

COPY

**ENCANA**

EnCana Oil & Gas (USA) Inc.

340 W. 5th St.  
Suite 1100  
Denver, CO 80202

303.633.7100  
303.633.7101  
www.encana.com

April 12, 2006

Mr. William Stringer  
Bureau of Land Management  
Vernal Field Office  
170 S. 500 E.  
Vernal, UT 84078

RE: Drilling Permit and Right of Way  
Authorized Agency – Utah

Dear Mr. Stringer,

EnCana Oil & Gas (USA) Inc. hereby designates Banko Petroleum Management, Inc. by David F. Banko, Kathy L. Schnebeck and Keith Dana as authorized agent for matters relating to Applications for Permits to Drill (APDs), Rights of Way (ROWs), Access Agreements and regulatory matters associated therewith.

All matters regarding drilling, completion, production and other regulatory compliance will be handled directly by EnCana Oil & Gas (USA), Inc.

Should you have any questions relative to this authorization, please feel free to contact the undersigned at your convenience.

Sincerely

Darrin Henke  
Attorney-In-Fact  
EnCana Oil & Gas (USA) Inc.

cc: Banko Petroleum Management, Inc.

**ENCANA**

10/12/05 (15/04)

377 West Street  
Salt Lake  
Utah 84114-5801

801-802-2000  
801-802-1300  
www.encana.com

April 12, 2006

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

RE: Drilling Permit and Right of Way  
Authorized Agency - Utah

Gentlemen,

EnCana Oil & Gas (USA) Inc. hereby designates Banko Petroleum Management, Inc. by David F. Banko, Kathy L. Schneebeck and Keith Dana as authorized agent for matters relating to Applications for Permits to Drill (APDs), Rights of Way (ROWS), Access Agreements and regulatory matters associated therewith.

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Sincerely

Darrin Henke  
Attorney-In-Fact  
EnCana Oil & Gas (USA) Inc.

cc: Banko Petroleum Management, Inc

UDOGM

**BANKO  
PETROLEUM  
MANAGEMENT INC.**

**VIA FEDERAL EXPRESS – PRIORITY DELIVERY**

Mr. Matt Baker  
Bureau of Land Management  
Vernal Field Office  
170 South 500 East  
Vernal, Utah 84078-2727

June 29, 2006

RE: Application for Permit to Drill  
EnCana Oil & Gas (USA) Inc. - Operator  
**Federal 24-33**  
**API #43-047-35261**  
677' FSL 1,786' FWL (SE/4 SW/4)  
Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

Dear Mr. Baker:

Enclosed please find the Application for Permit to Drill (APD), for the above captioned well, filed on behalf of EnCana Oil & Gas (USA) Inc. (EnCana). By separate letter, we are sending originals of this application to the Utah Division of Oil, Gas and Mining (UDOGM), along with the Utah State APD Form 3.

This filing contains the following attachments: drilling program, On-shore Order #2 casing calculations, BOP Diagram, surface use plan, wells within a one-mile radius, survey plats, cross-sections, cut and fills, and area road/access maps.

The wellsite was staked at 677' FSL 1,786' FWL (SE/4 SW/4) of Sec. 33 T8S R23E in Uintah County, Utah, on March 31, 2006, with stakes refreshed on June 1, 2006 by Uintah Engineering & Surveying (Uintah), Surveyor, on a site that was geologically, legally, and topographically acceptable.

A Notice of Staking (NOS) was submitted to the Bureau of Land Management (BLM) in Vernal by our office on April 20, 2006 for this location.

An on-site meeting occurred on June 1, 2006. Attending were: Nathaniel West and Brandon McDonald – BLM; Bart Hunting – Uintah; and Keith Dana – Dana Consulting, Permit Agent.

This location was previously staked and permitted by EnCana and approved by the BLM and UDOGM and given API 43-047-35261. EnCana did not conduct any construction nor drill the well and the permit expired.

**RECEIVED**  
**JUL 03 2006**

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

EnCana Oil & Gas (USA) Inc.  
Federal 24-33  
Page 2

June 29, 2006

Please find attached:

- 1) Cover Letter, UT APD form, Drilling Program, Casing Design, BOP 3M Diagram, Surface Use Plan, and Table 1
- 2) Survey Plat, Well Pad Layout, Rig Layout, Cut and Fill, Access Road Map, Area Map

The Cultural Resources Report was originally submitted under separate cover by Montgomery Archaeological Consultants, Inc. for the APD approved in 2003.

This location was previously staked and permitted by EnCana Oil & Gas (USA), Inc. (EnCana) with approval granted by the Bureau of Land Management (BLM) and the State of Utah Division of Oil, Gas, and Mining (UDOGM) and given API 43-047-35261. EnCana did not conduct any construction nor drill the well and the permit expired.

An access road right of way (ROW) application on Federal lands is not necessary as the new access road is on lease.

Please send a copy of all correspondence to Banko Petroleum Management, Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact David Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions. Thank you.

Mr. Matt Baker  
June 30, 2006  
Page 2

An access road right of way (ROW) application on Federal lands is not necessary as the new access road is on lease. Please contact us if authorized federal access ROW to this location is not in order, or if BLM has additional requirements.

We have requested that BLM initiate a pipeline ROW. EnCana has requested approximately 800' of 4" buried steel running westerly which will tie into the pipeline in the corner of S/2SW/4 of Sec. 33 T8S R23E. ROW request is for 30' with an additional 30' of working surface during construction. After construction is complete the additional 30' is to be rehabilitated. In the event production is established this well will be connected to EnCana Gathering Services (USA) Inc.'s gathering system.

Please send a copy of all correspondence to Banko Petroleum Management Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact David Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions or additional requirements.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,



David F. Banko  
Permit Agent for EnCana Oil & Gas (USA) Inc.

DFB:slb

Enclosures

cc: Utah Division of Oil, Gas and Mining  
EnCana Oil & Gas (USA) Inc.  
Dana Consultants – Keith Dana

AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: UTU64422	6. SURFACE: BLM
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"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		8. UNIT or CA AGREEMENT NAME: ---	
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 Denver CO 80202		PHONE NUMBER: 303-623-2300	9. WELL NAME and NUMBER: Federal 24-33
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 677' FSL 642025X 4437074Y 1,786' FWL 40.073260 AT PROPOSED PRODUCING ZONE: Same as above -109.334452		10. FIELD AND POOL, OR WILDCAT: Natural Buttes	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 35.1 miles from Vernal, Utah		12. COUNTY: Uintah	13. STATE: Utah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 677'	16. NUMBER OF ACRES IN LEASE: 1920.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,500' EnCana - Badlands Federal 1-32	19. PROPOSED DEPTH: 8,122'	20. BOND DESCRIPTION: CO1461	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,023' GR	22. APPROXIMATE DATE WORK WILL START: August 1, 2006	23. ESTIMATED DURATION: 45-60 days drlg + completion	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	8-5/8" J-55 24# ST&C	0' - 525'	To surface (±275 sxs 'G' w/ 2% CaCl2 + ¼ lbs/sx Flocele) yield 1.18 cft/sx, wt 15.6 ppg
7-7/8"	4-1/2" N-80 11.6# LT&C	0' - 8,122'	To surface (Lead: ±300 sxs LitePoz + FL/Extender; and Tail: ±933 sxs 50:50 Poz 'G' + additives; yield 3.9 cft/sk, wt. 11 ppg yield 1.31 cft/sk, wt 14.3 ppg

**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 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) David F. Banko 303-820-4480 TITLE Permit Agent for: EnCana Oil & Gas (USA) Inc.

SIGNATURE [Signature] DATE June 29, 2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38360

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 07-12-06  
By: [Signature]

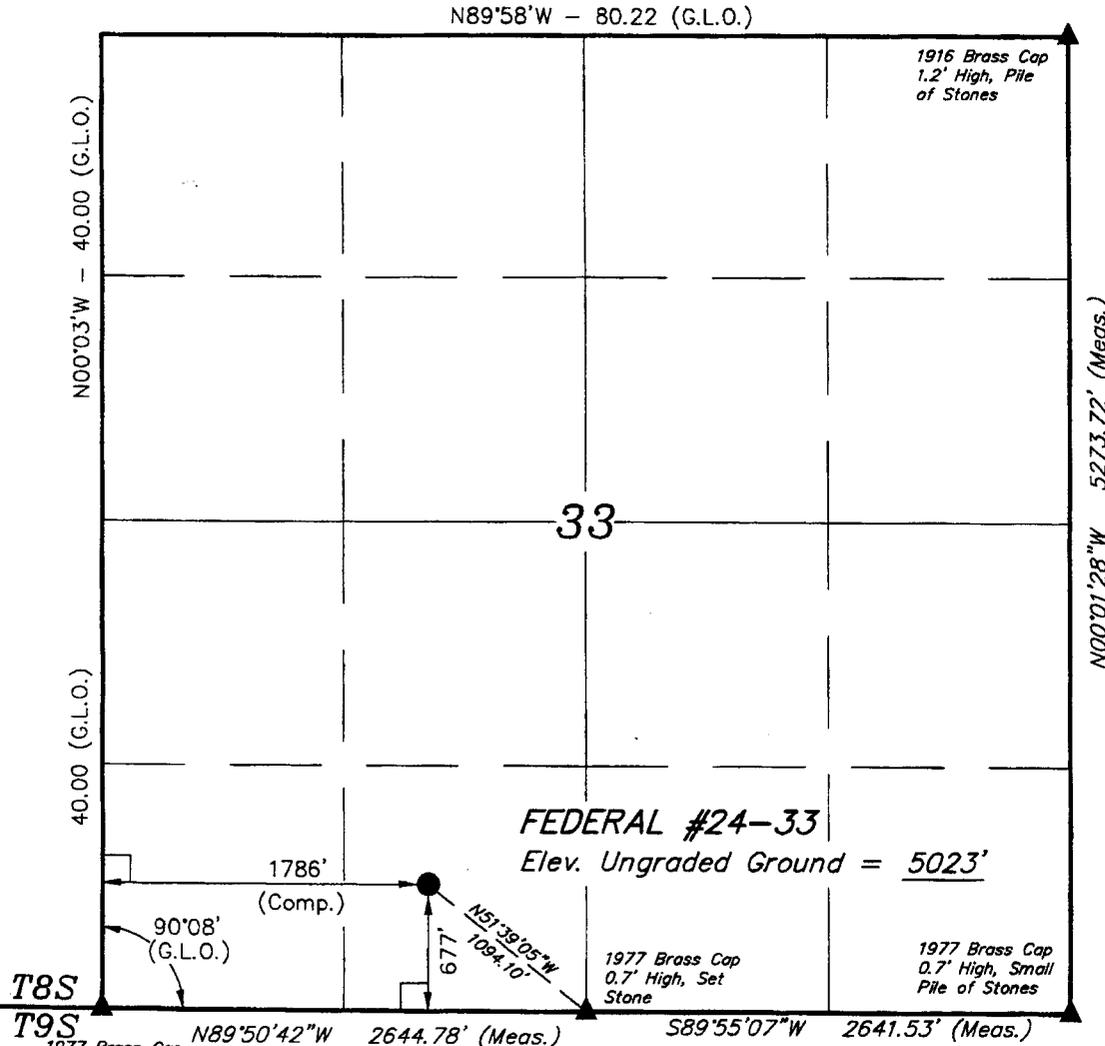
RECEIVED  
JUL 03 2006  
DIV. OF OIL, GAS & MINING

Federal Approval of this  
Action is Necessary

# T8S, R23E, S.L.B.&M.

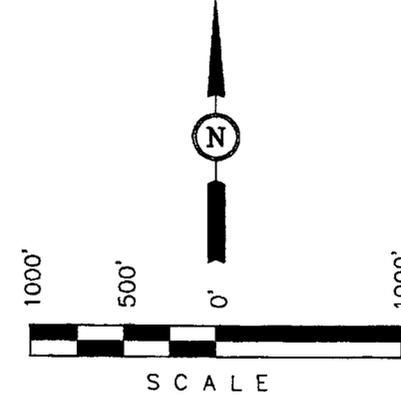
## EnCana OIL & GAS (USA) INC.

Well location, FEDERAL #24-33, located as shown in the SE 1/4 SW 1/4 of Section 33, T8S, R23E, S.L.B.&M., Uintah County, Utah.



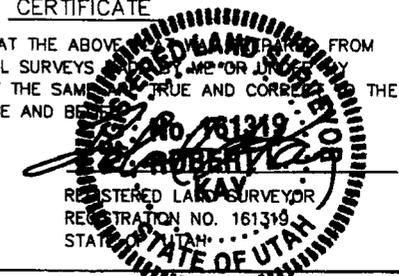
### BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 3. T8S, R23E, S.L.B.&M., P.M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4992 FEET.



### CERTIFICATE

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



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

### BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°04'25.80" (40.073833)  
 LONGITUDE = 109°20'06.60" (109.335167)

### LEGEND:

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

SCALE 1" = 1000'	DATE SURVEYED: 03-31-06	DATE DRAWN: 04-05-06
PARTY G.O. T.C. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EnCana OIL & GAS (USA) INC.	

EnCana Oil & Gas (USA) Inc.  
Federal 24-33  
API #43-047-35261  
677' FSL 1,786' FWL (SE/4 SW/4)  
Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

**DRILLING PROGRAM**  
**(All Drilling Procedures will be followed as Per Onshore Orders No. 1 and No. 2)**

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included an on-site meeting on June 1, 2006, prior to the submittal of the application, at which time the specific concerns of EnCana Oil & Gas (USA) Inc. (EnCana) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

Please contact Judy Walter at EnCana, at 303-623-2300 if there are any questions or concerns regarding this Drilling Program.

1. **SURFACE ELEVATION** – 5,023' (Ground elevation)

**SURFACE FORMATION** – Uinta – Fresh water possible

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)** –  
(Water, oil, gas and/or other mineral-bearing formations)

<u>Formation</u>	<u>TVD</u>
GREEN RIVER	2,099'
DOUGLAS CREEK	4,306'
CARBONATE MARKER	4,566'
WASATCH	5,062'
<u>MESAVERDE</u>	<u>7,672'</u>
TOTAL DEPTH	8,122'

NOTE: Based on elevation of 5,023' GL; 5,036' RKB.

*All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.*

3. **ESTIMATED TOPS OF POSSIBLE WATER, OIL, GAS OR MINERALS**

The estimated depths at which possible water, oil, gas or minerals will be encountered are as follows:

	<u>TVD</u>
GREEN RIVER	2,099'
DOUGLAS CREEK	4,306'
WASATCH	5,062'
<u>MESAVERDE</u>	<u>7,672'</u>
TOTAL DEPTH	8,122'

4. **OPERATOR'S SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT**

- a. Minimum working pressure on rams and BOPE will be 3,000 psi.
- b. Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- c. Both high and low pressure tests of the BOPE will be conducted.
- d. The Annular BOP will be pressure tested to a minimum of 50% of its rated working pressure.
- e. Blind and Pipe Rams/BOP will be tested to a minimum of 100% of rated working pressure (against a test plug).
- f. Surface casing will be tested from surface to TD (float collar) at 1,500 psi surface pressure (prior to drilling out the float collar).
- g. All other casing will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, but not to exceed 70% of the internal yield.
- h. BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i. BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventors.
- j. The kill line shall be 2" minimum and contain two kill line valves, one of which shall be a check valve.
- k. The choke line shall be 3" minimum and contain two choke line valves (3" minimum).
- l. The choke and manifold shall contain two adjustable chokes.
- m. Hand wheels shall be installed on all ram preventors.
- n. Safety valves and wrenches (with subs for all drill string connections) shall be available on the rig floor at all times.
- o. Inside BOP or float sub shall also be available on the rig floor at all times.
- p. Upper kelly cock valve (with handle) shall be available at all times.

Note: Special Drilling Operations if Air Drilling\*

- q. Properly lubricated and maintained rotating head for normal drilling operations
- r. Spark arresters on engines or water cooled exhaust\*
- s. Blooie line discharge 100 feet from well bore and securely anchored
- t. Straight run on blooie line unless otherwise approved
- u. Deduster equipment\*
- v. All cuttings and circulating medium shall be directed into a reserve or blooie pit\*
- w. Float valve above bit\*
- x. Automatic igniter or continuous pilot light on the blooie line\*
- y. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore

- z. Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits

Shown in Exhibit I is the proposed BOP and Choke Manifold arrangements.

Statement of Accumulator System and Location of Hydraulic Controls

The drilling rig has not been selected for this well. Selection will take place after approval of this application is granted. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 3,000 psi system.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.

**5. PROPOSED CASING AND CEMENTING PROGRAM (Measured Depths)**

DEPTH (MD)	HOLE SIZE	SIZE	WEIGHT	CSG	GRADE/ THREAD	CEMENT VOLUME
0-40' +/-	14"	13-1/2"	N/A	Conductor	N/A	N/A
0-525'	12-1/4"	8-5/8"	24 ppf	Surface	J-55, STC (New)	±275 sxs 'G' w/ 2% CaCl <sub>2</sub> + ¼ lbs/sx Flocele (wt 15.6 ppg; yield 1.18 cft/sx)
0-8,122'	7-7/8"	4-1/2"	11.6 ppf	Production	N-80, LTC (New)	±300 sxs LitePoz + FL/Extender additives; (wt 11 ppg, yield 3.9 cft/sk) ±940 sxs 50:50 Poz 'G' + additives; (wt 14.3 ppg, yield 1.31 cft/sk)

**Cementing Volume Design Assumptions:**

*Surface Casing*

- 1. Designed to surface assuming gauge hole plus 50% excess.

*Production Casing*

- 1. Lead Slurry designed to 4,000' from surface assuming gauge hole plus 30% excess.
- 2. Tail Slurry designed to 4,000' from TD assuming gauge hole plus 30% excess.
- 3. Actual volumes pumped to be calculated from log caliper data plus 10% excess and may vary depending on additional field and/or logging data.

**6. DIRECTIONAL DRILLING PROGRAM**

Directional control will be maintained by drift shot surveys every 500', bit trips, and at TD.

**7. PROPOSED DRILLING FLUIDS PROGRAM**

DEPTH	MUD TYPE	DENSITY lbs/gal	VISCOSITY (sec/qt)	FLUID LOSS (cc)
0' – 525'	FW mud w/gel or Air Mist (FW, polymer, and soap)	8.4-8.6	N/A	N/A
525' – 6,500'	FW mud w/ gel	8.4-8.8	N/A	NC to <20
6500' - TD	LSND w/ LCM	8.6-9.1	25-40	<15 to 6-8

- a. 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, testing or completing 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, testing, or completing of this well.

*Sufficient mud materials to maintain mud properties, control lost circulation and to contain a “kick” will be available on location.*

**AUXILIARY EQUIPMENT**

- 1. Upper Kelly cock; lower Kelly cock will be installed while drilling.
- 2. Inside BOP or stabbing valve with handle (available on rig floor).
- 3. Safety valve(s) and subs to fit all string connections in use.
- 4. Mud monitoring will be with a flowing sensor, pit level indicator, and visually observed.

**8. TESTING, CORING AND LOGGING**

- a. Drill Stem Testing – none anticipated
- b. Coring – none anticipated.
- c. Mud Logging: Optional from 1,800' to TD
- d. Logging Program:

Open Hole

AIT-SP-GR  
FDC-CNL-GR

Logging Interval

From TD to Surface Casing  
From TD to Surface Casing

Cased Hole

GR-CCL

From TD to surface casing

Note: Will also run CBL on production casing if no cement is circulated to surface.

**9. ABNORMAL PRESSURES OR TEMPERATURES; POTENTIAL HAZARDS**

There are no known abnormal pressures, temperatures, or potential hazards in the area.

Anticipated maximum BHP is 3,520 psi.

**10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS**

Location construction is to begin immediately upon receiving the approved drilling permit or as allowed by winter and wildlife stipulations. The spud date is flexible, and could be accelerated or delayed as required to fit rig schedules.

The drilling operation is anticipated to require  $\pm 15$  days per well.

Completion operations are anticipated to begin within one week of end of drilling operations.

The location pad will be sufficient size to accommodate all completion equipment activities and equipment. A string of 2 3/8", 4.7#, N-80, EUE 8rnd will be run as production tubing. A Sundry Notice will be submitted with a revised completion program if warranted.

Federal 24-33

Surface: 677' FSL 1,786' FWL ( SE /4 SW /4 )  
 Sec. 33 T 8S R 23E  
 Uintah County, Utah  
 UTU64422

**SURFACE CASING AND CENTRALIZER DESIGN**

Proposed Total Depth: 8,122 '  
 Proposed Depth of Surface Casing: 525 '  
 Estimated Pressure Gradient: 0.43 psi/ft  
 Bottom Hole Pressure at 8,122 '  
 0.43 psi/ft x 8,122 ' = 3,520 psi  
 Hydrostatic Head of gas/oil mud: 0.22 psi/ft  
 0.22 psi/ft x 8,122 ' = 1,787 psi

Maximum Design Surface Pressure

Bottom Hole Pressure - Hydrostatic Head =  
 ( 0.43 psi/ft x 8,122 ' ) - ( 0.22 psi/ft x 8,122 ' ) =  
 3,520 psi - 1,787 psi = 1,733 psi

Casing Strengths 8-5/8" J-55 24# ST&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
24 #	244,000	2,950	1,370
32 #	372,000	3,930	2,530

Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): 24 # / ft x 525 ' = 12,600 #  
 Safety Factor =  $\frac{244,000}{12,600} = 19.37$  ok

Burst: Safety Factor =  $\frac{2,950 \text{ psi}}{1,733 \text{ psi}} = 1.70$  ok

Collapse: Hydrostatic = 0.052 x 9.0 ppg x 525 ' = 246 psi  
 Safety Factor =  $\frac{1,370 \text{ psi}}{246 \text{ psi}} = 5.58$  ok

Use 525 ' 8-5/8" J-55 24# ST&C

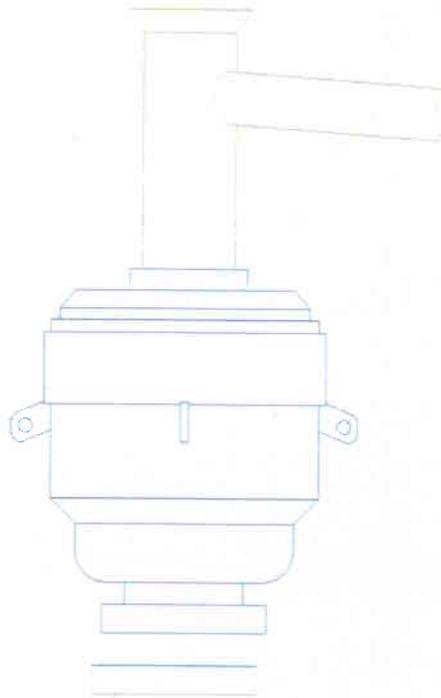
Use 2,000 psi minimum casinghead and BOP's

Centralizers

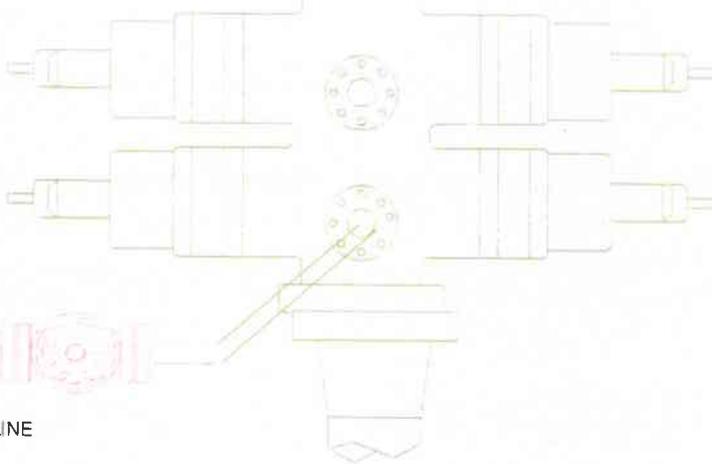
8 Total  
 1 near surface at 80'  
 3 -1 each at middle of bottom joint, second joint, third joint  
 4 -1 each at every other joint ±80' spacing  
 Total centralized ± 520 ' ( 5 ' - 525 ' )

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

3M ANNULAR



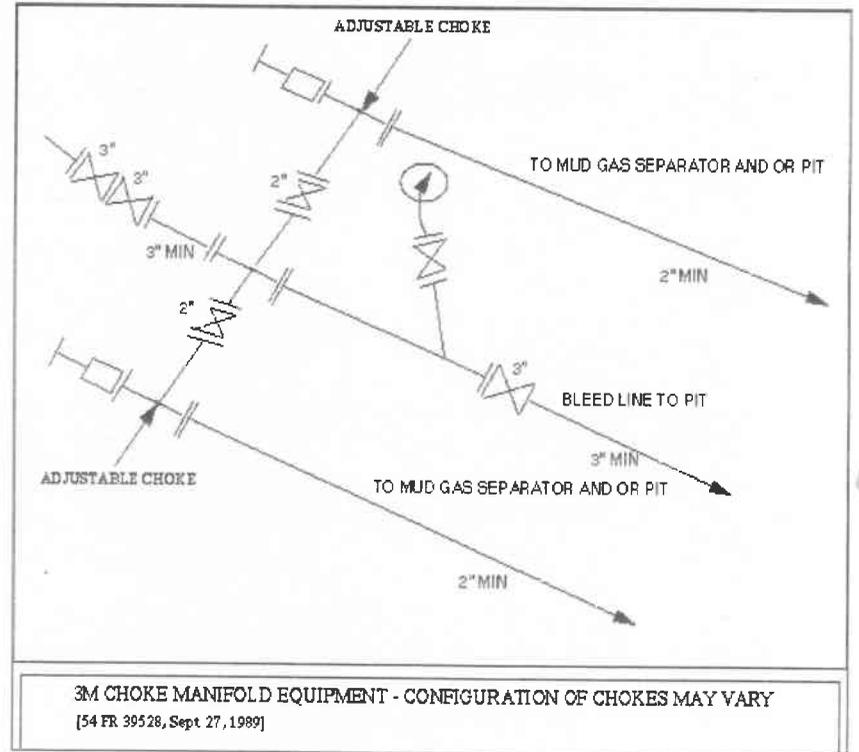
3M DOUBLE RAM BOP



2" KILL LINE

3" CHOKE LINE FROM  
OUTLET ON BOTTOM  
SIDE OF RAMS

## Exhibit I



EnCana Oil & Gas (USA) Inc.  
**Federal 24-33**  
**API #43-047-35261**  
677' FSL 1,786' FWL (SE/4 SW/4)  
Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

## SURFACE USE PLAN

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included an on-site meeting on June 1, 2006, prior to the submittal of the application, at which time the specific concerns of EnCana Oil & Gas (USA) Inc. (EnCana) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

An NOS was submitted to BLM in Vernal on April 20, 2006 for this location.

An on-site meeting occurred on June 1, 2006. Attending were: Nathaniel West and Brandon McDonald – BLM; Bart Hunting – Uintah Engineering & Surveying (Uintah), and Keith Dana – Dana Consulting, permit agent.

This location was previously staked and permitted by EnCana with approval granted by the BLM and the State of Utah Division of Oil, Gas, and Mining (UDOGM) and given API 43-047-35261. EnCana did not conduct any construction nor drill the well and the permit expired. Access is authorized on federal lands with ROW UTU80356.

### 1. **EXISTING ROADS**

- A. The proposed wellsite is staked and reference stakes are present as shown on attached topo maps "A" and "B".

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 24.1 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY DIRECTION FOR APPROXIMATELY 7.1 MILES FROM THE JUNCTION OF THIS ROAD TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN AN NORTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 35.1 MILES.

- B. Access Roads – refer to maps "A" and "B".

- B. Access Roads – refer to maps “A” and “B”.
- C. Access Roads within a one-mile radius – refer to map “B”.
- D. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

## 2. **PLANNED ACCESS ROADS**

Approximately 0.15 miles of proposed access road will need to be constructed on lease.

- A. Width maximum – 30’ overall right-of-way with an 18’ road running surface, crowned and ditched and/or sloped and dipped.
- B. Construction standard – the access road will be constructed to the same standards as previously accepted in this area.

The road will be constructed to meet the standards of the anticipated traffic flow and all weather requirements. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

Prior to construction/upgrading the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (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 neither designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Diverting water off at frequent intervals by means of cutouts shall prevent erosion of the drainage ditches by runoff water.

Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they will be filled in and detours around them avoided.

- C. Maximum grade – the average grade will be 1% or less, wherever possible. The 1% grade will only be exceeded in areas where physical terrain or unusual circumstances require it.
- D. Drainage design – the access road will be crowned and ditched or sloped and dipped, and water turnouts installed as necessary to provide proper drainage along the access road route.
- E. Turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic.
- F. Culverts – no culverts will be required unless specified during the onsite inspection.
- G. Surface materials – surfacing materials will consist of native soil. If any additional surfacing materials are required they will be purchased from a local contractor having a permitted source of materials in the area. None are anticipated at this time.
- H. Gates, cattleguards or fence cuts – none required unless specified during the onsite inspection.
- I. Road maintenance – during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and legal condition and will be maintained in

accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.

- J. The proposed access road has been centerline flagged.
- K. Dust will be controlled on the roads and locations during construction and drilling by periodic watering of the roads and locations.

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

Please refer to Table 1.

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

- A. There are no existing facilities that will be used by this well.
- B. New Facilities Contemplated – in the event of production the following will be shown:
  - 1. Proposed location and attendant lines, by flagging, if off well pad.
  - 2. Dimensions of facilities.
  - 3. Construction methods and materials.
  - 4. Protective measures and devices to protect livestock and wildlife.
  - 5. All buried pipelines will be buried to a depth of 3', except at road crossing where they will be buried to a depth of 4'.
  - 6. Construction width of the right-of-way/pipeline route shall be restricted to 60' of disturbance.
  - 7. Pipeline location warning signs shall be installed within 90 days after construction is completed.
  - 8. EnCana shall condition pipeline right-of-ways in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
  - 9. Pipeline Right-of-way is requested for approximately 800' of 4" buried steel running westerly and will tie into the pipeline in corner of SESW of Sec. 33, T8S, R23E. ROW request is for 30' with an additional 30' of working surface during construction. After construction is complete the additional 30' is to be rehabilitated. In the event production is established this well will be connected to EnCana Gathering Services (USA) Inc.'s gathering system.
  - 10. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, arrangements will be made to acquire appropriate materials from private sources.
  - 11. A dike will be constructed completely around any production facilities, which contain fluids (i.e. production tanks, produced water tanks, etc.) These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut.
  - 12. All permanent (onsite for six months or longer) above-the-ground 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 five State Rocky Mountain Interagency committee. All production facilities will be painted within six months of installation. Facilities required to comply with Occupation Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

- C. The production (emergency) pit will be 8 feet in diameter and 8 feet deep. It will be lined with corrugated steel with a steel mesh cover.
- D. EnCana shall protect all survey monuments, witness corners, reference monuments and bearing trees in the affected areas against disturbance during construction, operation, maintenance and termination of the facilities authorized herein.

EnCana shall immediately notify the authorized officer in the event that any corners, monuments or markers are disturbed or are anticipated to be disturbed. If any monuments, corner or accessories are destroyed, obliterated or damaged during construction, operation or maintenance, EnCana shall secure the services of a Registered Land Surveyor to restore the disturbed monuments, corner or accessories, at the same location, using surveying procedures found in the Manual of surveying Instructions for the Survey of the public Lands of the United States, latest edition. EnCana shall ensure that the Registered Land Surveyor properly records the survey in compliance with the Colorado Revised Statutes 38-53-101 through 38-53-112 (1973) and shall send a copy to the authorized officer.

- E. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- F. Reclamation of disturbed areas no longer needed for operation will be accomplished by grading, leveling and seeding as recommend by the BLM.

EnCana will be responsible for road maintenance from the beginning to completion of operations.

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

- A. Water to be used for the drilling of these wells will be hauled by truck over the roads described in item #1 and item #2, from the Vernal City municipal water supply (which is approximately 35.1 miles from the proposed location).
- B. No water well will be drilled on this location.

6. **SOURCE OF CONSTRUCTION MATERIALS**

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads to the area. No special access other than for drilling operations and pipeline construction is needed.
- B. All access roads crossing Federal land are described under Item #2, and shown on Map "A". All construction material for these location sites and access roads shall be borrowed material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time. If in the future it is required, the appropriate actions will be taken to acquire it from private sources.
- C. All surface disturbance area is on BLM lands.
- D. All trees on the locations, access road, and proposed pipeline routes shall be purchased prior to construction from the BLM, Vernal Field Office, and disposed of by one of the following methods:

1. Trees shall be cut with a maximum stump height of six inches (6") and cut to 4-foot lengths and stacked off location. Trees will not be dozed off the location or access road, except on private surface where trees may be dozed. Trees may also be dozed on pipeline routes and then pulled back onto right-of-way as part of final reclamation.
2. Limbs may be scattered off location, access road or along the pipeline, but not dozed off.

Rootballs shall be buried or placed off location, access road, or pipeline route to be scattered back over the disturbed area as part of the final reclamation.

## 7. METHODS OF HANDLING WASTE MATERIALS

- A. Cutting will be deposited in the reserve/blooiie pit.
- B. Drilling fluids including salts and chemicals will be contained in the reserve/blooiie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event that adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from EnCana.

The reserve pit will be constructed so as not to leak, break or allow discharge.

- C. Produced fluids – liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the permanent disposal method and location, along with the required water analysis shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material – garbage, trash and other waste materials will be collected in a portable, self-contained and fully – enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or

damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids there from.

- H. A diversion ditch will be constructed around the west side and northwest corner of the well pad to the existing drainage (See Figure 1).

8. **ANCILLARY FACILITIES**

None anticipated.

9. **WELLSITE LAYOUT**

- A. The attached plat specifies the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of six (6) inches of topsoil will be stripped from the location (including the areas of cut, fill and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to stockpiled for future reclamation of the well site.
- B. No permanent living facilities are planned (refer to the rig location layout plat). There will be one (1) trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (form 3160-5) for approval of subsequent operations. Carlsbad canyon paint color will be used on the facilities as recommended by the BLM on the onsite inspection of September 30, 2003.
- D. The reserve pit and blooie pit will be constructed as a combination pit capable of holding 820 +/- bbls of fluid. This size of pit will be approximately equivalent to four times the TD hole volume. The pits were combined, as these are gas wells and there will be no danger of the accumulation of hydro carbons that could result in a potential safety hazard. The blooie pit might be used for testing, but only after the drilling is completed and the drilling equipment and personnel are off the well site location. In the event that drilling fluid (mud) will have to be used then this pit will also serve as the reserve pit.

Line the pit with a 12-mil plastic liner. Felt is not needed unless blasting occurs. Please note the reserve pit recommendations per the onsite inspection.

This requirement may be waived by the BLM upon receipt of additional information from EnCana concerning the location of fresh water aquifers and potential flow rates, chemical analyses of waters from the aquifers, and information concerning both the mechanics and nature of the air mist drilling system including any additives used therein.

- E. Prior to the commencement of drilling operations, the reserve pit will be fenced on three (3) sides using three strands of barbed wire according to the following minimum standards:
1. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
  2. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  3. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

- F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.
- G. Northeast, southeast, and southwest corners of wellpad will be rounded.
- H. Construct siltation fence along south side of wellpad.

**10. PLANS FOR RECLAMATION OF THE SURFACE:**

The BLM will be contacted prior to commencement of any reclamation operations.

**A. Production**

1. Immediately upon well completion, the well location and surrounding areas(s) will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43CFR 3162.7-1.
3. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

4. The reserve pit and that portion of the location and access road not needed for production facility/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
5. If the well is a producer, EnCana will upgrade and maintain access roads as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will have areas reshaped. Topsoil will be redistributed and disked. All areas outside the work area will be re-seeded according to the BLM, recommended at the onsite inspection, sand seed mix: Shadscale 4 lbs/acre, Indian ricegrass, 4 lbs/acre, and Scarlet globemallow 4lbs/acre.
6. If the well is abandoned or a dry hole, EnCana will restore the access road and location to approximately the original contours. During reclamation of the site, fill material will be pushed into cuts and up over the backslope. No depressions will be left that will trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the recommended seed mixture. The access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

Seedbed will be prepared by disking, then roller packing following the natural contours. Seed will be drilled on contours at a depth no greater than one-half inch (1/2). In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed will be used whenever available.

Fall seeding will completed after September 1, and prior to prolonged ground frost. To be effective, spring seeding will be completed after the frost has left the ground and prior to May 15<sup>th</sup>.

EnCana will reseed the reclaimed road with, sand seed mix: Shadscale 4 lbs/acre,

Indian ricegrass 4 lbs/acre, and Scarlet globemallow 4 lbs/acre, as recommended at the onsite inspection of September 30, 2003.

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed areas(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be re-seeded with a sand seed mix: Shadscale 4 lbs/acre, Indian ricegrass 4 lbs/acre, and Scarlet globemallow 4 lbs/acre.

Seed will be drilled on the contour to approximately a depth of one-half (1/2) inch. All seeding will be conducted after September 1 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15<sup>th</sup>. If the seeding is unsuccessful, EnCana may be required to make subsequent seedings.

#### **B. Dry Hole/Abandoned Locations**

1. On lands administered by the BLM, abandoned well sites, roads or other disturbed areas will be restored to near their original condition.

This procedure will include:

- a. Re-establishing irrigation systems where applicable,
  - b. Re-establishing soil conditions in irrigated field in such a way as to ensure cultivation and harvesting of crops and,
  - c. Ensuring revegetation of the disturbed areas to the specification of the BLM at the time of abandonment.
2. All disturbed surfaces will be recontoured to the approximate natural contours and re-seeded according to BLM specifications. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment and reseeding operations will be performed in the fall or spring following completion of reclamation operations.

#### **11. SURFACE OWNERSHIP**

The wellsite and lease is located entirely on Federal surface.

#### **12. OTHER INFORMATION**

- A. Topographic and geologic features of the area – Refer to topo map “A”.  
The vegetation covers in the project area are sagebrush, and native grasses.

The fauna and avian fauna observed in the area are antelope, and small game.

The surface use is grazing.

1. The restrictions or reservations noted on the oil and gas lease are: Antelope stipulation, No surface occupancy from May 15 to June 20 unless cleared by BLM representative.

2. Burrowing Owl stipulation: No surface occupancy from Apr 1 to Aug 15 unless cleared by BLM Representative.

Any construction activity in the areas shall be done with awareness that many natural gas pipelines are buried. Some are apparent as to location; some have grown over with weeds and brush. It is suggested that the contractor contact the operators in the area to locate all lines before digging.

**13) LESSEE'S OR OPERATOR'S REPRESENTATIVE:**Operator

EnCana Oil & Gas (USA) Inc.  
 370 17<sup>th</sup> Street, Suite 1700  
 Denver CO 80202  
 303-623-2300 – phone  
 720-876-4702 – fax

Ms. Judith Walter –  
 Permitting/Regulatory Analyst

Permit Agent

Banko Petroleum Management, Inc.  
 385 Inverness Parkway, Suite 420  
 Englewood, Colorado 80112-5849  
 303-820-4480

+ David Banko – Consulting Petro Engineer  
*david@banko1.com*

+ Kathy Schneebeck – Regulatory Manager  
*kathys@banko1.com*

\* Keith Dana – Range Mgmt. Consultant  
 307-389-8227 – cell  
*krlcdana@fascination.com*

- \* Contact to arrange on-site meeting.
- + For any questions or comments regarding this permit.

**14) CERTIFICATION:**

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 to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representatives to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that EnCana Oil & Gas (USA) Inc. is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by EnCana Oil & Gas (USA) Inc. under their nationwide bond, BLM Bond #CO1461.

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 operations proposed herein will be performed by EnCana Oil & Gas (USA) Inc. and its contractors and sub-contractors 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.

\_\_\_\_\_  
 June 29, 2006



\_\_\_\_\_  
 David F. Banko

Principal /Permit Agent for EnCana Oil & Gas (USA) Inc.

TABLE 1  
Federal 24-33  
SE/4SW/4 Sec. 33 T8S R23E  
Uintah County, Utah  
Wells in a 1-Mile Radius

API Number	Operator	Well Name	Well Status	Field Name	Sec.	T		Qtr/Qtr	UTM E	UTM N	Lat	Long	Ft. NS	NS	Ft. EW	EW		
						n	pd											
43-047-31869-00-00	ENCANA OIL & GAS (USA) INC	BADLANDS FED 1-32	Producing	NATURAL BUTTES	32	8	S	23	E	SESE	641250	4437027	40.07357	-109.3435	613	S	704	E
43-047-34016-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 22-32	Producing	NATURAL BUTTES	32	8	S	23	E	SESW	640345	4438015	40.08262	-109.3539	1416	N	1601	W
43-047-35261-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 24-33	Location Abandoned	NATURAL BUTTES	33	8	S	23	E	SESW	642021	4437060	40.07373	-109.3345	0		0	
43-047-35260-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 14-34	Location Abandoned	UNDESIGNATED	34	8	S	23	E	SWSW	643239	4437099	40.07388	-109.3202	0		0	
43-047-36061-00-00	KERR-MCGEE OIL & GAS ONSHO WKRP 823-34A		Spudded (Drilling comment	UNDESIGNATED	34	8	S	23	E	NENE	644432	4438266	40.08418	-109.306	0		0	
43-047-36823-00-00	EOG RESOURCES INC	E CHAPITA 10-4	Approved permit (APD); no	NATURAL BUTTES	4	9	S	23	E	NESW	642116	4435880	40.06309	-109.3337	0		0	
43-047-36824-00-00	EOG RESOURCES INC	E CHAPITA 9-4	Spudded (Drilling comment	NATURAL BUTTES	4	9	S	23	E	NWSW	641766	4435931	40.06361	-109.3377	0		0	
43-047-36825-00-00	EOG RESOURCES INC	E CHAPITA 11-4	Approved permit (APD); no	NATURAL BUTTES	4	9	S	23	E	NWSE	642520	4435847	40.06273	-109.3289	0		0	
43-047-36490-00-00	EOG RESOURCES INC	E CHAPITA 5-5	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	NENE	641297	4436671	40.07036	-109.3431	0		0	
43-047-36585-00-00	EOG RESOURCES INC	E CHAPITA 2-5	Spudded (Drilling comment	NATURAL BUTTES	5	9	S	23	E	SWNW	640089	4436237	40.06665	-109.3573	0		0	
43-047-36679-00-00	EOG RESOURCES INC	E CHAPITA 1-5	Spudded (Drilling comment	NATURAL BUTTES	5	9	S	23	E	NWNW	640050	4436601	40.06993	-109.3577	0		0	
43-047-36826-00-00	EOG RESOURCES INC	E CHAPITA 12-5	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	NESE	641372	4435735	40.06191	-109.3424	0		0	
43-047-37853-00-00	EOG RESOURCES INC	E CHAPITA 4-5	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	SESW	640436	4436280	40.06697	-109.3532	0		0	
43-047-37854-00-00	EOG RESOURCES INC	E CHAPITA 3-5	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	NENW	640471	4436596	40.06982	-109.3528	0		0	
43-047-38138-00-00	EOG RESOURCES INC	E CHAPITA 44-05	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	NESW	640542	4435922	40.06373	-109.3521	0		0	
43-047-38144-00-00	EOG RESOURCES INC	E CHAPITA 43-05	Approved permit (APD); no	NATURAL BUTTES	5	9	S	23	E	NWSW	640099	4435862	40.06327	-109.3573	0		0	

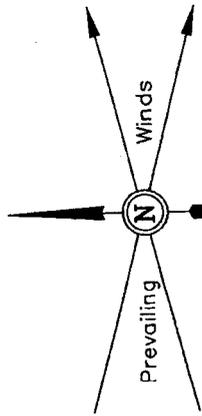
EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

FEDERAL #24-33  
SECTION 33, T8S, R23E, S.L.B.&M.  
677' FSL 1786' FWL

F-5.4'  
El. 15.4'

Sta. 3+50



SCALE: 1" = 50'  
DATE: 04-05-06  
Drawn By: C.H.

Approx.  
Top of  
Cut Slope

**NOTE:**

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



Approx.  
Toe of  
Fill Slope

FLARE PIT C-7.3'  
El. 28.1'  
El. 31.5'  
C-22.7'  
(btm. pit)

C-5.0'  
El. 25.8'

C-2.5'  
El. 23.3'

PIPE TUBS

PIPE RACKS

CATWALK

TRAILER

TRAILER

Sta. 1+50

F-7.1'  
El. 13.7'

RESERVE PITS  
(12' Deep)

C-4.9'  
El. 25.7'

LIGHT PLANT

BOILER

PUMP HOUSE

COMPRESSOR

BOOSTER

TOILET

TRAILER

TRAILER

WATER  
TANK

Topsoil Stockpile  
CONSTRUCT SILTATION FENCE

Sta. 0+00

**NOTE:**

Total Pit Capacity  
W/2' of Freeboard  
= 8,820 Bbls. ±  
Total Pit Volume  
= 2,500 Cu. Yds.

El. 29.0'  
C-20.8'  
(btm. pit)

F-0.2'  
El. 20.6'

C-1.2'  
El. 22.0'

F-2.1'  
El. 18.7'

F-7.4'  
El. 13.4'

CONSTRUCT  
DIVERSION  
DITCH

Proposed Access  
Road

Install  
18" CMP

Elev. Ungraded Ground At Loc. Stake = 5023.3'

FINISHED GRADE ELEV. AT LOC. STAKE = 5020.8'

FIGURE #1

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

EnCana OIL & GAS (USA) INC.

TYPICAL CROSS SECTIONS FOR

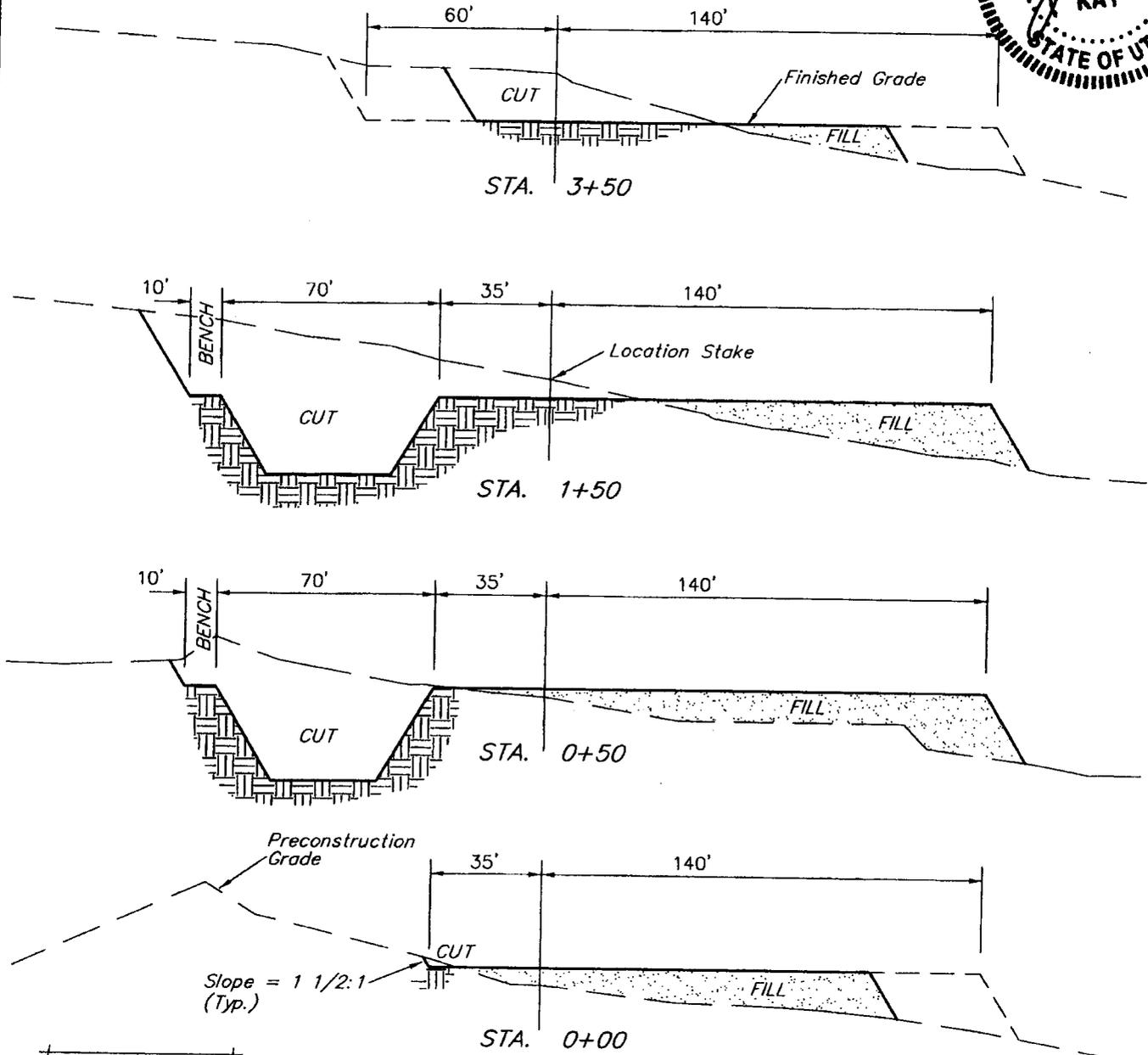
FEDERAL #24-33

SECTION 33, T8S, R23E, S.L.B.&M.

677' FSL 1786' FWL



1" = 20'  
 X-Section Scale  
 1" = 50'  
 DATE: 04-05-06  
 Drawn By: C.H.



**FIGURE #2**

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,450 Cu. Yds.
Remaining Location	= 8,130 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,580 CU.YDS.</b>
<b>FILL</b>	<b>= 6,540 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,700 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,700 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

R  
23  
E

UTU 64422

UTU 64422

PROPOSED LOCATION:  
FEDERAL #24-33

PROPOSED ACCESS 0.15 MI. +/-

Badlands Federal 1-32

PIPELINE

STATE HIGHWAY 45 7.1 MI. +/-  
VERNAL 35.1 MI. +/-

T8S  
T9S

Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Access Road Map

EnCana Oil & Gas (USA) Inc.  
**Federal 24-33**  
SE/4 SW/4 Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

LEGEND

-  New Construction (BLM)
-  Class D County Road

Revised by Banko Petroleum Management, Inc.

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

N

EnCana OIL & GAS (USA) INC.  
FEDERAL #24-33  
SECTION 33, T8S, R23E, S.L.B.&M.  
677' FSL 1786' FWL



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

TOPOGRAPHIC MAP  
04 05 06  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00



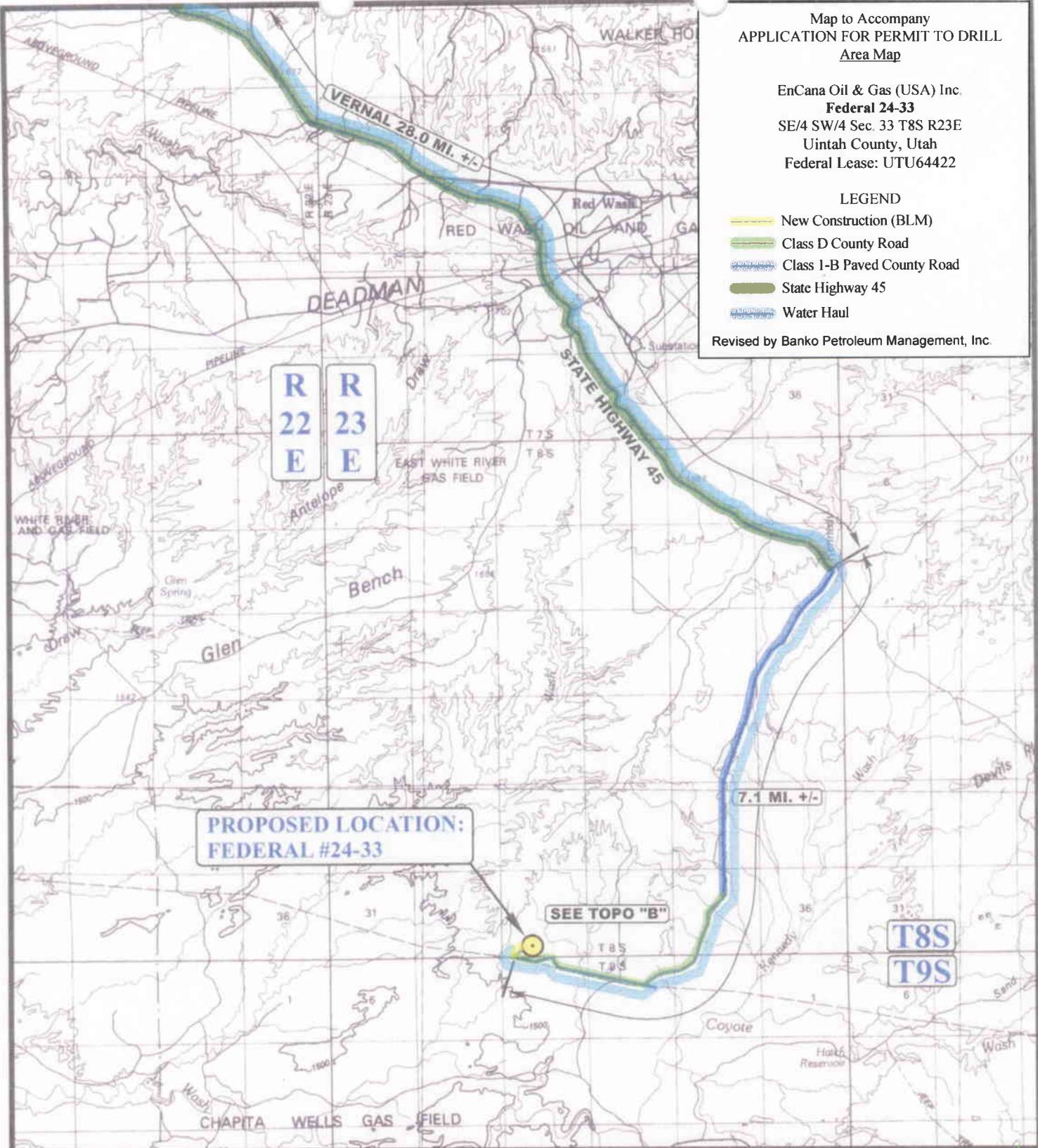
Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Area Map

EnCana Oil & Gas (USA) Inc.  
**Federal 24-33**  
SE/4 SW/4 Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

LEGEND

-  New Construction (BLM)
-  Class D County Road
-  Class 1-B Paved County Road
-  State Highway 45
-  Water Haul

Revised by Banko Petroleum Management, Inc.



LEGEND:

-  EXISTING LOCATION

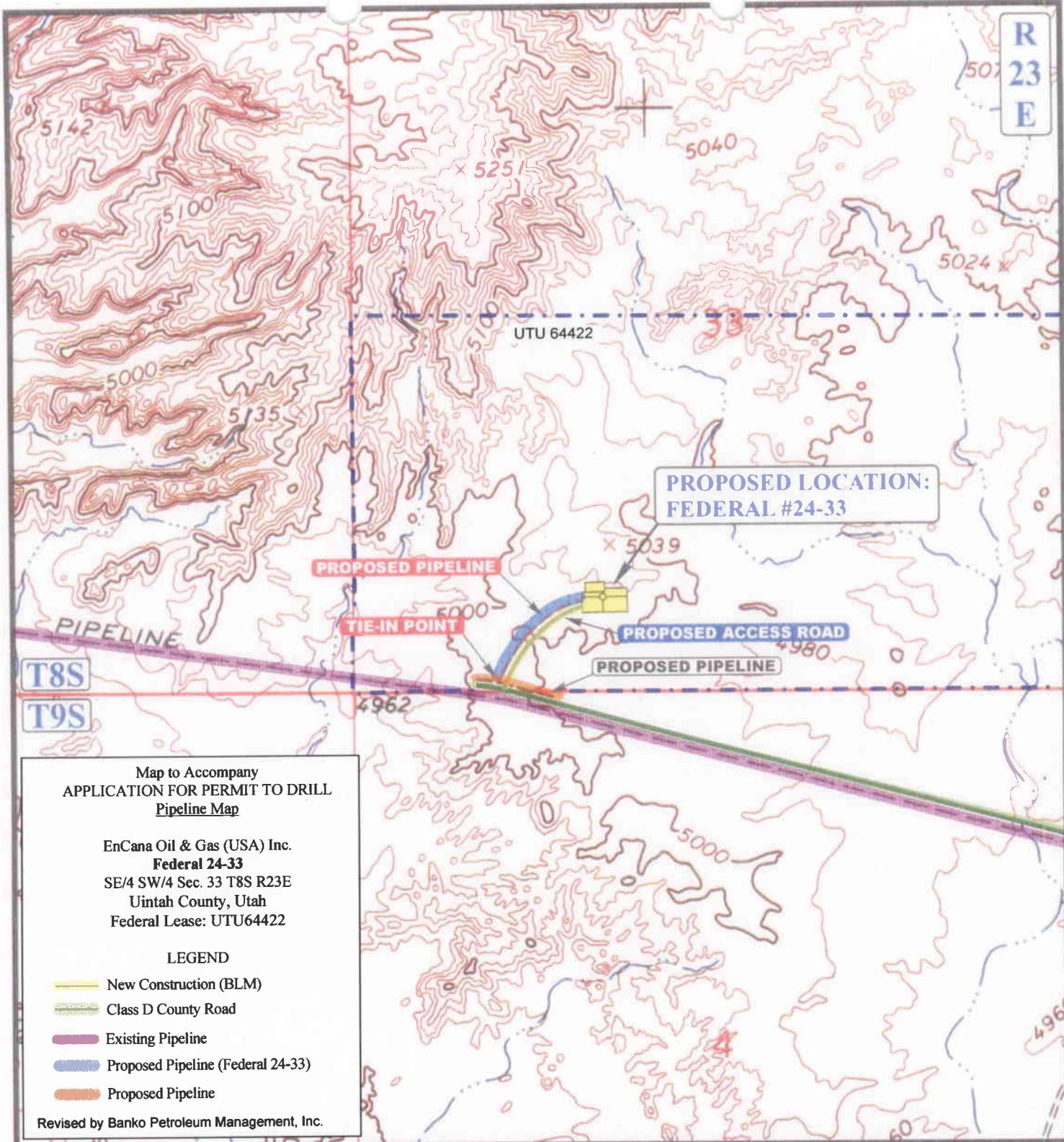


EnCana OIL & GAS (USA) INC.  
**FEDERAL #24-33**  
SECTION 33, T8S, R23E, S.L.B.&M.  
677' FSL 1786' FWL

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

**TOPOGRAPHIC MAP** 04 05 06  
MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: C.H. REVISED: 00-00-00





R  
23  
E

T8S  
T9S

Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Pipeline Map

EnCana Oil & Gas (USA) Inc.  
**Federal 24-33**  
SE/4 SW/4 Sec. 33 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

LEGEND

- New Construction (BLM)
- Class D County Road
- Existing Pipeline
- Proposed Pipeline (Federal 24-33)
- Proposed Pipeline

Revised by Banko Petroleum Management, Inc.

APPROXIMATE TOTAL PIPELINE DISTANCE = 800' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

**EnCana OIL & GAS (USA) INC.**  
**FEDERAL #24-33**  
**SECTION 33, T8S, R23E, S.L.B.&M.**  
**677' FSL 1786' FWL**



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

**TOPOGRAPHIC MAP** 04 05 06  
MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: C.H. REVISED: 00-00-00 **D TOPO**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/03/2006

API NO. ASSIGNED: 43-047-38360

WELL NAME: FEDERAL 24-33  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: DAVID BANKO

PHONE NUMBER: 303-820-4480

PROPOSED LOCATION:

SESW 33 080S 230E  
 SURFACE: 0677 FSL 1786 FWL  
 BOTTOM: 0677 FSL 1786 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.07386 LONGITUDE: -109.3345  
 UTM SURF EASTINGS: 642025 NORTHINGS: 4437074  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-64422  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. CO1461 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Agreement  
2- Spacing Strip  
 \_\_\_\_\_  
 \_\_\_\_\_

# KENNEDY WASH FIELD

T8S R23E

KENNEDY, WASH FED 21-1

MULLIGAN FED 823-19P  
KENNEDY, WASH FED 19-1

KENNEDY WASH U 1

BADLANDS UNIT

NATURAL BUTTES FIELD

BADLANDS UNIT

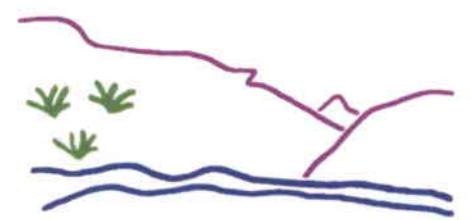
T9S R23E

OPERATOR: ENCANA O&G USA (N2175)  
SEC: 30,33 T. 8S R. 23E  
FIELD: NATURAL BUTTES (630)  
COUNTY: UINTAH  
SPACING: R649-3-2/ GENERAL SITING

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 12-JULY-2006



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

July 12, 2006

EnCana Oil & Gas (USA) Inc.  
370 17th Street, Suite 1700  
Denver, CO 80202

Re: Federal 24-33 Well, 677' FSL, 1786' FWL, SE SW, Sec. 33, T. 8 South,  
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38360.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

**Operator:** EnCana Oil & Gas (USA) Inc.

**Well Name & Number** Federal 24-33

**API Number:** 43-047-38360

**Lease:** UTU-64422

**Location:** SE SW                      **Sec.** 33                      **T.** 8 South                      **R.** 23 East

### **Conditions of Approval**

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Federal 24-33

9. API Well No.  
43-047-35261

10. Field and Pool, or Exploratory Area  
Natural Buttes

11. County or Parish, State  
Uintah County, Utah

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

1. Type of Well  Oil Well  Gas Well  Other

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

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

3b. Phone No. (include area code)  
303-824-5582

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SE/SW, Sec. 33-T8S-R23E  
660 FSL & 1980 FWL, LAT 40.07373, LON 109.33450

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

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

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the above referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is May 1, 2006.

EnCana Corporation  
1800, 855 - 2nd Street SW  
Calgary, AB T2P 2S5

N2175  
(303) 623-2300

*[Signature]*

Date 1-26-07

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

Amber Schafer

Title Operations Clerk

Signature

*[Signature: Amber Schafer]*

Date

1/29/07

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

Approved by

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

Title

Date

Office

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

RECEIVED

(Instructions on page 2)

FEB 01 2007

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:  
**UTU64422**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

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

8. WELL NAME and NUMBER:  
**Federal 24-33**

2. NAME OF OPERATOR:  
**EOG Resources, Inc.**

9. API NUMBER:  
**43-047-38360**

3. ADDRESS OF OPERATOR:  
**600 17th St., Suite 1000N** CITY **Denver** STATE **CO** ZIP **80202**

PHONE NUMBER:  
**(303) 824-5582**

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

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **677' FSL & 1786' FWL, 40.073833 LAT, 109.335167 LON**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESW 33 8S 23E**

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

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

EOG Resources, Inc. requests approval to transfer approved APD for the referenced well,

From: EnCana Oil and Gas

To: EOG Resources, Inc.

EOG Resources, Inc. will utilize the following water source: **NM 2308**

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, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

NAME (PLEASE PRINT) Amber Schafer

TITLE Operations Clerk

SIGNATURE Amber Schafer

DATE 2/7/2007

(This space for State use only)

**APPROVED** 2128107

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**

**FEB 09 2007**

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

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

**Request to Transfer Application or Permit to Drill**

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Federal 24-33
<b>API number:</b>	4304738360
<b>Location:</b>	Qtr-Qtr: SESW Section: 33 Township: 8S Range: 23E
<b>Company that filed original application:</b>	EnCana Oil and Gas
<b>Date original permit was issued:</b>	07/12/2006
<b>Company that permit was issued to:</b>	EnCana Oil and Gas

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Amber Schafer Title Operations Clerk  
 Signature *Amber Schafer* Date 02/07/2007  
 Representing (company name) EOG Resources, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

**RECEIVED**  
**FEB 09 2007**

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



CONFIDENTIAL

RECEIVED

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR JUN 30 2006  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU64422	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name ---	
2. Name of Operator <b>EnCana Oil &amp; Gas (USA) Inc.</b> E-mail: judith.walter@encana.com Contact: Judith A. Walter		7. If Unit or CA Agreement, Name and No. --	
3a. Address 370 17th Street, Suite 1700 Denver CO 80202		8. Lease Name and Well No. Federal 24-33	
3b. Phone No. (include area code) 303-623-2300		9. API Well No. <del>43-047-38360</del> 43-047-38360	
4. Location of Well (Report location clearly and in accordance with any State Requirements. *) At surface    677' FSL    1,786' FWL    SE 1/4 SW 1/4 Lat: 40.073833    Long: 109.335167		10. Field and Pool, or Exploratory Natural Buttes	
At proposed production zone		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 33    T 8S    R 23E Salt Lake PM	
14. Distance in miles and direction from nearest town or post office. * Approximately 35.1 miles from Vernal, Utah		12. County or parish Uintah	13. State Utah
15. Distance from proposed location to nearest property or lease line, ft. (Also nearest Drig, unit line, if any) Unit= NA Lease= ±677'	16. No. of acres in lease 1,920.0	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. EnCana - Badlands Federal 1-32 ± 2,500'	19. Proposed depth 8,122'	20. BLM/BIA Bond No. on file CO1461	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,023.0' GR	22. Approximate date work will start * August 1, 2006	23. Estimated duration 45-60 days drig + completion	

24. Attachments

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

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ul> |
|--|---|

25. Signature 	Name (Printed/Typed) David F. Banko	Date 303-820-4480 June 29, 2006
-------------------	--	---------------------------------------

Title    Permit Agent for:    EnCana Oil & Gas (USA) Inc.

Approved by (Signature) 	Name (Printed/Typed) Terry Kenicka	Date 6.5.2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

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

06B M 1633A

(continued on page 2)

CONDITIONS OF APPROVAL ATTACHED

UDOGM

NOTICE OF APPROVAL



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



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

**Company:** EnCana Oil & Gas (USA) Inc.  
**Well No:** Federal 24-33  
**API No:** 43-047-38360

**Location:** SESW, Sec. 33, T8S, R23E  
**Lease No:** UTU-64422  
**Agreement:** N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:	Vacant	(435) 781-4476	(435) 828-7381
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	

Fax: (435) 781-4410

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

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

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

**General Surface COA**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:

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

- There will be a timing restriction to protect Golden Eagle nesting from February 1 – July 15.
- According to the Wildlife Report for this location there is not a Burrowing Owl Stipulation as indicated in the APD.

## **DOWNHOLE CONDITIONS OF APPROVAL**

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

- None.

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

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

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

June 11, 2007

Kaylene Gardner  
EOG Resources, Inc.  
1060 East Highway 40  
Vernal, Utah 84078

43-047-38360

8 S 23 E 33

Re: Well No. Federal 24-33  
SESW, Sec. 33, T8S, R23E  
Uintah County, Utah  
Lease No. UTU-64422

Dear Ms. Gardner:

Enclosed are three (3) approved copies of the Application for Permit to Drill (APD) with attached Conditions of Approval, and the approved change of operator request for the above referenced well.

This correspondence is also in regard to the self-certification statement submitted requesting a change of operator for the referenced well. After a review by this office, the change of operator request is approved. Effective immediately, EOG Resources, Inc., is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. NM2308, for all operations conducted on the referenced well on the leased land.

If you have any questions concerning APD processing, please contact me at (435) 781-4455.

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

Enclosures

cc: UDOGM  
EnCana Oil & Gas (USA), Inc.

RECEIVED

JUN 18 2007

DIV. OF OIL, GAS & MINERALS

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

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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2007 FEB 27 PM 3:32  
DEPT OF THE INTERIOR  
BUREAU OF LAND MGMT

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Federal 24-33

9. API Well No.  
43-047-35261

10. Field and Pool, or Exploratory Area  
Natural Buttes

11. County or Parish, State  
Utah County, Utah

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
EOG Resources, Inc.

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

3b. Phone No. (include area code)  
303-824-5582

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SE/SW, Sec. 33-T8S-R23E  
660 FSL & 1980 FWL, LAT 40.07373, LON 109.33450

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

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

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the above referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is May 1, 2006.

EnCana Corporation  
1800, 855 - 2nd Street SW  
Calgary, AB T2P 2S5

BLM Bond No. NM2308



Date 1-26-07

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JUN 18 2007

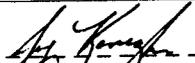
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) **Amber Schafer** Title **Operations Clerk**

Signature  Date **1/29/07**

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

Approved by  Title **AFM Lands & Minerals** Date **6-5-2007**

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

Office **VERNAL FIELD OFFICE**

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

(Instructions on page 2)



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

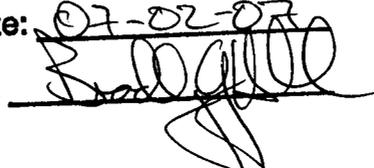
FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU 64422</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		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:
2. NAME OF OPERATOR: <b>EOG Resources, Inc.</b>		8. WELL NAME and NUMBER: <b>Federal 24-33</b>
3. ADDRESS OF OPERATOR: <b>1060 East Highway 40</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>		9. API NUMBER: <b>43-047-38360</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>677 FSL - 1786 FWL 40.073860 Lat 109.334452 Lon</b>		10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 33 8S 23E S.L.B. &amp; M</b>		COUNTY: <b>Uintah</b> STATE: <b>UTAH</b>

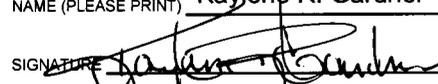
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start: _____  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-02-07  
By: 

7-3-07  
RM

NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u>	TITLE <u>Sr. Regulatory Assistant</u>
SIGNATURE 	DATE <u>6/29/2007</u>

(This space for State use only)

**RECEIVED**  
**JUL 02 2007**



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

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

**API:** 43-047-38360  
**Well Name:** Federal 24-33  
**Location:** 677 FSL - 1786 FWL (SESW), SECTION 33, T8S, R23E S.L.B.&M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 7/12/2006

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

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

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

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

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

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

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

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

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

  
Signature

6/28/2007  
Date

Title: Sr. Regulatory Assistant

Representing: EOG Resources, Inc

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JUL 02 2007  
DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU 64422</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Federal 24-33</b>	
2. NAME OF OPERATOR: <b>EOG Resources, Inc.</b>	9. API NUMBER: <b>43-047-38360</b>	
3. ADDRESS OF OPERATOR: 1060 East Highway 40      CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>	PHONE NUMBER: <b>(435) 789-0790</b>	10. FIELD AND POOL, OR WLDCAT: <b>Natural Buttes</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>677 FSL - 1786 FWL 40.073860 Lat 109.334452 Lon</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 33 9S 23E S.L.B. &amp; M</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (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"/> <b>SUBSEQUENT REPORT</b> (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><b>Change Well Name</b></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.

**EOG Resources, Inc. respectfully requests the name for the referenced well is changed,**

**From: Federal 24-33**  
**To: Hoss 69-33**

NAME (PLEASE PRINT) <u><b>Kaylene B. Gardner</b></u>	TITLE <u><b>Sr. Regulatory Assistant</b></u>
SIGNATURE	DATE <u><b>6/29/2007</b></u>

(This space for State use only)

**RECEIVED**  
**SEP 21 2007**  
**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
**UTU-64422**

6. If Indian, Allottee or Tribe Name

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
677' FSL & 1786' FWL (SESW)  
Sec. 33-T8S-R23E 40.073833 LAT 109.335167 LON

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

8. Well Name and No.  
**Hoss 69-33**

9. API Well No.  
**43-047-38360**

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

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

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

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

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

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

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

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Date: 10/24/07  
By: *[Signature]*

Federal Approval Of This  
Action Is Necessary

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

Title **Regulatory Assistant**

Signature *Mary A. Maestas*

Date **09/21/2007**

10/25/07  
Rm

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

Approved by

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

Title \_\_\_\_\_ Date \_\_\_\_\_

Office \_\_\_\_\_

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

(Instructions on page 2)

**RECEIVED**

**SEP 25 2007**

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

STATE OF COLORADO )

) ss

COUNTY OF DENVER )

VERIFICATION

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

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

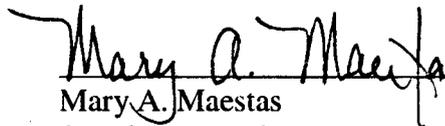
**Hoss 69-33  
677' FSL – 1786' FWL (SESW)  
SECTION 33, T8S, R23E  
UINTAH COUNTY, UTAH**

EOG Resources, Inc., and Encana Oil & Gas (USA) Inc., Exhibit A, are the only owners in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

On the 21<sup>st</sup> day of September, 2007 she placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling in one wellbore for the subject well.

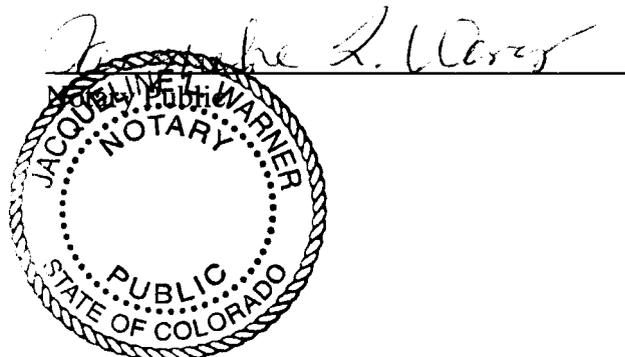
Said envelope, which contained these instruments, was addressed to the Utah Division of Oil, Gas & Mining, Bureau of Land Management, and Encana Oil & Gas (USA) Inc.

Further affiant saith not.

  
\_\_\_\_\_  
Mary A. Maestas  
Regulatory Assistant

Subscribed and sworn before me this 21<sup>st</sup> day of September, 2007.

My Commission Expires: 2/13/2010



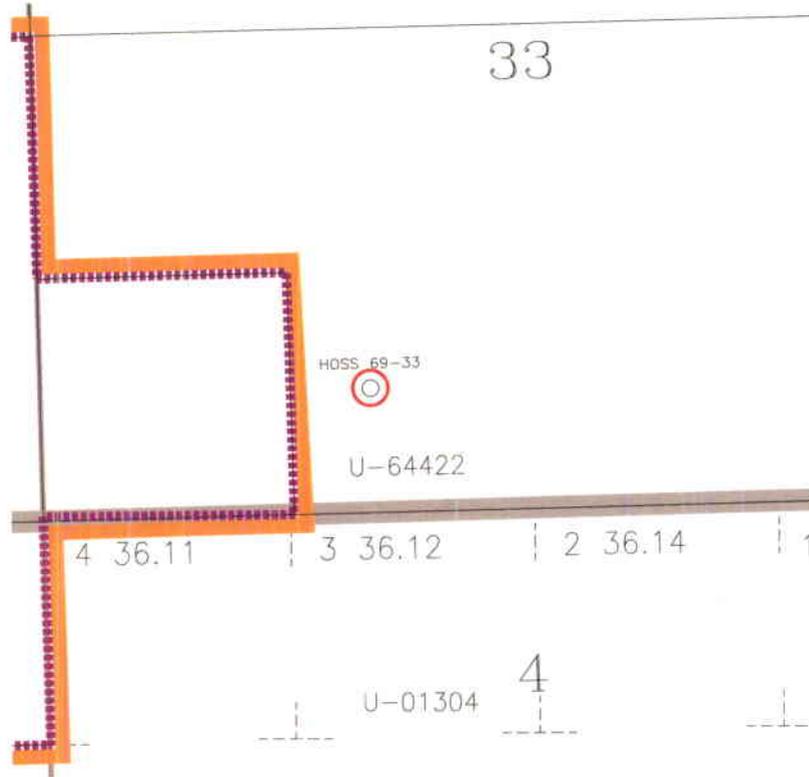
**Exhibit "A" to Affidavit  
Hoss 69-33 Application to Commingle**

**Encana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202  
Attn: Mr. Barrett Brannon**

R 23 E

33

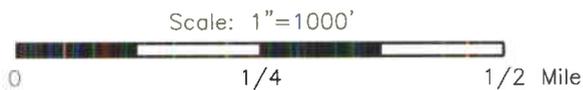
T  
8  
S



○ HOSS 69-33

Badlands Unit Outline

Wasatch/Mesaverde/Mancos Fms P.A. "C"



Denver Division

**EXHIBIT "A"**

HOSS 69-33 (formerly known as FED 24-33)

Commingling Application

Uintah County, Utah

Scale: 1" = 1000'

D:\utah\Commingled\Hoss69-33\_commingled.dwg  
Layout1

Author  
GT

Jul 10, 2007 -  
3:59pm

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
HOSS 69-33

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

9. API Well No.  
43-047-38360

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 33 T8S R23E SESW 677FSL 1786FWL  
40.07383 N Lat, 109.33517 W Lon

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

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

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

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

EOG Resources, Inc. requests authorization to change the depth of the surface casing on the referenced well from

500'  
to  
2300'

A revised drilling plan is attached.

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

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #57892 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal**

Name (Printed/Typed) MARY A MAESTAS	Title REGULATORY ASSISTANT
Signature <i>Mary A Maestas</i>	Date 01/07/2008

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

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

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

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

**RECEIVED**

JAN 10 2008

DIV. OF OIL, GAS & MINING

**EIGHT POINT PLAN**

**HOSS 69-33**  
**SE/SW, SEC. 33, T8S, R23E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>TVD-RKB (ft)</b>	<b>Objective</b>	<b>Lithology</b>	
Green River	2,124		Shale	
Wasatch	5,038	Primary	Sandstone	Gas
Chapita Wells	5,647	Primary	Sandstone	Gas
Buck Canyon	6,278	Primary	Sandstone	Gas
North Horn	6,893	Primary	Sandstone	Gas
KMV Price River	7,397	Primary	Sandstone	Gas
KMV Price River Middle	8,219	Primary	Sandstone	Gas
KMV Price River Lower	9,063	Primary	Sandstone	Gas
Sego	9,419		Sandstone	
<b>TD</b>	<b>9,610</b>			

Estimated TD: **9,610' or 200'± below TD**

**Anticipated BHP: 5,250 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

<b>CASING</b>	<b>Hole Size</b>	<b>Length</b>	<b>Size</b>	<b>WEIGHT</b>	<b>Grade</b>	<b>Thread</b>	<b>Rating Collapse</b>	<b>Factor Burst</b>	<b>Tensile</b>
<b>Conductor</b>	17 1/2"	0 – 45'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
<b>Surface</b>	12 1/4"	0 – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
<b>Production</b>	7-7/8"	Surface – TD	4-1/2"	11.6#	P-110	LTC	7560 PSI	10,690 Psi	279,000#

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

**All casing will be new or inspected.**

## EIGHT POINT PLAN

HOSS 69-33

SE/SW, SEC. 33, T8S, R23E, S.L.B.&M..

UINTAH COUNTY, UTAH

### 5. Float Equipment:

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

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

### 6. MUD PROGRAM

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

Air/air mist or aerated water.

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

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

### 7. VARIANCE REQUESTS:

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

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

## EIGHT POINT PLAN

### HOSS 69-33

SE/SW, SEC. 33, T8S, R23E, S.L.B.&M..

UINTAH COUNTY, UTAH

#### 8. EVALUATION PROGRAM:

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

#### 9. CEMENT PROGRAM:

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

**Lead:** 185 sks Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl<sub>2</sub>, 3 lb/sx GR3  
¼ #/sx Flocele mixed at 11 ppg, 3.82 ft<sup>3</sup>/sk. yield, 23 gps water.

**Tail:** 207 sks Class "G" cement with 2% CaCl<sub>2</sub>, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft<sup>3</sup>/sk., 5.2  
gps water.

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

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

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

**Lead:** 152 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44  
(Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29  
(cello flakes) mixed at 11.0 ppg, 3.91 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail:** 893 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13  
(Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at  
14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**EIGHT POINT PLAN**

**HOSS 69-33**

**SE/SW, SEC. 33, T8S, R23E, S.L.B.&M.,**  
**UINTAH COUNTY, UTAH**

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

(Attachment: BOP Schematic Diagram)

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG Resources Inc

Well Name: Hoss 69-33

API No: 43-047-38360 Lease Type: Federal

Section 33 Township 08S Range 23E County Uintah

Drilling Contractor Craig's Roustabout Services Rig # Bucket

### **SPUDDED:**

Date 1-25-08

Time 6:30 AM

How Dry

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

Reported by Jerry Barns

Telephone # 435-828-1720

Date 1-28-08 Signed RM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. UTU64422
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. HOSS 69-33	
2. Name of Operator EOG RESOURCES, INC.	Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com	9. API Well No. 43-047-38360
3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-824-5526	10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  Sec 33 T8S R23E SESW 677FSL 1786FWL 40.07383 N Lat, 109.33517 W Lon		11. County or Parish, and State  UINTAH COUNTY, UT

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

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

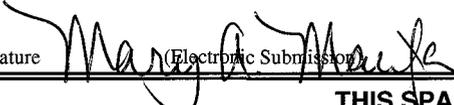
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths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

The referenced well spud on 1/25/2008.

RECEIVED

JAN 28 2008

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #58282 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal</b>	
Name (Printed/Typed) MARY A. MAESTAS	Title REGULATORY ASSISTANT
Signature  (Electronic Submission)	Date 01/25/2008

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

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

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

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

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG Resources, Inc. Operator Account Number: N 9550  
 Address: 600 17th St., Suite 1000N  
city Denver  
state CO zip 80202 Phone Number: (303) 824-5526

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38375	Natural Buttes Unit 566-17E		NENW	17	10S	21E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>2900</i>	1/23/2008		<i>2/4/08</i>		
Comments: <i>PRRV = MVRD</i>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38360	Hoss 69-33		SESW	33	8S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>16642</i>	1/25/2008		<i>2/4/08</i>		
Comments: <i>MVRD</i>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38942	East Chapita 45-05		SENE	5	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>16643</i>	1/17/2008		<i>2/4/08</i>		
Comments: <i>PRRV = MVRD</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)

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

1/25/2008

Date

**RECEIVED**

**JAN 28 2008**

(5/2000)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0336A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
MULTIPLE - SEE AT

8. Well Name and No.  
MULTIPLE MULTIPLE

9. API Well No.  
43 047 38360

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
8S 23E 33

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

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

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

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. Chapita Wells Unit 2-29 SWD
4. Red Wash Evaporation ponds 1, 2, 3 & 4
5. RN Industries

This sundry covers multiple wells. Please see attached page.

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

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

**Electronic Submission #58493 verified by the BLM Well Information System  
For EOG RESOURCES INC, sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature (Electronic Submission)

Date 02/06/2008

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

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

Title

Date

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

Office

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

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

RECEIVED  
FEB 13 2008

<b><u>Well Name</u></b>	<b><u>SEC</u></b>	<b><u>T</u></b>	<b><u>R</u></b>	<b><u>Qtr/Qtr</u></b>	<b><u>Lease</u></b>	<b><u>API</u></b>
CWU 692-20	20	9S	23E	SENE	UTU0336A	43-047-38671
CWU 1273-15	15	9S	22E	SWSW	UTU0283A	43-047-38474
CWU 1021-15	15	9S	22E	SENE	UTU0283A	43-047-37839
Hoss 65-36	36	8S	22E	SESW	UTU56960	43-047-38363
Hoss 56-29	29	8S	23E	SENE	UTU76042	43-047-38953
Hoss 17-32	32	8S	23E	SWSW	UTU56965	43-047-38907
Hoss 69-33	33	8S	23E	SESW	UTU64422	43-047-38360
Hoss 24-32	32	8S	23E	NWNW	UTU56965	43-047-38887
Hoss 55-29	29	8S	23E	NWNE	UTU76042	43-047-39169
Hoss 15-31	31	8S	23E	NENW	UTU61401	43-047-38653
Hoss 28-30	30	8S	23E	SWSE	UTU61400	43-047-38885
East Chapita 55-05	5	9S	23E	SESW	UTU01304	43-047-38732
East Chapita 45-05	5	9S	23E	SENE	UTU01304	43-047-38942
NBU 566-17E	17	10S	21E	NENW	UTU02270A	43-047-38375

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
HOSS 69-33

9. API Well No.  
43-047-38360

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 33 T8S R23E SESW 677FSL 1786FWL  
40.07383 N Lat, 109.33517 W Lon

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

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

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

The referenced well was turned to sales on 4/8/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

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

**Electronic Submission #59565 verified by the BLM Well Information System  
For EOG RESOURCES, INC, sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



Date 04/10/2008

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

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

Title \_\_\_\_\_

Date \_\_\_\_\_

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

Office \_\_\_\_\_

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

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

**RECEIVED**

**APR 14 2008**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 04-10-2008

<b>Well Name</b>	HOSS 069-33	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	PONDEROSA	<b>API #</b>	43-047-38360	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	02-24-2008	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,610/ 9,610	<b>Property #</b>	059896
<b>Water Depth</b>	0	<b>Last CSG</b>	2.375	<b>Shoe TVD / MD</b>	0/0
<b>KB / GL Elev</b>	5,037/ 5,121				
<b>Location</b>	Section 33, T8S, R23E, SESW, 677 FSL & 1786 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	100.0	<b>NRI %</b>	67.0

<b>AFE No</b>	304269	<b>AFE Total</b>	2,084,300	<b>DHC / CWC</b>	912,100/ 1,172,200
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #31	<b>Start Date</b>	01-03-2007
<b>01-03-2007</b>	<b>Reported By</b>	SHARON CAUDILL			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: LOCATION DATA**

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

06:00	06:00	24.0	LOCATION DATA
677' FSL & 1786' FWL (SE/SW)			
SECTION 33, T8S, R23E			
UINTAH COUNTY, UTAH			
LAT 40.073833, LONG 109.335167 (NAD 83)			
TRUE #31			
OBJECTIVE: 9610' TD, MESAVERDE			
DW/GAS			
PONDEROSA PROSPECT			
DD&A: CHAPITA DEEP WELLS			
PONDEROSA FIELD			
LEASE: UTU-64422			
ELEVATION: 5023.3' NAT GL, 5020.8' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 5021'), 5037' KB (16')			

EOG WI 100%, NRI 67%

<b>01-11-2008</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$38,000

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

**Activity at Report Time:** BUILD LOCATION

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

**01-14-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 20% COMPLETE.

**01-15-2008**      **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 & ROCKED OUT.

**01-16-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**01-17-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**01-18-2008**      **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	SHOT PIT. PUSHING ON PIT.

**01-21-2008**      **Reported By**      BYRON TOLMAN

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING ON PIT.

**01-22-2008**      **Reported By**      BYRON TOLMAN

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING ON PIT.

**01-23-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** WO BUCKET TRUCK

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

**01-25-2008**      **Reported By**      JERRY BARNES

**Daily Costs: Drilling**      \$0                      **Completion**      \$0                      **Daily Total**      \$0  
**Cum Costs: Drilling**      \$38,000                      **Completion**      \$0                      **Well Total**      \$38,000  
**MD**      70      **TVD**      70      **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/WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 01/25/08 @ 6:30 AM. SET 70' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM & MICHAEL LEE W/BLM OF THE SPUD 01/25/08 @ 5:45 AM.

**02-08-2008**      **Reported By**      JERRY BARNES

<b>Daily Costs: Drilling</b>	\$218,764	<b>Completion</b>	\$0	<b>Daily Total</b>	\$218,764						
<b>Cum Costs: Drilling</b>	\$256,764	<b>Completion</b>	\$0	<b>Well Total</b>	\$256,764						
<b>MD</b>	2,528	<b>TVD</b>	2,528	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: WORT**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU PRO PETRO AIR RIG #6 ON 1/31/2008. DRILLED 12-1/4" HOLE TO 2570' GL. ENCOUNTERED WATER @ 2120'. RAN 59 JTS (2512.30') 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 @ 2528' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG.

MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 190 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 240 SX (163.3 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 PPG W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/192 BBLS FRESH WATER. BUMPED PLUG W/650# @ 8:08 PM, 2/3/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/4% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS 15 MINUTES.

TOP JOB # 2: MIXED & PUMPED 150 SX (30.7 BBLS) OF PREMIUM CEMENT W/4% CACL2 & 1/4 #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS.

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

MIRU GLENN'S WIRELINE SERVICE. RAN IN HOLE W/STRAIGHT HOLE SURVEY. TAGGED CEMENT @ 2382' GL. PICKED UP TO 2362' & TOOK SURVEY. 4.5 DEGREE.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 2/2/2008 @ 10:00 AM.

<b>02-24-2008</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$47,253	<b>Completion</b>	\$624	<b>Daily Total</b>	\$47,877						
<b>Cum Costs: Drilling</b>	\$304,017	<b>Completion</b>	\$624	<b>Well Total</b>	\$304,641						
<b>MD</b>	2,528	<b>TVD</b>	2,528	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time: TEST BOPE**

Start	End	Hrs	Activity Description
06:00	02:00	20.0	MOVE RIG W/WESTROC TRUCKING. 8 BED TRUCKS, 3 HAUL TRUCKS, 2 FORKLIFTS, 1 CRANE. TRUE HAD 5 MEN, 36 HRS. NOTIFIED JAMIE SPARGER//VERNAL BLM//BOP TEST//2-23-08//10:00. TRUCKS AND CRANE RELEASED @ 16:00. DERRICK IN THE AIR @ 17:30.
02:00	04:00	2.0	NUBOPE. RIG ON DAYWORK @ 02:00 02/24/08.

04:00 06:00 2.0 TESTED PIPE RAMS, BLIND RAMS, HCR, CHOKE VALVE, CHOKE LINE & MANIFOLD, KILL LINE VALVES TO 5000 PSI FOR 10 MINUTES. TESTED UPPER & LOWER KELLY COCKS, FLOOR & INSIDE BOP TO 5000 PSI FOR 10 MINUTES. TESTED ANNULAR PREVENTER TO 2500 PSI FOR 10 MINUTES. TESTED CASING TO 1500 PSI FOR 30 MINUTES.  
 NO BLM REP ON LOCATION TO WITNESS TEST.  
 FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - RIG MOVE W/WESTROC, RIGGING UP.  
 FUEL - 4992 GALS, DEL - 4500 GALS, USED - 1108 GALS.

---

**02-25-2008**      **Reported By**      PAT CLARK

<b>Daily Costs: Drilling</b>	\$47,656	<b>Completion</b>	\$0	<b>Daily Total</b>	\$47,656
<b>Cum Costs: Drilling</b>	\$351,673	<b>Completion</b>	\$624	<b>Well Total</b>	\$352,297

**MD**      3,620      **TVD**      3,620      **Progress**      1,092      **Days**      1      **MW**      8.7      **Visc**      27.0

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

**Activity at Report Time:** DRILLING @ 3620'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	FINISH TESTING BOPE, WINTERIZE MANIFOLD.
09:00	10:00	1.0	INSTALL WEAR BUSHING, STRAP AND CALIPER BHA.
10:00	14:30	4.5	HSM, R/U WEATHERFORD TRS. PU BHA & TOOLS. TAG CEMENT @ 2470'. R/D TRS.
14:30	16:30	2.0	SLIP & CUT DRILL LINE
16:30	18:30	2.0	PRE-SPUD CHECK LIST, SEAL BOOTS IN MUD TANKS.
18:30	20:00	1.5	DRILL CEMENT/FLOAT EQUIP. FC @ 2486', GS @ 2528'. DRILL 10' TO 2538'.
20:00	20:30	0.5	F.I.T. TO 251 PSI FOR 10.5 EMW.
20:30	21:00	0.5	DRILL F/ 2528' TO 2607'.
21:00	22:00	1.0	SURVEY @ 2532' - 3 DEG.
22:00	06:00	8.0	DRILL 2607' - 3620'. WOB 12-17K, RPM 60/67, SPP 1000 PSI, DP 300 PSI, ROP 127 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - RIGGING UP, P/U BHA.  
 FUEL - 3966 GALS, USED - 1284 GALS.  
 CURRENT MW - 8.7 PPG, VIS - 27 SPQ.  
 UNMANNED LOGGING UNIT RIGGED UP - DAY 1.

06:00 18.0 SPUD 7-7/8" HOLE @ 20:30, 2/24/08

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**02-26-2008**      **Reported By**      PAT CLARK

<b>Daily Costs: Drilling</b>	\$32,374	<b>Completion</b>	\$0	<b>Daily Total</b>	\$32,374
<b>Cum Costs: Drilling</b>	\$384,047	<b>Completion</b>	\$624	<b>Well Total</b>	\$384,671

**MD**      5,850      **TVD**      5,850      **Progress**      2,230      **Days**      2      **MW**      9.0      **Visc**      30.0

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

**Activity at Report Time:** DRILLING @ 5,850'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILL 3620' - 4075'. WOB 14K, RPM 58/67, SPP 1150 PSI, DP 300 PSI, ROP 152 FPH.
09:00	09:30	0.5	SURVEY @ 4000' - 1.25 DEG.
09:30	13:30	4.0	DRILL 4075' - 4546'. SAME PARAMETERS, ROP 118 FPH.

13:30 14:00 0.5 RIG SERVICE. CHECK C.O.M., FUNCTION PIPE RAMS.  
 14:00 20:15 6.25 DRILL 4546' - 5015'. SAME PARAMETERS, ROP 75 FPH.  
 20:15 20:45 0.5 SURVEY @ 4940' - 1.5 DEG.  
 20:45 06:00 9.25 DRILL 5015' - 5850'. SAME PARAMETERS, ROP 90 FPH.  
 FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - CONNECTIONS, BOP DRILLS BOTH TOURS.  
 FUEL - 2666 GALS, USED - 1300 GALS.  
 FORMATION - CHAPITA WELLS.  
 UNMANNED LOGGING UNIT - 2 DAYS.  
 CURRENT MW - 9.6 PPG, VIS - 32 SPQ.

02-27-2008 Reported By PAT CLARK

Daily Costs: Drilling \$105,227 Completion \$0 Daily Total \$105,227  
 Cum Costs: Drilling \$489,275 Completion \$624 Well Total \$489,899  
 MD 7,020 TVD 7,020 Progress 1,170 Days 3 MW 9.5 Visc 30.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING @ 7020'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 5850' - 6371'. WOB 14-18K, RPM 60/67, SPP 1400 PSI, DP 350 PSI, ROP 69 FPH.
13:30	14:00	0.5	RIG SERVICE. CHECK C.O.M., FUNCTION PIPE RAMS.
14:00	06:00	16.0	DRILL 6371' - 7020'. SAME PARAMETERS, ROP 41 FPH. FULL CREWS, NO ACCIDENTS, BOP DRILL BOTH TOURS. SAFETY MEETINGS - ROTARY TABLE, BOP DRILL. FUEL - 5140 GALS, DEL - 4500 GALS, USED - 2026 GALS. FORMATION - NORTH HORN. UNMANNED ML UNIT - 3 DAYS. CURRENT MW - 9.8 PPG, VIS - 32 SPQ.

02-28-2008 Reported By PAT CLARK

Daily Costs: Drilling \$37,884 Completion \$0 Daily Total \$37,884  
 Cum Costs: Drilling \$527,159 Completion \$624 Well Total \$527,783  
 MD 8,240 TVD 8,240 Progress 1,220 Days 4 MW 9.8 Visc 32.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING @ 8240'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 7020' - 7403'. WOB 15-20K, RPM 60/67, SPP 1450 PSI, DP 350 PSI, ROP 51 FPH.
13:30	13:45	0.25	RIG SERVICE. CHECK C.O.M., FUNCTION PIPE RAMS.
13:45	06:00	16.25	DRILL 7403' - 8240'. SAME PARAMETERS, ROP 52 FPH. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS - UNLOADING CASING, HOUSEKEEPING. FUEL - 3113 GALS, USED - 2027 GALS. FORMATION - KMV PRICE RIVER MIDDLE. UNMANNED ML UNIT - 4 DAYS. CURRENT MW - 10.1 PPG, VIS - 34 SPQ.

02-29-2008 Reported By PAT CLARK

<b>Daily Costs: Drilling</b>	\$31,914	<b>Completion</b>	\$0	<b>Daily Total</b>	\$31,914						
<b>Cum Costs: Drilling</b>	\$559,099	<b>Completion</b>	\$624	<b>Well Total</b>	\$559,723						
<b>MD</b>	8,464	<b>TVD</b>	8,464	<b>Progress</b>	190	<b>Days</b>	5	<b>MW</b>	10.0	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							
<b>Activity at Report Time: DRILLING @ 8464'</b>											

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL 8240' - 8318'. WOB 17-20K, RPM 55-65/67, SPP 1450 PSI, DP 300 PSI, ROP SLOWED.
07:30	08:30	1.0	CIRCULATE FOR TOH. DROP SURVEY, PUMP PILL.
08:30	13:00	4.5	TOH. L/D MM, REAMERS, BIT. RECOVER SURVEY.
13:00	15:00	2.0	P/U NEW MM, BIT, TIH TO SHOE.
15:00	21:30	6.5	EQUIPMENT REPAIR - REPLACE DRUM BRAKES.
21:30	22:00	0.5	L/D 16 JTS "G" PIPE.
22:00	23:00	1.0	P/U 16 JTS "E" PIPE.
23:00	02:30	3.5	TIH.
02:30	06:00	3.5	DRILL 8318' - 8464'. WOB 5-15K, RPM 55/67, SPP 1650 PSI, DP 350 PSI, ROP 42 FPH. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS - TRIPPING, WORKING ON BRAKES. FUEL - 2047 GALS, USED - 1066 GALS. FORMATION - KMV PRICE RIVER MIDDLE. CURRENT MW - 10 PPG, VIS - 36 SPQ.

03-01-2008      Reported By      PAT CLARK

<b>Daily Costs: Drilling</b>	\$38,420	<b>Completion</b>	\$0	<b>Daily Total</b>	\$38,420						
<b>Cum Costs: Drilling</b>	\$597,519	<b>Completion</b>	\$624	<b>Well Total</b>	\$598,143						
<b>MD</b>	9,385	<b>TVD</b>	9,385	<b>Progress</b>	921	<b>Days</b>	6	<b>MW</b>	10.0	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							
<b>Activity at Report Time: DRILLING @ 9385'</b>											

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL 8464' - 8746'. WOB 15-18K, RPM 55/67, SPP 1650 PSI, DP 350 PSI, ROP 51 FPH.
11:30	12:00	0.5	RIG SERVICE. CHECK C.O.M., FUNCTION PIPE RAMS.
12:00	06:00	18.0	DRILL 8746' - 9385. SAME PARAMETERS, ROP 36 FPH, 10' FLARE. FULL CREWS, NO ACCIDENTS, BOP DRILL BOTH TOURS. SAFETY MEETINGS - BOP DRILL, GASBUSTER. FUEL - 2701 GALS, DEL - 2800 GALS, USED - 2146 GALS. CURRENT FORMATION - KMV PRICE RIVER LOWER. CURRENT MW - 10.4 PPG, VIS - 36 SPQ. UNMANNED ML UNIT - 6 DAYS.

03-02-2008      Reported By      PAT CLARK

<b>Daily Costs: Drilling</b>	\$45,102	<b>Completion</b>	\$972	<b>Daily Total</b>	\$46,074						
<b>Cum Costs: Drilling</b>	\$642,621	<b>Completion</b>	\$1,596	<b>Well Total</b>	\$644,217						
<b>MD</b>	9,610	<b>TVD</b>	9,610	<b>Progress</b>	225	<b>Days</b>	7	<b>MW</b>	10.4	<b>Visc</b>	37.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							
<b>Activity at Report Time: RUNNING CSG</b>											

Start	End	Hrs	Activity Description
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06:00 13:00 7.0 DRILL 9385' - 9610'. WOB 15-20K, RPM 60/67, SPP 1650 PSI, DP 300 PSI, ROP 33 FPH. TD HOLE @ 13:00.

13:00 14:30 1.5 CIRCULATE AND CONDITION FOR SHORT TRIP.

14:30 15:30 1.0 SHORT TRIP 15 STANDS.

15:30 17:00 1.5 CIRCULATE AND CONDITION FOR LDDP.  
HSM - R/U WEATHERFORD TRS TO LDDP.  
PUMP 380 BBL 13 PPG PILL FOR 11.7 EMW.

17:00 01:00 8.0 LD DRILL PIPE. BREAK KELLY, L/D BHA. PULL WEAR BUSHING.  
HOLE WILL NOT FILL.

01:00 06:00 5.0 HSM. RIG UP CASERS AND RUN 4 1/2", 11.6#, HCP-110, LTC CSG. DETAILS ON NEXT REPORT.  
NOTIFIED\JAMIE SPARGER\VERNAL BLM\CSG & CMT\2-29-08\09:00.  
FULL CREWS, NO ACCIDENTS.  
SAFETY MEETINGS - LDDP, RUN CSG.  
FUEL - 1450 GALS, USED 1251 GALS.  
UNMANNED ML UNIT RELEASED - 7 DAYS.

03-03-2008 Reported By PAT CLARK

Daily Costs: Drilling \$19,059 Completion \$203,506 Daily Total \$222,565  
Cum Costs: Drilling \$661,680 Completion \$205,102 Well Total \$866,782

MD 9,610 TVD 9,610 Progress 0 Days 8 MW 0.0 Visc 0.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT

Start	End	Hrs	Activity Description
06:00	10:00	4.0	RUN 4 1/2", 11.6#, HCP-110, LTC CASING AS FOLLOWS: FLOAT SHOE, 1 JT CSG, FLOAT COLLAR, 59 JTS CSG, MARKER JOINT @ 7014', 55 JTS CSG, MJ @ 4616', 107 JTS CSG ( 222 TOTAL). P/U JT # 223, TAG BOTTOM @ 9610'. L/D JT # 223, P/U LANDING JT, CASING HANGER AND PUP, LAND IN CASING HEAD W/ 60,000#. R/D WEATHERFORD TRS.
10:00	12:30	2.5	HSM, R/U SCHLUMBERGER. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBLs MUD FLUSH, 20 BBLs FRESH WATER, MIX AND PUMP 599 SX(318 BBLs, 1785 CU/FT) LEAD G CEMENT @ 11.5 PPG, 2.98 YLD, H2O 18.227 GAL/SK + 5 SX CEMENT 1ST HALF OF LEAD+10%D020+.2%D046+.2%D167+.5%D065+.125 LB/SK D130. MIX AND PUMP 1500 SX(344 BBLs, 1935 CU/FT) TAIL 50/50 POZ G CEMENT @ 14.1 PPG, 1.29 YLD, H2O 5.963 GAL/SK + 2% D020 +.1%D046+.2%D065+.2%D167+.1%D013. WASH UP TO PIT, DROP TOP PLUG AND DISPLACE W/149 BBLs H2O W/2 GALS/1000 L064. NO RETURNS. MAX PRESSURE 2341 PSI, BUMP PLUG TO 3500PSI. BLEED BACK 2 BBLs, FLOAT HELD. R/D SCHLUMBERGER.
12:30	14:00	1.5	PACK OFF AND TEST HEAD. ND BOPE, CLEAN MUD TANKS.
14:00	06:00	16.0	RDRT. WESTROC TO MOVE RIG 6 MILESTO HOSS 55-29 @ 07:00. FULL CREWS, NO ACCIDENTS, CHECK C.O.M. SAFETY MEETINGS - RUN CSG, CEMENTING, RDRT. MOVED CAMPS TO NEW LOCATION THIS P.M. TRANSFER 5 JTS & 2 MARKERS 4.5", 11.6#, HCP-110, LTC CSG (232.65' TOL) TO HOSS 55-29. TRANSFER 800 GALS DIESEL FUEL @ \$3.40/GAL TO HOSS 55-29.
06:00		18.0	RIG RELEASE @ 14:00 HRS, 03/02/08. CASING POINT COST \$661,681

03-06-2008 Reported By SEARLE

Daily Costs: Drilling \$0 Completion \$45,424 Daily Total \$45,424

**Cum Costs: Drilling** \$661,680 **Completion** \$250,526 **Well Total** \$912,206  
**MD** 9,610 **TVD** 9,610 **Progress** 0 **Days** 9 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD :** 9560.0 **Perf :** **PKR Depth :** 0.0

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

Start	End	Hrs	Activity Description
06:00		18.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 160'. EST CEMENT TOP @ 800'. RD SCHLUMBERGER.

**03-21-2008** **Reported By** CARLSON

**DailyCosts: Drilling** \$0 **Completion** \$1,085 **Daily Total** \$1,085  
**Cum Costs: Drilling** \$661,680 **Completion** \$251,611 **Well Total** \$913,291  
**MD** 9,610 **TVD** 9,610 **Progress** 0 **Days** 10 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD :** 9560.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED TO 8500 PSIG. WO COMPLETION.

**03-25-2008** **Reported By** MCCURDY

**DailyCosts: Drilling** \$0 **Completion** \$1,203 **Daily Total** \$1,203  
**Cum Costs: Drilling** \$661,680 **Completion** \$252,814 **Well Total** \$914,494  
**MD** 9,610 **TVD** 9,610 **Progress** 0 **Days** 10 **MW** 0.0 **Visc** 0.0  
**Formation :** MESAVERDE **PBTD :** 9560.0 **Perf :** 8211'-9427' **PKR Depth :** 0.0

**Activity at Report Time:** FRAC UPR/WASATCH

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WL. PERFORATED LPR FROM 9093'-94', 9098'-99', 9123'-24', 9131'-32', 9153'-54', 9182'-83', 9242'-43', 9253'-54', 9276'-77', 9351'-52', 9357'-58', 9397'-98', 9406'-07', 9418'-19' & 9426'-27' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 8932 GAL YF116 ST+PAD, 51468 GAL YF116ST+ W/150150# 20/40 SAND @ 1-5 PPG. MTP 7757 PSIG. MTR 51 BPM. ATP 5249 PSIG. ATR 44.9 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9065'. PERFORATED MPR/LPR FROM 8803'-04', 8807'-08', 8828'-29', 8851'-52', 8877'-78', 8924'-25', 8937'-38', 8989'-90', 9000'-01', 9031'-32', 9038'-39' & 9042'-43' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5207 GAL YF116 ST+PAD, 33706 GAL YF116ST+ W/70200# 20/40 SAND @ 1-3 PPG. MTP 8143 PSIG. MTR 53.7 BPM. ATP 5740 PSIG. ATR 44 BPM. ISIP 3290 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8770'. PERFORATED MPR FROM 8506'-07', 8515'-16', 8557'-58', 8565'-66', 8616'-17', 8642'-43', 8680'-81', 8692'-93', 8698'-99', 8717'-18', 8731'-32' & 8755'-56' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5169 GAL YF116 ST+ PAD, 43097 GAL YF116ST+ W/116500# 20/40 SAND @ 1-4 PPG. MTP 7694 PSIG. MTR 51.4 BPM. ATP 5785 PSIG. ATR 45.2 BPM. ISIP 4000 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8450'. PERFORATED MPR FROM 8211'-12', 8229'-30', 8242'-43', 8271'-72', 8286'-87', 8312'-13', 8331'-32', 8349'-50', 8368'-69', 8381'-82', 8397'-98' & 8412'-13' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5190 GAL YF116 ST+ PAD, 91495 GAL YF116ST+ W/262800# 20/40 SAND @ 1-5 PPG. MTP 6597 PSIG. MTR 50.9 BPM. ATP 4061 PSIG. ATR 48.4 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER. SDFN.

**03-26-2008** **Reported By** MCCURDY

**DailyCosts: Drilling** \$0 **Completion** \$411,394 **Daily Total** \$411,394

<b>Cum Costs: Drilling</b>	\$661,680	<b>Completion</b>	\$664,208	<b>Well Total</b>	\$1,325,889
<b>MD</b>	9,610	<b>TVD</b>	9,610	<b>Progress</b>	0
		<b>Days</b>	11	<b>MW</b>	0.0
<b>Formation : MESAVERDE / WASATCH</b>	<b>PBTD : 9560.0</b>	<b>Perf : 5499'-9427'</b>	<b>PKR Depth : 0.0</b>		

**Activity at Report Time:** MIRUSU CLEAN OUT SAND AND DRILL OUT FRAC PLUGS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 2170 PSIG. RUWL SET 10K CFP AT 8186'. PERFORATE UPR/MPR FROM 7810'-11', 7814'-15', 7838'-39', 7847'-48', 7863'-64', 7926'-27', 7985'-86', 8005'-06', 8010'-11', 8094'-95', 8126'-27', 8172'-73' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5214 GAL YF116 ST+PAD, 51020 GAL YF116ST+ WITH 149900 # 20/40 SAND @ 1-5 PPG. MTP 7093 PSIG. MTR 50.8 BPM. ATP 4855 PSIG. ATR 47.8 BPM. ISIP 3150 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 7770'. PERFORATE UPR FROM 7566'-67', 7573'-74', 7587'-88', 7605'-06', 7615'-16', 7644'-45', 7659'-60', 7668'-69', 7702'-03', 7726'-27', 7736'-37', 7744'-45' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4142 GAL YF116 ST+PAD, 38475 GAL YF116ST+ WITH 113000 # 20/40 SAND @ 1-5 PPG. MTP 6926 PSIG. MTR 50.8 BPM. ATP 4484 PSIG. ATR 46.7 BPM. ISIP 2700 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 7470'. PERFORATE NORTH HORN FROM 7175'-76', 7187'-88', 7205'-06', 7239'-40', 7248'-49', 7283'-84', 7299'-300', 7341'-42', 7389'-90', 7407'-08', 7422'-23', 7438'-39' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4131 GAL YF116 ST+PAD, 50713 GAL YF116ST+ WITH 149900 # 20/40 SAND @ 1-5 PPG. MTP 7936 PSIG. MTR 50.3 BPM. ATP 4272 PSIG. ATR 46.9 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 7125'. PERFORATE Ba/NORTH HORN FROM 6715'-16', 6724'-25', 6774'-75', 6786'-87', 6806'-07', 6861'-62', 6884'-85', 6978'-79', 7009'-10', 7043'-44', 7064'-65', 7110'-11' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4133 GAL YF116 ST+PAD, 30093 GAL YF116ST+ WITH 82000 # 20/40 SAND @ 1-4 PPG. MTP 7964 PSIG. MTR 50.9 BPM. ATP 5158 PSIG. ATR 44.8 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 6650'. PERFORATE Ba FROM 6376'-77', 6392'-93', 6425'-26', 6454'-55', 6474'-75', 6499'-500', 6528'-29', 6539'-40', 6576'-77', 6586'-87', 6603'-04', 6629'-30' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4146 GAL YF116 ST+PAD, 29924 GAL YF116ST+ WITH 81400 # 20/40 SAND @ 1-4 PPG. MTP 5795 PSIG. MTR 50.9 BPM. ATP 3741 PSIG. ATR 46 BPM. ISIP 1420 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 6330'. PERFORATE Ca FROM 6116'-17', 6127'-28', 6145'-46', 6182'-83', 6205'-06', 6246'-47', 6253'-54', 6264'-65', 6281'-82', 6291'-92', 6297'-98', 6305'-06' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4169 GAL YF116 ST+PAD, 30279 GAL YF116ST+ WITH 82100 # 20/40 SAND @ 1-4 PPG. MTP 5995 PSIG. MTR 52.7 BPM. ATP 3522 PSIG. ATR 46.8 BPM. ISIP 1600 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 5990'. PERFORATE Ca FROM 5753'-54', 5759'-60', 5769'-70', 5800'-01', 5806'-07', 5828'-29', 5843'-44', 5886'-87', 5893'-94', 5907'-08', 5947'-48', 5964'-65' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4148 GAL YF116 ST+PAD, 37676 GAL YF116ST+ WITH 99700 # 20/40 SAND @ 1-4 PPG. MTP 5547 PSIG. MTR 40.8 BPM. ATP 3521 PSIG. ATR 38.3 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER.
			RUWL SET 10K CFP AT 5675'. PERFORATE Pp/Ca FROM 5499'-500', 5509'-10', 5517'-18', 5525'-26', 5535'-37', 5542'-44', 5639'-40', 5644'-46', 5650'-51' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4145 GAL YF116 ST+PAD, 39485 GAL YF116ST+ WITH 107700 # 20/40 SAND @ 1-4 PPG. MTP 4751 PSIG. MTR 41.6 BPM. ATP 3352 PSIG. ATR 38.9 BPM. ISIP 2450 PSIG. RD SCHLUMBERGER.
			RUWL. SET 10K CBP AT 5412'. RDMO CUTTERS WIRELINE.



MD 9,610 TVD 9,610 Progress 0 Days 16 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBDT : 9560.0 Perf : 5499-9427 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RD MOSU. FLOWED 24 HRS. 24/64" CHOKE. FTP 750 PSIG. CP 1425 PSIG. 80 BFPH. RECOVERED 1476 BLW. 13457 BLWTR. 516 MCF.

TURNED TO GAS SALES. SITP 1300 & SICP 1500 PSIG. TURNED WELL TO QUESTAR SALES AT 1:30 PM, 4/08/08. FLOWING 3 MCFD RATE ON 24/64" POS CK. STATIC 425. THROUGH TEST UNIT.

04-10-2008 Reported By HANSEN

Daily Costs: Drilling	Completion	Daily Total
\$0	\$2,830	\$2,830
Cum Costs: Drilling	Completion	Well Total
\$661,680	\$797,439	\$1,459,120

MD 9,610 TVD 9,610 Progress 0 Days 17 MW 0.0 Visc 0.0  
 Formation : MESA VERDE PBDT : 9560.0 Perf : 5499-9427 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1275 PSIG. 48 BFPH. RECOVERED 1524 BLW. 11933 BLWTR. 0 MCF.

FLOWED 163 MCF 25 BC & 1421 BW IN 24 HRS ON 24/64" CHOKE, TP 720 PSIG, CP 1400 PSIG. THROUGH FLOW BACK UNIT.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU64422

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface **SESW 677FSL 1786FWL 40.07383 N Lat, 109.33517 W Lon**  
 At top prod interval reported below **SESW 677FSL 1786FWL 40.07383 N Lat, 109.33517 W Lon**  
 At total depth **SESW 677FSL 1786FWL 40.07383 N Lat, 109.33517 W Lon**

14. Date Spudded **01/25/2008** 15. Date T.D. Reached **03/01/2008** 16. Date Completed  D & A  Ready to Prod. **04/08/2008**

18. Total Depth: **MD 9610 TVD** 19. Plug Back T.D.: **MD 9560 TVD** 20. Depth Bridge Plug Set: **MD TVD**

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

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.  
**HOSS 69-33**

9. API Well No.  
**43-047-38360**

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

11. Sec., T., R., M., or Block and Survey  
or Area **Sec 33 T8S R23E Mer SLB**

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

17. Elevations (DF, KB, RT, GL)\*  
**5023 GL**

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2528		690			
7.875	4.500 P-110	11.6	0	9606		2099			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7759							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH/MESAVERDE	5499	9427	9093 TO 9427		3	
B)			8803 TO 9043		3	
C)			8506 TO 8756		3	
D)			8211 TO 8413		3	

26. Perforation Record

Depth Interval	Amount and Type of Material
9093 TO 9427	60,565 GALS GELLED WATER & 150,150# 20/40 SAND
8803 TO 9043	39,078 GALS GELLED WATER & 70,200# 20/40 SAND
8506 TO 8756	48,431 GALS GELLED WATER & 116,500# 20/40 SAND
8211 TO 8413	96,850 GALS GELLED WATER & 262,800# 20/40 SAND

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

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/08/2008	04/16/2008	24	→	20.0	122.0	80.0			OW, OF OIL, GAS & MINING FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 700 SI	Csg. Press. 1800.0	24 Hr. Rate →	Oil BBL 220	Gas MCF 122	Water BBL 80	Gas:Oil Ratio	Well Status PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						RECEIVED MAY 09 2008
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	RECEIVED MAY 09 2008

(See Instructions and spaces for additional data on reverse side)  
 ELECTRONIC SUBMISSION #60199 VERIFIED BY THE BLM WELL INFORMATION SYSTEM  
**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

RECEIVED  
MAY 09 2008  
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH/MESAVERDE	5499	9427		GREEN RIVER	2108
				MAHOGANY	2763
				UTELAND BUTTE	4824
				WASATCH	5027
				CHAPITA WELLS	5624
				BUCK CANYON	6296
				PRICE RIVER	7384
MIDDLE PRICE RIVER	8084				

32. Additional remarks (include plugging procedure):

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

33. Circle enclosed attachments:

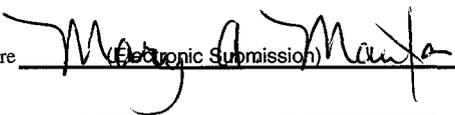
- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

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

**Electronic Submission #60199 Verified by the BLM Well Information System.  
For EOG RESOURCES, INC., sent to the Vernal**

Name (please print) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature  (Electronic Submission)

Date 05/08/2008

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

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

**Hoss 69-33 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7810-8173	3/spf
7566-7745	3/spf
7175-7439	3/spf
6715-7111	3/spf
6376-6630	3/spf
6116-6306	3/spf
5753-5965	3/spf
5499-5651	3/spf

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

7810-8173	56,399 GALS GELLED WATER & 149,900# 20/40 SAND
7566-7745	42,782 GALS GELLED WATER & 113,000# 20/40 SAND
7175-7439	55,009 GALS GELLED WATER & 149,900# 20/40 SAND
6715-7111	34,391 GALS GELLED WATER & 82,000# 20/40 SAND
6376-6630	34,070 GALS GELLED WATER & 81,400# 20/40 SAND
6116-6306	34,448 GALS GELLED WATER & 82,100# 20/40 SAND
5753-5965	41,824 GALS GELLED WATER & 99,700# 20/40 SAND
5499-5651	43,630 GALS GELLED WATER & 107,700# 20/40 SAND

Perforated the Lower Price River from 9093-94', 9098-99', 9123-24', 9131-32', 9153-54', 9182-83', 9242-43', 9253-54', 9276-77', 9351-52', 9357-58', 9397-98', 9406-07', 9418-19' & 9426-27' w/ 3 spf.

Perforated the Middle/Lower Price River from 8803-04', 8807-08', 8828-29', 8851-52', 8877-78', 8924-25', 8937-38', 8989-90', 9000-01', 9031-32', 9038-39' & 9042-43' w/ 3 spf.

Perforated the Middle Price River from 8506-07', 8515-16', 8557-58', 8565-66', 8616-17', 8642-43', 8680-81', 8692-93', 8698-99', 8717-18', 8731-32' & 8755-56' w/ 3 spf.

Perforated the Middle Price River from 8211-12', 8229-30', 8242-43', 8271-72', 8286-87', 8312-13', 8331-32', 8349-50', 8368-69', 8381-82', 8397-98' & 8412-13' w/ 3 spf.

Perforated the Upper/Middle Price River from 7810-11', 7814-15', 7838-39', 7847-48', 7863-64', 7926-27', 7985-86', 8005-06', 8010-11', 8094-95', 8126-27' & 8172-73' w/ 3 spf.

Perforated the Upper Price River from 7566-67', 7573-74', 7587-88', 7605-06', 7615-16', 7644-45', 7659-60', 7668-69', 7702-03', 7726-27', 7736-37' & 7744-45' w/ 3 spf.

Perforated the North Horn from 7175-76', 7187-88', 7205-06', 7239-40', 7248-49', 7283-84', 7299-7300', 7341-42', 7389-90', 7407-08', 7422-23' & 7438-39' w/ 3 spf.

Perforated the Ba/North Horn from 6715-16', 6724-25', 6774-75', 6786-87', 6806-07', 6861-62', 6884-85', 6978-79', 7009-10', 7043-44', 7064-65' & 7110-11' w/ 3 spf.

Perforated the Ba from 6376-77', 6392-93', 6425-26', 6454-55', 6474-75', 6499-6500', 6528-29', 6539-40', 6576-77', 6586-87', 6603-04' & 6629-30' w/ 3 spf.

Perforated the Ca from 6116-17', 6127-28', 6145-46', 6182-83', 6205-06', 6246-47', 6253-54', 6264-65', 6281-82', 6291-92', 6297-98' & 6305-06' w/ 3 spf.

Perforated the Ca from 5753-54', 5759-60', 5769-70', 5800-01', 5806-07', 5828-29', 5843-44', 5886-87', 5893-94', 5907-08', 5947-48' & 5964-65' w/ 3 spf.

Perforated the Pp/Ca from 5499-5500', 5509-10', 5517-18', 5525-26', 5535-37', 5542-44', 5639-40', 5644-46' & 5650-51' w/ 3 spf.

## 52. FORMATION (LOG) MARKERS

Lower Price River	8928
Sego	9469

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: HOSS 69-33

API number: 4304738360

Well Location: QQ SESW Section 33 Township 8S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: PRO PETRO

Address: PO BOX 827

city VERNAL state UT zip 84078

Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
2,110	2,120	NO FLOW	NOT KNOWN

Formation tops: (Top to Bottom)

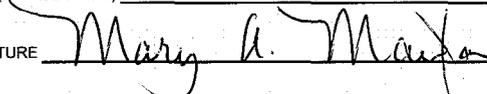
1 _____	2 _____	3 _____
4 _____	5 _____	6 _____
7 _____	8 _____	9 _____
10 _____	11 _____	12 _____

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE 

DATE 5/8/2008

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
HOSS 69-33

9. API Well No.  
43-047-38360

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
EOG RESOURCES, INC. Contact: MICKENZIE THACKER  
E-Mail: MICKENZIE\_THACKER@EOGRESOURCES.COM

3a. Address  
1060 E. HWY 40  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 453-781-9145

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 33 T8S R23E SESW 667FSL 1786FWL  
40.07383 N Lat, 109.33517 W Lon

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

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

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

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat. Interim reclamation was completed on 1/15/2009.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #67166 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 02/10/2009

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

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

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

Office \_\_\_\_\_

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

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

**RECEIVED**  
**FEB 12 2009**