

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

5. Lease Serial No. <b>U-0284-A</b>	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>	
8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1278-22</b>	
9. API Well No. <b>43-047-38725</b>	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, of Exploratory <b>NATURAL BUTTES</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area <b>SECTION 22, T9S, R22E S.L.B.&amp;M</b>
2. Name of Operator <b>EOG RESOURCES, INC</b>	12. County or Parish <b>UINTAH</b>
3a. Address <b>1060 EAST HIGHWAY 40 VERNAL, UT 84078</b>	13. State <b>UT</b>
3b. Phone No. (include area code) <b>435-781-9111</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>170 FSL 1241 FEL SE/SE 40.40.014708 LAT 109.421128 LON</b> At proposed prod. zone <b>SAME 634810X 40.014737 4430378Y -109.420420</b>	
14. Distance in miles and direction from nearest town or post office <b>49.4 MILES SOUTH OF VERNAL, UTAH</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>170</b>	16. No. of acres in lease <b>1240</b>
17. Spacing Unit dedicated to this well	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>825</b>	20. BLM/BIA Bond No. on file <b>NM 2308</b>
19. Proposed Depth <b>9480</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4997 GL</b>	22. Approximate date work will start*
	23. Estimated duration <b>45 DAYS</b>

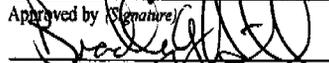
**24. Attachments**

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

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

25. Signature 	Name (Printed Typed) <b>KAYLENE R. GARDNER</b>	Date <b>08/03/2006</b>
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Title <b>REGULATORY ASSISTANT</b>		
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Approved by (Signature) 	Name (Printed Typed) <b>BRADLEY G. HILL</b>	Date <b>10-19-06</b>
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Title <b>ENVIRONMENTAL MANAGER</b>		
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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

\*(Instructions on page 2)

Federal Approval of this  
Action is Necessary

**RECEIVED**

**OCT 17 2006**

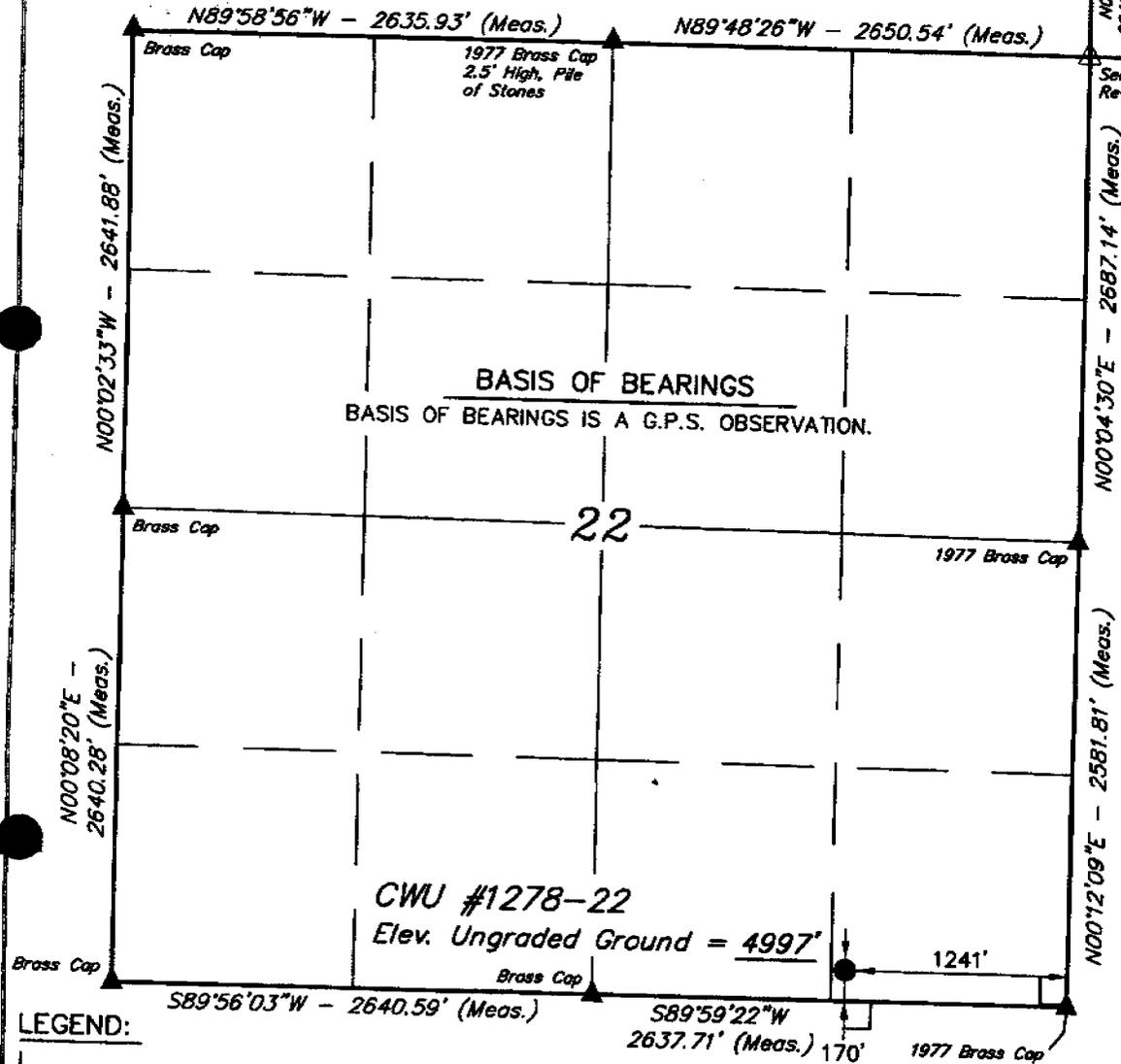
DIV. OF OIL, GAS & MINING

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

E 1/4 Cor. Sec. 15, Brass Cap

EOG RESOURCES, INC.

Well location, CWU #1278-22, located as shown in the SE 1/4 SE 1/4 of Section 22, T9S, R22E, S.L.B.&M., Uintah County, Utah.



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

22

CWU #1278-22  
Elev. Ungraded Ground = 4997'

1241'

**LEGEND:**

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED USING DOUBLE PROPORTION METHOD. (Not Set on Ground.)

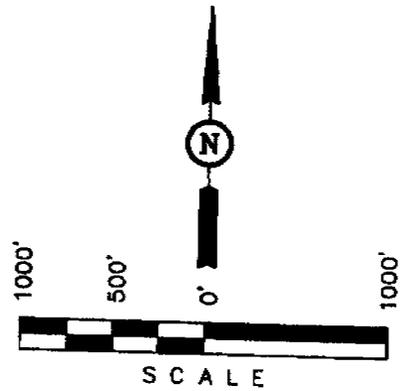
SB9°56'03"W - 2640.59' (Meas.)  
S89°59'22"W - 2637.71' (Meas.)  
(NAD 83)  
LATITUDE = 40°00'52.95" (40.014708)  
LONGITUDE = 109°25'16.06" (109.421128)  
(NAD 27)  
LATITUDE = 40°00'53.08" (40.014744)  
LONGITUDE = 109°25'13.60" (109.420444)

N00°04'28"W - 2646.98' (Meas.)  
N00°04'30"E - 2687.14' (Meas.)  
N00°04'30"E - 2581.81' (Meas.)  
N00°12'09"E - 2581.81' (Meas.)

S89°52'41"E - 2639.25' (Meas.)  
Section Corner Re-Established  
N 1/4 Cor. Sec. 23, 1977 Brass Cap

**BASIS OF ELEVATION**

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



**CERTIFICATE**

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

*John H. ...*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b> 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 07-05-06	DATE DRAWN: 07-06-06
PARTY G.S. B.C. S.L.	REFERENCES G.I.O. PLAT	
WEATHER WARM	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1278-22**  
**SE/SE, SEC. 22, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>DEPTH (KB)</b>
Green River FM	1,660'
Wasatch	4,707'
Chapita Wells	5,274'
Buck Canyon	5,909'
North Horn	6,729'
Island	6,986'
KMV Price River	7,158'
KMV Price River Middle	8,012'
KMV Price River Lower	8,808'
Sego	9,286'

Estimated TD: **9,480' or 200'± below Sego top**

**Anticipated BHP: 5,175 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
BOP schematic diagrams attached.

**4. CASING PROGRAM:**

	<b><u>HOLE SIZE</u></b>	<b><u>INTERVAL</u></b>	<b><u>SIZE</u></b>	<b><u>WEIGHT</u></b>	<b><u>GRADE</u></b>	<b><u>THREAD</u></b>	<b><u>RATING FACTOR</u></b>		
							<b><u>COLLAPSE</u></b>	<b><u>BURST</u></b>	<b><u>TENSILE</u></b>
Conductor:	17 1/2"	0' – 45'	13 3/8"	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	4-1/2"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

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

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1278-22 SE/SE, SEC. 22, T9S, R22E, S.L.B.&M., UINTAH COUNTY, UTAH

#### Float Equipment: (Cont'd)

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

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

#### 6. MUD PROGRAM

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

Air/air mist or aerated water.

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

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

#### 7. VARIANCE REQUESTS:

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

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

#### 8. EVALUATION PROGRAM:

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1278-22**  
**SE/SE, SEC. 22, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**9. CEMENT PROGRAM:**

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

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

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

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

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

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

**Lead:** 135 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail:** 920 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9 gps water.

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

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

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1278-22**  
**SE/SE, SEC. 22, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**11. STANDARD REQUIRED EQUIPMENT:**

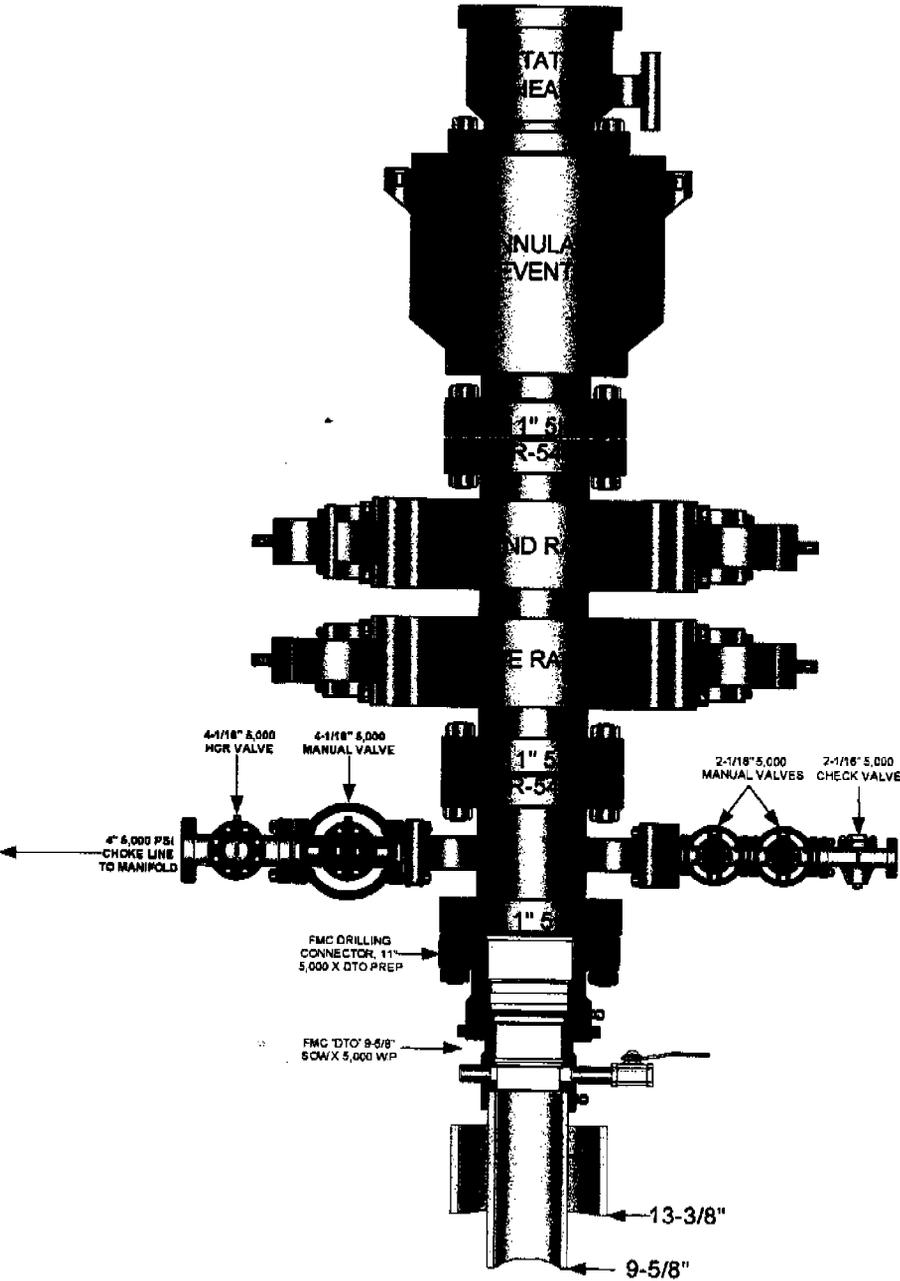
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**12. HAZARDOUS CHEMICALS:**

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

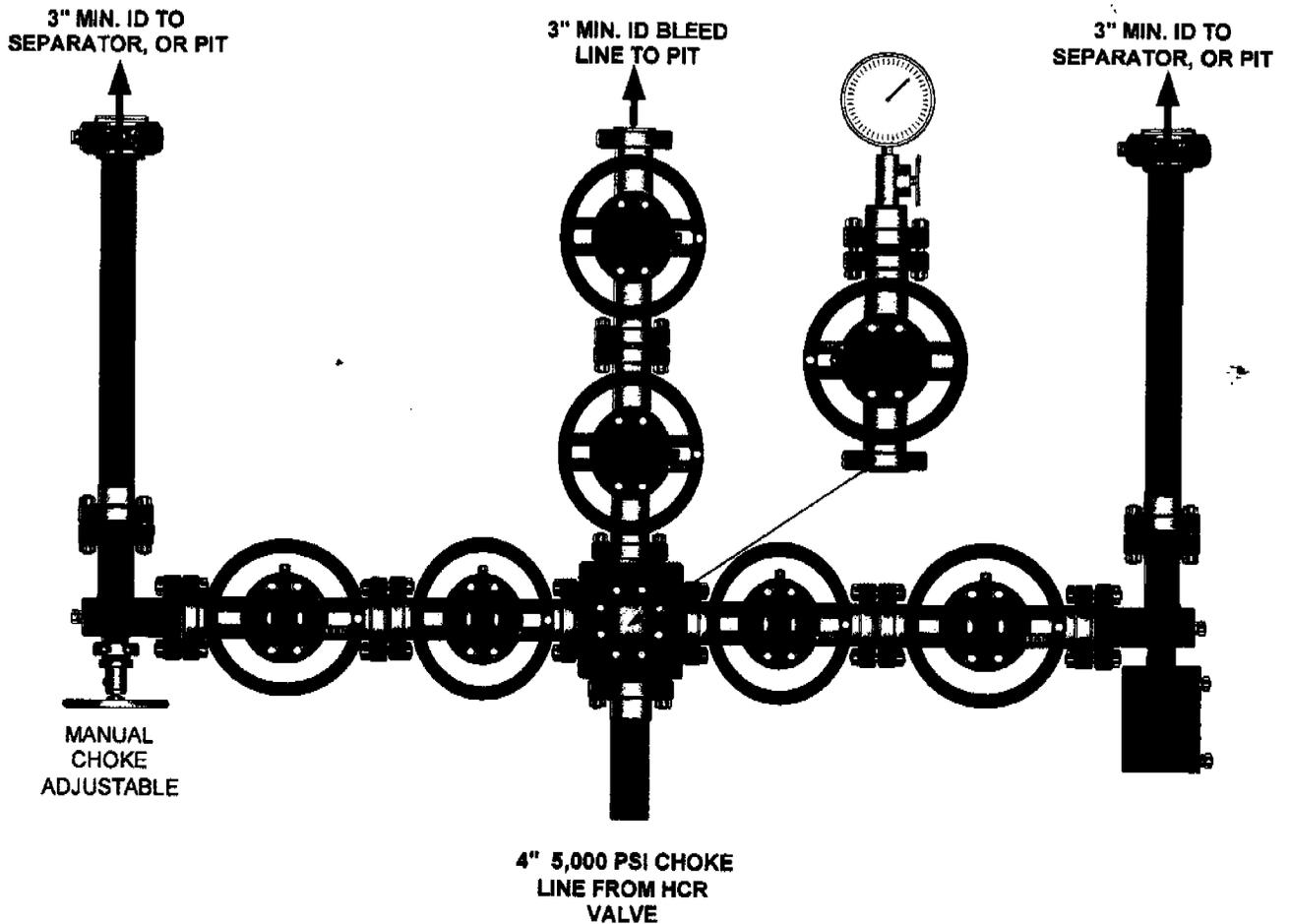
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF



**Testing Procedure:**

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



**CHAPITA WELLS UNIT 1278-22  
SESE, Section 22, T9S, R22E  
Uintah County, Utah**

**SURFACE USE PLAN**

**NOTIFICATION REQUIREMENTS**

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

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

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 60 feet long with a 30-foot right-of-way, disturbing approximately 0.04 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 1.88 acres. The pipeline is approximately 661' with a 40-foot right-of-way, disturbing 0.61 acre.

**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 49.4 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 60' 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 661' x 40'. The proposed pipeline leaves the northern edge of the well pad and proceeds for an approximate distance of 661' tying into an existing pipeline located in the SESE of Section 22, T9S, R22E (Lease U-0284A).
3. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lok, electric weld with a 35 mil X-Tru coating.
4. Proposed pipeline will be a 4" OD steel, Zap-Lok line laid on the surface.
5. 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, Chapita Wells Unit 550-30SWD 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 Northeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the east 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 South of Corner #5. The stockpiled location topsoil will be stored between Corners #2 and #3. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the South.

**FENCING REQUIREMENTS:**

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

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

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

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

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

**A. Producing Location**

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

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

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

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

<b>Seed Mixture</b>	<b>Drilled Rate (lbs./acre PLS*)</b>
Hy Crested Wheat Grass	6.0
Needle & Thread Grass	6.0

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

***B. Dry Hole/Abandoned Location***

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

<b>Seed Mixture</b>	<b>Drilled Rate (lbs./acre PLS*)</b>
Wyoming Big Sage	3.0
Needle and Thread Grass	3.0
Hi-Crest Crested Wheat Grass	1.0
Winter Fat	1.0

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

**11. SURFACE OWNERSHIP:**

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

Bureau of Land Management

**12. OTHER INFORMATION:**

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

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

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

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

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

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

A cultural resources survey was conducted and will be submitted by Montgomery Archaeological Consultants. A Paleontology survey was conducted and will be submitted by Stephen Sandau.

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

**PERMITTING AGENT**

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

**DRILLING OPERATIONS**

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

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

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 1278-22 Well, located in the SESE, of Section 22, T9S, R22E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

August 3, 2006

Date

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

**Request for Exception to Buried Pipeline Requirement**  
**Chapita Wells Unit 1278-22**  
**SESE, Sec. 22, T9S, R22E**  
**U-0284A**

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 50' X Length acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

# EOG RESOURCES, INC.

CWU #1278-22

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 22, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

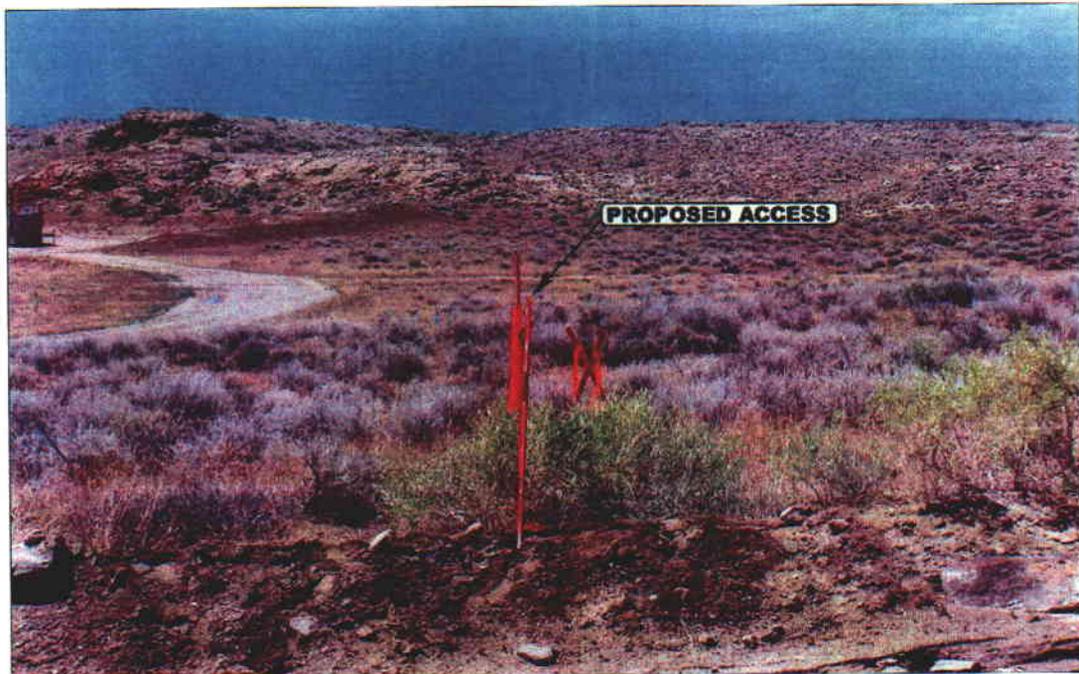


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

07 07 06  
MONTH DAY YEAR

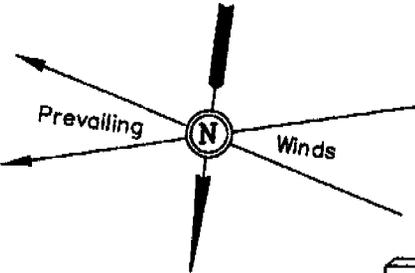
PHOTO

TAKEN BY: G.S. DRAWN BY: L.K. REVISED: 00-00-00

EOG RESOURCES, INC.

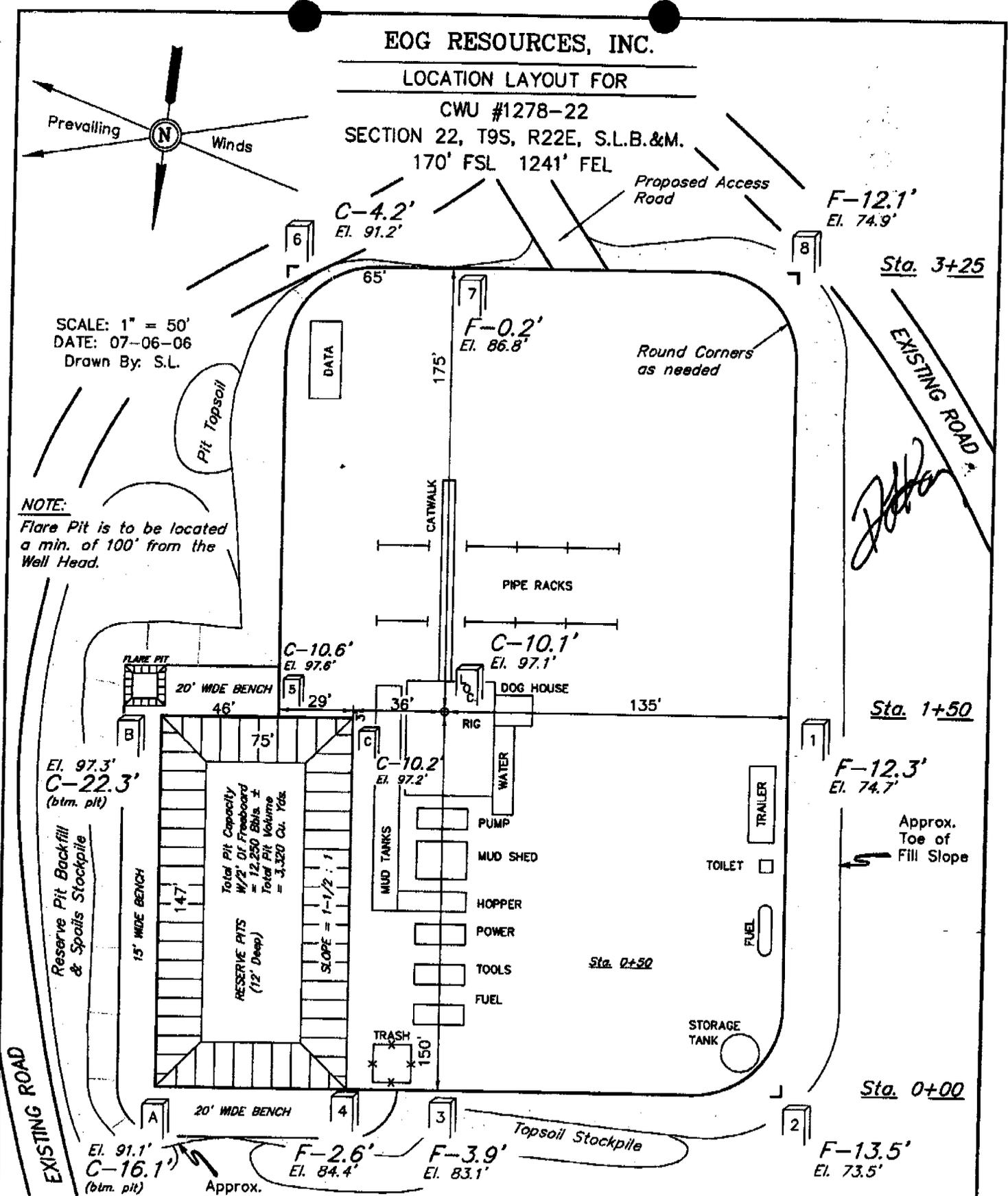
LOCATION LAYOUT FOR

CWU #1278-22  
SECTION 22, T9S, R22E, S.L.B.&M.  
170' FSL 1241' FEL



SCALE: 1" = 50'  
DATE: 07-06-06  
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 = 4997.1'  
FINISHED GRADE ELEV. AT LOC. STAKE = 4987.0'

**FIGURE #1**

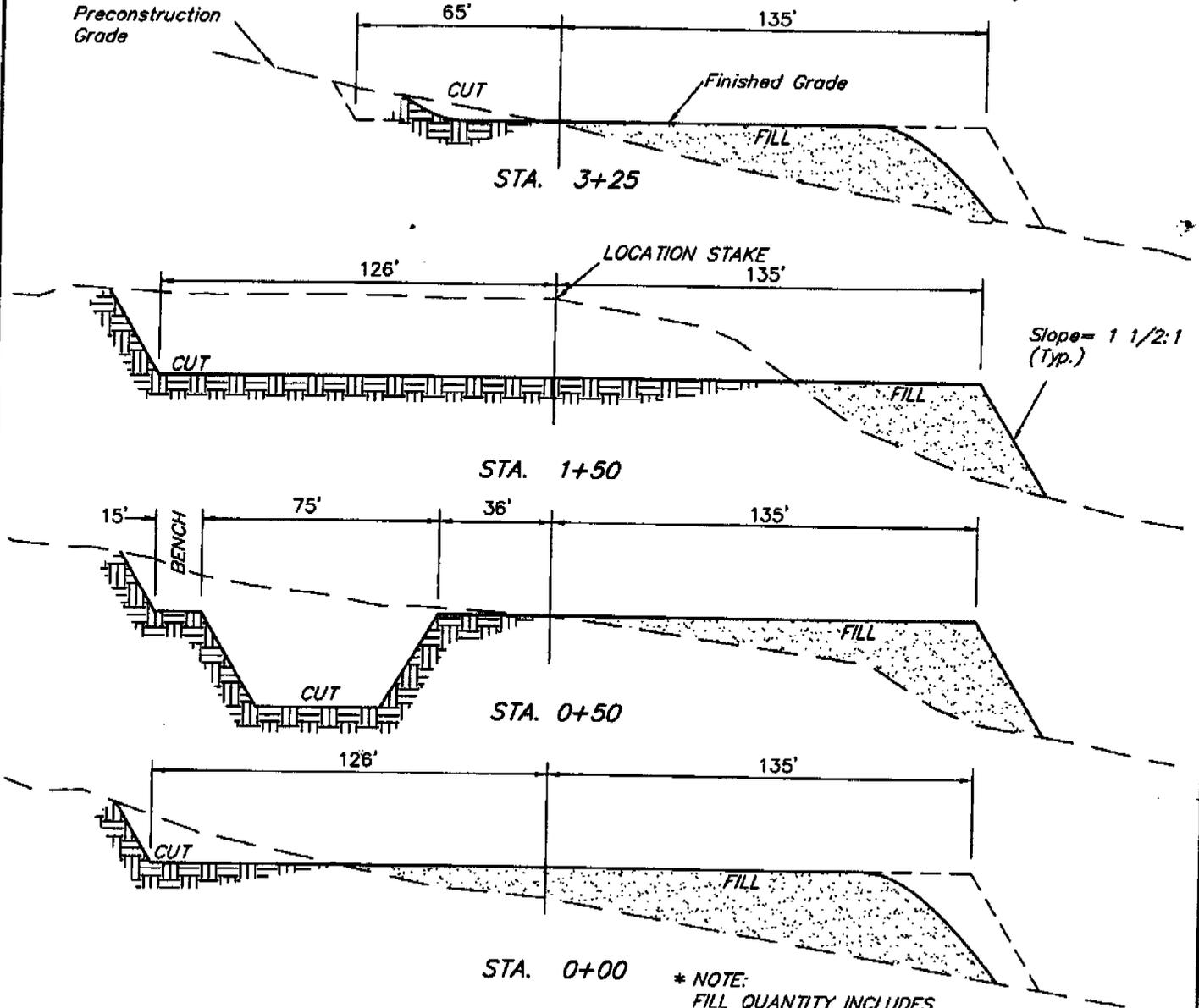
EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 CWU #1278-22  
 SECTION 22, T9S, R22E, S.L.B.&M.  
 170' FSL 1241' FEL

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

DATE: 07-06-06  
 Drawn By: S.L.

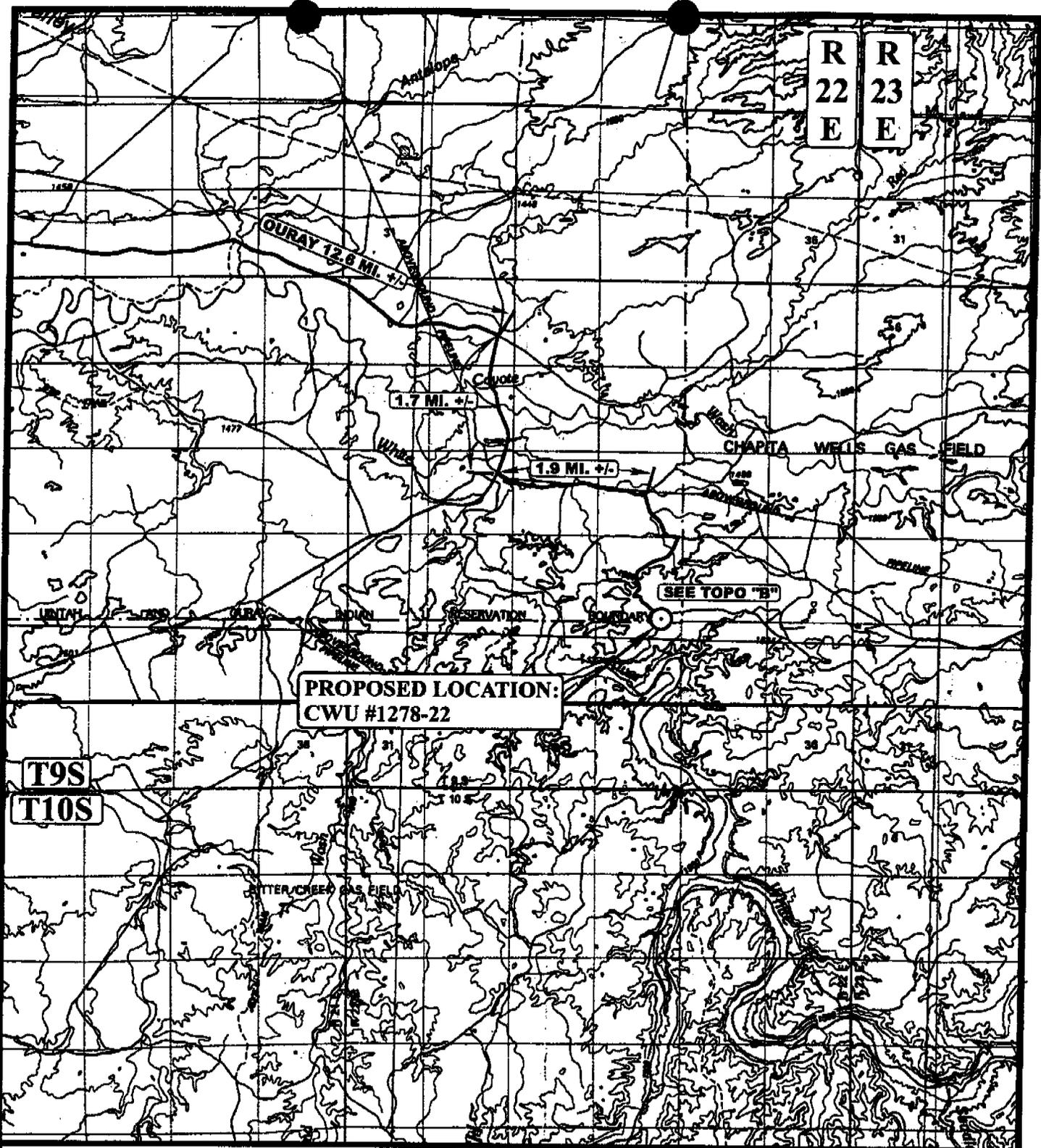


APPROXIMATE YARDAGES

<b>CUT</b>	
(6") Topsoil Stripping	= 1,820 Cu. Yds.
Remaining Location	= 12,540 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 14,360 CU.YDS.</b>
<b>FILL</b>	<b>= 10,880 CU.YDS.</b>

\* NOTE:  
 FILL QUANTITY INCLUDES  
 5% FOR COMPACTION

EXCESS MATERIAL	= 3,480 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,480 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:  
CWU #1278-22**

**T9S  
T10S**

**R 22  
E**    **R 23  
E**

**LEGEND:**

○ PROPOSED LOCATION



**EOG RESOURCES, INC.**

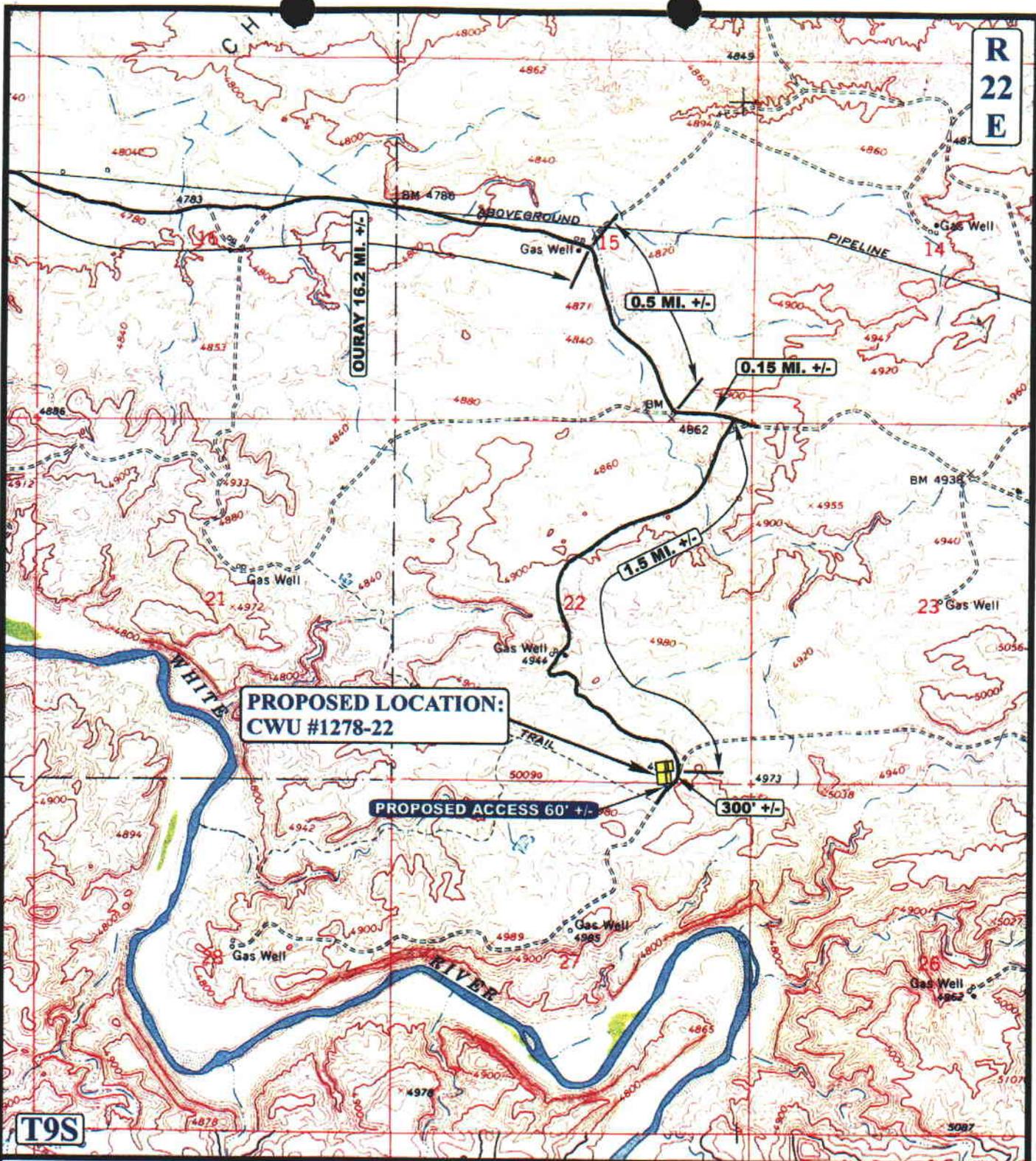
**CWU #1278-22  
SECTION 22, T9S, R22E, S.L.B.&M.  
170' FSL 1241' FEL**



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

**TOPOGRAPHIC MAP**    **07 07 06**  
MONTH DAY YEAR  
**SCALE: 1:100,000**    **DRAWN BY: L.K.**    **REVISED: 00-00-00**





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS

**EOG RESOURCES, INC.**

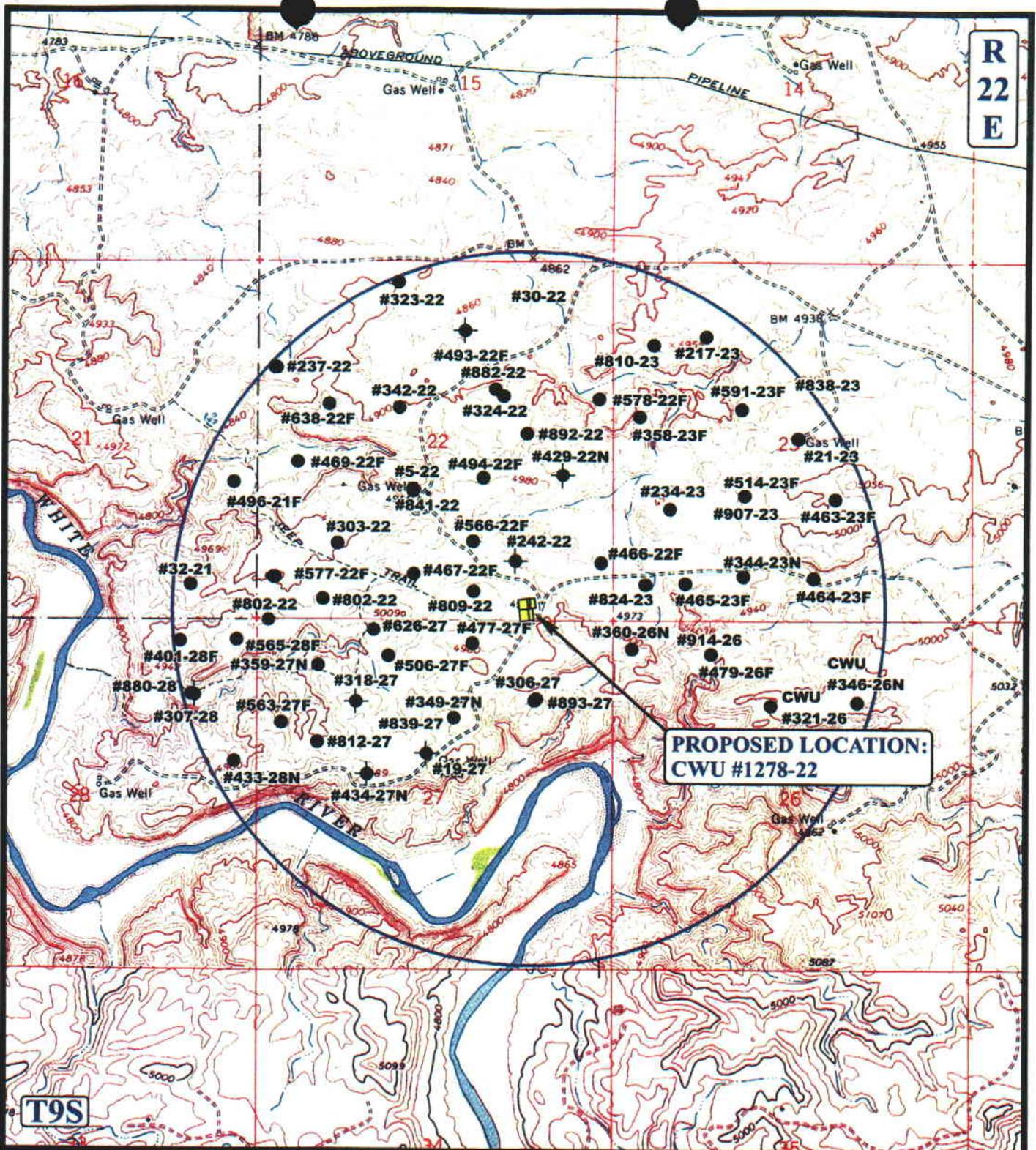
CWU #1278-22  
 SECTION 22, T9S, R22E, S.L.B.&M.  
 170' FSL 1241' FEL



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



<b>TOPOGRAPHIC MAP</b>	<b>07</b>	<b>07</b>	<b>06</b>	<b>B TOPO</b>
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: L.K.		REVISED: 00-00-00



R  
22  
E

T9S

PROPOSED LOCATION:  
CWU #1278-22

**LEGEND:**

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

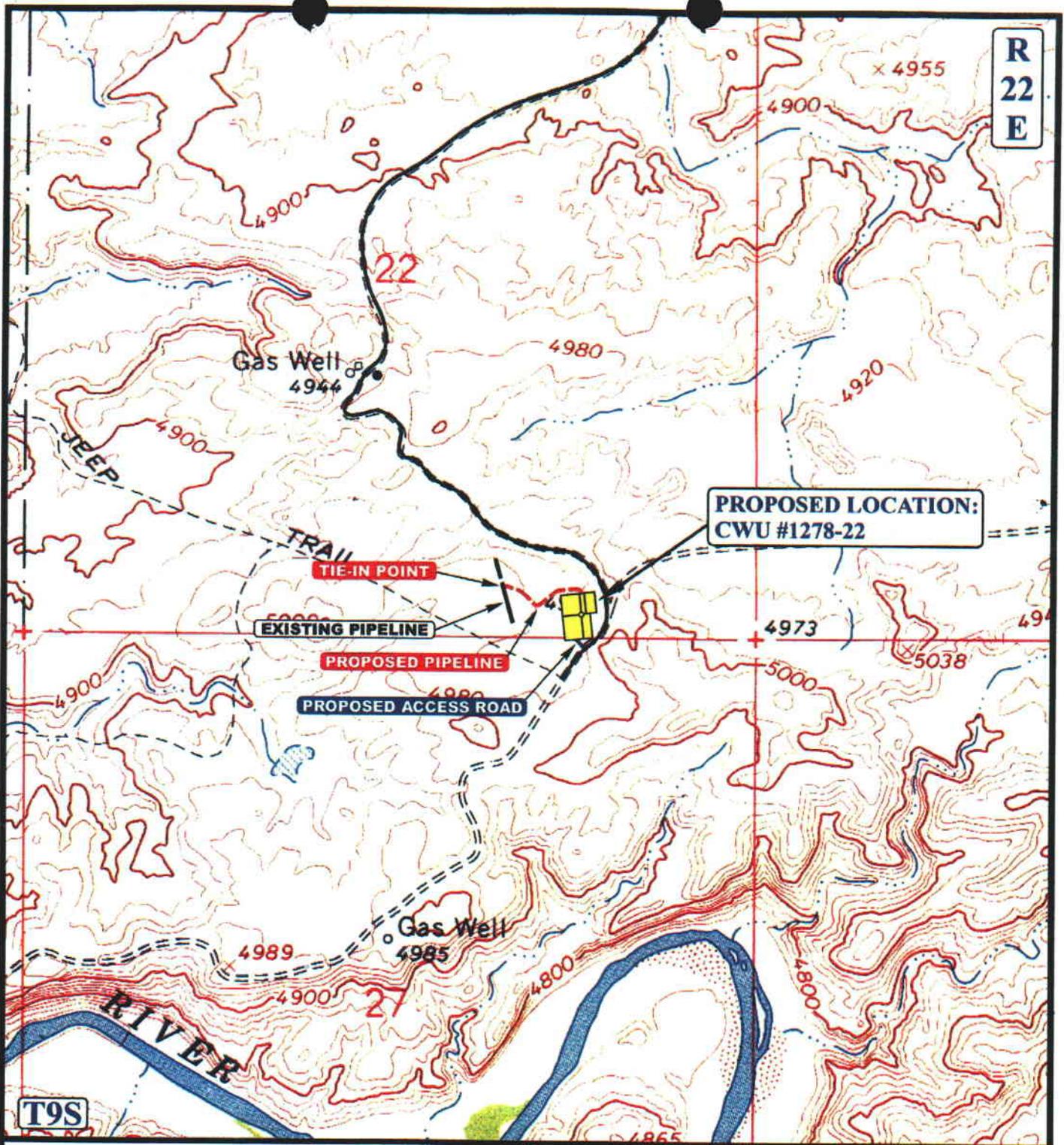
**EOG RESOURCES, INC.**

CWU #1278-22  
SECTION 22, T9S, R22E, S.L.B.&M.  
170' FSL 1241' FEL



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

**TOPOGRAPHIC MAP** 07 07 06  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **C**  
TOPO



**APPROXIMATE TOTAL PIPELINE DISTANCE = 661' +/-**

**LEGEND:**

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



**EOG RESOURCES, INC.**

CWU #1278-22  
SECTION 22, T9S, R22E, S.L.B.&M.  
170' FSL 1241' FEL



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

**TOPOGRAPHIC MAP** 07 07 06  
MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/17/2006

API NO. ASSIGNED: 43-047-38725

WELL NAME: CWU 1278-22

OPERATOR: EOG RESOURCES INC ( N9550 )

PHONE NUMBER: 435-781-9111

CONTACT: KAYLENE GARDNER

PROPOSED LOCATION:

SESE 22 090S 220E  
 SURFACE: 0170 FSL 1241 FEL  
 BOTTOM: 0170 FSL 1241 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.01474 LONGITUDE: -109.4204  
 UTM SURF EASTINGS: 634810 NORTHINGS: 4430378  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0284-A

PROPOSED FORMATION: PRRV

SURFACE OWNER: 1 - Federal

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: CHAPITA WELLS
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 1798  
Eff Date: 8-10-1999  
Siting: Suspend Permit Siting
- R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval  
2- OIL SHALE



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

October 17, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2006 Plan of Development Chapita Wells Unit Uintah  
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Price River)

43-047-38719	CWU 945-29	Sec 29 T09S R23E 0483 FSL 0603 FEL
43-047-38720	CWU 942-29	Sec 29 T09S R23E 2179 FSL 0583 FWL
43-047-38718	CWU 941-26	Sec 26 T09S R22E 0703 FSL 0719 FEL
43-047-38725	CWU 1278-22	Sec 22 T09S R22E 0170 FSL 1241 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit  
Division of Oil Gas and Mining  
Central Files  
Agr. Sec. Chron  
Fluid Chron



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 19, 2006

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

Re: Chapita Wells Unit 1278-22 Well, 170' FSL, 1241' FEL, SE SE, Sec. 22,  
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38725.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 1278-22

API Number: 43-047-38725

Lease: U-0284-A

Location: SE SE                      Sec. 22                      T. 9 South                      R. 22 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. 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.

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

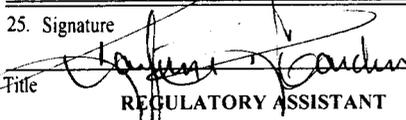
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

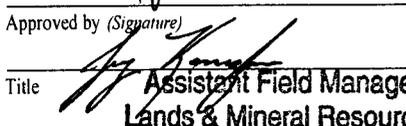
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-0284-A</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EOG RESOURCES, INC</b>		7. If Unit or CA Agreement, Name and No. <b>CHAPITA WELLS UNIT</b>
3a. Address <b>1060 EAST HIGHWAY 40 VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>CHAPITA WELLS UNIT 1278-22</b>
3b. Phone No. (include area code) <b>435-781-9111</b>		9. API Well No. <b>43-047-38725</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>170 FSL 1241 FEL SE/SE.40.40.014708 LAT 109.421128 LON</b> At proposed prod. zone <b>SAME</b>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
14. Distance in miles and direction from nearest town or post office* <b>49.4 MILES SOUTH OF VERNAL, UTAH</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>SECTION 22, T9S, R22E S.L.B.&amp;M</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>170</b>	16. No. of acres in lease <b>1240</b>	12. County or Parish <b>UINTAH</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>825</b>	19. Proposed Depth <b>9480</b>	13. State <b>UT</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4997 GL</b>	22. Approximate date work will start*	17. Spacing Unit dedicated to this well
		20. BLM/BIA Bond No. on file <b>NM 2308</b>
		23. Estimated duration <b>45 DAYS</b>

**24. Attachments**

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

- 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) <b>KAYLENE R. GARDNER</b>	Date <b>08/03/2006</b>
Title <b>REGULATORY ASSISTANT</b>		

Approved by (Signature) 	Name (Printed Typed) <b>JERRY KENZKA</b>	Date <b>2/23/2007</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office <b>VERNAL FIELD OFFICE</b>	

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

**CONDITIONS OF APPROVAL ATTACHEE**

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

\*(Instructions on page 2)

**NOTICE OF APPROVAL**

RECEIVED  
MAR 09 2007

DIV. OF OIL, GAS & MINING

NOS 07/18/06

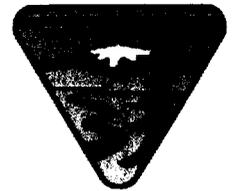
RECEIVED  
VERNAL FIELD OFFICE  
2006 AUG -7 PM 1:47  
DEPT. OF THE INTERIOR  
BUREAU OF LAND MGMT.





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

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



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

Company: EOG Resources, Inc. Location: SESE, Sec 22, T9S, R22E  
Well No: Chapita Wells Unit 1278-22 Lease No: UTU-0284-A  
API No: 43-047-38725 Agreement: Chapita Wells Unit

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Petroleum Engineer:	Jim Ashley	Office: 435-781-4470	Cell: 435-828-7874
Petroleum Engineer:	Ryan Angus	Office: 435-781-4430	
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Chuck Macdonald	Office: 435-781-4441	
Natural Resource Specialist:	Darren Williams	Office: 435-781-4447	
Natural Resource Specialist:	Verlyn Pindell	Office: 435-781-3402	
<b>After Hours Contact Number:</b>	<b>435-781-4513</b>	<b>Fax:</b>	<b>435-781-4410</b>

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

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

**NOTIFICATION REQUIREMENTS**

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

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

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this would include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. If, during operations, any paleontological resources as described in BLM H-8270 are discovered, all operations affecting such sites shall be immediately suspended. The appropriate AO of the managing BLM office shall be notified within 48 hrs of the discovery and a decision as to the preferred alternative/course of action will be rendered.
3. Operator shall notify any active gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

### ***DOWNHOLE CONDITIONS OF APPROVAL***

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

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

1. A surface casing shoe integrity test shall be performed.
2. A variance is granted for Onshore Order #2-Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.
3. Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.

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

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

Cement baskets shall not be run on surface casing.

5. The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
6. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
7. The lessee/operator must report encounters of all non oil and gas mineral resources (such as gilsonite, tar sands, oil shale, 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.
8. 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.
9. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

10. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys,

sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the 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.**

11. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

12. Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
13. 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.
14. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

- f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.
15. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
16. 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
17. 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.
18. 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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU0284A</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Chapita Wells Unit</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Chapita Wells Unit 1278-22</b>
2. NAME OF OPERATOR: <b>EOG RESOURCES, INC.</b>		9. API NUMBER: <b>43-047-38725</b>
3. ADDRESS OF OPERATOR: <b>1060 East Highway 40</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>
		PHONE NUMBER: <b>(435) 789-0790</b>

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **170 FSL - 1241 FEL 40.014708 LAT 109.421128 LON** COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 22 9S 22E S.L.B. & M** STATE: **UTAH**

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

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

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

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-10-07  
By: [Signature]

10-11-07  
km

NAME (PLEASE PRINT) <b>Kaylene R. Gardner</b>	TITLE <b>Lead Regulatory Assistant</b>
SIGNATURE <u>[Signature]</u>	DATE <b>10/4/2007</b>

(This space for State use only)

**RECEIVED**  
**OCT 09 2007**  
**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:** 43-047-38725  
**Well Name:** Chapita Wells Unit 1278-22  
**Location:** 170 FSL - 1241 FEL (SESE), SECTION 22, T9S, R22E S.L.B.&M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 10/19/2006

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

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

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

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

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

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

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

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

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

  
Signature

10/4/2007

Date

Title: LEAD REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

RECEIVED

OCT 09 2007

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

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

**SUNDRY NOTICES AND REPORTS ON WELLS** FEB 14 2008  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

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

**BLM**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU0284A
2. Name of Operator EOG RESOURCES INC		6. If Indian, Allottee or Tribe Name
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No. UTU63013AN
3b. Phone No. (include area code) Ph: 303-824-5526		8. Well Name and No. CWU 1278-22
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T9S R22E SESE 170FSL 1241FEL		9. API Well No. 43-047-38725-00-X1
		10. Field and Pool, or Exploratory NATURAL BUTTES
		11. County or Parish, and State UINTAH COUNTY, UT

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

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

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

EOG Resources, Inc. requests the APD for the referenced well, originally approved 2/23/2007, be extended for one year.

CONDITIONS OF APPROVAL ATTACHED

VERNAL DIST.  
ENG. \_\_\_\_\_  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
A.M. \_\_\_\_\_

14. I hereby certify that the foregoing is true and correct.		<b>RECEIVED</b> <b>MAR 24 2008</b> DIV. OF OIL, GAS & MINING
Electronic Submission #58624 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal Committed to AFMSS for processing by GAIL JENKINS on 02/14/2008 (08GXJ2240SE)		
Name (Printed/Typed) MARY A. MAESTAS	Title REGULATORY ASSISTANT	
Signature (Electronic Submission)	Date 02/14/2008	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title Petroleum Engineer	Date FEB 25 2008
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.

\*\* BLM REVISED \*\*



# CONDITIONS OF APPROVAL

## EOG Resources, Inc.

### Notice of Intent APD Extension

**Lease:** UTU-0284A  
**Well:** CWU 1278-22  
**Location:** SESE Sec 22-T9S-R22E

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

---

1. The extension and APD shall expire on 2/23/09.
2. No other extension shall be granted.

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

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1278-22

Api No: 43-047-38725 Lease Type: FEDERAL

Section 22 Township 09S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

## **SPUDDED:**

Date 07/23/08

Time 11:30 AM

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 07/23//08 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

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

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39276	East Chapita 76-04		SESE	4	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	<u>16979</u>	7/21/2008		<u>7/30/08</u>		
Comments: <u>Wasatch/Mesaverde well</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39619	Chapita Wells Unit 958-33		NWNW	33	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	<u>13650</u>	7/21/2008		<u>7/30/08</u>		
Comments: <u>Mesaverde well</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38725	Chapita Wells Unit 1278-22		SESE	22	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	<u>13650</u>	7/23/2008		<u>7/30/08</u>		
Comments: <u>Mesaverde well</u> <u>PRRU-MURA</u>							

**ACTION CODES:**

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

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

7/29/2008

Date

**RECEIVED**

**JUL 29 2008**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0284A

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
CHAPITA WELLS UNIT 1278-22

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

9. API Well No.  
43-047-38725

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 22 T9S R22E SESE 170FSL 1241FEL  
40.01471 N Lat, 109.42113 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

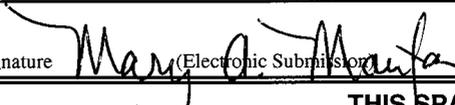
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 7/23/2008.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #61744 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal**

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

Signature  (Electronic Submission) Date 07/28/2008

**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  
JUL 30 2008

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

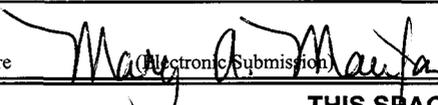
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU0284A
2. Name of Operator EOG RESOURCES, INC. Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com		6. If Indian, Allottee or Tribe Name
3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-824-5526	7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNI
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T9S R22E SESE 170FSL 1241FEL 40.01471 N Lat, 109.42113 W Lon		8. Well Name and No. CHAPITA WELLS UNIT 1278-22
		9. API Well No. 43-047-38725
		10. Field and Pool, or Exploratory NATURAL BUTTES
		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 10/2/2008. 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. <b>Electronic Submission #63658 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal</b>	
Name (Printed/Typed) MARY A. MAESTAS	Title REGULATORY ASSISTANT
Signature  (Electronic Submission)	Date 10/07/2008

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

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

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

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

**RECEIVED**  
**OCT 09 2008**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 10-07-2008

<b>Well Name</b>	CWU 1278-22	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-38725	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	08-25-2008	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,480/ 9,480	<b>Property #</b>	059647
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	5,000/ 4,987				
<b>Location</b>	Section 22, T9S, R22E, SESE, 170 FSL & 1241 FEL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	55.503	<b>NRI %</b>	47.504

<b>AFE No</b>	304205	<b>AFE Total</b>	1,884,600	<b>DHC / CWC</b>	956,100/ 928,500						
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	08-18-2006	<b>Release Date</b>	09-04-2008				
<b>08-18-2006</b>	<b>Reported By</b>	SHARON WHITLOCK									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0						
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			170' FSL & 1241' FEL (SE/SE)
			SECTION 22, T9S, R22E
			UINTAH COUNTY, UTAH
			 LAT 40.014744, LONG 109.420444 (NAD 27)
			LAT 40.014708, LONG 109.421128 (NAD 83)
			 TRUE #27
			OBJECTIVE: 9480' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			NATURAL BUTTES FIELD
			 LEASE: U-0284-A
			ELEVATION: 4997.1' NAT GL, 4987.0' PREP GL (DUE TO ROUNDING PREP GL WILL BE 4987'), 5000' KB (13')
			 EOG WI 55.5028%, NRI 47.50362%

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07-07-2008      Reported By      TERRY SCERE

**DailyCosts: 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 07/07/08.

**07-08-2008**      **Reported By**      TERRY SCERE

**DailyCosts: 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 LCOATION

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

**07-09-2008**      **Reported By**      TERRY CSERE

**DailyCosts: 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.

**07-10-2008**      **Reported By**      TERRY CSERE

**DailyCosts: 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	ROCKED OUT.

**07-11-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**07-14-2008**      **Reported By**      TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SHOOTING TODAY.

07-15-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

07-16-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

07-17-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

07-18-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE MONDAY.

07-21-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY.

07-22-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY.

07-23-2008 Reported By TERRY CSERE

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

Activity at Report Time: WO BUCKET TRUCK

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

07-24-2008 Reported By JERRY BARNES

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$38,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$38,000						
<b>MD</b>	60	<b>TVD</b>	60	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 07/23/08 @ 11:30 AM. SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 07/23/08 @ 11:00 AM.

08-07-2008 Reported By DANNY FARNSWORTH

<b>DailyCosts: Drilling</b>	\$182,056	<b>Completion</b>	\$0	<b>Daily Total</b>	\$182,056						
<b>Cum Costs: Drilling</b>	\$220,056	<b>Completion</b>	\$0	<b>Well Total</b>	\$220,056						
<b>MD</b>	2,360	<b>TVD</b>	2,360	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
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06:00 06:00 24.0 MIRU CRAIGS DRILLING RIG # 4 ON 8/1/2008. DRILLED 12-1/4" HOLE TO 2360' GL. ENCOUNTERED WATER AT 1305'. RAN 58 JTS (2352.70') 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 @ 2365' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO AIR RIG.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 180 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (146 BBLs) OF PREMIUM LEAD CEMENT W/0.2% VARASET, 2% CALSEAL, & 2% EX-1. MIXED LEAD CEMENT @ 10.5 PPG W/YIELD OF 4.01 CF/SX.

TAILED IN W/300 SX (63 BBLs) OF PREMIUM CEMENT W/2 % CACL2. MIXED TAIL CEMENT TO 15.6 W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/178 BBLs FRESH WATER. BUMP PLUG W/900# @ 2:15 AM, 8/5/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 42 BBLs INTO TAIL CEMENT. LOST RETURNS 120 BBLs INTO DISPLACEMENT.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100SX (21 BBLs) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS. 20 MINUTES

TOP JOB # 2: MIXED & PUMPED 150 SX (30.7 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & CIRCULATED 3 BBLs CEMENT TO SURFACE. HOLE STOOD FULL WHEN PUMPING STOPPED. 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 2249'. PICKED UP TO 2229' AND TOOK SURVEY — 0.25 DEGREE.

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

DAN FARNSWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 8/3/2008 @ 04:30 PM.

<b>08-25-2008</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$40,448	<b>Completion</b>	\$2,239	<b>Daily Total</b>	\$42,687						
<b>Cum Costs: Drilling</b>	\$260,504	<b>Completion</b>	\$2,239	<b>Well Total</b>	\$262,743						
<b>MD</b>	2,360	<b>TVD</b>	2,360	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: PICK UP DRILL PIPE

Start	End	Hrs	Activity Description
06:00	06:30	0.5	PREPARE FOR MOVE, HOLD SAFETY MEETING WITH TRUCKERS AND CREWS.
06:30	09:30	3.0	LOAD OUT RIG AND ROAD 6/10 MILES TO CWU 1278-22.
09:30	14:30	5.0	SET ON BOP AND TEST SEAL TO 5K, SET IN RIG, RIG UP. TRUCKS RELEASED AT 1430 HRS, 8/24/2008.
14:30	19:30	5.0	RIG UP, DERRICK RAISED AT 1500 HRS. STRAIGHTENED KELLY.
19:30	20:30	1.0	NIPPLE UP, RIG ON DAYWORK AT 1930 HRS, 8/24/2008
20:30	22:30	2.0	TEST BOP AS FOLLOWS: PIPE AND BLIND RAMS, CHOKE MANIFOLD, CHOKE LINE AND VALVES, UPPER AND LOWER KELLY VALVES, ALL FLOOR VALVES TO 5000 PSI FOR 10 MINS. HIGH AND 250 PSI FOR 5 MINS. LOW. TEST ANNULAR TO 2500 PSI FOR 10 MINS. HIGH AND 250 PSI FOR 5 MINS. LOW. JAMIE SPARGER WITH BLM NOTIFIED AT 1500 HRS 8/24/2008, VIA TELEPHONE MESSAGE ON BOP TEST TIME. ALSO WAS NOTIFIED 8/22/2008 AT 1430 HRS, VIA TELEPHONE MESSAGE.
22:30	00:00	1.5	CHANGE PIPE RAM RUBBERS

00:00 02:00 2.0 FINISH BOP TEST  
 02:00 02:30 0.5 TEST CASING TO 1500 PSI FOR 30 MINS.  
 02:30 03:00 0.5 INSTALL WEAR RING  
 03:00 03:30 0.5 HOLD SAFETY MEETING WITH PICKUP CREW AND RIG UP SAME  
 03:30 06:00 2.5 PICK UP PIPE.

FULL CREWS, PLUS 5 EXTRA FOR RIG MOVE. NO ACCIDENTS.  
 SAFETY MEETINGS ON RIG MOVING AND TESTING BOP.  
 FUEL ON HAND, 5984 GALS, 814 USED.  
 RIG ACCEPTED AT 1930 HRS, 8/24/2008.

**08-26-2008**      **Reported By**      PETE AYOTTE

**Daily Costs: Drilling**      \$66,482      **Completion**      \$0      **Daily Total**      \$66,482  
**Cum Costs: Drilling**      \$326,987      **Completion**      \$2,239      **Well Total**      \$329,226

**MD**      3,957      **TVD**      3,957      **Progress**      1,597      **Days**      1      **MW**      8.5      **Visc**      29.0

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

**Activity at Report Time:** DRILLING AT 3957'

Start	End	Hrs	Activity Description
06:00	06:30	0.5	PICK UP PIPE, TAG CEMENT AT 2281'.
06:30	07:00	0.5	RIG DOWN PICK UP MACHINE.
07:00	07:30	0.5	RIG SERVICE.
07:30	08:00	0.5	INSTALL ROTATING HEAD.
08:00	09:30	1.5	DRILL CEMENT AND FLOAT EQUIPMENT.
09:30	10:00	0.5	SPOT HIGH VIS PILL, PERFORM FIT TO 11.6 PPG AT SHOE.
10:00	16:00	6.0	DRILL FROM 2360' TO 2981', 621' AT 103.5'/HR, 10-18K WOB, 45-65 RRP, 67 MRPM, 1000 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM, 8.7 MUD WT, 30 VIS.
16:00	17:30	1.5	CHANGE OUT SWIVEL PACKING.
17:30	18:00	0.5	DRILL FROM 2981' TO 2997', 16' AT 32'/HR, SAME PARAMETERS AS ABOVE.
18:00	19:30	1.5	CHANGE OUT SWIVEL PACKING.
19:30	06:00	10.5	DRILL FROM 2997' TO 3957', 960' AT 91.4'/HR, 15-81K WOB, 50-65 RRP, 67 MRPM, 1200 PSI AT 125 STROKES, OFF BOTTOM, #2 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM.

SHORT 1 HAND ON DAYS. NO ACCIDENTS.  
 SAFETY MEETINGS ON FIT TESTS AND TAKING SURVEYS .  
 FUEL ON HAND 5011 GALS, 973 GALS USED.  
 MUD WT 9.4+, VIS 32.  
 MAHOGANY TOP AT 2301'.  
 BG GAS 65U, CONN GAS 65U. NO FLARES.  
 BOP DRILL ON DAYS, WELL SECURED 1 MIN, 45 SECS.  
 OPERATED CROWN SAVER BOTH TOURS.  
 UNMANNED LOGGER DAY 1.  
 NO FLOW OR LOSSES.

06:00      SPUD 7 7/8" HOLE AT 10:00 HRS, 8/25/08.

**08-27-2008**      **Reported By**      PETE AYOTTE

**Daily Costs: Drilling**      \$62,546      **Completion**      \$0      **Daily Total**      \$62,546  
**Cum Costs: Drilling**      \$389,533      **Completion**      \$2,239      **Well Total**      \$391,772

**MD** 5,465 **TVD** 5,465 **Progress** 1,508 **Days** 2 **MW** 9.6 **Visc** 33.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** DRILLING AT 5465

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL FROM 3957' TO 4366', 409' AT 68.1'/HR, 15-18K WOB, 45-55 RRPM, 67 MRPM, 1400 PSI AT 125 STROKES, OFF BOTTOM, #2 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM, 9.7 MUD WT, 34 VIS.
12:00	12:30	0.5	SURVEY, 2.5*.
12:30	16:30	4.0	DRILL FROM 4366' TO 4642', 276' AT 69'/HR, SAME PARAMETERS AS ABOVE.
16:30	17:00	0.5	RIG SERVICE.
17:00	06:00	13.0	DRILL FROM 4642' TO 5465', 823' AT 63.3'/HR, SAME PARAMETERS AS ABOVE.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON HIGH VOLATGE AND MAN BASKETS .  
 FUEL ON HAND 3819 GALS, 1196 GALS USED.  
 MUD WT 10.1, VIS 34.  
 WASATCH TOP AT 4690' CHAPITA WELLS AT 5257'.  
 BG GAS 100U, CONN GAS 100U. NO FLARES.  
 BOP DRILL ON MORNING TOUR, WELL SECURED 1 MIN, 30 SECS.  
 OPERATED CROWN SAVER BOTH TOURS.  
 UNMANNED LOGGER DAY 2.  
 NO FLOW OR LOSSES.

**08-28-2008** **Reported By** PETE AYOTTE

**DailyCosts: Drilling** \$32,477 **Completion** \$0 **Daily Total** \$32,477  
**Cum Costs: Drilling** \$422,011 **Completion** \$2,239 **Well Total** \$424,250

**MD** 6,535 **TVD** 6,535 **Progress** 1,050 **Days** 3 **MW** 10.1 **Visc** 36.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** DRILLING AT 6535'

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL FROM 5465' TO 5781', 316' AT 52.7'/HR, 18K WOB, 45-55 RRPM, 67 MRPM, 1300 PSI AT 125 STROKES, OFF BOTTOM, #2 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM, 10.2 MUD WT, 36 VIS.
12:00	12:30	0.5	RIG SERVICE.
12:30	06:00	17.5	DRILL FROM 5781' TO 6535', 754' AT 43'/HR, 18-20K WOB, 45-55 RRPM, 64 MRPM, 1450 PSI AT 120 STROKES, OFF BOTTOM, #2 PUMP, 100-300 PSI DIFFERENTIAL, 403 GPM. LOST 30 BBLs AFTER CONNECTION AT 6083, MIXING SOME LCM SWEEPS AND ADDING A LITTLE LCM. HOLE WAS SEEPING ABOUT 14 BBLs/HR INITIALLY, SEEPING ABOUT 8 BBLs NOW.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON PPE AND MIXING LCM.  
 FUEL ON HAND 2518 GALS, USED 1197 GALS.  
 MUD WT 10.3, VIS 36.  
 BUCK CANYON TOP AT 5892'.  
 BG GAS 100U, CONN GAS 100U. NO FLARES.  
 OPERATED CROWN SAVER BOTH TOURS.  
 UNMANNED LOGGER DAY 3.  
 NO FLOW, LOST 130 BBLs THE PAST 12 HRS.

08-29-2008      Reported By      PETE AYOTTE

<b>Daily Costs: Drilling</b>	\$49,076	<b>Completion</b>	\$0	<b>Daily Total</b>	\$49,076
<b>Cum Costs: Drilling</b>	\$471,087	<b>Completion</b>	\$2,239	<b>Well Total</b>	\$473,326

<b>MD</b>	7,365	<b>TVD</b>	7,365	<b>Progress</b>	830	<b>Days</b>	4	<b>MW</b>	10.2	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING AT 7365'

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL FROM 6535' TO 6721', 186' AT 33.8'/HR, 18-21K WOB, 45-55 RRPM, 67 MRPM, 1600 PSI AT 125 STROKES, OFF BOTTOM, #2 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM, 10.2 MUD WT, 37 VIS. MINOR SEEPAGE. 2-8 BBL/HR.
11:30	12:00	0.5	RIG SERVICE.
12:00	06:00	18.0	DRILL FROM 6721' TO 7365', 644' AT 35.8'/HR, SAME PARAMETERS AS ABOVE. NO LOSSES.

FULL CREWS. NO ACCIDENTS.

SAFETY MEETINGS ON ELECTRICITY AND MOUSEHOLING PIPE.

FUEL ON HAND 5834 GALS, 1084 GALS USED.

MUD WT 10.3, VIS 37.

PRICE RIVER TOP AT 7131'.

BG GAS 300U, CONN GAS 300U. NO FLARES.

OPERATED CROWN SAVER BOTH TOURS.

UNMANNED LOGGER DAY 3.

NO FLOW, MINIMAL LOSSES.

08-30-2008      Reported By      PETE AYOTTE

<b>Daily Costs: Drilling</b>	\$29,453	<b>Completion</b>	\$8,903	<b>Daily Total</b>	\$38,356
<b>Cum Costs: Drilling</b>	\$500,541	<b>Completion</b>	\$11,142	<b>Well Total</b>	\$511,683

<b>MD</b>	7,625	<b>TVD</b>	7,625	<b>Progress</b>	260	<b>Days</b>	5	<b>MW</b>	10.3	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: POH/7625'

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL FROM 7365' TO 7563', 198' AT 33'/HR, 18-25K WOB, 45-55 RRPM, 67 MPRM, 1650 PSI AT 125 STROKES, OFF BOTTOM, #2 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM, 10.3 MUD WT, 37 VIS.
12:00	12:30	0.5	RIG SERVICE.
12:30	15:30	3.0	DRILL FROM 7563' TO 7606', 43' AT 14.3'/HR, SAME PARAMETERS AS ABOVE.
15:30	19:30	4.0	PUMP PILL, DROP SURVEY, TRIP OUT, SET CROWN SAVER FOR TRIPPING. LAY DOWN IBS'S.
19:30	20:00	0.5	OPERATE PIPE AND BLIND RAMS, CHANGE BITS AND MOTORS.
20:00	23:00	3.0	TRIP IN HOLE.
23:00	00:00	1.0	SAFETY REAM 86' TO BOTTOM, LAST 25' REAL RATTY.
00:00	01:00	1.0	DRILL FROM 7606' TO 7625', 19' AT 19'/HR, 10-15K WOB, 45-50 RRPM, 67 RRPM, 1500 PSI AT 125 STROKES, OFF BOTTOM, 100-150 PSI DIFFERENTIAL, 420 GPM. HOLE WAS TORQUING QUITE A BIT WHILE DRILLING. ACTS LIKE MOTOR STABILIZERS HANGING UP.
01:00	02:00	1.0	ROTARY WAS TORQUING, LOST 800 PSI AND 26K STRING WEIGHT. SCREW BACK INTO PIPE, REGAINED PRESSURE AND STRING WEIGHT.
02:00	06:00	4.0	CHAIN OUT AFTER BACKING OFF IN HEAVY WEIGHT DRILL PIPE - SCREWED BACK IN - COULD NOT REACH PROPER TORQUE.

RESET CROWN SAVER FOR TRIPPING, HAD SOME TIGHT PIPE CONNECTIONS.  
 FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON LOCKOUT TAG OUT AND REAMING.  
 FUEL ON HAND 4937 GALS, 897 GALS USED.  
 MUD WT 10.5, VIS 37.

PRICE RIVER TOP AT 7131'.  
 BG GAS 300U, CONN GAS 300U. NO FLARES. NO TRIP GAS, DETECTOR WAS DOWN.  
 OPERATED CROWN SAVER BOTH TOURS.

UNMANNED LOGGER DAY 4.  
 NO FLOW OR LOSSES.  
 ON STABILIZED MOTOR #1 RUN, COULDN'T TELL OF ANY ADVANTAGE OR DISADVANTAGE OF USING IT.  
 ON #2 STABILIZED MOTOR, EXCESSIVE ROTARY TORQUE WAS PRESENT.

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<b>08-31-2008</b>	<b>Reported By</b>	PETE AYOTTE									
<b>DailyCosts: Drilling</b>	\$28,036	<b>Completion</b>	\$847	<b>Daily Total</b>	\$28,883						
<b>Cum Costs: Drilling</b>	\$528,578	<b>Completion</b>	\$11,989	<b>Well Total</b>	\$540,567						
<b>MD</b>	7,625	<b>TVD</b>	7,625	<b>Progress</b>	0	<b>Days</b>	6	<b>MW</b>	10.6	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time:** POH W/FISH/7625'

Start	End	Hrs	Activity Description
06:00	08:30	2.5	CHAIN OUT, STRING PARTED AT SERVICE BREAK AT BOTTOM OF JARS, LEFT BIT, MOTOR, 6 DRILL COLLARS, 20 HEVI WATE AND 9.24' OF BOTTOM OF JAR (PIN STICKING UP), 833' TOTAL, TOP OF FISH AT 6792'.
08:30	11:30	3.0	WAIT ON FISHING TOOLS, OPERATE PIPE AND BLIND RAMS, SLIP AND CUT 80' DRILLING LINE. HOLE STATIC.
11:30	15:00	3.5	STRAP FISHING TOOLS AND PICK UP AS FOLLOWS: OVERSHOT W/6.25" GRAPPLE, XO, BUMPER SUB, JARS, 6 DRILL COLLARS(TRUE'S), ENERGIZER.
15:00	18:30	3.5	TRIP IN SLOW.
18:30	19:00	0.5	WASH AND REAM OUT BRIDGE AT 5536'.
19:00	22:00	3.0	TRIP IN SLOW.
22:00	22:30	0.5	CIRCULATE 40' ABOVE FISH.
22:30	00:00	1.5	WASH AND REAM 20' TO TOP OF FISH. REAMING ERRATIC. ACTED LIKE COARSE FILL.
00:00	00:30	0.5	LATCH ON TO FISH, WORK FREE AND PUMP OUT 3 SINGLES.
00:30	01:00	0.5	MIX AND PUMP PILL.
01:00	06:00	5.0	CHAIN OUT WITH FISH, EXTREMELY TIGHT STANDS 3 THRU 6.(1 HOUR TO PULL). 2600' FROM FISH AT 0530 HRS.

FULL CREWS. NO ACCIDENTS.  
 SAFETY MEETINGS ON PICKING UP FISHING TOOLS AND LAYING DOWN DRILL COLLARS.  
 FUEL ON HAND 4488 GALS, 449 GALS USED.

MUD WT 10.5, VIS 37.  
 PRICE RIVER TOP AT 7131'.  
 BG GAS 300U, CONN GAS 300U. NO FLARES.

OPERATED CROWN SAVER BOTH TOURS.  
UNMANNED LOGGER DAY 5.  
NO FLOW OR LOSSES.

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**09-01-2008**      **Reported By**      PETE AYOTTE

<b>Daily Costs: Drilling</b>	\$49,478	<b>Completion</b>	\$0	<b>Daily Total</b>	\$49,478						
<b>Cum Costs: Drilling</b>	\$578,056	<b>Completion</b>	\$11,989	<b>Well Total</b>	\$590,045						
<b>MD</b>	8,025	<b>TVD</b>	8,025	<b>Progress</b>	400	<b>Days</b>	7	<b>MW</b>	10.6	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time:** DRILLING AT 8025'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	CHAIN OUT WITH FISH.
07:30	08:30	1.0	LAY DOWN FISHING TOOLS AND FISH (BOTTOM OF JARS).
08:30	10:30	2.0	CHAIN OUT, STAND BACK HEVI WATE(VISUALLY INSPECT AND CHECK BREAKS), LAY DOWN 6 DRILL COLLARS, STABILIZED MUD MOTOR.
10:30	14:30	4.0	PICK UP MUD MOTOR, BIT AND TRIP IN, BROKE CIRCULATION AT 2300' AND 5600', HOLE IN GOOD SHAPE.
14:30	17:30	3.0	SAFETY REAM 235' TO BOTTOM. HOLE OK.
17:30	19:00	1.5	DRILL FROM 7625' TO 7686', 61' AT 40.7'/HR, 10-12K WOB, 45-55 RRPM, 67 MRPM, 2000 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-200 PSI DIFFERENTIAL, 420 GPM, 10.6 MUD WT, 38 VIS.
19:00	19:30	0.5	RIG SERVICE.
19:30	20:00	0.5	DRILL FROM 7686' TO 7717', 31' AT 62'/HR, SAME PARAMETERS AS ABOVE.
20:00	21:00	1.0	SURVEY, 3.75°.
21:00	06:00	9.0	DRILL FROM 7717' TO 8025', 308' AT 34.2'/HR, 12-15K WOB, 45-55 RRPM, 67 MRPM, 1900 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM.

FULL CREWS. NO ACCIDENTS.  
SAFETY MEETINGS ON CHAINING OUT OF HOLE AND TAKING SURVEYS.  
FUEL ON HAND 4488 GALS, 449 GALS USED.

MUD WT 10.8, VIS 38.  
PRICE RIVER MIDDLE TOP AT 7995'.  
BG GAS 2500U, CONN GAS 2500U. TRIP GAS 1220U, SURVEY GAS 5000U.  
OPERATED CROWN SAVER BOTH TOURS.  
UNMANNED LOGGER DAY 6.  
NO FLOW OR LOSSES.

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**09-02-2008**      **Reported By**      PETE AYOTTE

<b>Daily Costs: Drilling</b>	\$32,260	<b>Completion</b>	\$0	<b>Daily Total</b>	\$32,260						
<b>Cum Costs: Drilling</b>	\$610,317	<b>Completion</b>	\$11,989	<b>Well Total</b>	\$622,306						
<b>MD</b>	8,714	<b>TVD</b>	8,714	<b>Progress</b>	689	<b>Days</b>	8	<b>MW</b>	10.8	<b>Visc</b>	38.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

**Activity at Report Time:** DRILLING @ 8714'

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL FROM 8025' TO 8278', 253' AT 31.6'/HR, 12-15K WOB, 45-55 RRPM, 67 MRPM, 1950 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM, 10.8 MUD WT, 38 VIS.
14:00	14:30	0.5	RIG SERVICE.

14:30 06:00 15.5 DRILL FROM 8278' TO 8714',436' AT 28.1'/HR. SAME PARAMETERS AS ABOVE.

FULL CREWS. NO ACCIDENTS.  
SAFETY MEETINGS ON CHECKING EQUIPMENT AND TEAM WORK .  
FUEL ON HAND 2169 GALS, GALS 1421 USED.

MUD WT 10.9+, VIS 40.  
PRICE RIVER MIDDLE TOP AT 7995'.  
BG GAS 4000U, CONN GAS 4000U. 2' CONNECTION FLARE.  
OPERATED CROWN SAVER BOTH TOURS.  
UNMANNED LOGGER DAY 7.  
NO FLOW OR LOSSES.

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<b>09-03-2008</b>	<b>Reported By</b>	PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$36,711	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,711						
<b>Cum Costs: Drilling</b>	\$647,028	<b>Completion</b>	\$11,989	<b>Well Total</b>	\$659,017						
<b>MD</b>	9,350	<b>TVD</b>	9,350	<b>Progress</b>	636	<b>Days</b>	9	<b>MW</b>	10.9	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 9350'

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL FROM 8714' TO 8964', 250' AT 31.3'/HR, 15-19K WOB, 45-55 RRPM, 67 MRPM, 2000 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-300 PSI DIFFERENTIAL, 420 GPM, 10.9 MUD WT, 40 VIS.
14:00	14:30	0.5	RIG SERVICE.
14:30	06:00	15.5	DRILL FROM 8964' TO 9350', 386' AT 24.9'/HR, SAME PARAMETERS AS ABOVE.

SHORT 1 HAND ON DAYLIGHTS. NO ACCIDENTS.  
SAFETY MEETINGS ON WORKING SHORT HANDED AND TRIP HAZARDS.  
FUEL ON HAND 897 GALS, GALS 1272 USED.  
MUD WT 11 PPG, VIS 40.  
  
PRICE RIVER LOWER TOP AT 8791', SEGO TOP AT 9266'.  
BG GAS 3500U, CONN GAS 3500U. 2' CONNECTION FLARE. NO DRILLING FLARE.  
OPERATED CROWN SAVER BOTH TOURS.  
UNMANNED LOGGER DAY .  
NO FLOW OR LOSSES.

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<b>09-04-2008</b>	<b>Reported By</b>	PAUL WHITE / PETE AYOTTE									
<b>Daily Costs: Drilling</b>	\$61,005	<b>Completion</b>	\$0	<b>Daily Total</b>	\$61,005						
<b>Cum Costs: Drilling</b>	\$708,034	<b>Completion</b>	\$11,989	<b>Well Total</b>	\$720,023						
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	130	<b>Days</b>	10	<b>MW</b>	11.0	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: LDDP @ 9480' TD

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILL FROM 9350' TO 9364', 14' AT 14'/HR, 18-24K WOB, 45-50 RRPM, 67 MRPM, 2050 PSI AT 125 STROKES, OFF BOTTOM, #1 PUMP, 100-200 PSI DIFFERENTIAL, 420 GPM, 11 MUD WT, 39 VIS.
07:00	08:00	1.0	CIRC AND MIX PILL, DROP SURVEY.

08:00 12:00 4.0 TRIP OUT, OPERATE CROWN SAVER 1ST STAND.  
 12:00 13:00 1.0 HOLD SAFETY MEETING W/ TRUE SAFETY REP, RIG CREWS AND DRLG FOREMAN.  
 13:00 16:30 3.5 TRIP IN HOLE.  
 16:30 17:00 0.5 WASH/REAM 9256-9364'.  
 17:00 20:00 3.0 DRILL F/ 9364 TO 9480' TD , 116' 39 FPH. WOB 12 RPM 45. REACHED TD AT 20:00 HRS, 9/3/08.  
  
 20:00 22:00 2.0 CIRCULATE. HOLD SAFETY MEETING W/ LAYDOWN CREW. CASING PT. 22:00 HRS. 9/3/08.  
 22:00 01:30 3.5 LAY DOWN DRILL PIPE.  
 01:30 03:30 2.0 RIG REPAIR, HOOK/BLOCK ASSEMBLY. (HOOK PIN).  
 03:30 06:00 2.5 LAY DOWN DRILL PIPE. MUD WT. 11.1 VIS 38. TD IN SEGO AT 9,480'.

FULL CREW.

NO ACCIDENTS OR INCIDENTS.

SAFETY MEETING TOPICS: MEETING HELD W/TRUE SAFETY MAN, VARIOUS TOPICS. MEETING HELD W/LAYDOWN CREW.

CALLED BLM AND INFORMED JAMIE SPARGER OF INTENTION TO RUN AND CEMENT PROD. CASING. CALL MADE AT 17:00, 9/3/08.

NEXT LOCATION CWU 1161-22 READY. RIG MOVE 0.6 MILES. TRUCKS SCHEDULED FOR THURSDAY PM AND FRIDAY AM. FUEL ON HAND 4263 USED 1134.

<b>09-05-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$48,401	<b>Completion</b>	\$225,093	<b>Daily Total</b>	\$273,494						
<b>Cum Costs: Drilling</b>	\$756,436	<b>Completion</b>	\$237,082	<b>Well Total</b>	\$993,518						
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	11	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	LAY DOWN DRILL PIPE AND BHA.
07:00	07:30	0.5	PULL WEAR BUSHING.
07:30	13:30	6.0	RAN 219 JTS. 4.5" 11.6 # HCP-110 CASING EQUIPED W/ WEATHERFORD DIFFERENTIAL FILL FLOAT SHOE AND FLOAT COLLAR. CENTRILIZERS PLACED 5' ABOVE SHOE, ON TOP OF SECOND JOINT AND EVERY THIRD JOINT AFTER FOR A TOTAL OF 30. SHOE AT 9459', FLOAT COLLAR AT 9414'. MARKER JT AT 6771' AND 4342'.
13:30	14:30	1.0	CIRCULATE CASING, RIG DOWN CASERS AND RIG UP SCHLUMBERGER. HELD SAFETY MEETING W/CEMENTING CREWS.
14:30	17:00	2.5	CEMENTING. LOADED BOTTOM PLUG AND TOP PLUG. SCHLUMBER MIXED AND PUMPED CEMENT AS FOLLOWS: 20 BBLS CHEM WASH, 20 BBLS WATER, 145 BBLS LEAD SLURRY: 35/65 POZ G, SLURRY WT. 12 PPG. (360 SX), FOLLOWED W/ 360 BBLS. TAIL SLURRY, 50/50 POZ "G" SLURRY WT. 14.1 PPG. 1565 SX), DROPPED TOP PLUG AND DISPLACED W/ 147 BBLS. WATER. BUMPED PLUG W/ 3,500 PSI, CHECKED FLOATS, OK.
17:00	19:00	2.0	REMOVE LANDING JT. INSTALL DTO PACKOFF AND TEST TO 5,000 PSI.
19:00	21:00	2.0	NIPPLE DOWN BOPE & CLEANED PITS.
21:00	06:00	9.0	RIG DOWN ROTARY TOOLS, PREPARE FOR TRUCKS. MOVE TO CWU 1161-22 0.6 MILES.

NO ACCIDENTS OR INCIDENTS.

SAFETY MEETINGS HELD W/ALL THIRD PARTY CONTRACTORS.  
 UNMANNED LOGGING UNIT 10 DAYS.  
 FUEL ON HAND 4263 USED 299.

MATERIAL TRANSFERED FROM 1278-22 TO 1161-22.  
 4263 GAL OFF ROAD DIESEL  
 6 JTS 4.5" N-80 CASING  
 6 JTS. 4.5" HCP-110 CASING  
 1 20' 4.5" HCP-110 MARKER JT.  
 1 10' HCP-110 PUP JT.

06:00 RIG RELEASED AT 21:00 HRS. 9/4/08.  
 CASING POINT COST \$756,436

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<b>09-08-2008</b>	<b>Reported By</b>	SEARLE									
<b>Daily Costs: Drilling</b>	\$0			<b>Completion</b>	\$44,304			<b>Daily Total</b>	\$44,304		
<b>Cum Costs: Drilling</b>	\$756,436			<b>Completion</b>	\$281,386			<b>Well Total</b>	\$1,037,822		
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	12	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD :</b> 9414.0				<b>Perf :</b>			<b>PKR Depth :</b> 0.0			
<b>Activity at Report Time:</b> PREP FOR FRACS											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 740'. EST CEMENT TOP @ 900'. RD SCHLUMBERGER.								

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<b>09-20-2008</b>	<b>Reported By</b>	MCCURDY									
<b>Daily Costs: Drilling</b>	\$0			<b>Completion</b>	\$2,249			<b>Daily Total</b>	\$2,249		
<b>Cum Costs: Drilling</b>	\$756,436			<b>Completion</b>	\$283,635			<b>Well Total</b>	\$1,040,071		
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD :</b> 9414.0				<b>Perf :</b>			<b>PKR Depth :</b> 0.0			
<b>Activity at Report Time:</b> WO COMPLETION											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION.								

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<b>09-25-2008</b>	<b>Reported By</b>	WHITEHEAD									
<b>Daily Costs: Drilling</b>	\$0			<b>Completion</b>	\$18,332			<b>Daily Total</b>	\$18,332		
<b>Cum Costs: Drilling</b>	\$756,436			<b>Completion</b>	\$301,967			<b>Well Total</b>	\$1,058,403		
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	14	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b> MESAVERDE	<b>PBTD :</b> 9414.0				<b>Perf :</b> 8027'-9246'			<b>PKR Depth :</b> 0.0			
<b>Activity at Report Time:</b> FRAC MESAVERDE											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	MIRU LONE WOLF WIRELINE PERFORATE LPR FROM 9048'-49', 9061'-62', 9073'-74', 9080'-81', 9086'-87', 9108'-09', 9123'-24', 9178'-79', 9188'-89', 9216'-17', 9238'-39', 9245'-46' @ 3 SPF @ 120° PHASING. RDWL. MIRU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 4168 GAL 16# LINEAR PAD, 6846 GAL 16# LINEAR 1-1.5 PPG, 32583 GAL DELTA 200 W/ 132300 # 20/40 SAND @ 2-5 PPG. MTP 6276 PSIG. MTR 51.5 BPM. ATP 4661 PSIG. ATR 48.7 BPM. ISIP 3142 PSIG. RD HALLIBURTON.								

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RUWL SET 6K CFP AT 9015'. PERFORATE LPR FROM 8813'-14', 8829'-30', 8837'-38', 8842'-43', 8851'-52', 8873'-74', 8911'-12', 8912'-13', 8926'-27', 8929'-30', 8939'-40', 8993'-94' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6861 GAL 16# LINEAR 1-1.5 PPG, 21523 GAL DELTA 200 W/ 75600# 20/40 SAND @ 2-4 PPG. MTP 5954 PSIG. MTR 50.5 BPM. ATP 4753 PSIG. ATR 42 BPM. ISIP 2870 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 8785'. PERFORATE MPR FROM 8658'-59', 8670'-71', 8671'-72', 8693'-94', 8794'-95', 8720'-21', 8721'-22', 8733'-34', 8745'-46', 8750'-51', 8760'-61', 8768'-69' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6262 GAL 16# LINEAR 1-1.5 PPG, 22273 GAL DELTA 200 W/ 80300 # 20/40 SAND @ 2-5 PPG. MTP 5605 PSIG. MTR 50.7 BPM. ATP 4369 PSIG. ATR 49.7 BPM. ISIP 3278 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 8630'. PERFORATE MPR FROM 8498'-99', 8499'-00', 8415'-16', 8519'-20', 8523'-24', 8539'-40', 8543'-44', 8544'-45', 8565'-66', 8569'-70', 8578'-79', 8607'-08' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6542 GAL 16# LINEAR 1-1.5 PPG, 28560 GAL DELTA 200 W/ 103600# 20/40 SAND @ 2-5 PPG. MTP 5146 PSIG. MTR 51.4 BPM. ATP 4144 PSIG. ATR 48.5 BPM. ISIP 3266 PSIG. RD HALLIBURTON.

RUWL SET 10K CFP AT 8464'. PERFORATE MPR FROM 8296'-97', 8341'-42', 8347'-48', 8354'-55', 8359'-60', 8383'-84', 8398'-99', 8411'-12', 8439'-40', 8440'-41', 8446'-47', 8447'-48' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6617 GAL 16# LINEAR 1-1.5 PPG, 24355 GAL DELTA 200 W/ 87800# 20/40 SAND @ 2-5 PPG. MTP 5168 PSIG. MTR 50.5 BPM. ATP 4387 PSIG. ATR 48 BPM. ISIP 3115 PSIG. RD HALLIBURTON.

RUWL SET 10K CFP AT 8240'. PERFORATE MPR FROM 8027'-28', 8044'-45', 8056'-57', 8080'-81', 8085'-86', 8091'-92', 8143'-44', 8153'-54', 8162'-63', 8182'-83', 8195'-96', 8204'-05' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6391 GAL 16# LINEAR 1-1.5 PPG, 57483 GAL DELTA 200 W/ 201100# 20/40 SAND @ 2-5 PPG. MTP 5354 PSIG. MTR 50.7 BPM. ATP 3634 PSIG. ATR 49.2 BPM. ISIP 2363 PSIG. RD HALLIBURTON. SDFN

<b>10-01-2008</b>		<b>Reported By</b>		HAL IVIE							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$31,153		<b>Daily Total</b>		\$31,153	
<b>Cum Costs: Drilling</b>		\$756,436		<b>Completion</b>		\$333,120		<b>Well Total</b>		\$1,089,556	
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	16	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>			<b>PBTD : 9414.0</b>			<b>Perf : 7131'-9246'</b>			<b>PKR Depth : 0.0</b>		
<b>Activity at Report Time: CLEAN OUT AFTER FRAC</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	16:00	10.0	MIRUSU. ND FRAC TREE. NU BOP. RIH W/ BIT & PUMP OFF SUB TO 7065'. RU TO DRILL OUT PLUGS. SDFN.								

<b>10-02-2008</b>		<b>Reported By</b>		HAL IVIE							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$0		<b>Daily Total</b>		\$0	
<b>Cum Costs: Drilling</b>		\$756,436		<b>Completion</b>		\$333,120		<b>Well Total</b>		\$1,089,556	
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	17	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>			<b>PBTD : 9414.0</b>			<b>Perf : 7131'-9246'</b>			<b>PKR Depth : 0.0</b>		
<b>Activity at Report Time: RDMOSU, FLOW TEST</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 7065', 7320', 7515', 7750', 8005', 8240', 8464', 8630', 8785', 9015' RIH. CLEANED OUT TO PBTD @ 9414' LANDED TBG AT 7956.90' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.								

FLOWED 17 HRS. 24/64" CHOKE. FTP 1400 PSIG, CP- 1300 PSIG. 74 BFPH. RECOVERED 1259 BBLS, 9250 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'  
 1 JT 2-3/8 4.7# N-80 TBG 31.20'  
 XN NIPPLE 1.10'  
 251 JTS 2-3/8 4.7# N-80 TBG 7910.60'  
 BELOW KB 13.00'  
 LANDED @ 7956.90'

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<b>10-03-2008</b>	<b>Reported By</b>	HAL IVIE/DUANE COOK									
<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$3,565	<b>Daily Total</b>	\$3,565						
<b>Cum Costs: Drilling</b>	\$756,436	<b>Completion</b>	\$336,685	<b>Well Total</b>	\$1,093,121						
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	18	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9414.0</b>		<b>Perf : 7131'-9246'</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: INITIAL PRODUCTION - FLOW TEST</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	INITIAL PRODUCTION - OPENING PRESSURE: TP 1400 PSIG & CP 1500 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 12:00 HRS, 10/02/08. FLOWED 100 MCFD RATE ON 24/64" CHOKE. STATIC 307. QGM METER #7871. FLOW TEST UNIT.								
FLOWED 22 HRS. 24/64 CHOKE. FTP- 1350 PSIG, CP- 2000 PSIG. 57 BFPH. RECOVERED 1248 BBLs, 8002 BLWTR. 1200 MCF/D. DOWN 2 HRS TO RIG UP BRECO UNIT.											

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<b>10-06-2008</b>	<b>Reported By</b>	HAL IVIE									
<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$2,765	<b>Daily Total</b>	\$2,765						
<b>Cum Costs: Drilling</b>	\$756,436	<b>Completion</b>	\$339,450	<b>Well Total</b>	\$1,095,886						
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	21	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9414.0</b>		<b>Perf : 7131'-9246'</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: FLOW TEST THRU BRECO UNIT</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	FLOWED 24 HRS. 22/64 CHOKE. FTP- 1400 PSIG, CP- 2100 PSIG. 23 BFPH. RECOVERED 534 BBLs, 5635 BLWTR. 2023 MCF/D								

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<b>10-07-2008</b>	<b>Reported By</b>	HAL IVIE									
<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$2,765	<b>Daily Total</b>	\$2,765						
<b>Cum Costs: Drilling</b>	\$756,436	<b>Completion</b>	\$342,215	<b>Well Total</b>	\$1,098,651						
<b>MD</b>	9,480	<b>TVD</b>	9,480	<b>Progress</b>	0	<b>Days</b>	22	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBTD : 9414.0</b>		<b>Perf : 7131'-9246'</b>		<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: FLOW TEST TO SALES</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1250 PSIG. CP 2000 PSIG. 19 BFPH. RECOVERED 453 BLW. 5182 BLWTR. 2346 MCFD RATE.								

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU0284A

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface **SESE 170FSL 1241FEL 40.01471 N Lat, 109.42113 W Lon**  
 At top prod interval reported below **SESE 170FSL 1241FEL 40.01471 N Lat, 109.42113 W Lon**  
 At total depth **SESE 170FSL 1241FEL 40.01471 N Lat, 109.42113 W Lon**

6. If Indian, Allottee or Tribe Name  
 7. Unit or CA Agreement Name and No.  
**CHAPITA WELLS UNI**

8. Lease Name and Well No.  
**CHAPITA WELLS UNIT 1278-22**

9. API Well No.  
**43-047-38725**

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

11. Sec., T., R., M., or Block and Survey  
 or Area **Sec 22 T9S R22E Mer SLB**

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

14. Date Spudded  
**07/23/2008** 15. Date T.D. Reached  
**09/03/2008** 16. Date Completed  
 D & A  Ready to Prod.  
**10/02/2008**

17. Elevations (DF, KB, RT, GL)\*  
**4997 GL**

18. Total Depth: **MD 9480** 19. Plug Back T.D.: **MD 9414** 20. Depth Bridge Plug Set: **MD**  
**TVD** **TVD** **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**VRST/CBL/CCL/LVDL/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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2365		750		0	
7.875	4.500 P-110	11.6	0	9459		1925		900	

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	7957							

25. Producing Intervals **MURD**

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) <b>MURD</b>	<b>7131</b>	<b>9246</b>	9048 TO 9246		3	
B)			8813 TO 8994		3	
C)			8658 TO 8769		3	
D)			8498 TO 8608		3	

26. Perforation Record

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

Depth Interval	Amount and Type of Material
9048 TO 9246	43,762 GALS GELLED WATER & 132,300# 20/40 SAND
8813 TO 8994	28,549 GALS GELLED WATER & 75,600# 20/40 SAND
8658 TO 8769	28,700 GALS GELLED WATER & 80,300# 20/40 SAND
8498 TO 8608	35,267 GALS GELLED WATER & 103,600# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/02/2008	10/12/2008	24	→	25.0	1160.0	100.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
12/64"	SI	2050.0	→	25	1160	100		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		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #64577 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* NOV 12 2008**

**RECEIVED**

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
MESAVERDE		9246		GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER	1703 2310 4565 4682 5268 5968 7129 7967

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

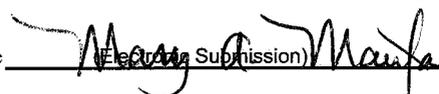
33. Circle enclosed attachments:

- 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 #64577 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  Date 11/10/2008

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.

**Chapita Wells Unit 1278-22 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

8296-8448	3/spf
8027-8205	3/spf
7793-7980	3/spf
7555-7725	3/spf
7345-7502	3/spf
7131-7293	3/spf

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

8296-8448	31,137 GALS GELLED WATER & 87,800# 20/40 SAND
8027-8205	64,039 GALS GELLED WATER & 201,100# 20/40 SAND
7793-7980	50,611 GALS GELLED WATER & 157,900# 20/40 SAND
7555-7725	27,764 GALS GELLED WATER & 77,200# 20/40 SAND
7345-7502	27,686 GALS GELLED WATER & 77,100# 20/40 SAND
7131-7293	48,404 GALS GELLED WATER & 152,000# 20/40 SAND

Perforated the Lower Price River from 9048-49', 9061-62', 9073-74', 9080-81', 9086-87', 9108-09', 9123-24', 9178-79', 9188-89', 9216-17', 9238-39', 9245-46' w/ 3 spf.

Perforated the Lower Price River from 8813-14', 8829-30', 8837-38', 8842-43', 8851-52', 8873-74', 8911-12', 8912-13', 8926-27', 8929-30', 8939-40', 8993-94' w/ 3 spf.

Perforated the Middle Price River from 8658-59', 8670-71', 8671-72', 8693-94', 8794-95', 8720-21', 8721-22', 8733-34', 8745-46', 8750-51', 8760-61', 8768-69' w/ 3 spf.

Perforated the Middle Price River from 8498-99', 8499-8500', 8515-16', 8519-20', 8523-24', 8539-40', 8543-44', 8544-45', 8565-66', 8569-70', 8578-79', 8607-08' w/ 3 spf.

Perforated the Middle Price River from 8296-97', 8341-42', 8347-48', 8354-55', 8359-60', 8383-84', 8398-99', 8411-12', 8439-40', 8440-41', 8446-47', 8447-48' w/ 3 spf.

Perforated the Middle Price River from 8027-28', 8044-45', 8056-57', 8080-81', 8085-86', 8091-92', 8143-44', 8153-54', 8162-63', 8182-83', 8195-96', 8204-05' w/ 3 spf.

Perforated the Upper Price River from 7793-94', 7813-14', 7823-24', 7849-50', 7855-56', 7869-70', 7889-90', 7906-07', 7929-30', 7941-42', 7956-57', 7979-80' w/ 3 spf.

Perforated the Upper Price River from 7555-56', 7556-57', 7560-61', 7611-12', 7616-17', 7651-52', 7671-72', 7676-77', 7682-83', 7716-17', 7717-18', 7724-25' w/ 3 spf.

Perforated the Upper Price River from 7345-46', 7371-72', 7399-7400', 7438-39', 7449-50', 7457-58', 7465-66', 7472-73', 7483-84', 7491-92', 7500-01', 7501-02' w/ 3 spf.

Perforated the Upper Price River from 7131-32', 7141-42', 7149-50', 7161-62', 7208-09', 7223-24', 7228-29', 7234-35', 7254-55', 7266-67', 7283-84', 7292-93' w/ 3 spf.

**32. FORMATION (LOG) MARKERS**

Lower Price River	8755
Sego	9268

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

FORM 7

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: CWU 1278-22

API number: 4304738725

Well Location: QQ SESE Section 22 Township 9S Range 22E 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		
1,305	1,318	NO FLOW	NOT KNOWN

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant  
 SIGNATURE *Mary A. Maestas* DATE 11/10/2008

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0284A

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1278-22

9. API Well No.  
43-047-38725

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 22 T9S R22E SESE 170FSL 1241FEL  
40.01471 N Lat, 109.42113 W Lon

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

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

Per verbal approval with Nate Packer, BLM Vernal Field Office, EOG Resources, Inc. installed a small evaporation unit on the reserve pit for the referenced well. The unit will be in place until the pit is fully evaporated. Upon completion of evaporation, the pit will be reclaimed.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #68078 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* (Electronic Submission) Date 03/17/2009

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

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

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

Office \_\_\_\_\_

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

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

**RECEIVED**

**MAR 23 2009**

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-0284-A
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> CHAPITA WELLS
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> CWU 1278-22
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047387250000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1000 N , Denver, CO, 80202	<b>PHONE NUMBER:</b> 435 781-9111 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 0170 FSL 1241 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESE Section: 22 Township: 09.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/1/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Pit closure

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

The reserve pit on the referenced location was closed on 2/1/2010 as per the APD procedure.

Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
**FOR RECORD ONLY**  
 February 03, 2010

<b>NAME (PLEASE PRINT)</b> Mary Maestas	<b>PHONE NUMBER</b> 303 824-5526	<b>TITLE</b> Regulatory Assistant
<b>SIGNATURE</b> N/A		<b>DATE</b> 2/3/2010