

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

FORM 3

AMENDED REPORT
(highlight changes)

| | | | |
|--|---------------------------------------|--|---|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: ML-3355 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: Chapita Wells Unit | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 9. WELL NAME and NUMBER: Chapita Wells Unit 699-32 | |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078 | | PHONE NUMBER: (435) 781-9111 | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 944 FSL & 1161 FWL (SWSW) 39.987817 LAT 109.356008 LON AT PROPOSED PRODUCING ZONE: Same | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E S | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 55.6 Miles Southeast of Ouray, Utah | | 12. COUNTY: Uintah | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 944 | 16. NUMBER OF ACRES IN LEASE: 640 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: Suspended | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 10,560 | 19. PROPOSED DEPTH: 6,630 | 20. BOND DESCRIPTION: NM 2308 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5153 GR | 22. APPROXIMATE DATE WORK WILL START: | 23. ESTIMATED DURATION: 45 DAYS | |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|------|-------|---------------|---|
| 17-1/2 | 13-3/8 | H-40 | 48# | 45 | See Attached Eight Point Plan |
| 12-1/4 | 9-5/8 | J-55 | 36# | 2,300 | See Attached Eight Point Plan |
| 7-7/8 | 4-1/2 | N-80 | 11.6# | 6,630 | See Attached Eight Point Plan |
| | | | | | |
| | | | | | |
| | | | | | |

25. **ATTACHMENTS**

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

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

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

SIGNATURE *Kaylene R. Gardner* DATE 4/13/2007

(This space for State use only)

API NUMBER ASSIGNED: 43047-39199

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

RECEIVED
APR 17 2007
DIV. OF OIL, GAS & MINING

APPROVAL:
Date: 06-29-07
By: *[Signature]*

T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

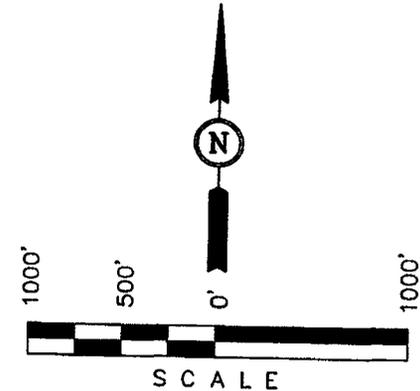
Well location, CWU #699-32, located as shown in the SW 1/4 SW 1/4 of Section 32, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

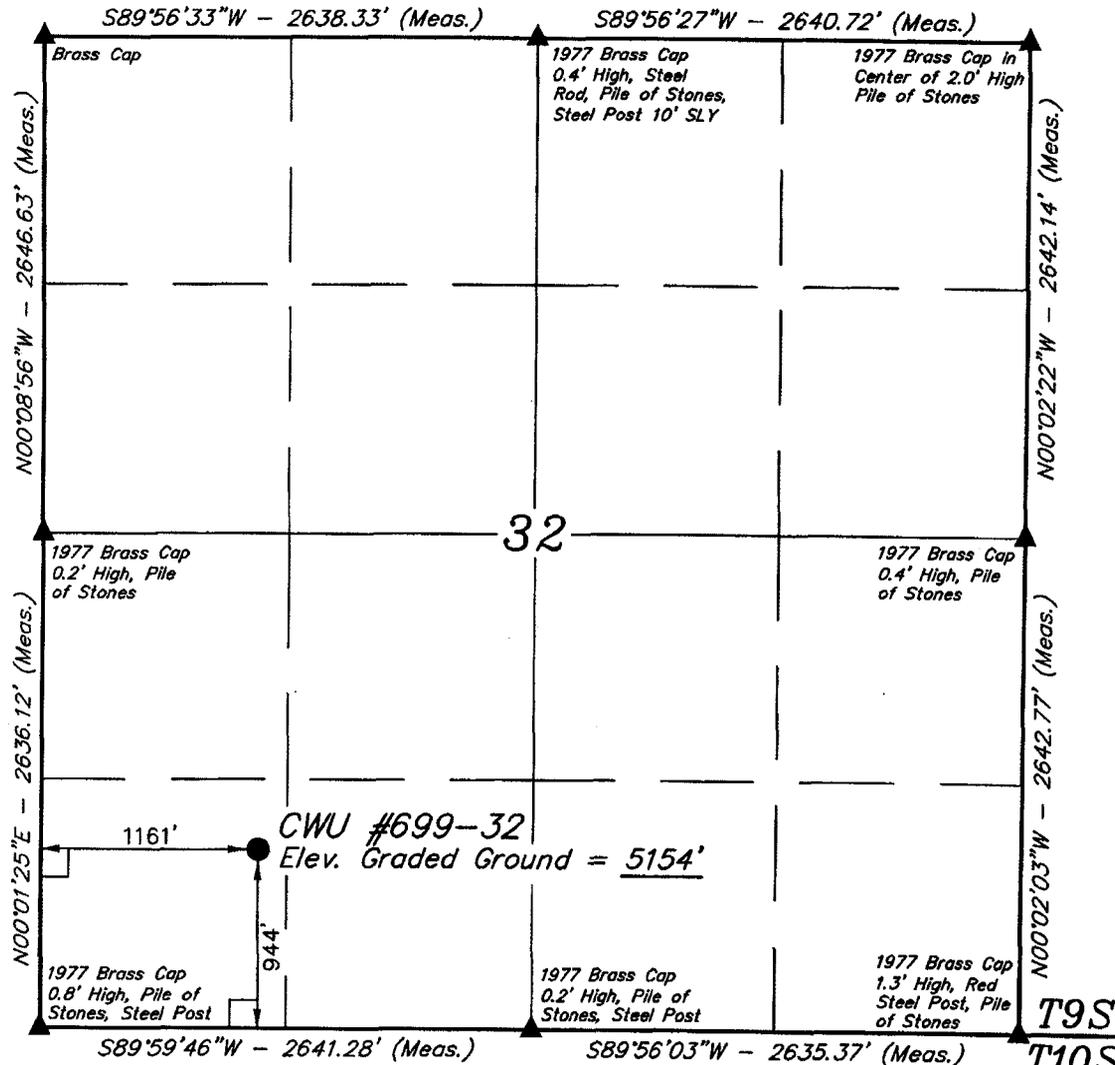
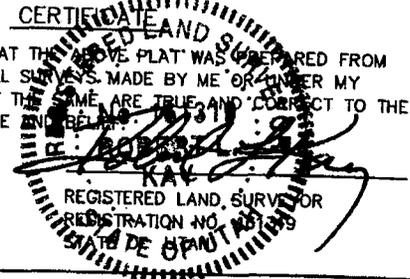
BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

BASIS OF BEARINGS

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



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



LEGEND:

- \perp = 90° SYMBOL
- \bullet = PROPOSED WELL HEAD.
- \blacktriangle = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 39°59'16.14" (39.987817)
 LONGITUDE = 109°21'21.63" (109.356008)
 (NAD 27)
 LATITUDE = 39°59'16.26" (39.987850)
 LONGITUDE = 109°21'19.18" (109.355328)

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

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 10-27-05 | DATE DRAWN: 11-5-05 |
| PARTY G.S. T.B. K.G. | REFERENCES G.I.O. PLAT | |
| WEATHER COOL | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN

CHAPITA WELLS UNIT 699-32
SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

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

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|------------------|---------------------|------------------|------------------|-----|
| Green River FM | 1,292 | | | |
| Wasatch | 4,266 | Primary | Sandstone | Gas |
| Chapita Wells | 4,826 | Primary | Sandstone | Gas |
| Buck Canyon | 5,513 | Primary | Sandstone | Gas |
| North Horn | 6,103 | Primary | Sandstone | Gas |
| KMV Price River | 6,432 | | Sandstone | |
| | | | | |
| | | | | |
| | | | | |
| TD | 6,630 | | | |

Estimated TD: **6,630' or 200'± below Price River top**

Anticipated BHP: 3,275 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 ½" | 0 – 45' | 13 ⅜" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12 ¼" | Surface– 2,300' KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production | 7-7/8" | Surface – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |
| | | | | | | | | | |

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

All casing will be new or inspected.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 699-32
SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th 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. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.0 – 9.5 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. Defloculants/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 699-32
SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

8. EVALUATION PROGRAM:

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

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

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

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

Production Hole Procedure (2300'± - TD)

Lead: **115 sks:** 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: **495 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 699-32
SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

11. STANDARD REQUIRED EQUIPMENT:

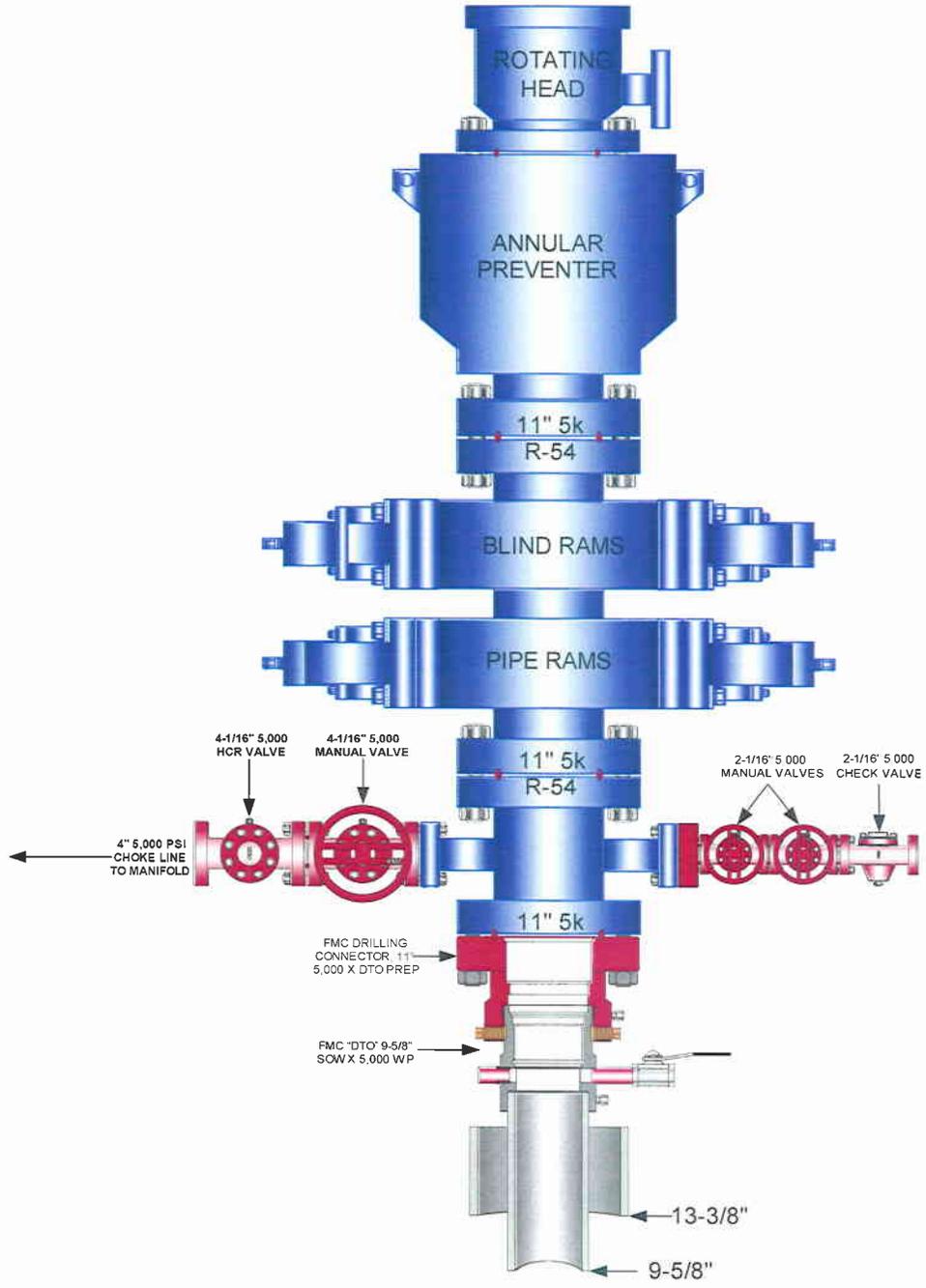
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

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

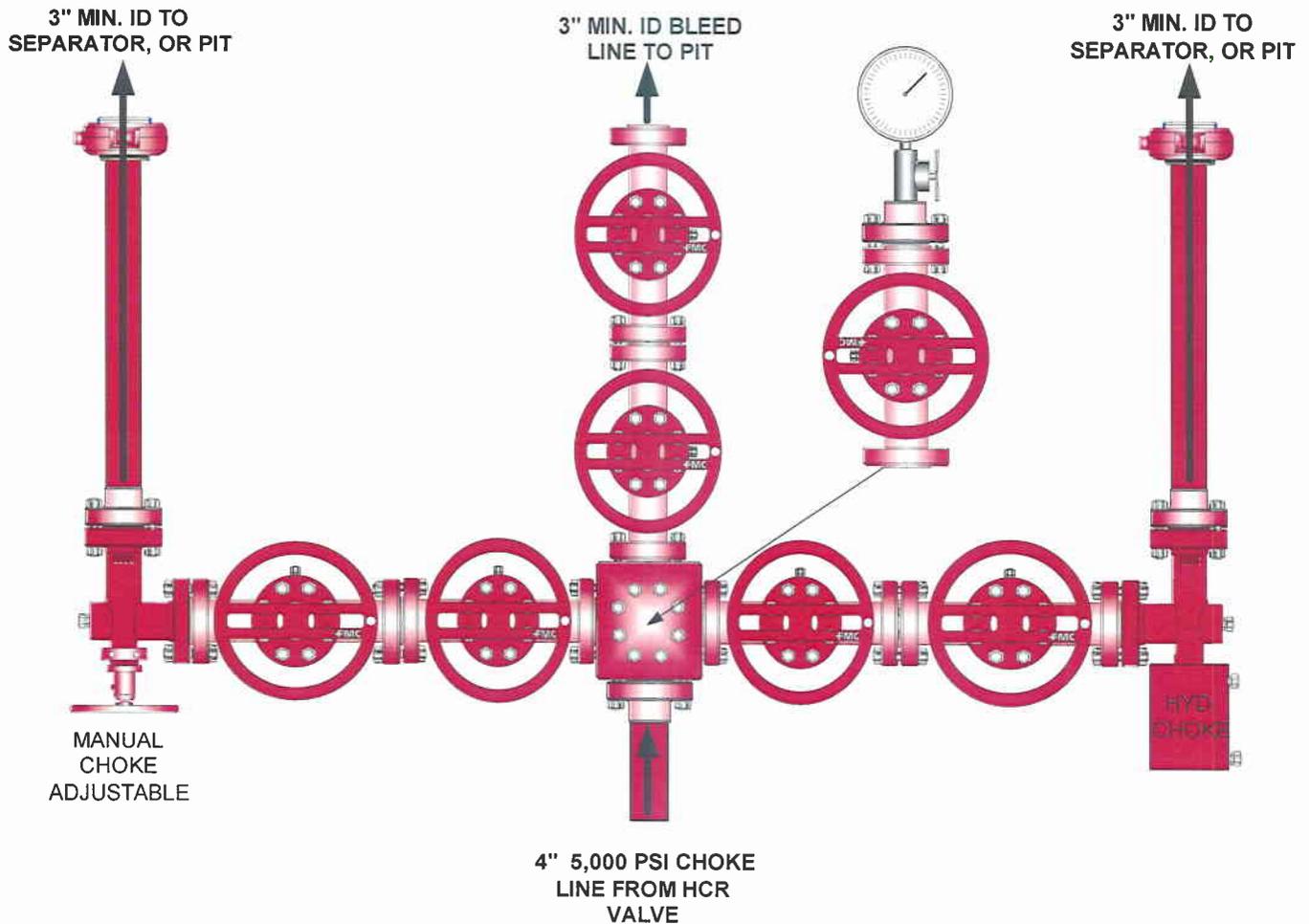
(Attachment: BOP Schematic Diagram)

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 699-32
SWSW, Section 32, T9S, R23E
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 55.6 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 existing access road for Chaptia Wells Unit 862-32 will be utilized. See attached 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.

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.

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 220 x 40'. 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. 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 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 southeast side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

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.

B. Dry Hole/Abandoned Location

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

11. SURFACE OWNERSHIP:

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

State of Utah

12. OTHER INFORMATION:

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

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

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

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of 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 was 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

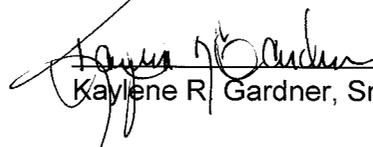
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors.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

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 699-32 Well, located in the SWSW, of Section 32, T9S, R23E, 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.

April 13, 2006 _____
Date



Kaylene R. Gardner, Sr. Regulatory Assistant

EOG RESOURCES, INC.

CWU #699-32

LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T9S, R23E, S.L.B.&M.

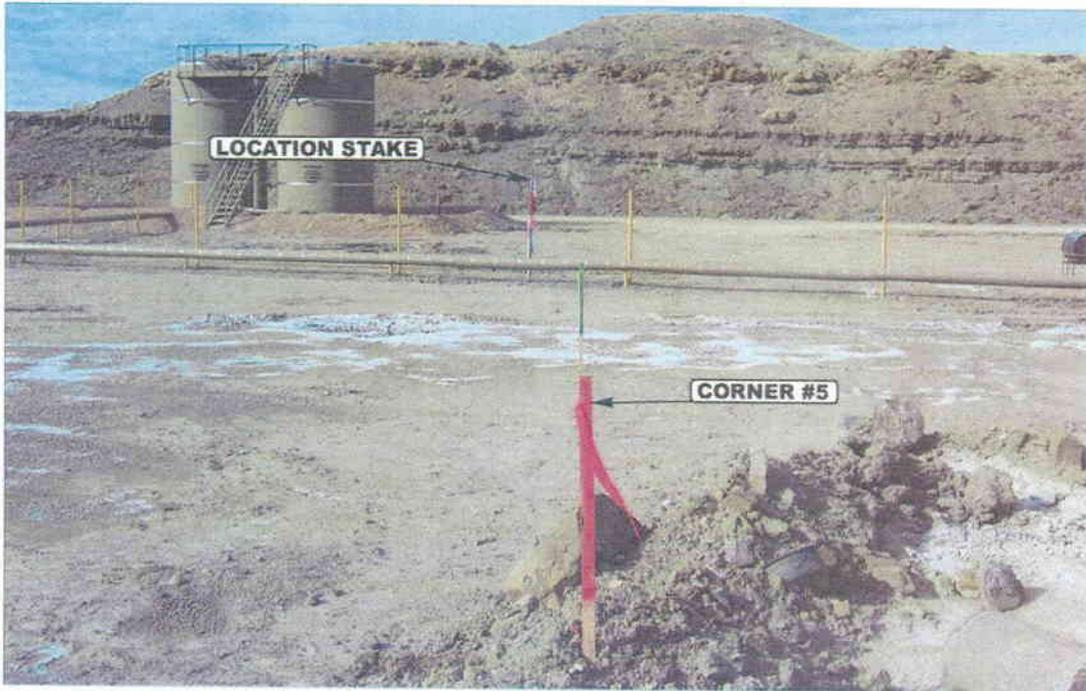


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

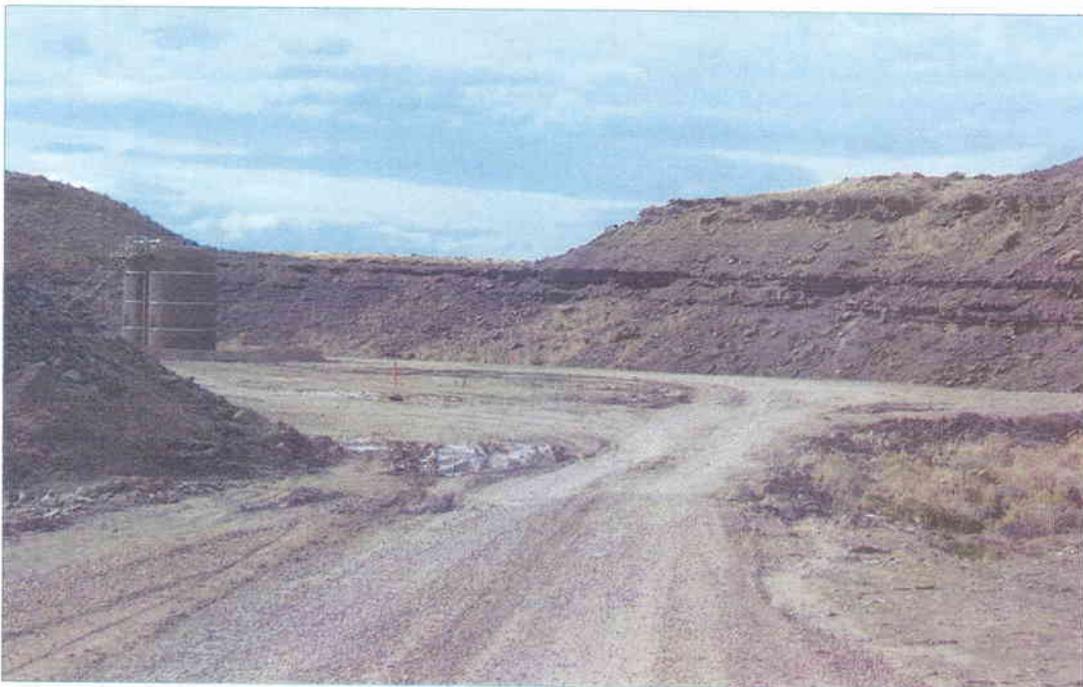


PHOTO: VIEW OF EXISTING ACCESS

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

11 01 05
MONTH DAY YEAR

PHOTO

TAKEN BY: T.B.

DRAWN BY: C.P.

REVISED: 00-00-00

EOG RESOURCES, INC.
CWU #699-32
SECTION 32, T9S, R23E, S.L.B.&M.

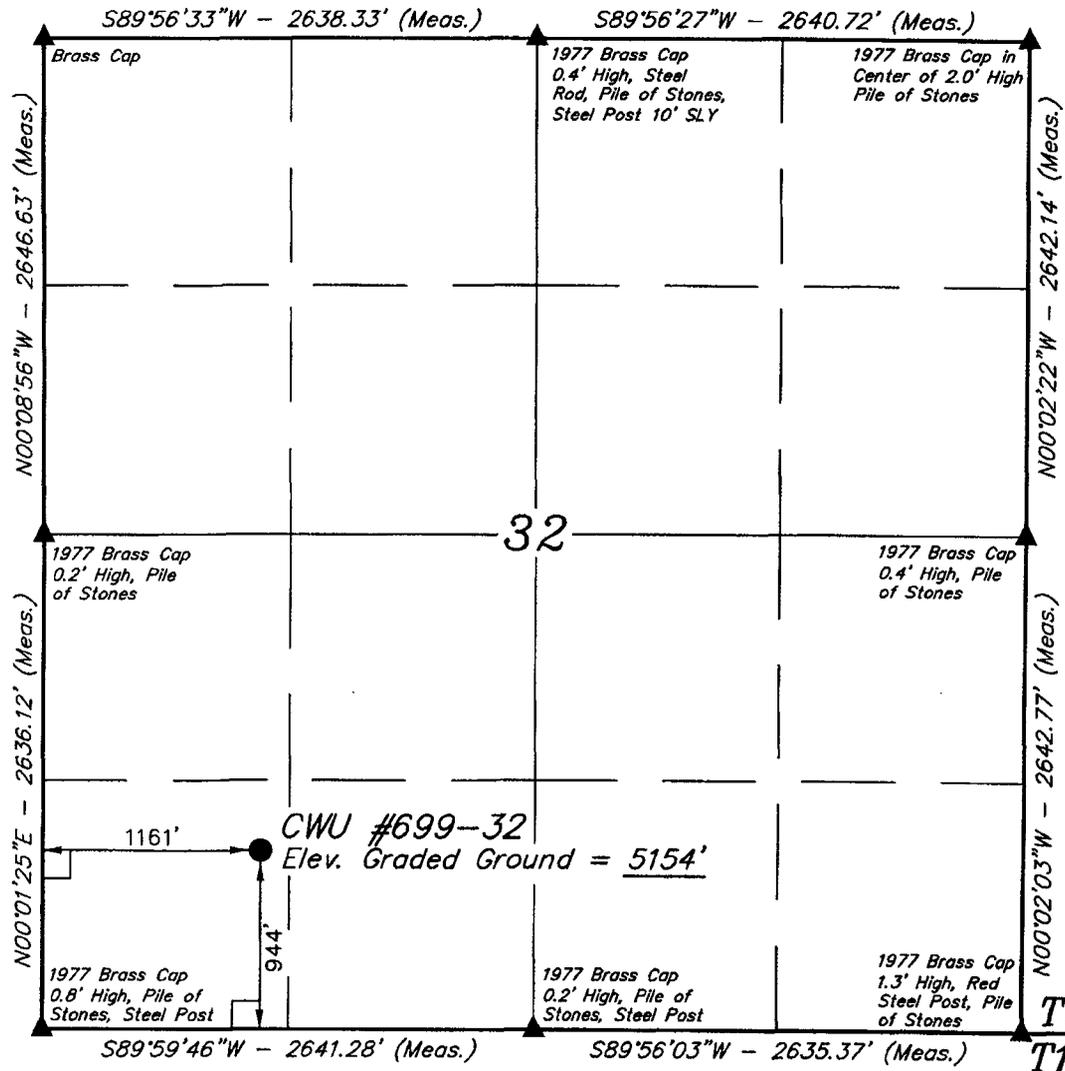
PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD 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 EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY 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 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN NORTHWESTERLY, THEN SOUTHEASTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE EXISTING #862-32 AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.6 MILES.

T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, CWU #699-32, located as shown in the SW 1/4 SW 1/4 of Section 32, T9S, R23E, S.L.B.&M. Uintah County, Utah.

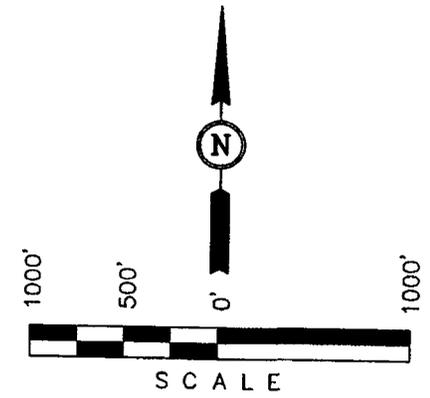


BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

BASIS OF BEARINGS

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



CERTIFICATE AND SURVEYOR'S SEAL
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 10199
 STATE OF UTAH

T9S
T10S

LEGEND:

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

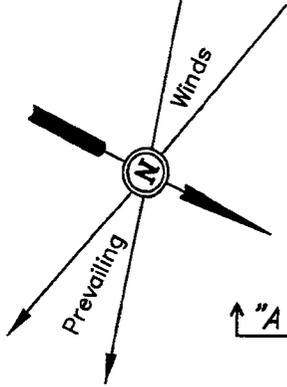
(NAD 83)
 LATITUDE = 39°59'16.14" (39.987817)
 LONGITUDE = 109°21'21.63" (109.356008)
 (NAD 27)
 LATITUDE = 39°59'16.26" (39.987850)
 LONGITUDE = 109°21'19.18" (109.355328)

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

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 10-27-05 | DATE DRAWN: 11-5-05 |
| PARTY G.S. T.B. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE EOG RESOURCES, INC. | |

EOG RESOURCES, INC.

LOCATION LAYOUT FOR
 CWU #699-32
 SECTION 32, T9S, R23E, S.L.B.&M.
 944' FSL 1161' FWL

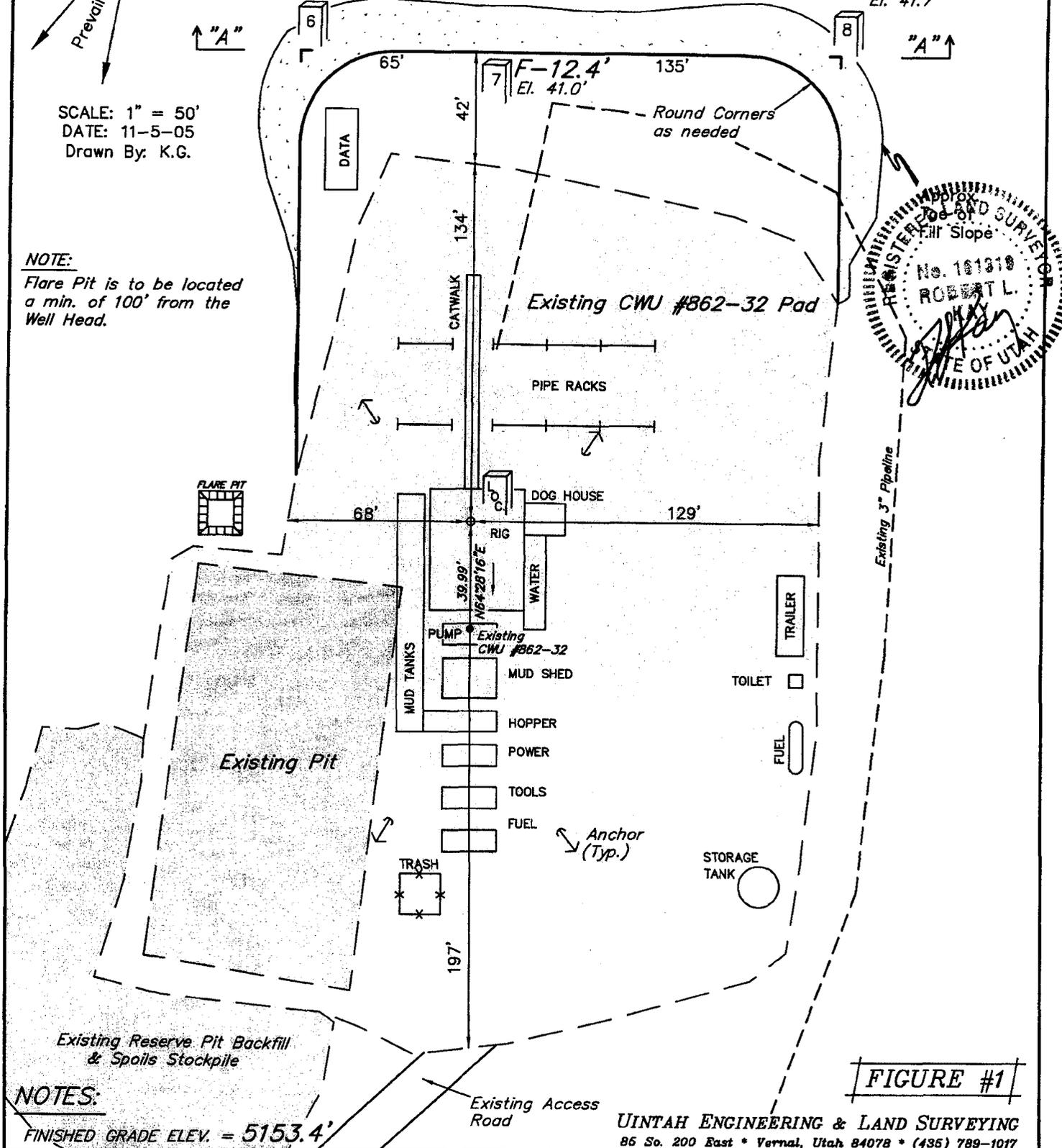
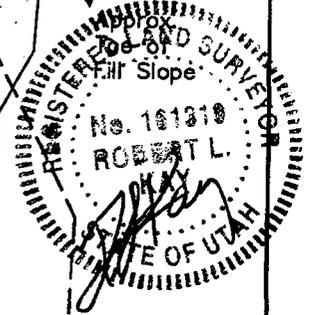


F-14.6'
 El. 38.8'

F-11.7'
 El. 41.7'

SCALE: 1" = 50'
 DATE: 11-5-05
 Drawn By: K.G.

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



NOTES:
 FINISHED GRADE ELEV. = 5153.4'

FIGURE #1

EOG RESOURCES, INC.

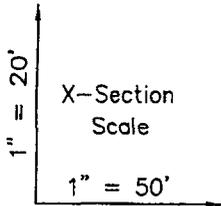
FIGURE #2

TYPICAL CROSS SECTIONS FOR

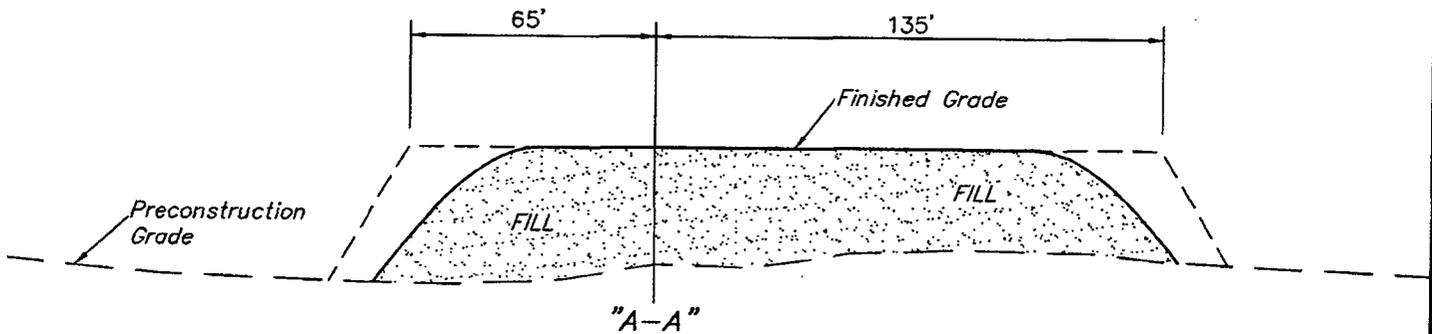
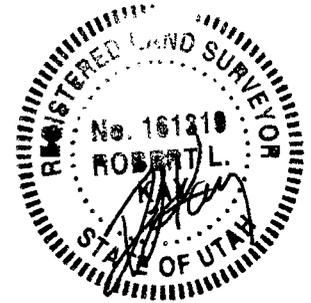
CWU #699-32

SECTION 32, T9S, R23E, S.L.B.&M.

944' FSL 1161' FWL



DATE: 11-5-05
Drawn By: K.G.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

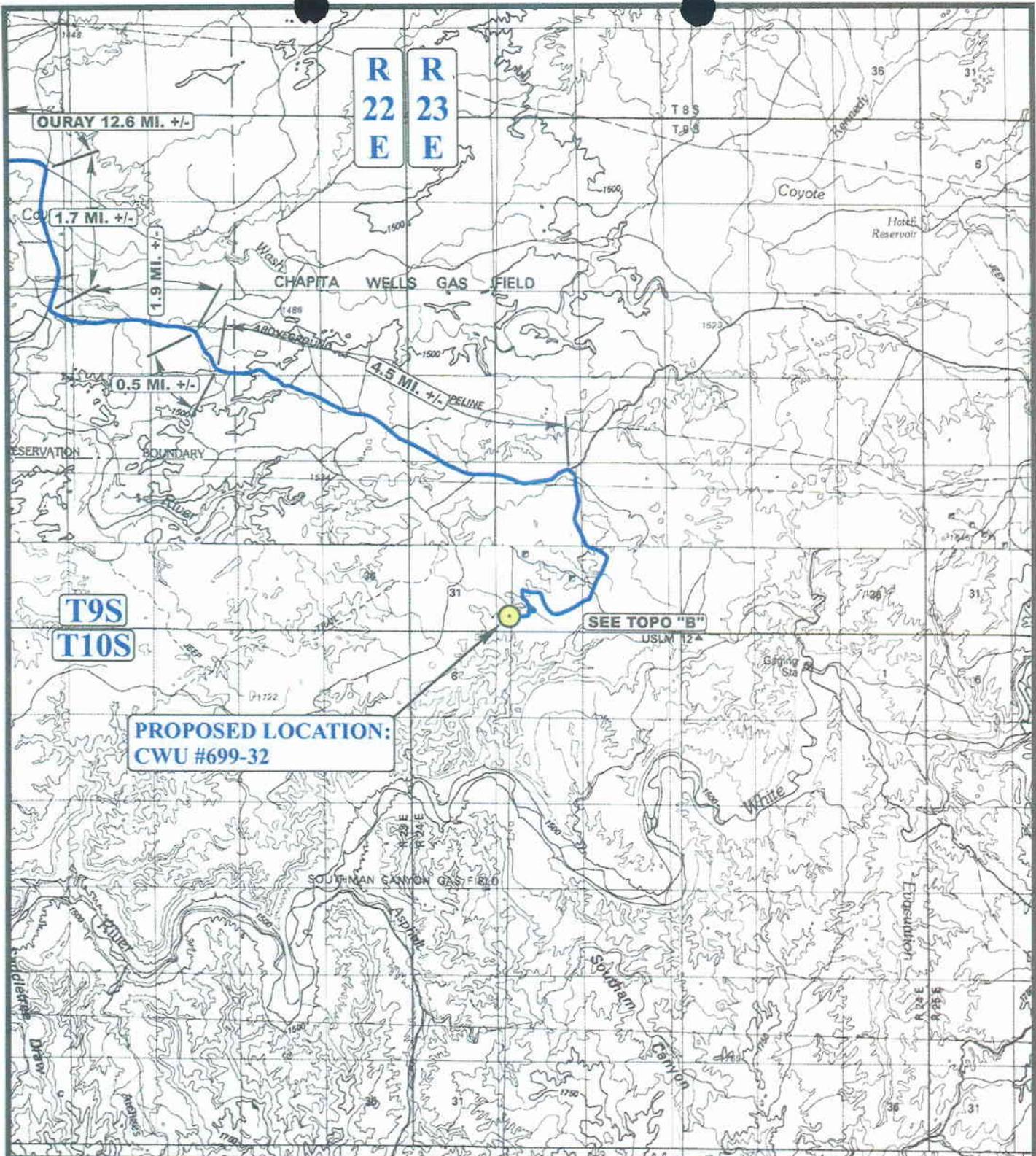
| | | |
|------------------------|----------------|----------------|
| CUT | | |
| (6") Topsoil Stripping | = 360 | Cu. Yds. |
| Remaining Location | = 0 | Cu. Yds. |
| TOTAL CUT | = 360 | CU.YDS. |
| FILL | = 4,440 | CU.YDS. |

| | | |
|-----------------|-----------|----------|
| EXCESS MATERIAL | = <4,080> | Cu. Yds. |
| Topsoil | = <360> | Cu. Yds. |

| | | |
|--|-----------|----------|
| EXCESS UNBALANCE (After Rehabilitation) | = <4,440> | Cu. Yds. |
|--|-----------|----------|

(Obtain Deficit Material From
Approved Barrow Area)

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



**PROPOSED LOCATION:
CWU #699-32**

SEE TOPO "B"

LEGEND:

 **PROPOSED LOCATION**



EOG RESOURCES, INC.

**CWU #699-32
SECTION 32, T9S, R23E, S.L.B.&M.
944' FSL 1161' FWL**



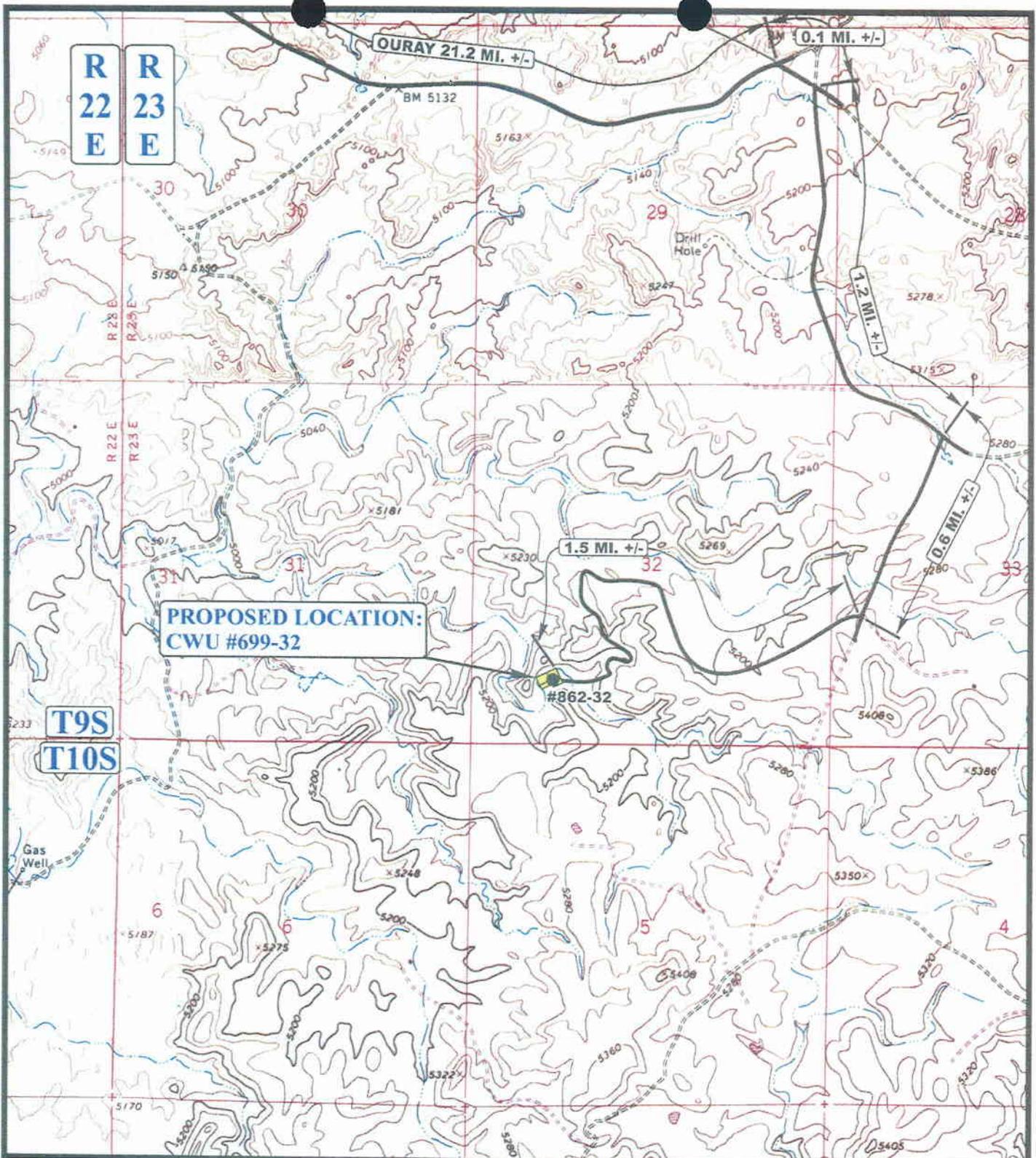
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

11 01 05
MONTH DAY YEAR

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





LEGEND:

— EXISTING ROAD

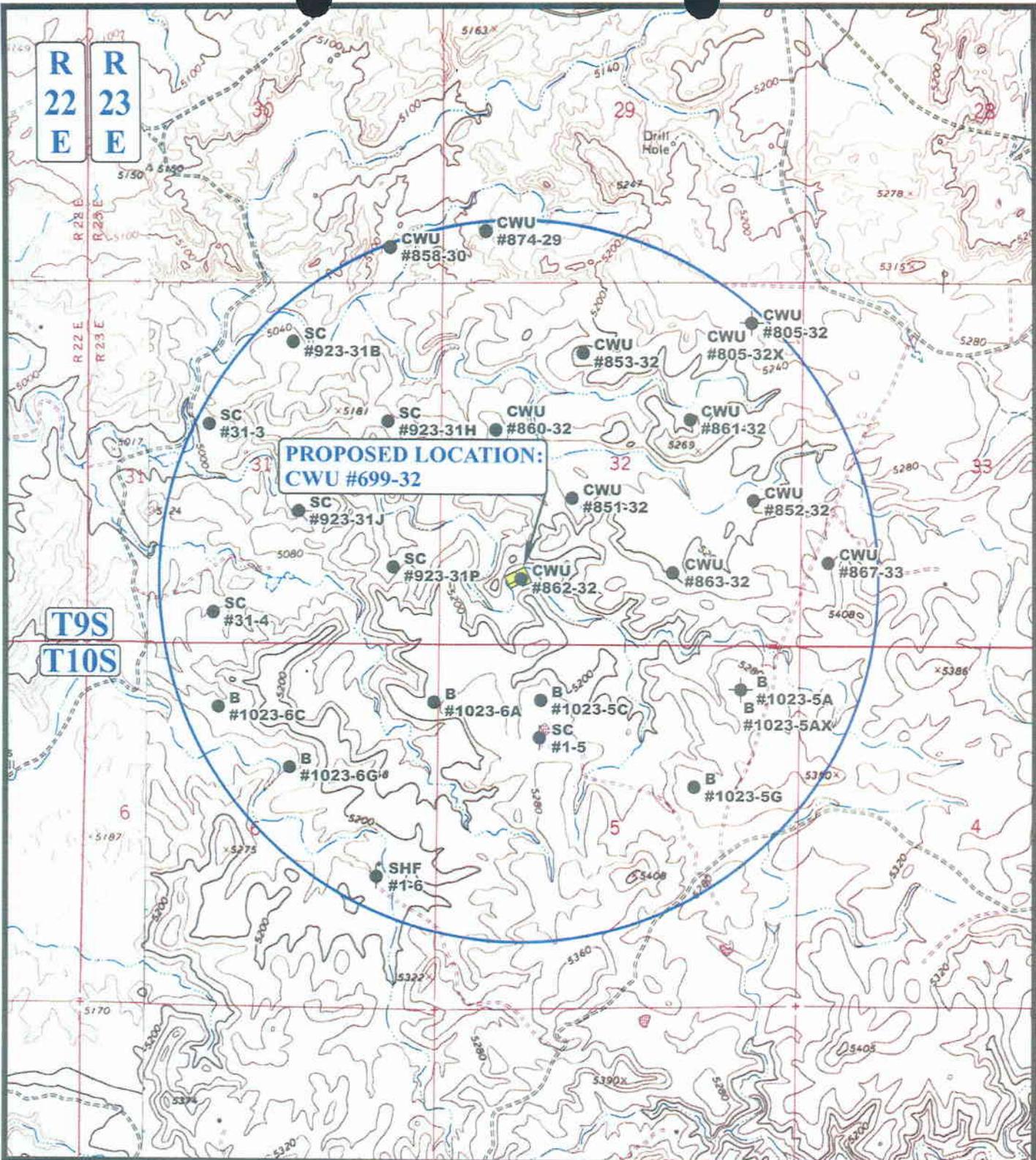


EOG RESOURCES, INC.

CWU #699-32
SECTION 32, T9S, R23E, S.L.B.&M.
944' FSL 1161' FWL

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

TOPOGRAPHIC MAP **11 01 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B TOPO**



LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⊖ SHUT IN WELLS
- ⊗ WATER WELLS
- ⊖ ABANDONED WELLS
- ⊖ TEMPORARILY ABANDONED

N



EOG RESOURCES, INC.

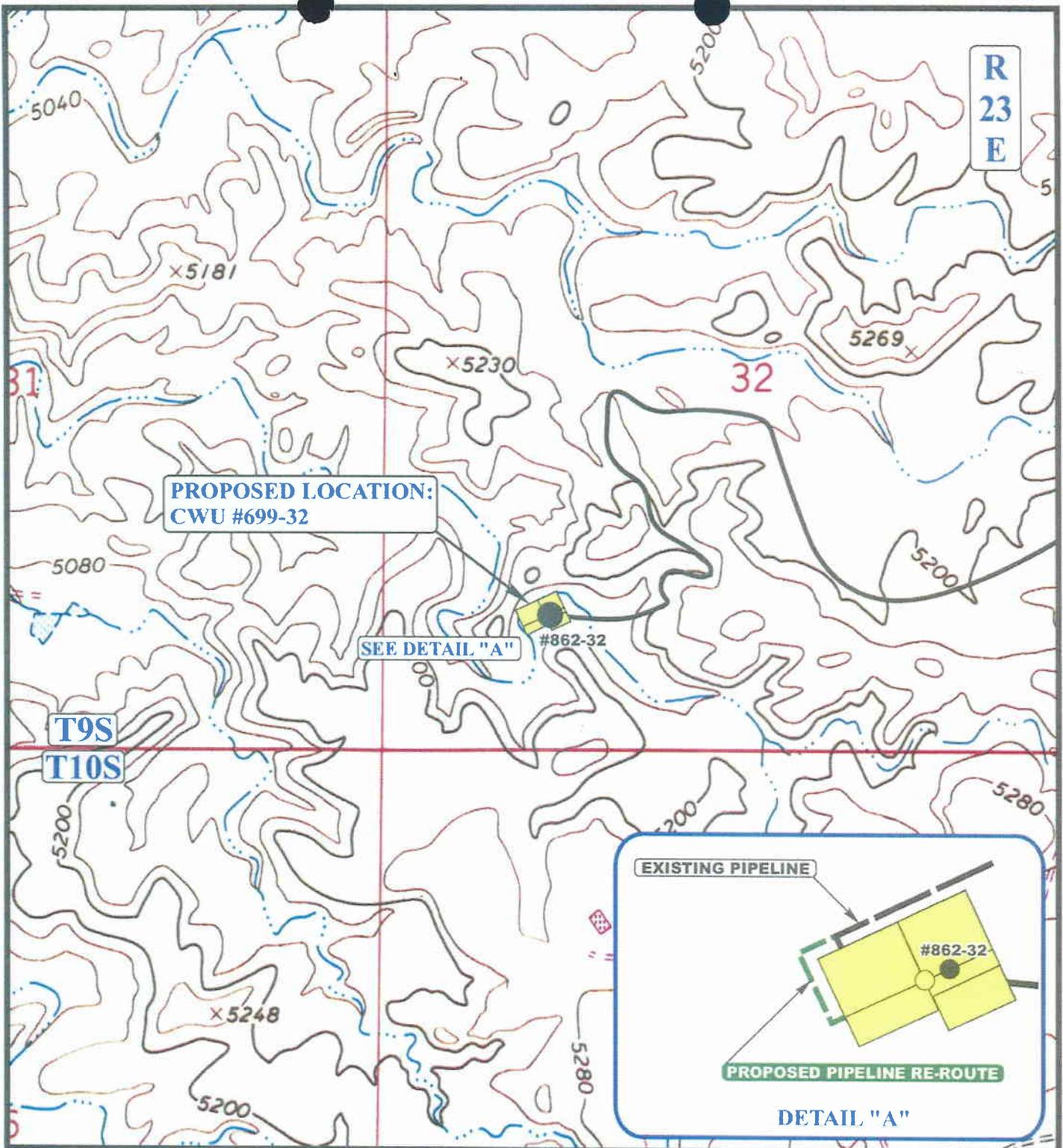
**CWU #699-32
SECTION 32, T9S, R23E, S.L.B.&M.
944' FSL 1161' FWL**



Uintah Engineering & Land Surveying
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(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 11 01 05
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE RE-ROUTE DISTANCE = 220' +/-

LEGEND:

- PROPOSED PIPELINE RE-ROUTE
- EXISTING PIPELINE



EOG RESOURCES, INC.

CWU #699-32
SECTION 32, T9S, R23E, S.L.B.&M.
944' FSL 1161' FWL



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

TOPOGRAPHIC 11 01 05
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/17/2007

API NO. ASSIGNED: 43-047-39199

WELL NAME: CWU 699-32
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:
 SWSW 32 090S 230E
 SURFACE: 0944 FSL 1161 FWL
 BOTTOM: 0944 FSL 1161 FWL
 COUNTY: UINTAH
 LATITUDE: 39.98791 LONGITUDE: -109.3554
 UTM SURF EASTINGS: 640417 NORTHINGS: 4427500
 FIELD NAME: NATURAL BUTTES (630)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|---------|
| Tech Review | Initials | Date |
| Engineering | DKD | 5/16/07 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-3355
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

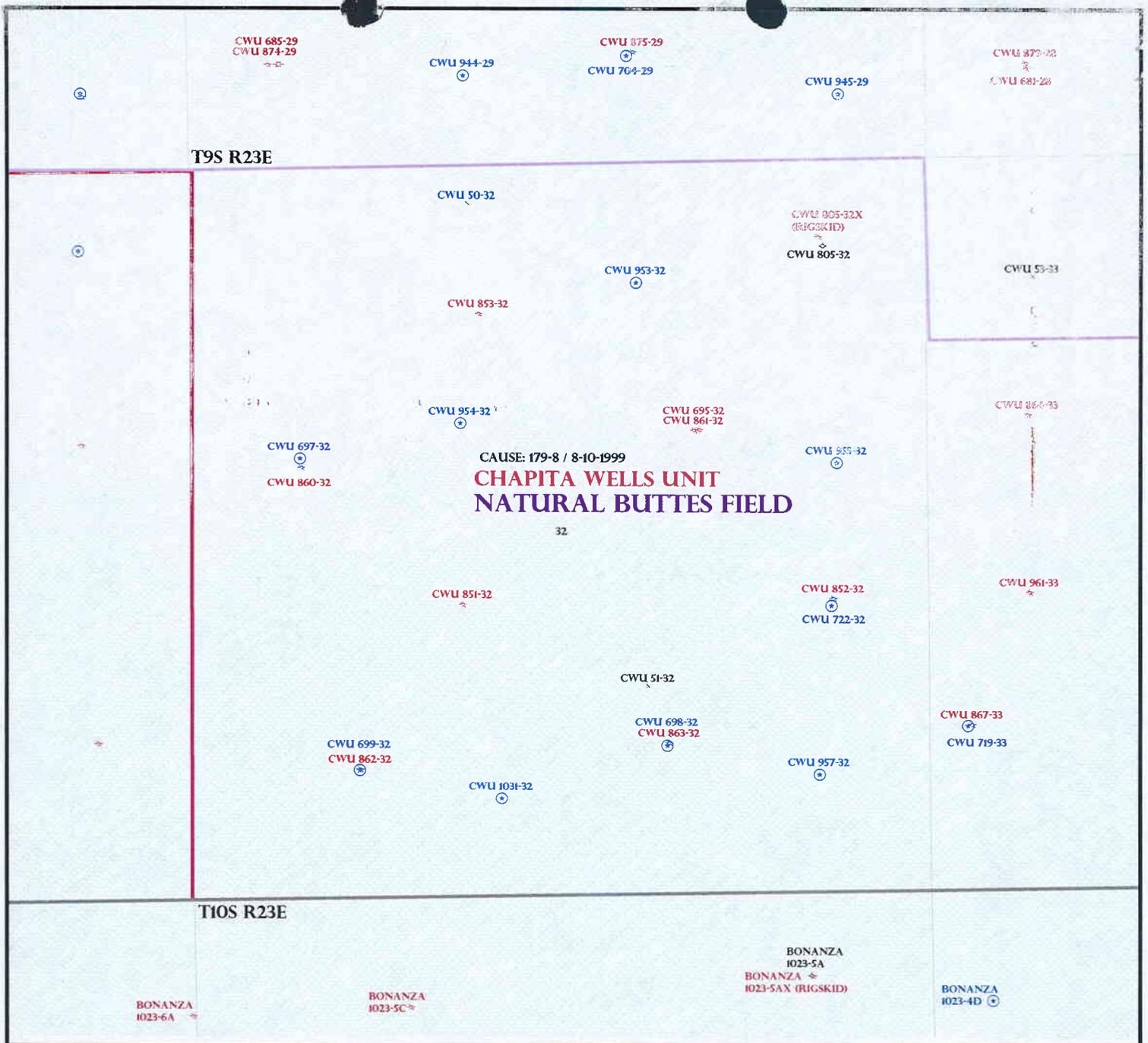
Plat
 Bond: Fed[] Ind[] Sta[] Fee[]
 (No. 6196017)
 Potash (Y/N)
 Oil Shale 190-5 (B) or 190-3 or 190-13
 Water Permit
 (No. 49-225)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)
 Intent to Commingle (Y/N)

LOCATION AND SITING:

 R649-2-3.
 Unit: CHAPITA WELLS
 R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: 179-8
 Eff Date: 8-10-99
 Siting: Suspends General Siting
 R649-3-11. Directional Drill

COMMENTS: Need Permit (04-24-07)

STIPULATIONS: 1 - STATEMENT OF BASIS
2 - Surface Csg Cont Step
3 - Cont Step #3 (4 1/2" production, 2100' md)



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 32 T.9S R. 23E

FIELD: NATURAL BUTTES (630)

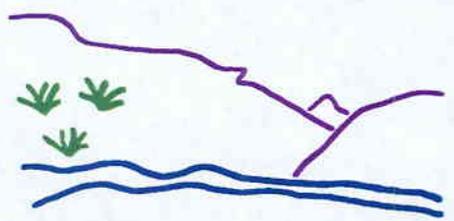
COUNTY: UINTAH

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 |



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 19-APRIL-2007

Application for Permit to Drill

Statement of Basis

5/1/2007

Utah Division of Oil, Gas and Mining

Page 1

| | | | | | |
|------------------|--|--------------------------|------------------|------------------|------------|
| APD No | API WellNo | Status | Well Type | Surf Ownr | CBM |
| 388 | 43-047-39199-00-00 | | GW | S | No |
| Operator | EOG RESOURCES INC | Surface Owner-APD | | | |
| Well Name | CWU 699-32 | Unit | | | |
| Field | UNDESIGNATED | Type of Work | | | |
| Location | SWSW 32 9S 23E S 944 FSL 1161 FWL GPS Coord (UTM) 640417E 4427500N | | | | |

Geologic Statement of Basis

EOG proposes to set 2,300' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,200'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and is not expected to produce prolific aquifers. The production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole. The proposed casing and cement program should adequately protect usable ground water in the area.

Brad Hill
APD Evaluator

5/1/2007
Date / Time

Surface Statement of Basis

On existing pad with the CWU #862 well. The pad will be extended with fill about 42 feet to the west. No fill is available without excavating the hill-side. The surface of the pad will be lowered up to 2 feet to obtain fill for the pad extension.

Floyd Bartlett
Onsite Evaluator

4/24/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

| | |
|-----------------|---|
| Category | Condition |
| Pits | A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit. |

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator EOG RESOURCES INC
Well Name CWU 699-32
API Number 43-047-39199-0 **APD No** 388 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWSW **Sec** 32 **Tw** 9S **Rng** 23E 944 FSL 1161 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ed Bonner (SITLA), Byron Tolman (Agent for EOG Resources) and Daniel Emmet (UDWR).

Regional/Local Setting & Topography

On existing pad with the CWU #862 well. The pad will be extended with fill about 42 feet to the west. No fill is available without excavating the hill-side. The surface of the pad will be lowered up to 2 feet to obtain fill for the pad extension.

Surface Use Plan

Current Surface Use

Existing Well Pad

New Road

| Miles | Well Pad | Length | Src Const Material | Surface Formation |
|--------------|-----------------|---------------|---------------------------|--------------------------|
| | Width | | | |

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland

Flora / Fauna

Soil Type and Characteristics

Erosion Issues

Sedimentation Issues

Site Stability Issues

Drainage Diversion Required

Berm Required?

Erosion Sedimentation Control Required?

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

Reserve Pit

Site-Specific Factors

Site Ranking

- Distance to Groundwater (feet)**
- Distance to Surface Water (feet)**
- Dist. Nearest Municipal Well (ft)**
- Distance to Other Wells (feet)**
- Native Soil Type**
- Fluid Type**
- Drill Cuttings**
- Annual Precipitation (inches)**
- Affected Populations**
- Presence Nearby Utility Conduits**

Final Score

Sensitivity Level

Characteristics / Requirements

The reserve pit is proposed on the southeast portion of the location within an area of cut. Dimensions are 75' x 147' x 12' deep. A liner is required. EOG customarily uses a 16 mil liner with an appropriate thickness of sub-felt to cushion the liner. The area used for the previous pit will be re-excavated.

| | | | |
|----------------------------------|--------------------------|---------------------------|-------------------------------------|
| Closed Loop Mud Required? | Liner Required? Y | Liner Thickness 16 | Pit Underlayment Required? Y |
|----------------------------------|--------------------------|---------------------------|-------------------------------------|

Other Observations / Comments

Floyd Bartlett
Evaluator

4/24/2007
Date / Time

Casing Schematic

Surface

12 1/2" / 18"

BHP $0.052(6630)9.5 = 3275 \text{ psi}$
anticipate 3275 psi

Gas $.12(6630) = 796$
 $3275 - 796 = 2479 \text{ psi, MASP}$

ROPE 5M ✓

Burst 3520
70% 2464 psi

Max P @ surf. shoe

$.22(4330) = 953$
 $3275 - 953 = 2322 \text{ psi}$

9-5/8"
MW 8.4
Frac 19.3

test to 2464 psi ✓

slip cmts. ✓

✓ Adequate DUD 5/16/07

4-1/2"
MW 9.5

Wenta

TOC @ 801.

to surf. w/6% w/o
propose TOC @ surface ✓
*stop

Surface
2300. MD

2965' TOC w/0% w/o → Cales based on gauge hole?
Propose TOC to 2100 MD
3200' ± BMSW ✓ *stop

3849' tail @ 0% w/o
TOC @ 3970. 4266' Wasatch

4611' tail @ 12%
4826' Chapita Wells

5513' Buck Canyon

6432' KMV Pica River

Production
6630. MD

Well name:

2007-05 EOG CWU 699-32

Operator: **EOG Resources Inc.**

String type: **Surface**

Project ID:

43-047-39199

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,300 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,014 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 107 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 290 ft

Cement top: 801 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,630 ft
Next mud weight: 9.500 ppg
Next setting BHP: 3,272 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,300 ft
Injection pressure: 2,300 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2300 | 9.625 | 36.00 | J-55 | ST&C | 2300 | 2300 | 8.796 | 998.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 1004 | 2020 | 2.013 | 2300 | 3520 | 1.53 | 73 | 394 | 5.43 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: May 8, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

2007-05 EOG CWU 699-32

Operator: **EOG Resources Inc.**

String type: **Production**

Project ID:

43-047-39199

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,813 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,272 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 5,688 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 168 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 3,970 ft

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 6630 | 4.5 | 11.60 | N-80 | LT&C | 6630 | 6630 | 3.875 | 578.6 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3272 | 6350 | 1.941 | 3272 | 7780 | 2.38 | 66 | 223 | 3.38 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: May 8, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6630 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Ed Bonner
To: Mason, Diana
Date: 6/27/2007 11:46 AM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Dominion Exploration & Production, Inc
KC 16-32E (API 43 047 39219)
KC 14-32E (API 43 047 39218)

EOG Resources, Inc
Chapita Wells Unit 697-32 (API 43 047 39197)
Chapita Wells Unit 698-32 (API 43 047 39216)
Chapita Wells Unit 699-32 (API 43 047 39199)

Kerr McGee Oil & Gas Onshore LP
Love 1121-16C (API 43 047 39143)
Love 1121-16E (API 43 047 39144)
Love 1121-16G (API 43 047 39145)
Love 1121-16I (API 43 047 39146)
Love 1121-16K (API 43 047 39147)
Love 1121-16M (API 43 047 39148)
Love 1121-16O (API 43 047 39149)
State 1021-28P (API 43 047 39096)
State 1021-28N (API 43 047 39097)
State 1021-28M (API 43 047 39098)
State 1021-28L (API 43 047 39099)
NBU 1021-28F (API 43 047 39100)
NBU 1021-28E (API 43 047 39101)
NBU 1021-28D (API 43 047 39102)
NBU 1021-28C (API 43 047 39103)
NBU 1021-28B (API 43 047 39104)
NBU 1021-28K (API 43 047 39105)
NBU 1021-28I (API 43 047 39106)
NBU 1022-24B (API 43 047 39389)

If you have any questions regarding this matter please give me a call.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

April 19, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Chapita Wells Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Chapita Wells Unit, Uintah County, Utah.

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

(Proposed PZ Wasatch)

43-047-39197 CWU 697-32 Sec 32 T09S R23E 2091 FNL 0768 FWL

43-047-39216 CWU 698-32 Sec 32 T09S R23E 1082 FSL 1914 FEL

43-047-39199 CWU 699-32 Sec 32 T09S R23E 0944 FSL 1161 FWL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:4-19-07



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

June 28, 2007

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

Re: Chapita Wells unit 699-32 Well, 944' FSL, 1161' FWL, SW SW, Sec. 32, T. 9 South,
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39199.

Sincerely,

Gil Hunt
Associate Director

er
Enclosures

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



Operator: EOG Resources, Inc.
Well Name & Number Chapita Wells unit 699-32
API Number: 43-047-39199
Lease: ML 3355

Location: SW SW **Sec.** 32 **T.** 9 South **R.** 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- 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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. Surface casing shall be cemented to the surface.
7. Cement volume for the 5-1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to $\pm 2800'$ MD as indicated in the submitted drilling plan.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 699-32

Api No: 43-047-39199 Lease Type: STATE

Section 32 Township 09S Range 23E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

SPUDDED:

Date 05/05/08

Time 1:00 PM

How DRY

Drilling will Commence: _____

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 05/05/08 Signed CHD

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | | |
|---|--|--|--|
| 1. TYPE OF WELL | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit | |
| 4. LOCATION OF WELL | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 | |
| FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 9. API NUMBER: 43-047-39199 | |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E S | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch | |
| COUNTY: Uintah | | STATE: UTAH | |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT (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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Well spud</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.

The referenced well spud on 5/5/2008.

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Mary A. Maestas</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u><i>Mary A. Maestas</i></u> | DATE <u>5/6/2008</u> |

(This space for State use only)

RECEIVED
MAY 07 2008
DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

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

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------------------|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39199 | Chapita Wells Unit 699-32 | | SWSW | 32 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <u>EA</u> | 99999 | <u>16835</u> | 5/5/2008 | | <u>5/08/08</u> | | |
| Comments: <u>Wasatch well</u> | | | | | | | |

Well 2

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

Well 3

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

ACTION CODES:

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

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

5/6/2008

Date

RECEIVED

MAY 07 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|--|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 9. API NUMBER: 43-047-39199 |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | PHONE NUMBER: (303) 824-5526 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E S | | COUNTY: Uintah |
| | | STATE: UTAH |

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

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

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

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD
2. Chapita Wells Unit 550-30N SWD
3. Chapita Wells Unit 2-29 SWD
4. Red Wash Evaporation ponds 1, 2, 3 & 4
5. RN Industries

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

Date: 05-20-08
By: [Signature]

COPY SENT TO OPERATOR

Date: 5-20-2008

Initials: KS

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Mary A. Maestas</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u>[Signature]</u> | DATE: <u>5/6/2008</u> |

(This space for State use only)

RECEIVED

MAY 07 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 6. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078 | PHONE NUMBER: (435) 789-0790 | 9. API NUMBER: 43-047-39199 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E | | COUNTY: Uintah |
| | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|--|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
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| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <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 Respectfully requests authorization to change the drilling plan for the referenced well.

A revised drilling plan is attached.

COPY SENT TO OPERATOR

Date: 5.19.2008

Initials: KS

| | |
|---|--|
| NAME (PLEASE PRINT) <u>Kaylene R. Gardner</u> | TITLE <u>Lead Regulatory Assistant</u> |
| SIGNATURE | DATE <u>5/7/2008</u> |

(This space for State use only) **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**
 DATE: 5/16/08
 BY: [Signature]
 (6/2000) (See Instructions on Reverse Side)
 X surface csg shall be cemented back to surface

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

DRILLING PLAN

CHAPITA WELLS UNIT 699-32 SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

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

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|-----------------|--------------|-----------|-----------|-----|
| Green River | 1,292 | | Shale | |
| Wasatch | 4,266 | Primary | Sandstone | Gas |
| Chapita Wells | 4,826 | Primary | Sandstone | Gas |
| Buck Canyon | 5,513 | Primary | Sandstone | Gas |
| North Horn | 6,103 | Primary | Sandstone | Gas |
| KMV Price River | 6,385 | | Sandstone | |
| | | | | |
| | | | | |
| | | | | |
| TD | 6,630 | | | |

Estimated TD: 6,630' or 200'± below TD

Anticipated BHP: 3,620 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 ½" | 0 – 45' | 13 ⅝" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12 ¼" | 0' – 2,300' KB± | 9-⅝" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production | 6-¼" | Surface – TD | 4-½" | 11.6# | P-110 | BTC | 7560 PSI | 10,690 Psi | 279,000# |
| | | | | | | | | | |

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/9-⅝" 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.

DRILLING PLAN

CHAPITA WELLS UNIT 699-32 SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

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

Production Hole Procedure (2300'± - TD):

Bit, Cross-over sub with float, IB stabilizer, Casing pup jt., IB Stabilizer, 1 joint casing, and balance of casing to surface. All casing will be 4-½", 11.6#, P-110, Buttress and Grant Prideco DWC couplings, with a marker jt. 400' above top of Wasatch. Composite-coated, positive stand-off centralizers will be utilized on the bottom 20 jts. The casing will be rotated via a top-drive system to drill the hole. A cement plug will be landed on the float above the bit.

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

DRILLING PLAN

CHAPITA WELLS UNIT 699-32 SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

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

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

8. EVALUATION PROGRAM:

Logs: Gas show 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**

DRILLING PLAN

CHAPITA WELLS UNIT 699-32 SW/SW, SEC. 32, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

- Lead: 185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.
- Tail: 207 sks** Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.
- Top Out:** As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.
- Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

Production Hole Procedure (2300'± - TD)

- Lead: 80 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.
- Tail: 220 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9 gps water.
- Note:** The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.
This section of hole will be casing drilled and will meet BLM requirement for .422 of cement sheath space on all sides of the casing couplings.

DRILLING PLAN

CHAPITA WELLS UNIT 699-32 **SW/SW, SEC. 32, T9S, R23E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

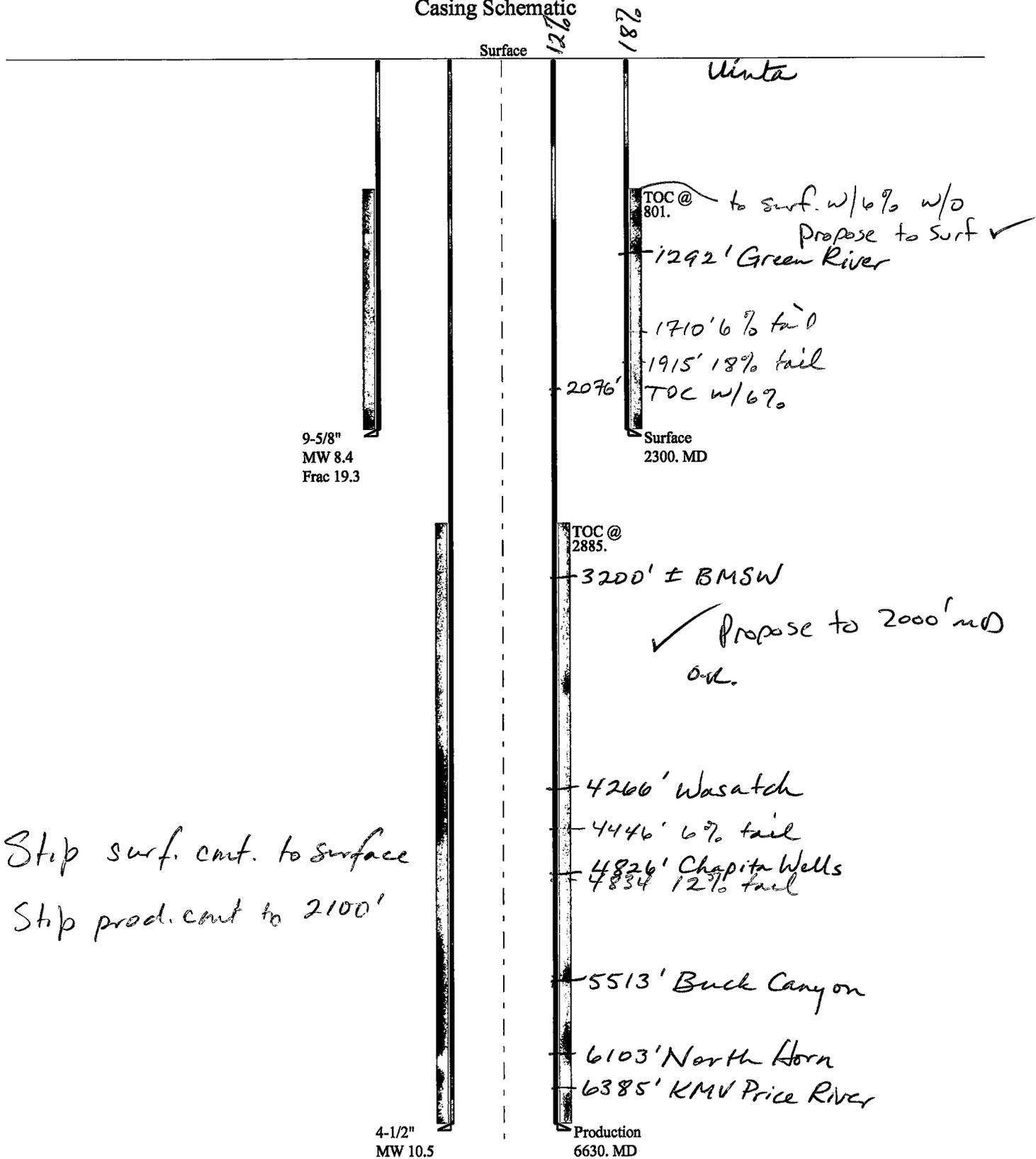
13. Air Drilling Operations:

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

(Attachment: BOP Schematic Diagram)

2008-05 EOG CWU 699-32(rev 2007-05)

Casing Schematic



Stop surf. cont. to surface

Stop prod. cont to 2100'

| | | |
|--------------|--|---------------------|
| Well name: | 2008-05 EOG CWU 699-32(rev 2007-05) | |
| Operator: | EOG Resources Inc. | Project ID: |
| String type: | Surface | 43-047-39199 |
| Location: | Uintah County | |

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125
1.325

Burst:

Design factor 1.00
1.2

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 107 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 290 ft

Cement top: 801 ft

Burst

Max anticipated surface pressure: 2,024 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,300 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J) *2.2*
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Re subsequent strings:

Next setting depth: 6,630 ft
 Next mud weight: 10.500 ppg
 Next setting BHP: 3,616 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,300 ft
 Injection pressure: 2,300 psi

Tension is based on buoyed weight.
 Neutral point: 2,014 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2300 | 9.625 | 36.00 | J-55 | ST&C | 2300 | 2300 | 8.796 | 998.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 1004 | 2020 | <u>2.013</u> | 2300 | 3520 | <u>1.53</u> | 73 | 394 | <u>5.43 J</u> |

✓ OK

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801-538-5357
 FAX: 801-359-3940

Date: May 14, 2008
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | |
|--------------|--|--------------|
| Well name: | 2008-05 EOG CWU 699-32(rev 2007-05) | |
| Operator: | EOG Resources Inc. | Project ID: |
| String type: | Production | 43-047-39199 |
| Location: | Uintah County | |

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125
1.325

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 168 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst

Max anticipated surface pressure: 2,158 psi
Internal gradient: 0.220 psi/ft
Calculated BHP: 3,616 psi

Burst:

Design factor 1.00
1.2

Cement top: 2,885 ft

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J) *2.8*
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 5,589 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 6630 | 4.5 | 11.60 | P-110 | Buttress | 6630 | 6630 | 3.875 | 578.6 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3616 | 7580 | <u>2.096</u> | 3616 | 10690 | <u>2.96</u> | 65 | 367 | <u>5.66 B</u> |

✓ G.V.

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: May 14, 2008
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 6630 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

BOPE REVIEW

EOG CWU 699-32 API 43-047-39199

INPUT

Well Name

| EOG CWU 699-32 | | API 43-047-39199 | |
|--|----------|------------------|--|
| String 1 | String 2 | | |
| Casing Size (") | 9 5/8 | 4 1/2 | |
| Setting Depth (TVD) | 2300 | 6630 | |
| Previous Shoe Setting Depth (TVD) | 0 | 2300 | |
| Max Mud Weight (ppg) | 8.4 | 10.5 | |
| BOPE Proposed (psi) | 500 | 5000 | |
| Casing Internal Yield (psi) | 3520 | 10690 | |
| Operators Max Anticipated Pressure (psi) | 3620 | 10.5 ppg | |

| Calculations | String 1 | 9 5/8 " | |
|--|---|----------|--|
| Max BHP [psi] | .052*Setting Depth*MW = | 1005 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) [psi] | Max BHP-(0.12*Setting Depth) = | 729 | NO → O.K. Air drill |
| MASP (Gas/Mud) [psi] | Max BHP-(0.22*Setting Depth) = | 499 | YES |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | Max BHP-.22*(Setting Depth - Previous Shoe Depth) = | 499 | ← NO Reasonable depth - no expected press. |
| Required Casing/BOPE Test Pressure | | 2300 psi | |
| *Max Pressure Allowed @ Previous Casing Shoe = | | 0 psi | |

| Calculations | String 2 | 4 1/2 " | |
|--|---|----------|--|
| Max BHP [psi] | .052*Setting Depth*MW = | 3620 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) [psi] | Max BHP-(0.12*Setting Depth) = | 2824 | YES |
| MASP (Gas/Mud) [psi] | Max BHP-(0.22*Setting Depth) = | 2161 | YES ✓ |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | Max BHP-.22*(Setting Depth - Previous Shoe Depth) = | 2667 | ← NO Reasonable |
| Required Casing/BOPE Test Pressure | | 5000 psi | |
| *Max Pressure Allowed @ Previous Casing Shoe = | | 2300 psi | *Assumes 1psi/ft frac gradient |

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|--|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 9. API NUMBER: 43-047-39199 |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | PHONE NUMBER: (303) 824-5526 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E S | | COUNTY: Uintah STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input checked="" 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 type="checkbox"/> OTHER: _____ |
| | <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.

The referenced well was turned to sales on 7/24/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Mary A. Maestas</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u><i>Mary A. Maestas</i></u> | DATE <u>7/28/2008</u> |

(This space for State use only)

RECEIVED

JUL 30 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 07-28-2008

| | | | | | |
|----------------------|---|------------------|--------------|----------------------|--------------|
| Well Name | CWU 699-32 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS UNIT | API # | 43-047-39199 | Well Class | 1SA |
| County, State | UINTAH, UT | Spud Date | 05-26-2008 | Class Date | 07-24-2008 |
| Tax Credit | N | TVD / MD | 6,630/ 6,630 | Property # | 057592 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 4,701/ 4,701 |
| KB / GL Elev | 5,166/ 5,153 | | | | |
| Location | Section 32, T9S, R23E, SWSW, 944 FSL & 1161 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 100.0 | NRI % | 82.5 |

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|------------------|---------------------|------------|-----------|-----|-------------|-----|
| AFE No | 303610 | AFE Total | 1,293,300 | DHC / CWC | 694,700/ 598,600 | | | | | | |
| Rig Contr | ELENBURG | Rig Name | ELENBURG #28 | Start Date | 07-11-2007 | Release Date | 05-31-2008 | | | | |
| 07-11-2007 | Reported By | SHARON CAUDILL | | | | | | | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 | | | | | | |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 | | | | | | |
| MD | 0 | TVD | 0 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | | | | | | | |

Activity at Report Time: LOCATION DATA

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

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | LOCATION DATA 944' FSL & 1161' FWL (SW/SW) SECTION 32, T9S, R23E UINTAH COUNTY, UTAH |
|-------|-------|------|---|

LAT 39.987817, LONG 109.356008 (NAD 83)
LAT 39.987850, LONG 109.355328 (NAD 27)

ELENBURG #28
OBJECTIVE: 6630' TD, NORTH HORN
DW/GAS
CHAPITA WELLS PROSPECT
DD&A: NATURAL BUTTES
NATURAL BUTTES FIELD

LEASE: ML-3355

ELEVATION: 5153.4' NAT GL, 5153.4' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 5153'), 5166' KB (13')

EOG WI 100%, NRI 82.5%

04-30-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | START CONSTRUCTION. |

05-01-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 35% COMPLETE. |

05-02-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 45% COMPLETE. |

05-05-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 60% COMPLETE. |

05-06-2008 Reported By TERRY CSERE/JERRY BARNES

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

Activity at Report Time: WO AIR RIG

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | LOCATION 65% COMPLETE. CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 05/05/08 @ 1:00 PM. 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 05/05/08 @ 12:30 PM. |

05-07-2008 Reported By TERRY CSERE

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0
 Cum Costs: Drilling \$38,000 Completion \$0 Well Total \$38,000

MD 60 TVD 60 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

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

05-08-2008 Reported By TERRY CSERE

Daily Costs: Drilling \$0 Completion \$0 Daily Total \$0
 Cum Costs: Drilling \$38,000 Completion \$0 Well Total \$38,000

MD 60 TVD 60 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: BUILD LOCATION

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

05-20-2008 Reported By JERRY BARNES

Daily Costs: Drilling \$242,461 Completion \$0 Daily Total \$242,461
 Cum Costs: Drilling \$280,461 Completion \$0 Well Total \$280,461

MD 2,207 TVD 2,207 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | MIRU ASPEN DRILLING RIG #14 ON 5/11/2008. DRILLED 12-1/4" HOLE TO 2207' GL. LOST RETURNS @ 1455'. RAN 51 JTS (2179.70') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2192' KB. RDMO AIR RIG. |

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 2000 PSIG. PUMPED 170 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (89 BBLs) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.2 PPG W/YIELD OF 1.25 CF/SX.

DISPLACED CEMENT W/166 BBLs FRESH WATER. BUMPED PLUG W/645# @ 6:15 PM, 5/14/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB # 1: MIXED & PUMPED 100 SX (21 BBLs) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 3 HRS.

TOP JOB # 2: MIXED & PUMPED 100 SX (21 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 2 HRS 30 MINUTES.

TOP JOB # 3: MIXED & PUMPED 200 SX (42 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT TO 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 2 HRS 30 MINUTES.

TOP JOB # 4: MIXED & PUMPED 150 SX (31 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 4 HRS 30 MINUTES.

TOP JOB # 5: MIXED & PUMPED 100 SX (21 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. HOLE FILLED W/CEMENT BUT FELL BACK WHEN PUMPING STOPPED. WOC 2 HRS.

TOP JOB # 6: MIXED & PUMPED 50 SX (10 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. HOLE FILLED & STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

ASPEN RIG 14 TOOK SURVEYS WHEN DRILLING HOLE @: 307' - 0.75°, 637' - 1.0°, 907' - 0.75°, 1207' - 0.75°, 1507' - 1.5°, 1807' - 1.25°, 2165' - 0.75°.

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

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

DANNY FARNSWORTH NOTIFIED ROOSEVELT OFFICE W/UDOGM OF THE SURFACE CASING & CEMENT JOB ON 5/13/2008 @ 9:00 AM.

05-26-2008 Reported By D/FOREMAN,J/SCHLENKER

Daily Costs: Drilling \$73,831 Completion \$0 Daily Total \$73,831

Cum Costs: Drilling \$354,292 Completion \$0 Well Total \$354,292

MD 2.207 TVD 2.207 Progress 0 Days 0 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TIH W/CSG DRILLING ASSEMBLY

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 07:00 | 1.0 | RIG DOWN FOR .8 MILE RIG MOVE. |
| 07:00 | 12:00 | 5.0 | MOVE FROM CWU 697-32 TO CWU 698-32 & RIG UP. TRUCKS OFF LOCATION @ 12:00 NOON. INSTALL NIGHT CAP W/ FMC. |
| 12:00 | 14:00 | 2.0 | SET BOP AND TEST DTO HEAD W/ FMC & LOCK DOWN BOP. CONT. RIG UP. CLEAN & DRIFT 4.5, P110, 11.6# CASING, 180 JTS + 4 MKRJ JTS + 2 PUP JTS W/6.25 PDC BIT, FLOAT SUB & 2 IN-LINE CNTRLS. |
| 14:00 | 18:00 | 4.0 | NIPPLE UP BOP, ROT.HEAD, CHOKE LINE, KILL LINE VALVES, HYD. HOSES, FUNCTION TEST BOP. RIG ON DAY WORK @ 14:00, 5/25/08. |
| 18:00 | 23:00 | 5.0 | TEST BOPE AS PER PROGRAM. NOTIFIED STATE OF UTAH, MR. DAVID HACKFORD BY E-MAIL ON 5/23/08 @ 20:30 FOR BOP TEST. TESTED INSIDE BOP, SAFETY VALVE, UPPER KELLY COCK 250/5000 PSI 5/10 MIN. HCR, CHOKE LINE, KILL LINE, 250/5000 PSI 5/10 MIN. CHOKE MANIFOLD, 250/5000 PSI 5/10 MIN. PIPE RAMS, BLIND RAMS, 250/5000 PSI 5/10 MIN. ANNULAR, 250/2500 PSI 5/10 MIN. TEST 9 5/8" SURFACE CASING TO 1500 PSI 30 MIN. WITNESS B & C QUICK TEST - LOUIS COOPER. |
| 23:00 | 01:00 | 2.0 | CHANGE PUMP LINERS FOR LOWER VOLUME. FILL MUD TANKS FROM PIT, INSTALL NEW RESERVE PIT PUMP, SERVICE BOP & CHOKE MANIFOLD VALVES W/ B&C QUICK TEST. ADJUST & TEST TORQUE ON TOP DRIVE TO 5,000 FT/# FOR RUNNING 4.5 P-110 CASING, BTC THREADS. |
| 01:00 | 02:30 | 1.5 | PU BHA, 6.25 BIT - FM 3643Z W/ 5.875" CENTRALIZERS. |
| 02:30 | 06:00 | 3.5 | TRIP IN W/CASING / DRILL STRING. INSTALL NON-ROTATING CENTRALIZERS ON EACH OF FIRST 20 JTS AND EVERY 3 JT AFTER. |

ACCIDENTS NONE REPORTED.

FUNCTION CROWN-O-MATIC.
 SAFETY MEETING: PIPE HANDLING & CASING DRILLING PROGRAM.
 CREWS FULL.
 FUEL ON HAND: 2711 GALS. USED: 125 GALS. (TRANSFERED FROM CWU 697-32 - 2836 GAL.)
 MUD LOGGER UNMANED ON LOCATION FROM 5/25/08 (1 DAY)

| | | | | | | | | | | | |
|------------------------------|--------------------|-----------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|------|
| 05-27-2008 | Reported By | D/FOREMAN,J/SCHLENKER | | | | | | | | | |
| Daily Costs: Drilling | \$26,868 | Completion | \$0 | Daily Total | \$26,868 | | | | | | |
| Cum Costs: Drilling | \$381,160 | Completion | \$0 | Well Total | \$381,160 | | | | | | |
| MD | 2.474 | TVD | 2.474 | Progress | 0 | Days | 1 | MW | 8.6 | Visc | 36.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: WORKING STUCK CASING @ 2474'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|---|
| 06:00 | 07:00 | 1.0 | TRIPPING IN W/CASING DRILL STRING. |
| 07:00 | 09:00 | 2.0 | DRILL CEMENT/FLOAT EQUIP. |
| 09:00 | 09:30 | 0.5 | PERFORMED FIT W/8.8# MUD @ 2230', HELD 195 PSI. EMW 10.5. |
| 09:30 | 16:00 | 6.5 | DRILLING F/ 2207' TO 2471', 264', ROP 40.6, WOB 14/15, RPM 65/70, TRQ 1200/1350. |
| 16:00 | 00:00 | 8.0 | STUCK PIPE, @ 2471' NO MOVEMONT PACKED OFF NO CIRC. |
| 00:00 | 00:30 | 0.5 | SAFETY MEETING W/ WEATHERFORD W/L SERVICE. |
| 00:30 | 02:00 | 1.5 | RIG UP & RUN FREEPOINT STUCK F/ 2471' TO 2263' @ 2263' 80% FREE. |
| 02:00 | 03:00 | 1.0 | POOH W/ WIRE LINE RIG UP PERF. GUN 4 SHOT PER. FT. |
| 03:00 | 04:00 | 1.0 | RUN IN HOLE PERFORATE @ 2440' TRY TO CIRC. NO LUCK. POOH W/ WIRE LINE. |
| 04:00 | 05:00 | 1.0 | RIG UP PERF. GUN 4 SHOT PER. FT.RUN IN HOLE PERFORATE @ 2420' TRY TO CIRC. NO LUCK.POOH |
| 05:00 | 06:00 | 1.0 | RIG UP GUN #3. RIH TO 2338'. PERFORATE & TRIED TO CIRC. NO CIRC. POOH W/WIRELINE. |

ACCIDENTS NONE REPORTED.
 FUNCTION CROWN-O-MATIC.
 BOP DRILL 1.45 DAYS.
 SAFETY MEETING: FORK LIFT SAFETY, WORKING W/ WIRE LINE
 CREWS FULL.
 FUEL ON HAND: 2342 GALS. USED: 369 GALS.
 MUD LOGGER UNMANED ON LOCATION FROM 5/25/08 (2 DAY).

06:00 06:00 24.0 SPUD 6-1/2" HOLE @ 09:30, 5/26/2008

| | | | | | | | | | | | |
|------------------------------|--------------------|-----------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|------|
| 05-28-2008 | Reported By | D/FOREMAN,J/SCHLENKER | | | | | | | | | |
| Daily Costs: Drilling | \$48,889 | Completion | \$0 | Daily Total | \$48,889 | | | | | | |
| Cum Costs: Drilling | \$430,050 | Completion | \$0 | Well Total | \$430,050 | | | | | | |
| MD | 2.474 | TVD | 2.474 | Progress | 0 | Days | 2 | MW | 8.8 | Visc | 34.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: P/U BHA

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 07:00 | 1.0 | R/U GUN #4 TO 2300', PERFORATE TRY TO CIRC, NO CIRC. POOH W/ WIRELINE. |
| 07:00 | 10:30 | 3.5 | WORK STUCK PIPE. TRY TO CIRCULATE. |
| 10:30 | 13:30 | 3.0 | REGAINED CIRCULATION @ 10:30, DROPPED 3 FRAC BALLS @ 13:30. |

| | | |
|-------|-------|---|
| 13:30 | 14:30 | 1.0 CIRCULATE AND WORK PIPE, DROPPED 3 MORE BALLS @ 14:00, PIPE FREE @ 14:30. |
| 14:30 | 16:30 | 2.0 CIRCULATE, PREPARE & PUMP HI-VIS PILL. |
| 16:30 | 21:00 | 4.5 TRIP OUT L/D 4.5 CASING. |
| 21:00 | 23:30 | 2.5 SLIP & CUT 800' OF DRILL LINE, MOVE DP & BHA TO LOCATION. |
| 23:30 | 02:00 | 2.5 CHANGE PUMP LINERS FROM 4.5 BACK TO 6.25 ON PUMP #1, REPLACE DAMPER ON PUMP #2. REMOVE CSG & PLACE BHA AND DP ON RACKS AS IT ARRIVED ON LOCATION. |
| 02:00 | 06:00 | 4.0 PU BHA & TOOLS. |

ACCIDENTS: NONE REPORTED.
 FUNCTION CROWN-O-MATIC.
 SAFETY MEETING: SLIP & CUT DRILL LINE
 CREWS FULL.
 FUEL ON HAND: 1869 GALS. USED: 473 GALS.
 MUD LOGGER UNMANED ON LOCATION FROM 5/25/08 - 3 DAYS

06:00 18.0

05-29-2008 Reported By FOREMAN,SCHLENKER, M.WILLIAMS

| | | | | | |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| Daily Costs: Drilling | \$56,477 | Completion | \$536 | Daily Total | \$57,013 |
| Cum Costs: Drilling | \$486,527 | Completion | \$536 | Well Total | \$487,063 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|-------|-------------|---|-----------|-----|-------------|------|
| MD | 4,525 | TVD | 4,525 | Progress | 2,054 | Days | 3 | MW | 8.5 | Visc | 32.0 |
|-----------|-------|------------|-------|-----------------|-------|-------------|---|-----------|-----|-------------|------|

Formation : PBTB : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: DRILLING @ 4525'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 07:30 | 1.5 | TRIP IN W/NEW DRILLING ASS. |
| 07:30 | 10:00 | 2.5 | WASH/REAM F/2147 TO 2471 BTM. REDRILL SHOE TRACK FOR 7-7/8. |
| 10:00 | 15:00 | 5.0 | DRILLING F/2471' TO 3030'. ROP 111, WOB 12/18, RPM 40/45, TQ 1200/2200. |
| 15:00 | 15:30 | 0.5 | SERVICE RIG. |
| 15:30 | 16:00 | 0.5 | DRILLING F/3030' TO 3075', ROP 90, WOB 12/18, RPM 40, TQ 1200/2200. |
| 16:00 | 17:00 | 1.0 | C/O ROTATING HEAD RUBBER. |
| 17:00 | 06:00 | 13.0 | DRILLING F/3075' TO 4525', ROP 111, WOB 12/18, RPM 40/45, TQ 1200/2200. MUD LOSS LAST 24 HRS. 85 BBLS. MUD WT.9.1 VIS.35. ROT 120, P/U 125, S/O 117. |

ACCIDENTS NONE REPORTED.
 FUNCTION CROWN-O-MATIC.
 SAFETY MEETING: TIH, HOUSEKEEPING.
 CREWS FULL.
 FUEL ON HAND: 4538, GALS. USED: 1831, GALS, REC, 4500 GAL.
 GAS BG.55 U, CONN. 105 U.
 LITHOLOGY; SAND/ SHALE.
 MUD LOGGER UNMANED ON LOCATION F/ 5/25/08 (4 DAYS).

05-30-2008 Reported By MATT WILLIAMS

| | | | | | |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| Daily Costs: Drilling | \$50,518 | Completion | \$0 | Daily Total | \$50,518 |
| Cum Costs: Drilling | \$537,045 | Completion | \$536 | Well Total | \$537,581 |

MD 6.111 **TVD** 6.111 **Progress** 1.586 **Days** 4 **MW** 9.1 **Visc** 39.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 6111'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 13:00 | 7.0 | DRILLING F/4525' TO 5200', ROP 96, WOB 12/18, RPM 40/45, TQ 1350/2200. |
| 13:00 | 13:30 | 0.5 | SERVICE RIG. |
| 13:30 | 20:00 | 6.5 | DRILLING F/5200' TO 5690', ROP 75, WOB 12/20, RPM 40/45, TQ 1300/2200. |
| 20:00 | 20:30 | 0.5 | SERVICE RIG. |
| 20:30 | 06:00 | 9.5 | DRILLING F/5690' TO 6111', ROP 44, WOB 10/25, RPM 40/50, TQ 1200/2800. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.7 VIS.35.
ROT 142, P/U 152, S/O 145.
ACCIDENTS NONE REPORTED.
FUNCTION CROWN-O-MATIC.
SAFETY MEETING: RIG SERVICE, WORKING ON MUD PUMPS.
CREWS FULL.
FUEL ON HAND: 3218, GALS. USED: 1320, GALS, REC, 0 GAL.

GAS BG.55 U, CONN. 105 U.
LITHOLOGY: SAND/ SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 5/25/08 (5 DAYS).

05-31-2008 **Reported By** MATT WILLIAMS

| | | | | | |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| Daily Costs: Drilling | \$42,299 | Completion | \$0 | Daily Total | \$42,299 |
| Cum Costs: Drilling | \$579,344 | Completion | \$536 | Well Total | \$579,880 |

MD 6.630 **TVD** 6.630 **Progress** 519 **Days** 5 **MW** 9.9 **Visc** 39.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RUN 4.5" CASING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 13:00 | 7.0 | DRILLING F/ 6111' TO 6473', ROP 51, WOB 10/25, RPM 40/55, TQ 800/2200. INFORMED STATE REP DAVE HACKFORD OF UPCOMING CSG & CMT JOB BY E-MAIL @ 0800 ON 5/30/08. |
| 13:00 | 13:30 | 0.5 | SERVICE RIG. |
| 13:30 | 16:30 | 3.0 | DRILLIG F/ 6473' TO 6630', ROP 52, WOB 15/20, RPM 40/45, TQ 1800/2200. REACHED TD @ 16:30 HRS, 5/30/08. |
| 16:30 | 18:00 | 1.5 | CIRCULATE AND CONDITION MUD FOR SHORT TRIP. |
| 18:00 | 19:00 | 1.0 | SHORT TRIP. |
| 19:00 | 20:00 | 1.0 | CIRCULATE, SPOT 150 BBL, 11.5 PPG PILL, EMW = 10.4. |
| 20:00 | 02:00 | 6.0 | TRIP OUT OF HOLE LAYING DOWN DRILL PIPE. |
| 02:00 | 02:30 | 0.5 | REMOVE ROTATING HEAD RUBBER. |
| 02:30 | 04:30 | 2.0 | LAY DOWN BHA. |
| 04:30 | 05:00 | 0.5 | PULL WEAR BUSHING. |
| 05:00 | 06:00 | 1.0 | HOLD SAFTEY MEETING WITH WEATHERFORD AND RIG CREW. RIG UP WEATHERFORD CSG EQUIPMENT. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.10 VIS.37.

ROT 142, P/U 152, S/O 145.
 ACCIDENTS NONE REPORTED.
 FUNCTION CROWN-O-MATIC.
 SAFETY MEETING: UNLOADING CSG. L/D DRILL STRING.
 CREWS FULL.
 FUEL ON HAND: 1643, GALS. USED: 1575, GALS, REC. 0 GAL.
 GAS BG.55 U, CONN. 105 U.
 LITHOLOGY: SAND/ SHALE.
 MUD LOGGER UNMANED ON LOCATION F/ 5/25/08 (6 DAYS).

06-01-2008 Reported By MATT WILLIAMS

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$24,498 | Completion | \$104,110 | Daily Total | \$128,608 |
| Cum Costs: Drilling | \$603,843 | Completion | \$104,646 | Well Total | \$708,489 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|---|-----------|-----|-------------|-----|
| MD | 6,630 | TVD | 6,630 | Progress | 0 | Days | 6 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|---|-----------|-----|-------------|-----|

Formation : PBTB : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: RDRT/NO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:00 | 1.0 | CONTINUE R/U CSG EQUIPMENT. |
| 07:00 | 15:00 | 8.0 | RAN CASING - 4.5 N-80 11.6# LTC, 164 FULL JTS. + 1 MKR JT, AS FOLLOWS. FLOAT SHOE, 1JT.CSG. , FLOAT COLLAR, 67 JTS. CSG., 1 MARJER JT, 96 JTS.CSG & DTO CASING HANGER ASSY. FLOAT SHOE @ 6623' FLOAT COLLAR @ 6580', MARKER JT @ 3875', TOP (BTM @ 3885), 15 CENTRALIZERS, 5 FT. ABOVE SHOE, TOP OF JT.#2 & EVERY 3 RD. JT. |
| 15:00 | 15:30 | 0.5 | TAG BTM @ 6630, L/D TAG JT.,SPACE OUT, M/U CSG HANGER & LAND CSG W/ FULL STRING WT 65,000#. |
| 15:30 | 16:00 | 0.5 | CIRCULATE CSG VOLUME. |
| 16:00 | 18:00 | 2.0 | JSA & SAFETY MTG W/ SCHLUMBERGER, R/U AND TEST LINES TO 5000 PSI, PUMP 20 BBLS CHEM WASH & 20 BBLS WATER SPACER AHEAD & CEMENT 6630' OF 4.5 11.6 N-80 LTC CSG. LEAD CEMENT - 205 SKS - G + ADDS MIX - D20 - 10% EXTENDER, D167 .20% FLUID LOSS, D046 .2% ANTIFOAM, D013 .5% RETARDER, D065 .5% DISPERSANT, D130 .125%LB/SK BLEND LOST-CIRC. YIELD 2.98 FT3/SK. 18.227 GAL/SK @ 11.5 PPG., 108.8 BBLS. TAIL CEMENT 835 SKS 50/50 POZ G + ADDS - D020 2% EXTENDER, D046 .1% ANTIFOAM, D167 .2% FLUID LOSS, D065 .2% DISPERSANT, S001 1.0% ACCELERATOR, YIELD 1.29 FT3/SK 5.941 GAL/SK @ 14.1 PPG., .191.8 BBLS. END TAIL, WASH UP LINES.DROP PLUG @ 17:06. DISP. TO FLOAT COLLAR W/FRESH WATER.102 BBLS. AVG. DISP. RATE 3.9. BPM, FULL RETURNS THROUGH OUT JOB. LIFT PRESS. 1,694 PSI., BUMPED PLUG TO 2700 PSI @ 17:37 F/3 MINS. FLOAT HELD.1.BBL. BACK @ 17:37 CEMENT IN PLACE. LEAVE CEMENT HEAD ON 1 HOUR. |
| 18:00 | 19:00 | 1.0 | L/D LANDING JT., M/U & LAND PACKOFF. BACK OFF BOP LOCK DOWN PINS W/ FMC HAND PRESENT. |
| 19:00 | 06:00 | 11.0 | RIG DOWN & CLEAN TANKS. TRUCKS TO ARRIVE @ 07:00 FOR RIG MOVE TO CWU 698-32, 1 MI. MUD MOVED TO CWU 697-32 PIT. ACCIDENTS NONE REPORTED. FUNCTION CROWN-O-MATIC. SAFETY MEETING: RUN CSG & CEMENTING. CREWS FULL. FUEL ON HAND: 1424 GALS. USED: 219 GALS. FORMATION: MUD LOGGER UNMANED ON LOCATION FROM 5/25/08 TO 5/30/08 (6 DAYS). |

06:00 06:00 24.0 RELEASE RIG @ 22:00 HRS. 5/31/08.
CASING POINT COST \$603,844

06-06-2008 Reported By SEARLE

Daily Costs: Drilling \$0 **Completion** \$39,018 **Daily Total** \$39,018
Cum Costs: Drilling \$603,843 **Completion** \$143,664 **Well Total** \$747,507

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 7 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 6580.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

Start End Hrs Activity Description

06:00 18.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 850'. EST CEMENT TOP @ 1040'.
RD SCHLUMBERGER.

06-12-2008 Reported By MCCURDY

Daily Costs: Drilling \$0 **Completion** \$1,733 **Daily Total** \$1,733
Cum Costs: Drilling \$603,843 **Completion** \$145,397 **Well Total** \$749,240

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 7 **MW** 0.0 **Visc** 0.0

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

Activity at Report Time: WO COMPLETION

Start End Hrs Activity Description

06:00 06:00 24.0 NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

06-19-2008 Reported By HOOLEY

Daily Costs: Drilling \$24,387 **Completion** \$18,959 **Daily Total** \$43,346
Cum Costs: Drilling \$628,231 **Completion** \$164,356 **Well Total** \$792,587

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 7 **MW** 0.0 **Visc** 0.0

Formation : WASATCH **PBTD :** 6580.0 **Perf :** 5255-6379 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start End Hrs Activity Description

09:00 17:30 8.5 SICP 0 PSIG. RUWL. PERFORATED NORTH HORN FROM 6083-84', 6092-93', 6096-97', 6109-10', 6130-31',
6155-56', 6171-72', 6200-01', 6214-15', 6268-69', 6370-72' AND 6377-79' @ 3 SPF & 120° PHASING. RDWL. RU
HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2508 GAL 16# DF140R, 54401 GAL 16#
DF140R WITH 138200# 20/40 SAND @ 1-4 PPG. MTP 5482 PSIG. MTR 52.0 BPM. ATP 4279 PSIG. ATR 49.8 BPM.
ISIP 2337 PSIG. RD HALLIBURTON.

RUWL. SET 6K CFP AT 6050'. PERFORATED Ba FROM 5739-40', 5753-54', 5763-64', 5778-79', 5795-96', 5836-
37', 5898-99', 5912-13', 5933-34', 5938-39', 5980-81' AND 6021-22' @ 3 SPF & 120° PHASING. RDWL. RU
HALLIBURTON. FRAC DOWN CASING WITH 7655 GAL 16# DF140R PAD, 42794 GAL 16# DF140R WITH
109500# 20/40 SAND @ 1-4 PPG. MTP 5265 PSIG. MTR 51.7 BPM. ATP 4334 PSIG. ATR 51.0 BPM. ISIP 2190 PSIG.
RD HALLIBURTON.

RUWL. SET 6K CFP AT 5600'. PERFORATED Ca FROM 5255-56', 5269-70', 5312-13', 5347-48', 5366-67', 5373-
74', 5401-02', 5414-15', 5427-28', 5446-47', 5532-33' AND 5551-52' @ 3 SPF & 120° PHASING. RDWL. RU
HALLIBURTON. FRAC DOWN CASING WITH 4436 GAL 16# DF140R PAD, 47170 GAL 16# DF140R WITH
110000# 20/40 SAND @ 1-4 PPG. MTP 6443 PSIG. MTR 52.5 BPM. ATP 3835 PSIG. ATR 45.7 BPM. ISIP 1720 PSIG.
RD HALLIBURTON. SDFN.

06-20-2008 Reported By HOOLEY

Daily Costs: Drilling \$4,507 **Completion** \$219,533 **Daily Total** \$224,040
Cum Costs: Drilling \$632,738 **Completion** \$383,889 **Well Total** \$1,016,627

MD 6,630 TVD 6,630 Progress 0 Days 8 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 6580.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: PREP TO MIRUSU

Start End Hrs Activity Description
 06:00 12:00 6.0 RUWL. SET 6K CFP AT 5200'. PERFORATED Ca FROM 5062-63', 5071-72', 5081-84', 5092-95', 5118-19' AND 5152-55' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 2747 GAL 16# DF140R PAD, 45310 GAL 16# DF140R WITH 115200# 20/40 SAND @ 1-4 PPG. MTP 5085 PSIG. MTR 54.0 BPM. ATP 3186 PSIG. ATR 52.5 BPM. ISIP 1782 PSIG. RD HALLIBURTON.

RUWL. SET 6K CFP AT 4950'. PERFORATED Ca FROM 4877-79', 4886-90', 4901-05' AND 4911-13' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 2091 GAL 16# DF140R PAD, 48126 GAL 16# DF140R WITH 140000# 20/40 SAND @ 1-4 PPG. MTP 4575 PSIG. MTR 51.5 BPM. ATP 3260 PSIG. ATR 50.5 BPM. ISIP 1507 PSIG. RD HALLIBURTON.

RUWL. SET 6K CFP AT 4845'. PERFORATED Pp/Ca FROM 4756-58', 4766-68', 4779-81', 4786-88', 4824-26' AND 4830-32' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 2141 GAL 16# DF140R PAD, 52935 GAL 16# DF140R WITH 139200# 20/40 SAND @ 1-4 PPG. MTP 4665 PSIG. MTR 52.7 BPM. ATP 2945 PSIG. ATR 50.2 BPM. ISIP 1756 PSIG. RD HALLIBURTON.

RUWL. SET 6K CBP AT 4660'. BLEED OFF PRESSURE. RDWL. SDFN.

06-24-2008 Reported By BAUSCH
 DailyCosts: Drilling \$4,507 Completion \$27,108 Daily Total \$31,615
 Cum Costs: Drilling \$637,245 Completion \$410,997 Well Total \$1,048,242
 MD 6,630 TVD 6,630 Progress 0 Days 9 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 6580.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start End Hrs Activity Description
 07:00 15:00 8.0 MIRUSU. RIH W/MILL & PUMP OFF BIT SUB TO CBP @ 4660'. SDFN.

06-25-2008 Reported By BAUSCH
 DailyCosts: Drilling \$0 Completion \$13,144 Daily Total \$13,144
 Cum Costs: Drilling \$637,245 Completion \$424,141 Well Total \$1,061,386
 MD 6,630 TVD 6,630 Progress 0 Days 10 MW 0.0 Visc 0.0
 Formation : WASATCH PBTB : 6443.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description
 07:00 06:00 23.0 SICP 0 PSIG. HOLD SAFETY MTG. PRESSURE TEST FLOW LINES & STRING FLOAT TO 2500 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 4660', 4845', 4950', 5200', 5600' & 6050'. RIH. CLEANED OUT TO PBTB @ 6443'. LANDED TBG AT 4701.95' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 14 HRS. 32/64" CHOKE. FTP 650 PSIG. CP 750 PSIG. 74 BFPH. RECOVERED 1036 BLW. 6518 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'
 1 JT 2-3/8" 4.7# N-80 TBG 32.58'
 XN NIPPLE 1.30'

143 JTS 2-3/8 4.7# N-80 TBG 4653.47'
 2-3/8" N-80 NIPPLE & COUPLING 0.60'
 BELOW KB 13.00'
 LANDED @ 4701.95' KB

06-26-2008 **Reported By** BAUSCH

Daily Costs: Drilling \$0 **Completion** \$2,425 **Daily Total** \$2,425
Cum Costs: Drilling \$637,245 **Completion** \$426,566 **Well Total** \$1,063,811

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 11 **MW** 0.0 **Visc** 0.0
Formation : WASATCH **PBTD : 6443.0** **Perf : 4756-6379** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 24/64" CHOKE. FTP 1200 PSIG. CP 1850 PSIG. 55 BFPH. RECOVERED 1326 BLW. 5192 BLWTR.

06-27-2008 **Reported By** BAUSCH

Daily Costs: Drilling \$0 **Completion** \$3,005 **Daily Total** \$3,005
Cum Costs: Drilling \$637,245 **Completion** \$429,571 **Well Total** \$1,066,816

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 12 **MW** 0.0 **Visc** 0.0
Formation : WASATCH **PBTD : 6443.0** **Perf : 4756-6379** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST.

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 32/64" CHOKE. FTP 1050 PSIG. CP 1700 PSIG. 44 BFPH. RECOVERED 1052 BLW. 4140 BLWTR.

06-28-2008 **Reported By** BAUSCH

Daily Costs: Drilling \$0 **Completion** \$2,425 **Daily Total** \$2,425
Cum Costs: Drilling \$637,245 **Completion** \$431,996 **Well Total** \$1,069,241

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0
Formation : WASATCH **PBTD : 6443.0** **Perf : 4756-6379** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 32/64" CHOKE. FTP 1050 PSIG. CP 1625 PSIG. 34 BFPH. RECOVERED 828 BLW. 3312 BLWTR.

06-29-2008 **Reported By** BAUSCH

Daily Costs: Drilling \$0 **Completion** \$2,425 **Daily Total** \$2,425
Cum Costs: Drilling \$637,245 **Completion** \$434,421 **Well Total** \$1,071,666

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0
Formation : WASATCH **PBTD : 6443.0** **Perf : 4756-6379** **PKR Depth : 0.0**

Activity at Report Time: FLOW TEST.

Start **End** **Hrs** **Activity Description**
 06:00 06:00 24.0 FLOWED 24 HRS. 32/64 CHOKE. FTP- 1000 PSIG, CP- 1600 PSIG. 27 BFPH. RECOVERED 648 BBLs. 2664 BLWTR.

06-30-2008 **Reported By** BAUSCH

Daily Costs: Drilling \$0 **Completion** \$2,425 **Daily Total** \$2,425
Cum Costs: Drilling \$637,245 **Completion** \$436,846 **Well Total** \$1,074,091

MD 6.630 **TVD** 6.630 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0

Formation : WASATCH PBTB : 6443.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: WO FACILITIES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 32/64" CHOKE. FTP 900 PSIG. CP 1400 PSIG. 22 BFPH. RECOVERED 540 BLW. 124 BLWTR. SI. WO FACILITIES. |

FINAL COMPLETION DATE: 6/29/08

07-25-2008 Reported By DUANE COOK

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$637,245 | Completion | \$436,846 | Well Total | \$1,074,091 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 6,630 | TVD | 6,630 | Progress | 0 | Days | 16 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : WASATCH PBTB : 6443.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: INITIAL PRODUCTION-FIRST GAS SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | INITIAL PRODUCTION: TURNED TO GAS SALES. SITP 1750 & SICP 1950 PSIG. TURNED WELL TO QUESTAR SALES AT 12:30 PM, 7/24/08. FLOWING 488 MCFD RATE ON 12/64" POS CK. STATIC 1200. QGM METER #7818. |

07-26-2008 Reported By DUANE COOK

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$637,245 | Completion | \$436,846 | Well Total | \$1,074,091 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 6,630 | TVD | 6,630 | Progress | 0 | Days | 17 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : WASATCH PBTB : 6443.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: ON SALES

Start End Hrs Activity Description

07-28-2008 Reported By DUANE COOK

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$637,245 | Completion | \$436,846 | Well Total | \$1,074,091 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|
| MD | 6,630 | TVD | 6,630 | Progress | 0 | Days | 18 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|---|-------------|----|-----------|-----|-------------|-----|

Formation : WASATCH PBTB : 6443.0 Perf : 4756-6379 PKR Depth : 0.0

Activity at Report Time: ON SALES

Start End Hrs Activity Description

06:00 06:00 24.0 7/26/08 FLOWED 713 MCF, 6 BC & 102 BW IN 24 HRS ON 12/64" CHOKE, TP 1600 PSIG, CP 1950 PSIG.

07/27/08 FLOWED 661 MCF, 4 BC & 98 BW IN 24 HRS ON 12/64" CHOKE, TP 1625 PSIG, CP 1925 PSIG.

07/28/08 FLOWED 864 MCF, 3 C & 108 BW IN 24 HRS ON 12/64" CHOKE, TP 1625 PSIG, CP 1900 PSIG.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-3355

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Chapita Wells Unit

8. WELL NAME and NUMBER:
Chapita Wells Unit 699-32

9. API NUMBER:
43-047-39199

10. FIELD AND POOL, OR WILDCAT
Natural Buttes/Wasatch

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SWSW 32 9S 23E S

12. COUNTY
Uintah

13. STATE
UTAH

14. DATE SPUDDED: **5/5/2008**

15. DATE T.D. REACHED: **5/30/2008**

16. DATE COMPLETED: **7/24/2008**

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5153' NAT GL

18. TOTAL DEPTH: MD **6,630**

19. PLUG BACK T.D.: MD **6,443**

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
RST/CBL/CCLVDLGR ; Temp, Press

23.
WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 12-1/4 | 9-5/8 J-55 | 36.0 | 0 | 2,192 | | 1100 | | | |
| 7-7/8 | 4-1/2 N-80 | 11.6 | 0 | 6,623 | | 1040 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|-------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2-3/8 | 4,702 | | | | | | | |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|---|
| (A) Wasatch | 4,756 | 6,379 | | | 6,083 6,379 | | 3 | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B) | | | | | 5,739 6,022 | | 3 | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (C) | | | | | 5,255 5,552 | | 3 | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (D) | | | | | 5,062 5,155 | | 3 | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |

27. PERFORATION RECORD **4756 - 6379**

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|--|
| 6083-6379 | 57,074 GALS GELLED WATER & 138,200# 20/40 SAND |
| 5739-6022 | 50,449 GALS GELLED WATER & 109,500# 20/40 SAND |
| 5255-5552 | 51,606 GALS GELLED WATER & 110,000# 20/40 SAND |

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
Producing RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

| | | | | | | | | | | |
|-----------------------------------|----------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|-------------------------------|
| DATE FIRST PRODUCED: 7/24/2008 | | TEST DATE: 7/31/2008 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | OIL – BBL: 5 | GAS – MCF: 807 | WATER – BBL: 117 | PROD. METHOD: Flows |
| CHOKE SIZE: 12/64" | TBG. PRESS. 1,550 | CSG. PRESS. 1,875 | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: 5 | GAS – MCF: 807 | WATER – BBL: 117 | INTERVAL STATUS: Producing |

INTERVAL B (As shown in item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

INTERVAL C (As shown in item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

INTERVAL D (As shown in item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. 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.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|---------------|----------------------|
| Wasatch | 4,756 | 6,379 | | Green River | 1,396 |
| | | | | Mahogany | 1,988 |
| | | | | Uteland Butte | 4,155 |
| | | | | Wasatch | 4,258 |
| | | | | Chapita Wells | 4,814 |
| | | | | Buck Canyon | 5,511 |
| | | | | Price River | 6,380 |

35. ADDITIONAL REMARKS (Include plugging procedure)

See attached page for additional information.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant
 SIGNATURE *Mary A. Maestas* DATE 8/22/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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

Phone: 801-538-5340
 Fax: 801-359-3940

Chapita Wells Unit 699-32 - ADDITIONAL REMARKS (CONTINUED):

27. PERFORATION RECORD

| | |
|-----------|-------|
| 4877-4913 | 3/spf |
| 4756-4832 | 3/spf |

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

| | |
|-----------|--|
| 5062-5155 | 48,057 GALS GELLED WATER & 115,200# 20/40 SAND |
| 4877-4913 | 50,217 GALS GELLED WATER & 140,000# 20/40 SAND |
| 4756-4832 | 55,076 GALS GELLED WATER & 139,200# 20/40 SAND |

Perforated the North Horn from 6083-84', 6092-93', 6096-97', 6109-10', 6130-31', 6155-56', 6171-72', 6200-01', 6214-15', 6268-69', 6370-72', 6377-79' w/ 3 spf.

Perforated the Ba from 5739-40', 5753-54', 5763-64', 5778-79', 5795-96', 5836-37', 5898-99', 5912-13', 5933-34', 5938-39', 5980-81', 6021-22' w/ 3 spf.

Perforated the Ca from 5255-5256', 5269-70', 5312-13', 5347-48', 5366-67', 5373-74', 5401-02', 5414-15', 5427-28', 5446-47', 5532-33', 5551-52' w/ 3 spf.

Perforated the Ca from 5062-63', 5071-72', 5081-84', 5092-95', 5118-19', 5152-55' w/ 3 spf.

Perforated the Ca from 4877-79', 4886-90', 4901-05', 4911-13' w/ 3 spf.

Perforated the Pp/Ca from 4756-58', 4766-68', 4779-81', 4786-88', 4824-26', 4830-32' w/ 3 spf.

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 699-32

API number: 4304739199

Well Location: QQ SWSW Section 32 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: ASPEN DRILLING

Address: 560 S. COMMERCIAL DR. UNIT #1

city GRAND JUNCTION state CO zip 81505

Phone: (970) 242-9592

Water encountered (attach additional pages as needed):

| DEPTH | | VOLUME (FLOW RATE OR HEAD) | QUALITY (FRESH OR SALTY) |
|-------|----|-------------------------------|-----------------------------|
| FROM | TO | | |
| | | NO WATER | DRILLED WITH FLUID |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

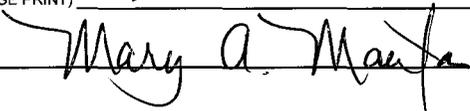
Formation tops: 1 _____ 2 _____ 3 _____
 (Top to Bottom) 4 _____ 5 _____ 6 _____
 7 _____ 8 _____ 9 _____
 10 _____ 11 _____ 12 _____

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 

DATE 8/22/2008

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | | |
|---|--|--|
| | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 9. API NUMBER: 43-047-39199 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 Vernal UT 84078 | | PHONE NUMBER: (435) 789-0790 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E | | COUNTY: Uintah |
| | | STATE: UTAH |

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

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

Attached please find a site facility diagram.

| | |
|--|-------------------------------|
| NAME (PLEASE PRINT) <u>Mickenzie Thacker</u> | TITLE <u>Operations Clerk</u> |
| SIGNATURE <u>Mickenzie Thacker</u> | DATE <u>9/5/2008</u> |

(This space for State use only)

RECEIVED
SEP 09 2008

Geogresources Site Facility Diagram



Well Name: CHAPITA WELLS UNIT 862-32
1/4 1/4: SW/SW Sec: 32 T: 9S R: 23E
County: UINTAH State: UTAH
Lease: ML-3355
UNIT PA#: 892000905A-N,P,T

Site facility diagrams & site security plans are located at the Vernal office in Vernal, Utah. The office is located at 1060 East Hwy 40 and normal business hours are 7:00 a.m. to 4:30 p.m. Mon -Thurs and 7:00 a.m. to 1:00 p.m. Fridays.

| Valve | Production Phase | Sales Phase | Water Drain |
|-------|------------------|-------------|-------------|
| PV | O | SC | SC |
| LV | SC | O | SC |
| WD | SC | SC | O |

DATED 9/4/2008

Abbreviations

AM = Allocation Meter
 AR = Access Road
 CHT = Chemical Tank
 COMP = Compressor
 CON = Condensor
 CT = Condensate Tank
 DL = Dump Line
 EP = Electrical Panel
 ET = Emergency Tank
 FW = Firewall
 LACT = LACT Unit
 LH = Line Heater
 LV = Load Valve
 MAN = Manifold
 MB = Methanol Bath
 O = Open
 PL = Production Line
 PP = Power Pole
 PT = Propane Tank
 PU = Pumping Unit
 PV = Production Valve
 PW = Produced Water
 RL = Recycle Line
 RP = Recycle Pump
 RV = Recycle Valve
 SC = Sealed Closed
 SGS = Sales Gas Scrubber
 SL = Sales Line
 SM = Sales Meter
 SO = Sealed Open
 SP = Separator
 SV = Sales Valve
 T = Treater
 TP = Trace Pump
 WD = Water Drain
 WDP = Water Disposal Pump
 WFP = Water Flood Pump
 WH = Wellhead

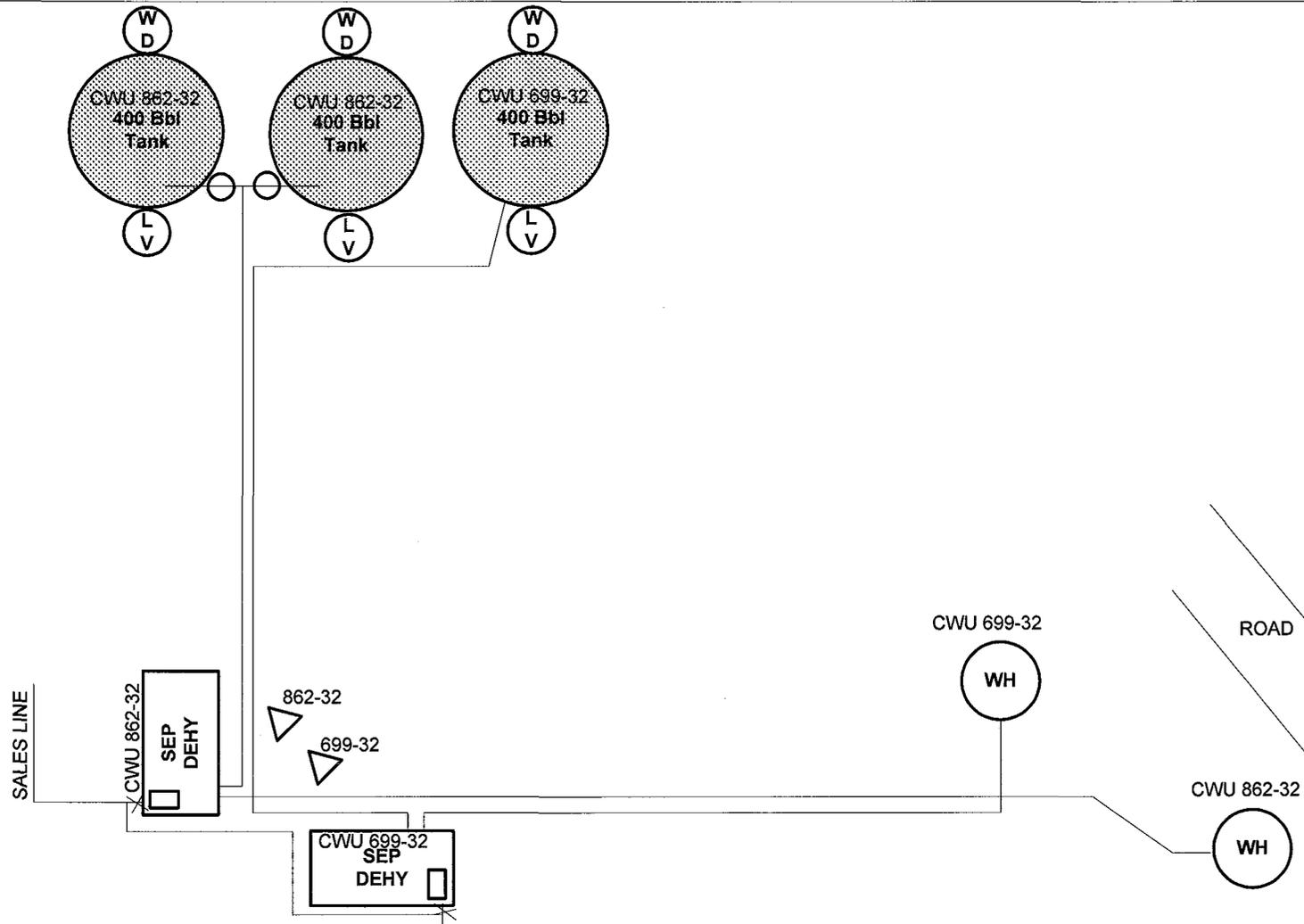
----- = Buried Line
 _____ = Unburied Line

◁ = Meter Display

◻ = Meter Tube

○ = Production Valve

✕ = Valve



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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 8. WELL NAME and NUMBER: Chapita Wells Unit 699-32 |
| 3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202 | | 9. API NUMBER: 43-047-39199 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 944' FSL & 1161' FWL 39.987817 LAT 109.356008 LON | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 23E S | | COUNTY: Uintah STATE: UTAH |

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

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

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat. Interim reclamation was completed on 9/16/2008.

| | |
|--|-----------------------------------|
| NAME (PLEASE PRINT) <u>Mary A. Maestas</u> | TITLE <u>Regulatory Assistant</u> |
| SIGNATURE <u><i>Mary A. Maestas</i></u> | DATE <u>1/6/2009</u> |

(This space for State use only)

RECEIVED
JAN 08 2009
DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

May 7, 2009

Debbie Spears
EOG Resources, Inc.
600 17th Street, Suite 1100N
Denver, Colorado 80202

Re: 1st Revision of the Wasatch Formation
Participating Area "J"
Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The 1st Revision of the Wasatch Formation Participating Area "J", Chapita Wells Unit, CRS No. UTU63013BJ, AFS No. 892000905BJ, is hereby approved effective as of July 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The 1st Revision of the Wasatch Formation Participating Area "J" results in a Participating Area of 320.00 acres and is based upon the completion of the following wells as capable of producing unitized substances in paying quantities:

To 16555

| WELL NO. | API NO. | LOCATION | LEASE NO. |
|------------|--------------|---|-----------|
| CWU 698-32 | 43-047-39216 | SW $\frac{1}{4}$ SE $\frac{1}{4}$, 32-9S-23E | STATE |
| CWU 699-32 | 43-047-39199 | SW $\frac{1}{4}$ SW $\frac{1}{4}$, 32-9S-23E | STATE |
| CWU 719-33 | 43-047-39056 | SW $\frac{1}{4}$ SW $\frac{1}{4}$, 33-9S-23E | UTU0336 |

from
16835

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 1st Revision of the Wasatch Formation Participating Area "J", Chapita Wells Unit, and the effective date.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

RECEIVED

MAY 14 2009

DIV. OF OIL, GAS & MINING

Enclosure

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

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc. Operator Account Number: N 9550
 Address: 1060 East Highway 40
city Vernal
state UT zip 84078 Phone Number: (435) 781-9145

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|---------|
| 43-047-39216 | CHAPITA WELLS UNIT 698-32 | | SWSE | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 16864 | 16555 | 5/13/2008 | | | 7/1/08 | |
| Comments: WASATCH | | | | | | | 6/30/09 |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|---------|
| 43-047-39199 | CHAPITA WELLS UNIT 699-32 | | SWSW | 32 | 9S | 22E ^{23E} | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 16835 | 16555 | 5/5/2008 | | | 7/1/08 | |
| Comments: WASATCH | | | | | | | 6/30/09 |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|-----|----------------------------------|---------|
| 43-047-39056 | CHAPITA WELLS UNIT 719-33 | | SWSW | 33 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | | Entity Assignment Effective Date | |
| C | 16897 | 16555 | 6/3/2008 | | | 7/1/08 | |
| Comments: WASATCH | | | | | | | 6/30/09 |

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)

Mickenzie Thacker
Signature

Operations Clerk

Title

6/11/2009

Date

RECEIVED

JUN 11 2009

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

July 7, 2009

Debbie Spears
EOG Resources, Inc.
600 17th Street, Suite 1000N
Denver, Colorado 80202

Re: Consolidated Wasatch Formation PA "H, J"
Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The Consolidated Wasatch Formation PA "H, J", Chapita Wells Unit, CRS No. UTU63013BK, AFS No. 892000905BK, is hereby approved effective as of August 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Wasatch Formation PA "H, J" results in an initial consolidated participating area of 640.00 acres and is based upon the completion of the following wells as capable of producing unitized substances in paying quantities.

To: 15871

| WELL NO. | API NO. | LOCATION | LEASE NO. |
|------------|--------------|---|-----------|
| CWU 722-32 | 43-047-38862 | NE $\frac{1}{4}$ SE $\frac{1}{4}$, 32-9S-23E | STATE |
| CWU 732-32 | 43-047-39599 | NE $\frac{1}{4}$ SW $\frac{1}{4}$, 32-9S-23E | STATE |

*from
16862
16899*

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Consolidated Wasatch Formation PA "H, J", Chapita Wells Unit, and the effective date.

*ALSO: from 16555
4304739199 CWU 699-32 *
4304739216 CWU 698-32 *
ALSO IN sec 32, 9S 23E

RECEIVED

JUL 13 2009

Enclosure

DIV. OF OIL, GAS & MINING

Sincerely,

*Also from 16555
*4304737494 CWU 689-3E
4304739056 CWU 719-3E

Becky J. Hammond
Chief, Branch of Fluid Minerals

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

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc. Operator Account Number: N 9550
Address: 1060 East Highway 40
city Vernal
state UT zip 84078 Phone Number: (435) 781-9145

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39599 | CHAPITA WELLS UNIT 732-32 | | NESW | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 16899 | 15871 | 6/5/2008 | | 8/1/2008 | | |
| Comments: WASATCH — 7/30/09 | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39199 | CHAPITA WELLS UNIT 699-32 | | SWSW | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 16555 | 15871 | 5/5/2008 | | 8/1/2008 | | |
| Comments: WASATCH — 7/30/09 | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39216 | CHAPITA WELLS UNIT 698-32 | | SWSE | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 16555 | 15871 | 5/13/2008 | | 8/1/2008 | | |
| Comments: WASATCH — 7/30/09 | | | | | | | |

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)

Mickenzie Thacker

Signature

Operations Clerk

7/30/2009

Title

Date

(5/2000)

RECEIVED

JUL 30 2009

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

July 24, 2009

Debbie Spears
EOG Resources, Inc.
600 17th Street, Suite 1000N
Denver, Colorado 80202

Re: Initial Consolidated Wasatch
Formation PA "A-H, J"
Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The Initial Consolidated Wasatch Formation PA "A-H, J", Chapita Wells Unit, CRS No. UTU63013BM, AFS No. 892000905BM, is hereby approved effective as of September 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Initial Consolidated Wasatch Formation PA "A-H, J" results in an initial consolidated participating area of 15,904.22 acres and is based upon the completion of the following wells as capable of producing unitized substances in paying quantities.

to 4905

| WELL NO. | API NO. | LOCATION | LEASE NO. |
|------------|--------------|---|-----------|
| CWU 731-32 | 43-047-39582 | NE $\frac{1}{4}$ NW $\frac{1}{4}$, 32-9S-23E | STATE |
| CWU 717-7 | 43-047-39055 | SE $\frac{1}{4}$ SW $\frac{1}{4}$, 7-9S-23E | UTU0343 |
| CWU 1229-7 | 43-047-38113 | NE $\frac{1}{4}$ NE $\frac{1}{4}$, 7-9S-23E | UTU0343 |

from
16896
16948
16934

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Initial Consolidated Wasatch Formation PA "A-H J", Chapita Wells Unit, and the effective date.

also entity 15871 to 4905

| API | WELL NAME | QTR/QTR | SEC | TWP | RNG |
|--------------|------------|---------|-----|------|------|
| ✓ 4304737415 | CWU 695-32 | SWNE | 32 | 0908 | 230E |
| ✓ 4304737494 | CWU 689-33 | NESW | 33 | 0908 | 230E |
| ✓ 4304738862 | CWU 722-32 | NESE | 32 | 0908 | 230E |
| 4304739056 | CWU 718-33 | SWSW | 33 | 0908 | 230E |
| 4304739197 | CWU 697-32 | SWNW | 32 | 0908 | 230E |
| 4304739199 | CWU 699-32 | SWSW | 32 | 0908 | 230E |
| ✓ 4304739216 | CWU 698-32 | SWSE | 32 | 0908 | 230E |
| ✓ 4304739599 | CWU 732-32 | NESW | 32 | 0908 | 230E |

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

RECEIVED

JUL 29 2009

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc. Operator Account Number: N 9550
 Address: 1060 East Highway 40
city Vernal
state UT zip 84078 Phone Number: (435) 781-9145

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39199 | CHAPITA WELLS UNIT 699-32 | | SWSW | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| C | 15871 | 4905 | 5/5/2008 | | 9/1/2008 | | |
| Comments: WASATCH | | | — | | 8/24/09 | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39197 | CHAPITA WELLS UNIT 697-32 | | SWNW | 32 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| C | 15871 | 4905 | 4/28/2008 | | 9/1/2008 | | |
| Comments: WASATCH | | | — | | 8/24/09 | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------------|---------------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-39056 | CHAPITA WELLS UNIT 719-33 | | SWSW | 33 | 9S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| C | 15871 | 4905 | 6/3/2008 | | 9/1/2008 | | |
| Comments: WASATCH | | | — | | 8/24/09 | | |

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)

Mickenzie Thacker

Signature

Operations Clerk

8/20/2009

Title

Date

(5/2000)

RECEIVED

AUG 19 2009

DIV. OF OIL, GAS & MINING

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355 |
| 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. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: CWU 699-32 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | 9. API NUMBER: 43047391990000 |
| 3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 N , Denver, CO, 80202 | PHONE NUMBER: 435 781-9111 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0944 FSL 1161 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 32 Township: 09.0S Range: 23.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/25/2011 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input checked="" type="checkbox"/> OTHER | OTHER: <input type="text" value="Install H2S treater"/> |

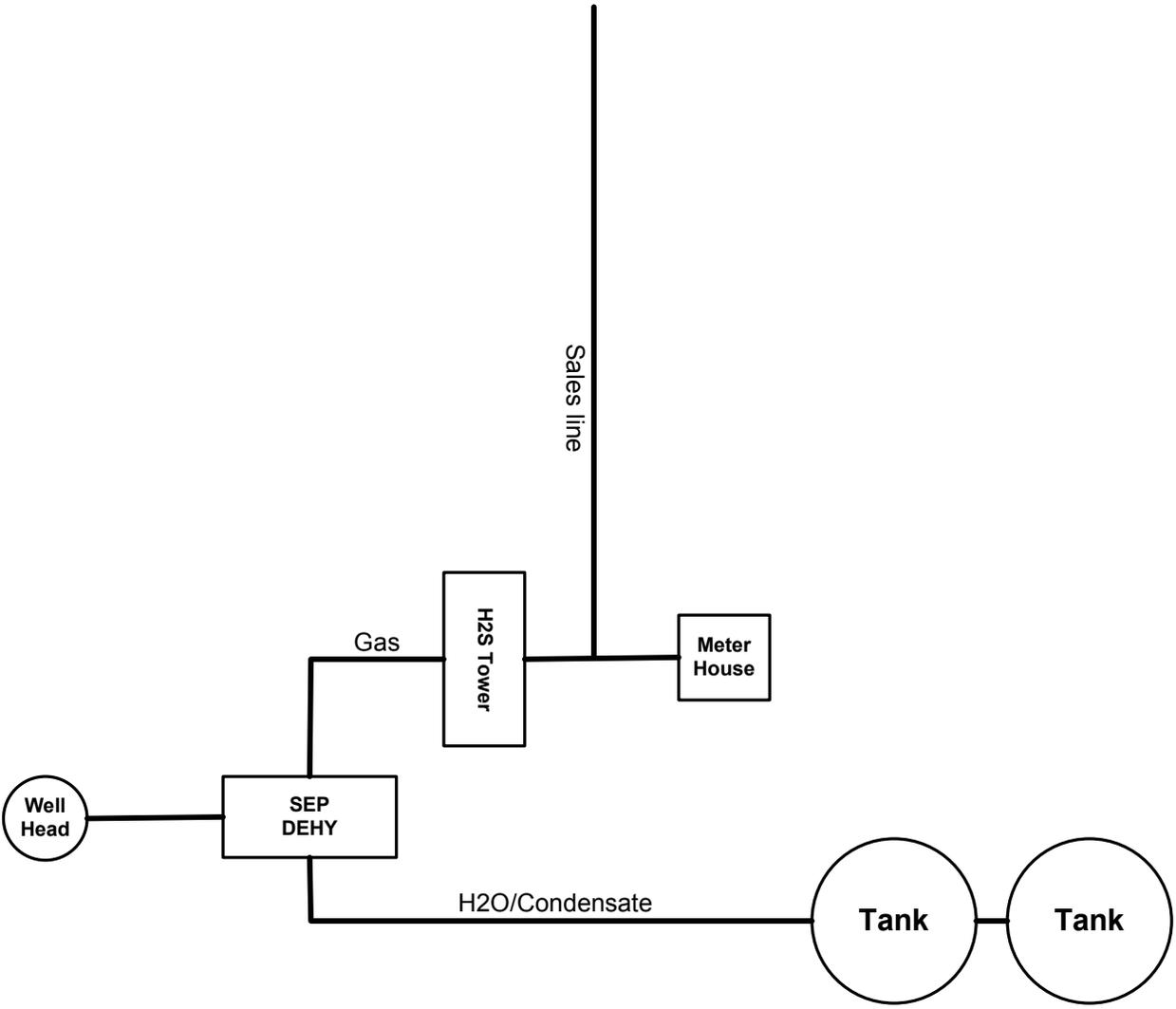
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests authorization to install an H2S treater tower on the above referenced well pad. The proposed tower will be installed on existing disturbance; no new disturbance will be required. Attached is a diagram showing the general placement of the facilities.

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

Date: 02/03/2011
 By: *Derek Quist*

| | | |
|--|-------------------------------------|--------------------------------------|
| NAME (PLEASE PRINT) Mary Maestas | PHONE NUMBER 303 824-5526 | TITLE Regulatory Assistant |
| SIGNATURE N/A | | DATE 2/3/2011 |





GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 9, 2014

Certified Mail No. 7003 2260 0003 2358 7172

Mr. Ed Forsman
EOG Resources, Inc.
1060 E Hwy 40
Vernal, UT 84078-2833

43 047 39199
CWU 699-32
32 95 23E

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Ed Forsman:

As of April 2014, EOG Resources, Inc. has seven (7) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



Page 2
EOG Resources, Inc.
June 9, 2014

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/IP/js

cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

| | Well Name | API | LEASE | Years Inactive |
|-----|------------------|--------------|--------------|-----------------------|
| 1 | CWU 39-16 | 43-047-30268 | ML-3078 | 2 years 6 months |
| 2 | CWU 302-2F | 43-047-33212 | ML-3077 | 1 year 6 months |
| 3 | E CHAPITA 8-16 | 43-047-36815 | ML-47045 | 2 years |
| 4 | CWU 695-32 | 43-047-37415 | ML-3355 | 2 years 1 month |
| → 5 | CWU 699-32 | 43-047-39199 | ML-3355 | 2 years 2 months |
| 6 | CWU 731-32 | 43-047-39582 | ML-3355 | 1 year 7 months |
| 7 | CWU 1324-32 | 43-047-50091 | ML-3355 | 1 year 4 months |



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

July 8, 2014

DIV. OF OIL, GAS & MINING
JUL 09 2014
RECEIVED

Mr. Dustin Doucet
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

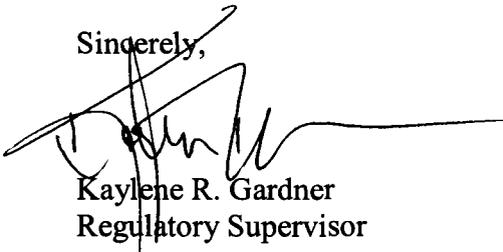
RE: 2014 Demand Letter

Dear Mr. Doucet:

In response to your 2014 demand letter EOG has completed the following actions addressing concerns regarding the shut-in status of the wells.

- CWU 39-16 – P&A sundry was submitted 7/1/2014 - API # 4304730268
- CWU 302-02F - This well is producing 5 Mscf/day and should be taken off the SI list - API # 4304733212
- ECW 8-16 - This well has a wireline fish that was left in the well during completion. The API - 4304736815 well still has five frac stages that need to be completed and has never been IP'ed. We will plan on testing and maintaining the wellbore integrity so that the well can be completed once the gas market becomes viable.
- CWU 695-32 – Will be returned to sales API # - 4304737415
- CWU 699-32 – Will be returned to sales API # - 4304739199
- CWU 731-32 - Well was placed on gas lift and is currently making 400 Mscf/day net API # - 4304739582 production. This well should be taken off the SI list.
- CWU 1324-32 - This well will be placed on gas lift mid-July, and returned to sales. API # - 4304750091

Sincerely,



Kaylene R. Gardner
Regulatory Supervisor

cc: File

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only