

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

FORM 3

AMENDED REPORT **APPLICATION FOR PERMIT TO DRILL**

<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>1. WELL NAME and NUMBER</b> NBU 721-26E		
<b>4. TYPE OF WELL</b> Gas Well      Coalbed Methane Well: NO				<b>3. FIELD OR WILDCAT</b> NATURAL BUTTES		
<b>6. NAME OF OPERATOR</b> EOG Resources, Inc.				<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b> NATURAL BUTTES		
<b>8. ADDRESS OF OPERATOR</b> 1060 East Highway 40, Vernal, UT, 84078				<b>7. OPERATOR PHONE</b> 435 781-9111		
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> UTU0577A		<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		<b>9. OPERATOR E-MAIL</b> kaylene_gardner@eogresources.com		
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>				<b>12. SURFACE OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>				<b>14. SURFACE OWNER PHONE (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>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>		
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>
<b>LOCATION AT SURFACE</b>		624 FSL 1828 FEL		SWSE	26	9.0 S
<b>Top of Uppermost Producing Zone</b>		624 FSL 1828 FEL		SWSE	26	9.0 S
<b>At Total Depth</b>		624 FSL 1828 FEL		SWSE	26	9.0 S
<b>21. COUNTY</b> UINTAH		<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 624		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 2091		
		<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 4110		<b>26. PROPOSED DEPTH</b> MD: 7167 TVD: 7167		
<b>27. ELEVATION - GROUND LEVEL</b> 4874		<b>28. BOND NUMBER</b> NM2308		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 49-225		

**ATTACHMENTS**

**VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE 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> Regulatory Administrator	<b>PHONE</b> 435 781-9111
<b>SIGNATURE</b>	<b>DATE</b> 09/22/2008	<b>EMAIL</b> kaylene_gardner@eogresources.com
<b>API NUMBER ASSIGNED</b> 43047501150000	<b>APPROVAL</b>  Permit Manager	

**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>			
	Grade H-40 ST&C	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>
			Class C Cement	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>			
	Grade J-55 ST&C	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>
			Class G Cement	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	7167		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade N-80 LT&C	7167	11.6			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		2300	7167			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			Hi Lift "G"	152	3.91	11.0
			50/50 Poz	458	1.28	14.1

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 721-26E**  
**SW/SE, SEC. 26, 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	1,600		Shale	
Mahogany Oil Shale Bed	2,371		Shale	
Wasatch	5,028	Primary	Sandstone	Gas
Chapita Wells	5,699	Primary	Sandstone	Gas
Buck Canyon	6,396	Primary	Sandstone	Gas
North Horn	7,052	Primary	Sandstone	Gas
<b>TD</b>	<b>7,167</b>			

**Estimated TD: 7,167' or 200'± below TD**

**Anticipated BHP: 3,913 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>
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	233,000#

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

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

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 721-26E**  
**SW/SE, SEC. 26, 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 721-26E**  
**SW/SE, SEC. 26, T9S, R20E, S.L.B.&M..**  
**UINTAH COUNTY, UTAH**

**7. VARIANCE REQUESTS:**

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

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, 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 721-26E**  
**SW/SE, SEC. 26, 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: 152 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: 458 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.

**EIGHT POINT PLAN**

**NATURAL BUTTES UNIT 721-26E**  
**SW/SE, SEC. 26, 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)**



# EOG RESOURCES, INC.

NBU #721-26E

SECTION 26, 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; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 40.3 MILES.

**EOG RESOURCES, INC.**

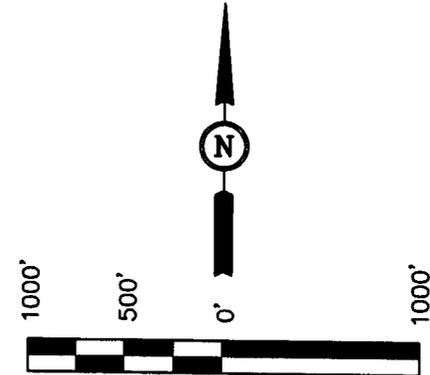
Well location, NBU #721-26E, located as shown in the SW 1/4 SE 1/4 of Section 26, T9S, R20E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

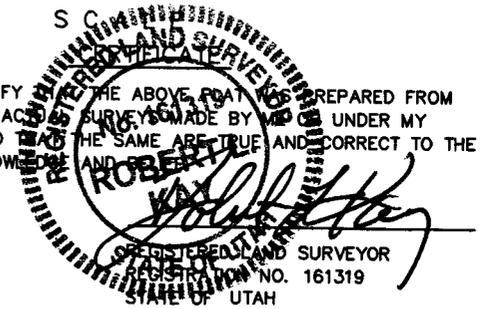
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING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

**BASIS OF BEARINGS**

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



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

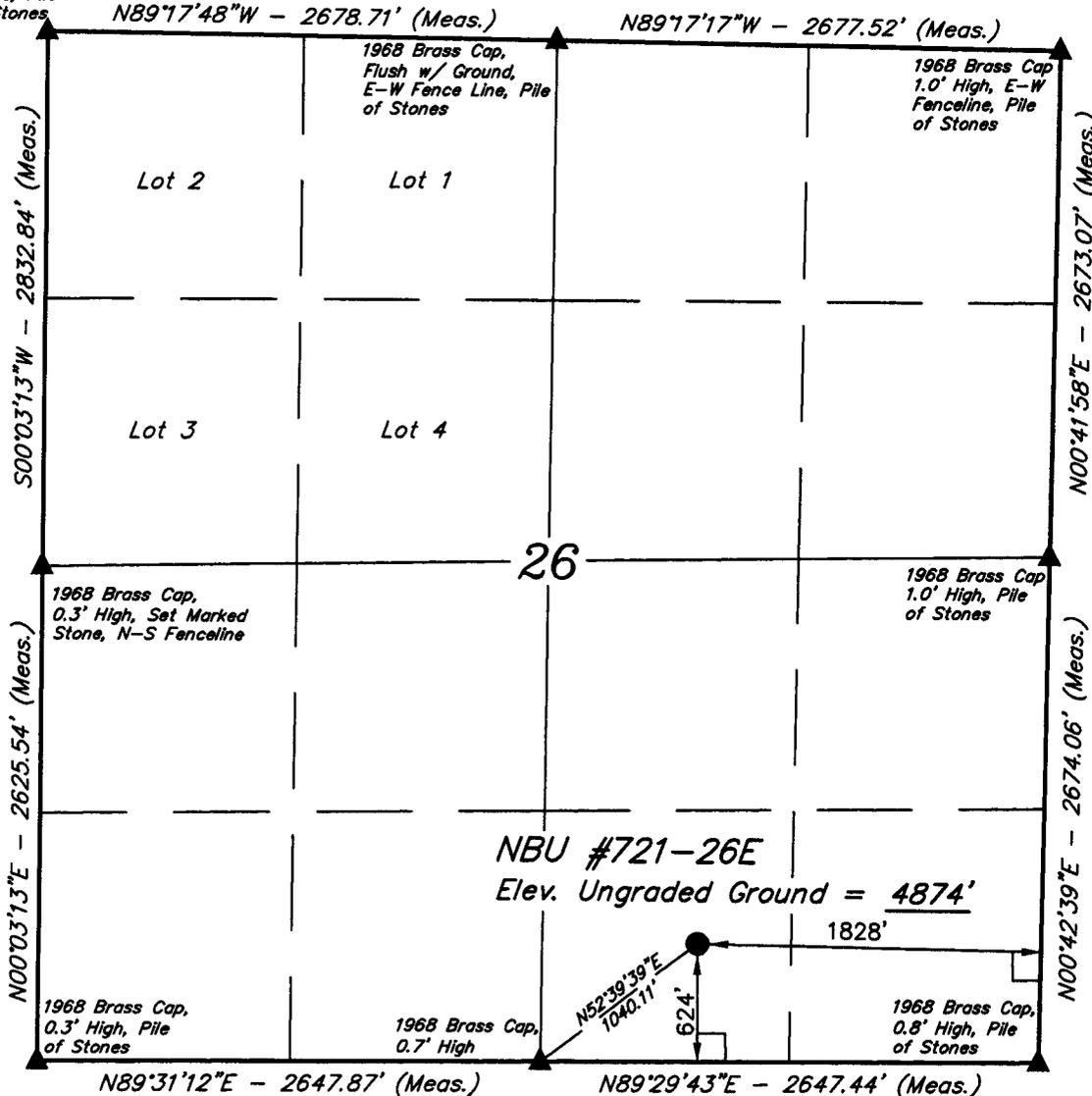


**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 03-31-08	DATE DRAWN: 04-08-08
PARTY D.S. E.D. C.N.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	

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

1968 Brass Cap,  
0.8' High, S-E Fence  
Corner, Tribal Cap, Set  
Stone, Pile  
of Stones



**LEGEND:**

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

(NAD 83)  
 LATITUDE = 40°00'01.48" (40.000411)  
 LONGITUDE = 109°37'49.91" (109.630531)  
 (NAD 27)  
 LATITUDE = 40°00'01.61" (40.000447)  
 LONGITUDE = 109°37'47.42" (109.629839)

**EOG RESOURCES, INC.**

**LOCATION LAYOUT FOR**

NBU #721-26E

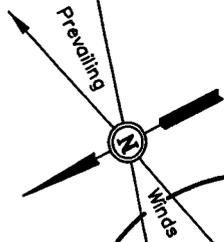
SECTION 26, T9S, R20E, S.L.B.&M.

624' FSL 1828' FEL

**FIGURE #1**

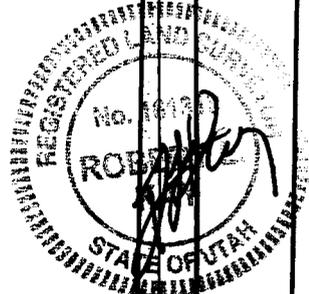
CONSTRUCT  
DIVERSION  
DITCH

AREA OF MAXIMUM DISTURBANCE



SCALE: 1" = 50'  
DATE: 04-08-08  
Drawn By: C.N.

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

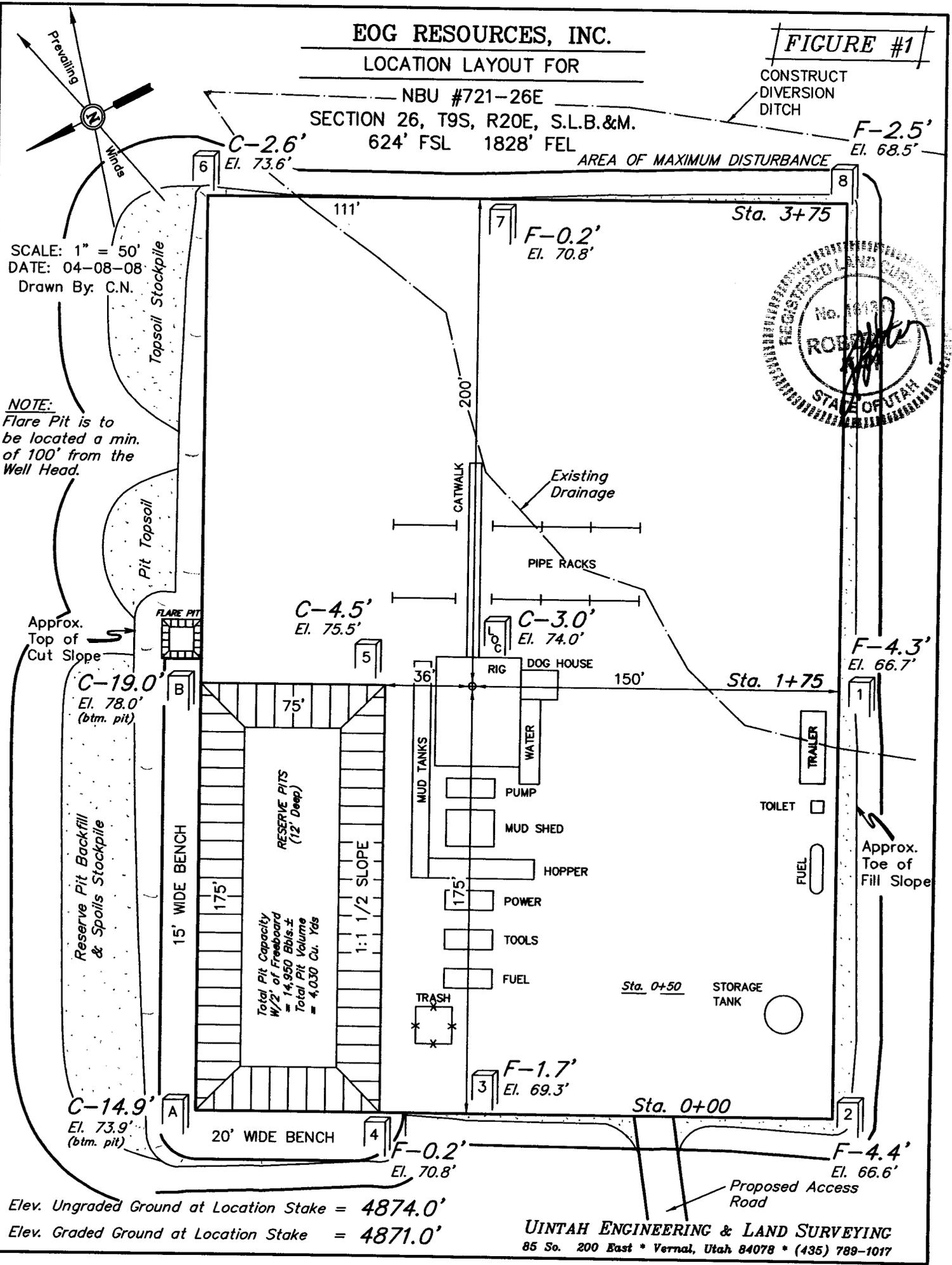


Approx. Top of Cut Slope

Approx. Toe of Fill Slope

Elev. Ungraded Ground at Location Stake = 4874.0'  
Elev. Graded Ground at Location Stake = 4871.0'

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



**EOG RESOURCES, INC.**

**TYPICAL CROSS SECTIONS FOR**

**NBU #721-26E**

**SECTION 26, T9S, R20E, S.L.B.&M.**

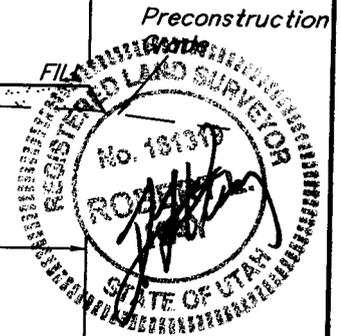
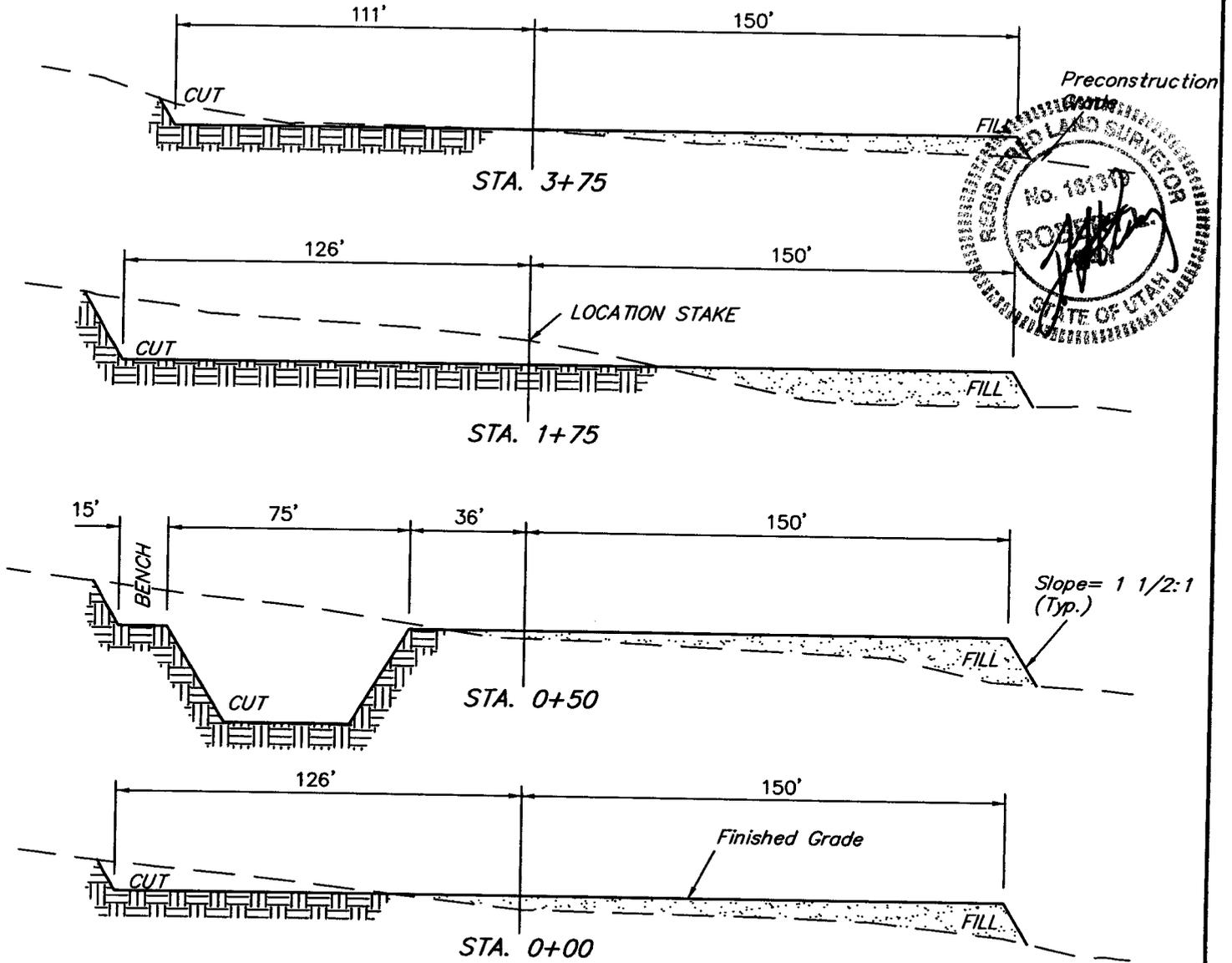
**624' FSL 1828' FEL**

**FIGURE #2**

DATE: 04-08-08

Drawn By: C.N.

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



**APPROXIMATE ACREAGES**

WELL SITE DISTURBANCE = ± 2.780 ACRES

ACCESS ROAD DISTURBANCE = ± 1.110 ACRES

PIPELINE DISTURBANCE = ± 1.650 ACRES

**TOTAL = ± 5.540 ACRES**

**NOTE:**

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

**\* NOTE:**

FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

(6") Topsoil Stripping = 2,110 Cu. Yds.  
 Remaining Location = 8,760 Cu. Yds.  
**TOTAL CUT = 10,870 CU. YDS.**  
**FILL = 6,750 CU. YDS.**

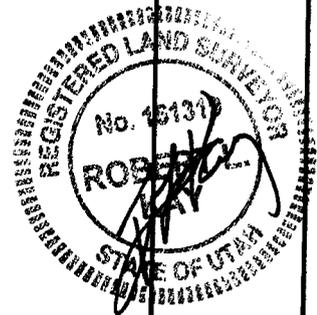
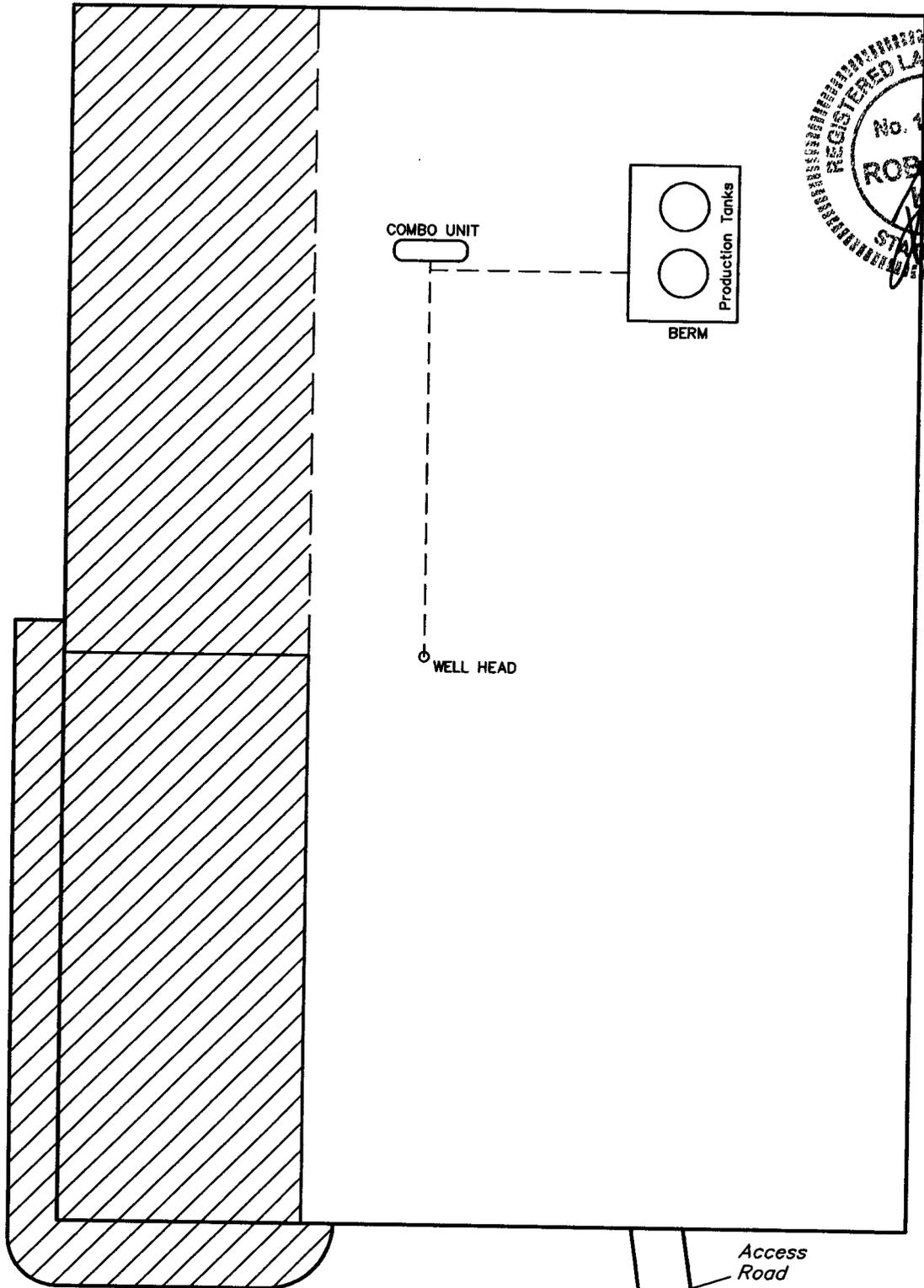
EXCESS MATERIAL = 4,120 Cu. Yds.  
 Topsoil & Pit Backfill = 4,120 Cu. Yds.  
 (1/2 Pit Vol.)  
 EXCESS UNBALANCE = 0 Cu. Yds.  
 (After Interim Rehabilitation)



**EOG RESOURCES, INC.**  
**PRODUCTION FACILITY LAYOUT FOR**  
**NBU #721-26E**  
**SECTION 26, T9S, R20E, S.L.B.&M.**  
**624' FSL 1828' FEL**

**FIGURE #3**

SCALE: 1" = 50'  
DATE: 04-08-08  
Drawn By: C.N.



 RE-HABED AREA

**EOG RESOURCES, INC.**  
**NBU #721-26E**  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 26, T9S, R20E, S.L.B.&M.

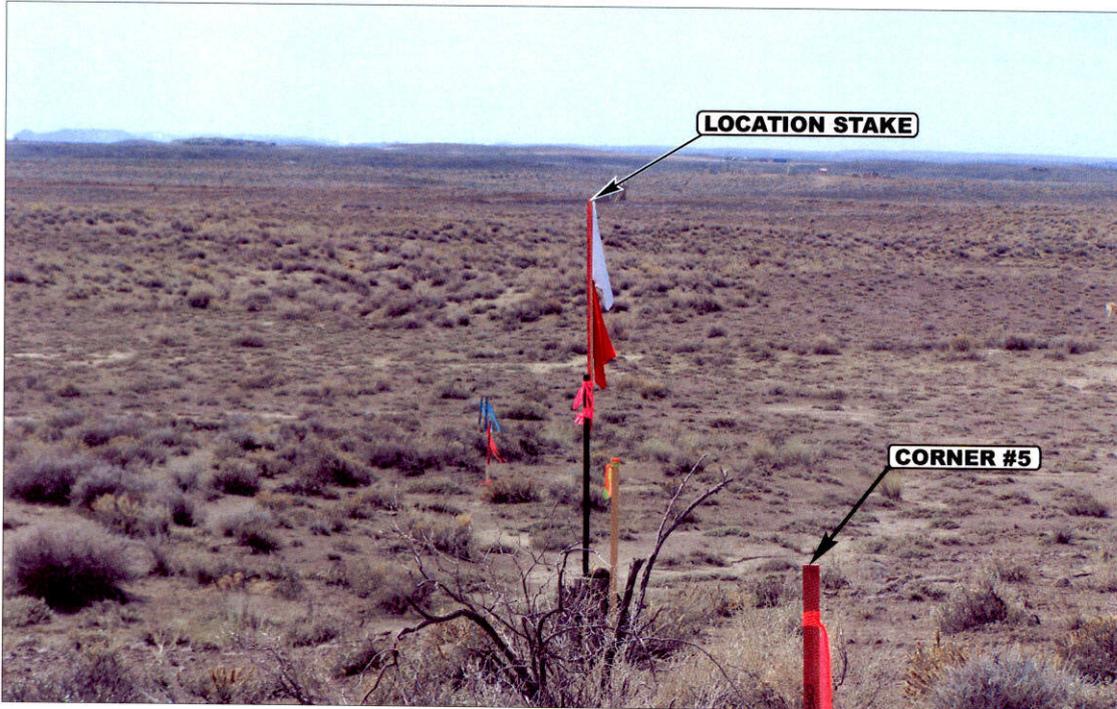


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



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

**LOCATION PHOTOS**

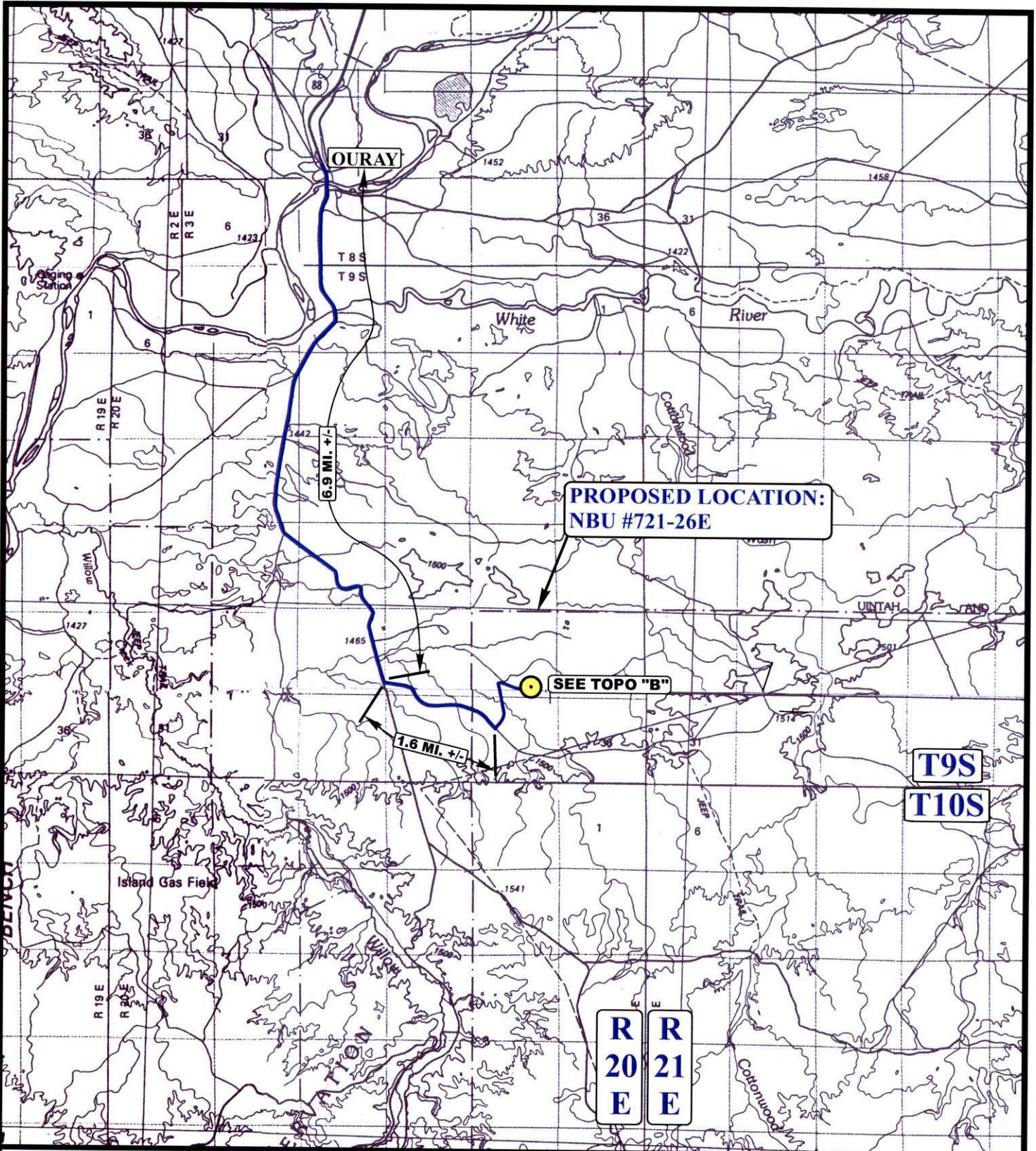
**04 08 08**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: D.S.

DRAWN BY: C.N.

REVISED: 00-00-00



**LEGEND:**

● PROPOSED LOCATION



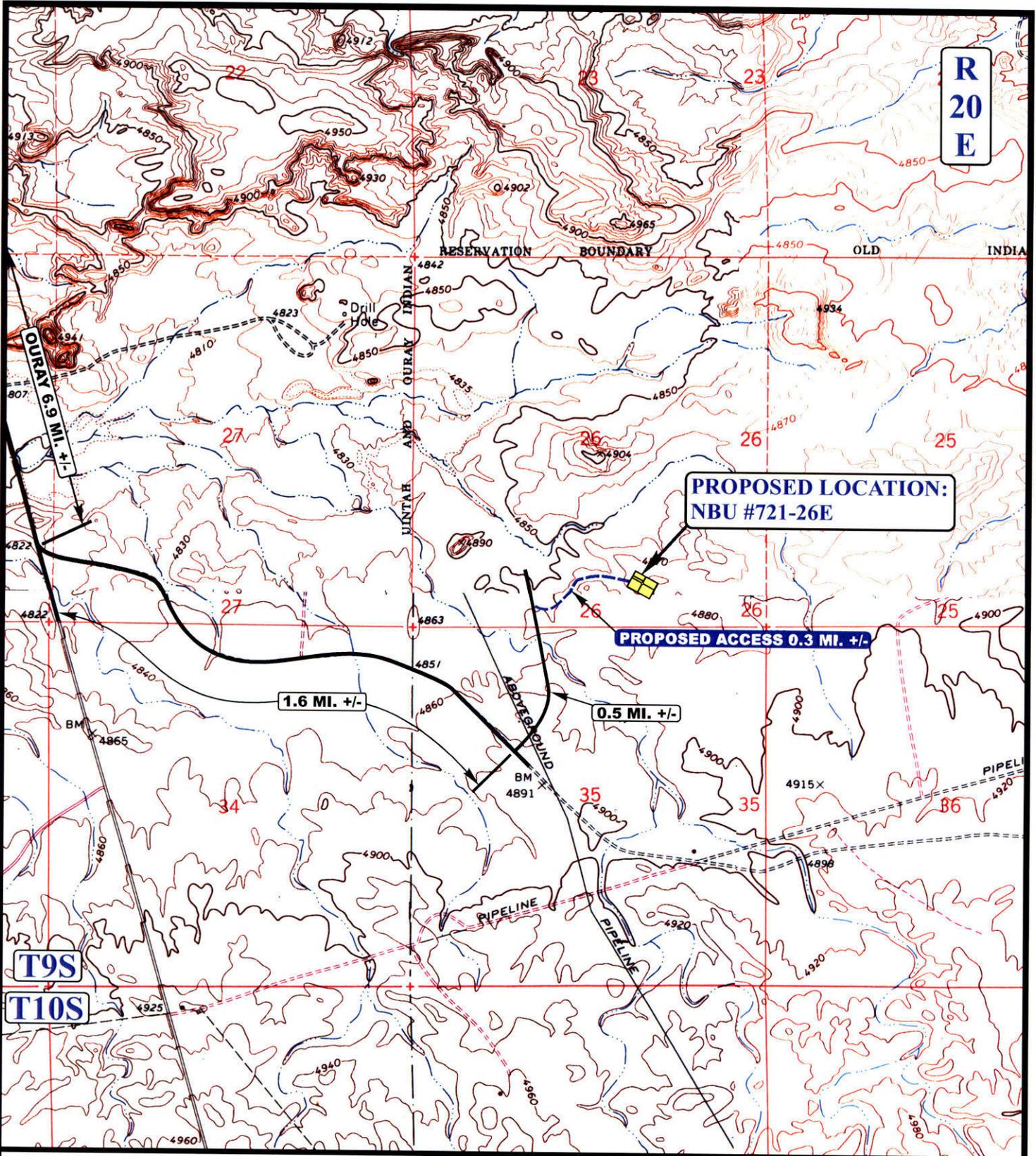
**EOG RESOURCES, INC.**

**NBU #721-26E**  
**SECTION 26, T9S, R20E, S.L.B.&M.**  
**624' FSL 1828' FEL**

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

**TOPOGRAPHIC MAP**  
 MONTH: 04 DAY: 08 YEAR: 08  
 SCALE: 1:100,000 DRAWN BY: C.N. REVISED: 00-00-00





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



**EOG RESOURCES, INC.**

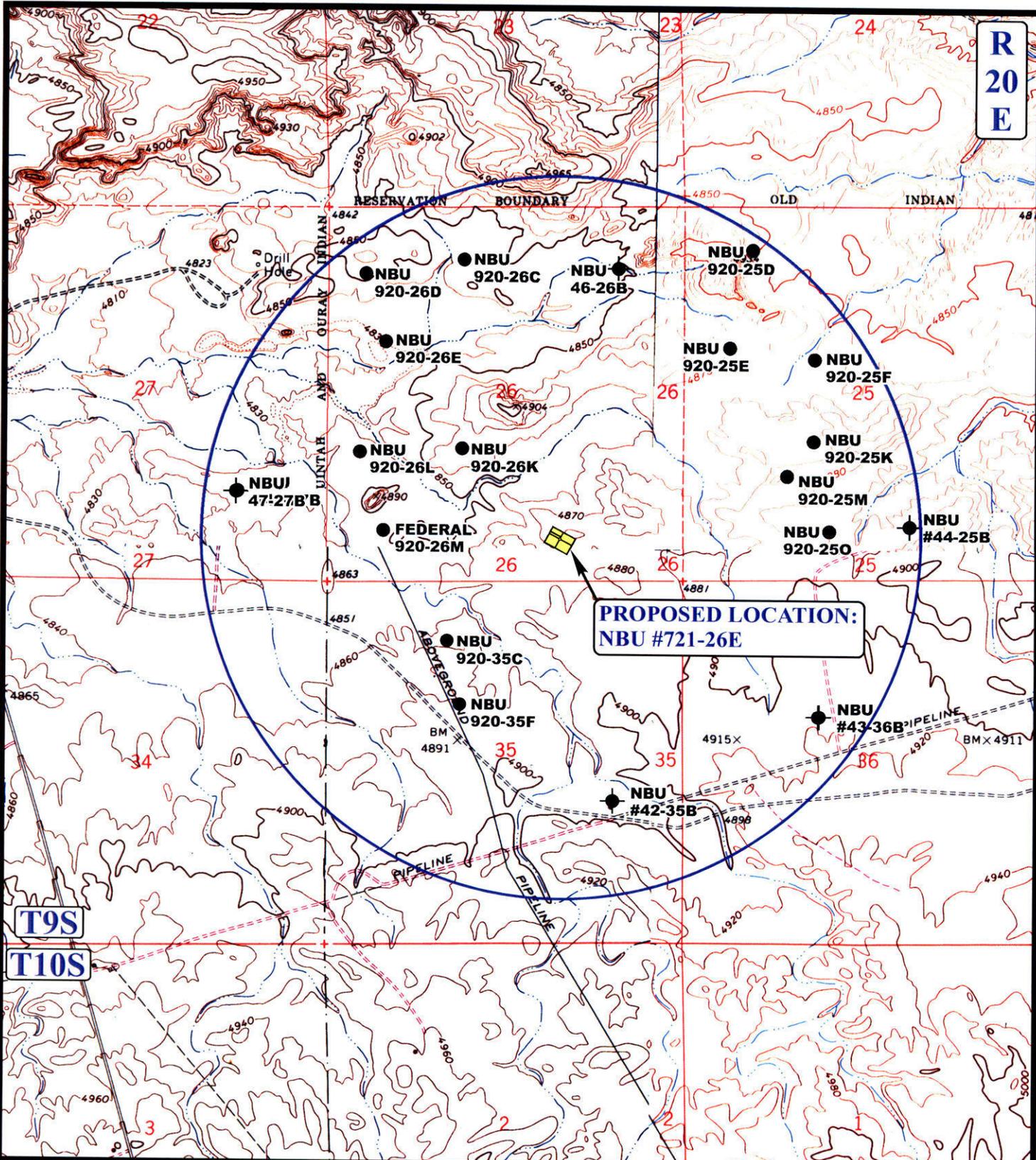
**NBU #721-26E**  
**SECTION 26, T9S, R20E, S.L.B.&M.**  
**624' FSL 1828' FEL**



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

<b>TOPOGRAPHIC</b>	<b>04</b>	<b>08</b>	<b>08</b>
<b>MAP</b>	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: C.N.		REVISED: 00-00-00





**R  
20  
E**

**PROPOSED LOCATION:  
NBU #721-26E**

**LEGEND:**

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

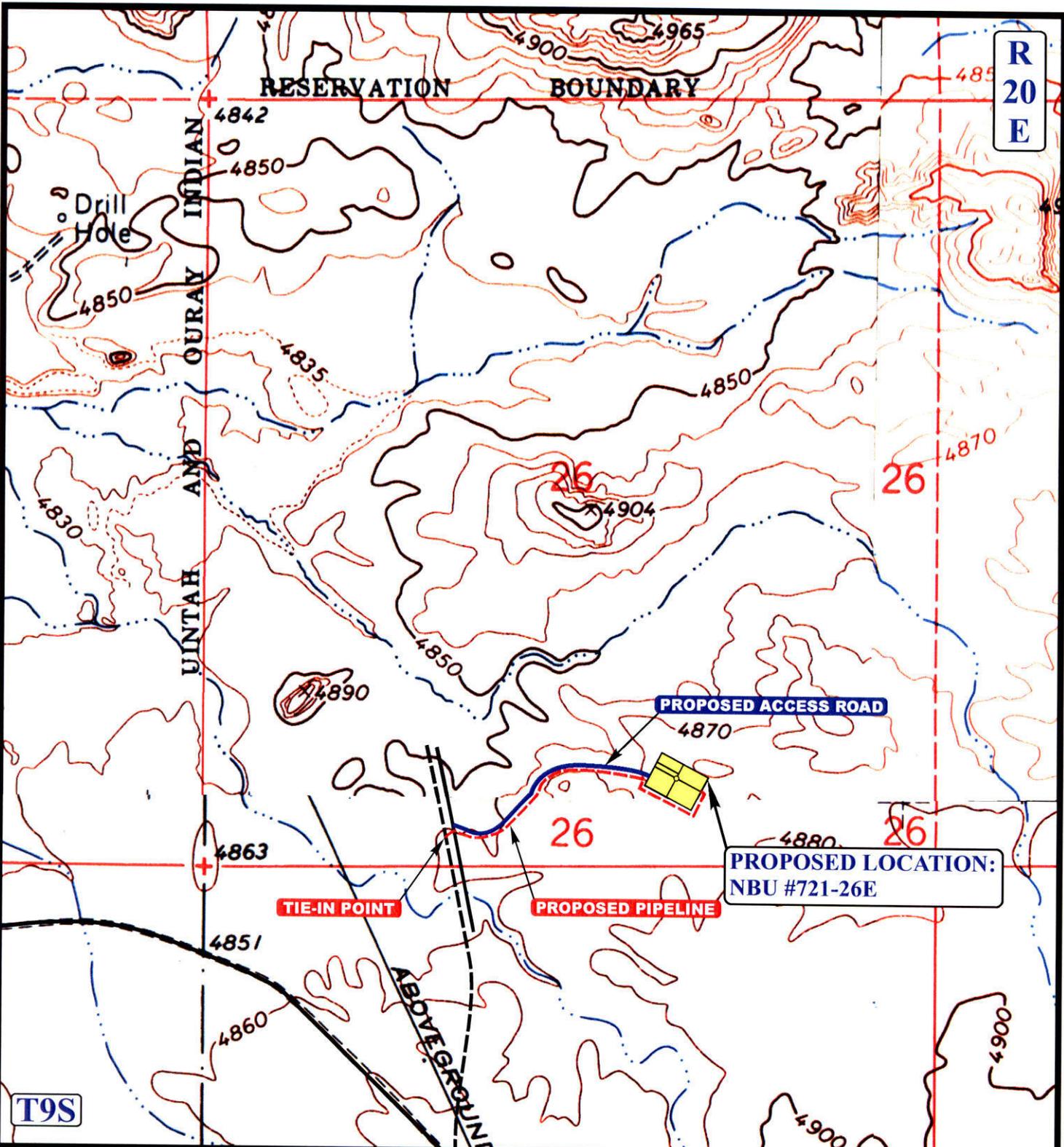
**EOG RESOURCES, INC.**

**NBU #721-26E  
SECTION 26, T9S, R20E, S.L.B.&M.  
624' FSL 1828' FEL**

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

**TOPOGRAPHIC MAP** **04 08 08**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.N. REVISED: 00-00-00

**C  
TOPO**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 2,390' +/-**

**LEGEND:**

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



**EOG RESOURCES, INC.**

**NBU #721-26E**  
**SECTION 26, T9S, R20E, S.L.B.&M.**  
**624' FSL 1828' FEL**



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

**TOPOGRAPHIC MAP** **04 08 08**  
MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.N. REVISED: 00-00-00





***Natural Buttes Unit 721-26E  
SWSE, Section 26, T9S, R20E  
Uintah County, Utah***

***SURFACE USE PLAN***

The well pad is approximately 375 feet long with a 261-foot width, containing 2.25 acres more or less. The well access road is approximately 1584 feet long with a 30-foot right-of-way, disturbing approximately 1.09 acres. New surface disturbance associated with the well pad and access road is estimated to be 3.34 acres. The pipeline is approximately 2390 feet long with a 40-foot temporary right-of-way and an 8 foot permanent right-of-way disturbing approximately 0.44 acres.

***1. EXISTING ROADS:***

- A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 40.3 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

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

- A. The access road will be approximately 1584' in length, Culvert's if necessary. See attached Topo B.
- B. The access road has a 30-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 30-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 30-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 30-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 and pipeline are location within Federal Unit UTU0577A

### **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 2390' x 8'. The proposed pipeline leaves the eastern edge of the well pad (Lease UTU0577A) proceeding in a westerly direction for an approximate distance of 2390' to Section 26, T9S, R20E (Lease UTU0577A) tying into an existing pipeline in the SESW of Section 26, T9S, R20E (Lease UTU0577A). 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 8-foot permanent pipeline right-of-way is requested. A 40-foot temporary pipeline right-of-way for construction purposes is requested, the temporary right-of-way will be utilized for a 10-day period.
7. The proposed pipeline route begins in the SWSE of Section 26, Township 9S, Range 20E, proceeding westerly for an approximate distance of 2390' to the SESW of Section 26, Township 9S, Range 20E.
8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

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

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

- A. Water supply will be 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, Coyote 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 pit topsoil (first six inches) will be stored separate from the location topsoil north of corner #5. 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.

**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)**

**NATURAL BUTTES UNIT 721-26E**  
**Surface Use Plan**

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.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
HyCrest Wheatgrass	5.0
Shadscale	4.0

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

**B. Dry Hole/Abandoned Location**

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

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Gardner Saltbush	4.0
Shadscale	4.0
HyCrest Wheatgrass	4.0

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

**11. SURFACE OWNERSHIP:**

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

**Bureau of Land Management****12. OTHER INFORMATION:**

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

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

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

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

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

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

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

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

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants, MOAC Report No. 08-127 on August 9, 2008. A paleontological survey was conducted and submitted by Intermountain Paleo, IPC Report No. 08-100 on July 9, 2008.

**Additional Surface Stipulations:**

None

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

**PERMITTING AGENT**

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:**

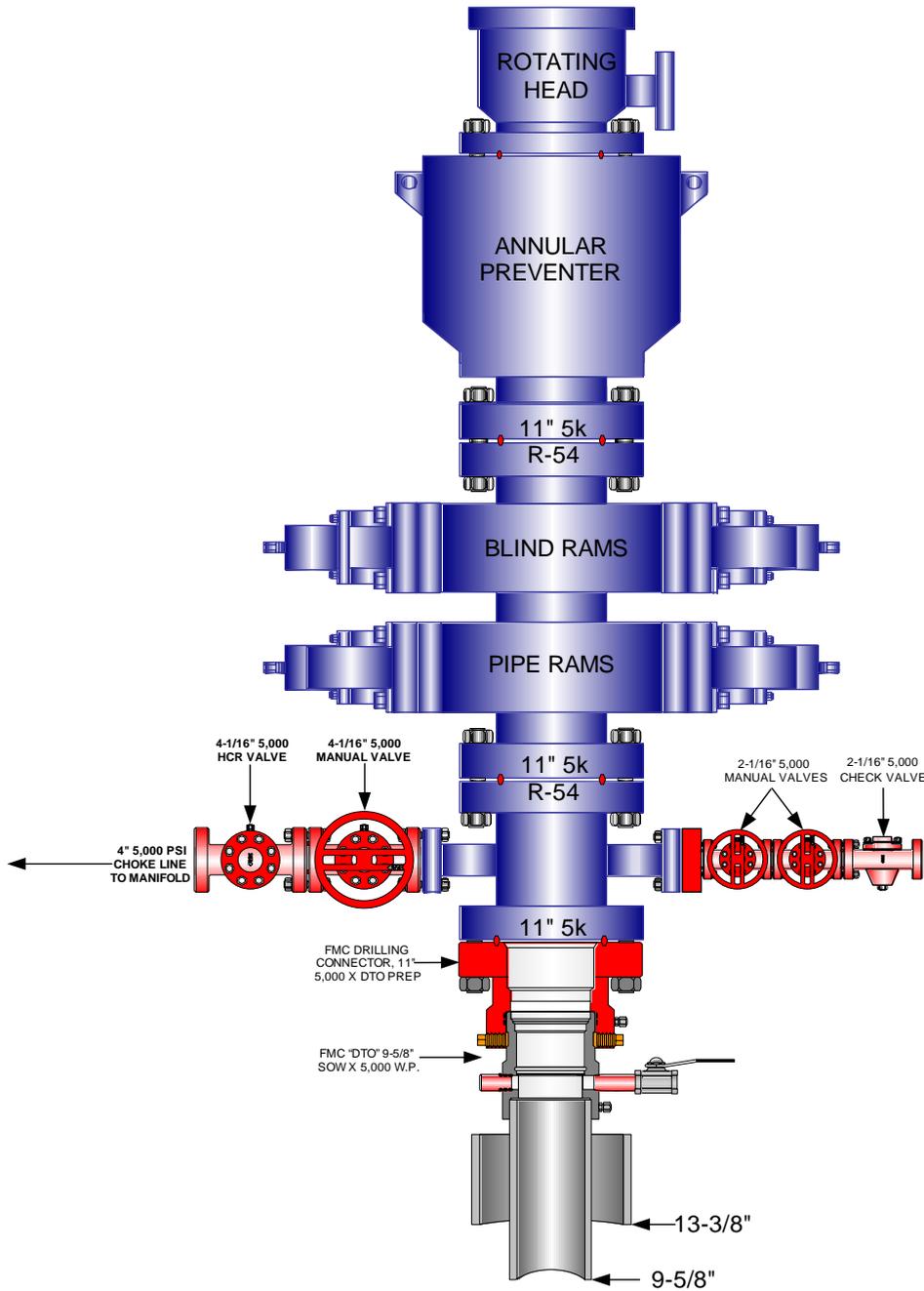
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated 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 Natural Buttes Unit 721-26E Well, located in the SWSE, of Section 26, T9S, R20E, 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.

September 11, 2008  
Date

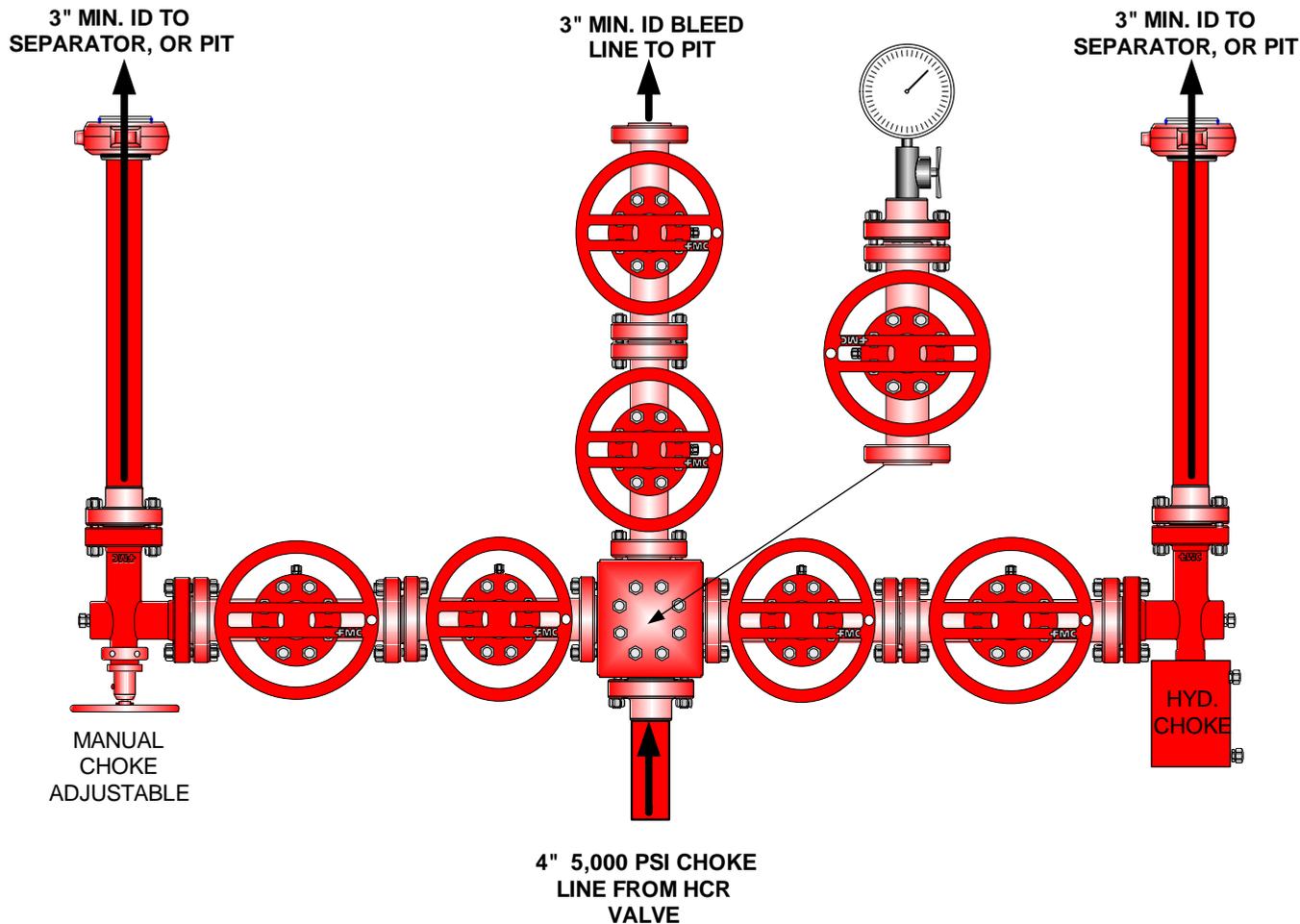
\_\_\_\_\_  
Regulatory Administrator

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



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

PAGE 2 OF 2



**Testing Procedure:**

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



# WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 9/11/2008

**API NO. ASSIGNED:** 43047501150000

**WELL NAME:** NBU 721-26E

**OPERATOR:** EOG Resources, Inc. (N9550)

**PHONE NUMBER:** 435 781-9111

**CONTACT:** Kaylene Gardner

**PROPOSED LOCATION:** SWSE 26 090S 200E

**Permit Tech Review:**

**SURFACE:** 0624 FSL 1828 FEL

**Engineering Review:**

**BOTTOM:** 0624 FSL 1828 FEL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.00035

**LONGITUDE:** -109.62995

**UTM SURF EASTINGS:** 616951.00

**NORTHINGS:** 4428485.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU0577A

**PROPOSED FORMATION:** NHORN

**SURFACE OWNER:** 1 - Federal

**COALBED METHANE:** NO

## RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** FEDERAL - NM2308
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** 49-225
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

## LOCATION AND SITING:

- R649-2-3.**
- Unit:** NATURAL BUTTES
- R649-3-2. General**
- R649-3-3. Exception**
- Drilling Unit**
- Board Cause No:** 173-14
- Effective Date:** 12/2/1999
- Siting:** 460' fr u bdry & uncomm. tract
- R649-3-11. Directional Drill**

**Comments:** Presite Completed

**Stipulations:** 4 - Federal Approval - dmason  
17 - Oil Shale 190-5(b) - dmason



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*

### Permit To Drill

\*\*\*\*\*

**Well Name:** NBU 721-26E  
**API Well Number:** 43047501150000  
**Lease Number:** UTU0577A  
**Surface Owner:** FEDERAL  
**Approval Date:** 9/22/2008

**Issued to:**

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

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of CAUSE: 173-14.

**Duration:**

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

**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.

**Conditions of Approval:**

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

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

**Notification Requirements:**

Notify the Division with 24 hours of spudding the well.

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

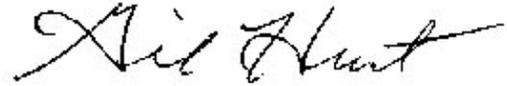
Notify the Division prior to commencing operations to plug and abandon the well.

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

**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.

**Approved By:**

A handwritten signature in black ink, appearing to read "Gil Hunt". The signature is written in a cursive style with a long, sweeping tail on the letter "t".

Gil Hunt  
Associate Director, Oil & Gas

<p><b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p><b>FORM 9</b></p>
<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>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.</p>	<p><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU0577A</p>
<p><b>1. TYPE OF WELL</b> Gas Well</p>	<p><b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b></p>
<p><b>2. NAME OF OPERATOR:</b> EOG Resources, Inc.</p>	<p><b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES</p>
<p><b>3. ADDRESS OF OPERATOR:</b> 1060 East Highway 40 , Vernal, UT, 84078</p>	<p><b>8. WELL NAME and NUMBER:</b> NBU 721-26E</p>
<p><b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 0624 FSL 1828 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 26 Township: 09.0S Range: 20.0E Meridian: S</p>	<p><b>9. API NUMBER:</b> 43047501150000</p>
<p><b>PHONE NUMBER:</b> 435 781-9111 Ext</p>	<p><b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES</p>
	<p><b>COUNTY:</b> UINTAH</p>
	<p><b>STATE:</b> UTAH</p>

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

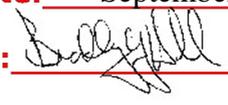
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/16/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date 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:** September 22, 2009

**By:** 

<p><b>NAME (PLEASE PRINT)</b> Mickenzie Thacker</p>	<p><b>PHONE NUMBER</b> 435 781-9145</p>	<p><b>TITLE</b> Operations Clerk</p>
<p><b>SIGNATURE</b> N/A</p>	<p><b>DATE</b> 9/16/2009</p>	



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 43047501150000

API: 43047501150000

Well Name: NBU 721-26E

Location: 0624 FSL 1828 FEL QTR SWSE SEC 26 TWP 090S RNG 200E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 9/22/2008

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: 9/16/2009

Title: Operations Clerk Representing: EOG RESOURCES, INC.

Date: September 22, 2009

By: [Signature]

# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:

3160

UTG011

April 21, 2010

Kathy Schneebeck Dulnoan  
Kerr McGee Oil & Gas Onshore LP  
PO Box 173779  
Denver, CO 80217-3779

43-047-50115

Re: Request to Return APD  
Well No. NBU 721-26E  
SWSE, Sec. 26, T9S, R20E  
Uintah County, Utah  
Lease No. UTU-0577A  
Natural Buttes Unit

Dear Kathy:

The Application for Permit to Drill (APD) for the above referenced well received in this office on September 11, 2008, is being returned unapproved per your request to this office in an email message to Natural Resource Specialist Dave Gordon received on April 12, 2010. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding APD processing, please contact me at (435) 781-4455.

Sincerely,

/s/ Cindy Severson

Cindy Severson  
Land Law Examiner

cc: UDOGM

bcc: Well File  
Reading File  
ES

RECEIVED

MAY 19 2010

DIV. OF OIL, GAS & MINING

<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> UTU0577A
<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 721-26E
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047501150000
<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> 0624 FSL 1828 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 26 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: 9/20/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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: September 28, 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> 9/20/2010	



**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 43047501150000**

**API:** 43047501150000

**Well Name:** NBU 721-26E

**Location:** 0624 FSL 1828 FEL QTR SWSE SEC 26 TWP 090S RNG 200E MER S

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

**Date Original Permit Issued:** 9/22/2008

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:** 9/20/2010

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

**Date:** September 28, 2010

**By:** 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU0577A
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 721-26E	
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047501150000	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0624 FSL 1828 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 26 Township: 09.0S Range: 20.0E Meridian: S	<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 8/22/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>Kerr-McGee Oil &amp; 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.</p>		
		<p><b>Approved by the Utah Division of Oil, Gas and Mining</b></p> <p><b>Date:</b> <u>08/22/2011</u></p> <p><b>By:</b> <u></u></p>
<b>NAME (PLEASE PRINT)</b> Andy Lytle	<b>PHONE NUMBER</b> 720 929-6100	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 8/22/2011	



**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 43047501150000**

**API:** 43047501150000

**Well Name:** NBU 721-26E

**Location:** 0624 FSL 1828 FEL QTR SWSE SEC 26 TWP 090S RNG 200E MER S

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

**Date Original Permit Issued:** 9/22/2008

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

**Signature:** Andy Lytle

**Date:** 8/22/2011

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



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

November 26, 2012

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

Re: APD Rescinded – NBU 721-26E, Sec. 26, T. 9S, R. 20E  
Uintah County, Utah API No. 43-047-50115

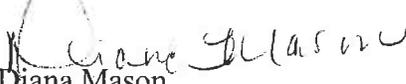
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 22, 2008. On September 22, 2009, September 28, 2010 and August 22, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 26, 2012.

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  
Bureau of Land Management, Vernal