

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICT

JUL 21 2015

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC060904 |
| 2. Name of Operator EOG RESOURCES, INC. | | 6. If Indian, Allottee or Tribe Name |
| Contact: STAN WAGNER E-Mail: stan_wagner@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address P.O. BOX 2267 MIDLAND, TX 79702 | 3b. Phone No. (include area code) Ph: 432-686-3689 | 8. Well Name and No. DUGGAN 12 FED COM 2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SENW 1980FNL 1650FWL <i>T18S-R29E Sec. 12</i> | | 9. API Well No. 30-015-29947 |
| | | 10. Field and Pool, or Exploratory SAND TANK MORROW |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources proposes to P&A this well as follows:

1. Rig up slickline and cut 2-7/8" tubing above packer at 10926'.
2. MIRU P&A rig w/ 7-1/16" 5K BOP. POOH w/ tubing. Notify NMOCD and BLM.
3. RIH w/ CIGR and set at 10910'.
4. Pump 18 sx Class H cement plug from 10910 to 11050'. Sting out of retainer and pump 80 sx Class H from 10910 to 10200'. WOC 24 hrs. TAG. *25 sx min.*
5. RIH w/ freepoint and determine free casing depth.
6. Chemically cut casing and recover an estimated 9700' of casing. If casing is unable to be pulled, then perf and squeeze remaining plugs.
7. Pump 40 sx Class H cement plug from 9800 to 9600'. WOC 24 hrs. TAG.
8. Spot 60 sx Class H open hole cement plug from 8250 to 8450'.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL***Below ground level dry hole marker required.*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #309140 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Carlsbad**RECLAMATION PROCEDURE
ATTACHED**

| | |
|---|----------------------------|
| Name (Printed/Typed) STAN WAGNER | Title REGULATORY ANALYST |
| Signature <i>Stan Wagner</i> (Electronic Submission) | Date 07/15/2015 <i>AKD</i> |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------|---------------------|
| Approved By <i>James R. Pons</i> | Title <i>SAET</i> | Date <i>7-16-15</i> |
| Conditions of approval, if any, are attached. Approval of this notice 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. | | |
| Office <i>CFO</i> | | |

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #309140 that would not fit on the form

32. Additional remarks, continued

9. Spot 60 sx Class H open hole cement plug from 5300 to 5500'. *WOC Tag*
10. Spot 75 sx Class C cement plug from 3800 to 4150'. WOC 24 hrs. TAG.
11. Spot 90 sx Class C cement plug from 630 to 1000'. WOC 24 hrs. TAG.
12. Spot 35 sx Class C cement plug from 350 to 450'. *WOC Tag*
13. Spot 20 sx surface plug from 0 to 20'. Cut and cap wellhead. *60 min.*
14. Place P&A marker, clean and restore location.

Pump 9 ppg plugging fluid between plugs. H2S is known to be present.

Duggan 12 Fed Com #2

API# 30-015-29947
Sect 12, T10S, R36E



SPUD TD

DRILLING
LAST REVISED

WI

NRI

Eddy, NM

Formation Tops

GL

KB

Hole

AFE #

Suspected Hole in 5-1/2" & 2-7/8"

Suspected

11-3/4" 42# 11-40 @ 683'
CMT to Surface

8-5/8" 32# 1-85 @ 3,897'
Cement to Surface

TOC 5-1/2" @ 9,740' Temp Survey

2-7/8" 6.5# N-80
5-1/2" PLS Packer w/on/off
2.313" "X" @ 10,931'
1 JT 2-7/8" N-80
2.313" XN Profile
6" Pup
11,120'-39" Morrow

PBTD: 11,195'
TD: 11,675'

5-1/2" 17# 1-80/N80 @ 11,267'

| Tubular Dimensions | Collapse | Burst | ID | Drift | lbt/ft |
|--------------------|----------|-------|----|-------|--------|
| | | | | | 0 |
| | | | | | 0 |
| | | | | | 0 |
| | | | | | 0 |

Edgar Allan Poe



eog resources
energy opportunity growth

DRILLING
LAST REVISED

SPUD: TD

TR

•WJ•

• **NHAI**

| Formation Tops | GL | KB | Hole | AFE # |
|-------------------------|---|--------------------------------|--------|---|
| | 0'-20' | 20 Sx, Surface Plug Class C | 14-34" | |
| Salt 409' | Salt Plug 35 Sacks 350'-450' | | | |
| Base Salt 829' | Shoe Plug & Base Salt 630'-1000' 90 Sacks Class C | | 11" | 11-34" 32W H-40 @ 693' CMT to Surface |
| Base Plug 1,090' | Shoe Plug & Base Springs 3,800'-4,150' 75 Sacks Class C | | 7-7/8" | 8-5/8" 32W J-55 @ 3,897' Cement to Surface |
| | OH Plug 5,300'-5,500' 60 Sacks Class H | | | |
| Wolfcamp 8,350' | 60 Sx's Class H Wolfcamp Plug 8,250'-8,450' | | | |
| Car CSG 9,700' | Shoe Plug 9,600'-9,800' 40 Sacks Class H | | | TOC 5-1/2" @ 9,740' Temp Survey |
| Strat 10,244' | Straw/Atocha/Morrow Plug 95 Sacks Class H Cement 10,200'-11,050' | | | |
| Atoka 10,495' | CMT Retainer @ 10,910' | | | |
| Morrow Classics 11,062' | 5-1/2" PLS Packer w/2.313" X 1 JT N-80 2.313" XN 6' Pop Morrow: 11,120'-39' | | | |
| | PBTD: 11,195' TD: 11,675' | | | |
| | | | | 5-1/2" 17W L-80/NSH @ 11,267' |

EXHIBIT 1

EOG Resources
5000 PSI BOPE
Duggan 12 Fed Com #2

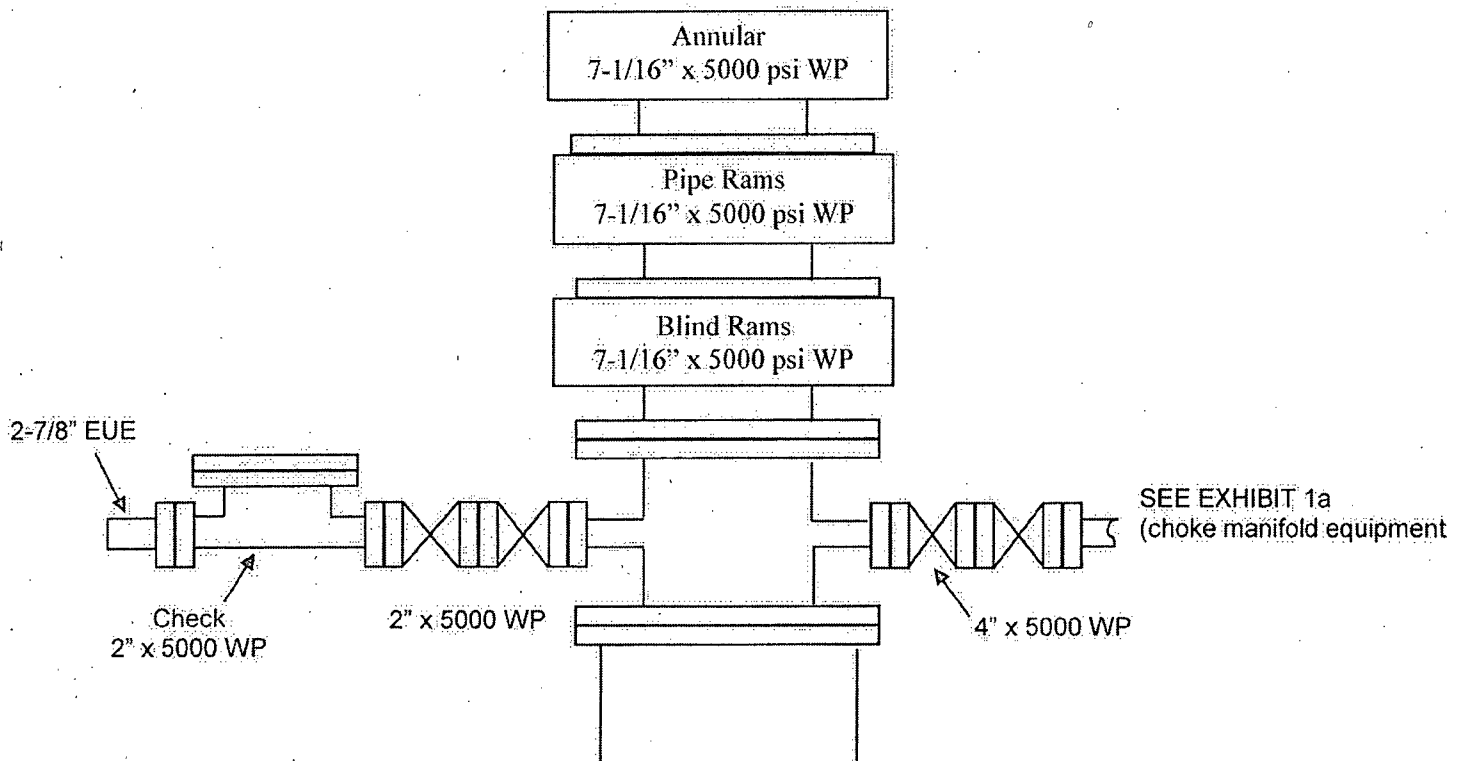
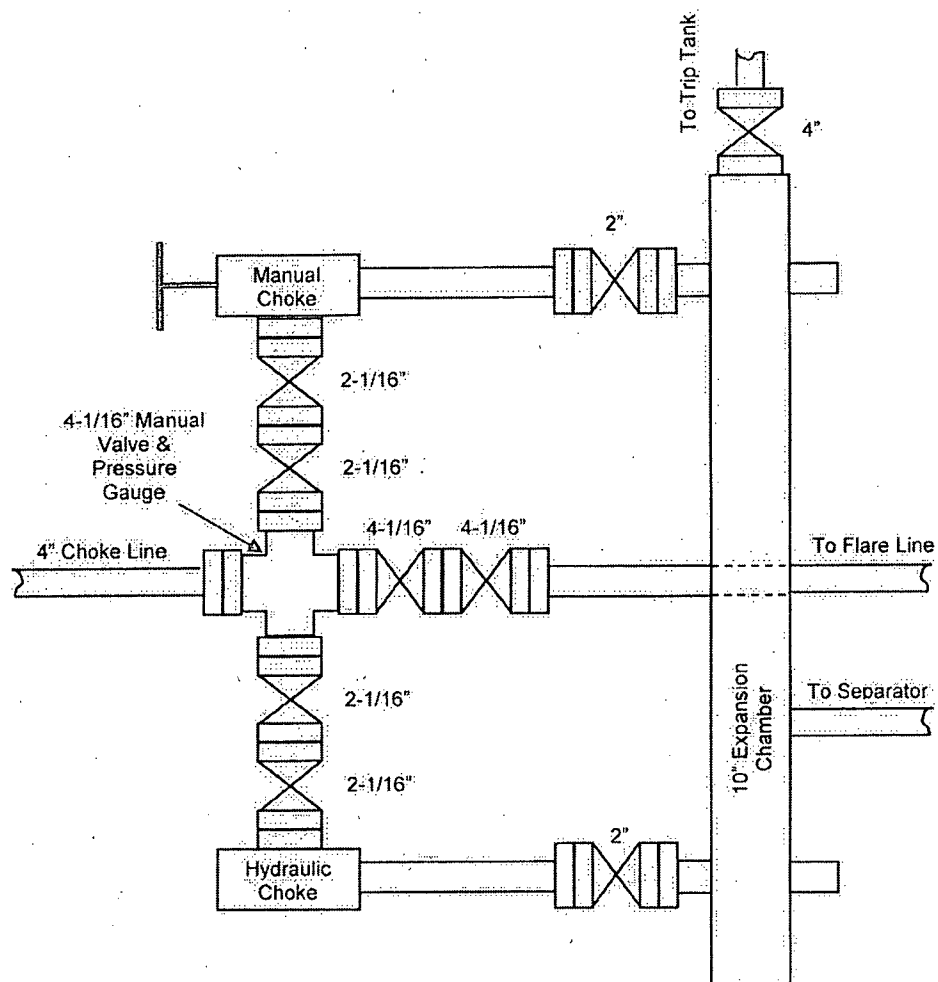


EXHIBIT 1a
EOG Resources, Inc.
5M Choke Manifold Equipment



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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.

Duggan 12 Fed Com #2

■ **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.

EMERGENCY PROCEDURES SECTION

I. In the event of any evidence of H₂S level above 10ppm, take the following steps immediately:

- a. Secure breathing apparatus.
- b. Order non-essential personnel out of the danger zone.
- c. Take steps to determine if the H₂S level can be corrected or suppressed, and if so, proceed with normal operations.

II. If uncontrollable conditions occur, proceed with the following:

- a. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel and the New Mexico Oil Conservation Division of the situation.
- b. Remove all personnel to the Safe Briefing Area.
- c. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation.
- d. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.

III. Responsibility:

- a. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
- b. The Company Approved Supervisor shall be in complete command during any emergency.
- c. The Company Approved Supervisor shall designate a back up Supervisor in the event that he/she is not available.

EOG RESOURCES, INC.

Duggan 12 Fed Com #2

Emergency Assistance Telephone List**PUBLIC SAFETY:****911 or****Eddy County Sheriff's Department** (575) 887-7551**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**Production Engineer****Kyle Thebeau** Office (432) 686-3635

Cell (432) 894-8922

Completion Superintendent**Tom Redd** Cell (303) 854-8605**Safety****Reggie Phillips (HSE Manager)** Office (432) 686-3747

Cell (432) 250-7507

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

NM OIL CONSERVATION
ARTESTA DISTRICT
JUL 21 2015

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

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Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-1002
www.blm.gov/nm

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 21 2015

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In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. 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. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Supervisory Multi Resources
575-234-5959

Arthur Arias
Environmental Protection Specialist
575-234-6230

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979