

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

HOBBSOCD

FORM APPROVED  
OMB NO. 1004-0137  
Expires October 31, 2014UNORTHODOX  
LOCATION

JUL 28 2014

## APPLICATION FOR PERMIT TO DRILL OR REENTER

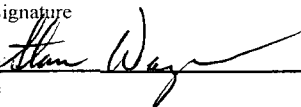
1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. Unit or CA Agreement Name and No.	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <b>313517</b> Diamond 5 Fed Com 6H	
2. Name of Operator EOG Resources, Inc. <b>7377</b>		9. API Well No. 30-025-41990 <b>99900</b>	
3a. Address P.O. Box 2267 Midland, TX 79702		3b. Phone No. (include area code) 432-686-3689	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 110 FSL & 1850 FEL, SWSE (O), Sec 5, 25S, 34E  At proposed prod. zone 1601 FSL & 2426 FEL, NWSE (J), Sec 8, 25S, 34E		10. Field and Pool, or Exploratory Red Hills; Upper BS Shale  11. Sec., T., R., M., or Blk. and Survey or Area Sec 5, T25S, R34E	
14. Distance in miles and direction from nearest town or post office* Approximately +/-18 miles West Northwest from Jal, NM		12. County or Parish Lea	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 110' OL - 214' PP	16. No. of Acres in lease 799.84	17. Spacing Unit dedicated to this well 120 ac	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 83' frm Diamond 8-1	19. Proposed Depth 9533 TVD - 13164 MD	20. BLM/BIA Bond No. on file NM 2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3377' GL	22. Approximate date work will start* 12/1/2013	23. Estimated duration 25 days	

## 24. Attachments

NSL-6866

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.                                                                                               | 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 System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM              |

25. Signature 	Name (Printed/Typed) Stan Wagner	Date 10/29/2013
Title Regulatory Analyst		
Approved by (Signatures) <b>Steve Caffey</b>	Name (Printed/Typed)	Date JUL 18 2014
Title 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.

(Continued on page 2)

\*(Instructions on page 2)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements  
& Special Stipulations AttachedSEE ATTACHED FOR  
CONDITIONS OF APPROVAL  
JUL 29 2014

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## 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 6<sup>th</sup> day of August, 2013.

Name: Roger Motley

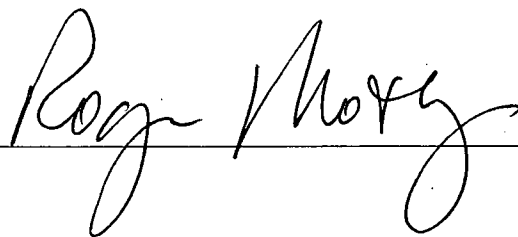
Position: Sr. Lease Operations ROW Representative

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

Telephone: (432) 686-3642

Email: roger\_motley@eogresources.com

Signed

A handwritten signature in cursive script, reading "Roger Motley", is written over a horizontal line.



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JUL 28 2014

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## **EOG Resources**

**Lea County, NM (NAD27 NME)**

**Diamond 5 Fed Com**

**#6H**

**WB1**

**Plan: Plan #2 08-28-13**

## **Standard Planning Report**

**28 August, 2013**



Database:	GCR DB	Local Co-ordinate Reference:	Well #6H
Company:	EOG Resources	TVD Reference:	KB @ 3407.00usft
Project:	Lea County, NM (NAD27 NME)	MD Reference:	KB @ 3407.00usft
Site:	Diamond 5 Fed Com	North Reference:	Grid
Well:	#6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #2 08-28-13		

Project:	Lea County, NM (NAD27 NME)		
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:	Diamond 5 Fed Com		
Site Position:		Northing:	420,210.00 usft
From:	Map	Easting:	761,321.00 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 9' 8.84514 N
		Longitude:	103° 29' 20.26014 W
		Grid Convergence:	0.45 °

<b>Well</b>	#6H				
<b>Well Position</b>	<b>+N/-S</b>	0.00 usft	<b>Northing:</b>	420,210.00 usft	<b>Latitude:</b> 32° 9' 8.84514 N
	<b>+E/-W</b>	0.00 usft	<b>Easting:</b>	761,321.00 usft	<b>Longitude:</b> 103° 29' 20.26014 W
<b>Position Uncertainty</b>		0.00 usft	<b>Wellhead Elevation:</b>		<b>Ground Level:</b> 3,377.00 usft

Wellbore						WB1					
Magnetics		Model Name		Sample Date		Declination		Dip Angle		Field Strength	
						(°)		(°)		(nT)	
		IGRF2010_14		07/31/13		7.28		60.08		48,370	

Design:	Plan #2 08-28-13			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(usft)	(usft)	(usft)	(°)
	0.00	0.00	0.00	188.20

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,972.50	0.00	0.00	8,972.50	0.00	0.00	0.00	0.00	0.00	0.00	
9,714.33	89.00	213.00	9,450.00	-393.54	-255.57	12.00	12.00	0.00	213.00	
10,829.33	88.55	179.55	9,474.51	-1,448.45	-563.53	3.00	-0.04	-3.00	-91.11	
13,164.69	88.55	179.55	9,533.50	-3,783.00	-545.00	0.00	0.00	0.00	0.00	PBHL-Diamond #6H

Database: GCR DB  
Company: EOG Resources  
Project: Lea County, NM (NAD27 NME)  
Site: Diamond 5 Fed Com  
Well: #6H  
Wellbore: WB1  
Design: Plan #2 08-28-13

Local Co-ordinate Reference:  
TVD Reference:  
MD Reference:  
North Reference:  
Survey Calculation Method:  
Well #6H  
KB @ 3407.00usft  
KB @ 3407.00usft  
Grid  
Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8,972.50	0.00	0.00	8,972.50	0.00	0.00	0.00	0.00	0.00	0.00
<b>KOP Start Build-12.00</b>									
9,000.00	3.30	213.00	8,999.99	-0.66	-0.43	0.72	12.00	12.00	0.00
9,100.00	15.30	213.00	9,098.49	-14.19	-9.21	15.36	12.00	12.00	0.00
9,200.00	27.29	213.00	9,191.49	-44.59	-28.96	48.27	12.00	12.00	0.00
9,300.00	39.29	213.00	9,274.93	-90.54	-58.80	98.00	12.00	12.00	0.00
9,400.00	51.29	213.00	9,345.15	-150.04	-97.44	162.40	12.00	12.00	0.00
9,500.00	63.29	213.00	9,399.10	-220.47	-143.18	238.64	12.00	12.00	0.00
9,600.00	75.28	213.00	9,434.40	-298.77	-194.03	323.39	12.00	12.00	0.00
9,700.00	87.28	213.00	9,449.54	-381.52	-247.76	412.95	12.00	12.00	0.00
9,714.33	89.00	213.00	9,450.00	-393.54	-255.57	425.96	12.00	12.00	0.00
<b>LP Start DLS 3.00 TFO -91.11</b>									
9,800.00	88.95	210.43	9,451.53	-466.39	-300.59	504.49	3.00	-0.06	-3.00
9,900.00	88.90	207.43	9,453.41	-553.89	-348.95	597.99	3.00	-0.05	-3.00
<b>Upper-Diamond #6H</b>									
10,000.00	88.85	204.43	9,455.38	-643.79	-392.66	693.20	3.00	-0.05	-3.00
10,100.00	88.80	201.43	9,457.44	-735.86	-431.61	789.89	3.00	-0.05	-3.00
10,200.00	88.75	198.43	9,459.58	-829.84	-465.68	887.76	3.00	-0.04	-3.00
10,300.00	88.71	195.43	9,461.79	-925.47	-494.79	986.57	3.00	-0.04	-3.00
10,400.00	88.67	192.43	9,464.07	-1,022.50	-518.86	1,086.03	3.00	-0.04	-3.00
10,500.00	88.64	189.43	9,466.42	-1,120.64	-537.81	1,185.88	3.00	-0.03	-3.00
10,600.00	88.61	186.43	9,468.82	-1,219.65	-551.59	1,285.84	3.00	-0.03	-3.00
10,700.00	88.58	183.43	9,471.28	-1,319.24	-560.18	1,385.63	3.00	-0.03	-3.00
10,800.00	88.56	180.43	9,473.77	-1,419.14	-563.53	1,484.99	3.00	-0.02	-3.00
10,829.33	88.55	179.55	9,474.51	-1,448.45	-563.53	1,514.01	3.00	-0.02	-3.00
<b>Start 2335.36 hold at 10829.33 MD</b>									
10,900.00	88.55	179.55	9,476.30	-1,519.10	-562.97	1,583.86	0.00	0.00	0.00
11,000.00	88.55	179.55	9,478.82	-1,619.07	-562.17	1,682.69	0.00	0.00	0.00
11,100.00	88.55	179.55	9,481.35	-1,719.03	-561.38	1,781.52	0.00	0.00	0.00
11,200.00	88.55	179.55	9,483.87	-1,819.00	-560.59	1,880.35	0.00	0.00	0.00
11,300.00	88.55	179.55	9,486.40	-1,918.96	-559.79	1,979.18	0.00	0.00	0.00
11,400.00	88.55	179.55	9,488.93	-2,018.93	-559.00	2,078.01	0.00	0.00	0.00
11,500.00	88.55	179.55	9,491.45	-2,118.89	-558.21	2,176.84	0.00	0.00	0.00
11,600.00	88.55	179.55	9,493.98	-2,218.86	-557.41	2,275.67	0.00	0.00	0.00
11,700.00	88.55	179.55	9,496.50	-2,318.82	-556.62	2,374.50	0.00	0.00	0.00
11,800.00	88.55	179.55	9,499.03	-2,418.79	-555.83	2,473.33	0.00	0.00	0.00
11,900.00	88.55	179.55	9,501.56	-2,518.75	-555.03	2,572.16	0.00	0.00	0.00
12,000.00	88.55	179.55	9,504.08	-2,618.72	-554.24	2,670.99	0.00	0.00	0.00
12,100.00	88.55	179.55	9,506.61	-2,718.68	-553.45	2,769.82	0.00	0.00	0.00
12,200.00	88.55	179.55	9,509.13	-2,818.65	-552.65	2,868.65	0.00	0.00	0.00
12,300.00	88.55	179.55	9,511.66	-2,918.61	-551.86	2,967.48	0.00	0.00	0.00
12,400.00	88.55	179.55	9,514.19	-3,018.58	-551.07	3,066.31	0.00	0.00	0.00
12,500.00	88.55	179.55	9,516.71	-3,118.54	-550.27	3,165.14	0.00	0.00	0.00
12,600.00	88.55	179.55	9,519.24	-3,218.51	-549.48	3,263.97	0.00	0.00	0.00
12,700.00	88.55	179.55	9,521.76	-3,318.47	-548.69	3,362.80	0.00	0.00	0.00
12,800.00	88.55	179.55	9,524.29	-3,418.44	-547.89	3,461.63	0.00	0.00	0.00
12,900.00	88.55	179.55	9,526.81	-3,518.40	-547.10	3,560.46	0.00	0.00	0.00
13,000.00	88.55	179.55	9,529.34	-3,618.37	-546.31	3,659.29	0.00	0.00	0.00
13,100.00	88.55	179.55	9,531.87	-3,718.33	-545.51	3,758.12	0.00	0.00	0.00
13,164.69	88.55	179.55	9,533.50	-3,783.00	-545.00	3,822.06	0.00	0.00	0.00
<b>TD at 13164.69 - PBHL-Diamond #6H</b>									

<b>Database:</b>	GCR DB	<b>Local Co-ordinate Reference:</b>	Well #6H
<b>Company:</b>	EOG Resources	<b>TVD Reference:</b>	KB @ 3407.00usft
<b>Project:</b>	Lea County, NM (NAD27 NME)	<b>MD Reference:</b>	KB @ 3407.00usft
<b>Site:</b>	Diamond 5 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#6H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	WB1		
<b>Design:</b>	Plan #2 08-28-13		

#### Design Targets

Target Name	hit/miss target	Dip Angle	Dip Dir	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Shape		(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
Upper-Diamond #6H		0.00	0.00	9,450.00	-442.00	-571.00	419,768.00	760,750.00	32° 9' 4.51563 N	103° 29' 26.94175 W
	- plan misses target center by 248.67usft at 9900.00usft MD (9453.41 TVD, -553.89 N, -348.95 E)									
	- Point									
PBHL-Diamond #6H		0.00	0.00	9,533.50	-3,783.00	-545.00	416,427.00	760,776.00	32° 8' 31.45298 N	103° 29' 26.94340 W
	- plan hits target center									
	- Point									

#### Plan Annotations

Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/-S (usft)	+E/-W (usft)	
8,972.50	8,972.50	0.00	0.00	KOP Start Build 12.00
9,714.33	9,450.00	-393.54	-255.57	LP Start DLS 3.00 TFO -91.11
10,829.33	9,474.51	-1,448.45	-563.53	Start 2335.36 hold at 10829.33 MD
13,164.69	9,533.50	-3,783.00	-545.00	TD at 13164.69

**EOG RESOURCES, INC.**  
**DIAMOND 5 FED COM #6H**

ATTACHMENT TO EXHIBIT #1

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

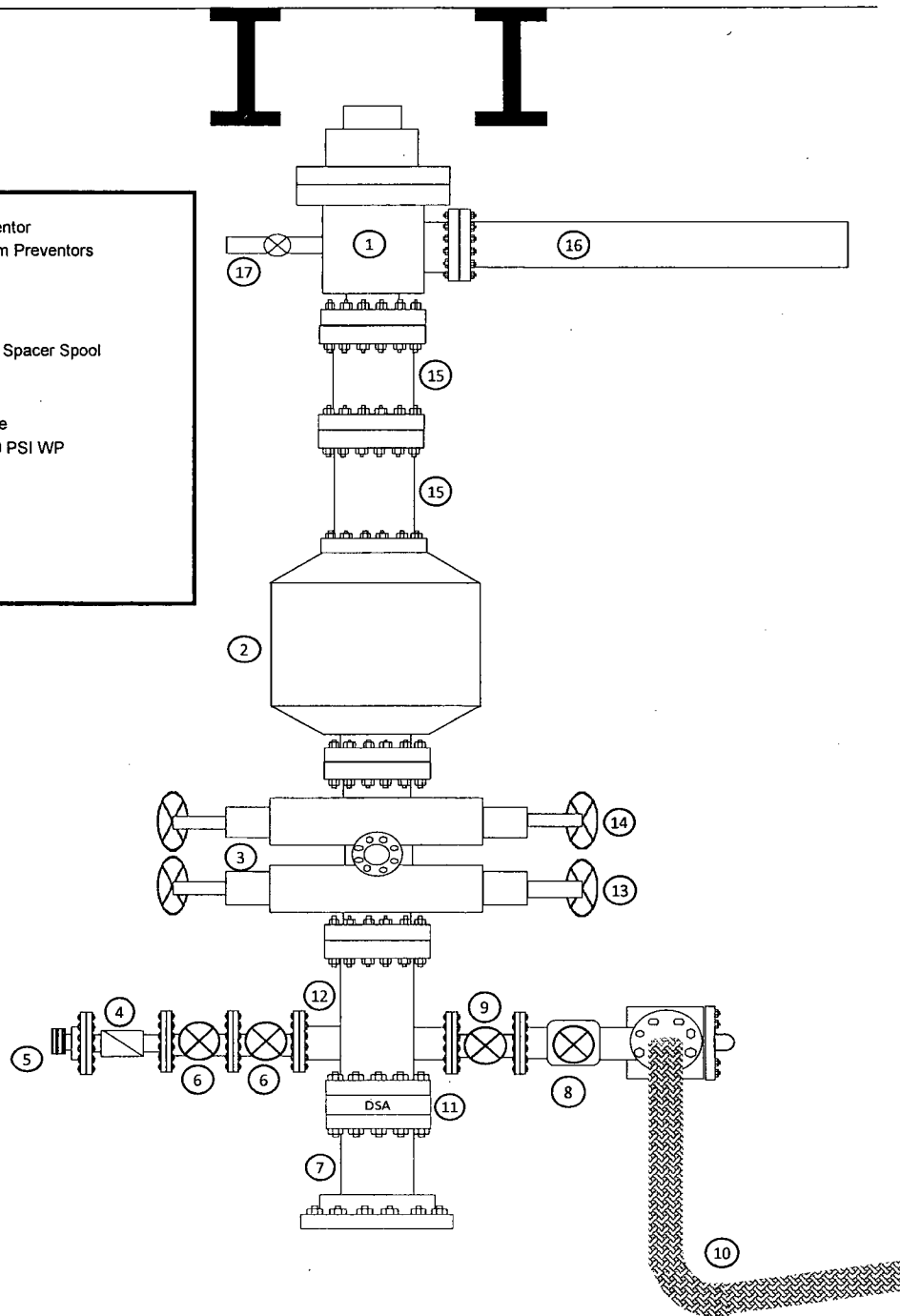
# Exhibit 1

## EOG Resources

### 10M BOPE

Rig Floor

1. 13 5/8" Rotating Head
2. Hydril 13 5/8" 5,000 PSI WP GK Annular Preventor
3. 13 5/8" Cameron Type "U" 10,000 PSI WP Ram Preventors
4. 2 1/16" - 10,000 PSI WP Check Valve
5. 10,000 PSI WP - 1502 Union to kill line
6. 2 1/16" - 10,000 PSI WP Manual Valves
7. 13 5/8" 3,000 PSI WP x 13 5/8" 5,000 PSI WP Spacer Spool
8. 4 1/16" 10,000 PSI WP HCR Valve
9. 4 1/16" 10,000 PSI WP Manual Valve
10. 8" OD x 4" ID 10,000 PSI WP Flex Choke Line
11. DSA - 13 5/8" 10,000 PSI WP x 13 5/8" 5,000 PSI WP
12. Mud Cross - 13 5/8" 10,000 PSI WP
13. Blind Rams
14. Pipe Rams
15. 13 5/8" 5,000 PSI WP Spacer Spools
16. Flow Line
17. 2" Fill Line

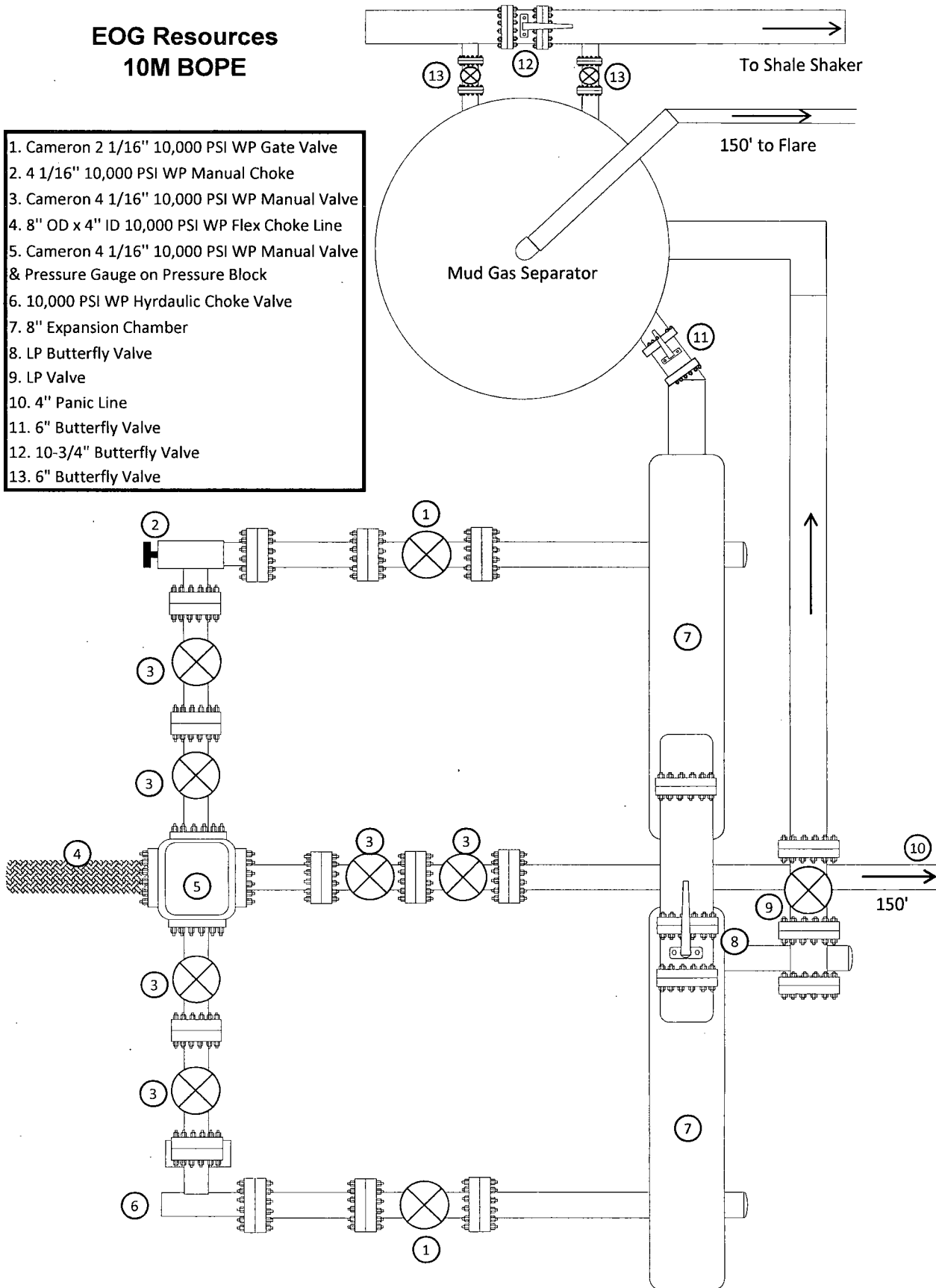




## Exhibit 1a

### EOG Resources 10M BOPE

1. Cameron 2 1/16" 10,000 PSI WP Gate Valve
2. 4 1/16" 10,000 PSI WP Manual Choke
3. Cameron 4 1/16" 10,000 PSI WP Manual Valve
4. 8" OD x 4" ID 10,000 PSI WP Flex Choke Line
5. Cameron 4 1/16" 10,000 PSI WP Manual Valve & Pressure Gauge on Pressure Block
6. 10,000 PSI WP Hydraulic Choke Valve
7. 8" Expansion Chamber
8. LP Butterfly Valve
9. LP Valve
10. 4" Panic Line
11. 6" Butterfly Valve
12. 10-3/4" Butterfly Valve
13. 6" Butterfly Valve



**Manufacturer: Midwest Hose & Specialty**

**Serial Number: SN#90067**

**Length: 35'**

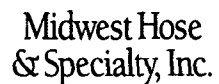
**Size: OD = 8" ID = 4"**

**Ends: Flanges Size: 4-1/16"**

**WP Rating: 10,000 psi    Anchors required by manufacturer: No**

**M I D W E S T**  
**HOSE AND SPECIALTY INC.**

<b>INTERNAL HYDROSTATIC TEST REPORT</b>			
<b>Customer:</b> CACTUS		<b>P.O. Number:</b> RIG #123 Asset # M10761	
<b>HOSE SPECIFICATIONS</b>			
<b>Type:</b> CHOKER LINE		<b>Length:</b> 35'	
<b>I.D.</b> 4" INCHES		<b>O.D.</b> 8" INCHES	
<b>WORKING PRESSURE</b> 10,000 PSI	<b>TEST PRESSURE</b> 15,000 PSI	<b>BURST PRESSURE</b> PSI	
<b>COUPLINGS</b>			
<b>Type of End Fitting</b> 4 1/16 10K FLANGE			
<b>Type of Coupling:</b> SWEDGED		<b>MANUFACTURED BY</b> MIDWEST HOSE & SPECIALTY	
<b>PROCEDURE</b>			
<i>Hose assembly pressure tested with water at ambient temperature.</i>			
<b>TIME HELD AT TEST PRESSURE</b> 1 MIN.		<b>ACTUAL BURST PRESSURE:</b> 0 PSI	
<b>COMMENTS:</b> SN#90067 M10761 Hose is covered with stainless steel armour cover and wrapped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes			
<b>Date:</b> 6/6/2011	<b>Tested By:</b> BOBBY FINK		<b>Approved:</b> MENDI JACKSON



## September 10, 1995

**SALES ORDER# 90067**

### Verification

### Coupling Method

Swage

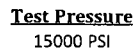
Final O.D.

6.68"

**Hose Assembly Serial #**

**Standard Safety Multiplier Applies**

90067



**Time Held at Test Pressure**  
11 1/4 Minutes

**Actual Burst Pressure**

**Peak Pressure**  
15439 PSI

**Comments:** Hose assembly pressure tested with water at ambient temperature.

**Tested By:** Bobby Fink

**Approved By:** *Mendi Jackson*

*[Handwritten signature]*

Mendi Jackson

# Closure Plan for Closed Loop Drilling System

## **1. METHODS OF HANDLING WASTE MATERIALS**

- a. Drill cuttings shall be disposed of in steel cuttings bins (catch tanks) on the drilling pad (behind the steel mud tanks). The bin and cuttings shall be hauled to a division approved facility by an approved transporter. At the facility, the cuttings shall be removed from the bin and the bin shall be returned to the drilling site for reuse, moved to the next drilling site or returned to the provider.
- b. Remaining drilling fluids shall be hauled off by approved transports to a division approved disposal facility. Water produced during completion shall be put in storage tanks and disposed of at a division approved facility. Oil and condensate produced shall be put in a storage tank and sold or put in a sales pipeline.

## **2. RECLAMATION**

- a. Within 120 days after the drilling and completion of the well, the location area shall be reduced as determined by operator to the minimum area necessary to safely and effectively operate the well. The reclaimed location area shall be restored to the condition that existed prior to oil and gas operations.

## OPERATING AND MAINTENANCE PLAN – CLOSED LOOP SYSTEM

### 19.15.17.12 OPERATIONAL REQUIREMENTS:

A. General specifications. An operator shall maintain and operate a pit, closed-loop system, below-grade tank or sump in accordance with the following requirements.

(1) The operator shall operate and maintain a pit, closed-loop system, below-grade tank or sump to contain liquids and solids and maintain the integrity of the liner, liner system or secondary containment system, prevent contamination of fresh water and protect public health and the environment.

Operator shall operate and maintain a closed loop system.

(2) The operator shall recycle, reuse or reclaim all drilling fluids in a manner that prevents the contamination of fresh water and protects public health and the environment.

Operator shall recycle, reuse or reclaim all drilling fluids used. Excess or unused fluid shall be disposed of at division approved facilities.

(3) The operator shall not discharge into or store any hazardous waste in a pit, closed-loop system, below-grade tank or sump.

Operator shall not knowingly discharge hazardous waste into the closed loop system.

(4) If the integrity of the pit liner is compromised, or if any penetration of the liner occurs above the liquid's surface, then the operator shall notify the appropriate division district office within 48 hours of the discovery and repair the damage or replace the liner.

No Pit liner. Closed loop system.

(5) If a lined pit develops a leak, or if any penetration of the liner occurs below the liquid's surface, then the operator shall remove all liquid above the damage or leak line from the pit within 48 hours and repair the damage or replace the liner.

No Pit liner. Closed loop system. If a leak develops in any of the closed loop tanks, all liquid shall be removed from the effected tank within 48 hours and any damage shall be repaired prior to putting the tank back in service.

## OPERATING AND MAINTENANCE PLAN – CLOSED LOOP SYSTEM

(6) The operator shall install a level measuring device in a lined pit containing fluids to monitor the level of the fluid surface, so that the operator may recognize unanticipated change in volume of fluids.

No pit. Closed loop system. Excess fluid shall be removed appropriately from the catch tanks.

(7) The injection or withdrawal of liquids from a lined pit shall be accomplished through a header, diverter or other hardware that prevents damage to the liner by erosion, fluid jets or impact from installation and removal of hoses or pipes.

No pit. Closed loop system. Excess fluid shall be removed appropriately from the catch tanks using a re-circulating pump or vacuum trucks.

(8) The operator shall operate and install a pit, below-grade tank or sump to prevent the collection of surface water run-on.

Operator shall berm or collect surface water run-on and dispose of at a division approved facility.

(9) The operator shall install, or maintain on site, an oil absorbent boom or other device to contain and remove oil from a pit's surface.

Operator shall install a skimmer system on catch tanks, circulating tanks and over-flow tanks as needed to collect oil.

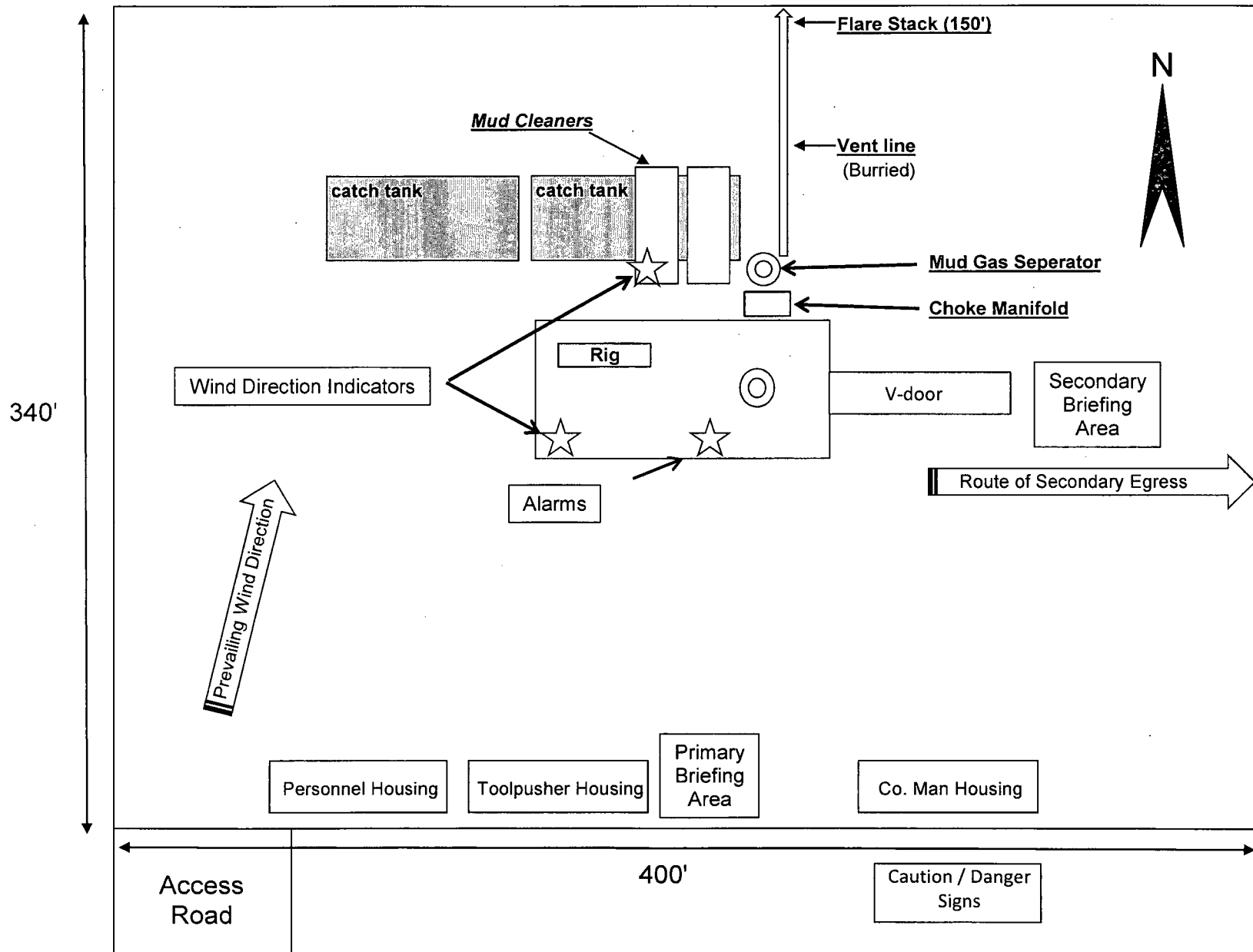


Exhibit 4  
EOG Resources  
Diamond 5 Fed Com #6H

Well Site Diagram



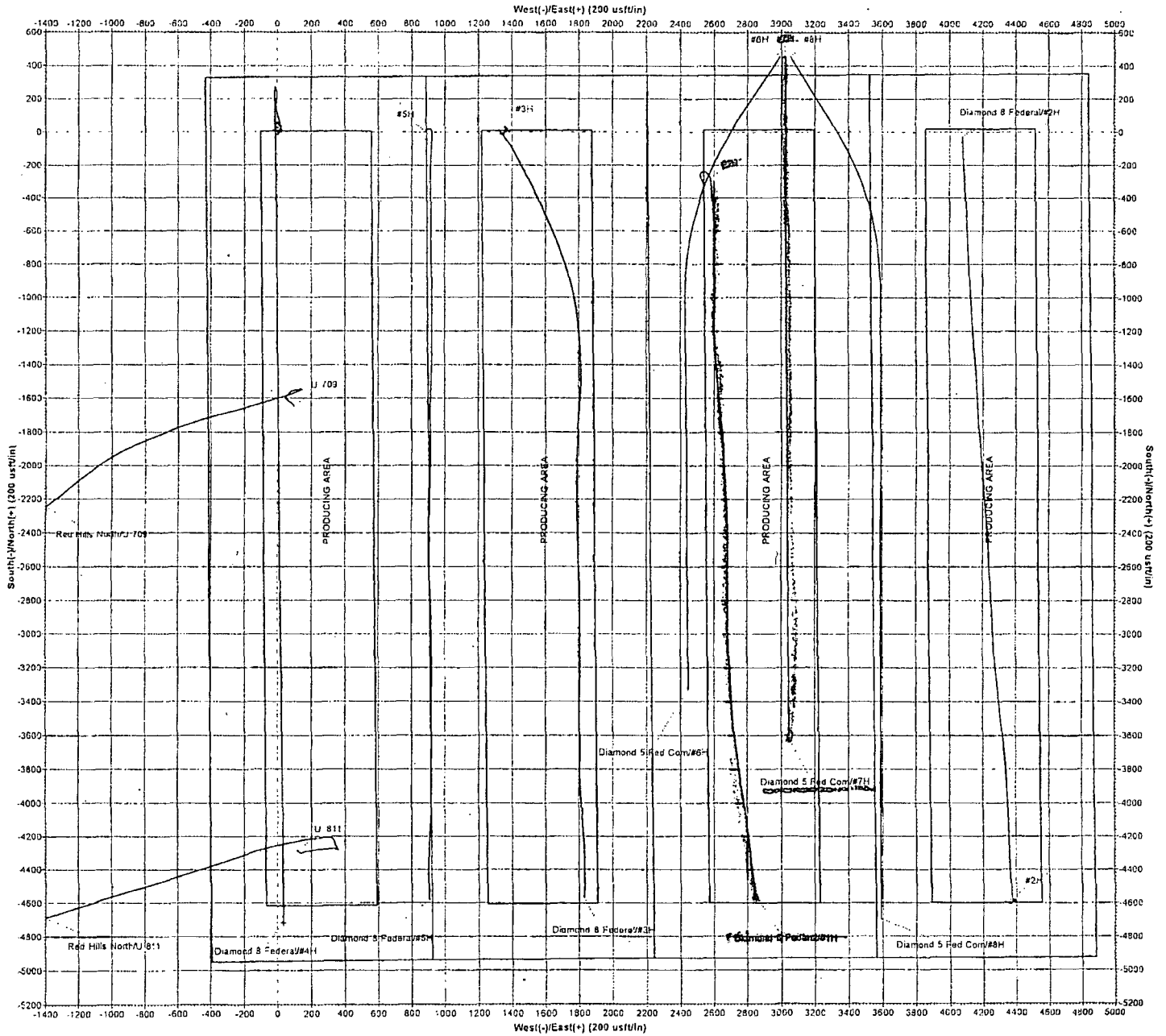
# EXHIBIT 1



Project: Lea County, NM (NAD27 NME)  
Site: Diamond 8 Federal



Azimuths to Grid North  
True North: -0.44°  
Magnetic North: 6.97°  
Magnetic Field  
Strength: 48473.6nT  
Dip Angle: 60.11°  
Date: 07/12/2012  
Model: IGRF2010\_14



Created By: Julio Pineda Date: 9/17/2013

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



October 2, 2013

EOG Resources, Inc.  
Attn: Mr. Michael H. Feldewert, Attorney  
Holland & Hart LLP

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6866  
Administrative Application Reference No. pPRG1325561401

EOG Resources, Inc.  
OGRID 7377  
Diamond 5 Federal Com Well No. 6H  
API No. 30-025-Pending

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	110 FSL & 1850 FEL	O	5	25S	34E	Lea
Penetration Point	330 FNL & 2426 FEL	B	8	25S	34E	Lea
Terminus	1601 FSL & 2426 FEL	J	8	25S	34E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 8	160	Red Hills; Lower Bone Spring	51020

Reference is made to your amended application received on September 10, 2013.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by Order R-10109, as amended, which provides for 80-acre units, with wells located no nearer than 330 feet to any outer boundary of a governmental quarter-quarter section or lot, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

October 3, 2013

Page 2

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for geologic and engineering reasons.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management