

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
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. UTU0282
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		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 No. CHAPITA WELLS UNI
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		8. Lease Name and Well No. CHAPITA WELLS UNIT 1354-23
3b. Phone No. (include area code) Ph: 303-824-5526		9. API Well No. 43047-38688
4. Location of Well (Report location clearly and in accordance with any State requirements.)* 63.024X At surface 44307084 SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon 40.017319 -109.406130 At proposed prod. zone SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES/MESAVERDE
11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R22E Mer SLB		12. County or Parish UINTAH
14. Distance in miles and direction from nearest town or post office* 49.5 MILES SOUTH OF VERNAL, UTAH		13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1181' LEASE LINE	16. No. of Acres in Lease 2440.00	17. Spacing Unit dedicated to this well
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 770'	19. Proposed Depth 9450 MD	20. BLM/BIA Bond No. on file NM2308
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5019 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, shall be attached to this form:

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

25. Signature (Electronic Submission) <i>Mary A. Maestas</i>	Name (Printed/Typed) MARY A. MAESTAS Ph: 303-824-5526	Date 10/04/2007
Title REGULATORY ASSISTANT		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 10-10-07
Title ENVIRONMENTAL MANAGER		

Application approval does not warrant or certify 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.

Electronic Submission #56668 verified by the BLM Well Information System  
For EOG RESOURCES, INC., sent to the Vernal

**Federal Approval of this  
Action is Necessary**

**RECEIVED  
OCT 09 2007**

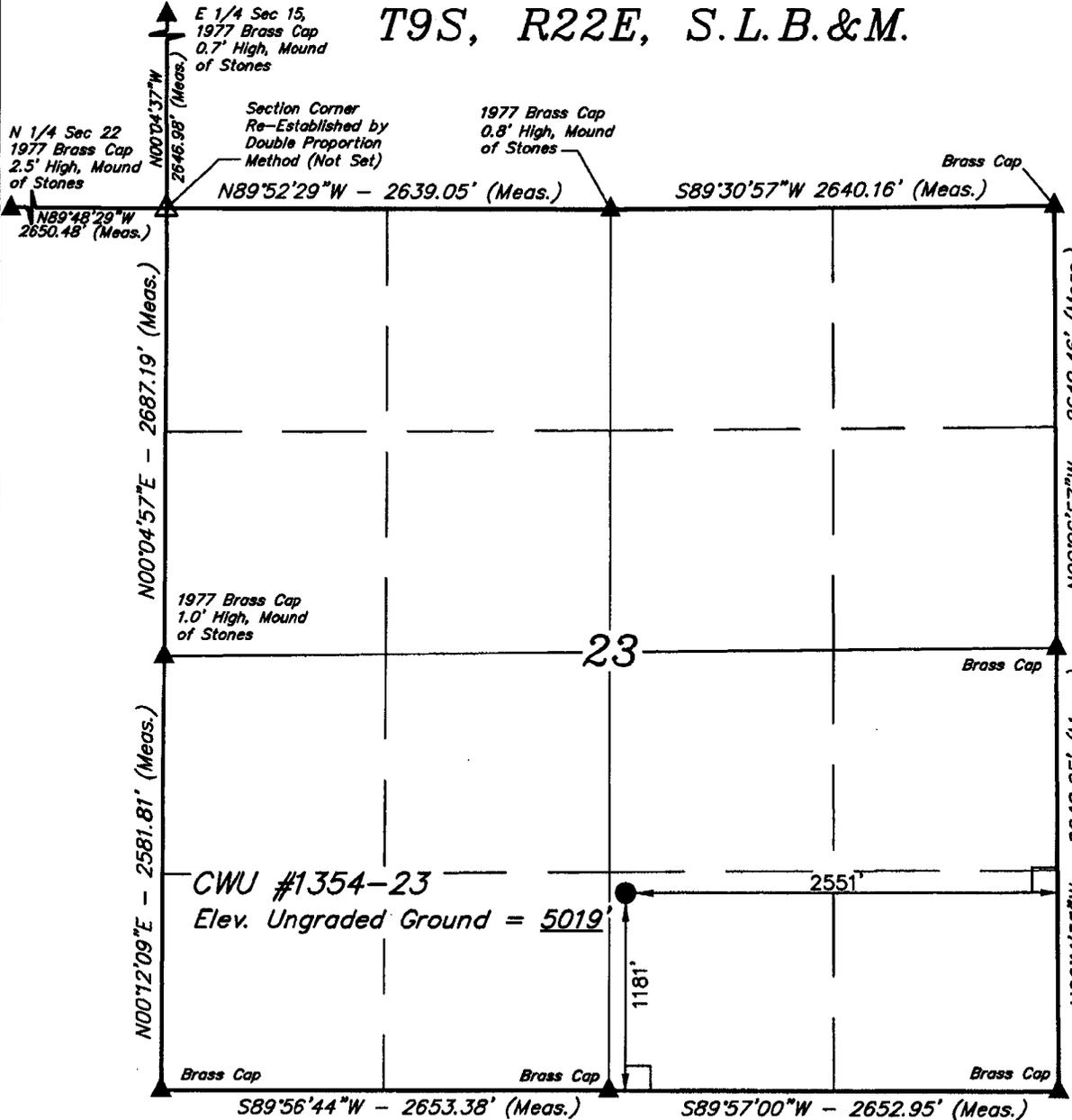
DIV. OF OIL, GAS & MINING

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

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

EOG RESOURCES, INC.

Well location, CWU #1354-23, located as shown in the SW 1/4 SE 1/4 of Section 23, T9S, R22E, S.L.B.&M. Uintah County, Utah.

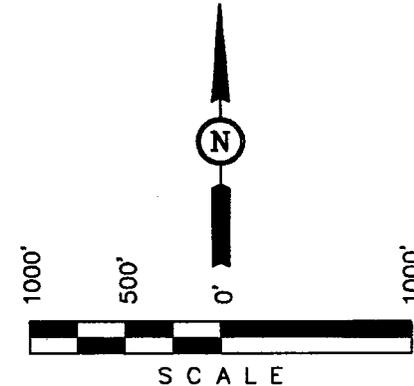


BASIS OF ELEVATION

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

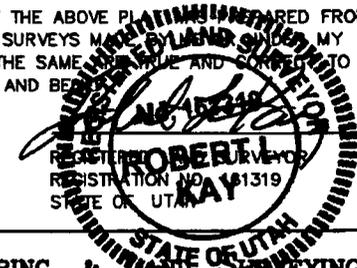
BASIS OF BEARINGS

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



CERTIFICATE

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



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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)

(NAD 83)  
 LATITUDE = 40°01'02.93" (40.017481)  
 LONGITUDE = 109°24'24.74" (109.406872)  
 (NAD 27)  
 LATITUDE = 40°01'03.05" (40.017514)  
 LONGITUDE = 109°24'22.28" (109.406189)

SCALE 1" = 1000'	DATE SURVEYED: 07-16-07	DATE DRAWN: 07-18-07
PARTY G.S. R.W. S.L.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1354-23**  
**SW/SE, SEC. 23, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>TVD-RKB (ft)</b>	<b>Objective</b>	<b>Lithology</b>	
Green River	1,717		Shale	
Wasatch	4,725		Sandstone	
Chapita Wells	5,306		Sandstone	
Buck Canyon	5,980		Sandstone	
North Horn	6,704		Sandstone	
KMV Price River	7,120	Primary	Sandstone	Gas
KMV Price River Middle	7,996	Primary	Sandstone	Gas
KMV Price River Lower	8,775	Primary	Sandstone	Gas
Sego	9,251		Sandstone	
<b>TD</b>	<b>9,450</b>			

Estimated TD: 9,450' or 200'± below Sego top

**Anticipated BHP: 5,160 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

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

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

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

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1354-23 SW/SE, SEC. 23, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

#### 5. Float Equipment:

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

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

#### 6. MUD PROGRAM

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

Air/air mist or aerated water.

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

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

#### 7. VARIANCE REQUESTS:

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1354-23**  
**SW/SE, SEC. 23, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**8. EVALUATION PROGRAM:**

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

**9. CEMENT PROGRAM:**

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

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

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

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

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

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

**Lead:** 139 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft<sup>3</sup>/sk., 24.5 gps water.

**Tail:** 919 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1354-23**  
**SW/SE, SEC. 23, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**11. STANDARD REQUIRED EQUIPMENT:**

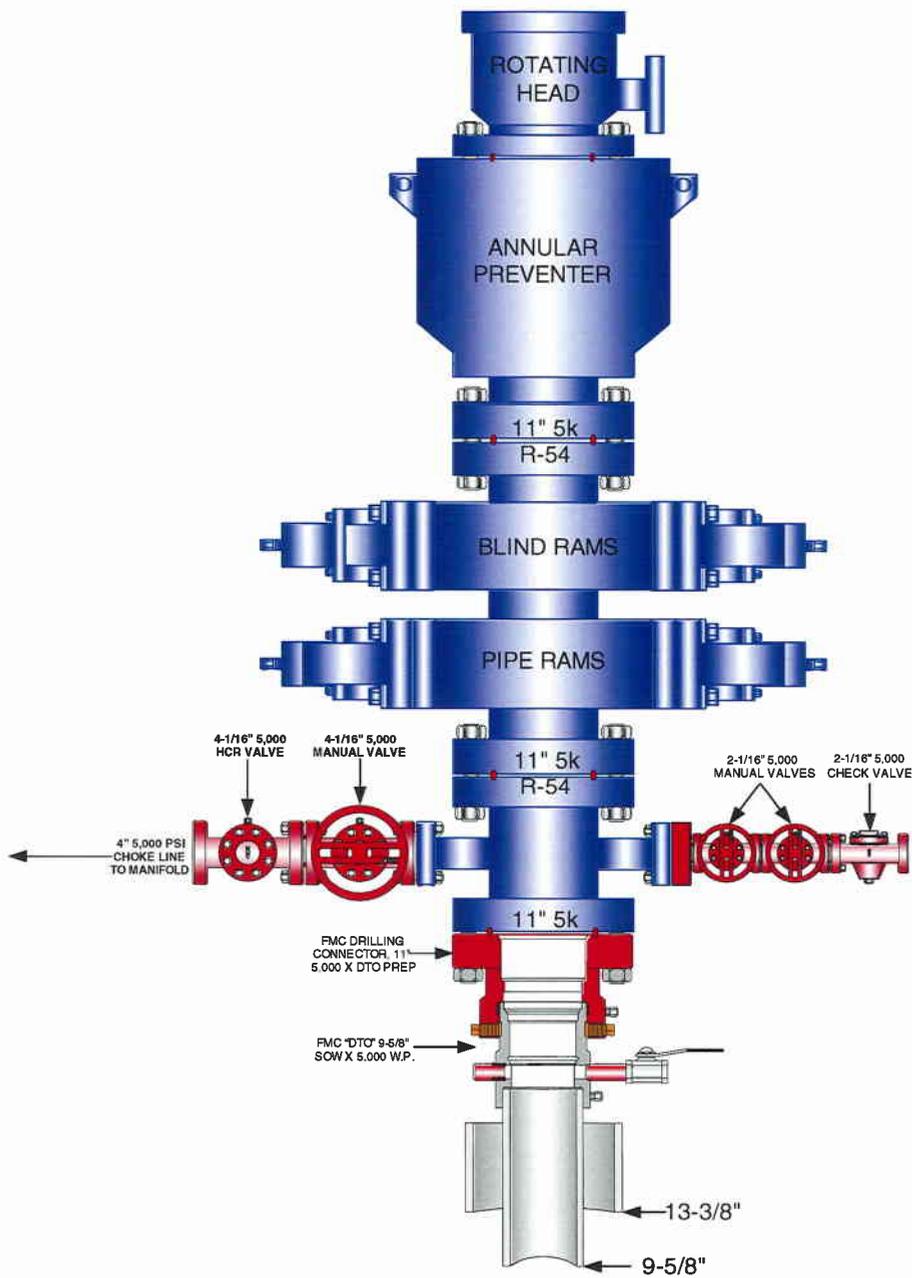
- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

**12. HAZARDOUS CHEMICALS:**

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

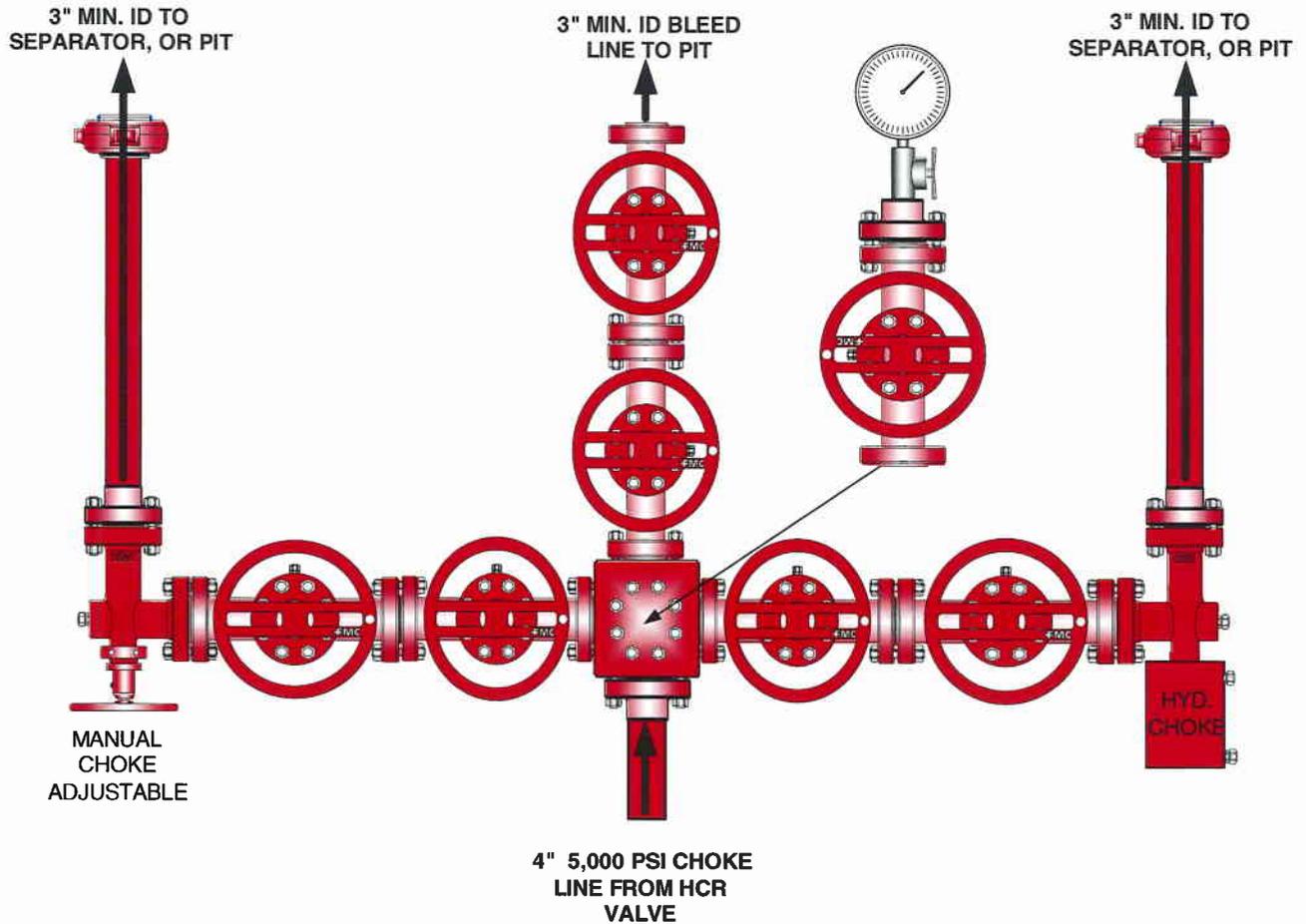
(Attachment: BOP Schematic Diagram)

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



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

PAGE 2 OF 2



**Testing Procedure:**

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



***Chapita Wells Unit 1354-23  
SWSE, Section 23, T9S, R22E  
Uintah County, Utah***

***SURFACE USE PLAN***

The well pad is approximately 375 feet long with a 261-foot width, containing 2.25 acres more or less. The well access road is approximately 1056 feet long with a 40-foot right-of-way, disturbing approximately .97 acre. New surface disturbance associated with the well pad and access road is estimated to be 3.22 acres. The pipeline is approximately 1960 feet long with a 40-foot right-of-way disturbing approximately 1.80 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 49.5 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

***2. PLANNED ACCESS ROAD:***

- A. The access road will be approximately 1056' in length, with culverts installed as construction dictates. See attached Topo B.
- B. The access road has a 40-foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.
- I. A 40-foot permanent right-of-way is requested. No surfacing material will be used.

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

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

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

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 40-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the roadbed block the drainages. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 40-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

**An off-lease right-of-way is not required. The entire length of the proposed access road is located within Federal Lease # U-0282.**

**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 1960' x 40'. The proposed pipeline leaves the northwestern edge of the well pad (Lease U-0282) proceeding in an easterly, then northerly direction for an approximate distance of 1960' tying into an existing pipeline in the NWSE of Section 23, T9S, R22E (Lease U-0282). Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.
4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface
5. Proposed pipeline will be laid on surface.
6. An off-lease right-of-way is not required. The entire length of the proposed pipeline is located within Federal Lease # U-0282.
7. The proposed pipeline route begins in the SWSE of Section 23, T9S, R22E, proceeding easterly, then northerly for an approximate distance of 1960' to the NWSE of Section 23, T9S, R22E.
8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon or Covert Green.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

**5. LOCATION AND TYPE OF WATER SUPPLY:**

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E, Uintah County, UT

(State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

**7. METHODS OF HANDLING WASTE DISPOSAL:**

**A. METHODS AND LOCATION**

1. Cuttings will be confined in the reserve pit.
  2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
  3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
  4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
  5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

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

The reserve pit shall be lined with **double felt**, and a 16-millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) will be used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or

rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

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

**8. ANCILLARY FACILITIES:**

None anticipated.

**9. WELL SITE LAYOUT:**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

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

Access to the well pad will be from the east.

The corners of the well pad will be rounded off as needed to minimize excavation.

**FENCING REQUIREMENTS:**

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

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

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

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

**10. PLANS FOR RECLAMATION OF THE SURFACE:**

**A. Interim Reclamation (Producing Location)**

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

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

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

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

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

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

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

***B. Dry Hole/Abandoned Location***

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

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

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

**11. SURFACE OWNERSHIP:**

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

**Bureau of Land Management**

**12. OTHER INFORMATION:**

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:
- Whether the materials appear eligible for the National Register of Historic Places;
  - The mitigation measures the operator will likely have to undertake before the site can be used.
  - A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

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

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan

of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

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

A block cultural resources survey for Section 23, T9S, R22E was conducted and submitted by Montgomery Archaeological Consultants on 6/2/2007. A paleontological survey was conducted and submitted by Intermountain Paleo on 9/12/2007.

**Additional Surface Stipulations:**

None.

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

**PERMITTING AGENT**

Mary A. Maestas  
EOG Resources, Inc.  
1060 East Highway 40  
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.

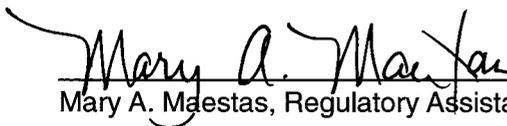
The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

**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 1354-23 Well, located in the SWSE, of Section 23, T9S, R22E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

October 4, 2007  
Date

  
\_\_\_\_\_  
Mary A. Maestas, Regulatory Assistant

Date of onsite: September 5, 2007

EOG RESOURCES, INC.

FIGURE #1

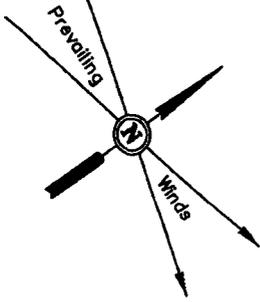
LOCATION LAYOUT FOR

CWU #1354-23

SECTION 23, T9S, R22E, S.L.B.&M.

1181' FSL 2551' FEL

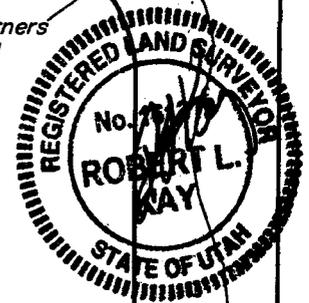
F-12.1'  
El. 5004.5'



SCALE: 1" = 50'  
DATE: 07-18-07  
Drawn By: S.L.

NOTE:

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



Approx. Top of Cut Slope



Pit Topsoil

C-16.0'  
El. 5020.6'  
(btm. pit)

Reserve Pit Backfill & Spoils Stockpile

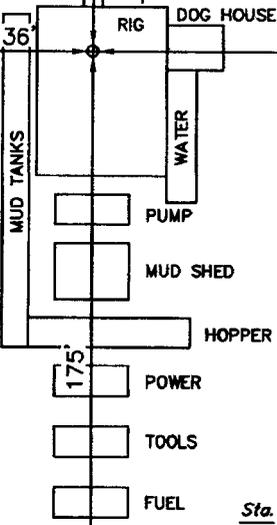
15' WIDE BENCH

Total Pit Capacity  
W/2' of Freeboard  
= 14,950 Bbls.±  
Total Pit Volume  
= 4,030 Cu. Yds

RESERVE PITS  
(12' Deep)

C-3.3'  
El. 5019.9'

C-2.5'  
El. 5019.1'



Sta. 1+75

F-16.2'  
El. 5000.4'

Approx. Toe of Fill Slope

C-20.0'  
El. 5024.6'  
(btm. pit)

20' WIDE BENCH

C-8.6'  
El. 5025.2'

C-7.6'  
El. 5024.2'

Sta. 0+00

F-0.8'  
El. 5015.8'

STORAGE TANK

Proposed Access Road

Elev. Ungraded Ground at Location Stake = 5019.1'  
Elev. Graded Ground at Location Stake = 5016.6'

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

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

CWU #1354-23

SECTION 23, T9S, R22E, S.L.B.&M.

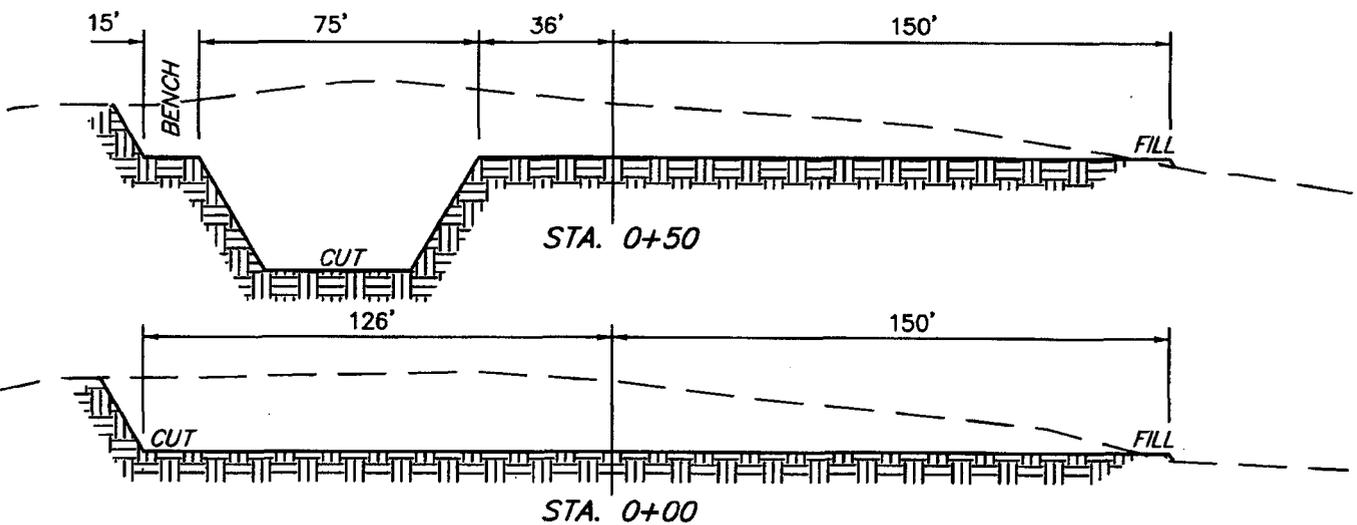
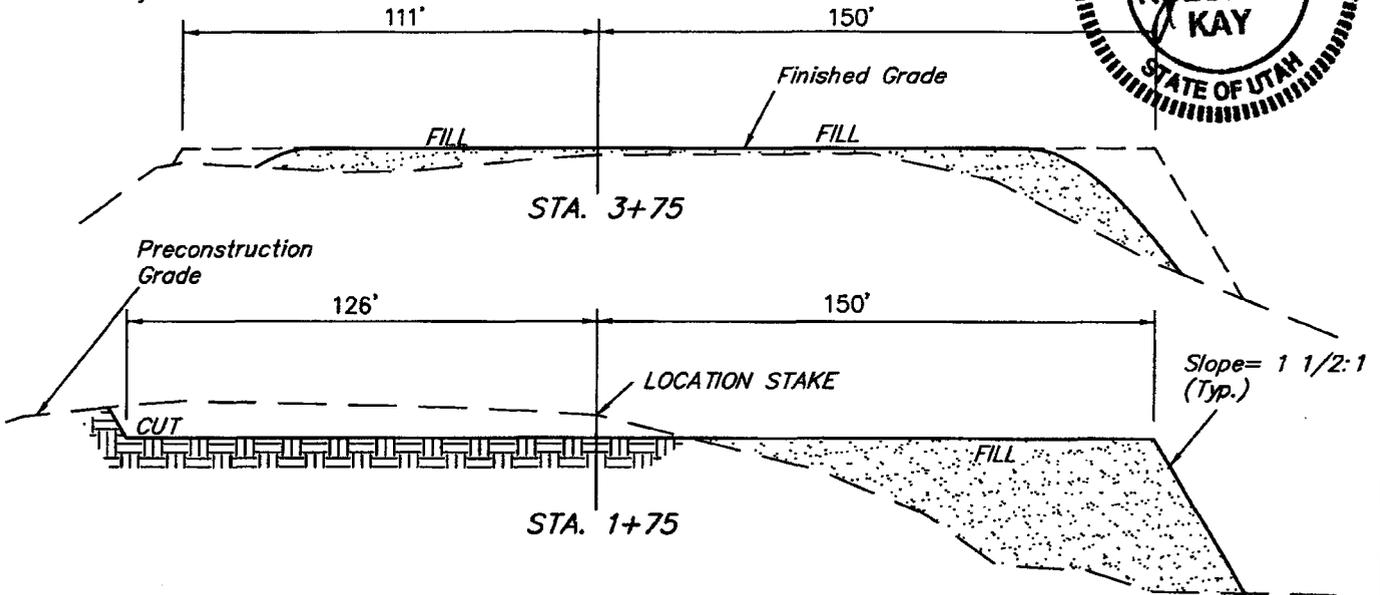
1181' FSL 2551' FEL

FIGURE #2

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

DATE: 07-18-07

Drawn By: S.L.



NOTE:

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

\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	2,190 Cu. Yds.
Remaining Location	=	11,960 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>14,150 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>9,940 CU.YDS.</b>

EXCESS MATERIAL	=	4,210 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,210 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

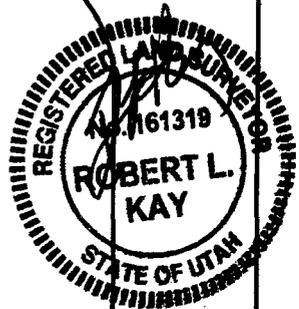
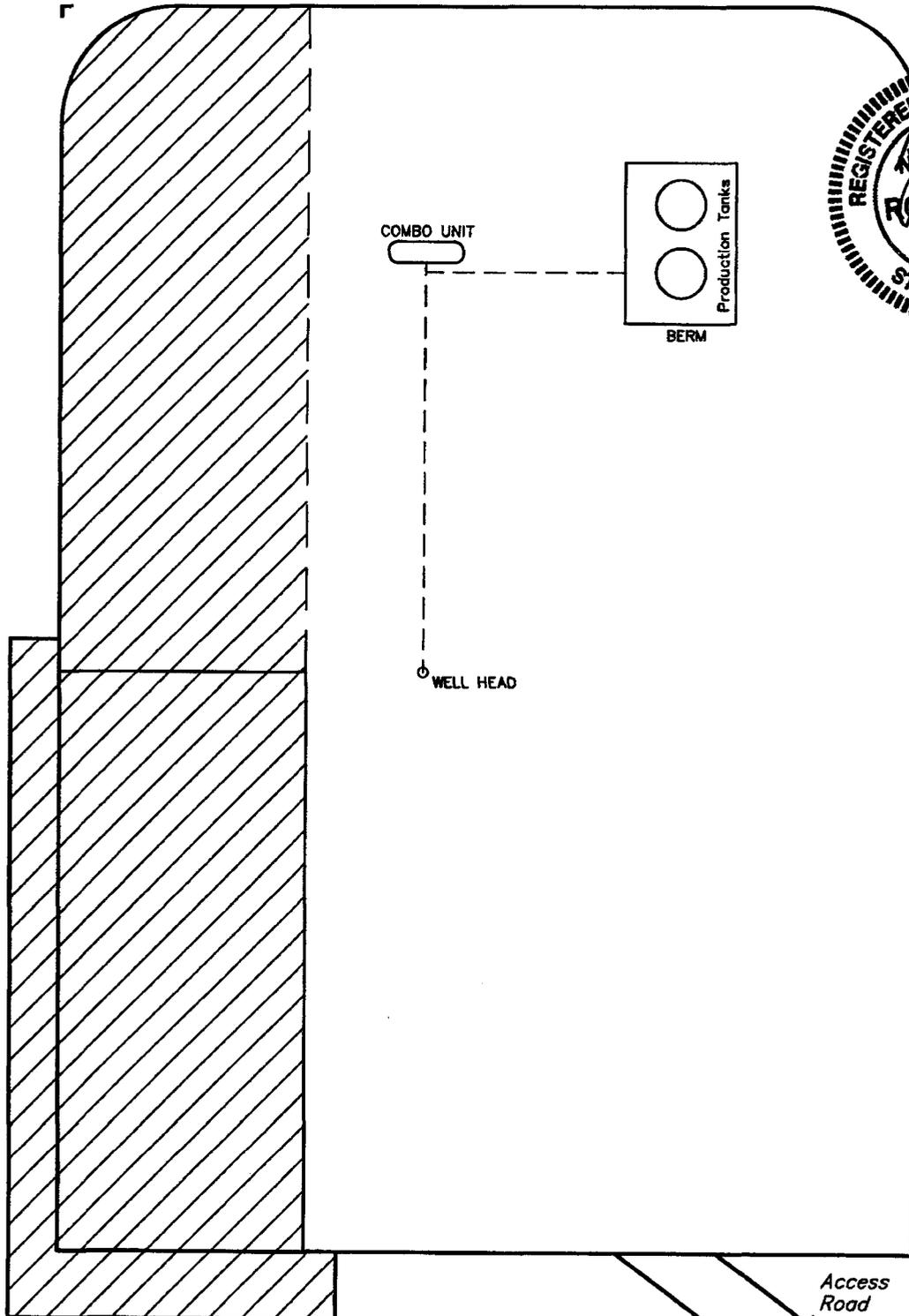
EOG RESOURCES, INC.  
PRODUCTION FACILITY LAYOUT FOR

FIGURE #3

CWU #1354-23  
SECTION 23, T9S, R22E, S.L.B.&M.  
1181' FSL 2551' FEL



DATE: 07-18-07  
Drawn By: S.L.



 RE-HABED AREA

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

# EOG RESOURCES, INC.

## CWU #1354-23

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 23, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS

07 17 07  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

DRAWN BY: B.C.

REVISED: 00-00-00



R  
22  
E

R  
23  
E

T9S  
T10S

**PROPOSED LOCATION:  
CWU #1354-23**

**LEGEND:**

 PROPOSED LOCATION

**EOG RESOURCES, INC.**

CWU #1354-23  
SECTION 23, T9S, R22E, S.L.B.&M.  
1181' FSL 2551' FEL



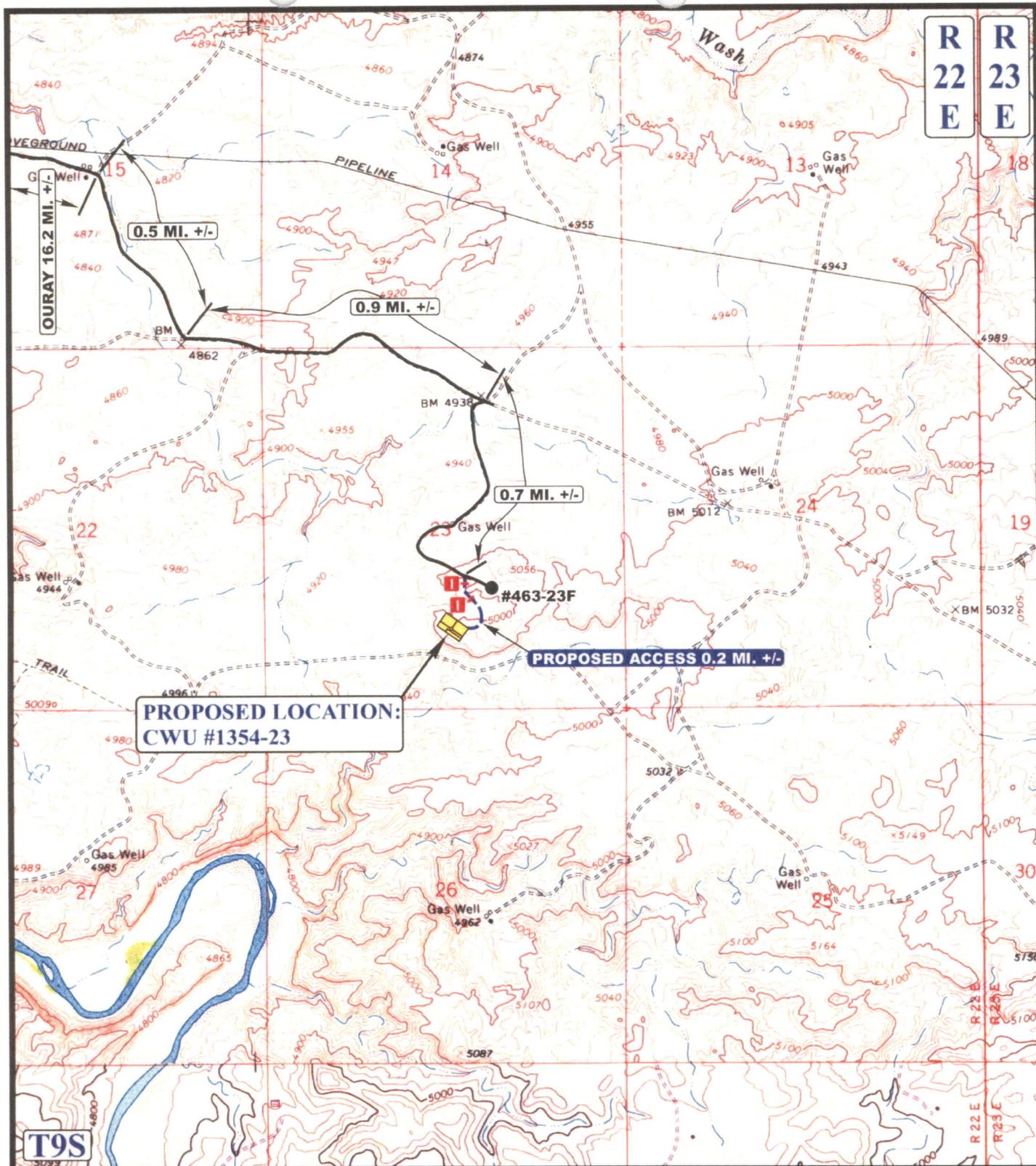
**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**07 17 07**  
MONTH DAY YEAR



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



**PROPOSED LOCATION:  
CWU #1354-23**

**PROPOSED ACCESS 0.2 MI. +/-**

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  18" CMP REQUIRED

**EOG RESOURCES, INC.**

**CWU #1354-23  
SECTION 23, T9S, R22E, S.L.B.&M.  
1181' FSL 2551' FEL**



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



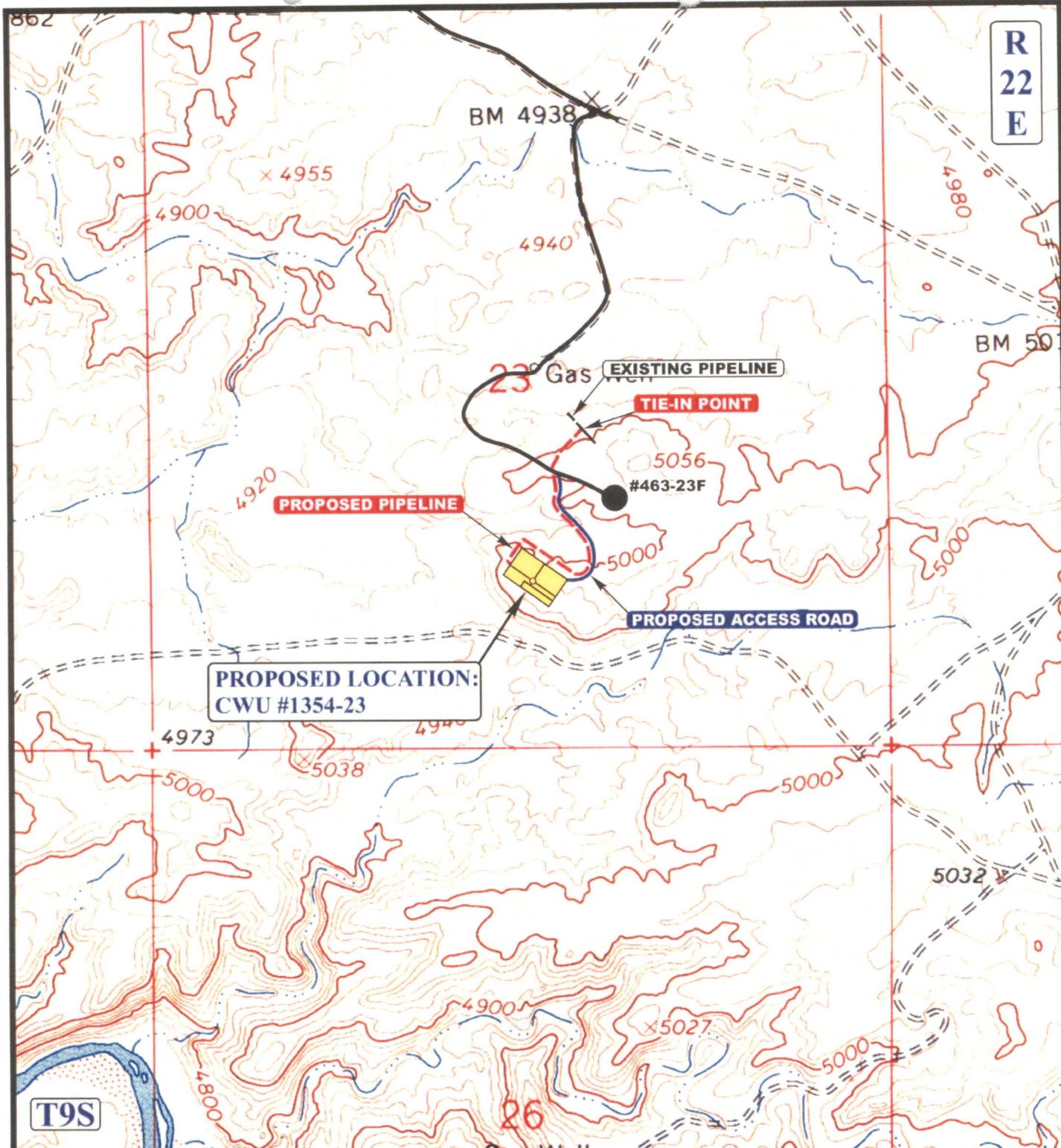
**TOPOGRAPHIC  
MAP**

**07 17 07**  
MONTH DAY YEAR

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

**B  
TOPO**





**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,960' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

**EOG RESOURCES, INC.**

CWU #1354-23  
 SECTION 23, T9S, R22E, S.L.B.&M.  
 1181' FSL 2551' FEL



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



**TOPOGRAPHIC  
 MAP**

**07 17 07**  
 MONTH DAY YEAR



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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/09/2007

API NO. ASSIGNED: 43-047-39688

WELL NAME: CWU 1354-23  
 OPERATOR: EOG RESOURCES INC ( N9550 )  
 CONTACT: MARY MAESTAS

PHONE NUMBER: 303-824-5526

PROPOSED LOCATION:

SWSE 23 090S 220E  
 SURFACE: 1181 FSL 2551 FEL  
 BOTTOM: 1181 FSL 2551 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.01752 LONGITUDE: -109.4061  
 UTM SURF EASTINGS: 636024 NORTHINGS: 4430708  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU0282  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

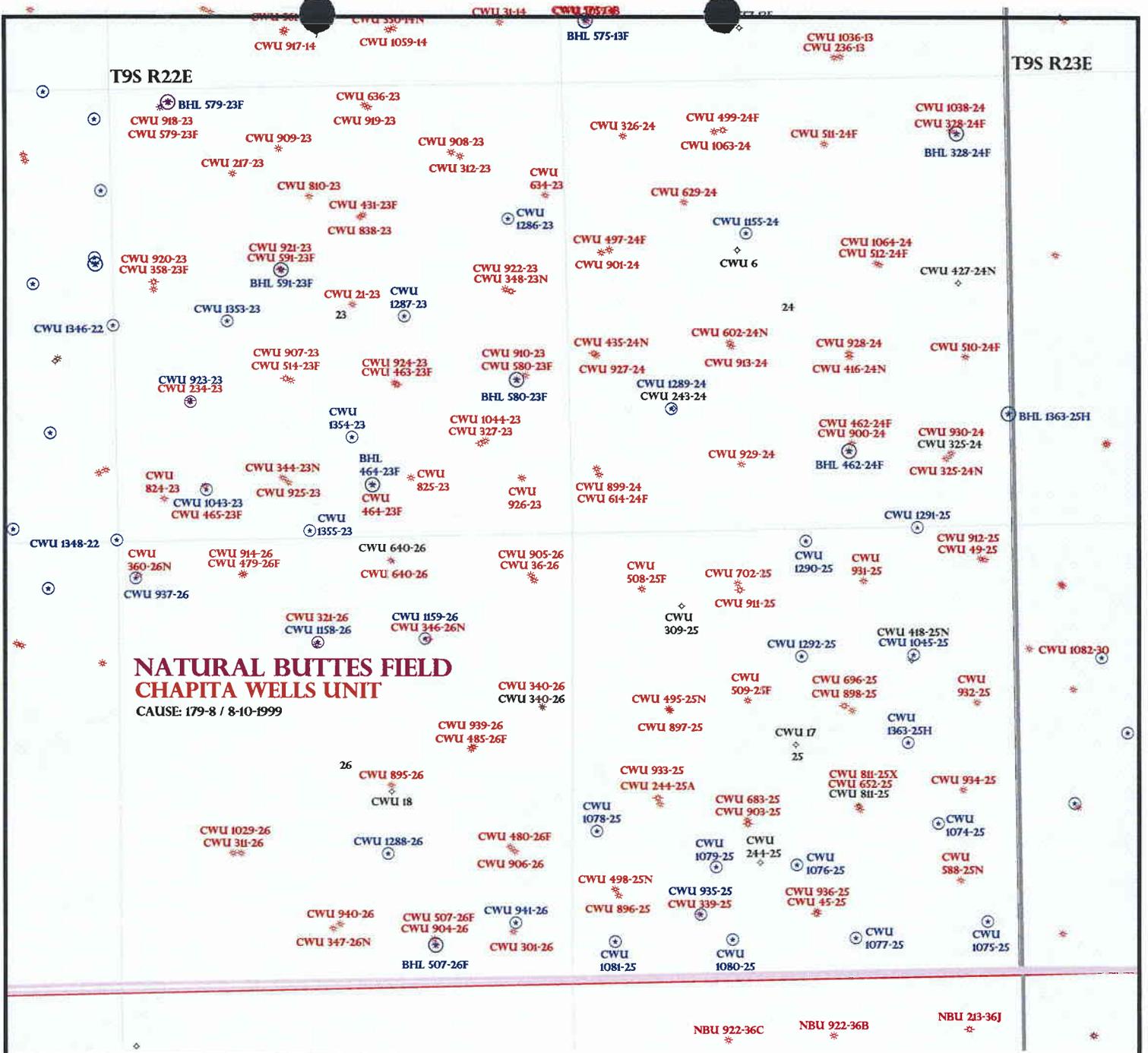
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM2308 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-225 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: CHAPITA WELLS
- 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: Suspension General Siting
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Agreement  
2- OIL SHALE



**NATURAL BUTTES FIELD  
CHAPITA WELLS UNIT**  
CAUSE: 179-8 / 8-10-1999

OPERATOR: EOG RESOURCES INC (N9550)  
SEC: 23,25 T.9S R. 22E  
FIELD: NATURAL BUTTES (630)  
COUNTY: UINTAH  
CAUSE: 179-8 / 8-10-1999



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

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

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



PREPARED BY: DIANA MASON  
DATE: 10-OCTOBER-2007

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

October 10, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2007 Plan of Development Chapita Wells Unit  
Uintah County, Utah.

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

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

(Proposed PZ MesaVerde)

43-047-39686	CWU 1348-22 Sec 22 T09S R22E 0025 FSL 0025 FEL	
43-047-39687	CWU 1355-23 Sec 23 T09S R22E 0094 FSL 2242 FWL	
43-047-39688	CWU 1354-23 Sec 23 T09S R22E 1181 FSL 2551 FEL	
43-047-39689	CWU 1080-25 Sec 25 T09S R22E 0460 FSL 1822 FWL	
43-047-39690	CWU 0935-25 Sec 25 T09S R22E 0762 FSL 1453 FWL	

(Proposed PZ Wasatch)

43-047-39691	CWU 0724-28 Sec 28 T09S R23E 1772 FNL 0750 FEL	
--------------	--	--

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:10-10-07



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

October 10, 2007

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

Re: Chapita Wells Unit 1354-23 Well, 1181' FSL, 2551' FEL, SW SE, Sec. 23, T. 9 South,  
R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39688.

Sincerely,

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 1354-23  
API Number: 43-047-39688  
Lease: UTU0282

Location: SW SE                      Sec. 23                      T. 9 South                      R. 22 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

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

3. Reporting Requirements

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

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

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

OCT - 4 2007

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

**BLM**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0282
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		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 No. UTU63013AH
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		8. Lease Name and Well No. CWU 1354-23
3b. Phone No. (include area code) Ph: 303-824-5526		9. API Well No. <b>43 047 39688</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon At proposed prod. zone SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 49.5 MILES SOUTH OF VERNAL, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R22E Mer SLB SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1181' LEASE LINE	16. No. of Acres in Lease 2440.00	12. County or Parish UINTAH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 770'	19. Proposed Depth 9450 MD	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5019 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well
20. BLM/BIA Bond No. on file NM2308		23. Estimated duration 45 DAYS

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) MARY A. MAESTAS Ph: 303-824-5526	Date 10/04/2007
Title REGULATORY ASSISTANT		
Approved by (Signature) <i>Jessy Kawczka</i>	Name (Printed/Typed) Jessy Kawczka	Date 7-2-2008
Title Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD OFFICE		

Application approval does not warrant or certify 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.

**CONDITIONS OF APPROVAL 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.

Electronic Submission #56668 verified by the BLM Well Information System  
For EOG RESOURCES INC, sent to the Vernal  
Committed to AFMSS for processing by CINDY SEVERSON on 10/05/2007 (08CXS0006AE)

**UDOGM**

**RECEIVED**

JUL 09 2008

**NOTICE OF APPROVAL**

DIV. OF OIL, GAS & MINING

\*\* BLM REVISED \*\*

NOS 08|01|2007

07PP2573A



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

**Company:** EOG Resources, Inc.  
**Well No:** CWU 1354-23  
**API No:** 43-047-39688

**Location:** SWSE, Sec. 23, T9S, R22E  
**Lease No:** UTU-0282  
**Agreement:** Chapita Wells Unit

<b>Title</b>	<b>Name</b>	<b>Office Phone Number</b>	<b>Cell Phone Number</b>
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
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.

**SITE SPECIFIC COAs:**

- Bury pipeline at all low water crossings.
- Permission from an authorized BLM representative will be required if construction or other operations occur during wet conditions that would lead to excessive rutting.
- Permission to clear all wildlife stipulations will 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.
- Corner six will be rounded in order to keep fill off of the hill.

***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.
- 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\_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

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

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>Multiple (See Attached)</b>
2. Name of Operator <b>EOG Resources, Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>1060 E. HWY 40 Vernal, UT 84078</b>	3b. Phone No. (include area code) <b>435-789-0790</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Chapita Wells Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Multiple (See Attached)</b>		8. Well Name and No. <b>Multiple (See Attached)</b>
<b>43 047 39688</b>		9. API Well No. <b>Multiple (See Attached)</b>
<b>CWU 1354-23</b>		10. Field and Pool, or Exploratory Area <b>Natural Buttes</b>
<b>9S 22E 23</b>		11. County or Parish, State <b>Uintah County, Utah</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Air Drilling Variance Request</b>
	<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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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

**COPY SENT TO OPERATOR**

Date: 10.14.2008

Initials: KS

**RECEIVED**

**SEP 22 2008**

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

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

**Mickenzie Thacker**

Title **Operations Clerk**

Signature

*Mickenzie Thacker*

Date

**09/17/2008**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*[Signature]*

Title

**Pet. Eng.**

Date

**10/7/08**

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

Office

**DOGm**

**Federal Approval Of This Action Is Necessary**

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

(Instructions on page 2)

43-047-39163	UTU-0284-A	CWU 1161-22	1159' FSL 1241' FWL	SWSW Sec. 22 T9S R22E
43-047-39593	UTU-0282	CWU 1180-14	373' FNL 1370' FEL	NWNE Sec. 14 T9S R22E
43-047-39592	UTU-0281	CWU 1181-10	624' FSL 455' FEL	SESE Sec. 10 T9S R22E
43-047-39610	UTU-0282	CWU 1206-14	1909' FNL 2073' FWL	SENW Sec. 14 T9S R22E
43-047-39899	UTU-0282	CWU 1207-24	663' FNL 624' FWL	NWNW Sec. 24 T9S R22E
43-047-39907	UTU-0282	CWU 1208-24	757' FNL 2238' FEL	NWNE Sec. 24 T9S R22E
43-047-39898	UTU-0282	CWU 1210-24	2021' FSL 576' FEL	NESE Sec. 24 T9S R22E
43-047-38541	UTU-0281	CWU 1211-12	726' FNL 825' FEL	NENE Sec. 12 T9S R22E
43-047-38672	UTU-01304	CWU 1227-06	817' FNL 702' FEL	NENE Sec. 6 T9S R23E
43-047-38429	UTU-0343	CWU 1228-07	415' FNL 261' FWL	NWNW Sec. 7 T9S R23E
43-047-39638	UTU-0285-A	CWU 1279-28	278' FNL 188' FEL	NENE Sec. 28 T9S R22E
43-047-50006	UTU-29535	CWU 1296-30	1192' FSL 1312' FEL	SESE Sec. 30 T9S R23E
43-047-39616	UTU-0283-A	CWU 1334-15	142' FNL 1397' FWL	NENW Sec. 15 T9S R22E
43-047-39512	UTU-0283-A	CWU 1335-15	10' FNL 1330' FEL	NWNE Sec. 15 T9S R22E
43-047-39513	UTU-0283-A	CWU 1338-15	1850' FSL 1750' FWL	NESW Sec. 15 T9S R22E
43-047-39620	UTU-0284-A	CWU 1339-22	162' FNL 1330' FWL	NENW Sec. 22 T9S R22E
43-047-39653	UTU-0284-A	CWU 1342-22	1330' FNL 1100' FWL	SWNW Sec. 22 T9S R22E
43-047-39623	UTU-0284-A	CWU 1344-22	1163' FNL 120' FEL	NENE Sec. 22 T9S R22E
43-047-39652	UTU-0284-A	CWU 1346-22	2545' FSL 7' FEL	NESE Sec. 22 T9S R22E
43-047-39686	UTU-0284-A	CWU 1348-22	25' FSL 25' FEL	SESE Sec. 22 T9S R22E
43-047-50005	UTU-0285-A	CWU 1350-27	1229' FNL 1509' FWL	NENW Sec. 27 T9S R22E
43-047-39677	UTU-0282	CWU 1353-23	2570' FSL 1330' FWL	NESW Sec. 23 T9S R22E
43-047-39688	UTU-0282	CWU 1354-23	1181' FSL 2551' FEL	SWSE Sec. 23 T9S R22E

### **Air Drilling Operations:**

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

### **VARIANCE REQUESTS:**

#### **Reference: Onshore Oil and Gas Order No. 1**

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

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

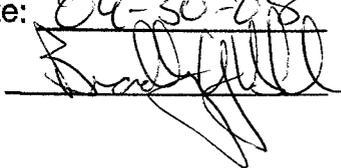
		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-0282</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Chapita Wells Unit</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Chapita Wells Unit 1354-23</b>
2. NAME OF OPERATOR: <b>EOG Resources, Inc.</b>		9. API NUMBER: <b>43-047-39688</b>
3. ADDRESS OF OPERATOR: <b>1060 East Highway 40</b> CITY <b>Vernal</b> STATE <b>UT</b> ZIP <b>84078</b>		PHONE NUMBER: <b>(435) 789-0790</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1181' FSL &amp; 2551' FEL 40.017481 LAT 109.406872 LON</b>		10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 23 9S 22E S.L.B. &amp; M.</b>		COUNTY: <b>Uintah</b> STATE: <b>UTAH</b>

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-30-08  
By: 

NAME (PLEASE PRINT) <u>Mickenzie Thacker</u>	TITLE <u>Operations Clerk</u>
SIGNATURE 	DATE <u>9/22/2008</u>

(This space for State use only)

**COPY SENT TO OPERATOR**

Date: 10.2.2008  
Initials: KS

(See Instructions on Reverse Side)

**RECEIVED**  
**SEP 25 2008**

DIV. OF OIL, GAS & MINING

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

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

API: 43-047-39688  
Well Name: **Chapita Wells Unit 1354-23**  
Location: **1181 FSL & 2551 FEL (SWSE), SECTION 23, T9S, R22E S.L.B.&M**  
Company Permit Issued to: **EOG RESOURCES, INC.**  
Date Original Permit Issued: **10/10/2007**

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

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

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

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

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

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

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

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

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

Mickenzie Thadler  
Signature

9/22/2008  
Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

RECEIVED

SEP 25 2008

DIV. OF OIL, GAS & MINING

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES 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
43-047-39451	CHAPITA WELLS UNIT 1287-23		NWSE	23	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>KB</i>	99999	<i>13650</i>	12/9/2008		<i>12/16/08</i>		
Comments: <u>MESAVERDE</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39452	CHAPITA WELLS UNIT 1276-22		SESW	22	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>KB</i>	99999	<i>13650</i>	12/8/2008		<i>12/16/08</i>		
Comments: <u>MESAVERDE</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39688	CHAPITA WELLS UNIT 1354-23		SWSE	23	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>KB</i>	99999	<i>13650</i>	12/8/2008		<i>12/16/08</i>		
Comments: <u>MESAVERDE</u>							

**ACTION CODES:**

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

Mickenzie Thacker

Name (Please Print)

*Mickenzie Thacker*

Signature

Operations Clerk

12/10/2008

Title

Date

**RECEIVED**

**DEC 10 2008**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0282

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1354-23

9. API Well No.  
43-047-39688

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

3b. Phone No. (include area code)  
Ph: 435-781-9145

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 23 T9S R22E SWSE 1181FSL 2551FEL  
40.01748 N Lat, 109.40687 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 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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was spud on 12/8/2008.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #65415 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* (Electronic Submission) Date 12/10/2008

**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**  
**DEC 15 2008**  
**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU0282

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1354-23

9. API Well No.  
43-047-39688

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 23 T9S R22E SWSE 1181FSL 2551FEL  
40.01748 N Lat, 109.40687 W Lon

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

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

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

The referenced well was turned to sales on 3/14/2009. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #68065 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 03/16/2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

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

**RECEIVED**

**MAR 23 2009**

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

## WELL CHRONOLOGY REPORT

Report Generated On: 03-16-2009

<b>Well Name</b>	CWU 1354-23	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-39688	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	01-25-2009	<b>Class Date</b>	
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,450/ 9,450	<b>Property #</b>	061890
<b>Water Depth</b>	0	<b>Last CSG</b>	0.0	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	5,036/ 5,017				
<b>Location</b>	Section 23-T9S-R22E, SWSE, 1181 FSL & 2551 FEL, Lat: 40.017514 Long: -109.406189				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	55.605	<b>NRI %</b>	47.597

<b>AFE No</b>	304867	<b>AFE Total</b>	1,636,800	<b>DHC / CWC</b>	726,500/ 910,300
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #34	<b>Start Date</b>	10-14-2007
		<b>Release Date</b>			02-07-2009
<b>10-14-2007</b>	<b>Reported By</b>	SHARON CAUDILL			
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Daily Total</b>	\$0
<b>Cum Costs: Drilling</b>	\$0	<b>Completion</b>	\$0	<b>Well Total</b>	\$0
<b>MD</b>	0	<b>TVD</b>	0	<b>Progress</b>	0
		<b>Days</b>	0	<b>MW</b>	0.0
		<b>Visc</b>			0.0
<b>Formation :</b>		<b>PBTD : 0.0</b>		<b>Perf :</b>	
				<b>PKR Depth : 0.0</b>	

**Activity at Report Time:** LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA
			1181' FSL & 2551' FEL (SW/SE)
			SECTION 23, T9S, R22E
			UINTAH COUNTY, UTAH
			LAT: 40.017481, LONG: 109.406872 (NAD 83)
			LAT: 40.017514, LONG: 109.406189 (NAD 27)
			TRUE #34
			TD: 9450', MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A FIELD: CHAPITA WELLS DEEP
			NATURAL BUTTES FIELD
			LEASE: UTU-0282
			ELEVATION: 5019.1' NAT GL, 5016.6' PREP GL (DUE TO ROUNDING PREP GL IS 5017') 5036' KB (19')
			EOG WI 55.6055%, NRI 47.59694%

**11-20-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**11-21-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING IN ROAD.

**11-24-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**11-25-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**11-26-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**11-27-2008**      **Reported By**      TERRY CSERE





**Cum Costs: Drilling**      \$165,337                      **Completion**      \$0                      **Well Total**      \$165,337  
**MD**      269      **TVD**      269      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:**

Start	End	Hrs	Activity Description
06:00	17:00	11.0	HELD SAFETY MEETING MOVED RIG FROM CWU 1357-24 TO 1354-23, MOVE WAS 1.9 MILE. RURT. RAISED DERRICK @ 1630 HRS. RELEASED TRUCKS @ 1700 HRS. CONTINUED RURT. OLD LOCATION CWU 1282-27 CLEARED AND CLEANED.
17:00	05:00	12.0	CONTINUE TO RURT. WELD ON RISER, AND PREPARE TO DRILL.
05:00	06:00	1.0	PICK UP MILL, BIT SUB, SHOCK SUB AND 8" DRILL COLLARS. DIESEL 9576 GALS(USED 474 GALS). BOILER 8 HOURS. NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- MOVING RIG. 15 MEN @ 70 MAN HOURS ON RIG MOVE. FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. UNMANNED LOGGING UNIT 0 DAYS ON LOCATION. TRANSFERRED 5 JTS(217.35') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1357-24. TRANSFERRED 2 MARKER JTS(41.61') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1357-24. TRANSFERRED 2052 GALS DIESEL FROM CWU 1357-24. MOVE TO CWU 1354-23 IS 1.9 MILE.

**01-25-2009**      **Reported By**      BRIAN DUTTON

**DailyCosts: Drilling**      \$57,407                      **Completion**      \$0                      **Daily Total**      \$57,407  
**Cum Costs: Drilling**      \$222,744                      **Completion**      \$0                      **Well Total**      \$222,744  
**MD**      269      **TVD**      269      **Progress**      0      **Days**      0      **MW**      0.0      **Visc**      0.0  
**Formation :**                      **PBTD : 0.0**                      **Perf :**                      **PKR Depth : 0.0**

**Activity at Report Time:** PU BHA

Start	End	Hrs	Activity Description
06:00	17:00	11.0	HELD SAFETY MEETING MOVED RIG FROM CWU 1357-24 TO 1354-23, MOVE WAS 1.9 MILE. RURT. RAISED DERRICK @ 1630 HRS. RELEASED TRUCKS @ 1700 HRS. CONTINUED RURT. OLD LOCATION CWU 1282-27 CLEARED AND CLEANED.
17:00	05:00	12.0	CONTINUE TO RURT. WELD ON RISER, AND PREPARE TO DRILL. DROPPED A PIECE OF 1.5" x 10" LONG ANGLE-IRON IN HOLE WHILE RIGGING UP RISER.
05:00	06:00	1.0	PICK UP MILL, BIT SUB, SHOCK SUB AND 8" DRILL COLLARS. DIESEL 9576 GALS(USED 474 GALS). BOILER 8 HOURS. NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- MOVING RIG. 15 MEN @ 70 MAN HOURS ON RIG MOVE. FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. UNMANNED LOGGING UNIT 0 DAYS ON LOCATION. TRANSFERRED 5 JTS(217.35') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1357-24. TRANSFERRED 2 MARKER JTS(41.61') 4.5" 11.6# HCP-110 LTC CASING FROM CWU 1357-24. TRANSFERRED 2052 GALS DIESEL FROM CWU 1357-24. MOVE TO CWU 1354-23 IS 1.9 MILE.

**01-26-2009**      **Reported By**      BRIAN DUTTON

**DailyCosts: Drilling**      \$51,046                      **Completion**      \$0                      **Daily Total**      \$51,046

**Cum Costs: Drilling** \$273,790 **Completion** \$0 **Well Total** \$273,790  
**MD** 1,617 **TVD** 1,617 **Progress** 1,343 **Days** 1 **MW** 8.5 **Visc** 27.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** DRILLING 12.25" HOLE @ 1,617'.

Start	End	Hrs	Activity Description
06:00	08:00	2.0	PICK UP MILL ( 1.5" ANGLE IRON x 6" LENGTH DROPPED IN HOLE ), BIT SUB, SHOCK SUB AND 8" DRILL COLLARS. RIG ACCEPTED ON DAY WORK 0500 HRS 1/25/09.
08:00	10:30	2.5	MILL F/269' TO 274'.
10:30	11:00	0.5	TRIP OUT OF HOLE @ 274' AND L/D MILL AND BIT SUB.
11:00	11:30	0.5	PU 12 1/4" BIT AND MUD MOTOR.
11:30	13:00	1.5	TRIP IN HOLE WITH BIT #1.
13:00	13:30	0.5	DRILLED F/274' TO 301' (27' @ 54.0 FPH), WOB 5-15K, GPM 450, RPM 20-60/MOTOR 50, SPP 750, MUD WT. 8.5, VIS 28, NO FLARE.
13:30	14:00	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 8.5, VIS 28.
14:00	18:00	4.0	DRILLED F/301' TO 601' (300' @ 75.0 FPH), WOB 10-20K, GPM 720, RPM 20-60/MOTOR 84, SPP 1400, MUD WT. 8.5, VIS 28, NO FLARE.
18:00	19:00	1.0	INSTALL ROTATING HEAD AND DRIVER BUSHING.
19:00	23:00	4.0	DRILLED F/601' TO 1,002' (401' @ 100.2 FPH), WOB 10-20K, GPM 720, RPM 20-60/MOTOR 84, SPP 1690, MUD WT. 8.5, VIS 28, NO FLARE.
23:00	23:30	0.5	SURVEY DEPTH @ 918' .5 DEGREES.
23:30	06:00	6.5	DRILLED F/1,002' TO 1,617' (615' @ 94.6 FPH), WOB 10-20K, GPM 720, RPM 20-60/MOTOR 84, SPP 1690, MUD WT. 8.5, VIS 28, NO FLARE.
			DIESEL 8436 GALS(USED 1131 GALS). BOILER 24 HOURS. NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- RU FLARE LINES. FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. UNMANNED LOGGING UNIT 0 DAYS ON LOCATION.
06:00			SPUD 12 1/4" SURFACE HOLE W/ROTARY TOOLS @ 13:00 HRS, 1/25/09.

**01-27-2009** **Reported By** BRIAN DUTTON

**Daily Costs: Drilling** \$33,165 **Completion** \$0 **Daily Total** \$33,165  
**Cum Costs: Drilling** \$306,955 **Completion** \$0 **Well Total** \$306,955  
**MD** 2,506 **TVD** 2,506 **Progress** 889 **Days** 2 **MW** 8.4 **Visc** 27.0  
**Formation :** **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

**Activity at Report Time:** RUNNING 9 5/8" CASING

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILLED F/1,617' TO 1,944' (327' @ 81.7 FPH), WOB 10-20K, GPM 720, RPM 20-60/MOTOR 84, SPP 1869, MUD WT. 8.5, VIS 28, NO FLARE.
10:00	10:30	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 8.5, VIS 28.
10:30	18:00	7.5	DRILLED F/1,944' TO 2,506' (562' @ 74.9 FPH), WOB 10-20K, GPM 720, RPM 20-60/MOTOR 84, SPP 1907, MUD WT. 8.5, VIS 28, NO FLARE.

18:00 22:30 4.5 GAS TO SURFACE WITH 10 - 15' FLARE. CIRCULATE OUT AND CONDITION HOLE, LOST 300 BBLS AFTER FLARE WENT OUT. WELL STARTED TO FLARE AGAIN. PUMP 50 BBLS 11.1 PPG (EMW 9.1 PPG) CHECK FOR FLOW WELL WAS DEAD.

22:30 23:30 1.0 TRIP OUT OF HOLE TO RUN 9 5/8" CASING.

23:30 01:00 1.5 LD 8" DRILL COLLARS, SHOCK SUB, MUD MOTOR AND BIT.

01:00 02:30 1.5 HELD SAFETY MEETING AND RU CALIBER CASING CREW.

02:30 06:00 3.5 RUN 9 5/8", 36# J-55 STC CASING AT REPORT TIME.

DIESEL 6384 GALS(USED 2052 GALS).  
 BOILER 24 HOURS.  
 NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- RUNNING 9 5/8" CASING.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 0 DAYS ON LOCATION.

<b>01-28-2009</b>		<b>Reported By</b>		BRIAN DUTTON							
<b>Daily Costs: Drilling</b>	\$233,214	<b>Completion</b>	\$0	<b>Daily Total</b>	\$233,214						
<b>Cum Costs: Drilling</b>	\$540,170	<b>Completion</b>	\$0	<b>Well Total</b>	\$540,170						
<b>MD</b>	2,506	<b>TVD</b>	2,506	<b>Progress</b>	0	<b>Days</b>	3	<b>MW</b>	8.5	<b>Visc</b>	29.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time:** NIPPLE UP ON 9 5/8"

Start	End	Hrs	Activity Description
06:00	07:00	1.0	RAN 57 JTS (2492.92') OF 9-5/8", 36.0#, K-55, STC CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2,490'.
07:00	10:00	3.0	CIRCULATE BOTTOMS UP. R/U HALLIBURTON CEMENTERS. HELD SAFETY MEETING.
10:00	12:30	2.5	CEMENTED CSG AS FOLLOWS: PUMPED 20 BBLS CHEM WASH, 20 BBLS FW SPACER, 250 SX TYPE 3 WITH ADDITIVES (183 BBLS @ 10.5 PPG, 4.1 CFS) & 300 SX TYPE 5(63 BBLS @ 15.6 PPG, 1.18 CFS). DROPPED PLUG. DISP W/189.0 BBL FRESH WATER WATER(LOST FULL RETURNS WITH 40 BBLS OF THE TAIL CEMENT AWAY). FINAL LIFT PRESSURE 665 PSI, BUMPED PLUG TO 1113 PSI. BLEED OFF, FLOATS HELD. PERFORM TOP JOB #1 THROUGH 120' OF 1" AS FOLLOWS, MIX AND PUMP 100 SX HALCEM ( 20 BBLS @ 15.8 PPG, 1.15 CFS W/2% CC, 5 GPM H2O. CEMENT STARTED TO COME UP THEN FELL BACK.
12:30	16:00	3.5	WAIT ON CEMENT.
16:00	16:30	0.5	PERFORM TOP JOB #2 THROUGH 120' OF 1" AS FOLLOWS, MIX AND PUMP 100 SX HALCEM ( 20 BBLS @ 15.8 PPG, 1.15 CFS W/2% CC, 5 GPM H2O. CEMENT COULD NOT BE SEEN AT THIS TIME.
16:30	19:00	2.5	WAIT ON CEMENT.
19:00	19:30	0.5	PERFORM TOP JOB #3 THROUGH 120' OF 1" AS FOLLOWS, MIX AND PUMP 100 SX HALCEM ( 20 BBLS @ 15.8 PPG, 1.15 CFS W/2% CC, 5 GPM H2O. CEMENT COULD NOT BE SEEN AT THIS TIME.
19:30	21:00	1.5	WAIT ON CEMENT
21:00	22:00	1.0	PERFORM TOP JOB #4 THROUGH 120' OF 1" AS FOLLOWS, MIX AND PUMP 235 SX HALCEM ( 48 BBLS @ 15.8 PPG, 1.15 CFS W/2% CC, 5 GPM H2O. CEMENT BACK TO SURFACE HOLE STOOD FULL.
22:00	23:00	1.0	RD HALLIBURTON. PREPARE TO CUT OFF 9 5/8" CASING AND WELD ON WELLHEAD.
23:00	01:30	2.5	CUT 9 5/8" CASING OFF, WELD WELLHEAD ON TO 9 5/8" CASING. LET WELLHEAD COOL PRIOR TO TESTING.
01:30	06:00	4.5	CUT OFF CONDUCTOR AND 9 5/8" CASING AND WELD ON WELLHEAD .

DIESEL 5130 GALS(USED 1254 GALS).  
 BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- CEMENT 9 5/8" CASING.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 0 DAYS ON LOCATION.

<b>01-29-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$55,114	<b>Completion</b>	\$0	<b>Daily Total</b>	\$55,114						
<b>Cum Costs: Drilling</b>	\$595,285	<b>Completion</b>	\$0	<b>Well Total</b>	\$595,285						
<b>MD</b>	3,570	<b>TVD</b>	3,570	<b>Progress</b>	1,064	<b>Days</b>	4	<b>MW</b>	9.0	<b>Visc</b>	28.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 3,570'.

Start	End	Hrs	Activity Description
06:00	07:30	1.5	WELD ON WELL HEAD AND TEST TO 1200 PSI.
07:30	10:30	3.0	NU BOP AND FLOW LINE. HELD SAFETY MEETING PRIOR TO JOB.
10:30	14:30	4.0	TESTED BOPE(ALL RAMS, VALVES, & CHOKE MANIFOLD 250/5000 PSI, ANNULAR 250/2500 PSI, CASING 1500 PSI). NO BLM WITNESS, BLM NOTIFIED VIA EMAIL @ 0700 HRS 1/22/09.
14:30	15:00	0.5	INSTALL WEAR BUSHING.
15:00	15:30	0.5	PU BIT, MUD MOTOR AND ROLLER REAMERS.
15:30	17:00	1.5	TRIP IN HOLE WITH, TAG @ 2,433'.
17:00	17:30	0.5	INSTALL ROTATING HEAD.
17:30	19:30	2.0	DRILL CEMENT/FLOAT EQUIP. F/2,433' TO 2,506'. DRILL 15' OF NEW FORMATION TO 2,521'.
19:30	20:00	0.5	PERFORMED F.I.T. @ 2,521' TO 10.5 PPG EMW(270 PSI).
20:00	22:00	2.0	DRILLED 2,521' TO 2,696' (175' @ 87.5 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1290, MUD 8.4 PPG, VIS 28, NO FLARE.
22:00	22:30	0.5	SURVEY DEPTH @ 2,616' 1.5 DEGREES.
22:30	06:00	7.5	DRILLED 2,696' TO 3,570' (874' @ 116.6 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1570, MUD 8.9 PPG, VIS 29, NO FLARE.

DIESEL 3762 GALS(USED 1368 GALS).

BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- TESTING BOP.

FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.

UNMANNED LOGGING UNIT 1 DAYS ON LOCATION.

<b>01-30-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$40,922	<b>Completion</b>	\$0	<b>Daily Total</b>	\$40,922						
<b>Cum Costs: Drilling</b>	\$636,207	<b>Completion</b>	\$0	<b>Well Total</b>	\$636,207						
<b>MD</b>	5,150	<b>TVD</b>	5,150	<b>Progress</b>	1,580	<b>Days</b>	5	<b>MW</b>	9.9	<b>Visc</b>	32.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 5,150'

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILLED 3,570' TO 4,388' (818' @ 125.8 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1788, MUD 9.4 PPG, VIS 31, NO FLARE.
12:30	13:00	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 9.5+, VIS 31.
13:00	14:30	1.5	DRILLED 4,388' TO 4,511' (123' @ 82.0 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1738, MUD 9.5 PPG, VIS 32, NO FLARE.
14:30	15:00	0.5	SURVEY DEPTH @ 4,431' 2.0 DEGREES. MUD 9.5 PPG, VIS 32

15:00	16:30	1.5	DRILLED 4,511' TO 4,603' (123' @ 61.3 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1750, MUD 9.5 PPG, VIS 32, NO FLARE.
16:30	17:30	1.0	WORK OUT OF TIGHT SPOT @ 4,602', HAD TO USE JARS TO GET UP OUT OF IT. WASH AND REAMED BACK THROUGH TIGHT SPOT TWICE PRIOR TO GOING BACK TO DRILLING.
17:30	18:30	1.0	DRILLED 4,603' TO 4,664' (61' @ 61.0 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1750, MUD 9.5 PPG, VIS 32, NO FLARE.
18:30	19:00	0.5	WORK OUT OF TIGHT SPOT @ 4,662', HAD TO USE JARS TO GET UP OUT OF IT.
19:00	21:30	2.5	PRECAUTIONARY PUMP OUT 9 JOINTS TO 4,342', TRIP OUT OF HOLE 21 STAND TO 2,370' TO ASSURE GETTING ABOVE TIGHT HOLE.
21:30	22:00	0.5	SLIP & CUT DRILL LINE.
22:00	23:00	1.0	TRIP IN HOLE.
23:00	23:30	0.5	WASH/REAM F/4,342' TO 4664', MUD WT. 9.6, VIS 32.
23:30	06:00	6.5	DRILLED 4,664' TO 5,150' (486' @ 74.7 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 1750, MUD 9.9 PPG, VIS 32, NO FLARE.

DIESEL 5814 GALS(USED 1948 GALS).  
 BOILER 24 HOURS.  
 NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- USING JARS.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 2 DAYS ON LOCATION.

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<b>01-31-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$36,847	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,847						
<b>Cum Costs: Drilling</b>	\$673,055	<b>Completion</b>	\$0	<b>Well Total</b>	\$673,055						
<b>MD</b>	6,450	<b>TVD</b>	6,450	<b>Progress</b>	1,300	<b>Days</b>	6	<b>MW</b>	10.2	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>					<b>Perf :</b>	<b>PKR Depth : 0.0</b>				
<b>Activity at Report Time:</b> DRILLING @ 6450'											

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILLED 5,150' TO 5,507' (357' @ 59.5 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 2030, MUD 10.0 + PPG, VIS 34, NO FLARE.
12:00	12:30	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 10.0+, VIS 34.
12:30	06:00	17.5	DRILLED 5,507' TO 6,450' (943' @ 53.8 FPH), WOB 10-20K, GPM 450, RPM 35-50/MOTOR 72, SPP 2030, MUD 10.2 PPG, VIS 35, NO FLARE.

DIESEL 3420 GALS(USED 2394 GALS).  
 BOILER 24 HOURS.  
 NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- TEAM WORK.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 3 DAYS ON LOCATION.

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<b>02-01-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$45,203	<b>Completion</b>	\$0	<b>Daily Total</b>	\$45,203						
<b>Cum Costs: Drilling</b>	\$718,258	<b>Completion</b>	\$0	<b>Well Total</b>	\$718,258						
<b>MD</b>	7,311	<b>TVD</b>	7,311	<b>Progress</b>	861	<b>Days</b>	7	<b>MW</b>	10.7	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>					<b>Perf :</b>	<b>PKR Depth : 0.0</b>				
<b>Activity at Report Time:</b> DRILLING @ 7,311'											

Start	End	Hrs	Activity Description
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06:00 10:30 4.5 DRILLED 6,450' TO 6,632' (182' @ 40.4 FPH), WOB 10-20K, GPM 432, RPM 35-50/MOTOR 69, SPP 1936, MUD 10.1 PPG, VIS 34, NO FLARE.  
 10:30 11:00 0.5 SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 10.2, VIS 34.  
 11:00 06:00 19.0 DRILLED 6,632' TO 7,311' (679' @ 35.7 FPH), WOB 10-20K, GPM 4, RPM 35-50/MOTOR 69, SPP 2230, MUD 10.7 PPG, VIS 35, NO FLARE.

DIESEL 5928 GALS(USED 1992 GALS).  
 BOILER 24 HOURS.  
 NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- USING FIRE EXTINGUISHERS.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 4 DAYS ON LOCATION.

<b>02-02-2009</b>		<b>Reported By</b>	BRIAN DUTTON								
<b>DailyCosts: Drilling</b>	\$41,610	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,610						
<b>Cum Costs: Drilling</b>	\$753,531	<b>Completion</b>	\$0	<b>Well Total</b>	\$753,531						
<b>MD</b>	8,195	<b>TVD</b>	8,195	<b>Progress</b>	884	<b>Days</b>	8	<b>MW</b>	10.9	<b>Visc</b>	36.0
<b>Formation :</b>		<b>PBTD : 0.0</b>			<b>Perf :</b>		<b>PKR Depth : 0.0</b>				

Activity at Report Time: DRILLING @ 8,195'

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILLED 7,311' TO 7,630' (319' @ 45.5 FPH), WOB 10-20K, GPM 425, RPM 35-50/MOTOR 68, SPP 2150, MUD 10.7 PPG, VIS 37, NO FLARE.
13:00	13:30	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 10.7, VIS 35.
13:30	06:00	16.5	DRILLED 7,630' TO 8,195' (565' @ 34.2 FPH), WOB 10-20K, GPM 425, RPM 35-50/MOTOR 68, SPP 2150, MUD 10.9 PPG, VIS 37, NO FLARE.

DIESEL 3990 GALS(USED 1938 GALS).  
 BOILER 24 HOURS.  
 NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- MIXING CHEMICALS.  
 FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.  
 UNMANNED LOGGING UNIT 5 DAYS ON LOCATION.

<b>02-03-2009</b>		<b>Reported By</b>	BRIAN DUTTON								
<b>DailyCosts: Drilling</b>	\$47,992	<b>Completion</b>	\$0	<b>Daily Total</b>	\$47,992						
<b>Cum Costs: Drilling</b>	\$801,524	<b>Completion</b>	\$0	<b>Well Total</b>	\$801,524						
<b>MD</b>	8,752	<b>TVD</b>	8,752	<b>Progress</b>	557	<b>Days</b>	9	<b>MW</b>	11.1	<b>Visc</b>	38.0
<b>Formation :</b>		<b>PBTD : 0.0</b>			<b>Perf :</b>		<b>PKR Depth : 0.0</b>				

Activity at Report Time: TOH FOR NEW BIT

Start	End	Hrs	Activity Description
06:00	11:00	5.0	DRILLED 8,195' TO 8,408' (213' @ 42.6 FPH), WOB 10-20K, GPM 403, RPM 35-50/MOTOR 64, SPP 2250, MUD 10.9 PPG, VIS 39, NO FLARE.
11:00	11:30	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST ANNULAR. MUD WT. 10.9, VIS 39.
11:30	05:00	17.5	DRILLED 8,408' TO 8,752' (344' @ 19.6 FPH), WOB 10-20K, GPM 396, RPM 35-50/MOTOR 63, SPP 2250, MUD 11.1 PPG, VIS 38, NO FLARE.
05:00	05:30	0.5	CIRCULATE AND MIX PILL.
05:30	06:00	0.5	TRIP OUT OF HOLE WITH BIT #1 @ 8,752'.

DIESEL 6612 GALS(USED 1878 GALS).

BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- POP OFF VALVES ON MUD PUMPS.

FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.

UNMANNED LOGGING UNIT 6 DAYS ON LOCATION.

<b>02-04-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$44,876	<b>Completion</b>	\$0	<b>Daily Total</b>	\$44,876						
<b>Cum Costs: Drilling</b>	\$846,401	<b>Completion</b>	\$0	<b>Well Total</b>	\$846,401						
<b>MD</b>	8,861	<b>TVD</b>	8,861	<b>Progress</b>	109	<b>Days</b>	10	<b>MW</b>	11.5	<b>Visc</b>	37.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time:** DRILLING @ 8,861'

Start	End	Hrs	Activity Description
06:00	09:30	3.5	TRIP OUT OF HOLE WITH BIT #2 @ 8,752'.
09:30	10:30	1.0	LD ROLLER REAMERS, CHANGE OUT MUD MOTOR AND BIT.
10:30	13:30	3.0	TRIP IN HOLE WITH BIT #3, FILLING PIPE @ 2,405'. TAG BRIDGE @ 4,715'.
13:30	14:00	0.5	WASH/REAM F/4,715' TO 4,776'.
14:00	16:30	2.5	TRIP IN HOLE WITH BIT #3, FILL @ 6,800', TAG BRIDGE @ 8,397'.
16:30	21:00	4.5	WASH/REAM F/8,397' TO 8,752', MUD WT. 11.2, VIS 38, (47' OF FILL).
21:00	06:00	9.0	DRILLED 8,752' TO 8,861' (109' @ 12.1 FPH), WOB 10-20K, GPM 396, RPM 35-50/MOTOR 63, SPP 2250, MUD 11.5 PPG, VIS 37, NO FLARE.

DIESEL 5016 GALS(USED 1596 GALS).

BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- GOOD HOUSE KEEPING PRACTICES.

FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.

UNMANNED LOGGING UNIT 7 DAYS ON LOCATION.

<b>02-05-2009</b>	<b>Reported By</b>	BRIAN DUTTON									
<b>DailyCosts: Drilling</b>	\$41,920	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,920						
<b>Cum Costs: Drilling</b>	\$882,070	<b>Completion</b>	\$0	<b>Well Total</b>	\$882,070						
<b>MD</b>	8,955	<b>TVD</b>	8,955	<b>Progress</b>	94	<b>Days</b>	11	<b>MW</b>	11.8	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

**Activity at Report Time:** DRILLING AT 8955'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILLED 8,861' TO 8,871' (10' @ 10.0 FPH), WOB 10-20K, GPM 396, RPM 35-50/MOTOR 63, SPP 2150, MUD 11.5 PPG, VIS 37, NO FLARE.
07:00	07:30	0.5	PUMP PILL AND BLOW KELLY DRY.
07:30	08:30	1.0	TRIP OUT OF HOLE WITH BIT #3 @ 8,871', PULLED TIGHT @ 5,377'.
08:30	12:30	4.0	WORK THROUGH TIGHT SPOT USING JARS F/5,377' TO 5,370', PUMP 15 JOINTS OUT OF HOLE F/5,370' TO 4,949', MUD WT. 11.6, VIS 37.
12:30	15:30	3.0	TRIP OUT OF HOLE WITH BIT #3.
15:30	16:00	0.5	CHANGE OUT BIT AND VISUALLY CHECK MUD MOTOR.
16:00	17:00	1.0	TRIP IN HOLE WITH BIT #4 TO 2,359' FILL PIPE.
17:00	18:00	1.0	SLIP & CUT DRILL LINE.

18:00	18:30	0.5 SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 11.5, VIS 39.
18:30	20:00	1.5 TRIP IN HOLE WITH BIT #4, FILL PIPE @ 5,621, TAGE BRIDGE @ 7,042'.
20:00	21:30	1.5 WASH/REAM F/7,042' TO 7,308'. MUD WT 11.5, VIS 39.
21:30	22:00	0.5 TRIP IN HOLE WITH BIT #4, TAG BRIDGE @ 8,586'. LOST A TOTAL OF 120 BBLS OF MUD ON BIT TRIP.
22:00	00:30	2.5 WASH/REAM F/8,586' TO 8871', MUD WT. 11.5, VIS 39.
00:30	06:00	5.5 DRILLED 8,871' TO 8,955' (84' @ 15.2 FPH), WOB 10-20K, GPM 392, RPM 35-50/MOTOR 62, SPP 2400, MUD 11.8 PPG, VIS 37, NO FLARE.

DIESEL 3192 GALS(USED 1824 GALS).

BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- WORKING TIGHT HOLE.

FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.

UNMANNED LOGGING UNIT 8 DAYS ON LOCATION.

02-06-2009 Reported By BRIAN DUTTON

<b>DailyCosts: Drilling</b>	\$44,785	<b>Completion</b>	\$849	<b>Daily Total</b>	\$45,634						
<b>Cum Costs: Drilling</b>	\$926,856	<b>Completion</b>	\$849	<b>Well Total</b>	\$927,705						
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	495	<b>Days</b>	12	<b>MW</b>	11.8	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILLED 8,955' TO 9,021' (66' @ 18.8 FPH), WOB 10-20K, GPM 392, RPM 35-50/MOTOR 62, SPP 2414, MUD 11.8 PPG, VIS 38, NO FLARE.
09:30	10:00	0.5	SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. MUD WT. 11.8, VIS 38.
10:00	00:00	14.0	DRILLED 9,021' TO 9,450' (429' @ 30.6 FPH), WOB 10-20K, GPM 392, RPM 35-50/MOTOR 62, SPP 2200, MUD 11.8 PPG, VIS 37, NO FLARE. REACHED TD AT 00:00 HRS (MIDNIGHT), 2/6/09.
00:00	01:00	1.0	CIRCULATE BOTTOMS UP PRIOR TO SHORT TRIP. MUD WT. 11.7+, VIS 37.
01:00	03:00	2.0	SHORT TRIP 30 STANDS TO 6,605'.
03:00	04:00	1.0	CIRCULATED. RU CALIBER LD MACHINE. HELD SAFETY MEETING.
04:00	05:00	1.0	DROP SURVEY, PUMP PILL AND BLOW KELLY DRY.
05:00	06:00	1.0	LDDP.

DIESEL 3420 GALS (USED 2574 GALS).

BOILER 24 HOURS.

NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- LDDP WITH LAY DOWN MACHINE.

FUNCTION COM FIRST CONN ON TOUR, ALL CREWS.

UNMANNED LOGGING UNIT 9 DAYS ON LOCATION.

02-07-2009 Reported By BRIAN DUTTON

<b>DailyCosts: Drilling</b>	\$52,577	<b>Completion</b>	\$219,077	<b>Daily Total</b>	\$271,655						
<b>Cum Costs: Drilling</b>	\$979,434	<b>Completion</b>	\$219,926	<b>Well Total</b>	\$1,199,360						
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	13	<b>MW</b>	11.8	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>	<b>PKR Depth : 0.0</b>							

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	11:00	5.0	LDDP.
11:00	13:30	2.5	BREAK KELLY AND LD BHA.
13:30	14:00	0.5	PULL WEAR BUSHING.
14:00	15:00	1.0	RU CALIBER CASING CREW. HELD SAFETY MEETING.
15:00	21:00	6.0	RAN 4.5" 11.6# HCP-110 LTC CASING (FS, 1 JT, FC, 214 JTS & 2 MARKERS) & TAG JT. RAN 35 CENTRALIZERS (MIDDLE OF SHOE JT, TOP OF #2, EVERY 2ND JT TO 6468). TAGGED @ 9450. LD TAG JT. PU LANDING JT W/FLUTED CSG HANGER. LANDED CSG @ 9442(FC @ 9398, MARKERS @ 7078-28 & 4344-18). NOTIFIED BLM VIA EMAIL @ 1300 HRS 2/5/09 OF CSG & CMT JOB.
21:00	21:30	0.5	RD CALIBER CSG CREW & LD MACHINE. RU SLB CEMENTER. HELD SAFETY MEETING.
21:30	00:00	2.5	CEMENTED CSG AS FOLLOWS: PUMPED BOTTOM PLUG, 20 BBLs CHEM WASH, 20 BBLs FW SPACER, 395 SX 35/65 POZ G(139.2 BBLs @ 12.5 PPG, 1.98 CFS) & 1545 SX 50/50 POZ G(354.9 BBLs @ 14.1 PPG, 1.29 CFS). DROPPED TOP PLUG. DISP W/145.6 BTW (LOST RETURNS WITH 138 BW PUMPED). FINAL LIFT PRESSURE 2500 PSI, BUMPED PLUG TO 3500 PSI. BLEED OFF, FLOATS HELD. ESTIMATED CEMENT TOPS- 12.5 PPG LEAD @ 2257.0, 14.1 PPG TAIL @ 4313.5.
00:00	01:00	1.0	WAIT ON CEMENT. HAULED 600 BBLs MUD TO STORAGE. CLEANED MUD TANKS.
01:00	02:00	1.0	REMOVED LANDING JT. RAN CSG HANGER PACKOFF AND LOCKED IN POSITION. TESTED HANGER TO 5000 PSI. FINISH CLEANING MUD TANKS.
02:00	06:00	4.0	RDRT AND PREPARE RIG FOR TRUCKS. DIESEL 2052 GALS(USED 114 GALS). BOILER 24 HOURS. NO ACCIDENTS. FULL CREWS. SAFETY TOPIC- CEMENT WITH SHCLUMBERGER. FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. UNMANNED LOGGING UNIT 10 DAYS ON LOCATION.  TRANSFERRED 4 JTS(167.23') 4.5" 11.6# HCP-110 LTC CASING TO NCW 260-6. TRANSFERRED 1 MARKER JTS(22.09') 4.5" 11.6# HCP-110 LTC CASING TO NCW 260-6. TRANSFERRED 3078 GALS DIESEL TO NCW 260-6. TRANSFERRED 3 JTS(130.48') 9.625" 36# J-55 STC CASING TO NCW 260-6. TRUCKS SCHEDULED FOR 0700 HRS 2/7/09. MOVE TO NCW 260-6 IS 6.5 MILES.
06:00			RIG RELEASED @ 02:00 HRS, 2/7/09. CASING POINT COST \$953,186

<b>02-12-2009</b>		<b>Reported By</b>	SEARLE								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$28,500	<b>Daily Total</b>	\$28,500						
<b>Cum Costs: Drilling</b>	\$979,434	<b>Completion</b>	\$248,426	<b>Well Total</b>	\$1,227,860						
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	14	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 9398.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: PREP FOR FRACS</b>											

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU LONE WOLF. LOG WITH CBL/CCL/VDL/GR FROM PBTD TO 50'. EST CEMENT TOP @ 500'. RD LONE WOLF.

<b>03-06-2009</b>		<b>Reported By</b>	MCCURDY								
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$1,643	<b>Daily Total</b>	\$1,643						
<b>Cum Costs: Drilling</b>	\$979,434	<b>Completion</b>	\$250,069	<b>Well Total</b>	\$1,229,503						
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	15	<b>MW</b>	0.0	<b>Visc</b>	0.0

**Formation :** PBTBTD : 9398.0 **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 8500 PSIG. WO COMPLETION.

03-10-2009 **Reported By** WHITEHEAD

<b>DailyCosts: Drilling</b>	\$0	<b>Completion</b>	\$246,880	<b>Daily Total</b>	\$246,880
<b>Cum Costs: Drilling</b>	\$979,434	<b>Completion</b>	\$496,950	<b>Well Total</b>	\$1,476,384

<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	16	<b>MW</b>	0.0	<b>Visc</b>	0.0
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**Formation :** MESAVERDE **PBTBTD :** 9398.0 **Perf :** 7100'-9189' **PKR Depth :** 0.0

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

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WIRELINE. PERFORATE LPR FROM 8886', 8893'-94', 8912'-13', 8995'-96', 9031'-32', 9032'-33', 9062'-63', 9144'-45', 9179'-80', 9180'-81', 9187'-88', 9188'-89' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6946 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 37218 GAL DELTA 200 W/139500# 20/40 SAND @ 2-5 PPG. MTP 7362 PSIG. MTR 52.3 BPM. ATP 5707PSIG. ATR 48.5 BPM. ISIP 3234 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 8830'. PERFORATE M/LPR FROM 8520'-21', 8521'-22', 8546'-47', 8581'-82', 8621'-22', 8635'-36', 8663'-64', 8706'-07', 8715'-16', 8723'-24', 8773'-74', 8799'-00' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 3150 GAL 16# LINEAR PAD, 11845 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 42524 GAL DELTA 200 W/176000# 20/40 SAND @ 2-5 PPG. MTP 6412 PSIG. MTR 50.6 BPM. ATP 5232 PSIG. ATR 48.3 BPM. ISIP 3422 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 8450'. PERFORATE MPR FROM 8254'-55', 8270'-71', 8283'-84', 8293'-94', 8306'-07', 8315'-16', 8324'-25', 8390'-91', 8399'-00', 8422'-23', 8428'-29', 8453'-54' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 3915 GAL 16# LINEAR PAD, 6400 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 41524 GAL DELTA 200 W/155510# 20/40 SAND @ 2-5 PPG. MTP 5478 PSIG. MTR 50.1 BPM. ATP 4510 PSIG. ATR 49.9 BPM. ISIP 2740 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 8220'. PERFORATE MPR FROM 7990'-91', 8000'-01', 8008'-09', 8062'-63', 8071'-72', 8101'-02', 8111'-12', 8134'-35', 8146'-47', 8169'-70', 8178'-79', 8193'-94' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3444 GAL 16# LINEAR PAD, 6368 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 61622 GAL DELTA 200 W/230100# 20/40 SAND @ 2-5 PPG. MTP 5740 PSIG. MTR 53.7 BPM. ATP 4408 PSIG. ATR 49.7 BPM. ISIP 2876 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 7960'. PERFORATE UPFR FROM 7720'-21', 7748'-49', 7749'-50', 7796'-97', 7797'-98', 7823'-24', 7877'-78', 7910'-11', 7917'-18', 7918'-19', 7942'-43', 7943'-44' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 9117 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 17409 GAL DELTA 200 W/70100# 20/40 SAND @ 2-5 PPG. MTP 5502 PSIG. MTR 50.2 BPM. ATP 4677 PSIG. ATR 49.9 BPM. ISIP 2581 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 7670'. PERFORATE UPFR FROM 7357'-58', 7358'-59', 7367'-68', 7407'-08', 7481'-82', 7482'-83', 7546'-47', 7561'-62', 7590'-91', 7591'-92', 7621'-22', 7648'-49' @ 3 SPF @ 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 7022 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 21731 GAL DELTA 200 W/140800# 20/40 SAND @ 2-5 PPG. MTP 6604 PSIG. MTR 51.2 BPM. ATP 4584 PSIG. ATR 49.7 BPM. ISIP 2476 PSIG. RD HALLIBURTON.

RUWL SET 6K CFP AT 7310'. PERFORATE UPFR FROM 7100'-01', 7111'-12', 7140'-41', 7169'-70', 7171'-72', 7205'-06', 7212'-13', 7224'-25', 7237'-38', 7254'-55', 7268'-69', 7279'-80' @ 3 SPF @ 120° PHASING. RDWL.

RU HALLIBURTON, FRAC DOWN CASING W/165 GAL GYPTRON T-106 , 7146 GAL 16# LINEAR W/1# TO 1.5# 20/40 SAND, 30879 GAL DELTA 200 W/107600# 20/40 SAND @ 2-4 PPG. MTP 4612 PSIG. MTR 50.3 BPM. ATP 3575 PSIG. ATR 49.8 BPM. ISIP 2272 PSIG. BELT ON MTN MOVER STALLED AND COULD NOT GET GOING. WENT TO FLUSH EARLY. RDMO HALLIBURTON.

RUWL. SET 6K CBP AT 7030'. RDWL. SDFN.

<b>03-13-2009</b>		<b>Reported By</b>		HISLOP							
<b>DailyCosts: Drilling</b>	\$0			<b>Completion</b>	\$20,080		<b>Daily Total</b>	\$20,080			
<b>Cum Costs: Drilling</b>	\$979,434			<b>Completion</b>	\$517,030		<b>Well Total</b>	\$1,496,464			
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	17	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9398.0</b>		<b>Perf : 7100'-9189'</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: DRILL PLUGS</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	SICP 0 PSIG. MIRUSU. ND FRAC TREE. NU BOP. RIH W/BIT & PUMP OFF SUB TO 7030'. RU TO DRILL OUT PLUGS SDFN.								

<b>03-14-2009</b>		<b>Reported By</b>		HISLOP							
<b>DailyCosts: Drilling</b>	\$0			<b>Completion</b>	\$53,357		<b>Daily Total</b>	\$53,357			
<b>Cum Costs: Drilling</b>	\$979,434			<b>Completion</b>	\$570,387		<b>Well Total</b>	\$1,549,821			
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	18	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9398.0</b>		<b>Perf : 7100'-9189'</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: FLOW TEST</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								
06:00	06:00	24.0	CLEANED OUT & DRILLED OUT PLUGS @ 7030', 7310', 7670', 7960', 8220', 8450' & 8830'. RIH CLEANED OUT TO 9285'. LANDED TUBING @ 7982.48' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.								

FLOWED 16 HRS. 24/64 CHOKE. FTP 1500 PSIG. CP 1500 PSIG. 64 BFPH. RECOVERED 1404 BLW. 7396 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB .91'  
 1 JT 2-3/8" 4.7# L-80 TBG 33.09"  
 XN NIPPLE 1.30'  
 240 JTS 2-3/8" 4.7# L-80 TBG 7928.18'  
 BELOW KB 19.00'  
 LANDED @ 7982.48' KB

<b>03-15-2009</b>		<b>Reported By</b>		HISLOP							
<b>DailyCosts: Drilling</b>	\$0			<b>Completion</b>	\$2,370		<b>Daily Total</b>	\$2,370			
<b>Cum Costs: Drilling</b>	\$979,434			<b>Completion</b>	\$572,757		<b>Well Total</b>	\$1,552,191			
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0	<b>Days</b>	19	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9398.0</b>		<b>Perf : 7100'-9189'</b>		<b>PKR Depth : 0.0</b>					
<b>Activity at Report Time: FLOW TESTING THROUGH BRECO UNIT</b>											
<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>								

06:00 06:00 24.0 INITIAL PRODUCTION. OPENING PRESSURE: TP 1600 PSIG & CP 1150 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 10:30 AM, 3/14/09. FLOWED 1273 MCFD RATE ON 24/64" POS CHOKE. STATIC 214. QUESTAR METER #8102. BRECO UNIT.

FLOWED THROUGH TEST UNIT 24 HRS. 24/64" CHOKE. FTP 1500 PSIG. CP 1000 PSIG. 52 BFPH. RECOVERED 1328 BLW. 6068 BLWTR. 1581 MCFD RATE.

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**03-16-2009**      **Reported By**      HISLOP

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,370	<b>Daily Total</b>	\$2,370
<b>Cum Costs: Drilling</b>	\$979,434	<b>Completion</b>	\$575,127	<b>Well Total</b>	\$1,554,561
<b>MD</b>	9,450	<b>TVD</b>	9,450	<b>Progress</b>	0
		<b>Days</b>	20	<b>MW</b>	0.0
<b>Visc</b>					0.0

**Formation :** MESAVERDE      **PBTD :** 9398.0      **Perf :** 7100'-9189'      **PKR Depth :** 0.0

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

<b>Start</b>	<b>End</b>	<b>Hrs</b>	<b>Activity Description</b>
06:00	06:00	24.0	FLOWED THROUGH TEST UNIT 24 HRS. 24/64" CHOKE. FTP 1350 PSIG. CP 1750 PSIG. 43 BFPH. RECOVERED 1162 BLW. 4906 BLWTR. 1620 MCFD RATE.

FLOWED 1277 MCF, 5 BC & 1344 BW IN 24 HRS ON 24/64" CHOKE, TP 1450 PSIG, CP 1450 PSIG.

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU0282

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 1354-23

9. API Well No.  
43-047-39688

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey  
or Area Sec 23 T9S R22E Mer SLB

12. County or Parish  
UINTAH

13. State  
UT

17. Elevations (DF, KB, RT, GL)\*  
5019 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 SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon  
At top prod interval reported below SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon  
At total depth SWSE 1181FSL 2551FEL 40.01748 N Lat, 109.40687 W Lon

14. Date Spudded 12/08/2008  
15. Date T.D. Reached 02/06/2009  
16. Date Completed  
 D & A  Ready to Prod.  
03/14/2009

18. Total Depth: MD 9450 TVD  
19. Plug Back T.D.: MD 9398 TVD  
20. Depth Bridge Plug Set: MD TVD

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 K-55	36.0	0	2490		1085		0	
7.875	4.500 P-110	11.6	0	9442		1940		500	

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	7982							

25. Producing Intervals

26. Perforation Record 7100

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7100	9189	8886 TO 9189		3	
B)			8520 TO 8800		3	
C)			8254 TO 8454		3	
D)			7990 TO 8194		3	

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

Depth Interval	Amount and Type of Material
8886 TO 9189	44,329 GALS GELLED WATER & 139,500# 20/40 SAND
8520 TO 8800	57,684 GALS GELLED WATER & 176,000# 20/40 SAND
8254 TO 8454	52,004 GALS GELLED WATER & 155,510# 20/40 SAND
7990 TO 8194	71,599 GALS GELLED WATER & 230,100# 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
03/14/2009	03/23/2009	24	→	40.0	817.0	170.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
14/64"	SI 1400	1950.0	→	40	817	170		PGW	

28a. Production - Interval B

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

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

ELECTRONIC SUBMISSION #68623 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

DIV. OF OIL, GAS & MINING

RECEIVED

APR 06 2009

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
MESAVERDE	7100	9189		GREEN RIVER BIRDS NEST MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER	1670 1831 2342 4587 4703 5275 5942 7096

32. Additional remarks (include plugging procedure):

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

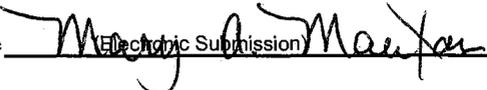
33. Circle enclosed attachments:

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

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

**Electronic Submission #68623 Verified by the BLM Well Information System.**  
For EOG RESOURCES, INC., sent to the Vernal

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

Signature  Date 04/02/2009

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

**\*\* ORIGINAL \*\* ORIGINAL \*\***

**Chapita Wells Unit 1354-23 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7720-7944	3/spf
7357-7649	3/spf
7100-7280	3/spf

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

7720-7944	26,691 GALS GELLED WATER & 70,100# 20/40 SAND
7357-7649	28,918 GALS GELLED WATER & 140,800# 20/40 SAND
7100-7280	38,190 GALS GELLED WATER & 107,600# 20/40 SAND

Perforated the Lower Price River from 8886-87', 8893-94', 8912-13', 8995-96', 9031-32', 9032-33', 9062-63', 9144-45', 9179-80', 9180-81', 9187-88', 9188-89' w/ 3 spf.

Perforated the Middle/Lower Price River from 8520-21', 8521-22', 8546-47', 8581-82', 8621-22', 8635-36', 8663-64', 8706-07', 8715-16', 8723-24', 8773-74', 8799-8800' w/ 3 spf.

Perforated the Middle Price River from 8254-55', 8270-71', 8283-84', 8293-94', 8306-07', 8315-16', 8324-25', 8390-91', 8399-8400', 8422-23', 8428-29', 8453-54' w/ 3 spf.

Perforated the Middle Price River from 7990-91', 8000-01', 8008-09', 8062-63', 8071-72', 8101-02', 8111-12', 8134-35', 8146-47', 8169-70', 8178-79', 8193-94' w/ 3 spf.

Perforated the Upper Price River from 7720-21', 7748-49', 7749-50', 7796-97', 7797-98', 7823-24', 7877-78', 7910-11', 7917-18', 7918-19', 7942-43', 7943-44' w/ 3 spf.

Perforated the Upper Price River from 7357-58', 7358-59', 7367-68', 7407-08', 7481-82', 7482-83', 7546-47', 7561-62', 7590-91', 7591-92', 7621-22', 7648-49' w/ 3 spf.

Perforated the Upper Price River from 7100-01', 7111-12', 7140-41', 7169-70', 7171-72', 7205-06', 7212-13', 7224-25', 7237-38', 7254-55', 7268-69', 7279-80' w/ 3 spf.

**32. FORMATION (LOG) MARKERS**

Middle Price River	7936
Lower Price River	8721
Sego	9251

**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 1354-23

API number: 4304739688

Well Location: QQ SWSE Section 23 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
		DRY	

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 4/2/2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU0282
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> CHAPITA WELLS
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> CWU 1354-23
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047396880000
<b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078	<b>PHONE NUMBER:</b> 435 781-9111 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 1181 FSL 2551 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 23 Township: 09.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 9/15/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Pit Closure

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

The reserve pit on the referenced location was closed on 9/15/2009 as per the APD procedure.

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

**FOR RECORD ONLY**  
October 07, 2009

<b>NAME (PLEASE PRINT)</b> Mickenzie Gates	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/6/2009