Form 3160-3
(February 2005)

OCD-ARTESIA ATS-08-114

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RESUBMITTAL

APPLICATION FOR PERMIT TO DRILL OR REENTER

85

DEC 4 2007
OCD-ARTESIA

5 Lease Serial No. NMLC 047269-A	S
6. If Indian, Allotee or Tribe Name	
7 If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. Sand Tank 7 Fed 3H	
9. API Well No. 30-015-35956	
10. Field and Pool, or Exploratory Sand Tank; Bone Spring	
11. Sec., T. R. M. or Blk. and Survey or Area Section 7, T18S-R30E, N.M.P.M.	
12 County or Parish Eddy	13 State NM

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator: EOG Resources, Inc.

3a. Address: P.O. Box 2267 Midland, TX 79702

3b. Phone No. (include area code): 432-686-3642

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface: 330' FNL & 510' FWL (U/L D)
At proposed prod. zone: 330' FSL & 660' FWL (U/L M)

Capitan Controlled Water Basin

14. Distance in miles and direction from nearest town or post office*: Approx 3.5 miles SSW from Loco Hills, NM

15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any): 330'	16. No. of acres in lease: 160	17. Spacing Unit dedicated to this well: W/2 W/2 of Sec 7, T18S-R30E, N.M.P.M.
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth: 8500' TVD; 12762' TMD	20. BLM/BIA Bond No. on file: NM2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.): GL 3541'	22. Approximate date work will start*: 12/04/2007	23. Estimated duration: 30 days

24. Attachments

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

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

25 Signature: Donny G. Glanton	Name (Printed/Typed): Donny G. Glanton	Date: 10/24/2007

Title: Sr. Lease Operations ROW Representative

Approved by (Signature): /s/ James A. Amos	Name (Printed/Typed): /s/ James A. Amos	Date: NOV 2 4 2007
Title: FOR FIELD MANAGER	Office: CARLSBAD FIELD OFFICE	

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

APPROVAL FOR TWO YEARS

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

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	96832	Sand Tank; Bone Springs

4 Property Code	5 Property Name	6 Well Number
36879	SAND TANK "7" FED	3H

7 OGRID No.	8 Operator Name	9 Elevation
7377	EOG RESOURCES, INC.	3541'

10 Surface Location

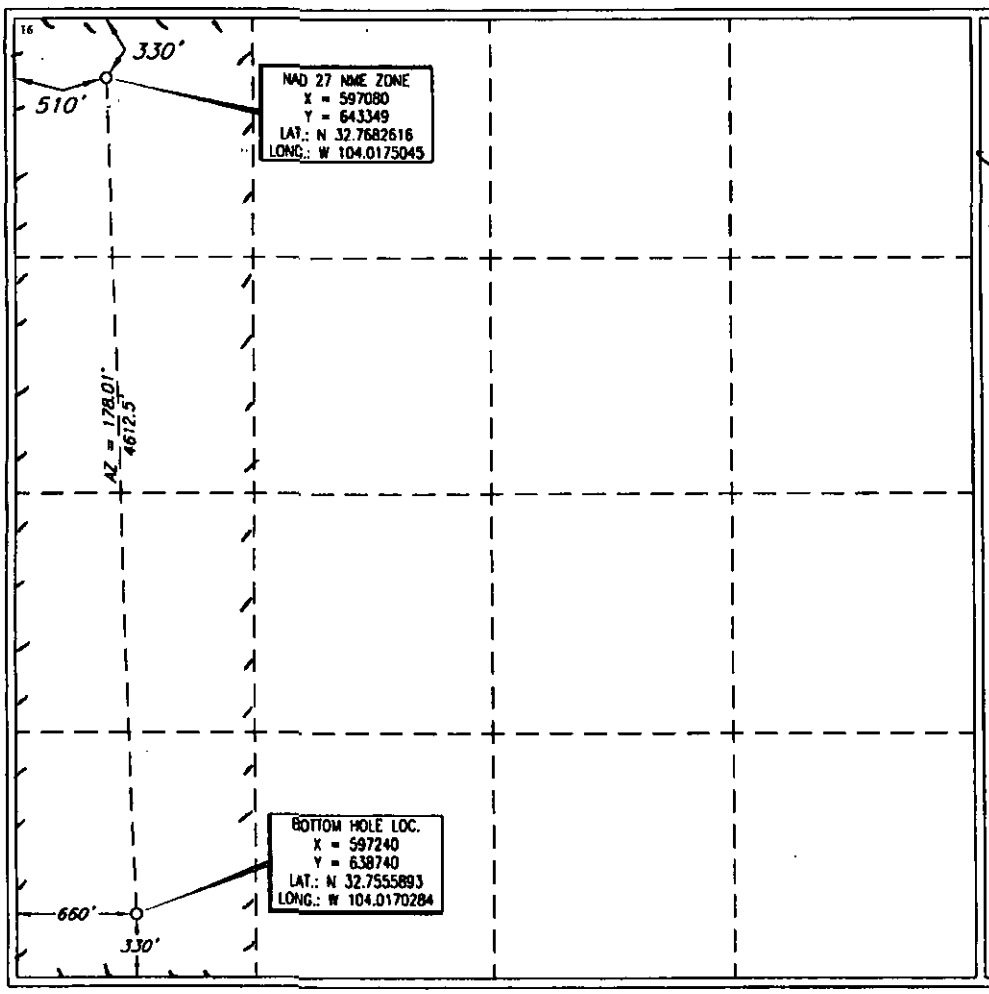
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	7	18 SOUTH	30 EAST, N.M.P.M.		330'	NORTH	510'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	7	18 SOUTH	30 EAST, N.M.P.M.		330'	SOUTH	660'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Donny G. Glanton
Printed Name

Sr. Lease Rep.
Title

10/24/2007
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 18, 2005
Date of Survey

Signature and Seal of Professional Surveyor

V. L. BEZNER — NEW MEXICO — 7920 — LICENSED LAND SURVEYOR

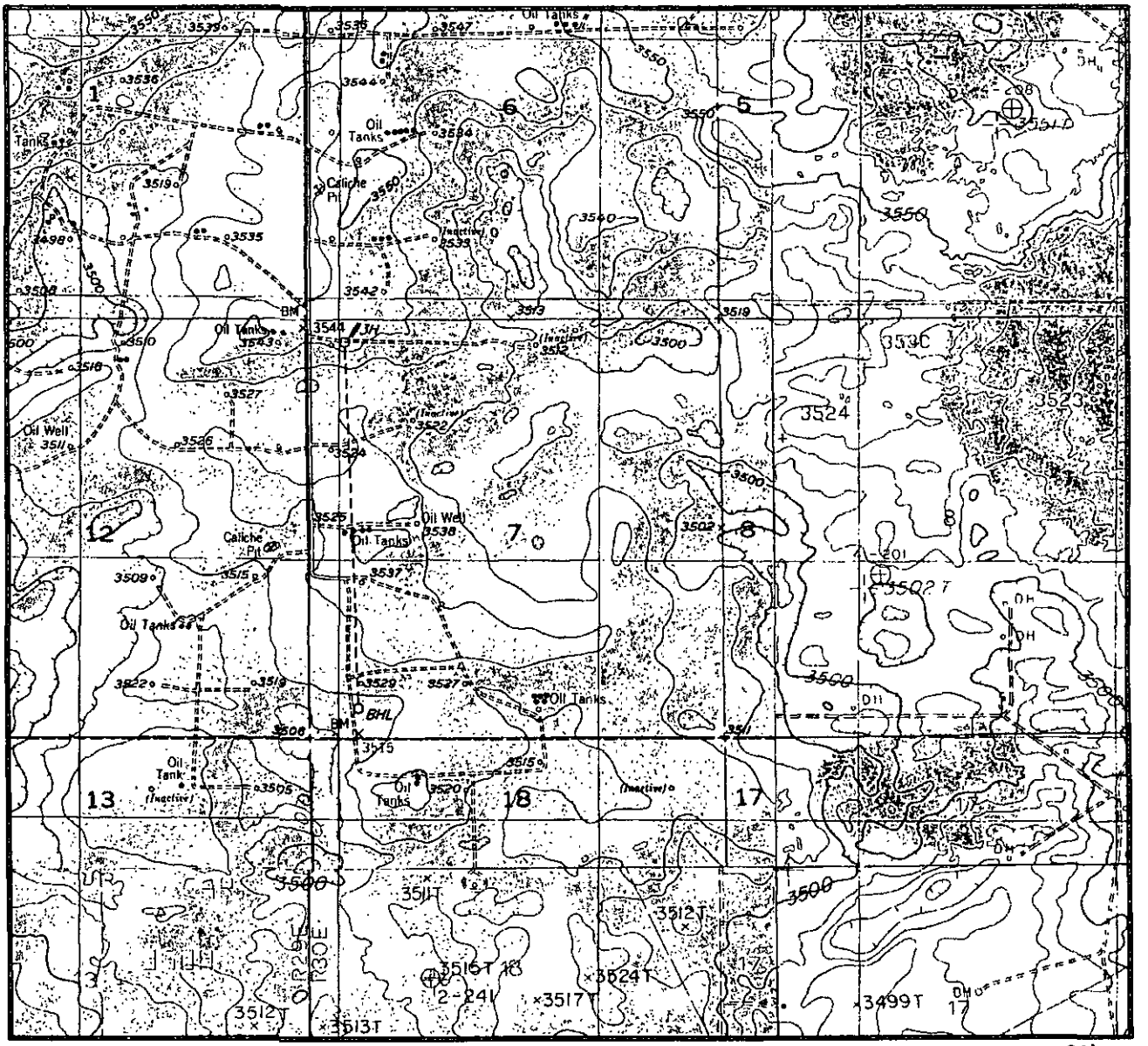
Certificate Number

V. L. BEZNER R.P.S. #7920

JOB # 103603 / 98SW / J.C.P.

Exhibit 2

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 20'

SECTION 7 TWP 18-S RGE 30-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 330' FNL & 510' FWL

ELEVATION 3541'

OPERATOR **EOG RESOURCES, INC.**

LEASE SAND TANK "7" FED #3H

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE SE, NEW MEXICO

SCALED LAT. LAT.: N 32.7682616

LONG. LONG.: W 104.0175045

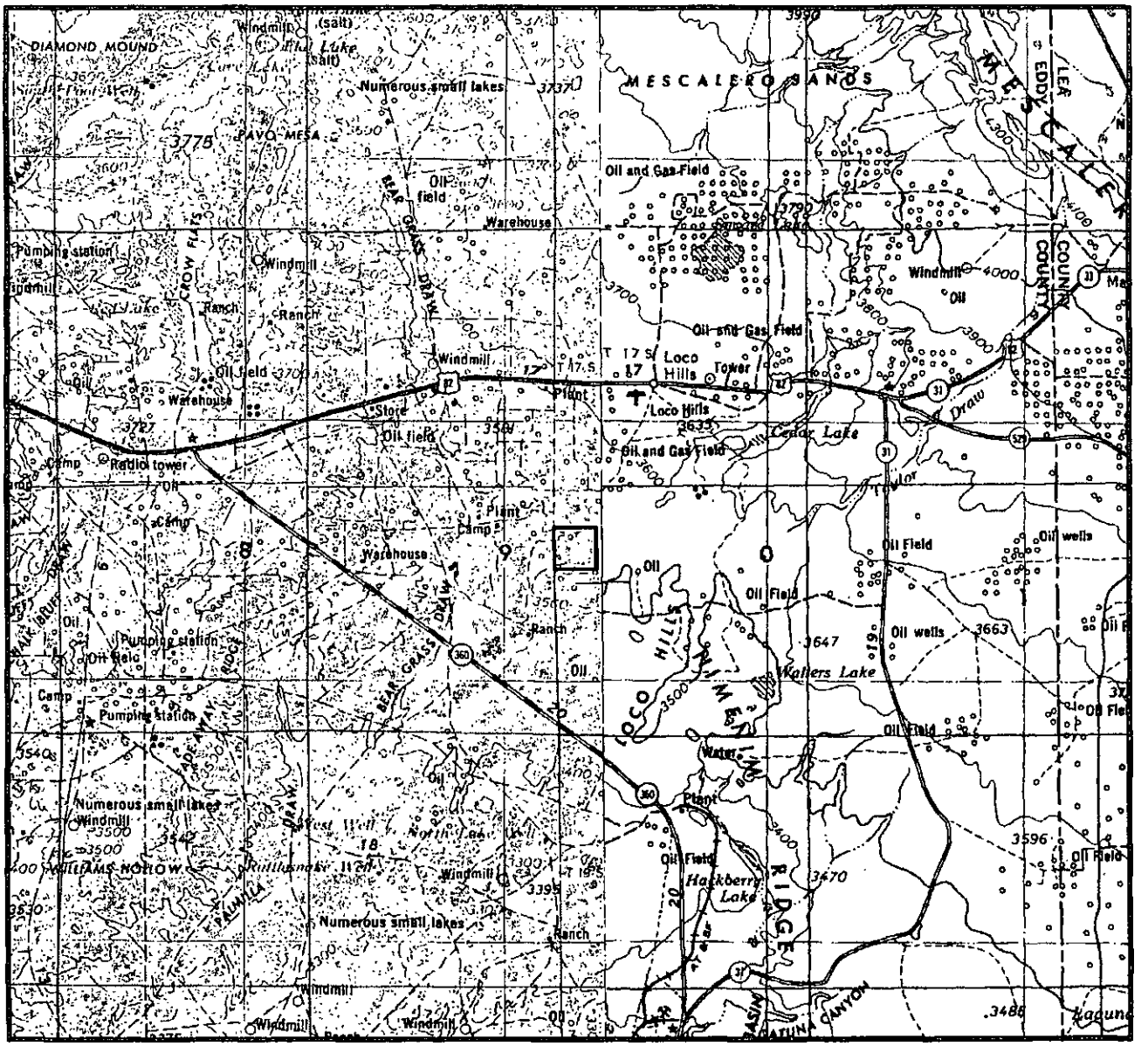
-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

VICINITY MAP



SECTION 7 TWP 18-S RGE 30-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 330' FNL & 510' FEL

OPERATOR **EOG RESOURCES, INC.**

LEASE SAND TANK "7" FED #3H

DISTANCE & DIRECTION FROM JCT. OF HWY. 82 & CO. RD. 216, GO SOUTH 3.4 MILES ON CO. RD. 216 TO A POINT ±650' WEST OF THE LOCATION.

-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

EOG RESOURCES, INC.
SAND TANK 7 FED #3H

DRILLING PROGRAM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	500'
San Andres	3,400'
1st Bone Spring	7,600'
2nd Bone Spring	8,150'
TD	8,500'

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

Upper Permian Sands	0- 250'	Fresh Water
Grayburg/ San Andres	3,000'	Oil
1st Bone Spring	7,600'	Oil
2nd Bone Spring	8,150'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 11.75" casing at 350' and circulating cement back to surface.

4. CASING PROGRAM-NEW

Hole	Interval	OD Csg	Weight	Grade	Conn.	Collapse Design Factor	Burst Design Factor	Tension Design Factor
14.750"	0-350'	11.75"	42#	H-40	ST&C	6.22	1.96	6.29
11.00"	0-3,300'	8.625"	32#	J-55	LT&C	1.74	1.88	4.03
7.875"	0-12,323'	5.5"	17#	N-80	LT&C	1.60	1.33	2.28

see COA

see COA

Cementing Program:

11.75" Surface Casing: Cement to surface, 200 sx Premium Plus C + 0.005 pps Static Free + 2% CaCl2 + 0.25 pps CelloFlake + 0.005 gps FP-6L, 14.8 ppg, 1.35 yield

8.625" Intermediate Casing: Cement to surface, Lead: 500 sx 50:50 Poz C + 0.005 pps Static Free + 5% NaCl + 0.25 pps CelloFlake + 5 pps LCM-1 + 0.005 gps FP-6L + 10% Bentonite, 11.8 ppg, 2.45 yield
Tail: 200 sx Prem Plus C + 0.25 pps CelloFlake + 0.005 FP-6L + 1% $CaCl_2$, 14.8 ppg, 1.34 yield

5.50" Production Casing:	Cement to 2,600', Lead: 600 sx 50:50 Poz C + 0.005 pps Static Free + 5% NaCl + 0.25 pps CelloFlake + 5 pps LCM-1 + 0.005 gps FP-6L + 10% Bentonite, 11.8 ppg, 2.29 yield Tail: 600 sx 50:50 Poz H + 2% Bentonite + 0.005 gps FP-6L + 0.005 pps Static Free + 5% NaCl + 0.1% R-3 + 0.2% CD-32 + 0.3% FL-52A, 14.2 ppg, 1.30 yield

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

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. for a 2M system prior to drilling out of the surface casing shoe and while drilling the intermediate section. Before drilling out of the intermediate casing, the ram- type BOP and accessory equipment will be tested to 5000/ 250 psig and the annulur preventer to 3500/ 250 psig.

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 mud system. The applicable depths and properties of this system are as follows:

Depth	Type	Wt (PPG)	Viscosity (sec)	Waterloss (cc)
0-350'	Fresh – Gel	8.6-8.8	28-34	N/c
350'-3,300'	Brine	10.0-10.2	28-34	N/c
3,300'–7,000'	Fresh water	8.4-8.6	28-34	N/c
7,000'–7,500'	Cut Brine	8.8-9.6	28-34	N/c
7,500'-8,125'	Cut Brine	8.8-9.6	28-34	10-15
7,433'-12,323'	Polymer (Lateral)	8.8-9.6	40-45	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.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Laterlog 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 165 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.
SAND TANK 7 FED #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, 3000 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 3000 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.

EOG Resources, Inc.

Sand Tank 7 Fed 3H

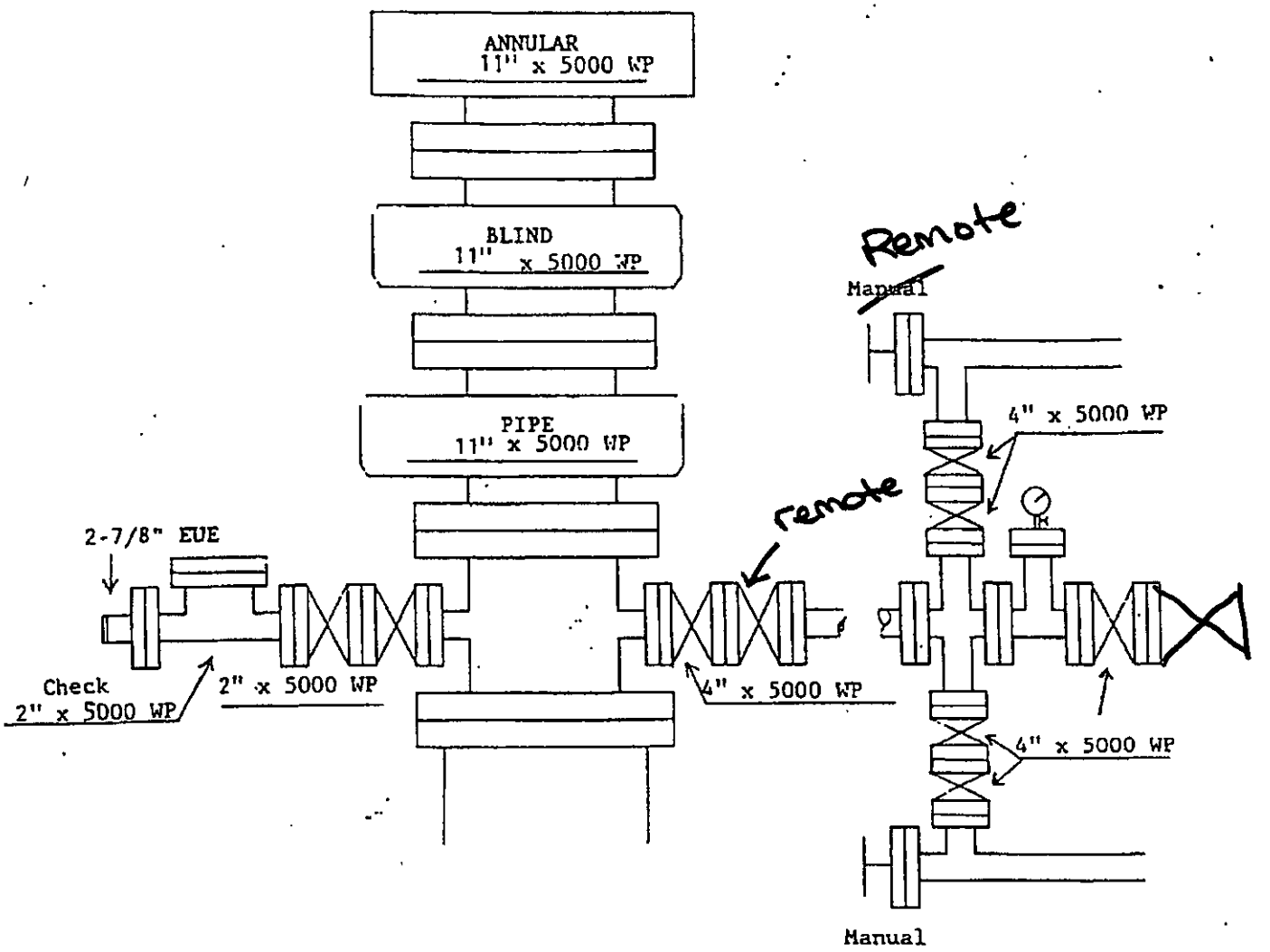


Exhibit 1

Permit Information:

Well Name: Sand Tank 7 Fed #3H

Location:

SL 330' FNL & 510' FWL, Section 7, T-18-S, R-30-E, Eddy Co., N.M.

BHL 330' FSL & 660' FWL, Section 7, T-18-S, R-30-E, Eddy Co., N.M.

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	350'	14-3/4"	11-3/4"	42#	H-40	Surface
Intermediate	3,300'	11"	8-5/8"	32#	J-55	Surface
Production	12,323'	7-7/8"	5 ½"	17#	N-80	2,600'

Cement Program:

Depth	No. Sacks	Slurries:
350'	200	Premium Plus C + 0.005 pps Static Free + 2% CaCl2 + 0.25 pps CelloFlake + 0.005 gps FP-6L
3,300'	500	Lead: 50:50 Poz C + 0.005 pps Static Free + 5% NaCl + 0.25 pps CelloFlake + 5 pps LCM-1 + 0.005 gps FP-6L + 10% Bentonite
	200	Tail: Premium Plus C + 0.005 pps Static Free + 1% CaCl2 + 0.25 pps CelloFlake + 0.005 gps FP-6L
12,323'	600	Lead: 50:50 Poz C + 0.005 pps Static Free + 5% NaCl + 0.25 pps CelloFlake + 5 pps LCM-1 + 0.005 gps FP-6L + 10% Bentonite
	600	Tail: 50:50 Poz H + 2% Bentonite + 0.005 gps FP-6L + 0.005 pps Static Free + 5% NaCl + 0.1% R-3 + 0.2% CD-32 + 0.3% FL-52A

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 350'	Fresh - Gel	8.6-8.8	28-34	N/c
350' – 3,300'	Brine	10.0-10.2	28-34	N/c
3,300' – 7,000'	Fresh Water	8.4 – 8.6	28-34	N/c
7,000' – 7,500'	Cut Brine	8.8-9.6	28-34	N/c
7,500' – 8,125'	Cut Brine	8.8-9.6	28-34	10-15
7,433' – 12,323'	Cut Brine/ Polymer (Lateral)	8.8-9.6	40-45	10-25

EOG RESOURCES INC.

Planning Report

Database:	EDM	Local Co-ordinate Reference:	Well Sand Tank 7 Fed #3H
Company:	EOG - Midland (3)	TVD Reference:	WELL @ 3560 00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	MD Reference:	WELL @ 3560 00ft (Original Well Elev)
Site:	Sand Tank 7 Fed #3H	North Reference:	Grid
Well:	Sand Tank 7 Fed #3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Sand Tank 7 Fed #3H		
Design:	Original Plan		

Project Sand Tank (Bone Spring), Eddy County, NM

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Sand Tank 7 Fed #3H

Site Position:		**Northing:**	643,349.00 ft	**Latitude:**	32° 46' 5.738 N
From:	Map	**Easting:**	597,080.00 ft	**Longitude:**	104° 1' 3.020 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	"	**Grid Convergence:**	0.17 °

Well Sand Tank 7 Fed #3H

Well Position	**+N/-S**	0.00 ft	**Northing:**	643,349.00 ft	**Latitude:**	32° 46' 5.738 N
	+E/-W	0 00 ft	**Easting:**	597,080.00 ft	**Longitude:**	104° 1' 3.020 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	3,541.00 ft

Wellbore Sand Tank 7 Fed #3H

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2000	12/31/2004	8.82	60 86	49,725

Design Original Plan

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0 00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	8,060 00	0.00	0.00	178.01

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0 00	0 00	0.00	0 00	
7,433 00	0 00	0 01	7,433.00	0 00	0.00	0 00	0 00	0.00	0.01	
8,173.75	88.00	178.02	7,915.00	-465.18	16.08	11.88	11 88	0.00	178.02	
8,174.07	88.00	178 01	7,915.01	-465.50	16 09	3.00	-0 90	-2.86	0.00	
12,322.50	88.00	178 01	8,060 00	-4,608 90	160.00	0.00	0.00	0.00	0.00	
12,322 60	88.00	178.01	8,060.00	-4,609.00	160 00	3.00	2 87	-0.87	0.00	BHL (Sand Tank 7

Database:	EDM	Local Co-ordinate Reference:	Well Sand Tank 7 Fed #3H
Company:	EOG - Midland (3)	TVD Reference:	WELL @ 3560.00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	MD Reference:	WELL @ 3560.00ft (Original Well Elev)
Site:	Sand Tank 7 Fed #3H	North Reference:	Grid
Well:	Sand Tank 7 Fed #3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Sand Tank 7 Fed #3H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0 00	0.00	0 00	0.00	0 00	0.00	0.00	0 00	0.00	0.00
100.00	0.00	0 01	100.00	0.00	0 00	0.00	0 00	0.00	0 00
200.00	0.00	0.01	200.00	0 00	0 00	0 00	0 00	0.00	0 00
300 00	0.00	0 01	300.00	0 00	0.00	0.00	0 00	0.00	0.00
400 00	0.00	0.01	400.00	0 00	0 00	0 00	0 00	0.00	0.00
500.00	0.00	0 01	500.00	0.00	0 00	0 00	0.00	0.00	0 00
600.00	0.00	0 01	600.00	0.00	0.00	0.00	0.00	0.00	0 00
700.00	0.00	0.01	700.00	0 00	0.00	0 00	0.00	0 00	0.00
800 00	0.00	0.01	800.00	0 00	0.00	0.00	0 00	0 00	0.00
900.00	0.00	0 01	900.00	0.00	0.00	0 00	0.00	0 00	0 00
1,000 00	0.00	0.01	1,000.00	0.00	0.00	0.00	0.00	0 00	0.00
1,100.00	0.00	0 01	1,100.00	0.00	0.00	0.00	0 00	0 00	0.00
1,200.00	0 00	0.01	1,200.00	0 00	0.00	0.00	0 00	0.00	0 00
1,300.00	0 00	0 01	1,300.00	0.00	0.00	0.00	0 00	0 00	0.00
1,400.00	0 00	0 01	1,400 00	0.00	0.00	0.00	0.00	0.00	0 00
1,500.00	0.00	0.01	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.01	1,600.00	0.00	0.00	0.00	0.00	0.00	0 00
1,700.00	0 00	0.01	1,700.00	0.00	0.00	0.00	0.00	0 00	0.00
1,800.00	0.00	0.01	1,800.00	0 00	0 00	0.00	0.00	0.00	0.00
1,900.00	0 00	0.01	1,900.00	0 00	0.00	0.00	0.00	0.00	0.00
2,000.00	0 00	0.01	2,000.00	0 00	0 00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.01	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.01	2,200.00	0 00	0 00	0.00	0.00	0.00	0.00
2,300.00	0 00	0.01	2,300.00	0.00	0.00	0.00	0 00	0.00	0.00
2,400.00	0.00	0.01	2,400.00	0 00	0.00	0.00	0 00	0 00	0.00
2,500.00	0 00	0.01	2,500.00	0 00	0.00	0.00	0 00	0.00	0.00
2,600.00	0.00	0 01	2,600.00	0.00	0.00	0.00	0.00	0 00	0 00
2,700.00	0 00	0.01	2,700.00	0.00	0.00	0.00	0.00	0 00	0 00
2,800 00	0 00	0.01	2,800.00	0.00	0.00	0 00	0.00	0 00	0.00
2,900.00	0.00	0.01	2,900.00	0 00	0.00	0.00	0 00	0.00	0.00
3,000.00	0.00	0.01	3,000 00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0 00	0.01	3,100 00	0 00	0.00	0.00	0.00	0.00	0 00
3,200.00	0 00	0.01	3,200 00	0 00	0.00	0.00	0.00	0 00	0 00
3,300 00	0 00	0.01	3,300 00	0 00	0.00	0.00	0.00	0 00	0 00
3,400.00	0.00	0.01	3,400 00	0 00	0.00	0.00	0.00	0 00	0 00
3,500 00	0.00	0 01	3,500 00	0 00	0.00	0.00	0.00	0 00	0 00
3,600 00	0.00	0.01	3,600.00	0.00	0 00	0 00	0.00	0.00	0 00
3,700.00	0.00	0 01	3,700.00	0 00	0.00	0.00	0 00	0.00	0.00
3,800 00	0 00	0.01	3,800.00	0 00	0 00	0.00	0.00	0.00	0.00
3,900 00	0.00	0 01	3,900.00	0.00	0 00	0.00	0 00	0.00	0 00
4,000.00	0.00	0.01	4,000.00	0.00	0.00	0 00	0 00	0 00	0.00
4,100.00	0.00	0.01	4,100.00	0.00	0.00	0 00	0.00	0.00	0.00
4,200 00	0.00	0.01	4,200 00	0.00	0.00	0 00	0.00	0.00	0.00
4,300.00	0 00	0.01	4,300 00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0 00	0.01	4,400.00	0 00	0.00	0.00	0.00	0.00	0.00
4,500 00	0.00	0.01	4,500.00	0 00	0.00	0.00	0.00	0.00	0 00
4,600.00	0.00	0.01	4,600.00	0 00	0.00	0.00	0.00	0.00	0 00
4,700 00	0.00	0 01	4,700 00	0 00	0.00	0.00	0.00	0.00	0 00
4,800.00	0.00	0.01	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900 00	0 00	0.01	4,900.00	0.00	0 00	0.00	0.00	0 00	0 00
5,000 00	0.00	0 01	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0 00	0 01	5,100.00	0.00	0.00	0.00	0.00	0.00	0 00
5,200.00	0.00	0.01	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.01	5,300.00	0.00	0.00	0.00	0.00	0 00	0 00

Database:	EDM	Local Co-ordinate Reference:	Well Sand Tank 7 Fed #3H
Company:	EOG - Midland (3)	TVD Reference:	WELL @ 3560.00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	MD Reference:	WELL @ 3560.00ft (Original Well Elev)
Site:	Sand Tank 7 Fed #3H	North Reference:	Grid
Well:	Sand Tank 7 Fed #3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Sand Tank,7 Fed #3H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,400 00	0.00	0 01	5,400.00	0.00	0.00	0.00	0.00	0.00	0 00
5,500.00	0.00	0 01	5,500.00	0.00	0.00	0 00	0.00	0.00	0.00
5,600.00	0.00	0 01	5,600.00	0.00	0 00	0 00	0 00	0 00	0.00
5,700.00	0 00	0.01	5,700.00	0.00	0.00	0 00	0 00	0.00	0.00
5,800.00	0 00	0.01	5,800.00	0 00	0 00	0.00	0.00	0.00	0 00
5,900.00	0.00	0.01	5,900.00	0.00	0.00	0.00	0.00	0.00	0 00
6,000 00	0.00	0.01	6,000 00	0.00	0.00	0.00	0.00	0 00	0.00
6,100 00	0 00	0 01	6,100 00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0 00	0.01	6,200.00	0.00	0.00	0.00	0.00	0.00	0 00
6,300.00	0 00	0 01	6,300.00	0.00	0.00	0.00	0.00	0 00	0.00
6,400.00	0.00	0.01	6,400 00	0.00	0.00	0.00	0.00	0 00	0.00
6,500.00	0.00	0.01	6,500.00	0 00	0 00	0.00	0.00	0.00	0.00
6,600.00	0.00	0.01	6,600.00	0 00	0 00	0.00	0.00	0 00	0.00
6,700.00	0.00	0.01	6,700.00	0.00	0 00	0 00	0.00	0.00	0 00
6,800.00	0.00	0 01	6,800.00	0.00	0.00	0 00	0 00	0.00	0 00
6,900.00	0.00	0.01	6,900.00	0 00	0.00	0.00	0 00	0.00	0.00
7,000.00	0.00	0.01	7,000.00	0.00	0.00	0.00	0 00	0.00	0.00
7,100 00	0.00	0.01	7,100.00	0.00	0.00	0.00	0 00	0.00	0.00
7,200 00	0.00	0.01	7,200.00	0 00	0.00	0.00	0.00	0 00	0.00
7,300.00	0.00	0 01	7,300.00	0 00	0.00	0.00	0.00	0.00	0.00
7,400 00	0 00	0.01	7,400.00	0.00	0.00	0.00	0 00	0.00	0.00
7,433 00	0 00	0 01	7,433 00	0.00	0 00	0 00	0.00	0.00	0.00
7,500 00	7 96	178.02	7,499 78	-4.64	0.16	4.65	11.88	11 88	0.00
7,600.00	19.84	178.02	7,596.68	-28 61	0.99	28.63	11.88	11.88	0 00
7,700.00	31.72	178 02	7,686.57	-71.99	2.49	72 04	11.88	11.88	0 00
7,800 00	43 60	178 02	7,765.59	-132.95	4 60	133.02	11.88	11.88	0.00
7,900.00	55.48	178 02	7,830.37	-208.85	7.22	208.97	11 88	11.88	0.00
8,000.00	67.36	178.02	7,878 13	-296.45	10.25	296.63	11.88	11.88	0.00
8,100.00	79 24	178.02	7,906.81	-392.01	13.55	392.24	11.88	11.88	0.00
8,173.75	88.00	178 02	7,915 00	-465.18	16.08	465.46	11.88	11.88	0.00
8,174.07	88.00	178 01	7,915.01	-465.50	16.09	465.78	3 00	-0.90	-2.86
8,200.00	88.00	178.01	7,915 92	-491.40	16.99	491.70	0.00	0 00	0.00
8,300 00	88 00	178.01	7,919 41	-591 28	20.46	591.63	0.00	0.00	0.00
8,400.00	88.00	178.01	7,922.91	-691.16	23.93	691.57	0.00	0 00	0.00
8,500.00	88.00	178.01	7,926.40	-791.04	27.40	791.51	0.00	0 00	0.00
8,600.00	88.00	178.01	7,929.90	-890.92	30.87	891 45	0 00	0.00	0.00
8,700.00	88.00	178.01	7,933 39	-990 80	34.34	991.39	0.00	0.00	0.00
8,800 00	88.00	178.01	7,936.89	-1,090.67	37.81	1,091.33	0.00	0.00	0.00
8,900 00	88.00	178.01	7,940.38	-1,190.55	41.27	1,191 27	0.00	0.00	0 00
9,000.00	88.00	178.01	7,943 88	-1,290 43	44.74	1,291 21	0.00	0 00	0 00
9,100.00	88.00	178 01	7,947.37	-1,390 31	48 21	1,391 15	0.00	0 00	0.00
9,200.00	88.00	178.01	7,950 87	-1,490.19	51 68	1,491.08	0 00	0.00	0.00
9,300 00	88 00	178.01	7,954.36	-1,590.07	55.15	1,591.02	0 00	0.00	0.00
9,400.00	88 00	178.01	7,957 86	-1,689.95	58.62	1,690.96	0 00	0.00	0.00
9,500.00	88.00	178.01	7,961.35	-1,789.83	62.09	1,790.90	0 00	0.00	0.00
9,600.00	88 00	178 01	7,964.85	-1,889.70	65.56	1,890.84	0 00	0.00	0.00
9,700.00	88.00	178.01	7,968.34	-1,989.58	69.03	1,990.78	0 00	0.00	0 00
9,800.00	88.00	178.01	7,971.84	-2,089.46	72.49	2,090 72	0.00	0 00	0.00
9,900.00	88 00	178.01	7,975.33	-2,189.34	75.96	2,190.66	0 00	0.00	0.00
10,000.00	88.00	178.01	7,978.83	-2,289.22	79.43	2,290 60	0.00	0 00	0 00
10,100 00	88.00	178 01	7,982.32	-2,389.10	82.90	2,390 54	0.00	0 00	0 00
10,200.00	88.00	178.01	7,985.82	-2,488.98	86.37	2,490.47	0.00	0.00	0.00
10,300.00	88.00	178.01	7,989 31	-2,588.85	89.84	2,590 41	0.00	0.00	0.00

Database:	EDM	Local Co-ordinate Reference:	Well Sand Tank 7 Fed #3H
Company:	EOG - Midland (3)	TVD Reference:	WELL @ 3560.00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	MD Reference:	WELL @ 3560.00ft (Original Well Elev)
Site:	Sand Tank 7 Fed #3H	North Reference:	Grid
Well:	Sand Tank 7 Fed #3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Sand Tank 7 Fed #3H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,400.00	88.00	178.01	7,992.81	-2,688.73	93.31	2,690.35	0.00	0.00	0.00
10,500.00	88.00	178.01	7,996.30	-2,788.61	96.78	2,790.29	0.00	0.00	0.00
10,600.00	88.00	178.01	7,999.80	-2,888.49	100.25	2,890.23	0.00	0.00	0.00
10,700.00	88.00	178.01	8,003.29	-2,988.37	103.71	2,990.17	0.00	0.00	0.00
10,800.00	88.00	178.01	8,006.79	-3,088.25	107.18	3,090.11	0.00	0.00	0.00
10,900.00	88.00	178.01	8,010.28	-3,188.13	110.65	3,190.05	0.00	0.00	0.00
11,000.00	88.00	178.01	8,013.78	-3,288.01	114.12	3,289.99	0.00	0.00	0.00
11,100.00	88.00	178.01	8,017.27	-3,387.88	117.59	3,389.92	0.00	0.00	0.00
11,200.00	88.00	178.01	8,020.77	-3,487.76	121.06	3,489.86	0.00	0.00	0.00
11,300.00	88.00	178.01	8,024.26	-3,587.64	124.53	3,589.80	0.00	0.00	0.00
11,400.00	88.00	178.01	8,027.76	-3,687.52	128.00	3,689.74	0.00	0.00	0.00
11,500.00	88.00	178.01	8,031.25	-3,787.40	131.47	3,789.68	0.00	0.00	0.00
11,600.00	88.00	178.01	8,034.75	-3,887.28	134.93	3,889.62	0.00	0.00	0.00
11,700.00	88.00	178.01	8,038.24	-3,987.16	138.40	3,989.56	0.00	0.00	0.00
11,800.00	88.00	178.01	8,041.74	-4,087.03	141.87	4,089.50	0.00	0.00	0.00
11,900.00	88.00	178.01	8,045.23	-4,186.91	145.34	4,189.44	0.00	0.00	0.00
12,000.00	88.00	178.01	8,048.73	-4,286.79	148.81	4,289.37	0.00	0.00	0.00
12,100.00	88.00	178.01	8,052.22	-4,386.67	152.28	4,389.31	0.00	0.00	0.00
12,200.00	88.00	178.01	8,055.72	-4,486.55	155.75	4,489.25	0.00	0.00	0.00
12,300.00	88.00	178.01	8,059.21	-4,586.43	159.22	4,589.19	0.00	0.00	0.00
12,322.50	88.00	178.01	8,060.00	-4,608.90	160.00	4,611.68	0.00	0.00	0.00
12,322.60	88.00	178.01	8,060.00	-4,609.00	160.00	4,611.78	3.00	2.87	-0.87
BHL (Sand Tank 7 #3H)									

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BHL (Sand Tank 7 #3 - plan hits target - Point	0.00	0.00	8,060.00	-4,609.00	160.00	638,740.00	597,240.00	32° 45' 20.126 N	104° 1' 1.308 W

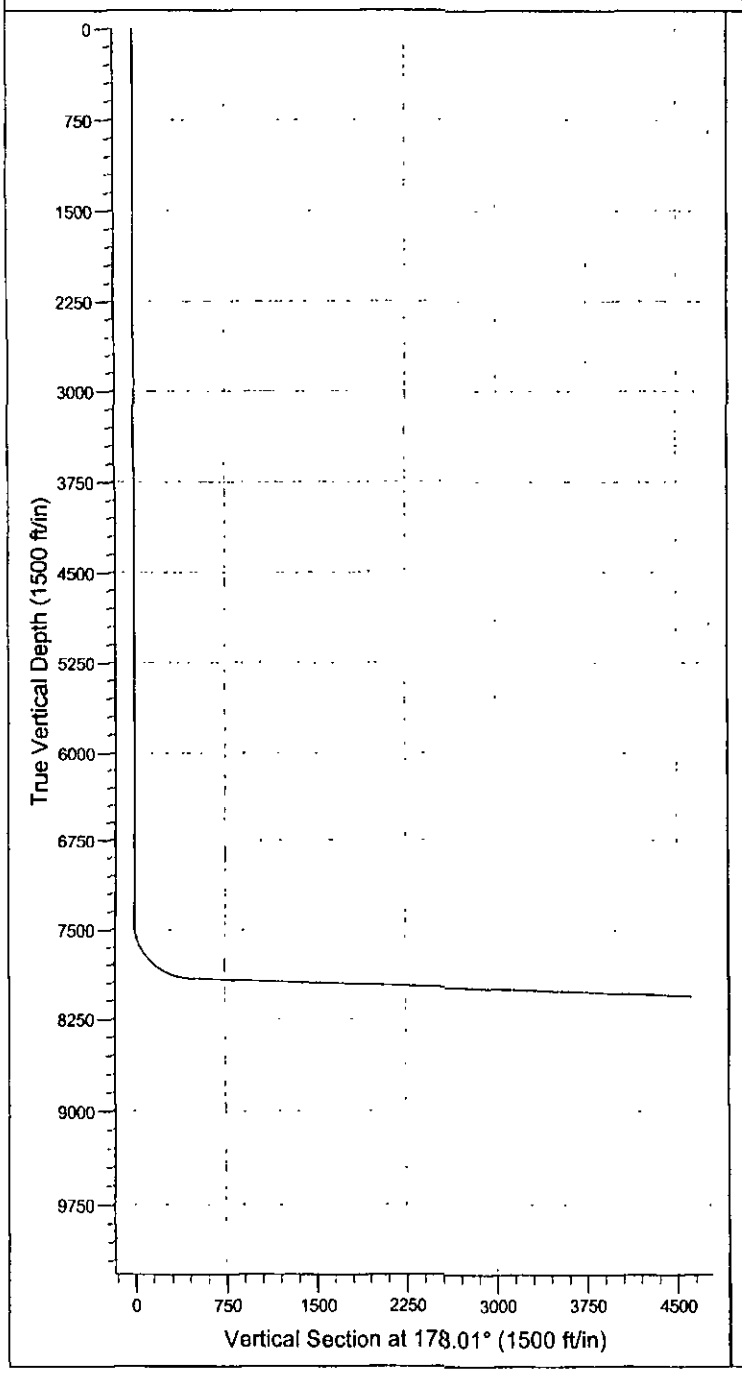
WELL DETAILS: Sand Tank 7 Fed #3H

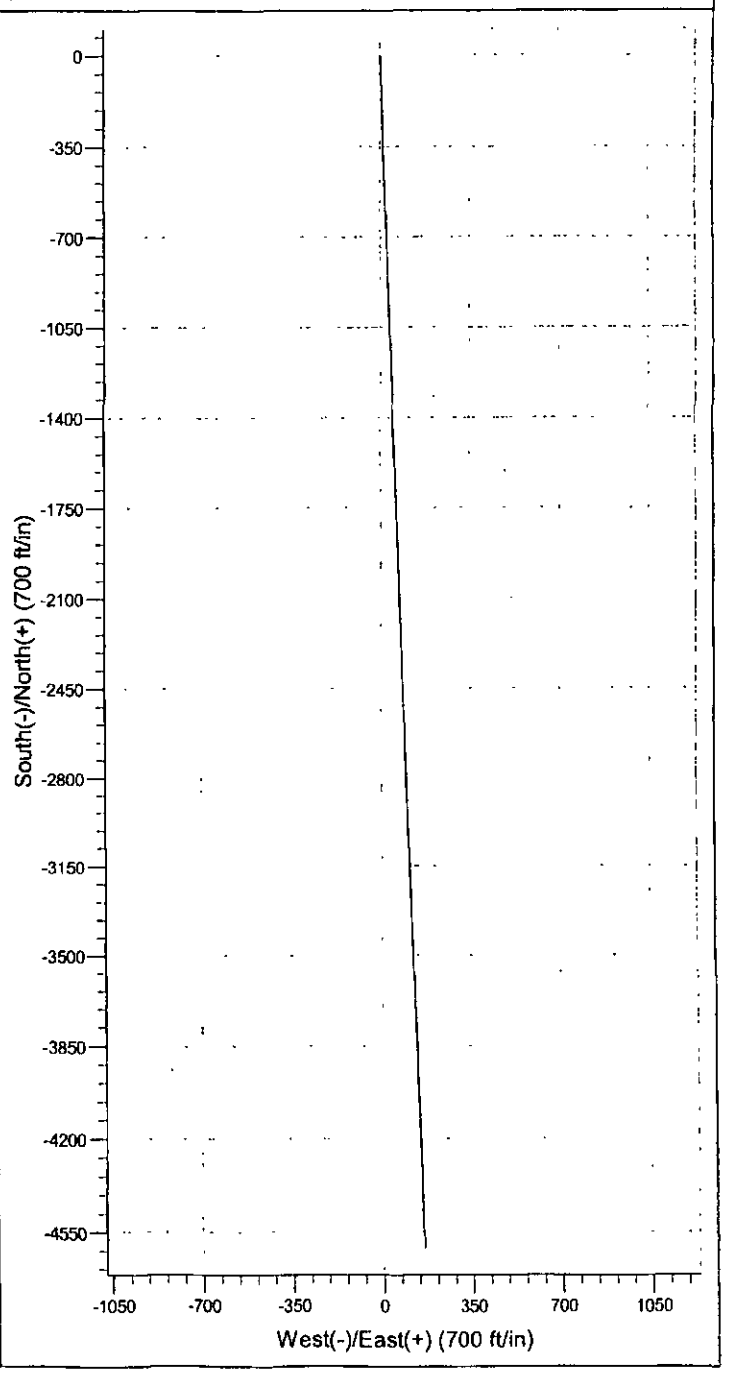
Ground Level: 3541.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	643349.00	597080.00	32° 46' 5.738 N	104° 1' 3.020 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	7433.00	0.00	0.01	7433.00	0.00	0.00	0.00	0.01	0.00	
3	8173.75	88.00	178.02	7915.00	-465.18	16.08	11.88	178.02	465.46	
4	8174.07	88.00	178.01	7915.01	-465.50	16.09	3.00	0.00	465.78	
5	12322.50	88.00	178.01	8060.00	-4608.90	160.00	0.00	0.00	4611.68	
6	12322.60	88.00	178.01	8060.00	-4609.00	160.00	BHL (Sand Tank 7 Fed #3H)	0.00	4611.78	





EOG RESOURCES, INC.
SAND TANK 7 FED #3H

SURFACE USE PLAN OF OPERATION

SHL: 330' FNL & 510' FWL, Unit D, Section 7, T18S-R30E, N.M.P.M., Eddy, NM
BHL: 330' FSL & 660' FWL, Unit M, Section 7, T18S-R30E, N.M.P.M., Eddy, NM

1. EXISTING ROADS:

a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Lynn Bezner, RPL 7920.
b. All roads into the location are depicted on Exhibit 2 & 2a.
c. Directions to Locations: Beginning in Loco Hills, NM, From Jct. Of Hwy 82 & Co. Road 216, Go South 3.4 miles to a point +/-510' west of the location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

a. The well site layout, Exhibit 2a shows the layout. The proposed access road, begins on CR 216 and trends ESE to the E Side of the well pad for a distance of 282 feet. (See 1c above for driving directions).
b. The maximum width of the road will be 15'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.
c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
d. No cattleguards, gates or fence cuts will be required. No turnouts are planned.

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 PRODUCTION FACILITIES:

a. In the event the well is found to be productive, the Sand Tank 7 Fed No. 3H tank battery would be utilized and the necessary production equipment will be installed at the well site. See Production Facilities Layout diagram.
b. As a proposed oil well, we will contact Central Valley Electric Coop to provide electrical service to the well.
c. All flow lines will adhere to API standards.
d. Refer to b above.
e. If the well is productive, rehabilitation plans are as follows:
   i. The reserve pit will be back filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
   ii. The original topsoil from the well site will be returned to the location. The drill site will be contoured as close as possible to the original state.

5. LOCATION AND TYPE OF WATER SUPPLY:

This location will be drilled using a combination of water mud systems (outlined in the drilling program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using existing and proposed roads shown in Exhibit 2 & 2a. On occasion, water will be obtained from existing water wells. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If poly pipeline is used to transport fresh water to the location, proper authorization will be secured by the contractor.

6. CONSTRUCTION MATERIALS

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of rolled and compacted caliche.Will use BLM recommended use of extra caliche from other locations close by roads, if available.

7. METHODS OF HANDLING WASTE MATERIALS

a. Drill cuttings will be disposed of in the reserve pit.
b. All trash, junk, and other waste material will be contained in trash cages or trash bins to prevent scattering. When a job is completed, all contents will be removed and disposed of in an approved landfill.
c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
d. If necessary, a porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
e. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken for further drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approved disposal site. Later pits will be broken out to speed dry. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in a storage tank and sold.
f. Disposal of fluids to be transported by the following companies:
    i. RGB TRUCKING
    ii. LOBO TRUCKING
    iii. I & W TRUCKING
    iv. CRANE HOT OIL & TRANSPORT
    v. _____

8. ANCILLARY FACILITIES:

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

9. WELL SITE LAYOUT:

a. Exhibit 4 shows the proposed well site layout with dimensions of the pad layout.
b. Exhibit 5 shows proposed location of reserve and sump pits and living facilities.
c. Mud pits in the active circulating system will be steel pits and the reserve pits will be lined.
d. If needed, the reserve pit is to be line with polyethylene. The pit liner will be 12 mils thick. Pit liner will extend a minimum of two feet (2') over the reserve pit's dykes where the liner will be anchored down.
e. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down after the pit contents have dried. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR SURFACE RECLAMATION:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be broken out and leveled after drying to a condition where these are feasible. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. The pit will be closed per OCD compliance regulations.
b. The pit lining will be buried or hauled away in order to return the location and road to their pristine nature. All pits will be filled and the location leveled, weather permitting, within 120 days after abandonment.
c. The location and road will be rehabilitated as recommended by the BLM.
d. The reserve pit will be fenced on three side throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.
e. If the well is deemed commercially productive, the reserve pit will be restored as described in 10(A) within 120 days subsequent to the completion date. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to

operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

11. SURFACE OWNERSHIP

The surface is owned by the Bureau of Land Management (BLM). The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and surface location will be restored as directed by the BLM.

12. OTHER INFORMATION:

a. The area surrounding the well is grassland. The topsoil is sandy in nature. The vegetation is moderately sparse with native prairie grass, some mesquite bushes, cactus and shinnery oak. No wildlife was observed but it is likely that deer, rabbits coyotes, and rodents transverse the area.
b. There are not dwellings within 2 miles of location.
c. There is no permanent or live water within 1 miles of the location.
d. A Cultural Resources Examination was completed on 7/22/2005 by Boone Archaeological Services and submitted to the BLM office in Carlsbad, New Mexico.

13. BOND COVERAGE:

a. Bond Coverage is Nationwide; Bond No. NM 2308

EOG RESOURCES, INC.
SAND TANK 7 FED #3H

COMPANY REPRESENTATIVES:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

Permitting & Land

Mr. Donny G. Glanton
Senior Lease Operations ROW Representative
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office
(432) 770-0602 Cell

Drilling

Mr. Jason LaGrega
Division Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3633 Office
(432) 894-1217 Cell

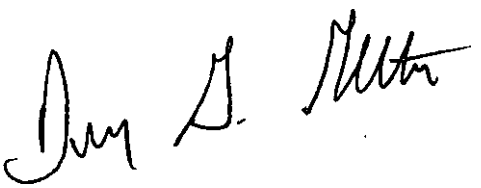
Operations

Mr. Howard Kemp
Production Manager
EOG Resources, Inc
P.O. Box 2267
Midland, TX 79702
(432) 686-3704 Office
(432) 634-1001 Cell

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 24th day of October, 2007.

Name: Donny G. Glanton
Position: Sr. Lease Operations ROW Representative
Address: P.O. BOX 2267 Midland, TX 79705
Telephone: 432-686-3642
Field Representative (if not above signatory): _____
Address (if different from above): _____
Telephone (if different from above): _____
E-mail (optional): donny_glanton@eogresources.com



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822

1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the **Bone Spring** formation. **Hydrogen Sulfide has been measured from150-380 *ppm in gas streams.***

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. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

1. The **11-3/4** inch surface casing shall be set **a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 385** feet and cemented to the surface. **Fresh water mud to be used to setting depth.**

   a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

   b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial action will be done prior to drilling out that string.

Possible water flows in the Salado Group and Premier member of the Grayburg formation.

2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a-d above.
Casing should be set just above the San Andres dolomite at approximately 3300' although this formation could be as deep as 3450'.

If the Capitan Reef is encountered, the mud must be changed to fresh water mud.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.

a. The tests shall be done by an independent service company.

b. The results of the test shall be reported to the appropriate BLM office.

c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Engineer on call phone (after hours): **Carlsbad: (575) 706-2779**

WWI 111907