0.0**

Activity at Report Time: FRAC, SET CBP, REFORATE & RIH W/PACKER

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 15:00 | 8.0 | POH W/PACKER. MIRUWL. PERFORATE REMAINING UPR FROM 7515-16', 7486-87', 7478-79', 7466-67', 7461-62', 7446-47' & 7385-86' @ 3-SPF 120 DE PHASING. RDWL. SDFN. |

08-20-2008 **Reported By** POWELL
Daily Costs: Drilling \$0 **Completion** \$58,598 **Daily Total** \$58,598
Cum Costs: Drilling \$830,506 **Completion** \$839,064 **Well Total** \$1,669,571
MD 9,180 **TVD** 9,180 **Progress** 0 **Days** 26 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9123.0** **Perf : 8913'-7231'** **PKR Depth : 0.0**

Activity at Report Time: SI TO RECORD PRESSURE

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 07:00 | 18:00 | 11.0 | RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5365 GAL DELTA 200 PAD. 36906 GAL DELTA 200 WITH 118044 # 20/40 SAND @ 1-5 PPG. MTP 5269 PSIG. MTR 50 BPM. ATP 4228 PSIG. ATR 50 BPM. ISIP 2697. RD HALLIBURTON. |

RUWL SET 10K CBP @ 7280'. PERFORATED UPR FROM 7311-12', 7304-05', 7250-51', 7240-41' & 7231-32' @ 3-SPF 120 DE PHASING. RIH W/PACKER. SET @ 7275'. BROKE DOWN LOWER PERFS @ 3500 PSIG. BROKE DOWN UPPER PERFS @ 3800 PSIG. SITP 2050 PSIG. SICP 1675 PSIG. SI TO RECORD PRESSURES. 11 HRS SITP 1929 PSIG. SICP 1386 PSIG.

08-21-2008 **Reported By** POWELL
Daily Costs: Drilling \$0 **Completion** \$4,635 **Daily Total** \$4,635

| | | | | | |
|------------------------------|----------------------|---------------------------|------------------------|-------------------|-------------|
| Cum Costs: Drilling | \$830,506 | Completion | \$843,699 | Well Total | \$1,674,206 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Days | 27 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9123.0 | Perf : 8913'-7231' | PKR Depth : 0.0 | | |

Activity at Report Time: SI TO RECORD PRESSURE

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 05:00 | 05:00 | 24.0 | SI TO RECORD PRESSURE. SITP 1821 PSIG. SICP 1218 PSIG. |

08-22-2008 Reported By POWELL

| | | | | | |
|------------------------------|----------------------|---------------------------|------------------------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,635 | Daily Total | \$4,635 |
| Cum Costs: Drilling | \$830,506 | Completion | \$848,334 | Well Total | \$1,678,841 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Days | 28 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9123.0 | Perf : 8913'-7231' | PKR Depth : 0.0 | | |

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------------|
| 05:00 | 05:00 | 24.0 | SITP 1766 PSIG. SICP 1144 PSIG. |

08-23-2008 Reported By POWELL

| | | | | | |
|------------------------------|----------------------|---------------------------|------------------------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,635 | Daily Total | \$4,635 |
| Cum Costs: Drilling | \$830,506 | Completion | \$852,969 | Well Total | \$1,683,476 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Days | 29 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9123.0 | Perf : 8913'-6835' | PKR Depth : 0.0 | | |

Activity at Report Time: SI FORE PBU TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 07:00 | 17:00 | 10.0 | POH W/PACKER. RUWL. PERFORATE REMAINING UPFR FROM 7290-91', 7273-74', 7184-85', 7158-59' & 7149-50' @ 3-SPF 120 DE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 6154 GAL DELTA 200 PAD, 40020 GAL DELTA 200 WITH 99218 # 20/40 SAND @ 1-5 PPG. MTP 5655 PSIG. MTR 50 BPM. ATP 5042 PSIG. ATR 50 BPM. ISIP 2400 PSIG. RD HALLIBURTON. RUWL SET 10K CBP @ 7100'. PERFORATED UPFR FROM 7064-65', 7052-53', 7039-40', 6843-44' & 6835-36' @ 3-SPF 120 DE PHASING. RDWL. RIH W/PACKER. CIRCULATE CLEAN. SET PACKER @ 6915'. PUMP DOWN TBG, BREAK DOWN LOWER PERFS @ 2200 PSIG. PUMP DOWN ANNULUS, BREAK DOWN UPPER PERFS @ 1800 PSIG. SI FORE PBU TEST. ISIP TBG 475.7 PSIG. ISIP ANNULUS 806.4 PSIG. |

08-24-2008 Reported By POWELL

| | | | | | |
|------------------------------|----------------------|---------------------------|------------------------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,635 | Daily Total | \$4,635 |
| Cum Costs: Drilling | \$830,506 | Completion | \$857,604 | Well Total | \$1,688,111 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Days | 30 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9123.0 | Perf : 8913'-6835' | PKR Depth : 0.0 | | |

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------------|
| 06:00 | 06:00 | 24.0 | SITP 1 PSIG. SICP 10 PSIG. |

08-25-2008 Reported By POWELL

| | | | | | |
|------------------------------|----------------------|---------------------------|------------------------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,635 | Daily Total | \$4,635 |
| Cum Costs: Drilling | \$830,506 | Completion | \$862,239 | Well Total | \$1,692,746 |
| MD | 9,180 | TVD | 9,180 | Progress | 0 |
| Days | 31 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9123.0 | Perf : 8913'-6835' | PKR Depth : 0.0 | | |

Activity at Report Time: SI TO RECORD PRESSURES

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------------|
| 05:00 | 05:00 | 24.0 | SITP 1 PSIG. SICP 10 PSIG. |

08-26-2008 Reported By POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$79,848 | Daily Total | \$79,848 |
| Cum Costs: Drilling | \$830,506 | Completion | \$942,087 | Well Total | \$1,772,594 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 9.180 | TVD | 9.180 | Progress | 0 | Days | 32 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : MESAVERDE **PBTD :** 9123.0 **Perf :** 8913'-6835' **PKR Depth :** 0.0

Activity at Report Time: DRRILL OUT PLUGS

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

| | | | |
|-------|-------|------|---|
| 07:00 | 18:00 | 11.0 | RU SWAB. TAG FLUID IN TUBING @ 120'. RD SWAB. POH W/PACKER. RUWL PERFORATE REMAINING UPR FROM 7026-27', 6995-96', 6949-50', 6943-44', 6922-23', 6905-06' & 6872-73' @ 3- SPF 120 DE PHASING, RDWL. RU HALLIBURTON FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5273 GAL WF G LINEAR PAD, 9525 GAL WFG LINEAR 1 # 1.5 # SAND, 44945 GAL DELTA 200 W/ 167600 # 20/40 SAND @ 1-5 PPG. MTP 5245 PSIG. MTR 54.6 BPM. ATP 3363 PSIG. ATR 50.2 BPM. ISIP 2054 PSIG. RDMO HALLIBURTON. RUWL SET CBP @ 6746'. RDWL. RIH W/BIT & PUMP OFF SUB TO 6746', RU TO DRILLOUT. SDFN. |
|-------|-------|------|---|

08-27-2008 Reported By POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$8,730 | Daily Total | \$8,730 |
| Cum Costs: Drilling | \$830,506 | Completion | \$950,817 | Well Total | \$1,781,324 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 9.180 | TVD | 9.180 | Progress | 0 | Days | 33 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : MESAVERDE **PBTD :** 9123.0 **Perf :** 8913'-6835' **PKR Depth :** 0.0

Activity at Report Time: DRILL OUT REMAINING PLUGS

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

| | | | |
|-------|-------|------|---|
| 07:00 | 18:00 | 11.0 | CLEANED OUT & DRILLED OUT PLUGS @ 6746', 7100', 7280', 7620', 7803', 7810' & 7990'. RIG PUMP BROKE DOWN. POH ABOVE PERFS. SDFN. |
|-------|-------|------|---|

08-28-2008 Reported By POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$9,895 | Daily Total | \$9,895 |
| Cum Costs: Drilling | \$830,506 | Completion | \$960,712 | Well Total | \$1,791,219 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 9.180 | TVD | 9.180 | Progress | 0 | Days | 34 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : MESAVERDE **PBTD :** 9123.0 **Perf :** 8913'-6835' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

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

| | | | |
|-------|-------|------|--|
| 07:00 | 18:00 | 11.0 | SICP 2700 PSIG. RIH. CLEANED OUT & DRILLED OUT PLUGS @ 8200', 8375' & 8625'. RIH CLEANED OUT TO PBTD @ 9120'. LANDED TBG @ 7604' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU. |
|-------|-------|------|--|

FLOWED 11 HRS. 24/64" CHOKE. FTP 1800 PSIG. CP 1400 PSIG. 48 BFPH. RECOVERED 577 BLW. 7355 BLWTR.

TUBING DETAIL: LENGTH

PUMP OFF SUB 1.00'

1 JT 2-3/8" 4.7# N-80 TBG 32.81'

XN NIPPLE 1.10'

231 JTS 2-3/8" 4.7# N-80 TBG 7557.59'

BELOW KB 12.00'

LANDED @ 7604.50' KB

08-29-2008 **Reported By** POWELL/ DUANE COOK

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$2,850 | Daily Total | \$2,850 |
| Cum Costs: Drilling | \$830,506 | Completion | \$963,562 | Well Total | \$1,794,069 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---------------------------|-------------|----|------------------------|-----|-------------|-----|
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 35 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9123.0 | | Perf : 8913'-6835' | | | PKR Depth : 0.0 | | | |

Activity at Report Time: FLOW TEST TO SALES- INITIAL PRODUCTION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 05:00 | 05:00 | 24.0 | INITIAL PRODUCTION- OPENING PRESSURE: TP 1700 PSIG & CP 2100 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 11:20 HRS. 8/28/08. FLOWED 1580 MCFD RATE ON 20/64" CHOKE. STATIC 338. QGM METER #7662. FLOW TEST UNIT. |

FLOWED THROUGH TEST UNIT TO SALES 17 HRS. 20/64" CHOKE. FTP 1800 PSIG. CP 2550 PSIG 42 BFPH. RECOVERED 907 BLW. 6448 BLWTR. 1577 MCFD RATE.

08-30-2008 **Reported By** POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$2,850 | Daily Total | \$2,850 |
| Cum Costs: Drilling | \$830,506 | Completion | \$966,412 | Well Total | \$1,796,919 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---------------------------|-------------|----|------------------------|-----|-------------|-----|
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 36 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9123.0 | | Perf : 8913'-6835' | | | PKR Depth : 0.0 | | | |

Activity at Report Time: FLOW TEST TO SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 05:00 | 05:00 | 24.0 | FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 24/64" CHOKE. FTP 1400 PSIG. CP 2250 PSIG. 50 BFPH. RECOVERED 1120 BLW. 5328 BLWTR. 2.364 MCFD RATE |

08-31-2008 **Reported By** POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$2,850 | Daily Total | \$2,850 |
| Cum Costs: Drilling | \$830,506 | Completion | \$969,262 | Well Total | \$1,799,769 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---------------------------|-------------|----|------------------------|-----|-------------|-----|
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 37 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9123.0 | | Perf : 8913'-6835' | | | PKR Depth : 0.0 | | | |

Activity at Report Time: FLOW TEST TO SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 05:00 | 05:00 | 24.0 | FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 24/64" CHOKE. FTP 1250 PSIG. CP 2000 PSIG. 45 BFPH. RECOVERED 550 BLW. 4813 BLWTR. 2.129 MCFD RATE. |

09-01-2008 **Reported By** POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$2,850 | Daily Total | \$2,850 |
| Cum Costs: Drilling | \$830,506 | Completion | \$972,112 | Well Total | \$1,802,619 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---------------------------|-------------|----|------------------------|-----|-------------|-----|
| MD | 9,180 | TVD | 9,180 | Progress | 0 | Days | 38 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9123.0 | | Perf : 8913'-6835' | | | PKR Depth : 0.0 | | | |

Activity at Report Time: FLOW TEST TO SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 05:00 | 05:00 | 24.0 | FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 24/64" CHOKE. FTP 1150 PSIG. CP 1800 PSIG. 35 BFPH. RECOVERED 822 BLW. 3991 BLWTR. 2161 MCFD RATE. |

09-02-2008 **Reported By** POWELL

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$2,850 | Daily Total | \$2,850 |
| Cum Costs: Drilling | \$830,506 | Completion | \$974,962 | Well Total | \$1,805,469 |

MD 9,180 **TVD** 9,180 **Progress** 0 **Days** 39 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD :** 9123.0 **Perf :** 8913'-6835' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST TO SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 05:00 | 05:00 | 24.0 | FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 24/64" CHOKE. FTP 1050 PSIG. CP 1600 PSIG. 33 BFPH. RECOVERED 799 BLW. 3192 BLWTR. 2224 MCFD RATE. |

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.
UTU0285A

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface **NESW 1321FSL 1643FWL 40.00340 N Lat, 109.39187 W Lon**
 At top prod interval reported below **NESW 1321FSL 1643FWL 40.00340 N Lat, 109.39187 W Lon**
 At total depth **NESW 1321FSL 1643FWL 40.00340 N Lat, 109.39187 W Lon**

6. If Indian, Allottee or Tribe Name
7. Unit or CA Agreement Name and No. **CHAPITA WELLS UNI**
8. Lease Name and Well No. **CHAPITA WELLS UNIT 1079-25**
9. API Well No. **43-047-37879**
10. Field and Pool, or Exploratory **NATURAL BUTTES/MESAVERDE**
11. Sec., T., R., M., or Block and Survey or Area **Sec 25 T9S R22E Mer SLB**
12. County or Parish **UINTAH** 13. State **UT**
14. Date Spudded **11/20/2007** 15. Date T.D. Reached **01/11/2008** 16. Date Completed **08/28/2008**
 D & A Ready to Prod.
17. Elevations (DF, KB, RT, GL)* **5063 GL**

18. Total Depth: **MD 9180 TVD** 19. Plug Back T.D.: **MD 9123 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 Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12.250 | 9.625 J-55 | 36.0 | 0 | 2269 | | 850 | | | |
| 7.875 | 4.500 N-80 | 11.6 | 0 | 9169 | | 2225 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 | 7605 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------|------|--------|---------------------|------|-----------|--------------|
| A) MESAVERDE | 6835 | 8913 | 8667 TO 8913 | | 3 | |
| B) | | | 8409 TO 8598 | | 3 | |
| C) | | | 8228 TO 8363 | | 3 | |
| D) | | | 8019 TO 8178 | | 3 | |

26. Perforation Record **10835**

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

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 8667 TO 8913 | 44,923 GALS GELLED WATER & 107,080# 20/40 SAND |
| 8409 TO 8598 | 43,519 GALS GELLED WATER & 114,660# 20/40 SAND |
| 8228 TO 8363 | 60,435 GALS GELLED WATER & 143,260# 20/40 SAND |
| 8019 TO 8178 | 60,065 GALS GELLED WATER & 152,860# 20/40 SAND |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 08/28/2008 | 09/08/2008 | 24 | → | 15.0 | 1023.0 | 80.0 | | | FLows FROM WELL |
| Choke Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| 14/64" | SI 1350 | 1450.0 | → | 15 | 1023 | 80 | | 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. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | SI | | → | | | | | | |

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #63405 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

RECEIVED

SEP 30 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 | 6835 | 8913 | | GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER | 1565 2175 4404 4510 5098 5770 6764 7662 |

32. Additional remarks (include plugging procedure):

Please see the attached sheet for detailed perforation and additional formation marker information.

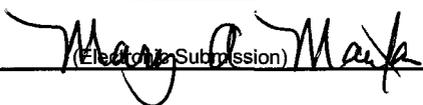
33. Circle enclosed attachments:

- 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 #63405 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  (Electronic Submission) Date 09/26/2008

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.

Chapita Wells Unit 1079-25 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 7833-7969 | 3/spf |
| 7665-7779 | 3/spf |
| 7385-7591 | 3/spf |
| 7149-7312 | 3/spf |
| 6835-7065 | 3/spf |

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

| | |
|-----------|--|
| 7833-7969 | 42,685 GALS GELLED WATER & 115,100# 20/40 SAND |
| 7665-7779 | 56,479 GALS GELLED WATER & 150,675# 20/40 SAND |
| 7385-7591 | 42,436 GALS GELLED WATER & 118,044# 20/40 SAND |
| 7149-7312 | 46,339 GALS GELLED WATER & 99,218# 20/40 SAND |
| 6835-7065 | 59,908 GALS GELLED WATER & 167,600# 20/40 SAND |

Perforated the Lower Price River from 8667-8669', 8719-8720', 8726-8727', 8776-8777', 8790-8791', 8838-8839', 8854-8855', 8875-8876', 8883-8884', 8902-8904', 8911-8913' w/ 3 spf.

Perforated the Middle/Lower Price River from 8409-8410', 8423-8424', 8443-8444', 8450-8451', 8472-8474', 8509-8511', 8554-8555', 8564-8565', 8574-8575', 8580-8581', 8597-8598' w/ 3 spf.

Perforated the Middle Price River from 8228-8229', 8236-8237', 8256-8257', 8268-8269', 8275-8276', 8300-8301', 8326-8327', 8331-8332', 8338-8339', 8352-8353', 8361-8363' w/ 3 spf.

Perforated the Middle Price River from 8019-8020', 8027-8028', 8037-8038', 8048-8049', 8060-8061', 8075-8076', 8082-8083', 8100-8101', 8107-8108', 8118-8119', 8171-8172', 8177-8178' w/ 3 spf.

Perforated the Middle Price River from 7833-7834', 7846-7847', 7850-7851', 7857-7858', 7897-7898', 7910-7911', 7915-7916', 7929-7930', 7934-7935', 7942-7943', 7959-7960', 7968-7969' w/ 3 spf.

Perforated the Upper Price River from 7665-7666', 7677-7678', 7685-7686', 7699-7700', 7707-7708', 7720-7721', 7728-7729', 7737-7738', 7746-7747', 7758-7759', 7768-7769', 7778-7779' w/ 3 spf.

Perforated the Upper Price River from 7385-7386', 7409-7410', 7416-7417', 7446-7447', 7461-7462', 7466-7467', 7478-7479', 7486-7487', 7515-7516', 7581-7582', 7589-7591' w/ 3 spf.

Perforated the Upper Price River from 7149-7150', 7158-7159', 7184-7185', 7231-7232', 7240-7241', 7250-7251', 7273-7274', 7290-7291', 7304-7305', 7311-7312' w/ 3 spf.

Perforated the Upper Price River from 6835-6836', 6843-6844', 6872-6873', 6905-6906', 6922-6923', 6943-6944', 6949-6950', 6995-6996', 7026-7027', 7039-7040', 7052-7053', 7064-7065' w/ 3 spf.

32. FORMATION (LOG) MARKERS

| | |
|-------------------|------|
| Lower Price River | 8477 |
| Sego | 8978 |

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 1079-25

API number: 4304737879

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

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: PRO PETRO

Address: PO BOX 827

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 | | |
| 1,260 | 1,270 | NO FLOW | NOT KNOWN |
| 1,800 | 1,830 | NO FLOW | NOT KNOWN |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas
 SIGNATURE Mary A. Maestas

TITLE Regulatory Assistant
 DATE 9/26/2008

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: U-0285-A |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: CWU 1079-25 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | 9. API NUMBER: 43047378790000 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 | PHONE NUMBER: 435 781-9111 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1321 FSL 1643 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 25 Township: 09.0S Range: 22.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|--|---|
| <input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/12/2010 | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: _____ |

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

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat. Interim reclamation was completed on 3/12/2010.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 March 29, 2010

| | | |
|---|-------------------------------------|----------------------------------|
| NAME (PLEASE PRINT) Mickenzie Gates | PHONE NUMBER 435 781-9145 | TITLE Operations Clerk |
| SIGNATURE N/A | | DATE 3/25/2010 |