30-025-41067

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EOG RESOURCES, INC. ENDURANCE 25 FEDERAL NO. 2

MAR 1 8 2013

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SURFACE USE PLAN OF OPERATION

SHL: 2310' FNL & 990' FWL, Unit E, Section 25, T26S-R33E, N.M.P.M., Lea, NM BHL: 2310' FNL & 990' FWL, Unit E, Section 25, T26S-R33E, N.M.P.M., Lea, 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 Michael B. Brown of Topographic Land Surveyors, N.M.P.S. No. 18329.
- b. All roads into the location are depicted on Exhibit 2 and 2a.
- c. <u>Directions to Locations</u>: Beginning in Jal, NM at the intersection of N.M. State Hwy 128 and Hwy 18, go west on Hwy 128 for 14.1 miles to County Road 2 (Battle Ax Road), turn southwest for 10.1 miles, turn southeast for 2.1 miles, turn west on lease road for 1.9 miles, then turn south on lease road for 3.1 miles, then turn southeast for 937 feet to southwest corner of location pad.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. A new access road will be constructed a distance of (937) of compact caliche as depicted per Exhibit 2A.
- b. The maximum width of the road will be 14'. 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. This well shall serve as a monitor well for the completions activities of wells planned in the immediate area. At a time that we have completed our monitoring of our completion activities in the area of this well we will convert it into a salt water disposal well to serve the productive wells in the immediate area. All facilities on this location will be related to its use as a salt water disposal well. A

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6" buried low pressure poly line will be laid along the proposed road to the location until it intersects with the existing lease road as depicted in Exhibit 6.

- b. As a proposed salt water disposal well, operator shall construct a power line alongside the road that is depicted in the site map and labeled as Exhibit 5. The proposed power line is alongside the depicted existing road and less than 50' from the edge of the well pad.
- c. Pipelines will adhere to API standards. Applicant will lay a 6" buried poly SWD Pipeline to service the produced water from wells in the immediate area, see Exhibit 6. Refer to b above.
- d. If the well is successfully equipped as a salt water disposal well, future rehabilitation plans are as follows:
 - i. The location shall be reduced on the West, East and North sides of the location as depicted by the Production Facilities 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 from the well site 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:

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 wells in the area and hauled to location via 4" poly lines utilizing existing and proposed roads shown in Exhibit 2 and 2a. Since poly pipeline is used to transport fresh water to the location, proper authorization will be secured by the operator or its contractor.

6. CONSTRUCTION MATERIALS

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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:

- 1. 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.
- 2. An area will be used within the proposed well site to excavate caliche.
- 3. The subsoil will then be removed and stockpiled within the footages of the well location.
- 4. Once caliche/mineral material is found, the material will be excavated and stockpiled within the footages of the well location.
- 5. The subsoil will then be placed back in the excavated hole.

6. 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

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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.
- 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. D & D TRUCKING
 - ii. FULCO TRUCKING
 - iii. CABELLO TRUCKING
 - iv. VMJ TRUCKING
 - v. C & C TRUCKING
 - vi. H & L TRUCKING
 - vii. FS 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 reserve and 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 no longer used as a salt water disposal well, 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 catch tank area shall be broken out and leveled after drying to a condition where these are feasible. The original topsoil shall again be returned to the pad and contoured, as close as possible, to the original topography.
- 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. If the well is deemed commercially productive, the catch tank area shall be restored as described in 4(e)(i). 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 United States Government and is managed by the Bureau of Land Management. 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 and cactus. No wildlife was observed but it is likely that deer, rabbits, coyotes, birds, rodents and reptiles transverse the area.

- b. There are not dwellings within 2 miles of location.
- c. Applicant shall utilize the Permian Basin MOA for determining the existence of any archeological issues.

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 (361) 537-8281 Cell

Drilling

Operations

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

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 <u>20</u> day of <u>unree</u>, 2012.

Name: <u>Roger Motley</u> Position: <u>Sr. Lease Operations ROW Representative</u> Address: <u>P.O. Box 2267, Midland, TX 79705</u> Telephone: <u>(432) 686-3642</u> Email: <u>roger_motley@eogresources.com</u>

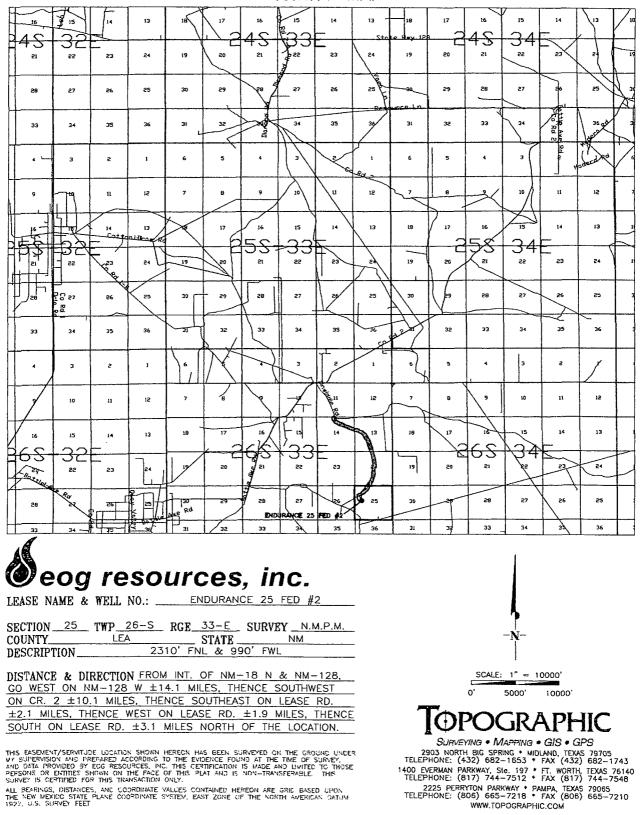
Signed Kogn Moth

Exhibit 2

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VICINITY MAP



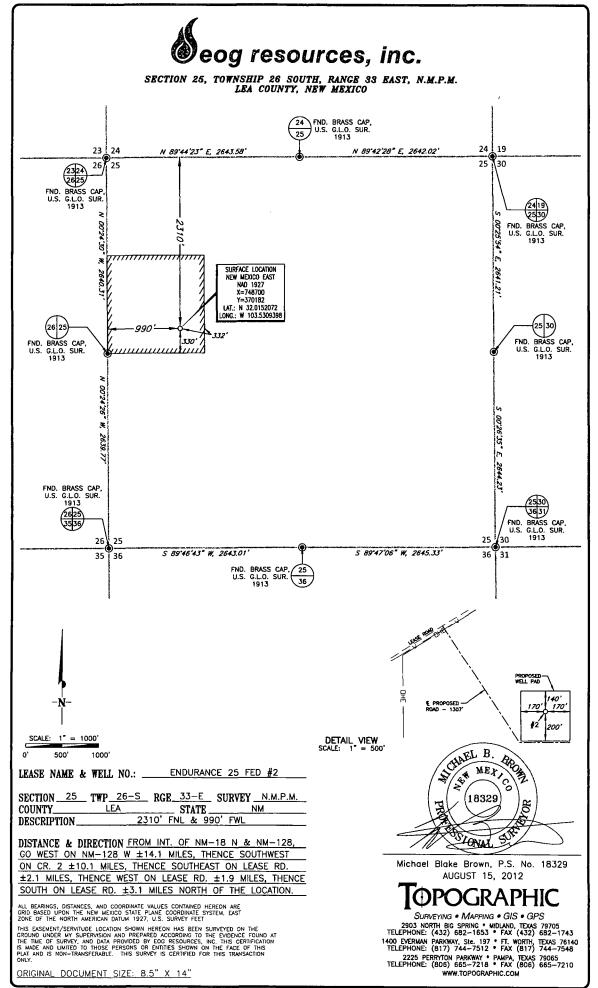
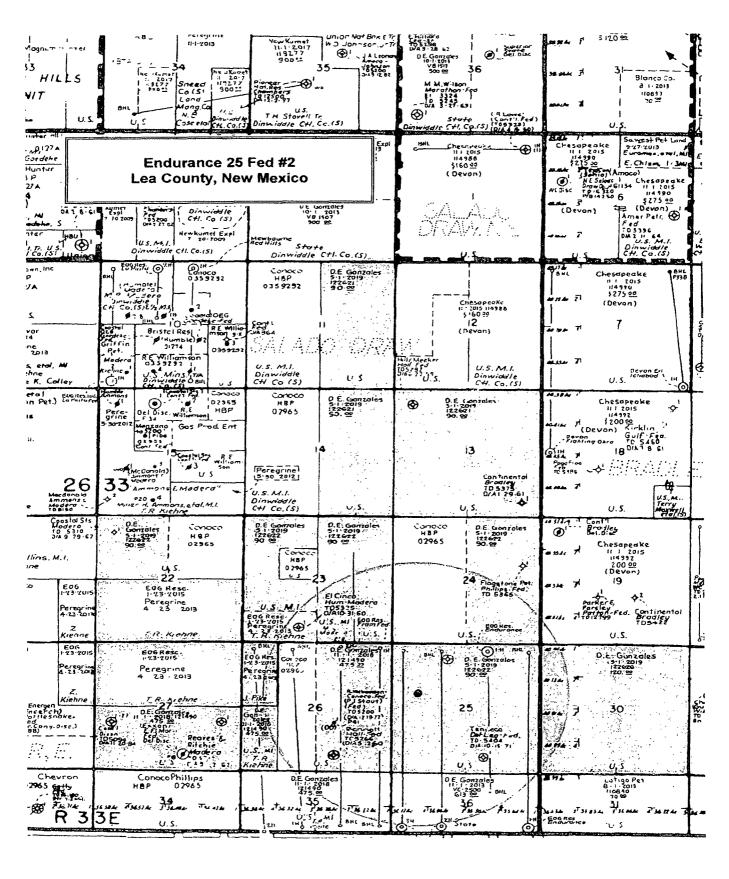
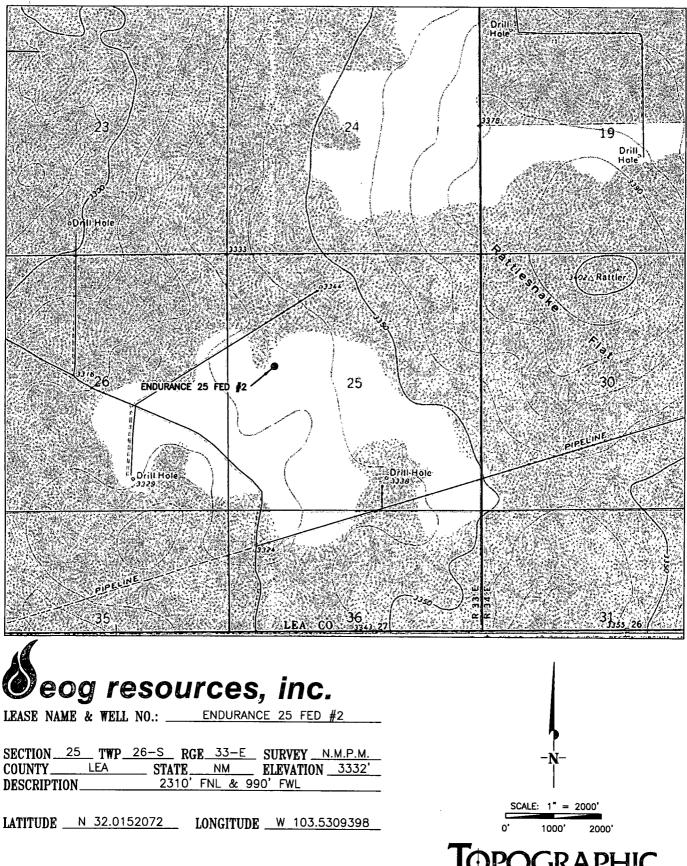


Exhibit 3



LOCATION & ELEVATION VERIFICATION MAP



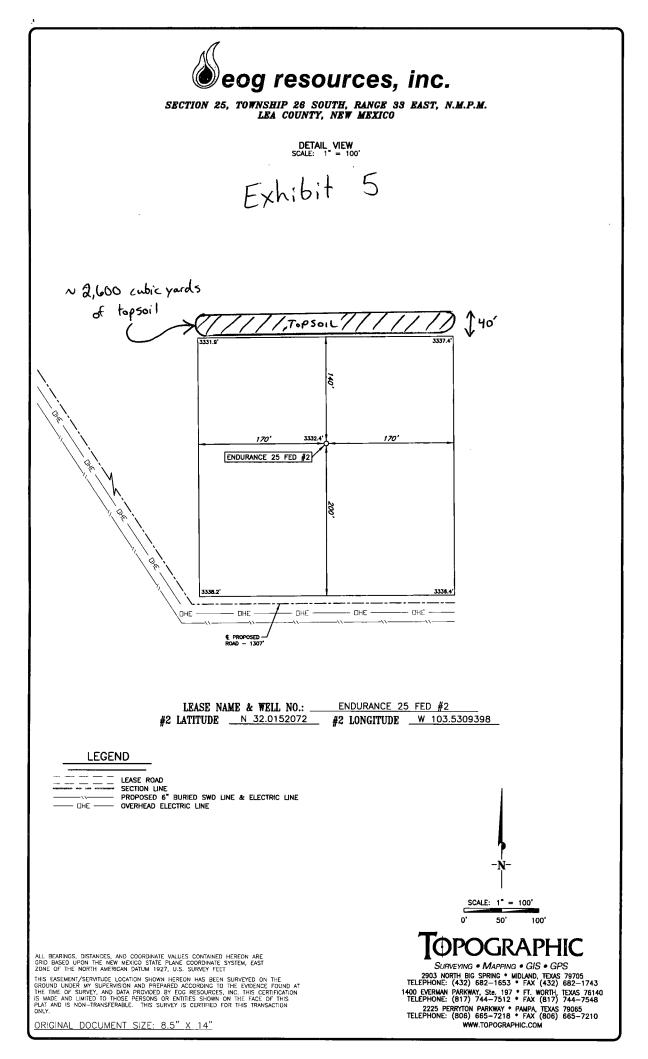
SURVEYING • MAPPING • GIS • GPS

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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.



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Exhibit 6

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