

EOG RESOURCES, INC.
FOX 30 STATE COM #4H

HOBBS OCD

JUN 05 2013

SURFACE USE PLAN OF OPERATION

RECEIVED

SHL: 2140' FNL & 715' FEL, Unit H, Section 30, T25S-R34E, N.M.P.M., Lea Co, NM
BHL: 230' FSL & 1000' FEL, Unit P, Section 31, T25S-R34E, N.M.P.M., Lea Co, NM

An onsite inspection was conducted on Tuesday, February 19 with BLM Natural Resources Specialist Trisha Bad Bear and representatives from EOG Resources, Inc. to review the surface location, roads and infrastructure routes for the Fox 30 State Com #4H

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 Michael B. Brown of Topographic Land Surveyors, N.M.P.S. No. 18329.
- b. All roads into the location are depicted on Exhibits 2 & 2a.
- c. Directions to Location: Beginning in Jal at the intersection of State Hwy 18 and State Hwy 128, go west on State Hwy 128 for 14.1 miles, turn left on County Road 2 (AKA Battle Axe Road) and head southwest for 10.5 miles, then turn right on EOG Lease Road and head northwest for 1.1 miles, then turn left and head west onto the new lease road for 5,016 feet to the southwest corner of the location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. The location will be accessed using a new lease road that will enter the location at the southwest corner of the well pad. This new lease road will travel a distance of 5,016 feet.
- b. The maximum width of the lease road is 20'. It is crowned and consists of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.
- c. Surface material is native caliche. This material will be obtained, as needed for maintenance, from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- d. There will be two (2) cattleguards installed for the Fox 30 State Com wells that will be drilled in section 30. The first cattle guard will be inserted at the fence located along the proposed lease road just to the east of the western section line for section 30. The second cattle guard will be inserted into the fence that is located along the proposed lease road just to the east of the Fox 30 State Com 1H & 2H well pad.

3. LOCATION OF EXISTING WELLS:

1.

JUN 27 2013

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Exhibit 3 shows all existing wells within a one-mile radius of the surface and bottom hole locations of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

- a. In the event the well is found to be productive, the production equipment will be located on site. Please refer to the attached production facility diagram. The production of this well will be measured for sales on lease.
- b. Applicant will lay a 6" poly buried low pressure gas sales pipeline, a distance of 8,026 feet west, that shall tie into an existing buried 6" poly surface low pressure gas sales pipeline located just to the west of the Vaca 24 Fed #6H well pad, that shall head northwest to a sales point on the Vaca 24 federal lease. Applicant shall lay two SWD pipelines, a buried 6" poly low pressure line that will travel a distance of 8,020 feet, and a 4" surface low pressure SWD pipeline that will travel a distance of 8,047 feet, both moving northwest, and will tie into existing lines just to the west of the Vaca 24 Fed #6H well pad that will be utilized to handle produced water. A 4" poly surface pipeline will be laid a distance of 8,033 feet east, and will be used as a gas lift line which will originate from an existing gas lift line just to the west of the Vaca 24 Fed #6H well pad. Initially applicant shall have its oil trucked from the Fox 30 State Com wells. A separate 4" buried steel low pressure oil pipeline, in its own 30' ROW, will be constructed to tie into an existing oil sales line located to the west of the Vaca 24 Fed #6H well pad so that it may be assigned to a midstream company in the future. This line will travel a distance of 8,083 feet. Plains will be the oil purchaser and Flint will be the oil transport company. All pipelines described above are depicted on Exhibit 5.
- c. Electricity is available on the Vaca 24 federal lease to the northwest. An electric line will be constructed from the existing line at the Vaca 24 Fed Com #7H to the northwest and will travel 8,200 feet southeast to service the electricity needs on the Fox 30 State Com #4H location.
- d. Refer to b above.
- e. If the well is productive, rehabilitation plans are as follows:
 - i. The location shall be reduced on the west side as depicted by the Location Layout. The interim reclamation will be performed when optimal conditions exist during the growing season as per the interim reclamation guidelines of the BLM.
 - ii. The original topsoil, which will be stored to the north of the well pad, will be returned to the location. The location will be contoured as close as possible to match the original topography.

5. LOCATION AND TYPE OF WATER SUPPLY:

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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 poly pipelines using existing and proposed roads shown in Exhibit 2 & 2a. 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

Obtaining Mineral Material – Caliche utilized for the drilling pad and proposed access road will be obtained either from an existing approved pit, or by benching into a hill which will allow the pad to level with existing caliche from cut, or extracted by “flipping” the location. A caliche permit shall be obtained from the BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for “flipping” the location is as follows:

- a. An adequate amount of topsoil for final reclamation will be stripped from the well location surface and stockpiled along the edge of the location as shown in the well site layout.
- b. An area will be used within the proposed well site to excavate caliche.
- c. The subsoil will then be removed and stockpiled within the footages of the well location.
- d. Once caliche/mineral material is found, the material will be excavated and stockpiled within the footages of the well location.
- e. The subsoil will then be placed back in the excavated hole.
- f. Caliche/mineral material will then be placed over the entire pad and/or road to be compacted.

In the event that caliche is not found on site, a permit will be acquired if caliche is obtained from a BLM approved caliche pit

7. METHODS OF HANDLING WASTE MATERIALS

- a. Drill cuttings shall be disposed of in a steel cuttings bin (catch tanks) on the drilling pad (behind the steel mud tanks). The bin and cuttings shall be hauled to an approved cuttings dumpsite.
At the site, the cuttings shall be removed from the bin & the bin shall be returned to the drilling site for reuse.
- b. All trash, junk, and other waste material shall be contained in trash cages or trash bins to prevent scattering. When a job is completed, all contents shall be removed and disposed of in an approved landfill.
- c. The supplier, including broken sacks, shall pick up salts remaining after completion of well.

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- d. If necessary, a porto-john shall be provided for the rig crews. This equipment shall be properly maintained during the drilling and completion operations and shall be removed when all operations are complete.
- e. Remaining drilling fluids shall be hauled off by transports to a state approved disposal site. Water produced during completion shall be put in storage tanks and disposed of in a state approved disposal. Oil and condensate produced shall 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. JWS
 - vi. QUALITY TRUCKING

8. ANCILLARY FACILITIES:

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

9. WELL SITE LAYOUT:

- a. Exhibit 4 shows the proposed location of sump pits, living facilities and well site layout with dimensions of the pad layout.
- b. Mud pits in the active circulating system shall be steel pits and the catch tanks shall be steel tanks set in shallow sumps behind the steel circulating tanks and sumps.
- c. The area where the catch tanks are placed shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.

10. PLANS FOR SURFACE RECLAMATION:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche shall be removed from the pad and transported to the original caliche pit or used for other drilling locations and roads. The road shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations. The original topsoil shall again be returned to the pad and contoured, as close as possible, to the original topography.

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- b. After the well is plugged and abandoned, the location and road shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.
- c. Caliche from areas of the pad site not required for operations shall be reclaimed. The original topsoil shall be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad shall be contoured, as close as possible, to match the original topography.

11. SURFACE OWNERSHIP

The surface is owned by the State of New Mexico. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:

- a. The area surrounding the well is mesquite and tar brush. The topsoil is sandy in nature. The vegetation is moderately sparse with native prairie grass, cactus and shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes, birds and rodents transverse the area.
- b. There are not dwellings within 0.75 miles of location.
- c. Applicant will participate in the MOA.

13. BOND COVERAGE:

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

COMPANY REPRESENTATIVES:

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

Land and Right of Way

Mr. Roger Motley
Senior Lease Operations ROW Representative
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office

**EOG RESOURCES, INC.
FOX 30 STATE COM #4H**

(361) 537-8281 Cell

Drilling

Mr. Steve Munsell
Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3609 Office
(432) 894-1256 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

Regulatory

Mr. Stan Wagner
Regulatory Analyst
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3689 Office

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.

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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.

OPERATOR CERTIFICATION

I 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 25th day of February, 2013.

Name: Roger Motley

Position: Sr. Lease Operations ROW Representative

Address: P.O. Box 2267, Midland, TX 79705

Telephone: (432) 686-3642

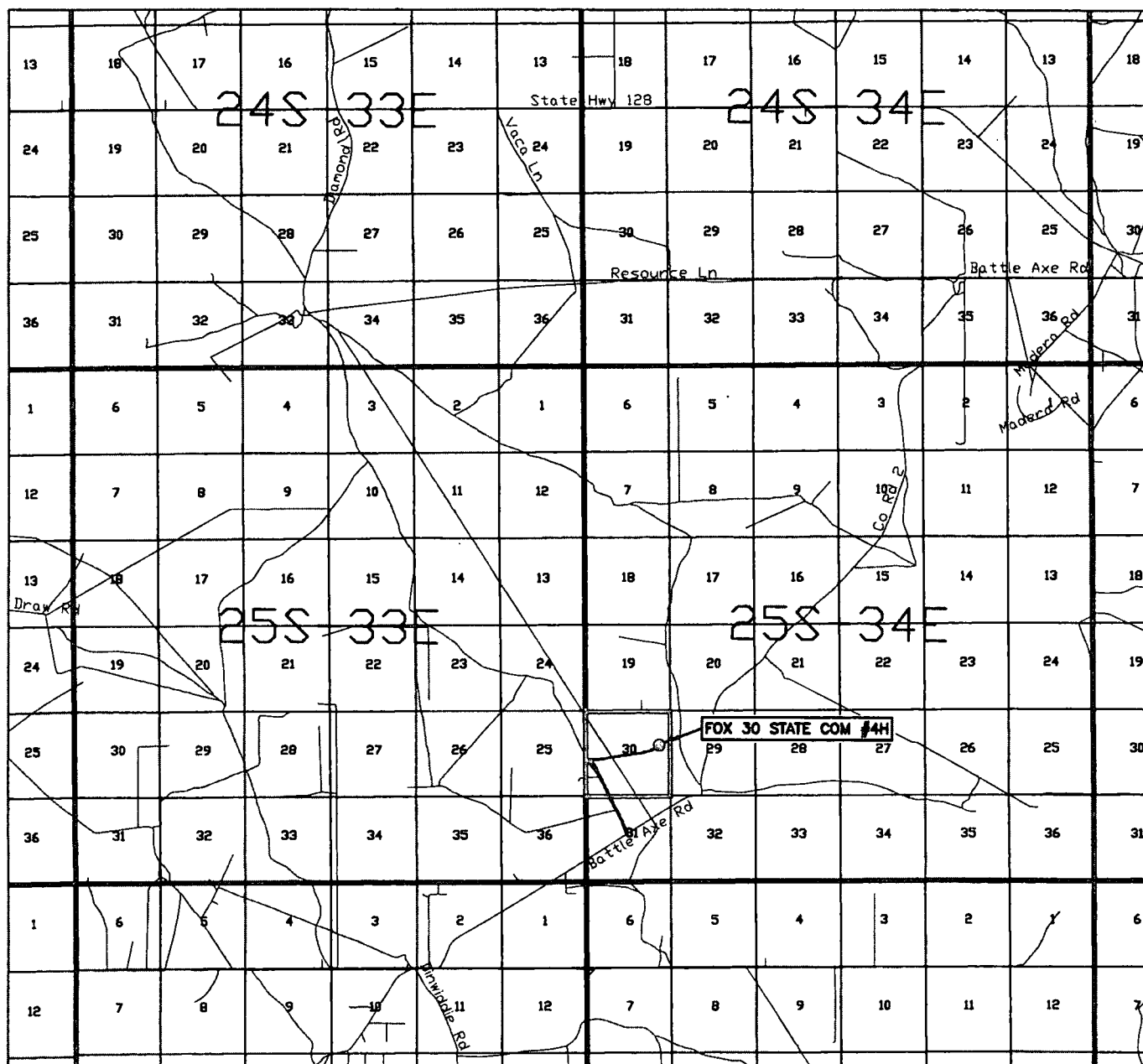
Email: roger_motley@eogresources.com

Signed _____

A handwritten signature in black ink, appearing to read "Roger Motley", is written over a horizontal line.

Exhibit 2

VICINITY MAP

**EOG resources, inc.**LEASE NAME & WELL NO.: FOX 30 STATE COM #4H

SECTION 30 TWP 25-S RGE 34-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM
 DESCRIPTION 2140' FNL & 685' FEL

DISTANCE & DIRECTION FROM INT. OF NM-18 N & NM-128,
GO WEST ON NM-128 W ± 14.1 MILES, THENCE SOUTHWEST
(LEFT) ON BATTLE AXE RD./CR. 2 ± 10.5 MILES, THENCE
NORTHWEST (RIGHT) ON LEASE RD. ± 1.1 MILES TO A POINT
 ± 5016 FEET WEST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET.



SCALE: 1" = 10000'
 0' 5000' 10000'

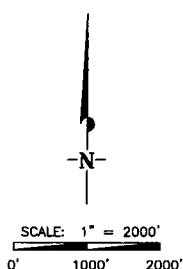
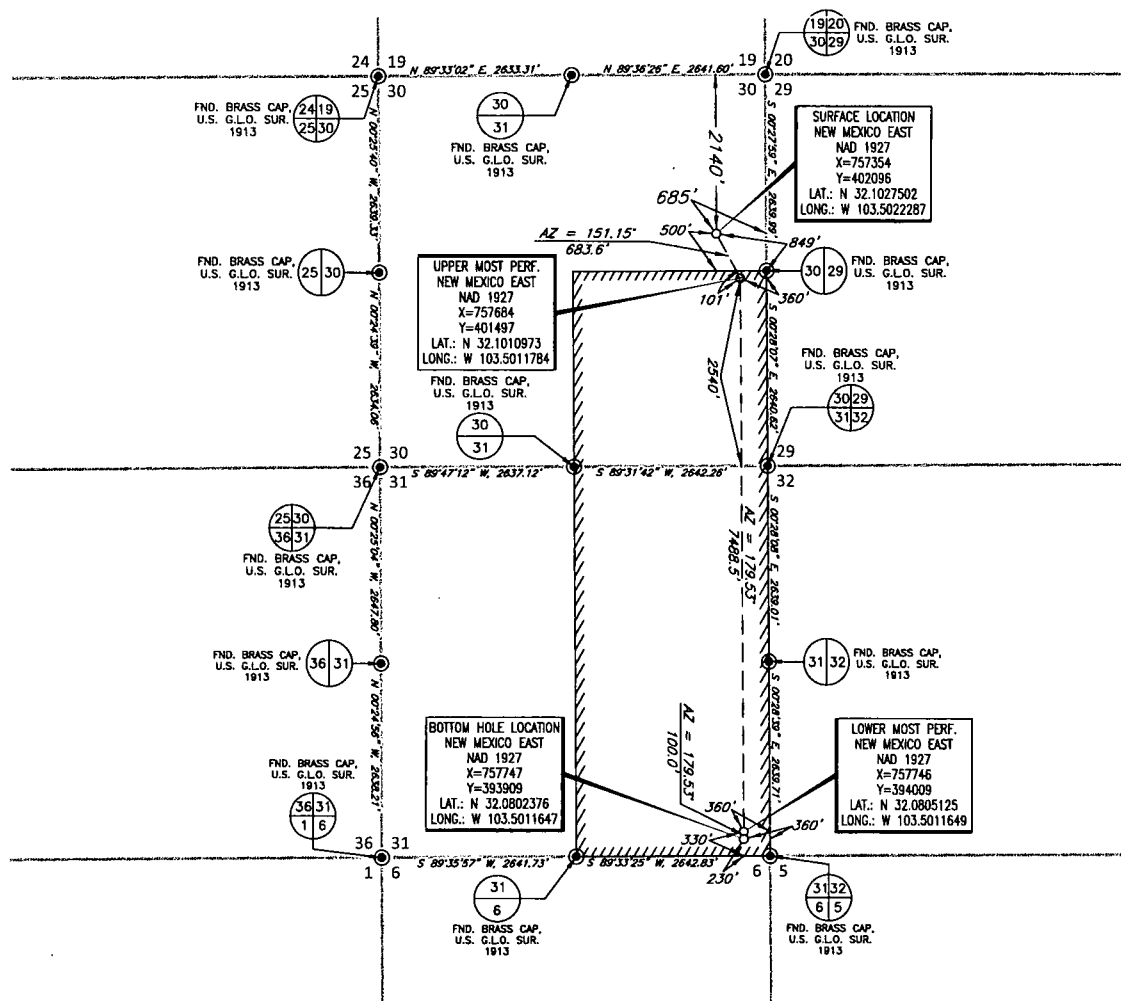
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 2225 PERRYTON PARKWAY • PAMPA, TEXAS 79065
 TELEPHONE: (806) 665-7218 • FAX (806) 665-7210
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SECTION 30, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



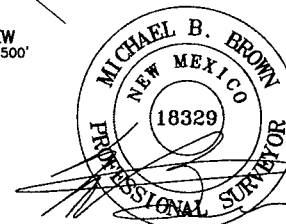
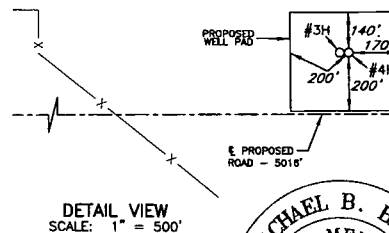
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Michael Blake Brown, P.S. No. 18329
FEBRUARY 14, 2013

TOPOGRAPHIC

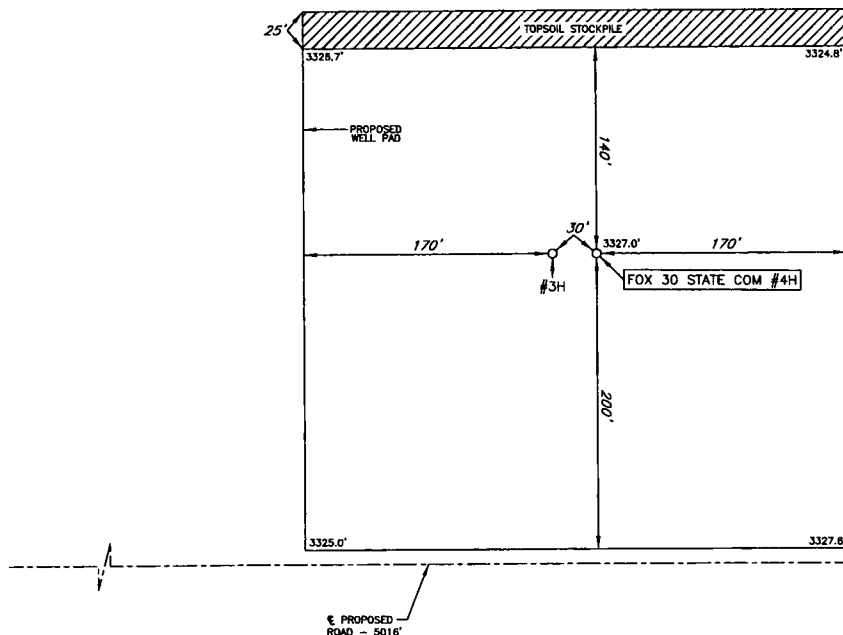
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SECTION 30, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: FOX 30 STATE COM #4H
#4H LATITUDE N 32.1027502 #4H LONGITUDE W 103.5022287

LEGEND

== == == == ROAD WAY
----- SECTION LINE
---\\--- EXISTING PIPELINE



SCALE: 1" = 100'
0' 50' 100'

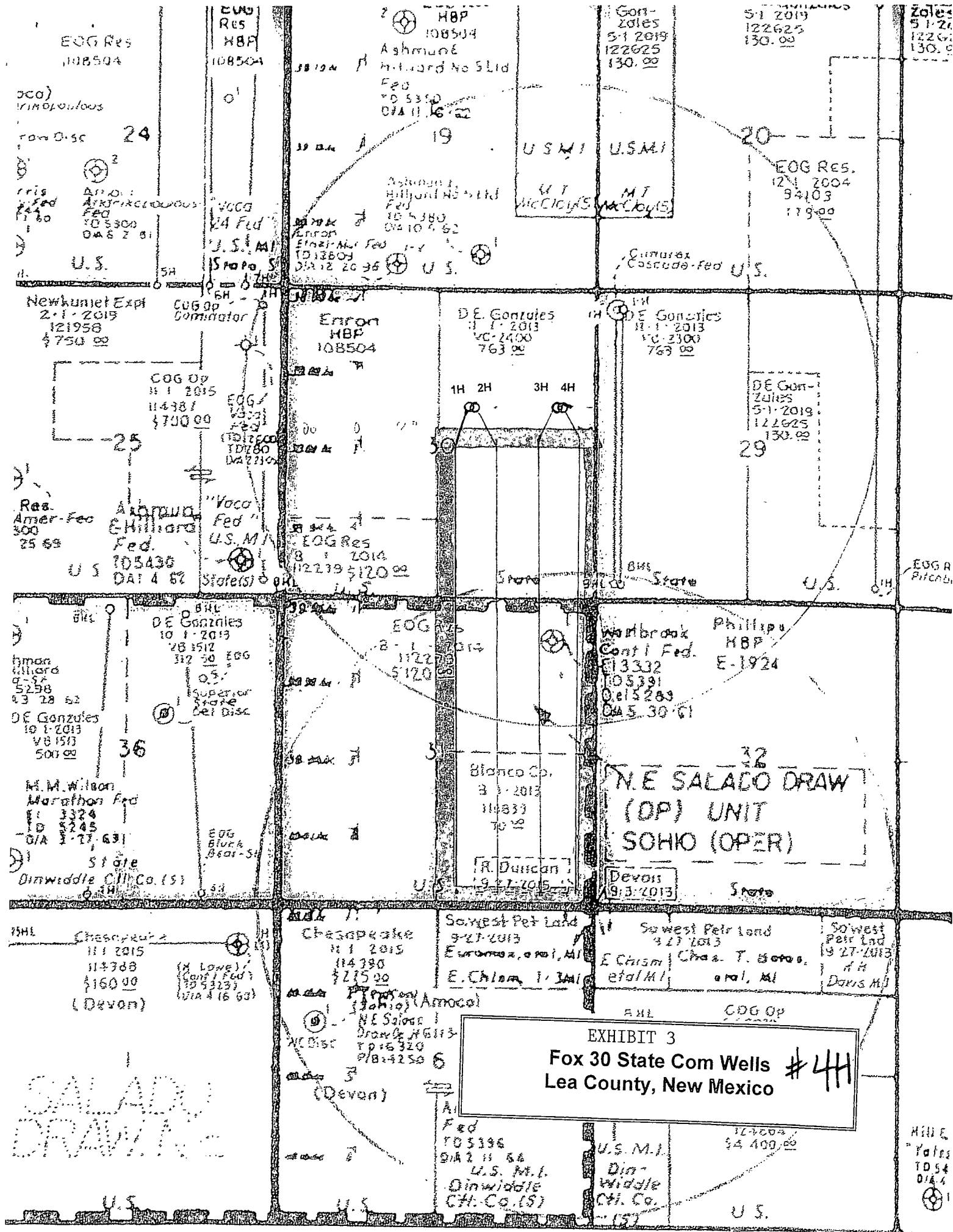
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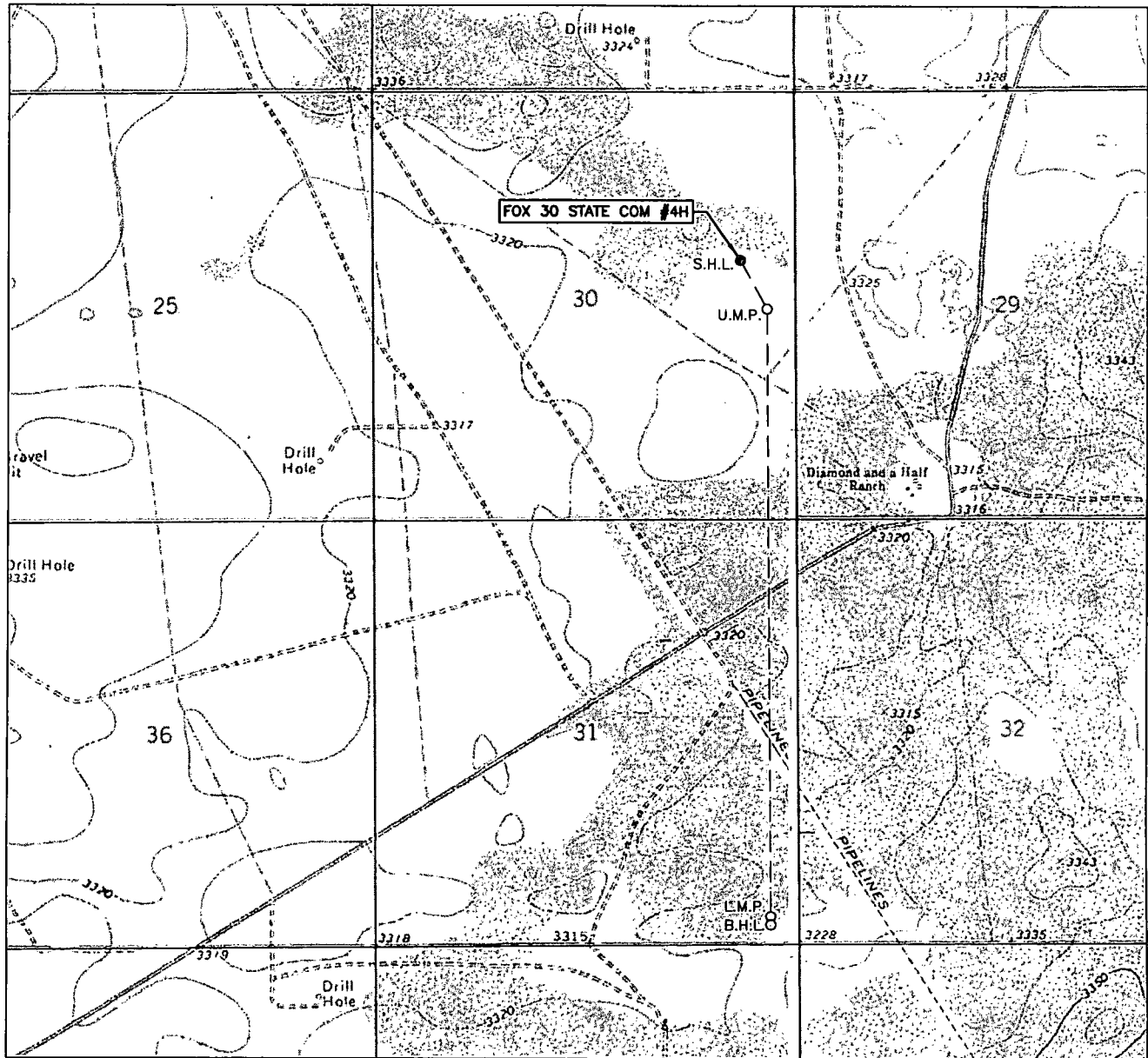
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ORIGINAL DOCUMENT SIZE: 8.5" X 14"



LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: FOX 30 STATE COM #4H

SECTION 30 TWP 25-S RGE 34-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3327'
 DESCRIPTION 2140' FNL & 685' FEL

LATITUDE N 32.1027502 LONGITUDE W 103.5022287



SCALE: 1" = 2000'
 0' 1000' 2000'

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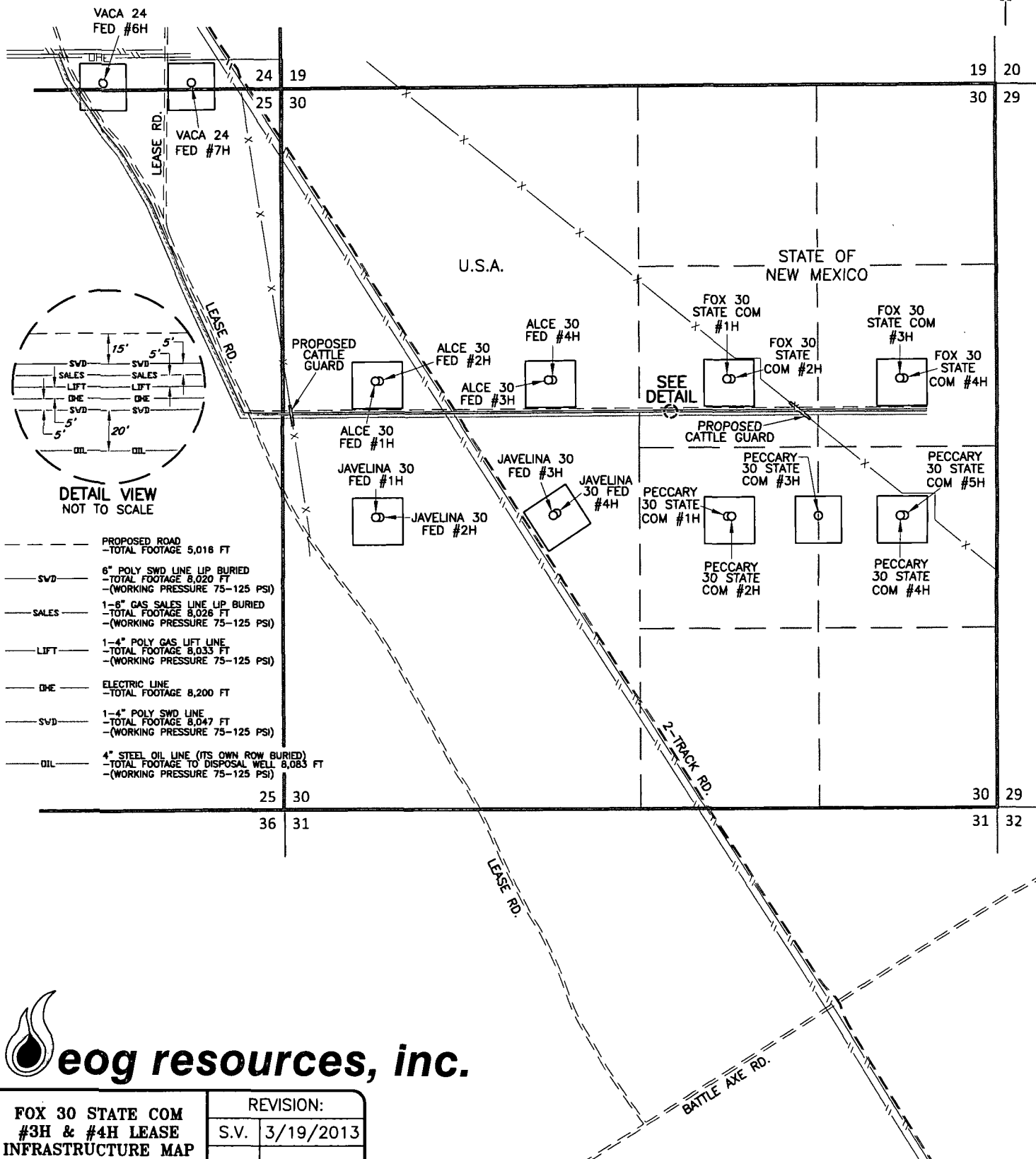
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SCALE 1" = 1000'
0' 500' 1000'

SKETCH

SECTION 30, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



FOX 30 STATE COM
#3H & #4H LEASE
INFRASTRUCTURE MAP

REVISION:

S.V. 3/19/2013

DATE: FEBRUARY 20, 2013

FILE: S:\PROJECTS\2013\LEA\INFRASTRUCTURE_MAP_REV1

DRAWN BY: S.V.

SHEET : 1 OF 1