Form 3160-3
(February 2005)

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

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, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☑ Multiple Zone

8. Lease Name and Well No.
East Chapita 80-23

2. Name of Operator
EOG RESOURCES, INC

9. API Well No.
43-047-34439

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

3b. Phone No. *(include area code)*
435-781-9111

10. Field and Pool, or Exploratory
Natural Buttes/Wasatch/Mesaverde

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 645854 **944' FSL & 1922' FEL (NWSE) 40.019522 LAT 109.291608 LON**
At proposed prod. zone **Same** 4431184 40.019566 -109.290904

11. Sec., T. R. M. or Blk. and Survey or Area
Sec. 23-T9S-R23E, S.L.B.&M.

14. Distance in miles and direction from nearest town or post office*
57.5 miles south of Vernal, Utah

12. County or Parish
Uintah County

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
1922' Lease line / **602' Drilling line**	**1079**	**40 acres**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
7930'	**8570'**	**NM2308**
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
5151' NAT GL		**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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Mary A. Maestas	**Mary A. Maestas**	**07/13/2007**
Title: **Regulatory Assitant**		

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
	BRADLEY G. HILL	09-04-07
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.

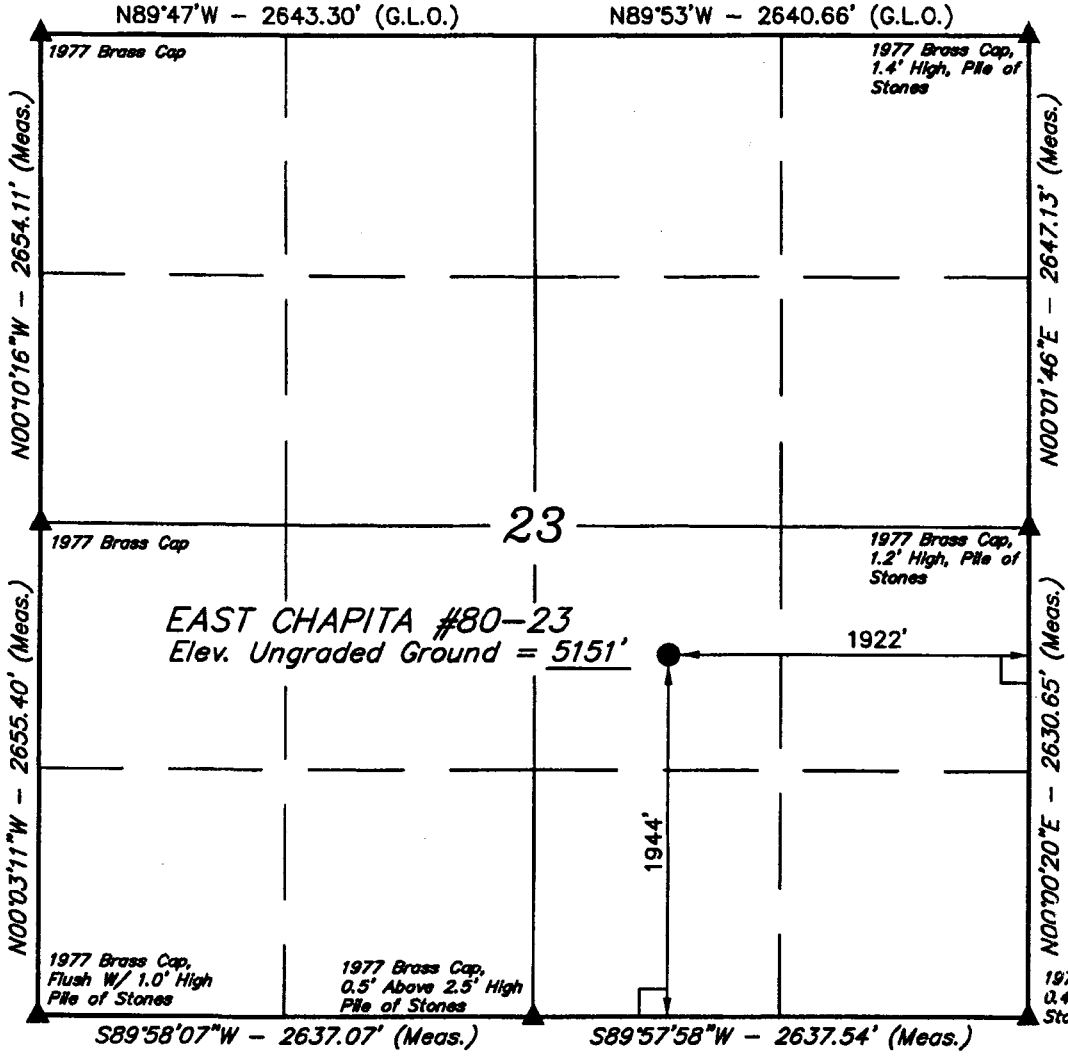
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

RECEIVED
JUL 16 2007
DIV. OF OIL, GAS & MINING

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



EOG RESOURCES, INC.

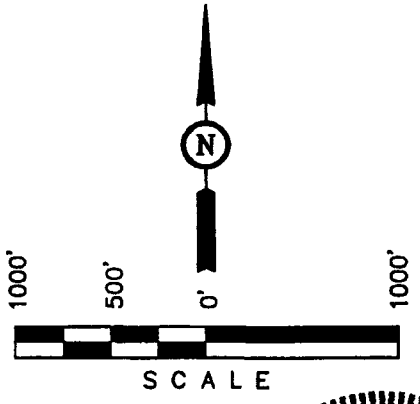
Well location, EAST CHAPITA #80-23, located as shown in the NW 1/4 SE 1/4 of Section 23, T9S, R23E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REGISTERED LAND SURVEYOR No. 161319 STATE OF UTAH ROBERT L. KAY

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 40°01'10.28" (40.019522)
LONGITUDE = 109°17'29.79" (109.291608)
(NAD 27)
LATITUDE = 40°01'10.40" (40.019556)
LONGITUDE = 109°17'27.35" (109.290931)

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

SCALE: 1" = 1000'	DATE SURVEYED: 05-29-07	DATE DRAWN: 05-31-07
PARTY: A.F. R.M. C.H.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: EOG RESOURCES, INC.	

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, 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	1,479		Shale	
Wasatch	4,359	Primary	Sandstone	Gas
Chapita Wells	4,908	Primary	Sandstone	Gas
Buck Canyon	5,596	Primary	Sandstone	Gas
North Horn	6,154	Primary	Sandstone	Gas
KMV Price River	6,345	Primary	Sandstone	Gas
KMV Price River Middle	7,265	Primary	Sandstone	Gas
KMV Price River Lower	7,967	Primary	Sandstone	Gas
Sego	8,369		Sandstone	
TD	**8,570**			

Estimated TD: **8,570' or 200'± below Sego top** Anticipated BHP: 4,680 Psig

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. 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 80-23
NW/SE, 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% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/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 ft^3/sk., 24.5 gps water.

Tail: **828 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

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

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

(Attachment: BOP Schematic Diagram)

STATE OF 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 80-23
1944' FSL – 1922' FEL (NWSE)
SECTION 23, T9S, R23E
UINTAH COUNTY, UTAH

EOG Resources, Inc., is the only owner in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

On the 13th day of July, 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, and Bureau of Land Management.

Further affiant saith not.

Mary A. Maestas
Regulatory Assistant

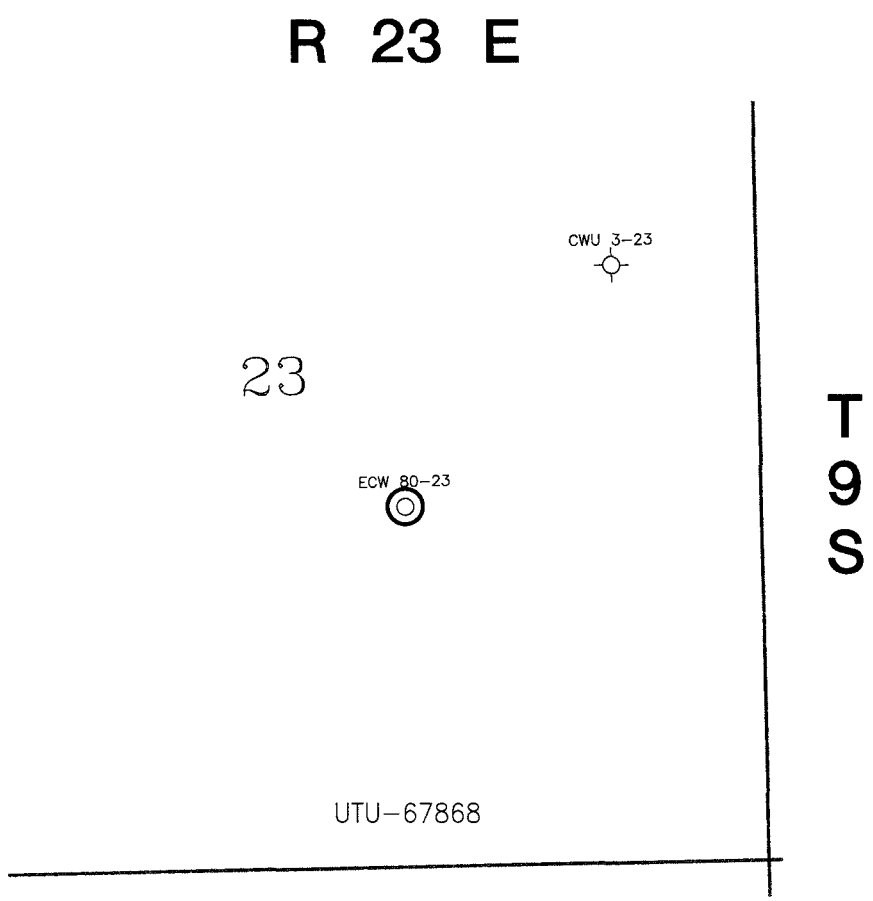
Subscribed and sworn before me this 13th day of July, 2007.

Notary Public

My Commission Expires:

June 25, 2011

KAREN G. ERWIN NOTARY PUBLIC STATE OF COLORADO



EAST CHAPITA 80-23

Scale: 1"=1000'

0 1/4 1/2 Mile

N

eog resources

Denver Division

EXHIBIT "A"

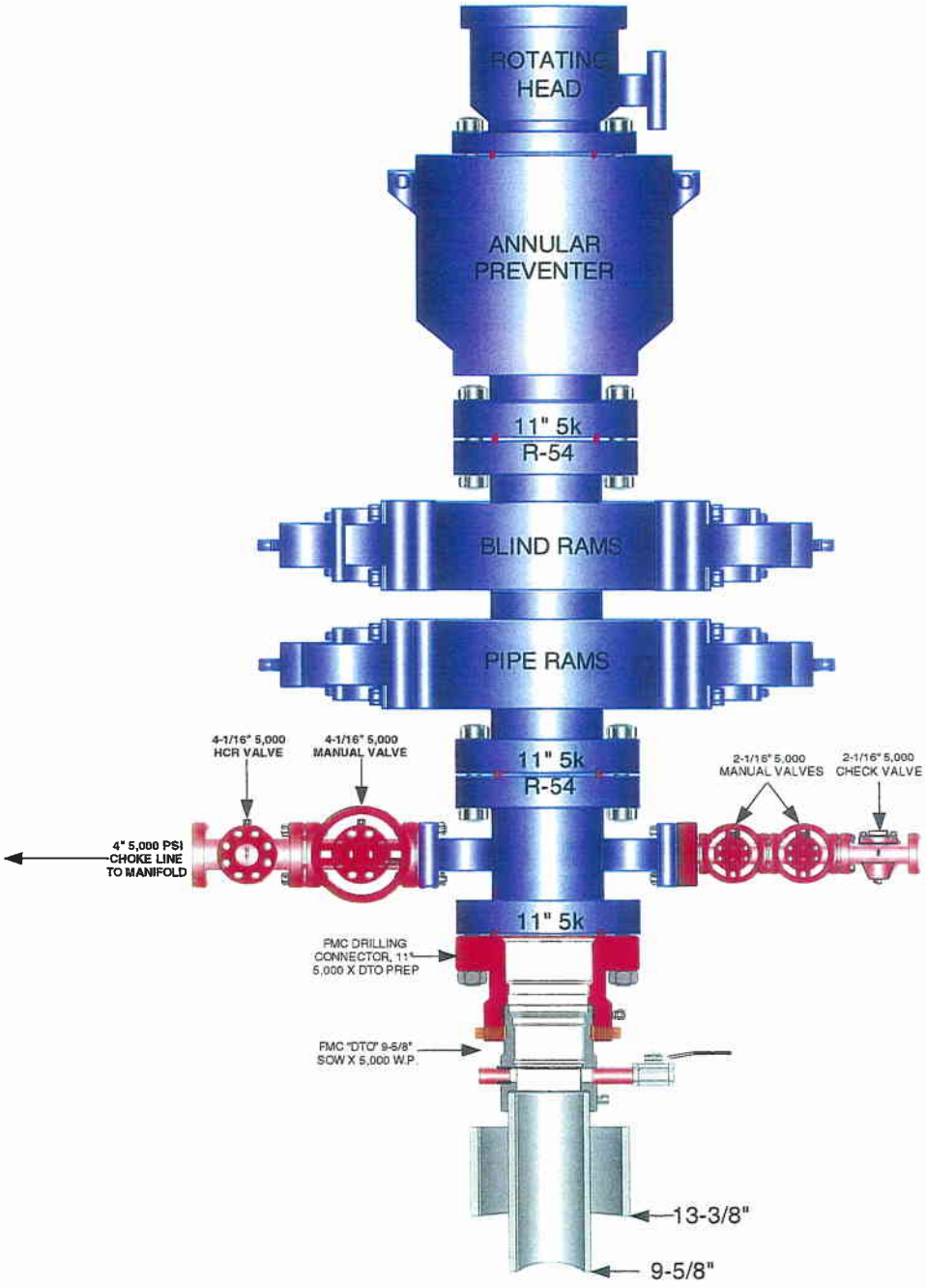
EAST CHAPITA 80-23

Commingling Application

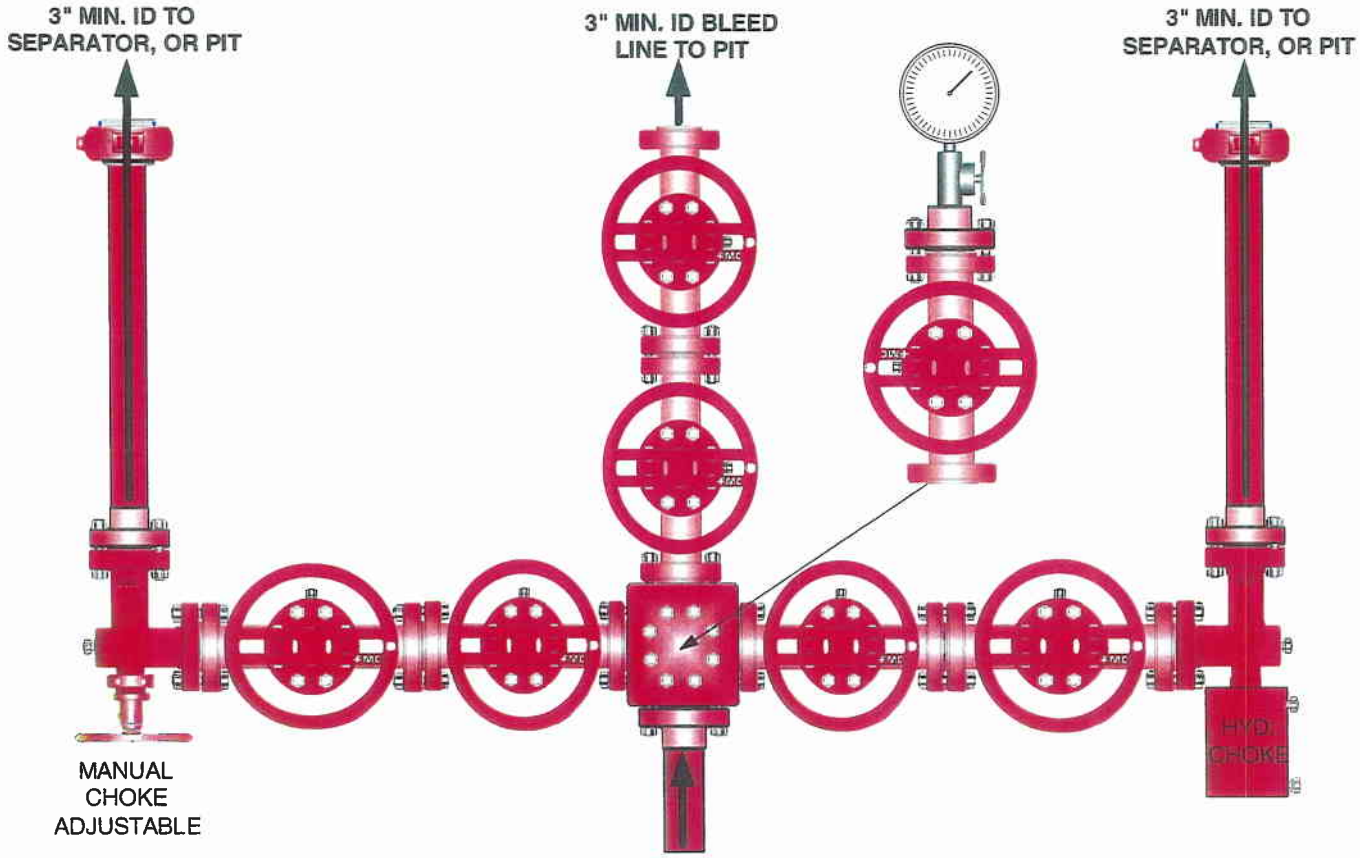
Uintah County, Utah

Scale: 1"=1000'	D:\utah\Commingled\page_EC80-23_commingled.dwg EC80-23	Author TLM	Jun 04, 2007 - 2:08pm

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



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



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.

eog resources

East Chapita 80-23
NWSE, Section 23, T9S, R23E
Uintah County, Utah

SURFACE USE PLAN

The well pad is approximately 375 feet long with a 261-foot width, containing 2.25 acres more or less. The well access road is approximately 528 feet long with a 40-foot right-of-way, disturbing approximately .48 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 2.73 acres. The pipeline is approximately 1165 feet long with a 40-foot right-of-way, disturbing approximately 1.07 acres.

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 57.5 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 528' in length, with culverts installed 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 then 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 is not required. The entire length of the proposed access road is located within Federal Lease # UTU-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 1165' x 40'. The proposed pipeline leaves the eastern edge of the well pad (Lease UTU-67868) proceeding in a westerly, then northwesterly direction for an approximate distance of 1165' tieing into a proposed pipeline for the East Chapita 20-23 in the NWSE of Section 23, T9S, R23E (Lease UTU-67868). 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. An off-lease right-of-way is not required. The entire length of the proposed pipeline is located within Federal Lease # UTU-67868.

7. The proposed pipeline route begins in the NWSE of section 23, township 9S, range 23E, proceeding westerly, then northwesterly for an approximate distance of 1165' to the NWSE 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 southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the 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 west.

Corners will be rounded off as needed.

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 Thread Grass	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 will be submitted by Montgomery Archaeological Consultants. A paleontological survey was conducted and will be submitted by Intermountain Paleo.

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 80-23 Well, located in the NWSE, 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 13, 2007
Date

Mary A. Maestas, Regulatory Assistant

EOG RESOURCES, INC.

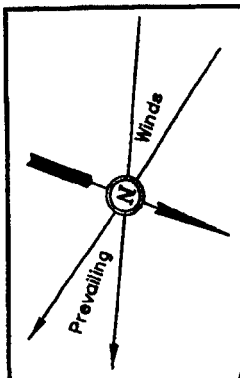
LOCATION LAYOUT FOR

EAST CHAPITA #80-23

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

1944' FSL 1922' FEL

FIGURE #1



SCALE: 1" = 50'
DATE: 05-31-07
Drawn By: C.H.

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

C-5.2'
El. 55.4'

F-4.6'
El. 45.6'

Proposed Access Road

Round Corners as Needed

Topsoil Stockpile

Existing Drainage

Approx. Toe of Fill Slope

Approx. Top of Cut Slope

FLARE PIT

CATWALK

PIPE RACKS

C-0.2'
El. 50.4'

C-1.1'
El. 51.3'

F-2.9'
El. 47.3'

C-14.1'
El. 54.3'
(btm. pit)

DOG HOUSE

RIG

Sta. 1+75

MUD TANKS

WATER

TRAILER

PUMP

TOILET

MUD SHED

HOPPER

FUEL

POWER

TOOLS

FUEL

Sta. 0+50

RESERVE PITS
(10' Deep)

Total Pit Capacity
W/2' of Freeboard
= 12,820 Bbls.±
Total Pit Volume
= 3,580 Cu. Yds

1:1 1/2 SLOPE

15' WIDE BENCH

Reserve Pit Backfill & Spoils Stockpile

Topsoil Stockpile

STORAGE TANK

TRASH

F-0.4'
El. 49.8'

F-8.4'
El. 41.8'

Sta. 0+00

C-15.4'
El. 55.6'
(btm. pit)

20' WIDE BENCH

C-2.1'
El. 52.3'

111'

200'

75'

175'

36'

150'

C-1.7'
El. 51.9'

Elev. Ungraded Ground at Location Stake = 5151.3'

Elev. Graded Ground at Location Stake = 5150.2'

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

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

EAST CHAPITA #80-23

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

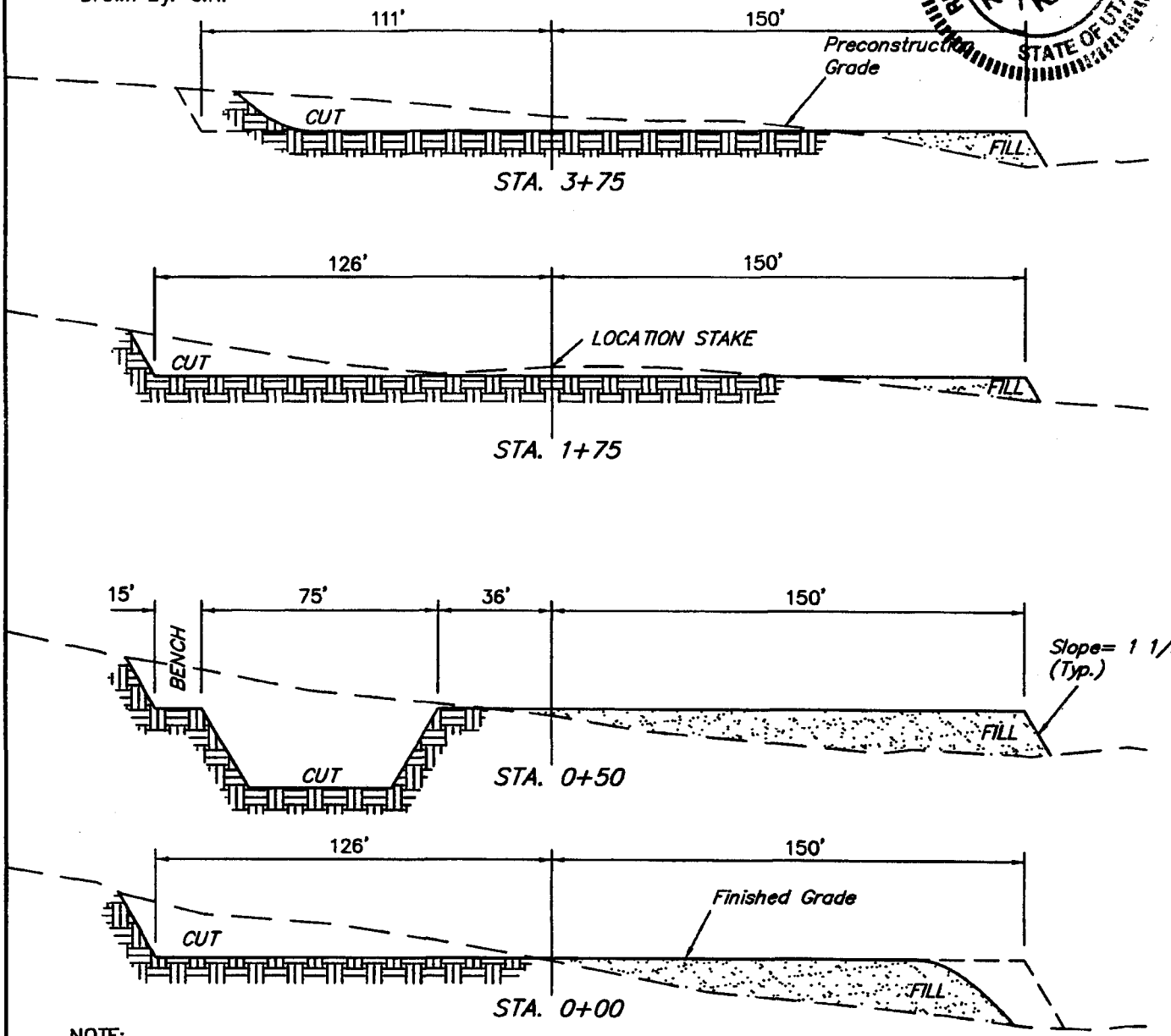
1944' FSL 1922' FEL

FIGURE #2

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

DATE: 05-31-07
Drawn By: C.H.

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	2,110 Cu. Yds.
Remaining Location	=	7,890 Cu. Yds.
TOTAL CUT	=	10,000 CU.YDS.
FILL	=	6,100 CU.YDS.

EXCESS MATERIAL	=	3,900 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,900 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

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EOG RESOURCES, INC.

PRODUCTION FACILITY LAYOUT FOR

EAST CHAPITA #80-23

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

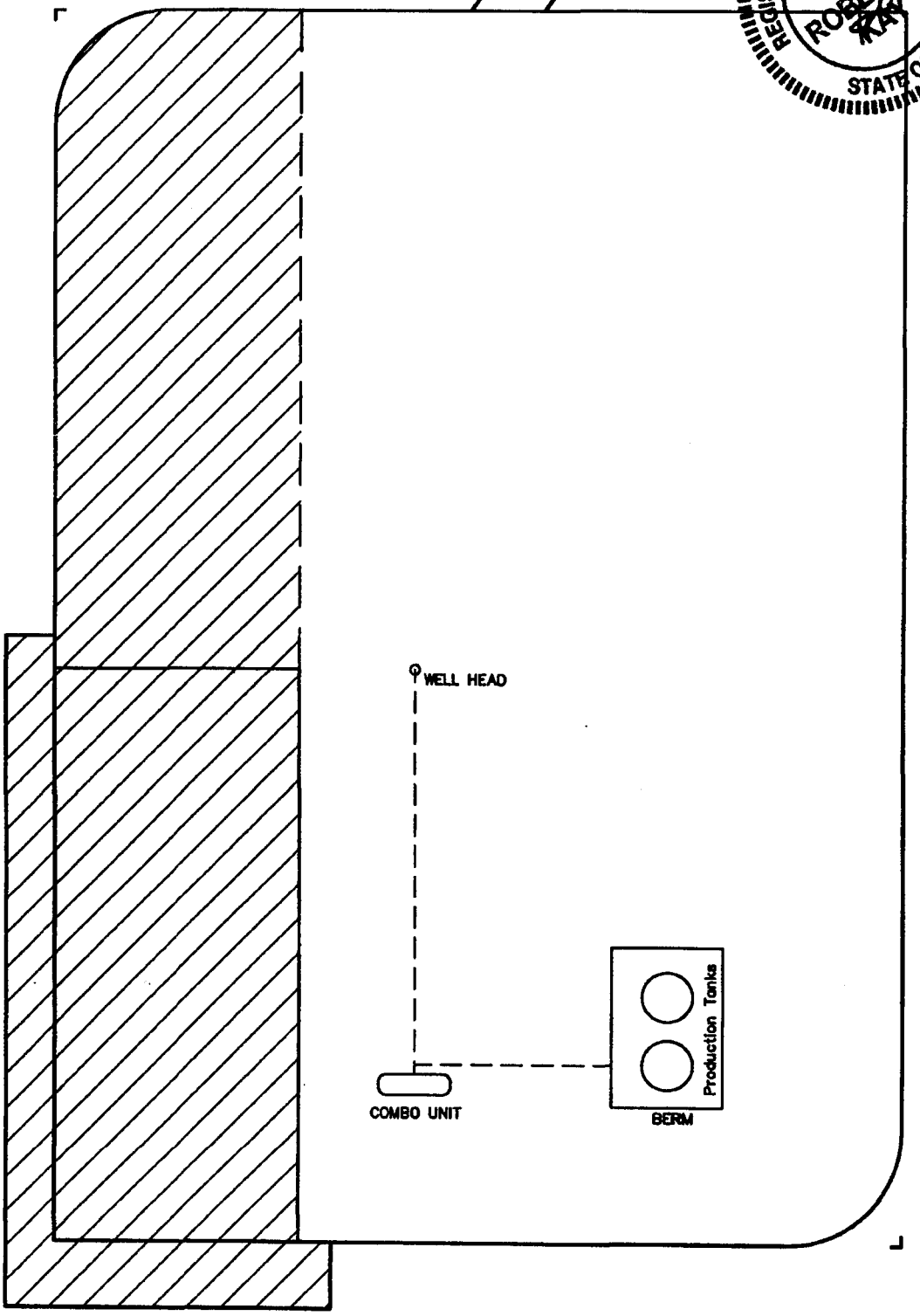
1944' FSL 1922' FEL

FIGURE #3

Proposed Access Road

REGISTERED LAND SURVEYOR No. 161319 ROBERT KAY STATE OF UTAH

SCALE: 1" = 50'
DATE: 05-31-07
Drawn By: C.H.



RE-HABED AREA

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

EOG RESOURCES, INC.

EAST CHAPITA #80-23

LOCATED IN UINTAH COUNTY, UTAH
SECTION 23, T9S, R23E, S.L.B.&M.

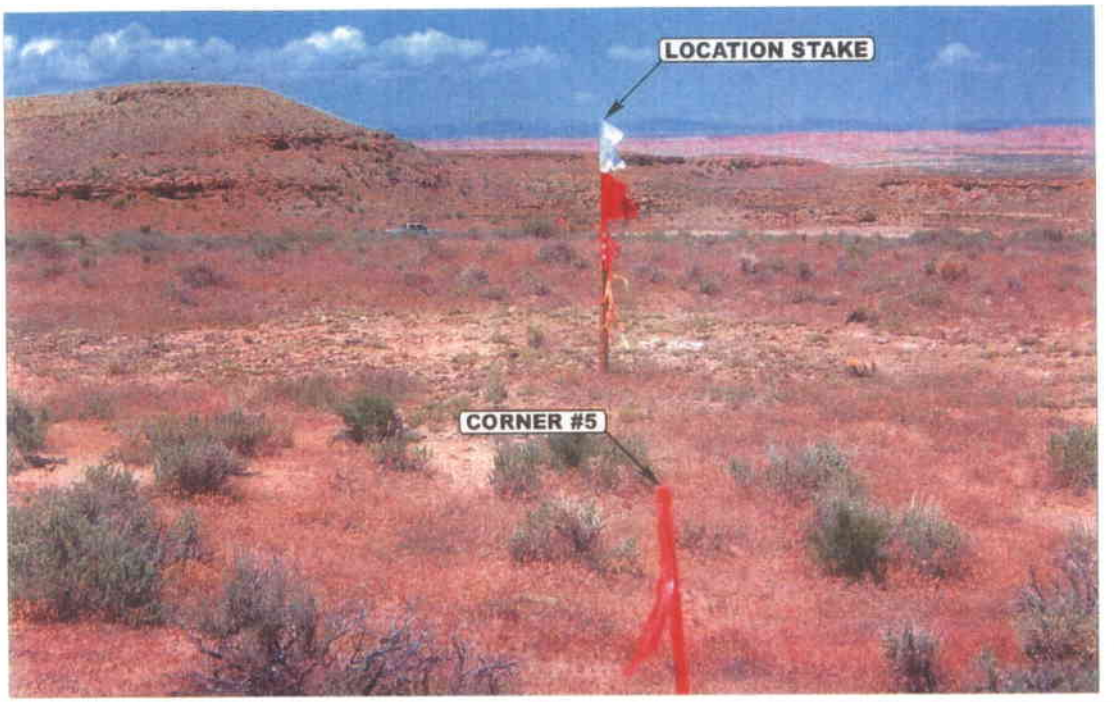
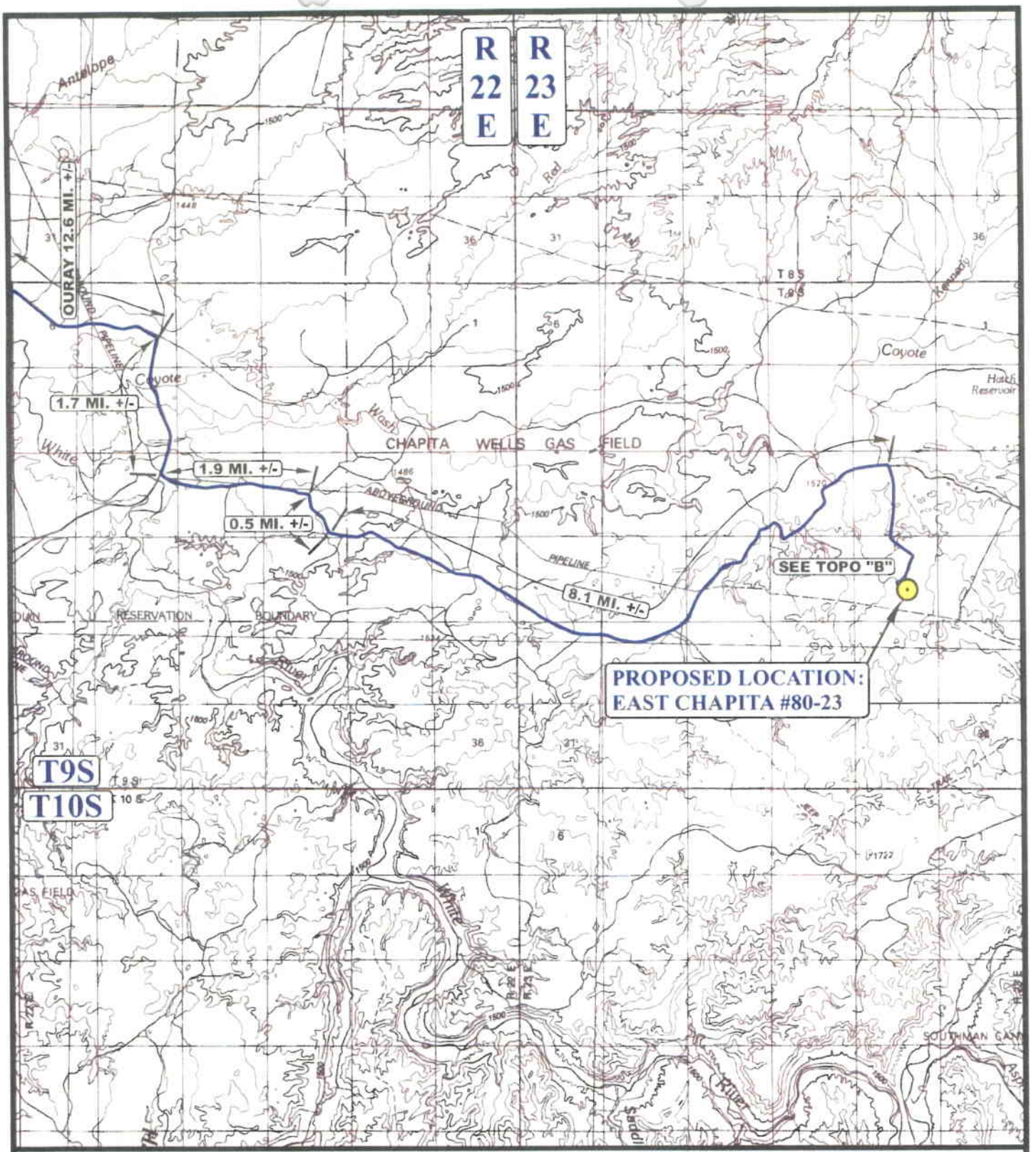


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHEASTERLY**

Since 1964
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	05 MONTH	30 DAY	07 YEAR	PHOTO
TAKEN BY: A.F.	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

⊙ PROPOSED LOCATION

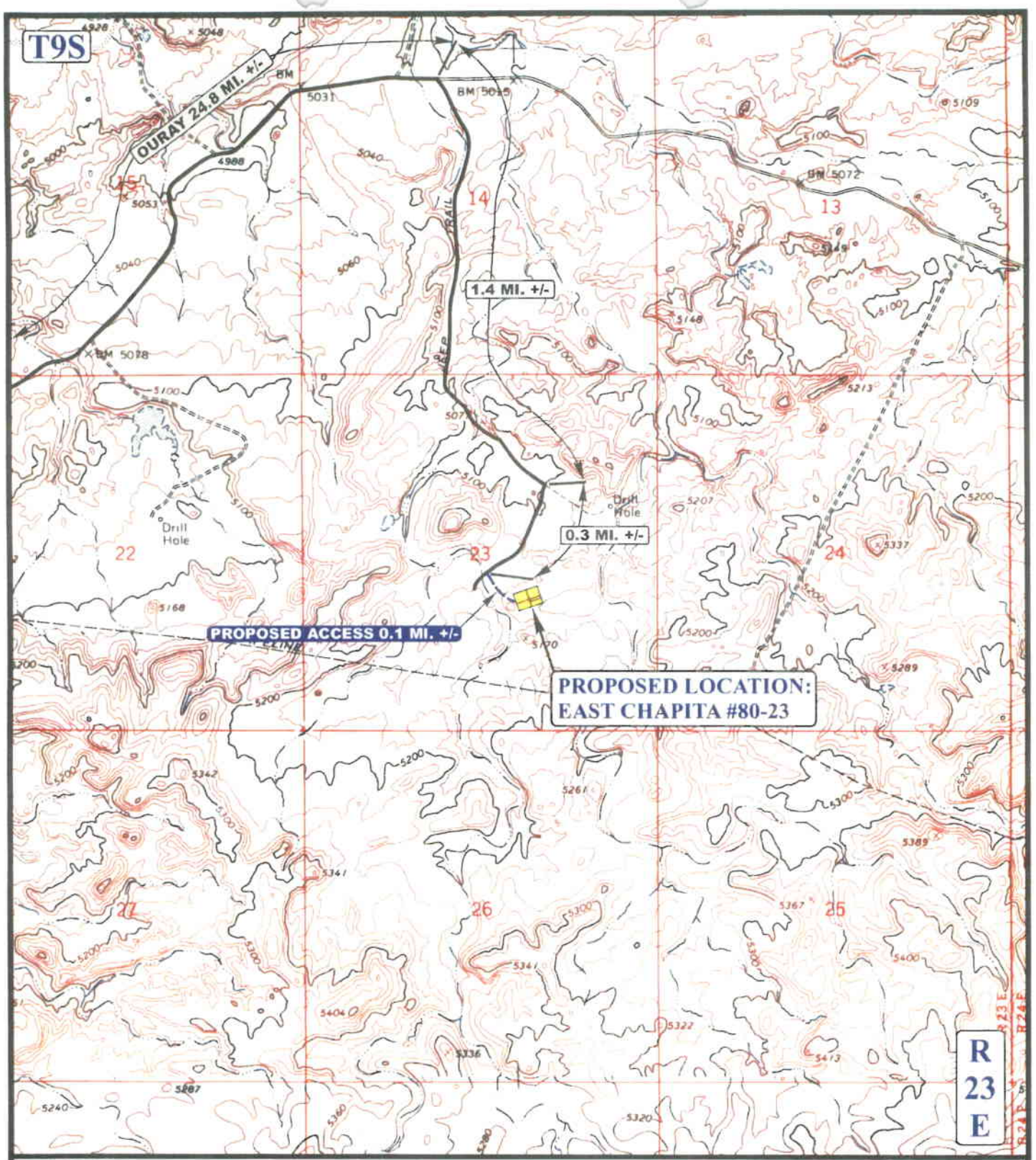
N

EOG RESOURCES INC.

EAST CHAPITA #80-23
SECTION 23, T9S, R23E, S.L.B.&M.
1944' FSL 1922' FEL

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

TOPOGRAPHIC MAP	05 MONTH	30 DAY	07 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

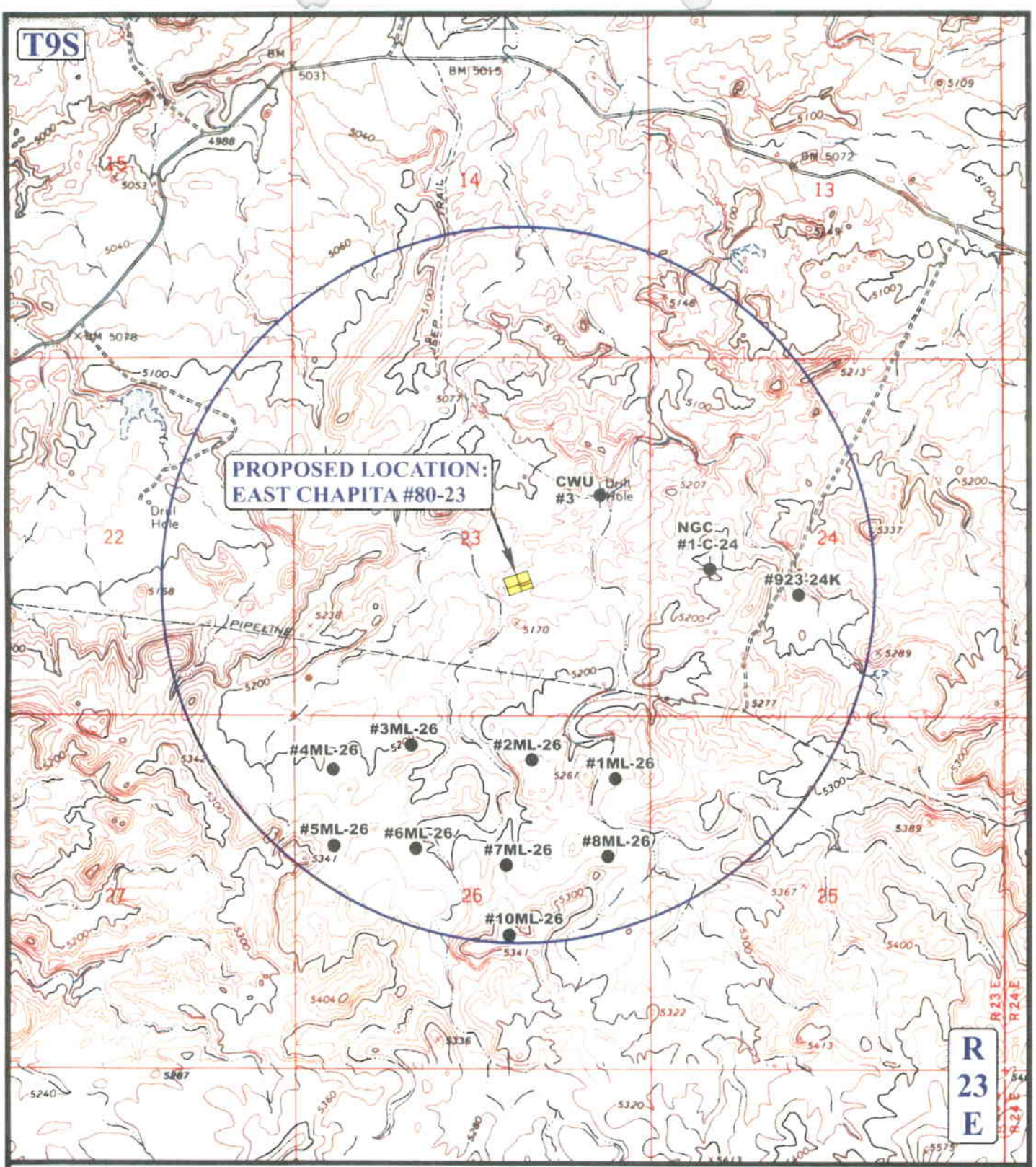
N

EOG RESOURCES INC.

EAST CHAPITA #80-23
SECTION 23, T9S, R23E, S.L.B.&M.
1944' FSL 1922' FEL

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

TOPOGRAPHIC MAP	05 MONTH	30 DAY	07 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

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

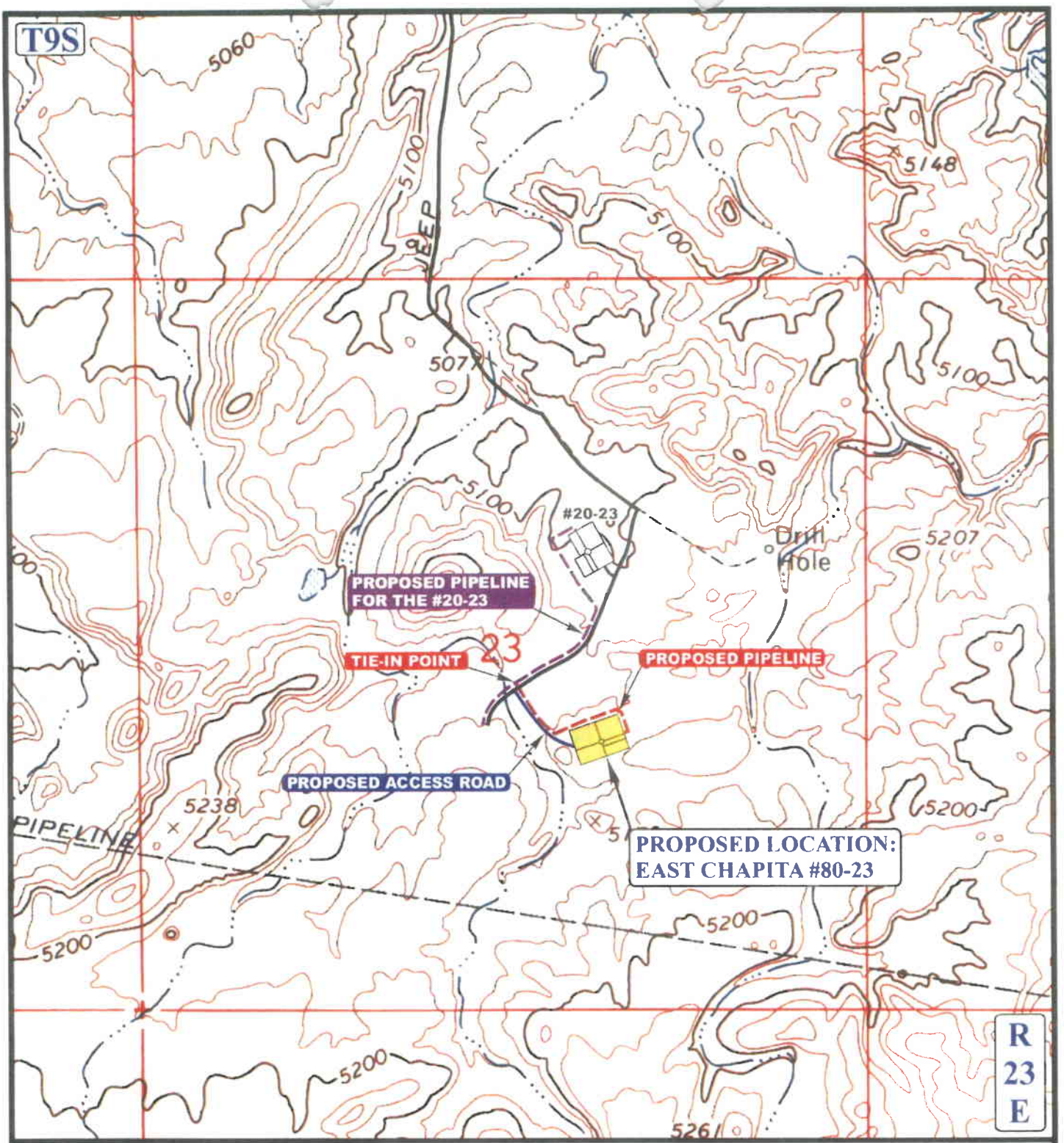
N

EOG RESOURCES INC.

EAST CHAPITA #80-23
SECTION 23, T9S, R23E, S.L.B.&M.
1944' FSL 1922' FEL

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

TOPOGRAPHIC MAP	05 MONTH	30 DAY	07 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: B.C.	REVISED: 00-00-00		



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,165' +/-

LEGEND:

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

N

EOG RESOURCES, INC.

EAST CHAPITA #80-23
SECTION 23, T9S, R23E, S.L.B.&M.
1944' FSL 1922' FEL

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

TOPOGRAPHIC MAP	05 MONTH	30 DAY	07 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: B.C.	REVISED: 00-00-00		

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/16/2007

API NO. ASSIGNED: 43-047-39439

WELL NAME: E CHAPITA 80-23

OPERATOR: EOG RESOURCES INC (N9550)

PHONE NUMBER: 435-781-9111

CONTACT: MARY MAESTAS

PROPOSED LOCATION:

NWSE 23 090S 230E

SURFACE: 1944 FSL 1922 FEL

BOTTOM: 1944 FSL 1922 FEL

COUNTY: UINTAH

LATITUDE: 40.01957 LONGITUDE: -109.2909

UTM SURF EASTINGS: 645854 NORTHINGS: 4431118

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	8/31/07
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)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-225)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

Y Intent to Commingle (Y/N)
(Wasatch, Mesaverde)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

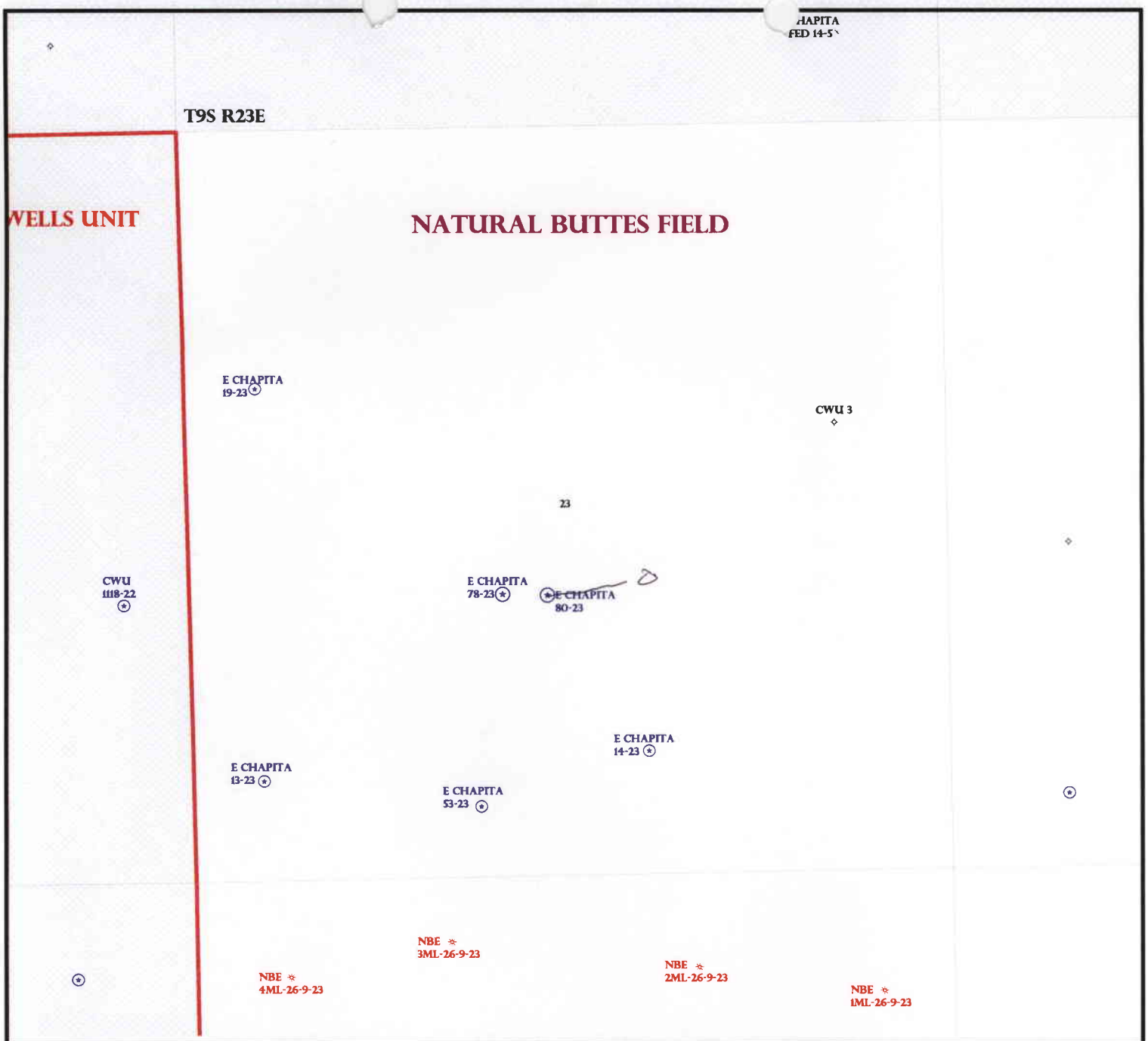
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval
2- Spacing Stipulation
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

N
W E
S

PREPARED BY: DIANA MASON
DATE: 16-JULY-2007

eog resources

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

August 13, 2007

State of Utah
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801
Attn: Mr. Dustin Doucet

RE: Commingling Request
East Chapita 80-23
1944' FSL & 1922' FEL
Sec. 23-T9S-R23E
Uintah County, Utah
Lease: U-67868

Dear Mr. Doucet,

Enclosed, please find a revised drilling plan requesting commingling for the referenced well. EOG Resources, Inc. is the only owner in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool, so no other parties need to be notified. If you have any other questions or need further information regarding this well, please call me at 303-824-5526.

Sincerely,

Mary A. Maestas
Regulatory Assistant

RECEIVED
AUG 15 2007
DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, 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	1,479		Shale	
Wasatch	4,359	Primary	Sandstone	Gas
Chapita Wells	4,908	Primary	Sandstone	Gas
Buck Canyon	5,596	Primary	Sandstone	Gas
North Horn	6,154	Primary	Sandstone	Gas
KMV Price River	6,345	Primary	Sandstone	Gas
KMV Price River Middle	7,265	Primary	Sandstone	Gas
KMV Price River Lower	7,967	Primary	Sandstone	Gas
Sego	8,369		Sandstone	
TD	8,570			

Estimated TD: **8,570' or 200'± below Sego top** **Anticipated BHP: 4,680 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.

EOG Resources, Inc. requests authorization for commingling of production from the Wasatch and Mesaverde formations in 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.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

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

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

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

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

8. EVALUATION PROGRAM:

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

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/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 ft^3/sk., 24.5 gps water.

Tail: **828 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

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

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

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)

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

September 4, 2007

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

Re: East Chapita 80-23 Well, 1944' FSL, 1922' FEL, NW SE, 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 43-047-39439.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Operator: EOG Resources, Inc.

Well Name & Number East Chapita 80-23

API Number: 43-047-39439

Lease: UTU-67868

Location: NW SE **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.

Form 3160-3
(February 2005)

RECEIVED
VERNAL FIELD OFFICE
2007 JUL 16 PM 1:29
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.

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

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, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No.

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☑ Multiple Zone

8. Lease Name and Well No.
East Chapita 80-23

2. Name of Operator
EOG RESOURCES, INC

9. API Well No.
43 047 39439

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

3b. Phone No. *(include area code)*
435-781-9111

10. Field and Pool, or Exploratory
Natural Buttes/Wasatch/Mesaverde

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **1944' FSL & 1922' FEL (NWSE) 40.019522 LAT 109.291608 LON**
At proposed prod. zone **Same**

11. Sec., T. R. M. or Blk. and Survey or Area
Sec. 23-T9S-R23E, S.L.B.&M.

14. Distance in miles and direction from nearest town or post office*
57.5 miles south of Vernal, Utah

12. County or Parish
Uintah County

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
1922' Lease line / **602' Drilling line**	**1079**	**40 acres**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
7930'	**8570'**	**NM2308**
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
5151' NAT GL		**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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Mary A. Maestas	**Mary A. Maestas**	**07/13/2007**
Title: **Regulatory Assitant**		

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Assistant Field Manager	TERRY KENCZKA	3-6-2008
Title: 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
MAR 10 2008
DIV. OF OIL, GAS & MINING

NOS 6/18/07
07PP2226A

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:**	**NWSE, Sec 23, T9S, R23E**
Well No:	**East Chapita 80-23**	**Lease No:**	**UTU-67868**
API No:	**43-047-39439**	**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:	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:	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:

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.

- 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 the onsite conducted on June 21, 2006 corner 2 of the location will be rounded.

- As discussed on September 27, 2007 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

- The conductor pipe shall be set and cemented in a competent formation.
- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- A 75 foot long blooie line is approved. All other equipment for air/gas drilling shall meet specifications in Onshore Order #2, III.Requirements, E. Special Drilling Operations.
- Logging program: Gamma Ray shall be run from TD to surface.

Commingling:

- Downhole commingling for the Wasatch-Mesaverde formations is approved. This 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.

Form 3160-5
(August 2007)

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.

5. Lease Serial No.
UTU67868

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
EAST CHAPITA 80-23

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

9. API Well No.
43-047-39439

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

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

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 23 T9S R23E NWSE 1944FSL 1922FEL
40.01952 N Lat, 109.29161 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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

EOG Resources, Inc. requests authorization to change the TD on the referenced well from

8570'

to

8630'

A revised drilling plan is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-17-08

By:

COPY SENT TO OPERATOR

Date: 7-18-2008

Initials: KS

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

Electronic Submission #61434 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

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

Signature (Electronic Submission) — Date 07/15/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

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

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

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

RECEIVED
JUL 16 2008
DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, 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	1,476		Shale	
Mahogany Oil Bed Shale	2,197		Shale	
Wasatch	4,361	Primary	Sandstone	Gas
Chapita Wells	4,910	Primary	Sandstone	Gas
Buck Canyon	5,598	Primary	Sandstone	Gas
North Horn	6,156	Primary	Sandstone	Gas
KMV Price River	6,347	Primary	Sandstone	Gas
KMV Price River Middle	7,267	Primary	Sandstone	Gas
KMV Price River Lower	7,969	Primary	Sandstone	Gas
Sego	8,426		Sandstone	
TD	**8,630**			

Estimated TD: **8,630' or 200'± TD** **Anticipated BHP: 4,712 Psig**

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

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, 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. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

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

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

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

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

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).

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

- EOG Resources, Inc. requests a variance to regulations, requiring during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by waster mist.

- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).

- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

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

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt,.2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/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: **113 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **838 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

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

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

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN

EAST CHAPITA 80-23
NW/SE, SEC. 23, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

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

12. HAZARDOUS CHEMICALS:

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

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.

2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.

3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.

4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.

5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.

6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **EOG RESOURCES INC**

Well Name: **E CHAPITA 80-23**

Api No: **43-047-39439** Lease Type: **FEDERAL**

Section **23** Township **09S** Range **23E** County **UINTAH**

Drilling Contractor **CRAIG'S ROUSTABOUT SERV** RIG # **RATHOLE**

SPUDDED:

Date **09/13/08**

Time **7:30 AM**

How **DRY**

Drilling will Commence:

Reported by **JERRY BARNES**

Telephone # **(435) 828-1720**

Date **09/15//08** **Signed** **CHD**

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

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES

Operator Account Number: N 9550

Address: 1060 East Highway 40

city VERNAL

state UT zip 84078

Phone Number: (435) 781-9145

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39439	EAST CHAPITA 80-23		NWSE	23	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17094	9/13/2008			9/25/08	

Comments: WASATCH/MESAVERD WELL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-40042	CHAPITA WELLS UNIT 1154-27		NWSW	27	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
XB	99999	13650	9/13/2008			9/25/08	

Comments: MESAVERDE WELL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39912	CHAPITA WELLS UNIT 1072-28		NWSW	28	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
XB	99999	13650	9/15/2008			9/25/08	

Comments: MESAVERDE WELL

ACTION CODES:

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

Mickenzie Thacker
Name (Please Print)

Mickenzie Thacker
Signature

Operations Clerk
Title

9/17/2008
Date

RECEIVED
SEP 17 2008
DIV. OF OIL, GAS & MINING

(5/2000)

Form 3160-5
(August 2007)

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.

5. Lease Serial No.
UTU67868

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
EAST CHAPITA 80-23

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

9. API Well No.
43-047-39439

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 23 T9S R23E NWSE 1944FSL 1922FEL
40.01952 N Lat, 109.29161 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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Well Spud
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

The referenced well was spud on 9/13/2008.

RECEIVED
SEP 22 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #63134 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MICKENZIE THACKER — Title OPERATIONS CLERK

Signature (Electronic Submission) Mickenzie Thacker — Date 09/17/2008

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 ****

Form 3160-5
(August 2007)

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.

5. Lease Serial No.
UTU67868

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
EAST CHAPITA 80-23

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

9. API Well No.
43-047-39439

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 NWSE 1944FSL 1922FEL
40.01952 N Lat, 109.29161 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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 12/5/2008. 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 #65369 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 12/09/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

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

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

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

RECEIVED
DEC 16 2008
DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 12-09-2008

Well Name	ECW 080-23	**Well Type**	DEVG	**Division**	DENVER
Field	CHAPITA DEEP	**API #**	43-047-39439	**Well Class**	1SA
County, State	UINTAH, UT	**Spud Date**	10-20-2008	**Class Date**	12-05-2008
Tax Credit	N	**TVD / MD**	8,630/ 8,630	**Property #**	061842
Water Depth	0	**Last CSG**	2.375	**Shoe TVD / MD**	7,014/ 7,014
KB / GL Elev	5,166/ 5,150				
Location	Section 23, T9S, R23E, NWSE, 1944 FSL & 1922 FEL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	100.0	**NRI %**	87.5

AFE No	304843	**AFE Total**	2,107,700	**DHC / CWC**	880,700/ 1,227,000		
Rig Contr	TRUE	**Rig Name**	TRUE #31	**Start Date**	09-21-2007	**Release Date**	10-25-2008

09-21-2007 **Reported By** SHARON CAUDILL

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0

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

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

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA

1944' FSL & 1922' FEL (NW/SE)
SECTION 23, T9S, R23E
UINTAH COUNTY, UTAH

LAT 40.019522, LONG 109.291608 (NAD 83)
LAT 40.019556, LONG 109.290931 (NAD 27)

TRUE #31
OBJECTIVE: 8630' TD, MESAVERDE
DW/GAS
EAST CHAPITA PROSPECT
DD&A: CHAPITA DEEP
NATURAL BUTTES FIELD

LEASE: UTU-67868
ELEVATION: 5151.3' NAT GL, 5150.2' PREP GL, (DUE TO ROUNDING THE PREP GL IS 5150'), 5166' KB (16')

EOG WI 100%, NRI 87.50%

08-14-2008 **Reported By** TERRY CSERE

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.

08-15-2008 **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 10% COMPLETE.

08-18-2008 **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.

08-19-2008 **Reported By** TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

08-20-2008 **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.

08-21-2008 **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

08-22-2008 **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	SHOOTING MONDAY.

08-25-2008 **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	SHOOTING TODAY.

08-26-2008 **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	SHOOTING TODAY.

08-27-2008 **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: LOCATION BUILD

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

08-28-2008 **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	PUSHING OUT PIT.

08-29-2008 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	LINE TODAY.

09-02-2008 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: LOCATION COMPLETE

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

09-15-2008 Reported By JERRY BARNES

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

Activity at Report Time: SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIGS ROUSTABOUT SERVICE SPUD A 20" HOLE ON 09/13/08 @7:35 AM, SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 09/13/08 @ 7:00 AM.

10-02-2008 Reported By BRIAN ROW

DailyCosts: Drilling	$260,558	**Completion**	$0	**Daily Total**	$260,558		
Cum Costs: Drilling	$298,558	**Completion**	$0	**Well Total**	$298,558		
MD 2,364	**TVD** 2,364	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: WORT

Start	End	Hrs	Activity Description

06:00 06:00 24.0 MIRU CRAIG'S AIR RIG #3 ON 9/26/08. DRILLED 12-1/4" HOLE TO 2348' GL (2364 KB). ENCOUNTERED WATER @ 1750'. FLUID DRILLED HOLE FROM 1720' WITH NO RETURNS. RAN 53 JTS (2337.08') OF 9-5/8", 36.0#, K-55, BT&C CASING WITH TOPCO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2353' KB. RAN 200' OF 1" PIPE DOWN BACKSIDE. RDMO CRAIGS RIG #3.

MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1900 PSIG. PUMPED 181 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (146 BBLS) OF PREMIUM LEAD CEMENT W/0.2% VARASET, 2% CALSEAL, & 2% EX-1. MIXED LEAD CEMENT @ 10.5 PPG W/ YIELD OF 4.2 CF/SX.

TAILED IN W/300 SX (63 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED TAIL CEMENT TO 15.6 W/ YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/177 BBLS FRESH WATER.BUMPED PLUG W/309# @ 8:18 A.M., 9/29/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS 5 MINUTES.

TOP JOB #2: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 28 MINUTES.

TOP JOB #3: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 17 MINUTES.

TOP JOB #4: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HRS 41 MINUTES.

TOP JOB #5: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 8 MINUTES.

TOP JOB #6: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 8 MINUTES.

TOP JOB #7: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED AND STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

CRAIGS RIG #3 TOOK SURVEY WHILE DRILLING HOLE @ 1200'--0.75 DEGREE.

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

9 5/8 CASING LEVEL RECORD: PS= 89.7 OPS= 89.8 VDS= 89.9 MS= 89.7.

KYLAN COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 9/27/2008 @ 11:30 AM.

10-20-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$21,052	**Completion**	$804	**Daily Total**	$21,856
Cum Costs: Drilling	$319,610	**Completion**	$804	**Well Total**	$320,414

MD	2,364	**TVD**	2,364	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

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

Activity at Report Time: MIRU -

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU. MOVE RIG & CAMP COMPLETE.
			MAST RAISED 16:00 10-19-08
			3 CREWS WORKED 12 HRS EACH.
			NO ACCIDENTS OR INCIDENTS REPORTED.
			RIG MOVE 0.3 MILES 1 WAY.
			NOTIFIED MR. JAMIE SPARGER OF BLM AT 13:00 HRS THAT RIG WOULD BE READY TO TEST BOPS @ 08:00 HRS 10/20/08

10-21-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$127,749	**Completion**	$0	**Daily Total**	$127,749
Cum Costs: Drilling	$447,359	**Completion**	$804	**Well Total**	$448,163

MD	3,822	**TVD**	3,822	**Progress**	1,458	**Days**	1	**MW**	8.4	**Visc**	0.0

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

Activity at Report Time: DRILLING @ 3822

Start	End	Hrs	Activity Description
06:00	10:00	4.0	GENERAL RIG UP.
10:00	14:00	4.0	RIG ON DAYWORK AS OF 10:00 HRS, 10/20/08.
			TEST BOPS AS FOLLOWS: RIG UP B & C QUICK TEST, TESTER WALLY MCLEAN.. TEST UPPER & LOWER KELLY VALVE, SAFETY VALVE & INSIDE BOP TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES. TEST PIPE RAMS & INSIDE VALVES TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES.TEST PIPE RAMS, HCR & OUTSIDE KILL LINE VALVES. TEST PIPE RAMS, CHOKE LINE, CHECK VALVE, UPRIGHT GAUGE VALVE & INSIDE MANIFOLD VALVES TO 250 PSI LOW & 5000 PSI HIGH FOR 10 MINUTES. TEST ANNULAR TO 250 PSI LOW FOR 5 MINUTES & 2500 PSI HIGH FOR 10 MINUTES. TEST BLIND RAMS, CHOKE LINE & MANIFOLD VALVES TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES. TEST BLIND RAMS & SUPERCHOKE TO 500 PSI FOR 10 MINUTES. TEST SURFACE CASING TO 1500 PSI FOR 30 MINUTES.
14:00	16:00	2.0	RIG UP KIMZEY PICK UP MACHINE. SAFETY MEETING. PICK UP BHA & DRILL PIPE. TAG CEMENT @ 2295'
16:00	17:00	1.0	INSTALL ROTATING HEAD, DRILL OUT CEMENT & FLOAT EQUIPMENT, CLEAN OUT TO 2364 & MAKE 10' NEW HOLE. CIRCULATE CLEAN.
17:00	17:30	0.5	FIT TEST. 10.5 EMW, SURVEY
17:30	01:30	8.0	DRILL 7.875" HOLE FROM 2364 TO 3328, 964' @ 120 FPH. WOB 16/18, ROTARY 60 & MOTOR 69, 435 GPM @ 1250 PSI, MUD WT 8.4 & VIS 30
01:30	02:00	0.5	SURVEY
02:00	06:00	4.0	DRILL 7.875" HOLE FROM 3328 TO 3822, 494' @ 123 FPH. WOB 16/18. ROTARY 60 & MOTOR 69.435 GPM @ 1500 PSI, MUD WT 8.6 & VIS 30.
			FUEL ON LOCATION 8180
			CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED.
			SAFETY MEETINGS. #1 PICK UP DRILL PIPE, #2 MAKE CONNECTIONS.
			MORNING TOUR HELD BOP DRILL, 1 MIN 8 SECONDS. FUNCTION PIPE RAMS, CHECK COM FOR DRILLING
			UNMANNED GAS DETECTOR ON LOCATION 1 DAY
06:00			SPUD 7 7/8" @ 17:30 HRS, 10/20/08.

10-22-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$33,976	**Completion**	$0	**Daily Total**	$33,976		
Cum Costs: Drilling	$481,336	**Completion**	$804	**Well Total**	$482,140		
MD 6,282	**TVD** 6,282	**Progress** 2,460	**Days** 2	**MW** 9.3	**Visc** 31.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING @ 6282

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL 7.875" HOLE FROM 3822 TO 4390. 568' @ 227 FPH. WOB 18, ROTARY 65 & MOTOR 69. 435 GPM @ 1500 PSI. MUD WT 8.9 & VIS 30.
08:30	09:00	0.5	SURVEY
09:00	06:00	21.0	DRILL 7.875" HOLE FROM 4390 TO 6282, 1892' @ 90 FPH . WOB 18, ROTARY 60 & MOTOR 70. 440 GPM @ 1800 PSI. MUD WEIGHT 10.3 X 32 VIS.
			FUEL 6500, USED 1680
			CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED
			SAFETY MEETINGS. #1 = HOUSEKEEPING, #2 = CONNECTIONS.
			DAY TOUR HELD BOP DRILL 1:18 TO SHUT IN, FUNCTION HYDRIL & HCR, FUNCTION CROWN O MATIC FOR DRILLING.
			UNMANNED GAS DETECTOR ON LOCATION 2 DAYS

10-23-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$31,567	**Completion**	$8,555	**Daily Total**	$40,122		
Cum Costs: Drilling	$512,904	**Completion**	$9,359	**Well Total**	$522,263		
MD 7,630	**TVD** 7,630	**Progress** 1,348	**Days** 3	**MW** 10.4	**Visc** 35.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING @ 7630'

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL 7.875" HOLE FROM 6282 TO 6500, 218' @ 87 FPH. WOB 18, ROTARY 60 & MOTOR 70. 435 GPM @ 1900 PSI. MUD WT 10.3 & VIS 35.
08:30	09:00	0.5	SERVICE RIG, FUNCTION PIPE RAMS & COM
09:00	06:00	21.0	DRILL 7.875" HOLE FROM 6500 TO 7630 . 1130' @ 53 FPH. WOB 18/20, ROTARY 60 & MOTOR 69. 435 GPM @ 2000 PSI. MUD WT 10.7 & VIS 35.
			FUEL 5109, USED 1391
			SAFETY MEETINGS, WORKING ON PUMPS. HOUSEKEEPING.
			CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED.
			FUNCTIONED CROWN O MATIC & PIPE RAMS.
			UNMANNED GAS DETECTOR ON LOCATION 3 DAYS

10-24-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$50,902	**Completion**	$411	**Daily Total**	$51,313		
Cum Costs: Drilling	$563,806	**Completion**	$9,770	**Well Total**	$573,576		
MD 8,284	**TVD** 8,284	**Progress** 654	**Days** 4	**MW** 10.7	**Visc** 34.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING @ 8284

Start	End	Hrs	Activity Description

06:00	13:00	7.0	DRILL 7.875" HOLE FROM 7630 TO 7824. 194' @ 27 FPH. WOB 18/20, ROTARY 60 & MOTOR 69. 435 GPM @ 2100 PSI. MUD WT 10.7 & VIS 35.
13:00	13:30	0.5	CIRCULATE HOLE CLEAN FOR BIT TRIP.
13:30	16:30	3.0	TRIP FOR BIT, HOLE TIGHT 4360 – 4000.
16:30	17:00	0.5	CHANGE OUT MOTOR, LAY DOWN REAMERS & CHANGE BITS.
17:00	19:30	2.5	TRIP IN HOLE WITH BIT # 2. FILL PIPE @ 4000.
19:30	20:30	1.0	WASH TO BOTTOM 80', CIRCULATE OUT GAS, 25' FLAIR
20:30	06:00	9.5	DRILL 7.875" HOLE FROM 7824 TO 8284 . 460' @ 48 FPH. WOB 18, ROTARY 60 & MOTOR 68. 430 GPM @ 2000 PSI. MUD WT 11.0 & VIS 35. 5 TO 8' FLAIR.

FUEL 3500 GALLONS

CREWS FULL, NO ACCIDENTS OR INCIDENTS.

SAFETY MEETINGS. TRIPPING X 2

FUNCTION BLIND RAMS, FUNCTION CROWN O MATIC FOR TRIPPING. WITTNESSED.

UNMANNED GAS DETECTOR ON LOCATION 4 DAYS

10-25-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$37,229	**Completion**	$849	**Daily Total**	$38,078		
Cum Costs: Drilling	$601,036	**Completion**	$10,619	**Well Total**	$611,655		
MD	8,630	**TVD**	8,630	**Progress**	366	**Days**	5	**MW**	11.0	**Visc**	35.0

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

Activity at Report Time: RUN 4-1/2" CASING

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL 7.875" HOLE FROM 8284 TO 8630 TD, 366' @ 38 FPH. WOB 20, ROTARY 60 & MOTOR 68. 425 GPM @ 2000 PSI. MUD WT 11 & VIS 36. REACHED TD AT 15:30 HRS, 10/24/08.
15:30	16:30	1.0	CIRCULATE HOLE CLEAN FOR WIPER TRIP.
16:30	17:00	0.5	WIPER TRIP TO 7750.
17:00	19:00	2.0	CIRCULATE OUT TRIP GAS. SPOT 350 BBLS OF 12.2 MUD. EMW 11.6 AT TOP OF PRICE RIVER LOWER.
19:00	00:00	5.0	CASING POINT, LAY DOWN DRILL PIPE. PULL WEAR BUSHING.
00:00	06:00	6.0	RIG UP WEATHERFORD TRS CASING CREW. SAFETY MEETING. 1 1/2 HRS WAIT ON WEATHERFORD, LEFT SOME TONG PARTS IN VERNAL. RUNNING 4 1/2" PRODUCTION CASING.@ 06:00 HRS

FUEL 3272 GALLONS, RECIEVED 1000, USED 1200

CREWS FULL NO AACIDENTS OR INCIDENTS REPORTED

SAFETY MEETINGS,#1 LAY DOWN DRILL PIPE. #2 RUN CASING

UNMANNED GAS DETECTOR ON LOCATION 5 DAYS. RELEASED @ 18:00 HRS

10-26-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$38,238	**Completion**	$189,116	**Daily Total**	$227,354		
Cum Costs: Drilling	$639,275	**Completion**	$199,735	**Well Total**	$839,010		
MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	6	**MW**	0.0	**Visc**	0.0

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

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description

06:00	06:30	0.5	RUN 213 JOINTS 4 1/2" 11.6# N-80, LT&C CASING WITH 2 HCP-110 MARKER JOINTS AS PER TALLY PLUS 1 PUP JOINT. FLOAT SHOE LANDED AT 8624.51 & FLOAT COLLAR LANDED AT 8581.05, MJ AT 5956' & 3958'. PICK UP JOINT # 114 AND TAG BOTTOM, LAY JOINT BACK DOWN. PICK UP DTO HANGER & SPACE OUT. LAND CASING.
06:30	07:30	1.0	RIG DOWN WEATHERFORD TRS. FILL CASING & CIRCULATE THROUGH FLOAT EQUIPMENT
07:30	10:30	3.0	RIG UP SCHLUMBERGER, SAFETY MEETING, CEMENT CASING AS FOLLOWS: PRESSURE TEST LINES TO 5000 PSI. PUMP 20 BBLS CHEM WASH FOLLOWED BY 20 BBLS FRESH WATER FOLLOWED BY 620 SKS 35/65 G PLUD ADDITIVES (249.5 BBLS SLURRY) YEALD 2.26 F3/SK MIXED @ 12.0 PPG FOLLOWED BY 1405 SKS 50/50 POZ G PLUS ADDITIVES MIXED @ 14.1 PPG, YEALD 1.29 F3/SK (322.7 BBLS SLURRY) DISPLACE WITH 133.2 BBLS FRESH WATER. BUMPED PLUG, FLOATS HELD. FULL RETURNS, 119 BBLS CEMENT RETURNS TO SURFACE.
10:30	11:30	1.0	OTHER, SET & TEST DTO SEALS & TEST TO 5000 PSI
11:30	13:00	1.5	CLEAN MUD TANKS, NIPPLE DOWN BOP.
13:00	06:00	17.0	RIG DOWN @ ECW 80-23
			CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED
			RIG MOVE MILES 8.4 ONE WAY
			TRUCKS ORDERED FOR 12:00 HRS TO MOVE CAMP;
			SOME TRUCKS WILL MOVE AS MUCH OF RIG AS POSSIBLE.
			TRANSFERED 5 JOINTS N-80, 11.6# LT&C 4 1/2 CASING TO WELL CWU 1154-27
			TRANSFERED 2 MARKER JOINTS 4 1/2 P-110, 11.6# LT&C TO WELL CWU 1154-27
			TRANSFERED 2700 GALLONS DIESLE FUEL @ $3.46/GAL
06:00			RIG RELEASED @ 13:00 HRS, 10/25/08.
			CASING POINT COST $631,168

10-29-2008 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$43,155	**Daily Total**	$43,155
Cum Costs: Drilling	$639,275	**Completion**	$242,890	**Well Total**	$882,165

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	7	**MW**	0.0 **Visc** 0.0

Formation : **PBTD :** 8581.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

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

11-08-2008 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$1,723	**Daily Total**	$1,723
Cum Costs: Drilling	$639,275	**Completion**	$244,613	**Well Total**	$883,888

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	8	**MW**	0.0 **Visc** 0.0

Formation : **PBTD :** 8581.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

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

11-12-2008 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$1,093	**Daily Total**	$1,093

Cum Costs: Drilling	$639,275	**Completion**	$245,706	**Well Total**	$884,981		
MD	8,630 **TVD**	8,630 **Progress**	0 **Days**	9 **MW**	0.0 **Visc**	0.0	
Formation : MESAVERDE	**PBTD :** 8581.0	**Perf :** 7237'-8340'	**PKR Depth :** 0.0				

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU LONE WOLF WIRELINE & PERFORATE LPR FROM 8001'-02', 8012'-13', 8025'-26', 8034'-35', 8062'-63', 8069'-70', 8089'-90', 8096'-97', 8125'-26', 8199'-200', 8207'-08', 8214'-15', 8225'-26', 8247'-48', 8290'-91', 8339'-40' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4169 GAL WF116 PAD, 4200 GAL YF116ST+ PAD, 45223 GAL YF116ST+ WITH 135000# 20/40 SAND @ 1-5 PPG. MTP 5916 PSIG. MTR 50.8 BPM. ATP 4501 PSIG. ATR 48.2 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 7880'. PERFORATE MPR FROM 7731'-32', 7751'-52', 7755'-56', 7770'-71', 7804'-05', 7822'-23', 7826'-27', 7840'-41', 7859'-60'. TAGGED @ 7885'. DID NOT PERF 7484-85', 7897-98' & 7907-08'. ADDED PERFS @ 7818-19', 7828-29' & 7843-44'. ALL PERFS 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4165 GAL YF116ST+ PAD, 28645 GAL YF116ST+ WITH 86800# 20/40 SAND @ 1-4 PPG. MTP 6338 PSIG. MTR 50.8 BPM. ATP 4763 PSIG. ATR 46.9 BPM. ISIP 3900 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 7690'. PERFORATE MPR FROM 7467'-68', 7473'-74', 7489'-90', 7515'-16', 7527'-28', 7540'-41', 7566'-67', 7575'-76', 7589'-90', 7622'-23', 7647'-48', 7674'-75' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4173 GAL YF116ST+ PAD, 36748 GAL YF116ST+ WITH 118700# 20/40 SAND @ 1-4 PPG. MTP 5959 PSIG. MTR 50.7 BPM. ATP 4648 PSIG. ATR 48.3 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 7436'. PERFORATE MPR FROM 7237'-38', 7245'-46', 7258'-59', 7283'-84', 7320'-21', 7329'-30', 7338'-39', 7348'-49', 7357'-58', 7375'-76', 7396'-97', 7420'-21' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4166 GAL YF116ST+ PAD, 43538 GAL YF116ST+ WITH 145400# 20/40 SAND @ 1-5 PPG. MTP 4675 PSIG. MTR 50.8 BPM. ATP 3526 PSIG. ATR 48.1 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER. SDFN.

11-13-2008 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$443,945	**Daily Total**	$443,945		
Cum Costs: Drilling	$639,275	**Completion**	$689,651	**Well Total**	$1,328,927		
MD	8,630 **TVD**	8,630 **Progress**	0 **Days**	10 **MW**	0.0 **Visc**	0.0	
Formation : MESAVERDE	**PBTD :** 8581.0	**Perf :** 5020'-8340'	**PKR Depth :** 0.0				

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1450 PSIG. RUWL. SET 10K CFP AT 7195'. PERFORATE UPR/MPR FROM 7004'-05', 7008'-09', 7016'-17', 7026'-27', 7040'-41', 7046'-47', 7056'-57', 7074'-75', 7124'-25', 7139'-40', 7159'-60', 7177'-78' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2504 GAL YF116ST+ PAD, 43251 GAL YF116ST+ WITH 144900# 20/40 SAND @ 1-4 PPG. MTP 5671 PSIG. MTR 50.9 BPM. ATP 3801 PSIG. ATR 48.8 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 6950'. PERFORATE UPR FROM 6749'-50', 6754'-55', 6790'-91', 6840'-41', 6848'-49', 6855'-56', 6868'-69', 6874'-75', 6898'-99', 6905'-06', 6917'-18', 6932'-33' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2068 GAL YF116ST+ PAD, 36589 GAL YF116ST+ WITH 120000# 20/40 SAND @ 1-5 PPG. MTP 5902 PSIG. MTR 50.9 BPM. ATP 3639 PSIG. ATR 49.2 BPM. ISIP 2520 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6692'. PERFORATE UPR FROM 6493'-94', 6549'-50', 6557'-58', 6561'-62', 6575'-76', 6584'-85', 6590'-91', 6635'-36', 6642'-43', 6652'-53', 6672'-73', 6677'-78'@ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2067 GAL YF116ST+ PAD, 32768 GAL YF116ST+ WITH 103000# 20/40 SAND @ 1-5 PPG. MTP 5322 PSIG. MTR 50.8 BPM. ATP 3475 PSIG. ATR 47.3 BPM. ISIP 2450 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6450'. PERFORATE UPR/NORTH HORN FROM 6278'-79', 6282'-84', 6298'-99', 6315'-16', 6340'-42', 6357'-58', 6373'-74', 6385'-86', 6407'-08', 6435'-36' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL YF116ST+ PAD, 32488 GAL YF116ST+ WITH 101600# 20/40 SAND @ 1-5 PPG. MTP 5514 PSIG. MTR 50.9 BPM. ATP 3727 PSIG. ATR 48.1 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6240'. PERFORATE NORTH HORN/Ba FROM 5981'-82', 6018'-19', 6079'-80', 6088'-89', 6110'-11', 6117'-18', 6127'-28', 6135'-36', 6155'-56', 6195'-96', 6209'-10', 6223'-24'@ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL YF116ST+ PAD, 42930 GAL YF116ST+ WITH 145400# 20/40 SAND @ 1-5 PPG. MTP 5918 PSIG. MTR 50.8 BPM. ATP 3972 PSIG. ATR 47.2 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 5950'. PERFORATE Ba FROM 5595'-96', 5618'-19', 5649'-50', 5658'-60', 5686'-87', 5739'-40', 5762'-63', 5787'-88', 5818'-19', 5832'-33', 5866'-67', 5893'-94', 5935'-36' @ 2 SPF @ 180° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 2084 GAL YF116ST+ PAD, 30395 GAL YF116ST+ WITH 93200# 20/40 SAND @ 1-4 PPG. MTP 5614 PSIG. MTR 51.3 BPM. ATP 3332 PSIG. ATR 49.1 BPM. ISIP 1700 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 5540'. PERFORATE Ca FROM 5263'-64', 5284'-85', 5308'-09', 5325'-26', 5356'-57', 5376'-77', 5387'-88', 5410'-11', 5426'-27', 5465'-66', 5497'-98', 5523'-24'@ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 2069 GAL YF116ST+ PAD, 30246 GAL YF116ST+ WITH 92900# 20/40 SAND @ 1-4 PPG. MTP 5102 PSIG. MTR 50.8 BPM. ATP 2985 PSIG. ATR 49.6 BPM. ISIP 1650 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 5220'. PERFORATE Ca FROM (5013'-15' MISFIRED), 5020'-22', 5032'-34', 5040'-41', 5070'-71', 5104'-05', 5141'-42', 5155'-56', 5200'-01' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 2068 GAL YF116ST+ PAD, 24737 GAL YF116ST+ WITH 110900 # 20/40 SAND @ 1-4 PPG. MTP 5452 PSIG. MTR 52.5 BPM. ATP 3307 PSIG. ATR 50.4 BPM. ISIP 2000 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP AT 4920'. RDWL. SDFN.

11-14-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$7,842	**Daily Total**	$7,842
Cum Costs: Drilling	$639,275	**Completion**	$697,493	**Well Total**	$1,336,769

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	11	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **PKR Depth :** 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
06:00	15:00	9.0	SICP 0 PSIG. MIRU BASIC SERVICE UNIT. ND FRAC TREE. NU BOPE. RIH W/ BIT AND SUB TO CBP @ 4920'. PREP TO DRILL AND CLEAN OUT. SDFN.

11-15-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$14,266	**Daily Total**	$14,266
Cum Costs: Drilling	$639,275	**Completion**	$711,759	**Well Total**	$1,351,035

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	12	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 @ 4920', 5220', 5540', 5950', 6240', 6450', 6950', 7195', 7436', 7690' AND 7880'. WORKED THRU TIGHT SPOT @ 7903'-08'. RIH. CLEANED OUT TO 8445'. LANDED TBG AT 7014' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU. FLOWED 10 HRS. 16/64" CHOKE. FTP 1550 PSIG. CP 1650 PSIG. 42 BFPH. RECOVERED 292 BLW. 12468 BLWTR. TUBING DETAIL LENGTH PUMP OFF SUB 0.91' 1 JT 2-3/8 4.7# L-80 TBG 32.50' XN NIPPLE 1.10' 214 JTS 2-3/8 4.7# L-80 TBG 6963.81' BELOW KB 16.00' LANDED @ 7014.32' KB

11-16-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$2,375	**Daily Total**	$2,375
Cum Costs: Drilling	$639,275	**Completion**	$714,134	**Well Total**	$1,353,410

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	13	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 1450 PSIG. CP 2000 PSIG. 33 BFPH. RECOVERED 791 BLW. 11639 BLWTR.

11-17-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$2,375	**Daily Total**	$2,375
Cum Costs: Drilling	$639,275	**Completion**	$716,509	**Well Total**	$1,355,785

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	14	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 1400 PSIG. CP 2250 PSIG. 30 BFPH. RECOVERED 673 BLW. 10966 BLWTR.

11-18-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$2,375	**Daily Total**	$2,375
Cum Costs: Drilling	$639,275	**Completion**	$718,884	**Well Total**	$1,358,160

MD	8,630	**TVD**	8,630	**Progress**	0	**Days**	15	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 2100 PSIG. 50 BFPH. RECOVERED 1193 BLW. 9718 BLWTR.

11-19-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$26,821	**Daily Total**	$26,821
Cum Costs: Drilling	$639,275	**Completion**	$745,705	**Well Total**	$1,384,981

MD 8,630 **TVD** 8,630 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 1100 PSIG. CP 1950 PSIG. 40 BFPH. RECOVERED 1023 BLW. 8599 BLWTR.

11-20-2008 **Reported By** HOOLEY

DailyCosts: Drilling $0 **Completion** $31,040 **Daily Total** $31,040

Cum Costs: Drilling $639,275 **Completion** $776,745 **Well Total** $1,416,021

MD 8,630 **TVD** 8,630 **Progress** 0 **Days** 17 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 1050 PSIG. CP 1950 PSIG. 38 BFPH. RECOVERED 924 BLW. 7595 BLWTR.

11-21-2008 **Reported By** HOOLEY

DailyCosts: Drilling $0 **Completion** $2,375 **Daily Total** $2,375

Cum Costs: Drilling $639,275 **Completion** $779,120 **Well Total** $1,418,396

MD 8,630 **TVD** 8,630 **Progress** 0 **Days** 18 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 1000 PSIG. CP 1950 PSIG. 33 BFPH. RECOVERED 802 BLW. 6751 BLWTR.

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

DailyCosts: Drilling $0 **Completion** $18,775 **Daily Total** $18,775

Cum Costs: Drilling $639,275 **Completion** $797,895 **Well Total** $1,437,171

MD 8,630 **TVD** 8,630 **Progress** 0 **Days** 19 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 950 PSIG. CP 1750 PSIG. 30 BFPH. RECOVERED 700 BLW. 5984 BLWTR.

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

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $639,275 **Completion** $797,895 **Well Total** $1,437,171

MD 8,630 **TVD** 8,630 **Progress** 0 **Days** 20 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8581.0 **Perf :** 5020'-8340' **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 900 PSIG. CP 1700 PSIG. 25 BFPH. RECOVERED 615 BLW. 5340 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 11/22/08

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

DailyCosts: Drilling	$0	**Completion**	$164,937	**Daily Total**	$164,937		
Cum Costs: Drilling	$639,275	**Completion**	$962,832	**Well Total**	$1,602,108		
MD 8,630	**TVD** 8,630	**Progress** 0	**Days** 21	**MW** 0.0	**Visc** 0.0		
Formation : MESAVERDE	**PBTD :** 8581.0		**Perf :** 5020'-8340'	**PKR Depth :** 0.0			

Activity at Report Time: FACILITY COST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FACILITY COST $164,937

12-08-2008 **Reported By** DUANE COOK/ MIKE LEBARON

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$639,275	**Completion**	$962,832	**Well Total**	$1,602,108		
MD 8,630	**TVD** 8,630	**Progress** 0	**Days** 22	**MW** 0.0	**Visc** 0.0		
Formation : MESAVERDE	**PBTD :** 8581.0		**Perf :** 5020'-8340'	**PKR Depth :** 0.0			

Activity at Report Time: INITIAL PRODUCTION/ ON SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	INITIAL PRODUCTION: TURNED TO GAS SALES. SITP 900 & SICP 2100 PSIG. TURNED WELL TO QUESTAR SALES AT 9:15 AM, 12/05/08. FLOWING 290 MCFD RATE ON 12/64" POS CK. STATIC 284. QGM METER #7969. 12/07/08 - FLOWED 337 MCF, 88 BC & 186 BW IN 24 HRS ON 12/64" CHOKE, TP 1250 PSIG, CP 2050 PSIG. 12/08/08 - FLOWED 85 MCF, 0 BC & 0 BW IN 24 HRS ON 12/64" CHOKE, TP 2000 PSIG, CP 2050 PSIG.

12-09-2008 **Reported By** MIKE LEBARON

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$639,275	**Completion**	$962,832	**Well Total**	$1,602,108		
MD 8,630	**TVD** 8,630	**Progress** 0	**Days** 23	**MW** 0.0	**Visc** 0.0		
Formation : MESAVERDE	**PBTD :** 8581.0		**Perf :** 5020'-8340'	**PKR Depth :** 0.0			

Activity at Report Time: ON SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 17 MCF, 10 BC & 98 BW IN 24 HRS ON 12/64" CHOKE, TP 1250 PSIG, CP 2050 PSIG.

Form 3160-4
(August 2007)

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 80-23

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

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

9. API Well No. 43-047-39439

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NWSE 1944FSL 1922FEL 40.01952 N Lat, 109.29161 W Lon

At top prod interval reported below NWSE 1944FSL 1922FEL 40.01952 N Lat, 109.29161 W Lon

At total depth NWSE 1944FSL 1922FEL 40.01952 N Lat, 109.29161 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 09/13/2008

15. Date T.D. Reached 10/24/2008

16. Date Completed ☐ D & A ☒ Ready to Prod. 12/05/2008

17. Elevations (DF, KB, RT, GL)* 5151 GL

18. Total Depth: MD 8630 TVD

19. Plug Back T.D.: MD 8581 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	2353		1200		0	
7.875	4.500 N-80	11.6	0	8625		2025		180	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7014							

25. Producing Intervals / 26. Perforation Record 5020

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH/MESAVERDE	5020	8340	8001 TO 8340		3	
B)			7731 TO 7860		3	
C)			7467 TO 7675		3	
D)			7237 TO 7421		3	

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

Depth Interval	Amount and Type of Material
8001 TO 8340	53,757 GALS GELLED WATER & 135,000# 20/40 SAND
7731 TO 7860	32,975 GALS GELLED WATER & 86,800# 20/40 SAND
7467 TO 7675	41,086 GALS GELLED WATER & 118,700# 20/40 SAND
7237 TO 7421	47,869 GALS GELLED WATER & 145,400# 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
12/05/2008	12/12/2008	24	→	110.0	334.0	144.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
12/64"	1150 SI	2050.0	→	110	334	144		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

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

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

ELECTRONIC SUBMISSION #66038 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

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	5020	8340		GREEN RIVER	1485
				BIRDS NEST	1674
				MAHOGANY	2185
				UTELAND BUTTE	4261
				WASATCH	4376
				CHAPITA WELLS	4969
				BUCK CANYON	5602
				PRICE RIVER	6319

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 #66038 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 fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

East Chapita 80-23 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7004-7178	3/spf
6749-6933	3/spf
6493-6678	3/spf
6278-6436	3/spf
5981-6224	3/spf
5595-5936	2/spf
5263-5524	3/spf
5020-5201	3/spf

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

7004-7178	45,920 GALS GELLED WATER & 144,900# 20/40 SAND
6749-6933	38,822 GALS GELLED WATER & 120,000# 20/40 SAND
6493-6678	35,000 GALS GELLED WATER & 103,000# 20 40 SAND
6278-6436	34,718 GALS GELLED WATER & 101,600# 20/40 SAND
5981-6224	45,160 GALS GELLED WATER & 145,400# 20/40 SAND
5595-5936	32,479 GALS GELLED WATER & 93,200# 20/40 SAND
5263-5524	32,315 GALS GELLED WATER & 92,900# 20/40 SAND
5020-5201	26,805 GALS GELLED WATER & 110,900# 20/40 SAND

Perforated the Lower Price River from 8001-02', 8012-13', 8025-26', 8034-35', 8062-63', 8069-70', 8089-90', 8096-97', 8125-26', 8199-8200', 8207-08', 8214-15', 8225-26', 8247-48', 8290-91', 8339-40' w/ 3 spf.

Perforated the Middle Price River from 7731-32', 7751-52', 7755-56', 7770-71', 7804-05', 7818-19', 7822-23', 7826-27', 7828-29', 7840-41', 7843-44', 7859-60' w/ 3 spf.

Perforated the Middle Price River from 7467-68', 7473-74', 7489-90', 7515-16', 7527-28', 7540-41', 7566-67', 7575-76', 7589-90', 7622-23', 7647-48', 7674-75' w/ 3 spf.

Perforated the Middle Price River from 7237-38', 7245-46', 7258-59', 7283-84', 7320-21', 7329-30', 7338-39', 7348-49', 7357-58', 7375-76', 7396-97', 7420-21' w/ 3 spf.

Perforated the Upper/Middle Price River from 7004-05', 7008-09', 7016-17', 7026-27', 7040-41', 7046-47', 7056-57', 7074-75', 7124-25', 7139-40', 7159-60', 7177-78' w/ 3 spf.

Perforated the Upper Price River from 6749-50', 6754-55', 6790-91', 6840-41', 6848-49', 6855-56', 6868-69', 6874-75', 6898-99', 6905-06', 6917-18', 6932-33' w/ 3 spf.

Perforated the Upper Price River from 6493-94', 6549-50', 6557-58', 6561-62', 6575-76', 6584-85', 6590-91', 6635-36', 6642-43', 6652-53', 6672-73', 6677-78' w/ 3 spf.

Perforated the Upper Price River/North Horn from 6278-79', 6282-84', 6298-99', 6315-16', 6340-42', 6357-58', 6373-74', 6385-86', 6407-08', 6435-36' w/ 3 spf.

Perforated the North Horn/Ba from 5981-82', 6018-19', 6079-80', 6088-89', 6110-11', 6117-18', 6127-28', 6135-36', 6155-56', 6195-96', 6209-10', 6223-24' w/ 3 spf.

Perforated the Ba from 5595-96', 5618-19', 5649-50', 5658-60', 5686-87', 5739-40', 5762-63', 5787-88', 5818-19', 5832-33', 5866-67', 5893-94', 5935-36' w/ 2 spf.

Perforated the Ca from 5263-64', 5284-85', 5308-09', 5325-26', 5356-57', 5376-77', 5387-88', 5410-11', 5426-27', 5465-66', 5497-98', 5523-24' w/ 3 spf.

Perforated the Ca from 5020-22', 5032-34', 5040-41', 5070-71', 5104-05', 5141-42', 5155-56', 5200-01' w/ 3 spf.

32. FORMATION (LOG) MARKERS

Middle Price River	7106
Lower Price River	7892
Sego	8420

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

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: East Chapita 80-23

API number: 4304739439

Well Location: QQ NWSE 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	QUALITY
FROM	TO	(FLOW RATE OR HEAD)	(FRESH OR SALTY)
1,720	1,730	NO FLOW	NOT KNOWN

Formation tops: (Top to Bottom)

1	2	3
4	5	6
7	8	9
10	11	12

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

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

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 1/6/2009

(5/2000)