

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. UTU0285A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC. 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 1361-25
3b. Phone No. (include area code) Ph: 303-824-5526		9. API Well No. 43-047-39984
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon At proposed prod. zone NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES/MESAVERDE
14. Distance in miles and direction from nearest town or post office* 51.35 MILES SOUTH OF VERNAL, UT		11. Sec., T., R., M., or Blk. and Survey or Area Sec 25 T9S R22E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 489'	16. No. of Acres in Lease 1800.00	12. County or Parish UINTAH COUNTY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 710'	19. Proposed Depth 9190 MD	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4999 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) <i>Mary A. Maestas</i>	Name (Printed/Typed) MARY A. MAESTAS Ph: 303-824-5526	Date 03/28/2008
Title REGULATORY ASSISTANT		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 04-03-08
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.

**Additional Operator Remarks (see next page)**

Electronic Submission #59323 verified by the BLM Well Information System  
For EOG RESOURCES, INC., sent to the Vernal

**Federal Approval of this  
Action is Necessary**

**RECEIVED**

**APR 02 2008**

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

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

636971X  
44295284  
40.006738  
-109.395288

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

R  
22  
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**EOG RESOURCES, INC.**

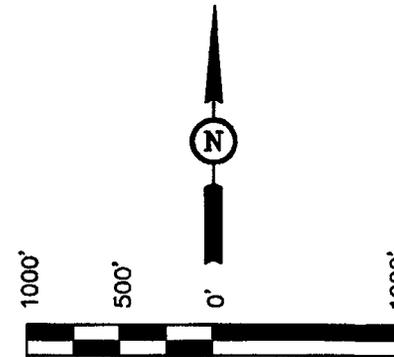
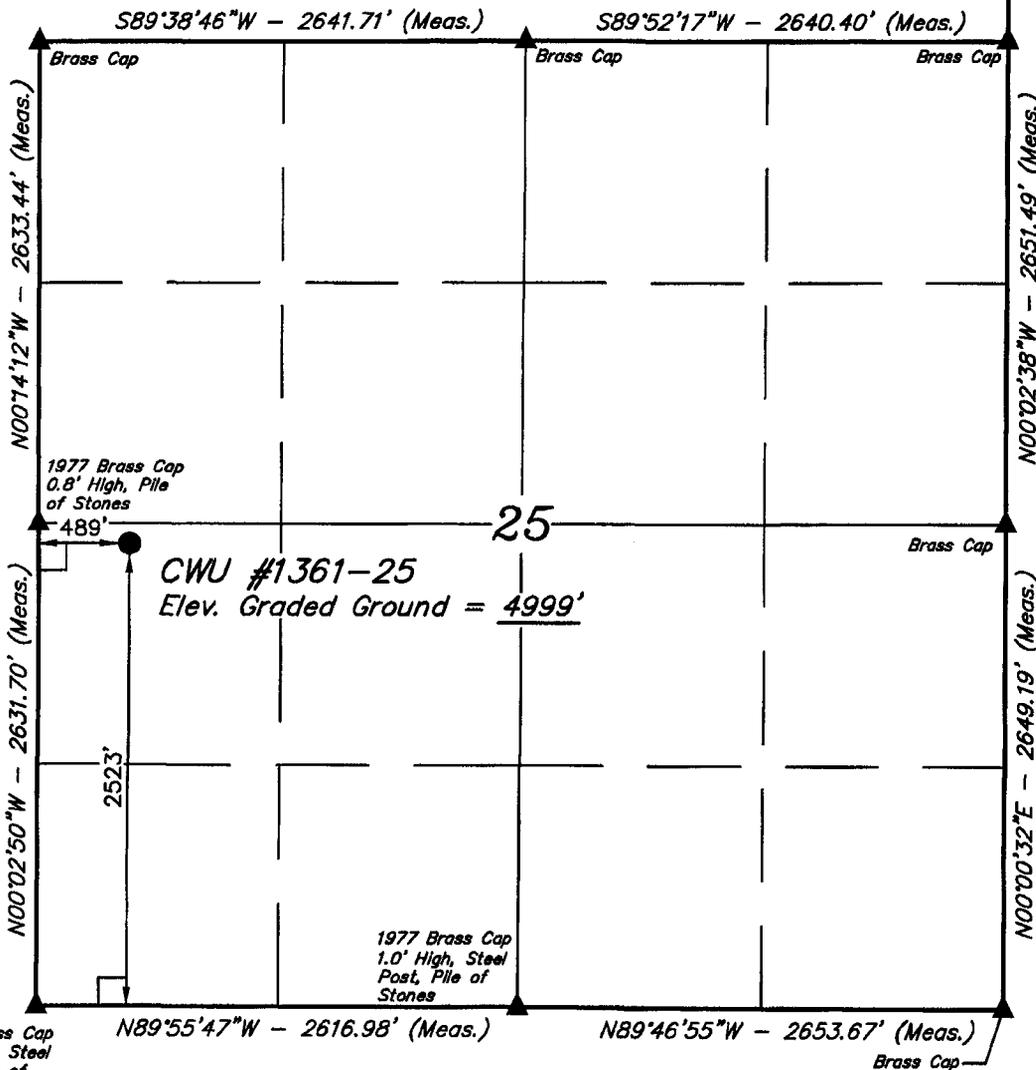
Well location, CWU #1361-25, located as shown in the NW 1/4 SW 1/4 of Section 25, T9S, R22E, S.L.B.&M. Uintah County, Utah.

**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.

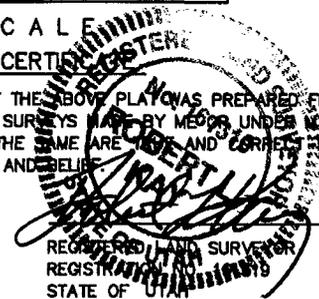
**BASIS OF BEARINGS**

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



SCALE  
CERTIFIED REGISTERED

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



1977 Brass Cap  
0.4' High, Steel  
Post, Pile of  
Stones

**LEGEND:**

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

(NAD 83)  
 LATITUDE = 40°00'24.15" (40.006708)  
 LONGITUDE = 109°23'45.54" (109.395983)  
 (NAD 27)  
 LATITUDE = 40°00'24.28" (40.006744)  
 LONGITUDE = 109°23'43.09" (109.395303)

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

SCALE 1" = 1000'	DATE SURVEYED: 12-20-07	DATE DRAWN: 12-31-07
PARTY D.S. K.F. C.P.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 1361-25**  
**NW/SW, SEC. 25, T9S, R22E, S.L.B.&M.**  
**UINTAH COUNTY, UTAH**

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

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,516		Shale	
Wasatch	4,516		Sandstone	
Chapita Wells	5,094		Sandstone	
Buck Canyon	5,740		Sandstone	
North Horn	6,492		Sandstone	
KMV Price River	6,794	Primary	Sandstone	Gas
KMV Price River Middle	7,693	Primary	Sandstone	Gas
KMV Price River Lower	8,503	Primary	Sandstone	Gas
Sego	8,984		Sandstone	
<b>TD</b>	<b>9,190</b>			

Estimated TD: 9,190' or 200'± below TD

**Anticipated BHP: 5,018 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 1/2"	0 – 60'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 1/4"	0 – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-1/2"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

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

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1361-25 NW/SW, SEC. 25, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

All casing will be new or inspected.

#### 5. Float Equipment:

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

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 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. 1  
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1361-25 NW/SW, SEC. 25, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

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

#### 8. EVALUATION PROGRAM:

**Logs:** 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)

## EIGHT POINT PLAN

### CHAPITA WELLS UNIT 1361-25 NW/SW, SEC. 25, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

**Lead:** 122 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:** 910 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., 5.9 gps water.

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

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

#### 10. ABNORMAL CONDITIONS:

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

Lost circulation

##### Production Hole (2300'± - TD):

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

#### 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.

## EIGHT POINT PLAN

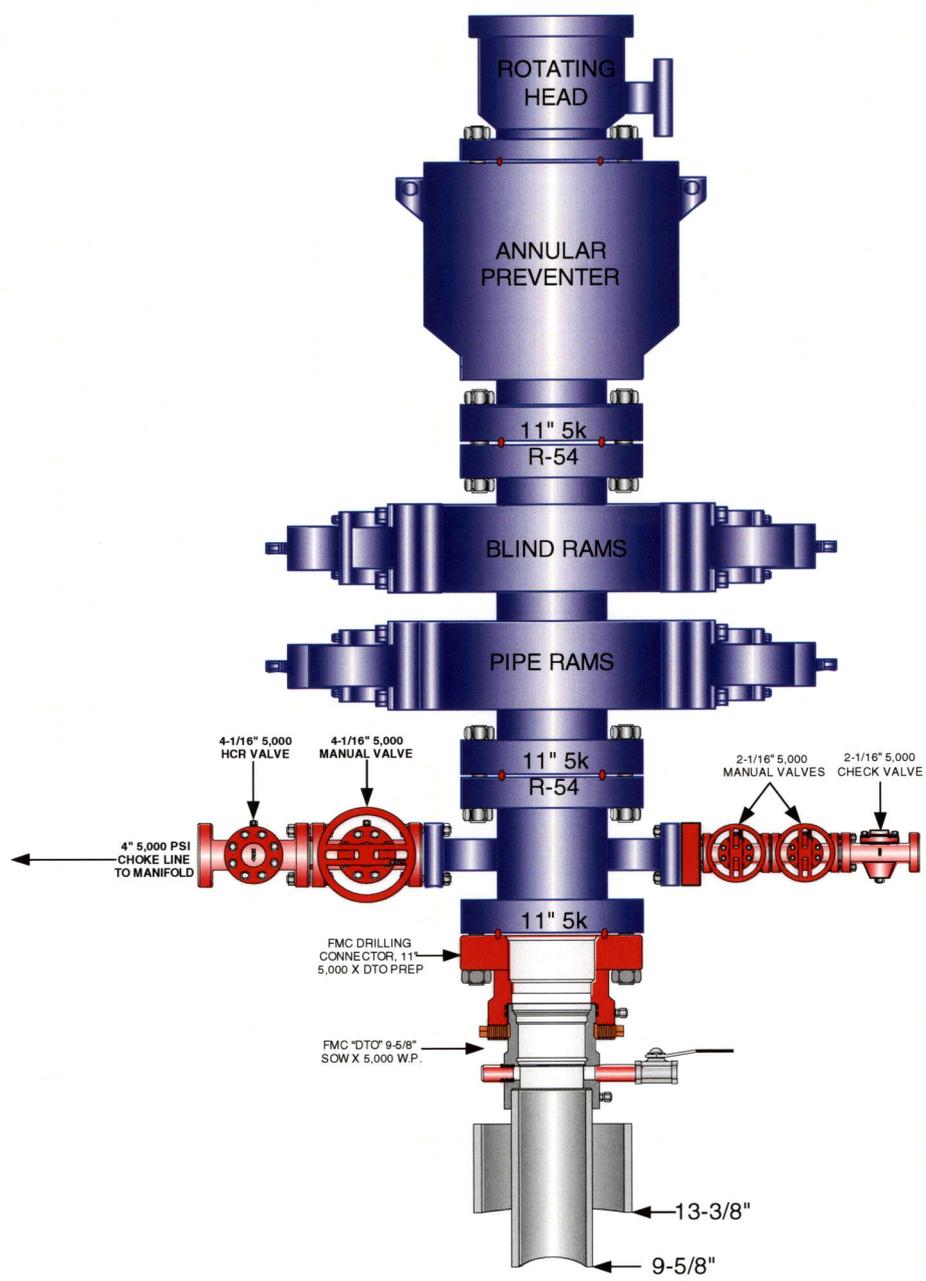
### CHAPITA WELLS UNIT 1361-25 NW/SW, SEC. 25, T9S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

#### 13. AIR DRILLING OPERATIONS:

- Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- 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.
- 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.
- Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
- EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

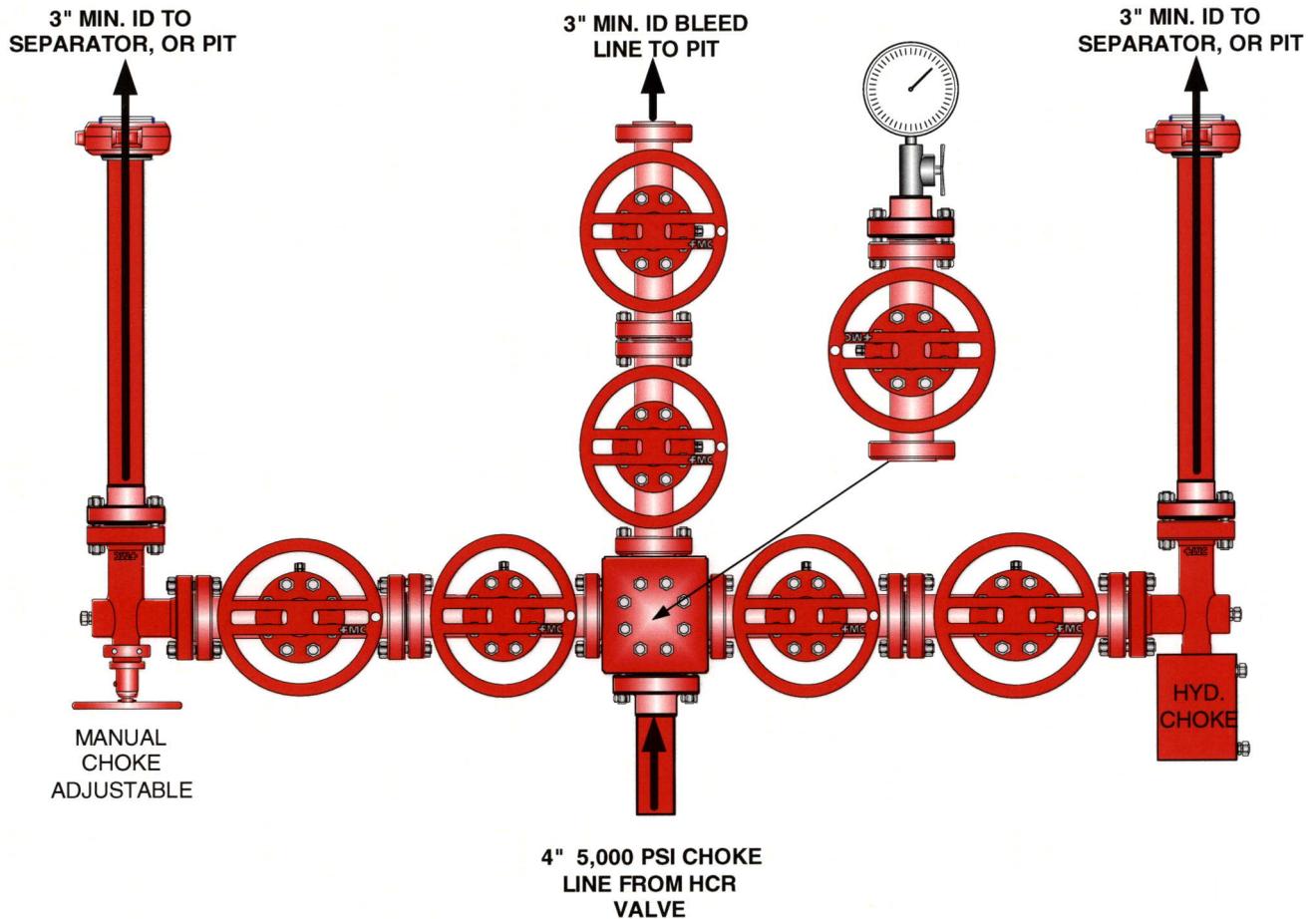
(Attachment: BOP Schematic Diagram)

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



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

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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 1361-25  
NWSW, Section 25, T9S, R22E  
Uintah County, Utah**

***SURFACE USE PLAN***

The well pad is approximately 325 feet long with a 221-foot width, containing 1.65 acres more or less. The existing road will need to be rerouted around the proposed location. The road reroute is approximately 792 feet long with a 40-foot right-of-way, disturbing approximately .73 acre. New surface disturbance associated with the well pad and road reroute is estimated to be 2.38 acres. The pipeline is approximately 890 feet long with a 40-foot right-of-way disturbing approximately .82 acre.

**1. EXISTING ROADS:**

- A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 51.35 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 road reroute will be approximately 792' in length, with a low-water crossing used instead of the culvert indicated on 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-0285-A.**

**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 890’ x 40’. The proposed pipeline leaves the eastern edge of the well pad (Lease U-0285-A) proceeding in a southerly direction for an approximate distance of 890’ tying into an existing pipeline in the NWSW of Section 25, T9S, R22E (Lease U-0285-A). 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-0285-A.
7. The proposed pipeline route begins in the NWSW of Section 25, Township 9S, Range 22E, proceeding southerly for an approximate distance of 890’ to the NWSW of Section 25, Township 9S, Range 22E.
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 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, CWU 2-29 SWD, Red Wash Evaporation ponds 1, 2, 3 or 4 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
  5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

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

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

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

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

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

**8. ANCILLARY FACILITIES:**

None anticipated.

**9. WELL SITE LAYOUT:**

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

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

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

Access to the well pad will be from the west.

**A diversion ditch shall be constructed on the east side of the location.**

Location will be ditched from pit corner B to corner #6.

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. 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>
Fourwing Saltbush	3.0
Shadscale	3.0
Indian Ricegrass	2.0
HyCrest Wheatgrass	1.0

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

**11. SURFACE OWNERSHIP:**

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

**Bureau of Land Management**

**12. OTHER INFORMATION:**

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

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

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

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

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for

the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

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

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

**Additional Surface Stipulations:**

None.

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

**PERMITTING AGENT**

Mary A. Maestas  
EOG Resources, Inc.  
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.

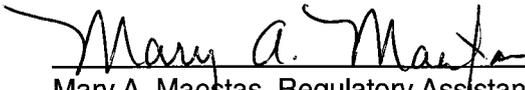
The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

**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 1361-25 Well, located in the NWSW, of Section 25, 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.

March 28, 2008  
Date

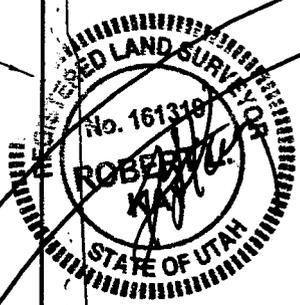
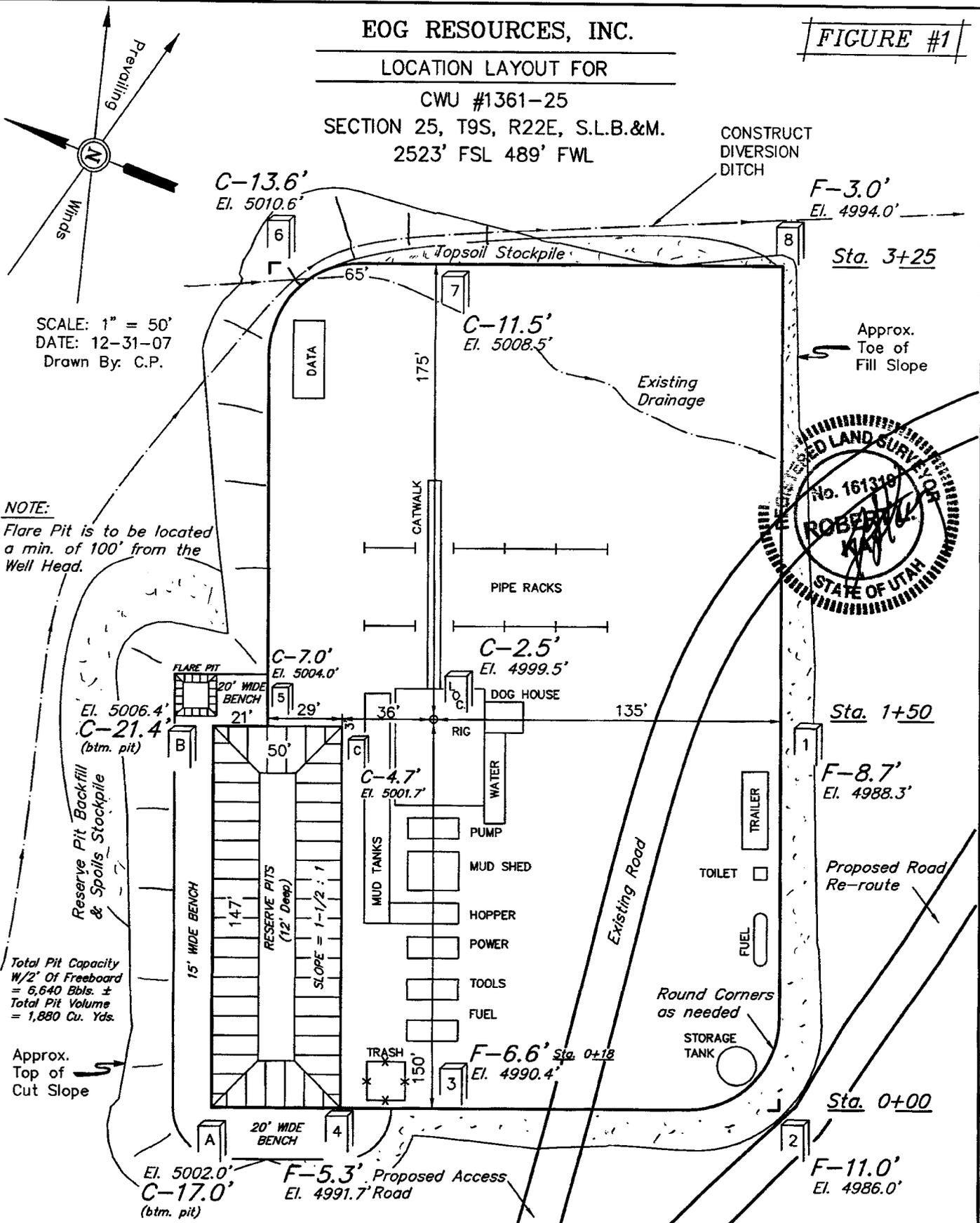
  
\_\_\_\_\_  
Mary A. Maestas, Regulatory Assistant

Date of onsite: March 12, 2008

EOG RESOURCES, INC.

FIGURE #1

LOCATION LAYOUT FOR  
 CWU #1361-25  
 SECTION 25, T9S, R22E, S.L.B.&M.  
 2523' FSL 489' FWL



SCALE: 1" = 50'  
 DATE: 12-31-07  
 Drawn By: C.P.

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

Total Pit Capacity  
 W/2' Of Freeboard  
 = 6,640 Bbls. ±  
 Total Pit Volume  
 = 1,880 Cu. Yds.

Approx.  
 Top of  
 Cut Slope

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4999.5'

FINISHED GRADE ELEV. AT LOC. STAKE = 4997.0'

EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

CWU #1361-25

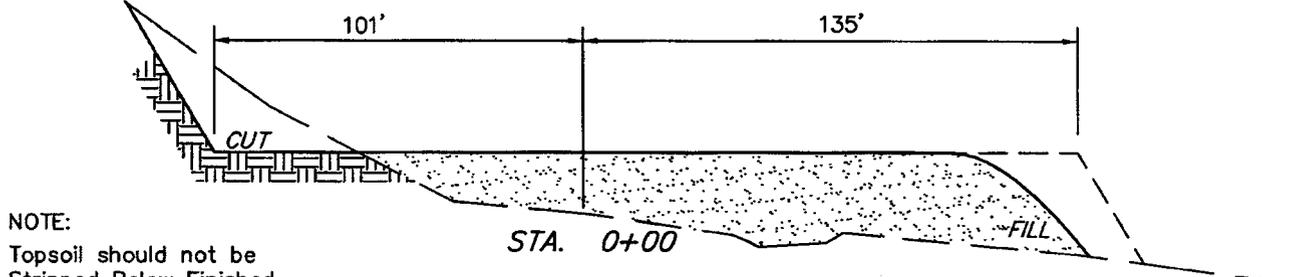
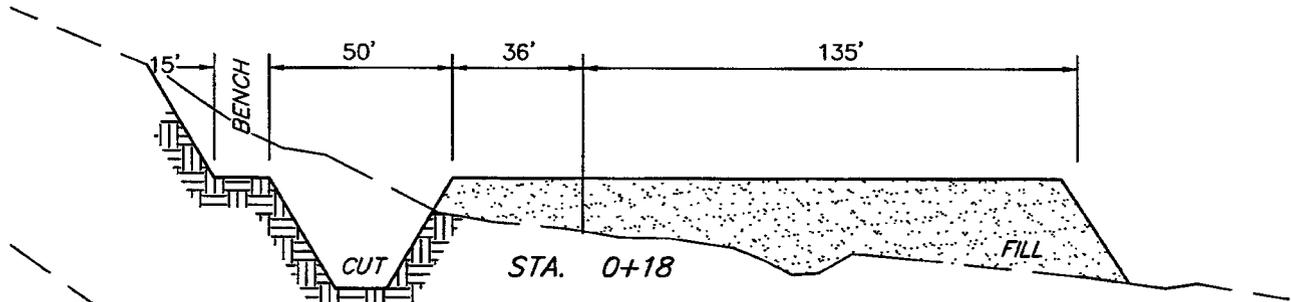
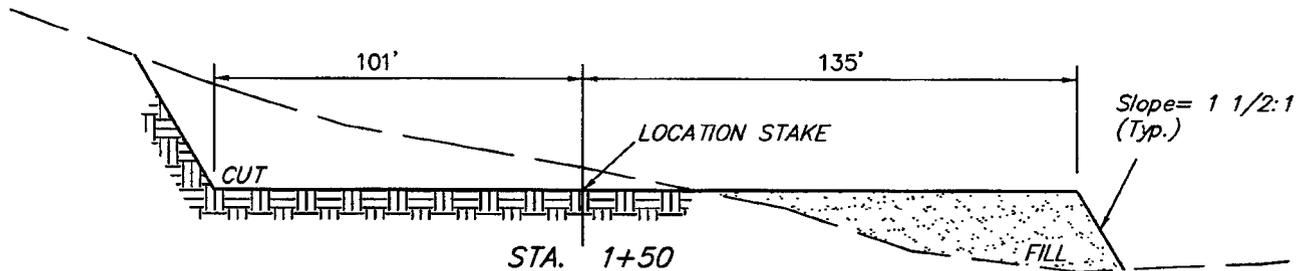
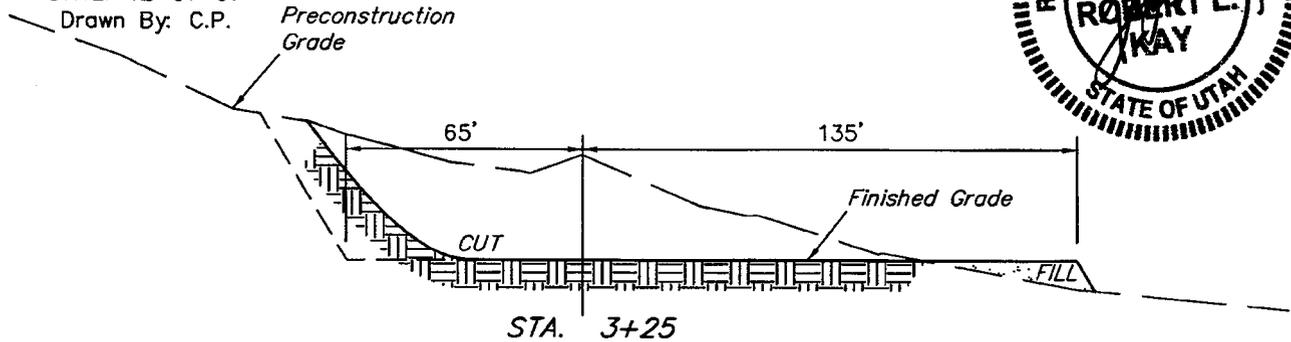
SECTION 25, T9S, R22E, S.L.B.&M.

2523' FSL 489' FWL

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

DATE: 12-31-07

Drawn By: C.P.



NOTE:

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

\* NOTE-FILL  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,740 Cu. Yds.  
Remaining Location = 9,700 Cu. Yds.

TOTAL CUT = 11,440 CU. YDS.  
FILL = 8,760 CU. YDS.

EXCESS MATERIAL = 2,680 Cu. Yds.  
Topsoil & Pit Backfill = 2,680 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Interim Rehabilitation)

# EOG RESOURCES, INC.

CWU #1361-25

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T9S, R22E, S.L.B.&M.

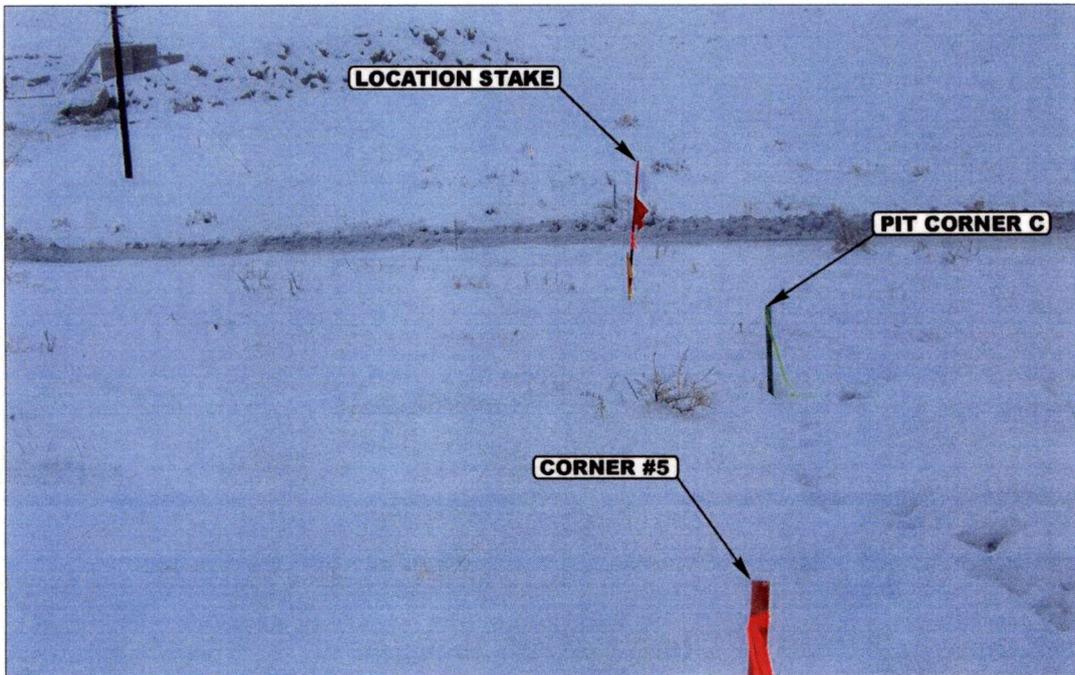


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM END OF PROPOSED ROAD RE-ROUTE

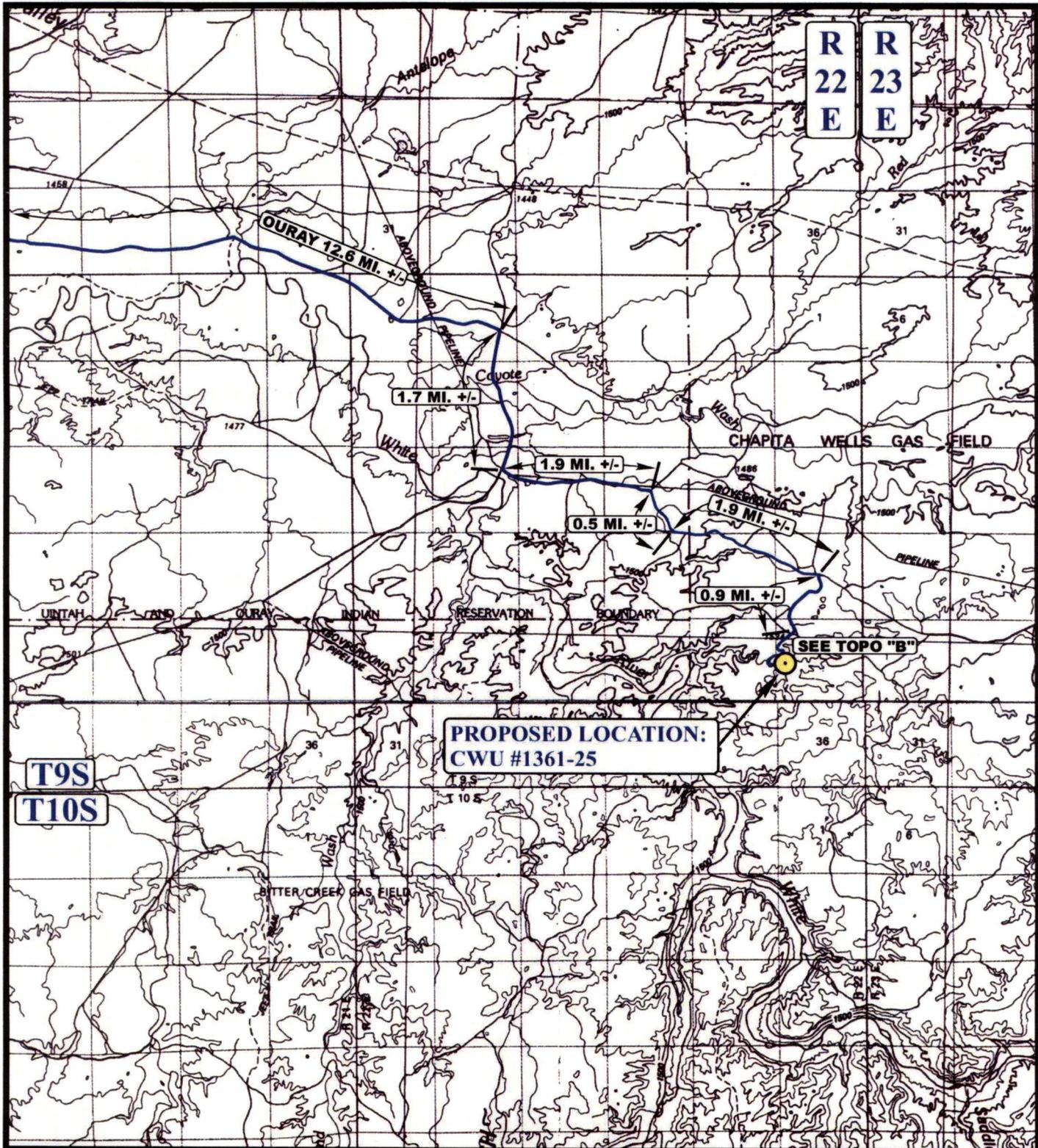
CAMERA ANGLE: NORTHWESTERLY



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

- Since 1964 -

<b>LOCATION PHOTOS</b>	<b>12</b>	<b>31</b>	<b>07</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: D.S.	DRAWN BY: Z.L.		REVISED: 00-00-00	



R  
22  
E

R  
23  
E

T9S  
T10S

PROPOSED LOCATION:  
CWU #1361-25

SEE TOPO "B"

**LEGEND:**

● PROPOSED LOCATION



**EOG RESOURCES, INC.**

CWU #1361-25  
SECTION 25, T9S, R22E, S.L.B.&M.  
2523' FSL 489' FWL

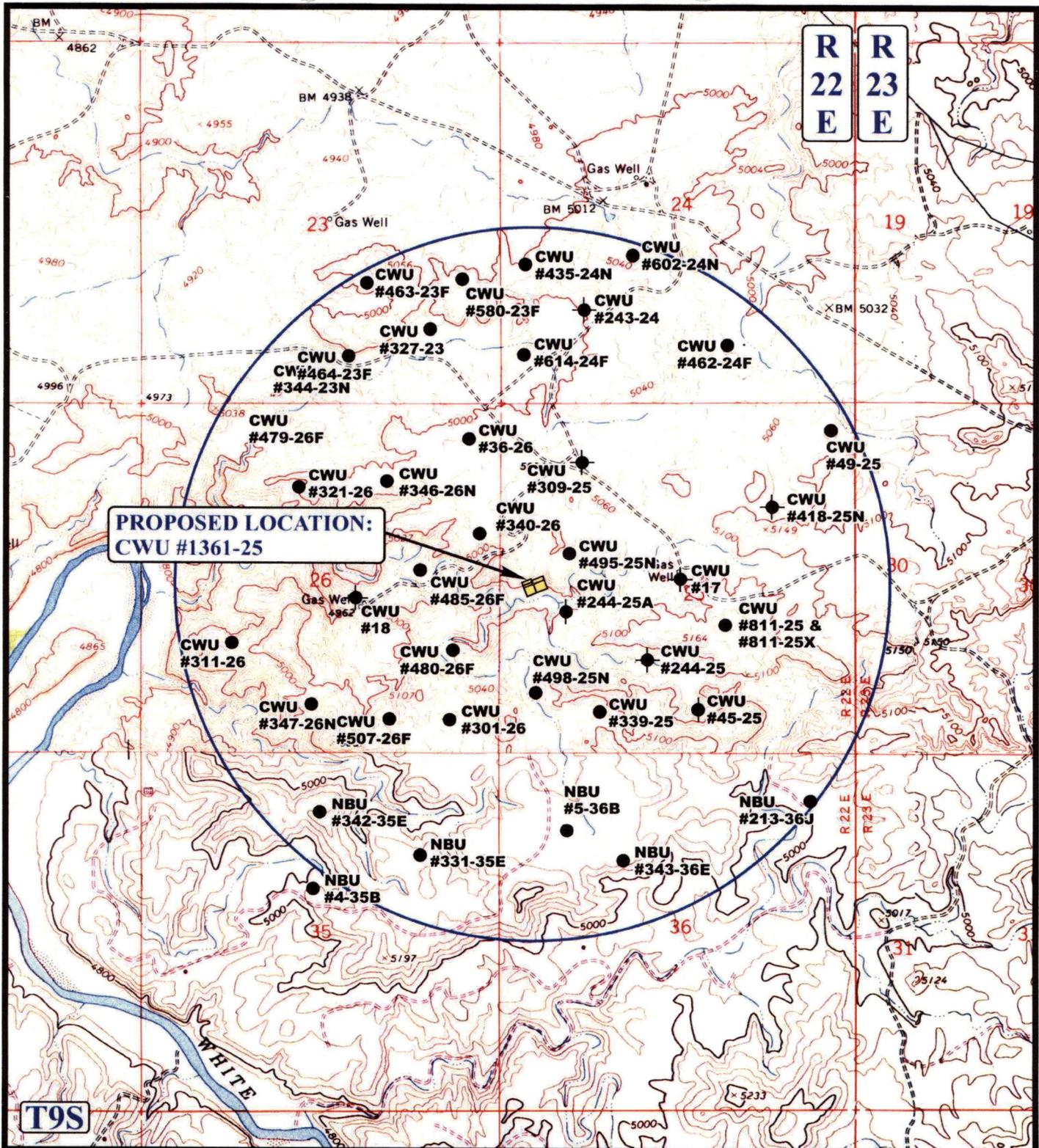


Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 12 31 07  
**MAP** MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: Z.L. REVISED: 00-00-00







**LEGEND:**

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



**EOG RESOURCES, INC.**

**CWU #1361-25  
SECTION 25, T9S, R22E, S.L.B.&M.  
2523' FSL 489' FWL**



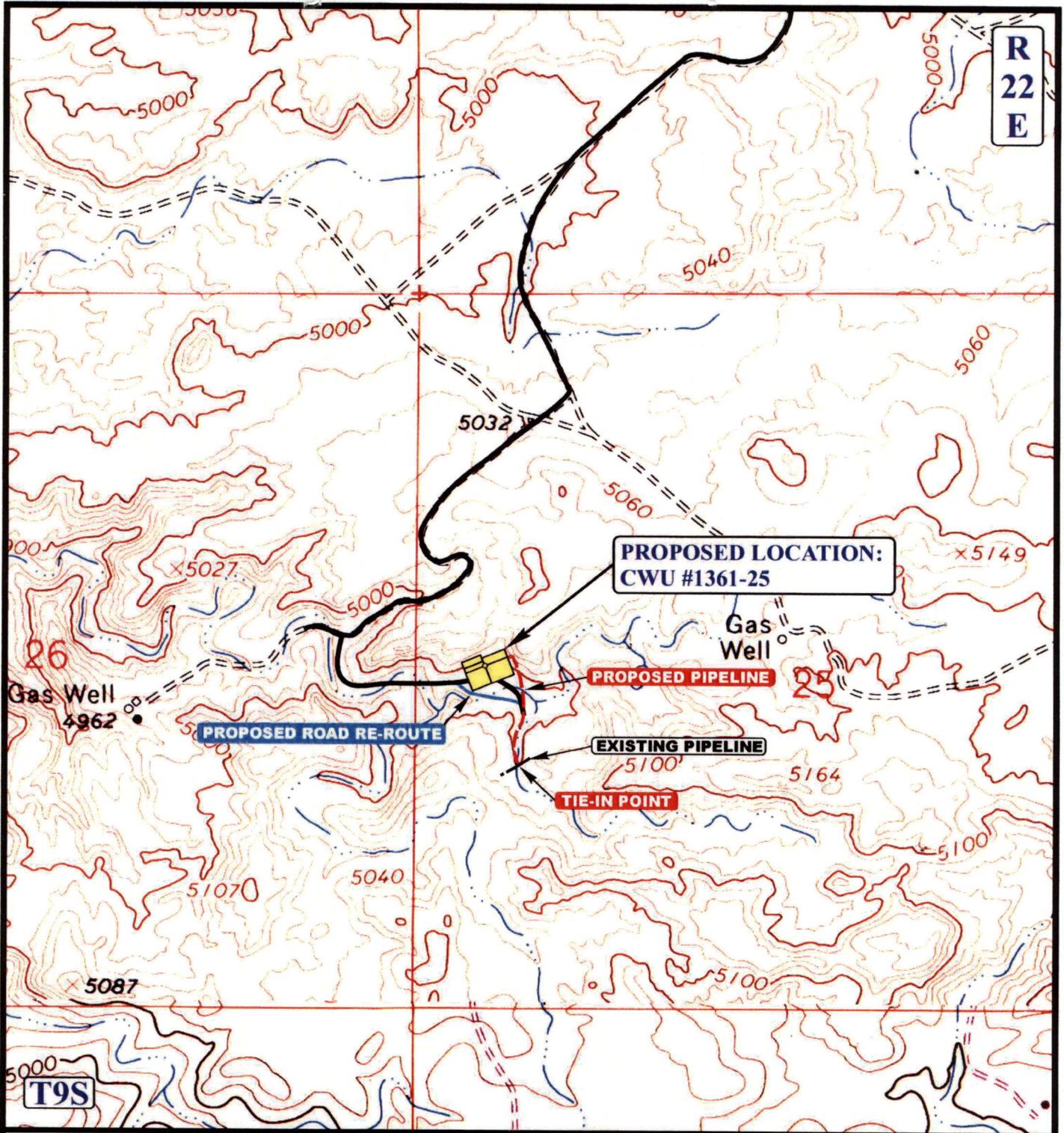
**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**12 31 07**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 890' +/-

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ROAD RE-ROUTE
-  PROPOSED PIPELINE

**EOG RESOURCES, INC.**

CWU #1361-25  
 SECTION 25, T9S, R22E, S.L.B.&M.  
 2523' FSL 489' FWL



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

**TOPOGRAPHIC  
 MAP**

<b>12</b>	<b>31</b>	<b>07</b>
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: Z.L. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/02/2008

API NO. ASSIGNED: 43-047-39984

WELL NAME: CWU 1361-25  
 OPERATOR: EOG RESOURCES, INC. ( N9550 )  
 CONTACT: MARY MAESTAS

PHONE NUMBER: 303-824-5526

PROPOSED LOCATION:

NWSW 25 090S 220E  
 SURFACE: 2523 FSL 0489 FWL  
 BOTTOM: 2523 FSL 0489 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.00674 LONGITUDE: -109.3953  
 UTM SURF EASTINGS: 636971 NORTHINGS: 4429528  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU0285A  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

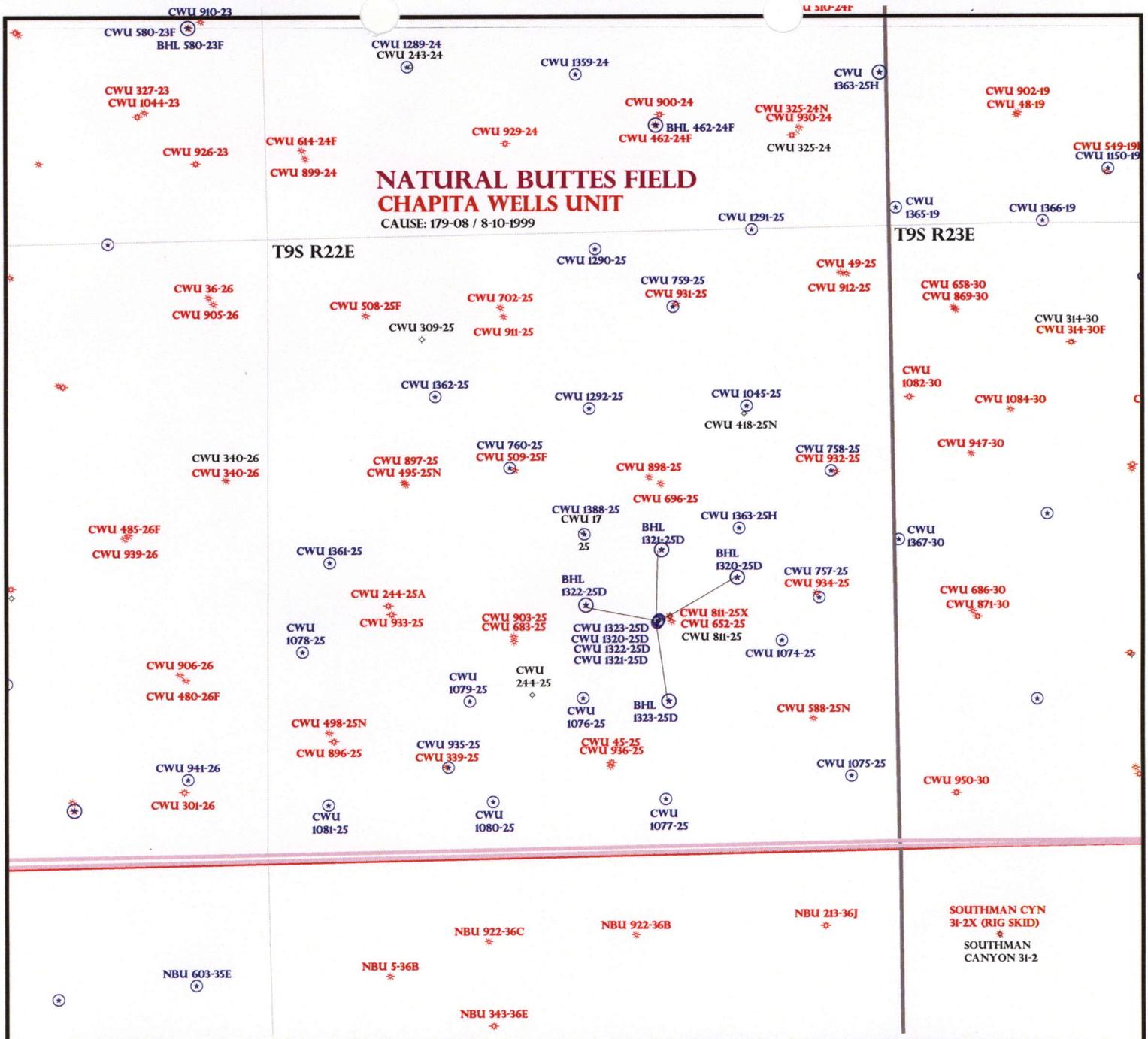
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM 2308 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-225 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: Suspend Plans / Siting
- R649-3-11. Directional Drill

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

STIPULATIONS: \_\_\_\_\_  
Head Approval  
2-OIL SHALE  
 \_\_\_\_\_  
 \_\_\_\_\_



# NATURAL BUTTES FIELD CHAPITA WELLS UNIT

CAUSE: 179-08 / 8-10-1999

T9S R22E

T9S R23E

OPERATOR: EOG RESOURCES INC (N9550)  
 SEC: 25 T.9S R. 22E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH  
 CAUSE: 179-08 / 8-10-1999

**Field Status**

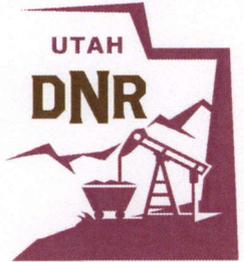
ABANDONED
ACTIVE
COMBINED
INACTIVE
PROPOSED
STORAGE
TERMINATED

**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



OIL, GAS & MINING



PREPARED BY: DIANA MASON  
 DATE: 3-APRIL-2008

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160  
(UT-922)

April 3, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2008 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 2008 within the Chapita Wells Unit, Uintah County, Utah.

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

(Proposed PZ MesaVerde)

43-047-39985	CWU 1366-19 Sec 19 T09S R23E 0020 FSL 1280 FWL	
43-047-39986	CWU 1134-19 Sec 19 T09S R23E 0665 FNL 1999 FEL	
43-047-39987	CWU 1135-19 Sec 19 T09S R23E 1718 FNL 0849 FEL	
43-047-39988	CWU 1132-19 Sec 19 T09S R23E 2020 FNL 2000 FWL	
43-047-39984	CWU 1361-25 Sec 25 T09S R22E 2523 FSL 0489 FWL	

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:4-3-08



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

April 3, 2008

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

Re: Chapita Wells Unit 1361-25 Well, 2523' FSL, 489' FWL, NW SW, Sec. 25, 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 43-047-39984.

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 1361-25  
**API Number:** 43-047-39984  
**Lease:** UTU0285A

**Location:** NW SW                      **Sec.** 25                      **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.

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAR 28 2008

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. UTU0285A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES INC Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com		7. If Unit or CA Agreement, Name and No. UTU63013AV
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 303-824-5526	8. Lease Name and Well No. CWU 1361-25
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon At proposed prod. zone NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon		9. API Well No. 43 047 39984
14. Distance in miles and direction from nearest town or post office* 51.35 MILES SOUTH OF VERNAL, UT		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 489'	16. No. of Acres in Lease	11. Sec., T., R., M., or Blk. and Survey or Area Sec 25 T9S R22E Mer SLB SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 710'	19. Proposed Depth 9190 MD	12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4999 GL	22. Approximate date work will start	13. State UT
23. Estimated duration 45 DAYS		17. Spacing Unit dedicated to this well
20. BLM/BIA Bond No. on file NM2308		

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 03/28/2008
Title REGULATORY ASSISTANT		
Approved by (Signature) 	Name (Printed/Typed) JERRY KENICKA	Date 6-25-2008
Title Assistant Field Manager Lands & Mineral Resources 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.

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.

Additional Operator Remarks (see next page) **CONDITIONS OF APPROVAL ATTACHED**

NOTICE OF APPROVAL

Electronic Submission #59323 verified by the BLM Well Information System  
For EOG RESOURCES INC, sent to the Vernal  
Committed to AFMSS for processing by GAIL JENKINS on 03/28/2008 (08GXJ2974AE)

RECEIVED  
JUN 30 2008  
DIV. OF OIL, GAS & MINING

\*\* BLM REVISED \*\*

08CX50086AE

NOS. 1-31-2008



**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**

<b>Company:</b>	<b>E.O.G. Resources Inc.</b>	<b>Location:</b>	<b>NWSW, Sec. 25, T9S, R22E</b>
<b>Well No:</b>	<b>CWU 1361-25</b>	<b>Lease No:</b>	<b>UTU-0285A</b>
<b>API No:</b>	<b>43-047-39984</b>	<b>Agreement:</b>	<b>Chapita Wells Unit</b>

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

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

**SITE SPECIFIC DOWNHOLE COAs:**

- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- Logging program: Gamma Ray shall be run from TD to surface.
- Air Drilling, Onshore Order #2, Variances Granted:
  - Straight run blooie line: variance granted to use a non-straight blooie line.
  - Blooie line length: variance granted to use a 75' blooie line.
  - Dedusting equipment: variance granted to use aerated water system in lieu of deduster equipment.
  - Automatic igniter or continuous pilot light on the blooie line: variance granted to use aerated water system in lieu of igniter or pilot light.
  - Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore: variance granted to use truck/rig mounted air compressors that are less than 100 feet from the well bore and are not in the opposite direction from the well bore.
- Properly lubricated and maintained rotating head: variance granted to use a properly maintained and lubricated stripper head.

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

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

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

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

## OPERATING REQUIREMENT REMINDERS:

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

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

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

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: EOG RESOURCES INC

Well Name: CWU 1361-25

Api No: 43-047-39984 Lease Type: FEDERAL

Section 25 Township 09S Range 22E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

### **SPUDDED:**

Date 09/08/08

Time 11:30 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 09/08/08 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: EOG RESOURCES 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
43-047-39305	NATURAL BUTTES UNIT 614-05E		NWNE	5	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>2900</i>	9/4/2008		<i>9/25/08</i>		
Comments: <u>WASATCH/MESAVERDE WELL</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39303	NATURAL BUTTES UNIT 327-05E		NENE	5	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>2900</i>	9/4/2008		<i>9/25/08</i>		
Comments: <u>WASATCH/MESAVERDE WELL</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39984	CHAPITA WELLS UNIT 1361-25		NWSW	25	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>13650</i>	9/6/2008		<i>9/25/08</i>		
Comments: <u>MESAVERDE WELL</u>							

**ACTION CODES:**

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

Mickenzie Thacker

Name (Please Print)

*Mickenzie Thacker*  
Signature

Operations Clerk

9/9/2008

Title

Date

(5/2000)

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**SEP 09 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.  
UTU0285A

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.  
CHAPITA WELLS UNIT 1361-25

9. API Well No.  
43-047-39984

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

10. Field and Pool, or Exploratory  
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 25 T9S R22E NWSW 2523FSL 489FWL  
40.00671 N Lat, 109.39598 W Lon

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

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

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

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

The referenced well was turned to sales on 12/19/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

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14. I hereby certify that the foregoing is true and correct.  
Electronic Submission #65781 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal

Name (Printed/Typed) MICKENZIE THACKER Title OPERATIONS CLERK

Signature *Mickenzie Thacker* Date 12/22/2008

**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 \*\***

## WELL CHRONOLOGY REPORT

Report Generated On: 12-22-2008

<b>Well Name</b>	CWU 1361-25	<b>Well Type</b>	DEVG	<b>Division</b>	DENVER
<b>Field</b>	CHAPITA DEEP	<b>API #</b>	43-047-39984	<b>Well Class</b>	COMP
<b>County, State</b>	UINTAH, UT	<b>Spud Date</b>	10-30-2008	<b>Class Date</b>	12-19-2008
<b>Tax Credit</b>	N	<b>TVD / MD</b>	9,190/ 9,190	<b>Property #</b>	062309
<b>Water Depth</b>	0	<b>Last CSG</b>	2.375	<b>Shoe TVD / MD</b>	0/ 0
<b>KB / GL Elev</b>	5,010/ 4,997				
<b>Location</b>	Section 25, T9S, R22E, NWSW, 2523 FSL & 489 FWL				

<b>Event No</b>	1.0	<b>Description</b>	DRILL & COMPLETE		
<b>Operator</b>	EOG RESOURCES, INC	<b>WI %</b>	55.033	<b>NRI %</b>	47.155

<b>AFE No</b>	304979	<b>AFE Total</b>	1,750,900	<b>DHC / CWC</b>	880,700/ 870,200
<b>Rig Contr</b>	TRUE	<b>Rig Name</b>	TRUE #27	<b>Start Date</b>	04-03-2008
		<b>Release Date</b>	11-26-2008		
<b>04-03-2008</b>	<b>Reported By</b>	CYNTHIA HANSELMAN			
<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
			2523' FSL & 489' FWL (NW/SW)
			SECTION 25, T9S, R22E
			UINTAH COUNTY, UTAH
			LAT 40.006744, LONG 109.395303 (NAD 27)
			LAT 40.006708, LONG 109.395983 (NAD 83)
			TRUE #27
			OBJECTIVE: 9190' TD, MESAVERDE
			DW/GAS
			CHAPITA WELLS DEEP PROSPECT
			DD&A: CHAPITA DEEP
			NATURAL BUTTES FIELD
			LEASE: UTU0285A
			ELEVATION: 4999.5' NAT GL, 4997.0' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4997') 5010' KB (13')

EOG BPO WI 55.0328%, NRI 47.15451%

08-27-2008

Reported By

TERRY CSERE

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

**Activity at Report Time:** LOCATION BUILD

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

**08-28-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 5% COMPLETE.

**08-29-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 10% COMPLETE.

**09-02-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**09-03-2008**      **Reported By**      TERRY CSERE

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

**Activity at Report Time:** BUILD LOCATION

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

**09-04-2008**      **Reported By**      TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

09-05-2008 Reported By TERRY CSERE

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

Activity at Report Time: BUILD LOCATION

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

09-08-2008 Reported By JERRY BARNES

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

Activity at Report Time: SPUD NOTIFICATION - WO AIR RIG

Start End Hrs Activity Description  
 06:00 06:00 24.0 LOCATION COMPLETE. CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 09/06/08 @ 11:30 A.M., SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 09/06/08 @ 10:30 A.M.

10-02-2008 Reported By JERRY JENKINS

Daily Costs: Drilling \$245,250 Completion \$0 Daily Total \$245,250  
 Cum Costs: Drilling \$283,250 Completion \$0 Well Total \$283,250  
 MD 2,273 TVD 2,273 Progress 0 Days 0 MW 0.0 Visc 0.0  
 Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WORT

Start End Hrs Activity Description  
 06:00 06:00 24.0 MIRU CRAIG'S AIR RIG #2 ON 9/23/2008. DRILLED 12-1/4" HOLE TO 2260' GL (2273' KB). RAN 51 JTS (2250.00') OF 9-5/8", 36#, K-55, BT&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2263' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIGS AIR RIG #2.

MIRU HALLIBURYON. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 2500 PSIG. PUMPED 175 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (146 BBLs) OF PREMIUM LEAD CEMENT W/0.2 % VARSET, 2% CALSEAL, & 2% EX-1. MIXED CEMENT @ 10.5 PPG W/YIELD OF 4.1 CF/SX.

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TAILED IN W/ 300 SX (63 BBLs) OF PREMIUM CEMENT W/2% CACL2. MIXED TAIL CEMENT 15.6 PPG W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/174 BBLs FRESH WATER. DID NOT BUMP PLUG. CHECKED FLOAT, FLOAT DID NOT HOLD. SHUT-IN CASING VALVE. BROKE CIRCULATION 23 BBLs INTO FRESH WATER FLUSH. LOST CIRCULATION 106 BBLs INTO DISPLACEMENT. REGAINED WEAK CIRCULATION 112 BBLs INTO DISPLACEMENT. CIRCULATED 10 BBLs CEMENT TO PIT. CEMENT FELL BACK AT SURFACE WHEN PUMPING STOPPED.

TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (21BBLs) OF PREMIUM-CEMENT W/2 % CACL2 . MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. CIRCULATED 3 BBLs LEAD CEMENT TO PIT. CEMENT FELL BACK. WOC 1 HR. 20 MINUTES.

TOP JOB # 2: MIXED & PUMPED 50 SX (10 BBLs) OF PREMIUM CEMENT W/2 % CACL2 . MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED STOOD FULL. RDMO HALLIBURTON CEMENTERS.

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

CRAIGS RIG 2 TOOK SURVEYS WHILE DRILLING HOLE. 1288' — 2.5 DEGREE, 2230' — 1.0 DEGREE.

CONDUCTOR LEVEL RECORD: PS=89.7 OPS=89.8 VDS=89.8 MS=89.9

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

JERRY JENKINS NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 9/25/2008 @ 11:39 PM.

<b>10-29-2008</b>	<b>Reported By</b>	KELLY SPOONTS/PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$32,964	<b>Completion</b>	\$0	<b>Daily Total</b>	\$32,964						
<b>Cum Costs: Drilling</b>	\$316,214	<b>Completion</b>	\$0	<b>Well Total</b>	\$316,214						
<b>MD</b>	2,273	<b>TVD</b>	2,273	<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: RIG REPAIR

Start	End	Hrs	Activity Description
08:00	09:00	1.0	RDMO/ RIG DOWN RT
			TRANSFER TO CWU 1361-25 FROM CWU 1355-23 7 JTS 4.5" 11.6# N-80 CASING. ONE HCP-110 MARKER JT. , 2 HCP-110 PUP JT. AND 1 JT 4.5" 11.6# N-80 CASING BAD, 2094 GALS DIESEL FUEL.
09:00	14:30	5.5	RIG DOWN MOVE RIG W/TRUCKS & TEN MEN
14:30	19:00	4.5	RIG UP W/TRUCKS & FIVE MEN/RAISE DERRICK @ 1830, TRUCKS RELEASED AT 1900 ON 10/28/08
19:00	00:00	5.0	RIG UP ROTARY TOOLS W/ FIVE HANDS
00:00	06:00	6.0	REPAIR RIG/ DRAWWORKS REPAIR REQUIRED, SHAFT AND BEARING BAD.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPIC:WORK ON DRAW WORKS.

UNMANNED LOGGING UNIT 0 DAYS (JOSE)

FUEL ON HAND 1945 USED 149.

<b>10-30-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$42,185	<b>Completion</b>	\$0	<b>Daily Total</b>	\$42,185						
<b>Cum Costs: Drilling</b>	\$358,399	<b>Completion</b>	\$0	<b>Well Total</b>	\$358,399						
<b>MD</b>	2,273	<b>TVD</b>	2,273	<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: ACCEPT RIG AT 0500, PREP TO TEST

Start	End	Hrs	Activity Description
06:00	05:00	23.0	RIG REPAIR, REMOVE DRAWWORKS TRANSMISSION SHAFT, REPLACE 1ST GEAR BEARING. REPLACE SHAFT IN DRAWWORKS.
05:00	06:00	1.0	RIG ACCEPTED AT 05:00 HOURS 10/30/08. NIPPLE UP PREPARE TO TEST. EXPECT TO BE TESTING BY 06:00.
FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: MECH. WORK AND HAND SIGNALS.			
UNMANNED LOGGING UNIT 0 DAYS (JOSE)			
FUEL ON HAND 6133 RECIEVED 4500 USED 312			

<b>10-31-2008</b>		<b>Reported By</b>		PAUL WHITE							
<b>Daily Costs: Drilling</b>		\$88,285	<b>Completion</b>		\$804	<b>Daily Total</b>		\$89,089			
<b>Cum Costs: Drilling</b>		\$446,684	<b>Completion</b>		\$804	<b>Well Total</b>		\$447,488			
<b>MD</b>	2,708	<b>TVD</b>	2,708	<b>Progress</b>	435	<b>Days</b>	1	<b>MW</b>	8.4	<b>Visc</b>	27.0
<b>Formation :</b>		<b>PBTD : 0.0</b>				<b>Perf :</b>		<b>PKR Depth : 0.0</b>			

Activity at Report Time: DRILLING AT 2708'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NIPPLE UP BOP, PREPARE TO TEST.
07:00	12:30	5.5	TEST BOP'S W/ B&C QUICK TEST. UPPER AND LOWER KELLY VALVE, INSIDE BOP, SAFETY VALVE, PIPE RAMS AND INSIDE VALVES, PIPE RAMS AND OUTSIDE VALVES (HCR), OUTSIDE CHECK VALVE, CHOKELINE, ALL CHOKE MANIFOLD VALVES AND SURFACE CASING. ALL TESTS 250 LOW AND 5000 HIGH. ANNULAR 250/2500. CASING 1500. ALL TESTS GOOD, NO LEAKS.
12:30	13:00	0.5	INSTALL WEAR BUSHING.
13:00	17:30	4.5	HOLD SAFETY MEETING W/ KIMSEY PICKUP CREW, RIG UP, PICKUP BHA AND DRILL PIPE. TAG CEMENT AT 1863. RD KIMSEY CREW.
17:30	18:00	0.5	SERVICE RIG. INSTALL DRIVE ROTATING HEAD DRIVE BUSHINGS.
18:00	18:30	0.5	KELLY UP FILL PIPE, COULD NOT CIRCULATE. STRING PLUGGED.
18:30	21:00	2.5	TRIP OUT OF HOLE, FOUND JARS PLUGGED. LAY DOWN JARS, INSPECT MOTOR AND BIT. WASH OUT MOTOR. FOUND GRAVEL AND POLY SWELL IN TOP OF MOTOR. TRIP IN HOLE.
21:00	23:00	2.0	DRILL CEMENT/FLOAT EQUIP. COLLAR AT 2233 SHOE AT 2273.
23:00	23:30	0.5	CIRCULATE CLEAN, SPOT 50 VIS PILL ON BOTTOM, RUN FIT TEST TO 12.3 PPG. EQUIV. MUD WT.
23:30	06:00	6.5	DRILL F/ 2273' TO 2708 435' 67 FPH. WOB 13 RPM 50. FUNCTION CHECK COM FOR DRLG. MUD WT. 8.7 VIS 31. DRILLING MAHOGANY OIL SHALE BED. TOP OF WASATCH 4514. FULL CREW.

NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: PPE, SLIPS, TESTING BOPS.

FUEL ON HAND 5610 USED 523, REMOTE MUD LOGGER 1 DAY (JOSE)

NOTE: #2 DRILLING MOTOR, COOLANT CONTAMINATING OIL, TRUE PLANS TO CHANGE DRILLING MOTOR THIS AM WHILE DRILLING. CRANE AND MECHANIC SCHEDULED FOR THIS MORNING.

SPUD 7 7/8" @ 23:30 HRS, 10/30/08.

RIG ON DAY RATE AT 05:30 HRS, 10/30/08.

<b>11-01-2008</b>		<b>Reported By</b>		PAUL WHITE							
<b>Daily Costs: Drilling</b>		\$35,407	<b>Completion</b>		\$0	<b>Daily Total</b>		\$35,407			
<b>Cum Costs: Drilling</b>		\$482,091	<b>Completion</b>		\$804	<b>Well Total</b>		\$482,895			
<b>MD</b>	4,813	<b>TVD</b>	4,813	<b>Progress</b>	2,110	<b>Days</b>	2	<b>MW</b>	8.7	<b>Visc</b>	31.0
<b>Formation :</b>		<b>PBTD : 0.0</b>				<b>Perf :</b>		<b>PKR Depth : 0.0</b>			

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**Activity at Report Time: DRILLING AT 4813'**

Start	End	Hrs	Activity Description
06:00	06:30	0.5	CHANGE SHEAR RELIEF VALVE #2 PUMP AND VALVE IN #1 PUMP.
06:30	13:30	7.0	DRILL F/ 2708 TO 3248 540' 77 FPH WOB 18 RPM 51.
13:30	14:00	0.5	SERVICE RIG.
14:00	17:00	3.0	DRILL F/ 3248 TO 3499 251' 84 FPH WOB 18 RPM 51.
17:00	17:30	0.5	SURVEY AT 3421 2.75 DEG.
17:30	01:00	7.5	DRILL F/ 3499 TO 4406 907' 121 FPH WOB 18 RPM 50.
01:00	01:30	0.5	SURVEY AT 4321 4 DEG.
01:30	06:00	4.5	DRILL F/ 4406 TO 4813 407' 90 FPH WOB 18 RPM 52. MUD WT 9.5 VIS 32. DRILLING WASATCH, TOP OF CHAPITA WELLS AT 5092. F/T COM FOR DRLG. EACH TOUR. BOP DRILL 1 1/2 MIN.

FULL CREW. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: CRANE, TRIP HAZARDS.  
 UNMANNED MUD LOGGING UNIT 2 DAYS (JOSE)  
 FUEL ON HAND 4563 USED 1047.

<b>11-02-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$33,353	<b>Completion</b>	\$0	<b>Daily Total</b>	\$33,353						
<b>Cum Costs: Drilling</b>	\$515,445	<b>Completion</b>	\$804	<b>Well Total</b>	\$516,249						
<b>MD</b>	6,400	<b>TVD</b>	6,400	<b>Progress</b>	1,587	<b>Days</b>	3	<b>MW</b>	9.8	<b>Visc</b>	35.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING AT 6400'**

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL F/ 4813 TO 5568 755' 79 FPH. WOB 18 RPM 50.
15:30	16:00	0.5	SERVICE RIG.
16:00	22:00	6.0	DRILL F/ 5668 TO 5942 274' 46 FPH. WOB 18 RPM 52.
21:00	06:00	9.0	DRILL F/ 5942 TO 6400 458' 51 FPH. WOB 18 RPM 52. (EXTRA HOUR FOR DAYLIGHT SAVINGS TIME CHANGE) MUD WT. 10.0 VIS 35. DRILLING BUCK CANYON, TOP OF NORTH HORN AT 6,490.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: SPINNING CHAIN, SCRUBBING TIE OFF. FUNCTION CHECK COM FOR DRLG.  
 UNMANNED MUD LOGGING UNIT 3 DAYS. (JOSE)  
 FUEL ON HAND 3067 USED 1496.

<b>11-03-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$32,405	<b>Completion</b>	\$0	<b>Daily Total</b>	\$32,405						
<b>Cum Costs: Drilling</b>	\$547,850	<b>Completion</b>	\$804	<b>Well Total</b>	\$548,654						
<b>MD</b>	7,170	<b>TVD</b>	7,170	<b>Progress</b>	770	<b>Days</b>	4	<b>MW</b>	10.2	<b>Visc</b>	34.0
<b>Formation :</b>	<b>PBTD : 0.0</b>		<b>Perf :</b>		<b>PKR Depth : 0.0</b>						

**Activity at Report Time: DRILLING @ 7170'**

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL F/ 6400 TO 6490. 90' 36 FPH WOB 19 RPM 67.
08:30	09:00	0.5	SERVICE RIG.
09:00	10:30	1.5	DRILL F/ 6490 TO 6522. 32' 21 FPH. WOB 19 RPM 67.
10:30	11:00	0.5	TROUBLE SHOOT #2 FLOOR MOTOR TORQUE CONVERTER. (IN-OP)

11:00 03:30 16.5 DRILL F/ 6522 TO 7170 648' 39 FPH. WOB 20 RPM 53.  
 03:30 04:30 1.0 RIG REPAIR. REMOVE TORQUE CONVERTER FROM #2 ENGINE, REPLACE W/ SECOND UNIT. PROBLEMS REMAIN.  
 04:30 06:00 1.5 DRILL F/ 7130 TO 7170 40' 27 FPH. WOB 20 RPM 51. MUD WT 10.7 VIS 35. DRILLING PRICE RIVER, TOP OF PRICE RIVER MIDDLE AT 7691'.

FULL CREW, NO ACCIDENTS OR INCIDENTS.  
 SAFETY MEETING TOPICS: WORKING ON FLOOR MOTORS, LOCK OUT / TAG OUT.  
 FUNCTION CHECK COM FOR DRLG.  
 BOP DRILL 1 1/2 MIN.  
 UNMANNED MUD LOGGING UNIT 4 DAYS (JOSE)  
 FUEL ON HAND 1645 USED 1422.

**11-04-2008**      **Reported By**      PAUL WHITE

<b>Daily Costs: Drilling</b>	\$47,627	<b>Completion</b>	\$0	<b>Daily Total</b>	\$47,627
<b>Cum Costs: Drilling</b>	\$595,477	<b>Completion</b>	\$804	<b>Well Total</b>	\$596,281

**MD**      7,851      **TVD**      7,851      **Progress**      681      **Days**      5      **MW**      10.7      **Visc**      34.0

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

**Activity at Report Time:** DRILLING AT 7851'

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL F/ 7170 TO 7569 399 47 FPH. WOB 20 RPM 67.
14:30	15:00	0.5	SERVICE RIG.
15:00	06:00	15.0	DRILL F/ 7569 TO 7851 282' 19 FPH. WOB 22 RPM 50. MUD WT. 11.1 VIS 37. DRILLING MIDDLE PRICE RIVER. TOP OF LOWER AT 8501.

FULL CREW. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: TONGS, STEAM LINES, PUMP WORK. CHANGE CENTER AND OBWS SWAB AND LINER #2 PUMP, CHANGE PONY ROD SEALS #1 PUMP. FUNCTION CHECK COM FOR DRLG. EACH TOUR. BOP DRILL 1 1/2 MINS.  
 UNMANNED MUD LOGGING UNIT 5 DAYS. (JOSE)  
 FUEL: ON HAND 4263 RECEIVED 4000 USED 1382.

**11-05-2008**      **Reported By**      PAUL WHITE

<b>Daily Costs: Drilling</b>	\$32,106	<b>Completion</b>	\$0	<b>Daily Total</b>	\$32,106
<b>Cum Costs: Drilling</b>	\$627,583	<b>Completion</b>	\$804	<b>Well Total</b>	\$628,387

**MD**      7,911      **TVD**      7,911      **Progress**      60      **Days**      6      **MW**      11.2      **Visc**      37.0

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

**Activity at Report Time:** RIH W/FISHING BHA

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL F/ 7851 TO 7911' 60' 17 FPH. WOB 22 RPM 67.
09:30	10:00	0.5	CONDITION MUD AND CIRCULATE, DROP SURVEY.
10:00	11:00	1.0	TRIP OUT OF HOLE.
11:00	15:00	4.0	PIPE STUCK AT 5650'. (BOTTOM OF CHAPITA WELLS) WORK PIPE AND ATTEMPT WORK FREE.
15:00	20:00	5.0	PICKUP SURFACE JARS AND JAR DOWN, UNSUCCESSFUL.
20:00	22:00	2.0	RIG UP DIALOG AND RUN FREE POINT, HWDP STUCK 8 JOINTS ABOVE TOP OF DRILL COLLARS.
22:00	00:30	2.5	RUN IN HOLE W/ STRING SHOT. BACK OFF PIPE AT 5166'. (JT #8 ABOVE DC'S HAD 78% STRETCH READINGS, JT #9 HAD 90% STRETCH READINGS)

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00:30 02:30 2.0 POH W/ DRILL PIPE AND 16 JOINTS OF HWDP. (FISH IN HOLE: BIT, MOTOR, 2 REAMERS, 6 DC'S, 9 HWDP. 507')

02:30 06:00 3.5 PICKUP FISHING STRING,(SCREW IN SUB,BUMPER SUB-JARS,4 DC'S-- 25 JOINTS HWPDP, JAR ACCELERATORS) DRILL PIPE. RIH. MUD WT. 11.1 VIS 38.

FULL CREW. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: PUTTING TORQUE IN PIPE. FISHING. UNMANNED MUD LOGGING UNIT 6 DAYS. (JOSE)  
 FUEL ON HAND 3216 USED 1046.

<b>11-06-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$32,034	<b>Completion</b>	\$9,334	<b>Daily Total</b>	\$41,368						
<b>Cum Costs: Drilling</b>	\$659,618	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$669,756						
<b>MD</b>	7,911	<b>TVD</b>	7,911	<b>Progress</b>	0	<b>Days</b>	7	<b>MW</b>	11.5	<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:** CIRCULATING ON TOP OF FISH

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TRIP IN HOLE W/ FISHING STRING. (SCREW IN SUB, BUMPER SUB, BOWEN JARS, 4 DC'S, 25 HWPDP, JAR ACCELATORS.)
07:30	08:00	0.5	RIG UP TO CIRCULATE TO TOP OF FISH.
08:00	09:00	1.0	CIRC AND WASH TO TOP OF FISH AT 5166'
09:00	19:00	10.0	SCREW INTO FISH, ABLE TO PUMP MUD THROUGH FISH W/ NO RETURNS. JAR ON FISH. 1/2 HOUR JAR DOWN, 1/2 HOUR JAR UP. WORKING JARS W/ 50K OVER DOWN AND 90 TO 100K UP. NO DISCERNABLE MOVEMENT.
19:00	20:00	1.0	RUN FREE POINT, TOP JOINT OF FISH INDICATED 60% STRETCH, JOINT BELOW INDICATED NO MOVEMENT.
20:00	23:00	3.0	RIH W/ STRING SHOT. W/ 3 1/2 ROUNDS OF REVERSE TORQUE SHOOT AT 5196. TONG OUT JOINT AND CIRC. WHILE PULLING OUT OF FISH.
23:00	00:00	1.0	CIRCULATE AND CONDITION MUD.
00:00	03:00	3.0	TRIP OUT W/ FISH.
03:00	05:30	2.5	LAY DOWN 1 JOINT OF HWDP. INSPECT FISHING TOOLS. RIH W/SCREW IN SUB TO TOP OF FISH.
05:30	06:00	0.5	RIG UP AND CIRCULATE ON TOP OF FISH AT 5196' MUD WT. 11.5 VIS 38.

NO ACCIDENTS OR INCIDENTS. FULL CREW. SAFETY MEETING TOPICS: PUTTING TORQUE IN PIPE W/ TONGS. HANDLING WIRELING TOOLS.  
 UNMANNED MUD LOGGING UNIT 7 DAYS.  
 FUEL ON HAND 2319 USED 897.

<b>11-07-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$43,085	<b>Completion</b>	\$0	<b>Daily Total</b>	\$43,085						
<b>Cum Costs: Drilling</b>	\$702,703	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$712,841						
<b>MD</b>	7,911	<b>TVD</b>	7,911	<b>Progress</b>	0	<b>Days</b>	8	<b>MW</b>	11.4	<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:** PERFORATING HWDP ABOVE TOP OF FISH @ 5330'

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TRIP IN HOLE W/ FISHING STRING, RIG UP TO CIRCULATE.
07:30	12:00	4.5	CIRCULATE HOLE CLEAN ABOVE FISH. SCREW INTO FISH AT 5196'.
12:00	13:30	1.5	RUN FREE POINT TOOL THROUGH FISH. NO MOVEMENT IN FISH BELOW TOP JT OF HWDP. TOP JT HAD 5% STRETCH AT LOWER TOOL JT.

13:30 15:00 1.5 JAR ON FISH. 1/2 HR JAR DOWN W/ MAXIMUM WT. (75K) 1/2 HR JAR UP W/ MAXIMUM RIG WOULD PULL (275k) ALTERNATE UP AND DOWN JARRING.

15:00 17:00 2.0 RUN IN W/ STRING SHOT (5 STRANDS OF 80 GR. PRIMER CORD) PUT REVERSE TORQUE IN PIPE. PIPE BACKED OFF DOWN HOLE. RETORQUE PIPE W/ 5 ROUNDS W/ ROTARY TABLE. W/ HYDRAULIC TONGS PUT 3 1/2 ROUNDS OF REVERSE TORQUE IN PIPE. SHOOT AT TOOL JT. AT 5226', NO BACKOFF. RETORQUE PIPE.

17:00 18:00 1.0 WORK PIPE AND JAR. RIG UP TO PERFORATE HWDP.

18:00 01:00 7.0 PUMP PIPE WIPER BALLS DOWN IN ATTEMPT TO PLUG STRING AT MOTOR IN PREPARATION FOR PERFORATING HWP. AFTER PUMPING TWO BALLS DOWN STILL LOOSING FLUID OUT BOTTOM OF FISH. MIX AND PUMP 40 BBLs 15% LCM PILL ON TOP OF PLUGGING BALLS. STRING PLUGGED.

01:00 04:00 3.0 RUN IN HOLE W/ 1 FT PERF STRIP W/ 2 JSPF. PERFORATE LOWEST JT OF HWDP IN FISH AT 5450'.

04:00 04:30 0.5 ATTEMPT TO CIRCULATE THROUGH PERFS. UNSUCCESSFUL. RIG DOWN CIRCULATING EQ.

04:30 06:00 1.5 RIH W/ SECOND PERF. STRIP TO PERFORATE 4TH JT. OF HWDP ABOVE TOP OF FISH AT 5330'.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: WIRELINE TOOLS, PERF GUNS. HIGH PRESSURES.

UNMANNED MUD LOGGING UNIT 7 DAYS. (JOSE)

FUEL ON HAND 5535 RECEIVED 4000 USED 784.

**11-08-2008**      **Reported By**      PAUL WHITE/ GRINOLDS

<b>Daily Costs: Drilling</b>	\$89,335	<b>Completion</b>	\$0	<b>Daily Total</b>	\$89,335
<b>Cum Costs: Drilling</b>	\$792,039	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$802,177

**MD**      7,911      **TVD**      7,911      **Progress**      0      **Days**      9      **MW**      12.0      **Visc**      40.0

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

**Activity at Report Time:** CIRCULATE & CONDITION @ TOP OF FISH

Start	End	Hrs	Activity Description
06:00	06:30	0.5	AFTER PERFORATING HWDP AT 5450'. (JOINT ABOVE DC'S) ATTEMPT TO CIRCULATE AROUND HEAVY WALL. UNSUCCESSFUL.
06:30	07:00	0.5	RUN IN W/ GUN AND PERFORATE 4TH JT ABOVE DC'S AT 5186'.
07:00	07:30	0.5	PRESSURE UP ON PERFS TO 2,800 PSI, ATTEMPT TO CIRC. UNSUCCESSFUL.
07:30	09:30	2.0	JAR ON FISH, WORK DOWN W/ 50/75 K, JAR UP W/ MAX PULL (275K)
09:30	11:30	2.0	RIH W/ STRING SHOT, TORQUE UP PIPE W/ 5 ROUNDS TORQUE. PUT IN 3 1/2 ROUNDS REVERSE TORQUE AND FIRE STRING SHOT. BACK OFF AT SCREW IN SUB AT 5196'.
11:30	14:30	3.0	TRIP OUT OF HOLE W/ FISHING STRING. LAY DOWN FISHING TOOLS.
14:30	18:00	3.5	TRIP IN HOLE TO CLEAN OUT FOR SIDETRACK PLUG. NOTIFY JAMIE SPARGER W/ BLM OF INTENTION TO LAY SIDETRACK PLUG. LEFT MESSAGE ON BLM PHONE AND E-MAILED NOTIFICATION.
18:00	06:00	12.0	WASH AND REAM FROM 4848 TO 5196. HOLE UNSTABLE. SHALE SLOUGHING, . RAISE MUD WT. TO 12 PPG. INCREASE VIS AND LOWER FLUID LOSS W/ PAC. MUD WT. 12 PPG, VIS 45. SCHLUMBERGER STANDING BY TO LAY SIDETRACK PLUG.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: USING TONGS FOR BACKOFF, BREAKING DOWN STANDS OUT OF DERRICK.

UNMANNED LOGGING UNIT 8 DAYS.

FUEL ON HAND 4263 USED 1272.

**11-09-2008**      **Reported By**      PAUL WHITE

<b>Daily Costs: Drilling</b>	\$84,641	<b>Completion</b>	\$0	<b>Daily Total</b>	\$84,641
<b>Cum Costs: Drilling</b>	\$876,681	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$886,819

**MD**      7,911      **TVD**      7,911      **Progress**      0      **Days**      10      **MW**      12.0      **Visc**      41.0

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Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: PU BHA

Start	End	Hrs	Activity Description
06:00	06:30	0.5	WASH AND REAM TO TOP OF FISH. CIRCULATE AND CONDITION MUD.
06:30	10:00	3.5	TRIP OUT AND LAY DOWN BHA.
10:00	14:30	4.5	RIG UP WEATHERFORD EQ. PICKUP 1237' OF 2 7/8" PH6 TUBING STINIGER. RIH ON DP. TO TOP OF FISH, 5196'.
14:30	15:30	1.0	CONDITION MUD FOR SIDETRACK PLUG.
15:30	17:30	2.0	HSM W/ SCHLUMBERGER, PUMP 20 BBLs CW100, 10 BBLs WATER, MIX AND PUMP 96 BBLs 17.5 PPG G CEMENT. YIELD .95 CU/FT/SK. 570 SKS. (60% EXCESS) FOLLOWED W/ 1 BBL WATER AND 47 BBLs MUD TO BALANCE PLUG. SLIGHT SUCTION WHEN CMT. LINE REMOVED. SIDETRACK CEMENT IN PLACE AT 17:30 HRS. 11/8/08.
17:30	18:30	1.0	POH. FIRST 3 STANDS AT 40 FPM. POH 15 STANDS (CHAIN OUT)
18:30	20:30	2.0	CIRCULATE THROUGH DRILL STRING AND TUBING STINGER.
20:30	04:00	7.5	POH LAY DOWN DP AND STINGER. (CURTS INSPECTION, INSPECTING ALL TUBULARS USED IN JARRING AND FISHING OPERATION)
04:00	06:00	2.0	PICKUP BHA FOR CLEAN OUT AND DIRECTIONAL ASSY.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETINGS HELD W/ ALL THIRD PARTY SERVICE CO'S. CHECK AND SET COM FOR TRIPPING.

UNMANNED MUD LOGGING UNIT 9 DAYS.

FUEL ON HAND 3366 USED 897.

11-10-2008		Reported By	PAUL WHITE--DOUG GRINOLDS								
Daily Costs: Drilling	\$56,526	Completion	\$0	Daily Total	\$56,526						
Cum Costs: Drilling	\$933,207	Completion	\$10,138	Well Total	\$943,345						
MD	4,289	TVD	4,289	Progress	0	Days	11	MW	11.9	Visc	39.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: TIH W/ DIRECTIONAL TOOLS

Start	End	Hrs	Activity Description
06:00	09:00	3.0	PICKUP CLEAN OUT BHA. TRIP IN HOLE.
09:00	09:30	0.5	SLIP & CUT DRILL LINE
09:30	12:00	2.5	WOC, CHANGE OIL FILTERS.
12:00	13:00	1.0	TRIP IN HOLE TO 3091.
13:00	13:30	0.5	CIRCULATE AND CONDITION MUD.
13:30	14:30	1.0	TRIP IN HOLE TO 4106'.
14:30	17:30	3.0	CIRCULATE AND CONDITION MUD.
17:30	19:30	2.0	TAG GOOD CEMENT AT 4272' DRILL CEMENT TO 4289' GOOD, HARD CONSISTENT CEMENT.
19:30	20:30	1.0	CIRCULATE AND CLEAN UP HOLE FOR DIRECTIONAL BHA.
20:30	22:30	2.0	TRIP FOR DIRECTIONAL TOOLS.
22:30	01:30	3.0	LAY DOWN CONVENTIONAL TOOLS, PICK UP DIRECTIONAL BHA.
01:30	05:30	4.0	TRIP IN HOLE, TESTING MWD, TAKING SURVEYS.
05:30	06:00	0.5	WASH AND REAM 4019' TO 4100', TOP OF CEMENT PLUG AT 4289' MUD WT. 11.3 VIS 38. RAISING MUD WT. WHILE W/R TO 11.6.
			KICKING OFF IN MAHOGANY OIL SHALE BED, TOP OF WASATCH AT 4514'.

FULL CREW. NO ACCIDENTS OR INCIDENTS.

SAFETY MEETING TOPICS: LAY DOWN AND PICK UP TOOLS.  
 UNMANNED MUD LOGGER 10 DAYS.  
 FUEL ON HAND 2393 USED 973.

<b>11-11-2008</b>	<b>Reported By</b>	PAUL WHITE									
<b>Daily Costs: Drilling</b>	\$36,504	<b>Completion</b>	\$0	<b>Daily Total</b>	\$36,504						
<b>Cum Costs: Drilling</b>	\$969,711	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$979,849						
<b>MD</b>	4,365	<b>TVD</b>	4,365	<b>Progress</b>	76	<b>Days</b>	12	<b>MW</b>	11.9	<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: TIME DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	WASH AND REAM F/ 4100 TO 4289.
08:00	09:00	1.0	DRILL CEMENT F/ 4289 TO 4348 59' 59 FPH. GOOD CEMENT.
09:00	09:30	0.5	RIG SERVICE.
09:30	06:00	20.5	SURVEY AND CONN. ORIENT MOTOR AND COMMENCE SLIDING OFF CEMENT PLUG. SLIDING AT 1' PER HOUR. CONTINUE SLIDING AT 1'/HR. UNTIL 05:00, AT 05:00 INCREASED TIME DRLG. RATE TO 2'/HR. CUTTINGS SHOW BETWEEN 80% AND 90% FORMATION. MUD WT. 11.8 VIS 42. SLIDING AT 4365' IN MAHOGANY OIL SHALE, TOP OF WASATCH AT 4514.

FULL CREW, NO ACCIDENTS OR INCIDENTS.  
 SAFETY MEETING TOPICS: SCRUBBING, PPE, PUMP WORK.  
 UNMANNED LOGGING UNIT 11 DAYS.  
 FUEL ON HAND 972 USED 1421.

<b>11-12-2008</b>	<b>Reported By</b>	PAUL WHITE / PAT CLARK									
<b>Daily Costs: Drilling</b>	\$39,997	<b>Completion</b>	\$0	<b>Daily Total</b>	\$39,997						
<b>Cum Costs: Drilling</b>	\$1,009,708	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,019,846						
<b>MD</b>	4,590	<b>TVD</b>	4,590	<b>Progress</b>	225	<b>Days</b>	13	<b>MW</b>	11.9	<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: SLIDING/DRILLING AT 4590'

Start	End	Hrs	Activity Description
06:00	11:00	5.0	TIME DRILL SLIDE F/ 4365 TO 4379' 14' (KICKING OFF PLUG)
11:00	11:30	0.5	SERVICE RIG.
11:30	13:00	1.5	SLIDE F/ 4379 TO 4405 WOB 15
13:00	20:00	7.0	DRILL F/ 4405 TO 4501 96' WOB 15 RPM 42.
20:00	06:00	10.0	SLIDE F/ 4501 TO 4595' 94' SLIDING W/ TOOL FACE +/- 90 DEG. ATTEMPTING TO BUILD ANGLE AWAY FROM ORIGINAL HOLE. SLIDES GOING WELL, NOT GETTING REACTION FROM TOOL. SAMPLES SHOW INCREASING AMOUNTS OF CEMENT. (600' ABOVE TOP OF FISH) CRESENT DIRECTIONAL IS SENDING A 2.5 DEGREE MOTOR AND ADDITIONAL DIRECTIONAL MAN.

SURVEYS:  
 4359 2.5 DEG. 186.40 AZ  
 4390 1.4 171.8  
 4408 1.3 166.2  
 4449 1.3 150.1  
 4481 1.4 152.7

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4511 1.30 146.5

FULL CREW, NO ACCIDENTS OR INCIDENTS.  
 SAFETY MEETING TOPICS: ELECTRICAL WIREING AND MAN HOLES.  
 UNMANNED LOGGING UNIT 12 DAYS.  
 FUEL ON HAND 4972 RECEIVED 4000 USED 1157  
 MUD 11.9 / 39

<b>11-13-2008</b>	<b>Reported By</b>	PAUL WHITE/PAT CLARK/J.SCHLENKER									
<b>DailyCosts: Drilling</b>	\$83,588	<b>Completion</b>	\$0	<b>Daily Total</b>	\$83,588						
<b>Cum Costs: Drilling</b>	\$1,093,296	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,103,434						
<b>MD</b>	4,680	<b>TVD</b>	4,680	<b>Progress</b>	95	<b>Days</b>	14	<b>MW</b>	11.9	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> 4680' / DRILL SLIDE											

Start	End	Hrs	Activity Description
06:00	07:30	1.5	TIME DRILL SLIDE 4585' - 4690'. WOB 15K, TFO - 338.
07:30	08:00	0.5	RIG SERVICE. CHECK COM.
08:00	22:30	14.5	TIME DRILL SLIDE 4590' - 4627'. WOB 15K, TFO 90.
22:30	23:00	0.5	DRILL 4627' - 4645'. WOB 10K, 45 RPM.
23:00	02:30	3.5	DRILL SLIDE 4645' - 4659'. WOB 15K, TFO 28.
02:30	03:00	0.5	DRILL 4659' - 4665'. WOB 10K, 45 RPM.
03:00	06:00	3.0	DRILL SLIDE 4665' - 4680'. WOB 15K, TFO - 28.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - TRIP HAZARDS, MIXING CHEMICALS.  
 FUEL - 2393, USED - 2579.  
 CURRENT MW - 11.9 PPG, VIS - 39 SPQ.  
 UNMANNED ML UNIT - 13 DAYS.  
  
 SURVEYS - 4543' - .4 DEG, AZ - 157.2  
 4575' - 1.8 DEG, AZ - 124.7  
 4606' - 1.6 DEG, AZ - 81.3

<b>11-14-2008</b>	<b>Reported By</b>	PAT CLARK/J.SCHLENKER									
<b>DailyCosts: Drilling</b>	\$52,154	<b>Completion</b>	\$0	<b>Daily Total</b>	\$52,154						
<b>Cum Costs: Drilling</b>	\$1,145,451	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,155,589						
<b>MD</b>	4,818	<b>TVD</b>	4,818	<b>Progress</b>	138	<b>Days</b>	15	<b>MW</b>	11.8	<b>Visc</b>	41.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time:</b> TIH											

Start	End	Hrs	Activity Description
06:00	19:00	13.0	SLIDE 4680' - 4891', DRILL 4891'-4706, SLIDE 4706'-4723', DRILL 4723'-4818', WOB 10/15, RPM 45.
19:00	20:00	1.0	CIRCULATE, PUMP SLUG.
20:00	00:00	4.0	TRIP OUT, LD DIRECTIONAL TOOLS.
00:00	06:00	6.0	TIH, 7 7/8 BIT, BHA #4.

MORNING TOUR SHORT ONE MAN, NO ACCIDENTS, FUNCTION BLIND RAMS.  
 SAFETY MEETINGS - BOILER, TRIPPING.  
 FUEL - 5000, DEL - 4500, USED - 1893.  
 CURRENT MW - 12 PPG, VIS - 40 SPQ.  
 UNMANNED ML UNIT - 14 DAYS.

<b>11-15-2008</b>	<b>Reported By</b>	PAT CLARK/J.SCHLENKER									
<b>Daily Costs: Drilling</b>	\$77,876	<b>Completion</b>	\$0	<b>Daily Total</b>	\$77,876						
<b>Cum Costs: Drilling</b>	\$1,223,328	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,233,466						
<b>MD</b>	5,455	<b>TVD</b>	5,455	<b>Progress</b>	637	<b>Days</b>	16	<b>MW</b>	12.1	<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: DRILLING @ 5455'

Start	End	Hrs	Activity Description
06:00	12:00	6.0	WASH/REAM 4450' - BOTTOM (4818').
12:00	15:00	3.0	DRILL 4818' - 4932'. WOB 5-22K, RPM 53/67, SPP 1950 PSI, DP - 350 PSI, ROP 38 FPH.
15:00	15:30	0.5	RIG SERVICE. CHECK COM.
15:30	16:30	1.0	DRILL 4932' - 4996'. SAME PARAMETERS, ROP 64 FPH.
16:30	17:30	1.0	CIRCULATE 1/2 HOUR, SURVEY @ 4921' - 4 DEGREES
17:30	06:00	12.5	DRILL 4996' - 5455'. SAME PARAMETERS, ROP 37 FPH.

MORNING TOUR SHORT ONE MAN, NO ACCIDENTS.  
 SAFETY MEETINGS - COMMUNICATION, TIGHT HOLE.  
 FUEL - 4488, USED - 512.  
 CURRENT MW - 11.8 PPG, VIS - 39 SPQ.  
 UNMANNED ML UNIT - 15 DAYS.

<b>11-16-2008</b>	<b>Reported By</b>	PAT CLARK/J.SCHLENKER									
<b>Daily Costs: Drilling</b>	\$166,452	<b>Completion</b>	\$0	<b>Daily Total</b>	\$166,452						
<b>Cum Costs: Drilling</b>	\$1,389,780	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,399,918						
<b>MD</b>	5,894	<b>TVD</b>	5,894	<b>Progress</b>	439	<b>Days</b>	17	<b>MW</b>	12.0	<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: TIH W/OVERSHOT

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL 5455' - 5877'. WOB 25K, RPM 50-60/68, SPP 1950 PSI, DP 300 PSI, ROP 50 FPH.
14:30	15:00	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
15:00	15:30	0.5	DRILL 5877' - 5894'. LOST 200 PSI PUMP PRESSURE.
15:30	16:00	0.5	PUMP FLAG, HOLE @ +- 2762'.
16:00	19:00	3.0	CHAIN OUT WET LOOKING FOR HOLE. TIGHT SPOT @ 5660' - PULLED THREADS OUT OF TOOL JOINT @ 2762', SCREWED BACK IN.
19:00	00:00	5.0	CHAIN OUT, WORK TIGHT HOLE TO 4500'. FINISH TOH, MISSING 12' OF MUD MOTOR. 21 1/2' ROTOR STICKING OUT ON TOP.
00:00	03:00	3.0	WAIT ON FISHING TOOLS.
03:00	06:00	3.0	P/U FISHING BHA. BREAK AND INSPECT ALL BHA TOOL JOINTS. TIGHTEN ALL CONNECTIONS.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - JARS, FISHING.

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FUEL - 3200, USED - 1248.

UNMANNED ML UNIT - 16 DAYS.

FISHING BHA - OVERSHOT, BUSHING, WASH PIPE, TOP SUB, BUMPER SUB, JARS, X/O, 24 HWDP.

<b>11-17-2008</b>	<b>Reported By</b>	PAT CLARK/J.SCHLENKER									
<b>Daily Costs: Drilling</b>	\$27,626	<b>Completion</b>	\$0	<b>Daily Total</b>	\$27,626						
<b>Cum Costs: Drilling</b>	\$1,417,477	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,427,615						
<b>MD</b>	5,894	<b>TVD</b>	5,894	<b>Progress</b>	0	<b>Days</b>	18	<b>MW</b>	10.7	<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: TIH W/CEMENTING STINGER

Start	End	Hrs	Activity Description
06:00	09:00	3.0	TIH W/FISHING ASSBLY TO 4850'. ROTATE AND CIRCULATE, ASSBLY OBSTRUCTED.
09:00	11:00	2.0	TOH. L/D WASH PIPE, OVERSHOT.
11:00	16:30	5.5	P/U 6 1/8" OVERSHOT W/3' BARREL AND 4.5" SPIRAL GRAPPLE, 3' EXTENSION, BUMPER SUB, JARS, X/O AND 22 JTS HWDP. TIH TO 5300'.
16:30	19:00	2.5	WASH/REAM TO 5482'. COULD NOT WASH DEEPER.
19:00	23:00	4.0	TOH. L/D FISHING TOOLS.
23:00	00:00	1.0	BLACKLIGHT INSPECT DRILL COLLARS - 1 BAD.
00:00	06:00	6.0	STRAP AND P/U 40 JTS (1237') 2 7/8" TUBING, X/O, RUN ON DP.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS - TRIPPING, REAMING.

FUEL - 1900, USED - 1300.

UNMANNED ML UNIT - 17 DAYS.

CURRENT MW - 11.8 PPG, VIS - 40 SPQ.

<b>11-18-2008</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$180,804	<b>Completion</b>	\$0	<b>Daily Total</b>	\$180,804						
<b>Cum Costs: Drilling</b>	\$1,598,281	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,608,419						
<b>MD</b>	2,060	<b>TVD</b>	2,060	<b>Progress</b>	0	<b>Days</b>	19	<b>MW</b>	11.7	<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: P/U BHA

Start	End	Hrs	Activity Description
06:00	10:30	4.5	CIRCULATE FOR SIDETRACK CEMENT @ 5150'. HSM. R/U SCHLUMBERGER.
10:30	11:00	0.5	PRESSURE TEST CEMENT LINES TO 6000 PSI, PUMP 20 BBLS CW100, 10 BBLS WATER, MIX AND PUMP 97 BBLS 17.5 PPG G CEMENT. YIELD .95 CU/FT/SK. 570 SKS. (60% EXCESS) FOLLOWED W/ 1 BBL WATER AND 47 BBLS MUD TO BALANCE PLUG. SIDETRACK CEMENT(FIRST PLUG) IN PLACE AT 11:00 HRS.
11:00	12:30	1.5	PULL 4 STANDS SLOWLY, TOH 12 STDS TOTAL TO 4143'.
12:30	15:30	3.0	CIRCULATE AND W.O.C.
15:30	16:00	0.5	PUMP 20 BBLS CW100, 10 BBLS WATER, MIX AND PUMP 102 BBLS 17.5 PPG G CEMENT. YIELD .95 CU/FT/SK. 605 SKS. (70% EXCESS) FOLLOWED W/ 1 BBL WATER AND 32 BBLS MUD TO BALANCE PLUG. SIDETRACK CEMENT(SECOND PLUG) IN PLACE AT 16:00 HRS.
16:00	16:30	0.5	PULL 10 STANDS TO 3113'.
16:30	18:00	1.5	CIRCULATE AND W.O.C.
18:00	18:30	0.5	PUMP 20 BBLS CW100, 10 BBLS WATER, MIX AND PUMP 101 BBLS 17.5 PPG G CEMENT. YIELD .95 CU/FT/SK. 600 SKS. (70% EXCESS) FOLLOWED W/ 1 BBL WATER AND 17 BBLS MUD TO BALANCE PLUG. SIDETRACK CEMENT(THIRD PLUG) IN PLACE AT 18:30 HRS. WITNESS BY CAROL SCOT W/ BLM VERNAL.

18:30 19:00 0.5 PULL 10 STANDS AND 1 SINGLE TO 2153'.  
 19:00 21:00 2.0 CIRCULATE.  
 21:00 02:30 5.5 HSM. R/U WEATHERFORD TRS AND L/D 99 JTS DP. L/D TUBING CEMENT STINGER.  
 02:30 04:00 1.5 SLIP & CUT DRILL LINE  
 04:00 06:00 2.0 PU DIRECTIONAL BHA.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - CEMENTING, LDDP.  
 FUEL - 5460, USED - 440, DEL - 4000.  
 UNMANNED ML UNIT - 18 DAYS.  
 CURRENT MW - 11 PPG, VIS - 38 SPQ.

<b>11-19-2008</b>	<b>Reported By</b>	PAT CLARK									
<b>Daily Costs: Drilling</b>	\$45,718	<b>Completion</b>	\$0	<b>Daily Total</b>	\$45,718						
<b>Cum Costs: Drilling</b>	\$1,643,999	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,654,137						
<b>MD</b>	2,433	<b>TVD</b>	2,433	<b>Progress</b>	121	<b>Days</b>	20	<b>MW</b>	11.0	<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: SLIDING (TIME DRILL)@ 2433'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	SLIP AND CUT 310' MORE DRILL LINE.
09:00	10:00	1.0	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
10:00	11:00	1.0	TIH. TAG CEMENT @ 2145'. INSTALL ROTATING RUBBER AND DRIVE BUSHING.
11:00	16:00	5.0	DRILL CEMENT 2145' - 2312'. CIRCULATE CLEAN. SURFACE CASING SHOE @ 2263'.
16:00	17:30	1.5	TOH F/DIRECTIONAL TOOLS.
17:30	20:00	2.5	P/U MWD, NMDC, JARS, X/O BIT. X/O 4 BENT HWDP. CHECK MWD.
20:00	21:00	1.0	TIH.
21:00	22:30	1.5	DRILL ROTATE 2312' - 2396'. WOB 5 K, RPM 35, SPP 1100 PSI, DP - 150 PSI.
22:30	00:30	2.0	DRILL SLIDE 2396' - 2427'. WOB 5K, TFO - 293.
00:30	06:00	5.5	DRILL SLIDE - TIME DRILL 2427' - 2433'. WOB 5K, TFO - 293.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - P/U BHA, WORKING ON PUMPS.  
 FUEL - 4338, USED - 1122.  
 UNMANNED ML UNIT - 19 DAYS.  
 CURRENT MW - 9.5 PPG, VIS - 36 SPQ.

<b>11-20-2008</b>	<b>Reported By</b>	PAT CLARK/DOUG GRINOLDS									
<b>Daily Costs: Drilling</b>	\$50,407	<b>Completion</b>	\$0	<b>Daily Total</b>	\$50,407						
<b>Cum Costs: Drilling</b>	\$1,694,407	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,704,545						
<b>MD</b>	3,080	<b>TVD</b>	3,080	<b>Progress</b>	647	<b>Days</b>	21	<b>MW</b>	9.6	<b>Visc</b>	33.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: DRILLING @ 3080'

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL SLIDE - TIME DRILL 2433' - 2448'. TFO 293.

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14:30	15:00	0.5 SLIDE 2448' - 2459'. WOB 3K, TFO 293.
15:00	16:00	1.0 WORK PIPE.
16:00	16:30	0.5 RIG SERVICE. CHECK COM.
16:30	18:30	2.0 SLIDE 2459' - 2469'. ROTATE 2469' - 2553'. WOB 10K, RPM 35.
18:30	19:30	1.0 L/D 4 JTS, WASH/REAM BACK THROUGH TROUGH.
19:30	06:00	10.5 DRILL ROTATE 2469' - 3080'. WOB 5-12K, RPM 38/56, SPP 1350 PSI, DP 350 PSI, ROP 58 FPH. SLIDE 2712' - 2732' TFO 293; 2744' - 2759' TFO 298; 2901' - 2916' TFO 304.

FULL CREWS, NO ACCIDENTS, BOP DRILL DAYLIGHTS.  
SAFETY MEETINGS - MOUSEHOLE CONNECTIONS, SCRUBBING.  
FUEL - 2842, USED - 1496.  
UNMANNED ML UNIT - 20 DAYS.  
CURRENT MW - 9.1 PPG, VIS - 35 SPQ.

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<b>11-21-2008</b>	<b>Reported By</b>	PAT CLARK/DOUG GRINOLDS									
<b>DailyCosts: Drilling</b>	\$47,086	<b>Completion</b>	\$0	<b>Daily Total</b>	\$47,086						
<b>Cum Costs: Drilling</b>	\$1,741,750	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,751,888						
<b>MD</b>	4,575	<b>TVD</b>	4,575	<b>Progress</b>	1,495	<b>Days</b>	22	<b>MW</b>	9.2	<b>Visc</b>	39.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILLING @ 4575'</b>											

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL ROTATE/SLIDE 3080' - 3213'. WOB 10K, RPM 40/67, SPP 1350 PSI, DP 350 PSI, ROP 53 FPH.
08:30	10:30	2.0	CIRCULATE AND CONDITION FOR TOH. RAISE MW TO 9.3 PPG, 35 VIS.
10:30	13:00	2.5	TOH.
13:00	14:00	1.0	L/D DIRECTIONAL TOOLS.
14:00	16:30	2.5	P/U NEW BIT, MM, REAMERS, TIH.
16:30	20:00	3.5	DRILL 3213' - 3517'. WOB 22K, RPM 50/67, SPP 1650 PSI, DP 350 PSI, ROP 88 FPH.
20:00	20:30	0.5	SURVEY @ 3440' - 2.7 DEG.
20:30	04:30	8.0	DRILL 3517' - 4491'. SAME PARAMETERS, ROP 122 FPH.
04:30	05:00	0.5	SURVEY @ 4416' - 2.17 DEG.
05:00	06:00	1.0	DRILL 4491' - 4575'. SAME PARAMETERS, ROP 84 FPH.

FULL CREWS, NO ACCIDENTS, BOP DRILL MORNING TOUR.  
SAFETY MEETINGS - WIRELINE SURVEYS, COMMUNICATION.  
FUEL - 1720, USED - 1122.  
UNMANNED ML UNIT - 21 DAYS.  
CURRENT MW - 9.7 PPG, VIS - 38 SPQ.

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<b>11-22-2008</b>	<b>Reported By</b>	PAT CLARK/DOUG GRINOLDS									
<b>DailyCosts: Drilling</b>	\$131,969	<b>Completion</b>	\$0	<b>Daily Total</b>	\$131,969						
<b>Cum Costs: Drilling</b>	\$1,873,720	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$1,883,858						
<b>MD</b>	6,500	<b>TVD</b>	6,500	<b>Progress</b>	1,925	<b>Days</b>	23	<b>MW</b>	9.7	<b>Visc</b>	41.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILLING @ 6500'</b>											

Start	End	Hrs	Activity Description
06:00	15:00	9.0	DRILL 4575' - 5303'. WOB 22K, RPM 50-60/67, SPP 1700 PSI, DP 350 PSI, ROP 81 FPH.
15:00	15:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
15:30	06:00	14.5	DRILL 5303' - 6500'. SAME PARAMETERS, ROP 83 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - MIXING CHEMICALS, ROTARY TABLE.  
 FUEL - 3590, USED - 2630, DEL - 4500.  
 UNMANNED ML UNIT - 22 DAYS.  
 CURRENT MW - 10.5 PPG, VIS - 40 SPQ.

<b>11-23-2008</b>		<b>Reported By</b>		<b>PAT CLARK</b>							
<b>Daily Costs: Drilling</b>		\$36,656	<b>Completion</b>		\$0	<b>Daily Total</b>		\$36,656			
<b>Cum Costs: Drilling</b>		\$1,910,376	<b>Completion</b>		\$10,138	<b>Well Total</b>		\$1,920,514			
<b>MD</b>	7,900	<b>TVD</b>	7,900	<b>Progress</b>	1,400	<b>Days</b>	24	<b>MW</b>	10.4	<b>Visc</b>	39.0
<b>Formation :</b>		<b>PBTD : 0.0</b>				<b>Perf :</b>		<b>PKR Depth : 0.0</b>			
<b>Activity at Report Time: DRILLING @ 7900'</b>											

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL 6500' - 7000'. WOB 22K, RPM 50-60/67, SPP 1950 PSI, DP 350 PSI, ROP 63 FPH.
14:00	14:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
14:30	06:00	15.5	DRILL 7000' - 7900'. SAME PARAMETERS, ROP 58 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - METHANOL, SNUB LINES.  
 FUEL - 1870, USED - 1720.  
 UNMANNED ML UNIT - 23 DAYS.  
 CURRENT MW - 10.9 PPG, VIS - 40 SPQ.

<b>11-24-2008</b>		<b>Reported By</b>		<b>PAT CLARK</b>							
<b>Daily Costs: Drilling</b>		\$56,410	<b>Completion</b>		\$0	<b>Daily Total</b>		\$56,410			
<b>Cum Costs: Drilling</b>		\$1,966,787	<b>Completion</b>		\$10,138	<b>Well Total</b>		\$1,976,925			
<b>MD</b>	8,340	<b>TVD</b>	8,340	<b>Progress</b>	440	<b>Days</b>	25	<b>MW</b>	11.0	<b>Visc</b>	42.0
<b>Formation :</b>		<b>PBTD : 0.0</b>				<b>Perf :</b>		<b>PKR Depth : 0.0</b>			
<b>Activity at Report Time: DRILLING @ 8340'</b>											

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 7900' - 8090'. WOB 22K, RPM 50-60/67, SPP 2150 PSI, DP 3-500 PSI, ROP 27 FPH.
13:00	13:30	0.5	RIG SERVICE. CHECK COM. CIRC BOTTOMS UP, PUMP PILL, DROP SURVEY.
13:30	18:00	4.5	TOH. HOLE TIGHT 5000' THROUGH SIDETRACK.
18:00	18:30	0.5	L/D REAMERS, MM, BIT, RECOVER SURVEY (1.96 DEG). P/U NEW MM, BIT.
18:30	22:00	3.5	TIH. FILL PIPE @ 4000'.
22:00	22:30	0.5	WASH AND REAM 90' TO BOTTOM.
22:30	06:00	7.5	DRILL 8090' - 8340'. WOB 10-22K, RPM 50-60/67, SPP 2100 PSI, DP 200 PSI, ROP 33 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - TRIPPING, SAFETY CLAMPS.

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FUEL - 4862, DEL - 4400, USED - 1408.  
 UNMANNED ML UNIT - 24 DAYS.  
 CURRENT MW - 11.2 PPG, VIS - 41 SPQ.

<b>11-25-2008</b>		<b>Reported By</b>		PAT CLARK							
<b>Daily Costs: Drilling</b>	\$169,619	<b>Completion</b>	\$0	<b>Daily Total</b>	\$169,619						
<b>Cum Costs: Drilling</b>	\$2,136,406	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$2,146,544						
<b>MD</b>	8,440	<b>TVD</b>	8,440	<b>Progress</b>	81	<b>Days</b>	26	<b>MW</b>	11.2	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: DRILLING @ 8440'</b>											

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILL 8340' - 8349'. WOB 10-25K, RPM 40-60/67, SPP 2200 PSI, DP 2-500 PSI, ROP 6 FPH. ROP SLOWED, DUE TO APPARENT HOLE DRAG. SUSPECT POSSIBLE KEY-SEAT.
07:30	14:00	6.5	WIPER TRIP TO SHOE.
14:00	15:00	1.0	DRILL 8349' - 8359'. WOB 20K, RPM 50/67, SPP 2200, DP 200 PSI, ROP 10 FPH.
15:00	16:00	1.0	LOST CIRCULATION - P/U OFF BOTTOM, RUN 80 STROKES, START MIXING LCM. RE-GAINED FULL RETURNS,
16:00	18:30	2.5	DRILL 8359' - 8368'. SAME PARAMETERS, ROP 4 FPH.
18:30	19:30	1.0	CIRCULATE AND CONDITION F/TOH.
19:30	22:30	3.0	TOH. L/D MM, BIT.
22:30	04:30	6.0	P/U NEW MM, BIT, TIH. FILL PIPE @ 4000'.
04:30	06:00	1.5	DRILL 8368' - 8440'. WOB 5-12K, RPM 50/67, SPP 2100 PSI, DP 200 PSI, ROP 48 FPH.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - BOILER, FORKLIFT.  
 FUEL - 3590, USED - 1272.  
 UNMANNED ML UNIT - 25 DAYS.  
 CURRENT MW - 11.2 PPG, VIS - 41 SPQ.

<b>11-26-2008</b>		<b>Reported By</b>		PAT CLARK							
<b>Daily Costs: Drilling</b>	\$41,832	<b>Completion</b>	\$0	<b>Daily Total</b>	\$41,832						
<b>Cum Costs: Drilling</b>	\$2,178,239	<b>Completion</b>	\$10,138	<b>Well Total</b>	\$2,188,377						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	750	<b>Days</b>	27	<b>MW</b>	11.2	<b>Visc</b>	40.0
<b>Formation :</b>	<b>PBTD : 0.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						
<b>Activity at Report Time: PREP TO LD DP</b>											

Start	End	Hrs	Activity Description
06:00	13:30	7.5	DRILL 8440' - 8872'. WOB 10-16K, RPM 50-60/67, SPP 2200 PSI, DP 250 PSI, ROP 58 FPH.
13:30	14:30	1.0	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
14:30	00:00	9.5	DRILL 8872' - 9190'. SAME PARAMETERS, ROP 33 FPH. REACHED TD AT 9190' @ 00:00 HRS, 11/26/08.
00:00	01:00	1.0	CIRCULATE AND CONDITION F/WIPER TRIP.
01:00	04:00	3.0	WIPER TRIP. TO 5,000' W/ BIT KEY SEAT WIPER @ 4400'. HOLE CLEAN THROUGHOUT TRIP.
04:00	06:00	2.0	CIRCULATE AND CONDITION TO LDDP. HSM. R/U WEATHERFORD/TRS.

FULL CREWS, NO ACCIDENTS.  
 SAFETY MEETINGS - POP-OFF, TRIPPING.

FUEL - 2019, USED - 1571.  
 UNMANNED ML UNIT - 26 DAYS.  
 CURRENT MW - 11.2 PPG, VIS - 42 SPQ.  
 BLM NOTIFIED OF CSG AND CMT JOB 11-24-08 BY E-MAIL.

<b>11-27-2008</b>	<b>Reported By</b>	PAUL WHITE / PAT CLARK									
<b>Daily Costs: Drilling</b>	\$35,977	<b>Completion</b>	\$196,919	<b>Daily Total</b>	\$232,896						
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$207,057	<b>Well Total</b>	\$2,421,274						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	28	<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: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	11:30	5.5	LAY DOWN DRILL PIPE AND BHA.
11:30	12:00	0.5	PULL WEAR BUSHING.
12:00	18:00	6.0	RAN 210 JTS. 4.5" 11.6 # N-80 CASING EQUIPED W/ WEATHERFORD FLOAT SHOE AND FLOAT COLLAR.. CENTRILIZERS PLACED 5' ABOVE SHOE, ON TOP OF SECOND JOINT AND EVERY THIRD JOINT AFTER FOR A TOTAL OF 28. SHOE AT 9178' FLOAT COLLAR AT 9132'. MARKER JT AT 6379' AND 4110'. CASING LANDED W/ 60K ON HANGER.
18:00	19:30	1.5	CIRCULATE, HOLD SAFETY MEETING W/ SCHLUMBERGR. RIG UP TO CEMENT.
19:30	21:30	2.0	CEMENTING. LOADED BOTTOM PLUG AND TOP PLUG. SCHLUMBER MIXED AND PUMPED CEMENT AS FOLLOWS: 20 BBLS CHEM WASH, 20 BBLS WATER, 140.8 BBLS LEAD SLURRY: 35/65 POZ G, SLURRY WT. 12 PPG. (350 SX). FOLLOWED W/ 351 BBLS. TAIL SLURRY, 50/50 POZ "G" SLURRY WT. 14.1 PPG. 1530 SX), DROPPED TOP PLUG AND DISPLACED W/ 142 BBLS. WATER. BUMPED PLUG W/ 3,500 PSI, CHECKED FLOATS OK.
21:30	23:00	1.5	RIG DOWN SCHLUMBERGER, REMOVE LANDING JT. AND SET PACKOFF IN DTO HEAD. TEST TO 5,000 PSI.
23:00	00:00	1.0	NIPPLE DOWN, CLEAN PITS.
00:00	06:00	6.0	RIG DOWN.

PREPARE FOR TRUCKS AT 07:00. MOVE TO CWU 935-25 0.6 MILES. TRANSFERED 10 JTS. 4.5" N-80 CASING AND 2 10' PUP JTS. CASING TO CWU 935-25. FUEL ON HAND 3441 USED 578 TRANSFERED TO CWU 935-25 3441 GALS.

FULL CREW, NO ACCIDENTS OR INCIDENTS. SAFETY MEETINGS HELD W/ ALL THIRD PARTY SERVICE COMPANIES.

CASING PT 11/25/08 05:00, CSG (TOTAL COST OF TOOLS LOST IN HOLE NOT POSTED YET)

RIG RELEASE 11/26/08 24:00 HRS. (MIDNIGHT) RIG RELEASE COST 2,364,534.

06:00 RELEASE RIG AT 24:00 HRS, 11/26/08.  
 CASING POINT COST \$2,214,217

<b>12-02-2008</b>	<b>Reported By</b>	SEARLE									
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$44,123	<b>Daily Total</b>	\$44,123						
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$251,180	<b>Well Total</b>	\$2,465,397						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	29	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBTD : 9132.0</b>			<b>Perf :</b>	<b>PKR Depth : 0.0</b>						

Activity at Report Time: PREP FOR FRACS

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Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBSD TO 60'. EST CEMENT TOP @ 150'. RD SCHLUMBERGER.

12-12-2008 Reported By MCCURDY/RITA THOMAS

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$162,887	<b>Daily Total</b>	\$162,887						
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$414,067	<b>Well Total</b>	\$2,628,284						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	30	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b>	<b>PBSD :</b> 9132.0		<b>Perf :</b>	<b>PKR Depth :</b> 0.0							

Activity at Report Time: WO COMPLETION/FACILITY COST

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

06:00	06:00	24.0	FACILITY COST \$162,887
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12-16-2008 Reported By KERN

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$41,628	<b>Daily Total</b>	\$41,628						
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$455,695	<b>Well Total</b>	\$2,669,912						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	31	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b> MESAVERDE	<b>PBSD :</b> 9132.0		<b>Perf :</b> 8143'-8943'	<b>PKR Depth :</b> 0.0							

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WIRELINE & PERFORATE LPR FROM 8704'-05', 8719'-20', 8780'-81', 8803'-04', 8811'-12', 8819'-20', 8867'-68', 8900'-01', 8909'-10', 8919'-20', 8930'-31', 8942'-43' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 3131 GAL WF120 LINEAR PAD, 6313 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 28504 GAL YF116ST+ W/107600# 20/40 SAND @ 1-5 PPG. MTP 6252 PSIG. MTR 51.1 BPM. ATP 4857 PSIG. ATR 47.4 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 8675'. PERFORATE M/LPR FROM 8440'-41', 8462'-63', 8467'-68', 8494'-95', 8535'-36', 8546'-47', 8563'-64', 8593'-94', 8607'-08', 8628'-29', 8638'-39', 8651'-52' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 9566 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 31667 GAL YF116ST+ W/118200# 20/40 SAND @ 1-5 PPG. MTP 6036 PSIG. MTR 51.2 BPM. ATP 5206 PSIG. ATR 46.9 BPM. ISIP 3600 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 8370'. PERFORATE MPR FROM 8143'-44', 8177'-78', 8185'-86', 8192'-93', 8236'-37', 8244'-45', 8253'-54', 8269'-70', 8281'-82', 8299'-8300', 8321'-22', 8340'-41' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6312 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 40350 GAL YF116ST+ W/144800# 20/40 SAND @ 1-5 PPG. MTP 6350 PSIG. MTR 51.3 BPM. ATP 5391 PSIG. ATR 46.1 BPM. ISIP 3700 PSIG. RD SCHLUMBERGER. SDFN

12-17-2008 Reported By KERN

<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$325,362	<b>Daily Total</b>	\$325,362						
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$781,057	<b>Well Total</b>	\$2,995,274						
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	32	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation :</b> MESAVERDE	<b>PBSD :</b> 9132.0		<b>Perf :</b> 6829'-8943'	<b>PKR Depth :</b> 0.0							

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
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06:00 06:00 24.0 RUWL. SET 6K CFP AT 8110'. PERFORATE MPR FROM 7929'-31', 7963'-64', 7973'-74', 7983'-84', 8029'-30', 8035'-36', 8043'-44', 8057'-58', 8065'-66', 8075'-76', 8088'-89' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6329 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 28650 GAL YF116ST+ W/106100# 20/40 SAND @ 1-5 PPG. MTP 5914 PSIG. MTR 51.9 BPM. ATP 4915 PSIG. ATR 48 BPM. ISIP 2600 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7905'. PERFORATE MPR FROM 7705'-06', 7736'-37', 7750'-51', 7757'-58', 7765'-66', 7774'-75', 7800'-01', 7810'-11', 7855'-56', 7867'-68', 7875'-76', 7885'-86' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/165 GAL GYPTRON T-106, 6313 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 39218 GAL YF116ST+ W/143200# 20/40 SAND @ 1-5 PPG. MTP 6227 PSIG. MTR 51.1 BPM. ATP 4761 PSIG. ATR 48.6 BPM. ISIP 3000 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7665'. PERFORATE UPR FROM 7441'-42', 7470'-71', 7490'-92', 7505'-06', 7537'-38', 7557'-58', 7566'-67', 7579'-80', 7585'-86', 7609'-10', 7635'-36' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6733 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 32570 GAL YF116ST+ W/120300# 20/40 SAND @ 1-5 PPG. MTP 6329 PSIG. MTR 51.8 BPM. ATP 4274 PSIG. ATR 46.6 BPM. ISIP 2250 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7410'. PERFORATE UPR FROM 7145'-46', 7161'-62', 7183'-85', 7225'-26', 7251'-52', 7277'-78', 7290'-91', 7335'-36', 7355'-56', 7366'-67', 7388'-89' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6319 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 34825 GAL YF116ST+ W/126400# 20/40 SAND @ 1-5 PPG. MTP 6379 PSIG. MTR 51.2 BPM. ATP 4816 PSIG. ATR 46.5 BPM. ISIP 2500 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP AT 7115'. PERFORATE UPR FROM 6829'-30', 6848'-49', 6860'-61', 6883'-84', 6914'-15', 6927'-28', 6979'-80', 6998'-99', 7012'-13', 7077'-78', 7086'-87', 7094'-95' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 6327 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 52910 GAL YF116ST+ W/189200# 20/40 SAND @ 1-5 PPG. MTP 4542 PSIG. MTR 51.1 BPM. ATP 3260 PSIG. ATR 48.7 BPM. ISIP 1900 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CBP AT 6717'. RDWL. SDFN.

<b>12-18-2008</b>		<b>Reported By</b>		HISLOP							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$8,368		<b>Daily Total</b>		\$8,368	
<b>Cum Costs: Drilling</b>		\$2,214,217		<b>Completion</b>		\$789,425		<b>Well Total</b>		\$3,003,642	
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	33	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9132.0</b>		<b>Perf : 6829'-8943'</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 6717'. RU TO DRILL OUT PLUGS. KILL PLUG STARTED LEAKING WITH EOT @ 5600'. CIRCULATE HOLE WITH 105 BBLs FRESH WATER. SDFN.								

<b>12-19-2008</b>		<b>Reported By</b>		HISLOP							
<b>Daily Costs: Drilling</b>		\$0		<b>Completion</b>		\$70,169		<b>Daily Total</b>		\$70,169	
<b>Cum Costs: Drilling</b>		\$2,214,217		<b>Completion</b>		\$859,594		<b>Well Total</b>		\$3,073,811	
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0	<b>Days</b>	34	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9132.0</b>		<b>Perf : 6829'-8943'</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>								

RECEIVED  
 DEC 29 2003  
 DIV. OF OIL, GAS & MINING

06:00 06:00 24.0 SICP 300 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 6717', 7115', 7410', 7665', 7905', 8110', 8370', & 8675'. RIH CLEANED OUT TO 9045'. LANDED TUBING @ 7655' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 14 HRS. 24/64" CHOKE. FTP 1650 PSIG. CP 2050 PSIG. 64 BFPH. RECOVERED 1100 BLW. 8200 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB 0.91'  
 1 JT 2-3/8" 4.7# N-80 TBG 32.58'  
 XN NIPPLE 1.30'  
 234 ITS 2-3/8" 4.7# N-80 TBG 7606.79'  
 BELOW KB 13.00'  
 LANDED @ 7654.58' KB

<b>12-20-2008</b>		<b>Reported By</b>		HISLOP	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$4,191	<b>Daily Total</b>	\$4,191
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$863,785.	<b>Well Total</b>	\$3,078,002
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0
<b>Days</b>	35	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9132.0</b>		<b>Perf : 6829'-8943'</b>	
<b>PKR Depth : 0.0</b>					

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED THROUGH TEST UNIT 24 HRS. 24/64" CHOKE. FTP 1650 PSIG. CP 2600 PSIG. 44 BFPH. RECOVERED 1156 BLW. 7044 BLWTR. 2352 MCFD RATE.

<b>12-21-2008</b>		<b>Reported By</b>		HISLOP	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$4,117	<b>Daily Total</b>	\$4,117
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$867,902	<b>Well Total</b>	\$3,082,119
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0
<b>Days</b>	36	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9132.0</b>		<b>Perf : 6829'-8943'</b>	
<b>PKR Depth : 0.0</b>					

Activity at Report Time: FLOW TEST THROUGH TEST UNIT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED THROUGH TEST UNIT 24 HRS. 24/64" CHOKE. FTP 1500 PSIG. CP 2250 PSIG. 40 BFPH. RECOVERED 1004 BLW. 6040 BLWTR. 2637 MCFD RATE.

<b>12-22-2008</b>		<b>Reported By</b>		HISLOP/DUANE COOK	
<b>Daily Costs: Drilling</b>	\$0	<b>Completion</b>	\$2,420	<b>Daily Total</b>	\$2,420
<b>Cum Costs: Drilling</b>	\$2,214,217	<b>Completion</b>	\$870,322	<b>Well Total</b>	\$3,084,539
<b>MD</b>	9,190	<b>TVD</b>	9,190	<b>Progress</b>	0
<b>Days</b>	37	<b>MW</b>	0.0	<b>Visc</b>	0.0
<b>Formation : MESAVERDE</b>		<b>PBTD : 9132.0</b>		<b>Perf : 6829'-8943'</b>	
<b>PKR Depth : 0.0</b>					

Activity at Report Time: FLOW TEST TO SALES/INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS THRU TEST UNIT. 24/64" CHOKE. FTP 1250 PSIG. CP 2100 PSIG. 30 BFPH. RECOVERED 758 BLW. 5282 BLWTR. 2522 MCFD RATE.

INITIAL PRODUCTION: TURNED TO GAS SALES. SITP 1650 & SICP 1950 PSIG. TURNED WELL TO QUESTAR SALES AT 12:30 PM, 12/19/08. FLOWING 1770 MCFD RATE ON 22/64" POS CK. STATIC 317. QGM METER #7984.

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.  
UTU0285A

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 NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon  
 At top prod interval reported below NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon  
 At total depth NWSW 2523FSL 489FWL 40.00671 N Lat, 109.39598 W Lon

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 1361-25

9. API Well No.  
43-047-39984

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area Sec 25 T9S R22E Mer SLB

12. County or Parish UINTAH 13. State UT

14. Date Spudded 09/06/2008 15. Date T.D. Reached 11/26/2008 16. Date Completed  D & A  Ready to Prod. 12/19/2008 17. Elevations (DF, KB, RT, GL)\* 5000 GL

18. Total Depth: MD 9190 TVD 9190 19. Plug Back T.D.: MD 9132 TVD 9132 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
 RST  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	2263		650		0	
7.875	4.500 N-80	11.6	0	9178		1880		150	

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	7655							

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6829	8943	8704 TO 8943		3	
B)			8440 TO 8652		3	
C)			8143 TO 8341		3	
D)			7929 TO 8089		3	

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

Depth Interval	Amount and Type of Material
8704 TO 8943	38,113 GALS GELLED WATER & 107,600# 20/40 SAND
8440 TO 8652	41,398 GALS GELLED WATER & 118,200# 20/40 SAND
8143 TO 8341	46,827 GALS GELLED WATER & 144,800# 20/40 SAND
7929 TO 8089	35,144 GALS GELLED WATER & 106,100# 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
12/19/2008	01/01/2009	24	▶	15.0	752.0	120.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
12/64"	SI 1625	2150.0	▶	15	752	120		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		▶						

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	6829	8943		GREEN RIVER BIRDS NEST MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER	1531 1683 2172 4405 4516 5105 5789 6793

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 #66817 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 01/30/2009

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.

**Chapita Wells Unit 1361-25 - ADDITIONAL REMARKS (CONTINUED):**

**26. PERFORATION RECORD**

7705-7886	3/spf
7441-7636	3/spf
7145-7389	3/spf
6829-7095	3/spf

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

7705-7886	45,696 GALS GELLED WATER & 143,200# 20/40 SAND
7441-7636	39,468 GALS GELLED WATER & 120,300# 20/40 SAND
7145-7389	41,309 GALS GELLED WATER & 126,400# 20/40 SAND
6829-7095	59,402 GALS GELLED WATER & 189,200# 20/40 SAND

Perforated the Lower Price River from 8704-05', 8719-20', 8780-81', 8803-04', 8811-12', 8819-20', 8867-68', 8900-01', 8909-10', 8919-20', 8930-31', 8942-43' w/ 3 spf.

Perforated the Middle/Lower Price River from 8440-41', 8462-63', 8467-68', 8494-95', 8535-36', 8546-47', 8563-64', 8593-94', 8607-08', 8628-29', 8638-39', 8651-52' w/ 3 spf.

Perforated the Middle Price River from 8143-44', 8177-78', 8185-86', 8192-93', 8236-37', 8244-45', 8253-54', 8269-70', 8281-82', 8299-8300', 8321-22', 8340-41' w/ 3 spf.

Perforated the Middle Price River from 7929-31', 7963-64', 7973-74', 7983-84', 8029-30', 8035-36', 8043-44', 8057-58', 8065-66', 8075-76', 8088-89' w/ 3 spf.

Perforated the Middle Price River from 7705-06', 7736-37', 7750-51', 7757-58', 7765-66', 7774-75', 7800-01', 7810-11', 7855-56', 7867-68', 7875-76', 7885-86' w/ 3 spf.

Perforated the Upper Price River from 7441-42', 7470-71', 7490-92', 7505-06', 7537-38', 7557-58', 7566-67', 7579-80', 7585-86', 7609-10', 7635-36' w/ 3 spf.

Perforated the Upper Price River from 7145-46', 7161-62', 7183-85', 7225-26', 7251-52', 7277-78', 7290-91', 7335-36', 7355-56', 7366-67', 7388-89' w/ 3 spf.

Perforated the Upper Price River from 6829-30', 6848-49', 6860-61', 6883-84', 6914-15', 6927-28', 6979-80', 6998-99', 7012-13', 7077-78', 7086-87', 7094-95' w/ 3 spf.

**32. FORMATION (LOG) MARKERS**

Middle Price River	7690
Lower Price River	8487
Sego	8994

**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 1361-25

API number: 4304739984

Well Location: QQ NWSW Section 25 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		
		NO WATER	FLUID DRILLED HOLE

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

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

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

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas

DATE 1/30/2009

<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> UTU0285A
<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 1361-25
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047399840000
<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> 2523 FSL 0489 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 25 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: 8/25/2009	<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 8/25/2009 as per the APD procedure.

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

**FOR RECORD ONLY**  
September 09, 2009

<b>NAME (PLEASE PRINT)</b> Mickenzie Thacker	<b>PHONE NUMBER</b> 435 781-9145	<b>TITLE</b> Operations Clerk
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/9/2009	