

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM23306
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator EOG RESOURCES INCORPORATED [7377]		8. Lease Name and Well No. DIAMOND 31 FED COM [4050] 4050 403H
3a. Address 1111 BAGBY SKY LOBBY 2, HOUSTON, TX 77002	3b. Phone No. (include area code) (713) 651-7000	9. API Well No. 30-025-49730
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW / 300 FSL / 2206 FWL / LAT 32.167621 / LONG -103.510375 At proposed prod. zone NESW / 2542 FSL / 1980 FWL / LAT 32.18828 / LONG -103.511106		10. Field and Pool, or Exploratory [98038] XXXXXXXXXXXXXXXXXXXX 11. Sec., T. R. M. or Blk. and Survey or Area SEC 31/T24S/R34E/NMP
14. Distance in miles and direction from nearest town or post office*		12. County or Parish LEA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 100 feet		13. State NM
16. No of acres in lease	17. Spacing Unit dedicated to this well 480.0	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 33 feet	19. Proposed Depth 10669 feet / 18237 feet	20. BLM/BIA Bond No. in file FED:
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3447 feet	22. Approximate date work will start* 05/15/2021	23. Estimated duration 25 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|--|---|
| 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 requested by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) JAYNA HOBBY / Ph: (713) 651-7000	Date 11/05/2020
Title Regulatory Specialist		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 01/26/2022
Title Assistant Field Manager Lands & Minerals 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.

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.

NGMP Rec 01/26/2022

SL

(Continued on page 2)



Approval Date: 01/26/2022

KZ
01/27/2022

*(Instructions on page 2)

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 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) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 30-025-49730	Pool Code 98038	Pool Name WC-025 G-09 S263406D; LOWER BONE SPRING
Property Code 4050	Property Name DIAMOND 31 FED COM	Well Number 403H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3447'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24 S	34 E		300	SOUTH	2206	WEST	LEA

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
K	30	24 S	34 E		2542	SOUTH	1980	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.
480.00			

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.

<p>UPPER MOST PERF. NEW MEXICO EAST NAD 1983 X = 795759' Y = 425487' LAT. = N 32.167070° LONG. = W 103.511107° NAD 1927 X = 754573' Y = 425429' LAT. = N 32.166946° LONG. = W 103.510634°</p> <p>FED PERF. POINT NEW MEXICO EAST NAD 1983 X = 795749' Y = 426707' LAT. = N 32.170423° LONG. = W 103.511107° NAD 1927 X = 754564' Y = 426648' LAT. = N 32.170298° LONG. = W 103.510633°</p> <p>LOWER MOST PERF. / BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X = 795700' Y = 433203' LAT. = N 32.188280° LONG. = W 103.511106° NAD 1927 X = 754515' Y = 433145' LAT. = N 32.188156° LONG. = W 103.510631°</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X = 795983' Y = 425689' LAT. = N 32.167621° LONG. = W 103.510375° NAD 1927 X = 754798' Y = 425631' LAT. = N 32.167497° LONG. = W 103.509902°</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jayna K. Hobby</i> 11/02/20 Signature Date</p> <p>Jayna K. Hobby Print Name</p> <p>Jayna_Hobby@eogresources.com E-mail Address</p> <p>SURVEYORS CERTIFICATION</p> <p>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.</p> <p>JULY 22, 2020 Date of Survey</p> <p><i>Casey Wayne Faircloth</i> Signature and Seal of Professional Surveyor</p> <p>CASEY WAYNE FAIRCLOTH NEW MEXICO 21051 PROFESSIONAL SURVEYOR</p> <p>Job No.: EOG B200020 CASEY WAYNE FAIRCLOTH, N.M.P.L.S. Certificate Number 21051</p>
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State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description **Effective May 25, 2021**

I. Operator: EOG Resources, Inc. **OGRID:** 7377 **Date:** 1/26/2022

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Diamond 31 Fed Com 403H	30-025-49730	N-31-24S-34E	300' FSL & 2206' FWL	+/- 1000	+/- 3500	+/- 3000

IV. Central Delivery Point Name: Dragon 36 State CTB [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Diamond 31 Fed Com 403H	30-025-49730	2/15/22	02/29/22	04/01/22	05/01/22	06/01/22

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: *Star L Harrell*

Printed Name: Star L Harrell

Title: Sr Regulatory Specialist

E-mail Address: Star_Harrell@eogresources.com

Date: 1/26/2022

Phone: (432) 848-9161

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:

Title:

Approval Date:

Conditions of Approval:

Natural Gas Management Plan**Items VI-VIII****VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture.**

- Separation equipment will be sized to provide adequate separation for anticipated rates.
- Adequate separation relates to retention time for Liquid – Liquid separation and velocity for Gas-Liquid separation.
- Collection systems are appropriately sized to handle facility production rates on all (3) phases.
- Ancillary equipment and metering is selected to be serviced without flow interruptions or the need to release gas from the well.

VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F 19.15.27.8 NMAC.**Drilling Operations**

- All flare stacks will be properly sized. The flare stacks will be located at a minimum 100' from the nearest surface hole location on the pad.
- All natural gas produced during drilling operations will be flared, unless there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety and the environment, at which point the gas will be vented.

Completions/Recompletions Operations

- New wells will not be flowed back until they are connected to a properly sized gathering system.
- The facility will be built/sized for maximum anticipated flowrates and pressures to minimize waste.
- For flowback operations, multiple stages of separation will be used as well as excess VRU and blowers to make sure waste is minimized off the storage tanks and facility.
- During initial flowback, the well stream will be routed to separation equipment.
- At an existing facility, when necessary, post separation natural gas will be flared until it meets pipeline specifications, at which point it will be turned into a collection system.
- At a new facility, post separation natural gas will be vented until storage tanks can safely function, at which point it will be flared until it meets pipeline spec.

Production Operations

- Weekly AVOs will be performed on all facilities.
- All flares will be equipped with auto-ignition systems and continuous pilot operations.
- After a well is stabilized from liquid unloading, the well will be turned back into the collection system.
- All plunger lift systems will be optimized to limit the amount of waste.
- All tanks will have automatic gauging equipment installed.
- Leaking thief hatches found during AVOs will be cleaned and properly re-sealed.

Performance Standards

- Production equipment will be designed to handle maximum anticipated rates and pressure.
- All flared gas will be combusted in a flare stack that is properly sized and designed to ensure proper combustion.
- Weekly AVOs will be performed on all wells and facilities that produce more than 60 Mcfd.

Measurement & Estimation

- All volume that is flared and vented that is not measured will be estimated.
- All measurement equipment for flared volumes will conform to API 14.10.
- No meter bypasses will be installed.

- When metering is not practical due to low pressure/low rate, the vented or flared volume will be estimated.

VIII. Best Management Practices: Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

- During downhole well maintenance, EOG will use best management practices to vent as minimally as possible.
- Prior to the commencement of any maintenance, the tank or vessel will be isolated from the rest of the facilities.
- All valves upstream of the equipment will be closed and isolated.
- After equipment has been isolated, the equipment will be blown down to as low a pressure as possible into the collection system.
- If the equipment being maintained cannot be relieved into the collection system, it shall be released to a tank where the vapor can either be captured or combusted if possible.
- After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,143'
Tamarisk Anhydrite	1,219'
Top of Salt	1,638'
Base of Salt	4,939'
Lamar	5,188'
Bell Canyon	5,212'
Cherry Canyon	6,238'
Brushy Canyon	7,740'
Bone Spring Lime	9,234'
Leonard A Shale	9,294'
Leonard B Shale	9,592'
1 st Bone Spring Sand	10,196'
2 nd Bone Spring Shale	10,458'
TD	10,669'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,238'	Oil
Brushy Canyon	7,740'	Oil
Leonard A	9,294'	Oil
Leonard B	9,592'	Oil
1 st Bone Spring Sand	10,196'	Oil
2 nd Bone Spring Shale	10,458'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 13.375" casing at 1,250' and circulating cement back to surface.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
17.5"	0' – 1,250'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
12.25"	0' – 4,000'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
12.25"	4,000' – 5,040'	9.625"	40#	HCK-55	LTC	1.125	1.25	1.60
8.75"	0' – 10,948'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60
8.5"	10,948' – 18,237'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60

Variance is requested to waive the centralizer requirements for the 9-5/8" casing in the 12-1/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 12-1/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" hole interval to maximize cement bond and zonal isolation.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft ³ /sk	Slurry Description
1,250'	770	13.5	1.73	Lead: Class C + 4.0% Bentonite + 0.5% CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ Surface)
	180	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,050')
5,040'	900	12.7	2.22	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface)
	330	14.8	1.32	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 4,030')
18,237'	620	11.0	3.21	Lead: Class C + 3% CaCl ₂ + 3% Microbond (TOC @ 4,540')
	2,150	14.4	1.2	Tail: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,198')

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

Additive	Purpose
Bentonite Gel	Lightweight/Lost circulation prevention
Calcium Chloride	Accelerator
Cello-flake	Lost circulation prevention
Sodium Metasilicate	Accelerator
MagOx	Expansive agent
Sodium Chloride	Accelerator
FL-62	Fluid loss control
Halad-344	Fluid loss control
Halad-9	Fluid loss control
HR-601	Retarder
Microbond	Expansive Agent

Cement integrity tests will be performed immediately following plug bump.

Note: Cement volumes based on bit size plus at least 25% excess in the open hole plus 10% excess in the cased-hole overlap section.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5,000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

EOG will utilize wing unions on BOPE connections that can be isolated from wellbore pressure through means of a choke. All wing unions will be rated to a pressure that meets or exceeds the pressure rating of the BOPE system.

Variance is requested to use a 5,000 psi annular BOP with the 10,000 psi BOP stack.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 10,000/ 250 psig and the annular preventer to 5,000/ 250 psig.

Pipe rams and blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal.

The applicable depths and properties of the drilling fluid systems are as follows.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,250'	Fresh - Gel	8.6-8.8	28-34	N/c
1,250' – 5,040'	Brine	8.6-8.8	28-34	N/c
5,040' – 18,237'	Oil Base	8.8-9.5	58-68	N/c - 6

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

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) H₂S monitoring and detection equipment will be utilized from surface casing point to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Open-hole logs are not planned for this well.

GR-CCL Will be run in cased hole during completions phase of operations.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:

The estimated bottom-hole temperature (BHT) at TD is 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5,270 psig and a maximum anticipated surface pressure of 2,923 psig (based on 9.5 ppg MW). No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from 7,740' to TD.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

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 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Surface Rig will move off so the wellhead can be installed. A welder will cut the casing to the proper height and weld on the wellhead (both "A" and "B" sections). The weld will be tested to 1000 psi. All valves will be closed and a wellhead cap will be installed (diagram attached). If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

11. WELLHEAD:

A multi-bowl wellhead system will be utilized.

After running the 13-3/8" surface casing, a 13-3/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 psi pressure test. This pressure test will be repeated at least every 30 days, as per Onshore Order No. 2

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 10,000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Cameron Multi-Bowl WH system has been sent to the NM BLM office in Carlsbad, NM.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type. EOG Resources reserves the option to conduct BOPE testing during wait on cement periods provided a test plug is utilized.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 5000 psi.

Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

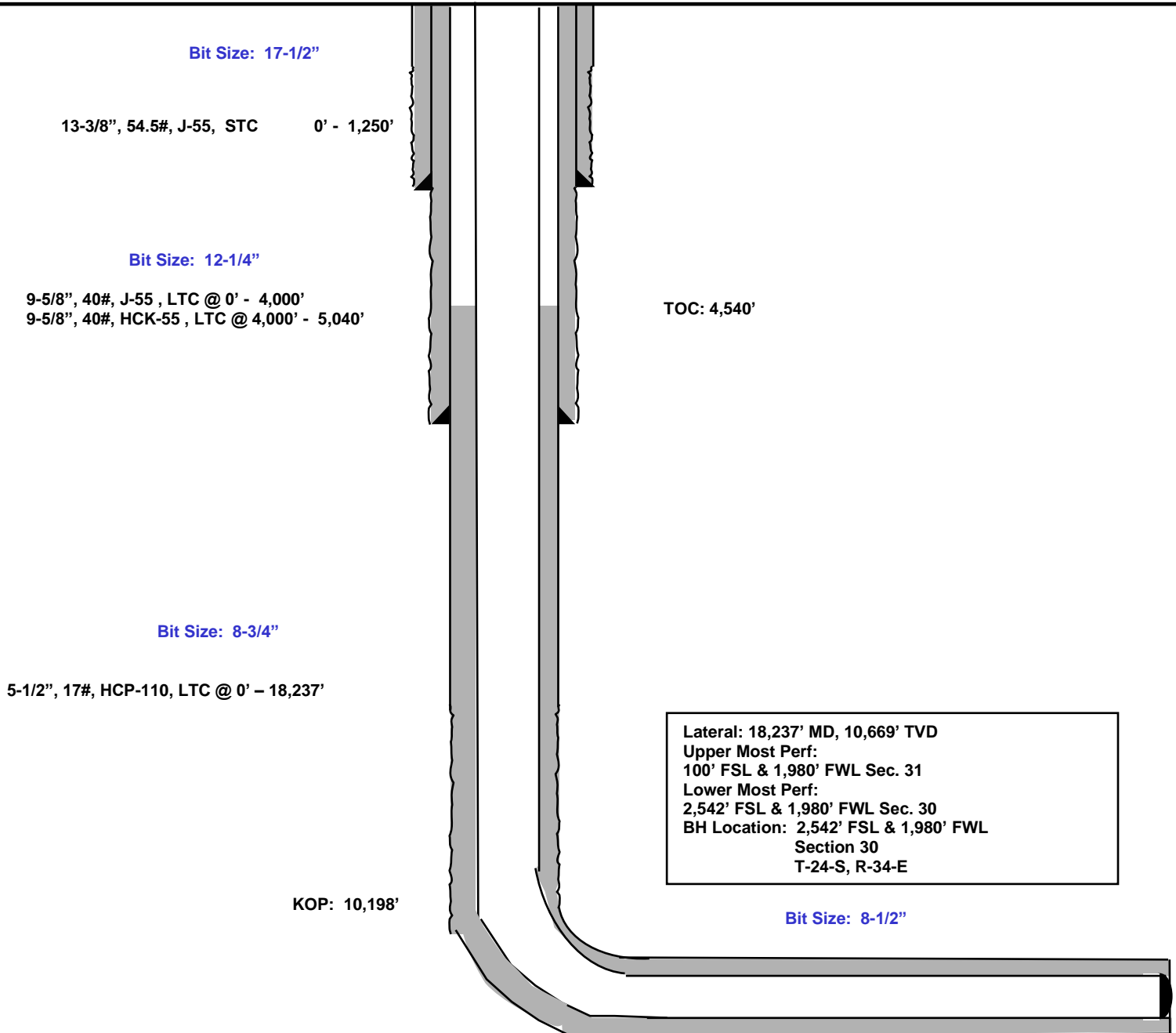
EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H

300' FSL
2,206' FWL
Section 31
T-24-S, R-34-E

Proposed Wellbore

KB: 3,472'
GL: 3,447'

API: 30-025-*****





EOG Resources - Midland

Lea County, NM (NAD 83 NME)

Diamond 31 Fed Com

#403H

OH

Plan: Plan #0.1 RT

Standard Planning Report

21 October, 2020

EOG Resources

Planning Report



Database:	EDM	Local Co-ordinate Reference:	Well #403H
Company:	EOG Resources - Midland	TVD Reference:	kb = 25' @ 3472.0usft
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	kb = 25' @ 3472.0usft
Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

Project	Lea County, NM (NAD 83 NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Diamond 31 Fed Com					
Site Position:		Northing:	425,996.00 usft	Latitude:	32.1684961°N	
From:	Map	Easting:	794,470.00 usft	Longitude:	103.5152579°W	
Position Uncertainty:		0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.44

Well	#403H					
Well Position	+N/-S	-307.0 usft	Northing:	425,689.00 usft	Latitude:	32.1676205°N
	+E/-W	1,513.0 usft	Easting:	795,983.00 usft	Longitude:	103.5103762°W
Position Uncertainty		0.0 usft	Wellhead Elevation:		Ground Level:	3,447.0 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	10/19/2020	6.59	59.88	47,534.73772092

Design	Plan #0.1 RT				
Audit Notes:					
Version:		Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.0	0.0	0.0	357.84	

Plan Survey Tool Program	Date	10/21/2020			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.0	18,236.6 Plan #0.1 RT (OH)	EOG MWD+IFR1		
			MWD + IFR1		

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Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

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
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,308.7	2.17	221.63	1,308.7	-1.5	-1.4	2.00	2.00	0.00	221.63	
10,089.2	2.17	221.63	10,082.8	-250.5	-222.6	0.00	0.00	0.00	0.00	
10,197.9	0.00	0.00	10,191.5	-252.0	-224.0	2.00	-2.00	0.00	180.00	KOP(Diamond 31 Fed
10,418.3	26.46	0.00	10,404.2	-202.0	-224.0	12.00	12.00	0.00	0.00	FTP(Diamond 31 Fed
10,947.8	90.00	359.47	10,668.9	225.4	-226.7	12.00	12.00	-0.10	-0.59	
11,740.4	90.00	359.47	10,669.0	1,018.0	-234.0	0.00	0.00	0.00	0.00	Fed Perf 1(Diamond 3
11,745.2	90.00	359.57	10,669.0	1,022.7	-234.0	2.00	0.08	2.00	87.71	
18,236.6	90.00	359.57	10,669.0	7,514.0	-283.0	0.00	0.00	0.00	0.00	PBHL(Diamond 31 Fe

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Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

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)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,308.7	2.17	221.63	1,308.7	-1.5	-1.4	-1.5	2.00	2.00	0.00
1,400.0	2.17	221.63	1,399.9	-4.1	-3.7	-4.0	0.00	0.00	0.00
1,500.0	2.17	221.63	1,499.8	-7.0	-6.2	-6.7	0.00	0.00	0.00
1,600.0	2.17	221.63	1,599.8	-9.8	-8.7	-9.5	0.00	0.00	0.00
1,700.0	2.17	221.63	1,699.7	-12.6	-11.2	-12.2	0.00	0.00	0.00
1,800.0	2.17	221.63	1,799.6	-15.5	-13.8	-14.9	0.00	0.00	0.00
1,900.0	2.17	221.63	1,899.5	-18.3	-16.3	-17.7	0.00	0.00	0.00
2,000.0	2.17	221.63	1,999.5	-21.1	-18.8	-20.4	0.00	0.00	0.00
2,100.0	2.17	221.63	2,099.4	-24.0	-21.3	-23.2	0.00	0.00	0.00
2,200.0	2.17	221.63	2,199.3	-26.8	-23.8	-25.9	0.00	0.00	0.00
2,300.0	2.17	221.63	2,299.3	-29.6	-26.3	-28.6	0.00	0.00	0.00
2,400.0	2.17	221.63	2,399.2	-32.5	-28.9	-31.4	0.00	0.00	0.00
2,500.0	2.17	221.63	2,499.1	-35.3	-31.4	-34.1	0.00	0.00	0.00
2,600.0	2.17	221.63	2,599.0	-38.1	-33.9	-36.8	0.00	0.00	0.00
2,700.0	2.17	221.63	2,699.0	-41.0	-36.4	-39.6	0.00	0.00	0.00
2,800.0	2.17	221.63	2,798.9	-43.8	-38.9	-42.3	0.00	0.00	0.00
2,900.0	2.17	221.63	2,898.8	-46.7	-41.5	-45.1	0.00	0.00	0.00
3,000.0	2.17	221.63	2,998.8	-49.5	-44.0	-47.8	0.00	0.00	0.00
3,100.0	2.17	221.63	3,098.7	-52.3	-46.5	-50.5	0.00	0.00	0.00
3,200.0	2.17	221.63	3,198.6	-55.2	-49.0	-53.3	0.00	0.00	0.00
3,300.0	2.17	221.63	3,298.5	-58.0	-51.5	-56.0	0.00	0.00	0.00
3,400.0	2.17	221.63	3,398.5	-60.8	-54.1	-58.7	0.00	0.00	0.00
3,500.0	2.17	221.63	3,498.4	-63.7	-56.6	-61.5	0.00	0.00	0.00
3,600.0	2.17	221.63	3,598.3	-66.5	-59.1	-64.2	0.00	0.00	0.00
3,700.0	2.17	221.63	3,698.3	-69.3	-61.6	-67.0	0.00	0.00	0.00
3,800.0	2.17	221.63	3,798.2	-72.2	-64.1	-69.7	0.00	0.00	0.00
3,900.0	2.17	221.63	3,898.1	-75.0	-66.7	-72.4	0.00	0.00	0.00
4,000.0	2.17	221.63	3,998.0	-77.8	-69.2	-75.2	0.00	0.00	0.00
4,100.0	2.17	221.63	4,098.0	-80.7	-71.7	-77.9	0.00	0.00	0.00
4,200.0	2.17	221.63	4,197.9	-83.5	-74.2	-80.7	0.00	0.00	0.00
4,300.0	2.17	221.63	4,297.8	-86.3	-76.7	-83.4	0.00	0.00	0.00
4,400.0	2.17	221.63	4,397.7	-89.2	-79.3	-86.1	0.00	0.00	0.00
4,500.0	2.17	221.63	4,497.7	-92.0	-81.8	-88.9	0.00	0.00	0.00
4,600.0	2.17	221.63	4,597.6	-94.8	-84.3	-91.6	0.00	0.00	0.00
4,700.0	2.17	221.63	4,697.5	-97.7	-86.8	-94.3	0.00	0.00	0.00
4,800.0	2.17	221.63	4,797.5	-100.5	-89.3	-97.1	0.00	0.00	0.00
4,900.0	2.17	221.63	4,897.4	-103.4	-91.9	-99.8	0.00	0.00	0.00
5,000.0	2.17	221.63	4,997.3	-106.2	-94.4	-102.6	0.00	0.00	0.00
5,100.0	2.17	221.63	5,097.2	-109.0	-96.9	-105.3	0.00	0.00	0.00
5,200.0	2.17	221.63	5,197.2	-111.9	-99.4	-108.0	0.00	0.00	0.00
5,300.0	2.17	221.63	5,297.1	-114.7	-101.9	-110.8	0.00	0.00	0.00

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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)
5,400.0	2.17	221.63	5,397.0	-117.5	-104.5	-113.5	0.00	0.00	0.00
5,500.0	2.17	221.63	5,497.0	-120.4	-107.0	-116.2	0.00	0.00	0.00
5,600.0	2.17	221.63	5,596.9	-123.2	-109.5	-119.0	0.00	0.00	0.00
5,700.0	2.17	221.63	5,696.8	-126.0	-112.0	-121.7	0.00	0.00	0.00
5,800.0	2.17	221.63	5,796.7	-128.9	-114.5	-124.5	0.00	0.00	0.00
5,900.0	2.17	221.63	5,896.7	-131.7	-117.1	-127.2	0.00	0.00	0.00
6,000.0	2.17	221.63	5,996.6	-134.5	-119.6	-129.9	0.00	0.00	0.00
6,100.0	2.17	221.63	6,096.5	-137.4	-122.1	-132.7	0.00	0.00	0.00
6,200.0	2.17	221.63	6,196.5	-140.2	-124.6	-135.4	0.00	0.00	0.00
6,300.0	2.17	221.63	6,296.4	-143.0	-127.1	-138.2	0.00	0.00	0.00
6,400.0	2.17	221.63	6,396.3	-145.9	-129.7	-140.9	0.00	0.00	0.00
6,500.0	2.17	221.63	6,496.2	-148.7	-132.2	-143.6	0.00	0.00	0.00
6,600.0	2.17	221.63	6,596.2	-151.5	-134.7	-146.4	0.00	0.00	0.00
6,700.0	2.17	221.63	6,696.1	-154.4	-137.2	-149.1	0.00	0.00	0.00
6,800.0	2.17	221.63	6,796.0	-157.2	-139.7	-151.8	0.00	0.00	0.00
6,900.0	2.17	221.63	6,896.0	-160.0	-142.3	-154.6	0.00	0.00	0.00
7,000.0	2.17	221.63	6,995.9	-162.9	-144.8	-157.3	0.00	0.00	0.00
7,100.0	2.17	221.63	7,095.8	-165.7	-147.3	-160.1	0.00	0.00	0.00
7,200.0	2.17	221.63	7,195.7	-168.6	-149.8	-162.8	0.00	0.00	0.00
7,300.0	2.17	221.63	7,295.7	-171.4	-152.3	-165.5	0.00	0.00	0.00
7,400.0	2.17	221.63	7,395.6	-174.2	-154.9	-168.3	0.00	0.00	0.00
7,500.0	2.17	221.63	7,495.5	-177.1	-157.4	-171.0	0.00	0.00	0.00
7,600.0	2.17	221.63	7,595.4	-179.9	-159.9	-173.7	0.00	0.00	0.00
7,700.0	2.17	221.63	7,695.4	-182.7	-162.4	-176.5	0.00	0.00	0.00
7,800.0	2.17	221.63	7,795.3	-185.6	-164.9	-179.2	0.00	0.00	0.00
7,900.0	2.17	221.63	7,895.2	-188.4	-167.5	-182.0	0.00	0.00	0.00
8,000.0	2.17	221.63	7,995.2	-191.2	-170.0	-184.7	0.00	0.00	0.00
8,100.0	2.17	221.63	8,095.1	-194.1	-172.5	-187.4	0.00	0.00	0.00
8,200.0	2.17	221.63	8,195.0	-196.9	-175.0	-190.2	0.00	0.00	0.00
8,300.0	2.17	221.63	8,294.9	-199.7	-177.5	-192.9	0.00	0.00	0.00
8,400.0	2.17	221.63	8,394.9	-202.6	-180.1	-195.7	0.00	0.00	0.00
8,500.0	2.17	221.63	8,494.8	-205.4	-182.6	-198.4	0.00	0.00	0.00
8,600.0	2.17	221.63	8,594.7	-208.2	-185.1	-201.1	0.00	0.00	0.00
8,700.0	2.17	221.63	8,694.7	-211.1	-187.6	-203.9	0.00	0.00	0.00
8,800.0	2.17	221.63	8,794.6	-213.9	-190.1	-206.6	0.00	0.00	0.00
8,900.0	2.17	221.63	8,894.5	-216.7	-192.7	-209.3	0.00	0.00	0.00
9,000.0	2.17	221.63	8,994.4	-219.6	-195.2	-212.1	0.00	0.00	0.00
9,100.0	2.17	221.63	9,094.4	-222.4	-197.7	-214.8	0.00	0.00	0.00
9,200.0	2.17	221.63	9,194.3	-225.3	-200.2	-217.6	0.00	0.00	0.00
9,300.0	2.17	221.63	9,294.2	-228.1	-202.7	-220.3	0.00	0.00	0.00
9,400.0	2.17	221.63	9,394.2	-230.9	-205.3	-223.0	0.00	0.00	0.00
9,500.0	2.17	221.63	9,494.1	-233.8	-207.8	-225.8	0.00	0.00	0.00
9,600.0	2.17	221.63	9,594.0	-236.6	-210.3	-228.5	0.00	0.00	0.00
9,700.0	2.17	221.63	9,693.9	-239.4	-212.8	-231.2	0.00	0.00	0.00
9,800.0	2.17	221.63	9,793.9	-242.3	-215.3	-234.0	0.00	0.00	0.00
9,900.0	2.17	221.63	9,893.8	-245.1	-217.9	-236.7	0.00	0.00	0.00
10,000.0	2.17	221.63	9,993.7	-247.9	-220.4	-239.5	0.00	0.00	0.00
10,089.2	2.17	221.63	10,082.8	-250.5	-222.6	-241.9	0.00	0.00	0.00
10,100.0	1.96	221.63	10,093.6	-250.8	-222.9	-242.2	2.00	-2.00	0.00
10,197.9	0.00	0.00	10,191.5	-252.0	-224.0	-243.4	2.00	-2.00	0.00
KOP(Diamond 31 Fed Com # 403H)									
10,200.0	0.26	0.00	10,193.6	-252.0	-224.0	-243.4	12.00	12.00	0.00
10,225.0	3.26	0.00	10,218.6	-251.2	-224.0	-242.6	12.00	12.00	0.00



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Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

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)
10,250.0	6.26	0.00	10,243.5	-249.2	-224.0	-240.5	12.00	12.00	0.00
10,275.0	9.26	0.00	10,268.3	-245.8	-224.0	-237.2	12.00	12.00	0.00
10,300.0	12.26	0.00	10,292.9	-241.1	-224.0	-232.5	12.00	12.00	0.00
10,325.0	15.26	0.00	10,317.1	-235.2	-224.0	-226.6	12.00	12.00	0.00
10,350.0	18.26	0.00	10,341.1	-228.0	-224.0	-219.4	12.00	12.00	0.00
10,375.0	21.26	0.00	10,364.6	-219.5	-224.0	-210.9	12.00	12.00	0.00
10,400.0	24.26	0.00	10,387.6	-209.8	-224.0	-201.3	12.00	12.00	0.00
10,418.3	26.46	0.00	10,404.2	-202.0	-224.0	-193.4	12.00	12.00	0.00
FTP(Diamond 31 Fed Com # 403H)									
10,425.0	27.26	359.98	10,410.2	-199.0	-224.0	-190.4	12.00	12.00	-0.27
10,450.0	30.26	359.92	10,432.1	-187.0	-224.0	-178.4	12.00	12.00	-0.24
10,475.0	33.26	359.87	10,453.3	-173.8	-224.0	-165.2	12.00	12.00	-0.20
10,500.0	36.26	359.83	10,473.9	-159.5	-224.1	-151.0	12.00	12.00	-0.17
10,525.0	39.26	359.79	10,493.6	-144.2	-224.1	-135.7	12.00	12.00	-0.15
10,550.0	42.26	359.76	10,512.6	-127.9	-224.2	-119.4	12.00	12.00	-0.13
10,575.0	45.26	359.73	10,530.6	-110.6	-224.3	-102.1	12.00	12.00	-0.11
10,600.0	48.26	359.71	10,547.7	-92.4	-224.4	-83.9	12.00	12.00	-0.10
10,625.0	51.26	359.68	10,563.9	-73.3	-224.5	-64.8	12.00	12.00	-0.09
10,650.0	54.26	359.66	10,579.0	-53.4	-224.6	-45.0	12.00	12.00	-0.09
10,675.0	57.26	359.64	10,593.1	-32.8	-224.7	-24.3	12.00	12.00	-0.08
10,700.0	60.26	359.62	10,606.0	-11.4	-224.8	-2.9	12.00	12.00	-0.08
10,725.0	63.26	359.61	10,617.9	10.6	-225.0	19.1	12.00	12.00	-0.07
10,750.0	66.26	359.59	10,628.5	33.2	-225.1	41.7	12.00	12.00	-0.07
10,775.0	69.26	359.57	10,638.0	56.4	-225.3	64.8	12.00	12.00	-0.06
10,800.0	72.26	359.56	10,646.2	80.0	-225.5	88.4	12.00	12.00	-0.06
10,825.0	75.26	359.54	10,653.2	104.0	-225.7	112.4	12.00	12.00	-0.06
10,850.0	78.26	359.53	10,659.0	128.3	-225.9	136.7	12.00	12.00	-0.06
10,875.0	81.26	359.51	10,663.4	152.9	-226.1	161.3	12.00	12.00	-0.06
10,900.0	84.26	359.50	10,666.6	177.7	-226.3	186.1	12.00	12.00	-0.06
10,925.0	87.26	359.49	10,668.4	202.6	-226.5	211.0	12.00	12.00	-0.06
10,947.8	90.00	359.47	10,668.9	225.4	-226.7	233.8	12.00	12.00	-0.05
11,000.0	90.00	359.47	10,669.0	277.6	-227.2	286.0	0.00	0.00	0.00
11,100.0	90.00	359.47	10,669.0	377.6	-228.1	385.9	0.00	0.00	0.00
11,200.0	90.00	359.47	10,669.0	477.6	-229.0	485.9	0.00	0.00	0.00
11,300.0	90.00	359.47	10,669.0	577.6	-230.0	585.8	0.00	0.00	0.00
11,400.0	90.00	359.47	10,669.0	677.6	-230.9	685.8	0.00	0.00	0.00
11,500.0	90.00	359.47	10,669.0	777.6	-231.8	785.7	0.00	0.00	0.00
11,600.0	90.00	359.47	10,669.0	877.6	-232.7	885.7	0.00	0.00	0.00
11,700.0	90.00	359.47	10,669.0	977.6	-233.6	985.7	0.00	0.00	0.00
11,740.4	90.00	359.47	10,669.0	1,018.0	-234.0	1,026.1	0.00	0.00	0.00
Fed Perf 1(Diamond 31 Fed Com # 403H)									
11,745.2	90.00	359.57	10,669.0	1,022.7	-234.0	1,030.8	2.00	0.08	2.00
11,800.0	90.00	359.57	10,669.0	1,077.6	-234.5	1,085.6	0.00	0.00	0.00
11,900.0	90.00	359.57	10,669.0	1,177.6	-235.2	1,185.6	0.00	0.00	0.00
12,000.0	90.00	359.57	10,669.0	1,277.6	-236.0	1,285.5	0.00	0.00	0.00
12,100.0	90.00	359.57	10,669.0	1,377.6	-236.7	1,385.5	0.00	0.00	0.00
12,200.0	90.00	359.57	10,669.0	1,477.6	-237.5	1,485.4	0.00	0.00	0.00
12,300.0	90.00	359.57	10,669.0	1,577.6	-238.2	1,585.4	0.00	0.00	0.00
12,400.0	90.00	359.57	10,669.0	1,677.5	-239.0	1,685.4	0.00	0.00	0.00
12,500.0	90.00	359.57	10,669.0	1,777.5	-239.7	1,785.3	0.00	0.00	0.00
12,600.0	90.00	359.57	10,669.0	1,877.5	-240.5	1,885.3	0.00	0.00	0.00
12,700.0	90.00	359.57	10,669.0	1,977.5	-241.2	1,985.2	0.00	0.00	0.00
12,800.0	90.00	359.57	10,669.0	2,077.5	-242.0	2,085.2	0.00	0.00	0.00
12,900.0	90.00	359.57	10,669.0	2,177.5	-242.7	2,185.1	0.00	0.00	0.00



EOG Resources

Planning Report

Database:	EDM	Local Co-ordinate Reference:	Well #403H
Company:	EOG Resources - Midland	TVD Reference:	kb = 25' @ 3472.0usft
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	kb = 25' @ 3472.0usft
Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

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)	
13,000.0	90.00	359.57	10,669.0	2,277.5	-243.5	2,285.1	0.00	0.00	0.00	
13,100.0	90.00	359.57	10,669.0	2,377.5	-244.3	2,385.0	0.00	0.00	0.00	
13,200.0	90.00	359.57	10,669.0	2,477.5	-245.0	2,485.0	0.00	0.00	0.00	
13,300.0	90.00	359.57	10,669.0	2,577.5	-245.8	2,584.9	0.00	0.00	0.00	
13,400.0	90.00	359.57	10,669.0	2,677.5	-246.5	2,684.9	0.00	0.00	0.00	
13,500.0	90.00	359.57	10,669.0	2,777.5	-247.3	2,784.9	0.00	0.00	0.00	
13,600.0	90.00	359.57	10,669.0	2,877.5	-248.0	2,884.8	0.00	0.00	0.00	
13,700.0	90.00	359.57	10,669.0	2,977.5	-248.8	2,984.8	0.00	0.00	0.00	
13,800.0	90.00	359.57	10,669.0	3,077.5	-249.5	3,084.7	0.00	0.00	0.00	
13,900.0	90.00	359.57	10,669.0	3,177.5	-250.3	3,184.7	0.00	0.00	0.00	
14,000.0	90.00	359.57	10,669.0	3,277.5	-251.0	3,284.6	0.00	0.00	0.00	
14,100.0	90.00	359.57	10,669.0	3,377.5	-251.8	3,384.6	0.00	0.00	0.00	
14,200.0	90.00	359.57	10,669.0	3,477.5	-252.6	3,484.5	0.00	0.00	0.00	
14,300.0	90.00	359.57	10,669.0	3,577.5	-253.3	3,584.5	0.00	0.00	0.00	
14,400.0	90.00	359.57	10,669.0	3,677.5	-254.1	3,684.4	0.00	0.00	0.00	
14,500.0	90.00	359.57	10,669.0	3,777.5	-254.8	3,784.4	0.00	0.00	0.00	
14,600.0	90.00	359.57	10,669.0	3,877.5	-255.6	3,884.4	0.00	0.00	0.00	
14,700.0	90.00	359.57	10,669.0	3,977.5	-256.3	3,984.3	0.00	0.00	0.00	
14,800.0	90.00	359.57	10,669.0	4,077.5	-257.1	4,084.3	0.00	0.00	0.00	
14,900.0	90.00	359.57	10,669.0	4,177.5	-257.8	4,184.2	0.00	0.00	0.00	
15,000.0	90.00	359.57	10,669.0	4,277.5	-258.6	4,284.2	0.00	0.00	0.00	
15,100.0	90.00	359.57	10,669.0	4,377.5	-259.3	4,384.1	0.00	0.00	0.00	
15,200.0	90.00	359.57	10,669.0	4,477.5	-260.1	4,484.1	0.00	0.00	0.00	
15,300.0	90.00	359.57	10,669.0	4,577.5	-260.9	4,584.0	0.00	0.00	0.00	
15,400.0	90.00	359.57	10,669.0	4,677.5	-261.6	4,684.0	0.00	0.00	0.00	
15,500.0	90.00	359.57	10,669.0	4,777.5	-262.4	4,783.9	0.00	0.00	0.00	
15,600.0	90.00	359.57	10,669.0	4,877.5	-263.1	4,883.9	0.00	0.00	0.00	
15,700.0	90.00	359.57	10,669.0	4,977.5	-263.9	4,983.9	0.00	0.00	0.00	
15,800.0	90.00	359.57	10,669.0	5,077.5	-264.6	5,083.8	0.00	0.00	0.00	
15,900.0	90.00	359.57	10,669.0	5,177.4	-265.4	5,183.8	0.00	0.00	0.00	
16,000.0	90.00	359.57	10,669.0	5,277.4	-266.1	5,283.7	0.00	0.00	0.00	
16,100.0	90.00	359.57	10,669.0	5,377.4	-266.9	5,383.7	0.00	0.00	0.00	
16,200.0	90.00	359.57	10,669.0	5,477.4	-267.6	5,483.6	0.00	0.00	0.00	
16,300.0	90.00	359.57	10,669.0	5,577.4	-268.4	5,583.6	0.00	0.00	0.00	
16,400.0	90.00	359.57	10,669.0	5,677.4	-269.1	5,683.5	0.00	0.00	0.00	
16,500.0	90.00	359.57	10,669.0	5,777.4	-269.9	5,783.5	0.00	0.00	0.00	
16,600.0	90.00	359.57	10,669.0	5,877.4	-270.7	5,883.5	0.00	0.00	0.00	
16,700.0	90.00	359.57	10,669.0	5,977.4	-271.4	5,983.4	0.00	0.00	0.00	
16,800.0	90.00	359.57	10,669.0	6,077.4	-272.2	6,083.4	0.00	0.00	0.00	
16,900.0	90.00	359.57	10,669.0	6,177.4	-272.9	6,183.3	0.00	0.00	0.00	
17,000.0	90.00	359.57	10,669.0	6,277.4	-273.7	6,283.3	0.00	0.00	0.00	
17,100.0	90.00	359.57	10,669.0	6,377.4	-274.4	6,383.2	0.00	0.00	0.00	
17,200.0	90.00	359.57	10,669.0	6,477.4	-275.2	6,483.2	0.00	0.00	0.00	
17,300.0	90.00	359.57	10,669.0	6,577.4	-275.9	6,583.1	0.00	0.00	0.00	
17,400.0	90.00	359.57	10,669.0	6,677.4	-276.7	6,683.1	0.00	0.00	0.00	
17,500.0	90.00	359.57	10,669.0	6,777.4	-277.4	6,783.0	0.00	0.00	0.00	
17,600.0	90.00	359.57	10,669.0	6,877.4	-278.2	6,883.0	0.00	0.00	0.00	
17,700.0	90.00	359.57	10,669.0	6,977.4	-279.0	6,983.0	0.00	0.00	0.00	
17,800.0	90.00	359.57	10,669.0	7,077.4	-279.7	7,082.9	0.00	0.00	0.00	
17,900.0	90.00	359.57	10,669.0	7,177.4	-280.5	7,182.9	0.00	0.00	0.00	
18,000.0	90.00	359.57	10,669.0	7,277.4	-281.2	7,282.8	0.00	0.00	0.00	
18,100.0	90.00	359.57	10,669.0	7,377.4	-282.0	7,382.8	0.00	0.00	0.00	
18,200.0	90.00	359.57	10,669.0	7,477.4	-282.7	7,482.7	0.00	0.00	0.00	
18,236.6	90.00	359.57	10,669.0	7,514.0	-283.0	7,519.3	0.00	0.00	0.00	

EOG Resources

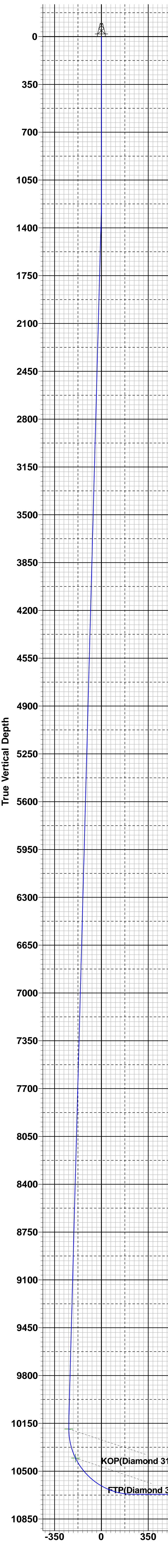
Planning Report



Database:	EDM	Local Co-ordinate Reference:	Well #403H
Company:	EOG Resources - Midland	TVD Reference:	kb = 25' @ 3472.0usft
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	kb = 25' @ 3472.0usft
Site:	Diamond 31 Fed Com	North Reference:	Grid
Well:	#403H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

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)
PBHL(Diamond 31 Fed Com # 403H)									

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP(Diamond 31 Fed C - plan hits target center - Point	0.00	0.00	10,191.5	-252.0	-224.0	425,437.00	795,759.00	32.1669326°N	103.5111063°W
FTP(Diamond 31 Fed C - plan hits target center - Point	0.00	0.00	10,404.2	-202.0	-224.0	425,487.00	795,759.00	32.1670700°N	103.5111051°W
PBHL(Diamond 31 Fed C - plan hits target center - Point	0.00	0.00	10,669.0	7,514.0	-283.0	433,203.00	795,700.00	32.1882798°N	103.5111052°W
Fed Perf 1(Diamond 31 - plan hits target center - Point	0.00	0.00	10,669.0	1,018.0	-234.0	426,707.00	795,749.00	32.1704236°N	103.5111073°W



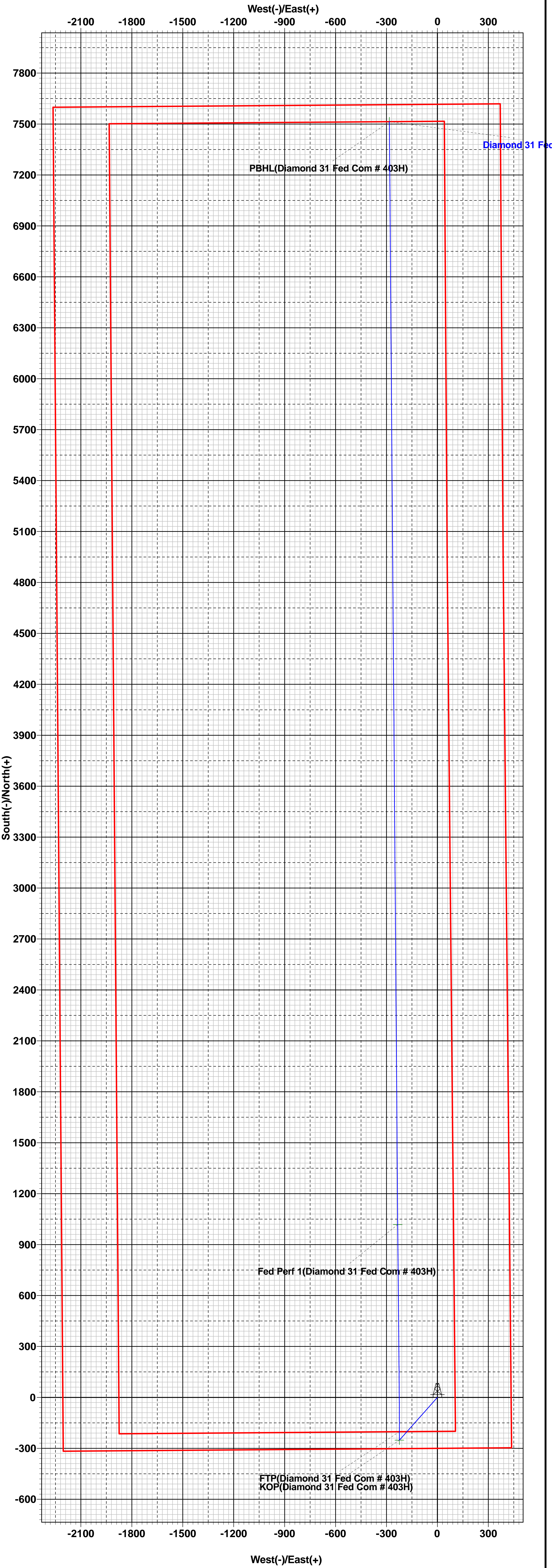
To convert a Magnetic Direction to a Grid Direction, Add 6.15°
To convert a Magnetic Direction to a True Direction, Add 6.59° East
To convert a True Direction to a Grid Direction, Subtract 0.44°

WELL DETAILS: #403H			
kb = 25' @ 3472.0usft 3447.0			
Northing	Easting	Latitude	Longitude
425689.00	795983.00	32.1676205°N	103.5103763°W

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1200.0	0.00	0.00	1200.0	0.0	0.0	0.00	0.00	0.0	
3	1308.7	2.17	221.63	1308.7	-1.5	-1.4	2.00	221.63	-1.5	
4	10089.2	2.17	221.63	10082.8	-250.5	-222.6	0.00	0.00	-241.9	
5	10197.9	0.00	0.00	10191.5	-252.0	-224.0	2.00	180.00	-243.4	KOP(Diamond 31 Fed Com # 403H)
6	10418.3	26.46	0.00	10404.2	-202.0	-224.0	12.00	0.00	-193.4	FTP(Diamond 31 Fed Com # 403H)
7	10947.8	90.00	359.47	10668.9	225.4	-226.7	12.00	-0.59	233.8	
8	11740.4	90.00	359.47	10669.0	1018.0	-234.0	0.00	0.00	1026.1	Fed Perf 1(Diamond 31 Fed Com # 403H)
9	11745.2	90.00	359.57	10669.0	1022.7	-234.0	2.00	87.71	1030.8	
10	18236.6	90.00	359.57	10669.0	7514.0	-283.0	0.00	0.00	7519.3	PBHL(Diamond 31 Fed Com # 403H)

CASING DETAILS
No casing data is available

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)					
Name	TVD	+N/-S	+E/-W	Northing	Easting
KOP(Diamond 31 Fed Com # 403H)	10191.5	-252.0	-224.0	425437.00	795759.00
FTP(Diamond 31 Fed Com # 403H)	10404.2	-202.0	-224.0	425487.00	795759.00
Fed Perf 1(Diamond 31 Fed Com # 403H)	10669.0	1018.0	-234.0	426707.00	795749.00
PBHL(Diamond 31 Fed Com # 403H)	10669.0	7514.0	-283.0	433203.00	795700.00



**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL
Diamond 31 Fed Com
Lease Number NMNM 023306
NMNM 028881
V081710001**

**Well Pad Expansions, Access Roads,
Buried Flowlines/Gas Lift Lines,
and Temporary Surface Water Lines
EOG Resources Inc.**

The legal lands descriptions are located in Lea County, New Mexico (Table 1). The following surface hole locations are located in Township 24S, Range 34E, Section 31; bottom hole locations are located in Township 24S, Range 34E, Section 30.

Table 1: Legal Lands Descriptions

Well Name	Surface Hole Legal Location*	Bottom Hole Legal Location*
Well Pad A – Center of Pad: 560' FSL and 547' FWL		
Diamond 31 Fed Com #401H	558' FSL and 499' FWL	2,540' FSL and 660' FWL
Diamond 31 Fed Com #402H	559' FSL and 565' FWL	2,541' FSL and 1,330' FWL
Diamond 31 Fed Com #501H	558' FSL and 466' FWL	2,539' FSL and 331' FWL
Diamond 31 Fed Com #502H	558' FSL and 532' FWL	2,540' FSL and 990' FWL
Diamond 31 Fed Com #742H	498' FSL and 373' FWL	2,542' FSL and 1,815' FWL
Diamond 31 Fed Com #752H	498' FSL and 406' FWL	2,541' FSL and 1,330' FWL
Diamond 31 Fed Com #753H	498' FSL and 340' FWL	2,543' FSL and 2,310' FWL
Well Pad B – Center of Pad: 682' FSL and 1,411' FWL		
Diamond 31 Fed Com #201H	671' FSL and 1,284' FWL	2,539' FSL and 331' FWL
Diamond 31 Fed Com #202H	671' FSL and 1,317' FWL	2,540' FSL and 990' FWL
Diamond 31 Fed Com #203H	671' FSL and 1,350' FWL	2,542' FSL and 1,650' FWL
Diamond 31 Fed Com #204H	671' FSL and 1,383' FWL	2,543' FSL and 2,310' FWL
Well Pad C – Center of Pad: 240' FSL and 2,081' FWL		
Diamond 31 Fed Com #403H	300' FSL and 2,206' FWL	2,542' FSL and 1,980' FWL
Diamond 31 Fed Com #404H	301' FSL and 2,277' FWL	2,543' FSL and 2,621' FWL
Diamond 31 Fed Com #503H	300' FSL and 2,171' FWL	2,542' FSL and 1,650' FWL
Diamond 31 Fed Com #504H	301' FSL and 2,242' FWL	2,543' FSL and 2,310' FWL
Diamond 31 Fed Com #301H	240' FSL and 2,012' FWL	2,540' FSL and 660' FWL
Diamond 31 Fed Com #302H	240' FSL and 2,045' FWL	2,541' FSL and 1,330' FWL
Diamond 31 Fed Com #303H	240' FSL and 2,078' FWL	2,542' FSL and 1,980' FWL
Diamond 31 Fed Com #304H	240' FSL and 2,111' FWL	2,543' FSL and 2,621' FWL

Well Name	Surface Hole Legal Location*	Bottom Hole Legal Location*
Diamond 31 Fed Com #741H	180' FSL and 1,886' FWL	2,540' FSL and 825' FWL
Diamond 31 Fed Com #743H	180' FSL and 1,952' FWL	2,543' FSL and 2,475' FWL
Diamond 31 Fed Com #751H	180' FSL and 1,919' FWL	2,539' FSL and 331' FWL

*FSL = from south line; FWL = from west line

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Hydrology
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Hydrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (24) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 24' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

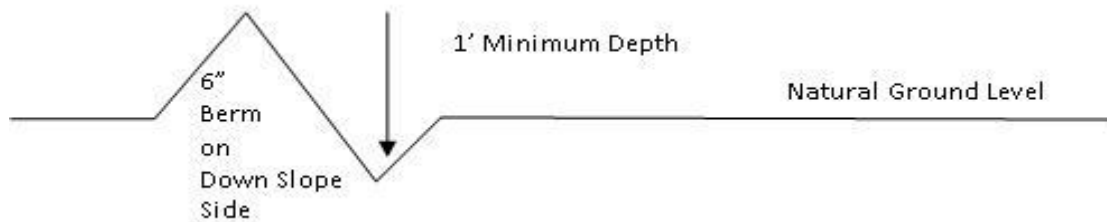
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

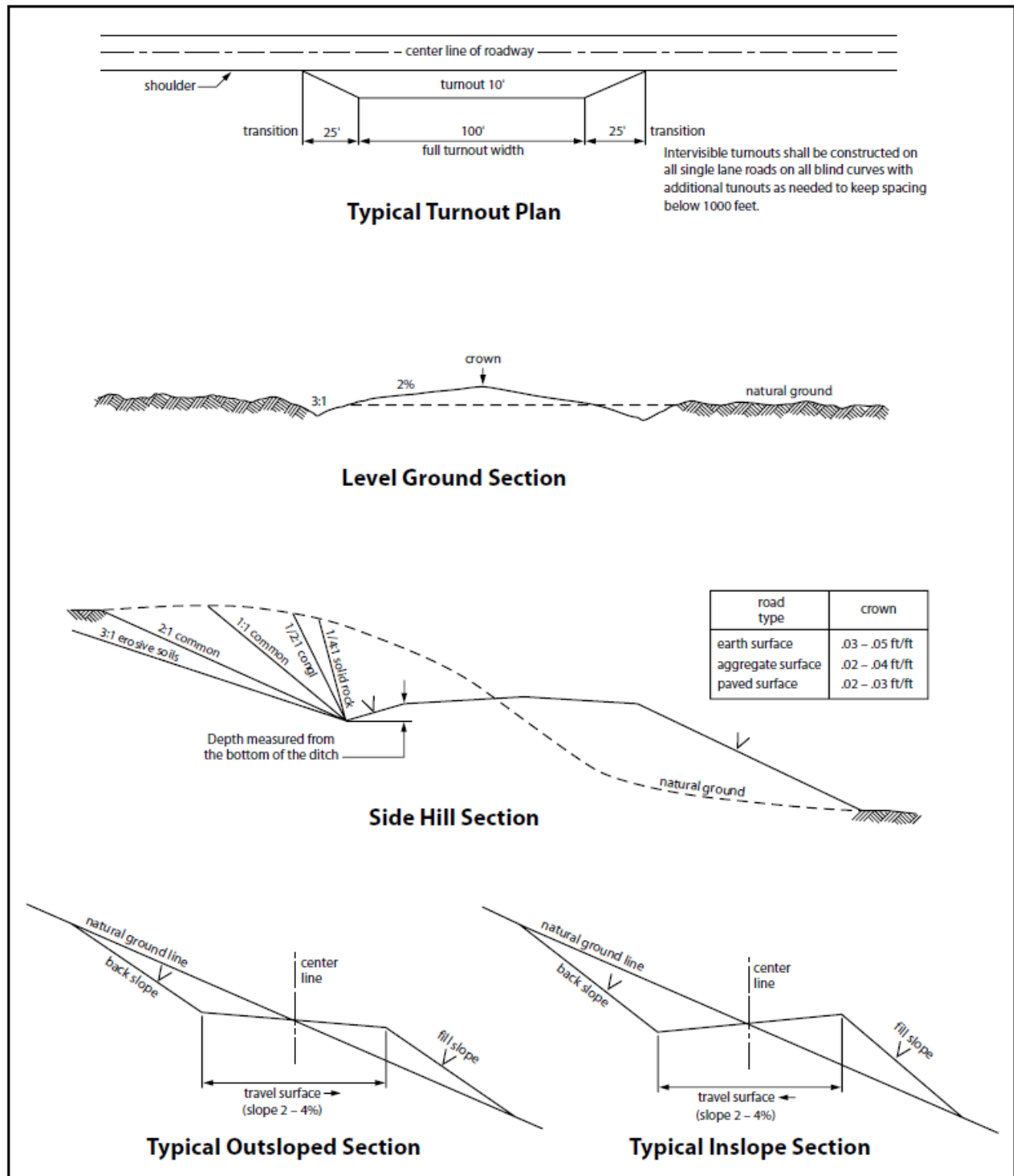


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 30 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet

from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

180 Day Temp Line Stipulations

Subject to the terms and conditions which are shown below, is hereby approved:

- Surface pipelines 6.5 inch to 16 inch OD may be in place for no more than 180 days not including installation. In accordance with your request, this 180 day period is requested.
- Surface pipeline will be in operation for no more than 180 days; a maximum of seven (7) days authorized for installation of the lay flat poly line prior to operation.
- Surface pipelines larger than 6.5 inch to-16-inch OD may be in place for no more than 180 days from date of authorization, unless a SF-299 is submitted within 30 days of this decision expiring requesting a long term buried fresh water pipeline, and processing of the SF-299 is not yet complete at the end of 30 days, in which case the line(s) may be left in place until a decision is made on the SF-299.
- All lines will be removed when no longer in use.
- Width of authorized use is 15-feet.
- No blading and/or earthwork will be allowed in order to place the pipeline except burying the line under crossings.

- The pipeline will be buried under all intersecting routes, including BLM-designated trails and access roads into caliche pits, rancher watering stations, etc. All such buried crossings will be removed when the pipeline is removed, unless otherwise approved by the Authorized Officer.
- Pipelines larger than 6.5-inch OD may utilize other crossing methodologies (but any fill placed over pipeline must be brought in from off-site).
- Pipeline crossings of fences should be avoided where possible. If a crossing is necessary, contact fence owner [usually the grazing permittee] prior to installation, and install by threading pipeline under the lowest wire of the fence; pipeline should never cross on top of any fence wires.
- The pipeline shall stay within 10 feet maximum of existing disturbance (e.g. lease road, pipeline right-of-way etc.); placement should be within 5 feet whenever possible.
- Placement of pumps or other high-maintenance equipment shall be installed along maintained lease roads.
- Gas or diesel pumps, generators, or compressors shall be placed on visquen matting [or 20 mil plastic] and in a containment structure capable of containing all potentially released fuels. Containments must be protected against wildlife deaths in accordance with oilfield best management practices.
- Due to potential damage to natural resources, no work is allowed during inclement weather.
- Pipeline will be marked with your company's name and contact number, at beginning and ending points, at all public-road crossings, and at intervals not exceeding every 0.6 mile, unless otherwise approved by the Authorized Officer.
- Should unforeseen damage occur to resources, BLM will require reclamation of the impacted land.
- No water may be released into the environment without BLM consent.
- Placement of surface pipelines along or under public roadways may require permits from the road authority.
- This authorization is limited to lands under BLM jurisdiction. If your proposed pipeline crosses lands under private ownership or under other agency jurisdiction, you are responsible for obtaining all necessary permits and approvals from those parties.
- This route is in a Northern Aplomado Falcon area and approved roads must be used. No routes on two tracks, power line R/W, or gas line R/W may be used.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

R/W BLM SERIAL #: NMNM 023306
NMNM 028881
V081710001

Project name: Diamond 31 Fed Com

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species lb/acre

Sand dropseed (*Sporobolus cryptandrus*) 1.0

Sand love grass (*Eragrostis trichodes*) 1.0

Plains bristlegrass (*Setaria macrostachya*) 2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H₂S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:

- Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
- Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escapes packs — 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs — 4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

- H₂S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
 - c. Two wind socks will be placed in strategic locations, visible from all angles.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

- **Mud program:**
The mud program has been designed to minimize the volume of H₂S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H₂S bearing zones.
- **Metallurgy:**
All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- **Communication:**
Communication will be via cell phones and land lines where available.

**EOG RESOURCES, INC.
DIAMOND 31 FED COM #403H**

Emergency Assistance Telephone List

PUBLIC SAFETY: **911 or**

Lea County Sheriff's Department	(575) 396-3611
Rod Coffman	
Fire Department:	
Carlsbad	(575) 885-3125
Artesia	(575) 746-5050
Hospitals:	
Carlsbad	(575) 887-4121
Artesia	(575) 748-3333
Hobbs	(575) 392-1979
Dept. of Public Safety/Carlsbad	(575) 748-9718
Highway Department	(575) 885-3281
New Mexico Oil Conservation	(575) 476-3440
U.S. Dept. of Labor	(575) 887-1174

EOG Resources, Inc.

EOG / Midland	Office (432) 686-3600
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Company Drilling Consultants:

Jett Dueitt	Cell (432) 230-4840
Blake Burney	

Drilling Engineer

Steve Munsell	Office (432) 686-3609
	Cell (432) 894-1256

Drilling Manager

Aj Dach	Office (432) 686-3751
	Cell (817) 480-1167

Drilling Superintendent

Jason Townsend	Office (432) 848-9209
	Cell (210) 776-5131

H&P Drilling

H&P Drilling	Office (432) 563-5757
H&P 415 Drilling Rig	Rig (432) 230-4840

Tool Pusher:

Johnathan Craig	Cell (817) 760-6374
Brad Garrett	

Safety

Brian Chandler (HSE Manager)	Office (432) 686-3695
	Cell (817) 239-0251

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 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

CONDITIONS

Action 75526

CONDITIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 75526
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	1/28/2022
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	1/28/2022
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	1/28/2022
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	1/28/2022