

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM94850
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 2267, Midland, TX 79702		8. Lease Name and Well No. Diamondtail "3" Federal No. 1
3b. Phone No. (include area code) (915)686-3714		9. API Well No. 30-025-35014
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL & 1,980' FEL (Unit Letter B) At proposed prod. Zone Same as surface		10. Field and Pool, or Exploratory This is Draw Wildcat (Bone Spring)
14. Distance in miles and direction from nearest town or post office* 20 miles west from Jal, NM		11. Sec., T., R., M., or Blk. And Survey or Area Sec 3, T24S, R32E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. Unit line, if any)	16. No. of Acres in lease 600	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft. N/A	19. Proposed Depth 9200	20. BLM/BIA Bond No. on file MT-0748
21. Elevations (Show whether DF, KDB, RT, GL, etc) GR-3632	22. Approximate date work will start* 5/1/00	23. Estimated duration 30 days
24. Attachments CARTRIDGE CONTROLLED WATER VALVE		

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

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

25. Signature <i>Mike Francis</i>	Name (Printed/Typed) Mike Francis	Date 3/23/2000
Title Agent		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) [Name]	Date [Date]
Title Assistant Field Manager, Lands And Minerals	Office	

Application approval does not warrant or certify 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

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 reverse)

7377
25716
96603
4.26.00
30-025-35014

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
SPECIAL STIPULATIONS
ATTACHED

[Handwritten initials]

District I
 PO Box 1980, Hobbs, NM 88241-1980

District II
 PO Drawer DD, Artesia, NM 88211-0719

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

District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-025-35014		*Pool Code 96603		*Pool Name Triste Draw; Wildcat (Bone Springs)	
*Property Code 25716		*Property Name DIAMONDTAIL "3" FEDERAL			*Well Number 1
*OGRID No. 7377		*Operator Name EOG RESOURCES INC.			*Elevation 3632

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
B	3	24-S	32-E		660	NORTH	1980	EAST	LEA

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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ EOG RESOURCES INC. DIAMONDTAIL "3" FEDERAL No. 1 ELEV. = 3632' Y = 456023.39 X = 708196.21 LAT. = 32°15'07.04" LONG. = 103°39'35.57"		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
		Signature: <i>Mike Francis</i> Printed Name: Mike Francis Title: Agent Date: 3/23/00
		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 best of my belief.
		Date of Survey: MARCH 4, 2000 Signature and Seal of Professional Surveyor: <i>James E. Hopkins</i>
		Certificate Number: 14729

DRILLING PROGRAM

**EOG RESOURCES, INC.
DIAMONDTAIL 3 FEDERAL NO. 1
660' FNL & 1980' FEL
SEC. 3, T24S, R32E
LEA COUNTY, NM**

1. GEOLOGIC NAME OF SURFACE FORMATION

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Delaware	4600'
Cherry Canyon	5750'
Brushy Canyon	7010'
Bone Springs	8660'

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

Upper Permian Sands	100'	Fresh Water
Delaware	4600'	Oil & water

4. CASING PROGRAM

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight Grade Jt. Cond. Type</u>
14 3/4"	0-650'	11 3/4"	42# H-40 ST&C
11"	0-4200'	8 5/8"	32# J-55 LT&C
11"	4200-4600'	8-5/8"	32# HCK LT&C
7 7/8"	0-9000'	5 1/2"	17# S95/P110 L&TC

Cementing Program:

11 3/4" Surface Casing:



Cement to surface with 200 sx Prem Plus, 3% Econolite, 25 Calcium Chloride, 0.25#/sx Flocele; 150 sx Prem Plus, 2% Calcium Chloride

8 5/8" Intermediate:

Cement to surface with 800 sx Interfill C, .25#/sx flocele, 250 sx Premium Plus, 2% Calcium Chloride

5 1/2" Production:

Cement w/400 sx Premium Plus, 3% Econolite, 5#/sx Salt, .2% HR-5, .25#/sk Flocele, 250 sx Prem 50/50 Poz mix 'A', 2% Halliburton-Gel First 2%, 0.5% Halad-322. Program designed to bring TOC to 4000'±.

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LEA COUNTY, NM**

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 to 600 psi before drilling out of surface casing. 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-psi 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:

<u>Depth</u>	<u>Type</u>	<u>Wt (PPG)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0-650'	Fresh Water (spud)	8.5	40-45	N.C.
650'-4600'	Brine Water	10.0	30	N.C.
4600' - TD	Fresh Water	8.3 - 8.8	28	N.C.

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.

DRILLING PROGRAM

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SEC. 3, T24S, R32E
LEA COUNTY, NM**

8. LOGGING, TESTING AND CORING PROGRAM:

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 5000 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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
DIAMONDTAIL 3 FEDERAL NO. 1
660' FNL & 1980' FEL
SEC. 3, T24S, R32E
LEA COUNTY, NM**

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:

1088.9' of new road is required. Exhibit #2A, 2A(1)

No turnouts necessary.

No culverts, cattleguards, gates, low-water crossings are 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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
DIAMONDTAIL 3 FEDERAL NO. 1
660' FNL & 1980' FEL
SEC. 3, T24S, R32E
LEA COUNTY, NM**

6. PLANS FOR RESTORATION OF THE SURFACE:

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 wellpad 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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
DIAMONDTAIL 3 FEDERAL NO. 1
660' FNL & 1980' FEL
SEC. 3, T24S, R32E
LEA COUNTY, NM**

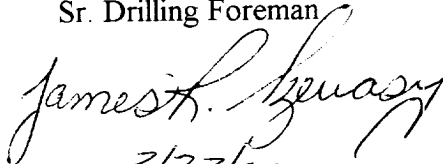
OTHER INFORMATION:

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.

Randy Szenasy
Sr. Drilling Foreman



Date: 3/23/00 *ms*

DRILLING PROGRAM

**EOG RESOURCES, INC.
DIAMONDTAIL 3 FEDERAL NO. 1
660' FNL & 1980' FEL
SEC. 3, T24S, R32E
LEA COUNTY, NM**

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.

EOG Resources, Inc.
Diamondtail "3" Federal No. 1

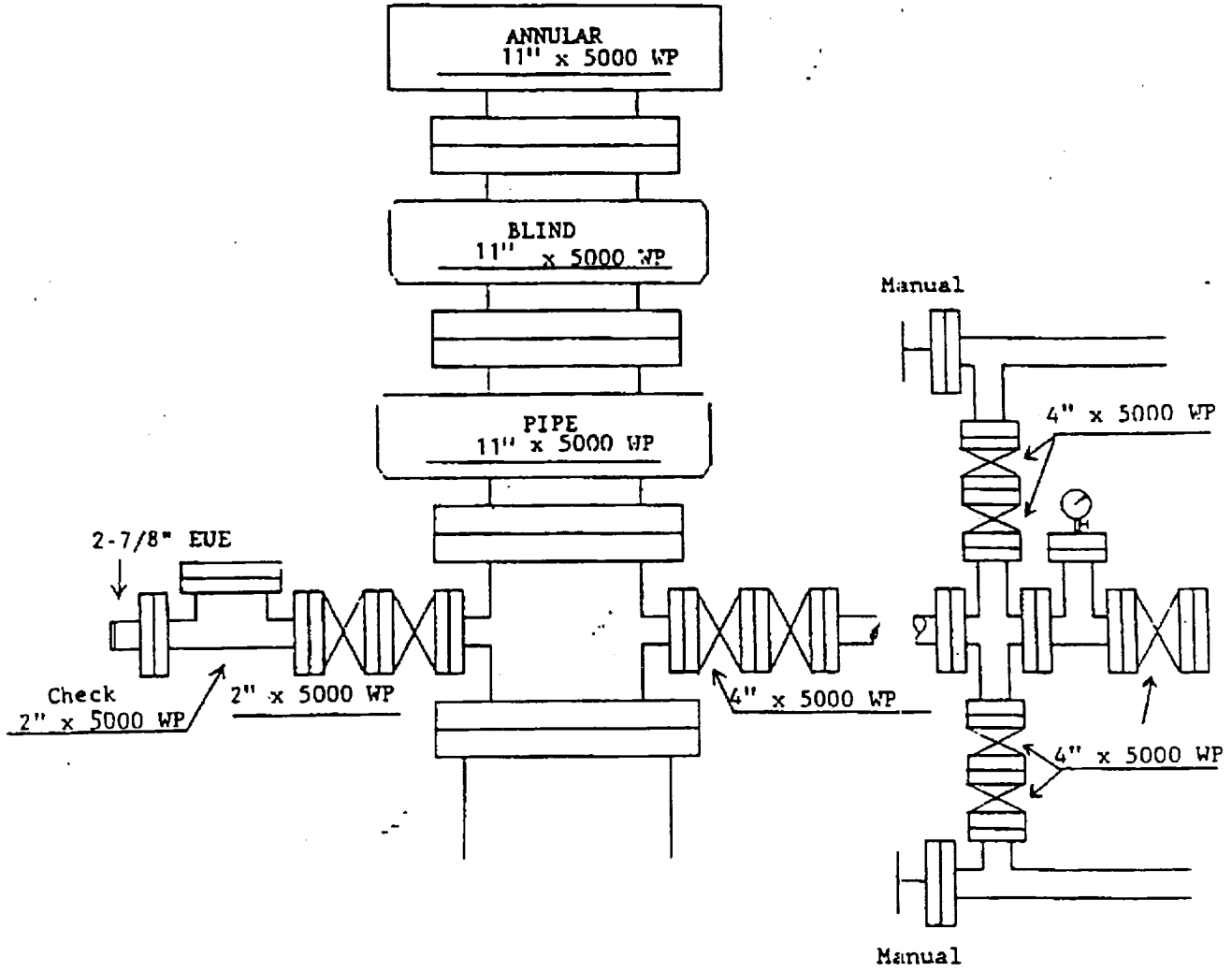
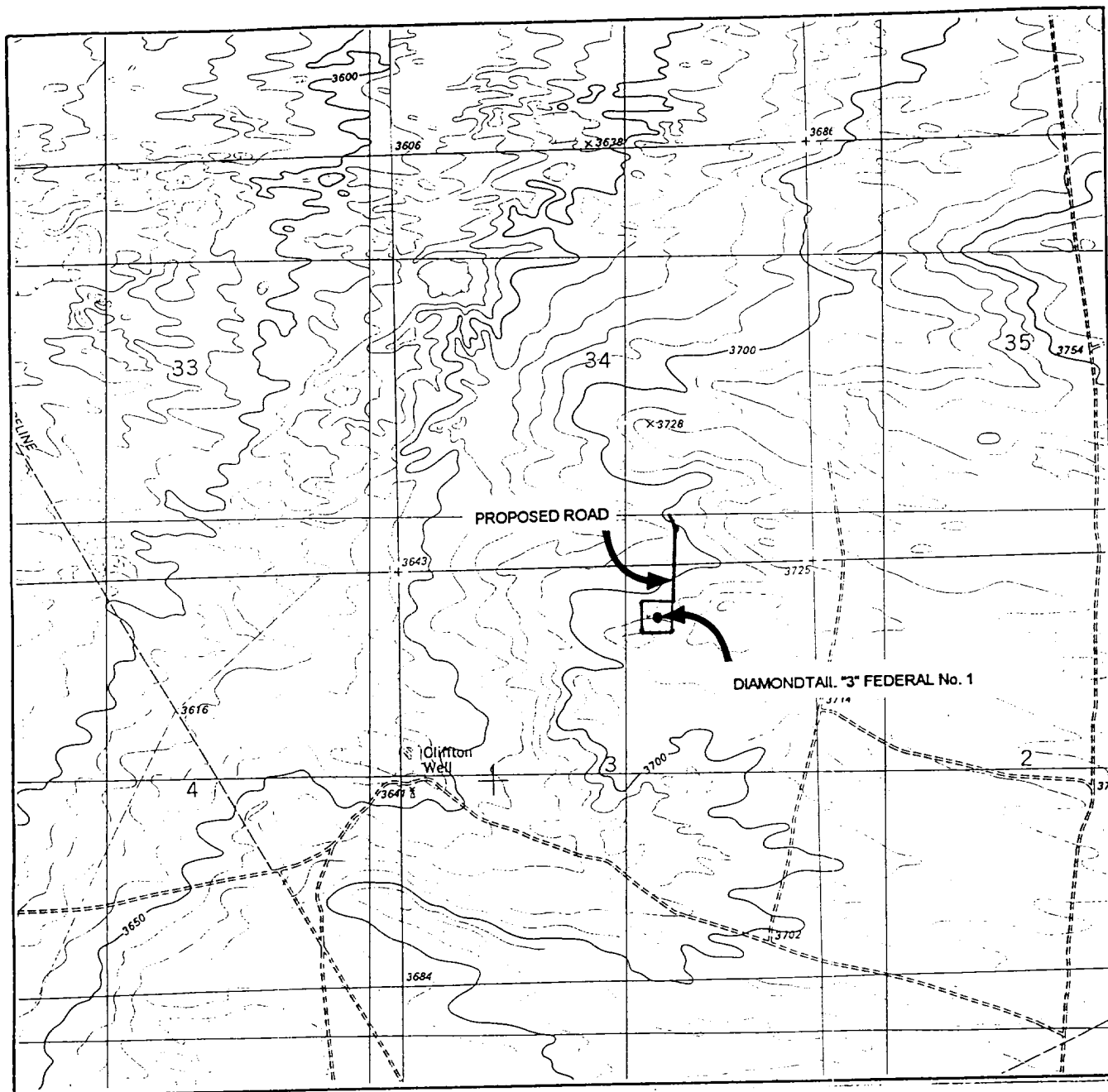


Exhibit 1

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'
WTC 45820

SEC. 3 TWP. 24-S RGE. 32-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 660' FNL & 1980' FEL

ELEVATION 3632

OPERATOR EOG RESOURCES, INC.

LEASE DIAMONDTAIL #3 FEDERAL No. 1

USGS TOPO MAP BOOTLEG RIDGE, NEW MEXICO

EXHIBIT 2

CONTOUR INTERVAL 10'

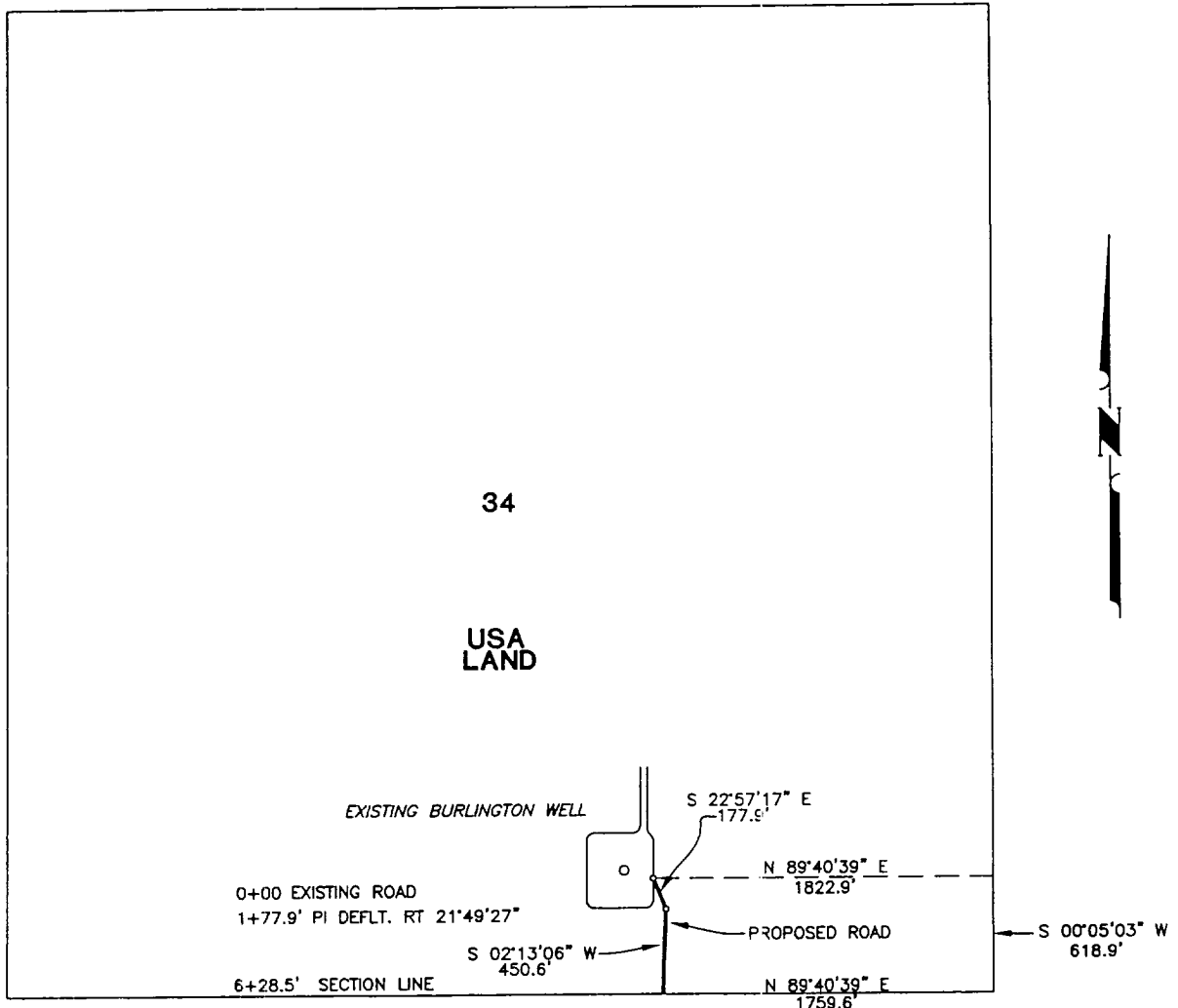
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

SECTION 34, T23S, R32E, N.M.P.M.
LEA COUNTY, NEW MEXICO

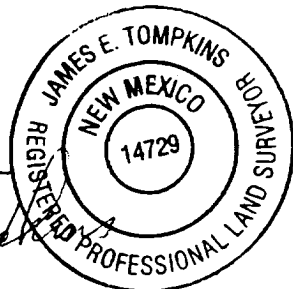


CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in an existing road, from which point the southeast corner of Section 34, T-23-S, R-32-S, N.M.P.M., Lea County, New Mexico, bears N 89° 40' 39" E, 1822.9 feet and S 00° 05' 03" W, 618.9 feet;
 THENCE S 22° 57' 17" E, with the centerline of proposed road, 177.9 feet to a point for a bend in this road;
 THENCE S 02° 13' 06" W, with the centerline of proposed road, 450.6 feet to a point in the south line of said Section 34, for the end of this road, from which point the southeast corner of said Section 34 bears N 89° 40' 39" E, 1759.6 feet;

EXHIBIT 2-A
PROPOSED ROAD TO SERVE
DIAMONDTAIL "3" FEDERAL No. 1

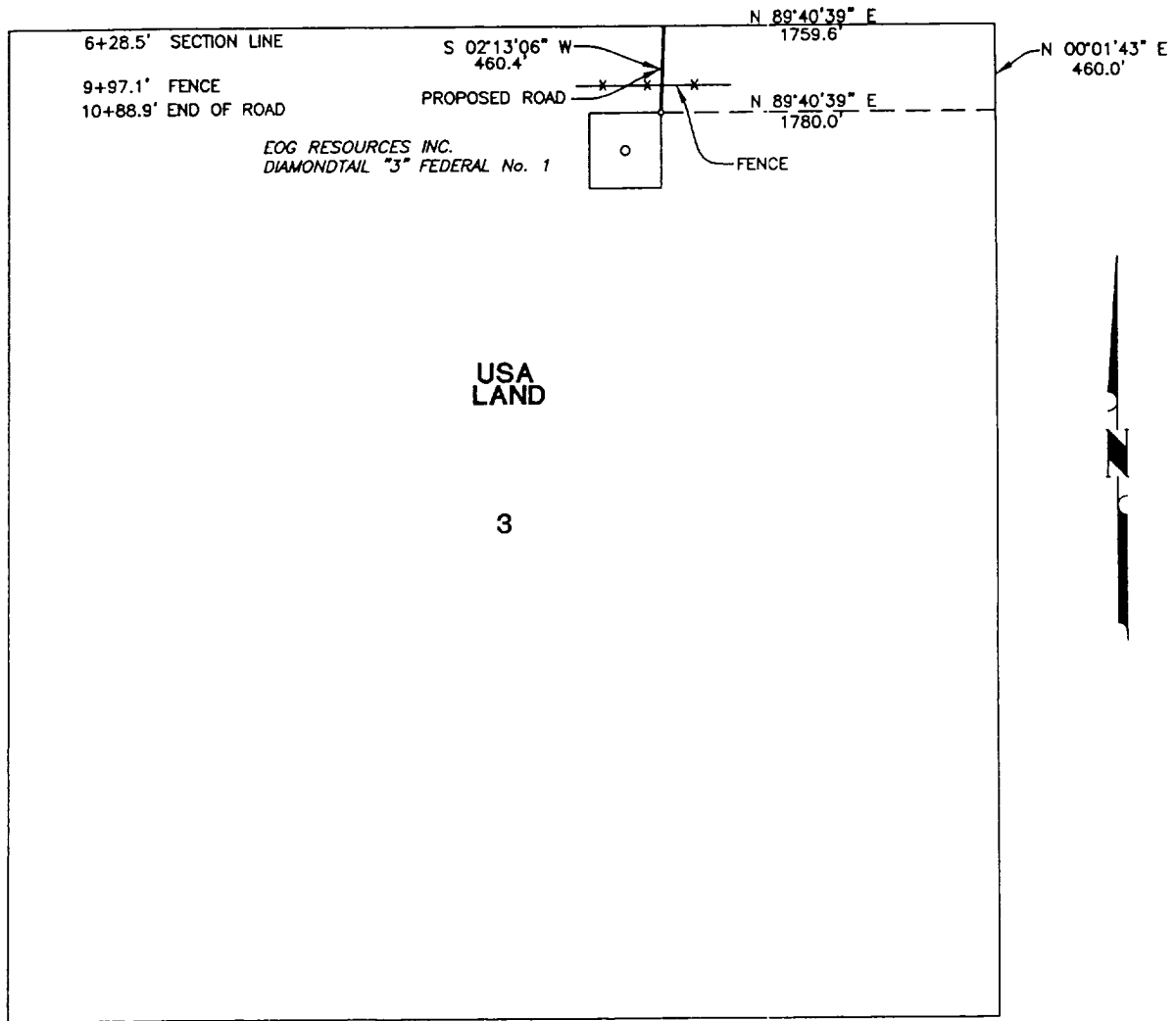
I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



James E. Tompkins
 JAMES E. TOMPKINS
 Registered Professional Surveyor
 New Mexico Certificate No. 14729

EOG RESOURCES INC.		
628.5 feet of proposed road in Section 34, T-23-S, R-32-E, N.M.P.M., Lea County, New Mexico		
WEST TEXAS CONSULTANTS, INC.		
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS		
Survey Date: 3-4-00	Date: 3-6-00	Scale: 1" = 1000'
WTC No. 45820	Drawn By: JRS II	Sheet 1 of 2

SECTION 3, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the north line of Section 3, T-24-S, R-32-S, N.M.P.M., Lea County, New Mexico, from which point the northeast corner of said Section 3 bears N 89° 40' 39" E, 1859.6 feet;
THENCE S 02° 13' 06" W, with the centerline of proposed road, 460.4 feet to a point in the northeast corner of a well pad for EOG Resources, Inc. DIAMONDTAIL "3" FEDERAL No. 1, for the end of this road, from which point the northeast corner of said Section 3 bears N 89° 40' 39" E, 1780.0 feet and N 00° 01' 43" E, 460.0 feet.

EXHIBIT 2-A(1)

PROPOSED ROAD TO SERVE
DIAMONDTAIL "3" FEDERAL No. 1

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

EOG RESOURCES INC.

460.4 feet of proposed road in
Section 3, T-24-S, R-32-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

James E. Tompkins

JAMES E. TOMPKINS
Registered Professional Surveyor
New Mexico Certificate No. 14729

Survey Date: 3-4-00	Date: 3-6-00	Scale: 1" = 1000'
WTC No. 45820	Drawn By: JRS II	Sheet 2 of 2

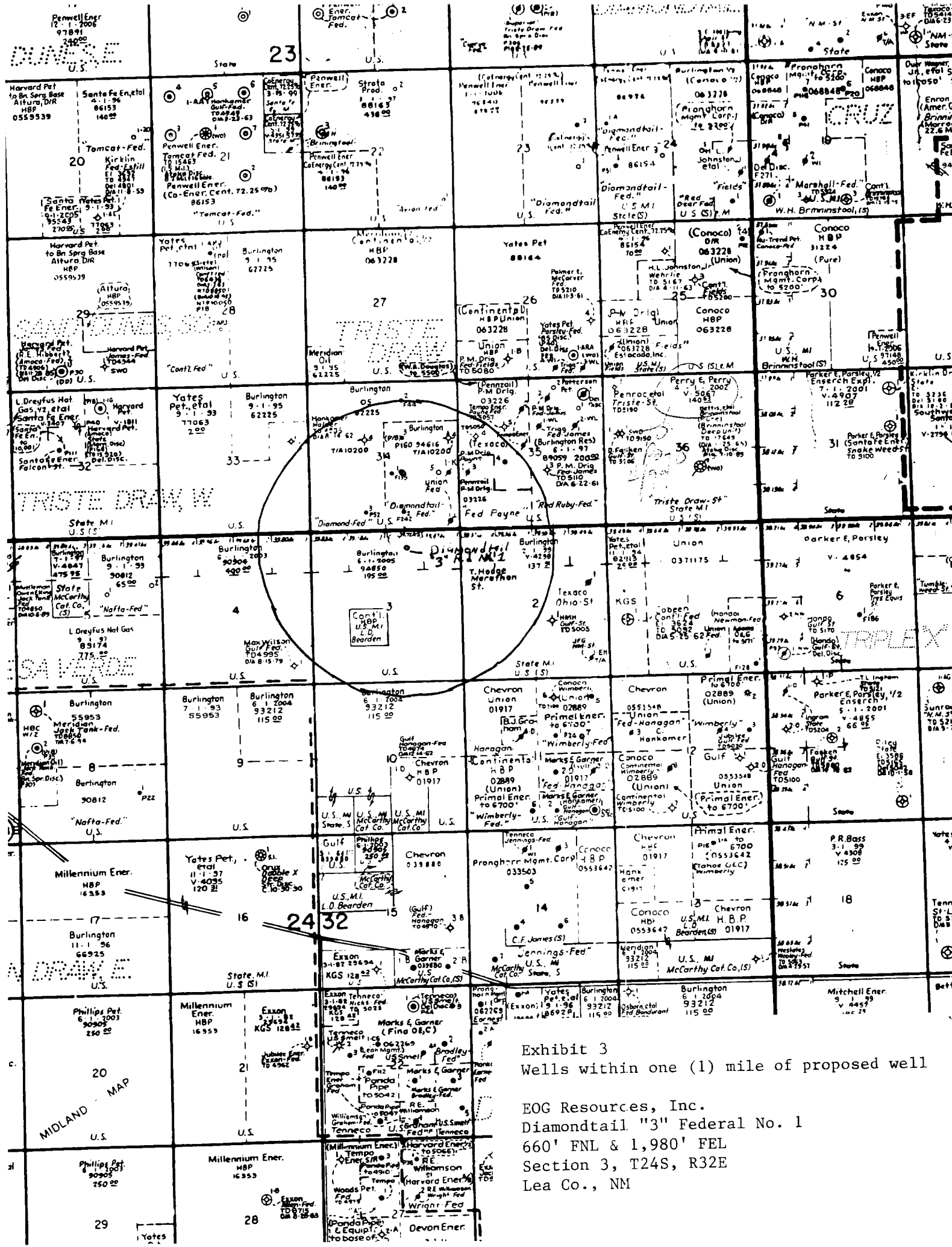
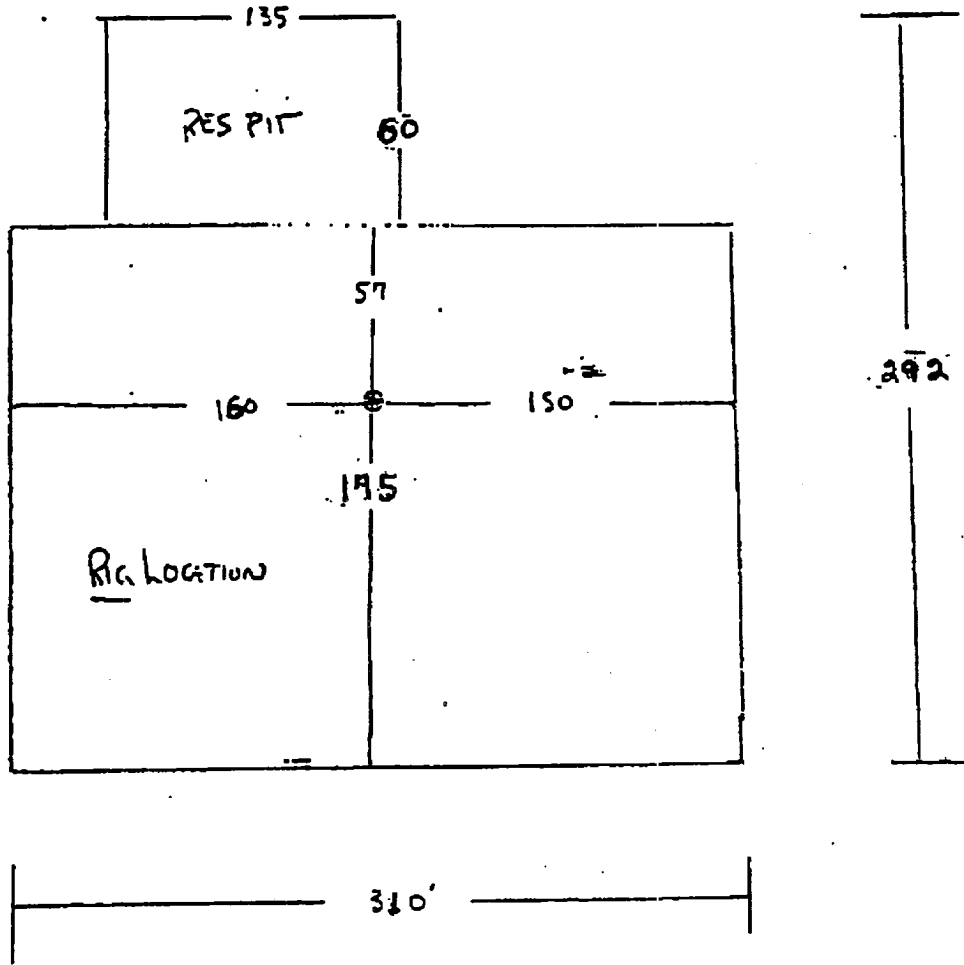


Exhibit 3
 Wells within one (1) mile of proposed well
 EOG Resources, Inc.
 Diamondtail "3" Federal No. 1
 660' FNL & 1,980' FEL
 Section 3, T24S, R32E
 Lea Co., NM

Exhibit 4

NORTH



Statement Accepting Responsibility For Operations

Operator Name: EOG Resources, Inc.
Street or Box: P.O. Box 2267
City, State: Midland, TX
Zip Code: 79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM94850

Legal Description of Land: Section 3, T24S, R32E, NMPM
Eddy Co., NM

Formation(s) (if applicable):

Bond Coverage: (*State if individually bonded or another's bond*) Individually

BLM Bond File No.: MT-0748 with endorsement to State of NM

Authorized Signature


Mike Francis

Title: Agent

Date: 3/23/00

ELF
9/12/72
ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

CONFIDENTIAL