N.M. Oli Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-3

FORM APPROVED

IAII	gust 1999)		3 7.7	1	OMB No. 1004-0136
(2.0	association wi	th the drilling of th	s	ľ	Expires November 30, 2000
	well, an OCD	pit permit must be		5. Lease S	
	per Obtained prior	r to pit construction		NMLC 0636	
	BUI	•		, Allottee or Tribe Name	
		•		0	, Anottee of Tribe Name
	APPLICATION FOR PERMIT TO D	RILL OR REENTER			
1a.	Type of Work: X DRILL RE	ENTER		7. If Unit o	r CA Agreement, Name and No.
				8. Lease N	ame and Well No. 35329
1b.	Type of Well: Oil Well Gas Well Other	Single ZoneMu	tiple Zone	Oatmeal 8 F	ed No.3H
2.	Name of Operator			9. API Well	No.
	EOG Resources, Inc. 7377			30-	015 - 34504
3a.	Address	3b. Phone No. (include are	a code)	10. Field _i ar	nd Pool, or Exploratory
	P.O. Box 2267 Midland, TX 79702	(432) 686-371	4	Sand Tank E	Bone Spring 96832
4.	Location of Well Report location clearly and in accordant SUBJECT TO LIKE APPHOVAL	nce with any State requireme	nts.*)	11. Sec., T.	, R., M., or Blk. And Survey or Area
			_ !	Sec 8 T-18-9	S, R-30-E
	At surface 480' FNL & 660 ' FEL (U/L A)	Secretary's	Potes		
	At proposed prod. Zone 330' FSL & 660' FEL (U/LP)	`		
14.	Distance in miles and direction from nearest town or pos	st office,*		12. County	or Parish 13. State
<u>4 Mi</u>	NW from Artesia NM			Eddy	NM .
15.	Distance from proposed*	16. No. of Acres in lease		-	ited to this well
	location to nearest 330	960	160 E/2E	/2	RECEIVED
	property or lease line, ft.				DECEIVED
	(Also to nearest drig. Unit line, if any)		1 1		050 - 0 -000
					11-1 27 7005
18.	Distance from proposed location*	19. Proposed Depth		BIA Bond No.	
18.	Distance from proposed location* to nearest well, drilling, completed na	TVD 8125'	20. BLM/ NM2308	BIA Bond No.	on file DEC 1 9 2005
	Distance from proposed location* to nearest well, drilling, completed na applied for, on this lease, ft.	TVD 8125' TMD 11,046'	NM2308		900-A4TE9(
21.	Distance from proposed location* to nearest well, drilling, completed na applied for, on this lease, ft. Elevations (Show whether DF, KDB, RT, GL, etc)	TVD 8125' TMD 11,046' 22. Approximate date work	NM2308	23. Estimat	900-A4TE9(
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*(Instructions on reverse)

Capitan Controlled Water Back

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisidiction.

WITHERS , 1134" CSG CEMENT JOB ATTACHED

APPROVAL SUBJECT TO General requirements and DISTRICT I 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102 Revised August 15, 2000

DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210 Energy, Minerals, and Natural Resources Department OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 1220 South St. Francis Dr.

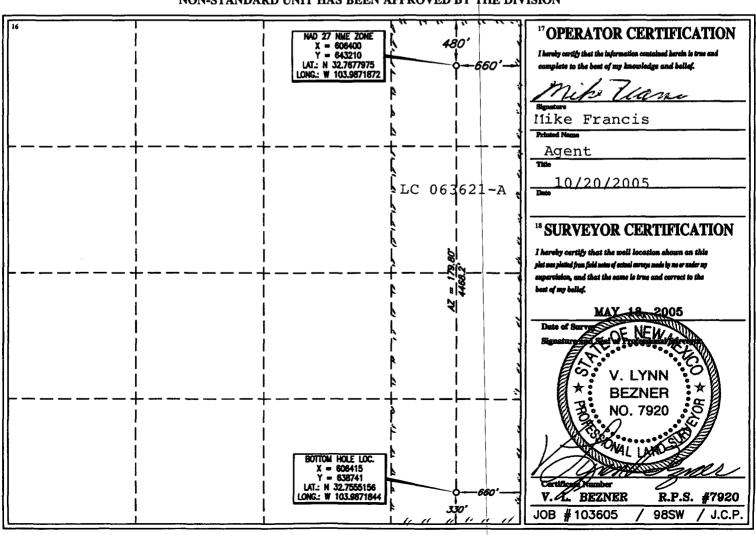
Fee Lease - 3 copies

DISTRICT IV

Santa Fe, New Mexico 87505

1220 S. St. Fra	ncis Di	,, Santa	Fe, NM 8	7505								AMENDE	D REPORT	
			WI	ELL	LOC	ATION .	AND A	CREAGE	DEI	DICATIO	ON PLAT			
1 API Number 2 Pool Code								3 Po	ol Name					
					96	832	Sand Tank Bone Spring							
4 Property	Code		-					erty Name				⁶ Well Nu		
<u></u>						0.4	OATMEAL "8" FED					3F	3H	
7OGRID							-	ator Name				9 Elevat	ion	
73	77		_	EOG RESOURCES, INC.					3526'					
						10	Surface	Location						
UL or lot no.	Section	To	ownship		Ran	ge	Lot Idn	Feet from the	No	orth/South line	Feet from the	East/West line	County	
A	8	18	SOUTH	30	EAST,	N.M.P.M.	L	480'		NORTH	660'	EAST	EDDY	
				11	Botto	m Hole Lo	cation I	f Different Fi	rom S	Surface				
UL or lot no.	Section	To	ownship		Ran	ge	Lot Idn	Feet from the	North	/South line	Feet from the	East/West line	County	
P	8	18	SOUTH	30	EAST,	N.M.P.M.	ļ !	330'	İ	SOUTH	660'	EAST	EDDY	
12 Dedicated Acre	12 Dedicated Acres 13 Jo		Infill	14 Cc	nsolidatio	n Code	¹⁵ Order N	0.						
160														

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-144 March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration of	r Closure
Is pit or below-grade tank covered by a "general plan"?	

Type of action: Registration of a pit	or below-grade tank 🔼 Closure of a pit or below-	grade tank
Operator: EOG Resources, Inc.	432 686-3714 Telephone:	mike_francis@ e-mail address:e-gresources.com
Address: P.O. Box 2267 Midland Tx. 7	9702	
Facility or well name: October 8 Fed Com 3 H	U/L or Qtr/Qtr A Sec 8 T	18 R30
County: Eddy Latitude 32. 7677975 Longitude 103		
Pit	Below-grade tank	
Type: Drilling Production Disposal	Volume:bbl Type of fluid:	
Workover Emergency	Construction material:	<u></u>
Lined Unlined	Double-walled, with leak detection? Yes If	not, explain why not.
Liner type: Synthetic Thickness 12 mil Clay Volume		RECEIVE C
<u>7000</u> ьы		HEURIVE'
Dod a serial distance from house of six a serial high	Less than 50 feet	(20 points) NOV 1 0 2005
Depth to ground water (vertical distance from bottom of pit to seasonal high	50 feet or more, but less than 100 feet	(10 points) OCU-AFITEDIA
water elevation of ground water.)	100 feet or more	(0 points)
	Yes	(20 points)
Wellhead protection area: (Less than 200 feet from a private domestic	NO	(0 points)
water source, or less than 1000 feet from all other water sources.)		(o points)
Distance to distance suction (horizontal distance to all sustance all sustances	Less than 200 feet	(20 points)
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(O points)
	Ranking Score (Total Points)	
If this is a pit closure: (1) attach a diagram of the facility showing the pit's	relationship to other equipment and tanks. (2) Indi	cate disposal location:
onsite offsite If offsite, name of facility	(3) Attach a general description of remedial ac	ction taken including remediation start date and end
date. (4) Groundwater encountered: No 🗌 Yes 🔲 If yes, show depth below		
diagram of sample locations and excavations.		
I hereby certify that the information above is true and complete to the best of r been/will be constructed or closed according to NMOCD guidelines at a Date: 11/9/05	general permit 🔲, or an (attached) alternative (e above-described pit or below-grade tank has OCD-approved plan .
Printed Name/Title Mike Francis	Signature Mile I Carre	
Your certification and NMOCD approval of this application/closure does not reotherwise endanger public health or the environment. Nor does it relieve the oregulations.	elieve the operator of liability should the contents of	of the pit or tank contaminate ground water or y other federal, state, or local laws and/or
Approval: NUV 1 2000 Field Supervisor	$\wedge 00$	
Date:		
Printed Name/Title	Signature	

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	500'
San Andres	3400'
!st Bone Spring	7600'
2 nd Bone Spring	8150
TD	8500

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands	Above 250'	Fresh Water
Grayburg/San Andres	3000'	Oil
!st Bone Spring	7600	Oil
2 nd Bone Spring	8150	Oil

CASING PROGRAM

Hole Size	<u>Interval</u>	OD Casing	Weight Grade Jt. Cond. Type
14 3/4	0-650'	11 3/4"	42# H-40 ST&C
11"	0-3400'	8 5/8"	32# J-\$5 LT&C
7 7/8'	0-11,046'	5 ½'	17# N\$0/S95 LT&C

Cementing Program:

Cement to surface with 150 sx Prem Plus, 3% 11 3/4" Surface Casing:

Econolite, 2% Calcium Chloride, 0.25#/sx Flocele,

150 sx Prem Plus, 2% Calcium Chloride

8 5/8" Intermediate: Cement to surface with 500 sx Interfill C, .25#/sx

flocele, 200 sx Premium Plus, 1% Calcium Chloride

5 ½" Production: Cement w/450 sx Interfill C, + ½ pps Flocele,

> 300sx Premium cement +100% Acid Soluble Additive +.6%Halad-344 +.8% Econlite +.2% HR-

55. This is designed to bring TOC to 3000'.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000-psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. EOG request authorization to use a 2M system, providing for an annular preventer to be used prior to the surface casing shoe and while drilling the intermediate section. Before drilling out of 1st intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/1000 psi and the annular to 3500/5000-psig pressure.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

		Wt Viscos	sity Water	oss
<u>Depth</u>	Type	(PPG)	(sec)	<u>(cc)</u>
0-650'	Fresh Water /Gel	8.6-8.8	28-34	N.C.
650'-3400'	Brine Water	10.0 - 10.2	28-34	N.C.
3400'- TD	Cut Brine + Polymer/KCI	8.9 – 9.6	34-40	10-25

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) A mud logging unit complete with H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 5000' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

Electric logging will consist of GR-Dual Induction Focused and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron run from intermediate casing to surface and optional Sonic from TD to Intermediate casing.

Possible sidewall cores based on shows.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 3500 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately one month. If the well is productive, an additional 30-60 days will be required for completion and testing before a decision is made to install permanent facilities.

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #2

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

694' of new road is required. Exhibit #2a.

No turnouts necessary.

No culverts, low-water crossings are necessary. One cattle guard and gate will be necessary

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. LOCATION OF EXISTING WELLS:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Fresh water and brine water for drilling will come from commercial sources and transported to the well site over the roads as shown on Exhibit #2.

6. PLANS FOR RESTORATION OF THE SURFACE:

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the well pad removed to promote vegetation and disposal of human waste will be complied with. Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built.

WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad.

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

OTHER INFORMATION:

The area around the well site is grassland and the topsoil is duned and sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

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 presently 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 sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Craig Young Drilling Manager

Date 8/16/2005

EOG RESOURCES, INC. Oatmeal 8 Fed Com No.3H

ATTACHMENT TO EXHIBIT #1

- 1. Wear ring to be properly installed in head.
- 2. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum. Exhibit #1.
- 3. All fittings to be flanged
- 4. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.
- 5. All choke and fill lines to be securely anchored especially ends of choke lines.
- 6. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 7. Kelly cock on kelly.
- 8. Extension wrenches and hand wheels to be properly installed.
- 9. Blow out preventer control to be located as close to driller's position as feasible.
- 10. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

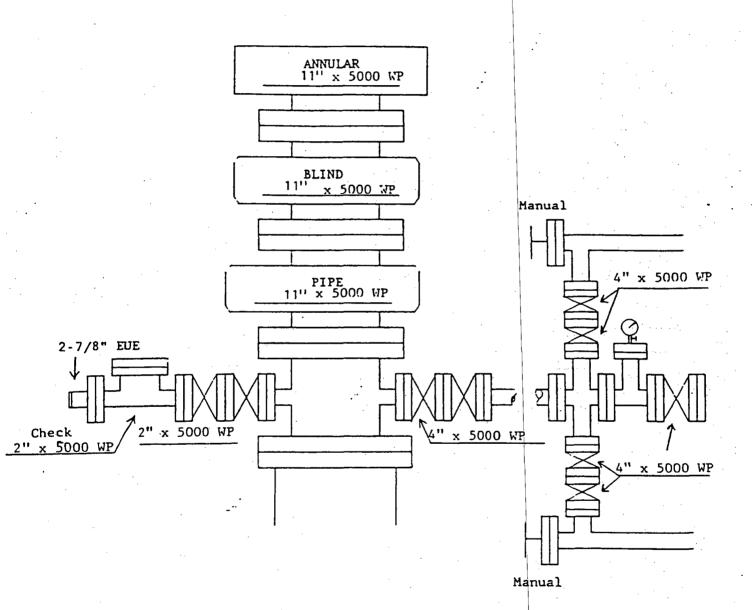
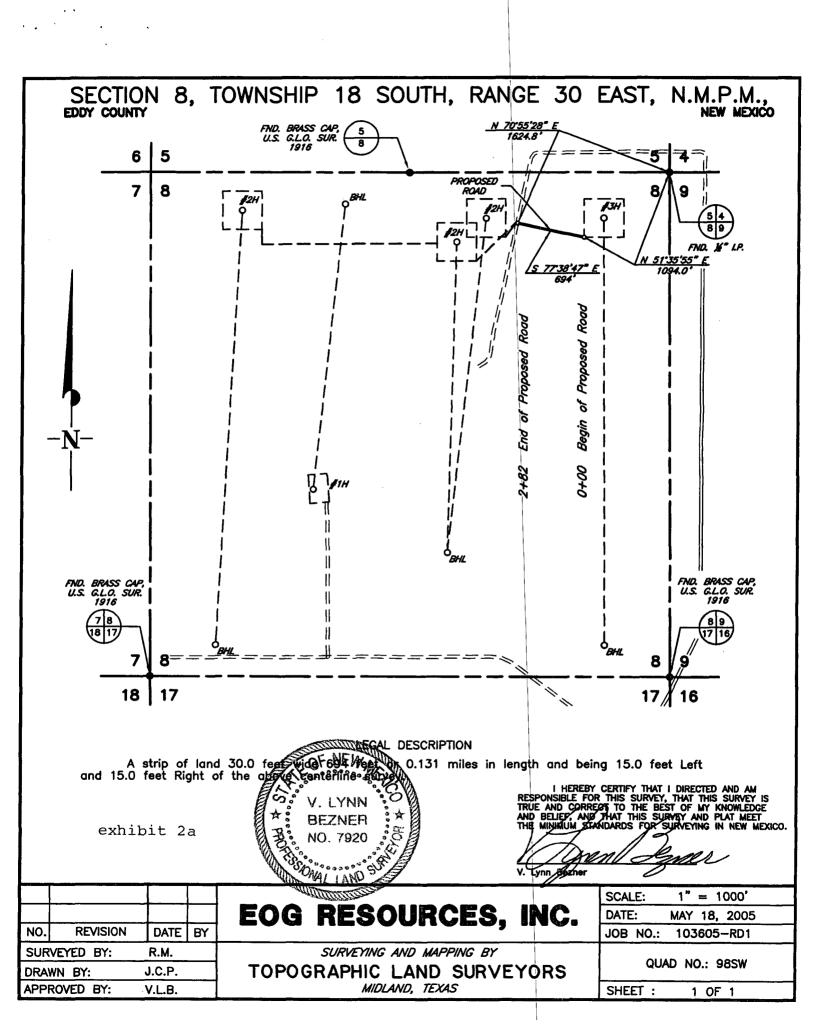


Exhibit 1



CONDITIONS OF APPROVAL - DRILLING

Well Name & No.

3H - OATMEAL 8 FEDERAL COM

Operator's Name:

EOG RESOURCES, INC.

Location:

480' FNL & 660' FEL – SEC 8 – T18S – R30E - EDDY COUNTY (SHL)

330' FSL & 660' FEL - SEC 8 - T18S - R30E - EDDY COUNTY (BHL)

Lease:

LC-063621A

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

- B. Cementing casing: 11-3/4 inch 8-5/8 inch 5-1/2 inch
- C. BOP tests
- 2 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
- 5. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.
- 6. Gamma-Ray/Neutron logs shall be run from the base of the Salado Formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

- 1. The 11-3/4 inch surface casing shall be set at 360 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the <u>8-5/8</u> inch salt protection casing is <u>cement shall be</u> <u>circulated to the surface.</u>
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.

III. PRESSURE CONTROL:

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the <u>11-3/4</u> inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) for the surface and intermediate casing shall be <u>2000</u> psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) below the <u>8-5/8</u> inch casing shall be <u>3000</u> psi.
- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.