

UDOGM

BANK O  
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 30, 2006

RE: Application for Permit to Drill  
EnCana Oil & Gas (USA) Inc. - Operator  
**Federal 14-34**  
**API #43-047-35260**  
706' FSL 493' FWL (SW/4 SW/4)  
Sec. 34 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

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

Dear Mr. Baker:

DIV. OF OIL, GAS & MINING

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 706' FSL 493' FWL (SW/4 SW/4) of Sec. 34 T8S R23E in Uintah County 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 43-047-35260. EnCana did not conduct any construction nor drill the well and the permit expired.

Mr. Matt Baker  
June 30, 2006  
Page 2

We understand that access is authorized on federal lands with ROW UTU80356, which also provides access to the Federal 44-28 location. This ROW utilizes the existing Class D access road in Sec. 3 T9S R23E to State Highway 45. Please contact us if authorized federal access ROW to this location is not in order, or if BLM has additional requirements.

Additional ROW research identifies a pipeline ROW initiated by EnCana on October 20 2003 under Serial No. UTU80345. The application was withdrawn by EnCana on October 17, 2004 and the case was closed. Monitoring fees of \$75.00 were refunded to EnCana on October 17, 2004. We understand that a pipeline ROW application will be required. We have included a request for BLM to initiate a pipeline ROW. EnCana has requested approximately 1,500' of 4" buried steel running easterly which will tie into the pipeline in the S/2SW/4 of Sec. 34 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,



Kathy L. Schneebeck  
Permit Agent for EnCana Oil & Gas (USA) Inc.

KLS:slb

Enclosures

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

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>UTU64422</b>	6. SURFACE: <i>Bum</i>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: ---	
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>			9. WELL NAME and NUMBER: <b>Federal 14-34</b>	
3. ADDRESS OF OPERATOR: <b>370 17th Street, Suite 1700 Denver CO 80202</b>			PHONE NUMBER: <b>303-623-2300</b>	10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>706' FSL 4437105Y 493' FWL</b> AT PROPOSED PRODUCING ZONE: <b>Same as above</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SW SW 34 8S 23E Salt Lake PM</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 34.6 miles from Vernal, Utah</b>			12. COUNTY: <b>Uintah</b>	13. STATE: <b>Utah</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): <b>706'</b>	16. NUMBER OF ACRES IN LEASE: <b>1920.00</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160.00</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>4,800' EnCana - Federal 24-33</b>	19. PROPOSED DEPTH: <b>8,067'</b>	20. BOND DESCRIPTION: <b>CO1461</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>4,980' GR</b>	22. APPROXIMATE DATE WORK WILL START: <b>August 4, 2006</b>	23. ESTIMATED DURATION: <b>45-60 days drlg + completion</b>		

**24. 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' - 8,067'	To surface (Lead: ±300 sxs LitePoz + FL/Extender; and Tail: ±920 sxs 50:50 Poz 'G' + additives; yield 3.9 cft/sk, wt. 11 ppg yield 1.31 cft/sk, wt 14.3 ppg

**25. 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) Kathy L. Schneebeck 303-820-4480 TITLE Permit Agent for: EnCana Oil & Gas (USA) Inc.

SIGNATURE *Kathy L. Schneebeck* DATE June 30, 2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38361

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

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

Date: 07-12-06  
By: *[Signature]*

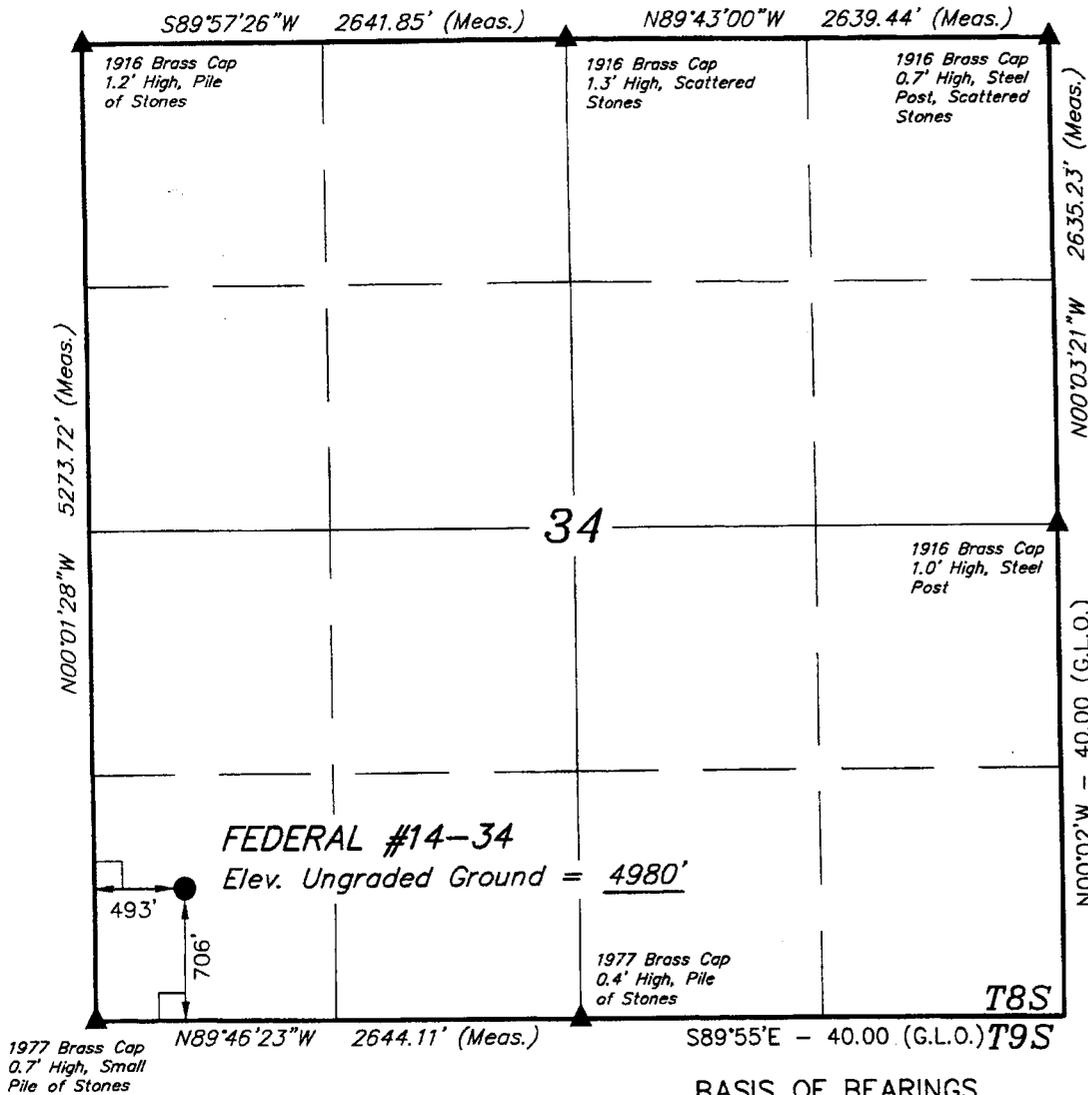
**Federal Approval of this Action is Necessary**

(11/2001) (See Instructions on Reverse Side)

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

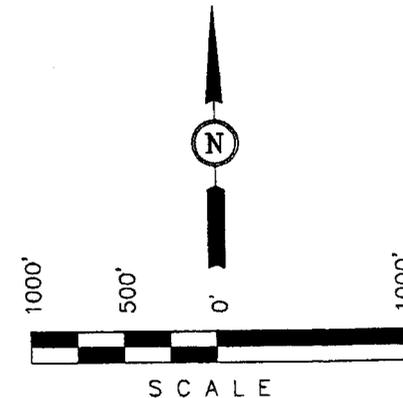
## EnCana OIL & GAS (USA) INC.

Well location, FEDERAL #14-34, located as shown in the SW 1/4 SW 1/4 of Section 34, T8S, R23E, S.L.B.&M., Uintah County, Utah.



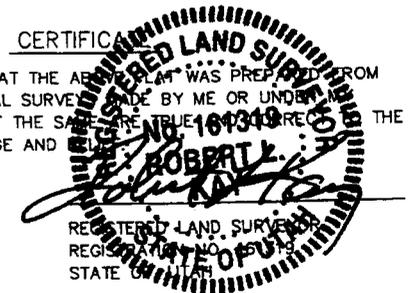
### BASIS OF ELEVATION

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, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4992 FEET.



### CERTIFICATION

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



### BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°04'26.09" (40.073914)  
 LONGITUDE = 109°19'15.26" (109.320906)

### LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 03-31-06	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

EnCana Oil & Gas (USA) Inc.

370 West Summit  
Suite 1700  
Denver, CO 80202

TEL: 303.623.7300  
FAX: 303.623.2100  
www.encana.com

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

April 12, 2006

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. 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.

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

Encana Oil & Gas (USA) Inc.

370 11th Street  
Suite 700  
Denver, CO 80202

Phone: 303.697.9900  
Fax: 303.524.1000  
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

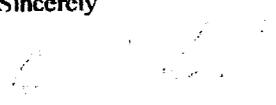
Gentlemen,

Encana Oil & Gas (USA) Inc. hereby designates Banko Petroleum Management, Inc. by David F. Banko, Kathy L. 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.

June 30, 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 43-047-35260. EnCana did not conduct any construction nor drill the well and the permit expired.

Additional ROW research identifies a pipeline ROW initiated by EnCana on October 20 2003 under Serial No. UTU80345. The application was withdrawn by EnCana on October 17, 2004 and the case was closed. Monitoring fees of \$75.00 were refunded to EnCana on October 17, 2004. We understand that a pipeline ROW application will be required. We have included a request for BLM to initiate a pipeline ROW. EnCana has requested approximately 1,500' of 4" buried steel running easterly which will tie into the pipeline in the S/2SW/4 of Sec. 34 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. Thank you.

EnCana Oil & Gas (USA) Inc.  
**Federal 14-34**  
**API #43-047-35260**  
706' FSL 493' FWL (SW/4 SW/4)  
Sec. 34 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** – 4,980' (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	2,044'
DOUGLAS CREEK	4,251'
CARBONATE MARKER	4,511'
WASATCH	5,007'
<u>MESAVERDE</u>	<u>7,617'</u>
TOTAL DEPTH	8,067'

NOTE: Based on elevation of 4,980' GL; 4,992' 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	2,044'
DOUGLAS CREEK	4,251'
WASATCH	5,007'
<u>MESAVERDE</u>	<u>7,617'</u>
TOTAL DEPTH	8,067'

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)
0-8,067'	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) ±920 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 3,500 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 14-34

Surface: 706' FSL 493' FWL ( SW /4 SW /4 )  
 Sec. 34 T 8S R 23E  
 Uintah County, Utah  
 UTU64422

**SURFACE CASING AND CENTRALIZER DESIGN**

Proposed Total Depth: 8,067 '  
 Proposed Depth of Surface Casing: 525 '  
 Estimated Pressure Gradient: 0.43 psi/ft  
 Bottom Hole Pressure at 8,067 '  
 0.43 psi/ft x 8,067 ' = 3,495 psi  
 Hydrostatic Head of gas/oil mud: 0.22 psi/ft  
 0.22 psi/ft x 8,067 ' = 1,775 psi

Maximum Design Surface Pressure

Bottom Hole Pressure - Hydrostatic Head =  
 ( 0.43 psi/ft x 8,067 ' ) - ( 0.22 psi/ft x 8,067 ' ) =  
 3,495 psi - 1,775 psi = 1,720 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 =  $\frac{2,950 \text{ psi}}{1,720 \text{ psi}} = 1.72$  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

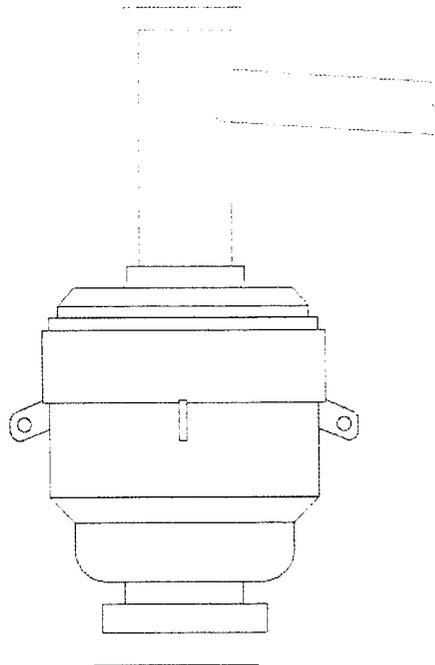
Centralizers

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 ' )

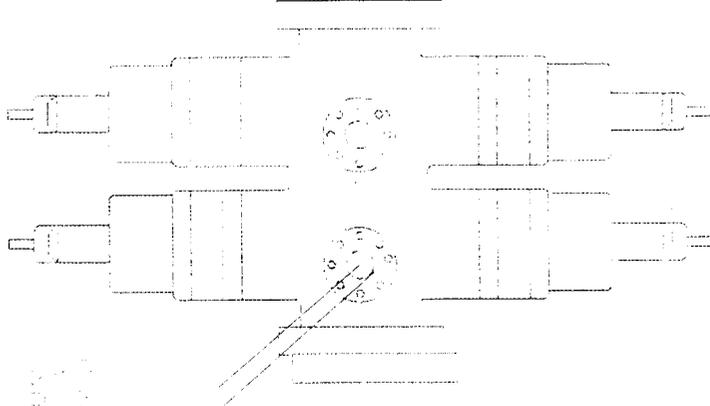
Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

3M ANNULAR



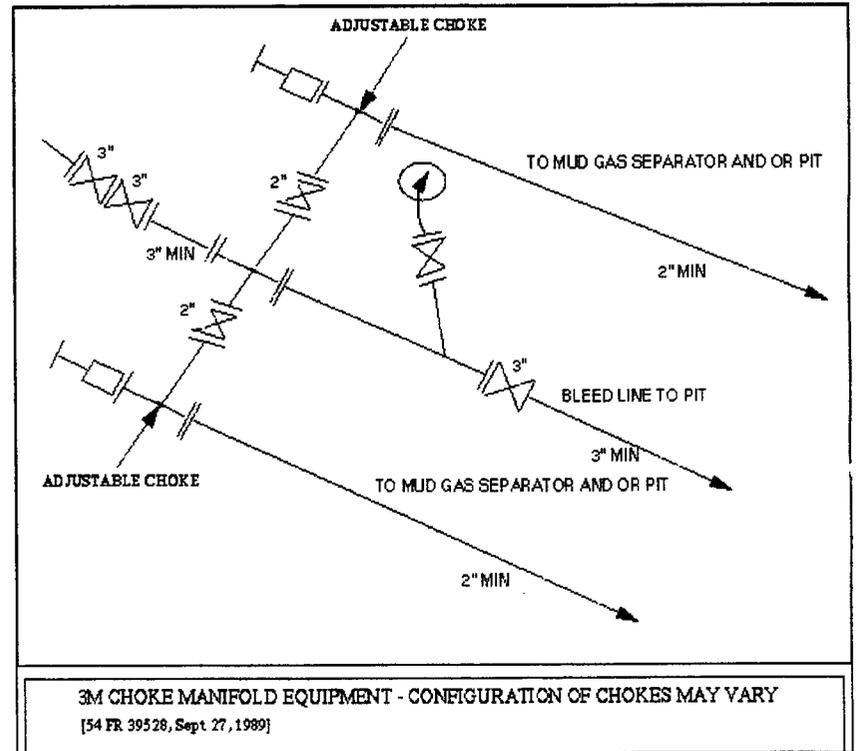
3" CHOKE LINE FROM  
OUTLET ON BOTTOM  
SIDE OF RAMS

3M DOUBLE RAM BOP



2" KILL LINE

## Exhibit I



3M CHOKES MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

[54 FR 39528, Sept 27, 1989]

EnCana Oil & Gas (USA) Inc.  
**Federal 14-34**  
**API #43-047-35260**  
706' FSL 493' FWL (SW/4 SW/4)  
Sec. 34 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 43-047-35260. EnCana did not conduct any construction nor drill the well and the permit expired. Access is authorized on federal lands with ROW UTU80356 to this location.

### **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 APPROXIMATELY 6.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 34.6 MILES.

- 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 0.3 miles of proposed access road will need to be constructed. There is to be an 18" culvert installed in the road. The road is to be flat bladed to prevent erosion. We understand that access is authorized on federal lands with ROW UTU80356, which also provides access to the Federal 44-28 location. This ROW utilizes the existing Class D access road in Sec. 3 T9S R23E to State Highway 45.

- 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 30' ROW 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 – a culvert is to be installed per the on-site inspection at a minimum of 18"
- 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 1,500' of 4" buried steel running northeasterly and will tie into the pipeline in the S2SW of Section 34, 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 34.6 miles of 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.

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. 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. Well pad will be raised 2 feet to lift the location out of flood zone.
  - H. The southeast corner of the wellpad will be rounded.
  - I. One (1) 18" x 30' culvert will be installed at the entrance to the wellpad (See Figure 1).
  - J. A diversion ditch will be constructed on the south side of the well pad (See Figure 1).
  - K. A siltation fence will be constructed along the west side of the wellpad.
  - L. A felt liner will be installed under the pit liner and production tanks and equipment.

**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 be 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 April 1 to August 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 30, 2006

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*Kathy L. Schneebeck*  
 Kathy L. Schneebeck  
 Permit Agent for EnCana Oil & Gas (USA) Inc.

TABLE 1  
 Federal 14-34  
 SW/4SW/4 Sec. 34 T8S R23E  
 Uintah County, Utah  
 Wells in a 1-Mile Radius

API Number	Operator	Well Name	Well Status	Field Name	Sec.	T		Rng	Rng	Qtr/Qtr	UTM E	UTM N	Lat	Long	Ft. NS	NS	Ft. EW	EW
						w	n											
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	NS	0	EW
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	NS	0	EW
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	NS	0	EW
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	NS	0	EW
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	NS	0	EW
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	NS	0	EW

EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

FEDERAL #14-34  
SECTION 34, T8S, R23E, S.L.B.&M.

706' FSL 493' FWL Install 18" CMP

Proposed Access Road

CONSTRUCT DIVERSION DITCH

Sta. 3+50

C-2.2' El. 83.9'

CONSTRUCT SILTATION FENCE

Approx. Toe of Fill Slope

Sta. 1+50

F-2.6' El. 79.1'

Sta. 0+00

F-1.4' El. 80.3'

F-2.1' El. 79.6'

F-1.7' El. 80.0'

C-11.7' (btm. pit) El. 81.4'

C-1.8' El. 79.9'

El. 89.2' C-19.5' (btm. pit)

C-1.6' El. 83.3' FLARE PIT

F-0.5' El. 81.2'

F-1.9' El. 79.8'

NOTE:  
Earthwork Calculations Require a Fill of 1.9' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.

Round Corners as Needed

Approx. Top of Cut Slope

NOTE:

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

NOTE:

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

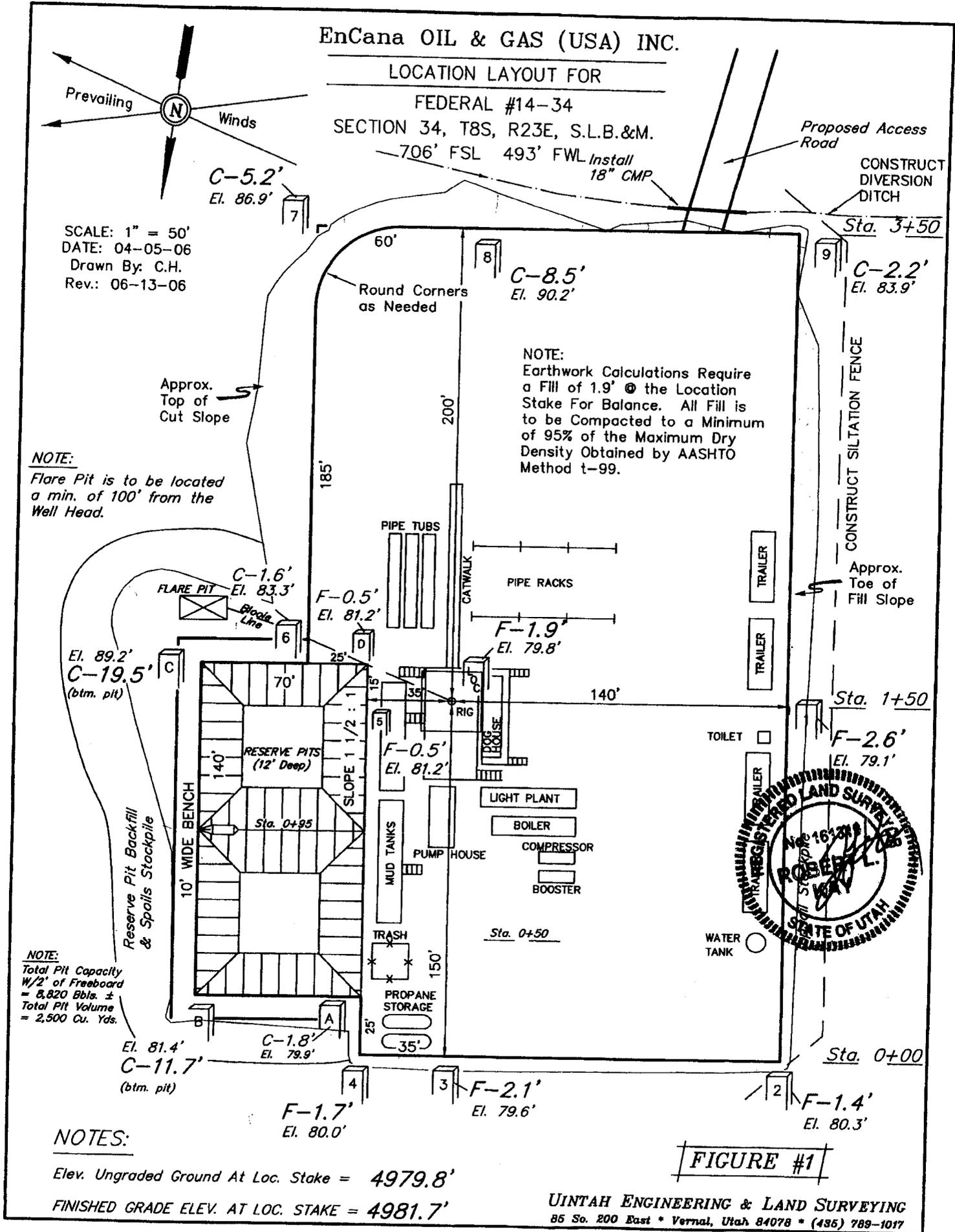
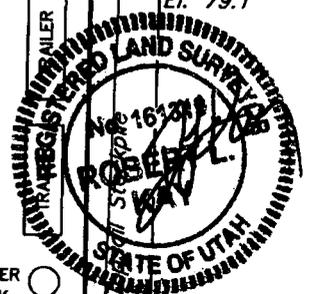
NOTES:

Elev. Ungraded Ground At Loc. Stake = 4979.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 4981.7'

FIGURE #1

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



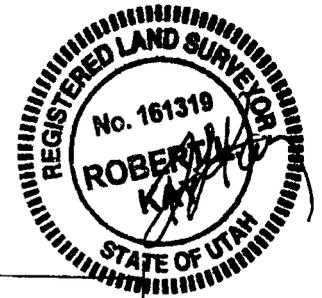
EnCana OIL & GAS (USA) INC.

TYPICAL CROSS SECTIONS FOR

FEDERAL #14-34

SECTION 34, T8S, R23E, S.L.B.&M.

706' FSL 493' FWL

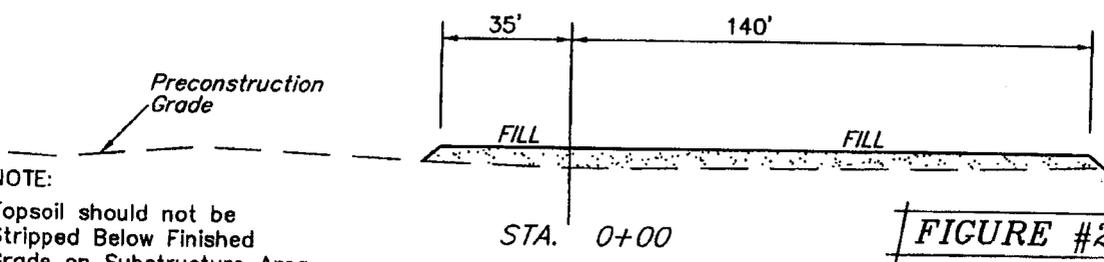
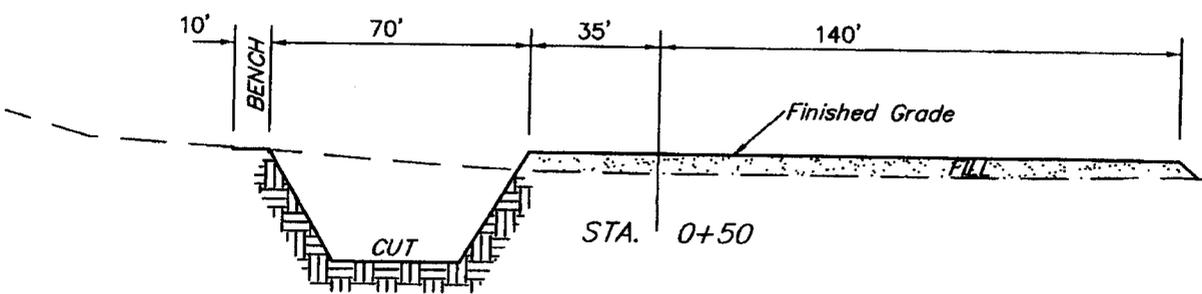
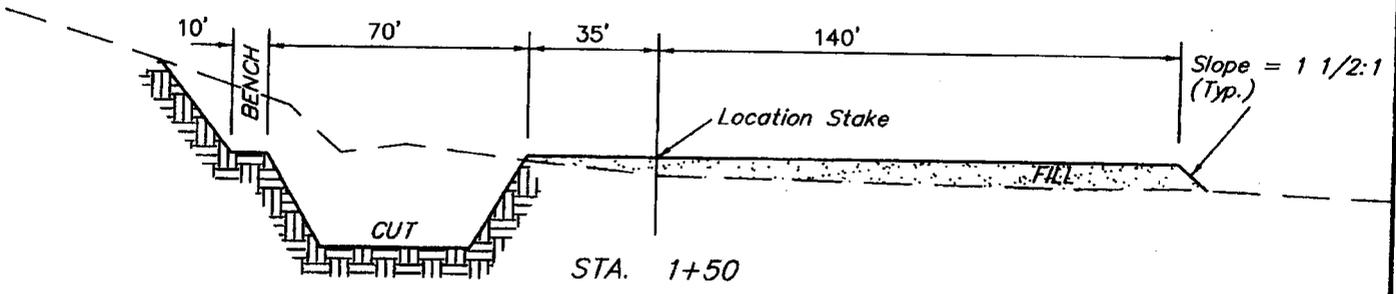
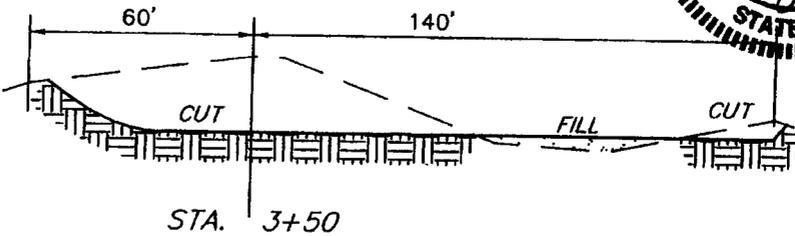


1" = 20'  
X-Section Scale  
1" = 50'

DATE: 04-05-06

Drawn By: C.H.

Rev.: 06-13-06



NOTE:

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

FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,720 Cu. Yds.
Remaining Location	= 6,290 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 8,010 CU.YDS.</b>
<b>FILL</b>	<b>= 4,660 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,350 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,970 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 380 Cu. Yds.

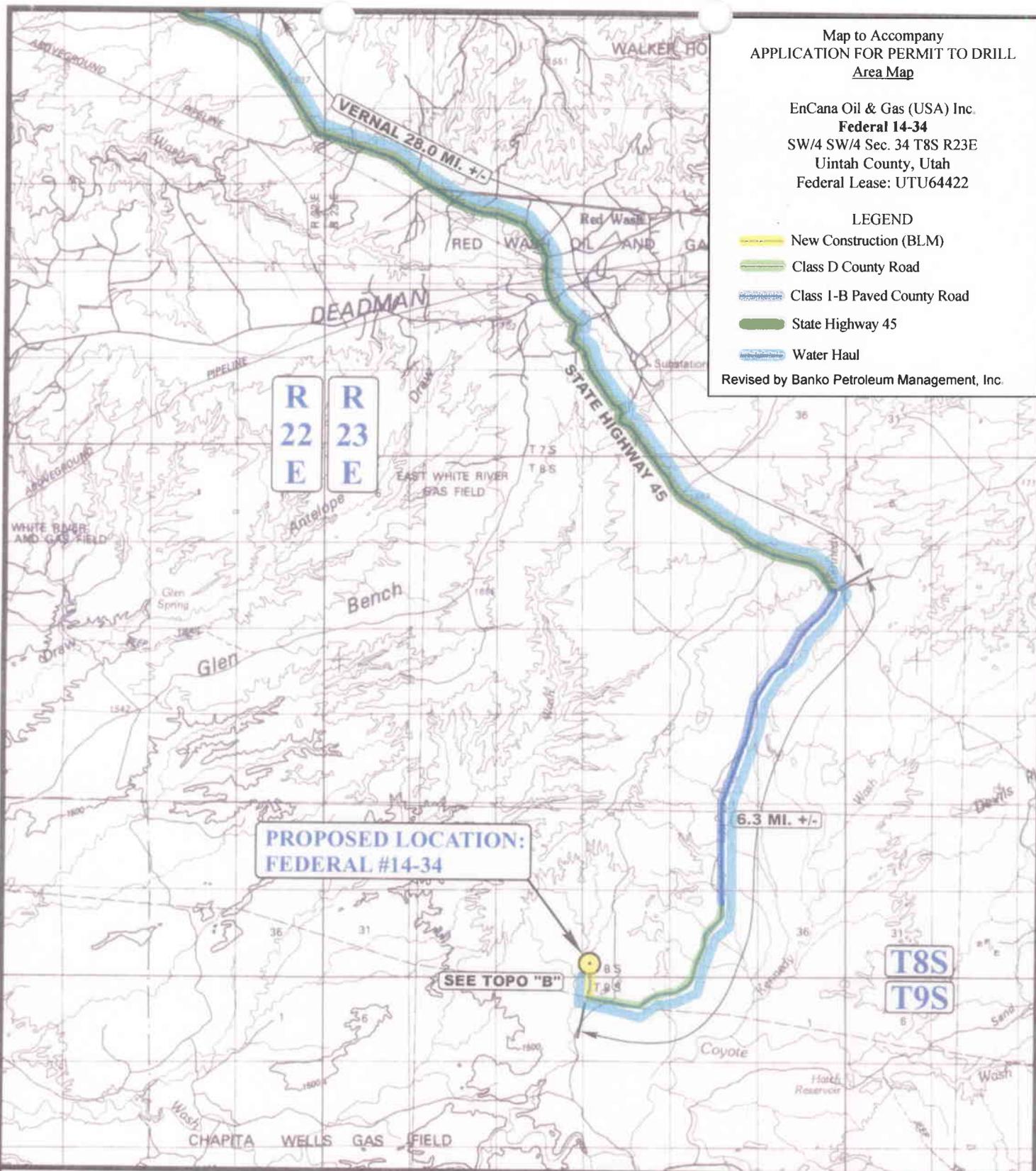
Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Area Map

EnCana Oil & Gas (USA) Inc.  
**Federal 14-34**  
SW/4 SW/4 Sec. 34 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

LEGEND

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

Revised by Banko Petroleum Management, Inc.



LEGEND:

-  EXISTING LOCATION



EnCana OIL & GAS (USA) INC.  
**FEDERAL #14-34**  
SECTION 34, T8S, R23E, S.L.B.&M.  
706' FSL 493' FWL



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

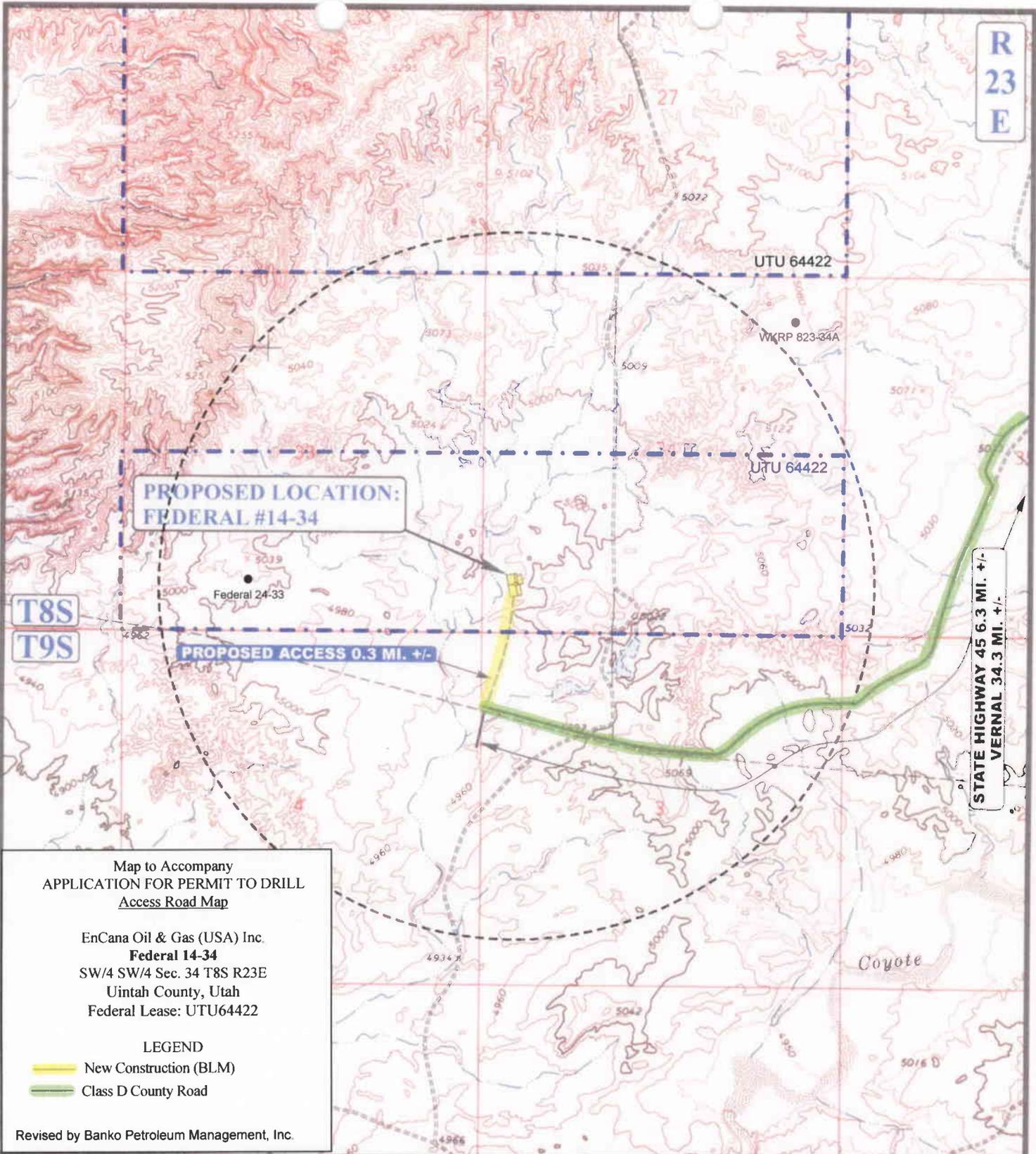
TOPOGRAPHIC  
MAP

04 05 06  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.H. REVISED: 00-00-00



R  
23  
E



T8S  
T9S

**PROPOSED LOCATION:  
FEDERAL #14-34**

**PROPOSED ACCESS 0.3 MI. +/-**

**STATE HIGHWAY 45 6.3 MI. +/-  
VERNAL 34.3 MI. +/-**

Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Access Road Map

EnCana Oil & Gas (USA) Inc.  
**Federal 14-34**  
SW/4 SW/4 Sec. 34 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



**EnCana OIL & GAS (USA) INC.**

**FEDERAL #14-34**  
**SECTION 34, T8S, R23E, S.L.B.&M.**  
**706' FSL 493' 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

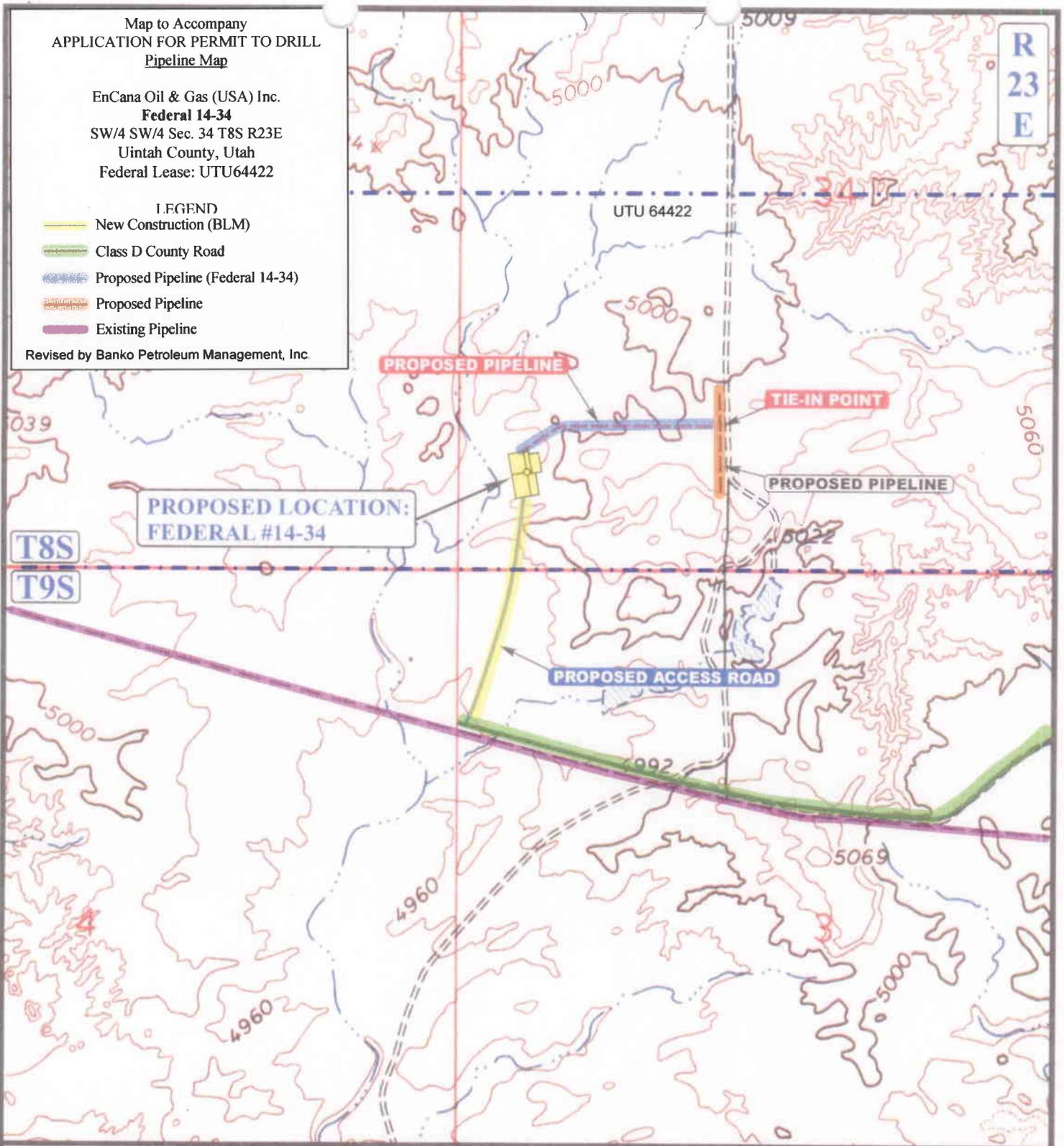


Map to Accompany  
APPLICATION FOR PERMIT TO DRILL  
Pipeline Map

EnCana Oil & Gas (USA) Inc.  
Federal 14-34  
SW/4 SW/4 Sec. 34 T8S R23E  
Uintah County, Utah  
Federal Lease: UTU64422

- LEGEND
-  New Construction (BLM)
  -  Class D County Road
  -  Proposed Pipeline (Federal 14-34)
  -  Proposed Pipeline
  -  Existing Pipeline

Revised by Banko Petroleum Management, Inc.



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,500' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

EnCana OIL & GAS (USA) INC.

FEDERAL #14-34  
SECTION 34, T8S, R23E, S.L.B.&M.  
706' FSL 493' 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" = 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: 43-047-38361
--------------------------------

WELL NAME: FEDERAL 14-34  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: KATHY SCHNEEBECK

PHONE NUMBER: 303-623-2300

PROPOSED LOCATION:  
 SWSW 34 080S 230E  
 SURFACE: 0706 FSL 0493 FWL  
 BOTTOM: 0706 FSL 0493 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.07394 LONGITUDE: -109.3202  
 UTM SURF EASTINGS: 643242 NORTHINGS: 4437105  
 FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU64422  
 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 Approval  
2. Spacing Slip  
 \_\_\_\_\_  
 \_\_\_\_\_

# 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: 34 T. 8S R. 23E

FIELD: UNDESIGNATED (002)

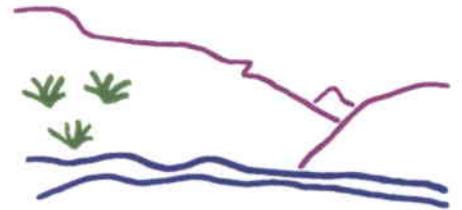
COUNTY: UINTAH

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 14-34 Well, 706' FSL, 493' FWL, SW SW, Sec. 34, 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 43-047-38361.

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 14-34

**API Number:** 43-047-38361

**Lease:** UTU-64422

**Location:** SW SW                      **Sec.** 34                      **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.

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **5/1/2006**

<b>FROM:</b> (Old Operator): N2175-Encana Oil & Gas (USA) Inc. 370 17th St, Suite 1700 Denver, CO 80202 Phone: 1 (303) 623-2300	<b>TO:</b> ( New Operator): N9550-EOG Resources, Inc 600 17th St, Suite 1000N Denver, CO 80202 Phone: 1 (303) 824-5526
---	--

WELL NAME	CA No.			Unit:		LEASE TYPE	WELL TYPE	WELL STATUS	
	SEC	TWN	RNG	API NO	ENTITY NO				
FEDERAL 14-34	34	080S	230E	4304738361		Federal	GW	APD	
FEDERAL 23-39	29	080S	230E	4304738328		Federal	GW	APD	C
FEDERAL 24-33	33	080S	230E	4304738360		Federal	GW	APD	
FEDERAL 41-29	29	080S	230E	4304738362		Federal	GW	NEW	
FEDERAL 44-29	29	080S	230E	4304738389		Federal	GW	NEW	

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 2/1/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/9/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/18/2006
- Is the new operator registered in the State of Utah: YES Business Number: 5053175-0143
- (R649-9-2)Waste Management Plan has been received on: \_\_\_\_\_
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 2/16/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/16/2007
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: NM-2308

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc. <i>N9550</i>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 706' FSL & 493' FWL, 40.07388 LAT, 109.32021 LON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 34 8S 23E		<b>8. WELL NAME and NUMBER:</b> Federal 14-34
PHONE NUMBER: (303) 824-5582		<b>9. API NUMBER:</b> 43-047-38361
		<b>10. FIELD AND POOL, OR WILDCAT:</b> Natural Buttes / Mesaverde
COUNTY: Uintah		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD Transfer</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. 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: *BLM NM2308*

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) <u>Amber Schafer</u>	TITLE <u>Operations Clerk</u>
SIGNATURE <u><i>Amber Schafer</i></u>	DATE <u>2/7/2007</u>

(This space for State use only)

**APPROVED** *3128107*

*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

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 14-34

9. API Well No.  
43-047-38361

10. Field and Pool, or Exploratory Area  
Ponderosa

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)  
SW/SW, Sec. 34-T8S-R23E  
706 FSL & 493 FWL, Lat 40.073935, LON 109.320180

**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

N 21 75  
(303) 623-2300

*D. J. Hill*

Date 1-26-07

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

Amber Schafer

Title Operations Clerk

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

**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 14-34
<b>API number:</b>	4304738361
<b>Location:</b>	Qtr-Qtr: SWSW Section: 34 Township: 8S Range: 23E
<b>Company that filed original application:</b>	EnCana Oil and Gas
<b>Date original permit was issued:</b>	09/29/2003
<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"/>
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.

**RECEIVED**  
**FEB 09 2007**  
DIV. OF OIL, GAS & MINING



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 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

43-047,38361

8S 23E 34

Re: Well No. ~~Federal 14-34~~ HOSS 74-34  
SWSW, Sec. 34, 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.

Our records show that Right-of-Way UTU-80356 for the off lease portion of the access road to Well No. Federal 14-34 has been assigned over to EOG Resources, Inc., effective 01/08/2007.

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 & MINING

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

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

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

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

1. Type of Well  Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SW/SW, Sec. 34-T8S-R23E  
706 FSL & 493 FWL, Lat 40.073935, LON 109.320180**

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 14-34**

9. API Well No. **43-047-38361**

10. Field and Pool, or Exploratory Area **Ponderosa**

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

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

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

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

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. 2308**

*[Signature]*

Date 1-26-07

RECEIVED

JUN 18 2007

DIV. OF OIL, GAS & MIN.

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

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

Signature *Amber Schafer* Date **1/29/07**

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

Approved by *[Signature]* Title **AFM Lamb + Minors** 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)

**UDOGM**

**RECEIVED**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUL 03 2006

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

5. Lease Serial No.  
UTU64422

6. If Indian, Allottee or Tribe Name  
---

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

8. Lease Name and Well No. *Hoss 74-34*  
~~Federal~~ 14-34

9. API Well No.  
~~40-077-05200~~ 43-047-30361

10. Field and Pool, or Exploratory  
Undesignated

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec. 34 T 8S R 23E  
Salt Lake PM

12. County or parish  
Uintah

13. State  
Utah

1a. Type of Work  DRILL  REENTER

1b. Type of Well  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator **EnCana Oil & Gas (USA) Inc.** E-mail: judith.walter@encana.com  
Contact: Judith A. Walter

3a. Address 370 17th Street, Suite 1700  
Denver CO 80202

3b. Phone No. (include area code) 303-623-2300

4. Location of Well (Report location clearly and in accordance with any State Requirements.)  
At surface 706' FSL 493' FWL SW 1/4 SW 1/4  
Lat: 40.073914 Long: 109.320906  
At proposed production zone --

14. Distance in miles and direction from nearest town or post office. \*  
Approximately 34.6 miles from Vernal, Utah

15. Distance from proposed location to nearest property or lease line, ft. (Also nearest Drig, unit line, if any) Unit= NA Lease= ±706'

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 - Federal 24-33 ± 4,800'

19. Proposed depth 8,067'

20. BLM/BIA Bond No. on file CO1461

21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,980.0' GR

22. Approximate date work will start \* August 4, 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 *Kathy L. Schneebeck* Name (Printed/Typed) Kathy L. Schneebeck 303-820-4480 Date June 30, 2006

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

Approved by (Signature) *Jerry Kenzler* Name (Printed/Typed) JERRY KENZLER 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.

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(continued on page 2)

**CONDITIONS OF APPROVAL ATTACHED**

**NOTICE OF APPROVAL**

06BM1625A

NDS 04/21/2006



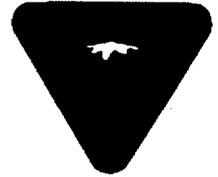


**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE**

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 14-34  
**API No:** 43-047-38361

**Location:** SWSW, Sec. 34, T8S, R23E  
**Lease No:** UTU-64422  
**Agreement:** N/A

<b>Title</b>	<b>Name</b>	<b>Office Phone Number</b>	<b>Cell Phone Number</b>
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 would 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.

- Pipeline would be buried unless there is an exception to buried pipelines
- According to the Wildlife Report for this location there is not a Burrowing Owl Stipulation as indicated in the APD.
- All the pipeline would be buried across washes and flood plains to a minimum of 4 feet. Where pipelines cross drainages, follow recommendations in the Utah BLM guidance document "Hydraulic considerations for Pipeline crossings of Streams Channels" (USDI-BLM 2004c).

## **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](mailto: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

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

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

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

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Federal 14-34**

9. API Well No.  
**43-047-38361**

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

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)  
**303-262-2812**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**706' FSL & 493' FWL (SWSW)  
Sec. 34-T8S-R23E 40.073914 LAT 109.320906 LON**

**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 well name</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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**EOG Resources, Inc. respectfully requests that the referenced well name be changed**

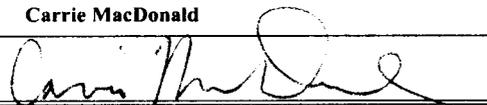
**From: Federal 14-34  
To: Hoss 74-34**

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

**Carrie MacDonald**

Title **Operations Clerk**

Signature



Date

**06/26/2007**

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

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

**RECEIVED**

**JUN 29 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:
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>Hoss 74-34</b>
3. ADDRESS OF OPERATOR: <b>1060 East Highway 40 VERNAL UT 84078</b>		9. API NUMBER: <b>43-047-38361</b>
		10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>706 FSL - 493 FWL 40.073935 Lat 109.320180 Lon</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 34 8S 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>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: 07-26-07  
By: *[Signature]*

NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u>	TITLE <u>Sr. Regulatory Assistant</u>
SIGNATURE <u><i>[Signature]</i></u>	DATE <u>7/16/2007</u>

(This space for State use only)

**RECEIVED**  
**JUL 26 2007**

7-27-07  
RM

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

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

**API:** 43-047-38368  
**Well Name:** Hoss 74-34  
**Location:** 706 FSL 493 FWL (SWSW), SECTION 34, 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

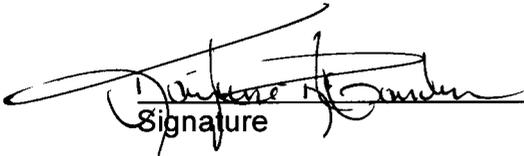
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

7/16/2007

Date

Title: Sr. Regulatory Assistant

Representing: EOG Resources, Inc

RECEIVED  
JUL 26 2007  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
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.**

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 74-34
2. Name of Operator EOG RESOURCES, INC. Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com		9. API Well No. 43-047-38361
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 34 T8S R23E SWSW 706FSL 493FWL 40.07391 N Lat, 109.32091 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
	<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 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.

10/25/07  
RM

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

**Electronic Submission #56721 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 10/10/2007

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

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

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

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
Office: *[Signature]*  
Date: 10/24/07

Federal Approval Of This  
Action Is Necessary

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**  
**OCT 16 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:

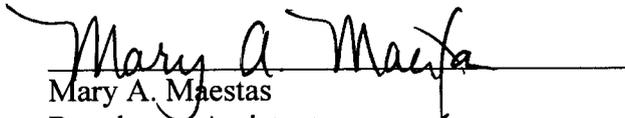
**HOSS 74-34  
706' FSL – 493' FWL (SWSW)  
SECTION 34, T8S, R23E  
UINTAH COUNTY, UTAH**

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 10<sup>th</sup> day of October, 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 10<sup>th</sup> day of October, 2007.

  
Notary Public

My Commission Expires:

June 25, 2011

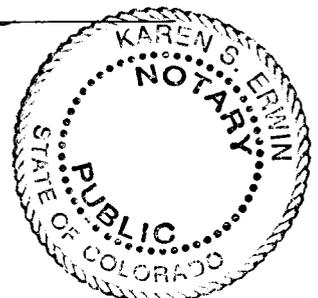
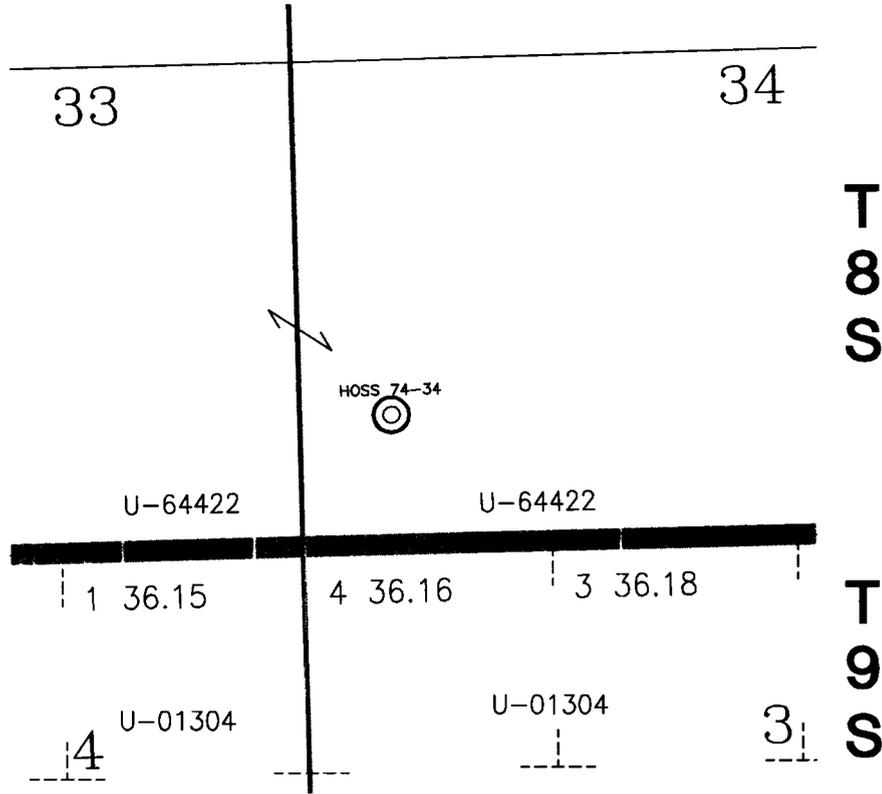


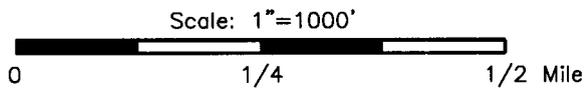
Exhibit "A" to Affidavit  
Hoss 74-34 Application to Commingle

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

R 23 E



○ HOSS 74-34



**Geog resources**

Denver Division

EXHIBIT "A"

HOSS 74-34

Commingling Application  
Uintah County, Utah

Scale: 1" = 1000'

D:\Utah\Commingled\  
Hoss74-34\_commingled.dwg  
Layout1

Author  
GT

Oct 10, 2007 -  
8:30am

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU 64422</b>
		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>Hoss 74-34</b>
2. NAME OF OPERATOR: <b>EOG Resources, Inc.</b>		9. API NUMBER: <b>43-047-38361</b>
3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY VERNAL STATE UT ZIP 84078		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL FOOTAGES AT SURFACE: 706 FSL - 493 FWL 40.073935 Lat 109.320180 Lon		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 34 8S 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"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>APD EXTENSION REQUEST</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-14-08  
By: [Signature]

**COPY SENT TO OPERATOR**

Date: 7-15-2008  
Initials: KS

NAME (PLEASE PRINT) <b>Kaylene R. Gardner</b>	TITLE <b>Lead Regulatory Assistant</b>
SIGNATURE <u>[Signature]</u>	DATE <b>7/9/2008</b>

(This space for State use only)

**RECEIVED**

**JUL 10 2008**

DIV. OF OIL, GAS & MINING

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

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

**API:** 43-047-~~5~~38361  
**Well Name:** Hoss 74-34  
**Location:** 706 FSL - 493 FWL (SWSW), SECTION 36, 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

7/9/2008  
\_\_\_\_\_  
Date

Title: Lead Regulatory Assistant

Representing: EOG Resources, Inc

**RECEIVED**  
**JUL 10 2008**  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

3a. Address  
**1060 E. HWY 40 Vernal, UT 84078**

3b. Phone No. (include area code)  
**435-789-0790**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Multiple (See Attached)**  
**43 0A7 38 36a1**  
**H055 74-3A**  
**8S 23E 3A**

5. Lease Serial No.  
**Multiple (See Attached)**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Multiple (See Attached)**

9. API Well No.  
**Multiple (See Attached)**

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

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

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Air Drilling Variance Request</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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate 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. respectfully requests authorization for air drilling operations, see attached.**

**COPY SENT TO OPERATOR**

Date: 10.14.2008

Initials: KS

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

**Mickenzie Thacker**

Title **Operations Clerk**

Signature

*Mickenzie Thacker*

Date

**09/17/2008**

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

Approved by

*[Signature]*

Title

**Ret. Eng.**

Date

**10/7/08**

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

**DOG M**

**Federal Approval Of This Action Is Necessary**

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)

**SEP 22 2008**

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

API #	Lease #	Well Name	Footages	¼-¼ Legal Description
43-047-38715	UTU-56965	HOSS 22-32	1671' FSL 1998' FEL	NWSE Sec. 32 T8S R23E
43-047-38698	UTU-76042	HOSS 44-29	631' FSL 2357' FEL	SWSE Sec. 29 T8S R23E
43-047-38900	UTU-76042	HOSS 52-29	815' FNL 812' FWL	NWNW Sec. 29 T8S R23E
43-047-38899	UTU-76042	HOSS 53-29	267' FNL 2011' FWL	NENW Sec. 29 T8S R23E
43-047-50048	UTU-76042	HOSS 54-29	2608' FNL 2172' FEL	SWNE Sec. 29 T8S R23E
43-047-50009	UTU-76042	HOSS 57-29	1123' FNL 1004' FEL	NENE Sec. 29 T8S R23E
43-047-39706	UTU-64422	HOSS 73-33	1956' FSL 2056' FWL	NESW Sec. 33 T8S R23E
43-047-38361	UTU-64422	HOSS 74-34	706' FSL 493' FWL	SWSW Sec. 34 T8S R23E
43-047-39329	UTU-64422	HOSS 78-27	586' FSL 2044' FEL	SWSE Sec. 27 T8S R23E
43-047-39328	UTU-64422	HOSS 79-27	764' FSL 737' FEL	SESE Sec. 27 T8S R23E
43-047-39692	UTU-76042	HOSS 80-26	1980' FSL 586' FWL	NWSW Sec. 26 T8S R23E
43-047-39327	UTU-76042	HOSS 81-26	494' FSL 505' FWL	SWSW Sec. 26 T8S R23E
43-047-39326	UTU-76042	HOSS 82-26	839' FSL 1808' FWL	SESW Sec. 26 T8S R23E
43-047-39325	UTU-76042	HOSS 83-35	752' FNL 593' FWL	NWNW Sec. 35 T8S R23E
43-047-39324	UTU-76042	HOSS 84-35	722' FNL 1968' FWL	NENW Sec. 35 T8S R23E
43-047-39323	UTU-76042	HOSS 85-35	2156' FNL 683' FWL	SWNW Sec. 35 T8S R23E

### **Air Drilling Operations:**

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

### **VARIANCE REQUESTS:**

#### **Reference: Onshore Oil and Gas Order No. 1**

#### **Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations**

1. EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
2. EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
3. EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
4. EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
5. EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422
	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> HOSS 74-34
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047383610000
<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/14/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER:

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

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: July 15, 2009

By: 

<b>NAME (PLEASE PRINT)</b> Mickenzie Thacker	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/14/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047383610000

API: 43047383610000

Well Name: HOSS 74-34

Location: 0706 FSL 0493 FWL QTR SWSW SEC 34 TWP 080S RNG 230E MER S

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 rightof- 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

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mickenzie Thacker

Date: 7/14/2009

Title: Operations Clerk Representing: EOG RESOURCES, INC.

Date: July 15, 2009

By: [Signature]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 03 2009

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.*

BLM

5. Lease Serial No.  
UTU-64422

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Hoss 74-34

9. API Well No.  
43-047-38361

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

11. County or Parish, State  
Uintah County, Utah

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

1. Type of Well  
 Oil Well   Gas Well  Other

2. Name of Operator  
EOG Resources, Inc.

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

3b. Phone No. (include area code)  
4357819111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
706' FSL & 493' FWL (SWSW)  
Sec. 34-T8S-R23E 40.073914 LAT 109.320906 LON

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>APD Extension</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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. respectfully requests the APD for the referenced well is extended for a period of two-years.

CONDITIONS OF APPROVAL ATTACHED

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

Kaylene R. Gardner

Title Regulatory Administrator

Signature

Date

06/03/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer Date JUL 22 2009

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

Office

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

(Instructions on page 2)

RECEIVED

AUG 27 2009

DIV. OF OIL, GAS & MINING

UDOGM

# CONDITIONS OF APPROVAL

## EOG Resources, Inc.

### Notice of Intent APD Extension

**Lease:** UTU-64422  
**Well:** Hoss 74-34  
**Location:** SWSW Sec 34-T8S-R23E

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

---

1. The extension and APD shall expire on 3/1/2011.
2. Since the APD was approved under a Categorical Exclusion and the referenced NEPA will expire 3/1/2011, if the well has not been spud by that date this APD will expire and the operator is to cease all operations related to the preparing to drill the well.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430.

<p><b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p align="right"><b>FORM 9</b></p>
<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>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.</p>	<p><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422</p> <p><b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b></p> <p><b>7. UNIT or CA AGREEMENT NAME:</b></p>
<p><b>1. TYPE OF WELL</b> Gas Well</p>	<p><b>8. WELL NAME and NUMBER:</b> HOSS 74-34</p>
<p><b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.</p>	<p><b>9. API NUMBER:</b> 43047383610000</p>
<p><b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078</p>	<p><b>PHONE NUMBER:</b> 435 781-9111 Ext</p>
<p><b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S</p>	<p><b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES</p> <p><b>COUNTY:</b> UINTAH</p> <p><b>STATE:</b> UTAH</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<p><input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/30/2010</p> <p><input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:</p> <p><input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:</p> <p><input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:</p>	<p><input type="checkbox"/> ACIDIZE</p> <p><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</p> <p><input type="checkbox"/> CHANGE WELL STATUS</p> <p><input type="checkbox"/> DEEPEN</p> <p><input type="checkbox"/> OPERATOR CHANGE</p> <p><input type="checkbox"/> PRODUCTION START OR RESUME</p> <p><input type="checkbox"/> REPERFORATE CURRENT FORMATION</p> <p><input type="checkbox"/> TUBING REPAIR</p> <p><input type="checkbox"/> WATER SHUTOFF</p> <p><input type="checkbox"/> WILDCAT WELL DETERMINATION</p>	<p><input type="checkbox"/> ALTER CASING</p> <p><input type="checkbox"/> CHANGE TUBING</p> <p><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</p> <p><input type="checkbox"/> FRACTURE TREAT</p> <p><input type="checkbox"/> PLUG AND ABANDON</p> <p><input type="checkbox"/> RECLAMATION OF WELL SITE</p> <p><input type="checkbox"/> SIDETRACK TO REPAIR WELL</p> <p><input type="checkbox"/> VENT OR FLARE</p> <p><input type="checkbox"/> SI TA STATUS EXTENSION</p> <p><input checked="" type="checkbox"/> OTHER</p>	<p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> CHANGE WELL NAME</p> <p><input type="checkbox"/> CONVERT WELL TYPE</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> PLUG BACK</p> <p><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</p> <p><input type="checkbox"/> TEMPORARY ABANDON</p> <p><input type="checkbox"/> WATER DISPOSAL</p> <p><input type="checkbox"/> APD EXTENSION</p> <p>OTHER:   TD Change</p>

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

EOG Resources, Inc. respectfully requests authorization to change the proposed TD, From: 8067 To: 9375 Attached please find a revised drilling program.

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

**Date:** June 30, 2010

**By:** 

<b>NAME (PLEASE PRINT)</b> Nanette Lupcho	<b>PHONE NUMBER</b> 435 781-9157	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/30/2010	

# DRILLING PLAN

## HOSS 74-34

SW/SW, SEC. 34, T8S, R23E, S.L.B.&M..  
UINTAH COUNTY, UTAH

REVISED 6-30-2010

### 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	1,874		Shale	
Birdsnest	2,034		Dolomite	
Mahogany Oil Shale Bed	2,685		Shale	
Wasatch	4,928	Primary	Sandstone	Gas
Chapita Wells	5,518	Primary	Sandstone	Gas
Buck Canyon	6,180	Primary	Sandstone	Gas
North Horn	6,786	Primary	Sandstone	Gas
KMV Price River	7,217	Primary	Sandstone	Gas
KMV Price River Middle	7,920	Primary	Sandstone	Gas
KMV Price River Lower	8,723	Primary	Sandstone	Gas
Sego	9,171		Sandstone	
<b>TD</b>	<b>9,375</b>			

**Estimated TD: 9,375' or 200'± below TD**

**Anticipated BHP: 5,119 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 1,400 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>
Conductor	20"	0 – 60'	14"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2500' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

**Note:** 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2500' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

## **DRILLING PLAN**

### **HOSS 74-34**

**SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH**

#### **5. Float Equipment:**

##### **Surface Hole Procedure (0' - 2500'±)**

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 (2500'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 3rd joint to 400' above the top of primary objective. 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 - 2500'±):**

Air/air mist or aerated water.

##### **Production Hole Procedure (2500'± - TD):**

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

**2500'± - 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.

**DRILLING PLAN**

**HOSS 74-34**

**SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH**

**7. VARIANCE REQUESTS:**

**Reference: Onshore Oil and Gas Order No. 1  
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations**

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

**8. EVALUATION PROGRAM:**

**Logs:**

**Cased-hole Logs:**

Mud log from base of surface casing to TD.

Cased-hole logs will be run in lieu of open-hole logs consisting of the following:

**Cement Bond / Casing Collar Locator and Pulsed Neutron**

## DRILLING PLAN

### HOSS 74-34

SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH

#### 9. CEMENT PROGRAM:

##### Surface Hole Procedure (Surface - 2500'±):

- Lead:**           **429 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:**            **347 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.  
The above volumes are based on gauge hole with no excess.

##### Production Hole Procedure (2500'± - TD)

- Lead:**           **123 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:**            **862 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.

## **DRILLING PLAN**

### **HOSS 74-34**

**SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH**

#### **10. ABNORMAL CONDITIONS:**

##### **Surface Hole (Surface - 2500'±):**

Lost circulation

##### **Production Hole (2500'± - 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.

#### **13. Air Drilling Operations:**

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

**(Attachment: BOP Schematic Diagram)**

<p><b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p><b>FORM 9</b></p>
<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>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.</p>	<p><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422</p>
<p><b>1. TYPE OF WELL</b> Gas Well</p>	<p><b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b></p>
<p><b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.</p>	<p><b>7. UNIT or CA AGREEMENT NAME:</b></p>
<p><b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078</p>	<p><b>8. WELL NAME and NUMBER:</b> HOSS 74-34</p>
<p><b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S</p>	<p><b>9. API NUMBER:</b> 43047383610000</p>
<p><b>PHONE NUMBER:</b> 435 781-9111 Ext</p>	<p><b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES</p>
	<p><b>COUNTY:</b> UINTAH</p>
	<p><b>STATE:</b> UTAH</p>

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

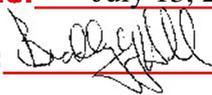
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/2/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER:

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

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: July 13, 2010

By: 

<p><b>NAME (PLEASE PRINT)</b> Mickenzie Gates</p>	<p><b>PHONE NUMBER</b> 435 781-9145</p>	<p><b>TITLE</b> Operations Clerk</p>
<p><b>SIGNATURE</b> N/A</p>	<p><b>DATE</b> 7/2/2010</p>	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047383610000

API: 43047383610000

Well Name: HOSS 74-34

Location: 0706 FSL 0493 FWL QTR SWSW SEC 34 TWP 080S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 7/12/2006

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

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mickenzie Gates Date: 7/2/2010 Title: Operations Clerk Representing: EOG RESOURCES, INC.

Date: July 13, 2010 By: [Signature]

# DIVISION OF OIL, GAS AND MINING

## SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: HOSS 74-34

Api No: 43-047-38361 Lease Type FEDERAL

Section 34 Township 08S Range 23E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # BUCKET

### SPUDDED:

Date 08/04/2010

Time 11:00 AM

How DRY

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

Reported by KENT DAVENPORT

Telephone # (435) 828-8200

Date 08/04/2010 Signed CHD

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422
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<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> HOSS 74-34
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<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047383610000
--	---

<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
--	--	--

<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
---	---

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/30/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 EOG Resources, Inc. respectfully requests authorization to change the Drilling Plan as per the attached. Float Equipment: Item 5 Logs: Item 8 Please see the attached revised Drilling Plan reflecting the purposed changes.

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

Date: August 12, 2010  
 By: *Dan K. [Signature]*

<b>NAME (PLEASE PRINT)</b> Nanette Lupcho	<b>PHONE NUMBER</b> 435 781-9157	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/30/2010	

# DRILLING PLAN

## HOSS 74-34

SW/SW, SEC. 34, T8S, R23E, S.L.B.&M..  
UINTAH COUNTY, UTAH

REVISED 7-30-2010

### 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	1,874		Shale	
Birdsnest	2,034		Dolomite	
Mahogany Oil Shale Bed	2,685		Shale	
Wasatch	4,928	Primary	Sandstone	Gas
Chapita Wells	5,518	Primary	Sandstone	Gas
Buck Canyon	6,180	Primary	Sandstone	Gas
North Horn	6,786	Primary	Sandstone	Gas
KMV Price River	7,217	Primary	Sandstone	Gas
KMV Price River Middle	7,920	Primary	Sandstone	Gas
KMV Price River Lower	8,723	Primary	Sandstone	Gas
Sego	9,171		Sandstone	
<b>TD</b>	<b>9,375</b>			

**Estimated TD: 9,375' or 200'± below TD**

**Anticipated BHP: 5,119 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 1,400 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>
Conductor	20"	0 – 60'	14"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2500' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

**Note:** 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2500' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

## **DRILLING PLAN**

### **HOSS 74-34**

**SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH**

#### **5. Float Equipment:**

##### **Surface Hole Procedure (0' - 2500'±)**

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 (2500'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 3rd joint to 400' above the top of primary objective. 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 - 2500'±):**

Air/air mist or aerated water.

##### **Production Hole Procedure (2500'± - TD):**

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

**2500'± - 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.

## DRILLING PLAN

### HOSS 74-34

SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH

#### **7. VARIANCE REQUESTS:**

**Reference:** Onshore Oil and Gas Order No. 1  
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

#### **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:  
**CBL/CCL/VDL/GR**

## DRILLING PLAN

### HOSS 74-34

SW/SW, SEC. 34, T8S, R23E, S.L.B.&M.,  
UINTAH COUNTY, UTAH

#### 9. CEMENT PROGRAM:

##### Surface Hole Procedure (Surface - 2500'±):

- Lead: 429 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: 347 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.  
The above volumes are based on gauge hole with no excess.

##### Production Hole Procedure (2500'± - TD)

- Lead: 123 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: 862 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9 gps water.
- Note:** The above number of sacks is based on gauge-hole calculation.  
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.  
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

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

## **DRILLING PLAN**

### **HOSS 74-34**

### **SW/SW, SEC. 34, T8S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH**

#### **10. ABNORMAL CONDITIONS:**

##### **Surface Hole (Surface - 2500'±):**

Lost circulation

##### **Production Hole (2500'± - 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.

#### **13. Air Drilling Operations:**

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

**(Attachment: BOP Schematic Diagram)**

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG Resources, Inc. Operator Account Number: N 9550  
 Address: 1060 East Highway 40  
city Vernal  
state UT zip 84078 Phone Number: (307) 276-4842

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38361	HOSS 74-34		SWSW	34	8S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17726	8/4/2010		8/19/10		
Comments: Wasatch/Mesaverde MURD = WS MVD							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: <b>RECEIVED</b> <b>AUG 09 2010</b>							

**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)

DIV. OF OIL, GAS & MINING

Michelle Robles

Name (Please Print)

*Michelle Robles*

Signature

Regulatory Assistant

8/5/2010

Title

Date

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422
---	---

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

<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> HOSS 74-34
------------------------------------	---

<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047383610000
--	---

<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> Uintah  <b>STATE:</b> UTAH
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> <b>DRILLING REPORT</b> Report Date: 9/2/2010	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Waiting on completion operations, please see the attached well chronology report for the referenced well showing activity up to 9/2/2010.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 September 02, 2010

<b>NAME (PLEASE PRINT)</b> Mickenzie Gates	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/2/2010	

# WELL CHRONOLOGY REPORT

Report Generated On: 09-02-2010

<b>Well Name</b>	HOSS 074-34	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	PONDEROSA	<b>API #</b>	43-047-38361	<b>Well Class</b>	DRIL
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	08-23-2010	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,470/ 9,470	<b>Property #</b>	060289
<b>Water Depth</b>	0	<b>Last CSG</b>	4.5	<b>Shoe TVD / MD</b>	9,464/ 9,464
<b>KB / GL Elev</b>	4,995/ 4,982				
<b>Location</b>	Section 34, T8S, R23E, SWSW, 706 FSL & 493 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>	77.0

<b>AFE No</b>	304403	<b>AFE Total</b>	1,568,000	<b>DHC / CWC</b>	625,800/ 942,200
<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
			706' FSL & 493' FWL (SW/SW)
			SECTION 34, T8S, R23E
			UINTAH COUNTY, UTAH
			LAT 40.073914, LONG 109.320906 (NAD 83)
			TRUE #31
			OBJECTIVE: 9375' TD, MESAVERDE Updated 6/30/10
			DW/GAS
			PONDEROSA PROSPECT
			DD&A: CHAPITA DEEP WELLS
			PONDEROSA FIELD
			LEASE: UTU-64422
			ELEVATION: 4979.8' NAT GL, 4981.7' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4982'), 4998' KB (16')
			EOG WI 100%, NRI 77%

<b>08-02-2010</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$75,000

**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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	BEGAN CONSTRUCTION OF LOCATION, 8/2/10.

**08-03-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 10% COMPLETE.

**08-04-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 90% COMPLETE.

**08-05-2010** **Reported By** TERRY CSERE/KENT DEVENPORT

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION/SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STARTING CLOSED LOOP. CRAIG'S ROUSTABOUT SPUD A 20" HOLE ON 8/4/10 @ 11:00 AM, SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. CAROL DANIELS W/UDOGM WAS NOTIFIED BY PHONE MESSAGE AND BLM WAS NOTIFIED BY EMAIL OF SPUD ON 08/3/10 @ 10:56 AM.

**08-06-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION

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

**08-12-2010** **Reported By** KYLAN COOK

**Daily Costs: Drilling**      \$209,340                      **Completion**      \$0                      **Daily Total**      \$209,340  
**Cum Costs: Drilling**      \$284,340                      **Completion**      \$0                      **Well Total**      \$284,340  
**MD**      2,656      **TVD**      2,656      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #2 ON 8/6/2010. DRILLED 12-1/4" HOLE TO 2640' GL (2656' KB). ENCOUNTERED NO WATER. DRILLED WITH AIR AND FOAM TO 1920' THEN PUMP DRILLED TO TD WITH NO LOSSES. RAN 61 JTS (2624.60') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2640.60' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIG'S AIR RIG #2.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 3825 PSIG. PUMPED 190 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. LEAD: MIXED AND PUMPED 250 SACKS (183 BBLs) OF PREMIUM LEAD CEMENT WITH 0.3% VARSET, 2% CAL-SEAL, AND 2% ECONOLITE. MIXED LEAD CEMENT @ 10.5 PPG WITH YIELD OF 4.1 CF/SX. TAIL: MIXED AND PUMPED 300 SACKS (63 BBLs) OF PREMIUM CEMENT WITH 2% CACL2 MIXED TAIL CEMENT @ 15.6 PPG WITH YIELD OF 1.18 CF/SX. DISPLACED CEMENT WITH 199.4 BBLs FRESH WATER. BUMPED PLUG WITH 1220# @ 01:36 AM ON 8/10/10. FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 182 BBLs INTO FRESH WATER FLUSH. CIRCULATED UNTIL PLUG LANDED. NO CEMENT TO SURFACE. WOC 4 HR.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 133 SX (27 BBLs) OF PREMIUM CEMENT WITH 2% CACL2. MIXED CEMENT @ 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED AND STOOD FULL.

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

CRAIG'S RIG #2 TOOK SURVEYS WHILE DRILLING HOLE @ 1500' = 1.50 DEGREE, 2010' = 0.50 DEGREE, AND 2640' = 2.00 DEGREE.

KYLAN COOK NOTIFIED BLM VIA EMAIL OF THE SURFACE CASING & CEMENT JOB ON 8/7/10 @ 17:00 PM. KYLAN COOK NOTIFIED CAROL DANIELS WITH UDOGM OF THE SURFACE CASING & CEMENT JOB VIA PHONE ON 8/7/10 @ 17:00 PM.

**08-23-2010      Reported By      PAT CLARK**

**Daily Costs: Drilling**      \$98,975                      **Completion**      \$0                      **Daily Total**      \$98,975  
**Cum Costs: Drilling**      \$383,315                      **Completion**      \$0                      **Well Total**      \$383,315  
**MD**      2,656      **TVD**      2,656      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** PU BHA

Start	End	Hrs	Activity Description
06:00	02:00	20.0	HSM W/WESTROC TRUCKING, MT WEST, RIG HANDS TO MOVE RIG 6.5 MILES FROM HOSS 57-29. MIRURT. TRUCKS RELEASED @ 16:30, DERRICK RAISED @ 17:00.
02:00	05:00	3.0	RIG ON DAYWORK @ 02:00, 8-23-2010.
			HSM. VISUALLY INSPECT ANNULAR. NIPPLE UP & TEST BOPE. TEST HIGH 5000 PSI, UPPER AND LOWER KELLY VALVE, SAFETY AND DART VALVE, PIPE AND BLIND RAMS, HCR, KILL LINE AND VALVE, CHOKE LINE, CHOKE VALVE, MANIFOLD. TEST HIGH 1500 PSI HIGH ANNULAR PREVENTER. TEST CASING TO 1500 PSI FOR 30 MINUTES.
			BLM NOTIFIED OF BOP TEST BY E-MAIL ON 8-21-2010 @ 22:30, NO REPRESENTATIVE PRESENT.
05:00	06:00	1.0	HSM. R/U FRANK'S AND PU BHA.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – RIG MOVE, TEST BOP, P/U BHA.  
 FUEL – 3230, USED – 470.  
 TRANSFER 4 JTS 4 1/2", 11.6#, N-80, LT&C CSG (169.36') FROM HOSS 57-29.  
 TRANSFER 2 MJ (22.08') FROM HOSS 57-29.  
 TRANSFER 3700 GALS FUEL FROM HOSS 57-29.

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<b>08-24-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$48,658	<b>Completion</b>	\$0	<b>Daily Total</b>	\$48,658						
<b>Cum Costs: Drilling</b>	\$431,974	<b>Completion</b>	\$0	<b>Well Total</b>	\$431,974						
<b>MD</b>	4,875	<b>TVD</b>	4,875	<b>Progress</b>	2,235	<b>Days</b>	1	<b>MW</b>	9.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 4875'											

Start	End	Hrs	Activity Description
06:00	08:00	2.0	PU BHA. TAG CEMENT @ 2505'. R/D FRANK'S.
08:00	11:30	3.5	DRILL CEMENT AND FLOAT EQUIPMENT F/2505' – 2640'. GS @ 2640', FC @ 2596'. DRILL 10' TO 2650'. PERFORM FIT TO 262 PSI FOR 11.2 PPG EMW.
11:30	18:30	7.0	DRILL 2650' – 3649'. WOB 12-15K, RPM 59/73, SPP 1750 PSI, DP 350 PSI, ROP 143 FPH.
18:30	19:00	0.5	SURVEY @ 3574' – 1.51 DEG.
19:00	00:00	5.0	DRILL 3649' – 4686'. SAME PARAMETERS, ROP 148 FPH.
00:00	00:30	0.5	SURVEY @ 4611' – 2.34 DEG.–
00:30	06:00	5.5	DRILL 4686' – 4875'. WOB 5-20K, RPM 45-65/73, SPP 1800 PSI, DP 175 PSI, ROP 34 FPH.

FULL CREWS, NO ACCIDENTS, BOP DRILL DAYLIGHTS.  
 SAFETY MEETINGS – FAST HOLING, HAND PLACEMENT.  
 FUEL – 6700, DEL – 4500, USED – 1300.  
 MW – 9.6 PPG, VIS – 35 SPQ.

06:00 SPUD 7 7/8" HOLE @ 11:30 HRS, 8/23/10.

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<b>08-25-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$25,796	<b>Completion</b>	\$0	<b>Daily Total</b>	\$25,796						
<b>Cum Costs: Drilling</b>	\$457,771	<b>Completion</b>	\$0	<b>Well Total</b>	\$457,771						
<b>MD</b>	5,564	<b>TVD</b>	5,564	<b>Progress</b>	689	<b>Days</b>	2	<b>MW</b>	9.7	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 5564'											

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL 4875' – 4938'. WOB 5-20K, RPM 45-65/73, SPP 1850 PSI, DP 200 PSI, ROP 25 FPH. PUMP HIGH VIS SWEEP.
08:30	09:30	1.0	CIRCULATE FOR TRIP.
09:30	11:00	1.5	HSM. PUMP PILL. TOH. RECOVER SURVEY – 1.07 DEG.
11:00	13:00	2.0	X/O BIT, TIH. FILL PIPE @ 3100'.
13:00	13:30	0.5	SERVICE RIG. SET COM.
13:30	06:00	16.5	DRILL 4938' – 5564'. WOB 5-12K, RPM 45-65/73, SPP 1800 PSI, DP 150 PSI, ROP 38 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – TRIPPING, TONGS, FORKLIFT.  
 FUEL – 5320, USED – 1380.  
 MW – 9.9 PPG, VIS – 36 SPQ.

**08-26-2010**      **Reported By**      PAT CLARK/KERRY SALES

**Daily Costs: Drilling**      \$27,598      **Completion**      \$543      **Daily Total**      \$28,141

**Cum Costs: Drilling**      \$485,369      **Completion**      \$543      **Well Total**      \$485,912

**MD**      6,650      **TVD**      6,650      **Progress**      1,086      **Days**      3      **MW**      9.9      **Visc**      36.0

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

**Activity at Report Time:** DRILLING @ 6650'

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL FROM 5564' TO 5846'. 282'. ROP 43.4'. WOB 10/16, ROTARY 55, MOTOR 73, DIFF PSI 117/185, SPP 1880.
12:30	13:00	0.5	SERVICE RIG.
13:00	06:00	17.0	DRILL FROM 5846' TO 6650'. 804'. ROP 47.3. WOB 12/16, ROTARY 55, MOTOR 73, DIFF PSI 200/230, SPP 2030. SAFETY MEETINGS: KEEPING HIGH MORAL & PINCH POINTS. FUEL USED 1620 GAL.

NO INCIDENTS OR ACCIDENTS  
 CHECK CROWN-O-MATIC FOR DRILLING  
 MUD WEIGHT 10.3 x VIS 38

**08-27-2010**      **Reported By**      KERRY SALES

**Daily Costs: Drilling**      \$31,609      **Completion**      \$5,579      **Daily Total**      \$37,189

**Cum Costs: Drilling**      \$516,641      **Completion**      \$6,122      **Well Total**      \$522,764

**MD**      7,493      **TVD**      7,493      **Progress**      843      **Days**      4      **MW**      10.3      **Visc**      38.0

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

**Activity at Report Time:** DRILLING @ 7493'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL FROM 6650' TO 6953'. 303'. ROP 40.4'. WOB 10/18 ROTARY 40/55, MOTOR 73, SPP 2190, DIFF PSI 125/210.
13:30	14:00	0.5	SERVICE RIG AND FUNCTION TEST COM.
14:00	06:00	16.0	DRILL FROM 6953' TO 7493'. 540'. ROP 33.75'. WOB 12/20, ROTARY 45/50, MOTOR 73, SPP 2150/2320, DIFF PSI 125/300.

MUD WT 10.6 PPG, VIS 40.

SAFETY MEETINGS: WORKING ON PUMPS, FORKLIFT.  
 FUEL USED 1700, EACH CREW CHECKED COM.  
 FULL CREWS NO ACCIDENTS REPORTED.

**08-28-2010**      **Reported By**      KERRY SALES

**Daily Costs: Drilling**      \$43,743      **Completion**      \$0      **Daily Total**      \$43,743

**Cum Costs: Drilling**      \$560,385      **Completion**      \$6,122      **Well Total**      \$566,507

**MD**      8,590      **TVD**      8,590      **Progress**      1,097      **Days**      5      **MW**      10.5      **Visc**      40.0

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

**Activity at Report Time:** DRILLING @ 8590'

Start	End	Hrs	Activity Description
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06:00 13:30 7.5 DRILL FROM 7493' TO 7859'. 366'. ROP 48.8, WOB 14/17, ROTARY 50/55, MOTOR 73, SPP 2180/2245, DIFF PSI 165/325.  
 13:30 14:00 0.5 SERVICE RIG AND CHECK COM.  
 14:00 06:00 16.0 DRILL FROM 7859' TO 8590'. 731'. ROP 45.68, WOB 14/16, ROTARY 50/53, MOTOR 70, SPP 2275, DIFF PSI 210/260.  
 MUD WT 10.8, VIS 40

SAFETY MEETINGS: TRIPPING & BLOW OUTS.  
 FULL CREWS, NO REPORTED ACCIDENTS.  
 CHECK COM.  
 DIESEL USED 1500 GAL.

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<b>08-29-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$36,511	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,511						
<b>Cum Costs: Drilling</b>	\$596,896	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$603,019						
<b>MD</b>	9,314	<b>TVD</b>	9,314	<b>Progress</b>	721	<b>Days</b>	6	<b>MW</b>	10.8	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 9314'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL FROM 8590' TO 8705'. 112'. ROP 74.66', WOB 14/16, ROTARY 55, MOTOR 70, SPP 2230/2330, DIFF PSI 175/270. PUMP 70 BBL 80+ SWEEP WHILE DRILLING LAST KELLY DOWN.
07:30	08:30	1.0	CIRCULATE OUT SWEEP. 15% TO 20% INCREASE IN CUTTINGS WITH NO CHANGE IN CUTTING SIZE. DROP SURVEY TOOL CHECK FOR FLOW WELL STATIC. SET BACK KELLY.
08:30	11:30	3.0	TOH AT 8705'. NO TIGHT HOLE, L/D REAMERS, MOTOR AND BIT. SURVEY AT 8500' 1.97 DEGREES. PIPE COUNT CORRECT.
11:30	15:00	3.5	TIH TO 8598'. PICK UP KELLY.
15:00	16:00	1.0	WASH/REAM FROM 8582' TO 8705'. 123'. CIRCULATE THROUGH GAS BUSTER, NO FLAIR.
16:00	06:00	14.0	DRILL FROM 8705' TO 9314'. 609'. ROP 43.5. WOB 16/18, ROTARY 52, MOTOR 68, SPP 2330, DIFF PSI 200/267. MUD WT 11.3, VIS 40.

SAFETY MEETINGS: TRIPPING PIPE BOTH CREWS  
 FULL CREWS AND NO ACCIDENTS REPORTED.  
 CHECKED CROWN-O-MATIC.  
 DIESEL USED 1380.

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<b>08-30-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$25,432	<b>Completion</b>	\$102,153	<b>Daily Total</b>	\$127,585						
<b>Cum Costs: Drilling</b>	\$622,328	<b>Completion</b>	\$108,276	<b>Well Total</b>	\$730,605						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	156	<b>Days</b>	7	<b>MW</b>	11.4	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: CEMENTING PRODUCTION CSG

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL FOR 9314' TO 9470'. 156'. ROP 31.2, WOB 16/18, ROTARY 50, MM 65, SPP 2350, DIFF PSI 140/260. REACHED TD AT 11:00 HRS, 8/29/10.
11:00	12:00	1.0	CIRCULATE FOR 10 STAND SHORT TRIP. 70 BBL'S 80 VIS WITH 5 SACKS OF SAWDUST TRACER. 5% INCREASE IN CUTTINGS FROM SWEEP.
12:00	13:00	1.0	SHORT TRIP 10 STANDS. NO TIGHT HOLE.

13:00 14:30 1.5 CIRCULATE 70 BBL 80 VIS SAWDUST SWEEP FOR LD DRILL PIPE. NO INCREASE IN CUTTINGS. PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES LAY DOWN MACHINE WHILE CIRCULATING. PUMP DRY PIPE SLUG.

14:30 18:00 3.5 LAY DOWN DRILL PIPE. 271 JOINTS.

18:00 19:00 1.0 LAY DOWN BHA AND BREAK KELLY.

19:00 19:30 0.5 PULL WEAR BUSHING.

19:30 21:00 1.5 PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES CASING CREW.

21:00 02:00 5.0 SAFETY MEETING. RUN 4 1/2", 11.6#, N-80, LT&C CSG AS FOLLOWS: INSTALL LATCH DOWN ASSEMBLY IN FLOAT COLLAR. HALLIBURTON FLOAT SHOE @ 9464.36', 1 JT CSG, FLOAT COLLAR @ 9419.82', 52 JTS CSG, MJ @ 7201.83', 64 JTS CSG, MJ @ 4479.67', 105 JTS, 2 SPACER PUP JOINTS AT 192.08'. CSG (222 TOTAL). P/U JT # 223, TAG BOTTOM @ 9470'. L/D JT # 233. P/U MCH, L.J. INSTALL ROTATING RUBBER, LAND MCH FOR CEMENT. RAN TURBULIZERS ON BOTTOM THREE JOINTS, 25 BOW SPRING CENTRALIZERS ON EVERY THIRD JT TO 6231'.

02:00 02:30 0.5 SET MCH LANDING JOINT WITH 85K.

02:30 04:00 1.5 CIRCULATE BOTTOMS UP AND CONDITION HOLE FOR CEMENT JOB. CIRCULATE THROUGH GAS BUSTER WITH NO FLAIR.

04:00 06:00 2.0 SAFETY MEETING. CEMENTING PRODUCTION CASING DETAILS TO FOLLOW.  
MUD WT 11.3+, VIS 40.

SAFETY MEETINGS: RUN CASING, CEMENTING, THINK BEFORE YOU ACT, L/D DRILL PIPE.  
CHECK COM.  
FULL CREWS AND NO ACCIDENTS REPORTED.  
DIESEL 2350 GAL'S, USED 1270 GAL'S.

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<b>08-31-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$11,084	<b>Completion</b>	\$58,903	<b>Daily Total</b>	\$69,988						
<b>Cum Costs: Drilling</b>	\$633,413	<b>Completion</b>	\$167,180	<b>Well Total</b>	\$800,594						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0	<b>Days</b>	8	<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:** RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	SAFETY MEETING. R/U HALLIBURTON. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBL MUD FLUSH, MIX AND PUMP 500 SX (163.8 BBLs, 920 CU/FT) LEAD HIGHBOND 75 CEMENT @ 12 PPG, 1.84 YLD, 9.86 GAL/SK + 4% BENTONITE + .3% VERSASET. MIX AND PUMP 1305 SX (341.7 BBLs, 1918 CU/FT) TAIL EXTENDACEM CEMENT @ 13.5 PPG, 1.47 YLD, 6.98 GAL/SK + .125 LBM POLY-E-FLAKE. WASH UP TO RIG CATCH TANK, DROP PLUG AND DISPLACE W/146.4 BBLs FRESH WATER. FULL MUD RETURNS THROUGHOUT JOB. FINAL CIRCULATING PRESSURE 2720 PSI. BUMPED PLUG TO 4280 PSI. BLEED BACK 2.5 BBLs, FLOATS HELD. PRESSURE BACK UP TO 2700 PSI. R/D HALLIBURTON. PLUG DOWN @ 06:08 AM ON 8/30/2010. NO CEMENT TO SURFACE.  BLM NOTIFIED BY E-MAIL 8/29/10 @ 20:00, NO REPRESENTATIVE PRESENT.  CAROL DANIELS WITH UDOGM WAS NOTIFIED BY VOICE MESSAGE.  NOTIFICATIONS SENT 8/28/2010 @ 06:30 HRS.
06:30	07:30	1.0	HOLD 2700 PSI ON CASING.
07:30	08:00	0.5	BLEED OF CASING LAY DOWN LANDING JOINT AND SET PACK OFF AND TEST TO 5000 PSI.
08:00	09:00	1.0	CLEAN MUD TANKS. PREPARE TO MOVE 1.5 MILES TO HOSS 89-33 @ 09:00.

FULL CREWS, NO ACCIDENTS.  
SAFETY MEETINGS - LDDP, RUN CSG, CEMENT, RDRT.

FUEL - 2350

TRANSFER 4 JTS 4 1/2", 11.6#, N-80 CSG (42.13', 42.12', 42.11', 42.10'). TOTAL LENGTH 168.46', THREADS OFF) TO HOSS 89-33.

TRANSFER 2350 GALS DIESEL FUEL @ \$2.7189/GAL TO HOSS 89-33.

09:00

RIG RELEASED @ 09:00HRS, 8/30/10.

CASING POINT COST \$633,414

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<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422
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<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> HOSS 74-34
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<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047383610000
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<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/4/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The referenced well was turned to sales on October 4, 2010. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
**FOR RECORD ONLY**  
 October 06, 2010

<b>NAME (PLEASE PRINT)</b> Michelle Robles	<b>PHONE NUMBER</b> 307 276-4842	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/6/2010

## WELL CHRONOLOGY REPORT

Report Generated On: 10-06-2010

<b>Well Name</b>	HOSS 074-34	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	PONDEROSA	<b>API #</b>	43-047-38361	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	08-23-2010	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,470/ 9,470	<b>Property #</b>	060289
<b>Water Depth</b>	0	<b>Last CSG</b>	2.375	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,995/ 4,982				
<b>Location</b>	Section 34, T8S, R23E, SWSW, 706 FSL & 493 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>	77.0

<b>AFE No</b>	304403	<b>AFE Total</b>	1,568,000	<b>DHC / CWC</b>	625,800/ 942,200
<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 :</b>	0.0	<b>Perf :</b>	
		<b>PKR Depth :</b>	0.0		

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			706' FSL & 493' FWL (SW/SW)
			SECTION 34, T8S, R23E
			UINTAH COUNTY, UTAH
			LAT 40.073914, LONG 109.320906 (NAD 83)
			TRUE #31
			OBJECTIVE: 9375' TD, MESAVERDE Updated 6/30/10
			DW/GAS
			PONDEROSA PROSPECT
			DD&A: CHAPITA DEEP WELLS
			PONDEROSA FIELD
			LEASE: UTU-64422
			ELEVATION: 4979.8' NAT GL, 4981.7' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4982'), 4998' KB (16')
			EOG WI 100%, NRI 77%

<b>08-02-2010</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$75,000

October 06, 2010

**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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	BEGAN CONSTRUCTION OF LOCATION, 8/2/10.

**08-03-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 10% COMPLETE.

**08-04-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 90% COMPLETE.

**08-05-2010** **Reported By** TERRY CSERE/KENT DEVENPORT

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION/SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STARTING CLOSED LOOP. CRAIG'S ROUSTABOUT SPUD A 20" HOLE ON 8/4/10 @ 11:00 AM, SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. CAROL DANIELS W/UDOGM WAS NOTIFIED BY PHONE MESSAGE AND BLM WAS NOTIFIED BY EMAIL OF SPUD ON 08/3/10 @ 10:56 AM.

**08-06-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION

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

**08-12-2010** **Reported By** KYLAN COOK

<b>Daily Costs: Drilling</b>	\$209,939	<b>Completion</b>	\$0	<b>Daily Total</b>	\$209,939						
<b>Cum Costs: Drilling</b>	\$284,939	<b>Completion</b>	\$0	<b>Well Total</b>	\$284,939						
<b>MD</b>	2,656	<b>TVD</b>	2,656	<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 CRAIG'S AIR RIG #2 ON 8/6/2010. DRILLED 12-1/4" HOLE TO 2640' GL (2656' KB). ENCOUNTERED NO WATER. DRILLED WITH AIR AND FOAM TO 1920' THEN PUMP DRILLED TO TD WITH NO LOSSES. RAN 61 JTS (2624.60') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2640.60' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIG'S AIR RIG #2.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 3825 PSIG. PUMPED 190 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. LEAD: MIXED AND PUMPED 250 SACKS (183 BBLs) OF PREMIUM LEAD CEMENT WITH 0.3% VARSET, 2% CAL-SEAL, AND 2% ECONOLITE. MIXED LEAD CEMENT @ 10.5 PPG WITH YIELD OF 4.1 CF/SX. TAIL: MIXED AND PUMPED 300 SACKS (63 BBLs) OF PREMIUM CEMENT WITH 2% CACL2 MIXED TAIL CEMENT @ 15.6 PPG WITH YIELD OF 1.18 CF/SX. DISPLACED CEMENT WITH 199.4 BBLs FRESH WATER. BUMPED PLUG WITH 1220# @ 01:36 AM ON 8/10/10. FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 182 BBLs INTO FRESH WATER FLUSH. CIRCULATED UNTIL PLUG LANDED. NO CEMENT TO SURFACE. WOC 4 HR.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 133 SX (27 BBLs) OF PREMIUM CEMENT WITH 2% CACL2. MIXED CEMENT @ 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED AND STOOD FULL.

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

CRAIG'S RIG #2 TOOK SURVEYS WHILE DRILLING HOLE @ 1500' = 1.50 DEGREE, 2010' = 0.50 DEGREE, AND 2640' = 2.00 DEGREE.

KYLAN COOK NOTIFIED BLM VIA EMAIL OF THE SURFACE CASING & CEMENT JOB ON 8/7/10 @ 17:00 PM. KYLAN COOK NOTIFIED CAROL DANIELS WITH UDOGM OF THE SURFACE CASING & CEMENT JOB VIA PHONE ON 8/7/10 @ 17:00 PM.

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<b>08-23-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$98,975	<b>Completion</b>	\$0	<b>Daily Total</b>	\$98,975						
<b>Cum Costs: Drilling</b>	\$383,914	<b>Completion</b>	\$0	<b>Well Total</b>	\$383,914						
<b>MD</b>	2,656	<b>TVD</b>	2,656	<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: PU BHA

Start	End	Hrs	Activity Description
06:00	02:00	20.0	HSM W/WESTROC TRUCKING, MT WEST, RIG HANDS TO MOVE RIG 6.5 MILES FROM HOSS 57-29. MIRURT. TRUCKS RELEASED @ 16:30, DERRICK RAISED @ 17:00.
02:00	05:00	3.0	RIG ON DAYWORK @ 02:00, 8-23-2010.
			HSM. VISUALLY INSPECT ANNULAR. NIPPLE UP & TEST BOPE. TEST HIGH 5000 PSI, UPPER AND LOWER KELLY VALVE, SAFETY AND DART VALVE, PIPE AND BLIND RAMS, HCR, KILL LINE AND VALVE, CHOKE LINE, CHOKE VALVE, MANIFOLD. TEST HIGH 1500 PSI HIGH ANNULAR PREVENTER. TEST CASING TO 1500 PSI FOR 30 MINUTES.
			BLM NOTIFIED OF BOP TEST BY E-MAIL ON 8-21-2010 @ 22:30, NO REPRESENTATIVE PRESENT.
05:00	06:00	1.0	HSM. R/U FRANK'S AND PU BHA.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – RIG MOVE, TEST BOP, P/U BHA.  
 FUEL – 3230, USED – 470.  
 TRANSFER 4 JTS 4 1/2", 11.6#, N-80, LT&C CSG (169.36') FROM HOSS 57-29.  
 TRANSFER 2 MJ (22.08') FROM HOSS 57-29.  
 TRANSFER 3700 GALS FUEL FROM HOSS 57-29.

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<b>08-24-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$48,658	<b>Completion</b>	\$0	<b>Daily Total</b>	\$48,658						
<b>Cum Costs: Drilling</b>	\$432,573	<b>Completion</b>	\$0	<b>Well Total</b>	\$432,573						
<b>MD</b>	4,875	<b>TVD</b>	4,875	<b>Progress</b>	2,235	<b>Days</b>	1	<b>MW</b>	9.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 4875'											

Start	End	Hrs	Activity Description
06:00	08:00	2.0	PU BHA. TAG CEMENT @ 2505'. R/D FRANK'S.
08:00	11:30	3.5	DRILL CEMENT AND FLOAT EQUIPMENT F/2505' – 2640'. GS @ 2640', FC @ 2596'. DRILL 10' TO 2650'. PERFORM FIT TO 262 PSI FOR 11.2 PPG EMW.
11:30	18:30	7.0	DRILL 2650' – 3649'. WOB 12-15K, RPM 59/73, SPP 1750 PSI, DP 350 PSI, ROP 143 FPH.
18:30	19:00	0.5	SURVEY @ 3574' – 1.51 DEG.
19:00	00:00	5.0	DRILL 3649' – 4686'. SAME PARAMETERS, ROP 148 FPH.
00:00	00:30	0.5	SURVEY @ 4611' – 2.34 DEG.–
00:30	06:00	5.5	DRILL 4686' – 4875'. WOB 5-20K, RPM 45-65/73, SPP 1800 PSI, DP 175 PSI, ROP 34 FPH.

FULL CREWS, NO ACCIDENTS, BOP DRILL DAYLIGHTS.  
 SAFETY MEETINGS – FAST HOLING, HAND PLACEMENT.  
 FUEL – 6700, DEL – 4500, USED – 1300.  
 MW – 9.6 PPG, VIS – 35 SPQ.

06:00 SPUD 7 7/8" HOLE @ 11:30 HRS, 8/23/10.

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<b>08-25-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$25,796	<b>Completion</b>	\$0	<b>Daily Total</b>	\$25,796						
<b>Cum Costs: Drilling</b>	\$458,370	<b>Completion</b>	\$0	<b>Well Total</b>	\$458,370						
<b>MD</b>	5,564	<b>TVD</b>	5,564	<b>Progress</b>	689	<b>Days</b>	2	<b>MW</b>	9.7	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 5564'											

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL 4875' – 4938'. WOB 5-20K, RPM 45-65/73, SPP 1850 PSI, DP 200 PSI, ROP 25 FPH. PUMP HIGH VIS SWEEP.
08:30	09:30	1.0	CIRCULATE FOR TRIP.
09:30	11:00	1.5	HSM. PUMP PILL. TOH. RECOVER SURVEY – 1.07 DEG.
11:00	13:00	2.0	X/O BIT, TIH. FILL PIPE @ 3100'.
13:00	13:30	0.5	SERVICE RIG. SET COM.
13:30	06:00	16.5	DRILL 4938' – 5564'. WOB 5-12K, RPM 45-65/73, SPP 1800 PSI, DP 150 PSI, ROP 38 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – TRIPPING, TONGS, FORKLIFT.  
 FUEL – 5320, USED – 1380.  
 MW – 9.9 PPG, VIS – 36 SPQ.

**08-26-2010**      **Reported By**      PAT CLARK/KERRY SALES

<b>DailyCosts: Drilling</b>	\$27,598	<b>Completion</b>	\$543	<b>Daily Total</b>	\$28,141
<b>Cum Costs: Drilling</b>	\$485,968	<b>Completion</b>	\$543	<b>Well Total</b>	\$486,511

**MD**      6,650    **TVD**      6,650    **Progress**    1,086    **Days**      3    **MW**      9.9    **Visc**      36.0

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

**Activity at Report Time:** DRILLING @ 6650'

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL FROM 5564' TO 5846'. 282'. ROP 43.4'. WOB 10/16, ROTARY 55, MOTOR 73, DIFF PSI 117/185, SPP 1880.
12:30	13:00	0.5	SERVICE RIG.
13:00	06:00	17.0	DRILL FROM 5846' TO 6650'. 804'. ROP 47.3. WOB 12/16, ROTARY 55, MOTOR 73, DIFF PSI 200/230,SPP 2030. SAFETY MEETINGS: KEEPING HIGH MORAL & PINCH POINTS. FUEL USED 1620 GAL.

NO INCIDENTS OR ACCIDENTS  
 CHECK CROWN-O-MATIC FOR DRILLING  
 MUD WEIGHT 10.3 x VIS 38

**08-27-2010**      **Reported By**      KERRY SALES

<b>DailyCosts: Drilling</b>	\$31,609	<b>Completion</b>	\$5,579	<b>Daily Total</b>	\$37,189
<b>Cum Costs: Drilling</b>	\$517,240	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$523,363

**MD**      7,493    **TVD**      7,493    **Progress**    843    **Days**      4    **MW**      10.3    **Visc**      38.0

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

**Activity at Report Time:** DRILLING @ 7493'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL FROM 6650' TO 6953'. 303'. ROP 40.4'. WOB 10/18 ROTARY 40/55, MOTOR 73, SPP 2190, DIFF PSI 125/210.
13:30	14:00	0.5	SERVICE RIG AND FUNCTION TEST COM.
14:00	06:00	16.0	DRILL FROM 6953' TO 7493'. 540'. ROP 33.75'. WOB 12/20, ROTARY 45/50, MOTOR 73, SPP 2150/2320, DIFF PSI 125/300. MUD WT 10.6 PPG, VIS 40.

SAFETY MEETINGS: WORKING ON PUMPS, FORKLIFT.  
 FUEL USED 1700, EACH CREW CHECKED COM.  
 FULL CREWS NO ACCIDENTS REPORTED.

**08-28-2010**      **Reported By**      KERRY SALES

<b>DailyCosts: Drilling</b>	\$43,743	<b>Completion</b>	\$0	<b>Daily Total</b>	\$43,743
<b>Cum Costs: Drilling</b>	\$560,984	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$567,107

**MD**      8,590    **TVD**      8,590    **Progress**    1,097    **Days**      5    **MW**      10.5    **Visc**      40.0

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

**Activity at Report Time:** DRILLING @ 8590'

Start	End	Hrs	Activity Description
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06:00 13:30 7.5 DRILL FROM 7493' TO 7859'. 366'. ROP 48.8, WOB 14/17, ROTARY 50/55, MOTOR 73, SPP 2180/2245, DIFF PSI 165/325.  
 13:30 14:00 0.5 SERVICE RIG AND CHECK COM.  
 14:00 06:00 16.0 DRILL FROM 7859' TO 8590'. 731'. ROP 45.68, WOB 14/16, ROTARY 50/53, MOTOR 70, SPP 2275, DIFF PSI 210/260.  
 MUD WT 10.8, VIS 40

SAFETY MEETINGS: TRIPPING & BLOW OUTS.  
 FULL CREWS, NO REPORTED ACCIDENTS.  
 CHECK COM.  
 DIESEL USED 1500 GAL.

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<b>08-29-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$36,511	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,511						
<b>Cum Costs: Drilling</b>	\$597,496	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$603,618						
<b>MD</b>	9,314	<b>TVD</b>	9,314	<b>Progress</b>	721	<b>Days</b>	6	<b>MW</b>	10.8	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time:** DRILLING @ 9314'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL FROM 8590' TO 8705'. 112'. ROP 74.66', WOB 14/16, ROTARY 55, MOTOR 70, SPP 2230/2330, DIFF PSI 175/270. PUMP 70 BBL 80+ SWEEP WHILE DRILLING LAST KELLY DOWN.
07:30	08:30	1.0	CIRCULATE OUT SWEEP. 15% TO 20% INCREASE IN CUTTINGS WITH NO CHANGE IN CUTTING SIZE. DROP SURVEY TOOL CHECK FOR FLOW WELL STATIC. SET BACK KELLY.
08:30	11:30	3.0	TOH AT 8705'. NO TIGHT HOLE, L/D REAMERS, MOTOR AND BIT. SURVEY AT 8500' 1.97 DEGREES. PIPE COUNT CORRECT.
11:30	15:00	3.5	TIH TO 8598'. PICK UP KELLY.
15:00	16:00	1.0	WASH/REAM FROM 8582' TO 8705'. 123'. CIRCULATE THROUGH GAS BUSTER, NO FLAIR.
16:00	06:00	14.0	DRILL FROM 8705' TO 9314'. 609'. ROP 43.5. WOB 16/18, ROTARY 52, MOTOR 68, SPP 2330, DIFF PSI 200/267. MUD WT 11.3, VIS 40.

SAFETY MEETINGS: TRIPPING PIPE BOTH CREWS  
 FULL CREWS AND NO ACCIDENTS REPORTED.  
 CHECKED CROWN-O-MATIC.  
 DIESEL USED 1380.

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<b>08-30-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$25,432	<b>Completion</b>	\$102,153	<b>Daily Total</b>	\$127,585						
<b>Cum Costs: Drilling</b>	\$622,928	<b>Completion</b>	\$108,276	<b>Well Total</b>	\$731,204						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	156	<b>Days</b>	7	<b>MW</b>	11.4	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time:** CEMENTING PRODUCTION CSG

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL FOR 9314' TO 9470'. 156'. ROP 31.2, WOB 16/18, ROTARY 50, MM 65, SPP 2350, DIFF PSI 140/260. REACHED TD AT 11:00 HRS, 8/29/10.
11:00	12:00	1.0	CIRCULATE FOR 10 STAND SHORT TRIP. 70 BBL'S 80 VIS WITH 5 SACKS OF SAWDUST TRACER. 5% INCREASE IN CUTTINGS FROM SWEEP.
12:00	13:00	1.0	SHORT TRIP 10 STANDS. NO TIGHT HOLE.

13:00 14:30 1.5 CIRCULATE 70 BBL 80 VIS SAWDUST SWEEP FOR LD DRILL PIPE. NO INCREASE IN CUTTINGS. PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES LAY DOWN MACHINE WHILE CIRCULATING. PUMP DRY PIPE SLUG.

14:30 18:00 3.5 LAY DOWN DRILL PIPE. 271 JOINTS.

18:00 19:00 1.0 LAY DOWN BHA AND BREAK KELLY.

19:00 19:30 0.5 PULL WEAR BUSHING.

19:30 21:00 1.5 PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES CASING CREW.

21:00 02:00 5.0 SAFETY MEETING. RUN 4 1/2", 11.6#, N-80, LT&C CSG AS FOLLOWS: INSTALL LATCH DOWN ASSEMBLY IN FLOAT COLLAR. HALLIBURTON FLOAT SHOE @ 9464.36', 1 JT CSG, FLOAT COLLAR @ 9419.82', 52 JTS CSG, MJ @ 7201.83', 64 JTS CSG, MJ @ 4479.67', 105 JTS, 2 SPACER PUP JOINTS AT 192.08'. CSG (222 TOTAL). P/U JT # 223, TAG BOTTOM @ 9470'. L/D JT # 233. P/U MCH, L.J. INSTALL ROTATING RUBBER, LAND MCH FOR CEMENT. RAN TURBULIZERS ON BOTTOM THREE JOINTS, 25 BOW SPRING CENTRALIZERS ON EVERY THIRD JT TO 6231'.

02:00 02:30 0.5 SET MCH LANDING JOINT WITH 85K.

02:30 04:00 1.5 CIRCULATE BOTTOMS UP AND CONDITION HOLE FOR CEMENT JOB. CIRCULATE THROUGH GAS BUSTER WITH NO FLAIR.

04:00 06:00 2.0 SAFETY MEETING. CEMENTING PRODUCTION CASING DETAILS TO FOLLOW.  
MUD WT 11.3+, VIS 40.

SAFETY MEETINGS: RUN CASING, CEMENTING, THINK BEFORE YOU ACT, L/D DRILL PIPE.  
CHECK COM.  
FULL CREWS AND NO ACCIDENTS REPORTED.  
DIESEL 2350 GAL'S, USED 1270 GAL'S.

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<b>08-31-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$15,026	<b>Completion</b>	\$58,622	<b>Daily Total</b>	\$73,649						
<b>Cum Costs: Drilling</b>	\$637,955	<b>Completion</b>	\$166,899	<b>Well Total</b>	\$804,854						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0	<b>Days</b>	8	<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:** RDRT/NO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	SAFETY MEETING. R/U HALLIBURTON. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBL MUD FLUSH, MIX AND PUMP 500 SX (163.8 BBL, 920 CU/FT) LEAD HIGHBOND 75 CEMENT @ 12 PPG, 1.84 YLD, 9.86 GAL/SK + 4% BENTONITE + .3% VERSASET. MIX AND PUMP 1305 SX (341.7 BBL, 1918 CU/FT) TAIL EXTENDACEM CEMENT @ 13.5 PPG, 1.47 YLD, 6.98 GAL/SK + .125 LBM POLY-E-FLAKE. WASH UP TO RIG CATCH TANK, DROP PLUG AND DISPLACE W/146.4 BBL FRESH WATER. FULL MUD RETURNS THROUGHOUT JOB. FINAL CIRCULATING PRESSURE 2720 PSI. BUMPED PLUG TO 4280 PSI. BLEED BACK 2.5 BBL, FLOATS HELD. PRESSURE BACK UP TO 2700 PSI. R/D HALLIBURTON. PLUG DOWN @ 06:08 AM ON 8/30/2010. NO CEMENT TO SURFACE.  BLM NOTIFIED BY E-MAIL 8/29/10 @ 20:00, NO REPRESENTATIVE PRESENT.  CAROL DANIELS WITH UDOGM WAS NOTIFIED BY VOICE MESSAGE.  NOTIFICATIONS SENT 8/28/2010 @ 06:30 HRS.
06:30	07:30	1.0	HOLD 2700 PSI ON CASING.
07:30	08:00	0.5	BLEED OF CASING LAY DOWN LANDING JOINT AND SET PACK OFF AND TEST TO 5000 PSI.
08:00	09:00	1.0	CLEAN MUD TANKS. PREPARE TO MOVE 1.5 MILES TO HOSS 89-33 @ 09:00.

FULL CREWS, NO ACCIDENTS.  
SAFETY MEETINGS - LDDP, RUN CSG, CEMENT, RDRT.

FUEL - 2350

TRANSFER 4 JTS 4 1/2", 11.6#, N-80 CSG (42.13', 42.12', 42.11', 42.10'). TOTAL LENGTH 168.46', THREADS OFF) TO HOSS 89-33.

TRANSFER 2350 GALS DIESEL FUEL @ \$2.7189/GAL TO HOSS 89-33.

09:00 RIG RELEASED @ 09:00HRS, 8/30/10.  
CASING POINT COST \$633,414

**09-04-2010**      **Reported By**      SEARLE

**Daily Costs: Drilling**      \$0      **Completion**      \$29,300      **Daily Total**      \$29,300

**Cum Costs: Drilling**      \$637,955      **Completion**      \$196,199      **Well Total**      \$834,154

**MD**      9,470      **TVD**      9,470      **Progress**      0      **Days**      9      **MW**      0.0      **Visc**      0.0

**Formation :**      **PBTD :** 9420.0      **Perf :**      **PKR Depth :** 0.0

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

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM 9400' TO 970'. EST CEMENT TOP @ 1140'. RDWL.

**09-30-2010**      **Reported By**      MCCURDY

**Daily Costs: Drilling**      \$0      **Completion**      \$1,428      **Daily Total**      \$1,428

**Cum Costs: Drilling**      \$637,955      **Completion**      \$197,627      **Well Total**      \$835,582

**MD**      9,470      **TVD**      9,470      **Progress**      0      **Days**      10      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 9420.0      **Perf :** 7451'-9240'      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC STAGES 7 THROUGH 11

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FRAC TANKS PRE MIXED W/ BIOCIDE (75) @ .05 GAL/M, WSI SCALE INHIBITOR (3730) @ 1 GAL/M.

STAGE 1. MIRU CUTTERS WIRELINE & PERFORATE LPR FROM 9030'-31', 9036'-37', 9048'-49', 9065'-66', 9081'-82', 9088'-89', 9105'-06', 9165'-66', 9173'-74', 9178'-79', 9185'-86', 9222'-23', 9234'-35', 9239'-40' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7408 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 33064 GAL 16# DELTA 200 W/113100# 20/40 SAND @ 2-5 PPG. MTP 6006 PSIG. MTR 51.8 BPM. ATP 4927 PSIG. ATR 47.1 BPM. ISIP 3602 PSIG. RD HALLIBURTON.

STAGE 2. RUWL. SET 6K CFP AT 8980'. PERFORATE MPR / LPR FROM 8683'-84', 8714'-15', 8736'-37', 8745'-46', 8830'-31', 8847'-48', 8886'-87', 8895'-96', 8906'-07', 8916'-17', 8926'-27', 8934'-35', 8954'-55', 8963'-64' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 36096 GAL 16# DELTA 200 W/179300# 20/40 SAND @ 1-5 PPG. MTP 5977 PSIG. MTR 50.8 BPM. ATP 4592 PSIG. ATR 49.9 BPM. ISIP 3126 PSIG. RD HALLIBURTON.

STAGE 3. RUWL. SET 6K CFP AT 8650'. PERFORATE MPR FROM 8374'-75', 8380'-81', 8385'-86', 8442'-43', 8447'-48', 8454'-55', 8459'-60', 8475'-76', 8536'-37', 8552'-53', 8556'-57', 8588'-89', 8624'-25', 8630'-31' @ 3 SPF & 120 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7396 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 34311 GAL 16# DELTA 200 W/115200# 20/40 SAND @ 2-5 PPG. MTP 6711 PSIG. MTR 50.7 BPM. ATP 4786 PSIG. ATR 47.3 BPM. ISIP 3188 PSIG. RD HALLIBURTON.

STAGE 4. RUWL. SET 6K CFP AT 8346'. PERFORATE MPR FROM 8127'-28', 8135'-36', 8145'-46', 8152'-53', 8160'-61', 8178'-89', 8208'-09', 8216'-17', 8223'-24', 8276'-77', 8285'-86', 8290'-91', 8315'-16', 8327'-28' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7419 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 35339 GAL 16# DELTA 200 W/122400# 20/40 SAND @ 2-5 PPG. MTP 6545 PSIG. MTR 50.8 BPM. ATP 4586 PSIG. ATR 47.9 BPM. ISIP 3529 PSIG. RD HALLIBURTON.

STAGE 5. RUWL. SET 6K CFP AT 8098'. PERFORATE UPR / MPR FROM 7918'-19', 7943'-44', 7954'-55', 7964'-65', 7974'-75', 7985'-86', 7994'-95', 8002'-03', 8027'-28', 8036'-37', 8045'-46', 8060'-61', 8070'-71', 8077'-78' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7452 GAL 16# LINEAR W/9600# 20/40 SAND @ 1-1.5 PPG, 48124 GAL 16# DELTA 200 W/166800# 20/40 SAND @ 2-5 PPG. MTP 6443 PSIG. MTR 51.7 BPM. ATP 4293 PSIG. ATR 38.9 BPM. ISIP 2503 PSIG. RD HALLIBURTON.

STAGE 6. RUWL. SET 6K CFP AT 7755'. PERFORATE UPR FROM 7451'-52', 7471'-72', 7480'-81', 7495'-96', 7502'-03', 7543'-44', 7552'-53', 7605'-06', 7616'-17', 7633'-34', (7641'-42' MISFIRED), 7649'-50', 7726'-27', 7735'-36' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7420 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 44878 GAL 16# DELTA 200 W/157200# 20/40 SAND @ 2-5 PPG. MTP 6467 PSIG. MTR 51.2 BPM. ATP 3530 PSIG. ATR 40.2 BPM. ISIP 2667 PSIG. RD HALLIBURTON. SWIFN.

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<b>10-01-2010</b>	<b>Reported By</b>	MCCURDY									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$394,447	<b>Daily Total</b>	\$394,447						
<b>Cum Costs: Drilling</b>	\$637,955	<b>Completion</b>	\$592,075	<b>Well Total</b>	\$1,230,030						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0	<b>Days</b>	11	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9420.0</b>		<b>Perf : 5493'-9240'</b>			<b>PKR Depth : 0.0</b>				
<b>Activity at Report Time: MIRUSU CLEAN OUT SAND AND DRILL OUT FRAC PLUGS</b>											

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STAGE 7. INTIAL PRESSURE 1732 PSIG. RUWL. SET 6K CFP AT 7423'. PERFORATE NH/UPR FROM 7180'-81', 7210'-11', 7220'-21', 7245'-46', 7252'-53', 7269'-70', 7279'-80', 7284'-85', 7297'-98', 7309'-10', 7349'-50', 7358'-59', 7368'-69', 7403'-04' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 8574 GAL 16# LINEAR W/11300# 20/40 SAND @ 1-1.5 PPG, 42115 GAL 16# DELTA 200 W/137500# 20/40 SAND @ 2-5 PPG. MTP 5125 PSIG. MTR 50.8 BPM. ATP 4064 PSIG. ATR 48.2 BPM. ISIP 2546 PSIG. RD HALLIBURTON.

STAGE 8. RUWL. SET 6K CFP AT 7130'. PERFORATE NH FROM (6896'-97' MISFIRED), (6900'-01' MISFIRED), 6920'-21', 6958'-59', 6987'-88', 6992'-93', 7009'-10', 7018'-19', 7037'-38', 7043'-44', 7060'-61', 7063'-64', 7101'-02', 7104'-05' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7383 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 24920 GAL 16# DELTA 200 W/83400# 20/40 SAND @ 2-4 PPG. MTP 7496 PSIG. MTR 51.4 BPM. ATP 4683 PSIG. ATR 44.7 BPM. ISIP 3068 PSIG. RD HALLIBURTON.

STAGE 9. RUWL. SET 6K CFP AT 6850'. PERFORATE Ba FROM 6519'-20', 6534'-35', 6538'-39', 6555'-56', 6571'-72', 6600'-01', 6632'-33', 6669'-70', 6696'-97', 6727'-28', 6736'-37', 6741'-42', 6816'-17', 6829'-30' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7350 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 7350 GAL 16# DELTA 200 W/9500# 20/40 SAND @ 2-4 PPG. MTP 6491 PSIG. MTR 50.7 BPM. ATP 4634 PSIG. ATR 45.4 BPM. ISIP 4746 PSIG. RD HALLIBURTON.

STAGE 10. RUWL. SET 6K CFP AT 6470'. PERFORATE Ca/Ba FROM 5839'-40', 6180'-81', 6219'-20', 6229'-30', 6236'-38', 6267'-68', 6353'-54', 6364'-66', 6448'-50' @ 3 SPF & 120 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7339 GAL 16# LINEAR W/9400# 20/40 SAND @ 1-1.5 PPG, 22364 GAL 16# DELTA 200 W/74600# 20/40 SAND @ 2-4 PPG. MTP 6177 PSIG. MTR 51.1 BPM. ATP 4761 PSIG. ATR 45.1 BPM. ISIP 1820 PSIG. RD HALLIBURTON.

STAGE 11. RUWL. SET 6K CFP AT 5650'. PERFORATE Pp/Ca FROM 5493'-94', 5498'-99', 5504'-05', 5509'-10', 5515'-16', 5528'-29', 5540'-41', 5544'-45', 5550'-51', 5607'-08', 5613'-14', 5620'-21', 5626'-27', 5628'-29' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 36832 GAL 16# DELTA 200 W/133100# 20/40 SAND @ 3-4 PPG. MTP 5233 PSIG. MTR 51.5 BPM. ATP 2923 PSIG. ATR 48.7 BPM. ISIP 1505 PSIG. RD HALLIBURTON.

RUWL. SET 6K CBP AT 5401'. BLED WELL TO 0 PSIG. RDMO CUTTERS WIRELINE & HALIBURTON SERVICES. SWIFN.

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<b>10-02-2010</b>	<b>Reported By</b>	HISLOP							
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$24,114	<b>Daily Total</b>	\$24,114				

**Cum Costs: Drilling** \$637,955      **Completion** \$616,189      **Well Total** \$1,254,144  
**MD** 9,470    **TVD** 9,470    **Progress** 0    **Days** 12    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**      **PBTD : 9420.0**      **Perf : 5493'-9240'**      **PKR Depth : 0.0**

**Activity at Report Time:** DRILL PLUGS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRUSU. ND FRAC TREE & NU BOP. PRESSURE TESTED BOP & BLIND RAMS TO 3000 PSIG. RIH W/ BIT & PUMP OFF SUB TO 5650'. RU TO DRILL OUT PLUGS. TESTED PIPE RAMS TO 3000 PSIG. SDFWE.

**10-05-2010**      **Reported By** HISLOP

**Daily Costs: Drilling** \$0      **Completion** \$69,062      **Daily Total** \$69,062  
**Cum Costs: Drilling** \$637,955      **Completion** \$685,251      **Well Total** \$1,323,206  
**MD** 9,470    **TVD** 9,470    **Progress** 0    **Days** 13    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**      **PBTD : 9420.0**      **Perf : 5493'-9240'**      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TESTING THROUGH BRECO UNIT TO SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 5401', 5650', 6470', 6850', 7130', 7423', 7755', 8098', 8346', 8650', & 8980'. CLEANED OUT TO 9357'. LANDED TUBING @ 9233' KB. ND BOP & NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED THROUGH TEST UNIT TO SALES. 13 HRS. 20/64" CHOKE. FTP 950 PSIG. CP 1000 PSIG. 65 BFPH. RECOVERED 840 BLW. 11960 BLWTR. 315 MCFD RATE.

TUBING DETAIL    LENGTH

PUMP OFF BIT SUB    0.91'  
 1 JT 2-3/8" 4.7# N-80 TBG    32.58'  
 XN NIPPLE    1.30'  
 282 JTS 2-3/8" 4.7# N-80 TBG    9182.49'  
 BELOW KB    16.00'  
 LANDED @    9233.28' KB

**10-06-2010**      **Reported By** HISLOP

**Daily Costs: Drilling** \$0      **Completion** \$2,820      **Daily Total** \$2,820  
**Cum Costs: Drilling** \$637,955      **Completion** \$688,071      **Well Total** \$1,326,026  
**MD** 9,470    **TVD** 9,470    **Progress** 0    **Days** 14    **MW** 0.0    **Visc** 0.0  
**Formation : MESAVERDE**      **PBTD : 9420.0**      **Perf : 5493'-9240'**      **PKR Depth : 0.0**

**Activity at Report Time:** FLOW TESTING THROUGH BRECO UNIT TO SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED THROUGH TEST UNIT TO SALES. 24 HRS. 24/64" CHOKE. FTP 850 PSIG. CP 950 PSIG. 62 BFPH. RECOVERED 1493 BLW. 10467 BLWTR. 425 MCFD RATE.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU64422	

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> HOSS 74-34
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<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047383610000
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<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0706 FSL 0493 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 08.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> <b>DRILLING REPORT</b> Report Date: 10/2/2010	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Please see the attached well chronology report for the referenced well showing all activity up to 10/2/2010.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 October 06, 2010

<b>NAME (PLEASE PRINT)</b> Michelle Robles	<b>PHONE NUMBER</b> 307 276-4842	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/5/2010	

# WELL CHRONOLOGY REPORT

Report Generated On: 10-04-2010

<b>Well Name</b>	HOSS 074-34	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	PONDEROSA	<b>API #</b>	43-047-38361	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	08-23-2010	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,470/ 9,470	<b>Property #</b>	060289
<b>Water Depth</b>	0	<b>Last CSG</b>	2.375	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	4,995/ 4,982				
<b>Location</b>	Section 34, T8S, R23E, SWSW, 706 FSL & 493 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>	77.0

<b>AFE No</b>	304403	<b>AFE Total</b>	1,568,000	<b>DHC / CWC</b>	625,800/ 942,200
<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
			706' FSL & 493' FWL (SW/SW)
			SECTION 34, T8S, R23E
			UINTAH COUNTY, UTAH
			LAT 40.073914, LONG 109.320906 (NAD 83)
			TRUE #31
			OBJECTIVE: 9375' TD, MESAVERDE Updated 6/30/10
			DW/GAS
			PONDEROSA PROSPECT
			DD&A: CHAPITA DEEP WELLS
			PONDEROSA FIELD
			LEASE: UTU-64422
			ELEVATION: 4979.8' NAT GL, 4981.7' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4982'), 4998' KB (16')
			EOG WI 100%, NRI 77%

<b>08-02-2010</b>	<b>Reported By</b>	TERRY CSERE			
<b>Daily Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Daily Total</b>	\$75,000

**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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	BEGAN CONSTRUCTION OF LOCATION, 8/2/10.

**08-03-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 10% COMPLETE.

**08-04-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**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 90% COMPLETE.

**08-05-2010** **Reported By** TERRY CSERE/KENT DEVENPORT

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION/SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STARTING CLOSED LOOP. CRAIG'S ROUSTABOUT SPUD A 20" HOLE ON 8/4/10 @ 11:00 AM, SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. CAROL DANIELS W/UDOGM WAS NOTIFIED BY PHONE MESSAGE AND BLM WAS NOTIFIED BY EMAIL OF SPUD ON 08/3/10 @ 10:56 AM.

**08-06-2010** **Reported By** TERRY CSERE

**DailyCosts: Drilling** \$0 **Completion** \$0 **Daily Total** \$0  
**Cum Costs: Drilling** \$75,000 **Completion** \$0 **Well Total** \$75,000  
**MD** 60 **TVD** 60 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** BUILD LOCATION

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

**08-12-2010** **Reported By** KYLAN COOK

**Daily Costs: Drilling** \$209,939      **Completion** \$0      **Daily Total** \$209,939  
**Cum Costs: Drilling** \$284,939      **Completion** \$0      **Well Total** \$284,939  
**MD** 2,656    **TVD** 2,656    **Progress** 0    **Days** 0    **MW** 0.0    **Visc** 0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #2 ON 8/6/2010. DRILLED 12-1/4" HOLE TO 2640' GL (2656' KB). ENCOUNTERED NO WATER. DRILLED WITH AIR AND FOAM TO 1920' THEN PUMP DRILLED TO TD WITH NO LOSSES. RAN 61 JTS (2624.60') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2640.60' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIG'S AIR RIG #2.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 3825 PSIG. PUMPED 190 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. LEAD: MIXED AND PUMPED 250 SACKS (183 BBLs) OF PREMIUM LEAD CEMENT WITH 0.3% VARSET, 2% CAL-SEAL, AND 2% ECONOLITE. MIXED LEAD CEMENT @ 10.5 PPG WITH YIELD OF 4.1 CF/SX. TAIL: MIXED AND PUMPED 300 SACKS (63 BBLs) OF PREMIUM CEMENT WITH 2% CACL2 MIXED TAIL CEMENT @ 15.6 PPG WITH YIELD OF 1.18 CF/SX. DISPLACED CEMENT WITH 199.4 BBLs FRESH WATER. BUMPED PLUG WITH 1220# @ 01:36 AM ON 8/10/10. FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 182 BBLs INTO FRESH WATER FLUSH. CIRCULATED UNTIL PLUG LANDED. NO CEMENT TO SURFACE. WOC 4 HR.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 133 SX (27 BBLs) OF PREMIUM CEMENT WITH 2% CACL2. MIXED CEMENT @ 15.8 PPG WITH YIELD OF 1.15 CF/SX. HOLE FILLED AND STOOD FULL.

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

CRAIG'S RIG #2 TOOK SURVEYS WHILE DRILLING HOLE @ 1500' = 1.50 DEGREE, 2010' = 0.50 DEGREE, AND 2640' = 2.00 DEGREE.

KYLAN COOK NOTIFIED BLM VIA EMAIL OF THE SURFACE CASING & CEMENT JOB ON 8/7/10 @ 17:00 PM. KYLAN COOK NOTIFIED CAROL DANIELS WITH UDOGM OF THE SURFACE CASING & CEMENT JOB VIA PHONE ON 8/7/10 @ 17:00 PM.

**08-23-2010      Reported By      PAT CLARK**

**Daily Costs: Drilling** \$98,975      **Completion** \$0      **Daily Total** \$98,975  
**Cum Costs: Drilling** \$383,914      **Completion** \$0      **Well Total** \$383,914  
**MD** 2,656    **TVD** 2,656    **Progress** 0    **Days** 0    **MW** 0.0    **Visc** 0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** PU BHA

Start	End	Hrs	Activity Description
06:00	02:00	20.0	HSM W/WESTROC TRUCKING, MT WEST, RIG HANDS TO MOVE RIG 6.5 MILES FROM HOSS 57-29. MIRURT. TRUCKS RELEASED @ 16:30, DERRICK RAISED @ 17:00.
02:00	05:00	3.0	RIG ON DAYWORK @ 02:00, 8-23-2010.
			HSM. VISUALLY INSPECT ANNULAR. NIPPLE UP & TEST BOPE. TEST HIGH 5000 PSI, UPPER AND LOWER KELLY VALVE, SAFETY AND DART VALVE, PIPE AND BLIND RAMS, HCR, KILL LINE AND VALVE, CHOKE LINE, CHOKE VALVE, MANIFOLD. TEST HIGH 1500 PSI HIGH ANNULAR PREVENTER. TEST CASING TO 1500 PSI FOR 30 MINUTES.
			BLM NOTIFIED OF BOP TEST BY E-MAIL ON 8-21-2010 @ 22:30, NO REPRESENTATIVE PRESENT.
05:00	06:00	1.0	HSM. R/U FRANK'S AND PU BHA.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – RIG MOVE, TEST BOP, P/U BHA.  
 FUEL – 3230, USED – 470.  
 TRANSFER 4 JTS 4 1/2", 11.6#, N-80, LT&C CSG (169.36') FROM HOSS 57-29.  
 TRANSFER 2 MJ (22.08') FROM HOSS 57-29.  
 TRANSFER 3700 GALS FUEL FROM HOSS 57-29.

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<b>08-24-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$48,658	<b>Completion</b>	\$0	<b>Daily Total</b>	\$48,658						
<b>Cum Costs: Drilling</b>	\$432,573	<b>Completion</b>	\$0	<b>Well Total</b>	\$432,573						
<b>MD</b>	4,875	<b>TVD</b>	4,875	<b>Progress</b>	2,235	<b>Days</b>	1	<b>MW</b>	9.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 4875'											

Start	End	Hrs	Activity Description
06:00	08:00	2.0	PU BHA. TAG CEMENT @ 2505'. R/D FRANK'S.
08:00	11:30	3.5	DRILL CEMENT AND FLOAT EQUIPMENT F/2505' – 2640'. GS @ 2640', FC @ 2596'. DRILL 10' TO 2650'. PERFORM FIT TO 262 PSI FOR 11.2 PPG EMW.
11:30	18:30	7.0	DRILL 2650' – 3649'. WOB 12-15K, RPM 59/73, SPP 1750 PSI, DP 350 PSI, ROP 143 FPH.
18:30	19:00	0.5	SURVEY @ 3574' – 1.51 DEG.
19:00	00:00	5.0	DRILL 3649' – 4686'. SAME PARAMETERS, ROP 148 FPH.
00:00	00:30	0.5	SURVEY @ 4611' – 2.34 DEG.–
00:30	06:00	5.5	DRILL 4686' – 4875'. WOB 5-20K, RPM 45-65/73, SPP 1800 PSI, DP 175 PSI, ROP 34 FPH.

FULL CREWS, NO ACCIDENTS, BOP DRILL DAYLIGHTS.  
 SAFETY MEETINGS – FAST HOLING, HAND PLACEMENT.  
 FUEL – 6700, DEL – 4500, USED – 1300.  
 MW – 9.6 PPG, VIS – 35 SPQ.

06:00 SPUD 7 7/8" HOLE @ 11:30 HRS, 8/23/10.

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<b>08-25-2010</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$25,796	<b>Completion</b>	\$0	<b>Daily Total</b>	\$25,796						
<b>Cum Costs: Drilling</b>	\$458,370	<b>Completion</b>	\$0	<b>Well Total</b>	\$458,370						
<b>MD</b>	5,564	<b>TVD</b>	5,564	<b>Progress</b>	689	<b>Days</b>	2	<b>MW</b>	9.7	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> DRILLING @ 5564'											

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL 4875' – 4938'. WOB 5-20K, RPM 45-65/73, SPP 1850 PSI, DP 200 PSI, ROP 25 FPH. PUMP HIGH VIS SWEEP.
08:30	09:30	1.0	CIRCULATE FOR TRIP.
09:30	11:00	1.5	HSM. PUMP PILL. TOH. RECOVER SURVEY – 1.07 DEG.
11:00	13:00	2.0	X/O BIT, TIH. FILL PIPE @ 3100'.
13:00	13:30	0.5	SERVICE RIG. SET COM.
13:30	06:00	16.5	DRILL 4938' – 5564'. WOB 5-12K, RPM 45-65/73, SPP 1800 PSI, DP 150 PSI, ROP 38 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – TRIPPING, TONGS, FORKLIFT.  
 FUEL – 5320, USED – 1380.  
 MW – 9.9 PPG, VIS – 36 SPQ.

**08-26-2010**      **Reported By**      PAT CLARK/KERRY SALES

<b>DailyCosts: Drilling</b>	\$27,598	<b>Completion</b>	\$543	<b>Daily Total</b>	\$28,141
<b>Cum Costs: Drilling</b>	\$485,968	<b>Completion</b>	\$543	<b>Well Total</b>	\$486,511

**MD**      6,650    **TVD**      6,650    **Progress**    1,086    **Days**      3    **MW**      9.9    **Visc**      36.0

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

**Activity at Report Time:** DRILLING @ 6650'

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL FROM 5564' TO 5846'. 282'. ROP 43.4'. WOB 10/16, ROTARY 55, MOTOR 73, DIFF PSI 117/185, SPP 1880.
12:30	13:00	0.5	SERVICE RIG.
13:00	06:00	17.0	DRILL FROM 5846' TO 6650'. 804'. ROP 47.3. WOB 12/16, ROTARY 55, MOTOR 73, DIFF PSI 200/230,SPP 2030. SAFETY MEETINGS: KEEPING HIGH MORAL & PINCH POINTS. FUEL USED 1620 GAL.

NO INCIDENTS OR ACCIDENTS  
 CHECK CROWN-O-MATIC FOR DRILLING  
 MUD WEIGHT 10.3 x VIS 38

**08-27-2010**      **Reported By**      KERRY SALES

<b>DailyCosts: Drilling</b>	\$31,609	<b>Completion</b>	\$5,579	<b>Daily Total</b>	\$37,189
<b>Cum Costs: Drilling</b>	\$517,240	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$523,363

**MD**      7,493    **TVD**      7,493    **Progress**    843    **Days**      4    **MW**      10.3    **Visc**      38.0

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

**Activity at Report Time:** DRILLING @ 7493'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL FROM 6650' TO 6953'. 303'. ROP 40.4'. WOB 10/18 ROTARY 40/55, MOTOR 73, SPP 2190, DIFF PSI 125/210.
13:30	14:00	0.5	SERVICE RIG AND FUNCTION TEST COM.
14:00	06:00	16.0	DRILL FROM 6953' TO 7493'. 540'. ROP 33.75'. WOB 12/20, ROTARY 45/50, MOTOR 73, SPP 2150/2320, DIFF PSI 125/300. MUD WT 10.6 PPG, VIS 40.

SAFETY MEETINGS: WORKING ON PUMPS, FORKLIFT.  
 FUEL USED 1700, EACH CREW CHECKED COM.  
 FULL CREWS NO ACCIDENTS REPORTED.

**08-28-2010**      **Reported By**      KERRY SALES

<b>DailyCosts: Drilling</b>	\$43,743	<b>Completion</b>	\$0	<b>Daily Total</b>	\$43,743
<b>Cum Costs: Drilling</b>	\$560,984	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$567,107

**MD**      8,590    **TVD**      8,590    **Progress**    1,097    **Days**      5    **MW**      10.5    **Visc**      40.0

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

**Activity at Report Time:** DRILLING @ 8590'

Start	End	Hrs	Activity Description
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06:00 13:30 7.5 DRILL FROM 7493' TO 7859'. 366'. ROP 48.8, WOB 14/17, ROTARY 50/55, MOTOR 73, SPP 2180/2245, DIFF PSI 165/325.  
 13:30 14:00 0.5 SERVICE RIG AND CHECK COM.  
 14:00 06:00 16.0 DRILL FROM 7859' TO 8590'. 731'. ROP 45.68, WOB 14/16, ROTARY 50/53, MOTOR 70, SPP 2275, DIFF PSI 210/260.  
 MUD WT 10.8, VIS 40

SAFETY MEETINGS: TRIPPING & BLOW OUTS.  
 FULL CREWS, NO REPORTED ACCIDENTS.  
 CHECK COM.  
 DIESEL USED 1500 GAL.

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<b>08-29-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$36,511	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,511						
<b>Cum Costs: Drilling</b>	\$597,496	<b>Completion</b>	\$6,122	<b>Well Total</b>	\$603,618						
<b>MD</b>	9,314	<b>TVD</b>	9,314	<b>Progress</b>	721	<b>Days</b>	6	<b>MW</b>	10.8	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 9314'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL FROM 8590' TO 8705'. 112'. ROP 74.66', WOB 14/16, ROTARY 55, MOTOR 70, SPP 2230/2330, DIFF PSI 175/270. PUMP 70 BBL 80+ SWEEP WHILE DRILLING LAST KELLY DOWN.
07:30	08:30	1.0	CIRCULATE OUT SWEEP. 15% TO 20% INCREASE IN CUTTINGS WITH NO CHANGE IN CUTTING SIZE. DROP SURVEY TOOL CHECK FOR FLOW WELL STATIC. SET BACK KELLY.
08:30	11:30	3.0	TOH AT 8705'. NO TIGHT HOLE, L/D REAMERS, MOTOR AND BIT. SURVEY AT 8500' 1.97 DEGREES. PIPE COUNT CORRECT.
11:30	15:00	3.5	TIH TO 8598'. PICK UP KELLY.
15:00	16:00	1.0	WASH/REAM FROM 8582' TO 8705'. 123'. CIRCULATE THROUGH GAS BUSTER, NO FLAIR.
16:00	06:00	14.0	DRILL FROM 8705' TO 9314'. 609'. ROP 43.5. WOB 16/18, ROTARY 52, MOTOR 68, SPP 2330, DIFF PSI 200/267. MUD WT 11.3, VIS 40.

SAFETY MEETINGS: TRIPPING PIPE BOTH CREWS  
 FULL CREWS AND NO ACCIDENTS REPORTED.  
 CHECKED CROWN-O-MATIC.  
 DIESEL USED 1380.

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<b>08-30-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$25,432	<b>Completion</b>	\$102,153	<b>Daily Total</b>	\$127,585						
<b>Cum Costs: Drilling</b>	\$622,928	<b>Completion</b>	\$108,276	<b>Well Total</b>	\$731,204						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	156	<b>Days</b>	7	<b>MW</b>	11.4	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: CEMENTING PRODUCTION CSG

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILL FOR 9314' TO 9470'. 156'. ROP 31.2, WOB 16/18, ROTARY 50, MM 65, SPP 2350, DIFF PSI 140/260. REACHED TD AT 11:00 HRS, 8/29/10.
11:00	12:00	1.0	CIRCULATE FOR 10 STAND SHORT TRIP. 70 BBL'S 80 VIS WITH 5 SACKS OF SAWDUST TRACER. 5% INCREASE IN CUTTINGS FROM SWEEP.
12:00	13:00	1.0	SHORT TRIP 10 STANDS. NO TIGHT HOLE.

13:00 14:30 1.5 CIRCULATE 70 BBL 80 VIS SAWDUST SWEEP FOR LD DRILL PIPE. NO INCREASE IN CUTTINGS. PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES LAY DOWN MACHINE WHILE CIRCULATING. PUMP DRY PIPE SLUG.

14:30 18:00 3.5 LAY DOWN DRILL PIPE. 271 JOINTS.

18:00 19:00 1.0 LAY DOWN BHA AND BREAK KELLY.

19:00 19:30 0.5 PULL WEAR BUSHING.

19:30 21:00 1.5 PRE JOB SAFETY MEETING. RIG UP FRANKS WESTATES CASING CREW.

21:00 02:00 5.0 SAFETY MEETING. RUN 4 1/2", 11.6#, N-80, LT&C CSG AS FOLLOWS: INSTALL LATCH DOWN ASSEMBLY IN FLOAT COLLAR. HALLIBURTON FLOAT SHOE @ 9464.36', 1 JT CSG, FLOAT COLLAR @ 9419.82', 52 JTS CSG, MJ @ 7201.83', 64 JTS CSG, MJ @ 4479.67', 105 JTS, 2 SPACER PUP JOINTS AT 192.08'. CSG (222 TOTAL). P/U JT # 223, TAG BOTTOM @ 9470'. L/D JT # 233. P/U MCH, L.J. INSTALL ROTATING RUBBER, LAND MCH FOR CEMENT. RAN TURBULIZERS ON BOTTOM THREE JOINTS, 25 BOW SPRING CENTRALIZERS ON EVERY THIRD JT TO 6231'.

02:00 02:30 0.5 SET MCH LANDING JOINT WITH 85K.

02:30 04:00 1.5 CIRCULATE BOTTOMS UP AND CONDITION HOLE FOR CEMENT JOB. CIRCULATE THROUGH GAS BUSTER WITH NO FLAIR.

04:00 06:00 2.0 SAFETY MEETING. CEMENTING PRODUCTION CASING DETAILS TO FOLLOW.  
MUD WT 11.3+, VIS 40.

SAFETY MEETINGS: RUN CASING, CEMENTING, THINK BEFORE YOU ACT, L/D DRILL PIPE.  
CHECK COM.  
FULL CREWS AND NO ACCIDENTS REPORTED.  
DIESEL 2350 GAL'S, USED 1270 GAL'S.

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<b>08-31-2010</b>	<b>Reported By</b>	KERRY SALES									
<b>Daily Costs: Drilling</b>	\$15,026	<b>Completion</b>	\$58,622	<b>Daily Total</b>	\$73,649						
<b>Cum Costs: Drilling</b>	\$637,955	<b>Completion</b>	\$166,899	<b>Well Total</b>	\$804,854						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0	<b>Days</b>	8	<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:** RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	SAFETY MEETING. R/U HALLIBURTON. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBL MUD FLUSH, MIX AND PUMP 500 SX (163.8 BBLs, 920 CU/FT) LEAD HIGHBOND 75 CEMENT @ 12 PPG, 1.84 YLD, 9.86 GAL/SK + 4% BENTONITE + .3% VERSASET. MIX AND PUMP 1305 SX (341.7 BBLs, 1918 CU/FT) TAIL EXTENDACEM CEMENT @ 13.5 PPG, 1.47 YLD, 6.98 GAL/SK + .125 LBM POLY-E-FLAKE. WASH UP TO RIG CATCH TANK, DROP PLUG AND DISPLACE W/146.4 BBLs FRESH WATER. FULL MUD RETURNS THROUGHOUT JOB. FINAL CIRCULATING PRESSURE 2720 PSI. BUMPED PLUG TO 4280 PSI. BLEED BACK 2.5 BBLs, FLOATS HELD. PRESSURE BACK UP TO 2700 PSI. R/D HALLIBURTON. PLUG DOWN @ 06:08 AM ON 8/30/2010. NO CEMENT TO SURFACE.  BLM NOTIFIED BY E-MAIL 8/29/10 @ 20:00, NO REPRESENTATIVE PRESENT.  CAROL DANIELS WITH UDOGM WAS NOTIFIED BY VOICE MESSAGE.  NOTIFICATIONS SENT 8/28/2010 @ 06:30 HRS.
06:30	07:30	1.0	HOLD 2700 PSI ON CASING.
07:30	08:00	0.5	BLEED OF CASING LAY DOWN LANDING JOINT AND SET PACK OFF AND TEST TO 5000 PSI.
08:00	09:00	1.0	CLEAN MUD TANKS. PREPARE TO MOVE 1.5 MILES TO HOSS 89-33 @ 09:00.

FULL CREWS, NO ACCIDENTS.  
SAFETY MEETINGS - LDDP, RUN CSG, CEMENT, RDRT.

FUEL - 2350

TRANSFER 4 JTS 4 1/2", 11.6#, N-80 CSG (42.13', 42.12', 42.11', 42.10'). TOTAL LENGTH 168.46', THREADS OFF) TO HOSS 89-33.

TRANSFER 2350 GALS DIESEL FUEL @ \$2.7189/GAL TO HOSS 89-33.

09:00 RIG RELEASED @ 09:00HRS, 8/30/10.  
CASING POINT COST \$633,414

**09-04-2010**      **Reported By**      SEARLE

**Daily Costs: Drilling**      \$0      **Completion**      \$29,300      **Daily Total**      \$29,300

**Cum Costs: Drilling**      \$637,955      **Completion**      \$196,199      **Well Total**      \$834,154

**MD**      9,470      **TVD**      9,470      **Progress**      0      **Days**      9      **MW**      0.0      **Visc**      0.0

**Formation :**      **PBTD :** 9420.0      **Perf :**      **PKR Depth :** 0.0

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

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM 9400' TO 970'. EST CEMENT TOP @ 1140'. RDWL.

**09-30-2010**      **Reported By**      MCCURDY

**Daily Costs: Drilling**      \$0      **Completion**      \$1,428      **Daily Total**      \$1,428

**Cum Costs: Drilling**      \$637,955      **Completion**      \$197,627      **Well Total**      \$835,582

**MD**      9,470      **TVD**      9,470      **Progress**      0      **Days**      10      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 9420.0      **Perf :** 7451'-9240'      **PKR Depth :** 0.0

**Activity at Report Time:** FRAC STAGES 7 THROUGH 11

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FRAC TANKS PRE MIXED W/ BIOCIDE (75) @ .05 GAL/M, WSI SCALE INHIBITOR (3730) @ 1 GAL/M.

STAGE 1. MIRU CUTTERS WIRELINE & PERFORATE LPR FROM 9030'-31', 9036'-37', 9048'-49', 9065'-66', 9081'-82', 9088'-89', 9105'-06', 9165'-66', 9173'-74', 9178'-79', 9185'-86', 9222'-23', 9234'-35', 9239'-40' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7408 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 33064 GAL 16# DELTA 200 W/113100# 20/40 SAND @ 2-5 PPG. MTP 6006 PSIG. MTR 51.8 BPM. ATP 4927 PSIG. ATR 47.1 BPM. ISIP 3602 PSIG. RD HALLIBURTON.

STAGE 2. RUWL. SET 6K CFP AT 8980'. PERFORATE MPR / LPR FROM 8683'-84', 8714'-15', 8736'-37', 8745'-46', 8830'-31', 8847'-48', 8886'-87', 8895'-96', 8906'-07', 8916'-17', 8926'-27', 8934'-35', 8954'-55', 8963'-64' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 36096 GAL 16# DELTA 200 W/179300# 20/40 SAND @ 1-5 PPG. MTP 5977 PSIG. MTR 50.8 BPM. ATP 4592 PSIG. ATR 49.9 BPM. ISIP 3126 PSIG. RD HALLIBURTON.

STAGE 3. RUWL. SET 6K CFP AT 8650'. PERFORATE MPR FROM 8374'-75', 8380'-81', 8385'-86', 8442'-43', 8447'-48', 8454'-55', 8459'-60', 8475'-76', 8536'-37', 8552'-53', 8556'-57', 8588'-89', 8624'-25', 8630'-31' @ 3 SPF & 120 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7396 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 34311 GAL 16# DELTA 200 W/115200# 20/40 SAND @ 2-5 PPG. MTP 6711 PSIG. MTR 50.7 BPM. ATP 4786 PSIG. ATR 47.3 BPM. ISIP 3188 PSIG. RD HALLIBURTON.

STAGE 4. RUWL. SET 6K CFP AT 8346'. PERFORATE MPR FROM 8127'-28', 8135'-36', 8145'-46', 8152'-53', 8160'-61', 8178'-89', 8208'-09', 8216'-17', 8223'-24', 8276'-77', 8285'-86', 8290'-91', 8315'-16', 8327'-28' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7419 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 35339 GAL 16# DELTA 200 W/122400# 20/40 SAND @ 2-5 PPG. MTP 6545 PSIG. MTR 50.8 BPM. ATP 4586 PSIG. ATR 47.9 BPM. ISIP 3529 PSIG. RD HALLIBURTON.

STAGE 5. RUWL. SET 6K CFP AT 8098'. PERFORATE UPR / MPR FROM 7918'-19', 7943'-44', 7954'-55', 7964'-65', 7974'-75', 7985'-86', 7994'-95', 8002'-03', 8027'-28', 8036'-37', 8045'-46', 8060'-61', 8070'-71', 8077'-78' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7452 GAL 16# LINEAR W/9600# 20/40 SAND @ 1-1.5 PPG, 48124 GAL 16# DELTA 200 W/166800# 20/40 SAND @ 2-5 PPG. MTP 6443 PSIG. MTR 51.7 BPM. ATP 4293 PSIG. ATR 38.9 BPM. ISIP 2503 PSIG. RD HALLIBURTON.

STAGE 6. RUWL. SET 6K CFP AT 7755'. PERFORATE UPR FROM 7451'-52', 7471'-72', 7480'-81', 7495'-96', 7502'-03', 7543'-44', 7552'-53', 7605'-06', 7616'-17', 7633'-34', (7641'-42' MISFIRED), 7649'-50', 7726'-27', 7735'-36' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7420 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 44878 GAL 16# DELTA 200 W/157200# 20/40 SAND @ 2-5 PPG. MTP 6467 PSIG. MTR 51.2 BPM. ATP 3530 PSIG. ATR 40.2 BPM. ISIP 2667 PSIG. RD HALLIBURTON. SWIFN.

<b>10-01-2010</b>	<b>Reported By</b>	MCCURDY									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$394,447	<b>Daily Total</b>	\$394,447						
<b>Cum Costs: Drilling</b>	\$637,955	<b>Completion</b>	\$592,075	<b>Well Total</b>	\$1,230,030						
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0	<b>Days</b>	11	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9420.0</b>		<b>Perf : 5493'-9240'</b>			<b>PKR Depth : 0.0</b>				
<b>Activity at Report Time: MIRUSU CLEAN OUT SAND AND DRILL OUT FRAC PLUGS</b>											

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STAGE 7. INTIAL PRESSURE 1732 PSIG. RUWL. SET 6K CFP AT 7423'. PERFORATE NH/UPR FROM 7180'-81', 7210'-11', 7220'-21', 7245'-46', 7252'-53', 7269'-70', 7279'-80', 7284'-85', 7297'-98', 7309'-10', 7349'-50', 7358'-59', 7368'-69', 7403'-04' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 8574 GAL 16# LINEAR W/11300# 20/40 SAND @ 1-1.5 PPG, 42115 GAL 16# DELTA 200 W/137500# 20/40 SAND @ 2-5 PPG. MTP 5125 PSIG. MTR 50.8 BPM. ATP 4064 PSIG. ATR 48.2 BPM. ISIP 2546 PSIG. RD HALLIBURTON.

STAGE 8. RUWL. SET 6K CFP AT 7130'. PERFORATE NH FROM (6896'-97' MISFIRED), (6900'-01' MISFIRED), 6920'-21', 6958'-59', 6987'-88', 6992'-93', 7009'-10', 7018'-19', 7037'-38', 7043'-44', 7060'-61', 7063'-64', 7101'-02', 7104'-05' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7383 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 24920 GAL 16# DELTA 200 W/83400# 20/40 SAND @ 2-4 PPG. MTP 7496 PSIG. MTR 51.4 BPM. ATP 4683 PSIG. ATR 44.7 BPM. ISIP 3068 PSIG. RD HALLIBURTON.

STAGE 9. RUWL. SET 6K CFP AT 6850'. PERFORATE Ba FROM 6519'-20', 6534'-35', 6538'-39', 6555'-56', 6571'-72', 6600'-01', 6632'-33', 6669'-70', 6696'-97', 6727'-28', 6736'-37', 6741'-42', 6816'-17', 6829'-30' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7350 GAL 16# LINEAR W/9500# 20/40 SAND @ 1-1.5 PPG, 7350 GAL 16# DELTA 200 W/9500# 20/40 SAND @ 2-4 PPG. MTP 6491 PSIG. MTR 50.7 BPM. ATP 4634 PSIG. ATR 45.4 BPM. ISIP 4746 PSIG. RD HALLIBURTON.

STAGE 10. RUWL. SET 6K CFP AT 6470'. PERFORATE Ca/Ba FROM 5839'-40', 6180'-81', 6219'-20', 6229'-30', 6236'-38', 6267'-68', 6353'-54', 6364'-66', 6448'-50' @ 3 SPF & 120 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 7339 GAL 16# LINEAR W/9400# 20/40 SAND @ 1-1.5 PPG, 22364 GAL 16# DELTA 200 W/74600# 20/40 SAND @ 2-4 PPG. MTP 6177 PSIG. MTR 51.1 BPM. ATP 4761 PSIG. ATR 45.1 BPM. ISIP 1820 PSIG. RD HALLIBURTON.

STAGE 11. RUWL. SET 6K CFP AT 5650'. PERFORATE Pp/Ca FROM 5493'-94', 5498'-99', 5504'-05', 5509'-10', 5515'-16', 5528'-29', 5540'-41', 5544'-45', 5550'-51', 5607'-08', 5613'-14', 5620'-21', 5626'-27', 5628'-29' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 36832 GAL 16# DELTA 200 W/133100# 20/40 SAND @ 3-4 PPG. MTP 5233 PSIG. MTR 51.5 BPM. ATP 2923 PSIG. ATR 48.7 BPM. ISIP 1505 PSIG. RD HALLIBURTON.

RUWL. SET 6K CBP AT 5401'. BLED WELL TO 0 PSIG. RDMO CUTTERS WIRELINE & HALIBURTON SERVICES. SWIFN.

<b>10-02-2010</b>	<b>Reported By</b>	HISLOP							
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$24,114	<b>Daily Total</b>	\$24,114				

<b>Cum Costs: Drilling</b>	\$637,955	<b>Completion</b>	\$616,189	<b>Well Total</b>	\$1,254,144
<b>MD</b>	9,470	<b>TVD</b>	9,470	<b>Progress</b>	0
		<b>Days</b>	12	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9420.0</b>		<b>Perf : 5493'-9240'</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** DRILL PLUGS

<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>
06:00	06:00	24.0	MIRUSU. ND FRAC TREE & NU BOP. PRESSURE TESTED BOP & BLIND RAMS TO 3000 PSIG. RIH W/ BIT & PUMP OFF SUB TO 5650'. RU TO DRILL OUT PLUGS. TESTED PIPE RAMS TO 3000 PSIG. SDFWE.

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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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other			6. If Indian, Allottee or Tribe Name		
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____			7. Unit or CA Agreement Name and No.		
2. Name of Operator EOG RESOURCES, INC.			Contact: MICHELLE E ROBLES E-Mail: MICHELLE_ROBLES@EOGRESOURCES.COM		
3. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078			3a. Phone No. (include area code) Ph: 307-276-4842		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SWSW 706FSL 493FWL 40.07391 N Lat, 109.32091 W Lon At top prod interval reported below SWSW 706FSL 493FWL 40.07391 N Lat, 109.32091 W Lon At total depth SWSW 706FSL 493FWL 40.07391 N Lat, 109.32091 W Lon			8. Lease Name and Well No. HOSS 74-34		
14. Date Spudded 08/04/2010			15. Date T.D. Reached 08/29/2010		
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 10/04/2010			9. API Well No. 43-047-38361		
18. Total Depth: MD 9470 TVD			19. Plug Back T.D.: MD 9420 TVD		
20. Depth Bridge Plug Set: MD TVD			10. Field and Pool, or Exploratory NATURAL BUTTES		
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) <u>RST/CBL/CCL/VDL/GR</u>			11. Sec., T., R., M., or Block and Survey or Area Sec 34 T8S R23E Mer SLB		
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)			12. County or Parish UINTAH		
			13. State UT		
			17. Elevations (DF, KB, RT, GL)* 4980 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 J55	36.0	0	2641		683		0	
7.875	4.500 N80	11.6	0	9464		1805		1140	

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	9233							

25. Producing Intervals			26. Perforation Record			
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH/MESAVERDE	5493	9240	9030 TO 9240		2	
B)			8683 TO 8964		2	
C)			8374 TO 8631		3	
D)			8127 TO 8328		2	

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

Depth Interval	Amount and Type of Material
9030 TO 9240	40,472 GALS GELLED WATER & 122,600# 20/40 SAND
8683 TO 8964	36,096 GALS GELLED WATER & 179,300# 20/40 SAND
8374 TO 8631	41,707 GALS GELLED WATER & 124,700# 20/40 SAND
8127 TO 8328	42,758 GALS GELLED WATER & 131,900# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/04/2010	10/19/2010	24	→	34.0	629.0	607.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
24/64	SI 600	1400.0	→	34	629	607		PGW	

28a. Production - Interval B

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

**RECEIVED**  
**NOV 03 2010**



**HOSS 74-34 ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7918-8078	2/spf
7451-7736	2/spf
7180-7404	2/spf
6920-7105	2/spf
6519-6830	2/spf
5839-6450	3/spf
5493-5629	2/spf

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

7918-8078	55,576 GALS GELLED WATER & 176,400# 20/40 SAND
7451-7736	52,298 GALS GELLED WATER & 166,700# 20/40 SAND
7180-7404	50,689 GALS GELLED WATER & 148,800# 20/40 SAND
6920-7105	32,303 GALS GELLED WATER & 92,900# 20/40 SAND
6519-6830	14,700 GALS GELLED WATER & 19,000# 20/40 SAND
5839-6450	29,703 GALS GELLED WATER & 84,000# 20/40 SAND
5493-5629	36,832 GALS GELLED WATER & 133,100# 20/40 SAND

PERFORATE LOWER PRICE RIVER FROM 9030'-31', 9036'-37', 9048'-49', 9065'-66', 9081'-82', 9088'-89', 9105'-06', 9165'-66', 9173'-74', 9178'-79', 9185'-86', 9222'-23', 9234'-35', 9239'-40' @ 2 SPF.

PERFORATE MIDDLE PRICE RIVER / LOWER PRICE RIVER FROM 8683'-84', 8714'-15', 8736'-37', 8745'-46', 8830'-31', 8847'-48', 8886'-87', 8895'-96', 8906'-07', 8916'-17', 8926'-27', 8934'-35', 8954'-55', 8963'-64' @ 2 SPF.

PERFORATE MIDDLE PRICE RIVER FROM 8374'-75', 8380'-81', 8385'-86', 8442'-43', 8447'-48', 8454'-55', 8459'-60', 8475'-76', 8536'-37', 8552'-53', 8556'-57', 8588'-89', 8624'-25', 8630'-31' @ 3 SPF.

PERFORATE MIDDLE PRICE RIVER FROM 8127'-28', 8135'-36', 8145'-46', 8152'-53', 8160'-61', 8178'-89', 8208'-09', 8216'-17', 8223'-24', 8276'-77', 8285'-86', 8290'-91', 8315'-16', 8327'-28' @ 2 SPF.

PERFORATE UPPER PRICE RIVER / MIDDLE PRICE RIVER FROM 7918'-19', 7943'-44', 7954'-55', 7964'-65', 7974'-75', 7985'-86', 7994'-95', 8002'-03', 8027'-28', 8036'-37', 8045'-46', 8060'-61', 8070'-71', 8077'-78' @ 2 SPF.

PERFORATE UPPER PRICE RIVER FROM 7451'-52', 7471'-72', 7480'-81', 7495'-96', 7502'-03', 7543'-44', 7552'-53', 7605'-06', 7616'-17', 7633'-34', (7641'-42' MISFIRED), 7649'-50', 7726'-27', 7735'-36' @ 2 SPF.

PERFORATE NH/UPPER PRICE RIVER FROM 7180'-81', 7210'-11', 7220'-21', 7245'-46', 7252'-53', 7269'-70', 7279'-80', 7284'-85', 7297'-98', 7309'-10', 7349'-50', 7358'-59', 7368'-69', 7403'-04' @ 2 SPF.

PERFORATE NH FROM (6896'-97' MISFIRED), (6900'-01' MISFIRED), 6920'-21', 6958'-59', 6987'-88', 6992'-93', 7009'-10', 7018'-19', 7037'-38', 7043'-44', 7060'-61', 7063'-64', 7101'-02', 7104'-05' @ 2 SPF.

PERFORATE Ba FROM 6519'-20', 6534'-35', 6538'-39', 6555'-56', 6571'-72', 6600'-01', 6632'-33', 6669'-70', 6696'-97', 6727'-28', 6736'-37', 6741'-42', 6816'-17', 6829'-30' @ 2 SPF.

PERFORATE Ca/Ba FROM 5839'-40', 6180'-81', 6219'-20', 6229'-30', 6236'-38', 6267'-68', 6353'-54', 6364'-66', 6448'-50' @ 3 SPF.

PERFORATE Pp/Ca FROM 5493'-94', 5498'-99', 5504'-05', 5509'-10', 5515'-16', 5528'-29', 5540'-41', 5544'-45', 5550'-51', 5607'-08', 5613'-14', 5620'-21', 5626'-27', 5628'-29' @ 2 SPF.

## 52.FORMATION MARKERS

Middle Price River	7927
Lower Price River	8720
Sego	9299