

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

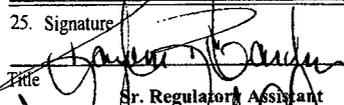
FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. <b>Chapita Wells Unit</b>
5b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <b>Chapita Wells Unit 1075-25</b>
2. Name of Operator <b>EOG Resources, Inc</b>		9. API Well No. <b>43-047-39184</b>
3a. Address <b>1060 East Highway 40 Vernal, UT 84078</b>	3b. Phone No. (include area code) <b>435-781-9111</b>	10. Field and Pool, or Exploratory <b>Natural Buttes/Mesaverde</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>638302 627 FSL 412 FEL (SESE) 40.001461 Lat 109.380392 Lon</b> At proposed prod. zone <b>Same 44289754 40.001535 -109.379819</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>Section 25, T9S, R22E S.L.B.&amp;M</b>
14. Distance in miles and direction from nearest town or post office* <b>51.9 Miles South of Vernal, UT</b>		12. County or Parish <b>Uintah</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>412 Lease Line</b>		13. State <b>UT</b>
16. No. of acres in lease <b>320</b>	17. Spacing Unit dedicated to this well <b>Suspended</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>8900</b>	20. BLM/BIA Bond No. on file <b>NM 2308</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5066 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>03/22/2007</b>
Title <b>Sr. Regulatory Assistant</b>		
Approved by (Signature) 	Name (Printed Typed) <b>BRADLEY G. HILL</b>	Date <b>04-11-07</b>
Title <b>ENVIRONMENTAL MANAGER</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.

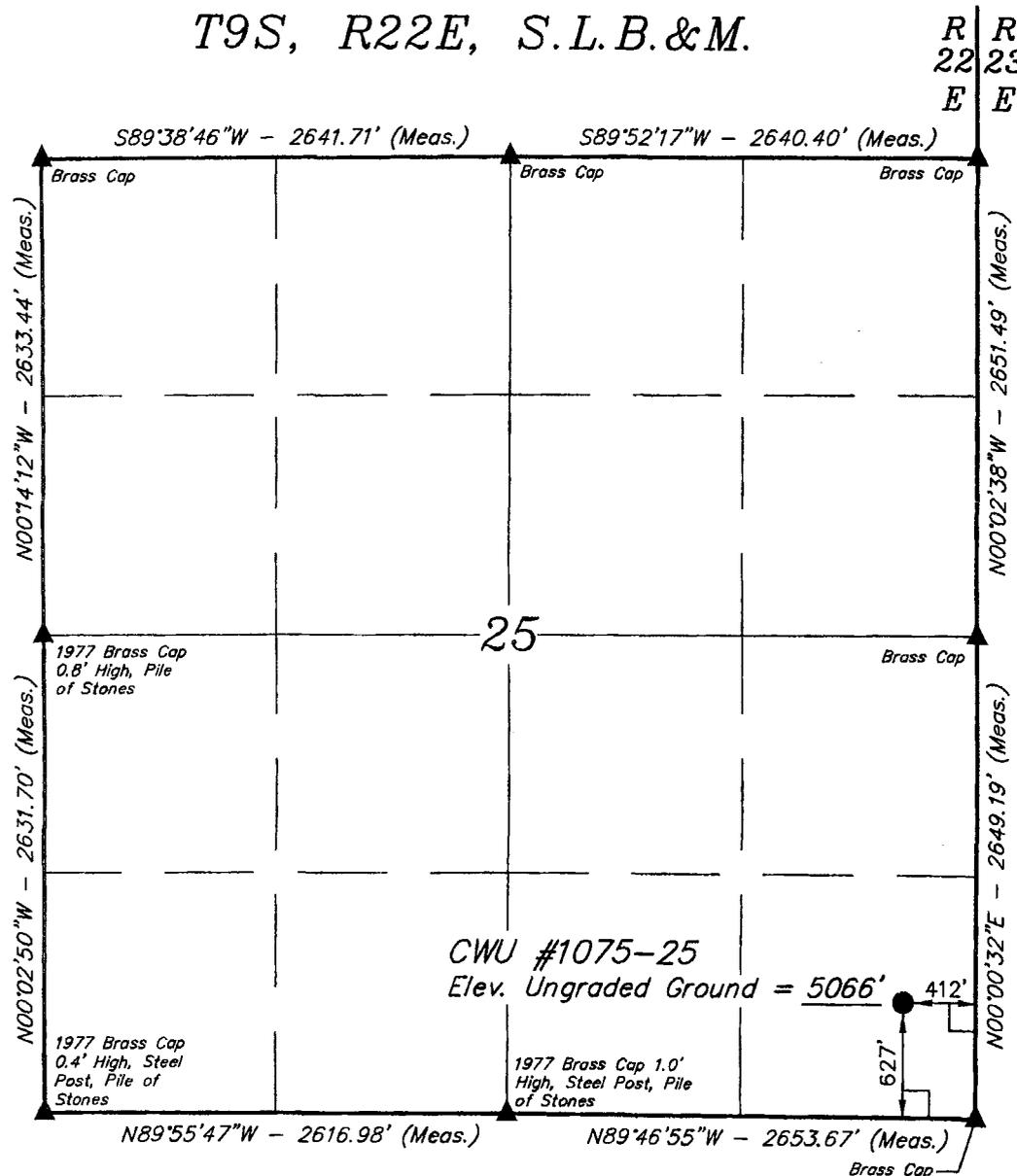
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**Federal Approval of this  
Action is Necessary**

**RECEIVED  
APR 06 2007  
DIV. OF OIL, GAS & MINING**

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



CWU #1075-25  
Elev. Ungraded Ground = 5066'

**LEGEND:**

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

(NAD 83)  
 LATITUDE = 40°00'05.26" (40.001461)  
 LONGITUDE = 109°22'49.41" (109.380392)  
 (NAD 27)  
 LATITUDE = 40°00'05.38" (40.001494)  
 LONGITUDE = 109°22'46.96" (109.379711)

**EOG RESOURCES, INC.**

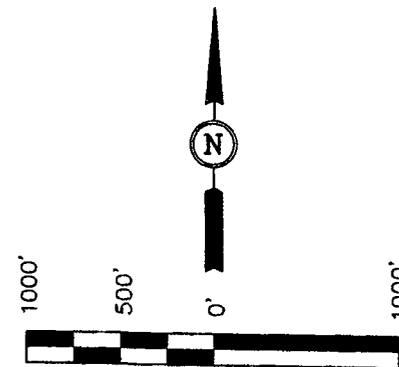
Well location, CWU #1075-25, located as shown in the SE 1/4 SE 1/4 of Section 25, T9S, R22E, S.L.B.&M., Uintah County, Utah.

**BASIS OF ELEVATION**

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

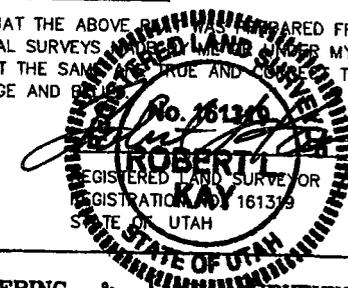
**BASIS OF BEARINGS**

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



SCALE  
CERTIFICATE

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



REVISED: 01-24-07

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

SCALE 1" = 1000'	DATE SURVEYED: 07-19-05	DATE DRAWN: 07-20-05
PARTY T.B. B.C. P.M.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>TVD-RKB (ft)</b>	<b>Objective</b>	<b>Lithology</b>	
Green River	1,446		Shale	
Wasatch	4,447		Sandstone	
North Horn	6,403		Sandstone	
KMV Price River	6,833	Primary	Sandstone	Gas
KMV Price River Middle	7,523	Primary	Sandstone	Gas
KMV Price River Lower	8,245	Primary	Sandstone	Gas
Sego	8,706		Sandstone	
<b>TD</b>	<b>8,900</b>			

Estimated TD: **8,900'** or 200'± below Segó top

**Anticipated BHP: 5,000 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

<b>CASING</b>	<b>Hole Size</b>	<b>Length</b>	<b>Size</b>	<b>WEIGHT</b>	<b>Grade</b>	<b>Thread</b>	<b>Rating Collapse</b>	<b>Factor Burst</b>	<b>Tensile</b>
<b>Conductor</b>	17 ½"	0 – 45'	13 ¾"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
<b>Surface</b>	12 ¼"	45' – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
<b>Production</b>	7-7/8"	2,300'± – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

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

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**8. EVALUATION PROGRAM:**

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

**9. CEMENT PROGRAM:**

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

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

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

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

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

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

**Lead:** 130 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:** 900 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

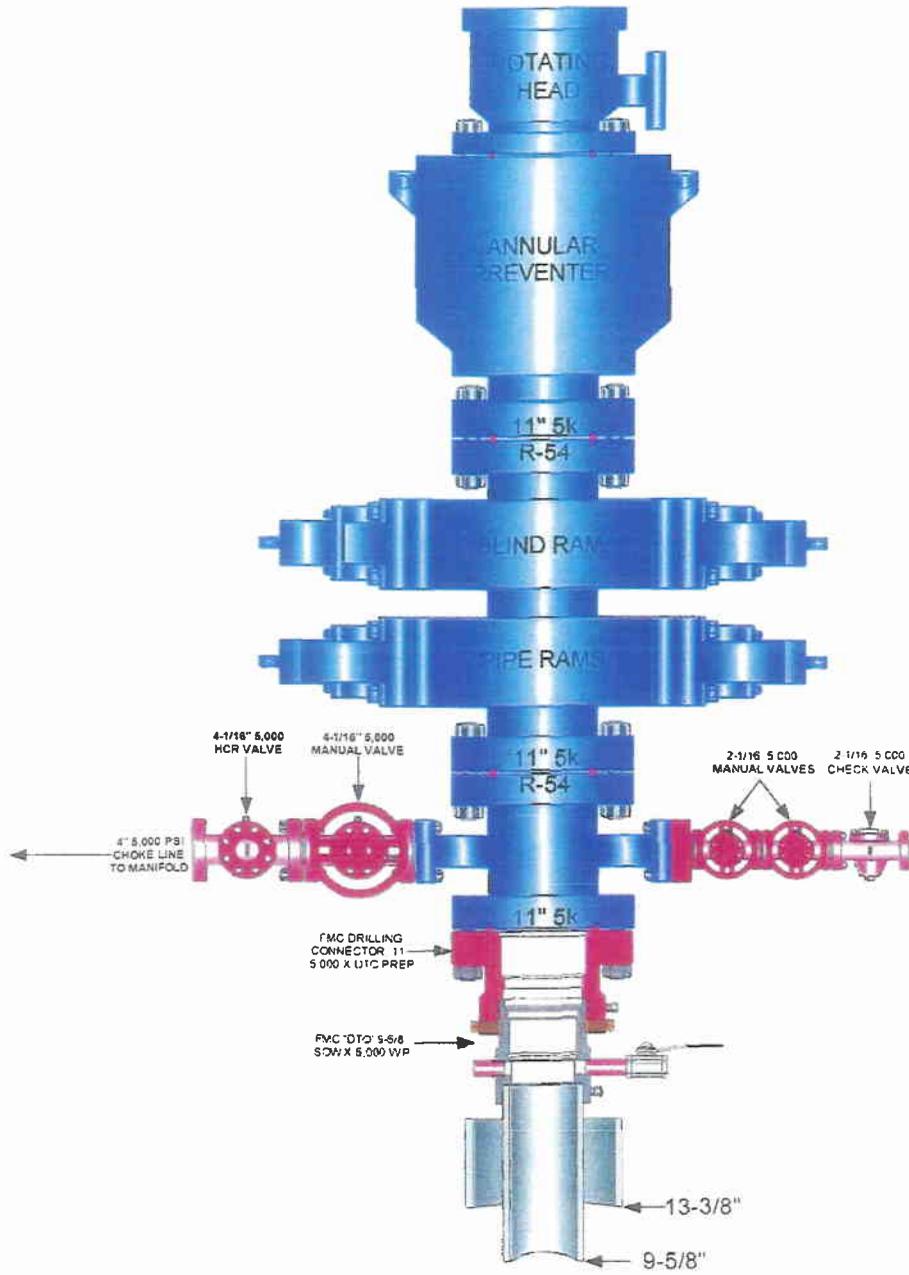
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**12. HAZARDOUS CHEMICALS:**

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

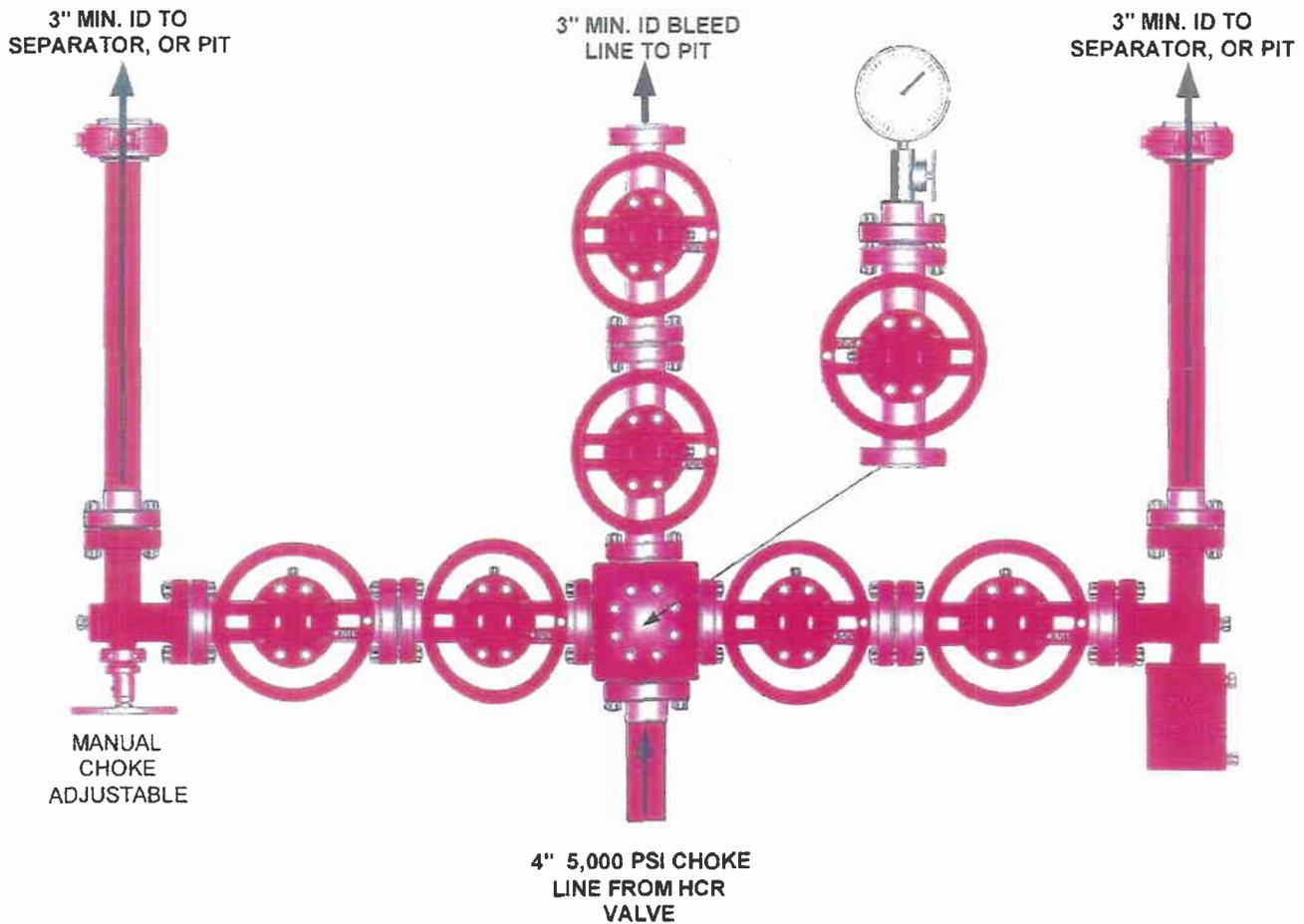
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF 2



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 1075-25  
SESE, Section 25, T9S, R22E  
Uintah County, Utah***

***SURFACE USE PLAN***

**1. EXISTING ROADS:**

- A. See attached 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 51.6 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. With One (1) 18"x60' CMP in the barrow ditch of the road approach. See attached figure #1 and Topo B.
- 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.
- I. A 30-foot permanent right-of-way is requested. No surfacing material will used.
- J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

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

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

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff 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.

The proposed road is located within the Chapita Wells Unit and will not require a right-of-way.

**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 pipeline will transport natural gas.

2. The pipeline will be a permanent feeder line.
3. The length of the proposed pipeline is 475' x 40'. The proposed pipeline leaves the western edge of the well pad (Lease UTU ) proceeding in a easterly direction for an approximate distance of 475' tying into a proposed pipeline for Chapita Wells Unit 950-30, authorized under the Chapita Wells Unit. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, 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. Proposed pipeline will be laid on surface.
6. The proposed pipeline is located within the Chapita Wells Unit and will not require a right-of-way.
7. The proposed pipeline route begins in the SESE of section 25, township 9S, range 22E, proceeding easterly for an approximate distance of 475' to the proposed tie-in point.
8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

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 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 pipeline 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 locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD 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 16 millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

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.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

**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 southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south 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 (first six inches) will be stored separate from the location topsoil west of corner #5. The stockpiled location topsoil will be stored between corners #6 and #8, and corners # 1 and #2.. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the east.

**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. Interim Reclamation (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 – See attached Figure #3. The reserve pit will be reclaimed within 90 days from the date of the well completion, or as soon as environmental conditions allow. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

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.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Crested Wheatgrass	9.0
Kochia Prostrata	3.0

\*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.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
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 or herbicides or other pesticides or possible hazardous chemicals.
- C. 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.)
- D. 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.

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 and paleontology survey will be conducted and submitted by Montgomery Archaeological Consultants.

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

**PERMITTING AGENT**

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forth-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

**CERTIFICATION:**

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 1075-25 Well, located in the SESE, of Section 25, 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.

March 22, 2007  
Date

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

Onsite Date: 3/15/2007

# EOG RESOURCES, INC.

CWU #1075-25

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T9S, R22E, S.L.B.&M.

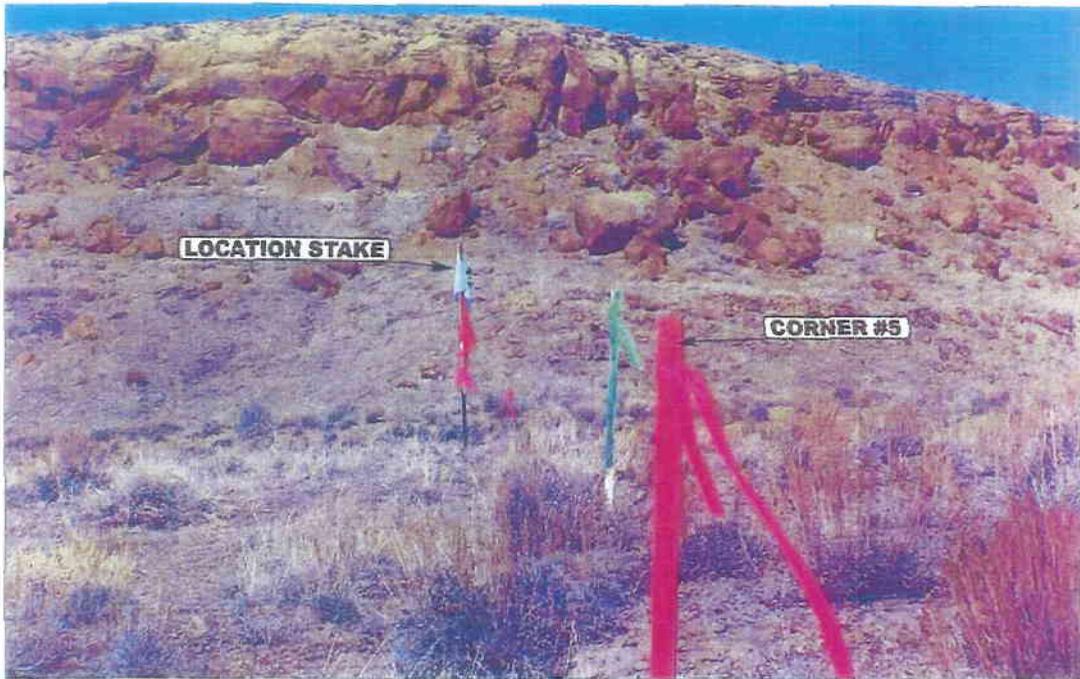


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

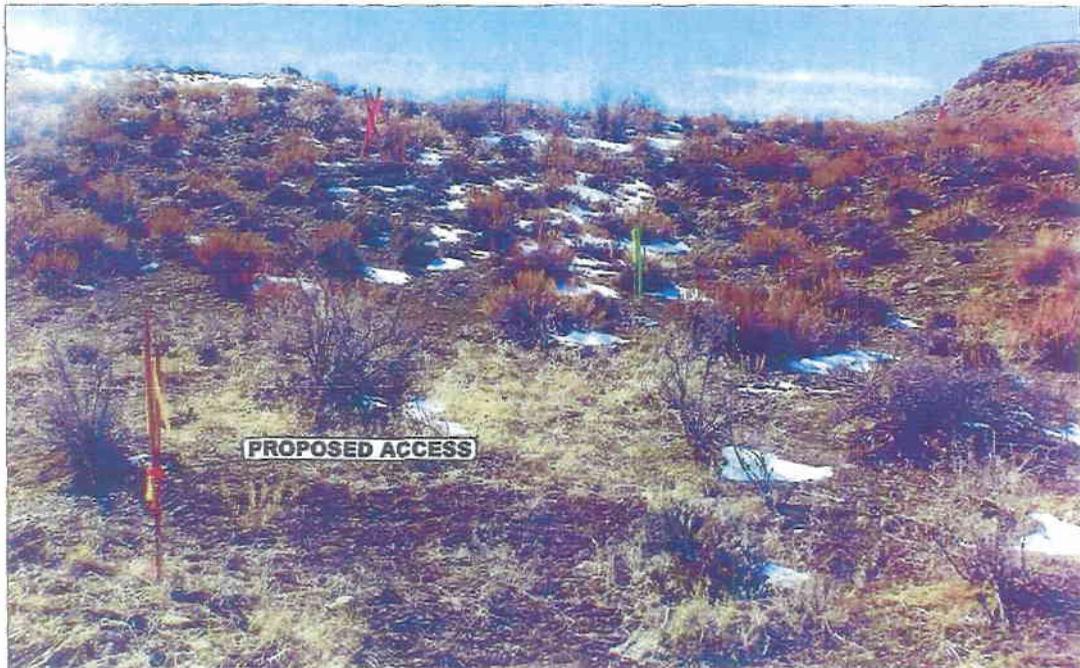


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

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

LOCATION PHOTOS

08 03 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

DRAWN BY: S.L.

REVISED: 01-24-07C.P.

EOG RESOURCES, INC.  
CWU #1075-25  
SECTION 25, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #950-30 TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 60' TO THE PROPOSED LOCATION.

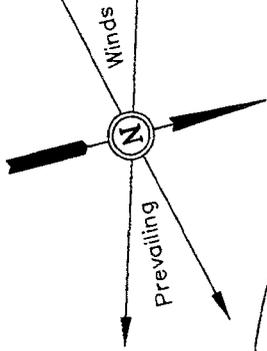
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 51.6 MILES.

EOG RESOURCES, INC.

FIGURE #1

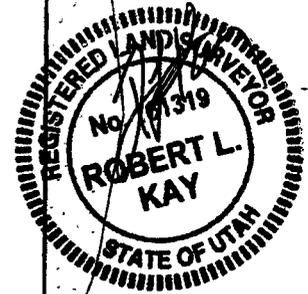
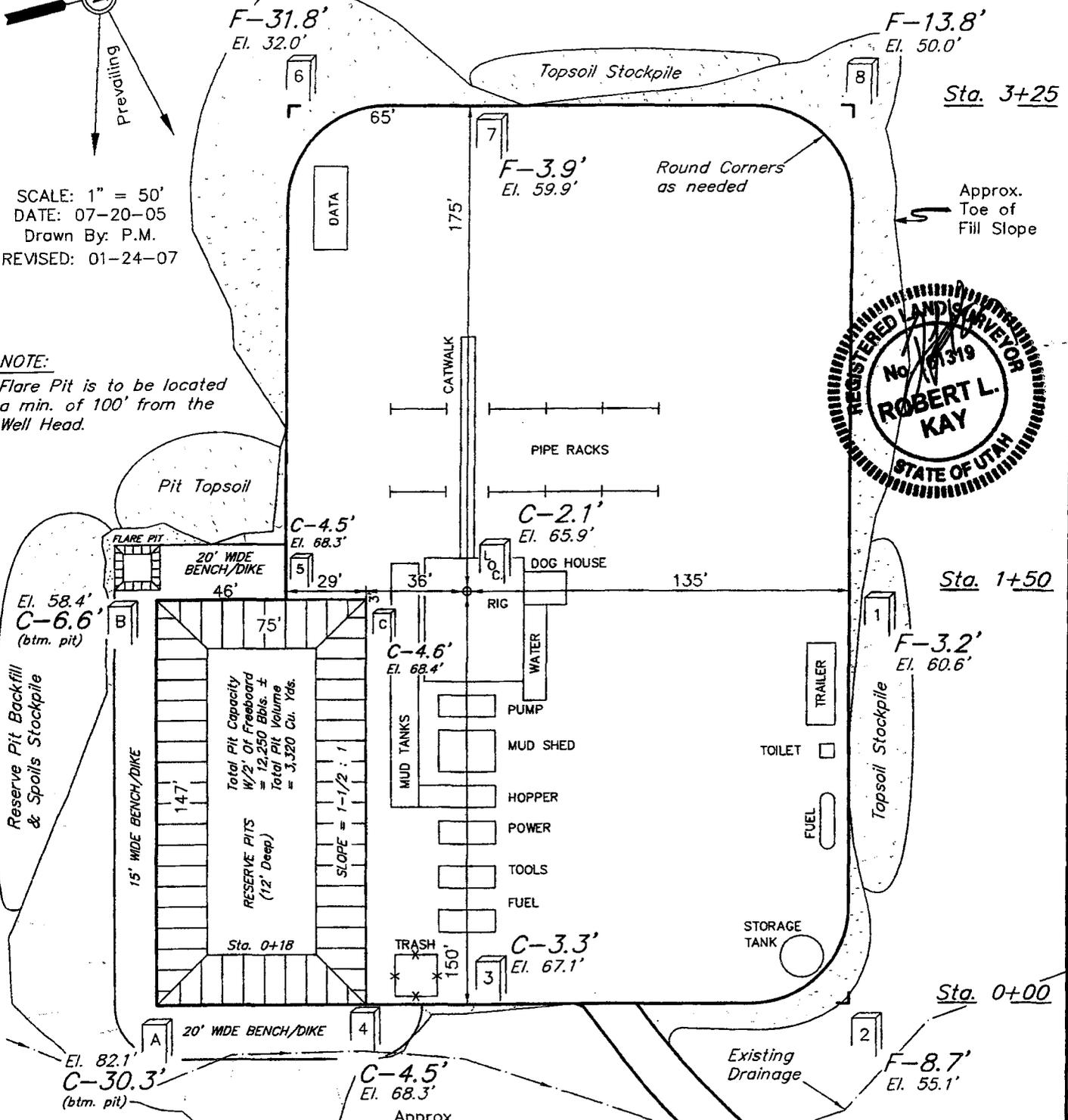
LOCATION LAYOUT FOR

CWU #1075-25  
SECTION 25, T9S, R22E, S.L.B.&M.  
627' FSL 412' FEL



SCALE: 1" = 50'  
DATE: 07-20-05  
Drawn By: P.M.  
REVISED: 01-24-07

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



**NOTES:**  
Elev. Ungraded Ground At Loc. Stake = 5065.9'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5063.8'

Install CMP as Needed  
Existing Drainage  
Proposed Access Road

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

EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

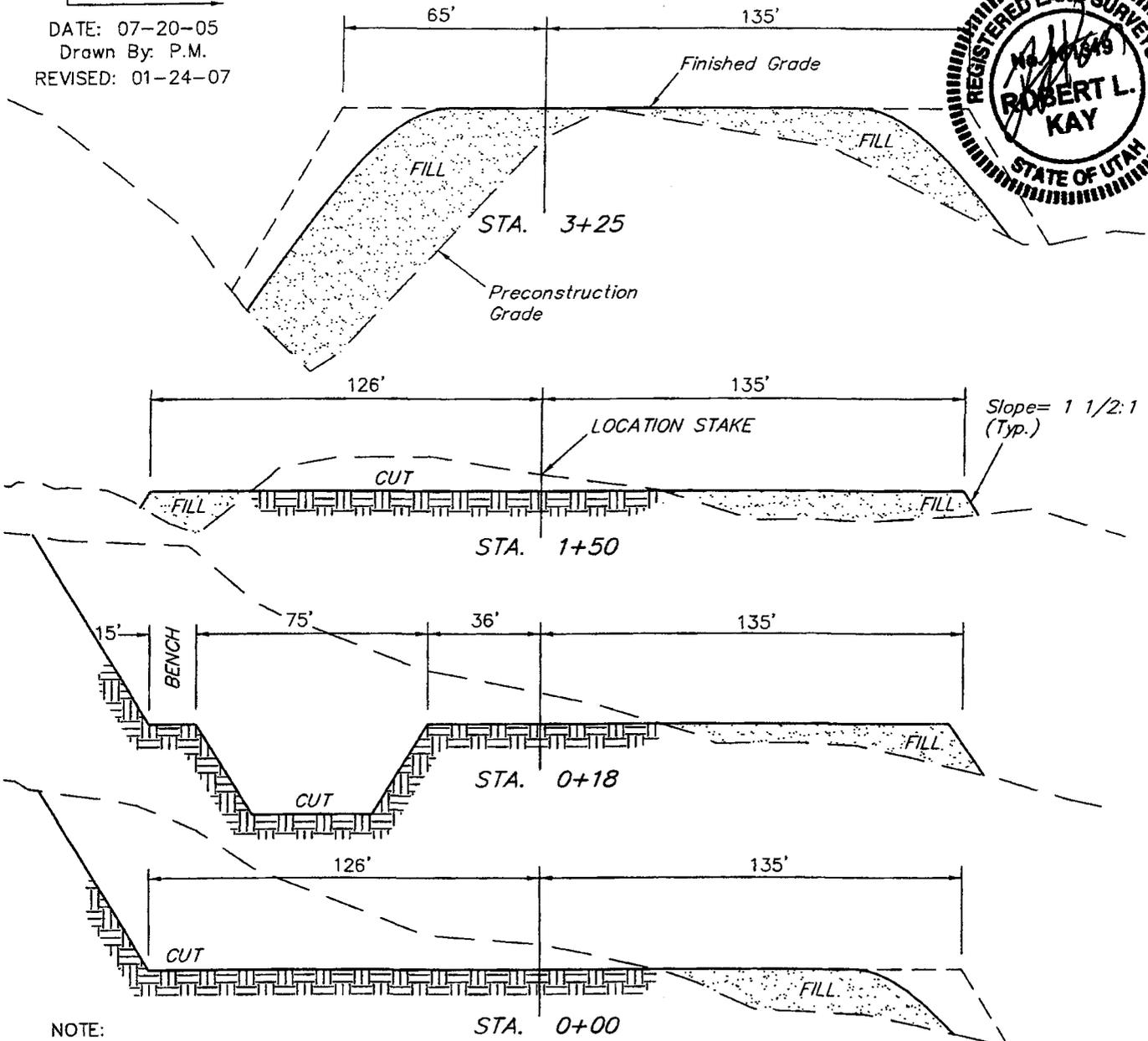
CWU #1075-25

SECTION 25, T9S, R22E, S.L.B.&M.

627' FSL 412' FEL

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

DATE: 07-20-05  
Drawn By: P.M.  
REVISED: 01-24-07



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

\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,850 Cu. Yds.
Remaining Location	= 12,010 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 13,860 CU.YDS.</b>
<b>FILL</b>	<b>= 10,350 CU.YDS.</b>

EXCESS MATERIAL	= 3,510 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,510 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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

EOG RESOURCES, INC.

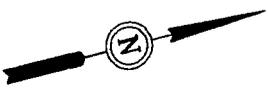
FIGURE #3

PRODUCTION FACILITY LAYOUT FOR

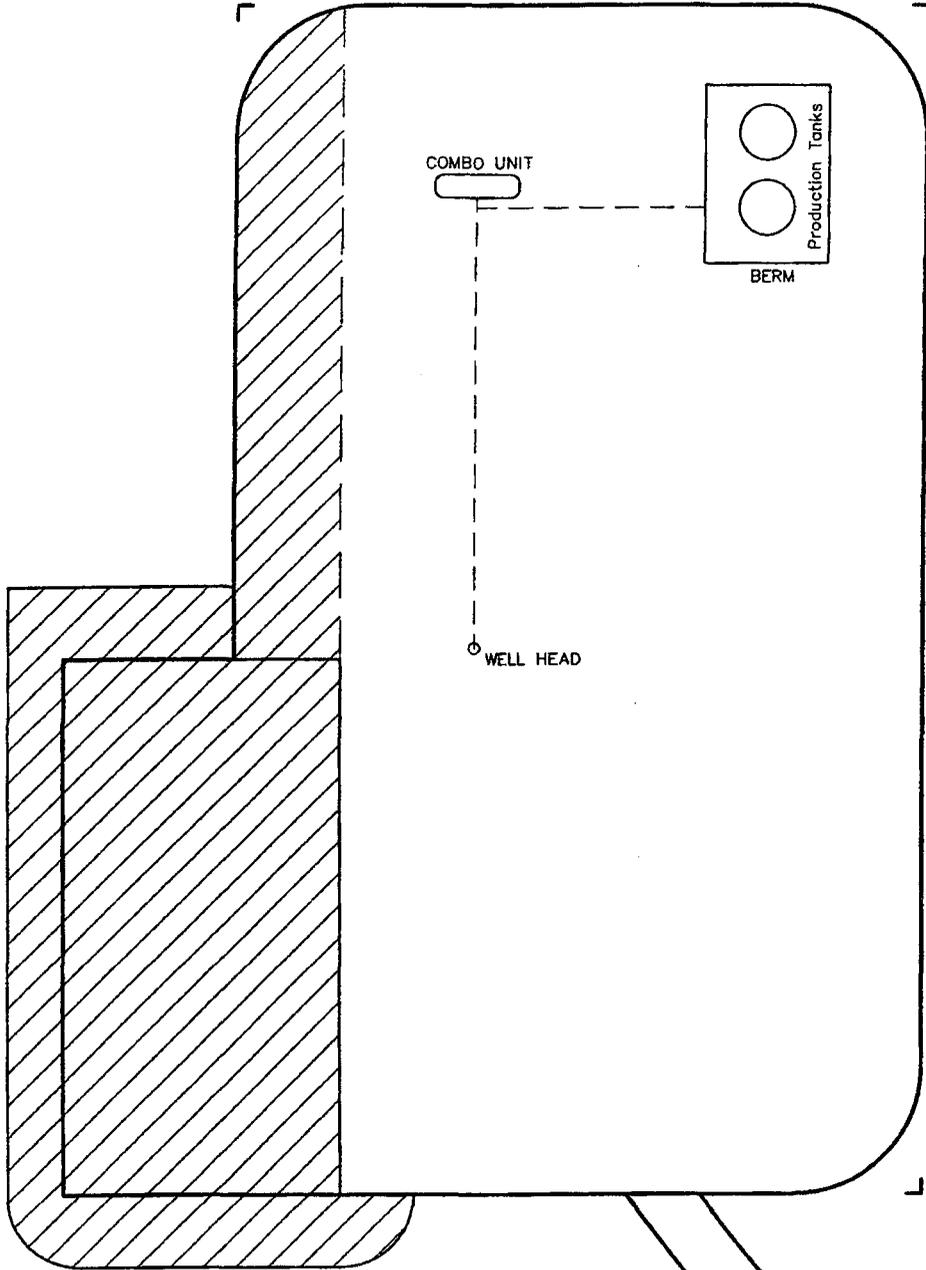
CWU #1075-25

SECTION 25, T9S, R22E, S.L.B.&M.

627' FSL 412' FEL

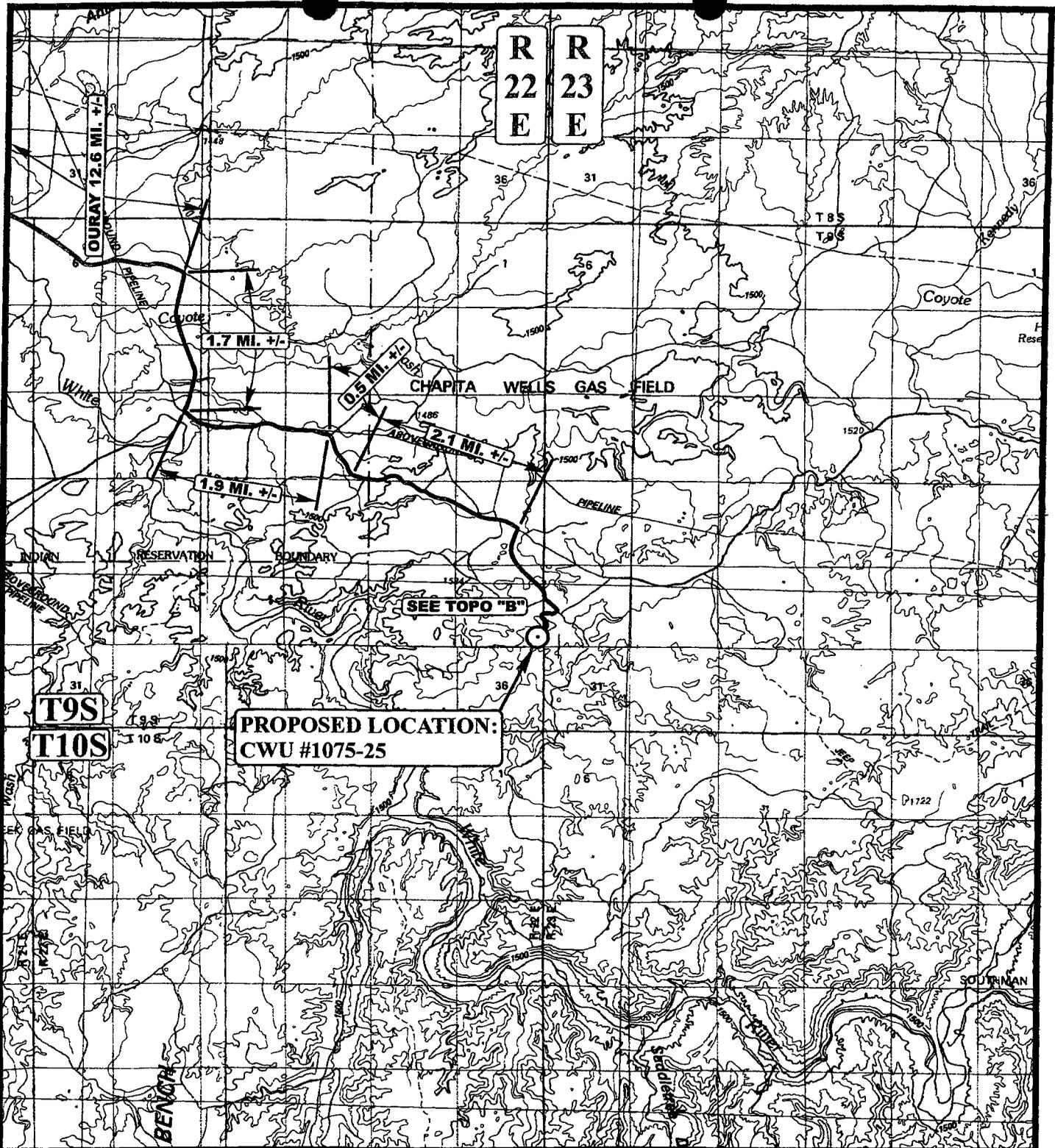


SCALE: 1" = 50'  
DATE: 01-24-07  
Drawn By: P.M.

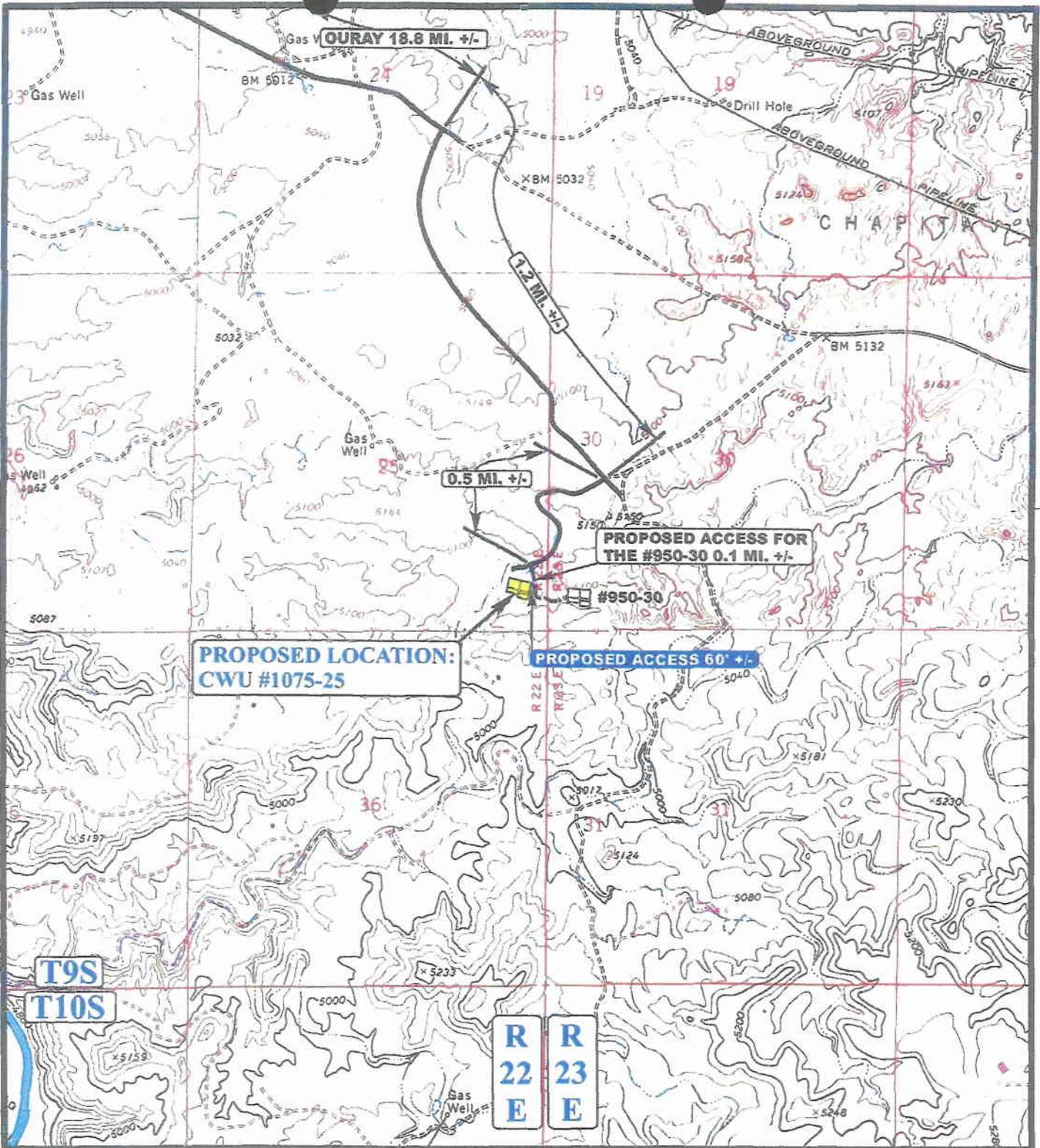


 RE-HABED AREA

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



<b>LEGEND:</b>		<b>EOG RESOURCES, INC.</b>	
○ PROPOSED LOCATION	N ↑	CWU #1075-25	
		SECTION 25, T9S, R22E, S.L.B.&M.	
		627' FSL 412' FEL	
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813	TOPOGRAPHIC MAP	08 03 05 MONTH DAY YEAR	
		SCALE: 1:100,000	DRAWN BY: S.L. REVISED: 01-24-07C.P.



**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



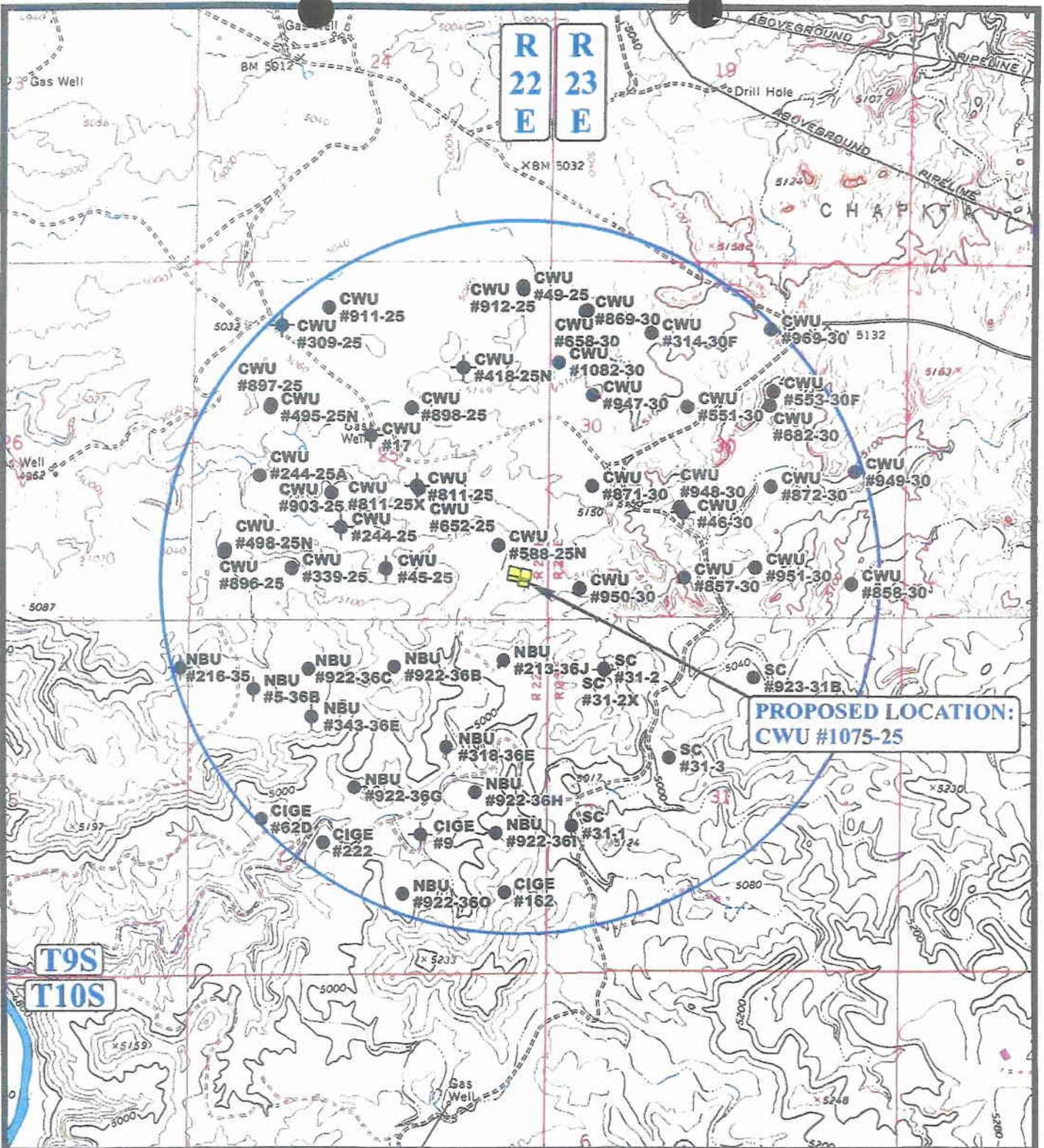
**EOG RESOURCES, INC.**

**CWU #1075-25**  
**SECTION 25, T9S, R22E, S.L.B.&M.**  
**627' FSL 412' FEL**

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

**TOPOGRAPHIC MAP** **08 03 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 01-24-07C.P.

**B**  
**TOPO**



**LEGEND:**

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



**EOG RESOURCES, INC.**

**CWU #1075-25**  
**SECTION 25, T9S, R22E, S.L.B.&M.**  
**627' FSL 412' FEL**



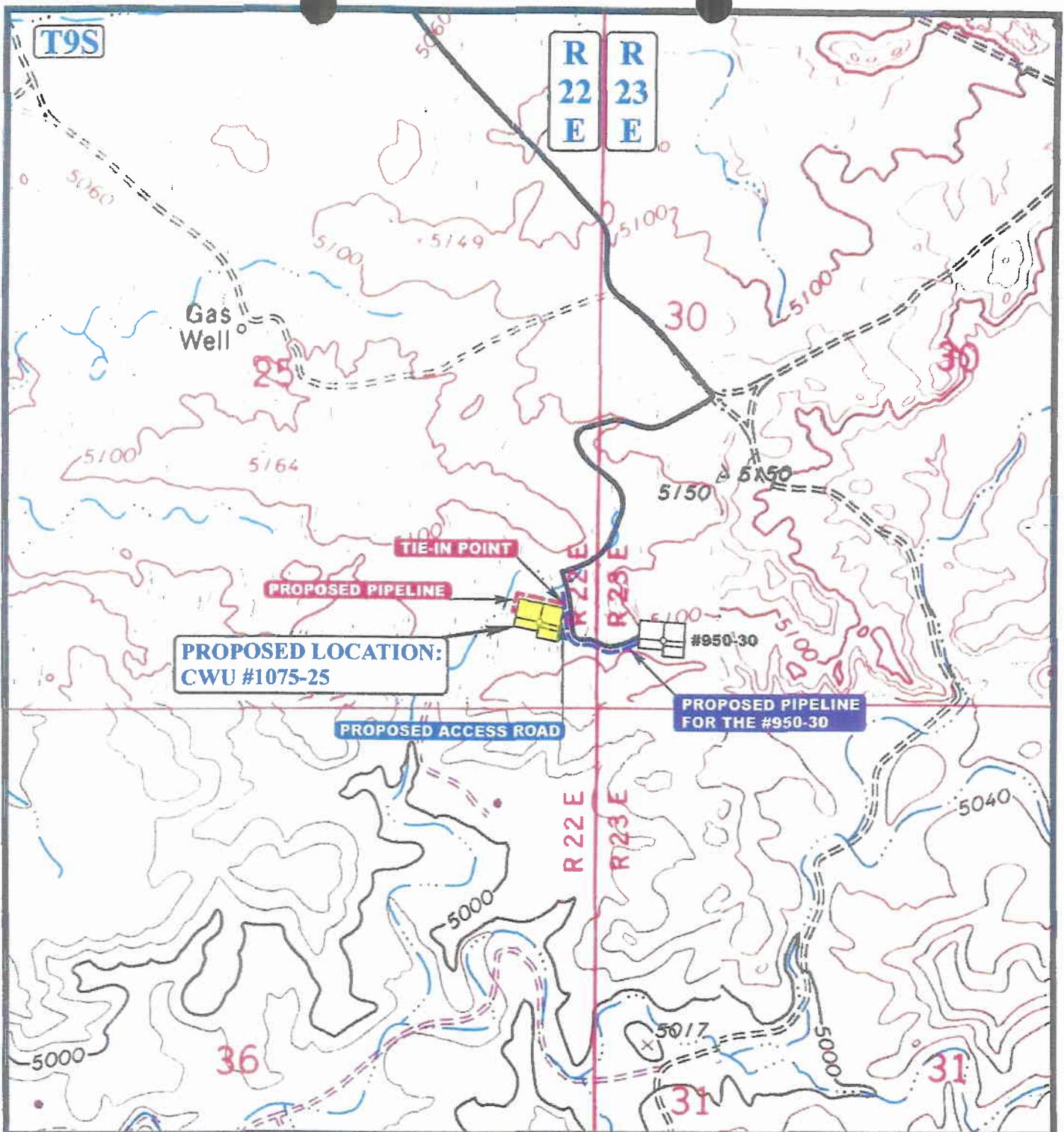
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**08 03 05**  
 MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 01-24-07C.P



APPROXIMATE TOTAL PIPELINE DISTANCE = 475' +/-

**LEGEND:**

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



**EOG RESOURCES, INC.**

CWU #1075-25  
 SECTION 25, T9S, R22E, S.L.B.&M.  
 627' FSL 412' FEL

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

**TOPOGRAPHIC MAP** 08 03 05  
 MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: S.L. REVISED: 01-24-07C.P. **D**  
 TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/06/2007

API NO. ASSIGNED: 43-047-39186

WELL NAME: CWU 1075-25  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:

SESE 25 090S 220E  
 SURFACE: 0627 FSL 0412 FEL  
 BOTTOM: 0627 FSL 0412 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40:00154 LONGITUDE: -109.3798  
 UTM SURF EASTINGS: 638302 NORTHINGS: 4428975  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-010956  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 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 *OK*
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 179-8  
Eff Date: 8-10-1999  
Siting: Suspend General Siting
- R649-3-11. Directional Drill

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

STIPULATIONS: \_\_\_\_\_

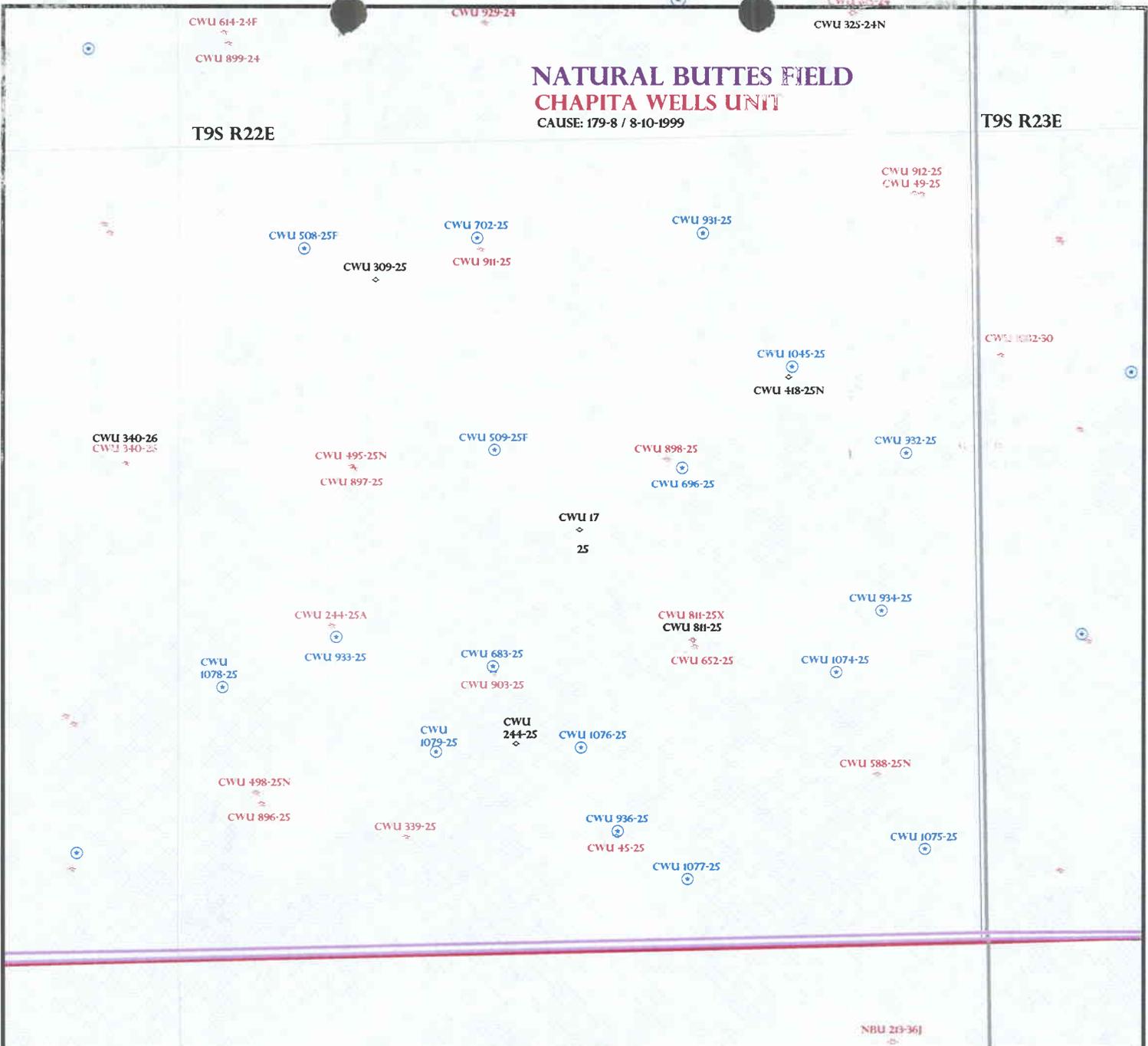
*1- Federal Approval*  
*2-OIL SHALE*

# NATURAL BUTTES FIELD CHAPITA WELLS UNIT

CAUSE: 179-8 / 8-10-1999

T9S R22E

T9S R23E



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 25 T.9S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

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

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

**Wells Status**

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



PREPARED BY: DIANA MASON  
DATE: 11-APRIL-2007



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 11, 2007

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

Re: Chapita Wells Unit 1075-25 Well, 627' FSL, 412' FEL, SE SE, Sec. 25,  
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 43-047-39186.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: EOG Resources, Inc.  
Well Name & Number Chapita Wells Unit 1075-25  
API Number: 43-047-39186  
Lease: U-010956

Location: SE SE Sec. 25 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 with 24 hours of spudding the well.

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

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

- Contact Dustin Doucet at (801) 538-5281 office  
(801) 733-0983 home

##### 3. Reporting Requirements

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

4. 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.

RECEIVED  
VERNAL FIELD OFFICE

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

2007 MAR 29 PM 2:51

Lease Serial No.  
U-010956

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If <del>Lease</del> or CA Agreement, Name and No. <b>Chapita Wells Unit</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		8. Lease Name and Well No. <b>Chapita Wells Unit 1075-25</b>	
2. Name of Operator <b>EOG Resources, Inc</b>		9. API Well No. <b>43109739186</b>	
3a. Address <b>1060 East Highway 40 Vernal, UT 84078</b>	3b. Phone No. (include area code) <b>435-781-9111</b>	10. Field and Pool, or Exploratory <b>Natural Buttes/Mesaverde</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>627 FSL 412 FEL (SESE) 40.001461 Lat 109.380392 Lon</b> At proposed prod. zone <b>Same</b>		11. Sec., T, R, M. or Blk. and Survey or Area <b>Section 25, T9S, R22E S.L.B.&amp;M</b>	
14. Distance in miles and direction from nearest town or post office* <b>51.9 Miles South of Vernal, UT</b>		12. County or Parish <b>Uintah</b>	13. State <b>UT</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>412 Lease Line</b>	16. No. of acres in lease <b>320</b>	17. Spacing Unit dedicated to this well <b>Suspended</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>8900</b>	20. BLM/BIA Bond No. on file <b>NM 2308</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5066 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>03/22/2007</b>
Title <b>Sr. Regulatory Assistant</b>		

Approved by (Signature) 	Name (Printed Typed) <b>Terry Kovacs</b>	Date <b>11-13-2007</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.

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

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

NOV 19 2007

DIV. OF OIL, GAS & MINING

NOS 10/12/05  
06BM 2456A



**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**

<b>Company:</b>	<b>EOG Resources</b>	<b>Location:</b>	<b>SESE, Sec 25, T9S, R22E</b>
<b>Well No:</b>	<b>CWU 1075-25</b>	<b>Lease No:</b>	<b>UTU-010956</b>
<b>API No:</b>	<b>43-047-39186</b>	<b>Agreement:</b>	<b>Chapita Wells Unit</b>

<b>Title</b>	<b>Name</b>	<b>Office Phone Number</b>	<b>Cell Phone Number</b>
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

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

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

**NOTIFICATION REQUIREMENTS**

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

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

**General Surface COAs:**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**Specific Surface COAs:**

- The following conditions are not in the APD:
- The location was moved approximately 150 ft Northeast to stay out of drainage (May need to resubmit new maps, and the APD front page).
- Double the felt for the pit liner and add Poly swell to the pit before lining it.
- Round the corners of the location as much as possible to keep the excess dirt out of drainage.
- Would not approve additional footages for the well pad.
- Will need one 60' x 18" culvert at the approach of the access road and main road.

### **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**

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- COA specification is consistent with operators performance standard stated in APD.
- 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.

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

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

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

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

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

#### **OPERATING REQUIREMENT REMINDERS:**

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

a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
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.  
UTU010956

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1075-25

9. API Well No.  
43-047-39186

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
EOG RESOURCES INC  
Contact: MARY A MAESTAS  
E-Mail: mary\_maestas@eogresources.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 25 T9S R22E SESE 627FSL 412FEL  
40.00146 N Lat, 109.38039 W Lon

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

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

From: 8900'  
To: 9060'

Approved by me  
Utah Division of  
Oil, Gas and Mining

Attached is a revised drilling plan.

Federal Approval of this  
Action is Necessary

Date: 11-27-07  
By: *[Signature]*

RECEIVED  
NOV 23 2007  
DIV. OF OIL, GAS & MINING

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

Electronic Submission #57145 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 *[Signature]*

Date 11/14/2007

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 \*\*

COPY SENT TO OPERATOR  
Date: 11/28/2007  
initial: *[Initials]*

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,434		Shale	
Wasatch	4,446		Sandstone	
Chapita Wells	5,004		Sandstone	
Buck Canyon	5,706		Sandstone	
North Horn	6,376		Sandstone	
KMV Price River	6,651	Primary	Sandstone	Gas
KMV Price River Middle	7,544	Primary	Sandstone	Gas
KMV Price River Lower	8,330	Primary	Sandstone	Gas
Sego	8,859		Sandstone	
<b>TD</b>	<b>9,060</b>			

Estimated TD: 9,060' or 200'± below Segoe top

**Anticipated BHP: 4,947 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:**

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 1/2"	0 – 45'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 1/4"	0 – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface± – TD	4-1/2"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

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

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**7. VARIANCE REQUESTS:**

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**8. EVALUATION PROGRAM:**

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

**9. CEMENT PROGRAM:**

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

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

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

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

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

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

**Lead:** 120 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:** 900 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 (Dispasant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1075-25**  
**SE/SE, SEC. 25, T9S, R22E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

(Attachment: BOP Schematic Diagram)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

U-010956

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Chapita Wells Unit

8. WELL NAME and NUMBER:

Chapita Wells Unit 1075-25

9. API NUMBER:

43-047-39186

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

2. NAME OF OPERATOR:  
EOG RESOURCES, INC.

3. ADDRESS OF OPERATOR:  
1060 East Highway 40 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:  
(435) 789-0790

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 627 FSL - 412 FEL 40.001461 LAT 109.380392 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 9S 22E S.L.B. & M

STATE: UTAH

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

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

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

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 04-14-08  
By: 

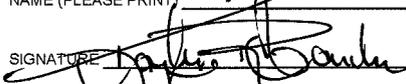
RECEIVED

APR 10 2008

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Kaylene R. Gardner

TITLE Lead Regulatory Assistant

SIGNATURE 

DATE 4/4/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 4-15-2008

Initials: KS

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

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

**API:** 43-047-39186  
**Well Name:** Chapita Wells Unit 1075-25E  
**Location:** 627 FSL - 412 FEL (SESE), SECTION 25, T9S, R22E S.L.B.&M  
**Company Permit Issued to:** EOG RESOURCES, INC.  
**Date Original Permit Issued:** 4/11/2007

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

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

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

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

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

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

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

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

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

  
Signature

4/4/2008

Date

Title: Lead Regulatory Assistant

Representing: EOG Resources, Inc.

RECEIVED

APR 10 2008

DIV. OF OIL, GAS & MINING

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1075-25

Api No: 43-047-39186 Lease Type: FEDERAL

Section 25 Township 09S Range 22E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

**SPUDDED:**

Date 10/14/08

Time 7:30 AM

How DRY

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

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 10/14//08 Signed CHD

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39186	CHAPITA WELLS UNIT 1075-25		SESE	25	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>KB</u>	99999	<u>13650</u>	10/14/2008		<u>10/21/08</u>		
Comments: <u>MESAVERDE</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39654	CHAPITA WELLS UNIT 1020-15		NWSE	15	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>KB</u>	99999	<u>13650</u>	10/11/2008		<u>10/21/08</u>		
Comments: <u>MESAVERDE</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39678	CHAPITA WELLS UNIT 1081-25		SWSW	25	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>KB</u>	99999	<u>13650</u>	10/11/2008		<u>10/21/08</u>		
Comments: <u>MESAVERDE</u>							

ACTION CODES:

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

Mickenzie Thacker

Name (Please Print)

Signature

Operations Clerk

Title

10/14/2008

Date

(5/2000)

RECEIVED  
OCT 15 2008

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU010956

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1075-25

9. API Well No.  
43-047-39186

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 25 T9S R22E SESE 627FSL 412FEL  
40.00146 N Lat, 109.38039 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 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 was spud on 10/14/2008.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #63864 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 10/15/2008

**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 20 2008**  
**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU010956

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 1075-25

9. API Well No.  
43-047-39186

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: MICKENZIE THACKER  
E-Mail: MICKENZIE\_THACKER@EOGRESOURCES.COM

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 25 T9S R22E SESE 627FSL 412FEL  
40.00146 N Lat, 109.38039 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 Drilling Operations
	<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.)

Completion operations are scheduled to begin on or about 2/16/2009.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #66690 verified by the BLM Well Information System  
For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 01/27/2009

**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**  
**JAN 29 2009**  
DIV. OF OIL, GAS & MINING

## WELL CHRONOLOGY REPORT

Report Generated On: 01-27-2009

<b>Well Name</b>	CWU 1075-25	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-39186	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	01-10-2009	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,060/ 9,060	<b>Property #</b>	057444
<b>Water Depth</b>	0	<b>Last CSG</b>	4.5	<b>Shoe TVD / MD</b>	9,035/ 9,035
<b>KB / GL Elev</b>	5,077/ 5,064				
<b>Location</b>	Section 25, T9S, R22E, SESE, 627 FSL & 412 FEL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	55.686	<b>NRI %</b>	47.671

<b>AFE No</b>	303556	<b>AFE Total</b>	1,751,900	<b>DHC / CWC</b>	880,700/ 871,200
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	04-18-2007
<b>04-18-2007</b>	<b>Reported By</b>	SHARON CAUDILL			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA 627' FSL & 412' FEL (SE/SE) SECTION 25, T9S, R22E UINTAH COUNTY, UTAH  LAT 40.001461, LONG 109.380392 (NAD 83) LAT 40.001494, LONG 109.379711 (NAD 27)  TRUE #27 OBJECTIVE: 9060' TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A: CHAPITA DEEP NATURAL BUTTES FIELD  LEASE: U-010956 ELEVATION: 5065.9.4' NAT GL, 5063.8' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 5064') 5077' KB (13')  EOG WI 55.6856%, NRI 47.67131%

**09-30-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CONSTRUCTION OF LOCATION STARTED.

**10-01-2008      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 5% COMPLETE.

**10-02-2008      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

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

**10-03-2008      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 25% COMPLETE.

**10-06-2008      Reported By      TERRY CSERE**

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

**Activity at Report Time:** BUILD LOCATION

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

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

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<b>MD</b>	0	<b>TV D</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	DRILLING ROCK.

10-08-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<b>MD</b>	0	<b>TV D</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	DRILLING ROCK.

10-09-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<b>MD</b>	0	<b>TV D</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 FRIDAY.

10-10-2008 Reported By BYRON TOLMAN

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<b>MD</b>	0	<b>TV D</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.

10-13-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<b>MD</b>	0	<b>TV D</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.

10-14-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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 WEDNESDAY.

10-15-2008 Reported By JERRY BARNES

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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: SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 10/14/08 @ 7:30 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 10/14/08 @ 6:00 AM.

LINER TODAY.

10-16-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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: LOCATION COMPLETE

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

10-28-2008 Reported By BRIAN ROW

<b>DailyCosts: Drilling</b>	\$291,971	<b>Completion</b>	\$0	<b>Daily Total</b>	\$291,971
<b>Cum Costs: Drilling</b>	\$366,971	<b>Completion</b>	\$0	<b>Well Total</b>	\$366,971
<b>MD</b>	2,437	<b>TVD</b>	2,437	<b>Progress</b>	0
<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #3 ON 10/21/08. DRILLED 12-1/4" HOLE TO 2424' GL (2437 KB). ENCOUNTERED WATER @ 365'. FLUID DRILLED HOLE FROM 460'. LOST RETURNS @ 1100'. RAN 57 ITS (2416.25') 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 @ 2429' KB. RDMO CRAIGS RIG #3.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1605 PSIG. PUMPED 237 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (84 BBLs) OF PREMIUM CEMENT W/2% CALC2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX.

DISPLACED CEMENT W/184 BBLs FRESH WATER. BUMPED PLUG W/700# @ 8:19 P.M., 10/25/2008. CHECKED FLOAT, FLOAT DID NOT HOLD. SHUT IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 100 SX (21 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 9 HRS 48 MINUTES. RDMO HALLIBURTON CEMENTERS.

TOP JOB #2: MIRU HALLIBURTON CEMENTERS. MIXED & PUMPED 100 SX (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 31 MINUTES.

TOP JOB #3: MIXED & PUMPED 100 SX (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 57 MINUTES.

TOP JOB #4: MIXED & PUMPED 100 SX (21 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

CRAIGS RIG #3 TOOK SURVEYS WHILE DRILLING HOLE @ 1548'-2.0 DEGREE & 2400'-3.25 DEGREE.

CONDUCTOR LEVEL RECORD: PS= 89.6 OPS= 89.9 VDS= 89.9 MS= 90.0.

9 5/8 CASING LEVEL RECORD: PS= 89.8 OPS= 89.8 VDS= 89.9 MS= 89.8.

BRIAN ROW EMAILED BLM OF THE SURFACE CASING & CEMENT JOB ON 10/22/08 @ 7:30 AM.

01-09-2009		Reported By		PAT CLARK							
<b>Daily Costs: Drilling</b>	\$24,957	<b>Completion</b>	\$0	<b>Daily Total</b>	\$24,957						
<b>Cum Costs: Drilling</b>	\$391,928	<b>Completion</b>	\$0	<b>Well Total</b>	\$391,928						
<b>MD</b>	2,437	<b>TVD</b>	2,437	<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>						
<b>Activity at Report Time: RURT</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	17:00	11.0	MIRURT. RW JONES MOVED RIG 28 MILES W/14 TRUCKS, FORKLIFT. GOT SUB SET, DERRICK ON FLOOR, GENERATOR RUNNING. MOVE 65% COMPLETE. TRUCKS STOPPED @ 17:00, WILL RESUME @ 07:00.								
17:00	06:00	13.0	WAIT ON TRUCKS, WORK ON RIG. FULL CREWS, NO ACCIDENTS, HSM W/RW JONES TRUCKING AND RIG CREW. ETA SPUD - 22:00 - 01/09/09 FUEL - 1300 GALS, USED - 100.								

01-10-2009		Reported By		PAT CLARK							
<b>Daily Costs: Drilling</b>	\$44,236	<b>Completion</b>	\$0	<b>Daily Total</b>	\$44,236						
<b>Cum Costs: Drilling</b>	\$436,164	<b>Completion</b>	\$0	<b>Well Total</b>	\$436,164						
<b>MD</b>	2,437	<b>TVD</b>	2,437	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	8.4	<b>Visc</b>	28.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILL 9 5/8" SHOE TRACK</b>											

Start	End	Hrs	Activity Description
06:00	07:00	1.0	WAIT ON TRUCKS, WORK ON RIG.
07:00	16:00	9.0	HSM, RURT. RW JONES HAD 5 TRUCKS, 1 FORKLIFT. DERRICK IN AIR @ 09:30. TRUCKS RELEASED @ 11:00.
16:00	17:00	1.0	NU BOP. RIG ON DAYWORK @ 16:00 HRS, 1/09/09.
17:00	23:00	6.0	HSM. TEST BOP. TEST HIGH 5000 PSI UPPER AND LOWER KELLY VALVES, SAFETY VALVE, DART VALVE, PIPE AND BLIND RAMS, KILL LINE, MANIFOLD AND VALVES. TEST ANNULAR TO 2500 PSI, CASING TO 1500 PSI F/ 30 MINUTES. R/D TESTER.
23:00	23:30	0.5	INSTALL WEAR BUSHING
23:30	05:00	5.5	HSM. R/U WEATHERFORD TRS, P/U BHA. TAG CEMENT @ 2370'. R/D TRS.
05:00	05:30	0.5	RIG SERVICE. FUNCTION COM.
05:30	06:00	0.5	INSTALL ROT RUBBER AND DRIVE BUSHINGS.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - RURT, P/U BHA.  
 FUEL - 5984, DEL - 4400, USED - 416.  
 UNMANNED ML UNIT - RIGGED UP AND OPERATIONAL - 1 DAY.

<b>01-11-2009</b>		<b>Reported By</b>	PAT CLARK								
<b>Daily Costs: Drilling</b>	\$38,736	<b>Completion</b>	\$0	<b>Daily Total</b>	\$38,736						
<b>Cum Costs: Drilling</b>	\$474,900	<b>Completion</b>	\$0	<b>Well Total</b>	\$474,900						
<b>MD</b>	4,590	<b>TVD</b>	4,590	<b>Progress</b>	2,140	<b>Days</b>	1	<b>MW</b>	8.6	<b>Visc</b>	28.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 4590'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL CEMENT/FLOAT EQUIP TO 2450'. DRILL 10' FORMATION TO 2460'.
07:30	08:00	0.5	PERFORM FIT TO 269 PSI FOR 10.5 EMW.
08:00	15:00	7.0	DRILL 2460' - 3222'. WOB 5-15K, RPM 55/69, SPP 1150 PSI, DP 400 PSI, ROP 127 FPH.
15:00	16:30	1.5	TOH - FLOAT STUCK OPEN.
16:30	17:30	1.0	X/O FLOAT, TIH.
17:30	03:00	9.5	DRILL 3222' - 4415'. SAME PARAMETERS, ROP 126 FPH.
03:00	03:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
03:30	06:00	2.5	DRILL 4415' - 4590'. SAME PARAMETERS, ROP 70 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - PINCH POINTS, TRIP HAZARDS.  
 FUEL - 4637, USED - 1347.  
 CURRENT MW - 9.6 PPG, VIS - 32 SPQ.  
 WASATCH @ 4576'.  
 UNMANNED ML UNIT - 2 DAYS.  
 SURVEYS - 2760' - 2.5 DEG, 3426' - 3.28 DEG, 4336' - 3.41 DEG.

06:00

SPUD 7 7/8" HOLE W/ROTARY TOOLS @ 08:00 HRS, 1/10/09.

<b>01-12-2009</b>		<b>Reported By</b>	PAT CLARK						
<b>Daily Costs: Drilling</b>	\$36,086	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,086				

**Cum Costs: Drilling** \$510,987      **Completion** \$0      **Well Total** \$510,987  
**MD** 6,025    **TVD** 6,025    **Progress** 1,435    **Days** 2    **MW** 9.5    **Visc** 35.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** DRILLING @ 6025'

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 4590' - 5013'. WOB 12-22K, RPM 50-60/69, SPP 1600 PSI, DP 300 PSI, ROP 60 FPH.
13:00	13:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
13:30	06:00	16.5	DRILL 5013' - 6025'. SAME PARAMETERS, ROP 61 FPH.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS - 100% TIE-OFF, STEAM.

FUEL - 2019, USED - 2618.

CURRENT MW - 9.9 PPG, VIS - 34 SPQ.

CHAPITA WELLS @ 5012'.

UNMANNED ML UNIT - 3 DAYS.

**01-13-2009**      **Reported By**      PAT CLARK

**Daily Costs: Drilling** \$47,345      **Completion** \$0      **Daily Total** \$47,345  
**Cum Costs: Drilling** \$558,332      **Completion** \$0      **Well Total** \$558,332  
**MD** 7,270    **TVD** 7,270    **Progress** 1,245    **Days** 3    **MW** 9.7    **Visc** 35.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** DRILLING @ 7270'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 6025' - 6420'. WOB 15-22K, RPM 55-60/69, SPP 1800 PSI, DP 300 PSI, ROP 53 FPH.
13:30	14:00	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
14:00	06:00	16.0	DRILL 6420' - 7270'. SAME PARAMETERS, ROP 53 FPH.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS - PPE, WIRE ROPE INSPECTION.

FUEL - 4563, USED - 1956.

CURRENT MW - 10.1 PPG, VIS - 35 SPQ.

PRICE RIVER @ 6654'.

UNMANNED ML UNIT - 4 DAYS.

**01-14-2009**      **Reported By**      PAT CLARK

**Daily Costs: Drilling** \$104,160      **Completion** \$0      **Daily Total** \$104,160  
**Cum Costs: Drilling** \$662,493      **Completion** \$0      **Well Total** \$662,493  
**MD** 8,212    **TVD** 8,212    **Progress** 942    **Days** 4    **MW** 10.0    **Visc** 36.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

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

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 7270' - 7649'. WOB 15-20K, RPM 50-60/69, SPP 1800 PSI, DP 400 PSI, ROP 54 FPH.
13:00	13:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
13:30	05:30	16.0	DRILL 7649' - 8212'. SAME PARAMETERS, ROP 35 FPH.
05:30	06:00	0.5	CIRCULATE BOTTOMS UP, PUMP PILL, DROP SURVEY FOR BIT TRIP.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – ELECTRICITY, SPINNING CHAIN.  
 FUEL – 2169, USED – 2394.  
 CURRENT MW – 10.6 PPG, VIS – 35 SPQ.  
 MIDDLE PRICE RIVER – 7552'.  
 UNMANNED ML UNIT – 5 DAYS.

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<b>01-15-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$55,144	<b>Completion</b>	\$0	<b>Daily Total</b>	\$55,144						
<b>Cum Costs: Drilling</b>	\$717,637	<b>Completion</b>	\$0	<b>Well Total</b>	\$717,637						
<b>MD</b>	8,690	<b>TVD</b>	8,690	<b>Progress</b>	478	<b>Days</b>	5	<b>MW</b>	10.6	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							
<b>Activity at Report Time: TFNB #3</b>											

Start	End	Hrs	Activity Description
06:00	11:00	5.0	TOH, X/O MM, BIT, L/D REAMERS. RECOVER SURVEY – 2.04 DEG. FUNCTION PIPE AND BLIND RAMS.
11:00	15:30	4.5	TIH. FILL PIPE @ 4400'.
15:30	16:30	1.0	RIG SERVICE. CHECK COM, FUNCTION ANNULAR, ADJUST HYDROMATIC.
16:30	05:30	13.0	DRILL 8212' – 8690'. WOB 15-22K, RPM 50-60/69, SPP 2100 PSI, DP 350 PSI, ROP 37 FPH.
05:30	06:00	0.5	CIRCULATE FOR BIT TRIP, MIX PILL.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – TRIPPING, LIFTING.  
 FUEL – 5086, USED – 1583, DEL – 4279.  
 CURRENT MW – 11.1 PPG, VIS – 35 SPQ.  
 LOWER PRICE RIVER @ 8338'.  
 UNMANNED ML UNIT – 6 DAYS.

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<b>01-16-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$51,638	<b>Completion</b>	\$0	<b>Daily Total</b>	\$51,638						
<b>Cum Costs: Drilling</b>	\$769,276	<b>Completion</b>	\$0	<b>Well Total</b>	\$769,276						
<b>MD</b>	9,025	<b>TVD</b>	9,025	<b>Progress</b>	335	<b>Days</b>	6	<b>MW</b>	10.9	<b>Visc</b>	35.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							
<b>Activity at Report Time: DRILLING @ 9025'</b>											

Start	End	Hrs	Activity Description
06:00	11:00	5.0	TOH. X/O MM, BIT. RECOVER SURVEY – MISRUN.
11:00	16:30	5.5	TIH. FILL PIPE @ 4400'.
16:30	17:30	1.0	WASH AND REAM 90' TO BOTTOM.
17:30	06:00	12.5	DRILL 8690' – 9025'. WOB 5-20K, RPM 50-60/64, SPP 1900 PSI, DP 200 PSI, ROP 27 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS – LOCKOUT/TAGOUT, PPE, TRIPPING.  
 FUEL – 3441, USED – 1645.  
 CURRENT MW – 11.1 PPG, VIS – 34 SPQ.  
 SEGO @ 8864'.

## UNMANNED ML UNIT - 7 DAYS.

<b>01-17-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$52,460	<b>Completion</b>	\$193,620	<b>Daily Total</b>	\$246,080						
<b>Cum Costs: Drilling</b>	\$821,736	<b>Completion</b>	\$193,620	<b>Well Total</b>	\$1,015,356						
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	35	<b>Days</b>	7	<b>MW</b>	11.0	<b>Visc</b>	34.0
<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	DRILL 9025' - 9060'. WOB 18K, RPM 55/64, SPP 2000 PSI, DP 250 PSI, ROP 35 FPH. REACHED TD @ 07:00 HRS, 1/16/09.
07:00	08:00	1.0	CIRCULATE BOTTOMS UP.
08:00	08:30	0.5	SHORT TRIP.
08:30	10:00	1.5	CIRCULATE AND CONDITION MUD. HSM, R/U WEATHERFORD TRS TO LDDP. PUMP PILL.
10:00	17:30	7.5	LDDP. BREAK KELLY, L/D BHA.
17:30	00:00	6.5	HSM. R/U TO RUN CSG. RUN 4 1/2", 11.6#, N-80, LTC CASING AS FOLLOWS: FS @ 9034', 1 JT CSG, FC @ 8991', 68 JTS CSG, MJ @ 6217', 54 JTS CSG, MJ @ 3992', 98 JTS CSG (221 TOTAL). P/U JT # 222, TAG BOTTOM @ 9060'. L/D JT # 222, P/U LJ, HANGER, PUP, LAND WELL W/62,000 #.
00:00	01:30	1.5	HSM. R/U SCHLUMBERGER. CIRCULATE AND CONDITION F/CEMENT.
01:30	03:30	2.0	HSM. CEMENT WELL AS FOLLOWS . PRESSURE TEST TO 5000 PSI. DROP BOTTOM PLUG, MIX AND PUMP CEMENT AS FOLLOWS: 20 BBLS CHEM WASH, 20 BBLS WATER, 350 SX (123 BBLS, 693 CU/FT) LEAD 35/65 POZ G, 1.98 YLD, 10.948 GAL/SK H2O @ 12.5 PPG.MIX AND PUMP 1510 SX (347 BBLS, 1948 CU/FT) TAIL 50/50 POZ "G", 1.29 YLD, 5.979 GAL/SK H2O @ 14.1 PPG. DROPPED TOP PLUG AND DISPLACED W/ 140 BBLS WATER. MAX PRESSURE 2612 PSI, BUMPED PLUG TO 3569 PSI. BLEED BACK 2 BBL, FLOATS HELD. R/D CEMENTERS.
03:30	06:00	2.5	PACK OFF AND TEST CSG HEAD. NDBOP, CLEAN TANKS.
			RW JONES TRUCKING TO MOVE RIG 4.5 MILES TO CWU 1350-27 @ 08:30. TRANSFER 8 JTS 4 1/2", 11.6#, N-80, LTC CSG (326.01') TO CWU 1350-27. TRANSFER (2) 4 1/2", 11.6#, P110, LTC MJ (42.14') TO NEW WELL. TRANSFER 2000 GALS BLENDED DIESEL FUEL @ \$2.318/GAL TO NEW WELL. FUEL - 2000 GALS, USED 1441 GALS. UNMANNED ML RELEASED ON 1-16-09 - 8 DAYS.
06:00			RIG RELEASED @ 06:00 HRS, 1/17/09. CASING POINT COST \$801,513

<b>01-21-2009</b>	<b>Reported By</b>	SEARLE									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$29,500	<b>Daily Total</b>	\$29,500						
<b>Cum Costs: Drilling</b>	\$821,736	<b>Completion</b>	\$223,120	<b>Well Total</b>	\$1,044,856						
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	0	<b>Days</b>	8	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 8991.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
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06:00

MIRU LONE WOLF. LOG WITH CBL/CCL/VDL/GR FROM PBTD TO 800'. EST CEMENT TOP @ 1300'. RD LONE WOLF.

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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.  
UTU010956

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1075-25

9. API Well No.  
43-047-39186

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
EOG RESOURCES, INC. Contact: MARY A. MAESTAS  
E-Mail: mary\_maestas@eogresources.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 25 T9S R22E SESE 627FSL 412FEL  
40.00146 N Lat, 109.38039 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	Production Start-up
	<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 2/21/2009. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #67594 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal**

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

Signature *Mary A. Maestas* Date 02/25/2009

**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 02 2009**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 02-25-2009

<b>Well Name</b>	CWU 1075-25	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-39186	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	01-10-2009	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,060/ 9,060	<b>Property #</b>	057444
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	7,513/ 7,513
<b>KB / GL Elev</b>	5,077/ 5,064				
<b>Location</b>	Section 25, T9S, R22E, SESE, 627 FSL & 412 FEL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	55.686	<b>NRI %</b>	47.671
<b>AFE No</b>	303556	<b>AFE Total</b>	1,751,900	<b>DHC / CWC</b>	880,700/ 871,200
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	04-18-2007
<b>04-18-2007</b>	<b>Reported By</b>	SHARON CAUDILL			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time: LOCATION DATA**

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			627' FSL & 412' FEL (SE/SE)
			SECTION 25, T9S, R22E
			UINTAH COUNTY, UTAH
			 LAT 40.001461, LONG 109.380392 (NAD 83)
			LAT 40.001494, LONG 109.379711 (NAD 27)
			 TRUE #27
			OBJECTIVE: 9060' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			NATURAL BUTTES FIELD
			 LEASE: U-010956
			ELEVATION: 5065.9.4' NAT GL, 5063.8' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 5064') 5077' KB (13')
			 EOG WI 55.6856%, NRI 47.67131%

09-30-2008      Reported By      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CONSTRUCTION OF LOCATION STARTED.

**10-01-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 5% COMPLETE.

**10-02-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**10-03-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 25% COMPLETE.

**10-06-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

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

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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	DRILLING ROCK.

10-08-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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	DRILLING ROCK.

10-09-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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 FRIDAY.

10-10-2008 Reported By BYRON TOLMAN

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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.

10-13-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000
<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.

10-14-2008 Reported By TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000						
<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 WEDNESDAY.

10-15-2008      Reported By      JERRY BARNES

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000						
<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: SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 10/14/08 @ 7:30 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 10/14/08 @ 6:00 AM.

LINER TODAY.

10-16-2008      Reported By      TERRY CSERE

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0						
<b>Cum Costs: Drilling</b>	\$75,000	<b>Completion</b>	\$0	<b>Well Total</b>	\$75,000						
<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: LOCATION COMPLETE

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

10-28-2008      Reported By      BRIAN ROW

<b>DailyCosts: Drilling</b>	\$291,971	<b>Completion</b>	\$0	<b>Daily Total</b>	\$291,971						
<b>Cum Costs: Drilling</b>	\$366,971	<b>Completion</b>	\$0	<b>Well Total</b>	\$366,971						
<b>MD</b>	2,437	<b>TVD</b>	2,437	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #3 ON 10/21/08. DRILLED 12-1/4" HOLE TO 2424' GL (2437 KB). ENCOUNTERED WATER @ 365'. FLUID DRILLED HOLE FROM 460'. LOST RETURNS @ 1100'. RAN 57 JTS (2416.25") 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 @ 2429' KB. RDMO CRAIGS RIG #3.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1605 PSIG, PUMPED 237 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (84 BBLS) OF PREMIUM CEMENT W/2% CALC2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX.

DISPLACED CEMENT W/184 BBLS FRESH WATER. BUMPED PLUG W/700# @ 8:19 P.M., 10/25/2008. CHECKED FLOAT, FLOAT DID NOT HOLD. SHUT IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 9 HRS 48 MINUTES. RDMO HALLIBURTON CEMENTERS.

TOP JOB #2: MIRU HALLIBURTON CEMENTERS. MIXED & PUMPED 100 SX (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 31 MINUTES.

TOP JOB #3: MIXED & PUMPED 100 SX (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 57 MINUTES.

TOP JOB #4: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YEILD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

CRAIGS RIG #3 TOOK SURVEYS WHILE DRILLING HOLE @ 1548'-2.0 DEGREE & 2400'-3.25 DEGREE.

CONDUCTOR LEVEL RECORD: PS= 89.6 OPS= 89.9 VDS= 89.9 MS= 90.0.

9 5/8 CASING LEVEL RECORD: PS= 89.8 OPS= 89.8 VDS= 89.9 MS= 89.8.

BRIAN ROW EMAILED BLM OF THE SURFACE CASING & CEMENT JOB ON 10/22/08 @ 7:30 AM.

01-09-2009		Reported By		PAT CLARK							
<b>Daily Costs: Drilling</b>		\$24,957	<b>Completion</b>		\$0	<b>Daily Total</b>		\$24,957			
<b>Cum Costs: Drilling</b>		\$391,928	<b>Completion</b>		\$0	<b>Well Total</b>		\$391,928			
<b>MD</b>	2,437	<b>TVD</b>	2,437	<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>		
<b>Activity at Report Time: RURT</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	17:00	11.0	MIRURT. RW JONES MOVED RIG 28 MILES W/14 TRUCKS, FORKLIFT. GOT SUB SET, DERRICK ON FLOOR, GENERATOR RUNNING. MOVE 65% COMPLETE. TRUCKS STOPPED @ 17:00, WILL RESUME @ 07:00.								
17:00	06:00	13.0	WAIT ON TRUCKS, WORK ON RIG. FULL CREWS, NO ACCIDENTS, HSM W/RW JONES TRUCKING AND RIG CREW. ETA SPUD - 22:00 --01/09/09 FUEL - 1300 GALS, USED - 100.								

01-10-2009		Reported By		PAT CLARK							
<b>Daily Costs: Drilling</b>		\$44,236	<b>Completion</b>		\$0	<b>Daily Total</b>		\$44,236			
<b>Cum Costs: Drilling</b>		\$436,164	<b>Completion</b>		\$0	<b>Well Total</b>		\$436,164			
<b>MD</b>	2,437	<b>TVD</b>	2,437	<b>Progress</b>	0	<b>Days</b>	0	<b>MW</b>	8.4	<b>Visc</b>	28.0
<b>Formation :</b>			<b>PBTD : 0.0</b>			<b>Perf :</b>			<b>PKR Depth : 0.0</b>		
<b>Activity at Report Time: DRILL 9 5/8" SHOE TRACK</b>											

Start	End	Hrs	Activity Description
06:00	07:00	1.0	WAIT ON TRUCKS, WORK ON RIG.
07:00	16:00	9.0	HSM, RURT. RW JONES HAD 5 TRUCKS, 1 FORKLIFT. DERRICK IN AIR @ 09:30. TRUCKS RELEASED @ 11:00.
16:00	17:00	1.0	NU BOP. RIG ON DAYWORK @ 16:00 HRS, 1/09/09.
17:00	23:00	6.0	HSM. TEST BOP. TEST HIGH 5000 PSI UPPER AND LOWER KELLY VALVES, SAFETY VALVE, DART VALVE, PIPE AND BLIND RAMS, KILL LINE, MANIFOLD AND VALVES. TEST ANNULAR TO 2500 PSI, CASING TO 1500 PSI F/ 30 MINUTES. R/D TESTER.
23:00	23:30	0.5	INSTALL WEAR BUSHING
23:30	05:00	5.5	HSM. R/U WEATHERFORD TRS, P/U BHA. TAG CEMENT @ 2370'. R/D TRS.
05:00	05:30	0.5	RIG SERVICE. FUNCTION COM.
05:30	06:00	0.5	INSTALL ROT RUBBER AND DRIVE BUSHINGS.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - RURT, P/U BHA.  
 FUEL - 5984, DEL - 4400, USED - 416.  
 UNMANNED ML UNIT - RIGGED UP AND OPERATIONAL - 1 DAY.

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<b>01-11-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>DailyCosts: Drilling</b>	\$38,736	<b>Completion</b>	\$0	<b>Daily Total</b>	\$38,736						
<b>Cum Costs: Drilling</b>	\$474,900	<b>Completion</b>	\$0	<b>Well Total</b>	\$474,900						
<b>MD</b>	4,590	<b>TVD</b>	4,590	<b>Progress</b>	2,140	<b>Days</b>	1	<b>MW</b>	8.6	<b>Visc</b>	28.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 4590'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL CEMENT/FLOAT EQUIP TO 2450'. DRILL 10' FORMATION TO 2460'.
07:30	08:00	0.5	PERFORM FIT TO 269 PSI FOR 10.5 EMW.
08:00	15:00	7.0	DRILL 2460' - 3222'. WOB 5-15K, RPM 55/69, SPP 1150 PSI, DP 400 PSI, ROP 127 FPH.
15:00	16:30	1.5	TOH - FLOAT STUCK OPEN.
16:30	17:30	1.0	X/O FLOAT, TH.
17:30	03:00	9.5	DRILL 3222' - 4415'. SAME PARAMETERS, ROP 126 FPH.
03:00	03:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
03:30	06:00	2.5	DRILL 4415' - 4590'. SAME PARAMETERS, ROP 70 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - PINCH POINTS, TRIP HAZARDS.  
 FUEL - 4637, USED - 1347.  
 CURRENT MW - 9.6 PPG, VIS - 32 SPQ.  
 WASATCH @ 4576'.  
 UNMANNED ML UNIT - 2 DAYS.  
 SURVEYS - 2760' - 2.5 DEG, 3426' - 3.28 DEG, 4336' - 3.41 DEG.

06:00

SPUD 7 7/8" HOLE W/ROTARY TOOLS @ 08:00 HRS, 1/10/09.

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<b>01-12-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>DailyCosts: Drilling</b>	\$36,086	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,086						

**Cum Costs: Drilling** \$510,987      **Completion** \$0      **Well Total** \$510,987  
**MD** 6,025    **TVD** 6,025    **Progress** 1,435    **Days** 2    **MW** 9.5    **Visc** 35.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**  
**Activity at Report Time:** DRILLING @ 6025'

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 4590' - 5013'. WOB 12-22K, RPM 50-60/69, SPP 1600 PSI, DP 300 PSI, ROP 60 FPH.
13:00	13:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
13:30	06:00	16.5	DRILL 5013' - 6025'. SAME PARAMETERS, ROP 61 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - 100% TIE-OFF, STEAM.  
 FUEL - 2019, USED - 2618.  
 CURRENT MW - 9.9 PPG, VIS - 34 SPQ.  
 CHAPITA WELLS @ 5012'.  
 UNMANNED ML UNIT - 3 DAYS.

**01-13-2009**      **Reported By**      PAT CLARK

**Daily Costs: Drilling** \$47,345      **Completion** \$0      **Daily Total** \$47,345  
**Cum Costs: Drilling** \$558,332      **Completion** \$0      **Well Total** \$558,332  
**MD** 7,270    **TVD** 7,270    **Progress** 1,245    **Days** 3    **MW** 9.7    **Visc** 35.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**  
**Activity at Report Time:** DRILLING @ 7270'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 6025' - 6420'. WOB 15-22K, RPM 55-60/69, SPP 1800 PSI, DP 300 PSI, ROP 53 FPH.
13:30	14:00	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
14:00	06:00	16.0	DRILL 6420' - 7270'. SAME PARAMETERS, ROP 53 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - PPE, WIRE ROPE INSPECTION.  
 FUEL - 4563, USED - 1956.  
 CURRENT MW - 10.1 PPG, VIS - 35 SPQ.  
 PRICE RIVER @ 6654'.  
 UNMANNED ML UNIT - 4 DAYS.

**01-14-2009**      **Reported By**      PAT CLARK

**Daily Costs: Drilling** \$104,160      **Completion** \$0      **Daily Total** \$104,160  
**Cum Costs: Drilling** \$662,493      **Completion** \$0      **Well Total** \$662,493  
**MD** 8,212    **TVD** 8,212    **Progress** 942    **Days** 4    **MW** 10.0    **Visc** 36.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**  
**Activity at Report Time:** PREP TO TOH

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 7270' - 7649'. WOB 15-20K, RPM 50-60/69, SPP 1800 PSI, DP 400 PSI, ROP 54 FPH.
13:00	13:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
13:30	05:30	16.0	DRILL 7649' - 8212'. SAME PARAMETERS, ROP 35 FPH.
05:30	06:00	0.5	CIRCULATE BOTTOMS UP, PUMP PILL, DROP SURVEY FOR BIT TRIP.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - ELECTRICITY, SPINNING CHAIN.  
 FUEL - 2169, USED - 2394.  
 CURRENT MW - 10.6 PPG, VIS - 35 SPQ.  
 MIDDLE PRICE RIVER - 7552'.  
 UNMANNED ML UNIT - 5 DAYS.

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**01-15-2009**      **Reported By**      PAT CLARK

**DailyCosts: Drilling**      \$55,144      **Completion**      \$0      **Daily Total**      \$55,144

**Cum Costs: Drilling**      \$717,637      **Completion**      \$0      **Well Total**      \$717,637

**MD**      8,690      **TVD**      8,690      **Progress**      478      **Days**      5      **MW**      10.6      **Visc**      34.0

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

**Activity at Report Time:** TFNB #3

Start	End	Hrs	Activity Description
06:00	11:00	5.0	TOH, X/O MM, BIT, L/D REAMERS. RECOVER SURVEY - 2.04 DEG. FUNCTION PIPE AND BLIND RAMS.
11:00	15:30	4.5	TIH. FILL PIPE @ 4400'.
15:30	16:30	1.0	RIG SERVICE. CHECK COM, FUNCTION ANNULAR, ADJUST HYDROMATIC.
16:30	05:30	13.0	DRILL 8212' - 8690'. WOB 15-22K, RPM 50-60/69, SPP 2100 PSI, DP 350 PSI, ROP 37 FPH.
05:30	06:00	0.5	CIRCULATE FOR BIT TRIP, MIX PILL.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - TRIPPING, LIFTING.  
 FUEL - 5086, USED - 1583, DEL - 4279.  
 CURRENT MW - 11.1 PPG, VIS - 35 SPQ.  
 LOWER PRICE RIVER @ 8338'.  
 UNMANNED ML UNIT - 6 DAYS.

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**01-16-2009**      **Reported By**      PAT CLARK

**DailyCosts: Drilling**      \$51,638      **Completion**      \$0      **Daily Total**      \$51,638

**Cum Costs: Drilling**      \$769,276      **Completion**      \$0      **Well Total**      \$769,276

**MD**      9,025      **TVD**      9,025      **Progress**      335      **Days**      6      **MW**      10.9      **Visc**      35.0

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

**Activity at Report Time:** DRILLING @ 9025'

Start	End	Hrs	Activity Description
06:00	11:00	5.0	TOH. X/O MM, BIT. RECOVER SURVEY - MISRUN.
11:00	16:30	5.5	TIH. FILL PIPE @ 4400'.
16:30	17:30	1.0	WASH AND REAM 90' TO BOTTOM.
17:30	06:00	12.5	DRILL 8690' - 9025'. WOB 5-20K, RPM 50-60/64, SPP 1900 PSI, DP 200 PSI, ROP 27 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - LOCKOUT/TAGOUT, PPE, TRIPPING.  
 FUEL - 3441, USED - 1645.  
 CURRENT MW - 11.1 PPG, VIS - 34 SPQ.  
 SEGO @ 8864'.

UNMANNED ML UNIT - 7 DAYS.

<b>01-17-2009</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$71,942	<b>Completion</b>	\$193,620	<b>Daily Total</b>	\$265,562						
<b>Cum Costs: Drilling</b>	\$841,218	<b>Completion</b>	\$193,620	<b>Well Total</b>	\$1,034,838						
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	35	<b>Days</b>	7	<b>MW</b>	11.0	<b>Visc</b>	34.0
<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	DRILL 9025' - 9060'. WOB 18K, RPM 55/64, SPP 2000 PSI, DP 250 PSI, ROP 35 FPH. REACHED TD @ 07:00 HRS, 1/16/09.
07:00	08:00	1.0	CIRCULATE BOTTOMS UP.
08:00	08:30	0.5	SHORT TRIP.
08:30	10:00	1.5	CIRCULATE AND CONDITION MUD. HSM, R/U WEATHERFORD TRS TO LDDP. PUMP PILL.
10:00	17:30	7.5	LDDP. BREAK KELLY, L/D BHA.
17:30	00:00	6.5	HSM. R/U TO RUN CSG. RUN 4 1/2", 11.6#, L-80, LTC CASING AS FOLLOWS: FS @ 9034', I JT CSG, FC @ 8991', 68 JTS CSG, MJ @ 6217', 54 JTS CSG, MJ @ 3992', 98 JTS CSG (221 TOTAL). P/U JT # 222, TAG BOTTOM @ 9060'. L/D JT # 222, P/U LJ, HANGER, PUP, LAND WELL W/62,000 #.
00:00	01:30	1.5	HSM. R/U SCHLUMBERGER. CIRCULATE AND CONDITION F/CEMENT.
01:30	03:30	2.0	HSM. CEMENT WELL AS FOLLOWS . PRESSURE TEST TO 5000 PSI. DROP BOTTOM PLUG, MIX AND PUMP CEMENT AS FOLLOWS: 20 BBLs CHEM WASH, 20 BBLs WATER, 350 SX (123 BBLs, 693 CU/FT) LEAD 35/65 POZ G, 1.98 YLD, 10.948 GAL/SK H2O @ 12.5 PPG. MIX AND PUMP 1510 SX (347 BBLs, 1948 CU/FT) TAIL 50/50 POZ "G", 1.29 YLD, 5.979 GAL/SK H2O @ 14.1 PPG. DROPPED TOP PLUG AND DISPLACED W/ 140 BBLs WATER. MAX PRESSURE 2612 PSI, BUMPED PLUG TO 3569 PSI. BLEED BACK 2 BBL, FLOATS HELD. R/D CEMENTERS.
03:30	06:00	2.5	PACK OFF AND TEST CSG HEAD. NDBOP, CLEAN TANKS.
			RW JONES TRUCKING TO MOVE RIG 4.5 MILES TO CWU 1350-27 @ 08:30. TRANSFER 8 JTS 4 1/2", 11.6#, L-80, LTC CSG (326.01') TO CWU 1350-27. TRANSFER (2) 4 1/2", 11.6#, P110, LTC MJ (42.14') TO NEW WELL. TRANSFER 2000 GALS BLENDED DIESEL FUEL @ \$2.318/GAL TO NEW WELL. FUEL - 2000 GALS, USED 1441 GALS. UNMANNED ML RELEASED ON 1-16-09 - 8 DAYS.
06:00			RIG RELEASED @ 06:00 HRS, 1/17/09. CASING POINT COST \$801,513

<b>01-21-2009</b>	<b>Reported By</b>	SEARLE									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$29,500	<b>Daily Total</b>	\$29,500						
<b>Cum Costs: Drilling</b>	\$841,218	<b>Completion</b>	\$223,120	<b>Well Total</b>	\$1,064,338						
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	0	<b>Days</b>	8	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 8991.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
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06:00 06:00 24.0 MIRU LONE WOLF. LOG WITH CBL/CCL/VDL/GR FROM PBSD TO 800'. EST CEMENT TOP @ 1300'. RD LONE WOLF.

**02-11-2009**      **Reported By**      MCCURDY

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$1,168	<b>Daily Total</b>	\$1,168
<b>Cum Costs: Drilling</b>	\$841,218	<b>Completion</b>	\$224,288	<b>Well Total</b>	\$1,065,506
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	0
				<b>Days</b>	9
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBSD : 8991.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

**02-17-2009**      **Reported By**      WHITEHEAD

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$8,448	<b>Daily Total</b>	\$8,448
<b>Cum Costs: Drilling</b>	\$841,218	<b>Completion</b>	\$232,736	<b>Well Total</b>	\$1,073,954
<b>MD</b>	9,060	<b>TVD</b>	9,060	<b>Progress</b>	0
				<b>Days</b>	10
				<b>MW</b>	0.0
				<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>	<b>PBSD : 8991.0</b>		<b>Perf : 7611'-8792'</b>	<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WIRELINE & PERFORATE LPR FROM 8572'-73', 8598'-99', 8607'-08', 8614'-15', 8622'-23', 8627'-28', 8658'-59', 8668'-69', 8709'-10', 8728'-29', 8769'-70', 8791'-92' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6308 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 31451 GAL YF116ST+ W/115000# 20/40 SAND @ 2-5 PPG. MTP 5982 PSIG. MTR 52.5 BPM. ATP 4688 PSIG. ATR 45.2 BPM. ISIP 3050 PSIG. RD SCHLUMBERGER.
			RUWL. SET 6K CFP AT 8530'. PERFORATE LPR FROM 8334'-35', 8335'-36', 8381'-82', 8393'-94', 8403'-04', 8414'-15', 8424'-25', 8431'-32', 8442'-43', 8462'-63', 8506'-07', 8510'-11' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6332 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 38128 GAL YF116ST+ W/140600# 20/40 SAND @ 2-5 PPG. MTP 5998 PSIG. MTR 51.5 BPM. ATP 4510 PSIG. ATR 47.4 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER.
			RUWL. SET 6K CFP AT 8305'. PERFORATE MPR FROM 8123'-24', 8128'-29', 8158'-59', 8186'-87', 8195'-96', 8207'-08', 8213'-14', 8239'-40', 8259'-60', 8264'-65', 8271'-72', 8285'-86' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6311 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 35583 GAL YF116ST+ W/130500# 20/40 SAND @ 2-5 PPG. MTP 6066 PSIG. MTR 52 BPM. ATP 4658 PSIG. ATR 48.1 BPM. ISIP 3120 PSIG. RD SCHLUMBERGER.
			RUWL. SET 6K CFP AT 8080'. PERFORATE MPR FROM 7868'-69', 7899'-00', 7914'-15', 7922'-23', 7939'-40', 7966'-67', 7978'-79', 8006'-07', 8012'-13', 8021'-22', 8051'-52', 8055'-56' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6309 GAL WF120 LINEAR 1# & 1.5# SAND, 42933 GAL YF116ST+ W/155900# 20/40 SAND @ 2-5 PPG. MTP 6090 PSIG. MTR 51.4 BPM. ATP 4639 PSIG. ATR 48 BPM. ISIP 2420 PSIG. RD SCHLUMBERGER.
			RUWL. SET 6K CFP AT 7840'. PERFORATE MPR FROM 7611'-12', 7617'-18', 7626'-27' 7660'-61', 7665'-66', 7709'-10', 7721'-22', 7735'-36', 7771'-72', 7778'-79', 7791'-92', 7820'-21' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6308 GAL WF120 LINEAR W/1# & 1.5 20/40 SAND, 48460 GAL YF116ST+ W/176900# 20/40 SAND @ 2-5 PPG. MTP 6151 PSIG. MTR 52 BPM. ATP 4332 PSIG. ATR 48.8 BPM. ISIP 2440 PSIG. RD SCHLUMBERGER. SDFN.

**02-18-2009**      **Reported By**      WHITEHEAD

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$324,906	<b>Daily Total</b>	\$324,906
<b>Cum Costs: Drilling</b>	\$841,218	<b>Completion</b>	\$557,642	<b>Well Total</b>	\$1,398,861

**MD** 9,060 **TVD** 9,060 **Progress** 0 **Days** 11 **MW** 0.0 **Visc** 0.0  
**Formation** : MESAVERDE **PBTD** : 8991.0 **Perf** : 6706'-8792' **PKR Depth** : 0.0

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

**Start** 06:00 **End** 06:00 **Hrs** 24.0 **Activity Description**  
 RUWL. SET 6K CFP AT 7585'. PERFORATE UP FROM 7295'-96', 7319'-20', 7334'-35', 7357'-58', 7410'-11', 7455'-56', 7491'-92', 7519'-20', 7527'-28', 7549'-50', 7557'-58', 7564'-65' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6325 GAL WF120 LINEAR W/1# & 1.5 20/40 SAND, 34697 GAL YF116ST+ W/130100# 20/40 SAND @ 2-5 PPG. MTP 6069 PSIG. MTR 51.9 BPM. ATP 4612 PSIG. ATR 48.1 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7260'. PERFORATE UP FROM 7007'-08', 7019'-20', 7034'-35', 7058'-59', 7064'-65', 7068'-69', 7087'-88', 7143'-44', 7170'-71', 7184'-85', 7235'-36', 7240'-41' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6309 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 32742 GAL YF116ST+ W/120400# 20/40 SAND @ 2-5 PPG. MTP 6477 PSIG. MTR 52.2 BPM. ATP 4884 PSIG. ATR 46.4 BPM. ISIP 2620 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 6960'. PERFORATE UP FROM 6706'-07', 6714'-15', 6744'-45', 6776'-77', 6785'-86', 6792'-93', 6806'-07', 6817'-18', 6876'-77', 6907'-08', 6931'-32', 6941'-42' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6328 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 39132 GAL YF116ST+ W/136700# 20/40 SAND @ 2-5 PPG. MTP 5711 PSIG. MTR 51 BPM. ATP 3536 PSIG. ATR 49.2 BPM. ISIP 1860 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP AT 6643'. RDWL. SDFN.

**02-20-2009** **Reported By** HAL IVIE  
**Daily Costs: Drilling** \$0 **Completion** \$44,701 **Daily Total** \$44,701  
**Cum Costs: Drilling** \$841,218 **Completion** \$602,343 **Well Total** \$1,443,562  
**MD** 9,060 **TVD** 9,060 **Progress** 0 **Days** 12 **MW** 0.0 **Visc** 0.0  
**Formation** : MESAVERDE **PBTD** : 8991.0 **Perf** : 6706'-8792' **PKR Depth** : 0.0

**Activity at Report Time:** CLEAN OUT AFTER FRAC

**Start** 06:00 **End** 18:00 **Hrs** 12.0 **Activity Description**  
 MIRU ROYAL RIG 1. ND FRAC TREE. NU BOP. RIH W/ BIT & PUMP OFF SUB TO 6643'. RU TO DRILL OUT PLUGS. SDFN.

**02-21-2009** **Reported By** HAL IVIE  
**Daily Costs: Drilling** \$0 **Completion** \$9,700 **Daily Total** \$9,700  
**Cum Costs: Drilling** \$841,218 **Completion** \$612,043 **Well Total** \$1,453,262  
**MD** 9,060 **TVD** 9,060 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0  
**Formation** : MESAVERDE **PBTD** : 8991.0 **Perf** : 6706'-8792' **PKR Depth** : 0.0

**Activity at Report Time:** FLOW TEST

**Start** 06:00 **End** 06:00 **Hrs** 24.0 **Activity Description**  
 CLEANED OUT & DRILLED OUT PLUGS @ 6643', 6960', 7260', 7585', 7840', 8080', 8305', 8530'. RIH. CLEANED OUT TO PBTD @ 8991'. LANDED TBG @ 7514' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 14 HRS. 24/64 CHOKE. FTP 1625 PSIG. CP 1600 PSIG. 72 BFPH. RECOVERED 1012 BLW. 8391 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'

1 JT 2-3/8 4.7# L-80 TBG 33.09'  
 XN NIPPLE 1.10'  
 226 JTS 2-3/8 4.7# L-80 TBG 7465.32'  
 BELOW KB 13.00'  
 LANDED @ 7513.51' KB

**02-22-2009**      **Reported By**      HAL IVIE

**DailyCosts: Drilling**      \$0      **Completion**      \$2,260      **Daily Total**      \$2,260  
**Cum Costs: Drilling**      \$841,218      **Completion**      \$614,303      **Well Total**      \$1,455,522

**MD**      9,060      **TVD**      9,060      **Progress**      0      **Days**      14      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 8991.0      **Perf :** 6706'-8792'      **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST TO SALES

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      INITIAL PRODUCTION. FIRST GAS SALES: OPENING PRESSURE: TP 1575 & CP 1850 PSI. TURNED WELL TO QUESTAR SALES AT 11:45 AM, 02/21/09. FLOWED 1721 MCFD RATE ON 24/64" POS CHOKE. STATIC 374. QGM METER #8089. THROUGH BRECO UNIT.

RU BRECO TEST UNIT. FLOWED 21 HRS. 24/64 CHOKE. FTP 1475 PSIG. CP 2400 PSIG. 61 BFPH. RECOVERED 1280 BLW. 7111 BLWTR. 1900 MCFD RATE THROUGH TEST UNIT TO SALES.

**02-23-2009**      **Reported By**      HAL IVIE

**DailyCosts: Drilling**      \$0      **Completion**      \$2,260      **Daily Total**      \$2,260  
**Cum Costs: Drilling**      \$841,218      **Completion**      \$616,563      **Well Total**      \$1,457,782

**MD**      9,060      **TVD**      9,060      **Progress**      0      **Days**      15      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 8991.0      **Perf :** 6706'-8792'      **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST TO SALES

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      FLOWED 24 HRS. 20/64 CHOKE. FTP 1490 PSIG. CP 2200 PSIG. 39 BFPH. RECOVERED 936 BLW. 6175 BLWTR. 1494 MCFD RATE THROUGH TEST UNIT TO SALES.

FLOWED 1581 MCF, 20 BC & 732 BW IN 14 HRS ON 20/64" CHOKE, TP 1500 PSIG, CP 2300 PSIG.

**02-24-2009**      **Reported By**      HAL IVIE

**DailyCosts: Drilling**      \$0      **Completion**      \$2,260      **Daily Total**      \$2,260  
**Cum Costs: Drilling**      \$841,218      **Completion**      \$618,823      **Well Total**      \$1,460,042

**MD**      9,060      **TVD**      9,060      **Progress**      0      **Days**      16      **MW**      0.0      **Visc**      0.0

**Formation :** MESAVERDE      **PBTD :** 8991.0      **Perf :** 6706'-8792'      **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST TO SALES

**Start**      **End**      **Hrs**      **Activity Description**

06:00      06:00      24.0      FLOWED 24 HRS. 24/64 CHOKE. FTP 1100 PSIG. CP 1775 PSIG. 44 BFPH. RECOVERED 1052 BLW. 5223 BLWTR. 2089 MCFD RATE THROUGH TEST UNIT TO SALES.

FLOWED 1572 MCF, 16 BC & 760 BW IN 14 HRS ON 20/64" CHOKE, TP 1200 PSIG, CP 2050 PSIG.

**02-25-2009**      **Reported By**      HAL IVIE

**DailyCosts: Drilling**      \$0      **Completion**      \$2,260      **Daily Total**      \$2,260  
**Cum Costs: Drilling**      \$841,218      **Completion**      \$621,083      **Well Total**      \$1,462,302

**MD** 9,060 **TVD** 9,060 **Progress** 0 **Days** 17 **MW** 0.0 **Visc** 0.0

**Formation :** MESAVERDE **PBTD :** 8991.0 **Perf :** 6706'-8792' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST TO SALES

<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 900 PSIG. CP 1550 PSIG. 39 BFPH. RECOVERED 940 BLW. 4283 BLWTR. 1524 MCFD RATE THROUGH TEST UNIT TO SALES.

FLOWED 2011 MCF, 16 BC & 1056 BW IN 14 HRS ON 20/64" CHOKE, TP 915 PSIG, CP 1650 PSIG.

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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.  
UTU010956

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface SESE 627FSL 412FEL 40.00146 N Lat, 109.38039 W Lon  
 At top prod interval reported below SESE 627FSL 412FEL 40.00146 N Lat, 109.38039 W Lon  
 At total depth SESE 627FSL 412FEL 40.00146 N Lat, 109.38039 W Lon

6. If Indian, Allottee or Tribe Name  
 7. Unit or CA Agreement Name and No. CHAPITA WELLS  
 8. Lease Name and Well No. CHAPITA WELLS UNIT 1075-25  
 9. API Well No. 43-047-39186  
 10. Field and Pool, or Exploratory NATURAL BUTTES  
 11. Sec., T., R., M., or Block and Survey or Area Sec 25 T9S R22E Mer SLB  
 12. County or Parish UINTAH 13. State UT  
 14. Date Spudded 10/14/2008 15. Date T.D. Reached 01/16/2009 16. Date Completed  D & A  Ready to Prod. 02/21/2009  
 17. Elevations (DF, KB, RT, GL)\* 5066 GL  
 18. Total Depth: MD 9060 TVD 19. Plug Back T.D.: MD 8991 TVD 20. Depth Bridge Plug Set: MD TVD  
 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CBL/CCL/VDL/GR 22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run?  No  Yes (Submit analysis)  
 Directional Survey?  No  Yes (Submit analysis)

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Shurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2429		800		0	
7.875	4.500 L-80	11.6	0	9034		1860		1300	

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	7514							

25. Producing Intervals 26. Perforation Record *4706*

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6706	8792	8572 TO 8792		3	
B)			8334 TO 8511		3	
C)			8123 TO 8286		3	
D)			7868 TO 8056		3	

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

Depth Interval	Amount and Type of Material
8572 TO 8792	37,924 GALS GELLED WATER & 115,000# 20/40 SAND
8334 TO 8511	44,625 GALS GELLED WATER & 140,600# 20/40 SAND
8123 TO 8286	42,059 GALS GELLED WATER & 130,500# 20/40 SAND
7868 TO 8056	49,407 GALS GELLED WATER & 155,900# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/21/2009	03/06/2009	24	→	5.0	522.0	70.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
10/64"	1375	1700.0	→	5	522	70		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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

**RECEIVED**  
**MAR 23 2009**

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	6706	8792		GREEN RIVER BIRDS NEST MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER	1458 1627 2123 4332 4445 5017 5696 6668

32. Additional remarks (include plugging procedure):

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

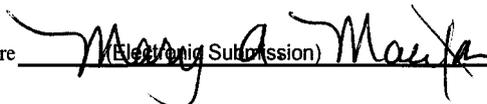
33. Circle enclosed attachments:

- |   |                    |               |                       |
|---|--------------------|---------------|-----------------------|
| 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 #68194 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 03/18/2009

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 1075-25 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7611-7821	3/spf
7295-7565	3/spf
7007-7241	3/spf
6706-6942	3/spf

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

7611-7821	54,933 GALS GELLED WATER & 176,900# 20/40 SAND
7295-7565	41,187 GALS GELLED WATER & 130,100# 20/40 SAND
7007-7241	39,216 GALS GELLED WATER & 120,400# 20/40 SAND
6706-6942	45,625 GALS GELLED WATER & 136,700# 20/40 SAND

Perforated the Lower Price River from 8572-73', 8598-99', 8607-08', 8614-15', 8622-23', 8627-28', 8658-59', 8668-69', 8709-10', 8728-29', 8769-70', 8791-92' w/ 3 spf.

Perforated the Lower Price River from 8334-35', 8335-36', 8381-82', 8393-94', 8403-04', 8414-15', 8424-25', 8431-32', 8442-43', 8462-63', 8506-07', 8510-11' w/ 3 spf.

Perforated the Middle Price River from 8123-24', 8128-29', 8158-59', 8186-87', 8195-96', 8207-08', 8213-14', 8239-40', 8259-60', 8264-65', 8271-72', 8285-86' w/ 3 spf.

Perforated the Middle Price River from 7868-69', 7899-7900', 7914-15', 7922-23', 7939-40', 7966-67', 7978-79', 8006-07', 8012-13', 8021-22', 8051-52', 8055-56' w/ 3 spf.

Perforated the Middle Price River from 7611-12', 7617-18', 7626-27', 7660-61', 7665-66', 7709-10', 7721-22', 7735-36', 7771-72', 7778-79', 7791-92', 7820-21' w/ 3 spf.

Perforated the Upper Price River from 7295-96', 7319-20', 7334-35', 7357-58', 7410-11', 7455-56', 7491-92', 7519-20', 7527-28', 7549-50', 7557-58', 7564-65' w/ 3 spf.

Perforated the Upper Price River from 7007-08', 7019-20', 7034-35', 7058-59', 7064-65', 7068-69', 7087-88', 7143-44', 7170-71', 7184-85', 7235-36', 7240-41' w/ 3 spf.

Perforated the Upper Price River from 6706-07', 6714-15', 6744-45', 6776-77', 6785-86', 6792-93', 6806-07', 6817-18', 6876-77', 6907-08', 6931-32', 6941-42' w/ 3 spf.

**32. FORMATION (LOG) MARKERS**

Middle Price River	7547
Lower Price River	8341
Sego	8843

**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 1075-25

API number: 4304739186

Well Location: QQ SESE Section 25 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		
390	410	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 3/18/2009