

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1231-07</b>	
2. Name of Operator <b>EOG RESOURCES, INC.</b>		9. API Well No. <b>43-047-38039</b>	
3a. Address <b>P.O. Box 1815 Vernal, UT 84078</b>	3b. Phone No. (include area code) <b>435-781-9111</b>	10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>1975 FSL 660 FEL (NE/SE) 40.048683 LAT 109.362611 LON</b> <b>639735X 90.048733</b> At proposed prod. zone <b>SAME 4434242Y -109 361700</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC. 7, T9S, R23E S.L.B.&amp;M</b>	
14. Distance in miles and direction from nearest town or post office* <b>50.3 MILES SOUTH OF VERNAL</b>		12. County or Parish <b>UINTAH</b>	13. State <b>UT</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>660'</b>	16. No. of acres in lease <b>632</b>	17. Spacing Unit dedicated to this well	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>5260'</b>	19. Proposed Depth <b>9400'</b>	20. BLM/BIA Bond No. on file <b>NM 2308</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4865 GL.</b>	22. Approximate date work will start*	23. Estimated duration <b>45 DAYS</b>	

24. Attachments

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

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

25. Signature: 	Name (Printed Typed) <b>Kaylene R. Gardner</b>	Date <b>04/27/2006</b>
--	---	---------------------------

Title **Regulatory Assistant**

Approved by (Signature): 	Name (Printed Typed) <b>BRADLEY G. HILL</b>	Date <b>05-04-06</b>
--	--	-------------------------

Title **ENVIRONMENTAL MANAGER**

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

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

\*(Instructions on page 2)

**Federal Approval of this  
Action is Necessary**

RECEIVED

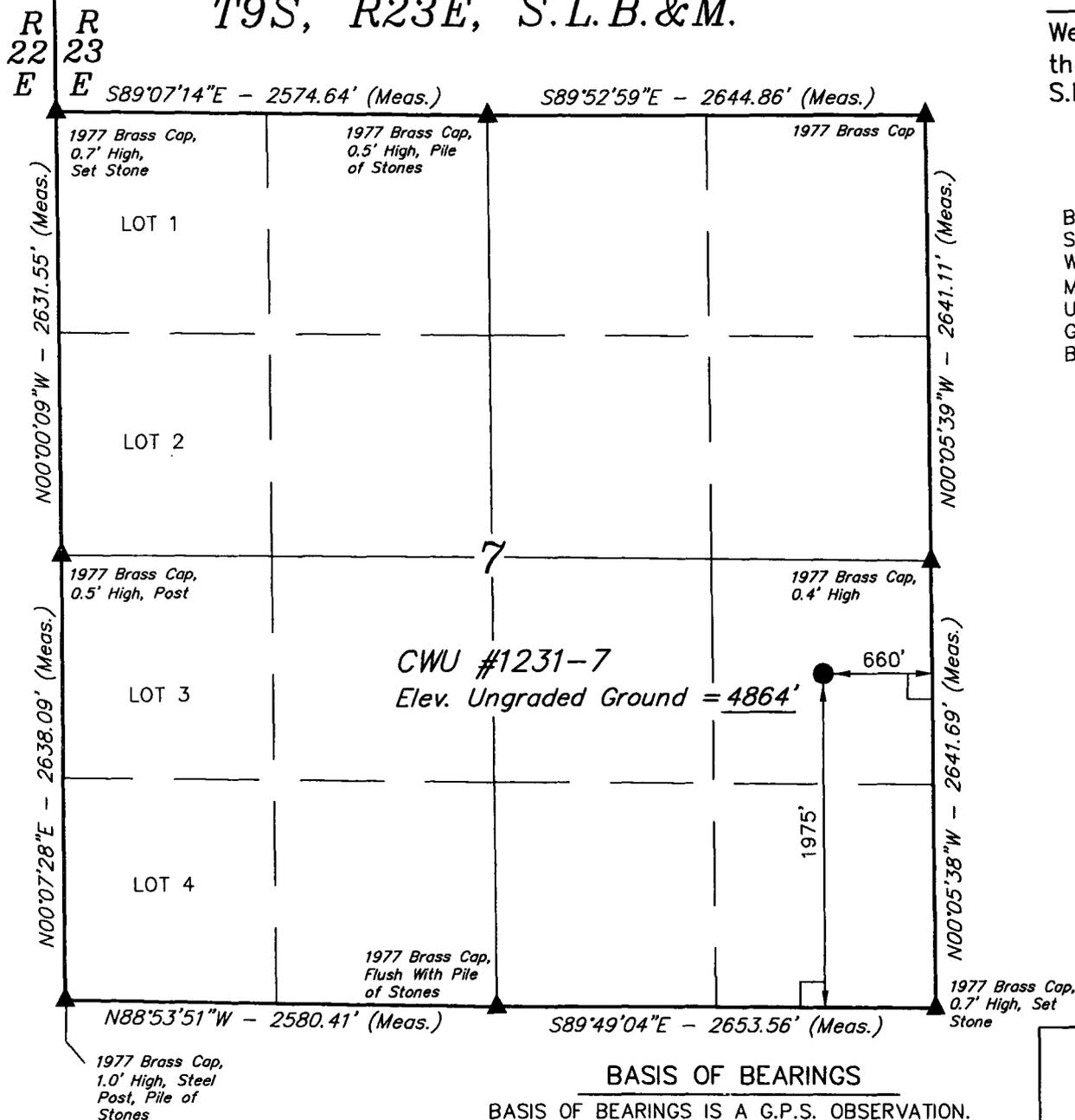
APR 28 2006

DIV. OF OIL, GAS & MINING

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

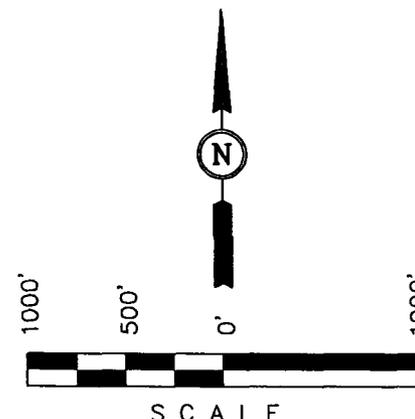
EOG RESOURCES, INC.

Well location, CWU #1231-7, located as shown in the NE 1/4 SE 1/4 of Section 7, T9S, R23E, S.L.B.&M. Uintah County, Utah.



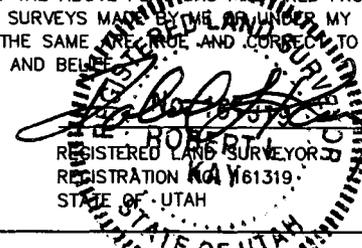
**BASIS OF ELEVATION**

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



**CERTIFICATE**

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



**BASIS OF BEARINGS**

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

(NAD 83)  
 LATITUDE = 40°02'55.26" (40.048683)  
 LONGITUDE = 109°21'45.40" (109.362611)  
 (NAD 27)  
 LATITUDE = 40°02'55.39" (40.048719)  
 LONGITUDE = 109°21'42.95" (109.361931)

**LEGEND:**

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

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

SCALE 1" = 1000'	DATE SURVEYED: 03-07-06	DATE DRAWN: 03-13-06
PARTY G.S. T.C. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1231-07**  
**NE/SE, SEC. 07, T9S, R23E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River FM	1,826'
Wasatch	4,784'
Chapita Wells	5,358'
Buck Canyon	6,047'
North Horn	6,671'
Island	6,880'
KMV Price River	7,139'
KMV Price River Middle	7,925'
KMV Price River Lower	8,716'
Sego	9,208'

Estimated TD: **9,400' or 200'± below Sego top**

**Anticipated BHP: 5,130 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:**

	<b><u>HOLE SIZE</u></b>	<b><u>INTERVAL</u></b>	<b><u>SIZE</u></b>	<b><u>WEIGHT</u></b>	<b><u>GRADE</u></b>	<b><u>THREAD</u></b>	<b><u>RATING FACTOR</u></b>		
							<b><u>COLLAPSE</u></b>	<b><u>BURST</u></b>	<b><u>TENSILE</u></b>
Conductor:	17 ½"	0' – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12-1/4"	45' – 2,300'KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production:	7-7/8"	2,300'± – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

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

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1231-07 NE/SE, SEC. 07, T9S, R23E, 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. Thread lock float shoe, top and bottom of float collar, and top of 2<sup>nd</sup> joint.

## 6. MUD PROGRAM

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

Air/air mist or aerated water.

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

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

## 7. VARIANCE REQUESTS:

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

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

## 8. EVALUATION PROGRAM:

**Logs:** Mud log from base of surface casing to TD.  
**Cased-hole Logs:** Cased-hole logs will be run in lieu of open-hole logs consisting of the following:  
**Cement Bond / Casing Collar Locator and Pulsed Neutron**

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1231-07 NE/SE, SEC. 07, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

#### 9. CEMENT PROGRAM:

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

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

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

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

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

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

**Lead:** 142 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 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail:** 880 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9 gps water.

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

#### 10. ABNORMAL CONDITIONS:

##### Surface Hole (Surface - 2300'±):

Lost circulation

##### Production Hole (2300'± - TD):

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1231-07**  
**NE/SE, SEC. 07, T9S, R23E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**11. STANDARD REQUIRED EQUIPMENT:**

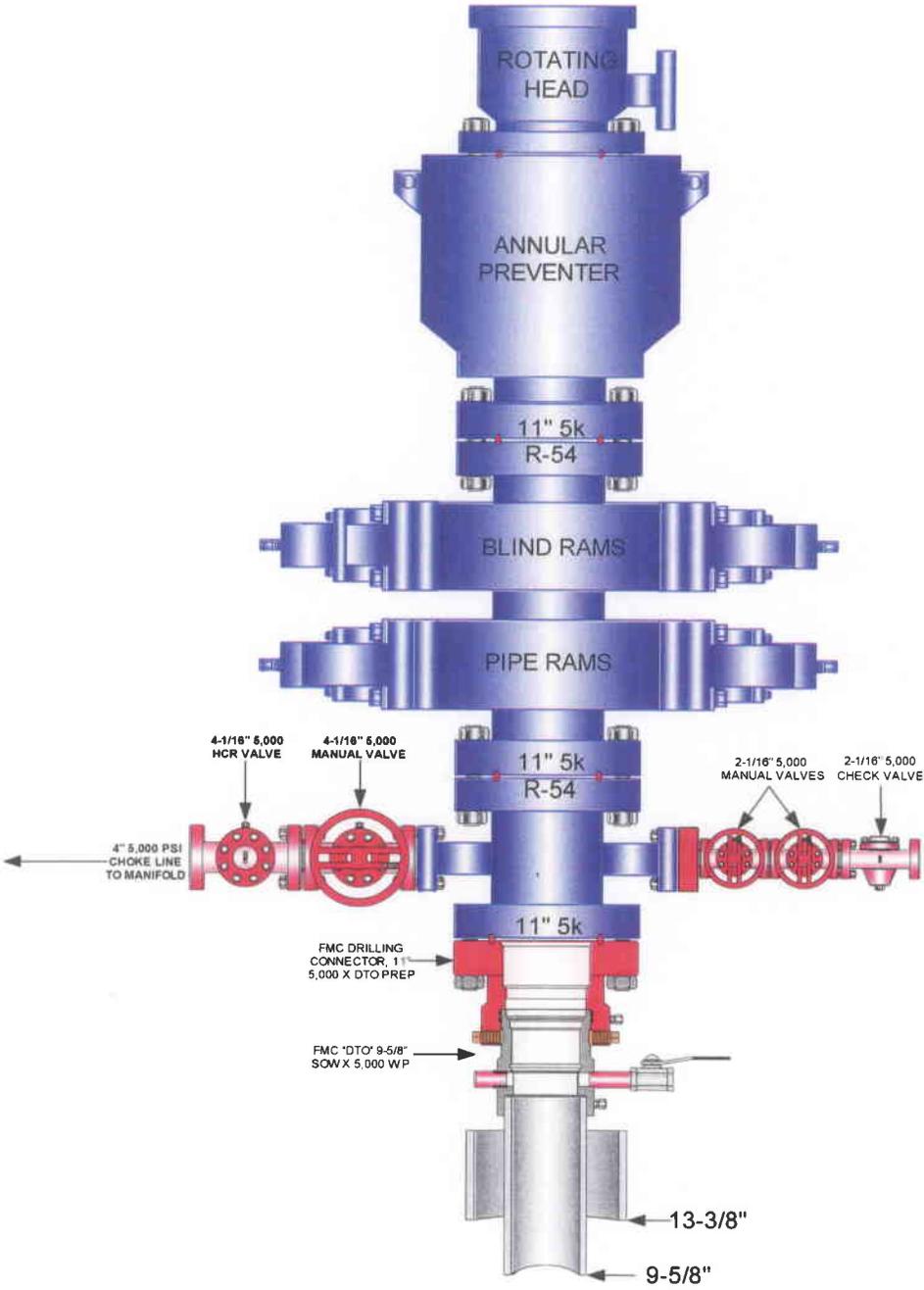
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**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.

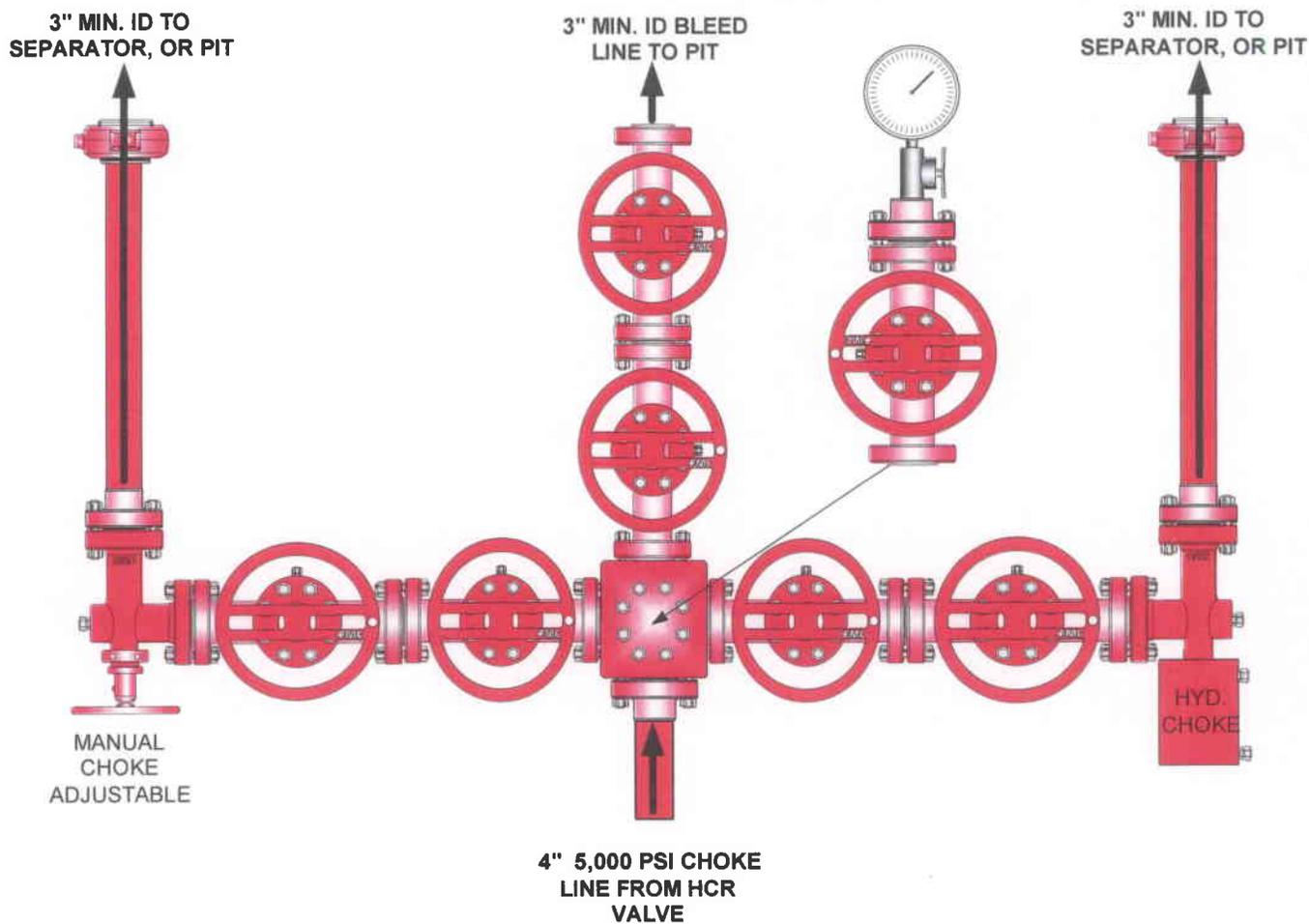
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF



**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. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, **whichever is greater.**
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.



**CHAPITA WELLS UNIT 1231-07  
NE/SE, Section 7, T9S, R23E  
Uintah County, Utah**

***SURFACE USE PLAN***

**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.**

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 100 feet long with a 30-foot right-of-way, disturbing approximately 0.07 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 1.91 acres. The pipeline is approximately 997 feet long within Federal Lease U 0343 disturbing approximately 0.92 acres.

**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 50.3 miles south of Vernal, 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.

**2. PLANNED ACCESS ROAD:**

- A. The access road will be approximately 100' long and will be completed as a single lane, 16' wide, 30' sub-grade, crowned road. See attached Topo Map "B".
- B. Maximum grade of the new access road will be 8 percent.
- C. No turnouts will be required.
- D. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- E. No culverts, bridges, or major cuts and fills will be required.
- F. The access road will be dirt surface.
- G. No gates, cattleguards, or fences will be required or encountered.

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

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 or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

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

Traveling off the 30 foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

**3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:**

- A. Abandoned Wells – 1\*
- B. Producing Wells – 8\*
- C. Shut-in Wells – 0\*

(See attached TOPO map "C" for the location of wells within a one-mile radius.)

**4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION 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, two (2) 400 BBL vertical tanks 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. The length of the new proposed pipeline is 997' x 40'. The proposed pipeline leaves the western edge of the well pad (U-0343) proceeding in a westerly direction for an approximate distance of 997'. The pipe will tie into existing pipeline located in the NWSE of Section 7, T9S, R23E.
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, unless more stringent protective requirements are deemed necessary by the authorized officer.

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. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

**5. LOCATION AND TYPE OF WATER SUPPLY:**

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

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- 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. 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 by 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.

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 millimeter plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

**8. ANCILLARY FACILITIES:**

None anticipated.

**9. WELL SITE 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.

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

The stockpiled pit topsoil will be stored separate from the location topsoil east of corner #5. The stockpiled location topsoil will be stored between corners #8 and #2. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the west.

**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 distances 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 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 regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted 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 RECLAMATION OF THE 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>Seed Mixture</b>	<b>Drilled Rate (lbs./acre PLS*)</b>
Hi-Crest Crested Wheatgrass	6.0
Needle and Tread Grass	6.0

\*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

***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 appropriated surface rehabilitation conditions of approval.

<b>Seed Mixture</b>	<b>Drilled Rate (lbs./acre PLS*)</b>
Four-wing Salt Bush	3.0
Indian Rice Grass	2.0
Needle and Thread Grass	2.0
Hi-Crest Crested Wheat Grass	1.0

\*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

**11. SURFACE OWNERSHIP:**

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

**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 Authorized Officer. Within five working days the Authorized Officer 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 Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer 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 Authorized Officer 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 Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer 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 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.)

All lease and/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 approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources and paleontology survey will be conducted and submitted by Montgomery Archaeological Consultants.

**Additional Surface Stipulations:**

No construction, or drilling activities shall be conducted between May 15 and June 20 due to Antelope stipulations.

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

**PERMITTING AGENT**

Kaylene R. Gardner  
EOG Resources, Inc.  
P.O. Box 1815  
Vernal, Ut 84078  
(435) 781-9111

**DRILLING OPERATIONS**

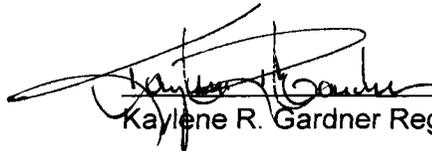
Donald Presenkowski  
EOG Resources, Inc.  
P.O. Box 250  
Big Piney, WY 83113  
307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 1231-07 Well, located in the NESE, of Section 7, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

April 27, 2006 \_\_\_\_\_

Date



\_\_\_\_\_  
Kaylene R. Gardner Regulatory Assistant

# EOG RESOURCES, INC.

CWU #1231-7

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 7, T9S, R23E, S.L.B.&M.

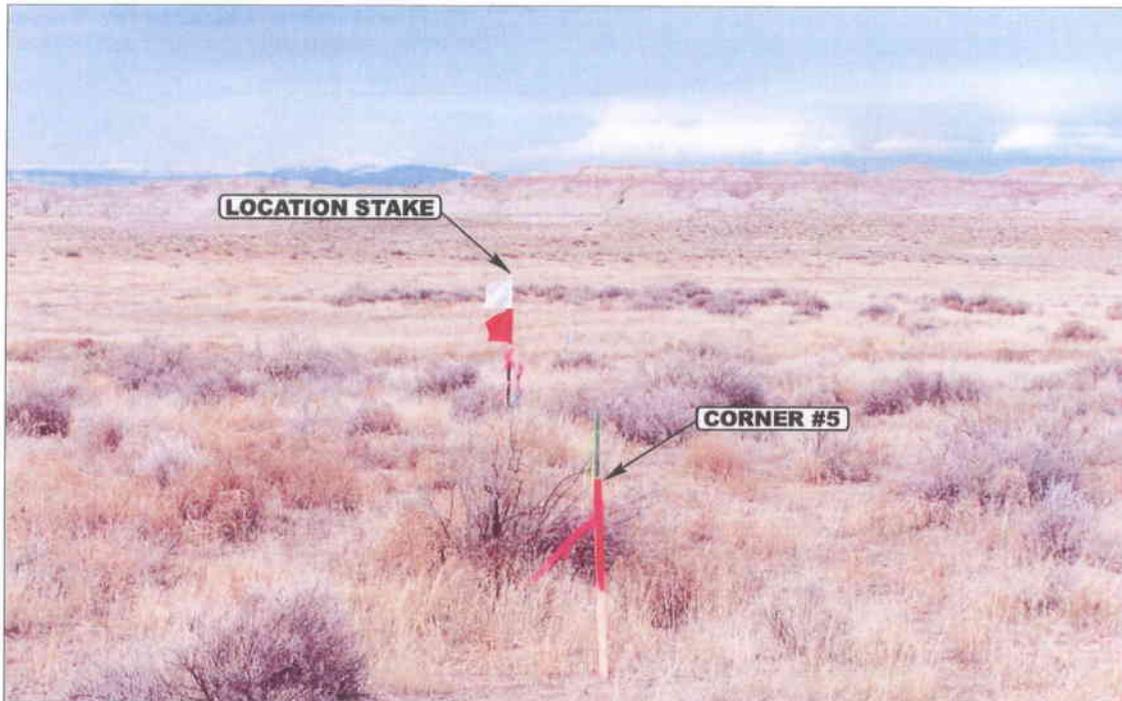


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

LOCATION PHOTOS

03 09 06  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

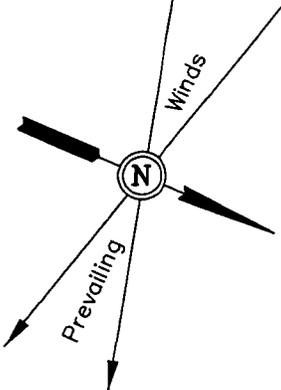
DRAWN BY: L.K.

REVISED: 00-00-00

**EOG RESOURCES, INC.**

**LOCATION LAYOUT FOR**

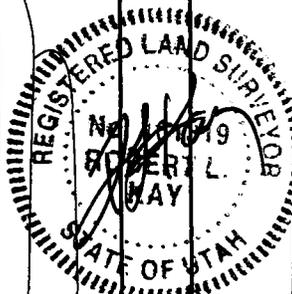
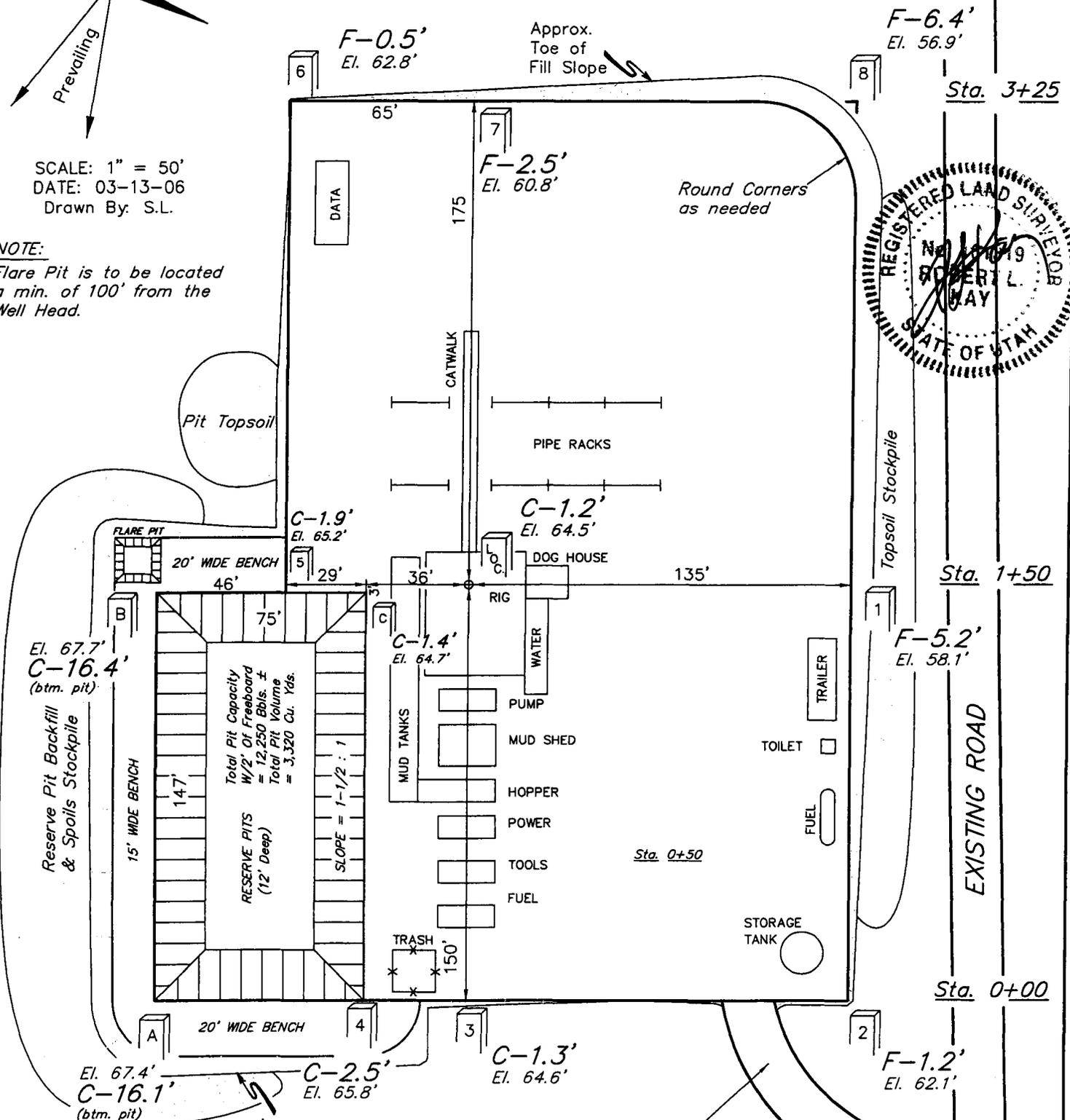
**CWU #1231-7**  
**SECTION 7, T9S, R23E, S.L.B.&M.**  
**1975' FSL 660' FEL**



SCALE: 1" = 50'  
 DATE: 03-13-06  
 Drawn By: S.L.

**NOTE:**

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 4864.5'

FINISHED GRADE ELEV. AT LOC. STAKE = 1'

**FIGURE #1**

EOG RESOURCES, INC.

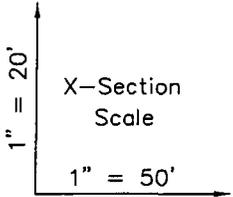
FIGURE #2

TYPICAL CROSS SECTIONS FOR

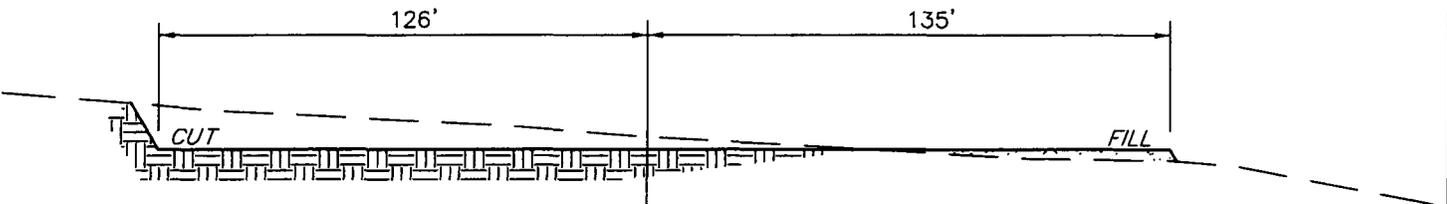
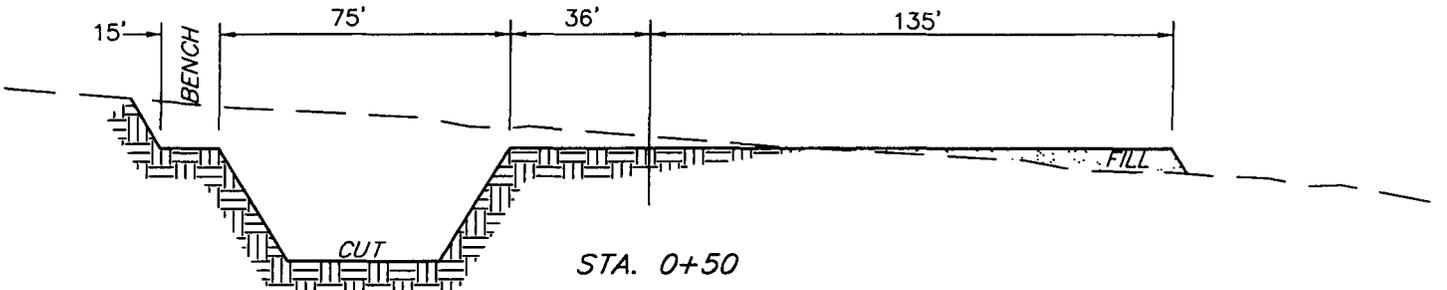
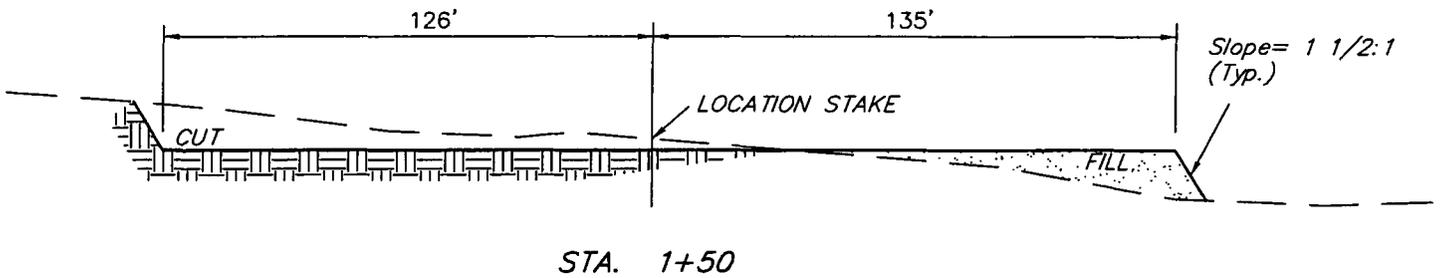
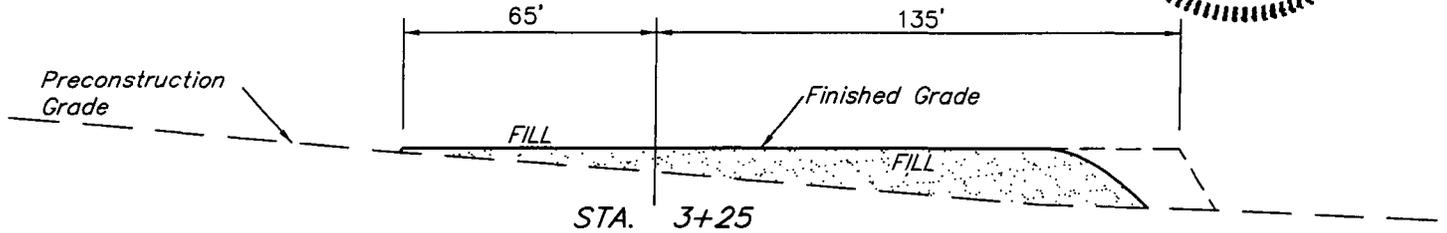
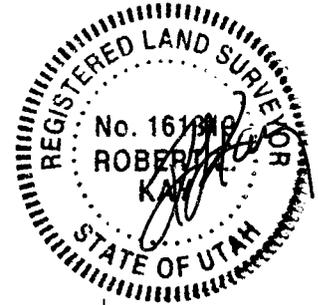
CWU #1231-7

SECTION 7, T9S, R23E, S.L.B.&M.

1975' FSL 660' FEL



DATE: 03-13-06  
Drawn By: S.L.



NOTE:

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

\* NOTE:

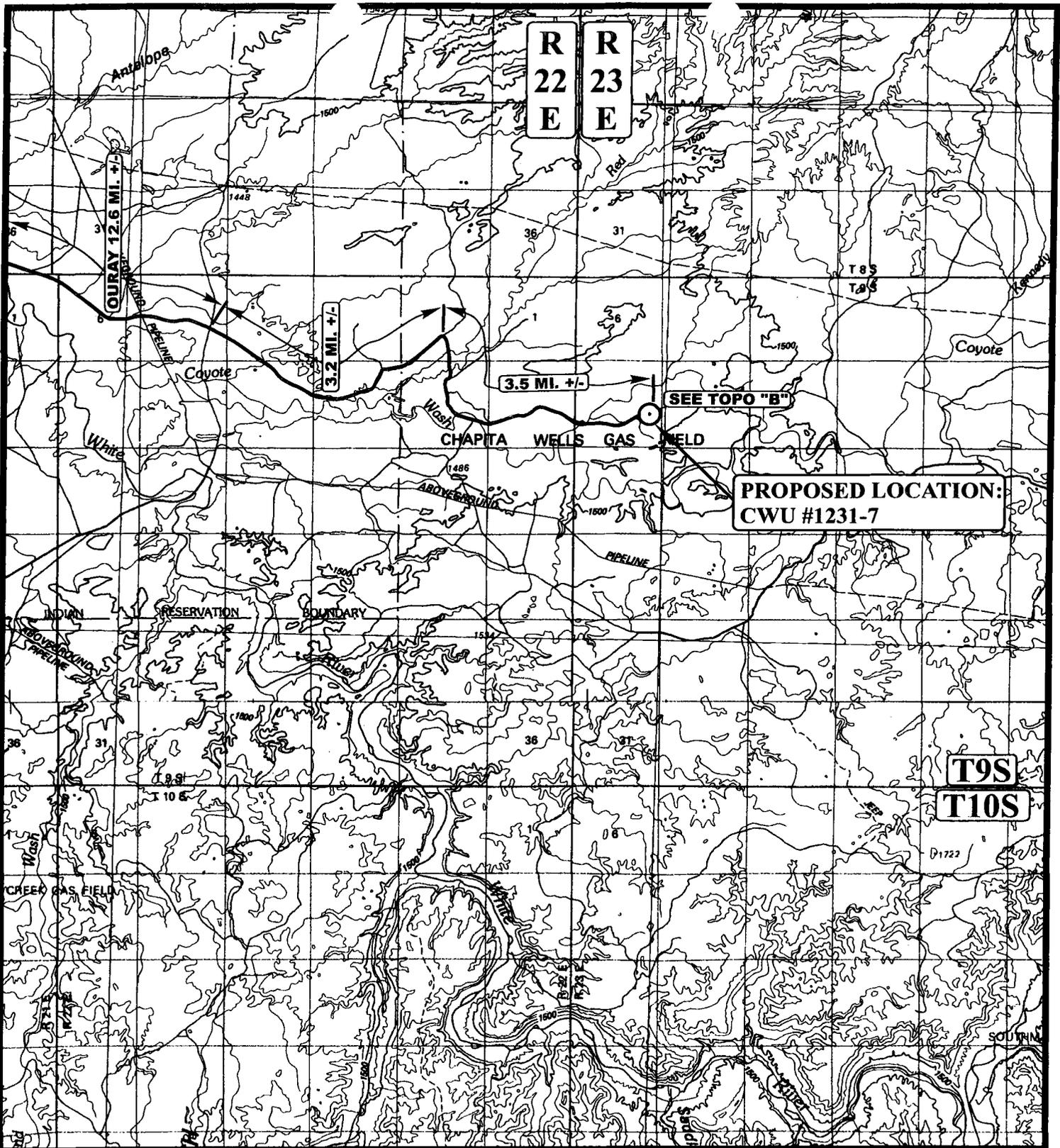
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,590 Cu. Yds.
Remaining Location	= 5,970 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 7,560 CU.YDS.</b>
<b>FILL</b>	<b>= 4,310 CU.YDS.</b>

EXCESS MATERIAL	= 3,250 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,250 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



**LEGEND:**

⊙ PROPOSED LOCATION

**EOG RESOURCES, INC.**

CWU #1231-7  
 SECTION 7, T9S, R23E, S.L.B.&M.  
 1975' FSL 660' FEL



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

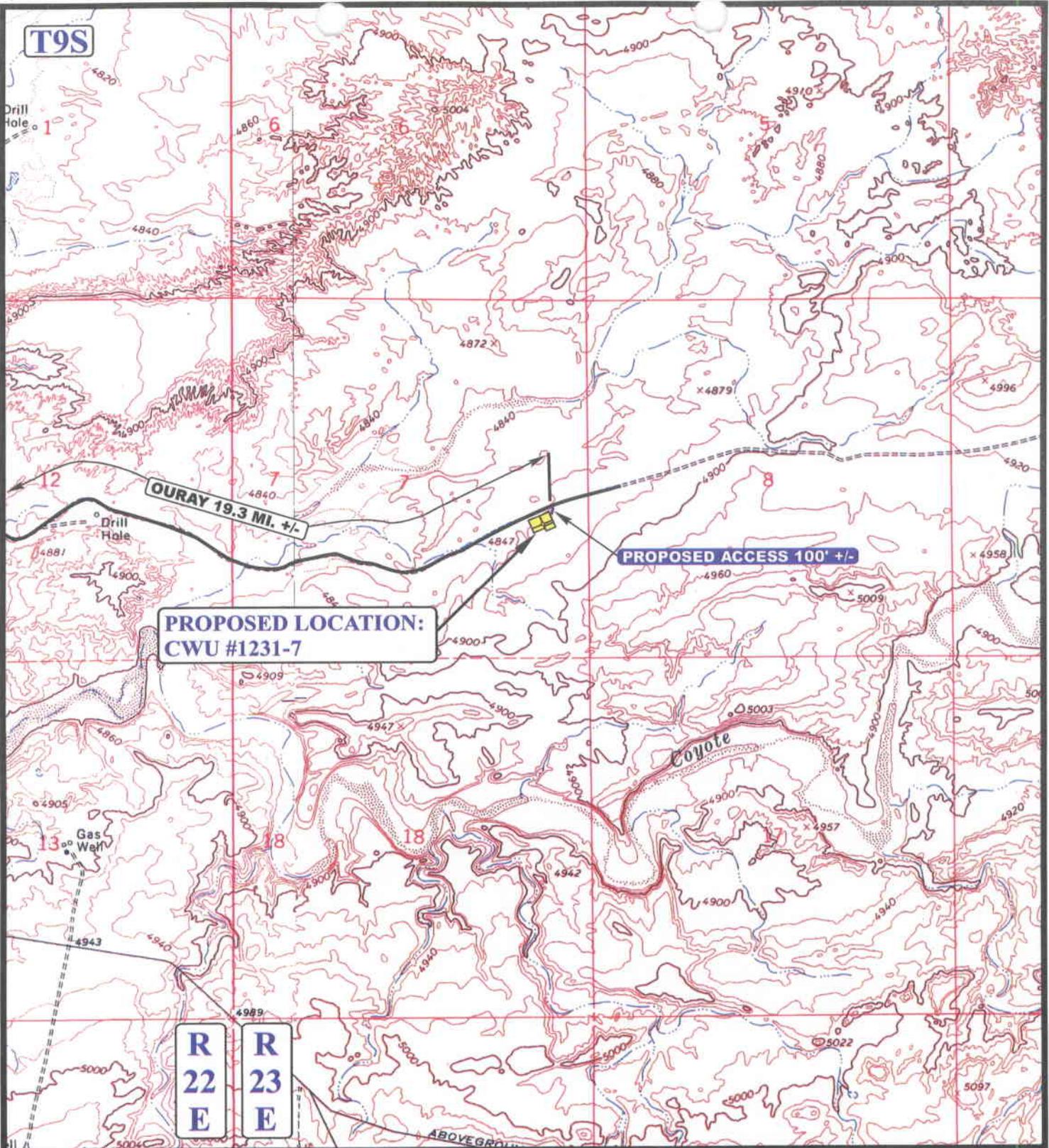


TOPOGRAPHIC  
 MAP

03	09	06
MONTH	DAY	YEAR

SCALE: 1:100,000 | DRAWN BY: L.K. | REVISED: 00-00-00





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



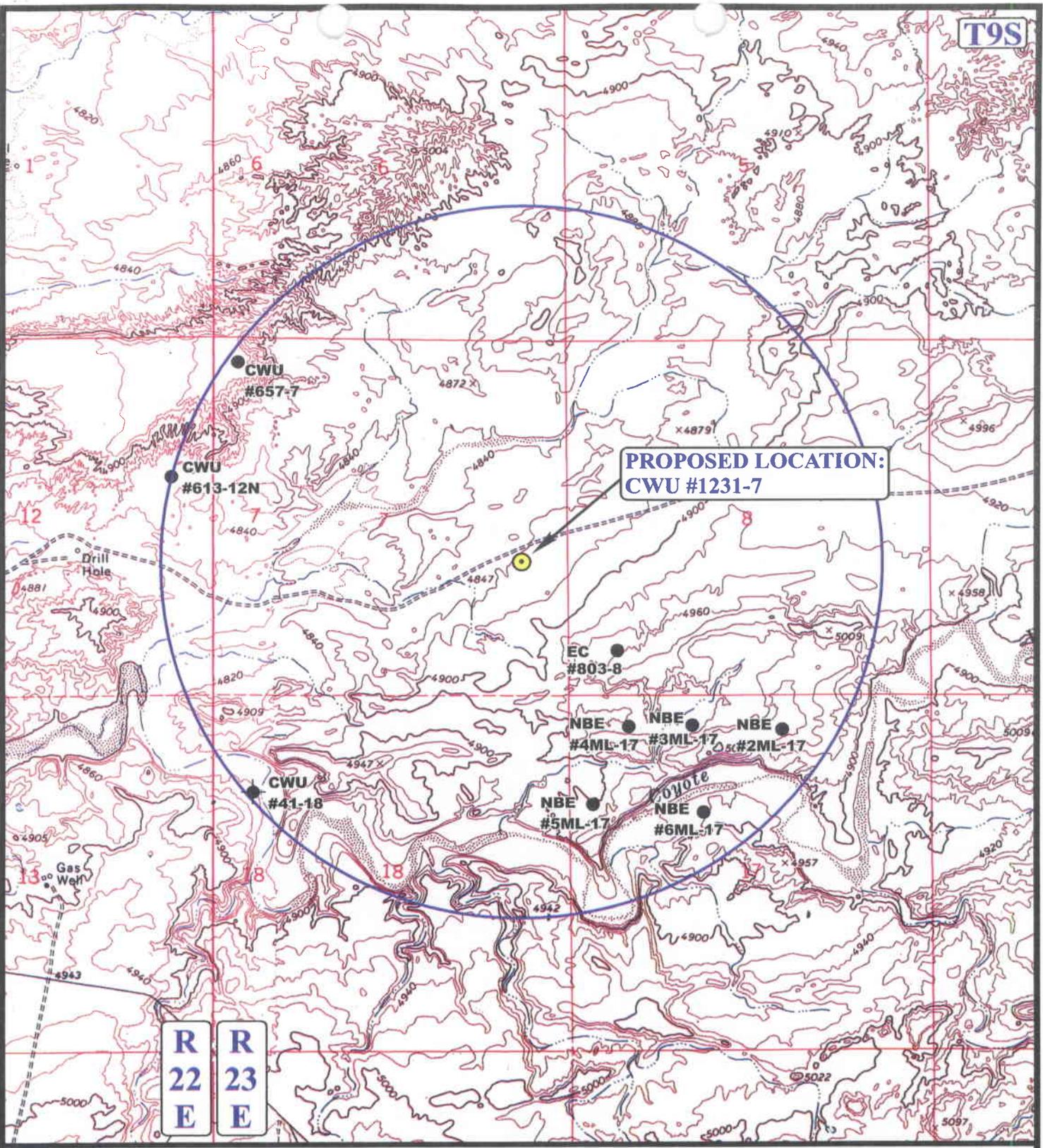
**EOG RESOURCES, INC.**

**CWU #1231-7**  
**SECTION 7, T9S, R23E, S.L.B.&M.**  
**1975' FSL 660' FEL**

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

<b>TOPOGRAPHIC</b>	<b>03</b>	<b>09</b>	<b>06</b>	<b>B</b> TOPO
<b>MAP</b>	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: S.L.		REVISED: 00-00-00	

T9S



PROPOSED LOCATION:  
CWU #1231-7

R  
22  
E

R  
23  
E

**LEGEND:**

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

**EOG RESOURCES, INC.**

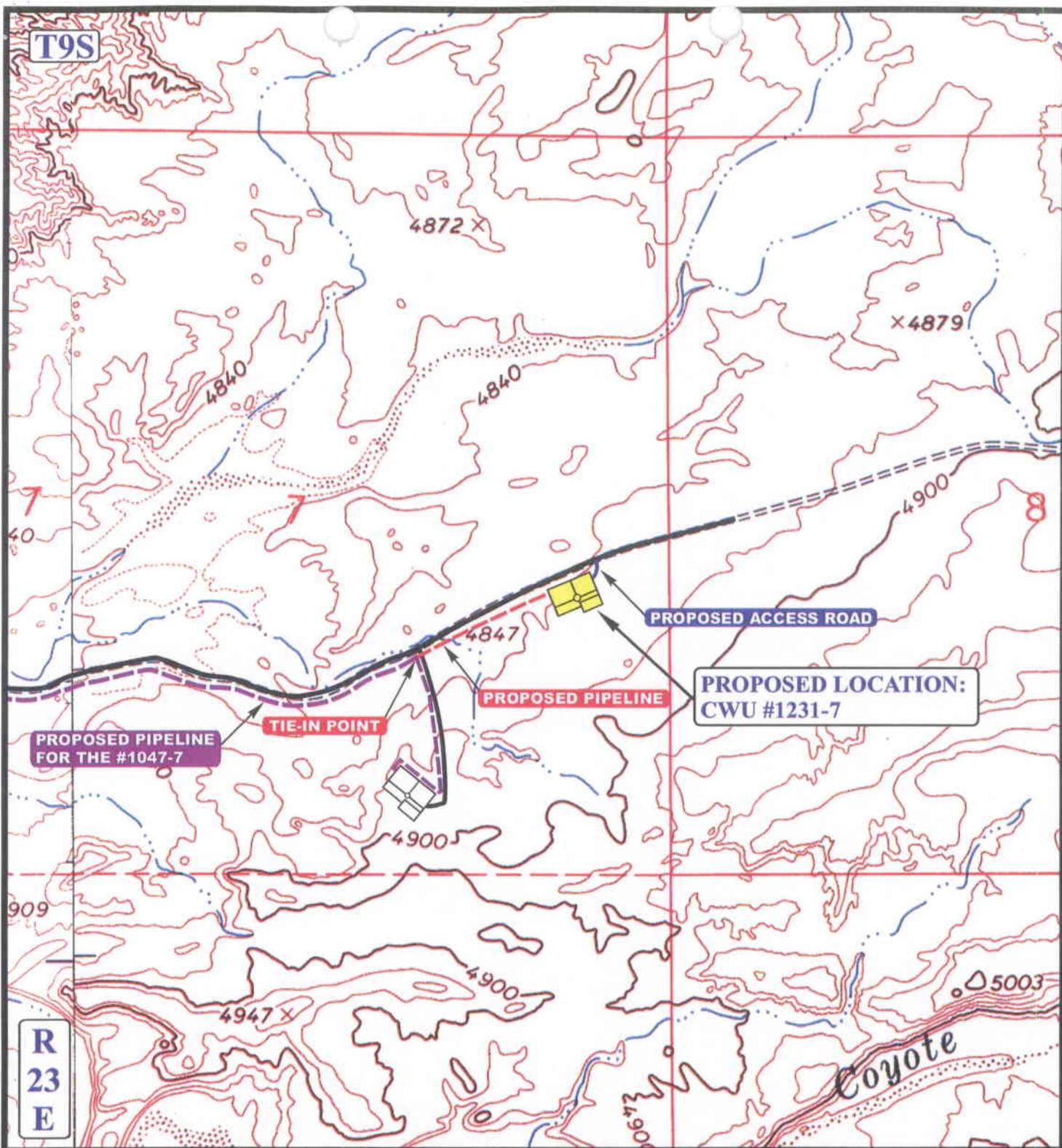
**CWU #1231-7**  
**SECTION 7, T9S, R23E, S.L.B.&M.**  
**1975' FSL 660' FEL**

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

**TOPOGRAPHIC MAP** **03 09 06**  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

**C**  
TOPO





**APPROXIMATE TOTAL PIPELINE DISTANCE = 997' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



**EOG RESOURCES, INC.**

CWU #1231-7  
 SECTION 7, T9S, R23E, S.L.B.&M.  
 1975' FSL 660' FEL



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

**TOPOGRAPHIC MAP** 03 09 06  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/28/2006

API NO. ASSIGNED: 43-047-38039

WELL NAME: CWU 1231-07  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:

NESE 07 090S 230E  
 SURFACE: 1975 FSL 0660 FEL  
 BOTTOM: 1975 FSL 0660 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.04873 LONGITUDE: -109.3619  
 UTM SURF EASTINGS: 639735 NORTHINGS: 4434242  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0343  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

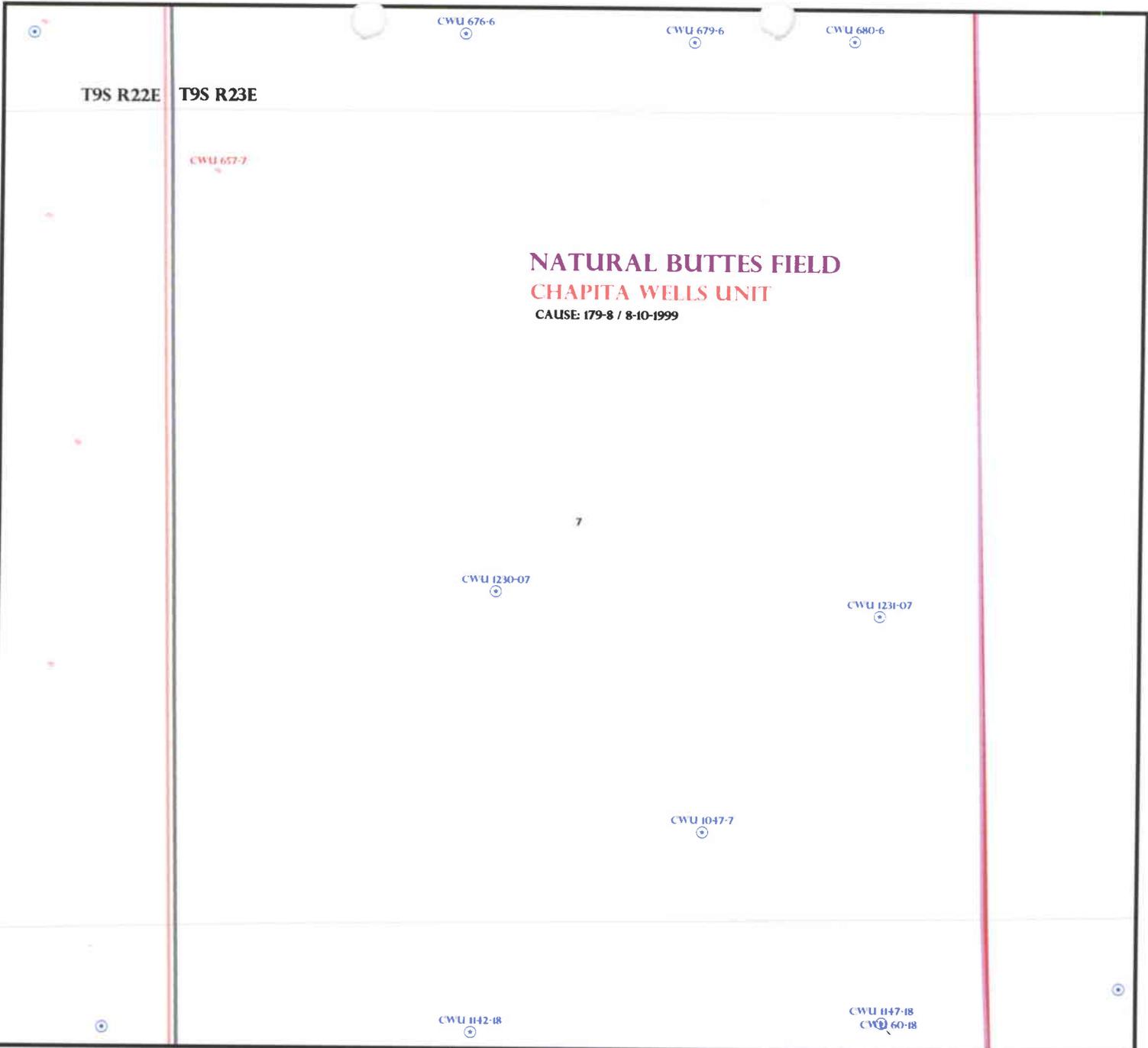
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM 2308 )
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-1501 )
- N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NA Fee Surf Agreement (Y/N)
- NA Intent to Commingle (Y/N)

LOCATION AND SITING:

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

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

STIPULATIONS: 1- Federal Approval



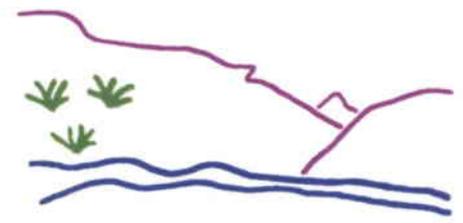
**NATURAL BUTTES FIELD**  
**CHAPITA WELLS UNIT**  
 CAUSE: 179-8 / 8-10-1999

**OPERATOR: EOG RESOURCES INC (N9550)**  
 SEC: 7 T. 9S R. 23E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH  
 CAUSE: 179-8 / 8-10-1999

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

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

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



*Utah Oil Gas and Mining*



PREPARED BY: DIANA WHITNEY  
 DATE: 2-MAY-2006

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

May 3, 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)		
43-047-38038	CWU 1230-07 Sec 7 T09S R23E 2144 FSL 2109 FWL	
43-047-38039	CWU 1231-07 Sec 7 T09S R23E 1975 FSL 0660 FEL	

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*

May 4, 2006

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

Re: Chapita Wells Unit 1231-07 Well, 1975' FSL, 660' FEL, NE SE, Sec. 7,  
T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38039.

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 1231-07

**API Number:** 43-047-38039

**Lease:** U-0343

**Location:** NE SE                      **Sec.** 7                      **T.** 9 South                      **R.** 23 East

### **Conditions of Approval**

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

RECEIVED

Form 3160-3  
(February 2005)

APR 28 2006 APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

BLM VERNAL, UTAH  
5. Lease Serial No.  
U-0343

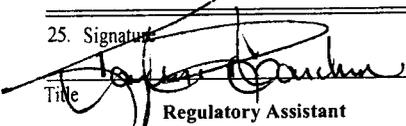
APPLICATION FOR PERMIT TO DRILL OR REENTER

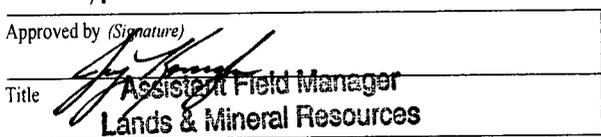
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1231-07</b>
2. Name of Operator <b>EOG RESOURCES, INC.</b>		9. API Well No. <b>43-047-38039</b>
3a. Address <b>P.O. Box 1815 Vernal, UT 84078</b>	3b. Phone No. (include area code) <b>435-781-9111</b>	10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>1975 FSL 660 FEL (NE/SE) 40.048683 LAT 109.362611 LON</b> At proposed prod. zone <b>SAME</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC. 7, T9S, R23E S.L.B.&amp;M</b>
14. Distance in miles and direction from nearest town or post office* <b>50.3 MILES SOUTH OF VERNAL</b>		12. County or Parish <b>UINTAH</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>660'</b>		13. State <b>UT</b>
16. No. of acres in lease <b>632</b>		17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>5260'</b>		20. BLM/BIA Bond No. on file <b>NM 2308</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4865 GL</b>		22. Approximate date work will start*
		23. Estimated duration <b>45 DAYS</b>

24. Attachments

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

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

25. Signature 	Name (Printed Typed) <b>Kaylene R. Gardner</b>	Date <b>04/27/2006</b>
Title <b>Regulatory Assistant</b>		

Approved by (Signature) 	Name (Printed Typed) <b>JENNY KENZLA</b>	Date <b>12-7-2006</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office <b>VERNAL FIELD OFFICE</b>	

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

DEC 21 2006

DIV. OF OIL, GAS & MINING





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

170 South 500 East VERNAL, UT 84078 (435) 781-4400



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

Company: EOG Resources, Inc. Location: NESE, Sec 7, T9S, R23E  
Well No: Chapita Wells Unit 1231-07 Lease No: UTU-0343  
API No: 43-047-38039 Agreement: Chapita Wells Unit

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Petroleum Engineer:	Jim Ashley	Office: 435-781-4470	
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Chuck MacDonald	Office: 435-781-4441	
Natural Resource Specialist:	Darren Williams	Office: 435-781-4447	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
After Hours Contact Number:	435-781-4513	Fax: 435-781-4410	

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

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

**NOTIFICATION REQUIREMENTS**

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

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

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:

9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate

2. The buried pipeline exception request has been received. It has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for a surface pipeline.
3. Paleontological monitoring will be required on all surface disturbance activity, by a professional Paleontologist. If paleontological materials are uncovered during construction, the operator is to immediately stop work, and contact the Authorized Officer (AO). A report will be prepared by the Paleontologist and submitted to the BLM at the completion of surface disturbing activities.

### **DOWNHOLE CONDITIONS OF APPROVAL**

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

#### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
2. A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

#### **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, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than

Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production

15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1231-07

Api No: 43-047-38039 Lease Type: FEDERAL

Section 07 Township 09S Range 23E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

### **SPUDDED:**

Date 03/17/07

Time 10:30 AM

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 03/19/07 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES, INC. Operator Account Number: N 9550  
 Address: 600 17th Street  
city Denver  
state CO zip 80202 Phone Number: (303) 262-2812

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36815	EAST CHAPITA 8-16		SESW	16	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15999	3/17/2007		3/22/07		
Comments: <u>PRRV = MVRD</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38039	CHAPITA WELLS UNIT 1231-7		NESE	7	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16000	3/17/2007		3/22/07		
Comments: <u>PRRV = MVRD</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37682	WILD HORSE FEDERAL 111-35		SESW	35	10S	19E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16001	3/19/2007		3/22/07		
Comments: <u>PRRV = MVRD</u>							

DIV. OF OIL, GAS & MINING

**ACTION CODES:**

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

Carrie MacDonald

Name (Please Print)

Carrie MacDonald

Signature

Operations Clerk

3/21/2007

Title

Date

**RECEIVED**  
**MAR 22 2007**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1,975' FSL & 660' FEL (NESE)  
 Sec. 7-T9S-R23E 40.048683 LAT 109.362611 LON**

5. Lease Serial No.  
**U-0343**

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 1231-7**

9. API Well No.  
**43-047-38039**

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

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

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

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

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

**The referenced well spud on 3/17/2007.**

**RECEIVED  
MAR 22 2007**

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

**Carrie MacDonald**

Title **Operations Clerk**

Signature

*Carrie MacDonald*

Date

**03/21/2007**

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

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

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

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-0343
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) 303-262-2812	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) 1,975' FSL & 660' FEL (NESE) Sec. 7-T9S-R23E 40.048683 LAT 109.362611 LON		8. Well Name and No. Chapita Wells Unit 1231-7
		9. API Well No. 43-047-38039
		10. Field and Pool, or Exploratory Area Natural Buttes/Mesaverde
		11. County or Parish, State Uintah County, Utah

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

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

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

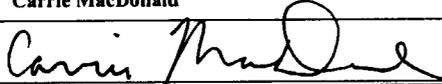
EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

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

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

**RECEIVED  
MAR 22 2007**

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Carrie MacDonald		Title Operations Clerk
Signature 	Date	03/21/2007

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

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

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

(Instructions on page 2)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>U-0343</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>600 17th Street, Suite 1000N, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-824-5526</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1975' FSL &amp; 660' FEL (NESE) Sec. 7-T9S-R23E 40.048683 LAT 109.362611 LON</b>		8. Well Name and No. <b>Chapita Wells Unit 1231-7</b>
		9. API Well No. <b>43-047-38039</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes/Mesaverde</b>
		11. County or Parish, State <b>Uintah County, Utah</b>

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

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

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

**The referenced well was turned to sales on 5/18/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.**

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

Name (Printed/Typed) <b>Mary A. Maestas</b>	Title <b>Regulatory Assistant</b>
Signature 	Date <b>05/22/2007</b>

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

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

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

(Instructions on page 2)

**RECEIVED**

**MAY 24 2007**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 05-22-2007

<b>Well Name</b>	CWU 1231-07	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA WELLS DEEP	<b>API #</b>	43-047-38039	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	04-10-2007	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,400/ 9,400	<b>Property #</b>	059164
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,881/ 4,865				
<b>Location</b>	Section 7, T9S, R23E, NESE, 1975 FSL & 660 FEL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	50.0	<b>NRI %</b>	43.5

<b>AFE No</b>	304036	<b>AFE Total</b>	354,000	<b>DHC / CWC</b>	80,800/ 273,200
<b>Rig Contr</b>	SST	<b>Rig Name</b>	SST #2	<b>Start Date</b>	05-05-2006
		<b>Release Date</b>	04-18-2007		
<b>05-05-2006</b>	<b>Reported By</b>	SHARON WHITLOCK			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
		<b>Days</b>	0	<b>MW</b>	0.0
		<b>Visc</b>	0.0		
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: LOCATION DATA

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

06:00	06:00	24.0	LOCATION DATA
1975' FSL & 660' FEL (NE/SE)			
SECTION 7, T9S, R23E			
UINTAH COUNTY, UTAH			
LAT 40.048719, LONG 109.361931 (NAD 27)			

RIG: SST #2  
 OBJECTIVE: 9400' TD, MESAVERDE  
 DW/GAS  
 CHAPITA WELLS DEEP PROSPECT  
 DD&A: CHAPITA DEEP  
 NATURAL BUTTES FIELD

LEASE: U-0343  
 ELEVATION: 4864.5' NAT GL, 4865', PREP GL, (DUE TO ROUNDING THE PREP GL IS 4865), 4881' KB (16')

EOG WI 50%, NRI 43.5%

<b>03-14-2007</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$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 STARTED.

**03-15-2007**      **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 20% COMPLETE.

**03-16-2007**      **Reported By**      BRYON TOLMAN

**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      PUSHING OUT PIT.

**03-19-2007**      **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: WO BUCKET RIG**

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

**03-21-2007**      **Reported By**      JERRY BARNES

**Daily Costs: Drilling**      \$0                      **Completion**      \$0                      **Daily Total**      \$0  
**Cum Costs: Drilling**      \$38,000                      **Completion**      \$0                      **Well Total**      \$38,000  
**MD**      40      **TVD**      40      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: WO AIR RIG**

**Start**      **End**      **Hrs**      **Activity Description**  
 06:00      06:00      24.0      CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 3/17/2007 @ 10:30 AM, SET 40' OF 14" CONDUCTOR, CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED MICHAEL LEE W/BLM AND CAROL DANIELS W/UDOGM OF THE SPUD 3/17/2007 @ 9:30 AM.

**03-29-2007**      **Reported By**      JERRY BARNES

**Daily Costs: Drilling** \$67,251                      **Completion** \$0                      **Daily Total** \$67,251  
**Cum Costs: Drilling** \$242,323                      **Completion** \$0                      **Well Total** \$242,323  
**MD** 2,437    **TVD** 2,437    **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 CRAIG'S AIR RIG #2 ON 3/19/2007. DRILLED 12-1/4" HOLE TO 2480' GL. ENCOUNTERED WATER @ 1920'. RAN 57 JTS (2421.85') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH DAVIS/LYNCH GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2437' KB. RDMO AIR RIG.

MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 2000 PSIG. PUMPED 180 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/ 2% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX.

DISPLACED CEMENT W/ 175 BBLS FRESH WATER. BUMPED PLUG W/ 800# @ 10:06 PM. 3/22/2007. CHECKED FLOAT, FLOAT DID NOT HOLD. PRESSURE UP CASING TO 800#. SHUT-IN CASING VALVE. NO CEMENT RETURNS.

TOP JOB # 1: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/4% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 10 MINUTES.

TOP JOB # 2: MIXED & PUMPED 150 SX (30.7 BBLS) OF PREMIUM CEMENT W/3% CaCl2, & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 10 MINUTES.

TOP JOB # 3: MIXED & PUMPED 150 SX (30.7 BBLS) OF PREMIUM CEMENT W/2% CaCl2, & 1/4#/SX FLOCELE. MIXED CEMENT TO 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED BUT FELL BACK WHEN PUMPING STOPPED. WOC 2 HRS 25 MINUTES.

TOP JOB # 4: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/2% CaCl2 & 1/4#/SX FLOCELE. MIXED CEMENT TO 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO BIG 4 CEMENTERS.

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

TAGGED AT 2287'. RAN SURVEY AT 2275', 3/4 DEG.

LESTER FARNSWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 3/21/2007 @ 10:30 AM.

---

**04-10-2007**                      **Reported By**                      JESSE TATMAN  
**Daily Costs: Drilling** \$0                      **Completion** \$0                      **Daily Total** \$0  
**Cum Costs: Drilling** \$261,918                      **Completion** \$0                      **Well Total** \$261,918  
**MD** 2,437    **TVD** 2,437    **Progress** 0    **Days** 0    **MW** 0.0    **Visc** 0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time: RIGGING UP.**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MOVE RIG WITH WESTROC TRUCKING & RIG UP.

RIG ON DAYWORK @ 04:00 HOURS ON 04/10/2007.

SAFETY MEETING ON MOVING RIG.  
 100% OF RIG SET IN.  
 FULL CREWS & NO ACCIDENTS.  
 ESTIMATED PRESSURE TEST ON 04/10/2007.  
 ESTIMATED SPUD 04/11/2007.

04-11-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$48,970 Completion \$0 Daily Total \$48,970  
 Cum Costs: Drilling \$310,888 Completion \$0 Well Total \$310,888

MD 3.095 TVD 3.095 Progress 649 Days 1 MW 8.3 Visc 27.0  
 Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING AHEAD @ 3095'.

Start	End	Hrs	Activity Description
06:00	12:30	6.5	PRESSURE TEST BOP AS FOLLOWS: PIPE RAMS, BLIND RAMS, CHOKE LINE, CHOKE MANIFOLD, KILL LINE & VALVES, UPPER KELLY, LOWER KELLY, FLOOR VALVE & DART VALVE TO 5000 PSI FOR 10 MINUTES. ANNULAR TO 2500 PSI FOR 10 MINUTES & CASING TO 500 PSI FOR 30 MINUTES.
12:30	13:30	1.0	INSTALL WEAR BUSHING.
13:30	14:30	1.0	HOLD SAFETY MEETING ON PICKING UP DRILL STRING & RIG UP CALIBER LAYDOWN MACHINE.
14:30	19:00	4.5	PICK UP DRILL STRING.
19:00	21:45	2.75	DRILLED CEMENT FLOAT & SHOE F/2392' - 2446'.
21:45	22:00	0.25	RUN FIT TEST @ 2446' WITH 8.33 PPG MUD WT & 400 PSI = 11.4 PPG EMW.
22:00	03:45	5.75	DRILL ROTATE 2446' - 2969', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 91 FPH.
03:45	04:15	0.5	SERVICE RIG.
04:15	06:00	1.75	DRILL ROTATE 2969' - 3095', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 72 FPH.

SAFETY MEETING ON PRESSURE TESTING & PICKING UP DRILL STRING.  
 FULL CREWS & NO ACCIDENTS.  
 WEATHER IS CLEAR & TEMP IS 20 DEG.  
 COM OK.  
 FUEL 49"= 5210 GAL.  
 MUD WT 8.7 PPG & 32 VIS.  
 BG GAS 632 - 1679 U.  
 CONN GAS 4444 U.  
 NOTIFIED MICHAEL LEE WITH VERNAL BLM OF PRESSURE TEST & SPUD ON 04/09/2007 @ 13:00 HOURS.  
 NOTIFIED CARROL DANIELS WITH UTAH STATE OF SPUD & PRESSURE TEST ON 04/09/2007 @ 13:30 HOURS.

06:00 18.0 SPUD 7 7/8" HOLE @ 22:00 HRS, 4/10/2007.

04-12-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$59,882 Completion \$0 Daily Total \$59,882  
 Cum Costs: Drilling \$370,771 Completion \$0 Well Total \$370,771

**MD** 4,465 **TVD** 4,465 **Progress** 1,370 **Days** 2 **MW** 8.8 **Visc** 33.0

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

**Activity at Report Time:** DRILLING AHEAD @ 4465'.

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL ROTATE 3095' - 3539', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 88 FPH.
11:00	11:30	0.5	SURVEY @ 3464' = 2 DEG.
11:30	12:00	0.5	DRILL ROTATE 3539' - 3633', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 150 FPH.
12:00	12:30	0.5	SERVICE RIG
12:30	21:30	9.0	DRILL ROTATE 3633' - 4364', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 81 FPH.
21:30	22:15	0.75	MIX & PUMP PILL.
22:15	01:00	2.75	TRIP OUT FOR BIT #2.
01:00	02:00	1.0	LAYDOWN ROLLER REAMERS & CHANGE OUT BIT.
02:00	04:00	2.0	TRIP IN HOLE.
04:00	04:30	0.5	WASH & REAM 60' TO BOTTOM.
04:30	06:00	1.5	DRILL ROTATE 4364' - 4465', 8-10K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 67 FPH.

WEATHER IS CLEAR & TEMP IS 29 DEG. .  
 FULL CREWS & NO ACCIDENTS.  
 SAFETY MEETINGS ON HOUSE KEEPING & MAKING CONNECTION.  
 COM OK.  
 FUEL40" = 4030 GAL.  
 BG GAS 1800 U.  
 CONN GAS 2100 U.  
 TRIP GAS 2475 U.  
 MUD WT 9.9 PPG & 37 VIS.

**04-13-2007** **Reported By** JESSE TATMAN

**Daily Costs: Drilling** \$80,359 **Completion** \$0 **Daily Total** \$80,359  
**Cum Costs: Drilling** \$451,130 **Completion** \$0 **Well Total** \$451,130

**MD** 5,440 **TVD** 5,440 **Progress** 975 **Days** 3 **MW** 9.9 **Visc** 38.0

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

**Activity at Report Time:** DRILLING AHEAD @ 5440'.

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL ROTATE 4465' - 4629', 16-18K, 55/65 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 66 FPH.
08:30	09:00	0.5	SURVEY @ 4554' = .5 DEG.
09:00	11:00	2.0	DRILL ROTATE 4629' - 4818', 16-20K, 55/65 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 94 FPH.
11:00	11:30	0.5	SERVICE RIG.
11:30	16:00	4.5	DRILL ROTATE 4818' - 5063', 16-20K, 55/65 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 54 FPH.
16:00	18:30	2.5	PUMP PILL & TRIP OUT FOR BIT #3.
18:30	19:30	1.0	CHANGE OUT MUD MOTOR & BIT.
19:30	22:00	2.5	TRIP IN HOLE WITH BIT #3.
22:00	22:30	0.5	WASH & REAM F/4692' - 5063'.
22:30	22:45	0.25	TRIP IN HOLE.
22:45	23:15	0.5	WASH & REAM 60' TO BOTTOM.
23:15	02:00	2.75	DRILL ROTATE 5063' - 5230', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 61 FPH.

02:00 03:30 1.5 CHANGE OUT SWIVEL PACKING.  
 03:30 06:00 2.5 DRILL ROTATE 5230' - 5440', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 85 FPH.

WEATHER IS CLEAR & TEMP IS 30 DEG.  
 FULL CREWS & NO ACCIDENTS.  
 SAFETY MEETING ON MAKING CONNECTION & PICKING UP TOOLS.  
 COM OK.  
 FUEL 66" = 7442 GAL.  
 BG GAS 36-300 U.  
 TRIP GAS 441 U.  
 MUD WT 10.3 PPG & 38 VIS.

04-14-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$17,930 Completion \$0 Daily Total \$17,930  
 Cum Costs: Drilling \$469,060 Completion \$0 Well Total \$469,060

MD 7.247 TVD 7.247 Progress 1.807 Days 4 MW 10.4 Visc 39.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL ROTATE 5440' - 6335', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 99 FPH.
15:00	15:30	0.5	SERVICE RIG.
15:30	06:00	14.5	DRILL ROTATE 6335' - 7247', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 250-350 PSI DIFF, 63 FPH.

SAFETY MEETING ON TRIP HAZARDS & FALL PROTECTION.  
 WEATHER IS CLEAR & TEMP IS 24 DEG.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK.  
 FUEL 54" = 5882 GAL.  
 BG GAS 33-246 U.  
 CONN GAS 490 U.  
 MUD 10.4 PPG & 38 VIS.

04-15-2007 Reported By JESSE TATMAN

Daily Costs: Drilling \$29,141 Completion \$0 Daily Total \$29,141  
 Cum Costs: Drilling \$498,201 Completion \$0 Well Total \$498,201

MD 8.260 TVD 8.260 Progress 1.013 Days 5 MW 10.5 Visc 44.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING AHEAD @ 8260'.

Start	End	Hrs	Activity Description
06:00	16:30	10.5	DRILL ROTATE 7247' - 7878', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 200-300 PSI DIFF, 60 FPH.
16:30	17:00	0.5	SERVICE RIG.
17:00	06:00	13.0	DRILL ROTATE 7878' - 8260', 16-20K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 29 FPH.

WEATHER IS CLEAR & TEMP IS 35 DEG.  
 SAFETY MEETING ON TONG SAFETY & OPERATING AIR HOIST.

FULL CREWS & NO ACCIDENTS.  
 COM OK & NO BLACK OUTS.  
 FUEL 43" = 4404 GAL.  
 BG GAS 144-811 U.  
 CONN GAS 1200.  
 MUD WT 10.6 PPG & 38 VIS.

04-16-2007 Reported By JESSE TATMAN

<b>Daily Costs: Drilling</b>	\$28,653	<b>Completion</b>	\$7,309	<b>Daily Total</b>	\$35,963
<b>Cum Costs: Drilling</b>	\$526,855	<b>Completion</b>	\$7,309	<b>Well Total</b>	\$534,165
<b>MD</b>	8.740	<b>TVD</b>	8.740	<b>Progress</b>	480
<b>Days</b>	6	<b>MW</b>	10.6	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILLING AHEAD @ 8740'.

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL ROTATE 8260' - 8453', 16-20K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 24 FPH.
14:00	18:00	4.0	TRIP OUT FOR BIT #4.
18:00	18:30	0.5	CHANGE OUT BIT.
18:30	22:00	3.5	TRIP IN HOLE.
22:00	22:45	0.75	WASH & REAM 60' TO BOTTOM.
22:45	06:00	7.25	DRILL ROTATE 8453' - 8740', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 40 FPH.

WEATHER IS CLOUDY & TEMP IS 43 DEG.  
 SAFETY MEETING ON HOUSE KEEPING & TRIPPING.  
 FULL CREWS & NO ACCIDENTS.  
 COM OK & NO BLACK OUTS.  
 FUEL 32" = 2962 GAL.  
 BG GAS 154-1013 U.  
 CONN GAS 8748 U @ 8603'.  
 TRIP GAS 8944 U @ 8453'.  
 MUD WT 10.9 & 38 VIS.

04-17-2007 Reported By JESSE TATMAN

<b>Daily Costs: Drilling</b>	\$40,892	<b>Completion</b>	\$2,963	<b>Daily Total</b>	\$43,855
<b>Cum Costs: Drilling</b>	\$567,747	<b>Completion</b>	\$10,272	<b>Well Total</b>	\$578,020
<b>MD</b>	9.355	<b>TVD</b>	9.355	<b>Progress</b>	615
<b>Days</b>	7	<b>MW</b>	11.0	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

Activity at Report Time: DRILLING AHEAD @ 9355'.

Start	End	Hrs	Activity Description
06:00	17:30	11.5	DRILL ROTATE 8740' - 9103', 16-18K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 32 FPH.
17:30	18:00	0.5	SERVICE RIG.
18:00	06:00	12.0	DRILL ROTATE 9103' - 9355', 18-20K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 21 FPH.

SAFETY MEETING ON PULLING SLIPS & MSDS.  
 FULL CREWS & NO ACCIDENTS.  
 WEATHER IS CLEAR & TEMP IS 39 DEG.

COM OK & NO BLACK OUTS.  
 FUEL 42" = 4337 GAL.  
 BG GAS 561-2365 U.  
 CONN GAS 8958 U @ 8856'.  
 MUD WT 11.2 PPG & 38 VIS.

04-18-2007 Reported By JESSE TATMAN

<b>Daily Costs: Drilling</b>	\$37,413	<b>Completion</b>	\$0	<b>Daily Total</b>	\$37,413
<b>Cum Costs: Drilling</b>	\$605,161	<b>Completion</b>	\$10,272	<b>Well Total</b>	\$615,434

MD 9,400 TVD 9,400 Progress 45 Days 8 MW 11.4 Visc 40.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RUNNING 4.5" CASING

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILL ROTATE 9355' - 9400' TD, 18-22K WOB, 55/67 RPM, 120 SPM, 420 GPM, 100-200 PSI DIFF, 11 FPH. REACHED TD AT 10:00 HRS, 4/17/07.
10:00	11:00	1.0	CIRCULATE FOR SHORT TRIP.
11:00	13:00	2.0	WIPER TRIP/SHORT TRIP 20 STANDS.
13:00	16:00	3.0	CIRCULATE FOR LAYING DOWN DRILL STRING & HOLD SAFETY MEETING WITH LAYDOWN CREW.
16:00	03:00	11.0	LAYDOWN DRILL STRING.
03:00	04:00	1.0	RIG UP CASING CREW & HOLD SAFETY MEETING ON RUNNING CASING.
04:00	06:00	2.0	RUN 4.5" PRODUCTION CASING DETAILS ON NEXT REPORT.

SAFETY MEETING ON LAYING DOWN DRILL STRING & RUNNING CASING.  
 FULL CREWS & NO ACCIDENTS.  
 WEATHER IS CLEAR & TEMP IS 38 DEG.  
 COM OK & NO BLACK OUTS.  
 FUEL 33" = 3153 GAL.  
 MUD WT 11.4 PPG & 39 VIS.

04-19-2007 Reported By TATMAN / LOUDERMILK

<b>Daily Costs: Drilling</b>	\$10,314	<b>Completion</b>	\$148,891	<b>Daily Total</b>	\$159,205
<b>Cum Costs: Drilling</b>	\$615,475	<b>Completion</b>	\$159,163	<b>Well Total</b>	\$774,639

MD 9,400 TVD 9,400 Progress 0 Days 9 MW 11.4 Visc 41.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	11:00	5.0	RUN (215 FULL JTS + 2 MARKER JTS) OF 4.5", 11.6#, N-80, LTC CASING AS FOLLOWS: FLOAT SHOE SET @ 9374, 1 SHOE JOINT, 1 FLOAT COLLAR SET @ 9328', 51 JOINTS CASING, 1 MARKER JOINT SET @ 7100', 63 JOINTS CASING, 1 MARKER JOINT SET @ 4344', 100 JOINT CASING. RUN 36 CENTRALIZERS AS FOLLOWS: 1- 5' ABOVE SHOE ON JOINT #1, ON TOP OF JOINT #2, THEN EVERY 2ND JOINT TO JOINT #70 @ 6317'. TAGGED WITH JOINT #216 @ 9400'.
11:00	13:00	2.0	CIRCULATE FOR CEMENT & HOLD SAFETY MEETING.
13:00	15:00	2.0	PRESSURE TEST LINES TO 5K. PUMP 20 BBL'S OF CHEMICAL WASH AND 20 BBL'S OF FRESH WATER SPACER. MIX & PUMP CEMENT.

LEAD: 375 SKS 35/65 POZ "G" CEMENT MIXED @ 12.0 PPG, 2.26 YLD.+6% D0206+2% D174+0.125 lb/sk D130+.2% D046+.75% D112+.3% D013+.2% D06.

TAIL: 1530 SKS 50/50 POZ "G" CEMENT MIXED @ 14.1 PPG, 1.29 YLD.+2% D020+2% D065+.2% D167+.1% D046+.1% D013.

DSPL: 141.5 BBL'S OF FRESH WATER @ 6 BPM, FULL RETURNS THROUGHOUT JOB. BUMPED PLUG WITH 3000 PSI, 1000 PSI OVER FPIP. BLEED BACK .5 BBL. FLOATS HELD, CEMENT IN PLACE @ 15:05 ON 4/18/2007.

15:00 15:30 0.5 LAND HANGER IN CASING HEAD AND TEST TO 5000 PSI. RD SCHLUMBERGER.  
 15:30 19:00 3.5 ND BOP / CLEAN MUD TANKS. TRANSFERRED APPROXIMATELY 800 BBLS OF 11.4 MUD TO STORAGE.  
 19:00 06:00 11.0 RD / PREPARE FOR WESTROC TRUCKING TO MOVE RIG 5.8 MILES TO THE CWU 1048-18 ON 4/19/2007. BOP TEST POSSIBLY DELAYED DUE TO INSTALLATION OF NEW CHOKE MANIFOLD & KOOMEY REPAIRS.

CREWS: SHORT 1 / NO ACCIDENTS REPORTED / HSM: CONFINED SPACES.

TRANSFER FROM THE CWU 1231-07 TO THE CWU 1048-18.  
 11 JTS, (485.8'), OF 4.5"-11.6#-N80-LT&C-R3 CSG.  
 1 LJ, (22'), OF 4.5"-11.6#-HCP 110-LT&C CSG.  
 2586 GAL. OF #2 DIESEL FUEL.

06:00 18.0 RELEASED RIG @ 19:00 HRS ON 4/18/2007.  
 CASING POINT COST \$615,475

04-27-2007		Reported By		SEARLE							
Daily Costs: Drilling	\$0	Completion	\$44,602	Daily Total	\$44,602						
Cum Costs: Drilling	\$615,475	Completion	\$203,765	Well Total	\$819,241						
MD	9,400	TVD	9,400	Progress	0	Days	10	MW	0.0	Visc	0.0
Formation :	PBTD : 9328.0			Perf :	PKR Depth : 0.0						
Activity at Report Time: WO COMPLETION											
Start	End	Hrs	Activity Description								
06:00	06:00	24.0	RU SCHLUMBERGER. RAN RST/CBL/VDL/CCL/GR FROM PBTD TO 710'. TOC @ 960'. RD SCHLUMBERGER. WO COMPLETION.								

05-12-2007		Reported By		MCCAMENT							
Daily Costs: Drilling	\$0	Completion	\$1,730	Daily Total	\$1,730						
Cum Costs: Drilling	\$615,475	Completion	\$205,495	Well Total	\$820,971						
MD	9,400	TVD	9,400	Progress	0	Days	11	MW	0.0	Visc	0.0
Formation :	PBTD : 9328.0			Perf :	PKR Depth : 0.0						
Activity at Report Time: WO COMPLETION											
Start	End	Hrs	Activity Description								
11:15	12:15	1.0	NU FRAC TREE & TESTED CSG & TREE TO 6500 PSIG. WO COMPLETION.								

05-15-2007		Reported By		DEAN KOUTROULIS							
Daily Costs: Drilling	\$0	Completion	\$7,195	Daily Total	\$7,195						
Cum Costs: Drilling	\$615,475	Completion	\$212,690	Well Total	\$828,166						
MD	9,400	TVD	9,400	Progress	0	Days	12	MW	0.0	Visc	0.0

**Formation :** MESAVERDE      **PBTD :** 9328.0      **Perf :** 7894-9189      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WL. PERFORATED LPR FROM 8908-09', 8921-22', 8977-78', 8987-88', 9014-15', 9054-55', 9122-24', 9137-38', 9154-55' & 9188-89' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4957 GAL YF125ST+ PAD & 28979 GAL YF125ST+ & YF118ST+ WITH 101742# 20/40 SAND @ 1-6 PPG. MTP 6326 PSIG. MTR 49.7 BPM. ATP 5655 PSIG. ATR 43.2 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CFP AT 8875'. PERFORATED MPR FROM 8564-65', 8571-72', 8584-85', 8606-07', 8632-33', 8639-40', 8687-88', 8697-98', 8711-12', 8724-25', 8749-50', 8767-68', 8787-88' & 8855-56' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4963 GAL YF125ST+ PAD & 45308 GAL YF125ST+ & YF118ST+ WITH 168987# 20/40 SAND @ 1-6 PPG. MTP 6466 PSIG. MTR 51.2 BPM. ATP 5889 PSIG. ATR 45 BPM. ISIP 4000 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CFP AT 8530'. PERFORATED MPR FROM 8333-34', 8350-51', 8367-68', 8396-97', 8405-06', 8414-15', 8423-24', 8453-54', 8486-87', 8493-95' & 8502-03' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4963 GAL YF125ST+ PAD & 39912 GAL YF125ST+ & YF118ST+ WITH 132533# 20/40 SAND @ 1-5 PPG. CUT JOB SHORT DUE TO PRESSURE INCREASE. MTP 6462 PSIG. MTR 49.7 BPM. ATP 5899 PSIG. ATR 47.9 BPM. ISIP 4500 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CFP AT 8305'. PERFORATED MPR FROM 8105-07', 8126-27', 8134-35', 8144-45', 8156-57', 8165-66', 8204-05', 8220-21', 8239-40', 8245-46', 8261-62', 8270-71' & 8277-78' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4935 GAL YF123ST+ PAD & 49398 GAL YF123ST+ & YF118ST+ WITH 191480# 20/40 SAND @ 1-6 PPG. MTP 6209 PSIG. MTR 46.1 BPM. ATP 4469 PSIG. ATR 43.4 BPM. ISIP 2000 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CFP AT 8092'. PERFORATED MPR FROM 7894-95', 7914-15', 7921-22', 7940-41', 7950-51', 7990-91', 7999-8000' (MISFIRE), 8008-09', 8019-20', 8038-39', 8052-53', 8059-60', 8067-68' & 8080-81' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4960 GAL YF123ST+ PAD & 49172 GAL YF123ST+ & YF118ST+ WITH 190648# 20/40 SAND @ 1-6 PPG. MTP 6318 PSIG. MTR 45.2 BPM. ATP 4122 PSIG. ATR 43.3 BPM. ISIP 2350 PSIG. RD SCHLUMBERGER. SDFN.

<b>05-16-2007</b>		<b>Reported By</b>	DEAN KOUTROULIS								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$315,454	<b>Daily Total</b>	\$315,454						
<b>Cum Costs: Drilling</b>	\$615,475	<b>Completion</b>	\$528,144	<b>Well Total</b>	\$1,143,620						
<b>MD</b>	9,400	<b>TVD</b>	9,400	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	0.0	<b>Visc</b>	0.0

**Formation :** MESAVERDE      **PBTD :** 9328.0      **Perf :** 7141-9189      **PKR Depth :** 0.0

**Activity at Report Time:** WO COMPLETION RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RUWL. SET 10K CFP AT 7840'. PERFORATED UPR FROM 7638-39', 7652-53', 7659-60', 7686-87', 7694-95', 7701-02', 7730-31', 7744-45', 7754-55', 7762-63', 7787-88', 7792-93', 7808-09', & 7822-23' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4997 GAL YF123ST+ PAD, 45619 GAL YF123ST+ & YF118ST+ WITH 168800# 20/40 SAND @ 1-6 PPG. MTP 6155 PSIG. MTR 46.1 BPM. ATP 4248 PSIG. ATR 44.1 BPM. ISIP 2450 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CFP AT 7610'. PERFORATED UPR FROM 7347-48', 7353-54', 7373-74', 7406-07', 7444-45', 7488-89', 7492-93', 7520-22', 7542-43', & 7575-77' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 3131 GAL WF120 PAD & 19193 GAL WF120 WITH 28000# 20/40 SAND @ 0.5-2 PPG. MTP 6307 PSIG. MTR 50.3 BPM. ATP 5199 PSIG. ATR 44.4 BPM. ISIP 2460 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7320'. PERFORATED UPR FROM 7141-42', 7171-72', 7179-80', 7196-97', 7231-32', 7238-39', 7248-49', 7261-62', 7266-67', 7288-89', 7294-95', & 7304-05' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRACED DOWN CASING WITH 165 GAL GYPTRON T-106, 4964 GAL YF123ST+ PAD, 47025 GAL YF123ST+ & YF118ST+ WITH 167300# 20/40 SAND @ 1-6 PPG. MTP 6134 PSIG. MTR 46.8 BPM. ATP 4263 PSIG. ATR 44.7 BPM. ISIP 2730 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 7040'. BLED WELL OFF TO 0 PSIG. RDMO CUTTERS WL.

05-17-2007 Reported By POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$8,814	<b>Daily Total</b>	\$8,814
<b>Cum Costs: Drilling</b>	\$615,475	<b>Completion</b>	\$536,958	<b>Well Total</b>	\$1,152,434
<b>MD</b>	9,400	<b>TVD</b>	9,400	<b>Progress</b>	0
				<b>Days</b>	14
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9328.0</b>		<b>Perf : 7141-9189</b>	<b>PKR Depth : 0.0</b>

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
07:00	15:00	8.0	MIRUSU. ND TREE. NU BOPE. RIH W/BIT& PUMP OFF SUB TO 7040'. SDFN.

05-18-2007 Reported By POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$24,253	<b>Daily Total</b>	\$24,253
<b>Cum Costs: Drilling</b>	\$615,475	<b>Completion</b>	\$561,211	<b>Well Total</b>	\$1,176,687
<b>MD</b>	9,400	<b>TVD</b>	9,400	<b>Progress</b>	0
				<b>Days</b>	15
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9328.0</b>		<b>Perf : 7141-9189</b>	<b>PKR Depth : 0.0</b>

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
07:00	06:00	23.0	CLEANED OUT & DRILLED OUT PLUGS @ 7040', 7320', 7610', 7840', 8092', 8305', 8530' & 8875'. RIH. CLEANED OUT TO PBTD @ 9320'. LANDED TBG AT 7596' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 24 HRS. 16/64" CHOKE. FTP 1000 PSIG. CP 1800 PSIG. 45 BFPH. RECOVERED 650 BLW 9058 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB 1.00'  
 1 JT 2-3/8" 4.7# L-80 TBG 32.60'  
 XN NIPPLE 1.10'  
 231 JTS 2-3/8" 4.7# L-80 TBG 7550.02'  
 BELOW KB 12.00'  
 LANDED @ 7596.02'

05-19-2007 Reported By POWELL

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,700	<b>Daily Total</b>	\$2,700
<b>Cum Costs: Drilling</b>	\$615,475	<b>Completion</b>	\$563,911	<b>Well Total</b>	\$1,179,387
<b>MD</b>	9,400	<b>TVD</b>	9,400	<b>Progress</b>	0
				<b>Days</b>	16
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9328.0</b>		<b>Perf : 7141-9189</b>	<b>PKR Depth : 0.0</b>

Activity at Report Time: FLOW TEST THRU SALES UNIT-INITIAL PRODUCTION

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

05:00 05:00 24.0 FLOWED THROUGH TEST UNIT TO SALES 14 HRS. 20/64" CHOKE. FTP 1500 PSIG. CP 2100 PSIG. 47 BFPH.  
RECOVERED 1135 BLW. 7923 BLWTR. 681 MCFD RATE.

INITIAL PRODUCTION. OPENING PRESSURE: TP 600 & CP 2500 PSI. TURNED WELL TO QUESTAR SALES AT  
12:00 PM, 5/18/07. FLOWED 300 MCFD RATE ON 20/64" POS CHOKE.

05-20-2007 Reported By POWELL

Daily Costs: Drilling	\$0	Completion	\$2,700	Daily Total	\$2,700
Cum Costs: Drilling	\$615,475	Completion	\$566,611	Well Total	\$1,182,087

MD	9.400	TVD	9.400	Progress	0	Days	17	MW	0.0	Visc	0.0
----	-------	-----	-------	----------	---	------	----	----	-----	------	-----

Formation : MESAVERDE	PBTD : 9328.0	Perf : 7141-9189	PKR Depth : 0.0
-----------------------	---------------	------------------	-----------------

Activity at Report Time: FLOW TEST

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

05:00	05:00	24.0	FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 20/64" CHOKE. FTP 1700 PSIG. CP 2450 PSIG. 45 BFPH. RECOVERED 1100 BLW. 6823 BLWTR. 1311 MCFD RATE.
-------	-------	------	--

FLOWED 344 MCFD, 285 BC & 1500 BW IN 19 HRS ON 20/64" CK, TP 1550 & CP 2150 PSIG.

05-21-2007 Reported By POWELL

Daily Costs: Drilling	\$0	Completion	\$2,175	Daily Total	\$2,175
Cum Costs: Drilling	\$615,475	Completion	\$568,786	Well Total	\$1,184,262

MD	9.400	TVD	9.400	Progress	0	Days	18	MW	0.0	Visc	0.0
----	-------	-----	-------	----------	---	------	----	----	-----	------	-----

Formation : MESAVERDE	PBTD : 9328.0	Perf : 7141-9189	PKR Depth : 0.0
-----------------------	---------------	------------------	-----------------

Activity at Report Time: FLOW TEST

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

05:00	05:00	24.0	FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 20/64" CHOKE. FTP 1700 PSIG. CP 2600 PSIG. 32 BFPH. RECOVERED 768 BLW. 6055 BLWTR. 1504 MCFD RATE.
-------	-------	------	---

FLOWED 970 MCFD, 175 BC & 1100 BW IN 24 HRS ON 20/64" CK, TP 1700 & CP 2550 PSIG.

05-22-2007 Reported By POWELL

Daily Costs: Drilling	\$0	Completion	\$2,175	Daily Total	\$2,175
Cum Costs: Drilling	\$615,475	Completion	\$570,961	Well Total	\$1,186,437

MD	9.400	TVD	9.400	Progress	0	Days	19	MW	0.0	Visc	0.0
----	-------	-----	-------	----------	---	------	----	----	-----	------	-----

Formation : MESAVERDE	PBTD : 9328.0	Perf : 7141-9189	PKR Depth : 0.0
-----------------------	---------------	------------------	-----------------

Activity at Report Time: FLOW TEST

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

05:00	05:00	24.0	FLOWED THROUGH TEST UNIT TO SALES 24 HRS. 20/64" CHOKE. FTP 1650 PSIG. CP 2450 PSIG. 28 BFPH. RECOVERED 665 BLW. 5390 BLWTR. 1707 MCFD RATE.
-------	-------	------	---

FLOWED 1377 MCFD, 20 BC & 768 BW IN 24 HRS ON 20/64" CK, TP 1700 & CP 2550 PSIG.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No.  
**U-0343**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
**Chapita Wells Unit**

8. Lease Name and Well No.  
**Chapita Wells Unit 1231-7**

9. AFI Well No.  
**43-047-38039**

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

11. Sec., T., R., M., on Block and Survey or Area **Sec. 7-T9S-R23E**

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

17. Elevations (DF, RKB, RT, GL)\*  
**4,865' GL**

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

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

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

3. Address **600 17th Street, Suite 1000N, Denver, CO 80202** 3a. Phone No. (include area code)  
**303-262-2812**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At surface **1,975' FSL & 660' FEL (NESE) 40.048683 LAT 109.362611 LON**  
At top prod. interval reported below **Same**  
At total depth **Same**

14. Date Spudded **03/17/2007** 15. Date T.D. Reached **04/17/2007** 16. Date Completed **05/18/2007**  
 D & A  Ready to Prod.

18. Total Depth: MD **9,400'** TVD **9,400'** 19. Plug Back T.D.: MD **9,328'** TVD **9,328'** 20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**RST/CBL/VDL/CCL/GR**

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit report)  
Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8"	36	J-55	0 - 2437		700 sx			
7-7/8"	4-1/2"	11.6	N-80	0 - 9374		1,905 sx			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	7596							

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	7141	9189	8908 - 9189		3/spf	
B)			8564 - 8856		2/spf	
C)			8333 - 8503		3/spf	
D)			8105 - 8278		2/spf	

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

Depth Interval	Amount and Type of Material
8908 - 9189	34,101 GALS GELLED WATER & 101,742# 20/40 SAND
8564 - 8856	50,436 GALS GELLED WATER & 168,987# 20/40 SAND
8333 - 8503	45,040 GALS GELLED WATER & 132,533# 20/40 SAND
8105 - 8278	54,498 GALS GELLED WATER & 191,480# 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
05/18/2007	05/23/2007	24	→	24	1573	665			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
20/64"	SI 1600	2350	→	24	1573	665			PRODUCING

28a. Production - Interval B

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

RECEIVED  
JUN 29 2007

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

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	7141	9189		Wasatch Chapita Wells Buck Canyon Mesaverde Middle Price River Lower Price River Sego	4797 5381 6021 7134 7932 8727 9226

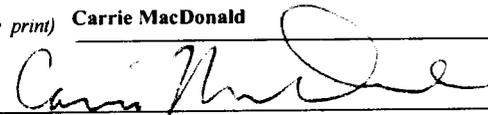
32. Additional remarks (include plugging procedure):

**SEE ATTACHED SHEET.**

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

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

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

Name (please print) **Carrie MacDonald**  
 Signature 

Title **Operations Clerk**  
 Date **06/21/2007**

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

**Chapita Wells Unit 1231-7 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7894-8081	2/spf
7638-7823	2/spf
7347-7577	3/spf
7141-7305	3/spf

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

7894-8081	54,297 GALS GELLED WATER & 190,648# 20/40 SAND
7638-7823	50,781 GALS GELLED WATER & 168,800# 20/40 SAND
7347-7577	22,489 GALS GELLED WATER & 28,000# 20/40 SAND
7141-7305	52,154 GALS GELLED WATER & 167,300# 20/40 SAND

Perforated the Lower Price River from 8908-8909', 8921-8922', 8977-8978', 8987-8988', 9014-9015', 9054-9055', 9122-9124', 9137-9138', 9154-9155', 9188-9189' w/ 3 spf.

Perforated the Middle Price River from 8564-8565', 8571-8572', 8584-8585', 8606-8607', 8632-8633', 8639-8640', 8687-8688', 8697-8698', 8711-8712', 8724-8725', 8749-8750', 8767-8768', 8787-8788', 8855-8856' w/ 2 spf.

Perforated the Middle Price River from 8333-8334', 8350-8351', 8367-8368', 8396-8397', 8405-8406', 8414-8415', 8423-8424', 8453-8454', 8486-8487', 8493-8495', 8502-8503' w/ 3 spf.

Perforated the Middle Price River from 8105-8107', 8126-8127', 8134-8135', 8144-8145', 8156-8157', 8165-8166', 8204-8205', 8220-8221', 8239-8240', 8245-8246', 8261-8262', 8270-8271', 8277-8278' w/ 2 spf.

Perforated the Middle Price River from 7894-7895', 7914-7915', 7921-7922', 7940-7941', 7950-7951', 7990-7991', 8008-8009', 8019-8020', 8038-8039', 8052-8053', 8059-8060', 8067-8068', 8080-8081' w/ 2 spf.

Perforated the Upper Price River from 7638-7639', 7652-7653', 7659-7660', 7686-7687', 7694-7695', 7701-7702', 7730-7731', 7744-7745', 7754-7755', 7762-7763', 7787-7788', 7792-7793', 7808-7809', 7822-7823' w/ 2 spf.

Perforated the Upper Price River from 7347-7348', 7353-7354', 7373-7374', 7406-7407', 7444-7445', 7488-7489', 7492-7493', 7520-7522', 7542-7543', 7575-7577' w/ 3 spf.

Perforated the Upper Price River from 7141-7142', 7171-7172', 7179-7180', 7196-7197', 7231-7232', 7238-7239', 7248-7249', 7261-7262', 7266-7267', 7288-7289', 7294-7295', 7304-7305' w/ 3 spf.

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

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 1231-7

API number: 43-047-38039

Well Location: QQ NESE Section 7 Township 9S Range 23E County UINTAH

Well operator: EOG Resources, Inc.

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIG'S ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1367

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1,920	1,930	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) Carrie MacDonald

TITLE Operations Clerk

SIGNATURE *Carrie MacDonald*

DATE 6/21/2007

**RECEIVED**

**JUN 29 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.  
UTU0343

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
CHAPITA WELLS UNIT 1231-07

2. Name of Operator  
EOG RESOURCES INC

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

9. API Well No.  
43-047-38039

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 7 T9S R23E NESE 1975FSL 660FEL  
40.04868 N Lat, 109.36261 W Lon

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

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

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

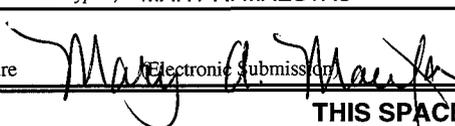
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths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

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

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

**Electronic Submission #58315 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 01/29/2008

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

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

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

Office \_\_\_\_\_

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

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

**RECEIVED**  
**FEB 04 2008**  
DIV. OF OIL, GAS & MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO  
3180  
UT-922

**MAY 23 2008**

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

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

Dear Ms. Spears:

The Consolidated Mesaverde Formation PA "A-N,P,S-X,BB", Chapita Wells Unit, CRS No. UTU63013BB, AFS No. 892000905BB, is hereby approved effective as of May 1, 2007, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Mesaverde Formation PA "A-N,P,S-X,BB" results in an initial consolidated participating area of 13,982.03 acres and is based upon the completion the following wells as capable of producing unitized substances in paying quantities.

*to 13650*

WELL NO.	API NO.	LOCATION	LEASE NO.
CWU1230-07	43-047-38038	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , 7-9S-23E	UTU0343
CWU1231-07	43-047-38039	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 7-9S-23E	UTU0343
CWU693-20	43-047-36901	SW $\frac{1}{4}$ NE $\frac{1}{4}$ , 20-9S-23E	UTU0336A
CWU694-20	43-047-36845	NE $\frac{1}{4}$ SE $\frac{1}{4}$ , 20-9S-23E	UTU0336A
CWU1142-18	43-047-37498	NE $\frac{1}{4}$ NW $\frac{1}{4}$ , 18-9S-23E	UTU0337

*15967*  
*16000*  
*15792*  
*15895*  
*15868*

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

*Also: 15534 to 13650 "S-BB"*

Sincerely,

*/s/ Terry Catlin*

for Becky J. Hammond  
Chief, Branch of Fluid Minerals

**RECEIVED**

**MAY 30 2008**

DIV. OF OIL, GAS & MINING

*43047 36755 CWU 1051-22*  
*43047 36902 CWU 691-21*  
*43047 37044 CWU 1101-21*  
Enclosure

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38038	CHAPITA WELLS UNIT 1230-07		NESW	7	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	15967	13650	3/4/2007		5/1/2007		
Comments: <i>MURD</i> <i>changed 7/7/08</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38039	CHAPITA WELLS UNIT 1231-07		NESE	7	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	16000	13650	3/17/2007		5/1/2007		
Comments: <i>MURD</i> <i>changed 7/7/08</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36901	CHAPITA WELLS UNIT 693-20		SWNE	20	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
D	15792	13650	11/19/2006		5/1/2007		
Comments: <i>MURD</i> <i>changed 7/7/08</i>							

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)

*Kaylene R. Gardner*  
Signature

Lead Regulatory Assistant

Title

7/2/2008

Date

(5/2000)

RECEIVED  
JUL 07 2008  
DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-0343
---	---

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> CHAPITA WELLS
--	---

<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> CWU 1231-07
------------------------------------	--

<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047380390000
--	---

<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1000 N , Denver, CO, 80202	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
---	--	--

<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 1975 FSL 0660 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 07 Township: 09.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
---	---

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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: 9/21/2009	<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 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 checked="" type="checkbox"/> OTHER	OTHER: Pit closure

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

The reserve pit on the referenced location was closed on 9/21/2009 as per the APD procedure.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 September 28, 2009

<b>NAME (PLEASE PRINT)</b> Mary Maestas	<b>PHONE NUMBER</b> 303 824-5526	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A		<b>DATE</b> 9/25/2009