

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

FORM 3

AMENDED REPORT
(highlight changes)

| | | | |
|--|---------------------------------------|---|---|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: U-01791 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT | |
| 2. NAME OF OPERATOR: EOG RESOURCES, INC. | | 9. WELL NAME and NUMBER: NATURAL BUTTES UNIT 568-17E | |
| 3. ADDRESS OF OPERATOR: 1060 EAST HIGHWAY 40 CITY VERNAL STATE UT ZIP 84078 | | PHONE NUMBER: (435) 789-0790 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 850 FNL 807 FEL 39.952819 LAT 109.569269 LON AT PROPOSED PRODUCING ZONE: SAME | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 17 10S 21E S | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 45.8 MILES SOUTH OF VERNAL, UTAH | | 12. COUNTY: UINTAH | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 807 | 16. NUMBER OF ACRES IN LEASE: 2164 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4690 | 19. PROPOSED DEPTH: 9,889 | 20. BOND DESCRIPTION: NM 2308 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5122 GL | 22. APPROXIMATE DATE WORK WILL START: | 23. ESTIMATED DURATION: 45 DAYS | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|------|-------|---------------|---|
| 17-1/2 | 13-3/8 | H-40 | 48# | 45 | SEE ATTACHED EIGHT POINT PLAN |
| 12-1/4 | 9-5/8 | J-55 | 36# | 2,300 | SEE ATTACHED EIGHT POINT PLAN |
| 7-7/8 | 4-1/2 | N-80 | 11.6# | 9,889 | SEE ATTACHED EIGHT POINT PLAN |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

ATTACHMENTS

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

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

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Sr. Regulatory Assistant

SIGNATURE *Kaylene R. Gardner* DATE 8/17/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38537

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

APPROVAL:

Date: 04-10-07

(See Instructions on Reverse Side)

By: *[Signature]*

RECEIVED
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DIV. OF OIL, GAS & MINING

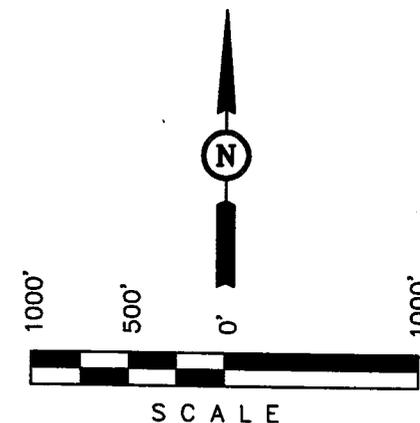
T10S, R21E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, NBU #568-17E, located as shown in the NE 1/4 NE 1/4 of Section 17, T10S, R21E, S.L.B.&M., Uintah County, Utah.

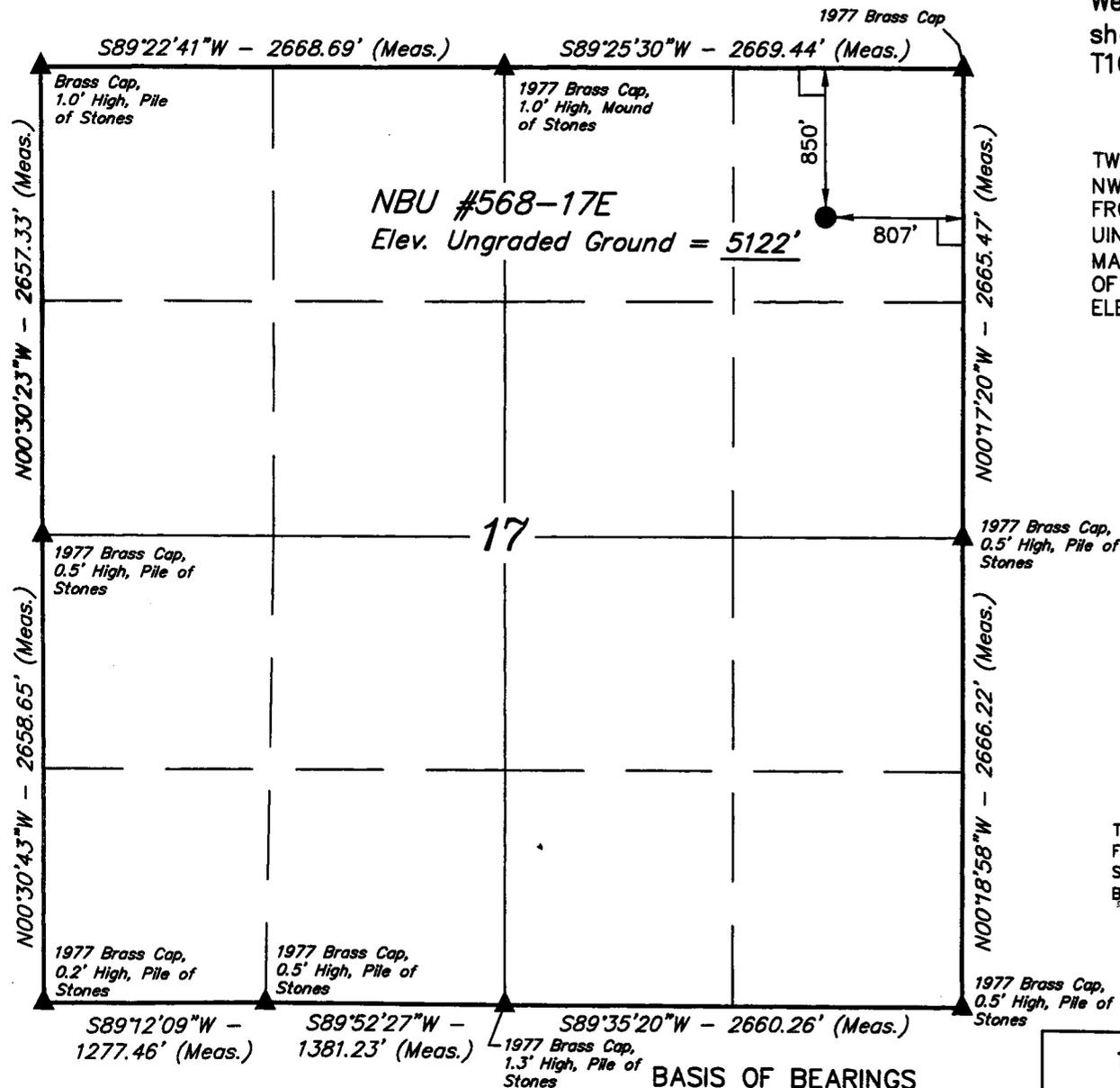
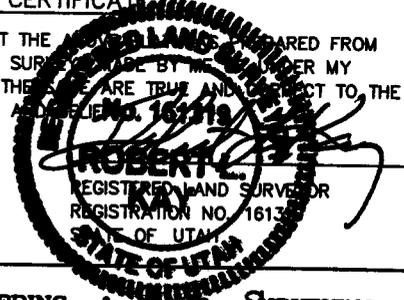
BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



CERTIFICATE

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



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

LEGEND:

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

(NAD 83)
 LATITUDE = 39°57'10.15" (39.952819)
 LONGITUDE = 109°34'09.37" (109.569269)
 (NAD 27)
 LATITUDE = 39°57'10.28" (39.952856)
 LONGITUDE = 109°34'06.89" (109.568581)

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

| | | |
|-------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 06-20-06 | DATE DRAWN: 06-21-06 |
| PARTY G.S. K.C. S.L. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN

NATURAL BUTTE UNIT 568-17E
NE/NE, SEC. 17, T10S, R21E, S.L.B.&M..
UINTAH COUNTY, UTAH

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

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River FM | 1,331' |
| Wasatch | 4,505' |
| Chapita Wells | 5,144' |
| Buck Canyon | 5,829' |
| North Horn | 6,364' |
| Island | 7,185' |
| KMV Price River | 7,373' |
| KMV Price River Middle | 8,294' |
| KMV Price River Lower | 9,128' |
| Sego | 9,689' |

Estimated TD: **9,889' or 200'± below Sego top**

Anticipated BHP: 5,400 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

| | <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|--------------------|-------------------------|------------------------|--------------------|----------------------|---------------------|----------------------|-----------------------------|---------------------|-----------------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| Conductor: | 17 ½" | 0' – 45' | 13 ¾" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12-1/4" | 45' – 2,300'KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production: | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

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

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

EIGHT POINT PLAN

NATURAL BUTTE UNIT 568-17E
NE/NE, SEC. 17, T10S, R21E, S.L.B.&M..
UINTAH COUNTY, UTAH

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

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

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

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

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

7. VARIANCE REQUESTS:

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

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

8. EVALUATION PROGRAM:

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

EIGHT POINT PLAN

NATURAL BUTTE UNIT 568-17E
NE/NE, SEC. 17, T10S, R21E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

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

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

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

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

Production Hole Procedure (2300'± - TD)

Lead: **148 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: **905 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

EIGHT POINT PLAN

NATURAL BUTTE UNIT 568-17E
NE/NE, SEC. 17, T10S, R21E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

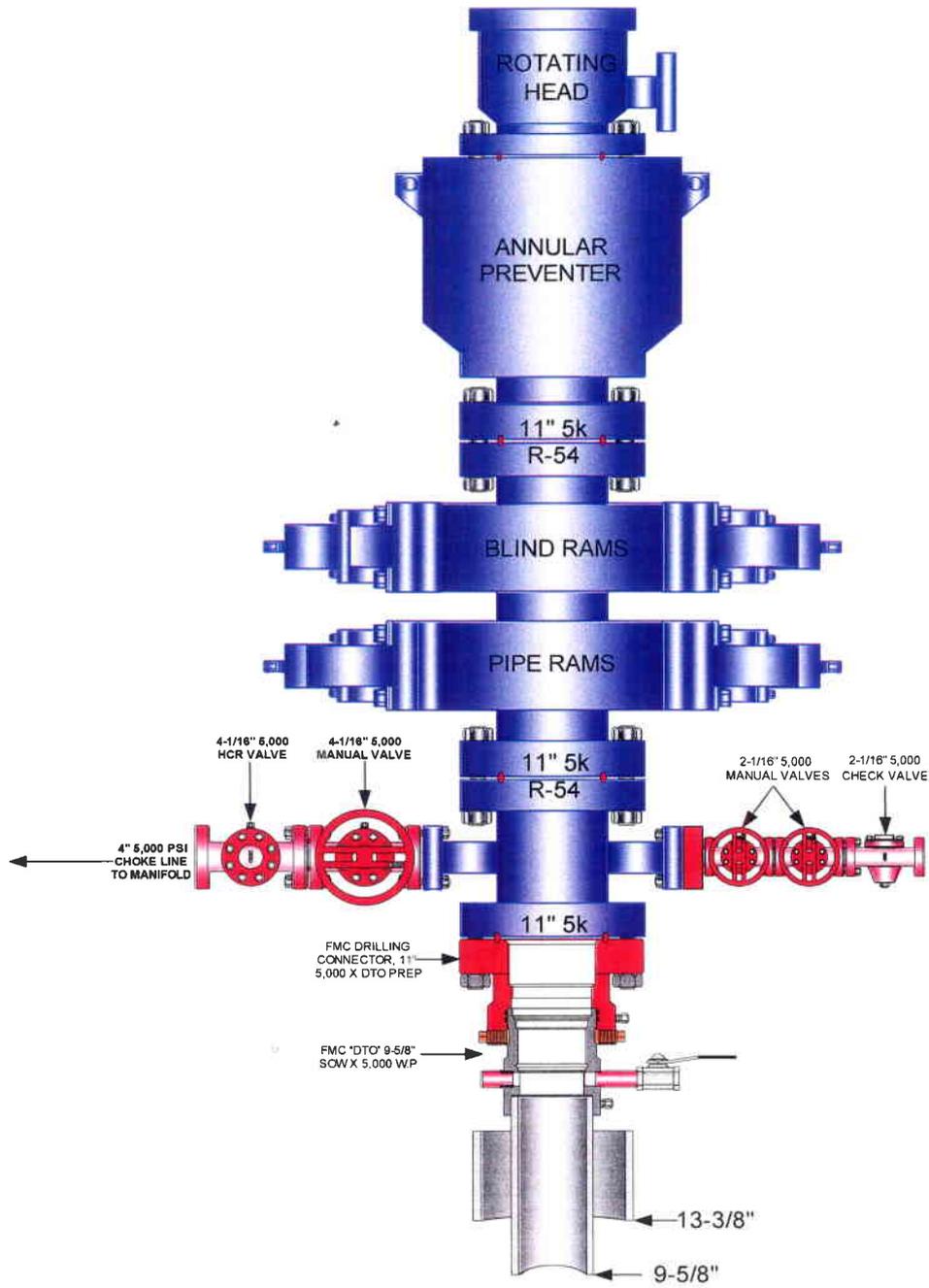
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds³ will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

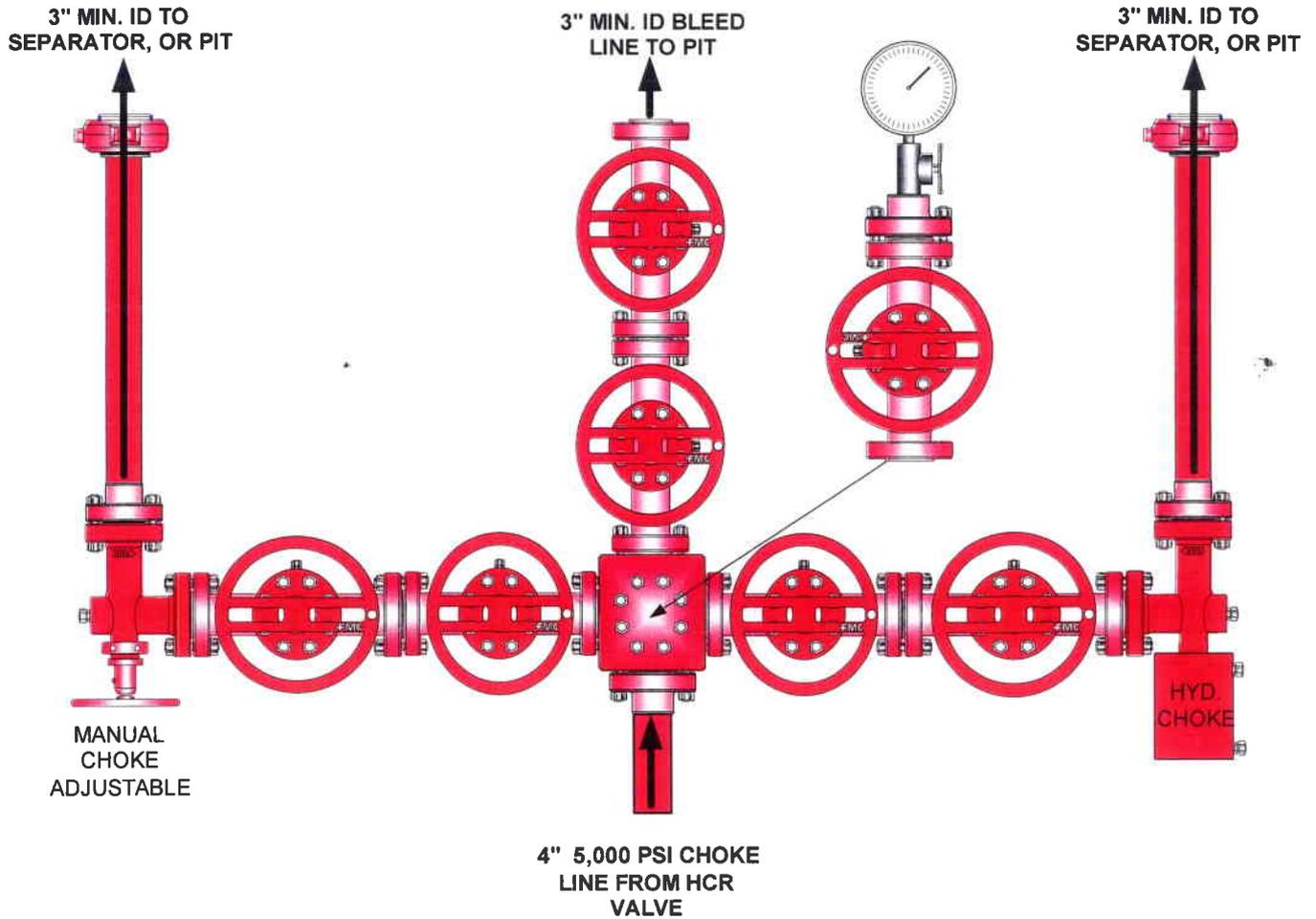
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, **whichever is greater.**
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.



**NATURAL BUTTES UNIT 568-17E
NE/NE, Section 17, T10S, R21E
Uintah County, Utah**

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

- Location Construction: Forty-eight (48) hours prior to construction of location and access roads.
- Location Completion: Prior to moving on the drilling rig.
- Spud Notice: At least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing: Twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and related Equipment Tests: Twenty-four (24) hours prior to running casing and tests.
- First Production Notice: Within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 2112 feet long with a 30-foot right-of-way, disturbing approximately 1.45 acres. New surface disturbance associated with access road and the well pad is estimated to be approximately 3.29 acres. The pipeline is approximately 2735 feet long with a 40 foot right of way, disturbing approximately 2.51 acres.

1. EXISTING ROADS:

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 45.8 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The access road will be approximately 2112' in length.
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

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

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

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

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

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.
2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. The length of the new proposed pipeline is 2735' x 40'. The proposed pipeline leaves the northern edge of the well pad proceeding in a southerly direction for an approximate distance of 2735' tying into an existing pipeline in the NESE of Section 17, T10S, R21E (Lease U-01791). Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lok, electric weld with a 35 mil X-Tru coating.
3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface
4. Protective measures and devices for livestock and wildlife will be taken and /or installed where required.

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

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

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

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
 - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
 - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
 - 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
 - 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 millimeter plastic liner.

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

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

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

The stockpiled pit topsoil will be stored separate from the location topsoil West of Corner #5. The stockpiled location topsoil will be stored between Corners #1 and #2. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the Southeast.

FENCING REQUIREMENTS:

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

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

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

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

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Producing Location

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

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

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

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

B. Dry Hole/Abandoned Location

B. Dry Hole/Abandoned Location

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

11. SURFACE OWNERSHIP:

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

State of Utah

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

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

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

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

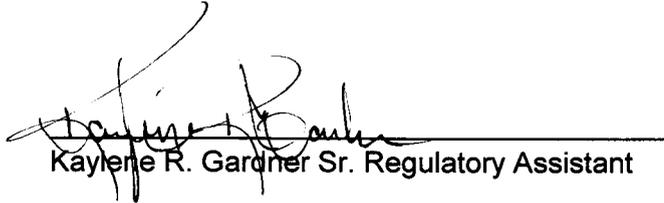
DRILLING OPERATIONS

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

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Natural Buttes Unit 568-17E Well, located in the NENE, of Section 17, T10S, R21E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

August 17, 2006
Date


Kaylene R. Gardner Sr. Regulatory Assistant

EOG RESOURCES, INC.

NBU #568-17E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 17, T10S, R21E, S.L.B.&M.

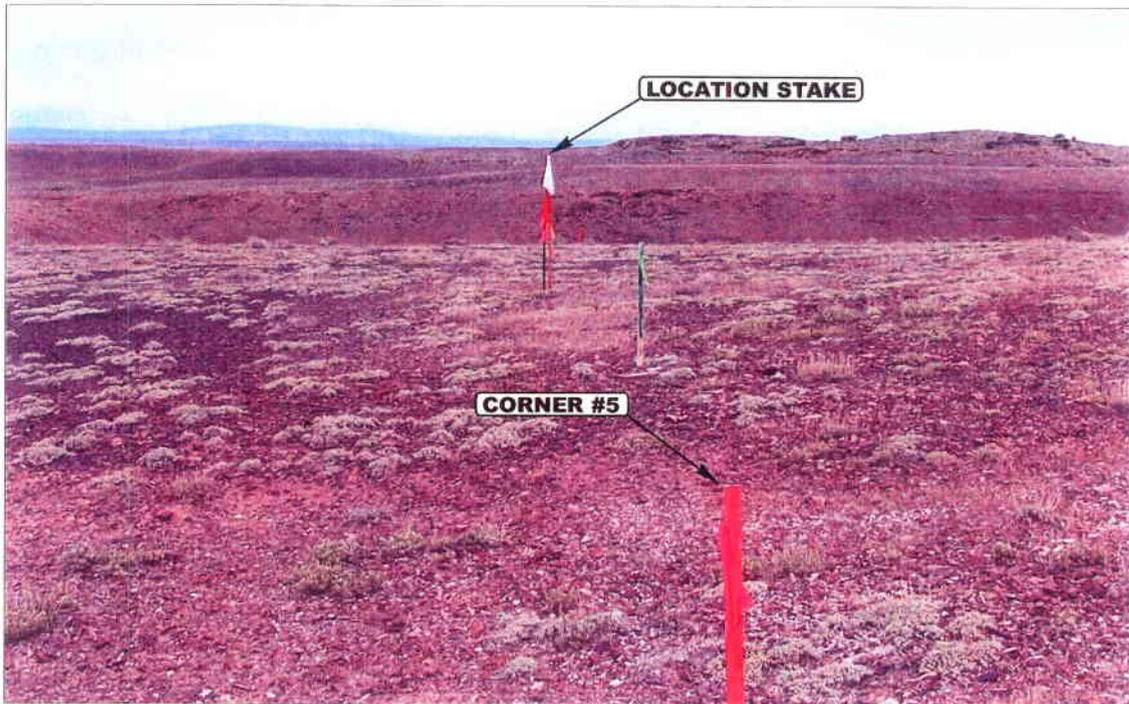


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



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

LOCATION PHOTOS

06 22 06
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

DRAWN BY: L.K.

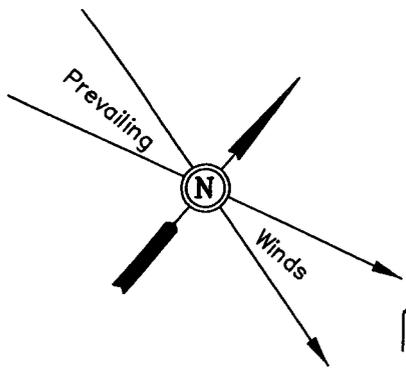
REVISED: 00-00-00

- Since 1964 -

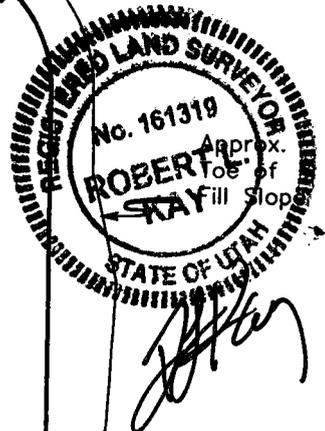
EOG RESOURCES, INC.

LOCATION LAYOUT FOR

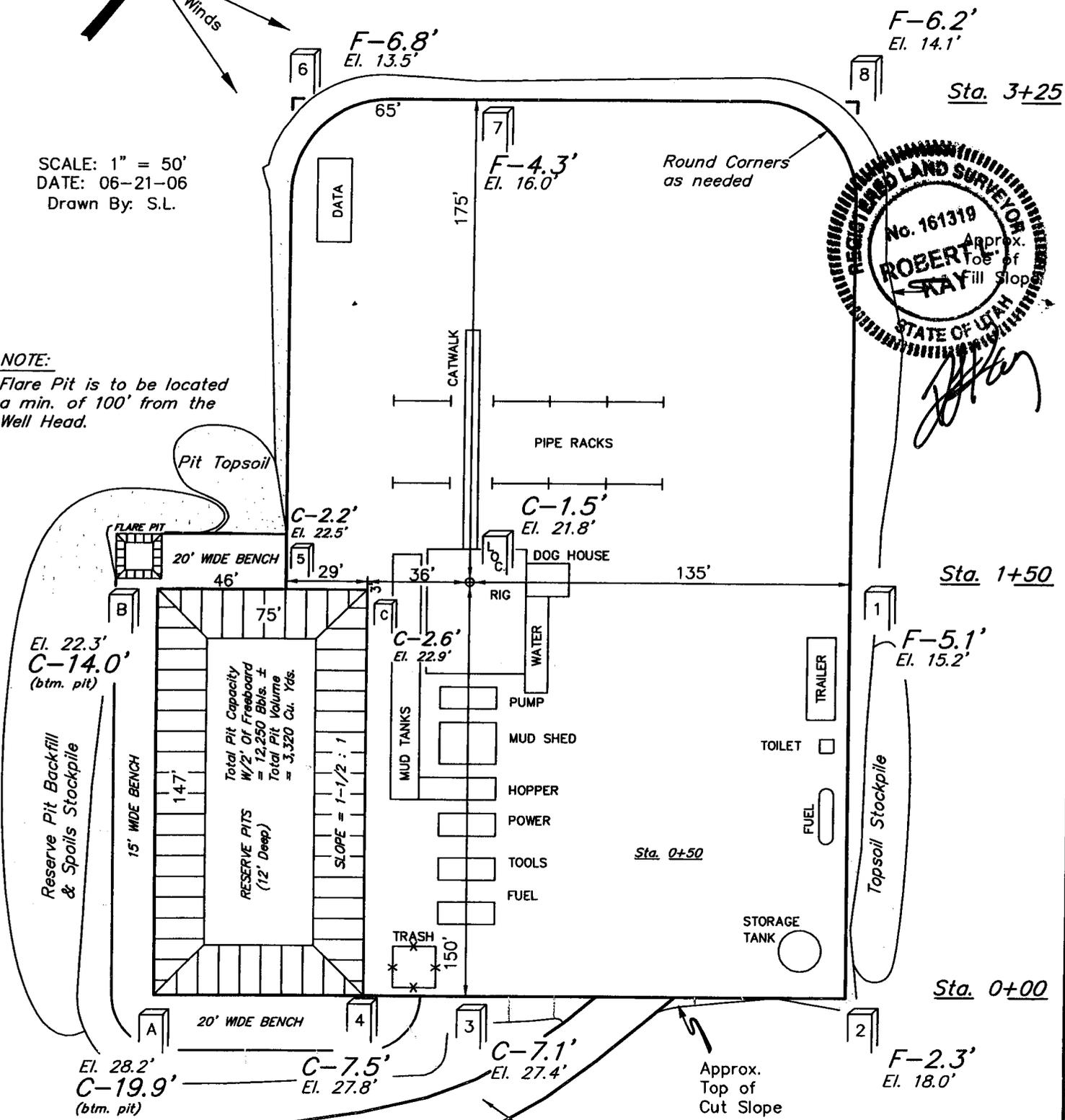
NBU #568-17E
SECTION 17, T10S, R21E, S.L.B.&M.
850' FNL 807' FEL



SCALE: 1" = 50'
DATE: 06-21-06
Drawn By: S.L.



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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5121.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 5120.3'

FIGURE #1

EOG RESOURCES, INC.

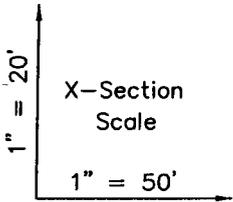
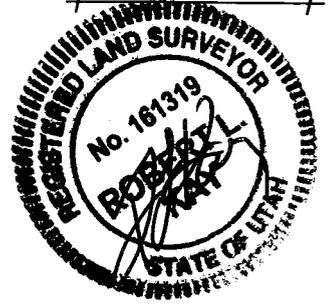
TYPICAL CROSS SECTIONS FOR

NBU #568-17E

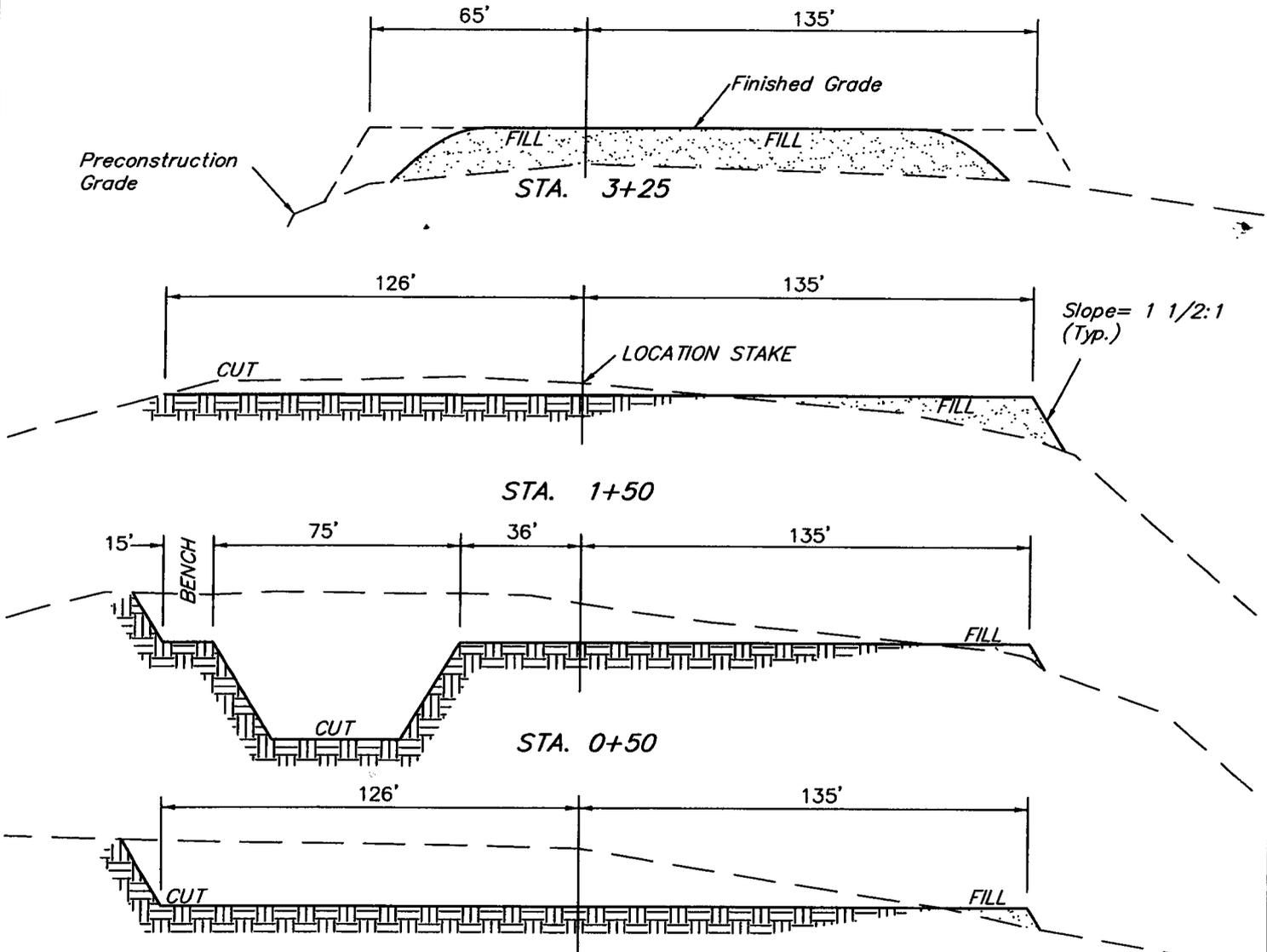
SECTION 17, T10S, R21E, S.L.B.&M.

850' FNL 807' FEL

FIGURE #2



DATE: 06-21-06
Drawn By: S.L.



NOTE:

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

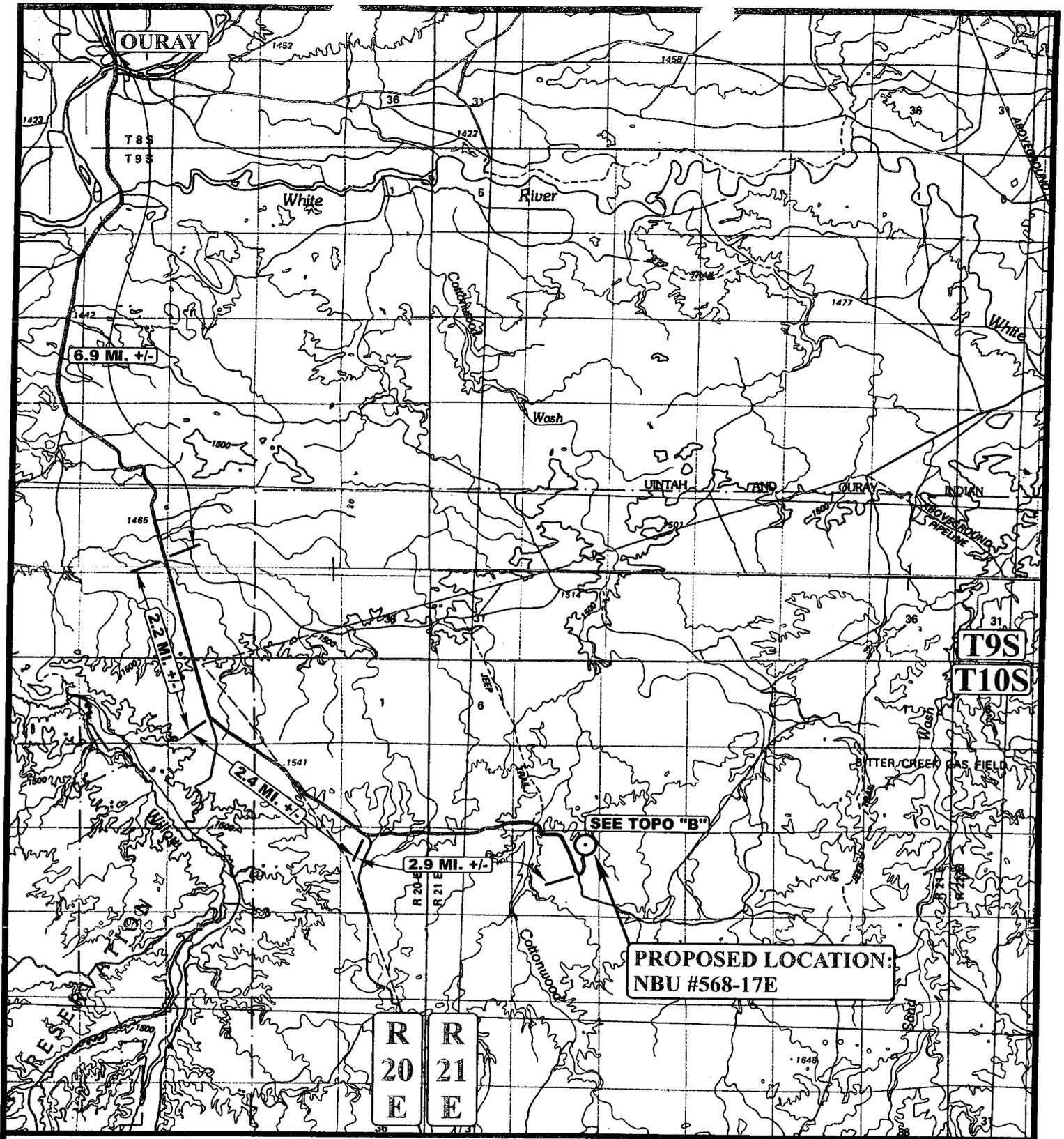
* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,660 Cu. Yds. |
| Remaining Location | = 8,260 Cu. Yds. |
| TOTAL CUT | = 9,920 CU.YDS. |
| FILL | = 6,600 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL | = 3,320 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,320 Cu. Yds. |
| EXCESS UNBALANCE (After Interim Rehabilitation) | = 0 Cu. Yds. |



LEGEND:

○ PROPOSED LOCATION

EOG RESOURCES, INC.

NBU #568-17E
 SECTION 17, T10S, R21E, S.L.B.&M.
 850' FNL 807' FEL



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



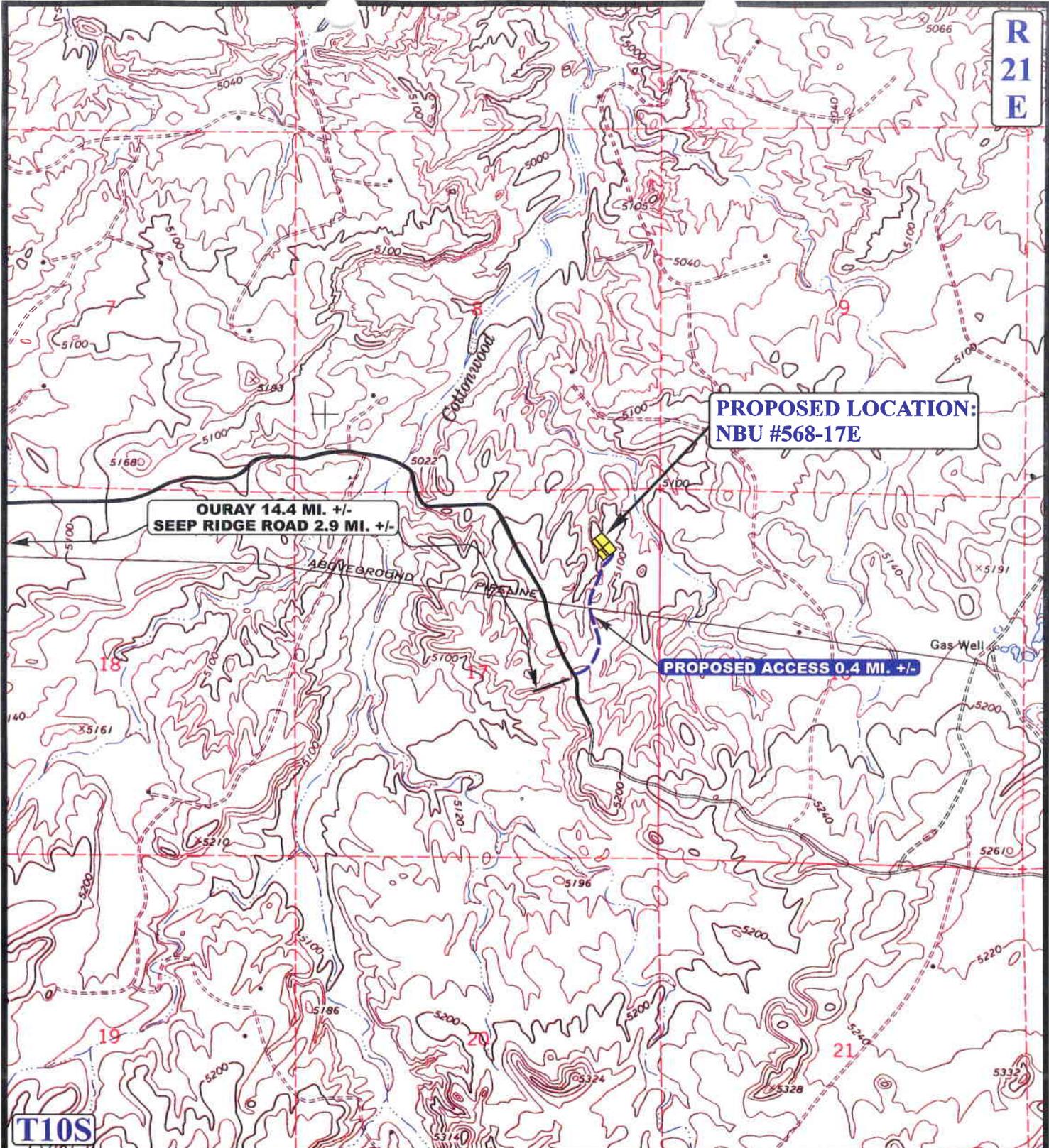
TOPOGRAPHIC
 MAP

| | | |
|-------|-----|------|
| 06 | 22 | 06 |
| MONTH | DAY | YEAR |



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

R
21
E



OURAY 14.4 MI. +/-
SEEP RIDGE ROAD 2.9 MI. +/-

PROPOSED LOCATION:
NBU #568-17E

PROPOSED ACCESS 0.4 MI. +/-

T10S

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



EOG RESOURCES, INC.

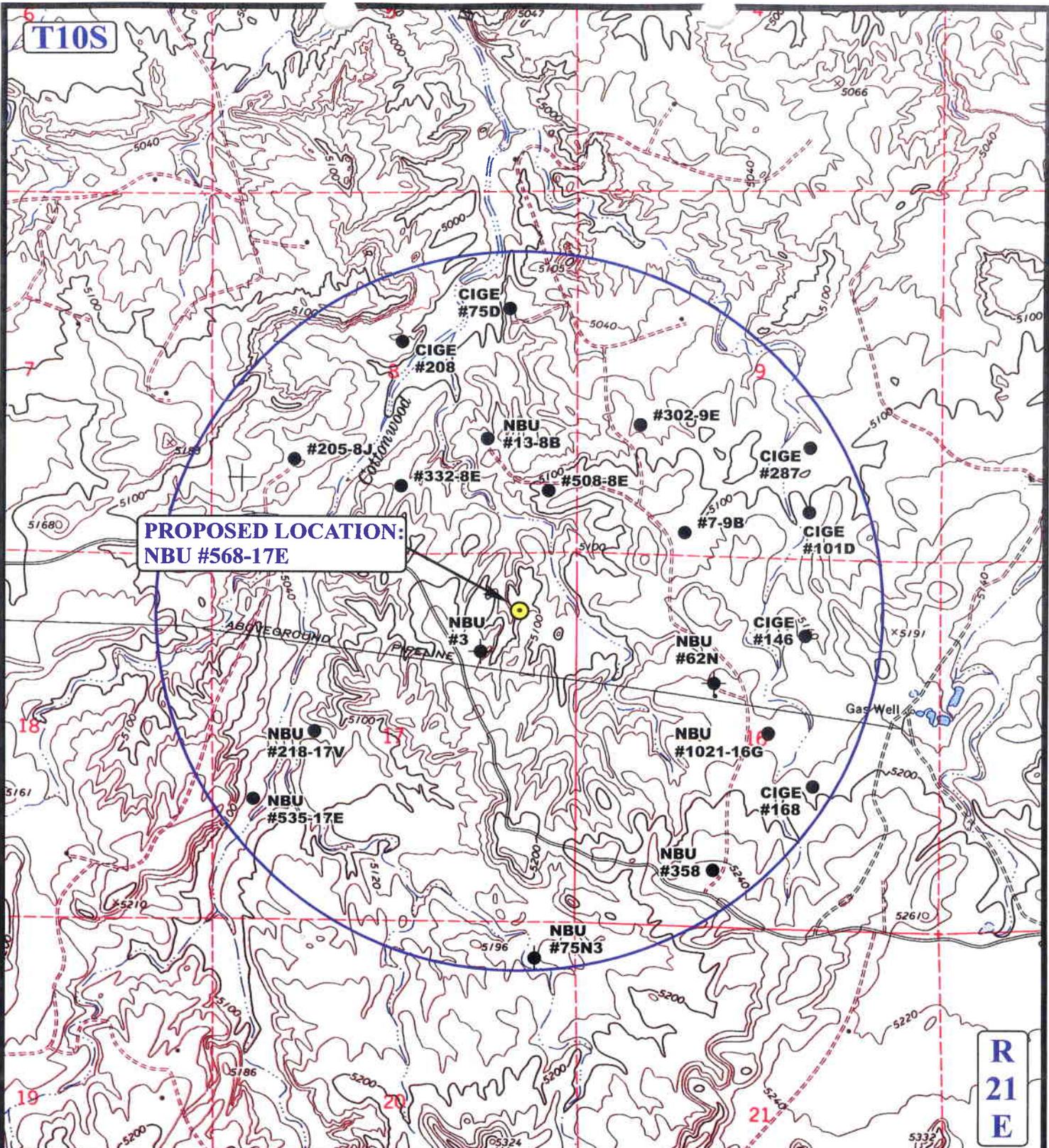
NBU #568-17E
SECTION 17, T10S, R21E, S.L.B.&M.
850' FNL 807' FEL



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

| | | | |
|----------------------------|----------------|-----|-------------------|
| TOPOGRAPHIC MAP | 06 | 22 | 06 |
| | MONTH | DAY | YEAR |
| SCALE: 1" = 2000' | DRAWN BY: L.K. | | REVISED: 00-00-00 |





**PROPOSED LOCATION:
NBU #568-17E**

LEGEND:

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ♂ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

EOG RESOURCES, INC.

**NBU #568-17E
SECTION 17, T10S, R21E, S.L.B.&M.
850' FNL 807' FEL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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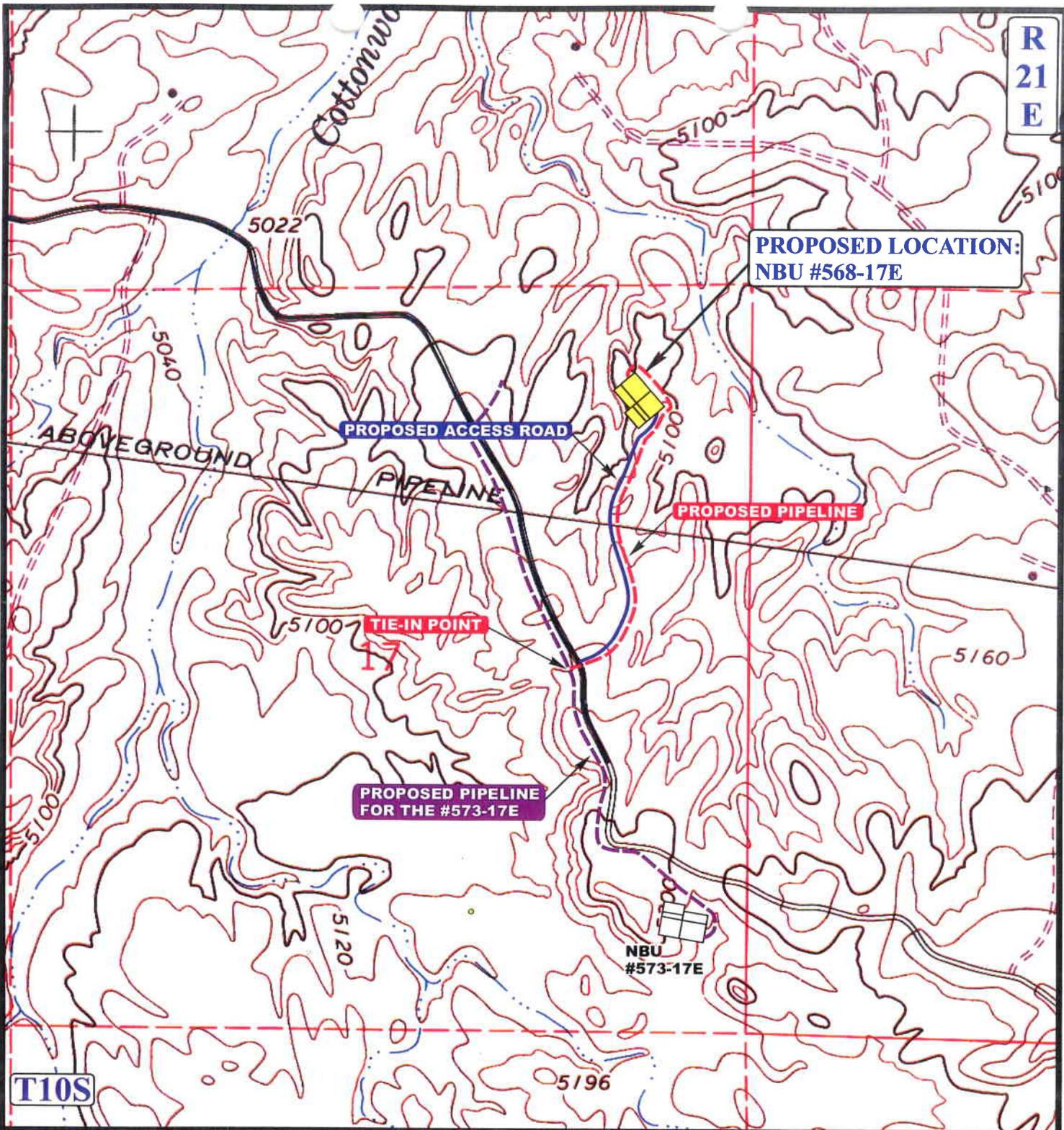


**TOPOGRAPHIC
MAP**

06 22 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,735' +/-

LEGEND:

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



EOG RESOURCES, INC.

NBU #568-17E
 SECTION 17, T10S, R21E, S.L.B.&M.
 850' FNL 807' FEL



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

TOPOGRAPHIC MAP 06 22 06
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



EOG RESOURCES, INC.

NBU #568-17E

SECTION 17, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD APPROXIMATELY 11.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 45.8 MILES.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/29/2006

API NO. ASSIGNED: 43-047-38537

WELL NAME: NBU 568-17E
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-789-0790

PROPOSED LOCATION:

NENE 17 100S 210E
 SURFACE: 0850 FNL 0807 FEL
 BOTTOM: 0850 FNL 0807 FEL
 COUNTY: UINTAH
 LATITUDE: 39.95281 LONGITUDE: -109.5686
 UTM SURF EASTINGS: 622276 NORTHINGS: 4423291
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-01791
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: PRRV
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

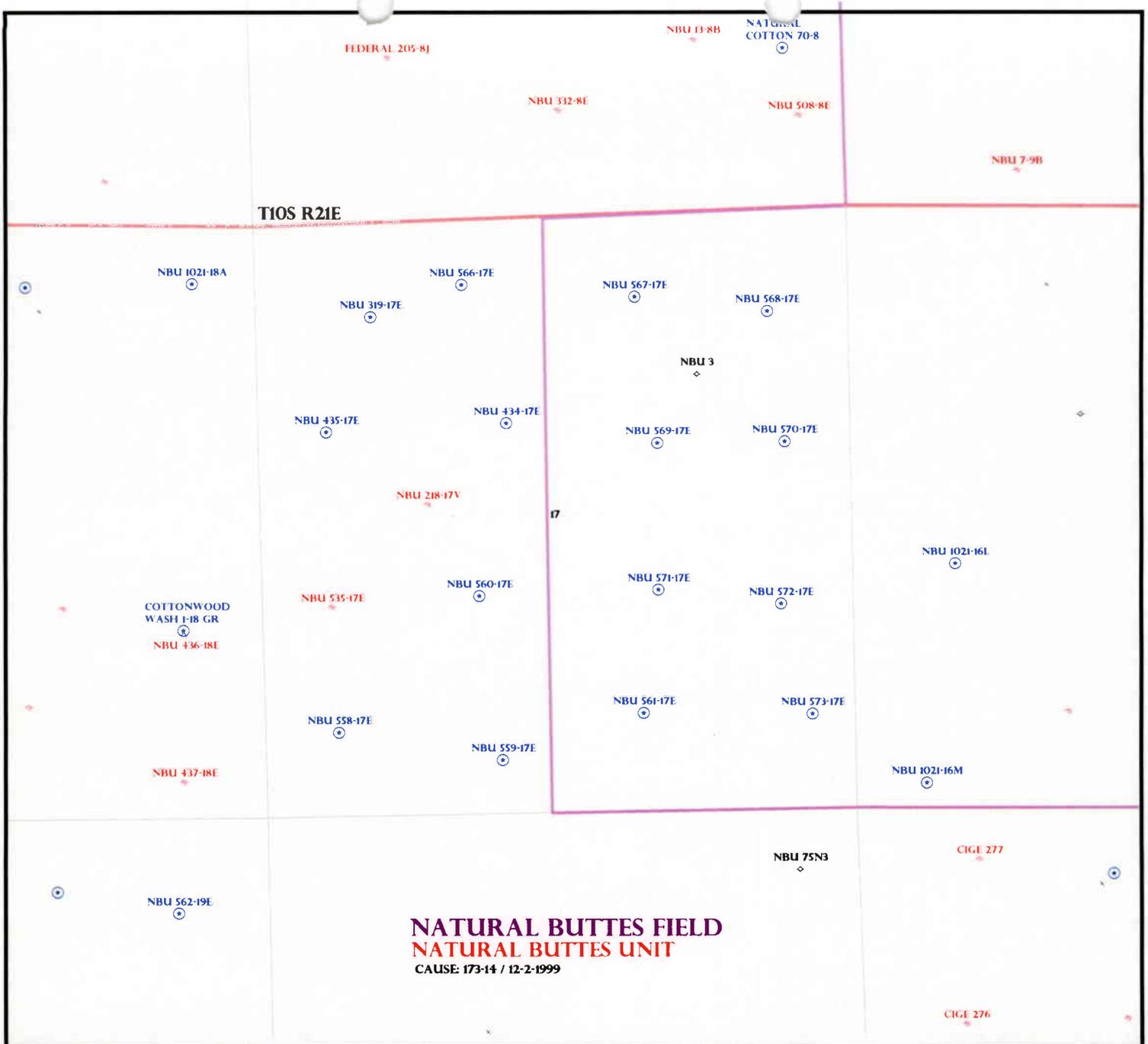
- ___ R649-2-3.
- Unit: NATURAL BUTTES *rc*
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' from where 8 wellbore exist
- ___ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (09-29-06)

STIPULATIONS:

- 1- Federal Approval
- 2- STATEMENT OF BASIS
- 3- OIL SHALE



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 17 T.10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

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

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

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



PREPARED BY: DIANA WHITNEY
DATE: 31-AUGUST-2006

Application for Permit to Drill

Statement of Basis

10/2/2006

Utah Division of Oil, Gas and Mining

Page 1

| | | | | | |
|------------------|-----------------------------|----------------------------------|------------------|------------------|------------|
| APD No | API WellNo | Status | Well Type | Surf Ownr | CBM |
| 89 | 43-047-38537-00-00 | | GW | S | No |
| Operator | EOG RESOURCES INC | Surface Owner-APD | | | |
| Well Name | NBU 568-17E | Unit | NATURAL BUTTES | | |
| Field | NATURAL BUTTES | Type of Work | | | |
| Location | NENE 17 10S 21E S 0 FL 0 FL | GPS Coord (UTM) 622276E 4423291N | | | |

Geologic Statement of Basis

The mineral rights at the proposed location are owned by the BLM. The BLM will be the agency responsible for evaluating the proposed drilling, casing and cementing program prior to well approval.

Brad Hill
APD Evaluator

10/2/2006
Date / Time

Surface Statement of Basis

The surface of this location is owned by SITLA while the minerals are Federal managed by the BLM. The general area is Cottonwood Wash Drainage. It is characterized by rolling hills, which are frequently divided by somewhat gentle draws, which flow into Cottonwood Wash. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 9 miles to the White River. The draws are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

This location is approximately 14 miles southeast of Ouray, Ut. and is accessed by the Seep Ridge Road to the Uintah County Glen Bench Road then by existing or planned oil field development roads to within 0.4 miles of the site.

The proposed location is on top of a narrow flat-topped ridge with a slight slope to the north. Deep draws border the location on the east and west. The planned pad has been situated well between these two draws.

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Ed Bonner of SITLA and Byron Toleman, representing EOG, a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when revegetating the location.

Holly Villa and Darren Williams, representing the BLM had no concerns.

Floyd Bartlett
Onsite Evaluator

9/26/2006
Date / Time

Conditions of Approval / Application for Permit to Drill

| Category | Condition |
|----------|---|
| Pits | A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed and maintained in the reserve pit. |

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator EOG RESOURCES INC
Well Name NBU 568-17E
API Number 43-047-38537-0 **APD No** 89 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 NENE **Sec** 17 **Tw** 10S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) 622277 4423298 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ed Bonner (SITLA), Holly Villa and Darren Williams (BLM), Byron Tolman (Representing EOG), Ben Williams (Utah Division of Wildlife Resources)

Regional/Local Setting & Topography

General Area is Cottonwood Wash Drainage. It is characterized by rolling hills, which are frequently divided by somewhat gentle draws, which flow into Cottonwood Wash. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 9 miles to the White River. The draws are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

This location is approximately 14 miles southeast of Ouray, Ut. and is accessed by the Seep Ridge Road to the Uintah County Glen Bench Road then by existing or planned oil field development roads to within 0.4 miles of the site.

The proposed location is on top of a narrow flat-topped ridge with a slight slope to the north. Deep draws border the location on the east and west. The planned pad has been situated well between these two draws

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlife Habitat

New Road

| Miles | Well Pad | | Src Const Material | Surface Formation |
|--------------|------------------|-------------------|---------------------------|--------------------------|
| 0.4 | Width 246 | Length 325 | Onsite | UNTA |

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Poorly vegetated with mat saltbrush, Gardner saltbrush, curly mesquite, horsebrush, cheat grass, bud sage and mustard weed.

Antelope, small mammals and birds.

Soil Type and Characteristics

Stoney sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required?

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources?

Reserve Pit

| Site-Specific Factors | | Site Ranking |
|--|------------------|-------------------------------------|
| Distance to Groundwater (feet) | >200 | 0 |
| Distance to Surface Water (feet) | >1000 | 0 |
| Dist. Nearest Municipal Well (ft) | >5280 | 0 |
| Distance to Other Wells (feet) | >1320 | 0 |
| Native Soil Type | Mod permeability | 10 |
| Fluid Type | Fresh Water | 5 |
| Drill Cuttings | Normal Rock | 0 |
| Annual Precipitation (inches) | <10 | 0 |
| Affected Populations | <10 | 0 |
| Presence Nearby Utility Conduits | Not Present | 0 |
| Final Score | | 15 2 Sensitivity Level |

Characteristics / Requirements

Located on the southwest corner of the location in an area of cut. Dimensions are 147'x75'x12' deep.

Closed Loop Mud Required? Liner Required? Y Liner Thickness 12 Pit Underlayment Required? Y

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Ed Bonner of SITLA and Byron Toleman, representing EOG, a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when revegetating the location.

Holly Villa and Darren Williams, representing the BLM had no concerns.

Floyd Bartlett
Evaluator

9/26/2006
Date / Time



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

April 10, 2007

EOG Resources, Inc.
1060 E Highway 40
Vernal, UT 84078

Re: Natural Buttes Unit 568-17E Well, 850' FNL, 807' FEL, NE NE, Sec. 17,
T. 10 South, R. 21 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 43-047-38537.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal Office
SITLA

Operator: EOG Resources, Inc.
Well Name & Number Natural Buttes Unit 568-17E
API Number: 43-047-38537
Lease: U-01791

Location: NE NE Sec. 17 T. 10 South R. 21 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 with 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 Dustin Doucet at (801) 538-5281 office
(801) 733-0983 home

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

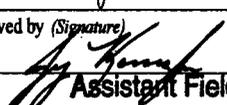
| | | |
|--|---|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 7. If Unit or CA Agreement, Name and No. NATURAL BUTTES UNIT |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 8. Lease Name and Well No. NATURAL BUTTES UNIT 568-17E |
| 2. Name of Operator EOG RESOURCES, INC | | 9. API Well No. 43-047-38537 |
| 3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | 3b. Phone No. (include area code) 435-781-9111 | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 850 FNL 807 FEL (NENE) 39.952817 LAT 109.569269 LON At proposed prod. zone SAME | | 11. Sec., T. R. M. or Blk. and Survey or Area SEC 17, T10S, R21E S.L.B.&M |
| 14. Distance in miles and direction from nearest town or post office* 45.8 MILES SOUTH OF VERNAL, UTAH | | 12. County or Parish UINTAH |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 807 | | 13. State UT |
| 16. No. of acres in lease 2164 | | 17. Spacing Unit dedicated to this well |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 4690 | | 20. BLM/BIA Bond No. on file NM 2308 |
| 19. Proposed Depth 9889 | | 21. Estimated duration 45 DAYS |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5122 GL | 22. Approximate date work will start* | |

24. Attachments

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

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

| | | |
|--|--|--------------------|
| 25. Signature  | Name (Printed/Typed) KAYLENE R. GARDNER | Date 08/17/2006 |
| Title SR. REGULATORY ASSISTANT | | |

| | | |
|--|---------------------------------------|------------------|
| Approved by (Signature)  | Name (Printed/Typed) TERRY KENCZKA | Date 6-1-2007 |
| 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.

CONDITIONS OF APPROVAL ATTACHED

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

*(Instructions on page 2)

06TT0336A
Entered in AFMSS
Date 11/29/06

RECEIVED
JUN 08 2007
DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL
RECEIVED
Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
AUG 21 2006
BLM VERNAL, UTAH

UDOGM

NOS 07/03/06



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: EOG Resources, Inc.
Well No: NBU 568-17E
API No: 43-047-38537

Location: NENE, Sec. 17, T10S, R21E
Lease No: UTU-01791
Agreement: Natural Buttes Unit

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

Fax: (435) 781-4410

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

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

NOTIFICATION REQUIREMENTS

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

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

Surface COAs:

| CATEGORY | CONDITION |
|-----------------|---|
| Pits | A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed and maintained in the reserve pit. |

DOWNHOLE COAs:

SITE SPECIFIC DOWNHOLE COAs:

- Electronic/mechanical mud monitoring equipment shall be required, from surface casing shoe to TD, which shall include as a minimum: pit volume totalizer (PVT); stroke counter; and flow sensor.
- A formation integrity test shall be performed at the surface casing shoe.
- Operator must notify any active gilsonite operation within 2 miles of the location 48 hrs prior to any blasting for this well.
- A Cement Bond Log (CBL) shall be run in the production casing from the TD to the top of cement. A field copy of the CBL shall be submitted to the BLM Vernal Field Office for review.

Variance Granted:

75 foot long blooie line approved.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

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

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

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

U-01791

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Natural Buttes Unit

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

8. WELL NAME and NUMBER:

Natural Buttes Unit 568-17E

2. NAME OF OPERATOR:

EOG RESOURCES, INC.

9. API NUMBER:

43-047-38537

3. ADDRESS OF OPERATOR:

1060 East Highway 40

CITY VERNAL

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 789-0790

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 850 FNL - 807 FEL 39.952819 LAT 109.569269 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 17 10S 21E S.L.B. & M

STATE:

UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input 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 EXTENSION REQUEST</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: 04-14-08
By: [Signature]

NAME (PLEASE PRINT) Kaylene R. Gardner

TITLE Lead Regulatory Assistant

SIGNATURE [Signature]

DATE 4/4/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 4-15-2008

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

APR 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: 43-047-38537
Well Name: Natural Buttes Unit 568-17E
Location: 850 FNL - 807 FEL (NENE), SECTION 17, T10S, R21E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 4/10/2007

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
Title: Lead Regulatory Assistant

4/4/2008

Date

Representing: EOG Resources, Inc.

RECEIVED
APR 10 2008
DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: NBU 568-17E

Api No: 43-047-38537 Lease Type: FEDERAL-STATE SURF

Section 17 Township 10S Range 21E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

SPUDDED:

Date 06/13/08

Time 2:00 PM

How DRY

Drilling will Commence: _____

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 06/13//08 Signed CHD

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.
UTU01791

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
NATURAL BUTTES UNIT 568-17E

2. Name of Operator
EOG RESOURCES INC

Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38537

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 17 T10S R21E NENE 850FNL 807FEL
39.95282 N Lat, 109.56927 W Lon

11. County or Parish, and State

UINTAH COUNTY, UT

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

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

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

The referenced well spud on 6/13/2008.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #60896 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal

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

Signature  Date 06/16/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

Office _____

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

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

RECEIVED

JUN 17 2008

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

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Address: 600 17th St., Suite 1000N
city Denver
state CO zip 80202

Operator Account Number: N 9550

Phone Number: (303) 824-5526

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|-----------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-38537 | Natural Buttes Unit 568-17E | | NENE | 17 | 10S | 21E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| B | 99999 | <i>2910</i> | 6/13/2008 | | <i>7/15/08</i> | | |
| Comments: Wasatch/Mesaverde well <i>PRRU = WSMVD</i> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39437 | Wild Horse Federal 123-35 | | NENE | 35 | 10S | 19E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 99999 | <i>16960</i> | 6/13/2008 | | <i>7/15/08</i> | | |
| Comments: <u>Wasatch/Mesaverde</u> well | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|----------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-38067 | Chapita Wells Unit 1238-22 | | SWNE | 22 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| B | 99999 | <i>16961</i> | 6/16/2008 | | <i>7/15/08</i> | | |
| Comments: Mesaverde well <i>PRRU = MVRD</i> | | | | | | | |

ACTION CODES:

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

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

Mary A Maestas
6/16/2008

Date

RECEIVED

JUL 14 2008

(5/2000)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU01791

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
NATURAL BUTTES UNIT 568-17E

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

9. API Well No.
43-047-38537

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 17 T10S R21E NENE 850FNL 807FEL
39.95282 N Lat, 109.56927 W Lon

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

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

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

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

The referenced well was turned to sales on 9/18/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #63213 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal**

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

Signature *Mary A. Maestas* Date 09/19/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

Office _____

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

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

RECEIVED
SEP 23 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 09-19-2008

| | | | | | |
|----------------------|---|------------------|--------------|----------------------|--------|
| Well Name | NBU 568-17E | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA DEEP | API # | 43-047-38537 | Well Class | COMP |
| County, State | UINTAH, UT | Spud Date | 08-04-2008 | Class Date | |
| Tax Credit | N | TVD / MD | 9,889/ 9,889 | Property # | 059632 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 5,132/ 5,120 | | | | |
| Location | Section 17, T10S, R21E, NENE, 850 FNL & 807 FEL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|--------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 66.667 | NRI % | 49.395 |

| | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|----------------------|
| AFE No | 304190 | AFE Total | 2,206,700 | DHC / CWC | 1,056,500/ 1,150,200 |
| Rig Contr | ENSIGN | Rig Name | ENSIGN #81 | Start Date | 08-24-2006 |
| 08-24-2006 | Reported By | SHARON WHITLOCK | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | LOCATION DATA |
| | | | 850' FNL & 807' FEL (NE/NE) |
| | | | SECTION 17, T10S, R21E |
| | | | UINTAH COUNTY, UTAH |
| | | | LAT 39.952856 , LONG 109.568581(NAD 27) |
| | | | LAT 39.952819, LONG 109.569269 (NAD 83) |
| | | | ENSIGN #81 |
| | | | OBJECTIVE: 9889' TD, MESAVERDE |
| | | | DW/GAS |
| | | | NATURAL BUTTES DEEP PROSPECT |
| | | | DD&A: CHAPITA DEEP |
| | | | NATURAL BUTTES FIELD |
| | | | LEASE: U-01791 |
| | | | ELEVATION: 5121.8' NAT GL, 5120.3' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 5120'), 5132' KB (12') |
| | | | EOG WI 66.666667%, NRI 49.394976% |

05-28-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|-------------------------------|
| 06:00 | 06:00 | 24.0 | START LOCATION TODAY 5/28/08. |

05-29-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 10% COMPLETE. |

05-30-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

06-02-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 50% COMPLETE. |

06-03-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 55% COMPLETE. |

06-04-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

06-12-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

06-14-2008 Reported By KAYLENE GARDNER

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 60 | TVD | 60 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: SPUD NOTIFICATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 6/13/2008 @ 2:00 PM. SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM & MIKE LEE W/BLM OF THE SPUD 6/13/2008 @ 10:30 AM. |

07-02-2008 Reported By KYLAN COOK

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|
| Daily Costs: Drilling | \$200,510 | Completion | \$0 | Daily Total | \$200,510 |
| Cum Costs: Drilling | \$238,510 | Completion | \$0 | Well Total | \$238,510 |
| MD | 2,402 | TVD | 2,402 | 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 6/26/2008. DRILLED 12-1/4" HOLE TO 2402' GL. ENCOUNTERED WATER @ 1620'. RAN 55 JTS (2398.27') 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 @ 2410' KB. RDMO CRAIGS RIG. |

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 185 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (84 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/182 BBLs FRESH WATER. BUMPED PLUG W/800# @ 2:25 PM, 6/30/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB # 1: MIXED & PUMPED 100 SX (20.5 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC

3 HRS 10 MINUTES.

TOP JOB # 2: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

MIRU GLENN'S WIRELINE SERVICE. RAN IN HOLE WITH STRAIGHT HOLE SURVEY. TAGGED CEMENT AT 2305' GL. PICKED UP TO 2285' AND TOOK SURVEY — 2.0 DEGREE.

CONDUCTOR LEVEL RECORD: PS= 89.9 OPS= 89.8 VDS= 89.9 MS= 89.9.

9 5/8 CASING LEVEL RECORD: PS= 89.9 OPS= 89.9 VDS= 90.0 MS= 89.9.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 6/27/2008 @ 5:25 PM.

| | | | | | | | | | | | |
|--------------------------------------|-------------------|--------------------|-------|--------------------|------------------------|-------------|---|--------------------|-----------|-------------|-----|
| 08-04-2008 | | Reported By | | WOODIE L BEARDSLEY | | | | | | | |
| Daily Costs: Drilling | \$44,916 | | | Completion | \$0 | | | Daily Total | \$44,916 | | |
| Cum Costs: Drilling | \$283,427 | | | Completion | \$0 | | | Well Total | \$283,427 | | |
| MD | 2,402 | TVD | 2,402 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |
| Activity at Report Time: RURT | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 18:00 | 12.0 | RW JONES TRUCKING ARRIVED AT 0700 WITH 7 TRUCKS. HELD PRE-JOB SAFETY MEETING WITH RIG CREWS, TRUCK DRIVERS, SWAMPERS AND SUPERVISOR. LAID OVER DERRICK. MOVED ENSIGN 81 APPROX. 1 MILE FROM THE NBU 567-17E TO THE NBU 568-17E. RELEASED TRUCKS AT APPROX 1600. . ALL RIG COMPONENTS ARE MOVED TO NEW LOCATION AND IN PLACE. |
| 18:00 | 06:00 | 12.0 | RIG UP ENSIGN 81 ON THE NBU 568-17E. WORK W/WELDER ON DRAWWORKS DRUM. SPOOL UP DRUM, SLIP DRILL LINE, TIGHTEN DEADMAN. INSPECT DERRICK, RAISE DERRICK AT APPROX. 1930. RIG UP FLOOR & RELATED EQUIPMENT, BOOM LINE, WINCH LINE, ETC. PICK UP SWIVEL, QUILL SPINNERS, UPPER & LOWER KELLY VALVES, SAVER SUB. TORQUE UP. HANG SPINNERS. HOOK UP CHOKE LINE & FLOW NIPPLE. RECEIVE FRESH WATER IN RIG TANK. GET WATER CIRCULATING. HOOK UP GAS BUSTER. RECEIVE 4 LOADS EVAP WATER IN MUD TANKS. CHANGE VALVE SEATS IN #1 PUMP. CHANGE 1 LINER IN #1 PUMP. SET UP PIPE RACKS, SET BHA & 50 JTS DRILL PIPE. BC QUICKTEST LINED UP TO ARRIVE AT 0800 TO TEST BOP. RIG IS 100% MOVED TO NEW LOCATION, 99% RIGGED UP. CONTACTED DONNA KENNEY, USBLM, VERNAL UTAH AT 1000 ON 08/03/08, NOTIFIED OF RIG MOVE AND UPCOMING SPUD. TRANSFERRED 4218 GAL FUEL @ \$4.354/GAL FROM NBU 567-17E. TRANSFERRED 5 JOINTS OF 4 1/2" 11.6# N-80 LTC CASING FROM NBU 567-17E. TRANSFERRED 2 MARKER JOINTS OF 4 1/2" 11.6# P-110 LTC CASING FROM NBU 567-17E. SAFETY MEETINGS: WORKING WITH TRUCKS, RAISING DERRICK. WORKED 8 CREW + RIG MANAGER ON RIG MOVE, FULL CREW + RELIEF DRILLING ON MORNING TOUR RIGGING UP. NO INCIDENTS/ACCIDENTS REPORTED. FUEL ON HAND: 4046 GAL. USED TODAY: 172 GAL. |

| | | | | | | | | | | | |
|------------------------------|-----------|--------------------|--|--------------------|-----|--|--|--------------------|-----------|--|--|
| 08-05-2008 | | Reported By | | WOODIE L BEARDSLEY | | | | | | | |
| Daily Costs: Drilling | \$53,208 | | | Completion | \$0 | | | Daily Total | \$53,208 | | |
| Cum Costs: Drilling | \$336,635 | | | Completion | \$0 | | | Well Total | \$336,635 | | |

MD 3,392 **TVD** 3,392 **Progress** 982 **Days** 1 **MW** 8.4 **Visc** 29.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING @ 3392'

| Start | End | Hrs | Activity Description |
|-------|---|-----|---|
| 06:00 | 08:00 | 2.0 | CONTINUE RIGGING UP. PRIME YELLOW DOG PUMP, CHANGE OUT SUPER CHOKE PANEL, CHANGE AGITATOR IN SHALE TANK, HOOK UP GERONIMO LINE. |
| 08:00 | 12:30 | 4.5 | RIG UP B&C QUICKTEST. TEST BOP AS FOLLOWS: TEST UPPER & LOWER KELLY VALVE, INSIDE BOP, SAFETY VALVE, INSIDE & OUTSIDE BOP VALVES, PIPE RAMS & BLIND RAMS, HCR VALVE, CHOKE MANIFOLD INSIDE & OUTSIDE VALVES & SUPERCHOKE TO 250 PSI FOR 5 MIN., 5000 PSI FOR 10 MIN. TEST ANNULAR TO 250 PSI FOR 5 MIN, 2500 PSI FOR 10 MIN. TEST CASING TO 1500 PSI FOR 30 MIN. ALL TESTS PASSED. RIG ON DAYWORK @ 08:00 ON 08/04/2008. |
| 12:30 | 13:30 | 1.0 | FINISH RIGGING UP FLARE LINES, SET WEAR BUSHING. |
| 13:30 | 14:30 | 1.0 | HOLD PRE-JOB SAFETY MEETING WITH KIMZEY CASING LAYDOWN CREW & RIG CREW. RIG UP LAYDOWN TRUCK. |
| 14:30 | 19:00 | 4.5 | PICK UP BHA #1 & 45 JOINTS DRILL PIPE. RIG DOWN LAYDOWN TRUCK. |
| 19:00 | 19:30 | 0.5 | TIGHTEN LEAKING CONNECTIONS ON GAS BUSTER AND FLOW LINE. CLEAR FLOW LINE OF SOLIDS. |
| 19:30 | 20:30 | 1.0 | DRILL CEMENT, FLOAT @ 2367', SHOE TRACK TO 2410'. |
| 20:30 | 21:00 | 0.5 | DRILL 20' OF NEW FORMATION TO 2430' FOR FIT. |
| 21:00 | 21:30 | 0.5 | CIRCULATE HOLE CLEAN, PUMP HI-VIS PILL, PERFORM F.I.T. TO 11.1# EMW. |
| 21:30 | 22:00 | 0.5 | WIRELINE SURVEY @ 2372', 1.15 DEG. |
| 22:00 | 01:00 | 3.0 | DRILLED F/2430-2825' (395' @ 131.6'/HR) 12-15K WOB, 40-55 RPM, 71 RPM MOTOR, 442 GPM, 200-300 DIFF. MW: 8.6 VIS: 29. |
| 01:00 | 01:30 | 0.5 | SERVICE RIG, GREASE SWIVEL, CHECK OIL LEVEL, TIGHTEN UNIONS ON TREE. |
| 01:30 | 06:00 | 4.5 | DRILLED F/2825-3392' (567' @ 126'/HR) 12-15K WOB, 40-55 RPM, 71 RPM MOTOR, 442 GPM, 200-300 DIFF. MW: 8.6 VIS: 29. |
| | | | SAFETY MEETINGS: RIGGING UP, PICKING UP DRILL PIPE. FULL CREW ON DAYLIGHT TOUR, FULL CREW + RELIEF DRILLER ON MORNING TOUR. NO INCIDENTS/ACCIDENTS REPORTED. C.O.M. SET & CHECKED BY BOTH CREWS. FUEL ON HAND: 3539 GAL. USED TODAY: 507 GAL. FORMATION: WASATCH, NO FLARE. |
| 06:00 | SPUD 7 7/8" HOLE @ 22:00 HRS, 08/04/08. | | |

| | | | | | | | | | | | |
|------------------------------|--------------------|--------------------|---------------|--------------------|------------------------|-------------|---|-----------|-----|-------------|------|
| 08-06-2008 | Reported By | WOODIE L BEARDSLEY | | | | | | | | | |
| Daily Costs: Drilling | \$52,162 | Completion | \$0 | Daily Total | \$52,162 | | | | | | |
| Cum Costs: Drilling | \$388,798 | Completion | \$0 | Well Total | \$388,798 | | | | | | |
| MD | 5,312 | TVD | 5,312 | Progress | 1,920 | Days | 2 | MW | 8.7 | Visc | 30.0 |
| Formation : | PBTD : 0.0 | | Perf : | | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING AT 5312'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 06:30 | 0.5 | DRILLED F/3392-3515' (123' @ 246'/HR) 16-18K WOB, 50-60 RPM, 74 RPM MOTOR, 461 GPM, 200-300 DIFF. MW: 9.1 VIS: 30. |
| 06:30 | 07:00 | 0.5 | WIRELINE SURVEY @ 3438', 1.88 DEG. |
| 07:00 | 12:30 | 5.5 | DRILLED F/3515-4110' (595' @ 119'/HR) 16-18K WOB, 50-60 RPM, 74 RPM MOTOR, 461 GPM, 200-300 DIFF. |

MW: 9.1 VIS: 31.

12:30 13:00 0.5 SERVICE RIG, FUNCTION ANNULAR, GREASE CROWN.

13:00 18:00 5.0 DRILLED F/4110-4455' (345' @ 69'/HR) 16-18K WOB, 50-60 RPM, 74 RPM MOTOR, 461 GPM. 200-300 DIFF.
MW: 9.2 VIS: 32.

18:00 19:00 1.0 WIRELINE SURVEY @ 4366, 2.06 DEG.

19:00 06:00 11.0 DRILLED F/4455-5312' (857' @ 77.9'/HR) 16-18K WOB, 50-60 RPM, 74 RPM MOTOR, 461 GPM, 200-300 DIFF.
MW: 9.4 VIS: 32.

SAFETY MEETINGS: WEAR BUSHING, WIRE LINE JARS.
FULL CREWS ON BOTH TOURS.
NO INCIDENTS/ACCIDENTS REPORTED.
C.O.M. SET & CHECKED BY BOTH CREWS.
FUEL ON HAND: 6757 GAL. RECEIVED: 4404 GAL. USED TODAY: 1186 GAL.
FORMATION: CHAPITA WELLS, NO FLARE.

08-07-2008 **Reported By** BEARDSLEY/ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$62,631 | Completion | \$0 | Daily Total | \$62,631 |
| Cum Costs: Drilling | \$451,430 | Completion | \$0 | Well Total | \$451,430 |

MD 6,417 **TVD** 6,417 **Progress** 1,117 **Days** 3 **MW** 9.2 **Visc** 31.0

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

Activity at Report Time: DRILLING @ 6417'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 12:00 | 6.0 | DRILL ROTATE 5300' - 5676' (376') 62.6'/HR) WOB 15/20K, 40-55 RPM, MUD MOTOR 74 RPM, 466 GPM, MUD WT: 9.4 VIS: 32 |
| 12:00 | 12:30 | 0.5 | SERVICE RIG |
| 12:30 | 06:00 | 17.5 | DRILL ROTATE 5676' - 6417' (741') 42.3'/HR) WOB 15/20K, 40-55 RPM, MUD MOTOR 74 RPM, 462 GPM, MUD WT: 9.6 VIS: 32 |

LOST 0 BBLs MUD IN HOLE

SAFETY MEETINGS: HOIST & B.O.P. DRILL

NO INCIDENTS/ACCIDENTS REPORTED

FULL CREW

SET C.O.M. & CHECKED BY BOTH CREWS.

FUEL ON HAND: 5644 GAL. USED TODAY: 1113 GALS.

FORMATION: BUCK CANYON F/ 6354'

NO FLARE.

08-08-2008 **Reported By** CARLOS ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$27,908 | Completion | \$0 | Daily Total | \$27,908 |
| Cum Costs: Drilling | \$479,338 | Completion | \$0 | Well Total | \$479,338 |

MD 6,991 **TVD** 6,991 **Progress** 574 **Days** 4 **MW** 9.9 **Visc** 33.0

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

Activity at Report Time: DRILLING @ 6991'

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 13:30 | 7.5 | DRILL ROTATE 6417' - 6615' (198') 26.4'/HR) WOB 15/20K, 40-55 RPM, MUD MOTOR 74 RPM, 462 GPM, MUD WT: 10.0 VIS: 34 |
| 13:30 | 14:00 | 0.5 | SERVICE RIG |
| 14:00 | 06:00 | 16.0 | DRILL ROTATE 6615' - 6991 (376') 23.5' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.2 VIS: 36 |

LOST 0 BBLS MUD IN HOLE
 SAFETY MEETINGS: LIFTING EYE & TONGS
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 4218 GAL. USED TODAY: 1426 GALS.
 FORMATION: BUCK CANYON F/ 6354'
 NO FLARE.

08-09-2008 **Reported By** CARLOS ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$27,774 | Completion | \$0 | Daily Total | \$27,774 |
| Cum Costs: Drilling | \$507,113 | Completion | \$0 | Well Total | \$507,113 |

MD 7,381 **TVD** 7,381 **Progress** 360 **Days** 5 **MW** 10.3 **Visc** 36.0

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

Activity at Report Time: 7381' / TFNB#2

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 12:00 | 6.0 | DRILL ROTATE 6991' - 7179' (188') 13.3' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.2 VIS: 36 |
| 12:00 | 12:30 | 0.5 | SERVICE RIG |
| 12:30 | 21:30 | 9.0 | DRILL ROTATE 7179' - 7381' (202') 22.4' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.6 VIS: 36 |
| 21:30 | 22:30 | 1.0 | CIRCULATE, MIX PILL, FILL TRIP TANK, SUEVEY |
| 22:30 | 05:30 | 7.0 | TRIP OUT HOLE F/ BIT # 2, L/DN 3 JTS. 25K OVER PULL ON BTM., TIGHT HOLE F/ 3150' TO 2500', 35K OVER PULL, L/DN 2 REAMERS & M. MOTOR |
| 05:30 | 06:00 | 0.5 | P/UP NEW M. MOTOR & BIT # 2 506 Z |

LOST 0 BBLS MUD IN HOLE
 SAFETY MEETINGS: FORKLIFT & TRIPPING
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 3374 GAL. USED TODAY: 844 GALS.
 FORMATION: PRICE RIVER @ 7374'
 NO FLARE.

08-10-2008 **Reported By** CARLOS ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$39,020 | Completion | \$0 | Daily Total | \$39,020 |
| Cum Costs: Drilling | \$546,133 | Completion | \$0 | Well Total | \$546,133 |

MD 7,990 **TVD** 7,990 **Progress** 609 **Days** 6 **MW** 10.5 **Visc** 36.0

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

Activity at Report Time: DRILLING @ 7990'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:30 | 4.5 | TRIP IN HOLE W/ BIT # 2, FILL PIE |
| 10:30 | 11:30 | 1.0 | WASH/REAM 75' TO BTM. 40' FILL |
| 11:30 | 13:30 | 2.0 | DRILL ROTATE 7381' - 7451' (70') 35' /HR) WOB 15/18K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.6 VIS: 36 |
| 13:30 | 14:00 | 0.5 | SERVICE RIG |

14:00 06:00 16.0 DRILL ROTATE 7451' -7990' (539') 33.7' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.8 VIS: 39
 LOST 20 BBLS MUD IN HOLE, ON TRIP
 SAFETY MEETINGS: TRIPPING & CLEANING THREADS
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 2426 GAL. USED TODAY: 948 GALS.
 FORMATION: PRICE RIVER @ 7374'
 NO FLARE.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|-------|--------------------|------------------------|-------------|---|-----------|------|-------------|------|
| 08-11-2008 | Reported By | CARLOS ARRIETA | | | | | | | | | |
| Daily Costs: Drilling | \$47,330 | Completion | \$0 | Daily Total | \$47,330 | | | | | | |
| Cum Costs: Drilling | \$593,464 | Completion | \$0 | Well Total | \$593,464 | | | | | | |
| MD | 8,466 | TVD | 8,466 | Progress | 476 | Days | 7 | MW | 10.9 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING @ 8466'

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 12:30 | 6.5 | DRILL ROTATE 7990' - 8140' (150') 23' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 10.8 VIS: 39 |
| 12:30 | 13:00 | 0.5 | SERVICE RIG |
| 13:00 | 06:00 | 17.0 | DRILL ROTATE 8140' - 8466' (326') 19.17' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.1 VIS: 38 LOST 0 BBLS MUD SAFETY MEETINGS: D. PIPE SLIP & DOPEING PIPE NO INCIDENTS/ACCIDENTS REPORTED FULL CREW SET C.O.M. & CHECKED BY BOTH CREWS. FUEL ON HAND: 5462 GAL. USED TODAY: 1464 GALS. FORMATION: PRICE RIVER MIDDLE @ 8281' NO FLARE. |

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|------------------------------|--------------------|-------------------|-------|--------------------|------------------------|-------------|---|-----------|------|-------------|------|
| 08-12-2008 | Reported By | CARLOS ARRIETA | | | | | | | | | |
| Daily Costs: Drilling | \$37,025 | Completion | \$0 | Daily Total | \$37,025 | | | | | | |
| Cum Costs: Drilling | \$630,489 | Completion | \$0 | Well Total | \$630,489 | | | | | | |
| MD | 8,645 | TVD | 8,645 | Progress | 179 | Days | 8 | MW | 11.1 | Visc | 37.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: WASH TO BOTTOM

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 11:30 | 5.5 | DRILL ROTATE 8466' - 8579' (113') 20.5' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.1 VIS: 38 |
| 11:30 | 12:00 | 0.5 | SERVICE RIG |
| 12:00 | 15:30 | 3.5 | DRILL ROTATE 8579' - 8645' (66') 18.8' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.0 VIS: 38 |
| 15:30 | 16:00 | 0.5 | CIRCULATE, MIX PILL & PUMP |
| 16:00 | 21:30 | 5.5 | TRIP OUT HOLE FOR BIT # 3, TIGHT HOLE FROM 3390' TO 2450', L/DN MUD MOTOR. |
| 21:30 | 22:00 | 0.5 | P/UP NEW MUD MOTOR & BIT # 3, SMITH MI 616 |

22:00 00:00 2.0 TRIP IN HOLE W/ BIT # 3 TO 9.625" CSG SHOE, FILL PIPE
 00:00 01:30 1.5 RIG REPAIR, REPLACE BOOT IN FLOW LINE
 01:30 04:30 3.0 CONTINUE TRIP IN HOLE TO 8578'
 04:30 06:00 1.5 WASH 67' TO BTM. 30' FILL
 LOST 0 BBLS MUD
 SAFETY MEETINGS: LADDERS & TRIPPING
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 4567 GAL. USED TODAY: 895 GALS.
 FORMATION: PRICE RIVER MIDDLE @ 8281'
 NO FLARE.

08-13-2008 **Reported By** CARLOS ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$28,499 | Completion | \$0 | Daily Total | \$28,499 |
| Cum Costs: Drilling | \$658,988 | Completion | \$0 | Well Total | \$658,988 |

MD 9.047 **TVD** 9.047 **Progress** 402 **Days** 9 **MW** 11.1 **Visc** 38.0

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

Activity at Report Time: TOH FOR BIT

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 15:00 | 9.0 | DRILL ROTATE 8645' - 8891' (246') 27.33' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.0 VIS: 38 |
| 15:00 | 15:30 | 0.5 | SERVICE RIG |
| 15:30 | 03:00 | 11.5 | DRILL ROTATE 8891' - 9047' (156') 13.56' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.2 VIS: 42 |
| 03:00 | 04:00 | 1.0 | CIRCULATE, FILL TRIP TANK, MIX & PUMP PILL |
| 04:00 | 06:00 | 2.0 | TRIP OUT HOLE F/BIT # 4 LOST 0 BBLS MUD |

SAFETY MEETINGS: SWITCHING OVER PUMPS & TRIPPING
 NO INCIDENTS/ACCIDENTS REPORTED
 ONE MAN SHORT ON DAY CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 3374 GAL. USED TODAY: 1193 GALS.
 FORMATION: PRICE RIVER MIDDLE @ 8281'
 NO FLARE.

08-14-2008 **Reported By** CARLOS ARRIETA

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$29,016 | Completion | \$0 | Daily Total | \$29,016 |
| Cum Costs: Drilling | \$688,004 | Completion | \$0 | Well Total | \$688,004 |

MD 9.230 **TVD** 9.230 **Progress** 183 **Days** 10 **MW** 11.1 **Visc** 41.0

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

Activity at Report Time: DRILLING @ 9230'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 08:30 | 2.5 | TFNB#4. TIGHT HOLE FROM 3385' TO 2485', 25K OVER PULL |
| 08:30 | 09:30 | 1.0 | P/UP NEW M. MOTOR & BIT # 4 FMHX753ZR |

09:30 13:30 4.0 TRIP IN HOLE, FILL PIPE
 13:30 14:00 0.5 WASH 86' TO BOTTOM, 40' FILL
 14:00 21:30 7.5 DRILL ROTATE 9047' - 9129' (82') 10.9' /HR) WOB 18/20K, 40-55 RPM, MUD MOTOR 73 RPM, 455 GPM, MUD WT: 11.2 VIS: 42
 21:30 23:30 2.0 LOST CIRCULATION NO RETURNS, MIX LCM PILL, PUMP SLOW PUMP RATE, MUD WT. 10.9, REGAIN CIRCULATION, TOTAL LOST 310 BBLS MUD
 23:30 06:00 6.5 DRILL ROTATE 9129' - 9230' (104') 7.4' /HR) WOB 8/18K, 40-55 RPM, MUD MOTOR 68 RPM, 425 GPM, MUD WT: 10.9 VIS: 40
 LOST 310 BBLS MUD IN HOLE
 SAFETY MEETINGS: TRIPPING & TONGS
 NO INCIDENTS/ACCIDENTS REPORTED
 ONE MAN SHORT ON DAY CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 2426 GAL. USED TODAY: 948 GALS.
 FORMATION: PRICE RIVER LOWER @ 9070'
 NO FLARE.

| | | | | | | | | | | | |
|--|-------------------|--------------------|-------|--------------------|------------------------|-------------|----|-----------|------|-------------|------|
| 08-15-2008 | | Reported By | | CARLOS ARRIETA | | | | | | | |
| Daily Costs: Drilling | \$53,815 | Completion | \$0 | Daily Total | \$53,815 | | | | | | |
| Cum Costs: Drilling | \$741,820 | Completion | \$0 | Well Total | \$741,820 | | | | | | |
| MD | 9,615 | TVD | 9,615 | Progress | 385 | Days | 11 | MW | 10.9 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |
| Activity at Report Time: DRILLING @ 9615' | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 15:30 | 9.5 | DRILL ROTATE 9230' - 9364' (134') 14.1' /HR) WOB 8/18K, 40-55 RPM, MUD MOTOR 68 RPM, 425 GPM, MUD WT: 10.9 VIS: 39 |
| 15:30 | 16:00 | 0.5 | SERVICE RIG |
| 16:00 | 06:00 | 14.0 | DRILL ROTATE 9364' - 9615' (251') 17.9' /HR) WOB 14/18K, 40-55 RPM, MUD MOTOR 68 RPM, 421 GPM, MUD WT: 10.9 VIS: 39 LOST 30 BBLS MUD IN HOLE SAFETY MEETING: MIXING LCM & SHAKER NO INCIDENTS/ACCIDENTS REPORTED FULL CREW SET C.O.M. & CHECKED BY BOTH CREWS. FUEL ON HAND: 3875 GAL. USED TODAY: 1351 GALS. FORMATION: PRICE RIVER LOWER @ 9070' NO FLARE. |

| | | | | | | | | | | | |
|--------------------------------------|-------------------|--------------------|-------|--------------------|------------------------|-------------|----|-----------|------|-------------|------|
| 08-16-2008 | | Reported By | | CARLOS ARRIETA | | | | | | | |
| Daily Costs: Drilling | \$29,460 | Completion | \$0 | Daily Total | \$29,460 | | | | | | |
| Cum Costs: Drilling | \$767,969 | Completion | \$0 | Well Total | \$767,969 | | | | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 274 | Days | 12 | MW | 10.9 | Visc | 38.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |
| Activity at Report Time: LDDP | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 16:00 | 10.0 | DRILL ROTATE 9615' - 9803' (188') 18.8' /HR) WOB 14/18K, 40-55 RPM, MUD MOTOR 68 RPM, 421 GPM, MUD WT: 10.9 VIS: 39 |

16:00 16:30 0.5 SERVICE RIG
 16:30 21:30 5.0 DRILL ROTATE 9803' - 9889' TD (86') 17.2' /HR) WOB 18/22K, 40-55 RPM, MUD MOTOR 68 RPM, 421 GPM, MUD WT: 11.2 VIS: 4. REACHED TD AT 21:30 HRS, 8/15/08.
 21:30 23:00 1.5 CIRCULATE COND. HOLE, PUMP PILL
 23:00 00:00 1.0 SHORT TRIP, 10 STDS. OK
 00:00 01:30 1.5 CIRCULATE HELD SAFETY MEETING W/ KIMZEY CASING SERVICE & RIG CREW, RIG UP L/DN MACHINE, PUMP 130BBLS. PILL 13.0 PPG MUD ON BOTTOM.
 01:30 06:00 4.5 LAY DOWN D. PIPE W/ KIMZEY CASING CREW
 LOST 0 BBLS MUD
 SAFETY MEETING: SERVICE RIG & LAY DOWN D. PIPE
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 2890 GAL. USED TODAY: 985 GALS.
 FORMATION: SEGO @ 9648'
 10 FT. FLARE F/ 10 MIN. AFTER SHORT TRIP

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|-----------|--------------------|------------------------|-------------|----|-----------|-----|-------------|-----|
| 08-17-2008 | Reported By | CARLOS ARRIETA | | | | | | | | | |
| Daily Costs: Drilling | \$48,031 | Completion | \$163,235 | Daily Total | \$211,266 | | | | | | |
| Cum Costs: Drilling | \$816,000 | Completion | \$163,235 | Well Total | \$979,235 | | | | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 13 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 10:00 | 4.0 | HOLD PRE-JOB SAFETY MEETING WITH KIMZEY CASING SERVICE CREW & RIG CREW, LAY DOWN DRILL PIPE & BHA, BREAK KELLY. NOTIFIED MS. DONNA L. KENNEY FOR RUN CSG & CEMENT. |
| 10:00 | 11:00 | 1.0 | PULL WEAR BUSHING, HOLD SAFETY MEETING W/ KIMZEY CASING CREW & RIG CREW, RIG UP CSG EQUIPMENT. |
| 11:00 | 19:00 | 8.0 | RUN CASING 4 1/2" . # 11.6 LTC, 245 JTS SET 9886, AS FOLLOWS, FLOAT SHOE, 1JT.CSG., FLOAT COLLAR, 72 JTS. CSG., 1 MARKER JT., 71 JTS.CSG., 1 MARKER JT. 101 JTS.CSG.+ HANGER ASS.& LANDING JT. FLOAT SHOE @ 9884.74', FLOAT COLLAR @ 9843.56', MARKER JT. @ 9633.40', MARKER JT.@ 4067.68', CENTRALIZERS, 5 FT. ABOVE SHOE, TOP OF JT.#2 & EVERY 3 TH. JT., TOTAL 30. |
| 19:00 | 21:00 | 2.0 | TAG @ 9887', LANDING CSG HANGER W/ 75K., FILL PIPE, CIRC. R/DN KIMZEY CASING L/ DN MACHINE, R/ UP SCHLUMBERGER CEMENTING EQUIPMENT, HELD SAFETY MEETING. |
| 21:00 | 00:00 | 3.0 | CEMENTING W/ SCHLUMBERGER, TEST LINES 5000 PSI, PUMPING 20 BBLS CHEM WASH & 20 BBLS WATER SPACER, LEAD CEMENT 360 SKS. 127.7 BBLS. 35/65 POZ G + ADDS MIX D020 5.% EXTENDER, D112 .75% FLUID LOSS, D046 .2%, ANTIFOAM, D013 .3% RATERDER, D130 .125 LOST CIRC. D065 .2% DISPERSANT. YIELD 1.98 FT3/SK, H2O 10 GAL/SK @ 12.5 PPG. TAIL 1750 SKS 401.7 BBLS. 50/50 POZ G + ADDS D020 2% EXTENDER, D046 .1% ANTIFOAM, D167 .2% FLUID LOSS, D065 .2% DISPERSANT, D013 .1% RETARDER YIELD 1.29 FT3/SK , FRESH WATER 5.96 GAL/SK @ 14.1 PPG. DISP. TO FLOAT COLLER FRESH WATER. W/ 152 BBLS. AVG. DISP. RATE 7 BPM, GOOD RETURNS DROP PLUG @ 11:00 HRS. BUMPED PLUG @ 23:40 HRS. TO 3870 PSI. 1100 PSI. OVER LIFT HOLD PRESS.F/1 MINS. 1.0 BBL. BACK, ** 55 BBLS. CEMENT BACK ON SURFACE **. |
| 00:00 | 03:00 | 3.0 | SET HANGER PACKING, TEST 5000 PSI. OK. NIPPLE DOWN, CLEAN MUD TANKS. |
| 03:00 | 06:00 | 3.0 | RIGGING DOWN. |

SAFETY MEETING: L/DN PIPE & RUN CSG
 NO INCIDENTS/ACCIDENTS REPORTED
 FULL CREW
 SET C.O.M. & CHECKED BY BOTH CREWS.
 FUEL ON HAND: 2426 GAL. USED TODAY: 464 GALS.
 10 FT. FLARE ON CEMENTING JOB
 UNMANNED LOGGING UNIT 13 DAYS ON LOCATION
 SET F/ TRUCKS, R.W.JONES TO BE ON LOCATION TODAY @ 09:00, 08/17/08, MOVE TO NBU 570-17E, .5 MILES TO NEW LOCATION. RIG CAMP WILL BE MOVE MONDAY 08/18/08.
 TRANSFER FROM NBU 568-17E TO NBU 570-17E, 6 JOINTS 4.5 CSG # 11.6 N-80 LTC + 3 MARKER JT. & 2733 GLS. FUEL, SEND 1000 BBLs OF LIQUID MUD TO NBU 570-17E & 200 BBLs TO MUD FARM

06:00 RIG RELEASED @ 03:00 HRS, 08/17/2008.
 CASING POINT \$795,997

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|------------------------------|-----------|----------------------|-----------|------------------------|-------------|
| 08-23-2008 | | Reported By | | SEARLE | |
| Daily Costs: Drilling | \$0 | Completion | \$45,259 | Daily Total | \$45,259 |
| Cum Costs: Drilling | \$816,000 | Completion | \$208,494 | Well Total | \$1,024,494 |
| MD | 9,889 | TVD | 9,889 | Progress | 0 |
| | | | | Days | 14 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : | | PBTD : 9844.0 | | Perf : | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: PREP FOR FRACS

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 100'. EST CEMENT TOP @ 180'. RD SCHLUMBERGER. |

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|------------------------------|-----------|----------------------|-----------|---------------------------|-------------|
| 09-09-2008 | | Reported By | | MCCURDY | |
| Daily Costs: Drilling | \$0 | Completion | \$1,073 | Daily Total | \$1,073 |
| Cum Costs: Drilling | \$816,000 | Completion | \$209,567 | Well Total | \$1,025,567 |
| MD | 9,889 | TVD | 9,889 | Progress | 0 |
| | | | | Days | 16 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : MESAVERDE | | PBTD : 9844.0 | | Perf : 8387'-9737' | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | RU CUTTERS WIRELINE & PERFORATE LPR FROM 9646'-48', 9667'-68', 9678'-79', 9684'-85', 9692'-94', 9702'-03', 9707'-08', 9713'-14', 9732'-33', 9736'-37' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4190 GAL WF120 LINEAR PAD, 6343 GAL WF120 LINEAR W/1# & 1.5# 20/40, 25020 GAL YF116ST+ WITH 73000# 20/40 SAND @ 1-3 PPG. MTP 6377 PSIG. MTR 51 BPM. ATP 5709 PSIG. ATR 45.7 BPM. ISIP 4100 PSIG. RD SCHLUMBERGER. |

RUWL. SET 6K CFP AT 9630'. PERFORATE LPR FROM 9418'-19', 9424'-25', 9431'-32', 9443'-44', 9486'-87', 9498'-99', 9524'-25', 9530'-31', 9581'-82', (9591'-92' MISFIRED), 9602'-03', 9614'-15' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5129 GAL WF120 LINEAR PAD, 50311 GAL YF116ST+ WITH 157500 # 20/40 SAND @ 1-5 PPG. MTP 6293 PSIG. MTR 51 BPM. ATP 5698 PSIG. ATR 43.5 BPM. ISIP 3200 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 9350'. PERFORATE LPR FROM 9132'-33', 9139'-40', 9146'-47', 9168'-69', 9197'-98', 9219'-20', 9227'-28', 9245'-46', 9276'-77', 9290'-91', 9294'-95', 9323'-24' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5121 GAL WF120 LINEAR PAD, 6321 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 29105 GAL YF116ST+ WITH 103700# 20/40 SAND @ 1-5 PPG. MTP 6250 PSIG. MTR 49.4 BPM. ATP 5874 PSIG. ATR 41.4 BPM. ISIP 3450 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 9095'. PERFORATE MPR FROM 8879'-80', 8888'-89', 8898'-99', 8909'-10', 8917'-18', 8941'-42', 8961'-62', 8967'-68', 8994'-95', 8999'-9000', 9044'-45', 9077'-78' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 0 GAL WF120 LINEAR PAD, 6364 GAL WF120 LINEAR W/I# & 1.5# 20/40 SAND, 19441 GAL YF116ST+ WITH 59100 # 20/40 SAND @ 1-4 PPG. MTP 6387 PSIG. MTR 51 BPM. ATP 6013 PSIG. ATR 41.7 BPM. ISIP 3400 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 8835'. PERFORATE MPR FROM 8656'-57', 8663'-64', 8673'-74', 8682'-83', 8702'-03', 8713'-14', 8757'-58', 8768'-69', 8779'-80', 8797'-98', 8811'-12', 8820'-21' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 0 GAL WF120 LINEAR PAD, 10602 GAL YF120 1# & 1.5# SAND, 46426 GAL YF116ST+ WITH 166200# 20/40 SAND @ 1-5 PPG. MTP 6331 PSIG. MTR 49.1 BPM. ATP 5623 PSIG. ATR 40.9 BPM. ISIP 3150 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 8615'. PERFORATE MPR FROM 8387'-88', 8394'-95', 8405'-06', 8413'-14', 8443'-44', 8450'-51', 8462'-63', 8512'-13', 8553'-54', 8569'-70', 8579'-80', 8592'-93' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4030 GAL WF120 LINEAR PAD, 6325 GAL WF120 LINEAR 1# & 1.5# SAND, 49453 GAL YF116ST+ WITH 176800# 20/40 SAND @ 1-5 PPG. MTP 6570 PSIG. MTR 49.4 BPM. ATP 5698 PSIG. ATR 40.4 BPM. ISIP 3200 PSIG. RD SCHLUMBERGER. SDFN.

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|--------------------------------------|-----------|--------------------|----------------------|-------------------|-----------|---------------------------|----|-------------|------------------------|-------------|-----|
| 09-10-2008 | | Reported By | | MCCURDY | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$3,737 | Daily Total | | \$3,737 | | | |
| Cum Costs: Drilling | \$816,000 | | | Completion | \$213,304 | Well Total | | \$1,029,305 | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 17 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9844.0 | | | Perf : 6408'-9737' | | | PKR Depth : 0.0 | | |
| Activity at Report Time: FRAC | | | | | | | | | | | |

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | SICP 2486 PSIG. RUWL SET 6K CFP AT 8335'. PERFORATE UPR/MPR FROM 8166'-67', 8171'-72', 8176'-77', 8199'-200', 8213'-14', 8219'-20', 8225'-27', 8230'-31', 8238'-39', 8267'-68', 8318'-19' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 0 GAL WF120 LINEAR PAD, 6341 GAL WF120 LINEAR 1# & 1.5# SAND, 19758 GAL YF116ST+ WITH 71900# 20/40 SAND @ 1-5 PPG. MTP 5991 PSIG. MTR 51.1 BPM. ATP 5295 PSIG. ATR 45.9 BPM. ISIP 3200 PSIG. RD SCHLUMBERGER. |

RUWL. SET 6K CFP AT 8134'. PERFORATE UPR FROM 7913'-14', 7926'-27', 7930'-31', 7935'-36', 7976'-77', 8046'-47', 8075'-76', 8082'-83', 8088'-89', 8101'-02', 8113'-14', 8117'-18' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 0 GAL WF120 LINEAR PAD, 3184 GAL WF120 LINEAR 1# SAND, 27867 GAL YF116ST+ WITH 84200# 20/40 SAND @ 1-5 PPG. MTP 6194 PSIG. MTR 49 BPM. ATP 5635 PSIG. ATR 34.5 BPM. ISIP 3700 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7850'. PERFORATE UPR FROM 7628'-29', 7635'-36', 7643'-44', 7660'-61', 7665'-66', 7685'-86', 7736'-37', 7742'-43', 7751'-52', 7789'-90', 7808'-09', 7835'-36' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 0 GAL WF120 LINEAR PAD, 3177 GAL WF120 LINEAR 1# SAND, 37975 GAL YF116ST+ WITH 124700 # 20/40 SAND @ 1-5 PPG. MTP 6334 PSIG. MTR 51 BPM. ATP 5477 PSIG. ATR 33.8 BPM. ISIP 2600 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7580'. PERFORATE NOTH HORN / UPR FROM 7310'-11', 7326'-27', 7341'-42', 7350'-51', 7359'-60', 7442'-43', 7448'-49', 7470'-71', 7482'-83', 7504'-05', 7517'-18', 7560'-61' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2431 GAL WF120 LINEAR PAD, 6319 GAL WF120 LINEAR 1# & 1.5# SAND, 56883 GAL YF116ST+ WITH 202000# 20/40 SAND @ 1-5 PPG. MTP 6635 PSIG. MTR 51 BPM. ATP 5449 PSIG. ATR 41 BPM. ISIP 3350 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7220'. PERFORATE NORTH HORN FROM 6877'-78', 6897'-98', 6925'-26', 6966'-67', 6982'-83', 6986'-87', 7042'-43', 7072'-73', 7079'-80', 7145'-46', 7187'-89' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 942 GAL WF120 LINEAR PAD, 3158 GAL WF120 LINEAR 1# & 1.5# SAND, 22713 GAL YF116ST+ WITH 69300# 20/40 SAND @ 1-4 PPG. MTP 6337 PSIG. MTR 45.6 BPM. ATP 5898 PSIG. ATR 28.6 BPM. ISIP 3000 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 6830'. PERFORATE NORTH HORN FROM 6408'-09', 6420'-21', 6448'-49', 6510'-11', 6548'-49', 6591'-92', 6616'-17', 6685'-86', 7604'-05', 6728'-29', 6776'-77', 6792'-93' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5347 GAL WF120 LINEAR PAD, 31222 GAL YF116ST+ WITH 70200# 20/40 SAND @ 1-4 PPG. MTP 6500 PSIG. MTR 51 BPM. ATP 5653 PSIG. ATR 21.6 BPM. ISIP 2580 PSIG. RD SCHLUMBERGER. SDFN.

| | | | | | | | | | | | |
|------------------------------|-----------|--------------------|----------------------|-------------------|-----------|---------------------------|----|------------------------|-----|-------------|-----|
| 09-11-2008 | | Reported By | | MCCURDY | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$531,852 | Daily Total | | \$531,852 | | | |
| Cum Costs: Drilling | \$816,000 | | | Completion | \$745,156 | Well Total | | \$1,561,157 | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 18 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9844.0 | | | Perf : 5426'-9737' | | PKR Depth : 0.0 | | | |

Activity at Report Time: PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | SICP 1390 PSIG. RUWL. SET 6K CFP AT 6320'. PERFORATE Ba FROM 5949'-50', 5992'-93', 6011'-12', 6043'-44', 6087'-88', 6142'-43', 6148'-49', 6214'-15', 6248'-49', 6282'-83', 6293'-94', 6298'-99' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 6340 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 24816 GAL YF116ST+ WITH 87600# 20/40 SAND @ 1-4 PPG. MTP 5781 PSIG. MTR 51.1 BPM. ATP 3806 PSIG. ATR 47.4 BPM. ISIP 1800 PSIG. RD SCHLUMBERGER. |

RUWL. SET 6K CFP AT 5870'. PERFORATE Ba/Ca FROM 5695'-98', 5701'-04', 5706'-07', 5729'-31', 5760'-61', 5835'-36', 5847'-48' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 2119 GAL WF120 LINEAR W/1# 20/40 SAND, 27226 GAL YF116ST+ WITH 88800# 20/40 SAND @ 1-4 PPG. MTP 6517 PSIG. MTR 51 BPM. ATP 5358 PSIG. ATR 30.6 BPM. ISIP 1750 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 5550'. PERFORATE Ca FROM 5426'-27', 5431'-33', 5438'-40', 5462'-64', 5494'-95', 5505'-07', 5515'-17' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING 4227 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND. 28739 GAL YF116ST+ WITH 102900# 20/40 SAND @ 1-4 PPG. MTP 5442 PSIG. MTR 51.1 BPM. ATP 3833 PSIG. ATR 47.8 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP AT 5344'. RDWL. SDFN.

| | | | | | | | | | | | |
|------------------------------|-----------|--------------------|----------------------|-------------------|-----------|---------------------------|----|------------------------|-----|-------------|-----|
| 09-17-2008 | | Reported By | | HAL IVIE | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$41,563 | Daily Total | | \$41,563 | | | |
| Cum Costs: Drilling | \$816,000 | | | Completion | \$786,719 | Well Total | | \$1,602,720 | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 19 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9844.0 | | | Perf : 5426'-9737' | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING PLUGS

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU ROYAL RIG # 1. ND FRAC TREE. NU BOP. RIH W/ BIT & PUMP OFF SUB TO 5344'. RU TO DRILL OUT PLUGS. SWI-SDFN. |

| | | | | | | | | | | | |
|------------------------------|-----------|--------------------|----------------------|-------------------|-----------|---------------------------|----|------------------------|-----|-------------|-----|
| 09-18-2008 | | Reported By | | HAL IVIE | | | | | | | |
| Daily Costs: Drilling | \$0 | | | Completion | \$67,406 | Daily Total | | \$67,406 | | | |
| Cum Costs: Drilling | \$816,000 | | | Completion | \$854,125 | Well Total | | \$1,670,126 | | | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 20 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9844.0 | | | Perf : 5426'-9737' | | PKR Depth : 0.0 | | | |

Activity at Report Time: FLOW TEST

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

06:00 06:00 24.0 SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 5344', 5550', 5870', 6320', 6830', 7220', 7580', 7850', 8134', 8335', 8615', 8835', 9095', 9350', 9630'. RIH. CLEANED OUT TO PBTD @ 9844'. LANDED TBG AT 8357' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 14 HRS. 24/64" CHOKE. FTP 1400 PSIG. CP 1400 PSIG. 85 BFPH. RECOVERED 1196 BLW. 14911 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'
 1 JT 2-3/8" 4.7# N-80 TBG 31.84'
 XN NIPPLE 1.10'
 259 JTS 2-3/8" 4.7# N-80 TBG 8311.17'
 BELOW KB 12.00'
 LANDED @ 8357.11' KB

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|----------------------|-------------------|---|---------------------------|----|--------------------|------------------------|-------------|-----|
| 09-19-2008 | | Reported By | | HAL IVIE | | | | | | | |
| Daily Costs: Drilling | | \$0 | | Completion | | \$4,808 | | Daily Total | | \$4,808 | |
| Cum Costs: Drilling | | \$816,000 | | Completion | | \$858,933 | | Well Total | | \$1,674,934 | |
| MD | 9,889 | TVD | 9,889 | Progress | 0 | Days | 21 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | | | PBTD : 9844.0 | | | Perf : 5426'-9737' | | | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST THRU BRECO UNIT

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 23 HRS. 22/64 CHOKE. FTP- 1100 PSIG, CP- 1350 PSIG. 58 BFPH. RECOVERED 1335 BBLS, 13576 BLWTR. 700 MCF/D SHUT DOWN 1 HR TO RU BRECO UNIT. |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU01791

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
NATURAL BUTTES UN

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

8. Lease Name and Well No.
NATURAL BUTTES UNIT 568-17E

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

9. API Well No. **43-047-38537**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface **NENE 850FNL 807FEL 39.95282 N Lat, 109.56927 W Lon**
 At top prod interval reported below **NENE 850FNL 807FEL 39.95282 N Lat, 109.56927 W Lon**
 At total depth **NENE 850FNL 807FEL 39.95282 N Lat, 109.56927 W Lon**

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

11. Sec., T., R., M., or Block and Survey or Area **Sec 17 T10S R21E Mer SLB**

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

14. Date Spudded **06/13/2008** 15. Date T.D. Reached **08/15/2008** 16. Date Completed D & A Ready to Prod. **09/18/2008**

17. Elevations (DF, KB, RT, GL)*
5122 GL

18. Total Depth: **MD 9889 TVD** 19. Plug Back T.D.: **MD 9844 TVD** 20. Depth Bridge Plug Set: **MD TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) **RST/CBL/CCL/VDL/GR** 22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No Yes (Submit analysis)

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12.250 | 9.625 J-55 | 36.0 | 0 | 2410 | | 600 | | 0 | |
| 7.875 | 4.500 N-80 | 11.6 | 0 | 9885 | | 2110 | | 180 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 | 8357 | | | | | | | |

25. Producing Intervals 26. Perforation Record **5426**

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|---------------------------|-------------|-------------|---------------------|------|-----------|--------------|
| AWASATCH/MESAVERDE | 5426 | 9737 | 9646 TO 9737 | | 3 | |
| B) | | | 9418 TO 9615 | | 3 | |
| C) | | | 9132 TO 9324 | | 3 | |
| D) | | | 8879 TO 9078 | | 3 | |

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

| Depth Interval | Amount and Type of Material |
|---------------------|---|
| 9646 TO 9737 | 35,718 GALS GELLED WATER & 73,000# 20/40 SAND |
| 9418 TO 9615 | 55,605 GALS GELLED WATER & 157,500# 20/40 SAND |
| 9132 TO 9324 | 40,712 GALS GELLED WATER & 103,700# 20/40 SAND |
| 8879 TO 9078 | 25,970 GALS GELLED WATER & 59,100# 20/40 SAND |

RECEIVED
OCT 27 2008
DIV. OF OIL, GAS & MINING

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 |
|---------------------|-------------------|---------------|-----------------|------------|--------------|--------------|-----------------------|-------------|------------------------|
| 09/18/2008 | 10/05/2008 | 24 | → | 0.0 | 622.0 | 160.0 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| 1 1/4" | SI | 1700.0 | → | 0 | 622 | 160 | | 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 | | → | | | | | | |

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|-------------------|------|--------|------------------------------|--|--|
| | | | | | Meas. Depth |
| WASATCH/MESAVERDE | 5426 | 9737 | | GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER | 1384 1957 4369 4489 5095 5799 7487 8422 |

32. Additional remarks (include plugging procedure):
Please see the attached sheet for detailed perforation and additional formation marker information.

33. Circle enclosed attachments:

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

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

**Electronic Submission #64128 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal**

Name (please print) MARY A. MAESTAS Title REGULATORY ASSISTANT

Signature  (Electronic Submission) Date 10/23/2008

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

Natural Buttes Unit 568-17E - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 8656-8821 | 3/spf |
| 8387-8593 | 3/spf |
| 8166-8319 | 3/spf |
| 7913-8118 | 3/spf |
| 7628-7836 | 3/spf |
| 7310-7561 | 3/spf |
| 6877-7189 | 3/spf |
| 6408-6793 | 3/spf |
| 5949-6299 | 3/spf |
| 5695-5848 | 3/spf |
| 5426-5517 | 3/spf |

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

| | |
|-----------|--|
| 8656-8821 | 57,193 GALS GELLED WATER & 166,200# 20/40 SAND |
| 8387-8593 | 59,973 GALS GELLED WATER & 176,800# 20/40 SAND |
| 8166-8319 | 26,264 GALS GELLED WATER & 71,900# 20/40 SAND |
| 7913-8118 | 31,216 GALS GELLED WATER & 84,200# 20/40 SAND |
| 7628-7836 | 41,317 GALS GELLED WATER & 124,700# 20/40 SAND |
| 7310-7561 | 65,798 GALS GELLED WATER & 202,000# 20/40 SAND |
| 6877-7189 | 26,978 GALS GELLED WATER & 69,300# 20/40 SAND |
| 6408-6793 | 36,734 GALS GELLED WATER & 70,200# 20/40 SAND |
| 5949-6299 | 31,156 GALS GELLED WATER & 87,600# 20/40 SAND |
| 5695-5848 | 29,345 GALS GELLED WATER & 88,800# 20/40 SAND |
| 5426-5517 | 32,966 GALS GELLED WATER & 102,900# 20/40 SAND |

Perforated the Lower Price River from 9646-48', 9667-68', 9678-79', 9684-85', 9692-94', 9702-03', 9707-08', 9713-14', 9732-33', 9736-37' w/ 3 spf.

Perforated the Lower Price River from 9418-19', 9424-25', 9431-32', 9443-44', 9486-87', 9498-99', 9524-25', 9530-31', 9581-82', 9602-03', 9614-15' w/ 3 spf.

Perforated the Lower Price River from 9132-33', 9139-40', 9146-47', 9168-69', 9197-98', 9219-20', 9227-28', 9245-46', 9276-77', 9290-91', 9294-95', 9323-24' w/ 3 spf.

Perforated the Middle Price River from 8879-80', 8888-89', 8898-99', 8909-10', 8917-18', 8941-42', 8961-62', 8967-68', 8994-95', 8999-9000', 9044-45', 9077-78' w/ 3 spf.

Perforated the Middle Price River from 8656-57', 8663-64', 8673-74', 8682-83', 8702-03', 8713-14', 8757-58', 8768-69', 8779-80', 8797-98', 8811-12', 8820-21' w/ 3 spf.

Perforated the Middle Price River from 8387-88', 8394-95', 8405-06', 8413-14', 8443-44', 8450-51', 8462-63', 8512-13', 8553-54', 8569-70', 8579-80', 8592-93' w/ 3 spf.

Perforated the Upper/Middle Price River from 8166-67', 8171-72', 8176-77', 8199-8200', 8213-14', 8219-20', 8225-27', 8230-31', 8238-39', 8267-68', 8318-19' w/ 3 spf.

Perforated the Upper Price River from 7913-14', 7926-27', 7930-31', 7935-36', 7976-77', 8046-47', 8075-76', 8082-83', 8088-89', 8101-02', 8113-14', 8117-18' w/ 3 spf.

Perforated the Upper Price River from 7628-29', 7635-36', 7643-44', 7660-61', 7665-66', 7685-86', 7736-37', 7742-43', 7751-52', 7789-90', 7808-09', 7835-36' w/ 3 spf.

Perforated the North Horn/Upper Price River from 7310-11', 7326-27', 7341-42', 7350-51', 7359-60', 7442-43', 7448-49', 7470-71', 7482-83', 7504-05', 7517-18', 7560-61' w/ 3 spf.

Perforated the North Horn from 6877-78', 6897-98', 6925-26', 6966-67', 6982-83', 6986-87', 7042-43', 7072-73', 7079-80', 7145-46', 7187-89' w/ 3 spf.

Perforated the North Horn from 6408-09', 6420-21', 6448-49', 6510-11', 6548-49', 6591-92', 6616-17', 6685-86', 6704-05', 6728-29', 6776-77', 6792-93' w/ 3 spf.

Perforated the Ba from 5949-50', 5992-93', 6011-12', 6043-44', 6087-88', 6142-43', 6148-49', 6214-15', 6248-49', 6282-83', 6293-94', 6298-99' w/ 3 spf.

Perforated the Ba/Ca from 5695-98', 5701-04', 5706-07', 5729-31', 5760-61', 5835-36', 5847-48' w/ 3 spf.

Perforated the Ca from 5426-27', 5431-33', 5438-40', 5462-64', 5494-95', 5505-07', 5515-17' w/ 3 spf.

32. FORMATION (LOG) MARKERS

| | |
|-------------------|------|
| Lower Price River | 9202 |
| Sego | 9701 |

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: NBU 568-17E

API number: 4304738537

Well Location: QQ NENE Section 17 Township 10S Range 21E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

| DEPTH | | VOLUME (FLOW RATE OR HEAD) | QUALITY (FRESH OR SALTY) |
|-------|-------|-------------------------------|-----------------------------|
| FROM | TO | | |
| 1,620 | 1,630 | NO FLOW | NOT KNOWN |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE *Mary A. Maestas*

DATE 10/23/2008

OPERATOR CHANGE WORKSHEET

X Change of Operator (Well Sold)
Operator Name Change

Designation of Agent/Operator
Merger

ROUTING

| |
|--------|
| 1. DJJ |
| 2. CDW |

The operator of the well(s) listed below has changed, effective: **7/1/2008**

| | |
|---|---|
| FROM: (Old Operator): N9550-EOG Resources 1060 E Hwy 40 Vernal, UT 84078 Phone: 1-(435) 781-9111 | TO: (New Operator): N2995-Kerr-McGee Oil & Gas Onshore., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024 |
|---|---|

| WELL NAME(S) | CA No. | | | Unit: | | NATURAL BUTTES | | |
|--------------|--------|------|------|------------|-----------|----------------|-----------|-------------|
| | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
| NBU 561-17E | 17 | 100S | 210E | 4304737512 | 2900 | Federal | GW | P |
| NBU 568-17E | 17 | 100S | 210E | 4304738537 | 2900 | Federal | GW | P |

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: Completion of well
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: Completion of well
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- 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: n/a
- 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: 10/30/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/30/2008
- 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

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state or fee well(s) listed covered by Bond Number RLB0005236
- The **FORMER** operator has requested a release of liability from their bond on: n/a

COMMENTS:

Well to transfer upon completion to Unit Operator (See 9/23/2003 letter from EOG & agreement 9/17/03 from Westport)

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.
UTU01791

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
NATURAL BUTTES UNIT 568-17E

2. Name of Operator
EOG RESOURCES, INC.

Contact: MICKENZIE THACKER
E-Mail: MICKENZIE_THACKER@EOGRESOURCES.COM

9. API Well No.
43-047-38537

3a. Address
1060 EAST HIGHWAY 40
VERNAL, UT 84078

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 17 T10S R21E NENE 850FNL 807FEL
39.95282 N Lat, 109.56927 W Lon

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

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

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

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

The reserve pit on the referenced location was closed on 10/31/2008 as per the APD procedure.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #70696 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature  Date 06/09/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

Office _____

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

RECEIVED

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****
JUN 15 2009

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
Multiple Leases

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc

3a. Address
1060 EAST HIGHWAY 40, VERNAL, UT 84078

3b. Phone No. (include area code)
435-781-9145

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See Attached

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

8. Well Name and No.
Multiple Wells

9. API Well No.
See Attached

10. Field and Pool or Exploratory Area
Natural Buttes

11. Country or Parish, State
Utah, Utah

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

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

EOG Resources, Inc. has assigned all of its right, title and interest in the wells described in the attached list ("the Subject Wells") to Kerr-McGee Oil & Gas Onshore LP and will relinquish and transfer operatorship of all of the Subject Wells to Kerr-McGee Oil & Gas Onshore LP on January 1, 2010.

As of January 1, 2010, Kerr-McGee Oil & Gas Onshore LP will be considered to be the operator of each of the Subject Wells and will be responsible under the terms and conditions of the applicable lease for the operations conducted upon the leased lands. Bond coverage is provided under Kerr-McGee Oil & Gas Onshore LP's Nationwide BLM Bond No. WYB-000291.

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202-1918

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only *ER 1/31/2010*

By: Michael A. Nixon Date: 12/17/2009
Michael A. Nixon
Agent and Attorney-in-Fact

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

Name (Printed/Typed)
J. Michael Schween

Title Agent and Attorney-in-Fact

Signature [Signature] Date 12/17/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

RECEIVED

Approved by _____ Title _____ Date **DEC 24 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 **DIV. OF OIL, GAS & MINING**

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.

| Lease # | API # | Well Name | Footages | Legal Description |
|-------------|------------|-------------|---------------------|---------------------------|
| UTUO2270A | 4304730261 | NBU 1-07B | 1975' FNL 1850' FWL | T10S-R21E-07-SESW |
| UTUO144868 | 4304730262 | NBU 2-15B | 1630' FSL 2125' FEL | T09S-R20E-15-NWSE |
| ML22651 | 4304730267 | NBU 3-02B | 1819' FNL 716' FWL | T10S-R22E-02-SWNW |
| UTUO10954A | 4304730273 | NBU 4-35B | 2037' FNL 2539' FWL | T09S-R22E-35-SESW |
| ML22650 | 4304730272 | NBU 5-36B | 1023' FNL 958' FWL | T09S-R22E-36-NWNW |
| UTUO1791 | 4304730278 | NBU 7-09B | 330' FSL 1600' FWL | T10S-R21E-09-SESW |
| UTUO1207 ST | 4304730274 | NBU 10-29B | 1100' FSL 1540' FEL | T09S-R22E-29-SWSE |
| UTUO1791 | 4304730294 | NBU 13-08B | 1600' FSL 1300' FEL | T10S-R21E-08-NESE |
| UTUO581 | 4304730296 | NBU 15-29B | 821' FNL 687' FWL | T09S-R21E-29-NWNW |
| UTUO1791 | 4304730316 | NBU 16-06B | 330' FSL 900' FEL | T10S-R21E-06-SESE |
| UTUO2270A | 4304730317 | NBU 17-18B | 1014' FSL 2067' FEL | T10S-R21E-18-SWSE |
| UTUO144869 | 4304730328 | NBU 19-21B | 2015' FNL 646' FEL | T09S-R20E-21-SENE |
| UTUO575 | 4304730363 | NBU 25-20B | 1905' FNL 627' FWL | T09S-R21E-20-SWNW |
| UTU4485 | 4304730364 | NBU 26-13B | 600' FSL 661' FEL | T10S-R20E-13-SESE |
| UTUO1393B | 4304730367 | NBU 28-04B | 529' FNL 2145' FWL | T10S-R21E-04-NENW |
| UTUO1393B | 4304730368 | NBU 29-05B | 398' FSL 888' FWL | T10S-R21E-05-SESE |
| UTUO575 | 4304730380 | NBU 30-18B | 1895' FSL 685' FEL | T09S-R21E-18-NESE |
| ML01197A | 4304730385 | NBU 31-12B | 565' FNL 756' FWL | T10S-R22E-12-NWNW |
| UTU461 | 4304730396 | NBU 33-17B | 683' FSL 739' FWL | T09S-R22E-17-SWSW |
| UTUO575 | 4304730404 | NBU 34-17B | 210' FNL 710' FEL | T09S-R21E-17-NENE |
| UTUO149767 | 4304730397 | NBU 35-08B | 1830' FNL 660' FWL | T09S-R21E-8-SWNW |
| UTUO144878B | 4304730470 | NBU 49-12B | 551' FSL 1901' FEL | T09S-R20E-12-SWSE |
| UTUO140225 | 4304730473 | NBU 52-01B | 659' FSL 658' FEL | T09S-R21E-01-SESE |
| UTUO141315 | 4304730474 | NBU 53-03B | 495' FSL 601' FWL | T09S-R21E-03-SWSW |
| ML21510 | 4304730475 | NBU 54-02B | 660' FSL 660' FWL | T09S-R21E-02-SWSW |
| UTUO1193 | 4304730464 | NBU 57-12B | 676' FSL 1976' FEL | T09S-R21E-12-SWSE |
| UTUO1198B | 4304730463 | NBU 58-23B | 1634' FNL 2366' FEL | T10S-R22E-23-SWNE |
| UTUO37167 | 4304730477 | NBU 62-35B | 760' FNL 2252' FEL | T10S-R22E-35-NWNE |
| UTU10186 | 4304730466 | NBU 63-12B | 1364' FNL 1358' FEL | T10S-R20E-12-SWNE |
| UTUO37167 | 4304730577 | NBU 70-34B | 1859' FSL 2249' FWL | T10S-R22E-34-NESW |
| UTU4476 | 4304730578 | NBU 71-26B | 1877' FNL 528' FEL | T10S-R20E-26-SENE |
| UTUO141315 | 4304731150 | NBU 202-03 | 898' FSL 1580' FEL | T09S-R21E-03-SWSE |
| UTUO1791 | 4304731238 | NBU 205-08 | 1432' FSL 1267' FWL | T10S-R21E-08-NWSW |
| UTUO1791 | 4304731165 | NBU 206-09 | 1789' FNL 1546' FWL | T10S-R21E-09-SESW |
| UTUO1393B | 4304731177 | NBU 207-04 | 1366' FSL 1445' FWL | T10S-R21E-04-NESW |
| UTUO149076 | 4304731153 | NBU 210-24 | 1000' FSL 1000' FWL | T09S-R21E-24-SWSW |
| UTUO284 | 4304731156 | NBU 211-20 | 916' FSL 822' FEL | T09S-R22E-20-SESE |
| UTUO284 | 4304731267 | NBU 212-19 | 289' FSL 798' FWL | T09S-R22E-19-SWSW |
| UTU22650 | 4304731268 | NBU 213-36J | 597' FNL 659' FEL | T09S-R22E-36-NENE |
| ML22651 | 4304731282 | NBU 217-02 | 2045' FSL 766' FWL | T10S-R22E-02-NWSW |
| UTUO2270A | 4304731310 | NBU 218-17 | 2600' FNL 1500' FWL | T10S-R21E-17-SESW |
| UTUO149076 | 4304731308 | NBU 219-24 | 1300' FNL 500' FWL | T09S-R21E-24-NWNW |
| UTUO149076 | 4304732131 | NBU 301-24E | 700' FSL 2450' FEL | T09S-R21E-24-SWSE |
| UTUO1791 | 4304732010 | NBU 302-09E | 1899' FSL 912' FWL | T10S-R21E-09-NWSW |
| UTUO575 | 4304732130 | NBU 304-18E | 782' FSL 1783' FEL | T09S-R21E-18-SWSE |
| UTUO149767 | 4304732135 | NBU 305-07E | 670' FNL 1950' FWL | T09S-R21E-07-NENW |
| UTUO581 | 4304732282 | NBU 306-18E | 1604' FSL 2797' FWL | T09S-R21E-18-NESW |
| UTUO1791 | 4304732014 | NBU 307-06E | 1979' FSL 2000' FEL | T10S-R21E-06-NWSE |
| UTUO284 | 4304732202 | NBU 308-20E | 1503' FSL 954' FWL | T09S-R22E-20-NWSW |
| UTUO575 | 4304732283 | NBU 309-20E | 930' FNL 667' FEL | T09S-R21E-20-NENE |
| UTUO149075 | 4304732203 | NBU 311-23E | 1101' FSL 1978' FEL | T09S-R21E-23-SWSE |
| UTUO581 | 4304732378 | NBU 313-29E | 1000' FNL 660' FEL | T09S-R21E-29-NENE |
| UTUO141315 | 4304732271 | NBU 314-03E | 1045' FSL 2584' FWL | T09S-R21E-03-SESW |
| UTUO575 | 4304732381 | NBU 316-17E | 1935' FNL 1067' FWL | T09S-R21E-17-SWNW |
| UTUO144868B | 4304732362 | NBU 317-12E | 867' FNL 701' FEL | T09S-R20E-12-NENE |
| UTUO2270A | 4304737511 | NBU 319-17E | 807' FNL 990' FWL | T10S-R21E-17-NWNW |
| UTUO1188 | 4304732379 | NBU 321-10E | 940' FSL 2508' FWL | T09S-R21E-10-SESW |
| UTUO575B | 4304732376 | NBU 325-08E | 832' FSL 669' FWL | T09S-R21E-08-SWSW |
| UTUO1393B | 4304733697 | NBU 326-04E | 1906' FNL 695' FWL | T10S-R21E-04-SWNW |
| UTUO1393B | 4304739303 | NBU 327-05E | 1117' FNL 942' FEL | T10S-R21E-05-NENE (LOT 1) |
| UTU4485 | 4304732386 | NBU 328-13E | 1766' FSL 1944' FWL | T10S-R20E-13-NESW |
| UTUO1207 ST | 4304732229 | NBU 329-29E | 2490' FNL 949' FEL | T09S-R22E-29-SENE |

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DEC 24 2009

DIV. OF OIL, GAS & MINING

| Lease # | API # | Well Name | Footages | Legal Description |
|--------------|------------|--------------|---------------------|---------------------------|
| UTUO10954A | 4304732147 | NBU 331-35E | 1531' FNL 1153' FEL | T09S-R22E-35-SENE |
| UTUO1791 | 4304732148 | NBU 332-08E | 955' FSL 2508' FEL | T10S-R21E-08-SWSE |
| ML21510 | 4304732518 | NBU 333-02E | 1951' FSL 2245' FWL | T09S-R21E-02-NESW |
| UTUO149075 | 4304732265 | NBU 335-23E | 1419' FNL 828' FEL | T09S-R21E-23-SENE |
| UTUO149076 | 4304732264 | NBU 336-24E | 2024' FNL 1958' FWL | T09S-R21E-24-SENW |
| UTUO284 | 4304732281 | NBU 339-19E | 1890' FSL 674' FWL | T09S-R22E-19-NWSW |
| UTUO284B | 4304732327 | NBU 340-20E | 1326' FSL 2569' FEL | T09S-R22E-20-NWSE |
| UTUO1207 ST | 4304733055 | NBU 341-29E | 307' FSL 898' FEL | T09S-R22E-29-SESE |
| UTUO10954A | 4304732212 | NBU 342-35E | 918' FNL 2563' FEL | T09S-R22E-35-NWNE |
| UTUO1393B | 4304739338 | NBU 346-05E | 2233' FSL 676' FEL | T10S-R21E-05-NESE |
| UTUO575B | 4304732326 | NBU 349-07E | 1641' FNL 1036' FWL | T09S-R21E-07-SWNW |
| UTUO1188 | 4304732519 | NBU 352-10E | 1806' FSL 842' FWL | T09S-R21E-10-NWSW |
| UTUO581 | 4304732383 | NBU 356-29E | 1600' FNL 1980' FEL | T09S-R21E-29-SWNE |
| UTUO2270A | 4304732388 | NBU 358-01E | 736' FSL 1941' FEL | T10S-R20E-01-SWSE |
| UTU4485 | 4304750032 | NBU 359-13E | 661' FSL 2149' FEL | T10S-R20E-13-SWSE |
| UTU4485 | 4304732387 | NBU 360-13E | 1998' FSL 775' FWL | T10S-R20E-13-NWSW |
| ML21510 | 4304733782 | NBU 379-02E | 1967' FSL 898' FWL | T09S-R21E-02-NWSW |
| UTUO575 | 4304733064 | NBU 382-18E | 2030' FSL 2172' FEL | T09S-R21E-18-NWSE |
| UTUO149075 | 4304735889 | NBU 384-23E | 491' FSL 929' FEL | T09S-R21E-23-SESE |
| UTUO149076 | 4304733056 | NBU 386-24E | 450' FSL 1850' FWL | T09S-R21E-24-SESW |
| UTUO284 | 4304733057 | NBU 388-19E | 382' FSL 1847' FWL | T09S-R22E-19-SESW |
| UTUO1207 ST | 4304733049 | NBU 389-29E | 2226' FSL 2166' FEL | T09S-R22E-29-NWSE |
| UTUO1393B | 4304732835 | NBU 390-04E | 2577' FSL 1951' FWL | T10S-R21E-04-NESW |
| UTUO1393B | 4304732988 | NBU 391-05E | 1215' FSL 2090' FEL | T10S-R21E-05-SWSE |
| UTUO1791 | 4304733783 | NBU 392-06E | 1926' FSL 611' FEL | T10S-R21E-06-NESE |
| UTU4485 | 4304733071 | NBU 393-13E | 1850' FSL 2141' FEL | T10S-R20E-13-NWSE |
| UTU4485 | 4304733072 | NBU 394-13E | 725' FSL 2027' FWL | T10S-R20E-13-SESW |
| UTUO1188 | 4304732544 | NBU 400-11E | 1983' FSL 1321' FWL | T09S-R21E-11-NESW |
| UTUO581 | 4304734216 | NBU 421-29E | 1985 FNL, 972 FEL | T09S-R21E-29-SENE |
| UTUO581 | 4304733698 | NBU 422-29E | 1980' FNL 785' FWL | T09S-R21E-29-SWNW |
| UTUO581 | 4304734206 | NBU 423-30E | 1980' FSL 660' FEL | T09S-R21E-30-NESE |
| ML3142 | 4304733699 | NBU 424-32E | 744' FNL 773' FEL | T09S-R21E-32-NENE |
| UTUO2270A | 4304740049 | NBU 428-07E | 660' FSL 855' FWL | T10S-R21E-07-SWSW (Lot 4) |
| UTUO1791 | 4304733069 | NBU 431-09E | 2599' FNL 662' FWL | T10S-R21E-09-SWNW |
| UTUO2270A | 4304738536 | NBU 434-17E | 1799' FNL 2176' FWL | T10S-R21E-17-SENW |
| UTUO2270A | 4304738376 | NBU 435-17E | 1837' FNL 571' FWL | T10S-R21E-17-SWNW |
| UTUO2270A | 4304734195 | NBU 436-18E | 1644' FSL 748' FEL | T10S-R21E-18-NESE |
| UTUO2270A | 4304735499 | NBU 437-18E | 322' FSL 748' FEL | T10S-R21E-18-SESE |
| ML22792 | 4304737534 | NBU 438-19E | 661' FNL 1941' FEL | T10S-R21E-19-NWNE |
| ML22792 | 4304737535 | NBU 439-19E | 2111' FNL 1980' FWL | T10S-R21E-19-SWNE |
| UTUO10953 | 4304736279 | NBU 451-01E | 1965' FSL 2132' FWL | T10S-R22E-01-NESW |
| ML22651 | 4304736053 | NBU 456-02E | 493' FNL 1080' FWL | T10S-R22E-02-NWNW (Lot 4) |
| UTUO141315 | 4304733063 | NBU 481-03E | 1490' FSL 556' FEL | T09S-R21E-03-NESE |
| UTUO581 | 4304733065 | NBU 483-19E | 1850' FSL 1980' FWL | T09S-R21E-19-NESW |
| UTUO575 | 4304733784 | NBU 484-20E | 350' FNL 823' FWL | T09S-R21E-20-NWNW |
| UTUO2270A | 4304739897 | NBU 486-07E | 1895 FSL' 1834' FWL | T10S-R21E-07-NESW |
| UTUO575B | 4304733121 | NBU 489-07E | 763' FSL 733' FWL | T09S-R21E-07-SWSW (Lot 4) |
| UTUO2270A | 4304733123 | NBU 497-01E | 2091' FSL 894' FEL | T10S-R20E-01-NESE |
| UTUO577A | 4304733140 | NBU 506-23E | 720' FNL 1818' FWL | T09S-R20E-23-NENW |
| UTUO1791 | 4304733124 | NBU 508-08E | 915' FSL 355' FEL | T10S-R21E-08-SESE |
| UTUO1197A ST | 4304739283 | NBU 513-12EX | 1850' FNL 2133' FWL | T10S-R22E-12-SENW |
| UTUO2270A | 4304733696 | NBU 516-12E | 1950' FSL 1786' FEL | T10S-R20E-12-NWSE |
| UTUO141315 | 4304733779 | NBU 519-03E | 1749' FSL 798' FWL | T09S-R21E-03-NWSW |
| UTUO575B | 4304733780 | NBU 521-08E | 2250' FSL 900' FWL | T09S-R21E-08-NWSW |
| UTUO1188 | 4304733781 | NBU 522-10E | 732' FSL 841' FEL | T09S-R21E-10-SESE |
| UTUO2270A | 4304733685 | NBU 523-12E | 660' FSL 660' FEL | T10S-R20E-12-SESE |
| UTUO2270A | 4304733701 | NBU 524-12E | 841' FSL 1795' FEL | T10S-R20E-12-SWSE |
| UTUO2270A | 4304739722 | NBU 529-07E | 704' FNL 762' FWL | T10S-R21E-07-NWNW |
| UTUO581 | 4304734639 | NBU 534-18E | 1885' FSL 115' FWL | T09S-R21E-18-NWSW |
| UTUO2270A | 4304735200 | NBU 535-17E | 1893' FSL 580' FWL | T10S-R21E-17-NWSW |
| ML22791 | 4304735252 | NBU 536-18E | 734' FSL 2293' FWL | T10S-R21E-18-SESW |
| UTUO2270A | 4304735253 | NBU 537-18E | 1880' FSL 1830' FEL | T10S-R21E-18-NWSE |

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| Lease # | API # | Well Name | Footages | Legal Description |
|--------------|------------|-------------|---------------------|-------------------|
| UTUO284 | 4304735886 | NBU 538-19E | 1937' FSL 1833' FWL | T09S-R22E-19-NESW |
| UTUO149076 | 4304735887 | NBU 539-24E | 1870' FSL 477' FEL | T09S-R21E-24-NESE |
| UTUO10953 | 4304736280 | NBU 546-01E | 2036' FSL 699' FWL | T10S-R22E-01-NWSW |
| UTUO10953 | 4304736278 | NBU 547-01E | 749' FSL 598' FWL | T10S-R22E-01-SWSW |
| UTU474 | 4304737687 | NBU 553-28E | 767' FNL 753' FWL | T10S-R22E-28-NWNW |
| UTU474 | 4304737686 | NBU 554-28E | 2023' FNL 465' FWL | T10S-R22E-28-SWNW |
| ML22791 | 4304737685 | NBU 555-18E | 1984' FSL 1790' FWL | T10S-R21E-18-NESW |
| ML22791 | 4304737514 | NBU 556-18E | 1800' FSL 870' FWL | T10S-R21E-18-NWSW |
| ML22791 | 4304737513 | NBU 557-18E | 852' FSL 661' FWL | T10S-R21E-18-SWSW |
| UTUO2270A | 4304737510 | NBU 558-17E | 748' FSL 611' FWL | T10S-R21E-17-SWSW |
| UTUO2278C | 4304737509 | NBU 559-17E | 467' FSL 2065' FWL | T10S-R21E-17-SESW |
| UTUO2278 | 4304737508 | NBU 560-17E | 1946' FSL 1896' FWL | T10S-R21E-17-NESW |
| UTUO2278 | 4304737512 | NBU 561-17E | 857' FSL 1988' FEL | T10S-R21E-17-SWSE |
| ML22792 | 4304737536 | NBU 562-19E | 859' FNL 859' FEL | T10S-R21E-19-NENE |
| ML22792 | 4304737537 | NBU 563-19E | 1982' FSL 1878' FEL | T10S-R21E-19-NWSE |
| UTU4476 | 4304738962 | NBU 564-26E | 665' FNL 1945' FWL | T10S-R20E-26-NENW |
| ML22793 | 4304737533 | NBU 565-30E | 1865' FNL 1786' FEL | T10S-R21E-30-SWNE |
| UTUO2270A | 4304738375 | NBU 566-17E | 538' FNL 1806' FWL | T10S-R21E-17-NENW |
| UTUO1791 | 4304738535 | NBU 567-17E | 690' FNL 1988' FEL | T10S-R21E-17-NWNE |
| UTUO1791 | 4304738537 | NBU 568-17E | 850' FNL 807' FEL | T10S-R21E-17-NENE |
| UTUO1791 | 4304738534 | NBU 569-17E | 2009' FNL 1809' FEL | T10S-R21E-17-SWNE |
| UTUO1791 | 4304738529 | NBU 570-17E | 2031' FNL 672' FEL | T10S-R21E-17-SENE |
| UTUO2278 | 4304738377 | NBU 571-17E | 1964' FSL 1831' FEL | T10S-R21E-17-NWSE |
| UTUO2278 | 4304738374 | NBU 572-17E | 1810' FSL 739' FEL | T10S-R21E-17-NESE |
| UTUO2278 | 4304738510 | NBU 573-17E | 813' FSL 481' FEL | T10S-R21E-17-SESE |
| ML22650 | 4304739308 | NBU 602-36E | 1723' FNL 719' FWL | T09S-R22E-36-SWNW |
| UTUO1393B | 4304739305 | NBU 614-05E | 716' FNL 1967' FEL | T10S-R21E-05-NWNE |
| UTUO1393B | 4304739655 | NBU 615-05E | 2384' FNL 1015' FEL | T10S-R21E-05-SENE |
| UTUO1393B | 4304739337 | NBU 617-04E | 933' FNL 745' FWL | T10S-R21E-04-NWNW |
| UTUO1393B | 4304739336 | NBU 618-04E | 998' FSL 661' FWL | T10S-R21E-04-SWSW |
| UTUO1393B | 4304739414 | NBU 625-04E | 1937' FNL 1722' FWL | T10S-R21E-04-SENW |
| UO01197A ST | 4304739192 | NBU 632-12E | 860' FNL 2032' FWL | T10S-R22E-12-NENW |
| UO01197A ST | 4304739193 | NBU 633-12E | 789' FNL 2179' FEL | T10S-R22E-12-NWNE |
| UO01197A ST | 4304739190 | NBU 635-12E | 1808' FNL 1754' FEL | T10S-R22E-12-SWNE |
| UTUO1197A ST | 4304739191 | NBU 636-12E | 1824' FNL 461' FEL | T10S-R22E-12-SENE |
| UTUO8512 ST | 4304750016 | NBU 638-13E | 1926' FNL 2504' FWL | T10S-R22E-13-SENW |
| UTUO8512 ST | 4304750019 | NBU 639-13E | 859' FNL 1902' FEL | T10S-R22E-13-NWNE |
| UTUO8512 ST | 4304750014 | NBU 640-13E | 1619' FNL 1639' FEL | T10S-R22E-13-SWNE |
| UTUO8512A ST | 4304750058 | NBU 641-13E | 990' FNL 1184' FEL | T10S-R22E-13-NENE |
| UTUO8512 ST | 4304750013 | NBU 642-13E | 1949' FNL 858' FEL | T10S-R22E-13-SENE |
| UTUO2270A | 4304739957 | NBU 653-07E | 660' FNL 1980' FWL | T10S-R21E-07-NENW |
| UTUO2270A | 4304739956 | NBU 654-07E | 1913' FNL 522' FWL | T10S-R21E-07-SWNW |
| UTUO2270A | 4304739860 | NBU 655-07E | 1926' FSL 750' FWL | T10S-R21E-07-NWSW |
| UTUO1791 | 4304739856 | NBU 658-01E | 2177' FNL 1784' FEL | T10S-R20E-01-SWNE |
| UTUO2270A | 4304739858 | NBU 660-12E | 661' FNL 691' FEL | T10S-R20E-12-NENE |
| ML22790 | 4304750011 | NBU 661-24E | 1734' FSL 661' FWL | T10S-R20E-24-NWSW |
| ML22790 | 4304750017 | NBU 662-24E | 809' FSL 807' FWL | T10S-R20E-24-SWSW |
| ML22790 | 4304750010 | NBU 663-24E | 810' FSL 1979' FWL | T10S-R20E-24-SESW |
| ML22790 | 4304739867 | NBU 664-24E | 1810' FNL 1781' FEL | T10S-R20E-24-NWSE |
| ML22790 | 4304750018 | NBU 665-24E | 1950' FSL 660' FEL | T10S-R20E-24-NESE |
| ML22790 | 4304750057 | NBU 666-24E | 1043' FSL 1722' FEL | T10S-R20E-24-SWSE |
| ML22790 | 4304750012 | NBU 667-24E | 660' FSL 660' FEL | T10S-R20E-24-SESE |
| UTUO2270A | 4304739901 | NBU 668-12E | 859' FNL 1915' FEL | T10S-R20E-12-NWNE |
| UO1207 ST | 4304740084 | NBU 670-29E | 2018' FSL 859' FEL | T09S-R22E-29-NESE |
| UO1207 ST | 4304750027 | NBU 691-29E | 680' FNL 797' FEL | T09S-R22E-29-NENE |
| ML3140.5 | 4304738330 | NBU 760-36E | 1320' FNL 1320' FEL | T09S-R20E-36-NENE |
| UTU4476 | 4304738632 | NBU 762-26E | 1506' FNL 1449' FEL | T10S-R20E-26-SWNE |
| ML22792 | 4304738332 | NBU 763-19E | 1258' FSL 1388' FEL | T10S-R21E-19-SWSE |
| ML3142 | 4304738331 | NBU 764-32E | 875' FNL 667' FWL | T09S-R21E-32-NWNW |
| UTUO1791 | 4304738633 | NBU 765-09E | 1000' FSL 1640' FWL | T10S-R21E-09-SESW |

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DIV. OF OIL, GAS & MINING

| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 |
|---|---|---|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01791 |
| SUNDRY NOTICES AND REPORTS ON WELLS | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES |
| 1. TYPE OF WELL Gas Well | | 8. WELL NAME and NUMBER: NBU 568-17E |
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. | | 9. API NUMBER: 43047385370000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6100 | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0850 FNL 0807 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 17 Township: 10.0S Range: 21.0E Meridian: S | | COUNTY: UINTAH STATE: UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/15/2015 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <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"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER | |
| OTHER: <input style="width: 100px;" type="text" value="TUBING FAILURE"/> | | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. A WORKOVER FOR TUBING FAILURE HAS BEEN COMPLETED ON THE NBU 568-17E, SEE THE ATTACHED OPERATIONS SUMMARY REPORT. | | |
| Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 27, 2015 | | |
| NAME (PLEASE PRINT) Doreen Green | PHONE NUMBER 435 781-9758 | TITLE Regulatory Analyst II |
| SIGNATURE N/A | | DATE 7/20/2015 |

US ROCKIES REGION
Operation Summary Report

| Well: NBU 568-17E | | | | Spud date: 8/4/2008 | | | | |
|--|----------------|---------------|-----------------------|---------------------|---------------------|--|----------------|---|
| Project: UTAH-UINTAH | | | Site: NBU 568-17E | | | Rig name no.: ROCKY MOUNTAIN WELL SERVICE 1/1, ROCKY MOUNTAIN WELL SERVICE 1/1 | | |
| Event: WELL WORK EXPENSE | | | Start date: 7/13/2015 | | End date: 7/15/2015 | | | |
| Active datum: RKB @5,132.00usft (above Mean Sea Level) | | | UWI: NBU 568-17E | | | | | |
| Date | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD from (usft) | Operation |
| 7/13/2015 | 7:00 - 7:15 | 0.25 | MAINT | 48 | | P | | HSM, PULLING ON TBG |
| | 7:15 - 11:00 | 3.75 | MAINT | 30 | A | P | | ROAD RIG FROM NBU 327 TO LOC, SPOT EQUIP, MIRU, CONTROL WELL W/ 35 BBLs, N/D WELL HEAD. PULL ON TBG. TBG IS STUCK, TAKE HANGER OFF PUT 6' SUB IN LAND BACK ON HANGER TO N/U BOPS. |
| | 11:00 - 12:00 | 1.00 | MAINT | 31 | 1 | P | | N/U BOPS, R/U TBG EQUIP, WORKING TBG UP TO 15,000# OVER STRING WEIGHT AND DROPPING DOWN, FINAL CAME FREE. |
| | 12:00 - 18:00 | 6.00 | MAINT | 45 | A | P | | MIRU SCAN TECH, SCANNED 137 JNTS YELLOW / BLUE BAND [4,315'] RAN INTO RED BAND, FOUND 1ST HOLE AND SEVERAL JNTS BELOW W/ HOLES IN. FOUND HEAVY SCALE ON OD @=4,600' FINALLY HAD TO RIG SCAN TECH DOWN BECAUSE TO MUCH SCALE GETTING IN SLIPS [200 JNTS SCANNED OUT], FINISHED LAYING DOWN TBG. [123 RED BAND JUNK TBG] 260 TOTAL JNTS. SWIFN. |
| 7/14/2015 | 7:00 - 7:15 | 0.25 | MAINT | 48 | | P | | HSM, C/O W/ AIR FOAM UNIT |
| | 7:15 - 12:00 | 4.75 | MAINT | 31 | I | P | | SICP=650#, BLOW WELL DOWN, CONTROL W/ 15 BBLs, P/U 3-7/8 MILL W/ POBS PKG, TALLEY AND RIH. TAG W/ 279 JNTS @=8,930', P/U POWER SWIVEL, PUT STRIPPING RUBBER IN. P/U STRING FLOAT. MIRU TECH FOAM |
| | 12:00 - 13:00 | 1.00 | MAINT | 31 | H | P | | CATCH CIRC |
| | 13:00 - 18:00 | 5.00 | MAINT | 44 | D | P | | C/O FROM 8,930' TO 9,400' CIRC HOLE FOR 30 MIN, L/D 33 JNTS, PULLED 46 STANDS EOT @=5,402' SWIFN. |
| 7/15/2015 | 7:00 - 7:15 | 0.25 | MAINT | 48 | | P | | HSM, KILLING WELL |
| | 7:15 - 7:15 | 0.00 | MAINT | 31 | I | P | | SICP=1,380#, BLOW WELL DOWN CONTROL W/ 20 BBLs, CONTINUE TO POOH W/ TBG, L/D BHA, P/U XN NOTCHED COLLAR, RIH BROACHING TBG, STRIP HANGER IN WELL LAND W/ 261 JNTS L-80 TBG @=8,357.57 |