OCD-ARTESIA

Form 3160-3 (August 1999)

RECEIVED

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

UNITED STATES

MAR 2 3 2006

5. Lease Serial No.

| DEPARTMENT OF 1 | THE INTERIOR | | | NMNM 108950 | | | |
|--|---|--|----------------------------|---|---------------------------------------|--|--|
| BUREAU OF LAND | MANGEMENT | QULINA. | IEDIA | 6. If Indian, Allottee of | or Tribe Name | | |
| APPLICATION FOR PERMIT | TO DRILL OR REE | ENTER | | | | | |
| 1a. Type of Work: X DRILL | REENTER | 2 – | ~10 | 7. If Unit or CA Agree | ement, Name and No. | | |
| | | <u>_</u> | 548 | 8. Lease Name and V | Vell No. | | |
| 1b. Type of Well: Oil Well X Gas Well | Other Single Zo | neMultipl | e Zone | Colorado A 22 Fed 1H | | | |
| 2. Name of Operator EOG Resources, Inc. | | | | 9. API Well No. | 7-34710 | | |
| 3a. Address | 3b. Phone No. | (include area c | ode) | 10. Field and Pool, or | Exploratory | | |
| P.O. Box 2267, Midland, TX 79702 | (432) 686-3642 | 75 | 260 | Undes Cottonwood Cre | ek; Wolfcamp West | | |
| Location of Well (Report location clearly and in ac At surface 905' FNL & 506' FEL (U/L A) | cordance with any Sta | te requirements | :.*) | 11. Sec., T., R., M., or Section 22, T16S-R24E | Bik. And Survey or Area , N.M.P.M. | | |
| At proposed prod. Zone 760' FNL & 660 | 'FWL (U/LD) | | | | | | |
| 14 Dietance in miles and direction from nearest town | | ATER BASIN | | 12. County or Parish Eddy | 13. State New Mexico | | |
| 15. Distance from proposed* 905' 16. No. of Acres in lease location to nearest 1,120 1,120 N/2 | | | | | | | |
| (Also to nearest drig. Unit line, if any) | | | | | | | |
| 18. Distance from proposed location* 1 to nearest well, drilling, completed | ,044' 19. Proposed I 4,551' TVD | | 20. BLM/B NM2308 | BIA Bond No. on file | | | |
| applied for, on this lease, ft. | 8,577' TMD | | | | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc) Gr 3625' | 22. Approximat 6/1/2006 | te date work wil | l start* | 23. Estimated duration 30 days | | | |
| | 24. Atta | chments | | | | | |
| 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest SUPO shall be filed with the appropriate Forest Service of the surveyor. | t Sytem Lands, the 5 Office) 6 | . Bond to cover t Item 20 above) . Operator certif . Such other site authorized office | he operation ication. | hed to this form: s unless covered by an e | | | |
| 25. Signature | Name (Printed/ | •• | | Date | | | |
| Title Agent | Donny G. Gla | HOH | | 1/27/20 | | | |
| Approved by Status ames Stovall | Name (Printed/ | James S | Stoval | Date MAR | 2 0 2006 | | |
| FIELD MANAGER | Office | CAR | LSBA | D FIELD OFF | ICE | | |
| Application approval does not warrant or certify the applicant holds operations theron. Conditions of approval, if any, are attached | legal or equitable title to the | ose rightes in the s | ubject tease w A | hich would entitle the applica PPROVAL FO | nt to conduct)R 1 YEAR | | |
| T'' 40 11 0 0 0 11 1001 1 17 11 10 11 0 0 0 11 10 10 10 | | | | | | | |

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 jurisidiction.

*(Instructions on reverse)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS **ATTACHED**

If earthen pits are used is association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

District 1 1625 N. French Dr., Hobbs, NM 88240 District II

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

☐ AMENDED REPORT

1301 W. Grand Avenue, Artesia, NM 88210 District # 1000 Rio Brazos Rd., Aztec, NM 87410 District M

1220 S. St. Francis Dr., Santa Fe, NM 87505

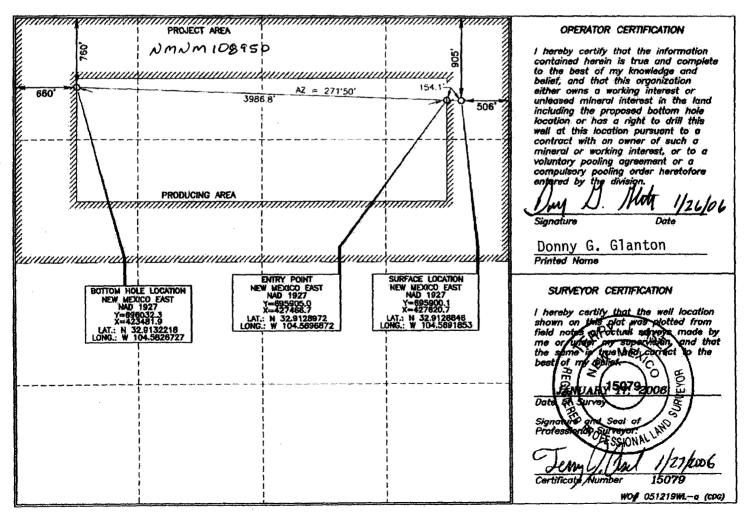
OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

State Lease- 4 Copies Fee Lease-3 Copies

| | WELL LOCATION AND AC | REAGE DEDICATION PLAT | | | | | |
|---------------|----------------------|--------------------------------|-------------|--|--|--|--|
| API Number | Pool Code | | | | | | |
| | 175260 | Undes Cottonwood Creek; Wolfca | mp West | | | | |
| Property Code | Proper | ty Name | Well Number | | | | |
| | COLORADO A | 1H | | | | | |
| OGRÍD No. | Operati | or Name | Elevation | | | | |
| 7377 | EOG RESOU | JRCES, INC. | 3625' | | | | |

| | Surface Location | | | | | | | | | | | |
|---------------|--|-----------------|--------------------|-----------|----------|---------------|--|---------------|----------------|--------|--|--|
| UL or lot no. | Section | Township | Range | | Lot lich | Feet from the | North/South line | Feet from the | East/West line | County | | |
| A | 22 | 16 SOUTH | 24 EAST, N. | М.Р.М. | | 905 | NORTH | 506 | EAST | EDDY | | |
| | 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 | | |
| D | 22 | 16 SOUTH | 24 EAST, N. | М.Р.М. | | 780 | NORTH | 660 | WEST | EDDY | | |
| Dedicated | Acres | Joint or Infill | Consolidation Code | Order No. | | | ······································ | | | | | |
| 320 | | | | | | | | | | | | |

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.



District II 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

For drilli appropriat For down office

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe

Form C-144 June 1, 2004

| | or below-grade tank X Closure of a pit or below-grade | |
|--|--|--|
| Operator: EOG Resources, Inc. Address: P.O. Box 2267 Midland, Texas 79702 Facility or well name: Colorado A 22 Fed No. 1H API #: | 86-3642 e-mail address: Don U/L or Qtr/Qtr A Sec 22 | ny_Glanton@eogresources.com T16S R24E |
| County: Eddy Latitude: N32.9128846 Longitude: W104.56918. Surface Owner: Federal X State Private Indian | | 1100 1021 |
| Pit | Below-grade tank | |
| Type: Drilling X Production Disposal | Volume:bbl Type of fluid: | PECEIVED |
| Workover | Construction material: | _ |
| Lined X Unlined □ | Double-walled, with leak detection? Yes If no | t, explain whyMAR 2 0 2006 |
| Liner type: Synthetic X Thickness 12 mil Clay | | UUU-ARTERIA |
| Pit Volume <u>10,300</u> bbl | | |
| | Less than 50 feet | (20 points) |
| Depth to ground water (vertical distance from bottom of pit to seasonal | 50 feet or more, but less than 100 feet | (10 points) |
| high water elevation of ground water.) | 100 feet or more X | (0 points) |
| | Yes | (20 points) |
| Wellhead protection area: (Less than 200 feet from a private domestic | No X | (0 points) |
| water source, or less than 1000 feet from all other water sources.) | | |
| Distance to surface water: (horizontal distance to all wetlands, playas, | Less than 200 feet | (20 points) |
| irrigation canals, ditches, and perennial and ephemeral watercourses.) | 200 feet or more, but less than 1000 feet | (10 points) |
| | 1000 feet or more X | (0 points) |
| | Ranking Score (Total Points) | |
| If this is a pit closure: (1) Attach a diagram of the facility showing the pit | 's relationship to other equipment and tanks. (2) Indi | cate disposal location: (check the onsite box if |
| your are burying in place) onsite \(\square\) offsite \(\square\) If offsite, name of facility_ | | · · · · · · · · · · · · · · · · · · · |
| remediation start date and end date. (4) Groundwater encountered: No | | |
| (5) Attach soil sample results and a diagram of sample locations and excava | - - | |
| Additional Comments: | | |
| Trialitional Comments. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| I hereby certify that the information above is true and complete to the best has been/will be constructed or closed according to NMOCD guideline. | · · · · · · · · · · · · · · · · · · · | |
| | . M N., | |
| Date: 3/16/2006 | In D. Meta | |
| | , | |
| Your certification and NMOCD approval of this application/closure does otherwise endanger public health or the environment. Nor does it relieve t regulations. | | |
| Approval: | elek . | Dat MAR 2 1 200 6 |
| Printed Name/Title | Signature | DateMAN & R LOUI |



EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702 (915) 686-3600

January 27, 2006

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

JAN 3 1 2006

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H_2S Contingency Plan for the Colorado A 22 Fed #1H. The current plan is to complete this well in the Wolfcamp, which is sweet, and I do not anticipate encountering any H_2S bearing formations during drilling operations.

Sincerely,

Jason La rega Drilling Engineer

Permit Information:

Well Name: Colorado A 22 Fed #1H

Location:

SL 905' FNL & 506' FEL, Section 22, T-16-S, R-24-E, Eddy Co., N.M. 760' FNL & 660' FWL, Section 22, T-16-S, R-24-E, Eddy Co., N.M.

Casing Program:

| Casing | Setting Depth | Hole Size | Casing Size | Casing Weight | Casing Grade | Desired TOC |
|------------|------------------|--------------|----------------|------------------|-----------------|----------------|
| Surface | 900' | 9-7/8" | 7" | 23# | J-55 | Surface |
| Production | 8,577' | 6-1/8" | 4 1/2" | 11.6# | P-110 | Surface |

Cement Program:

| Depth | No. | Slurries: |
|--------|-------|--|
| _ | Sacks | |
| 900' | 300 | Lead: Premium Plus + 2% CaCl2 + 3% Econolite + 1/4 pps Flocele |
| | 200 | Tail: Premium Plus + 2% CaCl ₂ + ½ pps Flocele |
| 8,577' | 400 | Lead: Interfill C + 1/4 pps Flocele |
| | 350 | Tail: Premium Cement + 100% Acid Soluble Additive + 0.6% Halad®- |
| | | 344 + 0.8% Econolite + 0.2% HR-55 |
| | | |

Mud Program:

| Depth | Depth Type | | Viscosity | Water Loss |
|-----------------|-------------------|----------------------|-----------|------------|
| 0 – 950' | Fresh - Gel | Weight (ppg) 8.6-8.8 | 28-34 | N/c |
| 950' – 4,400' | Cut Brine | 8.8-9.2 | 28-34 | N/c |
| 4,400' - 5,100' | Cut Brine | 8.8-9.2 | 28-34 | 10-15 |
| 4,218' - 8,577' | Polymer (Lateral) | 9.0-9.4 | 40-45 | 10-25 |

Planning Report

Database:

EDM

Company: Project:

EOG - Midland (3)

Site: Well:

Thames Colorado A 22 Fed #1H

Colorado A 22 Fed #1H Wellbore: Colorado A 22 Fed #1H

Plan #1 Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Well Colorado A 22 Fed #1H

WELL @ 3640.0ft (Original Well Elev)

WELL @ 3640.0ft (Original Well Elev)

Minimum Curvature

Project

Thames

Map System: Geo Datum:

US State Plane 1927 (Exact solution) NAD 1927 (NADCON CONUS)

Map Zone: New Mexico East 3001 System Datum:

Mean Sea Level

Site Colorado A 22 Fed #1H

Site Position:

Well Position

From:

Well

Мар

+N/-S

+E/-W

Northing: Easting:

695,900,10ft 427,620.70ft

Latitude:

Longitude:

32° 54' 46.385 N

Position Uncertainty:

0.0 ft

Slot Radius:

Grid Convergence:

104° 34' 9.067 W -0.13 °

Colorado A 22 Fed #1H

Northing:

695,900.10 ft 427,620,70 ft

Latitude: Longitude: 32° 54' 46.385 N

Position Uncertainty

0.0 ft 0.0 ft

0.0 ft

Easting: Wellhead Elevation:

Ground Level:

104° 34' 9.067 W 3,625.0 ft

Wellbore Colorado A 22 Fed #1H Magnetics Model Name Sample Date Declination Dip Angle Field Strength **IGRF2000** 12/31/2004 9.08 60.88 49,715

Design Plan #1 **Audit Notes:** Version: Phase: **PROTOTYPE** Tie On Depth: 0.0 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 4,551.0 0.0 0.0 271.83

| Plan Section Measured Depth (ft) | s Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Bulld Rate (°/100 ft) | Turn Rate (°//100ft) | TFO (°) | Land Control of the C |
|---|-------------------------|-------------|---------------------------|---------------|---------------|-----------------------------|---|----------------------------|------------|--|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | ###################################### |
| 4,218.0 | 0.00 | 0.00 | 4,218.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,818.0 | 90.00 | 271.84 | 4,600.0 | 12.3 | -381.8 | 15.00 | 15.00 | 0.00 | 271.84 | |
| 4,843.0 | 90.75 | 271.83 | 4,599.8 | 13.1 | -406.7 | 3.00 | 3.00 | -0.05 | -0.89 | |
| 8,577.2 | 90.75 | 271.83 | 4,551.0 | 132.2 | -4,138.7 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8,577.3 | 90.75 | 271.83 | 4,551.0 | 132.2 | -4,138.8 | 3.00 | 1.69 | 2.48 | | BHL (Colorado A 2: |

Planning Report

Database: Company: Project:

Site:

Well:

EDM EOG - Midland (3)

Thames Colorado A 22 Fed #1H Colorado A 22 Fed #1H

Wellbore: Colorado A 22 Fed #1H Design:

Plan #1

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: **Survey Calculation Method:** Well Colorado A 22 Fed #1H

WELL @ 3640.0ft (Original Well Elev) WELL @ 3640.0ft (Original Well Elev)

Minimum Curvature

| Planned Survey | | | | | | | | | |
|---------------------------|--------------------|------------------------------|---------------------------|---------------|----------------|-----------------------------|-----------------------------|----------------------------|---------------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 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 |
| 700.0 800.0 | 0.00 0.00 | 0.00 0.00 | 700.0 800.0 | 0.0 0.0 | 0.0 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 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 |
| 1,300.0 | 0.00 | 0.00 | 1,300.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,400.0 | 0.00 | 0.00 | 1,400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,500.0 | 0.00 | 0.00 | 1,500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,600.0 | 0.00 | 0.00 | 1,600.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,700.0 | 0.00 | 0.00 | 1,700.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,800.0 | 0.00 | 0.00 | 1,800.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,900.0 | 0.00 | 0.00 | 1,900.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,000.0 | 0.00 | 0.00 | 2,000.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,100.0 | 0.00 | 0.00 | 2,100.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,200.0 | 0.00 | 0.00 | 2,200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,300.0 | 0.00 | 0.00 | 2,300.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,400.0 | 0.00 | 0.00 | 2,400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,500.0 | 0.00 | 0.00 | 2,500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,600.0 | 0.00 | 0.00 | 2,600.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,700.0 2,800.0 | 0.00 0.00 | 0.00 0.00 | 2,700.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 2,900.0 | 0.00 | 0.00 | 2,800.0 2,900.0 | 0.0 0.0 | 0.0 0.0 | 0.0 0.0 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 3,000.0 | 0.00 | | • | | | | | | |
| 3,100.0 | 0.00 | 0.00 0.00 | 3,000.0 3,100.0 | 0.0 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,200.0 | 0.00 | 0.00 | 3,200.0 | 0.0 | 0.0 0.0 | 0.0 0.0 | 0.00 | 0.00 | 0.00 |
| 3,300.0 | 0.00 | 0.00 | 3,300.0 | 0.0 | 0.0 | 0.0 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 3,400.0 | 0.00 | 0.00 | 3,400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,500.0 | 0.00 | 0.00 | 3,500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,600.0 | 0.00 | 0.00 | 3,600.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,700.0 | 0.00 | 0.00 | 3,700.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,800.0 | 0.00 | 0.00 | 3,800.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,900.0 | 0.00 | 0.00 | 3,900.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 4,000.0 | 0.00 | 0.00 | 4,000.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 4,100.0 | 0.00 | 0.00 | 4,100.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 4,200.0 | 0.00 | 0.00 | 4,200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 4,218.0 | 0.00 | 0.00 | 4,218.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 4,225.0 | 1.05 | 271.84 | 4,225.0 | 0.0 | -0.1 | 0.1 | 15.00 | 15.00 | 0.00 |
| 4,250.0 4,275.0 | 4.80 | 271.84 | 4,250.0 | 0.0 | -1.3 | 1.3 | 15.00 | 15.00 | 0.00 |
| 4,275.0 | 8.55 12.30 | 271.84 | 4,274.8 | 0.1 | -4.2 | 4.2 | 15.00 | 15.00 | 0.00 |
| 4,300.0 4,325.0 | 12.30 16.05 | 271.84 271.84 | 4,299.4 4,323.6 | 0.3 | -8.8 | 8.8 | 15.00 45.00 | 15.00 | 0.00 |
| 4,350.0 | 19.80 | 271.8 4 271.84 | 4,323.6 4,347.4 | 0.5 0.7 | -14.9 -22.6 | 14.9 22.6 | 15.00 15.00 | 15.00 15.00 | 0.00 0.00 |
| 4,375.0 | 23.55 | 271.84 | 4,370.6 | 1.0 | | | | | |
| 4,400.0 | 27.30 | 271.84 271.84 | 4,370.6 4,393.2 | 1.0 | -31.8 -42.5 | 31.8 42.5 | 15.00 15.00 | 15.00 15.00 | 0.00 0.00 |
| 4,425.0 | 31.05 | 271.84 | 4,415.0 | 1.8 | - | 54.7 | 15.00 | 15.00 | 0.00 |
| 4,450.0 | 34.80 | 271.84 | 4,436.0 | 2.2 | -68.3 | 68.3 | 15.00 | 15.00 | 0.00 |

Planning Report

Local Co-ordinate Reference:

Database: Company: Project: Site:

Well:

EDM EOG - Midland (3) Thames

Colorado A 22 Fed #1H Colorado A 22 Fed #1H Colorado A 22 Fed #1H TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well Colorado A 22 Fed #1H
WELL @ 3640.0ft (Original Well Elev)
WELL @ 3640.0ft (Original Well Elev)
Grid
Minimum Curvature

Wellbore: Colorad Design: Plan #1

| Planned Survey | | | | | | | | | |
|--------------------|----------------|------------------|--------------------|----------------|----------------------|--------------------|-------------------|-------------------|-------------------|
| Measured | | | Vertical | | | Vertical | Dogleg | Build | Turn |
| Depth (ft) | Inclination | Azimuth | Depth (ft) | +N/-S | +E/-W | Section (ft) | Rate (°/100ft) | Rate (°/100ft) | Rate (°/100ft) |
| | (°) | (°) | | (ft) | (ft) | | | | |
| 4,475.0 | | 271.84 | 4,456.0 | 2.7 | -83.2 | 83.2 | 15.00 | 15.00 | 0.00 |
| 4,500.0 4,525.0 | | 271.84 271.84 | 4,475.1 4,493.0 | 3.2 3.8 | -99.4 -116.8 | 99.5 116.9 | 15.00 15.00 | 15.00 15.00 | 0.00 0.00 |
| 4,550.0 | 49.80 | 271.84 | 4,509.7 | 4.3 | -135.4 | 135.4 | 15.00 | 15.00 | 0.00 |
| 4,575.0 | | 271.84 | 4,525.2 | 5.0 | -155.0 | 155.0 | 15.00 | 15.00 | 0.00 |
| 4,600.0 | | 271.84 | 4,539.4 | 5.6 | -175.5 | 175.6 | 15.00 | 15.00 | 0.00 |
| 4,625.0 4,650.0 | | 271.84 271.84 | 4,552.2 4,563.6 | 6.3 7.0 | -197.0 -219.2 | 197.1 219.3 | 15.00 15.00 | 15.00 15.00 | 0.00 0.00 |
| 4,675.0 | | 271.84 | 4,573.5 | 7.8 7.8 | -242.2 | 242.3 | 15.00 | 15.00 | 0.00 |
| 4,700.0 | 72.30 | 271.84 | 4,581.9 | 8.5 | -265.7 | 265.8 | 15.00 | 15.00 | 0.00 |
| 4,725.0 | | 271.84 | 4,588.7 | 9.3 | -289.7 | 289.9 | 15.00 | 15.00 | 0.00 |
| 4,750.0 | | 271.84 | 4,593.9 | 10.1 | -314.2 | 314.3 | 15.00 | 15.00 | 0.00 |
| 4,775.0 4,800.0 | | 271.84 271.84 | 4,597.6 4,599.5 | 10.9 11.7 | -338.9 -363.8 | 339.1 364.0 | 15.00 15.00 | 15.00 15.00 | 0.00 0.00 |
| 4,818.0 | | 271.84 | 4,600.0 | 12.3 | -381.8 | 382.0 | 15.00 | 15.00 | 0.00 |
| 4,843.0 | | 271.83 | 4,599.8 | 13.1 | -406.7 | 406.9 | 3.00 | 3.00 | -0.05 |
| 4,900.0 | | 271.83 | 4,599.1 | 14.9 | -463.7 | 464.0 | 0.00 | 0.00 | 0.00 |
| 5,000.0 | 90.75 | 271.83 | 4,597.8 | 18.1 | -563.7 | 564.0 | 0.00 | 0.00 | 0.00 |
| 5,100.0 5,200.0 | | 271.83 271.83 | 4,596.4 4,595.1 | 21.3 24.5 | -663.6 -763.5 | 663.9 763.9 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 5,300.0 | | 271.83 | 4,593.8 | 27.6 | -863.5 | 863.9 | 0.00 | 0.00 | 0.00 |
| 5.400.0 | 90.75 | 271.83 | 4,592.5 | 30.8 | -963.4 | 963.9 | 0.00 | 0.00 | 0.00 |
| 5,500.0 | 90.75 | 271.83 | 4,591.2 | 34.0 | -1,063.4 | 1,063.9 | 0.00 | 0.00 | 0.00 |
| 5,600.0 | 90.75 | 271.83 | 4,589.9 | 37.2 | -1,163.3 | 1,163.9 | 0.00 | 0.00 | 0.00 |
| 5,700.0 5,800.0 | 90.75 90.75 | 271.83 271.83 | 4,588.6 4,587.3 | 40.4 43.6 | -1,263.3 -1,363.2 | 1,263.9 1,363.9 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 5.900.0 | | 271.83 | 4,586.0 | 46.8 | -1,463.1 | 1,463.9 | 0.00 | 0.00 | 0.00 |
| 6,000.0 | 90.75 | 271.83 | 4,584.7 | 50.0 | -1,563.1 | 1,563.9 | 0.00 | 0.00 | 0.00 |
| 6,100.0 | 90.75 | 271.83 | 4,583.4 | 53.2 | -1,663.0 | 1,663.9 | 0.00 | 0.00 | 0.00 |
| 6,200.0 6,300.0 | 90.75 90.75 | 271.83 271.83 | 4,582.1 4,580.8 | 56.4 59.5 | -1,763.0 -1,862.9 | 1,763.9 1,863.8 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| | | | | | • | • | | | |
| 6,400.0 6,500.0 | 90.75 90.75 | 271.83 271.83 | 4,579.5 4,578.2 | 62.7 65.9 | -1,962.8 -2,062.8 | 1,963.8 2,063.8 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 6,600.0 | 90.75 | 271.83 | 4,576.8 | 69.1 | -2,162.7 | 2,163.8 | 0.00 | 0.00 | 0.00 |
| 6,700.0 | 90.75 | 271.83 | 4,575.5 | 72.3 | -2,262.7 | 2,263.8 | 0.00 | 0.00 | 0.00 |
| 6,800.0 | 90.75 | 271.83 | 4,574.2 | 75.5 | -2,362.6 | 2,363.8 | 0.00 | 0.00 | 0.00 |
| 6,900.0 | 90.75 | 271.83 | 4,572.9 | 78.7 | -2,462.5 | 2,463.8 | 0.00 | 0.00 | 0.00 |
| 7,000.0 7,100.0 | 90.75 90.75 | 271.83 271.83 | 4,571.6 4,570.3 | 81.9 85.1 | -2,562.5 -2,662.4 | 2,563.8 2,663.8 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 7,200.0 | 90.75 | 271.83 | 4,569.0 | 88.3 | -2,762.4 | 2,763.8 | 0.00 | 0.00 | 0.00 |
| 7,300.0 | 90.75 | 271.83 | 4,567.7 | 91.5 | -2,862.3 | 2,863.8 | 0.00 | 0.00 | 0.00 |
| 7,400.0 | 90.75 | 271.83 | 4,566.4 | 94.6 | -2,962.2 | 2,963.8 | 0.00 | 0.00 | 0.00 |
| 7,500.0 | 90.75 | 271.83 | 4,565.1 | 97.8 | -3,062.2 | 3,063.7 | 0.00 | 0.00 | 0.00 |
| 7,600.0 7,700.0 | 90.75 90.75 | 271.83 271.83 | 4,563.8 4,562.5 | 101.0 104.2 | -3,162.1 -3,262.1 | 3,163.7 3,263.7 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 7,800.0 | 90.75 | 271.83 | 4,561.2 | 107.4 | -3,362.0 | 3,363.7 | 0.00 | 0.00 | 0.00 |
| 7,900.0 | 90.75 | 271.83 | 4,559.9 | 110.6 | -3,461.9 | 3,463.7 | 0.00 | 0.00 | 0.00 |
| 8,000.0 | 90.75 | 271.83 | 4,558.5 | 113.8 | -3,561.9 | 3,563.7 | 0.00 | 0.00 | 0.00 |
| 8,100.0 8,200.0 | 90.75 90.75 | 271.83 271.83 | 4,557.2 4,555.9 | 117.0 120.2 | -3,661.8 -3,761.8 | 3,663.7 3,763.7 | 0.00 | 0.00 | 0.00 |
| 8,300.0 | 90.75 | 271.83 | 4,555.9 4,554.6 | 120.2 | -3,761.8 -3,861.7 | 3,763.7 3,863.7 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| 8,400.0 | 90.75 | 271.83 | 4,553.3 | 126.5 | -3,961.6 | 3,963.7 | 0.00 | 0.00 | 0.00 |
| 8,500.0 | 90.75 | 271.83 | 4,552.0 | 129.7 | -4,061.6 | 4,063.7 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: Company: Project:

Site: Well: EDM

EOG - Midland (3)

Thames

Colorado A 22 Fed #1H Colorado A 22 Fed #1H

Colorado A 22 Fed #1H Colorado A 22 Fed #1H Plan #1

Wellbore: Colora Design: Plan # Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Well Colorado A 22 Fed #1H

WELL @ 3640.0ft (Original Well Elev) WELL @ 3640.0ft (Original Well Elev)

Grid

Minimum Curvature

| Bianada | | >3.30 GM BXMMM ROWN II. | THE REAL PROPERTY IN LINEAR | MARKEN PROPERTY OF THE PARTY OF THE | | MARKET PERSON PROPERTY. | CARREST TRANSPORTER | Wasser - Description (Communication) | District Communication |
|----------------|------------|-------------------------|-----------------------------|-------------------------------------|--|-------------------------|--------------------------|--------------------------------------|------------------------|
| Planned Survey | | | | | na ang ang ang ang ang ang ang ang ang a | | | | |
| | | 7. 1 | | | | | | | |
| Measured | | | Vertical | | | Vertical | Dogleg | Build | Turn |
| | | \zimuth | Depth | +N/-S | +E/-W | Section | Rate | Rate | Rate |
| (ft) | (°) | (°) | (ft) | (ft) | (ft) | (ft) | (°/10 0ft) (| (°/100ft) (| %100ft) |
| 8,577.3 | 90.75 | 271.83 | 4,551.0 | 132.2 | -4.138.8 | 4.140.9 | 0.00 | 0.00 | 0.00 |
| BHL (Colorado | A 22 Fed # | IH) | - Kadha | 13 189 - | adi ali Si | Tana ing Tana | THE REPORT OF THE PARTY. | et direk | |
| 8,577.3 | 90.75 | 271.83 | 4,551.0 | 132.2 | -4,138.8 | 4,140.9 | 0.00 | 0.00 | 0.00 |

| BHL (Colorado A 22 F - plan hits target - Point | 0.00 | 0.00 | 4,551.0 | 132.2 | -4,138.8 | 696,032.30 | 423,481.90 | 32° 54′ 47.599 | N 104° 34′ 57.622 W |
|---|-----------|-------------|-------------|---------------|--------------|------------------|------------|----------------|---------------------|
| Targets Target Name - hit/miss target Di - Shape | o Angle E | Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (n) | Northing s. (ft) | Eastine 4 | Latitude | Longitude |

SITE DETAILS: Colorado A 22 Fed #1H

Site Centre Northing: 695900.10

Easting: 427620.70

Positional Uncertainity: 0.0 Convergence: -0.13 Local North: Grid

PROJECT DETAILS: Thames

Geodetic System: US State Plane 1927 (Exact solution)
__Datum: NAD 1927 (NADCON CONUS)

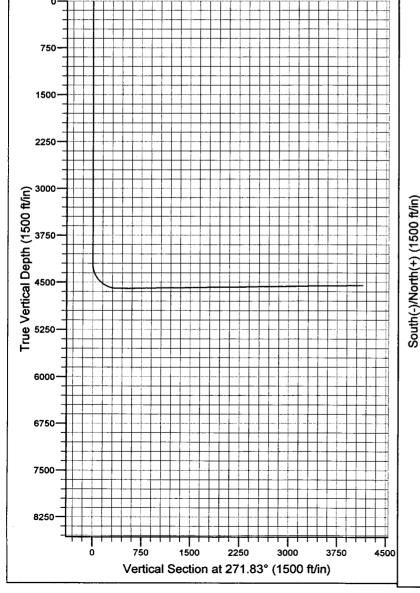
Ellipsoid: Clarke 1866

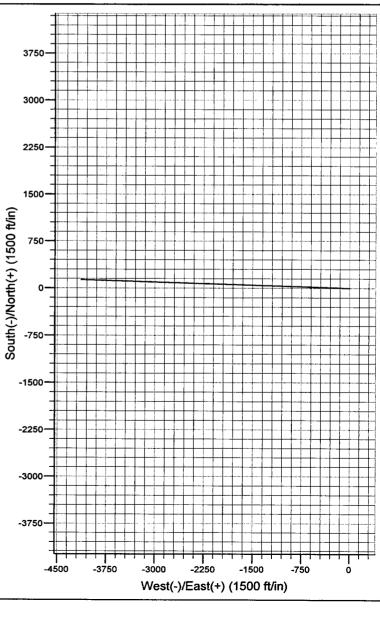
Zone: New Mexico East 3001

System Datum: Mean Sea Level

SECTION DETAILS

| MD | Inc | Azi | TVD | +N/-S | +E/-W | DLeg | TFace | VSec | Target | |
|--------|-------|--------|--------|-------|---------|-------|--------|--------|-----------------------------|--|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | G | |
| 4218.0 | 0.00 | 0.00 | 4218.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | | |
| 4818.0 | 90.00 | 271.84 | 4600.0 | 12.3 | -381.8 | 15.00 | 271.84 | 382.0 | | |
| 4843.0 | 90.75 | 271.83 | 4599.8 | 13.1 | -406.7 | 3.00 | -0.89 | 406.9 | | |
| 8577.2 | 90.75 | 271.83 | 4551.0 | 132.2 | -4138.7 | 0.00 | 0.00 | 4140.8 | | |
| 8577.3 | 90.75 | 271.83 | 4551.0 | 132.2 | -4138.8 | 3.00 | 55.62 | 4140.9 | BHL (Colorado A 22 Fed #1H) | |





EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Ouaternary Alluvium

0-200

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| San Andres | 665' |
|--------------|--------|
| Glorieta | 2,035' |
| Tubb | 3,326' |
| Abo Shale | 4,015' |
| Wolfcamp Pay | 5,065' |

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

| 0- 200' | Fresh Water | | |
|---------|--------------------------|--|--|
| 665' | Oil | | |
| 2,035' | Oil/Gas | | |
| 3,326' | Oil/Gas | | |
| 5,065 | Gas | | |
| | 665' 2,035' 3,326' | | |

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 7" casing at 900' and circulating cement back to surface.

4. CASING PROGRAM

| Hole Size | <u>Interval</u> | OD Casing | Weight Grade Jt. Conn. Type | | | | |
|-----------|-----------------|-----------|-----------------------------|-------|------|--|--|
| 9.875" | 0-900' | 7" | 26# | J-55 | LT&C | | |
| 6.125" | 0-8,577 | 4.5" | 11.6# | P-110 | LT&C | | |

Cementing Program:

7" Surface Casing:

Cement to surface with 300 sx Prem Plus, 3% Econolite 1/4 pps Flocele, 2% Calcium Chloride, 200 sx Prem Plus, 2% Calcium Chloride, .25#/sx

Flocele

4-1/2" Production

Cement with 400sx Interfill C,+ 0.25#sx Flocele; 350 sx Premium Cement, 100% Acid Soluble Additive, + 0.6% Halad-344 + 0.8% Econolite+

0.2% HR-55.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000-psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. for a 3M system.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer mud system. The applicable depths and properties of this system are as follows:

| | | Wt | Viscosit Waterloss | | |
|---------------|------------------------|---------|--------------------|-------|--|
| <u>Depth</u> | Type | (PPG) | (sec) | (cc) | |
| 0-950' | Fresh – Gel | 8.6-8.8 | 28-34 | N/c | |
| 950'-4400' | Cut Brine | 8.8-9.2 | 28-34 | N/c | |
| 4,400'-5,100' | Cut Brine (Pilot Hole) | 8.8-9.2 | 28-34 | 10-15 | |
| 4,218'-8,577' | Polymer (Lateral) | 9.0-9.4 | 40-45 | 10-25 | |

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.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Laterlog and GR-Compensated Density-Neutron from +/-900' to TVD.

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 125 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 2000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered,

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

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 30-60 days will be required for completion and testing before a decision is made to install permanent facilities.

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

SURFACE USE AND OPERATIONS PLAN Surface is owned by the BLM

<u>Directions to Well Site</u>: From the Intersection of U.S. Hwy 82 & U.S. Hwy 285, Go west on Hwy 82 for 11.3 miles, Thence north on County Road No. 95 (Joy Road) for 5.3 miles to the location which resides on the east side of County Road No. 95 (Joy Road).

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #2

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

No new roads necessary. Access to drilling location will be off County Road No. 95 (Joy Road) from the NW Corner of the proposed location. See Exhibit #2a.

No turnouts necessary.

No culverts or cattle guards are necessary. No low-water crossings are necessary.

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. LOCATION OF EXISTING WELLS:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline will be built to the nearest pipeline.

5. LOCATION AND TYPE OF WATER SUPPLY:

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

Fresh water and brine water for drilling will come from commercial sources and transported to the well site over the roads as shown on Exhibit #2 and by temporary water supply lines

6. PLANS FOR RESTORATION OF THE SURFACE:

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the well pad removed to promote vegetation and disposal of human waste will be complied with. Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built.

WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad.

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

OTHER INFORMATION:

The area around the well site is grassland and the topsoil is sandy. The vegetation is native scrub grass.

CERTIFICATION:

I HEREBY CERTIFY that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

or Jason La Grega

Division Drilling Engineer

DATE 1/27/2006

EOG RESOURCES, INC. Colorado A22 Fed No. 1H Eddy Co. NM

ATTACHMENT TO EXHIBIT #1

- 1. Wear ring to be properly installed in head.
- 2. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum. Exhibit #1.
- 3. All fittings to be flanged
- 4. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
- 5. All choke and fill lines to be securely anchored especially ends of choke lines.
- 6. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 7. Kelly cock on kelly.
- 8. Extension wrenches and hand wheels to be properly installed.
- 9. Blow out preventer control to be located as close to driller's position as feasible.
- 10. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

EOG Resources, Inc.

CQLORADO A22 FED No. 1H

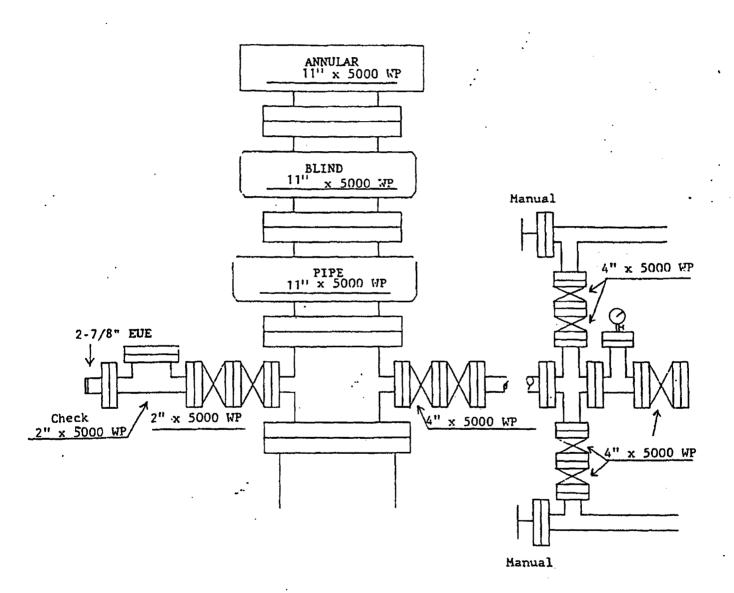
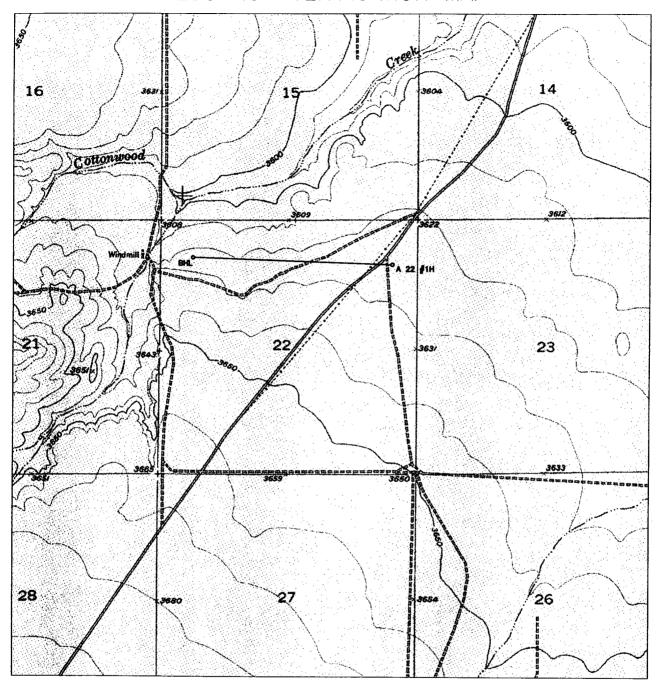


Exhibit 1

EXHIBIT "2"

LOCATION VERIFICATION MAP



SEC. 22 TWP. 16-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY____EDDY

DESCRIPTION 905' FNL & 506' FEL

ELEVATION 3625'

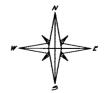
OPERATOR EOG RESOURCES, INC

LEASE COLORADO A 22 FED #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE NE, NM

CONTOUR INTERVAL = 10 FEET SCALE 1" = 2000'



Asel Surveying & Consulting

P.O. BOX 393 - 310 W. TAYLOR HOBBS, NEW MEXICO - 505-393-9146



Statement Accepting Responsibility For Operations

Operator Name:

EOG Resources, Inc.

Street or Box:

P.O. Box 2267

City, State:

Midland, TX

Zip Code:

79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NMNM 108950

Legal Description of Land: N/2 Sec.22 T-16-S; R-24-E, N.M.P.M., Eddy Co. NM Formation(s) (if applicable):

Bond Coverage: (State if individually bonded or another's bond)

BLM Bond File No.: NM2308 with endorsement to State of NM

Authorized Signature:

Date: 1/27/2006

Title: Agent

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: EOG Resources Incorporated Well Name & No: Colorado A 22 Fed No. 01 - H

Location: Surface: 905' FNL & 506' FEL Sec.22, T. 16 S., R. 24 E.

BHL: 760' FNL & 660' FWL, Sec 22, T. 16, R. 24 E

Lease: NMNM 108950 Lea County, NM

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

- A. Spudding
- B. Cementing casing: 7 inch, 4 ½ inch
- C. BOP tests
- 2. A Hydrogen Sulfide (H2S) Drilling Plan is not required on this well.
- 3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
- 6. A Communitization Agreement shall be filed and approved by this office prior to any sales from this well.

II. CASING:

- 1. The <u>7</u> inch shall be set at <u>900 Ft.</u> with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the 4½ inch production casing is to place TOC at least 200 feet above the Top of the Wolfcamp.

III. PRESSURE CONTROL:

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13 ½ inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2 M psi**. However, the operator is installing a 5M BOPE and wishes to test it under a 3M rating, Approved.

III. (Pressure Control Con't)

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

Salas de amor d'empo dono
 Allas des desparaciones de la compansión de la compansió

- -The test shall be done by an independent service company
- -The results of the test shall be reported to the appropriate BLM office.
- -Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures.
- -Use of drilling mud for testing is not permitted since it can mask small leaks.
- -Testing must be done in safe workman-like manner. Hard line connections shall be required.

Ggourley, BLM Roswell, 02/23/06