

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

FORM 3  
AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>				<b>1. WELL NAME and NUMBER</b> NBU 731-36E		
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				<b>3. FIELD OR WILDCAT</b> NATURAL BUTTES		
<b>4. TYPE OF WELL</b> Gas Well Coalbed Methane Well: NO				<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b> NATURAL BUTTES		
<b>6. NAME OF OPERATOR</b> EOG Resources, Inc.				<b>7. OPERATOR PHONE</b> 435 781-9111		
<b>8. ADDRESS OF OPERATOR</b> 1060 East Highway 40, Vernal, UT, 84078				<b>9. OPERATOR E-MAIL</b> kaylene_gardner@egoresources.com		
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> ML-3140-1/2		<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> S				<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>		
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> ,, UT				<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>		
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>		<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>
LOCATION AT SURFACE	739 FNL 1851 FWL	NENW	36	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	739 FNL 1851 FWL	NENW	36	9.0 S	20.0 E	S
At Total Depth	739 FNL 1851 FWL	NENW	36	9.0 S	20.0 E	S
<b>21. COUNTY</b> UINTAH		<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 739		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 280		
		<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 1310		<b>26. PROPOSED DEPTH</b> MD: 7080 TVD: 7080		
<b>27. ELEVATION - GROUND LEVEL</b> 4901		<b>28. BOND NUMBER</b> 6196017		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 49-225		

**ATTACHMENTS**

**VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES**

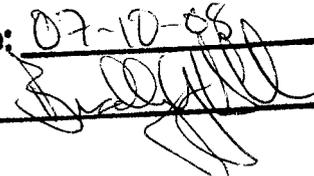
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

<b>NAME</b> Kaylene Gardner	<b>TITLE</b> Lead Regulatory Assistant	<b>PHONE</b> 435 781-9111
<b>SIGNATURE</b>	<b>DATE</b> 04/08/2008	<b>EMAIL</b> kaylene_gardner@egoresources.com

API NUMBER ASSIGNED 43047500380000 APPROVAL

Approved by the  
Utah Division of  
Oil, Gas and Mining

618079X  
44280994  
39.996715  
-109.616817

Date: 07-10-08  
By: 

# T9S, R20E, S.L.B.&M.

EOG RESOURCES, INC.

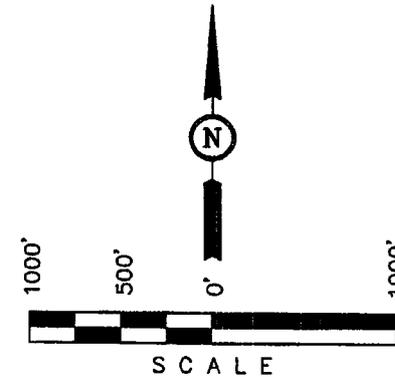
Well location, NBU #731-36E, located as shown in the NE 1/4 NW 1/4 of Section 36, T9S, R20E, S.L.B.&M., Uintah County, Utah.

## BASIS OF ELEVATION

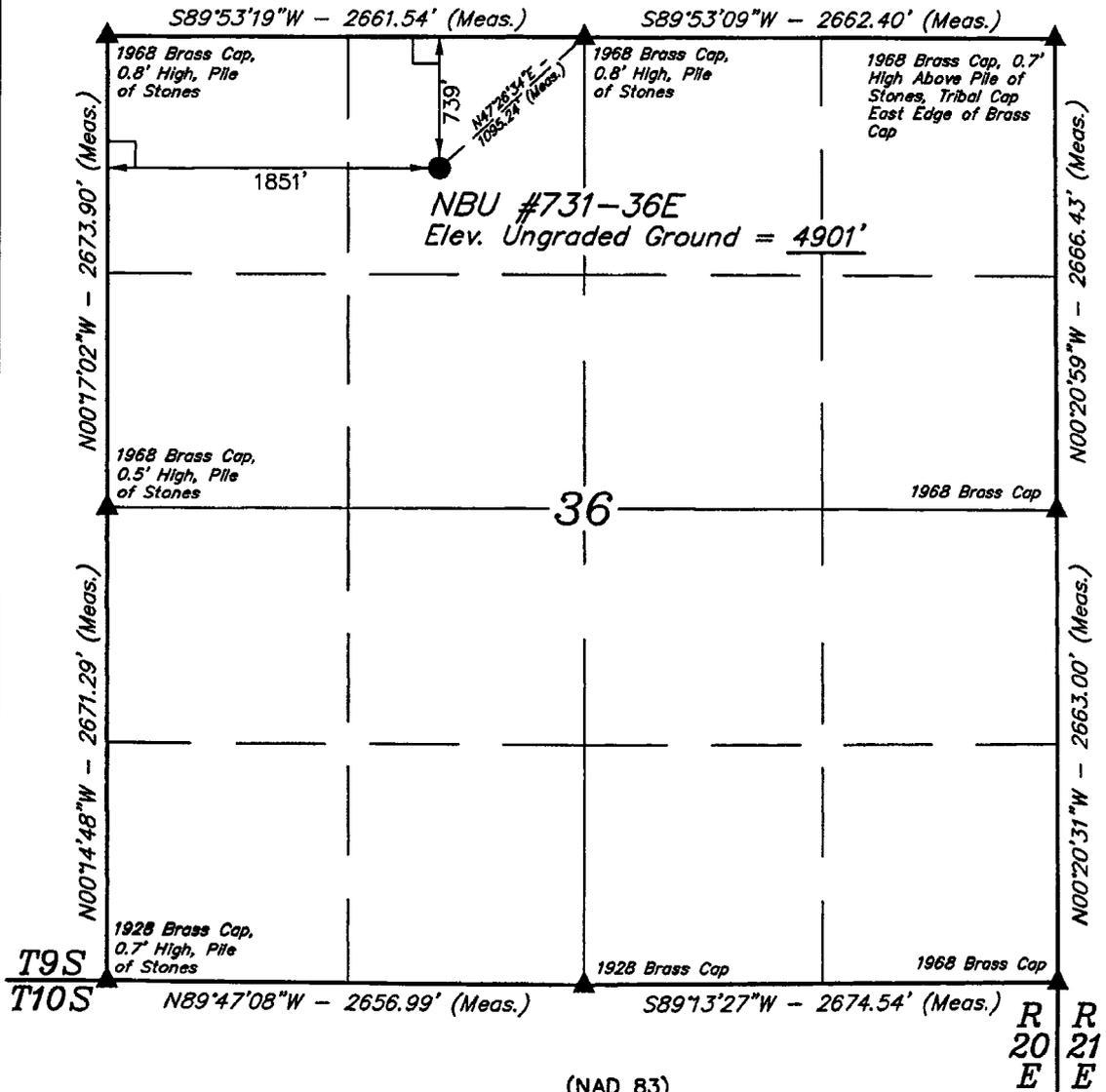
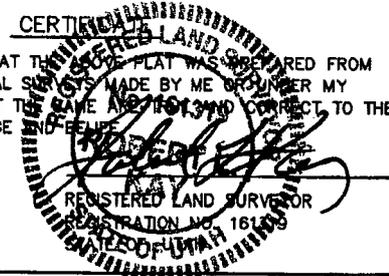
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

## BASIS OF BEARINGS

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



THIS IS TO CERTIFY THAT THE 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.



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

(NAD 83)  
 LATITUDE = 39°59'48.27" (39.996742)  
 LONGITUDE = 109°37'02.67" (109.617408)  
 (NAD 27)  
 LATITUDE = 39°59'48.40" (39.996778)  
 LONGITUDE = 109°37'00.18" (109.616717)

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 03-17-08	DATE DRAWN: 03-21-08
PARTY C.R. C.M. C.N.		REFERENCES G.L.O. PLAT
WEATHER COLD	FILE EOG RESOURCES, INC.	

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 731-36E**  
**NE/NW, SEC. 36, T9S, R20E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

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

<b>FORMATION</b>	<b>TVD-RKB (ft)</b>	<b>Objective</b>	<b>Lithology</b>	
Green River	1,589		Shale	
Mahogany Oil Shale Bed	2,363		Shale	
Wasatch	5,048	Primary	Sandstone	Gas
Chapita Wells	5,719	Primary	Sandstone	Gas
Buck Canyon	6,409	Primary	Sandstone	Gas
North Horn	6,994	Primary	Sandstone	Gas
<b>TD</b>	<b>7,080</b>			

Estimated TD: **7,080' or 200'± below TD**

**Anticipated BHP: 3,866 Psig**

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

**3. PRESSURE CONTROL EQUIPMENT:**

Production Hole – 5000 Psig  
 BOP schematic diagrams attached.

**4. CASING PROGRAM:**

<b>CASING</b>	<b>Hole Size</b>	<b>Length</b>	<b>Size</b>	<b>WEIGHT</b>	<b>Grade</b>	<b>Thread</b>	<b>Rating Collapse</b>	<b>Factor Burst</b>	<b>Tensile</b>
<b>Conductor</b>	17 ½"	0 – 60'	13 ¾"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
<b>Surface</b>	12 ¼"	0' – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
<b>Production</b>	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

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

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

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 731-36E**  
**NE/NW, SEC. 36, T9S, R20E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**5. Float Equipment:**

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

Guide Shoe

Insert Float Collar (PDC drillable)

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

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

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

**6. MUD PROGRAM**

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

Air/air mist or aerated water.

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

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

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 731-36E**  
**NE/NW, SEC. 36, T9S, R20E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**1. VARIANCE REQUESTS:**

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

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, 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**

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 731-36E**  
**NE/NW, SEC. 36, T9S, R20E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**9. CEMENT PROGRAM:**

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

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

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

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

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

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

**Lead:** 154 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:** 439 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft<sup>3</sup>/sk., 5.9gps water.

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

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

**10. ABNORMAL CONDITIONS:**

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**

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

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 731-36E**  
**NE/NW, SEC. 36, T9S, R20E, S.L.B.&M.,**  
**UINTAH COUNTY, UTAH**

**11. STANDARD REQUIRED EQUIPMENT:**

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

**12. HAZARDOUS CHEMICALS:**

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

**13. Air Drilling Operations:**

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

(Attachment: BOP Schematic Diagram)



**Natural Buttes Unit 731-36E  
NENW, Section 36, T9S, R20E  
Uintah County, Utah**

***SURFACE USE PLAN***

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

**2. PLANNED ACCESS ROAD:**

- A. The access road will be approximately 165' in length. See attached Topo B.
- B. The access road has a 40-foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.
- I. A 40-foot permanent right-of-way is requested. No surfacing material will used.
- J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

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

New or reconstructed roads will be centerlined – flagged at time of location staking.

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 drainages be blocked by the roadbed. 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, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

**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 155' x 40'. The proposed pipeline leaves the northern edge of the proposed location proceeding in an easterly direction for an approximate distance of 155' tying into an existing pipeline in the NENW of

Section 36, T9S, R20E. 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. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

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

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

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

**6. SOURCE OF CONSTRUCTION MATERIALS:**

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

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

**A. METHODS AND LOCATION**

1. Cuttings will be confined in the reserve pit.
2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD, CWU 2-29 SWD, Red Wash Evaporation Ponds, 1, 2, 3, 4, 5, or 6, 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 or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

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

The reserve pit shall be lined with felt and a 16 millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

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

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

**8. ANCILLARY FACILITIES:**

None anticipated.

**9. WELL SITE LAYOUT:**

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

The reserve pit will be located on the southwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

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

Access to the well pad will be from the south.

**FENCING REQUIREMENTS:**

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

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

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

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

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

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

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

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

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

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

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

##### **B. 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.

#### **11. SURFACE OWNERSHIP:**

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

**State of Utah**

**12. OTHER INFORMATION:**

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

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

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

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

industry. There are commercial facilities available for stacking and storing drilling rigs.)

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

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

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

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

A cultural resources and paleontology survey will be conducted and submitted by Montgomery Archaeological Consultants.

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

**PERMITTING AGENT**

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

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

**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 Natural Buttes Unit 731-36E Well, located in the NENW, of Section 36, T9S, R20E, Uintah County, Utah; State 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.

April 7, 2008 \_\_\_\_\_

Date

\_\_\_\_\_  
Kaylene R. Gardner, Lead Regulatory Assistant

EOG RESOURCES, INC.  
NBU #731-36E  
SECTION 36, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 165' MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 40.9 MILES.

**Proposed Hole, Casing, and Cement**

<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Cond	17.5	13.375	0	60		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	H-40S	60	48.0			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		0	60			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			C	0	0.0	0.0

**Proposed Hole, Casing, and Cement**

<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Surf	12.25	9.625	0	2300		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	J-55S	2300	36.0			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		0	2300			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			G	185	3.82	11.0

**Proposed Hole, Casing, and Cement**

<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	7.875	4.5	0	7080		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	N-80L	7080	11.6			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		2300	7080			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			HG	154	3.91	11.0
			50	439	1.28	14.1

EOG RESOURCES, INC.

FIGURE #1

LOCATION LAYOUT FOR

NBU #731-36E  
SECTION 36, T9S, R20E, S.L.B.&M.  
739' FNL 1851' FWL  
Topsoil Stockpile

F-2.4'  
El. 4898.6'

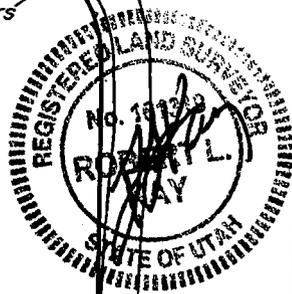
F-4.8'  
El. 4896.2'

F-4.8'  
El. 4896.2'

Sta. 3+75

Round Corners  
as needed

SCALE: 1" = 50'  
DATE: 03-21-08  
Drawn By: C.N.



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

Approx. Toe of Fill Slope

Pit Topsoil

F-0.3'  
El. 4900.7'

C-0.4'  
El. 4901.4'

C-1.3'  
El. 4902.3'

C-11.6'  
El. 4900.6'  
(btm. pit)

Sta. 1+75

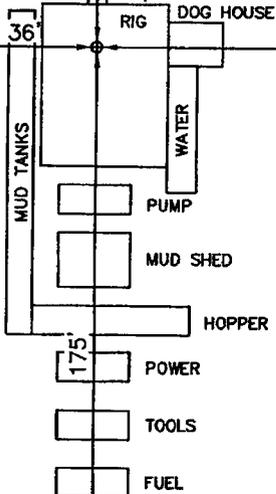
Reserve Pit Backfill & Spills Stockpile

15' WIDE BENCH

RESERVE PITS  
(12' Deep)

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

1:1 1/2 SLOPE



Approx. Top of Cut Slope

C-15.9'  
El. 4904.9'  
(btm. pit)

C-2.1'  
El. 4903.9'

Sta. 0+00

20' WIDE BENCH

C-3.0'  
El. 4904.0'

MAXIMUM DISTURBANCE AREA

Proposed Access Road

C-1.9'  
El. 4902.9'

Elev. Ungraded Ground at Location Stake = 4901.4'  
Elev. Graded Ground at Location Stake = 4901.0'

**EOG RESOURCES, INC.**

**TYPICAL CROSS SECTIONS FOR**

**NBU #731-36E**

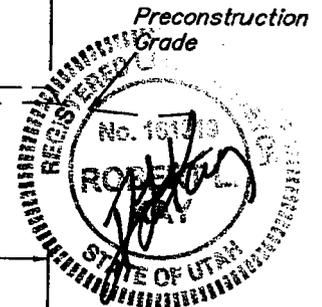
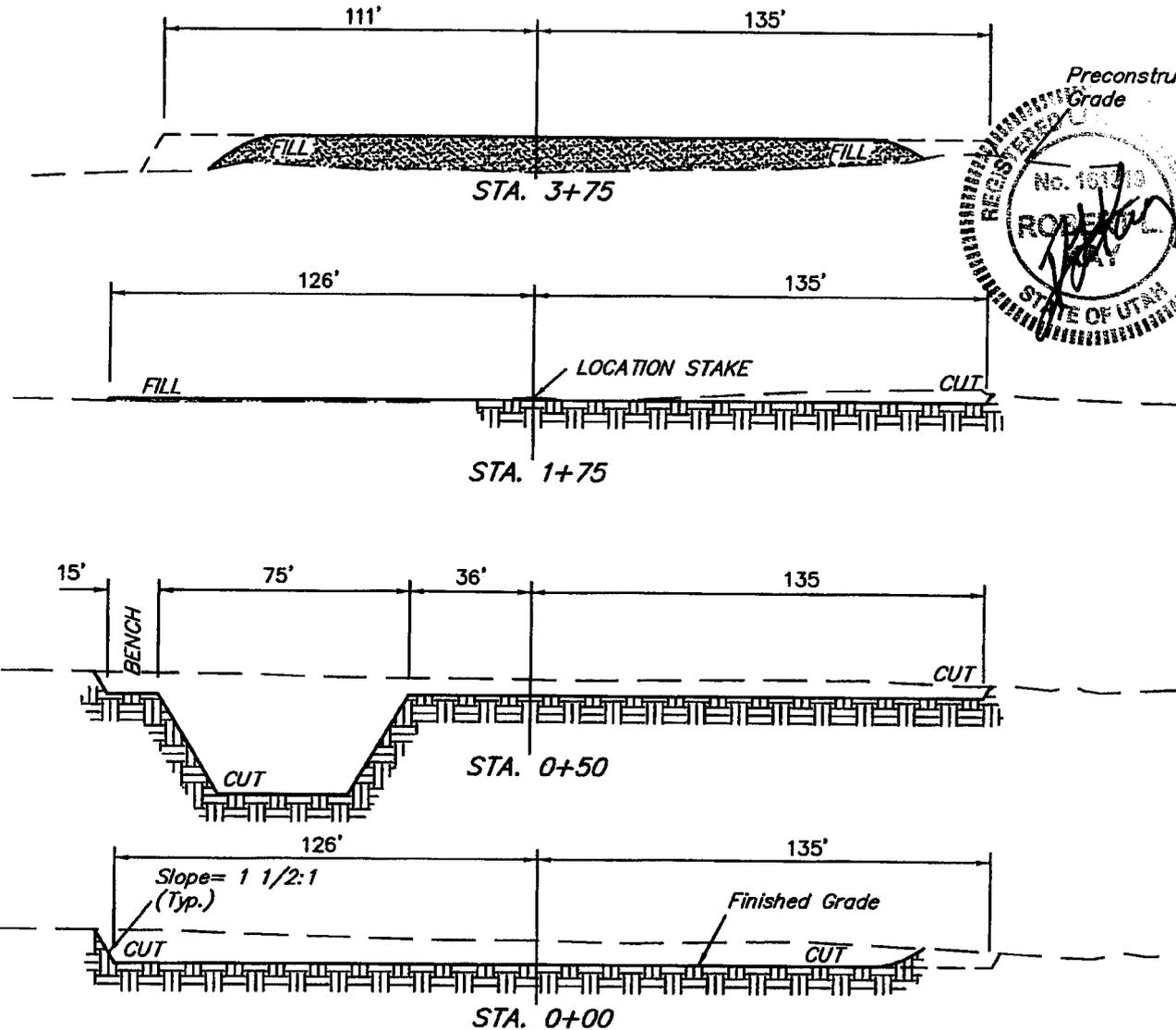
**SECTION 36, T9S, R20E, S.L.B.&M.**

**739' FNL 1851' FWL**

**FIGURE #2**

X-Section  
Scale  
1" = 50'

DATE: 03-21-08  
Drawn By: C.N.



**APPROXIMATE ACREAGES**

NOTE:

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

WELL SITE DISTURBANCE = ± 2.776 ACRES

PIPELINE DISTURBANCE = ± 0.107 ACRES

ACCESS ROAD DISTURBANCE = ± 0.114 ACRES

TOTAL = ± 2.997 ACRES

\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

(6") Topsoil Stripping = 1920 Cu. Yds.  
Remaining Location = 6110 Cu. Yds.  
**TOTAL CUT = 8030 CU. YDS.**  
**FILL = 4100 CU. YDS.**

EXCESS MATERIAL = 3930 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 3930 Cu. Yds.

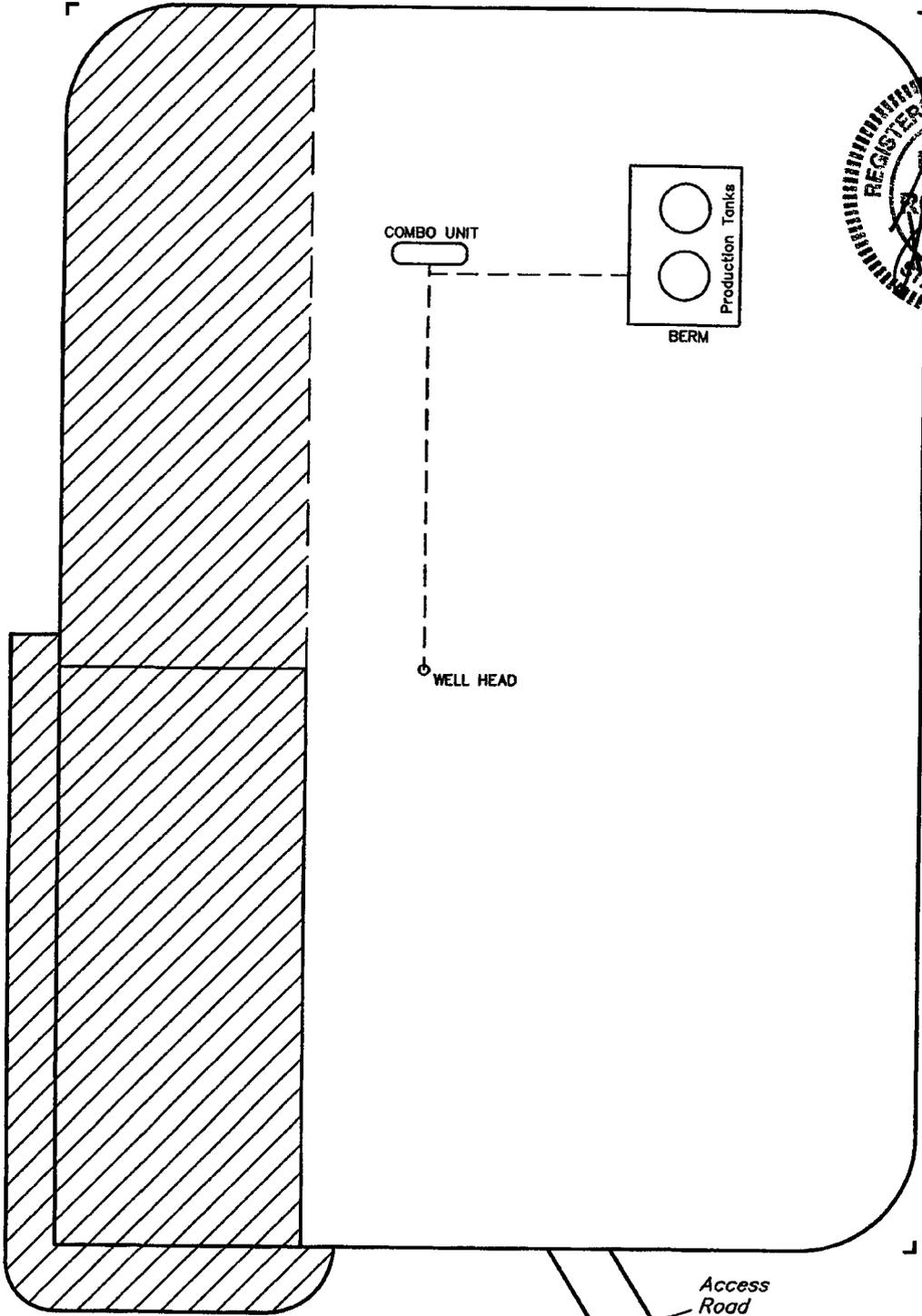
EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

**UINTAH ENGINEERING & LAND SURVEYING**

85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**EOG RESOURCES, INC.**  
**PRODUCTION FACILITY LAYOUT FOR**  
NBU #731-36E  
SECTION 36, T9S, R20E, S.L.B.&M.  
739' FNL 1851' FWL

**FIGURE #3**  
DATE: 03-21-08  
Drawn By: C.N.



 RE-HABED AREA

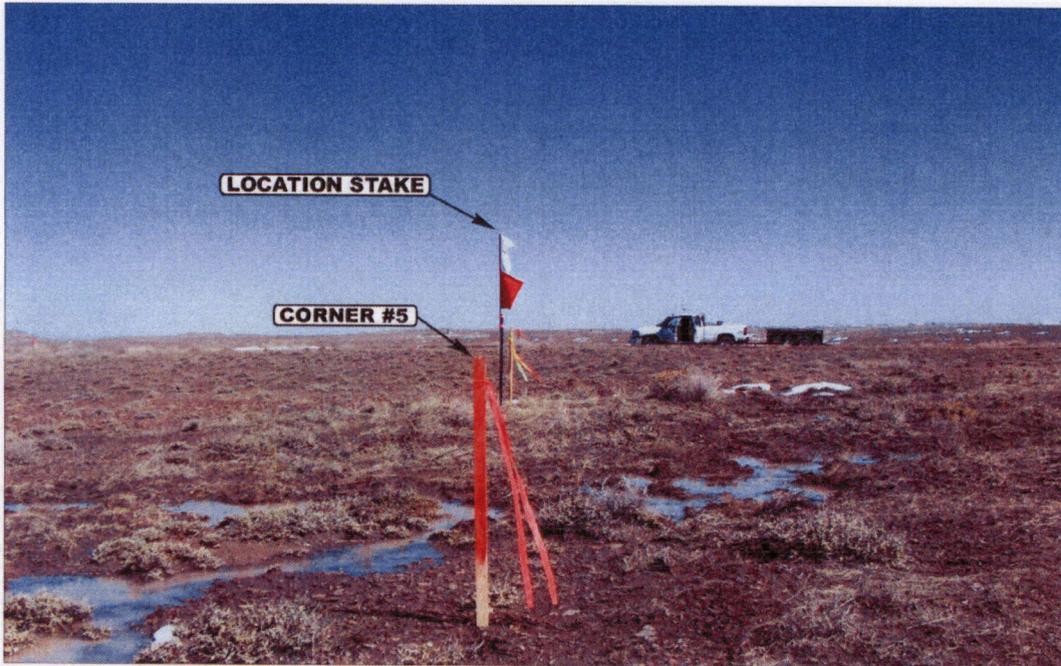
**UINTAH ENGINEERING & LAND SURVEYING**  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# EOG RESOURCES, INC.

NBU #731-36E

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T9S, R20E, S.L.B.&M.



LOCATION STAKE

CORNER #5

PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PROPOSED ACCESS

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

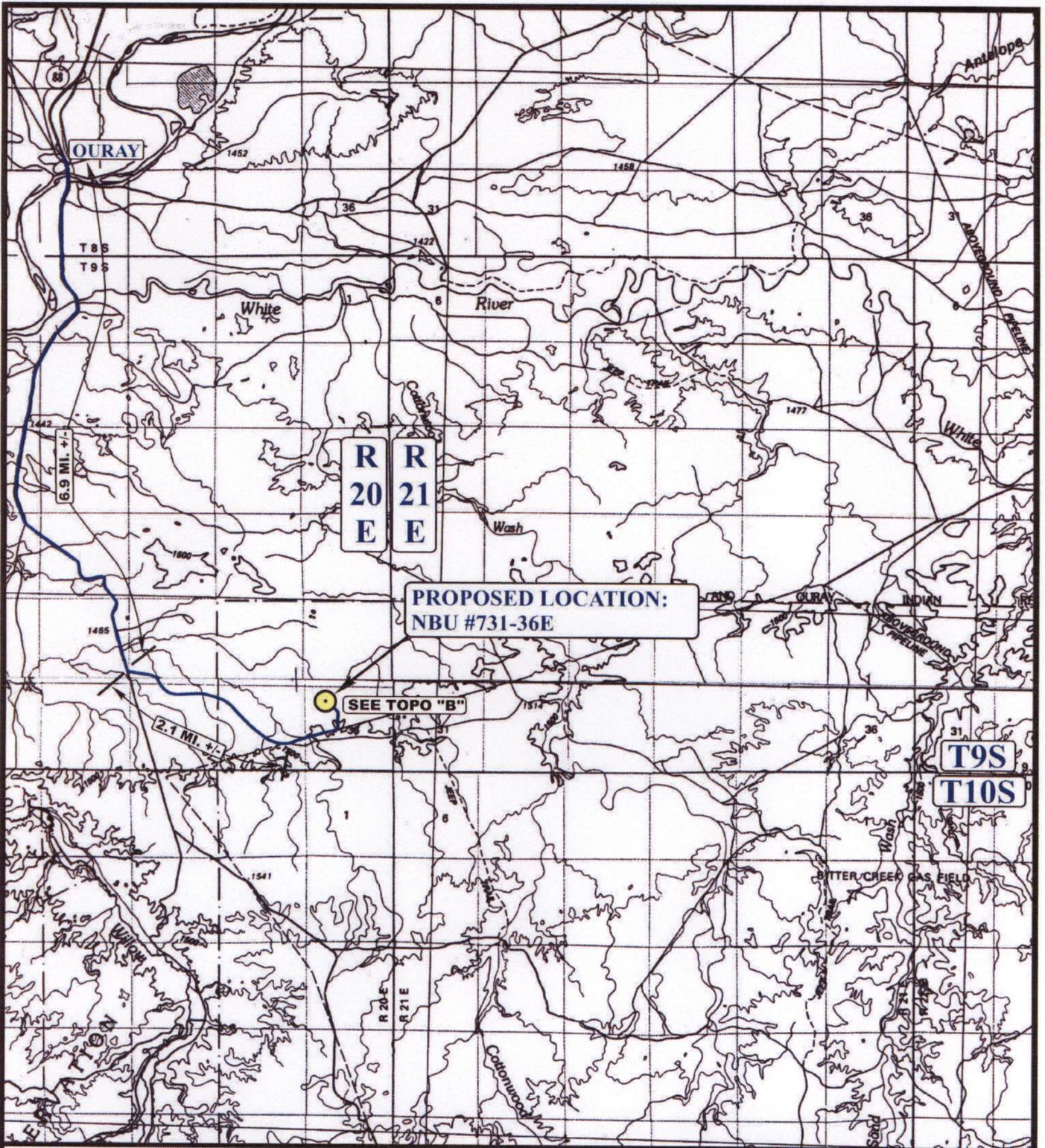
03 24 08  
MONTH DAY YEAR

PHOTO

TAKEN BY: C.R.

DRAWN BY: C.N.

REVISED: 00-00-00



**LEGEND:**

 PROPOSED LOCATION



**EOG RESOURCES, INC.**

**NBU #731-36E**  
**SECTION 36, T9S, R20E, S.L.B.&M.**  
**739' FNL 1851' FWL**

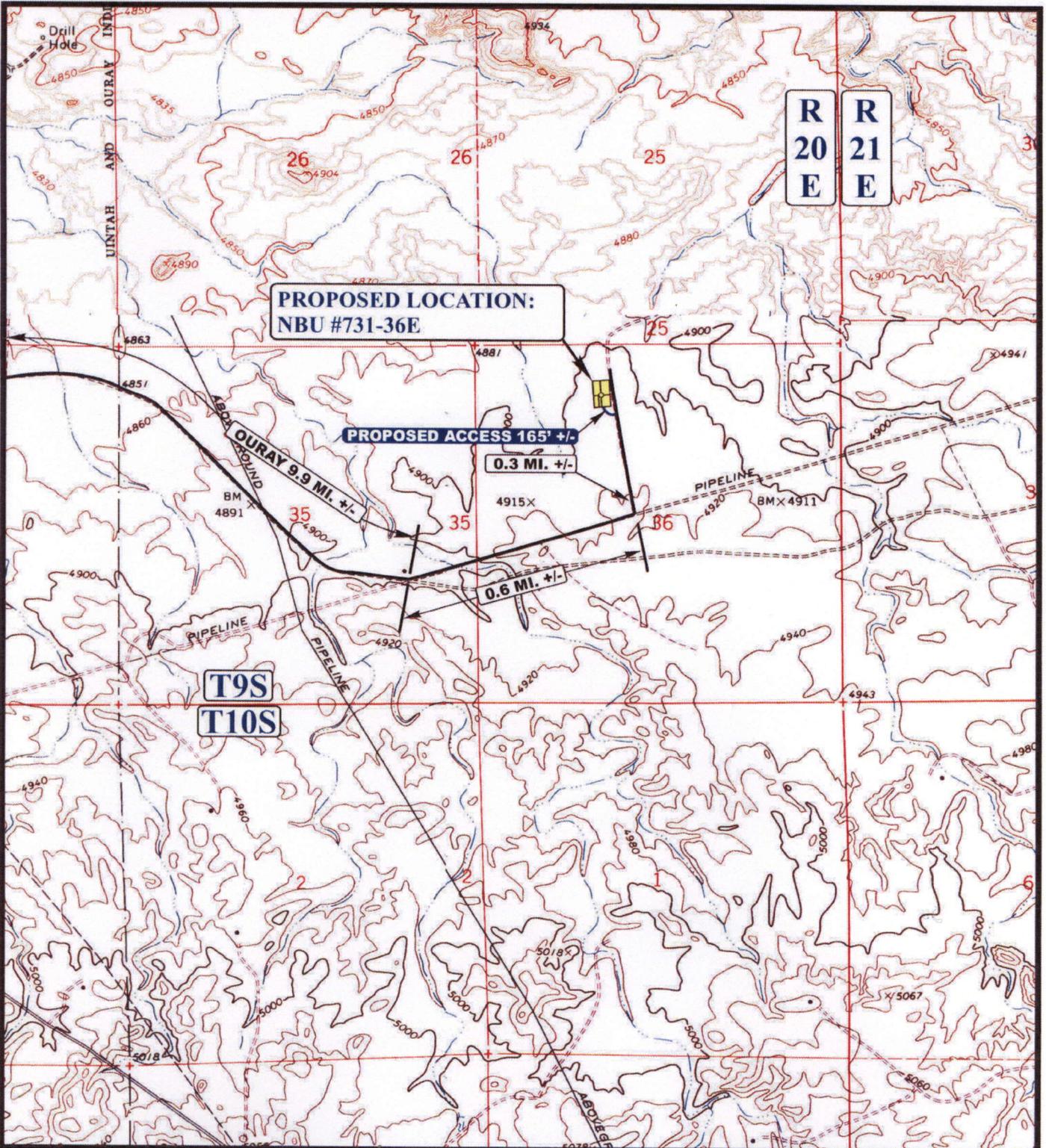


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** **03 24 08**  
**MAP** MONTH DAY YEAR

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





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



**EOG RESOURCES, INC.**

**NBU #731-36E**  
**SECTION 36, T9S, R20E, S.L.B.&M.**  
**739' FNL 1851' FWL**

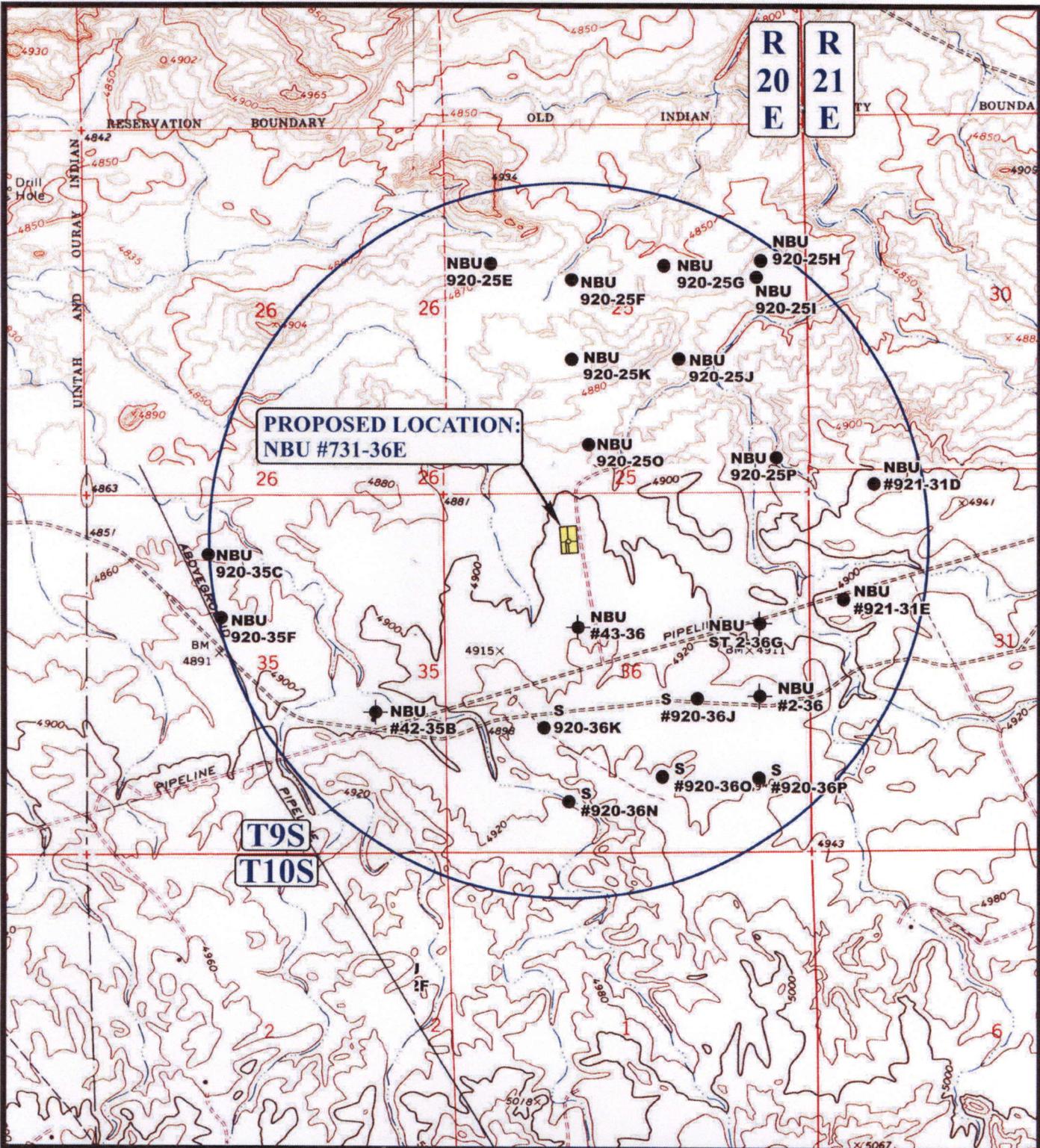


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** **03 24 08**  
**MAP** MONTH DAY YEAR

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





**LEGEND:**

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



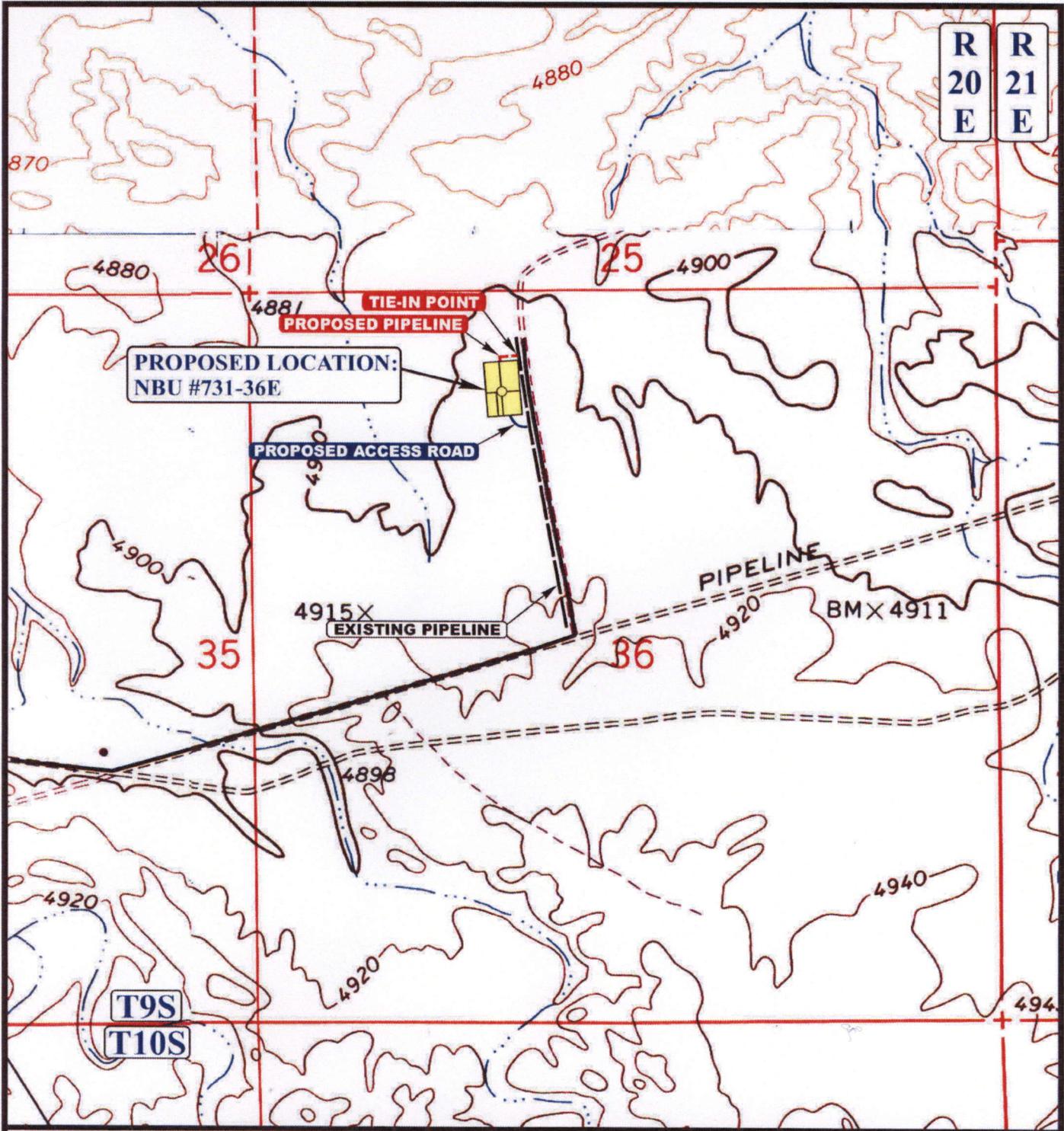
**EOG RESOURCES, INC.**



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

**TOPOGRAPHIC MAP** 03 24 08  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.N. REVISED: 00-00-00





**APPROXIMATE TOTAL PIPELINE DISTANCE 155' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**EOG RESOURCES, INC.**

**NBU #731-36E  
SECTION 36, T9S, R20E, S.L.B.&M.  
739' FNL 1851' FWL**

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

**TOPOGRAPHIC MAP** 03 24 08  
MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: C.N. REVISED: 00-00-00 **D TOPO**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/07/2008

API NO. ASSIGNED: 43-047-50038

WELL NAME: NBU 731-36E  
 OPERATOR: EOG RESOURCES, INC. ( N9550 )  
 CONTACT: Kaylene Gardner

PHONE NUMBER: 435 781-9111

PROPOSED LOCATION:

NENW 36 090S 200E  
 SURFACE: 0739 FNL 1851 FWL  
 BOTTOM: 0739 FNL 1851 FWL  
 COUNTY: UINTAH  
 LATITUDE: 39.99672 LONGITUDE: -109.6168  
 UTM SURF EASTINGS: 618079 NORTHINGS: 4428099  
 FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DVO	5/16/08
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-3140-1/2  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: NHORN  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

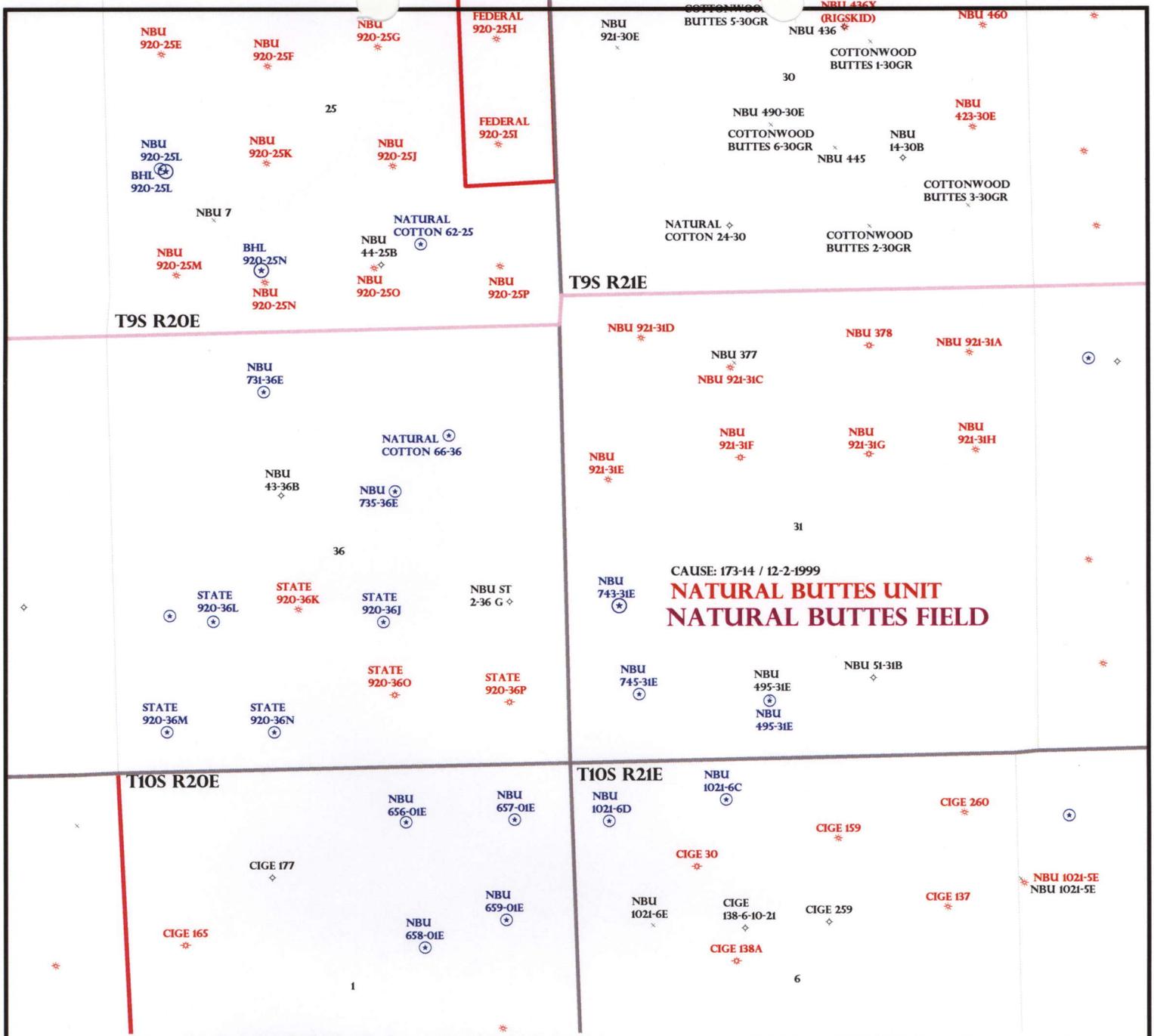
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 6196017 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-225 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General
- Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: 173-14
- Eff Date: 12-2-1999
- Siting: 400' fr uldr g? Uncomm. Tracts
- R649-3-11. Directional Drill

COMMENTS: Need Presb (04-22-08)

STIPULATIONS: 1- OIL SHALE  
2- STATEMENT OF BASIS  
3- Surface Crg Step  
4- Cont st.p # 3a (4 1/2" prod. 1500' md)



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 36 T.9S R. 20E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

- 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: 9-APRIL-2008

# Application for Permit to Drill

## Statement of Basis

5/1/2008

Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Ownr</b>	<b>CBM</b>
729	43-047-50038-00-00	SITLA	GW	S	No
<b>Operator</b>	EOG RESOURCES, INC.	<b>Surface Owner-APD</b>			
<b>Well Name</b>	NBU 731-36E	<b>Unit</b>	NATURAL BUTTES		
<b>Field</b>	NATURAL BUTTES	<b>Type of Work</b>	DRILL		
<b>Location</b>	NENW 36 9S 20E S 739 FNL 1851 FWL GPS Coord (UTM) 618079E 4428099N				

### Geologic Statement of Basis

EOG proposes to set 2,300' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,400'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole. The proposed casing and cement program should adequately protect usable ground water in the area.

Brad Hill  
APD Evaluator

5/1/2008  
Date / Time

### Surface Statement of Basis

This location is approximately 10.8 miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 165 feet of the site, which will require new construction.

The general area is within a long unnamed wash immediately west of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws which drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

The proposed NBU 731-36E location is in gently rolling terrain with a slight slope to northwest. A pipeline and road are to the immediate east. No topographical features are present that are expected to affect access to or construction of the drilling pad.

Both the surface and minerals are owned by SITLA. Ed Bonner and Jim Davis of SITLA were invited to the pre-site evaluation. Neither attended.

Daniel Emmett representing the UDWR stated the area is classified as yearlong crucial habitat for antelope. He stated the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Byron Tolman, representing EOG, a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

Floyd Bartlett  
Onsite Evaluator

4/22/2008  
Date / Time

---

# Application for Permit to Drill

## Statement of Basis

Utah Division of Oil, Gas and Mining

5/1/2008

Page 2

---

### Conditions of Approval / Application for Permit to Drill

<b>Category</b>	<b>Condition</b>
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** EOG RESOURCES, INC.  
**Well Name** NBU 731-36E  
**API Number** 43-047-50038-0      **APD No** 729      **Field/Unit** NATURAL BUTTES  
**Location:** 1/4,1/4 NENW      **Sec** 36      **Tw** 9S      **Rng** 20E      739 FNL 1851 FWL  
**GPS Coord (UTM)** 618088      4428107      **Surface Owner**

### Participants

Floyd Bartlett (DOGM), Byron Tolman (Agent for EOG), Terry Csere (EOG Construction Supervisor), Ben Williams and Daniel Emmett (Utah Division of Wildlife Resources)

### Regional/Local Setting & Topography

The general area is within a long unnamed wash immediately west of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws which drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

This location is approximately 10.8 miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 165 feet of the site, which will require new construction.

The proposed NBU 731-36E location is in gently rolling terrain with a slight slope to northwest. A pipeline and road are to the immediate east. No topographical features are present that are expected to affect access to or construction of the drilling pad.

Both the surface and minerals are owned by SITLA. Ed Bonner and Jim Davis of SITLA were invited to the pre-site evaluation. Neither attended.

### Surface Use Plan

#### **Current Surface Use**

Grazing  
Recreational  
Wildlfe Habitat

#### **New Road**

Miles	Well Pad	Length	Src Const Material	Surface Formation
0.01	Width 276	375	Onsite	UNTA

**Ancillary Facilities** N

### Waste Management Plan Adequate?

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Vegetation is a salt desert shrub type. Principal species present are Gardner saltbrush, shadscale, horsebrush, budsage, lomatium, cheatgrass, halogeton, wild onions and prickly pear.

Cattle, antelope and small mammals and birds.

**Soil Type and Characteristics**

Soils are a moderately deep rocky sandy loam.

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diverson Required** N

**Berm Required?** N

**Erosion Sedimentation Control Required?** N

**Paleo Survey Run?**      **Paleo Potental Observed?**      **Cultural Survey Run?** Y      **Cultural Resources?**

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	300 to 1320	10
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	<10	0
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0

**Final Score**      25      1      **Sensitivity Level**

**Characteristics / Requirements**

The reserve pit is planned in an area of cut in the souttwest corner of the location. Dimensions are 75' x 175' x 12' deep with 2' of freeboard. A liner with a minimum thickness of 16 mils. and a felt sub-liner are required.

**Closed Loop Mud Required?** N      **Liner Required?** Y      **Liner Thickness** 16      **Pit Underlayment Required?** Y

**Other Observations / Comments**

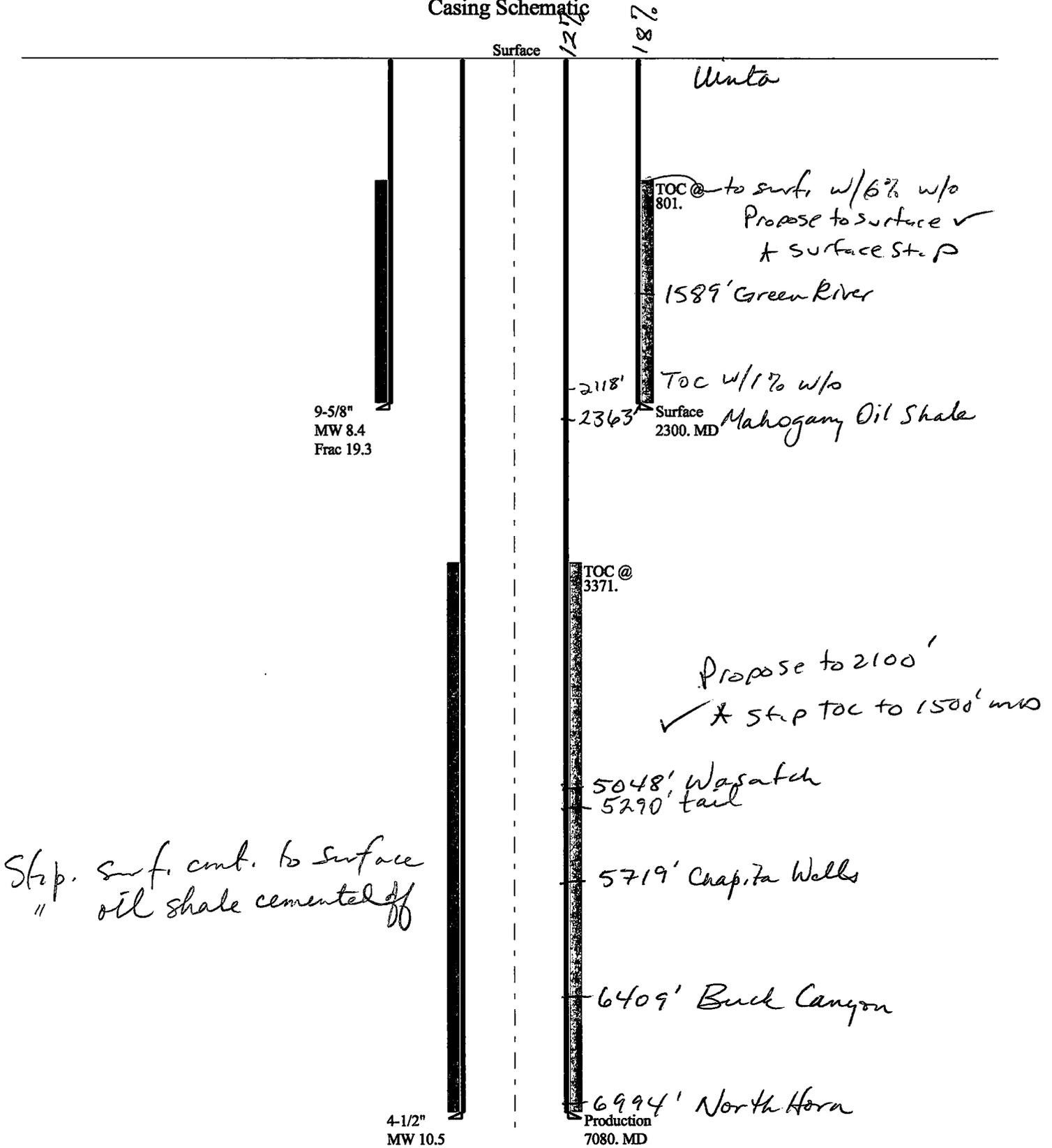
ATV's were used to access the location.

Floyd Bartlett  
**Evaluator**

4/22/2008  
**Date / Time**

2008-05 EOG NBU 731-36E

Casing Schematic



Well name:	<b>2008-05 EOG NBU 731-36E</b>		
Operator:	<b>EOG Resources Inc.</b>		
String type:	Surface	Project ID:	43-047-50038
Location:	Uintah County		

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,024 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 2,300 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on buoyed weight.  
 Neutral point: 2,014 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 107 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 290 ft  
  
 Cement top: 801 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 7,080 ft  
 Next mud weight: 10.500 ppg  
 Next setting BHP: 3,862 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 2,300 ft  
 Injection pressure: 2,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2300	9.625	36.00	J-55	ST&C	2300	2300	8.796	998.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1004	2020	2.013	2300	3520	1.53	73	394	5.43 J

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Minerals

Phone: 801-538-5357  
 FAX: 801-359-3940

Date: May 8, 2008  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

2008-05 EOG NBU 731-36E

Operator: EOG Resources Inc.

String type: Production

Project ID:

43-047-50038

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 10.500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 174 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 3,371 ft

**Burst**

Max anticipated surface pressure: 2,304 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 3,862 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

**Non-directional string.**

Tension is based on buoyed weight.  
Neutral point: 5,969 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7080	4.5	11.60	N-80	LT&C	7080	7080	3.875	617.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3862	6350	1.644	3862	7780	2.01	69	223	3.22 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357  
FAX: 801-359-3940

Date: May 8, 2008  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 7080 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**BOPE REVIEW**

**EOG NBU 731-36E API 43-047-50038**

**INPUT**

Well Name	EOG NBU 731-36E API 43-047-50038		
Casing Size (")	String 1	String 2	
Setting Depth (TVD)	9 5/8	4 1/2	
Previous Shoe Setting Depth (TVD)	2300	7080	
Max Mud Weight (ppg)	60	2300	
BOPE Proposed (psi)	8.4	10.5	
Casing Internal Yield (psi)	500	5000	
Operators Max Anticipated Pressure (psi)	3520	7780	
	3866	10.5 ppg	

Calculations	String 1	9 5/8 "	
Max BHP [psi]	.052*Setting Depth*MW =	1005	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	729	BOPE Adequate For Drilling And Setting Casing at Depth? NO - OK, Air Drill to surface shoe
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	499	YES
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	512	*Can Full Expected Pressure Be Held At Previous Shoe? ← NO Reasonable Depth - Unexpected press.
Required Casing/BOPE Test Pressure		2300 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		60 psi	

Calculations	String 2	4 1/2 "	
Max BHP [psi]	.052*Setting Depth*MW =	3866	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3016	BOPE Adequate For Drilling And Setting Casing at Depth? YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2308	YES ✓
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	2814	*Can Full Expected Pressure Be Held At Previous Shoe? ← NO OK
Required Casing/BOPE Test Pressure		5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		2300 psi	*Assumes 1psi/ft frac gradient

**From:** Ed Bonner  
**To:** Mason, Diana  
**Date:** 7/10/2008 10:46 AM  
**Subject:** Well Clearance

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Jarvis, Dan

The following wells have been given cultural resources and paleontological resources clearance by the Trust Lands Administration:

EOG Resources, Inc

NBU 735-36E (API 43 047 50039)  
NBU 733-36E (API 43 047 50042)  
NBU 731-36E (API 43 047 50038)  
NBU 670-29E (API 43 047 40084)  
NBU 495-31E (API 43 047 50037)  
NBU 743-31E (API 43 047 50040)

As per recommendations in paleo report, SITLA is requiring paleo monitoring of the NBU 743-31E location when construction begins and spotchecks during construction.

Kerr-McGee Oil & Gas Onshore LP

NBU 921-26A1CS (API 43 047 40099)  
NBU 921-25D4AS (API 43 047 40102)  
NBU 921-26N2AS (API 43 047 40110)  
NBU 921-26M4AS (API 43 047 40111)  
NBU 921-26N2DS (API 43 047 40112)

XTO Energy, Inc

AP 16-2J (API 43 047 40103)  
AP 14-2J (API 43 047 40104)  
AP 7-2J (API 43 047 40105)  
AP 6-2J (API 43 047 40106)  
AP 5-2JX (API 43 047 40107)  
AP 4-2J (API 43 047 40108)

If you have any questions regarding this matter please give me a call.



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

July 10, 2008

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

Re: NBU 731-36E Well, 739' FNL, 1851' FWL, NE NW, Sec. 36, T. 9 South, R. 20 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 43-047-50038.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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



Operator: \_\_\_\_\_ EOG Resources, Inc.  
Well Name & Number \_\_\_\_\_ NBU 731-36E  
API Number: \_\_\_\_\_ 43-047-50038  
Lease: \_\_\_\_\_ ML-3140 ½

Location: NE NW                      Sec. 36                      T. 9 South                      R. 20 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

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at:                      (801) 538-5338 office                      (801) 942-0871 home
- Carol Daniels at:                      (801) 538-5284 office
- 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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. 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.
7. Surface casing shall be cemented to the surface.
8. Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 1500' MD in order to adequately isolate the Green River formation.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<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>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-3140-1/2
	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  _____
	<b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 731-36E
<b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.	<b>9. API NUMBER:</b> 43047500380000
<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</b> <b>FOOTAGES AT SURFACE:</b> 0739 FNL 1851 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 36 Township: 09.0S Range: 20.0E 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 checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/10/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

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

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

Date: July 13, 2009

By: 

<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> 7/10/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047500380000

API: 43047500380000

Well Name: NBU 731-36E

Location: 0739 FNL 1851 FWL QTR NENW SEC 36 TWNP 090S RNG 200E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 7/10/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mickenzie Thacker

Date: 7/10/2009

Title: Operations Clerk Representing: EOG RESOURCES, INC.

Date: July 13, 2009

By: [Signature]

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

**X Change of Operator (Well Sold)**  
 Operator Name Change

Designation of Agent/Operator  
 Merger

1. DJJ
2. CDW

The operator of the well(s) listed below has changed, effective: **1/1/2010**

<b>FROM:</b> (Old Operator): N9550-EOG Resources 1060 E Hwy 40 Vernal, UT 84078 Phone: 1-(435) 781-9111	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024
---	---

WELL NAME(S)	CA No.			Unit:	NATURAL BUTTES			
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 540-24E	24	090S	210E	4304736948		Federal	GW	APD
NBU 532-12E	12	100S	200E	4304739339		Federal	GW	APD
NBU 657-01E	01	100S	200E	4304739869		Federal	GW	APD
NBU 757-26E	26	100S	210E	4304740238		Federal	GW	APD
NBU 731-36E	36	090S	200E	4304750038		State	GW	APD

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/24/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/24/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
- Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 2/22/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/22/2010
- Bond information entered in RBDMS on: 2/22/2010
- Fee/State wells attached to bond in RBDMS on: 2/22/2010
- Injection Projects to new operator in RBDMS on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: WYB000291
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state or fee well(s) listed covered by Bond Number 22013542
- The **FORMER** operator has requested a release of liability from their bond on: n/a

**COMMENTS:**

**EOG transferred all their leases and permits in NBU to Kerr-McGee effective January 1, 2010**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Multiple Leases
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: Natural Buttes Unit
PHONE NUMBER: (435) 781-9111		8. WELL NAME and NUMBER: Multiple Wells
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached		9. API NUMBER: See Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
COUNTY: UINTAH		
STATE: UTAH		

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

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

EOG Resources, Inc. has assigned all of its right, title and interest in the wells described in the attached list ("the Subject Wells") to Kerr-McGee Oil & Gas Onshore LP and will relinquish and transfer operatorship of all of the Subject Wells to Kerr-McGee Oil & Gas Onshore LP on January 1, 2010.

As of January 1, 2010, Kerr-McGee Oil & Gas Onshore LP will be considered to be the operator of each of the Subject Wells and will be responsible under the terms and conditions of the applicable lease for the operations conducted upon the leased lands. Bond coverage is provided under Kerr-McGee Oil & Gas Onshore LP's Nationwide BLM Bond No. WYB-000291.

Kerr-McGee Oil & Gas Onshore LP  
1099 18th Street, Suite 1800  
Denver, CO 80202-1918

By: Michael A. Nixon Date: 12/17/2009  
Michael A. Nixon  
Agent and Attorney-in-Fact

NAME (PLEASE PRINT) J. Michael Schween TITLE Agent and Attorney-in-Fact  
SIGNATURE \_\_\_\_\_ DATE 12/17/2009

(This space for State use only)

APPROVED 2/22/10  
Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED  
DEC 24 2009  
DIV. OF OIL, GAS & MINING

WELL NAME(S)	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
	SEC	TWN	RNG					
NBU 540-24E	24	090S	210E	4304736948		Federal	GW	APD
NBU 532-12E	12	100S	200E	4304739339		Federal	GW	APD
NBU 657-01E	01	100S	200E	4304739869		Federal	GW	APD
NBU 757-26E	26	100S	210E	4304740238		Federal	GW	APD
NBU 731-36E	36	090S	200E	4304750038		State	GW	APD

<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> ML3140.5
<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> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 731-36E
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047500380000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0739 FNL 1851 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 36 Township: 09.0S Range: 20.0E 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 checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/16/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

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

**Date:** July 22, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/16/2010	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047500380000**

**API:** 43047500380000

**Well Name:** NBU 731-36E

**Location:** 0739 FNL 1851 FWL QTR NENW SEC 36 TWNP 090S RNG 200E MER S

**Company Permit Issued to:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date Original Permit Issued:** 7/10/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
  
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
  
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

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

**Signature:** Danielle Piernot

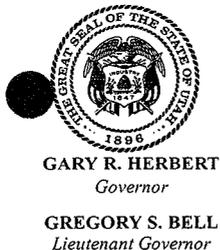
**Date:** 7/16/2010

**Title:** Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date:** July 22, 2010

**By:** 

**RECEIVED** July 16, 2010



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

August 3, 2011

Kerr McGee Oil & Gas Onshore, L.P.  
P.O. Box 173779  
Denver, CO 80217

43 047 50038  
NBU 731-36E  
9S 20E 36

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.  
Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 3, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Ed Bonner, SITLA



43-047-39522	Tribal 822-31O
43-047-50037	NBU 495-31E
→ 43-047-50038	NBU 731-36E
43-047-50039	NBU 735-36E
43-047-50040	NBU 743-31E
43-047-50042	NBU 733-36E
43-047-37957	State 921-32N
43-047-37958	State 921-32O
43-047-39033	NBU 1022-25H
43-047-39034	State 1022-25I
43-047-39402	NBU 921-34MT