

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0337
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA Agreement, Name and No. Chapita Wells Unit
3a. Address 1060 East Highway 40, Vernal UT 84078		8. Lease Name and Well No. Chapita Wells Unit 1050-18
3b. Phone No. (include area code) 435-781-9111		9. API Well No. 43047-39583
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2172 FSL & 469 FEL 40.034711 Lat 109.361922 Lon NESE At proposed prod. zone Same 639828K 44320934 40.034772 -109.361149		10. Field and Pool, or Exploratory Natural Buttes/Mesaverde
14. Distance in miles and direction from nearest town or post office* 52.0 Miles South of Vernal, UT		11. Sec., T. R. M. or Blk. and Survey or Area Section 18, T9S, R23E S.L.B.&M
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 469	16. No. of acres in lease 2344	12. County or Parish Uintah
17. Spacing Unit dedicated to this well Suspended	13. State UT	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3960	19. Proposed Depth 9275	20. BLM/BIA Bond No. on file NM 2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4922' GL	22. Approximate date work will start*	23. Estimated duration 45 Days

24. Attachments

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

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

25. Signature 	Name (Printed Typed) Kaylene R. Gardner	Date 08/20/2007
Title Lead Regulatory Assistant		
Approved by Signature 	Name (Printed Typed) BRADLEY G. HILL	Date 08-27-07
Title Officer	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.

(Continued on page 2)

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

RECEIVED
AUG 22 2007
DIV. OF OIL, GAS & MINING

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

EOG RESOURCES, INC.

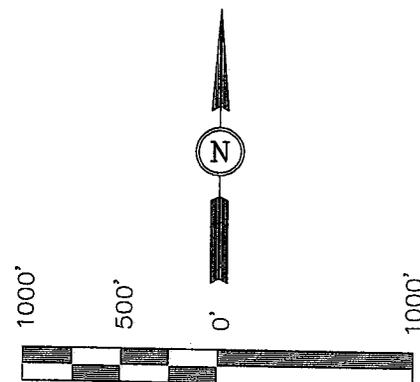
Well location, CWU #1050-18, located as shown in the NE 1/4 SE 1/4 of Section 18, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 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.



SCALE

CERTIFICATE

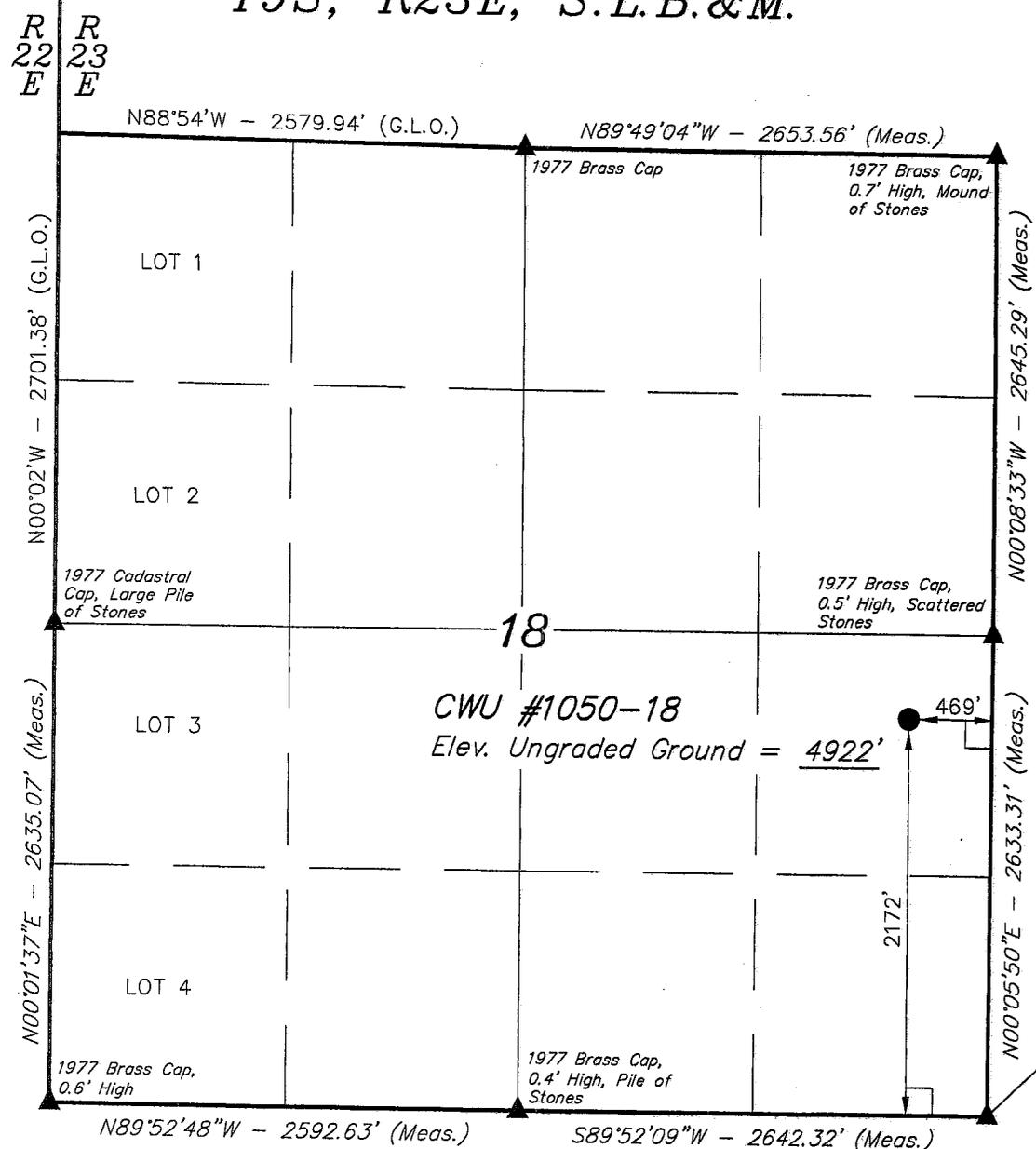
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Robert A. Hay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

1977 Brass Cap,
 0.4' Above 1.5'
 High Pile of Stones

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

SCALE 1" = 1000'	DATE SURVEYED: 03-31-05	DATE DRAWN: 04-05-05
PARTY J.F. B.C. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	



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

(NAD 83)
 LATITUDE = 40°02'04.96" (40.034711)
 LONGITUDE = 109°21'42.92" (109.361922)
 (NAD 27)
 LATITUDE = 40°02'05.08" (40.034744)
 LONGITUDE = 109°21'40.47" (109.361242)

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1050-18
NE/SE, SEC. 18, 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	1,615		Shale	
Wasatch	4,695		Sandstone	
North Horn	6,653	Secondary	Sandstone	Gas
Island	6,962		Sandstone	
KMV Price River	7,165	Primary	Sandstone	Gas
KMV Price River Middle	7,801	Primary	Sandstone	Gas
KMV Price River Lower	8,602	Primary	Sandstone	Gas
Sego	9,073		Sandstone	
TD	9,320			

Estimated TD: **9,275' or 200'± below Sego top**

Anticipated BHP: 5,065 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 ¾"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

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

All casing will be new or inspected.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1050-18
NE/SE, SEC. 18, 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.

7. VARIANCE REQUESTS:

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

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1050-18
NE/SE, SEC. 18, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

8. EVALUATION PROGRAM:

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

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

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

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

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

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

Production Hole Procedure (2300'± - TD)

Lead: 138 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 893 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

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

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1050-18
NE/SE, SEC. 18, T9S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

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

11. STANDARD REQUIRED EQUIPMENT:

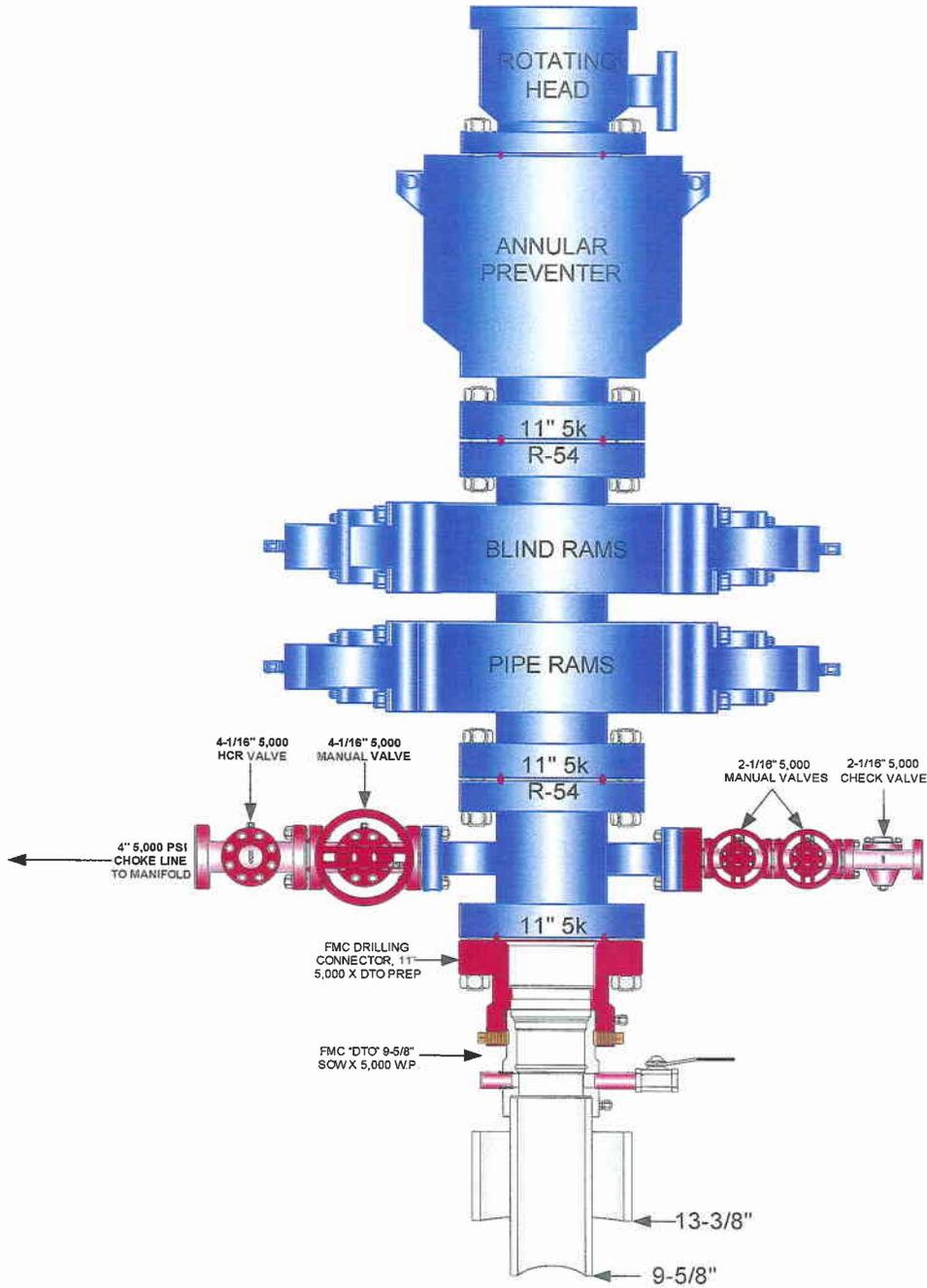
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

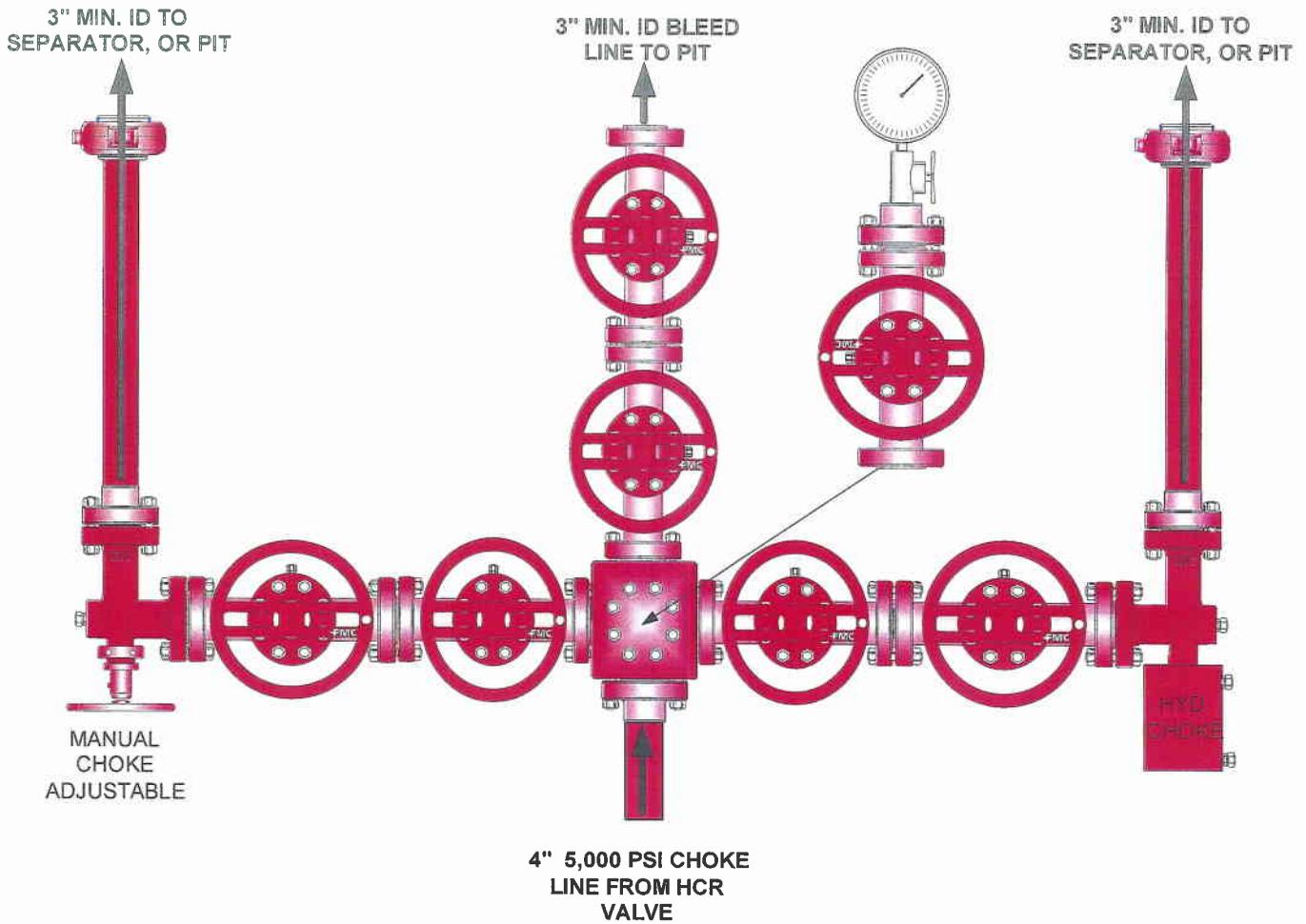
No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold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

(Attachment: BOP Schematic Diagram)

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



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



Testing Procedure:

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



***Chapita Wells Unit 1050-18
NESE, Section 18, T9S, R23E
Uintah County, Utah***

SURFACE USE PLAN

EOG Resources, Inc., hereby applies under Section 28 of the Act of February 25, 1920 (41 state. 449), (30 U.S.C. Section 185) as amended by the Act of November 16, 1973, (87 Stat. 576) and requests that this APD serve as the construction, operations and maintenance plan for the right-of-way application for the pipeline on federal lands. A 30-year right-of-way term is requested.

The requested permanent pipeline right-of-way on Federal acreage necessary is approximately 900' x 40', the requests temporary pipeline right-of-way on Federal acreage necessary is approximately 900' x 20', for a period not to exceed 30 days, located within Federal Lease # UTU-72634 containing 0.81 acres more or less (see attached survey plats and maps).

The request road right-of-way on Federal acreage necessary is approximately 790' x 40', located within Federal Lease #UTU-72634 containing 0.73 acre more or less (see attached survey plats and maps).

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 1584 feet long with a 40-foot right-of-way, disturbing approximately 1.45 acres. New surface disturbance associated with access road and the well pad is estimated to be approximately 3.29 acres. The pipeline is approximately 2058 feet long with a 40-foot right-of-way, disturbing approximately 1.89 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 52.0 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 1584 in length, Culverts shall be installed as necessary. 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 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, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and

production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

EOG requests a 790-foot road right-of-way, for the portion of the access road located within Section 17, T9S, R23E Federal Lease # UTU-72634.

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 2058 x 40'. The proposed pipeline leaves the northern edge of the well pad (Lease U-0337) proceeding in a southerly direction for an approximate distance of 1129' to Section 18, T9S, R23E (Lease UTU-72634) proceeding for an approximate distance of 790' tying into an existing pipeline in the SWSW of Section 17, T9S, R22E (Lease UTU-72634) Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.
4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface
5. Proposed pipeline will be laid on surface.
6. A 20-foot permanent pipeline right-of-way is requested. A 40-foot temporary pipeline right-of-way for construction purposes is requested, the temporary right-of-way will be utilized for a 10-day period.
7. The proposed pipeline route begins in the NESE of section 18, township 9S, range 23E, proceeding southerly for an approximate distance of 2058' to the SWSW of section 17, 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.** 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 by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 16-millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) 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 south corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil west of corner #5. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protect of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the south.

The location shall be ditched from corner 5 to corner 6 diverting runoff water around the location.

FENCING REQUIREMENTS:

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

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

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

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

in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Interim Reclamation (Producing Location)

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

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

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

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

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

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

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

B. Dry Hole/Abandoned Location

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

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

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

11. SURFACE OWNERSHIP:

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

Bureau of Land Management

12. OTHER INFORMATION:

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

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

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

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

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

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

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

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants on May 20, 2005, report # MOAC 05-157. A paleontological survey was conducted and submitted by Intermountain Paleo on June 28, 2005, report # MOAC #05-170.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

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

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

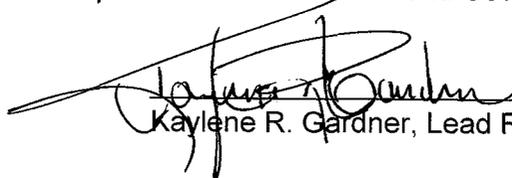
The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

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 Chapita Wells Unit 1050-18 Well, located in the NESE, of Section 18, 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.

August 20, 2007 _____
Date



Kaylene R. Gardner, Lead Regulatory Assistant

EOG RESOURCES, INC.

CWU #1050-18

MAY 23 2005

LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T9S, R23E, S.L.B.&M.

DATE _____
INITIAL LM

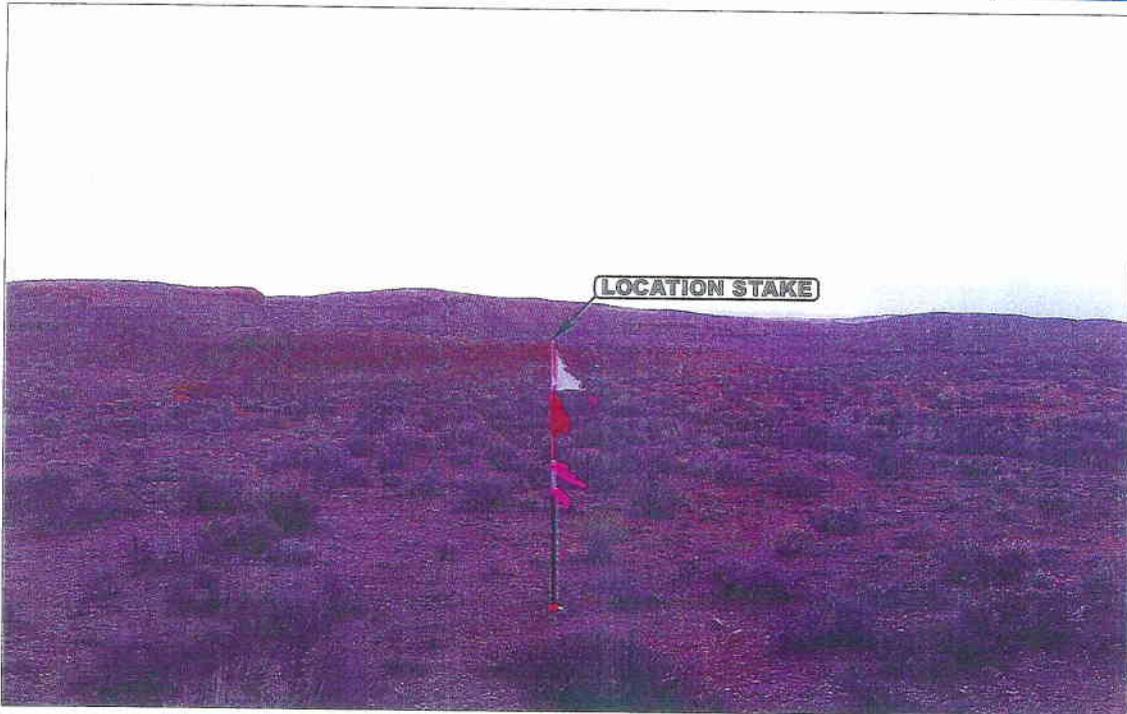


PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

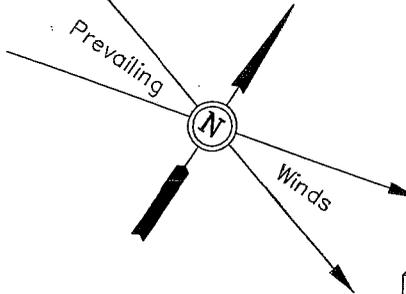
- Since 1964 -

LOCATION PHOTOS			03	31	05	PHOTO
MONTH	DAY	YEAR				
TAKEN BY: J.F.	DRAWN BY: L.K.	REVISED: 00-00-00				

EOG RESOURCES, INC.

FIGURE #1

LOCATION LAYOUT FOR
 CWU #1050-18
 SECTION 18, T9S, R23E, S.L.B.&M.
 2172' FSL 469' FEL



Approx. Toe of Fill Slope

F-4.5'
 El. 18.8'

Sta. 3+25

SCALE: 1" = 50'
 DATE: 04-05-05
 Drawn By: P.M.

C-1.7'
 El. 25.0'

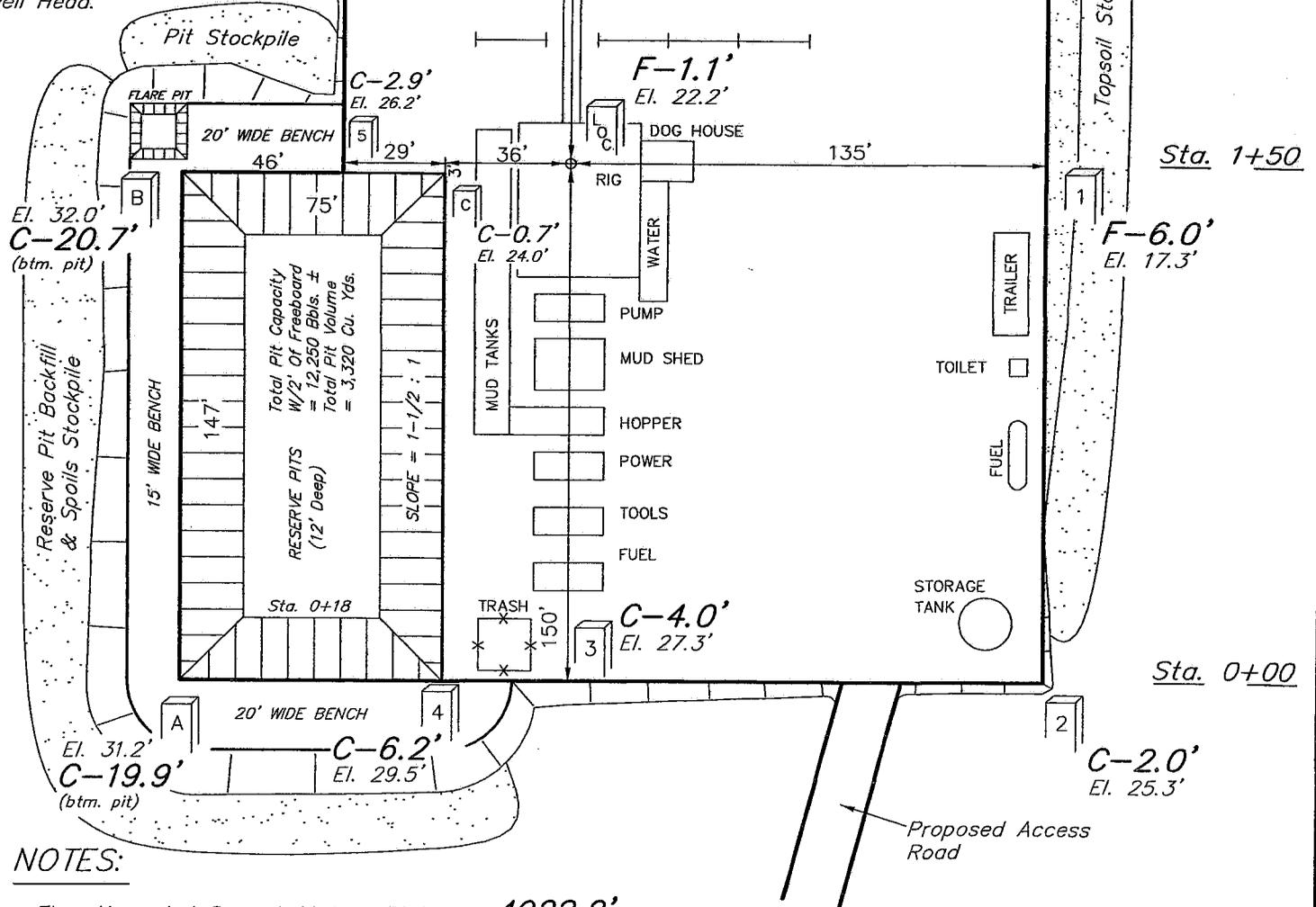
F-1.8'
 El. 21.5'

NOTE:
 Earthwork Calculations Require a Fill of 1.1' @ the Location. Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.

Approx. Top of Cut Slope

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4922.2'

FINISHED GRADE ELEV. AT LOC. STAKE = 4923.3'

EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

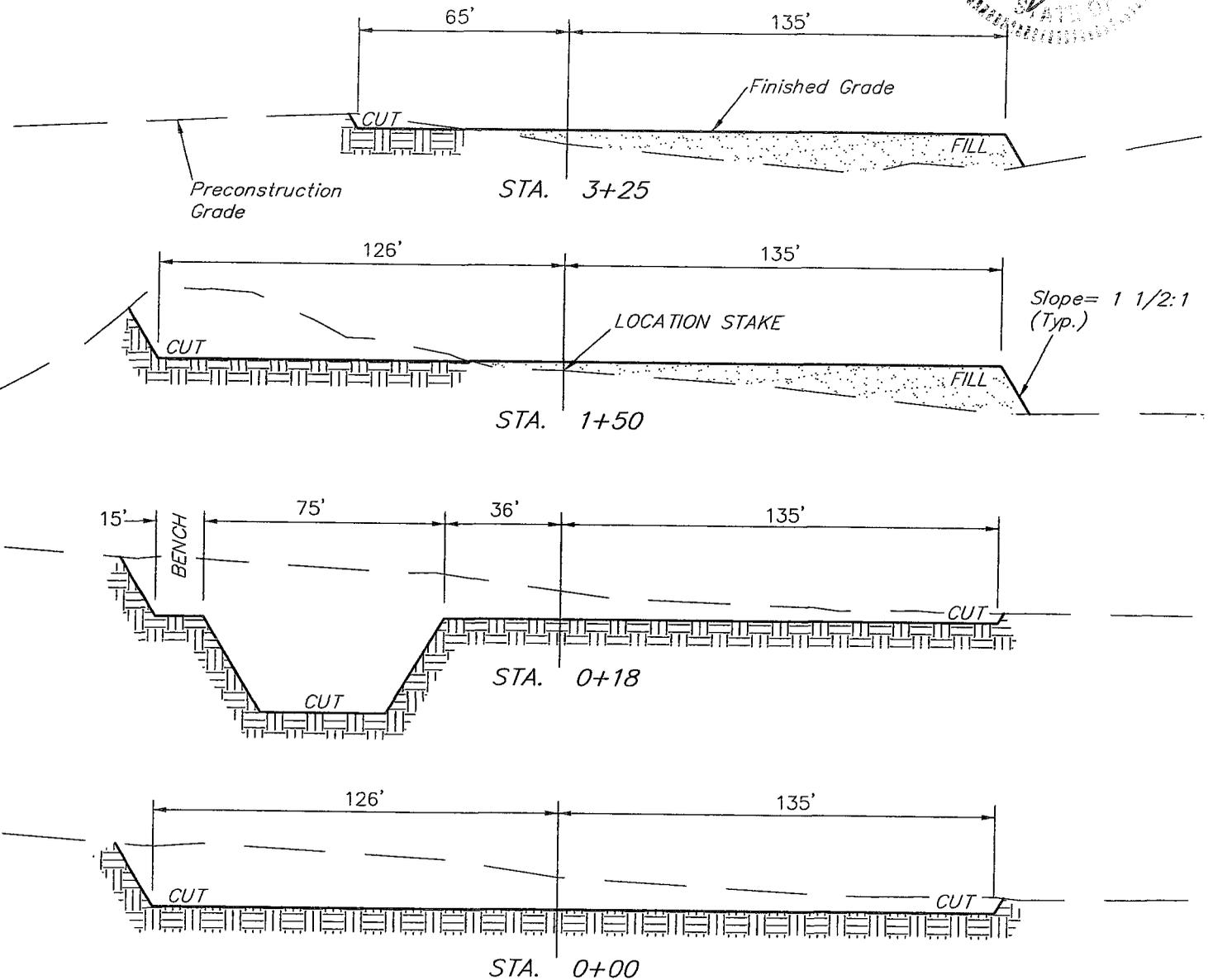
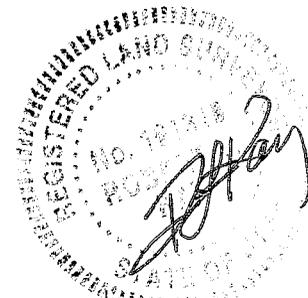
CWU #1050-18

SECTION 18, T9S, R23E, S.L.B.&M.

2172' FSL 469' FEL

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

DATE: 04-05-05
Drawn By: P.M.

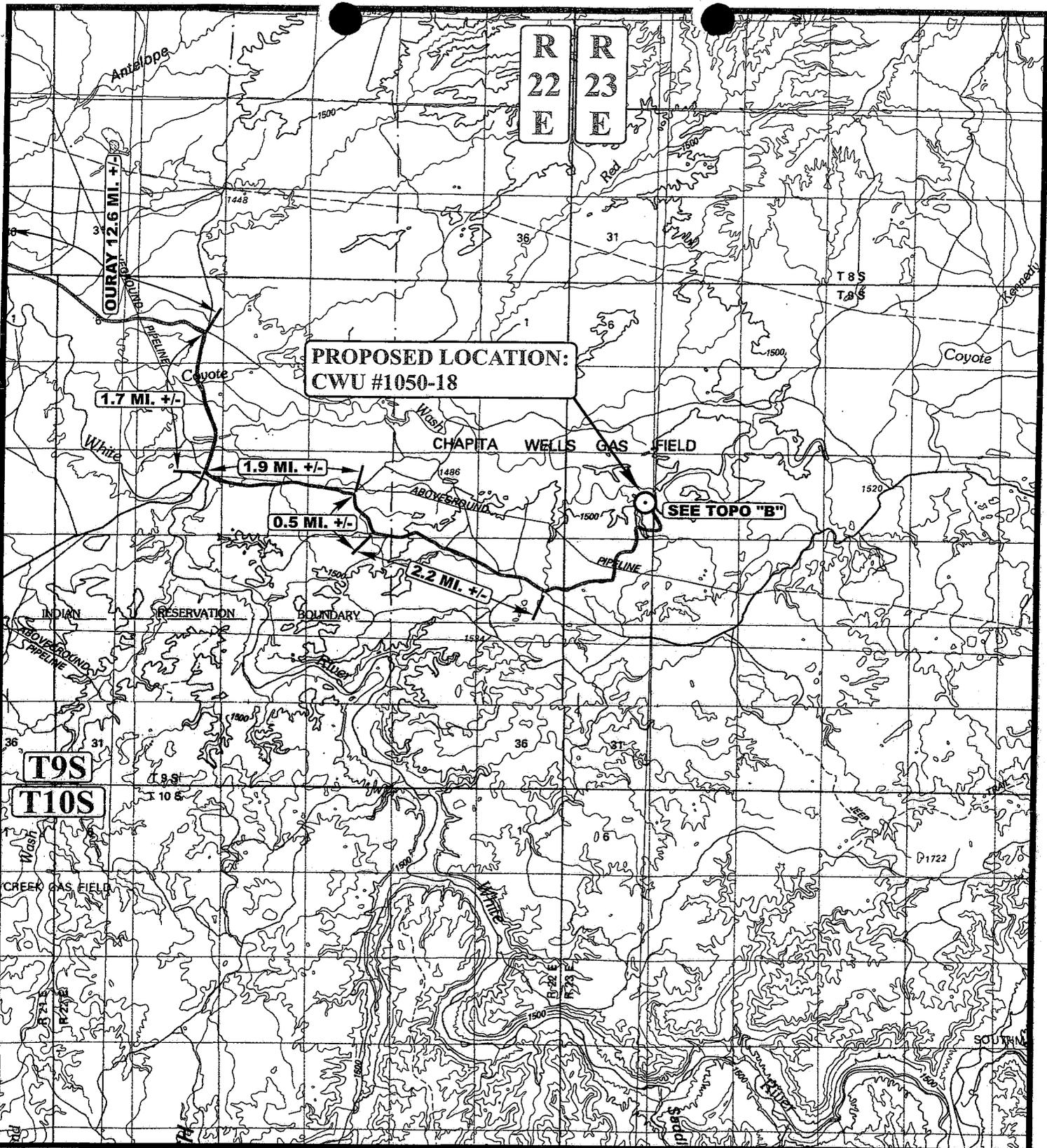


* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,620 Cu. Yds.
Remaining Location	= 7,990 Cu. Yds.
TOTAL CUT	= 9,610 CU.YDS.
FILL	= 6,330 CU.YDS.

EXCESS MATERIAL	= 3,280 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,280 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
CWU #1050-18**

**R
22
E**

**R
23
E**

T9S

T10S

LEGEND:

⊙ PROPOSED LOCATION

EOG RESOURCES, INC.

CWU #1050-18
SECTION 18, T9S, R23E, S.L.B.&M.
2172' FSL 469' FEL



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



TOPOGRAPHIC **03** **31** **05**
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00



T9S

**PROPOSED LOCATION:
CWU #1050-18**

PROPOSED ACCESS 0.3 MI. +/-

300' +/-

0.6 MI. +/-

0.5 MI. +/-

0.7 MI. +/-

OURAY 18.7 MI. +/-

R
22
E

R
23
E

LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD



EOG RESOURCES, INC.

**CWU #1050-18
SECTION 18, T9S, R23E, S.L.B.&M.
2172' FSL 469' FEL**



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

TOPOGRAPHIC MAP
03 31 05
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



T9S

PROPOSED LOCATION:
CWU #1050-18

R
22
E
R
23
E

LEGEND:

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

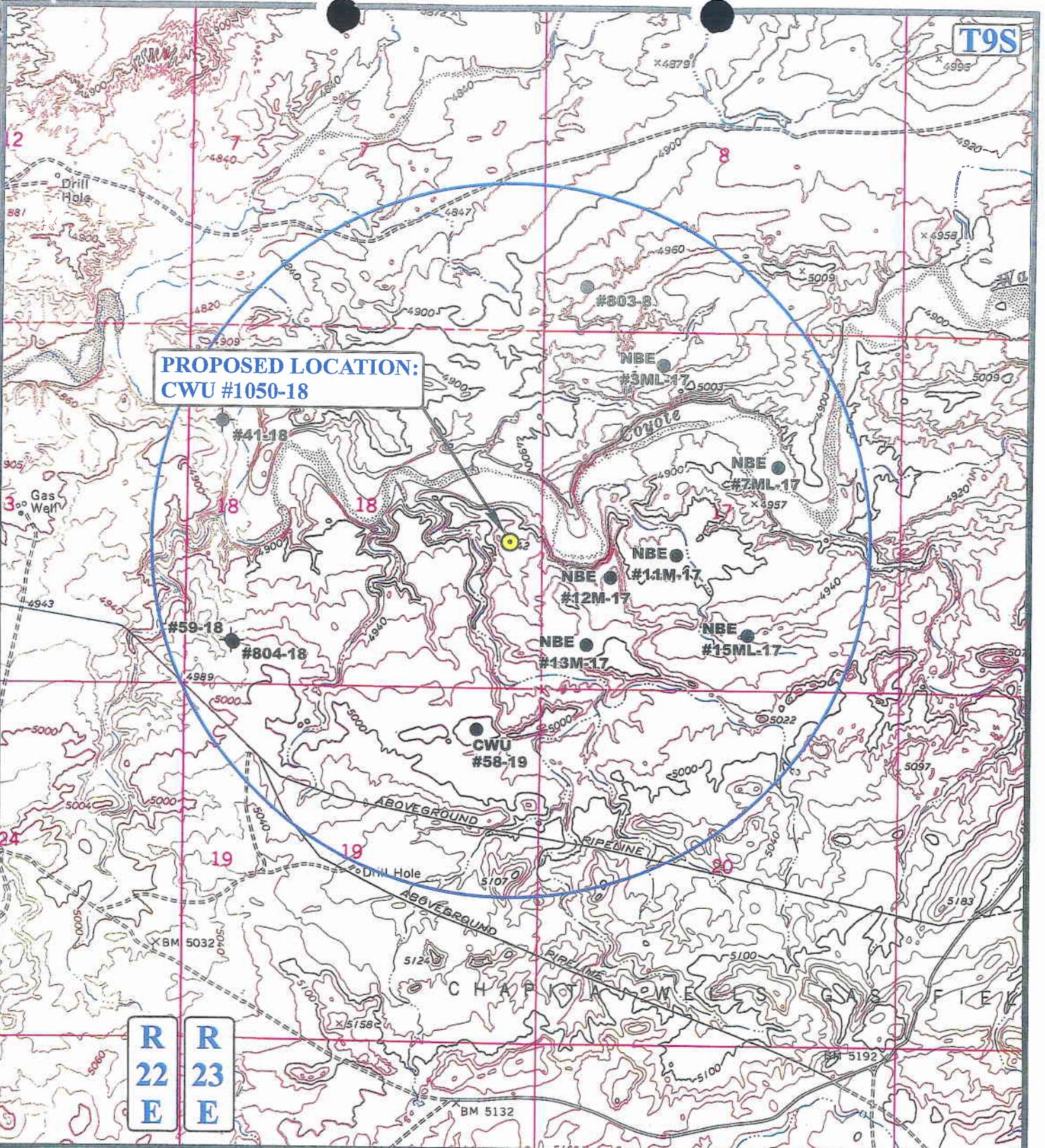
EOG RESOURCES, INC.

CWU #1050-18
SECTION 18, T9S, R23E, S.L.B.&M.
2172' FSL 469' FEL

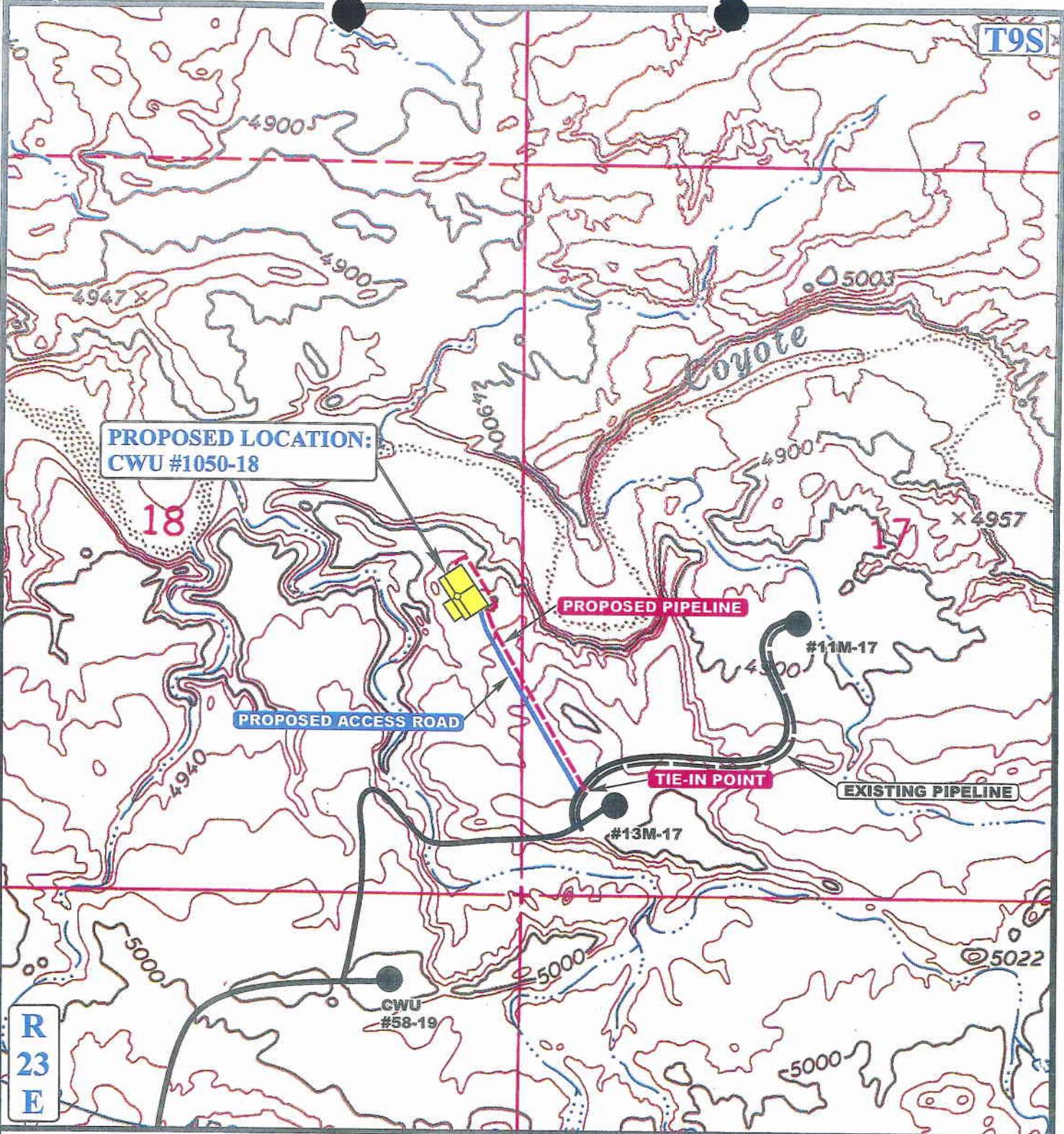
U&L S
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **03 31 05**
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

C
TOPO



T9S



APPROXIMATE TOTAL PIPELINE DISTANCE = 2058' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

EOG RESOURCES, INC.

CWU #1050-18
 SECTION 18, T9S, R23E, S.L.B.&M.
 2172' FSL 469' FEL



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

TOPOGRAPHIC MAP **03 31 05**
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/22/2007

API NO. ASSIGNED: 43-047-39583

WELL NAME: CWU 1050-18
 OPERATOR: EOG RESOURCES INC (N9550)
 CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:

NESE 18 090S 230E
 SURFACE: 2172 FSL 0469 FEL
 BOTTOM: 2172 FSL 0469 FEL
 COUNTY: UINTAH
 LATITUDE: 40.03477 LONGITUDE: -109.3612
 UTM SURF EASTINGS: 639828 NORTHINGS: 4432693
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-0337
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

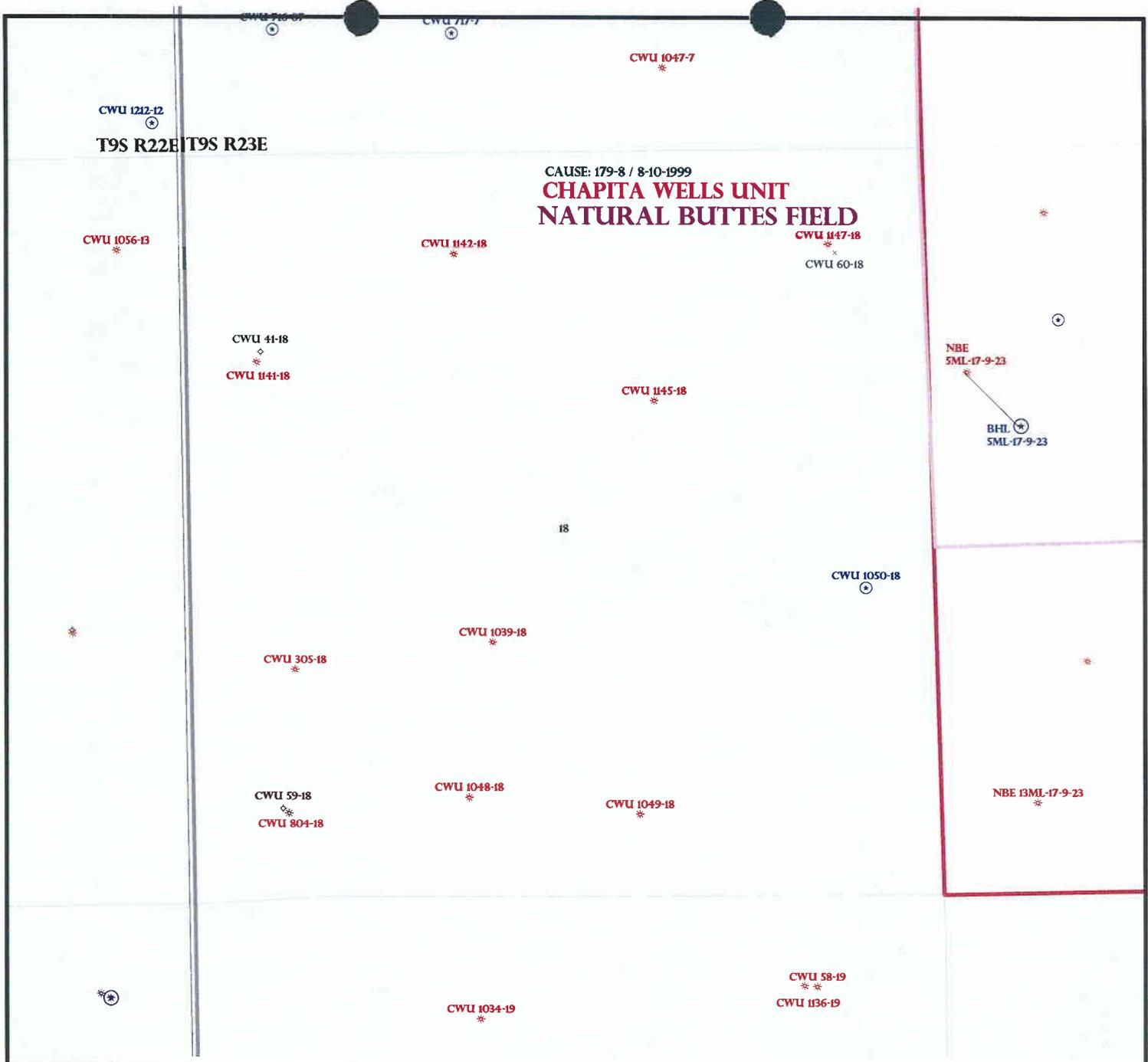
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM2308)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-225)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1. Seismic Approval



OPERATOR: EOG RESOURCES INC (N2995)
 SEC: 18 T.9S R. 23E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
 CAUSE: 179-8 / 8-10-1999



Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

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



PREPARED BY: DIANA MASON
 DATE: 27-AUGUST-2007



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

August 27, 2007

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

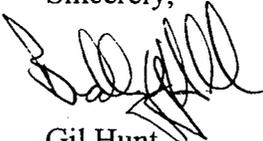
Re: Chapita Wells Unit 1050-18 Well, 2172' FSL, 469' FEL, NE SE, Sec. 18, T. 9 South,
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39583.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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



Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 1050-18

API Number: 43-047-39583

Lease: U-0337

Location: NE SE Sec. 18 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.

RECEIVED
VERNAL FIELD OFFICE
AUG 21 PM 1:01
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0337	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA Agreement, Name and No. Chapita Wells Unit	
3a. Address 1060 East Highway 40, Vernal UT 84078		8. Lease Name and Well No. Chapita Wells Unit 1050-18	
3b. Phone No. (include area code) 435-781-9111		9. API Well No. 43 047 39583	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2172 FSL & 469 FEL 40.034711 Lat 109.361922 Lon NESE At proposed prod. zone Same		10. Field and Pool, or Exploratory Natural Buttes/Mesaverde	
14. Distance in miles and direction from nearest town or post office* 52.0 Miles South of Vernal, UT		11. Sec., T. R. M. or Blk. and Survey or Area Section 18, T9S, R23E S.L.B.&M	12. County or Parish Uintah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 469	16. No. of acres in lease 2344	17. Spacing Unit dedicated to this well Suspended	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3960	19. Proposed Depth 9275	20. BLM/BIA Bond No. on file NM 2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4922' GL	22. Approximate date work will start*	23. Estimated duration 45 Days	

24. Attachments

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

- | | |
|---|---|
| <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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) Kaylene R. Gardner	Date 08/20/2007
Title Lead Regulatory Assistant		

Approved by (Signature) 	Name (Printed Typed) Jerry Kenczka	Date 4-23-2008
Title Assistant Field Manager		
VERNAL FIELD OFFICE		

Application approval does not constitute a warranty 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.

(Continued on page 2)

*(Instructions on page 2)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

APR 25 2008

DIV. OF OIL, GAS & MINING

*2008 5/19/05
07BM 2684A*



**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: E.O.G. Resources Inc.
Well No: CWU 1050-18
API No: 43-047-39583

Location: NESE, Sec. 18, T9S, R23E
Lease No: UTU-0337
Agreement: Chapita Wells Unit

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:		(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7482
NRS/Enviro Scientist:		(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
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)***

- 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.
- Bury pipeline at all low water crossings.
- Permission from an authorized BLM representative would be required if construction or other operations occur during wet conditions that would lead to excessive rutting.
- Permission to clear all wildlife stipulations would only be approved by the BLM wildlife biologist during the specific timing for the species potentially affected by this action.
- Culverts and gravel may be installed as needed.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- 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.
- At the 9 5/8" casing shoe, a casing shoe formation integrity test shall be performed after drilling 20 feet or less, past the casing shoe.

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.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- 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.
- While actively drilling, 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: CWU 1050-18

Api No: 43-047-39583 Lease Type: FEDERAL

Section 18 Township 09S Range 23E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

SPUDDED:

Date 07/07/08

Time 1:30 PM

How DRY

Drilling will Commence: _____

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 07/08//08 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39583	Chapita Wells Unit 1050-18		NESE	18	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	16962	7/7/2008		7/15/08		
Comments: <u>Mesaverde well</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37609	Chapita Wells Unit 1089-22		SENE	22	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	13650	7/7/2008		7/15/08		
Comments: <u>Mesaverde well</u> <u>PRRV = MVRD</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39282	East Chapita 66-05		NWSE	5	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16963	7/10/2008		7/15/08		
Comments: <u>Wasatch/Mesaverde well</u>							

ACTION CODES:

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

Mary A. Maestas

Name (Please Print)

Mary A. Maestas

Signature

Regulatory Assistant

7/14/2008

Title

Date

RECEIVED

JUL 14 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

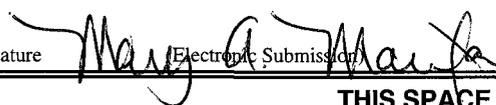
SUBMIT IN TRIPLICATE - Other instructions on reverse side.		5. Lease Serial No. UTU0337
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC. Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com		7. If Unit or CA/Agreement, Name and/or No. CHAPITA WELLS UNI
3a. Address 600 17TH ST. SUITE 1000N DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-824-5526	8. Well Name and No. CHAPITA WELLS UNIT 1050-18
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T9S R23E NESE 2172FSL 469FEL 40.03471 N Lat, 109.36192 W Lon		9. API Well No. 43-047-39583
		10. Field and Pool, or Exploratory NATURAL BUTTES/MESAVERDE
		11. County or Parish, and State UINTAH COUNTY, UT

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

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

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

The referenced well spud on 7/7/2008.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #61340 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 07/10/2008

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 14 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU0337

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

8. Well Name and No.
CHAPITA WELLS UNIT 1050-18

9. API Well No.
43-047-39583

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T9S R23E NESE 2172FSL 469FEL
40.03471 N Lat, 109.36192 W Lon

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplection 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 11/5/2008. 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 #64579 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal

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

Signature *Mary A. Maestas* (Electronic Submission) Date 11/10/2008

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.

RECEIVED

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

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 11-10-2008

Well Name	CWU 1050-18	Well Type	DEVG	Division	DENVER
Field	CHAPITA DEEP	API #	43-047-39583	Well Class	1SA
County, State	UINTAH, UT	Spud Date	07-22-2008	Class Date	11-05-2008
Tax Credit	N	TVD / MD	9,275/ 9,275	Property #	056890
Water Depth	0	Last CSG	0.0	Shoe TVD / MD	7,777/ 7,777
KB / GL Elev	4,939/ 4,923				
Location	Section 18, T9S, R23E, NESE, 2172 FSL & 469 FEL				

Event No	1.0	Description	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	WI %	50.0	NRI %	43.5

AFE No	303420	AFE Total	1,755,000	DHC / CWC	880,700/ 874,300
Rig Contr	TRUE	Rig Name	TRUE #31	Start Date	09-10-2007
		Release Date	07-31-2008		
09-10-2007	Reported By	SHARON CAUDILL			
Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$0	Completion	\$0	Well Total	\$0
MD	0	TVD	0	Progress	0
		Days	0	MW	0.0
		Visc	0.0		
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: LOCATION DATA

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

06:00	06:00	24.0	LOCATION DATA
			2172' FSL & 469' FEL (NE/SE)
			SECTION 18, T9S, R23E
			UINTAH COUNTY, UTAH

LAT 40.034711, LONG 109.361922 (NAD 83)
LAT 40.034744, LONG 109.361242 (NAD 27)

TRUE #31
OBJECTIVE: 9275' TD, MESAVERDE
DW/GAS
CHAPITA WELLS DEEP PROSPECT
DD&A FIELD: CHAPITA DEEP
NATURAL BUTTES FIELD

LEASE: U-0337
ELEVATION: 4922.2' NAT GL, 4923.3' PREP GL (DUE TO ROUNDING THE PREP GL 4923'), 9439' KB (16')

EOG WI 50%, NRI 43.50%

07-01-2008	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	START CONSTRUCTION OF LOCATION.

07-02-2008 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	ROCKED OUT AND DRILLING ROCK.

07-03-2008 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	SHOT YESTERDAY. PUSHING ON PIT.

07-07-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

07-08-2008 Reported By TERRY CSERE/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: BUILD LOCATION/WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY. CRAIGS ROUSTABOUT SERVICE SPUD A 26" HOLE ON 07/07/08 @ 1:30 PM. SET 60' OF 16" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 07/07/08 @ 1:30 PM.

07-09-2008 Reported By TERRY CSERE/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 : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WO AIR RIG

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

07-10-2008 Reported By LES FARNSWORTH

DailyCosts: Drilling \$55,215 Completion \$0 Daily Total \$55,215
 Cum Costs: Drilling \$93,215 Completion \$0 Well Total \$93,215
 MD 800 TVD 800 Progress 0 Days 0 MW 0.0 Visc 0.0
 Formation : PBT D : 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 #2 ON 7/11/2008. DRILLED 12-1/4" HOLE TO 800 GL. ENCOUNTERED NO WATER. RDMO CRAIG AIR RIG.

TRUE 31 WILL FINISH DRILLING 12 1/4" HOLE AND RUN CASING.

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

NO SURVEY AT THIS TIME.

07-22-2008 Reported By PAT CLARK

DailyCosts: Drilling \$28,805 Completion \$1,354 Daily Total \$30,159
 Cum Costs: Drilling \$122,020 Completion \$1,354 Well Total \$123,374
 MD 800 TVD 800 Progress 0 Days 0 MW 8.5 Visc 26.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU BHA

Start	End	Hrs	Activity Description
06:00	03:00	21.0	RURT. 5 MEN, 31 HOURS. WESTROC MOVED RIG 10 MILES WITH 11 TRUCKS, 2 FORKLIFTS, 1 CRANE. TRUCKS AND CRANE RELEASED @ 19:00. TRANSFER 9 JTS 4 1/2", 11.6#, N-80, LTC CSG AND 4 MJ TO CWU 1050-18. TRABSFER 2000 GALS FUEL @ \$4.42/GAL TO CWU 1050-18.
03:00	04:00	1.0	NU. RIG ON DAYWORK @ 03:00 HRS, 7/21/08.
04:00	06:00	2.0	HSM. R/U KIMZEY CASERS, PU/LD BHA & TOOLS. ETA SPUD - 08:00. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS - MOVING RIG, P/U BHA. FUEL - 1800 GALS, USED - 200 GALS.

07-23-2008 Reported By PAT CLARK

DailyCosts: Drilling \$76,140 Completion \$1,354 Daily Total \$77,494
 Cum Costs: Drilling \$198,160 Completion \$2,708 Well Total \$200,868

MD 2,507 TVD 2,507 Progress 1,707 Days 1 MW 8.5 Visc 26.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: CIRCULATE & CONDITION FOR SHORT TRIP

Start	End	Hrs	Activity Description
06:00	08:00	2.0	PU BHA & TOOLS.TAG @ 800'. R/D KIMZEY L/D MACHINE.
08:00	15:30	7.5	DRILL 800' - 1487'. WOB 17K, RPM 60/115, SPP 1550 PSI, DP 400 PSI, ROP 92 FPH.
15:30	16:00	0.5	RIG SERVICE. CHECK COM.
16:00	23:30	7.5	DRILL 1487' - 2075'. SAME PARAMETERS, ROP 78 FPH.
23:30	00:00	0.5	SURVEY @ 2000' - 0 DEG.
00:00	04:30	4.5	DRILL 2075' - 2507' TD. SAME PARAMETERS, ROP 96 FPH. REACHED TD AT 00:00 HRS, 7/23/08.
04:30	06:00	1.5	CIRCULATE AND CONDITION FOR SHORT TRIP.

FULL CREWS, NO ACCIDENTS.
 SAFETY MEETINGS - P/U BHA, CABLE INSPECTION.
 FUEL - 5100 GALS, DEL - 4500 GALS, USED - 1200 GALS.

06:00 06:00 24.0 SPUD 12 1/4" HOLE @ 08:00 HRS, 7/22/08.

07-24-2008 Reported By PAT CLARK/ROBERT DYSART

Daily Costs: Drilling \$44,705 Completion \$0 Daily Total \$44,705
 Cum Costs: Drilling \$242,865 Completion \$2,708 Well Total \$245,573

MD 2,507 TVD 2,507 Progress 0 Days 2 MW 8.6 Visc 26.0
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RUNNING SURFACE CSG

Start	End	Hrs	Activity Description
06:00	07:30	1.5	WIPER TRIP.
07:30	08:30	1.0	CIRC AND COND F/LOGS.
08:30	10:00	1.5	TOH F/LOGS.
10:00	13:00	3.0	S/M W/SCHLUMBERGER. R/U TO RUN TRIPLE COMBO. WAIT ON TELEMETRY CARTRIDGE
13:00	16:00	3.0	RIH SCHLUMBERGER, RIH WIRELINE TO 2507' LOG UP FROM 2507' G/R, NEUTRON DENSITY & INDUCTION LOG. LAY DOWN TOOLS
16:00	18:00	2.0	WAIT ON WIRELINE TOOLS
18:00	21:30	3.5	RIH SCHLUMBERGER, RIH WIRELINE TO 2507' LOG UP FROM 2507' G/R, NEUTRON DENSITY & LATERAL LOG. LAY DOWN TOOLS
21:30	22:00	0.5	RIG DOWN SCHLUMBERGER
22:00	23:30	1.5	MAKE UP 12 1/4" MILL TOOTH BIT, TRIP IN HOLE TO 2507'
23:30	00:00	0.5	CIRCULATE HOLE @ 2507', PUMP HI-VIS SWEEP AROUND.
00:00	02:00	2.0	TRIP OUT OF HOLE FROM 2507' FOR 9 5/8" SURFACE CASING. LAY DOWN 8" D.C.'S
02:00	06:00	4.0	HOLD PRE-JOB SAFETY MTG. RIG UP WEATHERFORD LAY DOWN/CSG. CREWS, RUN 9 5/8" SURFACE CASING.

FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED
 SAFETY MEETINGS - LOGGING, RUNNING CASING
 FUEL - 4258 GALS, USED - 842 GALS.

07-25-2008 Reported By ROBERT DYSART

DailyCosts: Drilling \$225,832 Completion \$0 Daily Total \$225,832

Cum Costs: Drilling \$468,697 Completion \$2,708 Well Total \$471,405

MD 2,507 TVD 2,507 Progress 0 Days 3 MW 0.0 Visc 0.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING SHOE TRACK

Start	End	Hrs	Activity Description
06:00	07:30	1.5	RUN 9 5/8" INTERMEDIATE CASING AS FOLLOWS: GUIDE SHOE LANDED @ 2503' 1 JT, FLOAT COLLAR @ 2456' 57 JT'S CASING FOR A TOTAL OF 58 JT'S. THREAD LOCK GUIDE SHOE, 1ST JT, FLOAT COLLAR & 2ND JT. CENTRALIZE EVERY OTHER JT. TO 1650' TOTAL OF #8 CENTRALIZERS. RIG DOWN CASING EQUIP.
07:30	08:00	0.5	CIRC. CASING VOLUME, RIG UP CEMENTERS, HOLD PRE-JOB SAFETY MTG.
08:00	09:00	1.0	PRESSURE TEST LINES TO 3000 PSI, PUMP 20 BBL CHEM WASH, 20 BBL H2O. MIX & PUMP 191 BBL(275 SKS) 11.0 PPG LEAD, YIELD 3.91, MIX WATER 24.97 GAL/SK. MIX & PUMP 48.5 BBL (235 SKS) 15.8 PPG TAIL. YIELD 1.16, MIX WATER 5.1 GAL/SK. DISPLACE WITH 189 BBL H2O 6 BPM 300 PSI. LOST RETURNS 140 BBL INTO DISP. 10 BBL CHEM WASH TO SURFACE. BUMPED PLUG WITH 1300 PSI. BLEED OFF PRESSURE FLOATS HELD.
09:00	11:00	2.0	WAIT ON CEMENT, MAKE UP 100' OF 1" TOP OFF LINE
11:00	12:00	1.0	TOP JOB #1 TO SURFACE, MIX & PUMP 144 SKS (29.5 BBL) 15.8 PPG CEMENT
12:00	13:30	1.5	WAIT ON CEMENT, DROPPED TO 30' BGL.
13:30	14:00	0.5	TOP UP TO GROUND LEVEL, MIX & PUMP 17 SKS (3.5 BBL) 15.8 PPG CEMENT. CEMENT STATIC. RIG DOWN CEMENTERS
14:00	16:30	2.5	CUT OFF RISER & 9 5/8" STICK UP, INSTALL, WELD & TEST DTO HEAD.
16:30	20:00	3.5	NIPPLE UP BOPE
20:00	01:30	5.5	TEST BOPE AS PER PROGRAM. NOTIFIED BLM REP. JAIME SPARGER VERNAL OFFICE ON 07/22/08 @ 09:00 HRS FOR BOP TEST. INSIDE BOP, SAFETY VALVE, UPPER KELLY COCK 250/5000 PSI 5/10 MIN. HCR, CHOKE LINE, KILL LINE, 250/5000 PSI 5/10 MIN. CHOKE MANIFOLD, 250/5000 PSI 5/10 MIN. PIPE RAMS, BLIND RAMS, 250/5000 PSI 5/10 MIN. ANNULAR, 250/2500 PSI 5/10 MIN. TEST 9 5/8" CASING TO 1500 PSI 30 MIN. INSTALL WEAR BUSHING.
01:30	03:00	1.5	MAKE UP BIT #1, TRIP IN HOLE TO TOP OF CEMENT 2400'
03:00	04:00	1.0	SLIP & CUT DRILL LINE
04:00	06:00	2.0	DRILL CEMENT/FLOAT EQUIP. 2400' TO 2503' (SHOE DEPTH)

FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED
CHECK COM, SAFETY MEETINGS - CEMENTING, BOP TEST
FUEL - 3820 GALS, USED - 438 GALS.

07-26-2008 Reported By ROBERT DYSART

DailyCosts: Drilling \$29,102 Completion \$0 Daily Total \$29,102

Cum Costs: Drilling \$497,800 Completion \$2,708 Well Total \$500,508

MD 4,935 TVD 4,935 Progress 2,428 Days 4 MW 8.4 Visc 28.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING @ 4935'

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL ROTATE 2507' TO 2520'
06:30	07:00	0.5	SPOT HI-VIS PILL ON BOTTOM, CONDUCT FIT TO 250 PSI, 10.5 EMW
07:00	07:30	0.5	SURVEY @ 2500' 1 DEG.
07:30	15:00	7.5	DRILL ROTATE 2520' TO 3552 (1032') ROP 137 WOB 14/16K, RPM 60 + 67, GPM 420, PSI 1600/1800
15:00	15:30	0.5	SURVEY @ 3500' 2 DEG.
15:30	06:00	14.5	DRILL ROTATE 3552' TO 4935' (1383') ROP 95 WOB 14/16K, RPM 60 + 70, GPM 420, PSI 1200/1400 M/W 9.4, VIS 27 FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED CHECK COM, SAFETY MEETINGS - MIXING CHEMICALS, DRIVING BOP DRILL, 70 SEC. FUEL - 2450 GALS, USED - 1370 GALS.

06:00 18.0

07-27-2008 Reported By ROBERT DYSART

Daily Costs: Drilling	\$33,205	Completion	\$0	Daily Total	\$33,205
Cum Costs: Drilling	\$530,036	Completion	\$2,708	Well Total	\$532,744

MD	6,332	TVD	6,332	Progress	1,397	Days	5	MW	9.4	Visc	31.0
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Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: 6332' / TFNB#4

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL ROTATE 4935' TO 5556' (621') ROP 43 WOB 16/20K, RPM 40/60 + 70, GPM 430, PSI 1300/1500
14:30	15:00	0.5	SERVICE RIG
15:00	05:30	14.5	DRILL ROTATE 5556' TO 6332' (776') ROP 53 WOB 16/20K, RPM 40/60 + 70, GPM 430, PSI 1300/1700
05:30	06:00	0.5	DROP SURVEY, TRIP OUT OF HOLE FOR BIT #4 M/W 10.2, VIS 32 FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED CHECK COM, SAFETY MEETINGS - SAFETY KEEPERS ON PINS, FIRST DAY BACK FUEL - 1000 GALS, USED - 1450 GALS. UNMANNED LOGGER DAY 2

07-28-2008 Reported By ROBERT DYSART

Daily Costs: Drilling	\$63,279	Completion	\$0	Daily Total	\$63,279
Cum Costs: Drilling	\$593,316	Completion	\$2,708	Well Total	\$596,024

MD	7,442	TVD	7,442	Progress	1,110	Days	6	MW	9.8	Visc	33.0
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Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING @ 7442'

Start	End	Hrs	Activity Description
06:00	08:00	2.0	TRIP OUT OF HOLE TO SURFACE, LAY OUT MOTOR & BIT

08:00 10:30 2.5 MAKE UP BIT #4, NEW MOTOR, TRIP IN HOLE TO 6332'
 10:30 13:30 3.0 DRILL ROTATE 6332' TO 6495' (163') ROP 54
 WOB 18/20K, RPM 40/60 + 68, GPM 420, PSI 1300/1500
 13:30 14:00 0.5 SERVICE RIG
 14:00 06:00 16.0 DRILL ROTATE 6495' TO 7442' (947') ROP 59
 WOB 18/20K, RPM 40/60 + 68, GPM 420, PSI 1300/1500
 M/W 10.3, VIS 33
 FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED
 CHECK COM, SAFETY MEETINGS - PP&E X 2
 FUEL - 4000 GALS, USED 1414 GALS, RECEIVED 4414
 UNMANNED LOGGER DAY 3

07-29-2008	Reported By	ROBERT DYSART									
DailyCosts: Drilling	\$46,313	Completion	\$6,913	Daily Total	\$53,226						
Cum Costs: Drilling	\$639,630	Completion	\$9,621	Well Total	\$649,251						
MD	8,197	TVD	8,197	Progress	755	Days	7	MW	9.9	Visc	33.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: DRILLING @ 8197'

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL ROTATE 7442' TO 7851' (409') ROP 54 WOB 18/20K, RPM 40/60 + 68, GPM 420, PSI 1300/1500
13:30	14:00	0.5	SERVICE RIG
14:00	20:00	6.0	DRILL ROTATE 7851' TO 8023' (172') ROP 28 WOB 18/20K, RPM 40/60 + 68, GPM 420, PSI 1300/1500
20:00	22:30	2.5	TRIP OUT OF HOLE FROM 8023' FOR BIT #5, LAY DOWN MOTOR & BIT
22:30	01:30	3.0	MAKE UP BIT #5 & NEW MOTOR, TRIP IN HOLE TO 7975'
01:30	02:30	1.0	WASH/REAM 7975' TO 8023'
02:30	06:00	3.5	DRILL ROTATE 8023' TO 8197' (174') ROP 50 WOB 18/20K, RPM 50/60 + 70, GPM 420, PSI 1500/1800 M/W 10.4, VIS 34

FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED
 FUNCTION BLIND RAMS, CHECK COM, SAFETY MEETINGS - TEAMWORK & MUDPUMPS
 FUEL - 2701 GALS, USED 1299 GALS
 UNMANNED LOGGER DAY 4

07-30-2008	Reported By	ROBERT DYSART									
DailyCosts: Drilling	\$41,972	Completion	\$0	Daily Total	\$41,972						
Cum Costs: Drilling	\$681,603	Completion	\$9,621	Well Total	\$691,224						
MD	8,688	TVD	8,688	Progress	491	Days	8	MW	10.4	Visc	33.0
Formation :	PBTD : 0.0			Perf :	PKR Depth : 0.0						

Activity at Report Time: TIH W/NEW BIT

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL ROTATE 8197' TO 8477' (280') ROP 35 WOB 18/20K, RPM 50/60 + 70, GPM 420, PSI 1500/1800

14:00	14:30	0.5 SERVICE RIG
14:30	21:00	6.5 DRILL ROTATE 8477' TO 8688' (211') ROP 32 WOB 18/20K, RPM 50/60 + 70, GPM 420, PSI 1500/1800
21:00	01:00	4.0 BLOWN KELLY HOSE, TRIP OUT OF HOLE FROM 8688' FOR BIT #5 & KELLY HOSE REPLACEMENT. LAY OUT MOTOR & BIT.
01:00	02:30	1.5 MAKE UP BIT #5 TRIP IN HOLE TO SHOE 2500'
02:30	05:00	2.5 RIG REPAIR INSTALL NEW KELLY HOSE. M/W 10.8, VIS 34 FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED CHECK COM, SAFETY MEETINGS - HOUSEKEEPING, NEW HANDS FUEL - 1500 GALS, USED 1201 GALS UNMANNED LOGGER DAY 5 DOWN TIME 3.0 HRS
05:00	06:00	1.0 TRIP IN HOLE

07-31-2008 **Reported By** ROBERT DYSART

Daily Costs: Drilling	\$48,629	Completion	\$0	Daily Total	\$48,629						
Cum Costs: Drilling	\$730,232	Completion	\$9,621	Well Total	\$739,853						
MD	9,275	TVD	9,275	Progress	587	Days	9	MW	10.7	Visc	34.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0							

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	07:00	1.0	TRIP IN HOLE TO BOTTOM 8688'
07:00	14:00	7.0	DRILL ROTATE 8688' TO 8948' (260') ROP 37 WOB 16/20K, RPM 50/60 + 67, GPM 430, PSI 1800/2000
14:00	14:30	0.5	SERVICE RIG
14:30	23:30	9.0	DRILL ROTATE 8948' TO 9275' (327') ROP 32 WOB 16/20K, RPM 50/60 + 67, GPM 430, PSI 1800/2000 M/W 11.2, VIS 35. REACHED TD AT 23:30 HRS, 7/30/08.
23:30	00:00	0.5	CIRCULATE BOTOMS UP
00:00	01:00	1.0	WIPER TRIP TO 8000'
01:00	02:00	1.0	CIRCULATE & CONDITION HOLE TO LDDP, PUMP PILL. HOLD PRE-JOB SAFETY MTG. WITH LAY DOWN CREW.
02:00	06:00	4.0	LAY DOWN DRILL PIPE FOR PRODUCTION CASING. M/W 11.2, VIS 34 FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED CHECK COM, SAFETY MEETINGS - PAINTING, MIX MUD FUEL - N/A @ RPT TIME, RECEIVED 2500 UNMANNED LOGGER DAY 6

08-01-2008 **Reported By** ROBERT DYSART

Daily Costs: Drilling	\$61,122	Completion	\$143,466	Daily Total	\$204,588						
Cum Costs: Drilling	\$791,354	Completion	\$153,087	Well Total	\$944,441						
MD	9,275	TVD	9,275	Progress	0	Days	10	MW	11.2	Visc	34.0

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT

Start	End	Hrs	Activity Description
06:00	07:00	1.0	LAY DOWN DP. BREAK KELLY, FLOW CHECK WELL, OK, LAY DOWN BHA. PULL WEAR BUSHING.
07:00	08:00	1.0	HOLD PRE-JOB SAFETY MTG. RIG UP TO RUN 4 1/2" PROD CASING.
08:00	14:00	6.0	MAKE UP SHOE TRACK, CHECK FLOAT EQUIP. RUN A TOTAL OF 215 JT'S (213 FULL JT'S + 2 MARKER JT'S) OF 4 1/2" 11.6 PPF N-80 LTC CASING AS FOLLOWS: FLOAT SHOE LANDED @ 9255', 1 JT CASING, FLOAT COLLAR @ 9208', 61 JT'S CASING, MARKER JT 6542-6563', 52 JTS CASING, MARKER JT 4304-4326', 99 JTS CSG. INSTALL CENTRALIZER ON MIDDLE OF SHOE JT. TOP OF SHOE JT. THAN EVERY 3RD. JT. TO 6300' FOR A TOTAL OF #25 CENTRALIZERS. THREAD LOCK SHOE, 1ST JT, FLOAT COLLAR & 2ND JT. STRING WT. 96K. TAG BOTTOM @ 9275' MAKE UP FLUTED MANDRAL HANGER & LANDING JT. LAND SAME. FMC ON SITE TO SUPERVISE.
14:00	15:00	1.0	CIRCULATE & CONDITION MUD FOR CEMENT JOB.
15:00	19:00	4.0	NOTIFIED BLM REP JAIME SPARGER VERNAL OFFICE ON 07/29/08 @ 1800 HRS FOR CASING & CEMENT. RU SCHLUMBERGER. HOLD PRE-JOB SAFETY MTG. TEST LINES TO 5000 PSI. PUMP 20 BBLS CHEMICAL WASH, DROP BOTTOM PLUG, PUMP 20 BBLS WATER SPACER. MIXED AND PUMPED 335 SKS (135 BBL) 35:65 POZ G + ADDITIVES (YIELD 2.26) AT 12 PPG WITH 12.88 GPS H2O. MIXED AND PUMPED TAIL 1500 SKS (344 BBL) 50:50 POZ G + ADDITIVES (YIELD 1.29) AT 14.1 PPG WITH 5.98 GPS H2O. DISPLACED TO FLOAT COLLAR WITH 143 BBL H2O WITH 2 GAL/1000 LO64 FRESH WATER. AVG MIX AND DISPLACEMENT RATE 6.6 BPM. FINAL PUMP PRESSURE 2400 PSI AT 2.3 BPM. BUMPED PLUG TO 3400 PSI. BLEED OFF PRESSURE, FLOATS HELD. LEAVE CEMENT HEAD ON FOR 1 HR. RIG DOWN CEMENTERS.
19:00	20:00	1.0	LAY DOWN LANDING JT, INSTALL PACK OFF TEST SEALS TO 5000 PSI OK. WELLHEAD SECURE
20:00	22:00	2.0	NIPPLE DOWN BOPE, CLEAN TANKS.
22:00	06:00	8.0	RIG DOWN PREP FOR MOVE TO ECW 66-5 (8.1 MILE MOVE)
<p>FULL CREWS, NO ACCIDENTS OR INCIDENTS REPORTED SAFETY MEETINGS - CEMENTING, RIG DOWN X-FER 2000 GAL FUEL TO ECW 66-5</p> <p>RELEASE RIG ON 07/31/08 @ 22:00 HRS. CASING POINT COST \$765,717</p>			

08-05-2008	Reported By	SEARLE	
Daily Costs: Drilling	\$0	Completion	\$43,873
Cum Costs: Drilling	\$791,354	Completion	\$196,960
MD	9,275	TVD	9,275
Progress	0	Days	11
MW	0.0	Visc	0.0
Formation :	PBTB :	Perf :	PKR Depth :
	9208.0		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 PBTB TO 780'. EST CEMENT TOP @ 960'. RD SCHLUMBERGER.

08-16-2008	Reported By	MCCURDY	
Daily Costs: Drilling	\$0	Completion	\$1,743
Cum Costs: Drilling	\$791,354	Completion	\$198,703
Daily Total		Well Total	\$990,057

MD 9,275 TVD 9,275 Progress 0 Days 12 MW 0.0 Visc 0.0

Formation : PBTBTD : 9208.0 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.

09-16-2008 Reported By DAN LINDSEY

DailyCosts: Drilling \$0 Completion \$3,418 Daily Total \$3,418

Cum Costs: Drilling \$791,354 Completion \$202,121 Well Total \$993,475

MD 9,275 TVD 9,275 Progress 0 Days 13 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTBTD : 9208.0 Perf : 8949-9072 PKR Depth : 0.0

Activity at Report Time: FRAC LPR 8949-9072

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WL. PERFORATED LPR 9071-72, 9060-61, 9055-56, 9036-37, 9028-29, 9022-23, 8992-93, 8988-89, 8979-80, 8955-57 & 8949-50 3 SPF, 120 DEGREE PHASED. RDWL. RU SCHLUMBERGER. BROKE DOWN PERFS @ 3866 PSI, ISIP 2337 PSI. PUMPED 165 GALS GYPTRON T-106. UNABLE TO FRAC DUE TO UNSUITABLE CROSSLINK CHEMICAL(8.5 pH). ORDERED REPLACEMENT CHEMICAL FOR AM. SDFN.

09-17-2008 Reported By DAN LINDSEY

DailyCosts: Drilling \$0 Completion \$14,758 Daily Total \$14,758

Cum Costs: Drilling \$791,354 Completion \$216,879 Well Total \$1,008,233

MD 9,275 TVD 9,275 Progress 0 Days 14 MW 0.0 Visc 0.0

Formation : MESAVERDE PBTBTD : 9208.0 Perf : 8245-9072 PKR Depth : 0.0

Activity at Report Time: FRAC MPR 8010-8142

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU SCHLUMBERGER. FRAC DOWN CASING W/1753 GAL WF120, 17641 GAL YF116ST, & 46820# 20/40 SAND @ 1-4 PPG. MTP 6437 PSI. MTR 51.1 BPM. ATP 5167 PSI. ATR 38.8 BPM. ISIP 3061 PSI. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8915. PERFORATED LPR 8891-92, 8874-75, 8868-69, 8846-47, 8829-30, 8817-18, 8788-89, 8774-75, 8758-59, 8749-50, 8738-39, & 8719-20 3 SPF, 120 DEGREE PHASED. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GALS GYPTRON T-106, 8098 GALS WF120, 29676 GALS YF116ST, & 99343# 20/40 SAND @ 1-4 PPG. MTP 5988 PSI. MTR 48.9 BPM. ATP 5059 PSI. ATR 34.6 BPM. ISIP 2947 PSI. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8678. PERFORATED LPR/MPR 8652-53, 8637-38, 8631-32, 8617-18, 8602-03, 8571-72, 8554-55, 8546-47, 8541-42, 8517-18, 8488-89, & 8445-46 3 SPF, 120 DEGREE PHASED. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GALS GYPTRON T-106 W/7027 GALS WF120, 25709 GALS YF116ST & 82000# 20/40 SAND @ 1-4 PPG. MTP 6775 PSI. MTR 48.5 BPM. ATP 5657 PSI. ATR 33.3 BPM. ISIP 3200 PSI. RD SCHLUMBERGER.

RUWL. SET 10K CFP @ 8400. PERFORATED MPR 8366-68, 8352-54, 8334-36, 8311-12, 8297-98, 8283-84, 8274-75, 8266-67, & 8245-46 2 SPF, 180 DEGREE PHASED. RDWL. RU SCHLUMBERGER. BROKE DOWN PERFS @ 5907 PSI. PUMPED 165 GALS GYPTRON T-106. ATTEMPTED FRAC, MTR 6.3 BPM, MTP 6150 PSI. FLOWED WELL 1 BPM FOR 20 MINUTES. ATTEMPTED FRAC, MTR 3.8 BPM, MTP 6450 PSI. RD SCHLUMBERGER. RUWL. TAGGED SAND @ 8367. RDWL.

RU SCHLUMBERGER. FLOWED WELL 15 BPM FOR 5 MIN. PUMPED 12 BPM TO 6500 PSI, NO BREAKDOWN OR INJECTION RATE. RD SCHLUMBERGER. RUWL. TAGGED @ 8367. PERFORATED MPR 8352-54, 8334-36, 8311-12, 8297-98, 8283-84, 8274-75, 8266-67 & 8245-46 3 SPF, 120 DEGREE PHASED. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/8110 GALS WF120, 11060 GALS YF116ST, & 36700# 20/40 SAND @ 1-3 PPG (SCREENED OUT W/22700# SAND IN FORMATION, 14000# SAND IN CASING). MTP 6875 PSI. MTR 24.9 BPM. ATP 6139 PSI. ATR 20.0 BPM. RD SCHLUMBERGER.

FLOWED WELL 9 HRS ON 16/64" CHOKE. REC 150 BLW. FCP 2100 PSI, 5 BWPH AT REPORT TIME.

09-18-2008	Reported By	DAN LINDSEY									
Daily Costs: Drilling	\$0	Completion	\$338,351	Daily Total	\$338,351						
Cum Costs: Drilling	\$791,354	Completion	\$555,230	Well Total	\$1,346,584						
MD	9,275	TVD	9,275	Progress	0	Days	15	MW	0.0	Visc	0.0
Formation :	PRICE RIVER	PBTD :	9208.0	Perf :	7011-9072	PKR Depth :	0.0				

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RUWL. SET 10K CFP @ 8180'. PERFORATED MPR 8140-42', 8132-34', 8069-70, 8061-63', 8041-42', 8034-35', 8027-28', 8018-19' & 8010-11' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/165 GALS GYPTRON T-106, 6214 GALS WF120, 30785 GALS YF116ST & 105000# 20/40 SAND @ 1-4 PPG. MTP 5706 PSI. MTR 49.3 BPM. ATP 5043 PSI. ATR 45.7 BPM. ISIP 3285 PSI. RD SCHLUMBERGER.
			RUWL. SET 10K CFP @ 7970'. PERFORATED MPR 7942-43', 7933-34', 7924-25', 7878-79', 7869-70', 7863-64', 7856-57', 7851-52', 7835-36', 7833-34' & 7828-29' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GALS GYPTRON T-106, 6369 GALS WF120, 33991 GALS YF116ST & 118500# 20/40 SAND @ 1-4 PPG. MTP 5742 PSI. MTR 51.3 BPM. ATP 4393 PSI. ATR 44.2 BPM. ISIP 2279 PSI. RD SCHLUMBERGER.
			RUWL. SET 10K CFP @ 7800'. PERFORATED UPR 7784-85', 7779-80', 7762-64', 7741-42', 7725-27', 7691-92', 7669-70', 7655-56', 7648-49' & 7641-42' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GALS GYPTRON T-106, 6480 GALS WF120, 34428 GALS YF116ST & 124000# 20/40 SAND @ 1-4 PPG. MTP 6019 PSI. MTR 51.2 BPM. ATP 4777 PSI. ATR 47.5 BPM. ISIP 2710 PSI. RD SCHLUMBERGER.
			RUWL. SET 10K CFP @ 7500'. PERFORATED UPR 7472-74', 7429-30', 7368-69', 7307-08', 7274-75', 7264-65', 7234-35', 7213-14', 7202-03', 7191-92' & 7179-80' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GALS GYPTRON T-106, 6214 GALS WF120, 30785 GALS YF116ST & 106000# 20/40 SAND @ 1-4 PPG. MTP 5706 PSI. MTR 49.3 BPM. ATP 5043 PSI. ATR 45.7 BPM. ISIP 3285 PSI. RD SCHLUMBERGER.
			RUWL. SET 10K CFP @ 7134'. PERFORATED UPR 7105-07', 7094-96', 7026-28' & 7011-13' @ 2 SPF & 180° PHASING. GUNS STUCK. SURGED WELL & WORKED WIRELINE W/NO MOVEMENT. RU SCHLUMBERGER. PUMPED 1-3 BPM & BROKE DOWN PERFS @ 3360 PSI. WORKED WIRELINE WHILE PUMPING. GUNS WOULD NOT MOVE. RD SCHLUMBERGER. PULLED OUT OF ROPE SOCKET. FISH CONSISTS OF 14 1' GUNS & SETTING TOOL (27' OVERALL LENGTH. TOP 6 GUNS LIVE. RDWL.

FLOWED 11 HRS. 24/64" CHOKE. FCP 250 PSI. 12 BWPH. RECOVERED 236 BLW. 7034 BLWTR.

09-19-2008	Reported By	BAUSCH									
Daily Costs: Drilling	\$0	Completion	\$20,058	Daily Total	\$20,058						
Cum Costs: Drilling	\$791,354	Completion	\$575,288	Well Total	\$1,366,642						
MD	9,275	TVD	9,275	Progress	0	Days	16	MW	0.0	Visc	0.0
Formation :	PRICE RIVER	PBTD :	9208.0	Perf :	7011-9072	PKR Depth :	0.0				

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRUSU. FLOW TEST. 48/64" CHOKE. FCP 25 PSIG. 4 BFPH. RECOVERED 188 BLW. 6848. BLWTR.

09-20-2008 **Reported By** BAUSCH

Daily Costs: Drilling	\$0	Completion	\$16,058	Daily Total	\$16,058
Cum Costs: Drilling	\$791,354	Completion	\$591,346	Well Total	\$1,382,700

MD	9,275	TVD	9,275	Progress	0	Days	17	MW	0.0	Visc	0.0
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Formation : PRICE RIVER PBTB : 9208.0 Perf : 7011-9072 PKR Depth : 0.0

Activity at Report Time: PREP TO FRAC

Start	End	Hrs	Activity Description
06:00	19:00	13.0	PUMPED 20 BW DN CSG TO FILL HOLE. ND FRAC VALVES. NU BOP. RIH W/OVERSLOT & FISHING STRING TO 7000'. RU SWIVEL. CIRCULATE OVER FISH TOP @ 7010'. PUSHED FISH TO 7134'. LATCHED ON TO FISH. FISH WAS FREE. RD SWIVEL. POH. RECOVERED FISH. ND BOP. NU FRAC VALVES. RDMOSU.

09-26-2008 **Reported By** HOOLEY

Daily Costs: Drilling	\$0	Completion	\$68,223	Daily Total	\$68,223
Cum Costs: Drilling	\$791,354	Completion	\$659,569	Well Total	\$1,450,923

MD	9,275	TVD	9,275	Progress	0	Days	18	MW	0.0	Visc	0.0
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Formation : PRICE RIVER PBTB : 9208.0 Perf : 6970-9072 PKR Depth : 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
10:00	13:00	3.0	SICP 770 PSIG. RUWL. PERFORATED REMAINING UPR FROM 6970-72' AND 6979-81'. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 3182 GAL WF120 PAD, 41015 GAL WF120 & YF116ST+ WITH 116500# 20/40 SAND @ 1-4 PPG. MTP 5064 PSIG. MTR 51.7 BPM. ATP 3910 PSIG. ATR 47.1 BPM. ISIP 2230 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP @ 6927'. BLEED OFF PRESSURE. RDWL. SDFN.

09-30-2008 **Reported By** BAUSCH

Daily Costs: Drilling	\$0	Completion	\$7,652	Daily Total	\$7,652
Cum Costs: Drilling	\$791,354	Completion	\$667,221	Well Total	\$1,458,575

MD	9,275	TVD	9,275	Progress	0	Days	19	MW	0.0	Visc	0.0
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Formation : PRICE RIVER PBTB : 9208.0 Perf : 6970-9072 PKR Depth : 0.0

Activity at Report Time: MIRUSU. C/O AFTER FRAC.

Start	End	Hrs	Activity Description
07:00	15:00	8.0	MIRUSU. HOLD SAFETY MTG. ND FRAC VALVES. NU BOPE. MU 3 7/8" MILL. POBS. 1 JT 2 3/8" 4.7# N-80 TBG. XN NIPPLE. TALLY AND PU TBG. RIH. TAGGED PLUG @ 6900'. RU TO D/O PLUGS. SIFN.

10-01-2008 **Reported By** BAUSCH

Daily Costs: Drilling	\$0	Completion	\$43,868	Daily Total	\$43,868
Cum Costs: Drilling	\$791,354	Completion	\$711,089	Well Total	\$1,502,443

MD	9,275	TVD	9,275	Progress	0	Days	20	MW	0.0	Visc	0.0
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Formation : PRICE RIVER PBTB : 9137.0 Perf : 6970-9072 PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
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07:00 06:00 23.0 CLEANED OUT & DRILLED OUT PLUGS @ 6900', 7134', 7500', 7800', 7970', 8180', 8400', 8678' & 8915'. RIH. CLEANED OUT TO PBTB @ 9208'. LANDED TBG AT 7777' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 15 HRS. 24/64" CHOKE. FTP 1200 PSIG. CP 1850 PSIG. 57 BFPH. RECOVERED 911 BLW. 8107 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'
 1 JT 2-3/8 4.7# N-80 TBG 32.70'
 XN NIPPLE 1.30'
 237 JTS 2-3/8 4.7# N-80 TBG 7725.75'
 N-80 NIPPLE & COUPLING 0.60'
 BELOW KB 16.00'
 LANDED @ 7777.35' KB

10-02-2008		Reported By		BAUSCH	
Daily Costs: Drilling	\$0	Completion	\$2,430	Daily Total	\$2,430
Cum Costs: Drilling	\$791,354	Completion	\$713,519	Well Total	\$1,504,873
MD	9,275	TVD	9,275	Progress	0
Formation :	PRICE RIVER	PBTB :	9137.0	Perf :	6970-9072
Activity at Report Time: FLOW TEST					
Start	End	Hrs	Activity Description		
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1025 PSIG. CP 2150 PSIG. 52 BFPH. RECOVERED 1250 BBLS, 6857 BLWTR.		

10-03-2008		Reported By		BAUSCH	
Daily Costs: Drilling	\$0	Completion	\$2,560	Daily Total	\$2,560
Cum Costs: Drilling	\$791,354	Completion	\$716,079	Well Total	\$1,507,433
MD	9,275	TVD	9,275	Progress	0
Formation :	PRICE RIVER	PBTB :	9137.0	Perf :	6970-9072
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 1925 PSIG. 43 BFPH. RECOVERED 1024 BLW. 5833 BLWTR.		

10-04-2008		Reported By		BAUSCH	
Daily Costs: Drilling	\$0	Completion	\$2,430	Daily Total	\$2,430
Cum Costs: Drilling	\$791,354	Completion	\$718,509	Well Total	\$1,509,863
MD	9,275	TVD	9,275	Progress	0
Formation :	PRICE RIVER	PBTB :	9137.0	Perf :	6970-9072
Activity at Report Time: FLOW TEST					
Start	End	Hrs	Activity Description		
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 875 PSIG. CP 1750 PSIG. 38 BFPH. RECOVERED 922 BLW. 4911 BLWTR.		

10-05-2008		Reported By		BAUSCH	
Daily Costs: Drilling	\$0	Completion	\$2,430	Daily Total	\$2,430
Cum Costs: Drilling	\$791,354	Completion	\$720,939	Well Total	\$1,512,293

MD 9,275 TVD 9,275 Progress 0 Days 24 MW 0.0 Visc 0.0
 Formation : PRICE RIVER PBTB : 9137.0 Perf : 6970-9072 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 850 PSIG. CP 1600 PSIG. 34 BFPH. RECOVERED 805 BLW. 4106 BLWTR.

10-06-2008 Reported By BAUSCH

DailyCosts: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$791,354	Completion	\$720,939	Well Total	\$1,512,293

MD 9,275 TVD 9,275 Progress 0 Days 25 MW 0.0 Visc 0.0
 Formation : PRICE RIVER PBTB : 9137.0 Perf : 6970-9072 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 800 PSIG. CP 1450 PSIG. 27 BFPH. RECOVERED 653 BLW. 3453 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 10/5/08

INITIAL PRODUCTION. OPENING PRESSURE: TP 1000 PSIG & CP 2650 PSIG. TURNED WELL OVER TO QUESSTAR SALES AT 11:30 HRS, 11/05/06. FLOWED 130 MCFD RATE ON 12/64" CHOKE. STATIC 260. QGM METER #7931.

10-07-2008 Reported By MIKE LEBARON

DailyCosts: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$791,354	Completion	\$720,939	Well Total	\$1,512,293

MD 9,275 TVD 9,275 Progress 0 Days 26 MW 0.0 Visc 0.0
 Formation : PRICE RIVER PBTB : 9137.0 Perf : 6970-9072 PKR Depth : 0.0

Activity at Report Time: ON SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 437 MCF, 40 BC & 220 BW IN 24 HRS ON 12/64" CHOKE, TP 1800 PSIG, CP 2500 PSIG.

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.
UTU0337

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
CHAPITA WELLS

8. Lease Name and Well No.
CHAPITA WELLS UNIT 1050-18

9. API Well No.
43-047-39583

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

11. Sec., T., R., M., or Block and Survey
or Area Sec 18 T9S R23E Mer SLB

12. County or Parish
UINTAH

13. State
UT

17. Elevations (DF, KB, RT, GL)*
4922 GL

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
Other _____

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface NESE 2172FSL 469FEL 40.03471 N Lat, 109.36192 W Lon
At top prod interval reported below NESE 2172FSL 469FEL 40.03471 N Lat, 109.36192 W Lon
At total depth NESE 2172FSL 469FEL 40.03471 N Lat, 109.36192 W Lon

14. Date Spudded
07/07/2008

15. Date T.D. Reached
07/30/2008

16. Date Completed
 D & A Ready to Prod.
11/05/2008

18. Total Depth: MD 9275 TVD

19. Plug Back T.D.: MD 9137 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST/CBL/CCL/VDL/GR, RSL/GR/PE/LD/CN
CN/PE/LD/MR/LA/GR/PE/HR/EA

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2503		671		0	
7.875	4.500 N-80	11.6	0	9255		1835		960	

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	7777							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6970	9072	8949 TO 9072		3	
B)			8719 TO 8892		3	
C)			8445 TO 8653		3	
D)			8245 TO 8368		2	

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

Depth Interval	Amount and Type of Material
8949 TO 9072	29,559 GALS GELLED WATER & 46,820# 20/40 SAND
8719 TO 8892	37,939 GALS GELLED WATER & 99,343# 20/40 SAND
8445 TO 8653	32,901 GALS GELLED WATER & 82,000# 20/40 SAND
8245 TO 8368	19,335 GALS GELLED WATER & 36,700# 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
11/05/2008	11/10/2008	24	▶	46.0	606.0	190.0			FLOWS FROM WELL
Choke Size	Tbg. Press. F/wg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
12/64"	1550 SI	2225.0	▶	46	606	190		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. F/wg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			▶						

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
MESAVERDE	6970	9072		GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER	1761 2397 4599 4725 5301 5987 6966 7816

32. Additional remarks (include plugging procedure):

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

33. Circle enclosed attachments:

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

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

Electronic Submission #65347 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

Mary A. Maestas
(Electronic Submission)

Date 12/08/2008

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

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

Chapita Wells Unit 1050-18 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

8010-8142	3/spf
7828-7943	3/spf
7641-7785	3/spf
7179-7474	3/spf
6970-7107	2/spf

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

8010-8142	37,164 GALS GELLED WATER & 105,000# 20/40 SAND
7828-7943	40,525 GALS GELLED WATER & 118,500# 20/40 SAND
7641-7785	41,073 GALS GELLED WATER & 124,000# 20/40 SAND
7179-7474	37,164 GALS GELLED WATER & 106,000# 20/40 SAND
6970-7107	44,362 GALS GELLED WATER & 116,500# 20/40 SAND

Perforated the Lower Price River from 8949-50', 8955-57', 8979-80', 8988-89', 8992-93', 9022-23', 9028-29', 9036-37', 9055-56', 9060-61', 9071-72' w/ 3 spf.

Perforated the Lower Price River from 8719-20', 8738-39', 8749-50', 8758-59', 8774-75', 8788-89', 8817-18', 8829-30', 8846-47', 8868-69', 8874-75', 8891-92' w/ 3 spf.

Perforated the Lower/Middle Price River from 8445-46', 8488-89', 8517-18', 8541-42', 8546-47', 8554-55', 8571-72', 8602-03', 8617-18', 8631-32', 8637-38', 8652-53' w/ 3 spf.

Perforated the Middle Price River from 8245-46', 8266-67', 8274-75', 8283-84', 8297-98', 8311-12', 8334-36', 8352-54', 8366-68' w/ 2 spf.

Perforated the Middle Price River from 8010-11', 8018-19', 8027-28', 8034-35', 8041-42', 8061-63', 8069-70', 8132-34', 8140-42' w/ 3 spf.

Perforated the Middle Price River from 7828-29', 7833-34', 7835-36', 7851-52', 7856-57', 7863-64', 7869-70', 7878-79', 7924-25', 7933-34', 7942-43' w/ 3 spf.

Perforated the Upper Price River from 7641-42', 7648-49', 7655-56', 7669-70', 7691-92', 7725-27', 7741-42', 7762-64', 7779-80', 7784-85' w/ 3 spf.

Perforated the Upper Price River from 7179-80', 7191-92', 7202-03', 7213-14', 7234-35', 7264-65', 7274-75', 7307-08', 7368-69', 7429-30', 7472-74' w/ 3 spf.

Perforated the Upper Price River from 6970-72', 6979-81', 7011-13', 7026-28', 7094-96', 7105-07' w/ 2 spf.

32. FORMATION (LOG) MARKERS

Lower Price River	8581
Sego	9098

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

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 1050-18

API number: 4304739583

Well Location: QQ NESE Section 18 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
		NO WATER	

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE *Mary A. Maestas*

DATE 12/8/2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU0337

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

8. Well Name and No.
CHAPITA WELLS UNIT 1050-18

9. API Well No.
43-047-39583

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T9S R23E NESE 2172FSL 469FEL
40.03471 N Lat, 109.36192 W Lon

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat 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 recompleat 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 reserve pit on the referenced location was closed on 1/12/2009 as per the attached APD procedure.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #67148 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 02/10/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

Office _____

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

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

RECEIVED

FEB 12 2009

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39583	CHAPITA WELLS UNIT 1050-18		NESE	18	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	16962	13650	7/7/2008			11/1/2008	
Comments: MESAVERDE — 9/17/09							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38509	CHAPITA WELLS UNIT 1221-02		SESW	2	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	16983	13650	7/16/2008			10/1/2008	
Comments: MESAVERDE — 9/17/09							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39075	CHAPITA WELLS UNIT 632-11		SWNE	11	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	16982	13650	7/15/2008			10/1/2008	
Comments: MESAVERDE — 9/17/09							

ACTION CODES:

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

Mickenzie Thacker

Name (Please Print)

Mickenzie Thacker

Signature

Operations Clerk

9/14/2009

Title

Date

RECEIVED

SEP 14 2009



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO
3180
UT-922

August 19, 2009

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

Re: 11th Revision to the Consolidated
Mesaverde Formation PA
"A-Z, AA-BB" Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The 11th Revision to the Consolidated Mesaverde Formation PA "A-Z, AA-BB", Chapita Wells Unit, CRS No. UTU63013BF, AFS No. 892000905BF, is hereby approved effective as of November 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The 11th Revision to the Consolidated Mesaverde Formation PA "A-Z, AA-BB" results in an initial consolidated participating area of 18,837.30 acres and is based upon the completion of Well No. 1050-18, API No. 43-047-39583, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 9 South, Range 23 East, SLM&B, Federal Unit Tract No. 7, Lease No. UTU0337 as a well capable of producing unitized substances in paying quantities. *from 16962 to 13650*

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 11th Revision to the Consolidated Mesaverde Formation PA "A-Z, AA-BB", Chapita Wells Unit, and the effective date.

If you have any questions pertaining to this matter, please contact Leslie Wilcken at (801)539-4112.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

RECEIVED

AUG 25 2009

DIV. OF OIL, GAS & MINING