

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

FORM 3

AMENDED REPORT
(highlight changes)

| | | | |
|--|---------------------------------------|---|---|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: ML 3077 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT | |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | 9. WELL NAME and NUMBER: CHAPITA WELLS UNIT 1219-02 | |
| 3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078 | | PHONE NUMBER: (435) 789-0790 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2440 FSL 533 FWL 40.064500 LAT 109.414747 LON AT PROPOSED PRODUCING ZONE: SAME 4435914Y -109.414077 | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 9S 22E S | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 47.3 MILES SOUTH OF VERNAL, UTAH | | 12. COUNTY: UINTAH | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 533 | 16. NUMBER OF ACRES IN LEASE: 640 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2300 | 19. PROPOSED DEPTH: 9,975 | 20. BOND DESCRIPTION: NM 2308 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4845' GL | 22. APPROXIMATE DATE WORK WILL START: | 23. ESTIMATED DURATION: 45 DAYS | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|------|-------|---------------|---|
| 17-1/2 | 13-3/8 | H-40 | 48# | 45 | SEE ATTACHED EIGHT POINT PLAN |
| 12-1/4 | 9-5/8 | J-55 | 36# | 2,300 | SEE ATTACHED EIGHT POINT PLAN |
| 7-7/8 | 4-1/2 | N-80 | 11.6# | 9,975 | SEE ATTACHED EIGHT POINT PLAN |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Regulatory Assistant
SIGNATURE [Signature] DATE 6/29/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38344

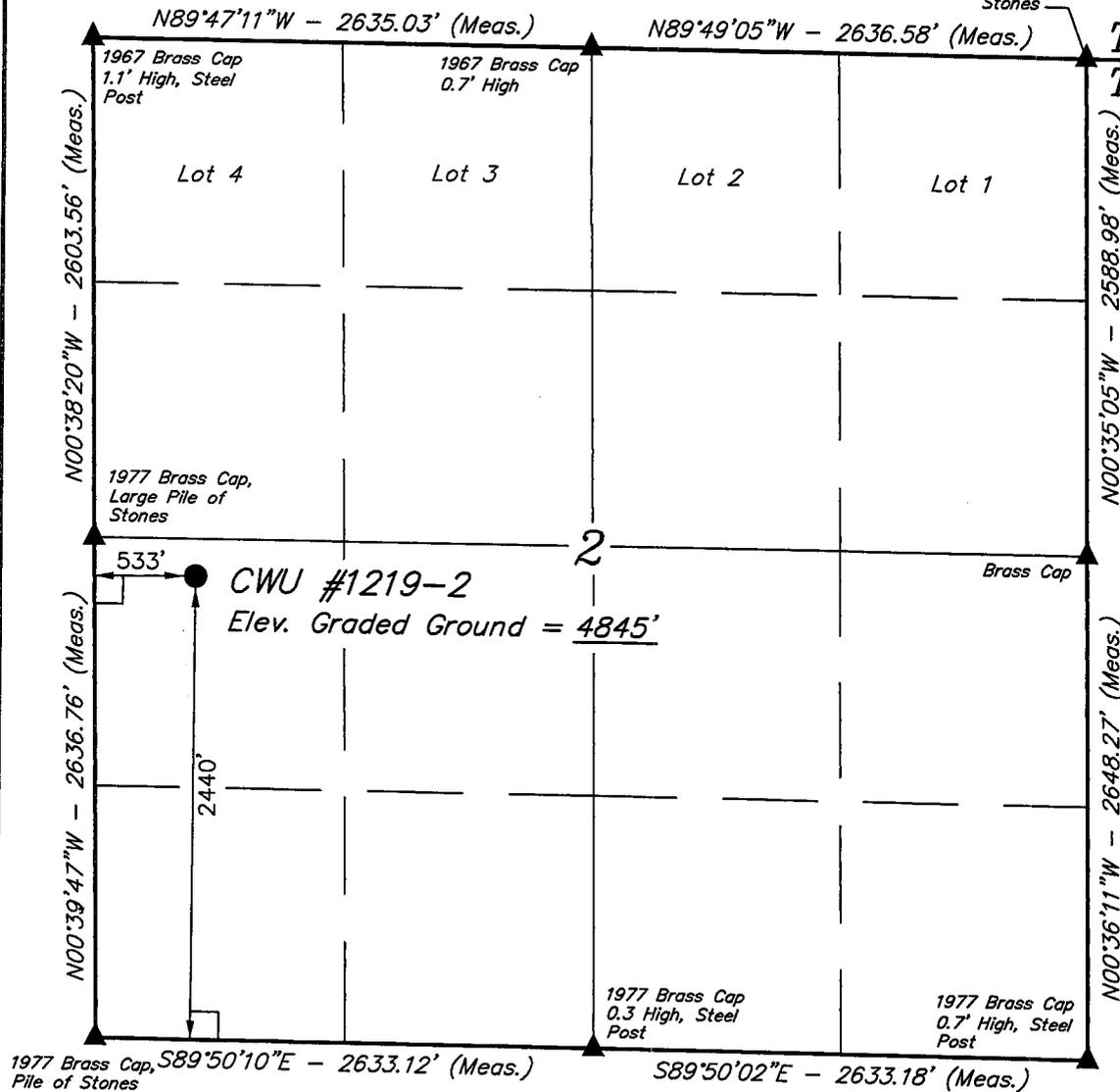
**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 09-18-09
By: [Signature]

RECEIVED
JUL 03 2006
DIV. OF OIL, GAS & MINING

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

1967 Brass Cap
0.4' High, Scattered
Stones



EOG RESOURCES, INC.

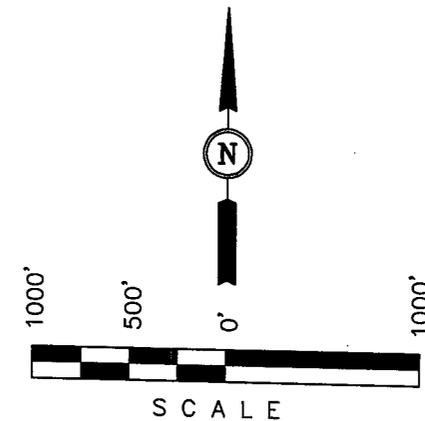
Well location, CWU #1219-2, located as shown in the NW 1/4 SW 1/4 of Section 2, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

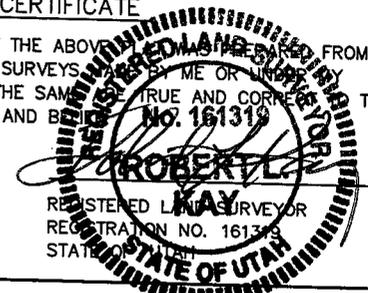
BASIS OF BEARINGS

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



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS TAKEN FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 40°03'52.20" (40.064500)
 LONGITUDE = 109°24'53.09" (109.414747)
 (NAD 27)
 LATITUDE = 40°03'52.33" (40.064536)
 LONGITUDE = 109°24'50.63" (109.414064)

| | | |
|--|-----------------------------|-------------------------|
| UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017 | | |
| SCALE 1" = 1000' | DATE SURVEYED: 06-07-06 | DATE DRAWN: 06-09-06 |
| PARTY G.S. K.C. S.L. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE EOG RESOURCES, INC. | |

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)

July 14, 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)

| | | |
|--------------|---|--|
| 43-047-38344 | CWU 1219-02 Sec 2 T09S R22E 2440 FSL 0533 FWL | |
| 43-047-38345 | CWU 1217-02 Sec 2 T09S R22E 0794 FNL 1098 FWL | |
| 43-047-38346 | CWU 1243-02 Sec 2 T09S R22E 1948 FNL 2002 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

MCoulthard:mc:7-14-06

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1219-02
NW/SW, SEC. 02, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River FM | 2,101' |
| Wasatch | 5,091' |
| North Horn | 6,974' |
| Island | 7,378' |
| KMV Price River | 7,636' |
| KMV Price River Middle | 8,458' |
| KMV Price River Lower | 9,221' |
| Sego | 9,766' |

Estimated TD: **9,975' or 200'± below Sego top**

Anticipated BHP: 5,445 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

| | <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|-------------|------------------|-----------------|-------------|---------------|--------------|---------------|----------------------|--------------|----------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| Conductor: | 17 ½" | 0' – 45' | 13 ⅝" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12-1/4" | 45' – 2,300'KB± | 9-⅝" | 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/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone. All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1219-02
NW/SW, SEC. 02, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

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

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

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

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

7. VARIANCE REQUESTS:

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

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

8. EVALUATION PROGRAM:

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1219-02
NW/SW, SEC. 02, T9S, R22E, 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% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

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

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

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

Production Hole Procedure (2300'± - TD)

Lead: **154 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: **910 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9 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 1219-02
NW/SW, SEC. 02, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

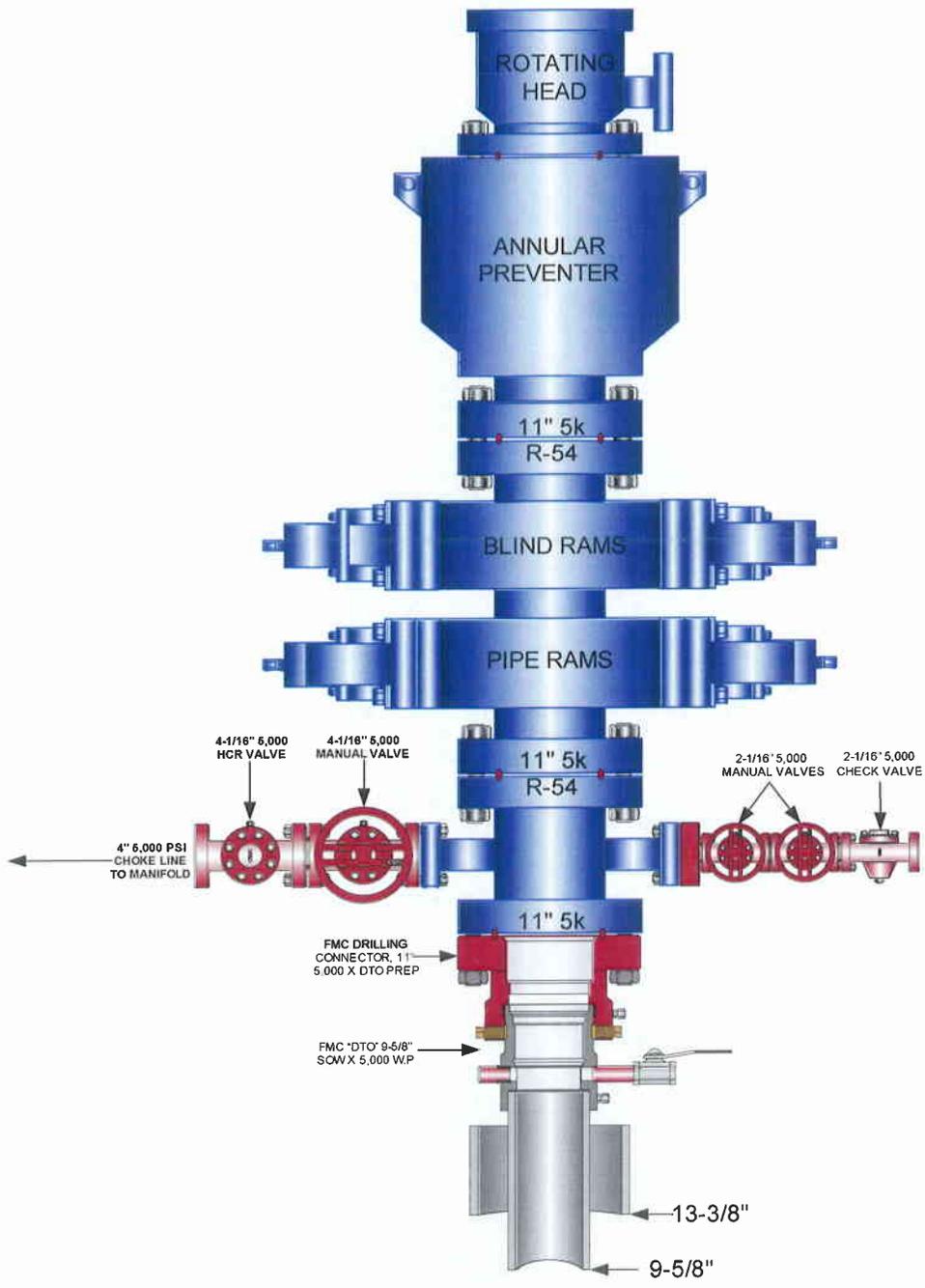
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

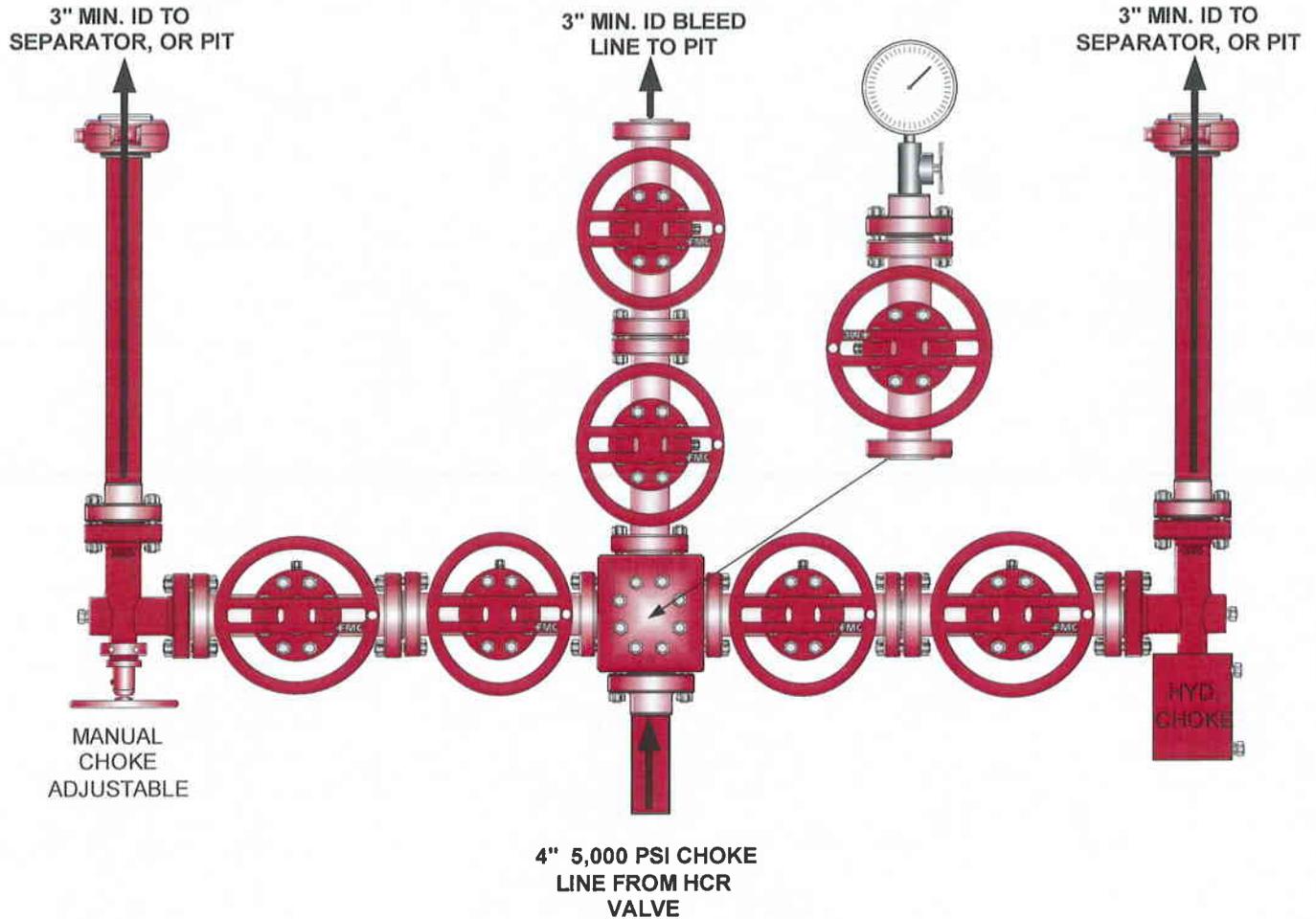
No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold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



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 1219-02
NWSW, Section 2, T9S, R22E
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. New surface disturbance associated with the well pad is estimated to be approximately 1.84 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 47.3 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. Existing access road for Chapita Wells Unit 544-02F will be used to access proposed Chapita Wells Unit 1219-02 location.
- B. No turnouts will be required.
- C. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- D. No bridges, or major cuts and fills will be required.
- E. The existing access road is dirt surface.
- F. No gates, cattleguards, or fences will be required or encountered.

All travel will be confined to existing access road right-of-way.

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

The road shall be constructed/upgraded to meet the standards to the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation 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.

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 – 3*
- B. Producing Wells – 42*
- C. Shut-in Wells – 1*

(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. Proposed pipeline will be a 4" OD steel, welded line laid on the surface
3. 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 northwest 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 west of Corner #5. The stockpiled location topsoil will be stored between Corners #8 and #6. 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 south.

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 State land, or any fence between State land and private land, the operator will contact the State of Utah, 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. 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 State of Utah will attach the appropriated surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP:

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

State of Utah

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 or 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" and "Right-of-Way grant", if applicable, 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.

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 1219-02 Well, located in the NWNW, of Section 2, T11S, R22E, 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.

June 29, 2006

Date



Kaylene R. Gardner Regulatory Assistant

EOG RESOURCES, INC.

CWU #1219-2

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

06 14 06
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

DRAWN BY: L.K.

REVISED: 00-00-00

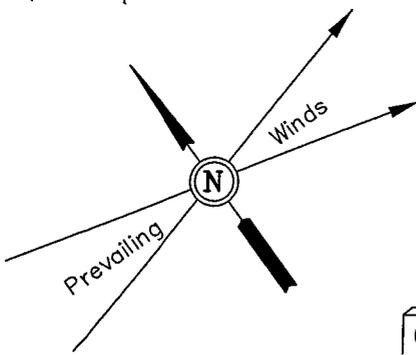
EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #1219-2

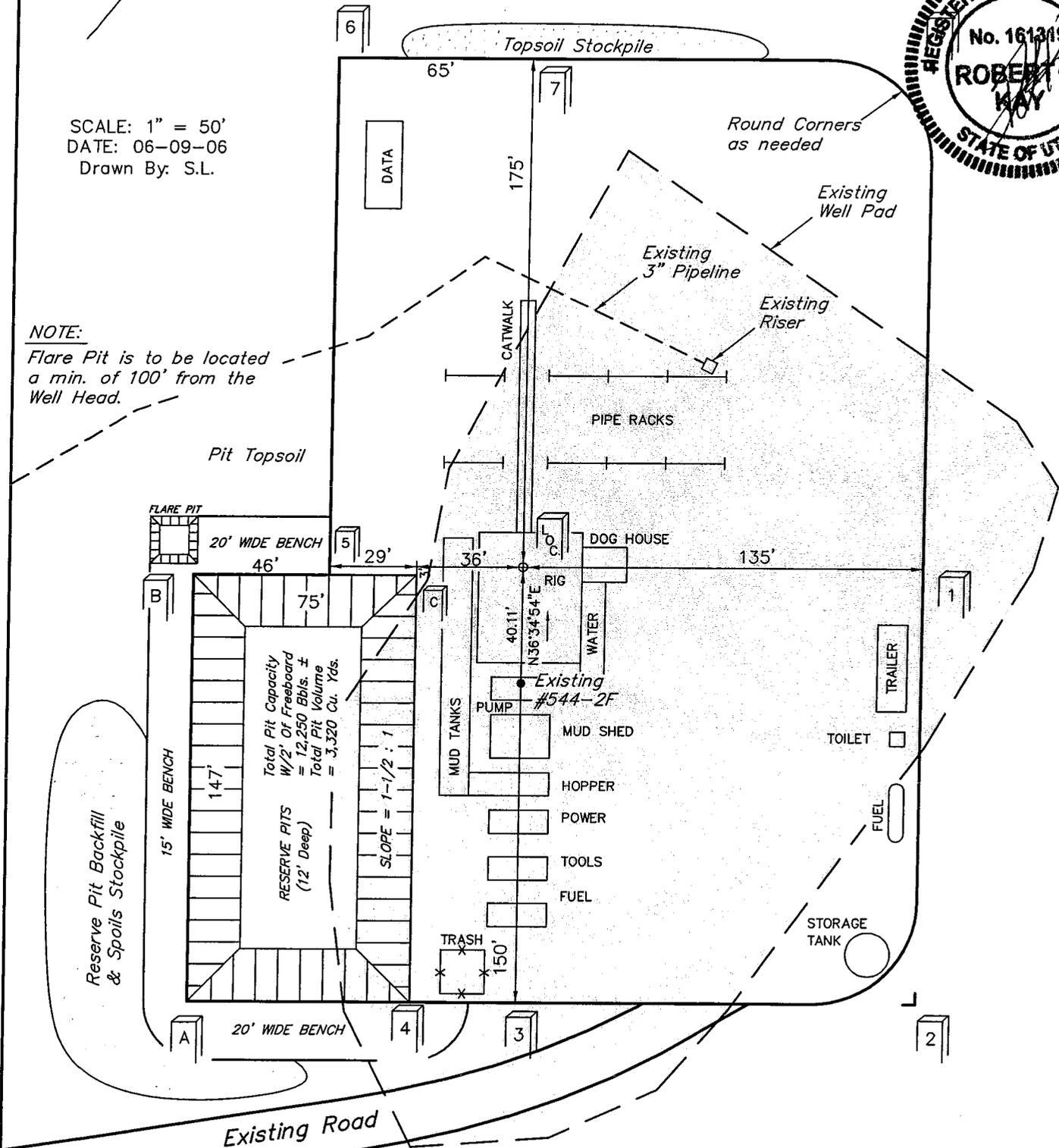
SECTION 2, T9S, R22E, S.L.B.&M.

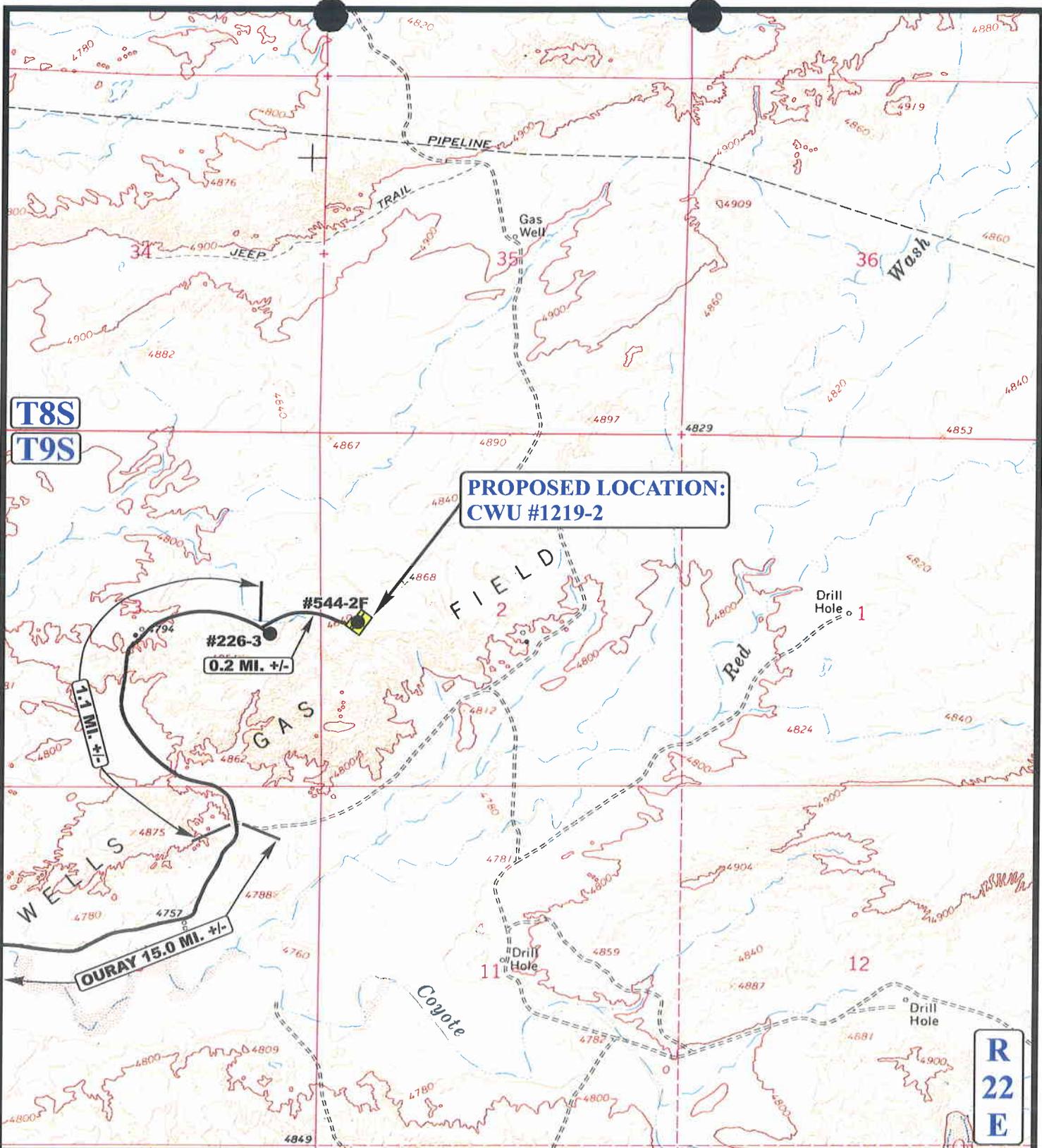
2440' FSL 533' FWL



SCALE: 1" = 50'
DATE: 06-09-06
Drawn By: S.L.

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





**PROPOSED LOCATION:
CWU #1219-2**

**#226-3
0.2 MI. +/-**

OURAY 15.0 MI. +/-

1.1 MI. +/-

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



EOG RESOURCES, INC.

**CWU #1219-2
SECTION 2, T9S, R22E, S.L.B.&M.
2440' FSL 533' FWL**



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

TOPOGRAPHIC MAP
06 MONTH 14 DAY 06 YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/03/2006

API NO. ASSIGNED: 43-047-38344

WELL NAME: CWU 1219-02
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-789-0790

PROPOSED LOCATION:

NWSW 02 090S 220E
 SURFACE: 2440 FSL 0533 FWL
 BOTTOM: 2440 FSL 0533 FWL
 COUNTY: UINTAH
 LATITUDE: 40.06453 LONGITUDE: -109.4141
 UTM SURF EASTINGS: 635253 NORTHINGS: 4435914
 FIELD NAME: NATURAL BUTTES (630)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|---------|
| Tech Review | Initials | Date |
| Engineering | DKD | 8/22/06 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State
 LEASE NUMBER: ML 3077
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: PRRV
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196017)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1501)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

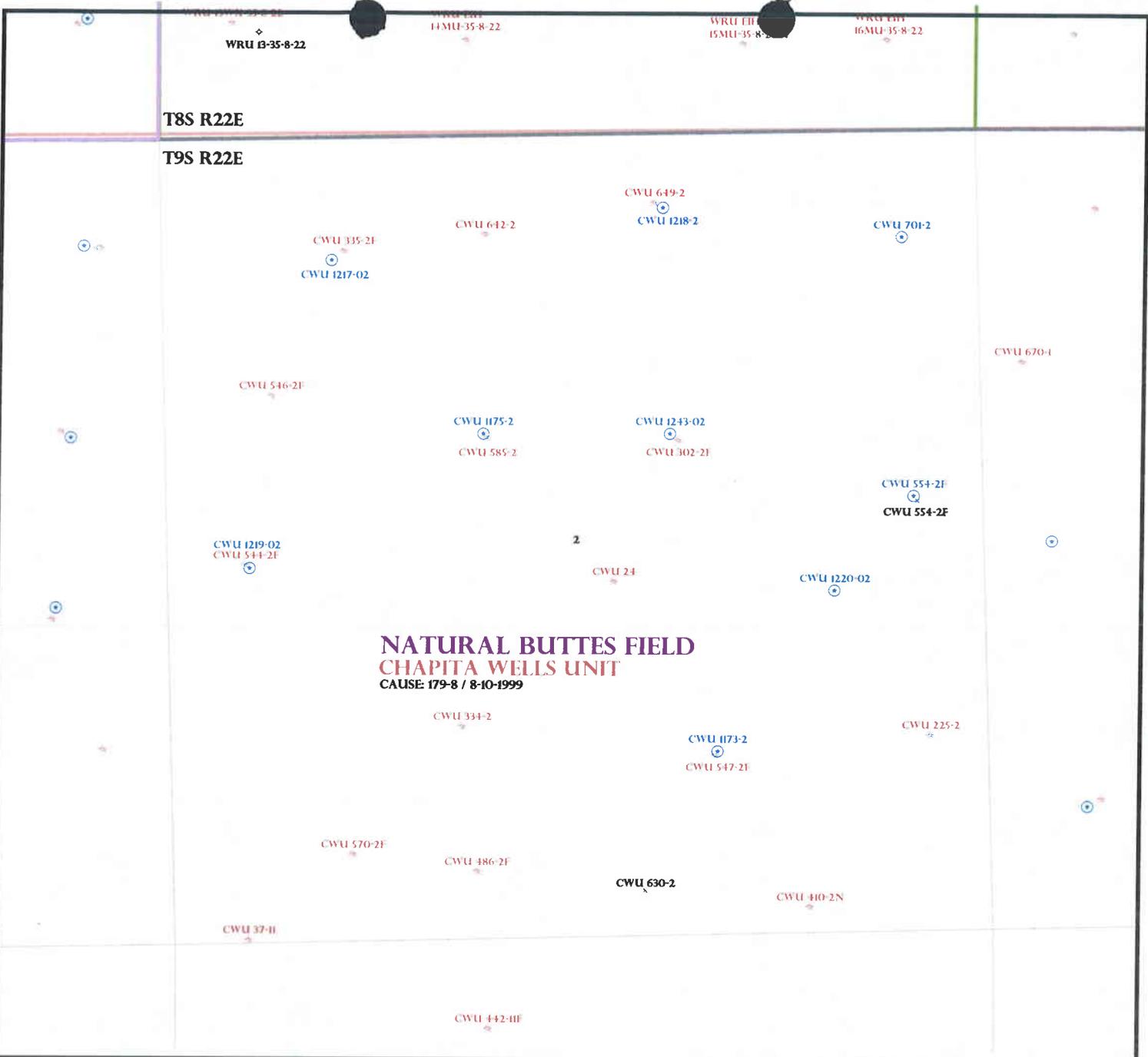
- R649-2-3.
- Unit: CHAPITA WELLS
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 179.8
Eff Date: 8-10-99
Siting: Suspends General Siting
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (07-17-06)

STIPULATIONS:

- 1- STATEMENT OF BASIS
- 2- OIL SHALE
- 3- Surface Csg Cont Stip



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 2 T. 9S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

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

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

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



PREPARED BY: DIANA WHITNEY
DATE: 14-JULY-2006

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: EOG RESOURCES INC.

WELL NAME & NUMBER: Chapita Wells Unit 1219-02

This is a proposed twin well planned to a different depth on an existing location with the producing CWU 544-2F gas well.

API NUMBER: 43-047-38344

LOCATION: 1/4,1/4 NW/SW Sec: 02 TWP:09S RNG:22E 2440 FSL 533 FWL

Geology/Ground Water:

EOG proposes to set 2,300 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 2,600 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 2. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 07-31-06

Surface:

The pre-drill investigation of the surface was performed on July 17, 2006. The surface and minerals are both SITLA. Jim Davis (SITLA) and Ben Williams (UDWR) were invited to and attended this investigation. Ed Trotter and Terry Sere represented EOG Resources.

This is a twin well, which will be drilled 40.11 feet northwest of the existing CWU 544-2F producing gas well. All existing facilities will be moved off the location. Following drilling they will be moved back and shared between the two wells. No surface problems occurred during the drilling of the first well.

Mr. Williams representing the Utah Division of Wildlife Resources had no concerns with drilling the well at this location.

Reviewer: Floyd Bartlett **Date:** 07/18/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: EOG RESOURCES INC.

WELL NAME & NUMBER: Chapita Wells Unit 1219-02

This well is a proposed twin well planned to a different depth on an existing location with the existing CWU 544-2F gas well.

API NUMBER: 43-047-38344

LEASE: ML-3077 **FIELD/UNIT:** NATURAL BUTTES UNIT

LOCATION: 1/4, 1/4 NW/SW **Sec:** 02 **TWP:** 09S **RNG:** 22E 2440 **FSL** 533 **FWL**

LEGAL WELL SITING: General State Siting suspended.

GPS COORD (UTM): X =635258; Y =4435916 **SURFACE OWNER:** STATE OF UTAH (SITLA)

PARTICIPANTS

Floyd Bartlett (DOGM), Ed Trotter (EOG), Terry Sere (EOG), Jim Davis (SITLA), Ben Williams, (UDWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

General Area is the Chapita Wells Gas Field. The location is about 4 mile north of the White River.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife and livestock grazing and oil field production.

PROPOSED SURFACE DISTURBANCE: Some of the old pad has been rehabilitated. The new pad will have a slightly different orientation. A small amount of earth movement will be required. The reserve pit will be constructed in the southwest corner of the existing location.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: The existing CWU 544-2F well is 40.11 feet to the southwest. Numerous other wells exist. See Topo C of the APD.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All existing facilities will be moved off the location. Following drilling they will be moved back and shared between the two wells.

SOURCE OF CONSTRUCTION MATERIAL: All construction materials will come from the location.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No especially since it is utilizing an existing well pad.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will

be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

RESERVE PIT

CHARACTERISTICS: 147' by 75' and 12' deep within an area of fill on the south west side of the location.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 mil liner will be required for reserve pit. Score of 35, Sensitivity Level I.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA. _____

SURFACE AGREEMENT: AS PER SITLA. _____

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by MOAC. Copy furnished to SILA.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the Utah Division of Wildlife Resources had no concerns with drilling the well at this location.

ATTACHMENTS

Photos of this site were taken and placed on file. _____

Floyd Bartlett
DOGM REPRESENTATIVE

07-17-2006 1:15 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

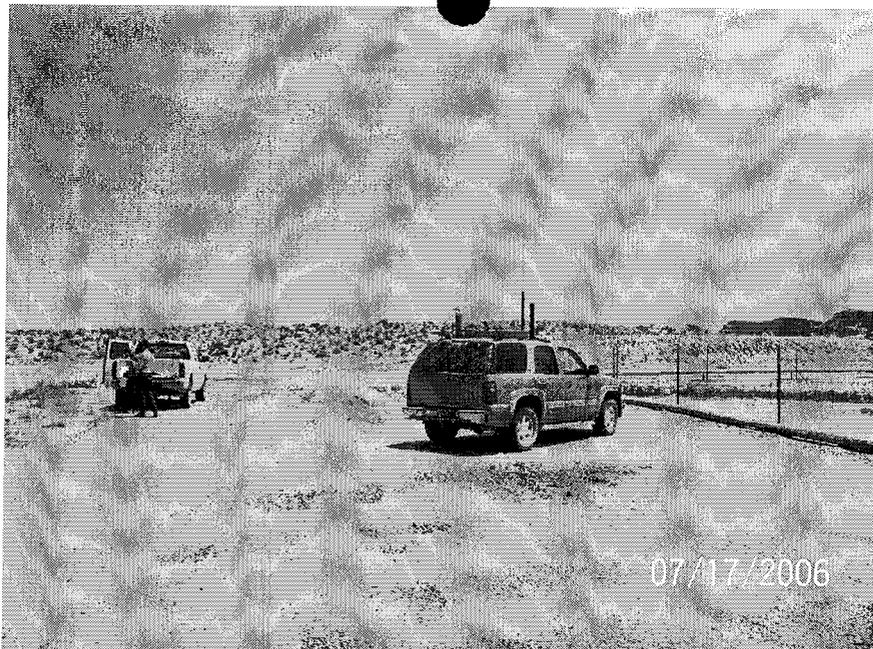
| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|---------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | |
| <25 or recharge area | 20 | <u>0</u> |
| Distance to Surf. Water (feet) | | |
| >1000 | 0 | |
| 300 to 1000 | 2 | |
| 200 to 300 | 10 | |
| 100 to 200 | 15 | |
| < 100 | 20 | <u>0</u> |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 | 0 | |
| 1320 to 5280 | 5 | |
| 500 to 1320 | 10 | |
| <500 | 20 | <u>0</u> |
| Distance to Other Wells (feet) | | |
| >1320 | 0 | |
| 300 to 1320 | 10 | |
| <300 | 20 | <u>20</u> |
| Native Soil Type | | |
| Low permeability | 0 | |
| Mod. permeability | 10 | |
| High permeability | 20 | <u>10</u> |
| Fluid Type | | |
| Air/mist | 0 | |
| Fresh Water | 5 | |
| TDS >5000 and <10000 | 10 | |
| TDS >10000 or Oil Base Mud Fluid | 15 | |
| containing significant levels of hazardous constituents | 20 | <u>5</u> |
| Drill Cuttings | | |
| Normal Rock | 0 | |
| Salt or detrimental | 10 | <u>0</u> |
| Annual Precipitation (inches) | | |
| <10 | 0 | |
| 10 to 20 | 5 | |
| >20 | 10 | <u>0</u> |
| Affected Populations | | |
| <10 | 0 | |
| 10 to 30 | 6 | |
| 30 to 50 | 8 | |
| >50 | 10 | <u>0</u> |
| Presence of Nearby Utility Conduits | | |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | <u>0</u> |

Final Score 35 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.



07/17/2006



07/17/2006



Casing Schematic

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
2218. Surface
2300. MD

4-1/2"
MW 10.5

Production
9975. MD

BHP
 $(.052)(10.5)(9975) = 5446$

Anticipate 5445

G10
 $(.12)(9975) = 1197$

MASP - 4249

BOPE - 5000 ✓

Surf csg - 3500
 $708 = 2464$

Max pressure @ Surf csg shoe = 3758

✓ Test to 2464# (~~1500~~ proposed)
(± 1500 psi surf. press.)

✓ Adequate DRD 8/22/06

TOC @
0.

1810 TOC Tail

2101 Green River

2600 Bmsw

4862 TOC Tail

5091 Wasatch

7636 Price River

✓ w/o % Washout
*Surface st up

✓ w/o % Washout
propose TOC @ 2100'
(gauge hole plus 45')

| | | |
|--------------|------------------------------|-----------------------------|
| Well name: | 08-06 EOG CWU 1219-02 | |
| Operator: | EOG Resources Inc. | |
| String type: | Surface | Project ID: 43-047-38344 |
| Location: | Uintah County | |

| | | |
|---|--|---|
| <p>Design parameters:</p> <p><u>Collapse</u> Mud weight: 8,400 ppg Design is based on evacuated pipe.</p> <p><u>Burst</u> Max anticipated surface pressure: 2,024 psi Internal gradient: 0.120 psi/ft Calculated BHP: 2,300 psi</p> <p>No backup mud specified.</p> | <p>Minimum design factors:</p> <p><u>Collapse:</u> Design factor: 1.125</p> <p><u>Burst:</u> Design factor: 1.00</p> <p><u>Tension:</u> 8 Round STC: 1.80 (J) 8 Round LTC: 1.80 (J) Buttress: 1.60 (J) Premium: 1.50 (J) Body yield: 1.50 (B)</p> <p>Tension is based on buoyed weight. Neutral point: 2,014 ft</p> | <p>Environment:</p> <p>H2S considered? No Surface temperature: 75 °F Bottom hole temperature: 107 °F Temperature gradient: 1.40 °F/100ft Minimum section length: 290 ft</p> <p>Cement top: Surface</p> <p>Non-directional string.</p> <p>Re subsequent strings: Next setting depth: 9,975 ft Next mud weight: 10,500 ppg Next setting BHP: 5,441 psi Fracture mud wt: 19,250 ppg Fracture depth: 2,300 ft Injection pressure: 2,300 psi</p> |
|---|--|---|

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1 | 2300 | 9.625 | 36.00 | J-55 | LT&C | 2300 | 2300 | 8.796 | 163.8 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1 | 1003 | 2020 | 2.013 | 2300 | 3520 | 1.53 | 72 | 453 | 6.25 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: August 10, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

| | | |
|--------------|------------------------------|--------------|
| Well name: | 08-06 EOG CWU 1219-02 | |
| Operator: | EOG Resources Inc. | Project ID: |
| String type: | Production | 43-047-38344 |
| Location: | Uintah County | |

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 215 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst

Max anticipated surface pressure: 1,986 psi
Internal gradient: 0.346 psi/ft
Calculated BHP 5,441 psi

No backup mud specified.

Burst:
Design factor 1.00

Cement top: 2,218 ft

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 8,409 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1 | 9975 | 4.5 | 11.60 | N-80 | LT&C | 9975 | 9975 | 3.875 | 231.2 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1 | 5441 | 6350 | 1.167 | 5441 | 7780 | 1.43 | 98 | 223 | 2.29 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: August 10,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9975 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Ed Bonner
To: Whitney, Diana
Date: 9/18/2006 11:51:50 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Bill Barrett Corporation

Prickly Pear State 2-36-12-15 (API 43 007 31226)
Prickly Pear State 4-36-12-15 (API 43 007 31227)
Prickly Pear State 12-36-12-15 (API 43 007 31228)

Enduring Resources, LLC

Long Draw 12-24-31-26 (API 43 047 38435)

EOG Resources, Inc

Chapita Wells Unit 1220-02 (API 43 047 37985)
Chapita Wells Unit 1221-02 (API 43 047 38509)
Chapita Wells Unit 1217-02 (API 43 047 38345)
Chapita Wells Unit 1219-02 (API 43 047 38344)
Chapita Wells Unit 1243-02 (API 43 047 38346)

Kerr McGee Oil & Gas Onshore LP

NBU 922-32N-1T (API 43 047 38567)
NBU 922-32H-3T (API 43 047 38569)

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil



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

September 18, 2006

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

Re: Chapita Wells Unit 1219-02 Well, 2440' FSL, 533' FWL, NW SW, Sec. 2,
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38344.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

Operator: EOG Resources, Inc.
Well Name & Number Chapita Wells Unit 1219-02
API Number: 43-047-38344
Lease: ML-3077

Location: NW SW **Sec.** 2 **T.** 9 South **R.** 22 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

43-047-38344

September 18, 2006

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

7. Surface casing shall be cemented to the surface.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG Resources Inc

Well Name: CWU 1219-02

API No: 43-047-38344 Lease Type: State

Section 02 Township 09S Range 22E County Uintah

Drilling Contractor Rocky Mountain Drilling Rig # Bucket

SPUDDED:

Date 5-14-07

Time 8:00 PM

How Dry

Drilling will Commence: _____

Reported by Kylan Cook

Telephone # 435-790-8236

Date 5-15-07 Signed RM

ENTITY ACTION FORM

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

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-36966 | CHAPITA WELLS UNIT 917-14 | | SESW | 14 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| <i>A B</i> | 99999 | <i>13650</i> | 5/12/2007 | | | <i>5/30/07</i> | |
| Comments: <i>PRRV = MV RD</i> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------------------|----------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-38344 | CHAPITA WELLS UNIT 1219-02 | | NWSW | 2 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| <i>A</i> | 99999 | <i>16116</i> | 5/14/2007 | | | <i>5/30/07</i> | |
| Comments: <i>PRRV = MV RD</i> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-37846 | CHAPITA WELLS UNIT 919-23 | | NWNE | 23 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| <i>A B</i> | 99999 | <i>13650</i> | 5/15/2007 | | | <i>5/30/07</i> | |
| Comments: <i>PRRV = MV RD</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)

Carrie MacDonald

Name (Please Print)

Signature

Operations Clerk

Title

5/17/2007

Date

RECEIVED
MAY 18 2007

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3077 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,440' FSL & 533' FWL 40.064500 LAT 109.414747 LON | | 8. WELL NAME and NUMBER: Chapita Wells Unit 1219-02 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 9S 22E S.L.B & M. | | 9. API NUMBER: 43-047-38344 |
| | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Mesaverde |
| | | COUNTY: Uintah |
| | | STATE: UTAH |

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

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

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

The referenced well spud on 5/14/2007.

| | |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Carrie MacDonald</u> | TITLE <u>Operations Clerk</u> |
| SIGNATURE <u><i>Carrie MacDonald</i></u> | DATE <u>5/17/2007</u> |

(This space for State use only)

RECEIVED
MAY 18 2007

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|--|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3077 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 8. WELL NAME and NUMBER: Chapita Wells Unit 1219-02 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 9. API NUMBER: 43-047-38344 |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Mesaverde |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,440' FSL & 533' FWL 40.064500 LAT 109.414747 LON | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 9S 22E S.L.B & M. | | STATE: UTAH |

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

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

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

EOG Resources, Inc. 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**

| | |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Carrie MacDonald</u> | TITLE <u>Operations Clerk</u> |
| SIGNATURE | DATE <u>5/17/2007</u> |

(This space for State use only)

**RECEIVED
MAY 18 2007**

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3077 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 8. WELL NAME and NUMBER: Chapita Wells Unit 1219-02 |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | 9. API NUMBER: 43-047-38344 |
| PHONE NUMBER: (303) 824-5526 | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Mesaverde |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2440' FSL & 533' FWL 40.064500 LAT 109.414747 LON | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 2 9S 22E S.L.B & M. | | STATE: UTAH |

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

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

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

The referenced well was turned to sales on 7/17/2007. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Mary A. Maestas</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u><i>Mary A. Maestas</i></u> | DATE <u>7/20/2007</u> |

(This space for State use only)

RECEIVED
JUL 23 2007

WELL CHRONOLOGY REPORT

Report Generated On: 07-20-2007

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|--------|
| Well Name | CWU 1219-02 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA DEEP | API # | 43-047-38344 | Well Class | COMP |
| County, State | UINTAH, UT | Spud Date | 06-02-2007 | Class Date | |
| Tax Credit | N | TVD / MD | 9,975/ 9,975 | Property # | 059152 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/0 |
| KB / GL Elev | -4,860/ 4,845 | | | | |
| Location | Section 2, T9S, R22E, NWSW, 2440 FSL & 533 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 50.0 | NRI % | 43.5 |

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|--------------------|---------------------|------------|-----------|-----|-------------|-----|
| AFE No | 304024 | AFE Total | 1,934,000 | DHC / CWC | 1,000,500/ 933,500 | | | | | | |
| Rig Contr | TRUE | Rig Name | TRUE #15 | Start Date | 07-18-2006 | Release Date | 06-14-2007 | | | | |
| 07-18-2006 | Reported By | SHARON WHITLOCK | | | | | | | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: LOCATION DATA

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

| | | | |
|--|-------|------|---------------|
| 06:00 | 06:00 | 24.0 | LOCATION DATA |
| 2440' FSL & 533' FWL (NW/SW) | | | |
| SECTION 2, T9S, R22E | | | |
| UINTAH COUNTY, UTAH | | | |
| | | | |
| LAT 40.064536, LONG 109.414064 (NAD 27) | | | |
| | | | |
| RIG: TRUE #15 | | | |
| OBJECTIVE: 9975' TD, MESAVERDE | | | |
| DW/GAS | | | |
| CHAPITA WELLS DEEP PROSPECT | | | |
| DD&A: CHAPITA DEEP | | | |
| NATURAL BUTTES FIELD | | | |
| | | | |
| LEASE: ML 3077 | | | |
| ELEVATION: 4845' NAT GL, 4845' PREP GL, 4860' KB (15') | | | |
| | | | |
| EOG WI 50%, NRI 43.50% | | | |

| | | |
|-------------------|--------------------|-------------|
| 05-10-2007 | Reported By | TERRY CSERE |
|-------------------|--------------------|-------------|

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

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

Activity at Report Time: BUILD LOCATION

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

05-11-2007 **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 50% COMPLETE. |

05-14-2007 **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 COMPLETE. |

05-15-2007 **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 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 | ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 5/14/2007 @ 8:00 PM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. KYLAN COOK NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 5/14/2007 @ 7:30 PM. |

05-25-2007 **Reported By** JERRY BARNES

Daily Costs: Drilling \$68,535 **Completion** \$0 **Daily Total** \$68,535
Cum Costs: Drilling \$239,585 **Completion** \$427 **Well Total** \$240,012
MD 2,546 **TVD** 2,546 **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 BILL JR AIR RIG #9 ON 5/17/2007. DRILLED 12-1/4" HOLE TO 2580' GL. ENCOUNTERED NO WATER. RAN 59 JTS (2531.30') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2546' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO AIR RIG.

MIRU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 185 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 220 SX (149.6 BBLs) OF PREMIUM LEAD CEMENT W/16% GEL, 10#/SX GILSONITE, 3#/SX GR-3, 3% SALT & 1/4 #/SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX.

TAILED IN W/200 SX (41 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4 #/ SX FLOCELE. MIXED TAIL CEMENT TO 15.8 W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/189 BBLs FRESH WATER. BUMPED PLUG W/1000# @ 7:36 AM, 5/20/2007. CHECKED FLOAT, FLOAT HELD. SHUT IN CASING VALVE. BROKE CIRCULATION 85 BBLs INTO LEAD CEMENT. CIRCULATED APPROXIMATELY 29 BBLs LEAD CEMENT TO PIT. CEMENT FELL BACK WHEN PUMPING STOPPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. 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. HOLE FILLED & CIRCULATED APPROXIMATELY 9 BBLs LEAD CEMENT TO PIT. HOLE FELL BACK WHEN PUMPING STOPPED. WOC 2 HRS.

TOP JOB # 2: MIXED & PUMPED 150 SX (30.7 BBLs) OF PREMIUM CEMENT W/2% CaCl2 & 1/4# SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO BIG 4 CEMENTERS

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

RAN SURVEY @ 2430', 3/4 DEGREE. TAGGED @ 2450'.

LESTER FARNSWORTH NOTIFIED UDOGM ROOSEVELT OFFICE. LEFT MESSAGE OF THE SURFACE CASING & CEMENT JOB ON 5/19/2007 @ 6:30 AM.

| | | | | | | | | | | | |
|------------------------------|-------------------|--------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|-----|
| 06-01-2007 | | Reported By | | DAN LINDSEY | | | | | | | |
| Daily Costs: Drilling | \$27,883 | Completion | \$0 | Daily Total | \$27,883 | | | | | | |
| Cum Costs: Drilling | \$267,468 | Completion | \$427 | Well Total | \$267,895 | | | | | | |
| MD | 2.546 | TVD | 2.546 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: MOVING RIG FROM CWU 1172-3

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|---|
| 06:00 | 18:00 | 12.0 | RDRT. LOWERED DERRICK @ 1100 HRS. CONTINUED RDRT, READY FOR TRUCKS. |

NO ACCIDENTS. 10 MEN, 110 MAN-HOURS.

LOCATION DIMENSIONS: FRONT 173', PIT 33', BACK 147', HOUSE 143'.

NOTIFIED CAROL DANIELS/UDOGM/SALT LAKE CITY, DAVE HACKFORD/UDOGM/ROOSEVELT, AND JAMIE SPARGER/BLM/VERNAL @ 1400 HRS 5/31/07 OF BOP TEST @ 0600 HRS 6/2/07. THIS WELL IS ON A STATE LEASE.

TRANSFERRED 13 JTS(560.89') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1172-3 TO CWU 1219-2.

TRANSFERRED 1 JT(20.05') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1172-3 TO CWU 1219-2.

TRANSFERRED 1844 GALS DIESEL & 1140 GALS PROPANE FROM CWU 1172-3 TO CWU 1219-2.

06-02-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$23,266 Completion \$933 Daily Total \$24,199
 Cum Costs: Drilling \$289,849 Completion \$1,360 Well Total \$291,209

MD 2,546 TVD 2,546 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TESTING BOPE

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | HELD SAFETY MEETING W/RIG CREWS & RIG MOVERS. MOVED RIG FROM CWU 1172-3. MOVE WAS 0.3 MILE. RURT. RELEASED TRUCKS @ 1430 HRS. RAISED DERRICK @ 1530 HRS. CONTINUED RURT, 100% RIGGED UP. READY FOR BOP TEST. |

OLD LOCATION CWU 1172-3 CLEARED AND CLEANED.

NO ACCIDENTS. 15 MEN, 185 MAN-HOURS.

06-03-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$59,429 Completion \$0 Daily Total \$59,429
 Cum Costs: Drilling \$349,278 Completion \$1,360 Well Total \$350,638

MD 3,654 TVD 3,654 Progress 1,108 Days 1 MW 8.4 Visc 30.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 10:00 | 4.0 | *****RIG ACCEPTED FOR DAYWORK @ 0600 6/2/07***** |
| | | | TESTED BOPE(ALL RAMS, VALVES, & MANIFOLD 250/5000 PSI, ANNULAR 250/2500 PSI, CASING 1500 PSI). PERFORMED FUNCTION TEST ON ACCUMULATOR. NO STATE WITNESS. |
| 10:00 | 10:30 | 0.5 | INSTALLED WEAR BUSHING. |
| 10:30 | 12:00 | 1.5 | RU CALIBER LD MACHINE. HELD SAFETY MEETING. |
| 12:00 | 15:00 | 3.0 | PU BHA & DP. |
| 15:00 | 15:30 | 0.5 | RD CALIBER. INSTALLED ROTATING HEAD RUBBER & DRIVE BUSHING. |
| 15:30 | 17:00 | 1.5 | DRILLED CEMENT & FLOAT EQUIP 2502 TO 2610. |
| 17:00 | 17:30 | 0.5 | PERFORMED F.I.T. @ 2590 TO 11.5 PPG EMW(410 PSI). |
| 17:30 | 04:30 | 11.0 | DRILLED 2610 TO 3561(951' @ 86.5 FPH), WOB 10-20K, GPM 400, RPM 50-60/MOTOR 64, SPP 1100, NO FLARE. |
| 04:30 | 05:00 | 0.5 | SURVEY @ 3480, 1.25 DEGREES. |
| 05:00 | 06:00 | 1.0 | DRILLED 3561' TO 3654' (93'). |
| 06:00 | | 18.0 | SPUD 7 7/8" HOLE @ 17:30 HRS. 6/2/07. |

06-04-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$42,803 Completion \$0 Daily Total \$42,803
 Cum Costs: Drilling \$387,035 Completion \$1,360 Well Total \$388,395

MD 5,460 TVD 5,460 Progress 1,806 Days 2 MW 8.5 Visc 32.0
 Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 11:00 | 5.0 | DRILLED 3654 TO 4124(470' @ 94.0 FPH), WOB 15-20K, GPM 400, RPM 50/MOTOR 64, SPP 1100, NO FLARE. |
| 11:00 | 11:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:30 | 06:00 | 18.5 | DRILLED 4124 TO 5460(1336' @ 72.2 FPH), WOB 15-18K, GPM 400, RPM 40-50/MOTOR 64, SPP 1380, NO FLARE. THIS A.M. MUD 9.2 PPG, VIS 32. |

GAS: BG 513-601, CONN 643-673, HG 5130 @ 4754'. 4 SHOWS.
TOP: WASATCH 5091.

DIESEL 8984 GALS(USED 977), PROPANE 2340 GALS(USED 600).

NO ACCIDENTS. FULL CREWS. 2 BOP DRILLS.

06-05-2007 **Reported By** DAN LINDSEY

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| Daily Costs: Drilling | \$42,943 | Completion | \$0 | Daily Total | \$42,943 | | | | | | |
| Cum Costs: Drilling | \$429,979 | Completion | \$1,360 | Well Total | \$431,339 | | | | | | |
| MD | 6,590 | TVD | 6,590 | Progress | 1,130 | Days | 3 | MW | 9.3 | Visc | 35.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 11:00 | 5.0 | DRILLED 5460 TO 5752(292' @ 58.4 FPH), WOB 15-17K, GPM 400, RPM 50/MOTOR 64, SPP 1350, NO FLARE. |
| 11:00 | 11:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:30 | 06:00 | 18.5 | DRILLED 5752 TO 6590(838' @ 45.3 FPH), WOB 15-22K, GPM 400, RPM 45-50/MOTOR 64, SPP 1520, NO FLARE. THIS A.M. MUD 9.6 PPG, VIS 35. |

GAS: BG 359-736, CONN 584-667, HG 3174 @ 5862'. 3 SHOWS.
TOPS: CHAPITA WELLS 5706, BUCK CANYON 6372.

DIESEL 8187 GALS(USED 847), PROPANE 1680 GALS(USED 600).

NO ACCIDENTS. FULL CREWS.

06-06-2007 **Reported By** DAN LINDSEY

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|-------------|---|-----------|-----|-------------|------|
| Daily Costs: Drilling | \$44,020 | Completion | \$0 | Daily Total | \$44,020 | | | | | | |
| Cum Costs: Drilling | \$473,999 | Completion | \$1,360 | Well Total | \$475,359 | | | | | | |
| MD | 7,235 | TVD | 7,235 | Progress | 645 | Days | 4 | MW | 9.7 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 11:00 | 5.0 | DRILLED 6590 TO 6775(185' @ 37.0 FPH), WOB 15-18K, GPM 400, RPM 45-50/MOTOR 64, SPP 1500, NO FLARE. |
| 11:00 | 11:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:30 | 06:00 | 18.5 | DRILLED 6775 TO 7235(460' @ 24.9 FPH), WOB 15-22K, GPM 400, RPM 30-55/MOTOR 64, SPP 1480, NO FLARE. THIS A.M. MUD 9.7 PPG, VIS 33. |

GAS: BG 240-399, CONN 797-1748, HG 1922 @ 6797'. 1 SHOW.

TOP: NORTH HORN 6974.
MUDLOGGER CHRIS SMITH-5 DAYS ON LOCATION.

DIESEL 7277 GALS(USED 860), PROPANE 3720 GALS(HAULED 2505, USED 465).

NO ACCIDENTS. FULL CREWS.

06-07-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$70,501 Completion \$0 Daily Total \$70,501
Cum Costs: Drilling \$542,783 Completion \$1,360 Well Total \$544,143

MD 7.865 TVD 7.865 Progress 6.30 Days 5 MW 9.8 Visc 34.0

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

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 10:30 | 4.5 | DRILLED 7235 TO 7337(102' @ 22.7 FPH), WOB 18-22K, GPM 400, RPM 35-45/MOTOR 64, SPP 1400, NO FLARE. |
| 10:30 | 11:00 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:00 | 06:00 | 19.0 | DRILLED 7337 TO 7865(528' @ 27.8 FPH), WOB 15-21K, GPM 400, RPM 35-55/MOTOR 64, SPP 1700, NO FLARE. THIS A.M. MUD 10.2 PPG, VIS 35. |

GAS: BG 508 722, CONN 807-1544, HG 3900 @ 7699'. 4 SHOWS.

TOP: UPPER PRICE RIVER 7634.

DIESEL 6223 GALS(USED 1054), PROPANE 3000 GALS(USED 720).

NO ACCIDENTS. FULL CREWS.

06-08-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$35,739 Completion \$11,152 Daily Total \$46,891
Cum Costs: Drilling \$575,646 Completion \$12,512 Well Total \$588,158

MD 8.470 TVD 8.470 Progress 6.05 Days 6 MW 10.4 Visc 36.0

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

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 10:30 | 4.5 | DRILLED 7865 TO 7994(129' @ 28.7 FPH), WOB 18-21K, GPM 400, RPM 45/MOTOR 64, SPP 1700, NO FLARE. |
| 10:30 | 11:00 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:00 | 06:00 | 19.0 | DRILLED 7994 TO 8470(476' @ 25.1 FPH), WOB 18-23K, GPM 400, RPM 30-45/MOTOR 64, SPP 1800, NO FLARE. THIS A.M. MUD 10.4 PPG, VIS 34. |

GAS: BG 400-700, CONN 800-2500, HG 2551 @ 7874'. 5 SHOWS.

MUDLOGGERS: CHRIS SMITH-6 DAYS, LELAND CHAPMAN-1 DAY

DIESEL 5180 GALS(USED 1043), PROPANE 2520 GALS(USED 480).

NO ACCIDENTS. FULL CREWS.

06-09-2007 Reported By DAN LINDSEY

Daily Costs: Drilling \$34,126 Completion \$0 Daily Total \$34,126

Cum Costs: Drilling \$609,773 **Completion** \$12,512 **Well Total** \$622,285
MD 8,950 **TVD** 8,950 **Progress** 480 **Days** 7 **MW** 10.4 **Visc** 36.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 08:00 | 2.0 | DRILLED 8470 TO 8525(55' @ 27.5 FPH), WOB 23K, GPM 400, RPM 45/MOTOR 64, SPP 1800, NO FLARE. |
| 08:00 | 08:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 08:30 | 06:00 | 21.5 | DRILLED 8525 TO 8950(425' @ 19.8 FPH), WOB 16-23K, GPM 400, RPM 30-45/MOTOR 64, SPP 1800, NO FLARE. THIS A.M. MUD 10.6 PPG, VIS 35. |

GAS: BG 400-900, 800-3800, CONN 4251 @ 8516'. 5 SHOWS.

TOP: MIDDLE PRICE RIVER 8459.

MUDLOGGERS: CHRIS SMITH-6 DAYS, LELAND CHAPMAN-2 DAYS

DIESEL 4333 GALS(USED 847), PROPANE 2040 GALS(USED 480).

NO ACCIDENTS. FULL CREWS.

06-10-2007 **Reported By** DAN LINDSEY

Daily Costs: Drilling \$73,842 **Completion** \$0 **Daily Total** \$73,842
Cum Costs: Drilling \$683,615 **Completion** \$12,512 **Well Total** \$696,127
MD 9,067 **TVD** 9,067 **Progress** 117 **Days** 8 **MW** 10.6 **Visc** 35.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:00 | 1.0 | DRILLED 8950 TO 8962(12'), WOB 23K, GPM 400, RPM 45/MOTOR 64, SPP 1800, NO FLARE. |
| 07:00 | 07:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 07:30 | 08:00 | 0.5 | DRILLED 8962 TO 8971(9'), WOB 23K, GPM 400, RPM 45/MOTOR 64, SPP 1800, NO FLARE. |
| 08:00 | 08:30 | 0.5 | DROPPED SURVEY. PUMPED PILL. |
| 08:30 | 13:00 | 4.5 | TOOH W/BIT #1. |
| 13:00 | 14:00 | 1.0 | LD REAMERS. CHANGED BIT & MUD MOTOR. |
| 14:00 | 14:30 | 0.5 | TIH W/BIT #2 TO CSG SHOE. |
| 14:30 | 16:00 | 1.5 | SLIPPED & CUT 90' DRILL LINE. |
| 16:00 | 19:00 | 3.0 | TIH W/ BIT #2. |
| 19:00 | 19:30 | 0.5 | WASHED & REAMED 80' TO 8971(NO FILL). |
| 19:30 | 06:00 | 10.5 | DRILLED 8971 TO 9067(96' @ 9.1 FPH, 30% SILTSTONE), GPM 400, RPM 30-45/MOTOR 64, SPP 1850, NO FLARE. THIS A.M. MUD 10.8 PPG, VIS 35. |

GAS: BG 1500-2100, CONN 3000-4000, TG 5576, HG 3258 @ 8989'. NO SHOWS.

MUDLOGGERS: CHRIS SMITH-6 DAYS, LELAND CHAPMAN-3 DAYS.

DIESEL 3510 GALS(USED 823), PROPANE 3000 GALS(HAULED 1500, USED 540).

NO ACCIDENTS. 2 FULL CREWS, 3RD CREW SHORT 1 MAN.

06-11-2007 **Reported By** DAN LINDSEY

Daily Costs: Drilling \$34,164 **Completion** \$0 **Daily Total** \$34,164
Cum Costs: Drilling \$717,615 **Completion** \$12,512 **Well Total** \$730,127
MD 9,240 **TVD** 9,240 **Progress** 173 **Days** 9 **MW** 10.7 **Visc** 37.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 07:30 | 1.5 | DRILLED 9067 TO 9077(10' @ 6.7 FPH), WOB 19K, GPM 400, RPM 45/MOTOR 64, SPP 1850, NO FLARE. |
| 07:30 | 08:00 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 08:00 | 15:30 | 7.5 | DRILLED 9077 TO 9107(30' @ 4.3 FPH), BIT QUIT DRILLING, WOB 19-23K, RPM 30-45/MOTOR 64, SPP 1850, NO FLARE. |
| 15:30 | 19:00 | 3.5 | PUMPED PILL. TOO H W/BIT #2. FUNCTION BLIND RAMS. |
| 19:00 | 23:30 | 4.5 | CHANGED BITS. TIH W/BIT #3. |
| 23:30 | 00:00 | 0.5 | WASHED & REAMED 100' TO 9107(10' FILL). |
| 00:00 | 06:00 | 6.0 | DRILLED 9107 TO 9240(133' @ 22.2 FPH), WOB 15-20K, GPM 400, RPM 40-50/MOTOR 64, SPP 1800, NO FLARE. THIS A.M. MUD 10.9 PPG, VIS 35. |

GAS: BG 1500-2500, CONN 4000-6600, TG 6574, HG 3988 @ 9083'. NO SHOWS.

MUDLOGGERS: CHRIS SMITH 6 DAYS, LELAND CHAPMAN 4 DAYS.

DIESEL 2873 GALS(USED 637), PROPANE 2400 GALS(USED 600).

NO ACCIDENTS. 2 FULL CREWS, 3RD CREW 1 MAN SHORT.

06-12-2007 **Reported By** DAN LINDSEY

Daily Costs: Drilling \$49,580 **Completion** \$0 **Daily Total** \$49,580
Cum Costs: Drilling \$762,812 **Completion** \$12,512 **Well Total** \$775,324
MD 9,810 **TVD** 9,810 **Progress** 570 **Days** 10 **MW** 10.8 **Visc** 37.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 10:30 | 4.5 | DRILLED 9240 TO 9325(85' @ 18.9 FPH), WOB 17-20K, GPM 400, RPM 40-45/MOTOR 64, SPP 1800, NO FLARE. |
| 10:30 | 11:00 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 11:00 | 06:00 | 19.0 | DRILLED 9325 TO 9810' TD (485 @ 25.5 FPH), WOB 17-22K, GPM 400, RPM 35-50/MOTOR 64, SPP 1900, 2' FLARE. THIS A.M. MUD 10.9 PPG, VIS 36. REACHED TD AT 06:00 HRS. 6/12/07. |

GAS: BG 1000-2500, CONN 3600-5900, HG 6771 @ 9721'. 3 SHOWS.

TOP: LOWER PRICE RIVER 9221. SEGO X.

MUDLOGGERS: CHRIS SMITH-6 DAYS, LELAND CHAPMAN-5 DAYS.

DIESEL 1981 GALS(USED 892), PROPANE 1800 GALS(USED 600).

NO ACCIDENTS. FULL CREWS.

06-13-2007 **Reported By** DAN LINDSEY/BRIAN DUTTON

Daily Costs: Drilling \$38,677 **Completion** \$0 **Daily Total** \$38,677

Cum Costs: Drilling \$801,489 **Completion** \$12,512 **Well Total** \$814,001
MD 9,975 **TVD** 9,975 **Progress** 165 **Days** 11 **MW** 10.9 **Visc** 39.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: LDDP

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 09:00 | 3.0 | DRILLED 9810 TO 9860(50' @ 16.7 FPH), WOB 22K, GPM 400, RPM 50/MOTOR 64, SPP 1900, 2-5' FLARE. |
| 09:00 | 09:30 | 0.5 | SERVICED RIG, CHECKED COM, FUNCTION PIPE RAMS. |
| 09:30 | 19:00 | 9.5 | DRILLED 9860 TO 9975 TD (115' @ 12.1 FPH), WOB 18-24K, GPM 400, RPM 35-50/MOTOR 64, SPP 1900, 2' FLARE. FINAL MUD 11.0 PPG, VIS 37. REACHED TD AT 19:00 HRS, 6/12/07. |
| 19:00 | 20:30 | 1.5 | CIRCULATED & CONDITIONED HOLE FOR SHORT TRIP. PUMPED PILL. |
| 20:30 | 23:00 | 2.5 | SHORT TRIP 30 STANDS F/9,975' TO 7,181', 10' OF FILL. |
| 23:00 | 03:00 | 4.0 | CIRCULATED GAS OUT OF HOLE. RU WEATHERFORD LD MACHINE. HELD SAFETY MEETING. LOST 175 BBLs. BUILD VOLUME AND PUMP POLY SWELL SWEEPS. |
| 03:00 | 03:30 | 0.5 | DROPPED SURVEY. PUMPED PILL. |
| 03:30 | 06:00 | 2.5 | LDDP. |

NO ACCIDENTS.
 FULL CREWS.
 SAFETY MEETING: WITH WEATHERFORD PRIOR TO LDDP.
 DIESEL FUEL ON HAND 2719 GALS, USED 630 GALS.
 PROPANE ON HAND 2340 GALS, USED 460 GALS.
 MUDLOGGERS: CHRIS SMITH-6 DAYS, LELAND CHAPMAN-6 DAYS.

LITHOLOGY: SHALE 30%, SS 60%, 10% SLTSTN, BGG 390 - 589 UNITS, CONN GAS 576 - 582, HIGH GAS 976 UNITS @ 8.626', TRIP GAS 958 UNITS.

FORMATION TOPS: GREEN RIVER @ 2,101', WASATCH @ 5,091, CHAPITA WELLS @ 5,706', BUCK CANYON @ 6,372', NORTH HORN @ 6,974', KMV PRICE RIVER @ 7,634', KMV MIDDLE PRICE RIVER @ 8,456', KMV PRICE RIVER LOWER 9,221', SEGO 9,747'.

06-14-2007 **Reported By** BRIAN DUTTON

Daily Costs: Drilling \$32,885 **Completion** \$193,695 **Daily Total** \$226,581
Cum Costs: Drilling \$833,471 **Completion** \$206,207 **Well Total** \$1,039,678
MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 12 **MW** 11.0 **Visc** 38.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 10:30 | 4.5 | LDDP. |
| 10:30 | 12:30 | 2.0 | BROKE KELLY. LD BHA. |
| 12:30 | 13:00 | 0.5 | PULLED WEAR BUSHING. |
| 13:00 | 14:00 | 1.0 | RU WEATHERFORD CSG CREW. HELD SAFETY MEETING. |
| 14:00 | 21:00 | 7.0 | RAN 248 JTS 4.5" 11.6# HCP-110 LTC CSG(FS, 1 JT, FC, 244 JTS & 3 MARKERS) & TAG JT. RAN 35 CENTRALIZERS(MIDDLE OF SHOE JT, TOP OF #2, EVERY 2ND JT TO 7217). TAGGED @ 9975. LD TAG JT & PU LANDING JT W/CSG HANGER. |
| 21:00 | 23:00 | 2.0 | CIRCULATED GAS OUT. RD CSG CREW & LD MACHINE. RU SLB CEMENTER. HELD SAFETY MTG. |

23:00 01:00 2.0 CEMENTED CSG AS FOLLOWS: PUMPED 20 BBLS CHEM WASH. 20 BBLS FW SPACER. 400 SX 35.65 POZ G (161 BBLS @ 12.0 PPG, 2.26 CFS) & 1595 SX 50/50 POZ G(366.4 BBLS @ 14.1 PPG, 1.29 CFS). DROPPED PLUG. DISP W/154 BTW. FINAL LIFT PRESSURE 2200 PSI. BUMPED PLUG TO 3200 PSI. BLEED OFF. FLOATS HELD.

NOTIFIED JAMIE SPARGER/BLM/VERNAL @ 10:30 HRS 6/13/07 OF CSG & CMT JOB.
 NOTIFIED DAVE HACKFORD UTAH OIL & GAS/VERNAL @ 10:25 HRS 6/13/07 OF CSG & CMT JOB.

01:00 01:30 0.5 LANDED CSG @ 9973(FC @ 9928, MARKERS @ 7539-95 & 4626-16). TESTED CSG HANGER TO 5000 PSI. RD SLB.

01:30 03:00 1.5 HAULED 910 BBLS MUD TO STORAGE. CLEANED MUD TANKS.

NO ACCIDENTS. FULL CREWS.

03:00 06:00 3.0 RDRT, PREPAIR RIG FOR TRUCKS.

MUD LOGGER ON CWU 1219-02 =
 CHRIS SMITH 6 DAYS TOTAL &
 LELAND CHAPMAN 6 DAYS TOTAL

NO ACCIDENTS. FULL CREWS.

TRANSFERRED 7 JTS(281.00') 4.5" 11.6# HCP-110 LTC CASING TO CWU 1218-2.
 TRANSFERRED 1 JT(20.00') 4.5" 11.6# HCP-110 LTC CASING TO CWU 1218-2.

TRANSFERRED 2418 GALS DIESEL & 1800 GALS PROPANE TO CWU 1219-2.

TRUCKS SCHEDULED FOR 0700 HRS 6/15/07, MOVE IS 3.5 MILE.

06:00 18.0 RELEASED RIG @ 03:00 HRS, 6/14/07.
 CASING POINT COST \$852,465

06-19-2007 **Reported By** SEARLE

| | | | | | |
|-----------------------------|-----------|-------------------|-----------|--------------------|-------------|
| DailyCosts: Drilling | \$0 | Completion | \$45,669 | Daily Total | \$45,669 |
| Cum Costs: Drilling | \$833,471 | Completion | \$251,876 | Well Total | \$1,085,347 |

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 9926.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

| | | | |
|--------------|------------|------------|---|
| Start | End | Hrs | Activity Description |
| | | | 24.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 950'. EST CEMENT TOP @ 2050'. RD SCHLUMBERGER. |

06-30-2007 **Reported By** MCCURDY

| | | | | | |
|-----------------------------|-----------|-------------------|-----------|--------------------|-------------|
| DailyCosts: Drilling | \$0 | Completion | \$2,030 | Daily Total | \$2,030 |
| Cum Costs: Drilling | \$833,471 | Completion | \$253,906 | Well Total | \$1,087,377 |

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 9926.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 13:00 | 14:00 | 1.0 | NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION. |

07-04-2007 Reported By MCCURDY

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$1,095 | Daily Total | \$1,095 |
| Cum Costs: Drilling | \$833,471 | Completion | \$255,001 | Well Total | \$1,088,472 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|---------------------------|----|-----------|------------------------|-------------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 15 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9926.0 | | | Perf : 9335'-9751' | | | PKR Depth : 0.0 | | |

Activity at Report Time: FRAC MPR/UPR

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 18:00 | 12.0 | RU CUTTERS WIRELINE. PERFORATED LPR FROM 9548'-49', 9558'-59', 9562'-63', 9569'-70', 9586'-87', 9608'-09', 9612'-13', 9616'-17', 9631'-32', 9694'-95', 9700'-01', 9710'-11', 9740'-41' & 9750'-51' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5221 GAL WF120 LINEAR GEL PAD, 10523 GAL WF120 LINEAR GEL, 47634 GAL YF116ST+ WITH 150900# 20/40 SAND @ 1-6 PPG. MTP 8213 PSIG. MTR 51.2 BPM. ATP 4840 PSIG. ATR 48.1 BPM. ISIP 2750 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CFP AT 9500'. PERFORATED LPR FROM 9335'-36', 9344'-45', 9372'-73', 9378'-79', 9399'-400', 9405'-06', 9424'-25', 9442'-43', 9456'-57', 9470'-71', 9473'-74' & 9481'-82' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5209 GAL WF120 LINEAR GEL, 10522 GAL WF120 LINEAR GEL, 33451 GAL YF116ST+ WITH 98700# 20/40 SAND @ 1-5 PPG. MTP 8000 PSIG. MTR 50.5 BPM. ATP 4756 PSIG. ATR 46.9 BPM. ISIP 3030 PSIG. RD SCHLUMBERGER.
SDFN.

07-06-2007 Reported By MCCURDY

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$124,416 | Daily Total | \$124,416 |
| Cum Costs: Drilling | \$833,471 | Completion | \$379,418 | Well Total | \$1,212,889 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|---------------------------|----|-----------|------------------------|-------------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 16 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9926.0 | | | Perf : 8880'-9751' | | | PKR Depth : 0.0 | | |

Activity at Report Time: PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 17:00 | 11.0 | SICP 2560 PSIG. RUWL SET 10K CFP AT 9,300'. PERFORATE MPR FROM 9116'-17', 9122'-23', 9127'-28', 9141'-42', 9144'-45', 9199'-200', 9238'-39', 9246'-47', 9257'-59', 9276'-78' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5197 GAL WF120 (20# LINEAR GELL) PAD, 10,520 GAL WF120 (20# LINEAR GELL), 35,901 GAL YF116ST+ WITH 105,000 # 20/4 SAND @ 1-4 PPG. MTP 8146 PSIG. MTR 49.9 BPM. ATP 5244 PSIG. ATR 46.5 BPM. ISIP 3400 PSIG. RD SCHLUMBERGER. |

RUWL SET 10K CFP AT 9090'. PERFORATE MPR FROM 8917'-18', 8924'-25', 8930'-31', 8940'-41', 8946'-47', 8971'-72', 8975'-76', 8984'-85', 8990'-91', 9016'-18', 9044'-45', 9072'-73', 9077'-78' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5203 GAL WF120 (20# LINEAR GELL) PAD, 10,502 GAL WF120 (20# LINEAR GELL), 37,173 GAL YF116ST+ WITH 106,750 # 20/40 SAND @ 1-5 PPG. MTP 8453 PSIG. MTR 51.7 BPM. ATP 6355 PSIG. ATR 47.3 BPM. ISIP 3200 PSIG. RD SCHLUMBERGER.

RUWL SET 10K CFP AT 8,890'. PERFORATE MPR FROM 8880'-81'. UNABLE TO GET OFF PLUG. PULL OUT OF WIRELINE ROPE SOCKET @ 8863'. LEAVEING 3 1/8" PERF GUNS AND SETTING SLEEVE. ATTEMPT TO FLOW WELL FOR 3.5 HOURS. EST 3 BPH @ 0 PSIG. SWIFN.

07-07-2007 Reported By HAL IVIE

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$20,212 | Daily Total | \$20,212 |
| Cum Costs: Drilling | \$833,471 | Completion | \$399,630 | Well Total | \$1,233,101 |

| | | | | | | | | | | | |
|------------------------------|-------|------------|----------------------|-----------------|---|---------------------------|----|-----------|------------------------|-------------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 17 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9926.0 | | | Perf : 8880'-9751' | | | PKR Depth : 0.0 | | |

Activity at Report Time: POH W/FISH

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 19:00 | 13.0 | SICP 2000 PSIG. BLEW WELL DOWN. NO FLOW. MIRU ROYAL RIG # 1. ND FRAC TREE. NU BOPE. RIH W/OVERSHOT, BUMPER SUB & JARS TO TAG @ 8860' (3' FILL). CLEANED OUT TO TOP OF FISH & ENGAGED FISH. JARS TRIPPED @ 12K OVER PULL. CAME FREE. PRESSURED TBG TO 1500 PSIG. NO LEAK OFF. POH TO 8055' BEFORE FISH QUIT DRAGGING. PRESSURE TBG TO 1500 PSIG. POH TO 4850'. FLOWING CSG. AT 6:30 PM, 24/64" CHOKE, FCP 1700 PSIG. |

FLOWED 14 HRS. 16/64" CHOKE. FCP 1650 PSIG. 65 BFPH. RECOVERED 1190 BLW. 3924 BLWTR.

07-08-2007 Reported By HAL IVIE

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$3,573 | Daily Total | \$3,573 |
| Cum Costs: Drilling | \$833,471 | Completion | \$403,203 | Well Total | \$1,236,674 |

| | | | | | | | | | | | |
|-----------------------|-----------------|-----|--------------------|----------|-----------------|------|----|----|-----|------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 18 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTBTD : 9926.0 | | Perf : 8880'-9751' | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: FLOWING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FCP 1200 PSIG. 39 BPHLW. RECOVERED 1551 BLW. 2378 BLWTR. |

07-09-2007 Reported By HAL IVIE

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$5,448 | Daily Total | \$5,448 |
| Cum Costs: Drilling | \$833,471 | Completion | \$408,651 | Well Total | \$1,242,122 |

| | | | | | | | | | | | |
|-----------------------|-----------------|-----|--------------------|----------|-----------------|------|----|----|-----|------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 19 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTBTD : 9926.0 | | Perf : 8880'-9751' | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: FLOWING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FCP 750 PSIG. 22 BPHLW. RECOVERED 704 BLW. 1674 BLWTR. |

07-10-2007 Reported By HAL IVIE

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$27,585 | Daily Total | \$27,585 |
| Cum Costs: Drilling | \$833,471 | Completion | \$436,236 | Well Total | \$1,269,707 |

| | | | | | | | | | | | |
|-----------------------|-----------------|-----|--------------------|----------|-----------------|------|----|----|-----|------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 18 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTBTD : 9926.0 | | Perf : 9335'-9751' | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: TOP KILL WELL

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 20:00 | 14.0 | FCP 700 PSIG. 24/64" CHOKE. 25 BWPH. PUMPED 100 BW DOWN ANNULUS. UNABLE TO KILL WELL. PUMPED 100 BBLs 10# BRINE WTR TO KILL WELL. POH. RECOVERED GUNS. FCP 850 PSIG. ATTEMPTED TO TOP KILL WELL W/100 BBLs 10# BRINE. PUMPED @ 1500 PSIG & 2.5 BPM. SICP 500 PSIG. |

FLOWED 15.5 HRS. 32/64" CHOKE. FCP 400 PSIG. 26 BFPH. RECOVERED 422 BLW. 1147 BLWTR.

07-11-2007 Reported By HAL IVIE

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$8,067 | Daily Total | \$8,067 |
| Cum Costs: Drilling | \$833,471 | Completion | \$444,303 | Well Total | \$1,277,774 |

| | | | | | | | | | | | |
|-----------------------|-----------------|-----|--------------------|----------|-----------------|------|----|----|-----|------|-----|
| MD | 9.975 | TVD | 9.975 | Progress | 0 | Days | 19 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTBTD : 9926.0 | | Perf : 9335'-9751' | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: RUWL

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 18:00 | 12.0 | FCP 400 PSIG. 32/64" CHOKE. 26 BWP. TOP KILLED WELL W/50 BBLs FW. RIH W/HURRICANE MILL & PUMP OFF BIT SUB TO CFP @ 8890'. CLEANED OUT & DRILLED OUT PLUGS @ 8890', 9090', 9300' & 9500'. CLEANED OUT TO 9620' (132' ABOVE CFP @ 9752'). FCP DECREASED FROM 400 PSIG TO 0 PSIG. PUMPING DOWN TUBING @ 3 BPM & 1200 PSIG. 30% RETURNS. CIRCULATED 45 MIN W/NO CHANGE. POH. SDFN. |

07-12-2007 Reported By HAL IVIE

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$8,882 | Daily Total | \$8,882 |
| Cum Costs: Drilling | \$833,471 | Completion | \$453,185 | Well Total | \$1,286,656 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 9,975 | TVD | 9,975 | Progress | 0 | Days | 20 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : MESAVERDE **PBTD :** 9926.0 **Perf :** 8172'-9751' **PKR Depth :** 0.0

Activity at Report Time: FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 22:00 | 16.0 | SICP 1500 PSIG. RUWL. SET 10K CFP AT 8890'. PERFORATED MPR FROM 8675'-76', 8681'-82', 8689'-90', 8721'-22', 8727'-28', 8750'-51', 8802'-03', 8809'-10', 8838'-39', 8858'-59', 8867'-68' & 8875'-76' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5200 GAL WF120 PAD, 12360 GAL WF120, 56555 GAL YF116ST+ WITH 186500# 20/40 SAND @ 1-5 PPG. MTP 7220 PSIG. MTR 52.3 BPM. ATP 4770 PSIG. ATR 44.3 BPM. ISIP 2600 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CFP AT 8,640'. PERFORATED UPR/MPR FROM 8434'-35', 8442'-43', 8460'-61', 8497'-98', 8503'-04', 8539'-40', 8543'-44', 8578'-79', 8587'-88', 8605'-06', 8620'-21' & 8624'-25' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5220 GAL WF120 PAD, 16171 GAL WF120, 47223 GAL YF116ST+ WITH 153600# 20/40 SAND @ 1-5 PPG. MTP 7839 PSIG. MTR 51.1 BPM. ATP 5511 PSIG. ATR 44.0 BPM. ISIP 2550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8360'. PERFORATED UPR FROM 8172'-73', 8176'-77', 8204'-05', 8209'-10', 8237'-38', 8243'-44', 8252'-53', 8257'-58', 8307'-08', 8329'-30', 8336'-37' & 8343'-44' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5207 GAL WF120 PAD, 10512 GAL WF120, 38621 GAL YF116ST+ WITH 121200# 20/40 SAND @ 1-5 PPG. MTP 7487 PSIG. MTR 50.8 BPM. ATP 4876 PSIG. ATR 47.3 BPM. ISIP 2430 PSIG. RD SCHLUMBERGER. SD FOR PCM REPAIRS.

07-13-2007 Reported By HAL IVIE

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$237,090 | Daily Total | \$237,090 |
| Cum Costs: Drilling | \$833,471 | Completion | \$690,275 | Well Total | \$1,523,746 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 9,975 | TVD | 9,975 | Progress | 0 | Days | 21 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : MESAVERDE **PBTD :** 9926.0 **Perf :** 7683'-9751' **PKR Depth :** 0.0

Activity at Report Time: PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 20:00 | 14.0 | SICP 2000 PSIG. RUWL. SET 10K CFP AT 8140. PERFORATED UPR FROM 7960'-61', 7971'-72', 7984'-85', 8010'-11', 8015'-16', 8025'-26', 8032'-33', 8046'-47', 8090'-91', 8098'-99', 8118'-19' & 8125'-26' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 6277 GAL WF120 PAD, 10514 GAL WF120, 41816 GAL YF116ST+ WITH 132600# 20/40 SAND @ 1-5 PPG. MTP 7380 PSIG. MTR 50.7 BPM. ATP 4467 PSIG. ATR 46.9 BPM. ISIP 2320 PSIG. RD SCHLUMBERGER. |

RUWL. SET 10K CFP AT 7940'. PERFORATED UPR FROM 7683'-84', 7691'-92', 7703'-04', 7742'-43', 7754'-55', 7776'-77', 7782'-83', 7800'-01', 7864'-66', 7878'-79' & 7916'-17' @ 3 SPF & 120° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 5211 GAL WF120 PAD, 10520 GAL WF120, 51209 GAL YF116ST+ WITH 166140# 20/40 SAND @ 1-5 PPG. MTP 6773 PSIG. MTR 51 BPM. ATP 3765 PSIG. ATR 37.3 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 7650'. BLEED OFF PRESSURE. RDWL. SDFN.

07-14-2007 Reported By HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$57,709 **Daily Total** \$57,709
Cum Costs: Drilling \$833,471 **Completion** \$747,984 **Well Total** \$1,581,455
MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 22 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: RDMOSU, FLOW WELL BACK

Start 06:00 **End** 06:00 **Hrs** 24.0 **Activity Description**
 SICP 0 PSIG. ND FRAC TREE, NUBOP, RU TBG EQUIPMENT, PU & RIH W/ WEATHERFORD CLEAN OUT BHA :
 3.875"OD HURRICANE MILL
 3.250"OD PUMP OFF BIT SUB W/ FLOAT
 1 JOINT 2.375", 4.7# L-80 EUE TBG,
 2.375"OD " XN " PROFILE NIPPLE

 CLEANED OUT & DRILLED OUT CFP'S 7650', 7940', 8140', 8360', 8640', & 8890'. RIH. CLEANED OUT TO PBTD @ 9927' LANDED TBG AT 8396.96' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU
 TURN WELL OVER TO G&M WELL SERVICE FLOW BACK CREW.
 RIG RECOVERED 800 BBL F/W. LEFT TO RECOVER 6922 BBL..

| TUBING DETAIL | LENGTH |
|-----------------------------|----------|
| PUMP OFF SUB | 1.00' |
| 1 JT 2-3/8 4.7# N-80 TBG | 32.50' |
| XN NIPPLE | 1.10' |
| 261 JTS 2-3/8 4.7# N-80 TBG | 8347.36' |
| BELOW KB | 15.00' |
| LANDED @ | 8396.96' |

FLOWED 12 HRS. 16/64 CHOKE. FTP 1000 PSIG. CP 1000 PSIG. 55 BFPH.
 RECOVERED 664 BLW. 6362 BLWTR

07-15-2007 **Reported By** HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$2,950 **Daily Total** \$2,950
Cum Costs: Drilling \$833,471 **Completion** \$750,934 **Well Total** \$1,584,405
MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 23 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: FLOW WELL BACK

Start 06:00 **End** 06:00 **Hrs** 24.0 **Activity Description**
 FLOWED 24 HRS. 20/64 CHOKE. FTP 1000 PSIG. CP 650 PSIG. 53 BFPH.
 RECOVERED 1283 BLW. 4975 BLWTR

07-16-2007 **Reported By** HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$2,950 **Daily Total** \$2,950
Cum Costs: Drilling \$833,471 **Completion** \$753,884 **Well Total** \$1,587,355
MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 24 **MW** 0.0 **Visc** 0.0
Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 20/64" CHOKE. FTP 1000 PSIG. CP 1750 PSIG. 43 BFPH. RECOVERED 1048 BLW. 3927 BLWTR.

07-17-2007 **Reported By** HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$6,605 **Daily Total** \$6,605

Cum Costs: Drilling \$833,471 **Completion** \$760,489 **Well Total** \$1,593,960

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 25 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 20/64" CHOKE. FTP 1100 PSIG. CP 2150 PSIG. 31 BFPH. RECOVERED 752 BLW. 3175 BLWTR.

07-18-2007 **Reported By** HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$6,605 **Daily Total** \$6,605

Cum Costs: Drilling \$833,471 **Completion** \$762,864 **Well Total** \$1,596,335

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 26 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST TO SALES

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 9 HRS. 20/64" CHOKE. FTP 1100 PSIG. CP 2150 PSIG. 21 BFPH. RECOVERED 192 BLW. 2983 BLWTR.

RU TEST SEPARATOR. TURNED TO SALES THRU TEST UNIT @ 3 PM. FLOWED THRU TEST UNIT TO SALES 14 HRS. 20/64" CHOKE. FTP 1200 PSIG. CP 1950 PSIG. 30 BFPH. RECOVERED 428 BLW. 2523 BLWTR. 1240 MCFD RATE.

INITIAL PRODUCTION. OPENING PRESSURE: TP 1150 & CP 2150 PSI. TURNED WELL TO QUESTAR SALES AT 2:30 PM, 7/17/07. FLOWED 649 MCFD RATE ON 20/64" POS CHOKE. STATIC 323.

07-19-2007 **Reported By** HAL IVIE

Daily Costs: Drilling \$0 **Completion** \$2,875 **Daily Total** \$2,875

Cum Costs: Drilling \$833,471 **Completion** \$765,739 **Well Total** \$1,599,210

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 27 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: SI FOR INSULATING FACILITIES

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED THRU TEST UNIT TO SALES. 24 HRS. 20/64" CHOKE. FTP 1100 PSIG. CP 1800 PSIG. 17 BFPH. RECOVERED 424 BLW. 2099 BLWTR. 1343 MCFD RATE. SI TO INSULATE FACILITIES.

FLOWED 911 MCF, 24 BC & 652 BW IN 24 HRS ON 20/64" CK, TP 1200 & CP 1950 PSIG.

07-20-2007 **Reported By** ROGER DART

Daily Costs: Drilling \$0 **Completion** \$2,875 **Daily Total** \$2,875

Cum Costs: Drilling \$833,471 **Completion** \$768,614 **Well Total** \$1,602,085

MD 9,975 **TVD** 9,975 **Progress** 0 **Days** 28 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD : 9926.0** **Perf : 7683'-9751** **PKR Depth : 0.0**

Activity at Report Time: SI FOR INSULATING FACILITIES

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 1088 MCF, 20 BC & 560 BW IN 24 HRS ON 20/64" CK, TP 1200 & CP 1900 PSIG. SI FOR INSULATING FACILITIES. |

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:
EOG Resources, Inc

3. ADDRESS OF OPERATOR: **600 17th Street** CITY **Denver** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 262-2812**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2,440' FSL & 533' FWL 40.064500 LAT 109.414747 LON**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **SAME**
AT TOTAL DEPTH: **SAME**

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-3077

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Chapita Wells Unit

8. WELL NAME and NUMBER:
Chapita Wells Unit 1219-2

9. API NUMBER:
43-047-38344

10. FIELD AND POOL, OR WILDCAT
Natural Buttes/Mesaverde

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWSW 2 9S 22E

12. COUNTY
Uintah

13. STATE
UTAH

14. DATE SPURRED: **5/14/2007** 15. DATE T.D. REACHED: **6/12/2007** 16. DATE COMPLETED: **7/17/2007** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
4845

18. TOTAL DEPTH: MD **9,975** TVD _____ 19. PLUG BACK T.D.: MD **9,927** TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * **1**

21. DEPTH BRIDGE MD _____ PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
RST/CBL/CCL/VDL/GR, Temp, Press

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|---------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 12-1/4" | 9-5/8 J-55 | 36 | 0 | 2,546 | | 670 sx | | | |
| 7-7/8" | 4-1/2 HCP-110 | 11.6 | 0 | 9,973 | | 1995 sx | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2-3/8" | 8,397 | | | | | | | |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|---|
| (A) Mesaverde | 7,683 | 9,751 | | | 9,548 9,751 | | 3/spf | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B) | | | | | 9,335 9,482 | | 3/spf | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (C) | | | | | 9,116 9,278 | | 3/spf | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (D) | | | | | 8,917 9,078 | | 2/spf | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|--|
| 9548 - 9751 | 63,378 GALS GELLED WATER & 150,900#20/40 SAND |
| 9335 - 9482 | 49,182 GALS GELLED WATER & 98,700# 20/40 SAND |
| 9116 - 9278 | 51,618 GALS GELLED WATER & 105,000# 20/40 SAND |

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
PRODUCING

AUG 30 2007

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

| | | | | | | | | | | |
|-----------------------------------|----------------------|-------------------------|-------------|---------------------|---------------|---------------------------|------------------|-------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED: 7/17/2007 | | TEST DATE: 7/30/2007 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | OIL - BBL: 50 | GAS - MCF: 677 | WATER - BBL: 200 | PROD. METHOD: FLOWING |
| CHOKE SIZE: 12/64" | TBG. PRESS. 1,500 | CSG. PRESS. 2,350 | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: 50 | GAS - MCF: 677 | WATER - BBL: 200 | INTERVAL STATUS: |

INTERVAL B (As shown in Item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

INTERVAL C (As shown in Item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

INTERVAL D (As shown in Item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. 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.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|---|---|
| Mesaverde | 7,683 | 9,751 | | Wasatch Chapita Wells Buck Canyon Mesaverde Middle Price River Lower Price River Sego | 5,089 5,693 6,387 7,680 8,491 9,282 9,779 |

35. ADDITIONAL REMARKS (Include plugging procedure)

SEE ATTACHED SHEET

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Carrie MacDonald TITLE Operations Clerk
 SIGNATURE  DATE 8/27/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
 Fax: 801-359-3940

Chapita Wells Unit 1219-2 - ADDITIONAL REMARKS (CONTINUED):

27. PERFORATION RECORD

| | |
|-----------|-------|
| 8675-8876 | 3/spf |
| 8434-8625 | 3/spf |
| 8172-8344 | 3/spf |
| 7960-8126 | 3/spf |
| 7683-7917 | 3/spf |

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

| | |
|-----------|--|
| 8917-9078 | 52,878 GALS GELLED WATER & 106,750# 20/40 SAND |
| 8675-8876 | 74,115 GALS GELLED WATER & 186,500# 20/40 SAND |
| 8434-8625 | 68,614 GALS GELLED WATER & 153,600# 20/40 SAND |
| 8172-8344 | 54,340 GALS GELLED WATER & 121,200# 20/40 SAND |
| 7960-8126 | 58,607 GALS GELLED WATER & 132,600# 20/40 SAND |
| 7683-7917 | 66,940 GALS GELLED WATER & 166,140# 20/40 SAND |

Perforated the Lower Price River from 9548-9549', 9558-9559', 9562-9563', 9569-9570', 9586-9587', 9608-9609', 9612-9613', 9616-9617', 9631-9632', 9694-9695', 9700-9701', 9710-9711', 9740-9741', 9750-9751' w/ 3 spf.

Perforated the Lower Price River from 9335-9336', 9344-9345', 9372-9373', 9378-9379', 9399-9400', 9405-9406', 9424-9425', 9442-9443', 9456-9457', 9470-9471', 9473-9474', 9481-9482' w/ 3 spf.

Perforated the Middle Price River from 9116-9117', 9122-9123', 9127-9128', 9141-9142', 9144-9145', 9199-9200', 9238-9239', 9246-9247', 9257-9259', 9276-9278' w/ 3 spf.

Perforated the Middle Price River from 8917-8918', 8924-8925', 8930-8931', 8940-8941', 8946-8947', 8971-8972', 8975-8976', 8984-8985', 8990-8991', 9016-9018', 9044-9045', 9072-9073', 9077-9078' w/ 2 spf.

Perforated the Middle Price River from 8675-8676', 8681-8682', 8689-8690', 8721-8722', 8727-8728', 8750-8751', 8802-8803', 8809-8810', 8838-8839', 8858-8859', 8867-8868', 8875-8876' w/ 3 spf.

Perforated the Upper/ Middle Price River from 8434-8435', 8442-8443', 8460-8461', 8497-8498', 8503-8504', 8539-8540', 8543-8544', 8578-8579', 8587-8588', 8605-8606', 8620-8621', 8624-8625' w/ 3 spf.

Perforated the Upper Price River from 8172-8173', 8176-8177', 8204-8205', 8209-8210', 8237-8238', 8243-8244', 8252-8253', 8257-8258', 8307-8308', 8329-8330', 8336-8337', 8343-8344' w/ 3 spf.

Perforated the Upper Price River from 7960-7961', 7971-7972', 7984-7985', 8010-8011', 8015-8016', 8025-8026', 8032-8033', 8046-8047', 8090-8091', 8098-8099', 8118-8119', 8125-8126' w/ 3 spf.

Perforated the Upper Price River from 7683-7684', 7691-7692', 7703-7704', 7742-7743', 7754-7755', 7776-7777', 7782-7783', 7800-7801', 7864-7866', 7878-7879', 7916-7917' w/ 3 spf.

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 1219-2

API number: 43-047-38344

Well Location: QQ NWSW Section 2 Township 9S Range 22E County UINTAH

Well operator: EOG Resources, Inc.

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: BILL JR RATHOLE DRILLING

Address: 384 E 2500 S

city VERNAL state UT zip 84078

Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

| DEPTH | | VOLUME (FLOW RATE OR HEAD) | QUALITY (FRESH OR SALTY) |
|-------|----|-------------------------------|-----------------------------|
| FROM | TO | | |
| | | NO WATER | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

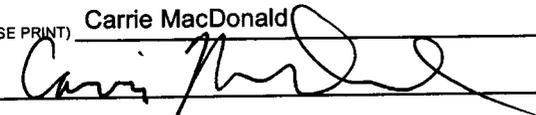
Formation tops: 1 _____ 2 _____ 3 _____
 (Top to Bottom) 4 _____ 5 _____ 6 _____
 7 _____ 8 _____ 9 _____
 10 _____ 11 _____ 12 _____

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

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

NAME (PLEASE PRINT) Carrie MacDonald

TITLE Operations Clerk

SIGNATURE 

DATE 8/27/2007



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

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

July 23, 2008

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

Dear Ms. Spears:

The Consolidated Mesaverde Formation PA "A-X,Z-AA-BB", Chapita Wells Unit, CRS No. UTU63013BE, AFS No. 892000905BE, is hereby approved effective as of July 1, 2007, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Mesaverde Formation PA "A-X,Z-AA-BB" results in an initial consolidated participating area of 15,812.03 acres and is based upon the completion the following wells as capable of producing unitized substances in paying quantities.

To 13650

from

| WELL NO. | API NO. | LOCATION | LEASE NO. |
|-------------|--------------|-------------------|-----------|
| CWU-1218-2 | 43-047-38320 | NW¼NE¼, 2-9S-22E | STATE |
| CWU-1217-02 | 43-047-38345 | NW¼NW¼, 2-9S-22E | STATE |
| CWU-1219-02 | 43-047-38344 | NW¼SW¼, 2-9S-22E | STATE |
| CWU-833-3 | 43-047-37606 | SW¼SE¼, 3-9S-22E | UTU0281 |
| CWU-1176-10 | 43-047-37698 | NE¼NE¼, 10-9S-22E | UTU0281 |
| CWU-1213-11 | 43-047-38540 | NE¼NE¼, 11-9S-22E | UTU0281 |
| CWU-1094-27 | 43-047-37046 | SE¼SE¼, 27-9S-23E | UTU0344A |

16116

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

also
4304736973 CWU 1024-10
from 15645
Sec 10 9S0 22E
Enclosure

Sincerely,
/s/ Becky J. Hammond
Becky J. Hammond
Chief, Branch of Fluid Minerals

RECEIVED
JUL 28 2008
DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES Operator Account Number: N 9550
 Address: 1060 East Highway 40
city VERNAL
state UT zip 84078 Phone Number: (435) 781-9145

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|----------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-38345 | CHAPITA WELLS UNIT 1217-02 | | NWNW | 2 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 15949 | 13650 | 2/14/2007 | | | 7/1/2007 | |
| Comments: <u>MVRD</u> — <u>8/28/08</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|----------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-38344 | CHAPITA WELLS UNIT 1219-02 | | NWSW | 2 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 16116 | 13650 | 5/14/2007 | | | 7/1/2007 | |
| Comments: <u>MVRD</u> — <u>8/26/08</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 43-047-37606 | CHAPITA WELLS UNIT 833-03 | | SWSE | 3 | 9S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 16109 | 13650 | 5/8/2007 | | | 7/1/2007 | |
| Comments: <u>MVRD</u> — <u>8/26/08</u> | | | | | | | |

ACTION CODES:

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

Mickenzie Thacker

Name (Please Print)

Mickenzie Thacker

Signature

Operations Clerk

8/21/2008

Title

Date

(5/2000)

RECEIVED

AUG 21 2008

DIV. OF OIL, GAS & MINING

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 3077 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: CWU 1219-02 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | 9. API NUMBER: 43047383440000 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 | PHONE NUMBER: 435 781-9111 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2440 FSL 0533 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 02 Township: 09.0S Range: 22.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|---|
| <input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/28/2009 | <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: 4/28/2009 |

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 4/28/2009 as per the APD procedure.

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

June 09, 2009

| | | |
|---|-------------------------------------|--|
| NAME (PLEASE PRINT) Kaylene Gardner | PHONE NUMBER 435 781-9111 | TITLE Regulatory Administrator |
| SIGNATURE N/A | DATE 6/8/2009 | |