

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 175870

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702 | | 2. OGRID Number 7377 |
| 4. Property Code 39643 | | 3. API Number 30-025-41464 |
| 5. Property Name DRAGON 36 STATE | | 6. Well No. 010H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot N | Section 36 | Township 24S | Range 33E | Lot Idn N | Feet From 220 | N/S Line S | Feet From 2458 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot B | Section 36 | Township 24S | Range 33E | Lot Idn B | Feet From 230 | N/S Line N | Feet From 2390 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

9. Pool Information

| | |
|-----------------------------------|-------|
| RED HILLS;UPPER BONE SPRING SHALE | 97900 |
|-----------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3473 |
| 16. Multiple N | 17. Proposed Depth 14261 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 1/1/2014 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1230 | 700 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4000 | 1000 | 0 |
| Int2 | 12.25 | 9.625 | 40 | 5100 | 1000 | 0 |
| Prod | 8.75 | 5.5 | 17 | 14261 | 2075 | 4600 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| | | | |
|--------------------|--------------------------|-----------------------|--------------|
| Type Double Ram | Working Pressure 3000 | Test Pressure 3000 | Manufacturer |
|--------------------|--------------------------|-----------------------|--------------|

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Stan Wagner | Approved By: Paul Kautz |
| Title: Regulatory Analyst | Title: Geologist |
| Email Address: Stan_Wagner@eogresources.com | Approved Date: 10/25/2013 Expiration Date: 10/25/2015 |
| Date: 10/23/2013 Phone: 432-686-3689 | Conditions of Approval Attached |

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Form C-102

August 1, 2011

Permit 175870

**State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|---|
| 1. API Number 30-025-41464 | 2. Pool Code 97900 | 3. Pool Name RED HILLS;UPPER BONE SPRING SHALE |
| 4. Property Code 39643 | 5. Property Name DRAGON 36 STATE | 6. Well No. 010H |
| 7. OGRID No. 7377 | 8. Operator Name EOG RESOURCES INC | 9. Elevation 3473 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot N | Section 36 | Township 24S | Range 33E | Lot Idn | Feet From 220 | N/S Line S | Feet From 2458 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|-----------------|---------------------|--------------|------------------------|---------------|-------------------|---------------|---------------|
| UL - Lot B | Section 36 | Township 24S | Range 33E | Lot Idn B | Feet From 230 | N/S Line N | Feet From 2390 | E/W Line E | County Lea |
| 12. Dedicated Acres 640.00 | | | 13. Joint or Infill | | 14. Consolidation Code | | | 15. Order No. | |

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

A 4x4 grid with a purple square at (1, 3) and a green circle at (4, 2).

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Stan Wagner
Title: Regulatory Analyst
Date: 10/23/2013

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.

Surveyed By: Michael Brown
Date of Survey: 12/20/2012
Certificate Number: 18329

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Form APD Comments
Permit 175870

PERMIT COMMENTS

| | | |
|--|---|--------------------------------|
| Operator Name and Address: EOG RESOURCES INC [7377] P.O. Box 2267 Midland, TX 79702 | | API Number: 30-025-41464 |
| | | Well: DRAGON 36 STATE #010H |
| Created By | Comment | Comment Date |
| SWAGNER | C102, directional plan, and H2S plan will be mailed separately. | 10/23/2013 |
| pkautz | Land s/S | 10/23/2013 |

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Form APD Conditions

Permit 175870

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Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

| | |
|--|--------------------------------|
| Operator Name and Address: EOG RESOURCES INC [7377] P.O. Box 2267 Midland, TX 79702 | API Number: 30-025-41464 |
| | Well: DRAGON 36 STATE #010H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |