

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-67868
5b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC		7. If Unit or CA Agreement, Name and No.
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		8. Lease Name and Well No. East Chapita 53-23
3b. Phone No. (include area code) 435-781-9111		9. API Well No. 43-047-39432
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 645444 484' FSL & 1999' FWL (SESW) 40.015514 LAT 109.296447 LON At proposed prod. zone Same 44306664 40.015568 - 109.245812		10. Field and Pool, or Exploratory Natural Buttes/Wasatch/Mesaverde
14. Distance in miles and direction from nearest town or post office* 59.4 miles south of Vernal, Utah		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 23-T9S-R23E, S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 484' Lease line 484' Drilling line	16. No. of acres in lease 1079	12. County or Parish Uintah County
17. Spacing Unit dedicated to this well 40 acres	13. State UT	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 6950'	19. Proposed Depth 8600'	20. BLM/BIA Bond No. on file NM2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5169' NAT GL	22. Approximate date work will start*	23. Estimated duration 45 days

24. Attachments

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

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

25. Signature <i>Mary A. Maestas</i>	Name (Printed/Typed) Mary A. Maestas	Date 07/10/2007
Title		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 08-09-07
Title	Office ENVIRONMENTAL MANAGER	

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

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

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

RECEIVED

JUL 12 2007

DIV. OF OIL, GAS & MINING

00-170 SOURCE 3

EOG Resources, Inc.
10000 North Central
Expressway
Suite 1000
Denver, CO 80231-1000
303.733.1000

CERTIFIED MAIL
ARTICLE NO: 7005 2570 0000 7715 7029

July 10, 2007

III Exploration Company
555 South Cole Road
P.O. Box 7608
Boise, Idaho 83707
Attn: Mr. Ken Smith

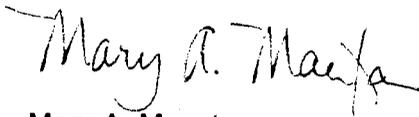
RE: Commingling Application
East Chapita 53-23
Section 23, T9S, R23E
Uintah County, Utah
Lease: U-67868

Mr. Smith:

EOG Resources, Inc. has filed an application with the Bureau of Land Management and the State of Utah Department of Oil Gas and Mining requesting commingling approval in the Wasatch and Mesaverde formations for the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from cased-hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.

Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.

Sincerely,



Mary A. Maestas
Regulatory Assistant

EOG Resources

EOG Resources, Inc.
1050 17th Street, Suite 500
Denver, CO 80265
Phone: 303.733.0000
Fax: 303.733.0100

CERTIFIED MAIL

ARTICLE NO: 7005 2570 0000 7715 7043

July 10, 2007

Questar Exploration and Production Company
1050 17th Street, Suite 500
Denver, Colorado 80265
Attn: Mr. Nate Koeniger

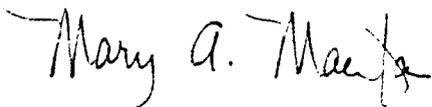
**RE: Commingling Application
East Chapita 53-23
Section 23, T9S, R23E
Uintah County, Utah
Lease: U-67868**

Mr. Koeniger:

EOG Resources, Inc. has filed an application with the Bureau of Land Management and the State of Utah Department of Oil Gas and Mining requesting commingling approval in the Wasatch and Mesaverde formations for the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from cased-hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.

Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.

Sincerely,



Mary A. Maestas
Regulatory Assistant

STATE OF COLORADO)

) ss

COUNTY OF DENVER)

VERIFICATION

Mary A. Maestas, of lawful age, being first duly sworn upon oath, deposes and says:

She is the Regulatory Assistant of EOG Resources, Inc., of Denver, Colorado. EOG Resources, Inc. is the operator of the following described well:

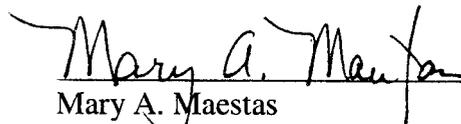
**EAST CHAPITA 53-23
484' FSL - 1999' FWL (SESW)
SECTION 23, T9S, R23E
UINTAH COUNTY, UTAH**

EOG Resources, Inc., Questar Exploration and Production Company, and III Exploration Company, Exhibit A, are the only owners in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

On the 10th day of June, 2007 she placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling in one wellbore for the subject well.

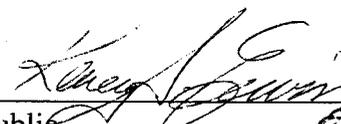
Said envelope, which contained these instruments, was addressed to the Utah Division of Oil, Gas & Mining, Bureau of Land Management, Questar Exploration and Production Company, and III Exploration Company.

Further affiant saith not.



Mary A. Maestas
Regulatory Assistant

Subscribed and sworn before me this 10th day of June, 2007.



Notary Public

My Commission Expires:

June 25, 2011

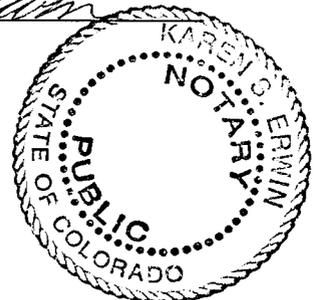


Exhibit "A" to Affidavit
East Chapita 53-23 Application to Commingle

Questar Exploration and Production Company
Independence Plaza
1050 17th Street, Suite 500
Denver, Colorado 80265
Attention: Mr. Nate Koeniger

III Exploration Company
555 South Cole Road
P.O. Box 7608
Boise, Idaho 83707
Attention: Mr. Ken Smith

R 23 E

23

CHAPITA WELLS UNIT

T
9
S

ECW 53-23



HBP

UTU-67868

NBE 4ML-26-9-23

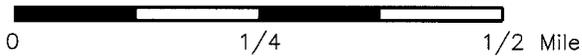


HBP

UTU-72634 26

○ EAST CHAPITA 53-23

Scale: 1"=1000'



Geog resources

Denver Division

EXHIBIT "A"

EAST CHAPITA 53-23
Commingling Application
Uintah County, Utah

Scale: 1"=1000'

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page_EC53-23_commingled.wg
WELL

Author

TLM

May 04, 2007 -
9:00am

EIGHT POINT PLAN

EAST CHAPITA 53-23
SE/SW, SEC. 23, 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	1,482		Shale	
Wasatch	4,362	Primary	Sandstone	Gas
Chapita Wells	4,915	Primary	Sandstone	Gas
Buck Canyon	5,619	Primary	Sandstone	Gas
North Horn	6,230	Primary	Sandstone	Gas
KMV Price River	6,350	Primary	Sandstone	Gas
KMV Price River Middle	7,337	Primary	Sandstone	Gas
KMV Price River Lower	8,013	Primary	Sandstone	Gas
Sego	8,400		Sandstone	
TD	8,600			

Estimated TD: 8,600' or 200'± below Segoe top

Anticipated BHP: 4,695 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 1/2"	0 – 45'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 1/4"	0' – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-1/2"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

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

All casing will be new or inspected.

EIGHT POINT PLAN

EAST CHAPITA 53-23
SE/SW, SEC. 23, 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. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

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

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

7. VARIANCE REQUESTS:

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

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

EIGHT POINT PLAN

EAST CHAPITA 53-23
SE/SW, SEC. 23, 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: 118 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: 835 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

EAST CHAPITA 53-23
SE/SW, SEC. 23, 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:

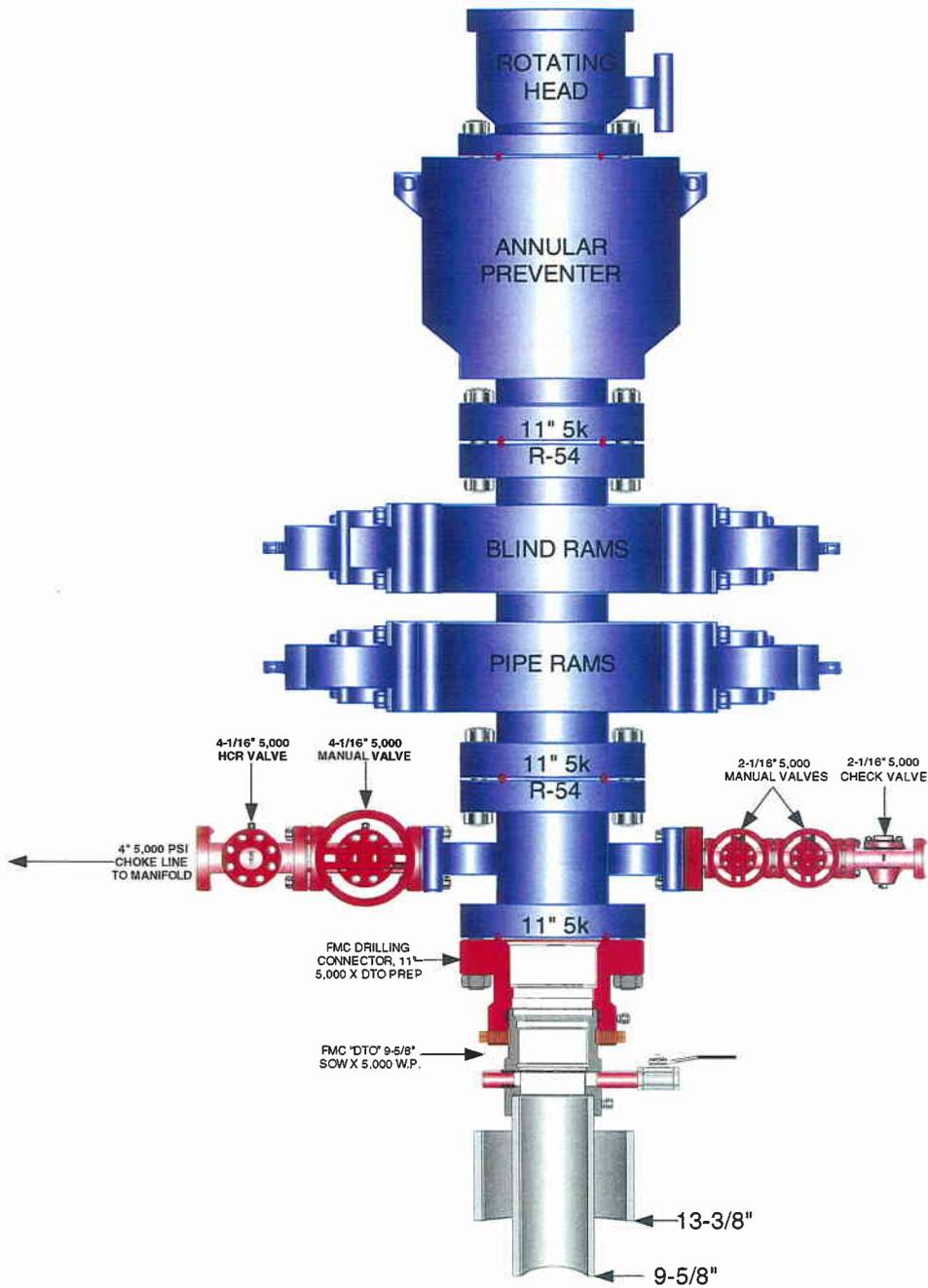
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

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.

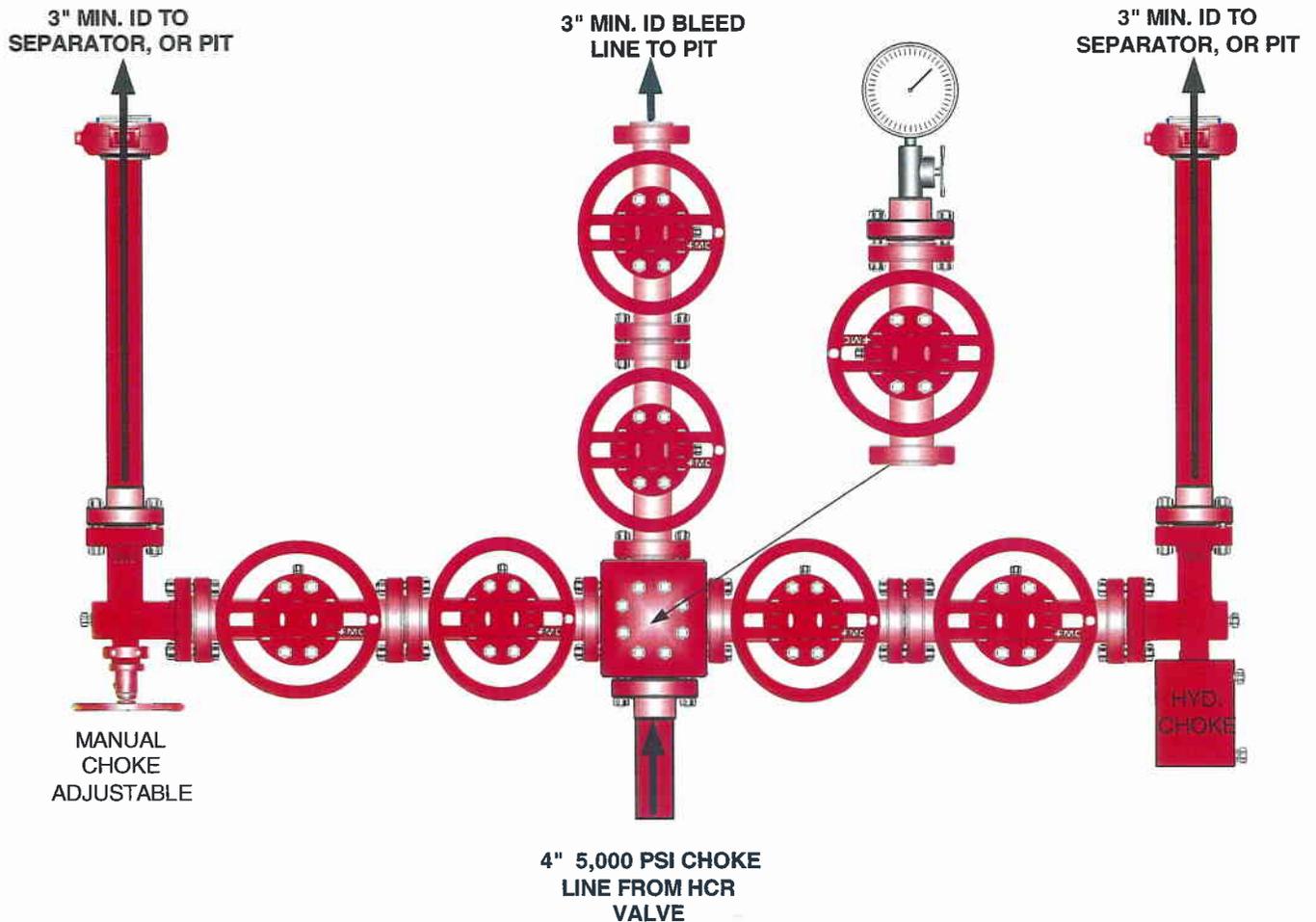
(Attachment: BOP Schematic Diagram)

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.



**East Chapita 53-23
SESW, Section 23, T9S, R23E
Uintah County, Utah**

SURFACE USE PLAN

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 300 feet long with a 40-foot right-of-way, disturbing approximately .28 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 2.12 acres. The pipeline is approximately 189 feet long with a 40-foot right-of-way, disturbing approximately .17 acre.

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 59.4 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The access road will be approximately 300' in length, ditched as construction dictates. See attached Topo B.
- B. The access road has a 40-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 40-foot permanent right-of-way is requested. No surfacing material will be used.

- J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

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

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

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed, safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 40-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 roadbed block the drainages. 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 40-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, Fourth 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.

An off-lease right-of-way will not be required. The entire length of the proposed access road is located within Federal Lease # U-67868.

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 189’ x 40’. The proposed pipeline leaves the northeastern edge of the well pad (Lease U-67868) proceeding in a northwesterly direction for an approximate distance of 189’ tying into a proposed pipeline for the East Chapita 14-23 in the SESW of Section 23, T9S, R23E (Lease U-67868), authorized under existing pipeline grant UTU-85370. 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. A 20-foot permanent pipeline right-of-way is requested. A 40-foot temporary pipeline right-of-way for construction purposes is requested, the temporary right-of-way will be utilized for a 10-day period.
7. The proposed pipeline route begins in the SESW of section 23, township 9S, range 23E, proceeding northwesterly for an approximate distance of 189’ to the SESW of section 23, township 9S, range 23E.
8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon or Covert Green.** 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, through natural or artificial methods, or 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) will be used 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 southwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the south.

A diversion ditch shall be constructed around corner #2.

Corners will be rounded as needed.

The north side of the location shall be ditched or bermed after the pit is closed to divert runoff water away from the pad.

FENCING REQUIREMENTS:

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

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

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

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

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Interim Reclamation (Producing Location)

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours – See attached Figure #3. The reserve pit will be reclaimed within 90 days from the date of the well completion, or as soon as environmental conditions allow. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

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

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

B. Dry Hole/Abandoned Location

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

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Wyoming Big Sage	3.0
Shadscale	3.0
Needle and Threadgrass	3.0
HyCrest Wheatgrass	1.0
Scarlet Globe Mallow	1.0

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

11. SURFACE OWNERSHIP:

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

Bureau of Land Management

12. OTHER INFORMATION:

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

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

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

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

- D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

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

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

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

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants on 6/19/2006. A paleontological survey was conducted and submitted by Intermountain Paleo on 8/2/2006.

Additional Surface Stipulations:

None.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Mary A. Maestas
EOG Resources, Inc.
P.O. Box 1815
Vernal, UT 84078
(435) 781-9111

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

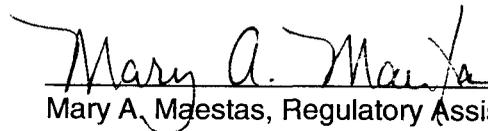
The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

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 East Chapita 53-23 Well, located in the SESW, of Section 23, 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.

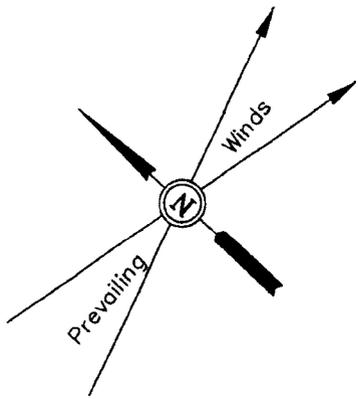
July 10, 2007
Date


Mary A. Maestas, Regulatory Assistant

EOG RESOURCES, INC.

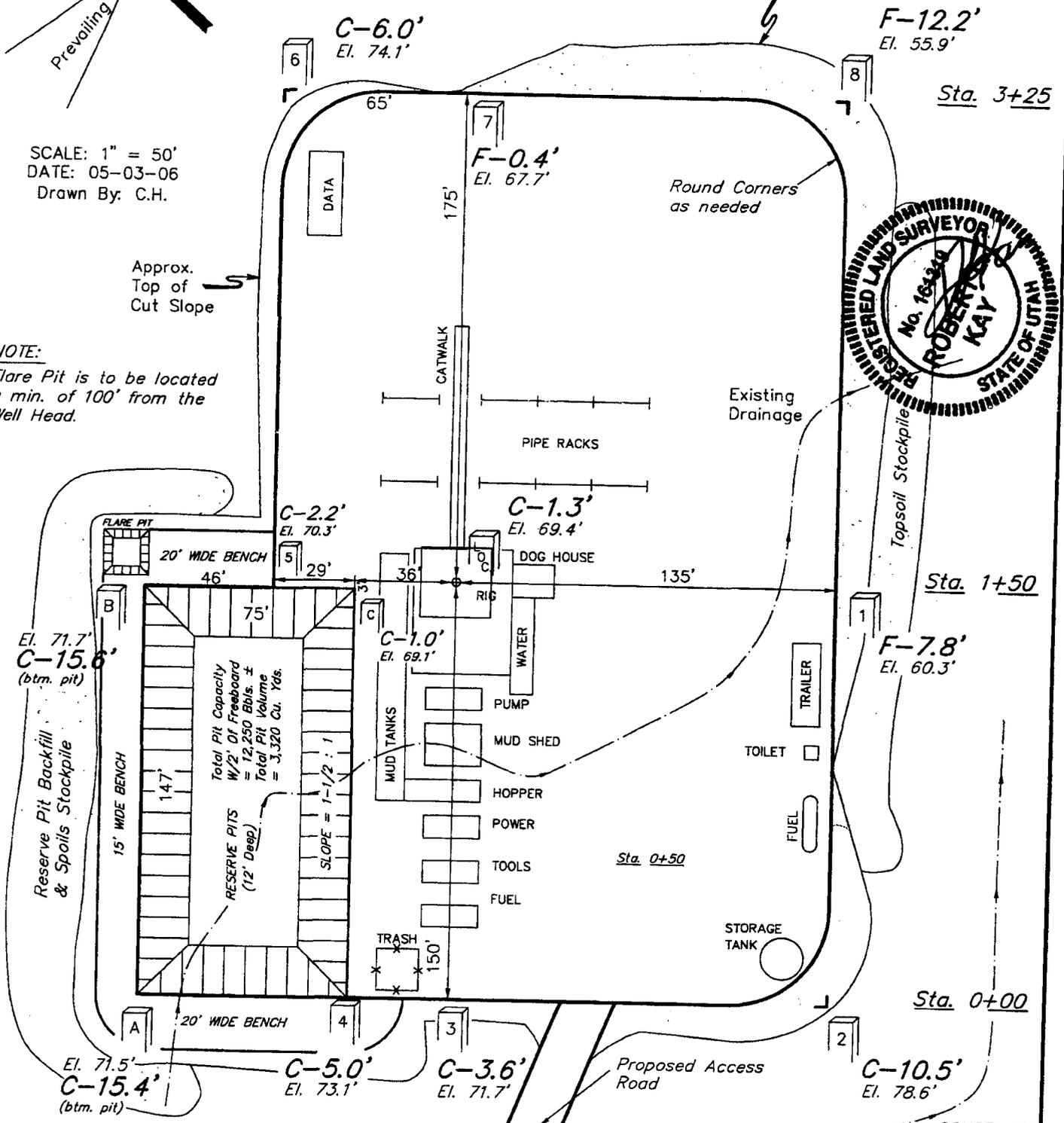
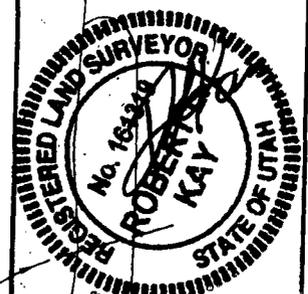
LOCATION LAYOUT FOR
 EAST CHAPITA #53-23
 SECTION 23, T9S, R23E, S.L.B.&M.
 484' FSL 1999' FWL

Approx.
 Toe of
 Fill Slope



SCALE: 1" = 50'
 DATE: 05-03-06
 Drawn By: C.H.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5169.4'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5168.1'

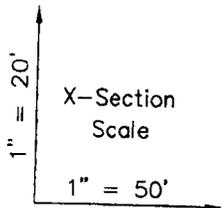
FIGURE #1

EOG RESOURCES, INC.

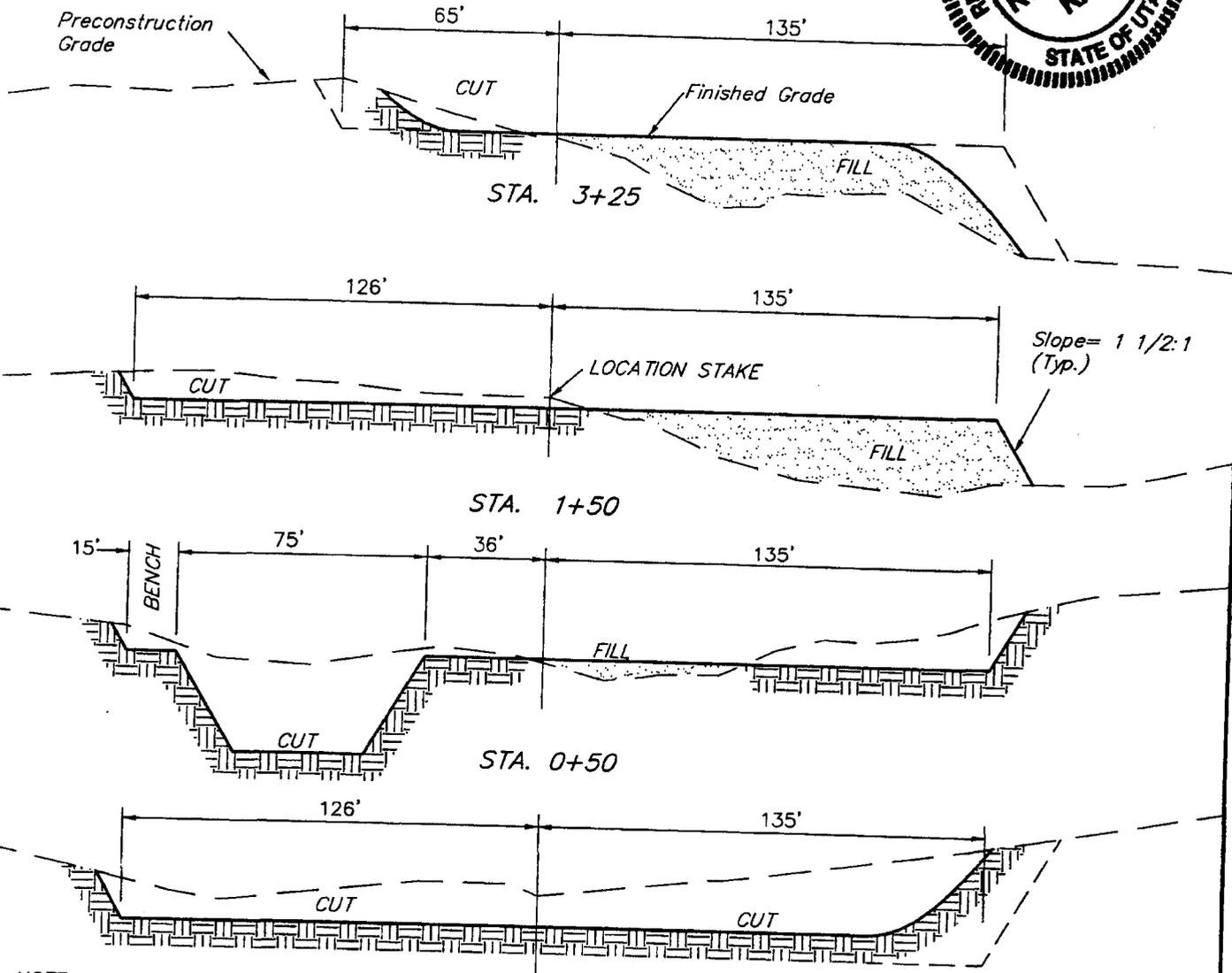
FIGURE #2

TYPICAL CROSS SECTIONS FOR

EAST CHAPITA #53-23
SECTION 23, T9S, R23E, S.L.B.&M.
484' FSL 1999' FWL



DATE: 05-03-06
Drawn By: C.H.



NOTE:

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

STA. 0+00

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,690 Cu. Yds.
Remaining Location	=	8,110 Cu. Yds.
TOTAL CUT	=	9,800 CU.YDS.
FILL	=	6,450 CU.YDS.

EXCESS MATERIAL	=	3,350 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,350 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

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

EOG RESOURCES, INC.

EAST CHAPITA #53-23

LOCATED IN UINTAH COUNTY, UTAH

SECTION 23, T9S, R23E, S.1.B.&M.

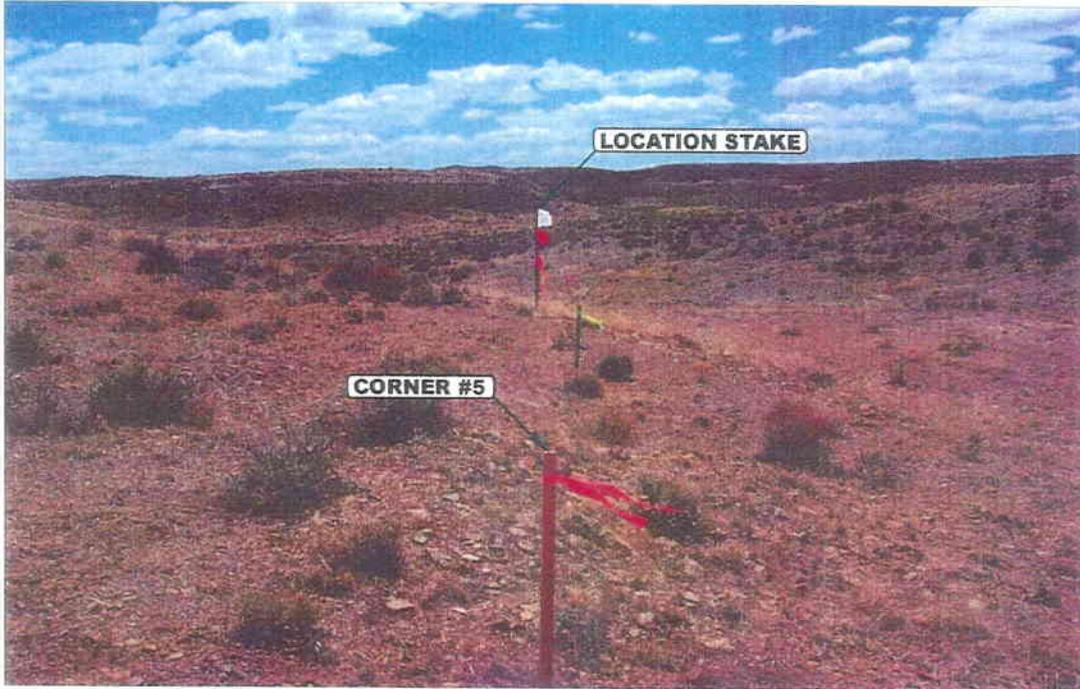


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

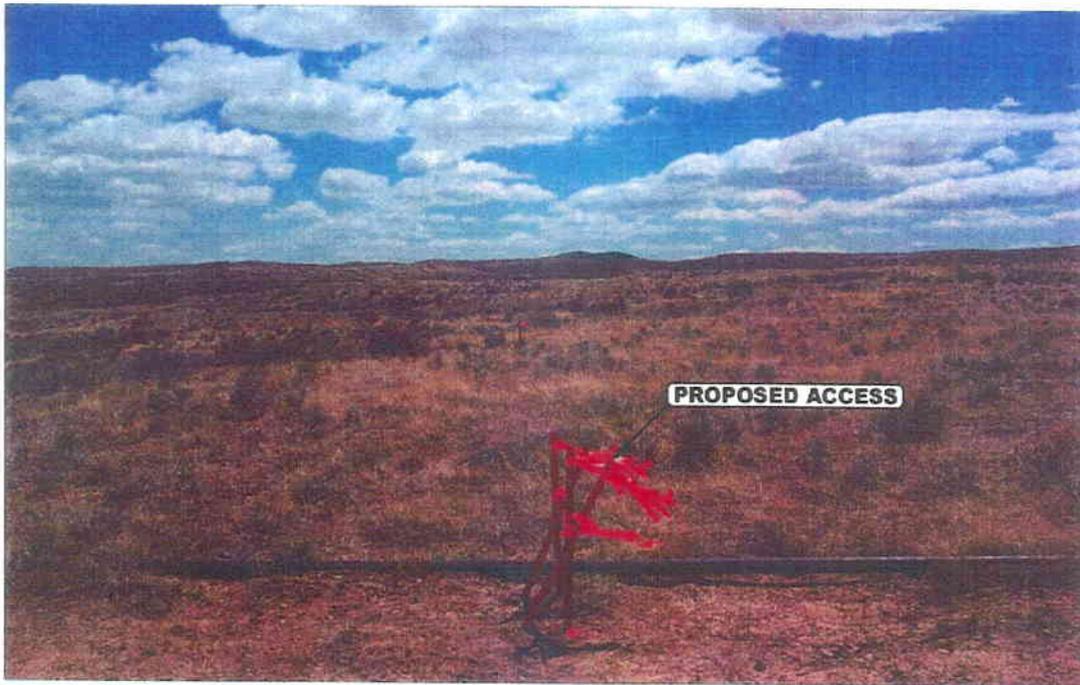


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



Since 1964

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

LOCATION PHOTOS

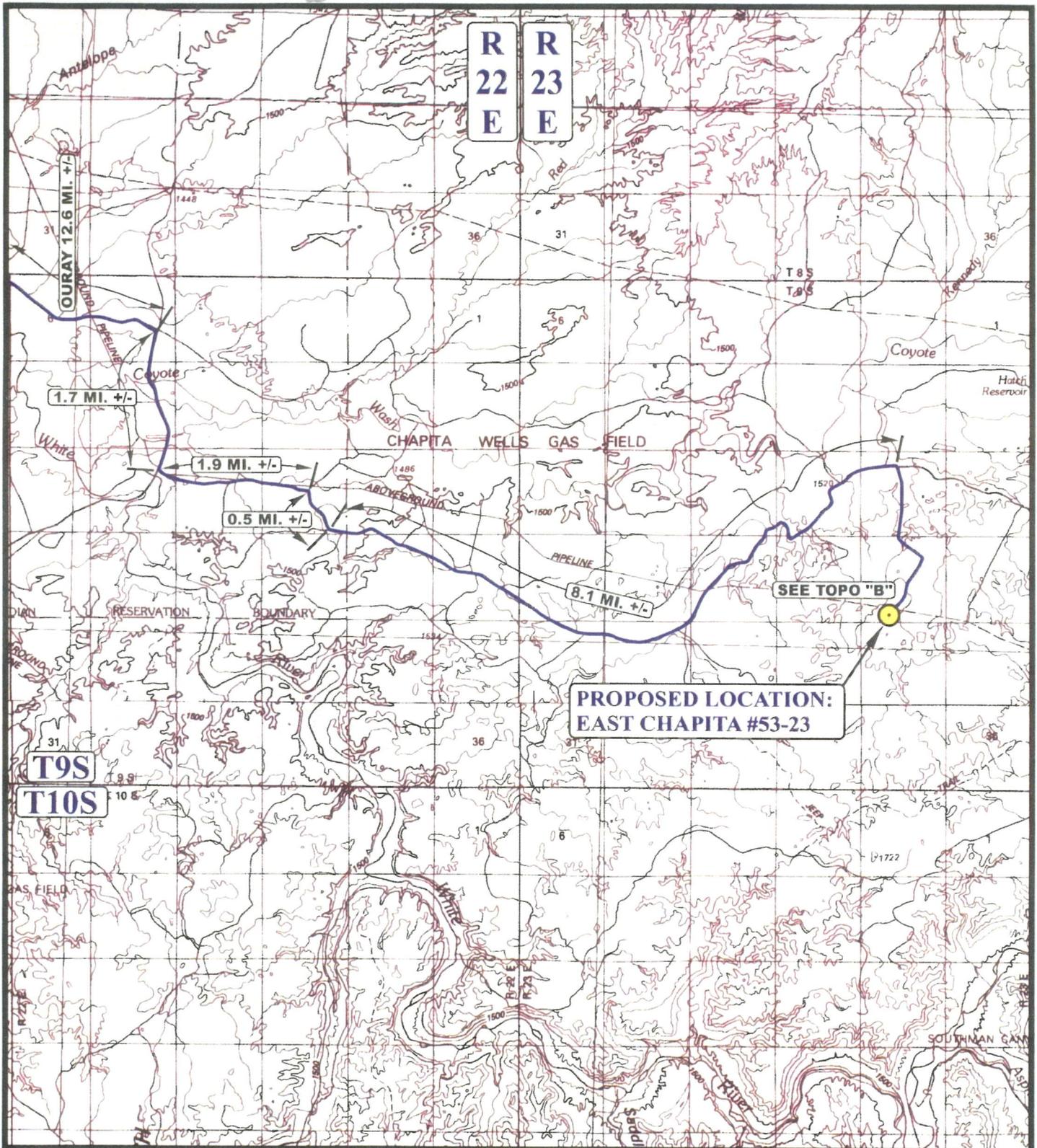
05 11 06
MONTH DAY YEAR

PHOTO

TAKEN BY: B.J.

DRAWN BY: B.C.

REVISED: 00-00-00



LEGEND:

● PROPOSED LOCATION



EOG RESOURCES INC.

EAST CHAPITA #53-23
SECTION 23, T9S, R23E, S.L.B.&M.
484' FSL 1999' FWL

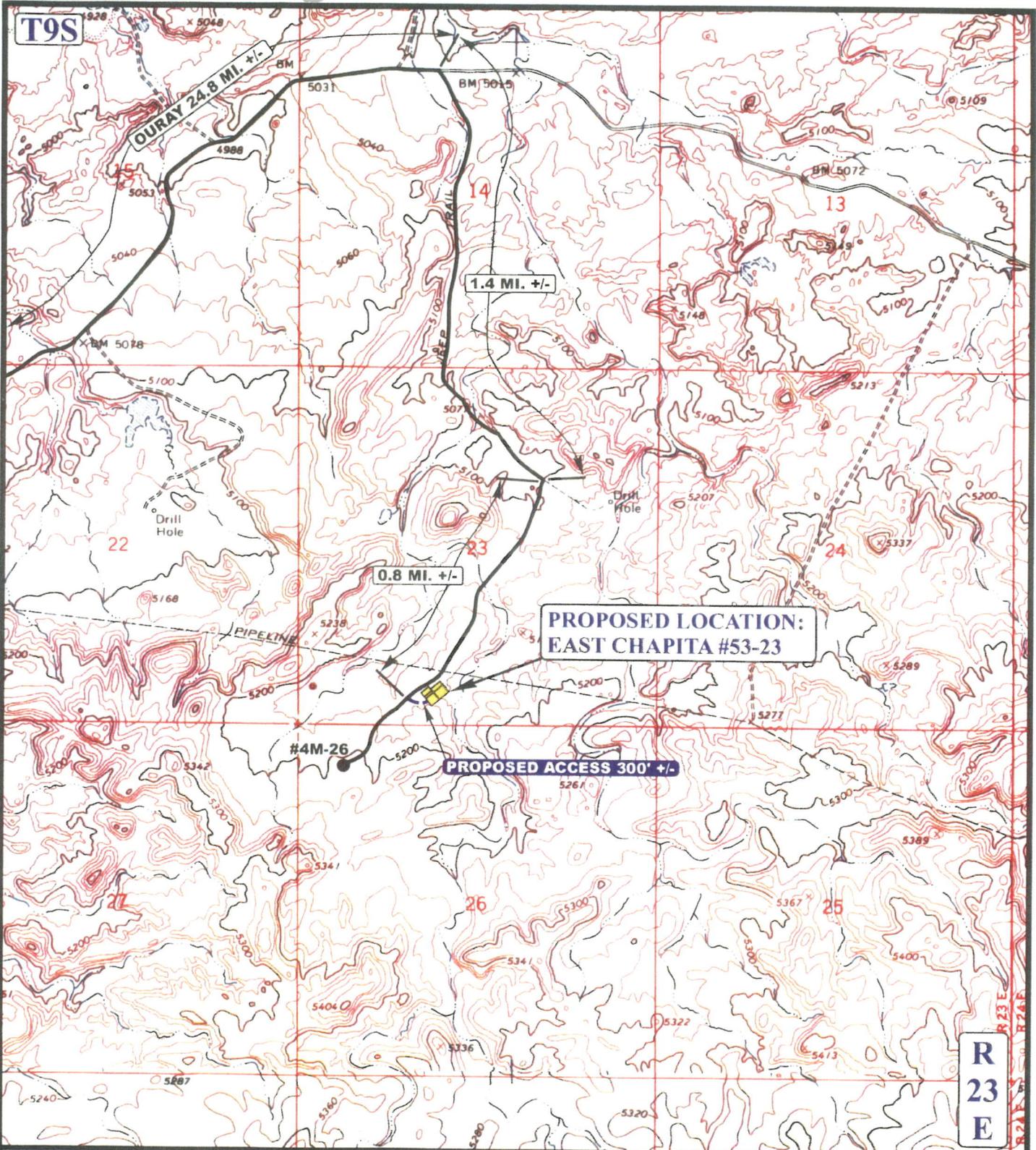


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **05 11 06**
MAP MONTH DAY YEAR

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





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



EOG RESOURCES INC.

EAST CHAPITA #53-23
SECTION 23, T9S, R23E, S.L.B.&M.
484' FSL 1999' FWL



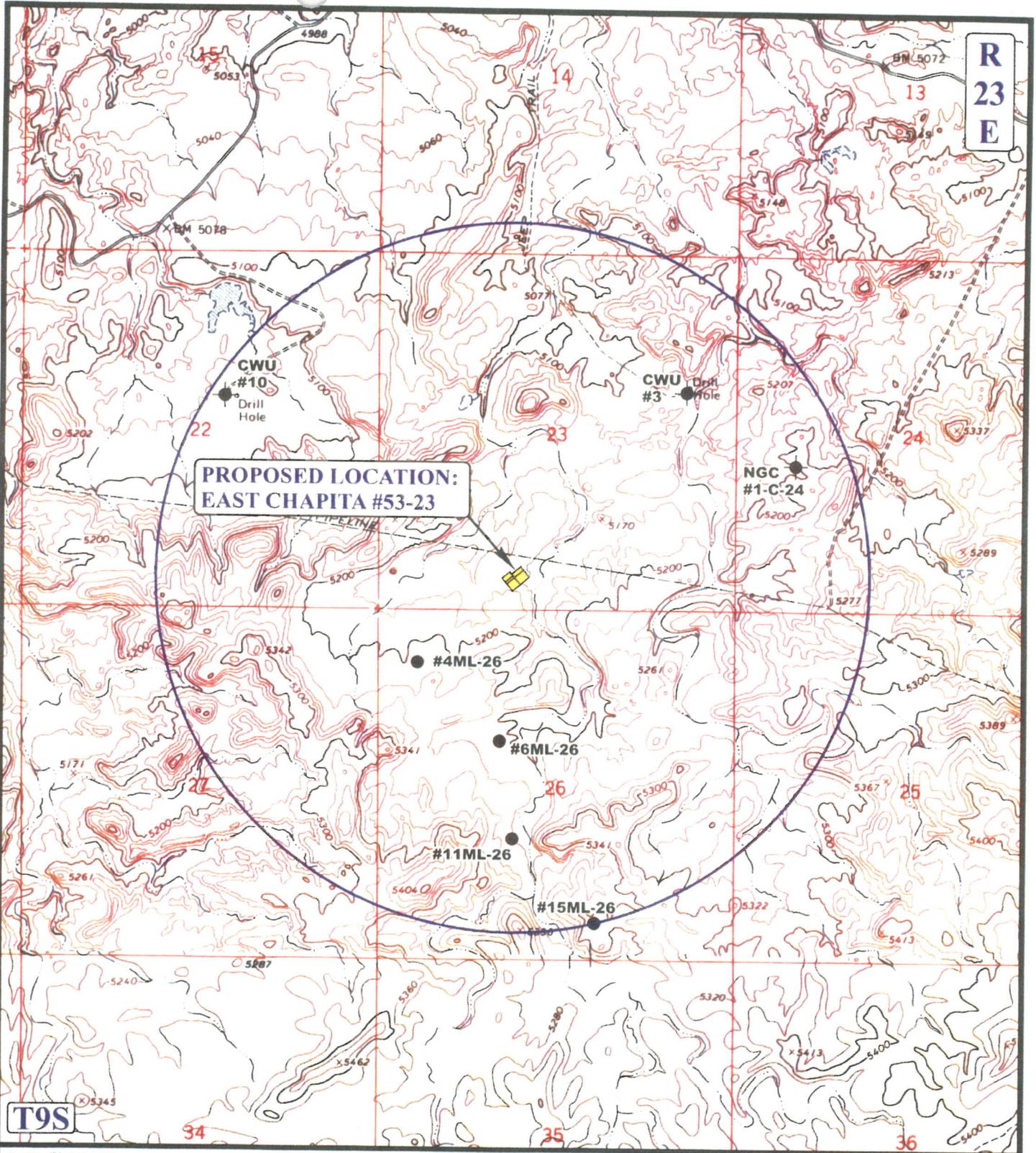
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05	11	06
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00





**PROPOSED LOCATION:
EAST CHAPITA #53-23**

T9S

**R
23
E**

LEGEND:

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

EOG RESOURCES INC.

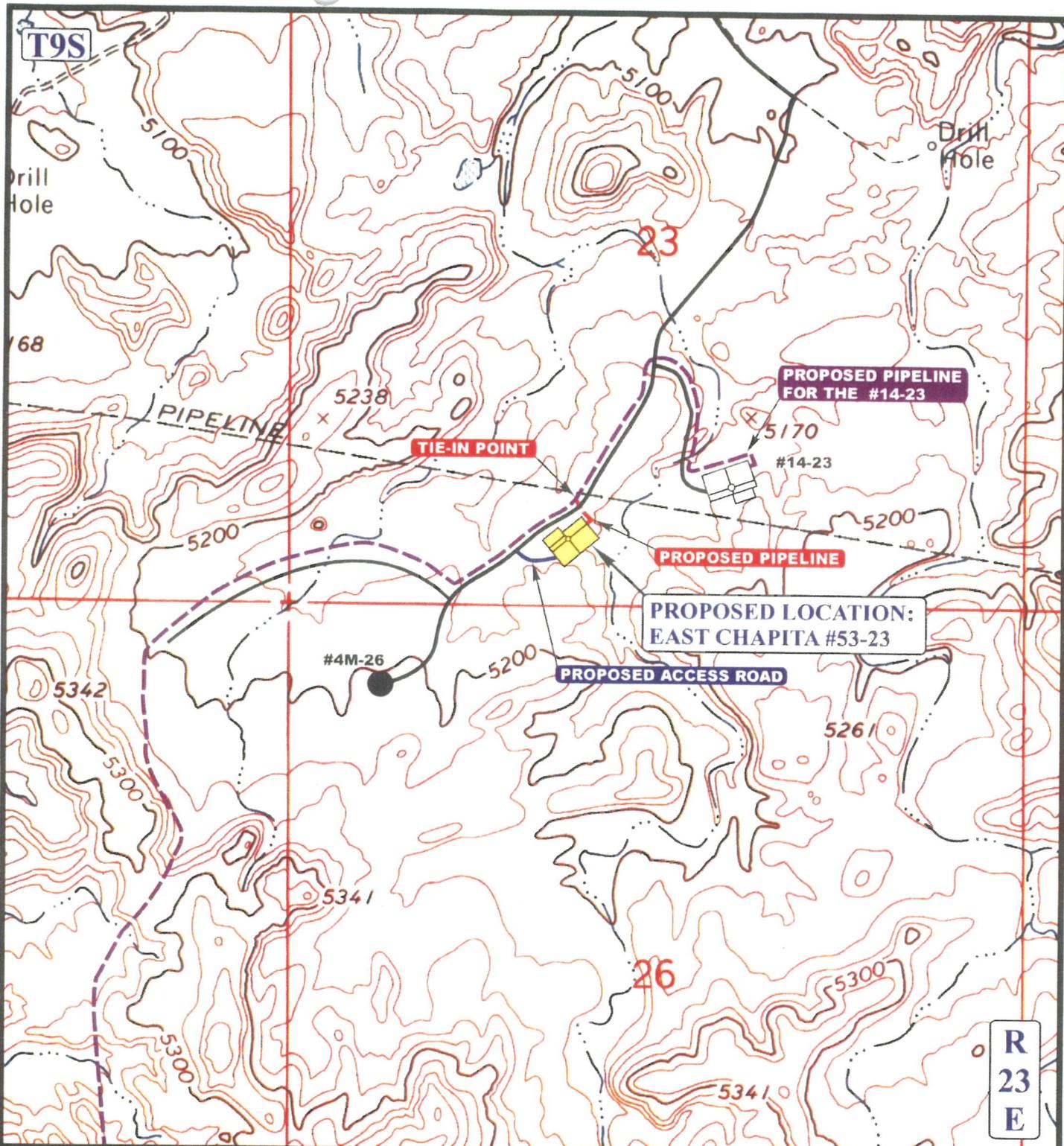
**EAST CHAPITA #53-23
SECTION 23, T9S, R23E, S.L.B.&M.
484' FSL 1999' FWL**



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



TOPOGRAPHIC MAP	05 11 06 MONTH DAY YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: B.C.	



APPROXIMATE TOTAL PIPELINE DISTANCE = 189' +/-

LEGEND:

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



EOG RESOURCES INC.

**EAST CHAPITA #53-23
SECTION 23, T9S, R23E, S.L.B.&M.
484' FSL 1999' FWL**



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

TOPOGRAPHIC MAP 05 11 06
MONTH DAY YEAR

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

D
TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/12/2007

API NO. ASSIGNED: 43-047-39432

WELL NAME: E CHAPITA 53-23
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: MARY MAESTAS

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:

SESW 23 090S 230E
 SURFACE: 0484 FSL 1999 FWL
 BOTTOM: 0484 FSL 1999 FWL
 COUNTY: UINTAH
 LATITUDE: 40.01557 LONGITUDE: -109.2958
 UTM SURF EASTINGS: 645444 NORTHINGS: 4430666
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	8/8/07
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-67868
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM2308)
- 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)
(Wasatch, Mesa Verde)

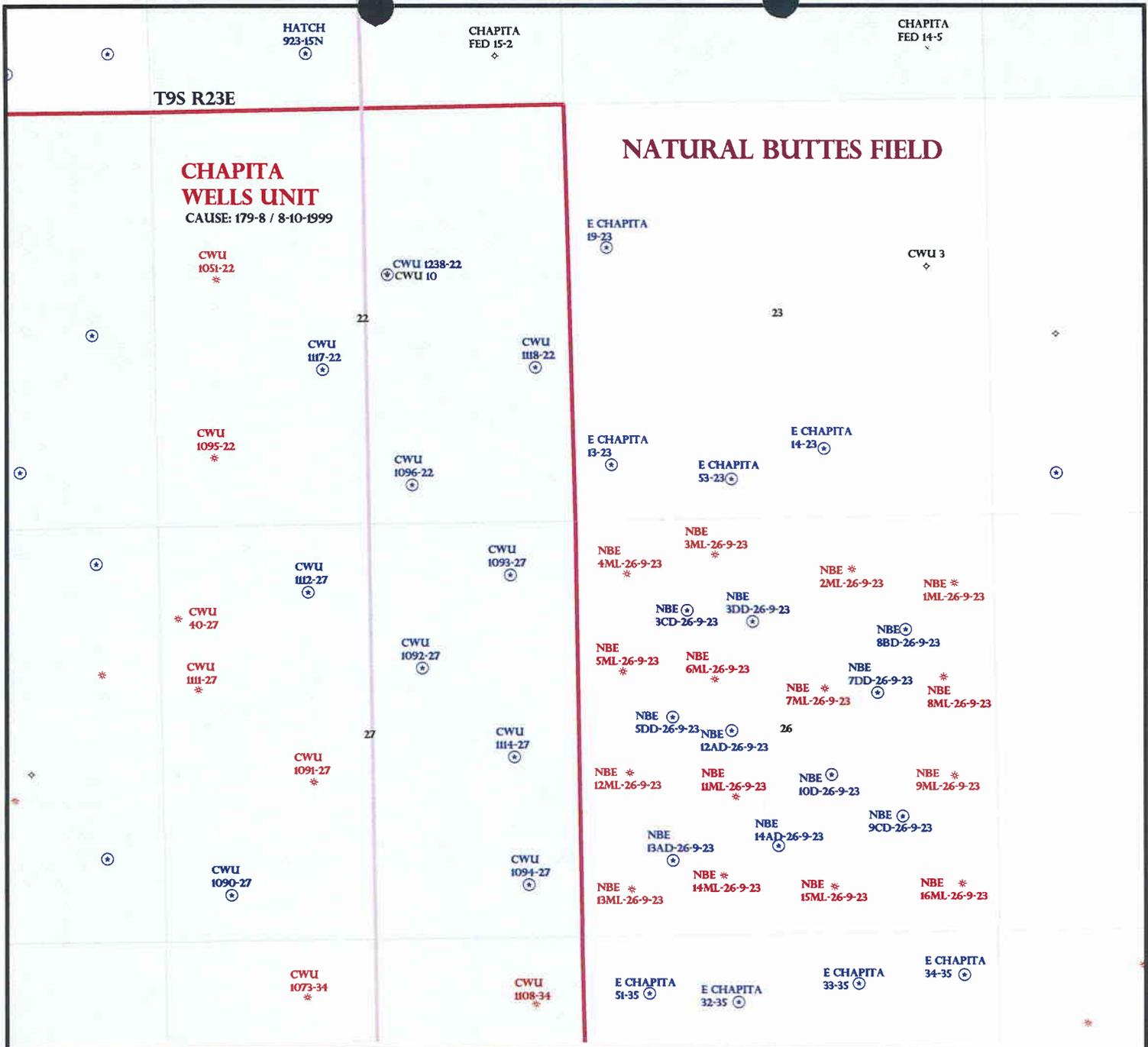
LOCATION AND SITING:

- ___ R649-2-3.
- Unit: _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- ___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

- 1- Federal Approval
- 2- Spacing Strip
- 3- Commingle

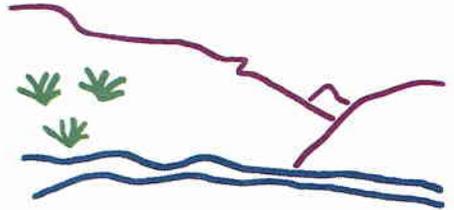


OPERATOR: EOG RESOURCES INC (N9550)
 SEC: 23 T.9S R.23E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
 SPACING: R649-3-2 / GENERAL SITING

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
 DATE: 13-JULY-2007



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

August 9, 2007

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

Re: East Chapita 53-23 Well, 484' FSL, 1999' FWL, SE SW, Sec. 23, 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.

Administrative approval for commingling the production from the Wasatch formation and the Mesaverde formation in this well is hereby granted. Appropriate information has been submitted to DOGM in accordance with R649-3-22. No written objections from owners were received by DOGM.

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 43-047-39432.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: EOG East Resources, Inc.
Well Name & Number East Chapita 53-23
API Number: 43-047-39432
Lease: UTU-67868

Location: SE SW **Sec.** 23 **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

Notify the Division with 24 hours of spudding the well.

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

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

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

3. Reporting Requirements

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

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

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU-67868	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. East Chapita 53-23	
9. API Well No. 43-047-39432	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Natural Buttes/Wasatch/Mesaverde
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Sec. 23-T9S-R23E, S.L.B.&M.
2. Name of Operator EOG RESOURCES, INC	12. County or Parish Uintah County
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078	13. State UT
3b. Phone No. (include area code) 435-781-9111	
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 484' FSL & 1999' FWL (SESW) 40.015514 LAT 109.296447 LON At proposed prod. zone Same	
14. Distance in miles and direction from nearest town or post office* 59.4 miles south of Vernal, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 484' Lease line 484' Drilling line	16. No. of acres in lease 1079
17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 6950'	19. Proposed Depth 8600'
20. BLM/BIA Bond No. on file NM2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5169' NAT GL	22. Approximate date work will start* 45 days
23. Estimated duration	

24. Attachments

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

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

25. Signature <i>Mary A. Maestas</i>	Name (Printed/Typed) Mary A. Maestas	Date 07/10/2007
Title		
Approved by (Signature) <i>Jeram Kewicka</i>	Name (Printed/Typed) JERAM KEWICKA	Date 10-29-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

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

*(Instructions on page 2)

NOTICE OF APPROVAL

**CONDITIONS OF APPROVAL ATTACHED
RECEIVED**

NOV 02 2007

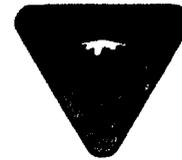
DIV. OF OIL, GAS & MINING

*005 4/24/07
07PP 1879 A*



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

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



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	EOG Resources	Location:	SESW, Sec 23, T9S, R23E
Well No:	East Chapita 53-23	Lease No:	UTU-67868
API No:	43-047-39432	Agreement:	N/A

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

Fax: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

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

General Surface COAs:

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

Specific Surface COAs:

- As discussed on the onsite conducted on 5/1/07 the SE side of the location will be ditched to collect runoff and diverted around corner 2. Also the topsoil will be placed in a location best situated for interim reclamation.
- As discussed on the onsite conducted on 5/1/07 gravel will be used as needed and culverts installed as construction dictates.
- 4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- As discussed on 9/27/07 the Ouray Municipal Water Plant at Ouray, Utah shall not be used as a water source.

DOWNHOLE CONDITIONS OF APPROVAL

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

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- A surface casing shoe integrity test shall be performed.
- A variance is granted for Onshore Order #2-Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.
- Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.
- The commingling approval can be rescinded at any time the Authorized Officer determines the commingling to be detrimental to the interest of the United States.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

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

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

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

FORM 9

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: UTU-67868
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: East Chapita 53-23
2. NAME OF OPERATOR: EOG Resources, Inc.		9. API NUMBER: 43-047-39432
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/Mesaverde
4. LOCATION OF WELL FOOTAGES AT SURFACE: 484' FSL & 1999' FWL 40.015514 LAT 109.296447 LON COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 23 9S 23E S STATE: UTAH		

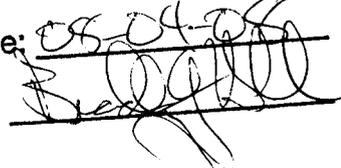
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

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

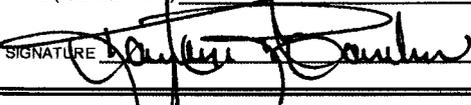
Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-04-08
By: 

COPY SENT TO OPERATOR

Date: 8.5.2008

Initials: KS

NAME (PLEASE PRINT) <u>Kaylene B. Gardner</u>	TITLE <u>Lead Regulatory Assistant</u>
SIGNATURE 	DATE <u>7/30/2008</u>

(This space for State use only)

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AUG - 1 2008

DIV. OF OIL, GAS & MINING



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

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

API: 43-047-39432
Well Name: EAST CHAPITA 53-23
Location: 484 FSL - 1999 FWL (SESW), SECTION 23, T9S, R23E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 8/9/2007

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

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

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

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

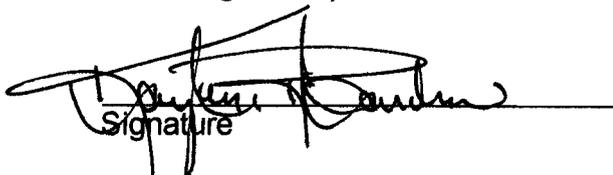
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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


Signature

7/30/2008
Date

Title: Lead Regulatory Assistant

Representing: EOG Resources, Inc.

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AUG - 1 2008
DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: E CHAPITA 53-23

Api No: 43-047-39432 Lease Type: FEDERAL

Section 23 Township 09S Range 23E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

SPUDDED:

Date 08/20/08

Time 7:00 AM

How DRY

Drilling will Commence: _____

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 08/20/08 Signed CHD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU67868
2. Name of Operator EOG RESOURCES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 303-824-5526		8. Well Name and No. EAST CHAPITA 53-23
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T9S R23E SESW 484FSL 1999FWL 40.01551 N Lat, 109.29645 W Lon		9. API Well No. 43-047-39432
		10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV
		11. County or Parish, and State UINTAH COUNTY, UT

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

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

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

The referenced well spud on 8/20/2008.

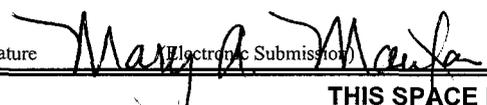
14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #62615 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



(Electronic Submission)

Date 08/28/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title

Date

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

Office

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

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

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SEP 02 2008

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
43-047-39432	East Chapita 53-23		SESW	23	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	<u>17050</u>	8/20/2008			<u>9/22/08</u>	
Comments: <u>Wasatch/Mesaverde well</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-40047	Chapita Wells Unit 1110-34		SENE	34	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
B	99999	<u>13650</u>	8/20/2008			<u>9/22/08</u>	
Comments: <u>Mesaverde well</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38956	North Chapita 344-23		SWNE	23	8S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	<u>17051</u>	8/22/2008			<u>9/22/08</u>	
Comments: <u>Wasatch/Mesaverde well</u> <u>MNES proposed</u>							

ACTION CODES:

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

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

8/28/2008

Date

(5/2000)

RECEIVED

SEP 09 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc.

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple (See Attached)
43 6A7 39A32
ECW 53-23
95 23E 23

- 5. Lease Serial No.
Multiple (See Attached)
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA/Agreement, Name and/or No.
- 8. Well Name and No.
Multiple (See Attached)
- 9. API Well No.
Multiple (See Attached)
- 10. Field and Pool, or Exploratory Area
Natural Buttes
- 11. County or Parish, State
Uintah County, Utah

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

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

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

EOG Resources, Inc. respectfully requests authorization for air drilling operations, see attached.

COPY SENT TO OPERATOR

Date: 10-14-2008

Initials: KS

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

Mickenzie Thacker

Title **Operations Clerk**

Signature

Mickenzie Thacker

Date

09/17/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Dave West

Title

Pet. Eng.

Date

10/7/08

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

Office

DOG M

Federal Approval Of This Action Is Necessary

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

RECEIVED

(Instructions on page 2)

SEP 22 2008

DIV. OF OIL, GAS & MINING

API #	Lease #	Well Name	Footages	$\frac{1}{4}$ - $\frac{1}{4}$ Legal Description
43-047-39432	UTU-67868	ECW 53-23	484' FSL 1999' FWL	SESW Sec. 23 T9S R23E
43-047-39313	UTU-0344	ECW 61-35	2148' FNL 628' FWL	SWNW Sec. 35 T9S R23E
43-047-39271	UTU-01304	ECW 69-04	613' FNL 2040' FWL	NENW Sec. 4 T9S R23E
43-047-39275	UTU-01304	ECW 70-04	501' FNL 1790' FEL	NWNE Sec. 4 T9S R23E
43-047-39438	UTU-67868	ECW 78-23	1970' FSL 2170' FWL	NESW Sec. 23 T9S R23E

Air Drilling Operations:

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

VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 1

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU67868

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
EAST CHAPITA 53-23

9. API Well No.
43-047-39432

1. Type of Well
 Oil Well Gas Well Other

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

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 23 T9S R23E SESW 484FSL 1999FWL
40.01551 N Lat, 109.29645 W Lon

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

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

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

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

The referenced well was turned to sales on 12/03/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

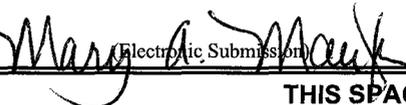
14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #65302 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



(Electronic Submission)

Date 12/04/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title

Date

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

Office

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RECEIVED

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED DEC 10 2008**

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

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION STARTED TODAY 8/4/08.

08-05-2008 Reported By TERRY CSERE

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

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: BUILD LOCATION

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

08-06-2008 Reported By TERRY CSERE

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

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: BUILD LOCATION

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

08-07-2008 Reported By TERRY CSERE

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

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: BUILD LOCATION

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

08-08-2008 Reported By TERRY CSERE

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

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: BUILD LOCATION

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

08-11-2008 Reported By TERRY CSERE

TOP JOB #3: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 35 MIN.

TOP JOB #4: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HR 15 MIN.

TOP JOB #5: MIXED & PUMPED 75 SX (15.5 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. FILLED AND STOOD FULL.

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

CRAIGS RIG #3 TOOK SURVEY WHILE DRILLING HOLE @ 2280'-1.75 DEGREE.

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

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

BRIAN ROW NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 9/24/08 @ 4:00 PM.

10-11-2008	Reported By	PAT CLARK									
DailyCosts: Drilling	\$18,585	Completion	\$0	Daily Total	\$18,585						
Cum Costs: Drilling	\$323,042	Completion	\$0	Well Total	\$323,042						
MD	2,327	TVD	2,327	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: RURT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RDRT. HSM. MOVE RIG TO ECW 53-23 W/WESTROC TRUCKING. 7 BED TRUCKS, 2 HAUL TRUCKS, 2 FORKLIFTS, 1 CRANE. TRUCKS AND CRANE RELEASED @ 16:30. DERRICK IN THE AIR @ 17:30. RIG 70 % RIGGED UP, ETA DAYWORK AFTERNOON. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS - RDRT, MOVE RIG, RURT. FUEL - 1150, USED - 250.

10-12-2008	Reported By	PAT CLARK									
DailyCosts: Drilling	\$64,582	Completion	\$0	Daily Total	\$64,582						
Cum Costs: Drilling	\$387,624	Completion	\$0	Well Total	\$387,624						
MD	2,327	TVD	2,327	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: PU BHA

Start	End	Hrs	Activity Description
06:00	18:00	12.0	RURT. WENT THROUGH # 1 PUMP, REPLACED # 1 CENTRIFICAL PUMP, REPLACED ROTARY TABLE LOCK, REPAIRED STEAM LINES, HOOKED UP HEATERS, WELDED ON WINDWALLS, REPLACED VALVES IN MUD SUCTION TANK, REPAIRED CHOKE MANIFOLD FRAME.
18:00	19:00	1.0	NU BOPE. RIG ON DAYWORK @ 18:00 HRS, 10/11/08.
19:00	03:00	8.0	TESTED PIPE RAMS, BLIND RAMS, HCR, CHOKE VALVE, CHOKE LINE & MANIFOLD, KILL LINE VALVES TO 5000 PSI FOR 10 MINUTES. TESTED UPPER & LOWER KELLY COCKS, FLOOR & INSIDE BOP TO 5000 PSI FOR 10 MINUTES. TESTED ANNULAR PREVENTER TO 2500 PSI FOR 10 MINUTES. TESTED CASING TO 1500 PSI FOR 30 MINUTES. R/D TESTER.

BLM NOTIFIED BY E-MAIL 10-11-08. NO BLM REP ON LOCATION TO WITNESS TEST.

03:00 06:00 3.0 HSM. R/U WEATHERFORD TRS. PU/LD BHA & TOOLS.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS - RURT, TEST BOP, P/U BHA.
 FUEL - 8200, DEL - 8002, USED - 952.
 UNMANNED ML UNIT - 1 DAY.

10-13-2008 **Reported By** PAT CLARK

Daily Costs: Drilling	\$38,562	Completion	\$0	Daily Total	\$38,562						
Cum Costs: Drilling	\$426,186	Completion	\$0	Well Total	\$426,186						
MD	3,770	TVD	3,770	Progress	1,443	Days	1	MW	8.6	Visc	27.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: DRILLING @ 3770'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	FINISH P/U BHA TO 2200'.
07:00	07:30	0.5	TRY TO ESTABLISH CIRC, STRING PLUGGED.
07:30	09:00	1.5	TOH. MOTOR PLUGGED W/FINE CUTTINGS.
09:00	10:30	1.5	CHANGE OUT MUD MOTOR, TIH.
10:30	11:30	1.0	DRILL CEMENT/FLOAT EQUIP. FC @ 2283', FS @ 2327'. DRILL 10' TO 2247'.
11:30	12:00	0.5	FIT TEST TO 243 PSI FOR 10.5 EMW.
12:00	15:30	3.5	DRILL 2347' - 2584'. WOB 10-20K, RPM 60/67, SPP 1100 PSI, DP 350 PSI, ROP 68 FPH.
15:30	16:00	0.5	RIG SERVICE. CHECK COM, BOP DRILL.
16:00	06:00	14.0	DRILL 2584' - 3770'. SAME PARAMETERS, ROP 85 FPH.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS - TEAMWORK, PPE.
 SURVEYS - 2416' - 1/2 DEG, 3311' - 2 DEG.
 FUEL - 7795, USED - 405.
 MW - 8.8 PPG, VIS - 29 SPQ.
 UNMANNED ML UNIT - 2 DAYS.

06:00 SPUD 7 7/8" HOLE @ 11:30 HRS, 10/12/08.

10-14-2008 **Reported By** PAT CLARK

Daily Costs: Drilling	\$34,968	Completion	\$0	Daily Total	\$34,968						
Cum Costs: Drilling	\$461,155	Completion	\$0	Well Total	\$461,155						
MD	5,425	TVD	5,425	Progress	1,655	Days	2	MW	8.8	Visc	28.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: DRILLING @ 5425'

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL 3770' - 4341'. WOB 20K, RPM 60/67, SPP 1400 PSI, DP 350 PSI, ROP 104 FPH.
11:30	12:00	0.5	RIG SERVICE, CHECK COM, FUNCTION PIPE RAMS.
12:00	06:00	18.0	DRILL 4341' - 5425'. SAME PARAMETERS, ROP 60 FPH.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS - LEADERSHIP, COMMUNICATION.
 SURVEY - 4310' - 2 DEG.
 FUEL - 6474, USED - 1321.
 MW - 9.5 PPG, VIS - 31 SPQ.
 UNMANNED ML UNIT - 3 DAYS.

10-15-2008	Reported By	PAT CLARK									
Daily Costs: Drilling	\$89,467	Completion	\$0	Daily Total	\$89,467						
Cum Costs: Drilling	\$550,622	Completion	\$0	Well Total	\$550,622						
MD	6,180	TVD	6,180	Progress	755	Days	3	MW	9.4	Visc	39.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						
Activity at Report Time: DRILLING @ 6180'											

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILL 5425' - 5496'. WOB 20K, RPM 60/67, SPP 1450 PSI, DP 350 PSI, ROP 71 FPH.
07:00	09:00	2.0	REPLACE WASH PIPE AND SWIVEL PACKING.
09:00	06:00	21.0	DRILL 5496' - 6180'. SAME PARAMETERS, ROP 33 FPH.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS - JSA'S, PLANNING.
 FUEL - 5289, USED - 1185.
 MW - 9.8 PPG, VIS - 32 SPQ, FULL OF AIR.
 UNMANNED ML UNIT - 4 DAYS.

10-16-2008	Reported By	PAT CLARK/ROBERT DYSART									
Daily Costs: Drilling	\$31,844	Completion	\$4,241	Daily Total	\$36,085						
Cum Costs: Drilling	\$582,466	Completion	\$4,241	Well Total	\$586,707						
MD	7,096	TVD	7,096	Progress	916	Days	4	MW	9.7	Visc	39.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						
Activity at Report Time: DRILLING @ 7096'											

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL ROTATE 6180' TO 6469' (289') ROP 38.5 WOB 18/20K, RPM 55/65 + 65, GPM 420, PSI 1400/1600
13:30	14:00	0.5	SERVICE RIG
14:00	06:00	16.0	DRILL ROTATE 6469' TO 7096' (627') ROP 39 WOB 18/20K, RPM 55/65 + 65, GPM 420, PSI 1600/1800 M/W 10.4, VIS 32

NO ACCIDENTS OR INCIDENTS REPORTED, FULL CREWS, CHECK COM
 SAFETY MTGS: ELECTRICITY, MUD CHEMICAL MSDS
 FUEL 3534, USED 1755
 UNMANNED LOGGER DAY #5

10-17-2008	Reported By	ROBERT DYSART									
Daily Costs: Drilling	\$51,919	Completion	\$2,393	Daily Total	\$54,312						
Cum Costs: Drilling	\$634,386	Completion	\$6,634	Well Total	\$641,020						

MD 7,652 **TVD** 7,652 **Progress** 556 **Days** 5 **MW** 10.1 **Visc** 32.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING @ 7652'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL ROTATE 7096' TO 7412' (316') ROP 42 WOB 18/20K, RPM 55/65 + 65, GPM 420, PSI 1600/1800
13:30	14:00	0.5	SERVICE RIG
14:00	18:00	4.0	DRILL ROTATE 7412' TO 7538' (126') ROP 31.5 WOB 18/20K, RPM 55/65 + 65, GPM 420, PSI 1600/1800
18:00	23:00	5.0	FLOW CHECK, DROP SURVEY, TRIP OUT OF HOLE FOR BIT #2 LAY OUT MOTOR & REAMERS
23:00	01:30	2.5	TRIP IN HOLE WITH BIT #2 TO 7508'
01:30	02:00	0.5	WASH/REAM 7508' TO 7538'
02:00	06:00	4.0	DRILL ROTATE 7538' TO 7652' (114') ROP 28.5 WOB 18/20K, RPM 55/65 + 65, GPM 420, PSI 1700/2000 M/W 10.5, VIS 40

NO ACCIDENTS OR INCIDENTS REPORTED, FULL CREWS, CHECK COM
 SAFETY MTGS: HAND SAFETY
 FUEL 2550, USED 984
 UNMANNED LOGGER DAY #6

10-18-2008 **Reported By** ROBERT DYSART / PETE COMEAU

Daily Costs: Drilling \$31,306 **Completion** \$904 **Daily Total** \$32,210
Cum Costs: Drilling \$665,692 **Completion** \$7,538 **Well Total** \$673,230

MD 8,530 **TVD** 8,530 **Progress** 878 **Days** 6 **MW** 10.5 **Visc** 36.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: DRILLING @ 8530

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 7.875" HOLE FROM 7652' TO 8031.359' @ 50 FPH. WOB 20, ROTARY 54 & MOTOR 65. 420 GPM @ 1800 PSI. MUD WT 10.4 & VIS 37
13:30	14:00	0.5	SERVICE RIG, FUNCTION CROWN O MATIC & HCR
14:00	06:00	16.0	DRILL 7.875" HOLE FROM 8031 TO 8530.499' @ 31 FPH WOB 18/22. ROTARY 54 & MOTOR 65. 420 GPM @ 1850 PSI FUEL 1050, USED 1500 CREWS FULL NO ACCIDENTS OR INCIDENTS REPORTED CHECK CROWN O MATIC FOR DRILLING UNMANNED GAS DETECTOR DAY #7

10-19-2008 **Reported By** PETE COMEAU

Daily Costs: Drilling \$60,499 **Completion** \$176,850 **Daily Total** \$237,349
Cum Costs: Drilling \$726,192 **Completion** \$187,295 **Well Total** \$913,487

MD 8,600 **TVD** 8,600 **Progress** 70 **Days** 7 **MW** 10.6 **Visc** 37.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL 7.875" HOLE FROM 8530 TO 8600' TD @ 09:30. 70' @ 20 FPH. WOB 22, ROTARY 54 & MOTOR 65. 420 GPM @ 1900 PSI. MUD WT 10.9 & VIS 37. REACHED TD AT 09:30 HRS, 10/18/08.
09:30	10:00	0.5	CIRCULATE HOLE CLEAN FOR WIPER TRIP.
10:00	11:00	1.0	WIPER TRIP TO 7500'. HOLE A BIT TIGHT @ 7920. WENT BACK TO BOTTOM WITH NO PROBLEM.
11:00	12:00	1.0	CIRCULATE HOLE CLEAN FOR CASING.
12:00	12:30	0.5	SURVEY
12:30	18:30	6.0	CASING POINT. LAY DOWN DRILL PIPE.
18:30	19:30	1.0	PULL WEAR BUSHING, RIG UP TO RUN PRODUCTION CASING., SAFETY MEETING WITH KIMZEY CREW.
19:30	00:30	5.0	RUN 4 1/2" PRODUCTION CASING AS FOLLOWS RUN 212 JOINTS OF 4.5" 11.6# N-80, LT&C CDASING WITH 2 HCP-110, 11.6#, LT&C 4 1/2" MARKERS AS PER TALLY . FLOAT SHOE LANDED @ 8583.99 & FLOAT COLLAR @ 8544.02. 30 CENTRALIZERS AS PER PROGRAM. PICK UP TAG JOINT & TAG BOTTOM. LAY BACK DOWN & LAND DTO HANGER.
00:30	01:00	0.5	RIG UP TO CIRCULATE.
01:00	02:00	1.0	CIRCULATE OUT GAS & CIRCULATE HOLE CLEAN FOR CEMENT. RIG DOWN CASING CREW. 20' FLAIR 10 MINUTES. HOLD SAFETY MEETING WITH SCHLUMBERGER.
02:00	04:00	2.0	CEMENTING 4 1/2 PRODUCTION CASING AS FOLLOWS:PRESSURE TEST LINES TO 5000 PSI. RELEASE BOTTOM PLUG. PUMP 20 BBLs CHEM WASH FOLLOWED BY 20 BBLs FRESH WATER. FOLLOWED BY 310 SKS 35/65 G (124.7 BBLs SLURRY) MIXED @ 12.0 PPG PLUS ADDITIVES, YEALD 2.26 FT/3 SK FOLLOWED BY 1400 SKS 50/50 POZ G (321.6 BBLs) PLUS ADDITIVES, YEALD 1.29 FT/3/SK. RELEASE TOP PLUG & DISPLACE WITH 132 BBLs WATER. BUMPED PLUG, FLOATS HELD. HAD RETURNS THROUGHOUT JOB ESTIMATED 80%.
04:00	05:00	1.0	SET & TEST DTO SEALS. RIG DOWN SCHLUMBERGER.
05:00	06:00	1.0	CLEAN MUD TANKS, NIPPLE DOWN BOP.

SAFETY MEETINGS. RUNNING CASING, CEMENTING
 CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED
 UNMANNED GAS DETECTOR ON LOCATION 8 DAYS. RELEASED @ 12:30 HRS 10/18/08
 TRANSFERED 1500 GALLONS FUEL
 TRANSFERED 7 JOINTS OF 4 1/2" N-80, 11.6# LT&C CASING TO ECW 80-23 PLUS 1 PUP JOINT
 RIG MOVE 0.3 MILE 1 WAY
 TRUCKS ORDERED FOR 07:00 TO MOVE RIG & CAMP.
 EXPECT TO START TESTING BOPS 10/20/08 @ 08:00 HRS

06:00 RIG RELEASED @ 06:00 HRS. 10/19/08.
 CASING POINT COST \$709,156

10-22-2008	Reported By	SEARLE									
Daily Costs: Drilling	\$0	Completion	\$41,892	Daily Total	\$41,892						
Cum Costs: Drilling	\$726,192	Completion	\$229,187	Well Total	\$955,379						
MD	8,600	TVD	8,600	Progress	0	Days	8	MW	0.0	Visc	0.0
Formation :	PBTD : 8544.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 600'. EST CEMENT TOP @ 850'. RD SCHLUMBERGER.

11-02-2008	Reported By	MCCURDY									
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06:00 06:00 24.0 RUWL. SET 10K CFP AT 7270'. PERFORATE MPR FROM 7076'-77', 7116'-17', 7130'-32', 7139'-40', 7158'-60', 7164'-65', 7195'-96', 7203'-04', 7238'-39', 7247'-48' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 2064 GAL YF116 ST+ PAD, 42709 GAL YF116ST+ W/145300# 20/40 SAND @ 1-5 PPG. MTP 5954 PSIG. MTR 51.7 BPM. ATP 4139 PSIG. ATR 49.5 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7030'. PERFORATE UP FROM 6834'-35', 6840'-41', 6855'-56', 6862'-62', 6868'-69', 6876'-77', 6918'-19', 6926'-27', 6938'-39', 6980'-81', 6998'-99', 7004'-05' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 2069 GAL YF116 ST+ PAD, 38475 GAL YF116ST+ W/128700# 20/40 SAND @ 1-5 PPG. MTP 4956 PSIG. MTR 51.6 BPM. ATP 3752 PSIG. ATR 49 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6760'. PERFORATE UP FROM 6498'-99', 6523'-24', 6534'-35', 6560'-61', 6585'-86', 6629'-30', 6634'-35', 6652'-53', 6702'-03', 6719'-20', 6724'-25', 6732'-33' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 2064 GAL YF116 ST+ PAD, 36524 GAL YF116ST+ W/120900# 20/40 SAND @ 1-5 PPG. MTP 5614 PSIG. MTR 51.6 BPM. ATP 3851 PSIG. ATR 49.3 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 6450'. PERFORATE NH/UPR FROM 6216'-17', 6228'-29', 6233'-34', 6262'-63', 6277'-78', 6291'-92', 6312'-13', 6330'-31', 6343'-44', 6377'-78', 6421'-22', 6428'-29' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 2078 GAL YF116 ST+ PAD, 45129 GAL YF116ST+ W/155200# 20/40 SAND @ 1-5 PPG. MTP 4873 PSIG. MTR 51.6 BPM. ATP 3268 PSIG. ATR 49.7 BPM. ISIP 2000 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 6120'. PERFORATE Ba FROM 5791'-92', 5796'-97', 5812'-13', 5820'-21', 5828'-29', 5835'-36', 5849'-50', 5883'-84', 5893'-94', 5935'-36', 6015'-16', 6100'-01' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/2073 GAL YF116 ST+ PAD, 41008 GAL YF116ST+ W/136700# 20/40 SAND @ 1-4 PPG. MTP 6371 PSIG. MTR 51.7 BPM. ATP 3824 PSIG. ATR 48.8 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 5765'. PERFORATE Ca/Ba FROM 5346'-47', 5359'-60', 5412'-13', 5424'-25', 5435'-36', 5498'-99', 5580'-81', 5608'-09', 5642'-43', 5689'-90', 5717'-18', 5743'-44' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/2063 GAL YF116 ST+ PAD, 31971 GAL YF116ST+ W/100600# 20/40 SAND @ 1-4 PPG. MTP 5539 PSIG. MTR 51.6 BPM. ATP 3497 PSIG. ATR 48.2 BPM. ISIP 1550 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP AT 5245'. RDWL. SDFN.

11-12-2008		Reported By		HOOLEY							
Daily Costs: Drilling	\$0			Completion	\$10,891			Daily Total	\$10,891		
Cum Costs: Drilling	\$726,192			Completion	\$661,304			Well Total	\$1,387,497		
MD	8,600	TVD	8,600	Progress	0	Days	12	MW	0.0	Visc	0.0
Formation :		PBTD : 8544.0				Perf : 5346'-8389'		PKR Depth : 0.0			
MESAVERDE/WASATCH											
Activity at Report Time: CLEAN OUT AFTER FRAC											
Start	End	Hrs	Activity Description								
06:00	17:00	11.0	MIRU BASIC SERVICE UNIT. ND FRAC TREE. NU BOPE. RIH W/BIT AND SUB TO CBP @ 5245'. PREP TO DRILL AND CLEAN OUT. SDFN.								

11-13-2008		Reported By		HOOLEY							
Daily Costs: Drilling	\$0			Completion	\$11,560			Daily Total	\$11,560		
Cum Costs: Drilling	\$726,192			Completion	\$672,864			Well Total	\$1,399,057		
MD	8,600	TVD	8,600	Progress	0	Days	13	MW	0.0	Visc	0.0

Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CLEANED OUT & DRILLED OUT PLUGS @ 5245', 5765', 6120', 6450', 6760', 7030', 7270', 7410', 7750' AND 8090'. RIH. CLEANED OUT TO PBTD @ 8515'. LANDED TBG AT 7049' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 18 HRS. 24/64" CHOKE. FTP 1200 PSIG. CP 1600 PSIG. 105 BFPH. RECOVERED 1150 BLW. 10722 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 0.91'
 1 JT 2-3/8 4.7# L-80 TBG 31.32'
 XN NIPPLE 1.10'
 224 JTS 2-3/8 4.7# L-80 TBG 7000.05'
 BELOW KB 16.00'
 LANDED @ 7049.38' KB

11-14-2008		Reported By		HOOLEY	
Daily Costs: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
Cum Costs: Drilling	\$726,192	Completion	\$675,464	Well Total	\$1,401,657
MD	8,600	TVD	8,600	Progress	0
				Days	14
				MW	0.0
				Visc	0.0
Formation :	MESAVERDE/WASATCH	PBTD :	8515.0	Perf :	5346'-8389'
				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 1150 PSIG. CP 1550 PSIG. 75 BFPH. RECOVERED 1855 BLW. 8867 BLWTR.

11-15-2008		Reported By		HOOLEY	
Daily Costs: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
Cum Costs: Drilling	\$726,192	Completion	\$678,064	Well Total	\$1,404,257
MD	8,600	TVD	8,600	Progress	0
				Days	15
				MW	0.0
				Visc	0.0
Formation :	MESAVERDE/WASATCH	PBTD :	8515.0	Perf :	5346'-8389'
				PKR Depth :	0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 1250 PSIG. CP 1750 PSIG. 42 BFPH. RECOVERED 1010 BLW. 7857 BLWTR.

11-16-2008		Reported By		HOOLEY	
Daily Costs: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
Cum Costs: Drilling	\$726,192	Completion	\$680,664	Well Total	\$1,406,857
MD	8,600	TVD	8,600	Progress	0
				Days	16
				MW	0.0
				Visc	0.0
Formation :	MESAVERDE/WASATCH	PBTD :	8515.0	Perf :	5346'-8389'
				PKR Depth :	0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 1150 PSIG. CP 2200 PSIG. 40 BFPH. RECOVERED 948 BLW. 6909 BLWTR.

11-17-2008 Reported By HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
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Cum Costs: Drilling	\$726,192	Completion	\$683,264	Well Total	\$1,409,457
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MD	8,600	TVD	8,600	Progress	0	Days	17	MW	0.0	Visc	0.0
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Formation : PBTBTD : 8515.0 Perf : 5346'-8389' PKR Depth : 0.0

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 1100 PSIG. CP 2150 PSIG. 37 BFPH. RECOVERED 898 BLW. 6011 BLWTR.

11-18-2008 Reported By HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
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Cum Costs: Drilling	\$726,192	Completion	\$685,864	Well Total	\$1,412,057
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MD	8,600	TVD	8,600	Progress	0	Days	18	MW	0.0	Visc	0.0
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Formation : PBTBTD : 8515.0 Perf : 5346'-8389' PKR Depth : 0.0

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1000 PSIG. CP 2000 PSIG. 49 BFPH. RECOVERED 1177 BLW. 4834 BLWTR.

11-19-2008 Reported By HOOLEY

DailyCosts: Drilling	\$0	Completion	\$23,126	Daily Total	\$23,126
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Cum Costs: Drilling	\$726,192	Completion	\$708,990	Well Total	\$1,435,183
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MD	8,600	TVD	8,600	Progress	0	Days	19	MW	0.0	Visc	0.0
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Formation : PBTBTD : 8515.0 Perf : 5346'-8389' PKR Depth : 0.0

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 950 PSIG. CP 2050 PSIG. 45 BFPH. RECOVERED 1090 BLW. 3749 BLWTR.

11-20-2008 Reported By HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
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Cum Costs: Drilling	\$726,192	Completion	\$711,590	Well Total	\$1,437,783
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MD	8,600	TVD	8,600	Progress	0	Days	20	MW	0.0	Visc	0.0
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Formation : PBTBTD : 8515.0 Perf : 5346'-8389' PKR Depth : 0.0

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 900 PSIG. CP 1900 PSIG. 41 BFPH. RECOVERED 988 BLW. 2761 BLWTR.

11-21-2008 Reported By HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,600	Daily Total	\$2,600
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Cum Costs: Drilling	\$726,192	Completion	\$714,190	Well Total	\$1,440,383
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MD	8,600	TVD	8,600	Progress	0	Days	21	MW	0.0	Visc	0.0
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Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **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 900 PSIG. CP 1800 PSIG. 38 BFPH. RECOVERED 901 BLW. 1860 BLWTR.

11-22-2008 **Reported By** HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,350	Daily Total	\$2,350
Cum Costs: Drilling	\$726,192	Completion	\$716,540	Well Total	\$1,442,733

MD	8,600	TVD	8,600	Progress	0	Days	22	MW	0.0	Visc	0.0
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Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **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 800 PSIG. CP 1700 PSIG. 34 BFPH. RECOVERED 824 BLW. 1036 BLWTR.

11-23-2008 **Reported By** HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,350	Daily Total	\$2,350
Cum Costs: Drilling	\$726,192	Completion	\$718,890	Well Total	\$1,445,083

MD	8,600	TVD	8,600	Progress	0	Days	23	MW	0.0	Visc	0.0
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Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 18 HRS. 24/64" CHOKE. FTP 750 PSIG. CP 1650 PSIG. 28 BFPH. RECOVERED 506 BLW. 530 BLWTR. SHUT IN 6 HRS FOR PIPELINE WELDING.

11-24-2008 **Reported By** HOOLEY

DailyCosts: Drilling	\$0	Completion	\$2,350	Daily Total	\$2,350
Cum Costs: Drilling	\$726,192	Completion	\$721,240	Well Total	\$1,447,433

MD	8,600	TVD	8,600	Progress	0	Days	24	MW	0.0	Visc	0.0
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Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1650 PSIG. 22 BFPH. RECOVERED 524 BLW. 14 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 11/23/08

12-02-2008 **Reported By** RITA THOMAS

DailyCosts: Drilling	\$0	Completion	\$157,291	Daily Total	\$157,291
Cum Costs: Drilling	\$726,192	Completion	\$878,531	Well Total	\$1,604,724

MD	8,600	TVD	8,600	Progress	0	Days	25	MW	0.0	Visc	0.0
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Formation : MESAVERDE/WASATCH **PBTD :** 8515.0 **Perf :** 5346'-8389' **PKR Depth :** 0.0

Activity at Report Time: FACILITY COST

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU67868

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

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

8. Lease Name and Well No.
EAST CHAPITA 53-23

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

9. API Well No.
43-047-39432

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface SESW 484FSL 1999FWL 40.01551 N Lat, 109.29645 W Lon
 At top prod interval reported below SESW 484FSL 1999FWL 40.01551 N Lat, 109.29645 W Lon
 At total depth SESW 484FSL 1999FWL 40.01551 N Lat, 109.29645 W Lon

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area
Sec 23 T9S R23E Mer SLB

12. County or Parish UINTAH
 13. State UT

14. Date Spudded 08/20/2008
 15. Date T.D. Reached 10/18/2008
 16. Date Completed D & A Ready to Prod. 12/03/2008

17. Elevations (DF, KB, RT, GL)*
5169 GL

18. Total Depth: MD 8600 TVD
 19. Plug Back T.D.: MD 8515 TVD
 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST/CBL/CCL/VDL/GR, Temp.

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No Yes (Submit analysis)

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 K-55	36.0	0	2316		975		0	
7.875	4.500 N-80	11.6	0	8584		1710		850	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7049							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
AWASATCH/MESAVERDE	5346	8389	8153 TO 8389		3	
B)			7844 TO 8062		3	
C)			7445 TO 7719		3	
D)			7301 TO 7389		3	

26. Perforation Record 5346

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
AWASATCH/MESAVERDE	5346	8389	8153 TO 8389		3	
B)			7844 TO 8062		3	
C)			7445 TO 7719		3	
D)			7301 TO 7389		3	

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

Depth Interval	Amount and Type of Material
8153 TO 8389	42,931 GALS GELLED WATER & 120,800# 20/40 SAND
7844 TO 8062	40,876 GALS GELLED WATER & 129,000# 20/40 SAND
7445 TO 7719	44,804 GALS GELLED WATER & 177,600# 20/40 SAND
7301 TO 7389	45,120 GALS GELLED WATER & 146,300# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/03/2008	12/07/2008	24	→	66.0	493.0	250.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
14/64"	1100 SI	1900.0	→	66	493	250		PGW	

28a. Production - Interval B

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

RECEIVED
JAN 08 2009

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28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH/MESAVERDE	5346	8389		GREEN RIVER BIRDS NEST MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER	1498 1670 2174 4258 4370 4964 5599 6328

32. Additional remarks (include plugging procedure):
Please see the attached page for additional information.

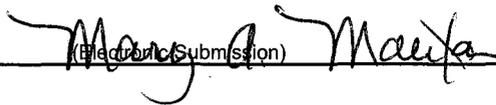
33. Circle enclosed attachments:

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

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

**Electronic Submission #66035 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal.**

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

Signature  (Electronic Submission) Date 01/06/2009

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

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East Chapita 53-23 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7076-7248	3/spf
6834-7005	3/spf
6498-6733	3/spf
6216-6429	3/spf
5791-6101	3/spf
5346-5744	3/spf

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

7076-7248	44,938 GALS GELLED WATER & 145,300# 20/40 SAND
6834-7005	40,709 GALS GELLED WATER & 128,700# 20/40 SAND
6498-6733	38,753 GALS GELLED WATER & 120,900# 20/40 SAND
6216-6429	47,372 GALS GELLED WATER & 155,200# 20/40 SAND
5791-6101	43,081 GALS GELLED WATER & 136,700# 20/40 SAND
5346-5744	34,034 GALS GELLED WATER & 100,600# 20/40 SAND

Perforated the Lower Price River from 8153-54', 8191-92', 8197-98', 8253-54', 8282-83', 8292-93', 8308-09', 8323-24', 8341-42', 8354-55', 8360-61', 8388-89' w/ 3 spf.

Perforated the Middle/Lower Price River from 7844-45', 7886-87', 7903-04', 7911-12', 7921-22', 7938-39', 7961-62', 7989-90', 7995-96', 8014-15', 8015-16', 8061-62' w/ 3 spf.

Perforated the Middle Price River from 7445-46', 7464-65', 7495-96', 7503-04', 7544-45', 7559-60', 7567-68', 7590-91', 7600-01', 7668-69', 7686-87', 7718-19' w/ 3 spf.

Perforated the Middle Price River from 7301-02', 7311-13', 7323-24', 7330-31', 7340-42', 7357-59', 7377-78', 7387-89' w/ 3 spf.

Perforated the Middle Price River from 7076-77', 7116-17', 7130-32', 7139-40', 7158-60', 7164-65', 7195-96', 7203-04', 7238-39', 7247-48' w/ 3 spf.

Perforated the Middle Price River from 7076-77', 7116-17', 7130-32', 7139-40', 7158-60', 7164-65', 7195-96', 7203-04', 7238-39', 7247-48' w/ 3 spf.

Perforated the Upper Price River from 6834-35', 6840-41', 6855-56', 6862-63', 6868-69', 6876-77', 6918-19', 6926-27', 6938-39', 6980-81', 6998-99', 7004-05' w/ 3 spf.

Perforated the Upper Price River from 6498-99', 6523-24', 6534-35', 6560-61', 6585-86', 6629-30', 6634-35', 6652-53', 6702-03', 6719-20', 6724-25', 6732-33' w/ 3 spf.

Perforated the North Horn/Upper Price River from 6216-17', 6228-29', 6233-34', 6262-63', 6277-78', 6291-92', 6312-13', 6330-31', 6343-44', 6377-78', 6421-22', 6428-29' w/ 3 spf.

Perforated the Ba from 5791-92', 5796-97', 5812-13', 5820-21', 5828-29', 5835-36', 5849-50', 5883-84', 5893-94', 5935-36', 6015-16', 6100-01' w/ 3 spf.

Perforated the Ca/Ba from 5346-47', 5359-60', 5412-13', 5424-25', 5435-36', 5498-99', 5580-81', 5608-09', 5642-43', 5689-90', 5717-18', 5743-44' w/ 3 spf.

32. FORMATION (LOG) MARKERS

Middle Price River	7112
Lower Price River	7905
Sego	8431

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: East Chapita 53-23

API number: 4304739432

Well Location: QQ SESW Section 23 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: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1,690	1,720	NO FLOW	NOT KNOWN

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE *Mary A. Maestas*

DATE 1/6/2009

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: UTU-67868
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____
	7. UNIT or CA AGREEMENT NAME: _____
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: E CHAPITA 53-23
2. NAME OF OPERATOR: EOG Resources, Inc.	9. API NUMBER: 43047394320000
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: 0484 FSL 1999 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 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 type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/31/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			
	<input checked="" type="checkbox"/> OTHER		OTHER: Pit closure

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

The reserve pit on the referenced location was closed on 7/31/2009 as per the APD procedure.

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

FOR RECORD ONLY

August 10, 2009

NAME (PLEASE PRINT) Mary Maestas	PHONE NUMBER 303 824-5526	TITLE Regulatory Assistant
SIGNATURE N/A	DATE 8/6/2009	

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-67868

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:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
E CHAPITA 53-23

2. NAME OF OPERATOR:
EOG Resources, Inc.

9. API NUMBER:
43047394320000

3. ADDRESS OF OPERATOR:
600 17th Street, Suite 1000 N , Denver, CO, 80202

PHONE NUMBER:
435 781-9111 Ext

9. FIELD and POOL or WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0484 FSL 1999 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 23.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/7/2011	<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"/> SUBSEQUENT REPORT Date of Work Completion:	<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"/> SPUD REPORT Date of Spud:	<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"/> DRILLING REPORT Report Date:	<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 general placement of the facilities.

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

Date: 03/21/2011
By: *Derek Quist*

NAME (PLEASE PRINT)
Mary Maestas

PHONE NUMBER
303 824-5526

TITLE
Regulatory Assistant

SIGNATURE
N/A

DATE
3/16/2011

