Form 3160-3
(February 2005)

DEC 26 2007
OCD-ARTESIA

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

ATS-08-169
EA-08-209

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **NM 92757**	
6. If Indian, Allotee or Tribe Name	
1a. Type of work: ☑ DRILL ☐ REENTER	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. **DAKOTA FEDERAL 30 No. 1** 36924
2. Name of Operator **EOG Resources, Inc.**	9. API Well No. 30-015-36017
3a. Address **P.O. Box 2267 Midland, TX 79702**	3b. Phone No. *(include area code)* **432-686-3642**
	10. Field and Pool, or Exploratory **Malaga; Morrow, West (Gas)**
4. Location of Well *(Report location clearly and in accordance with any State requirements *)* At surface **1140' FSL & 720' FEL (U/L P)** At proposed prod. zone Carlsbad Controlled Water Basin	11. Sec., T. R. M. or Blk. and Survey or Area **Section 30, T24S-R28E, N.M.P.M.**
14. Distance in miles and direction from nearest town or post office* **Approx 4 miles SSW from Malaga, NM**	12. County or Parish **Eddy** / 13. State **NM**
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **720'**	16. No. of acres in lease **320** / 17. Spacing Unit dedicated to this well **E/2 of Sec 30, T24S-R28E, N.M.P.M.**
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19. Proposed Depth **12,900' TVD** / 20. BLM/BIA Bond No. on file **NM2308**
21. Elevations (Show whether DF, KDB, RT, GL, etc.) **GL3046'**	22. Approximate date work will start* **12/01/2007** / 23. Estimated duration **30 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature Donny G. Glanton	Name *(Printed/Typed)* **Donny G. Glanton**	Date **11/08/2007**

Title **Sr. Lease Operations ROW Representative**

Approved by *(Signature)* /s/ Don Peterson	Name *(Printed/Typed)* /s/ Don Peterson	Date DEC 19 2007
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

DEC 26 2007
OCD-ARTESIA

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Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	80925	Malaga ; Morrow, West (Gas)

Property Code	Property Name	Well Number
	DAKOTA FEDERAL ~~30~~ 30	1

OGRID No.	Operator Name	Elevation
7377	EOG RESOURCES, INC.	3046'

Surface Location

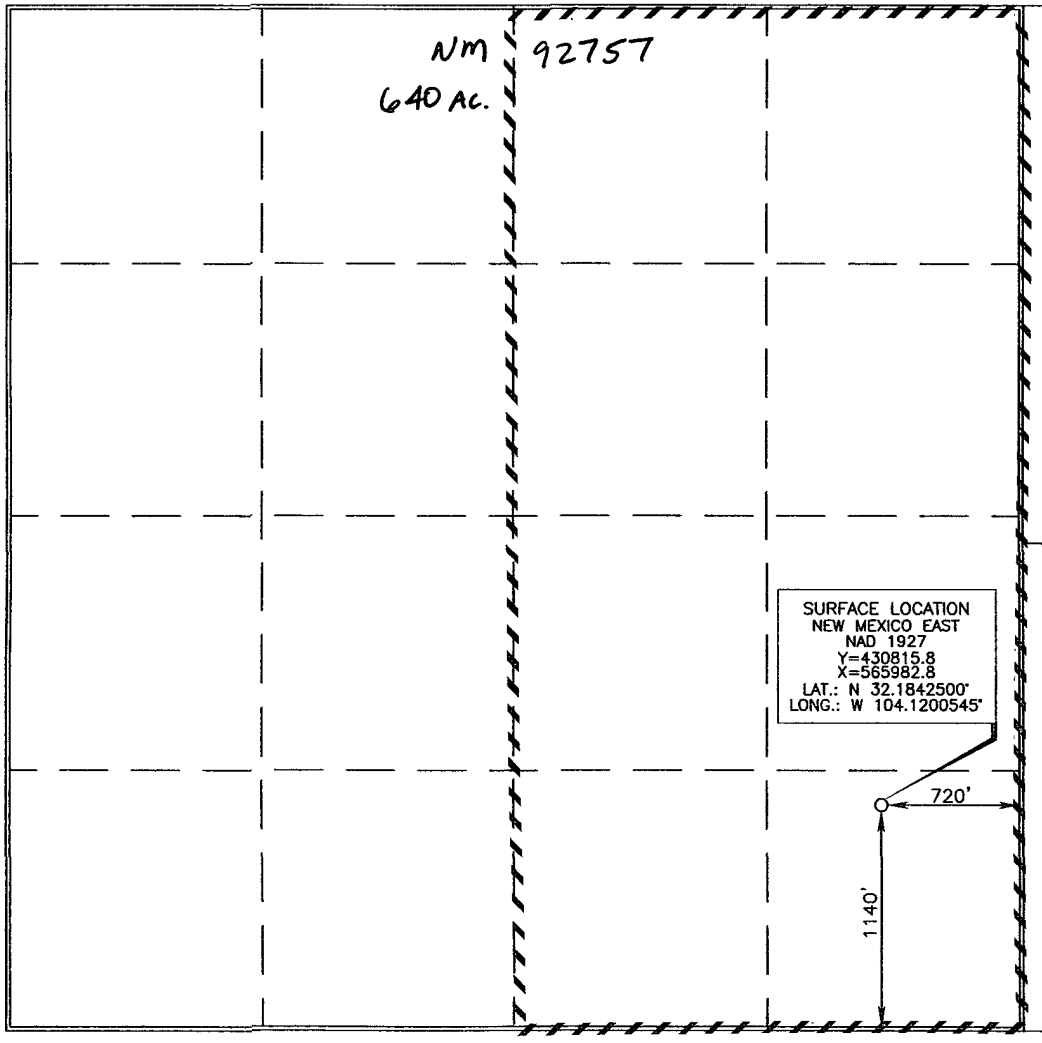
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 SOUTH	28 EAST, N.M.P.M.		1140'	SOUTH	720'	EAST	EDDY

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

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.



OPERATOR CERTIFICATION

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

Signature 11/8/07 Date

Donny G. Glanton
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079
SEPTEMBER 7, 2007
Date of Survey

Signature and Seal of Professional Surveyor

REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO
15079

Certificate Number 15079

WO# 070907WL-REV. A (KA)

EOG RESOURCES, INC.
DAKOTA FEDERAL "30" NO. 1

DRILLING PROGRAM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Quaternary Alluvium 0-200'

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Formation Name	True Vertical Depth
Castille	878'
Lamar	2,430'
Bell Bell Canyon	2,491'
Cherry Canyon	3,288'
Brushy Canyon	4,452'
Bone Spring Lime	5,955'
1st Bone Springs	6,977'
2nd Bone Springs	7,652'
3rd Bone Springs	8,870'
Wolfcamp	9,315'
Strawn	11,473'
Atoka	11,701'
Atoka Lime	11,797'
Morrow	12,256'
Middle Morrow	12,505'
Lower Morrow	12,761'
TD	12,900'

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

Quanterary Alluvium	0- 200'	Fresh Water
Atoka	11,701'	Oil & Gas
Morrow	12,256' – 12,761'	Oil & Gas

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 650' and circulating cement back to surface.

See COA

4. CASING PROGRAM – NEW CASING

Hole Size	Interval	Casing OD	Weight	Grade	Conn	DF Burst	DF Collapse	DF Tension
17-1/2"	0-650'	13-3/8"	48.0#	H40	STC	1.72	2.53	3.50
12-1/4"	0-2600'	9-5/8"	36.0#	K55	LTC	1.75	1.49	3.79
8-3/4"	0-10,000'	7"	26.0#	HCP110	LTC	1.53	1.50	2.40
6-1/8"	9700'-12,900'	4-1/2"	13.5#	P110	LTC	1.93	1.59	4.09

Cementing Program	Description
13-3/8" Surface Casing	Cement top - Surface. Lead: 150 sx Class C + 2% $CaCl_2$ + 10 pps Cal Seal + 5 pps Gilsonite + 0.25 pps CF + 0.125 pps Cemnet (14.2 ppg, 1.62 yield). Tail: 750 sx Class C + 2% $CaCl_2$ + 0.25 pps CF (14.8 ppg, 1.34 yield).
9-5/8" Intermediate Casing	Cement top - Surface. Lead: 425 sx 50:50 Poz:C + 5% salt + 10% Bentonite + 5 pps Gilsonite + 0.25 pps CF (11.9 ppg, 2.5 yield). Tail: 235 sx Class C + 1% $CaCl_2$ (14.8 ppg, 1.33 yield).
7" Production Casing	Cement top – Above 9-5/8" casing shoe. 500 sx – 50:50 Poz:H + 10% Bentonite + 2.745 pps Gilsonite + 0.25 pps CF (11.9, 2.39 yield). 200 sx – TXI Lightweight + gas control additives (13.0 ppg, 1.44 yield).
4-1/2" Liner	300 sx – TXI Lightweight + gas control additives (13.0 ppg, 1.44 yield).
Note:	Cement volumes may need to be adjusted to open hole caliper(s).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (3000-psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2.

see COA

The minimum working pressure of the BOPE required for drilling the surface and intermediate hole will be 2000 psi. The minimum working pressure of the BOPE required below the 9-5/8" casing will be 5000 psi.

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.

Mud monitoring equipment, with derrick floor indicators and visual and audio alarms, will be operating before drilling into the Wolfcamp formation.

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 systems. The applicable depths and properties of this system are as follows:

Interval	Type	MW	Visc.	PV	YP	WL	pH	Cl
0' – 650'	FW Gel	8.4-9.0	28-30	1-3	3-6	NC	9.5-10.0	<5k
650' – 2600'	Brine Water	10.0-10.2	28-30	-	-	NC	9.5-10.0	180k
2600' – 10,000'	Cut Brine	8.4-10.0	28-30	-	-	NC	9.5-10.0	>25k
10,000' – TD	XCD Polymer	9.6-10.0	30-45	5-20	2-16	<10	9.5-10.0	50-180k

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 +/-2600' to TVD. Two open-hole Logging runs will be required (at the 7" casing point and TD).

Possible sidewall cores based on shows.

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

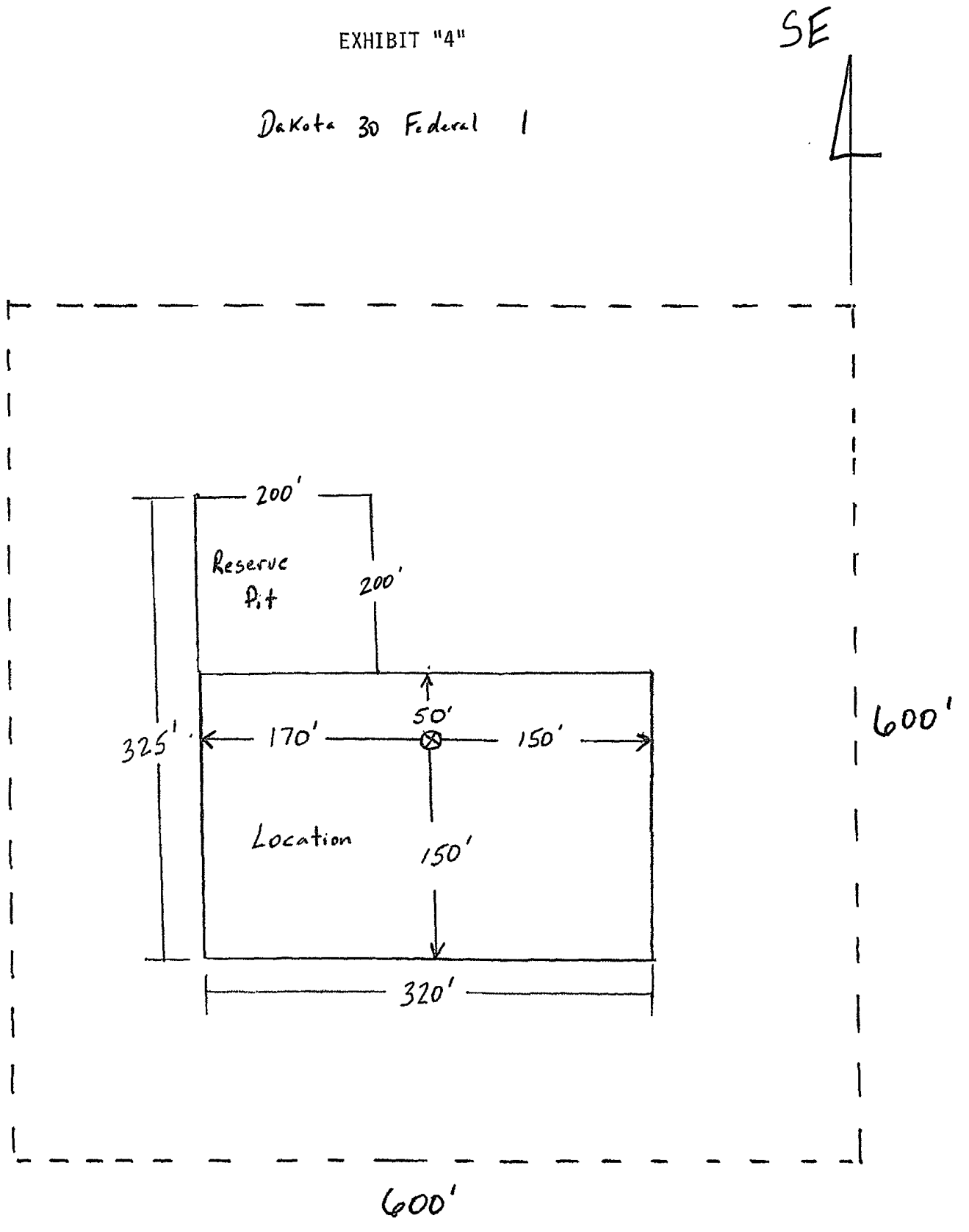
The estimated bottom hole temperature (BHT) at TD is 195 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 6500 psig. This area has a potential H_2S hazard. A H_2S contingency plan is attached. Major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately two months. 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.

EXHIBIT "4"

Dakota 30 Federal 1

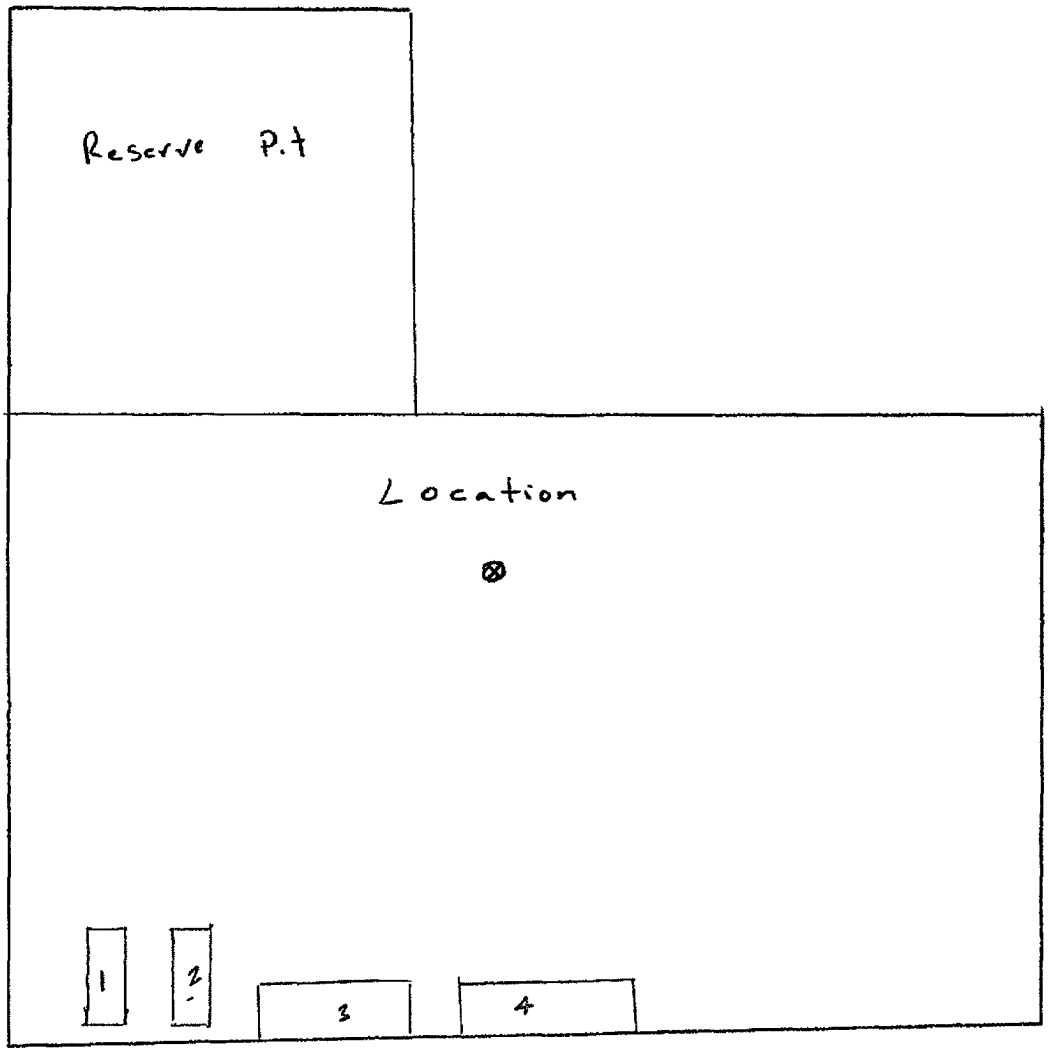


"Not To Scale"

EXHIBIT 5

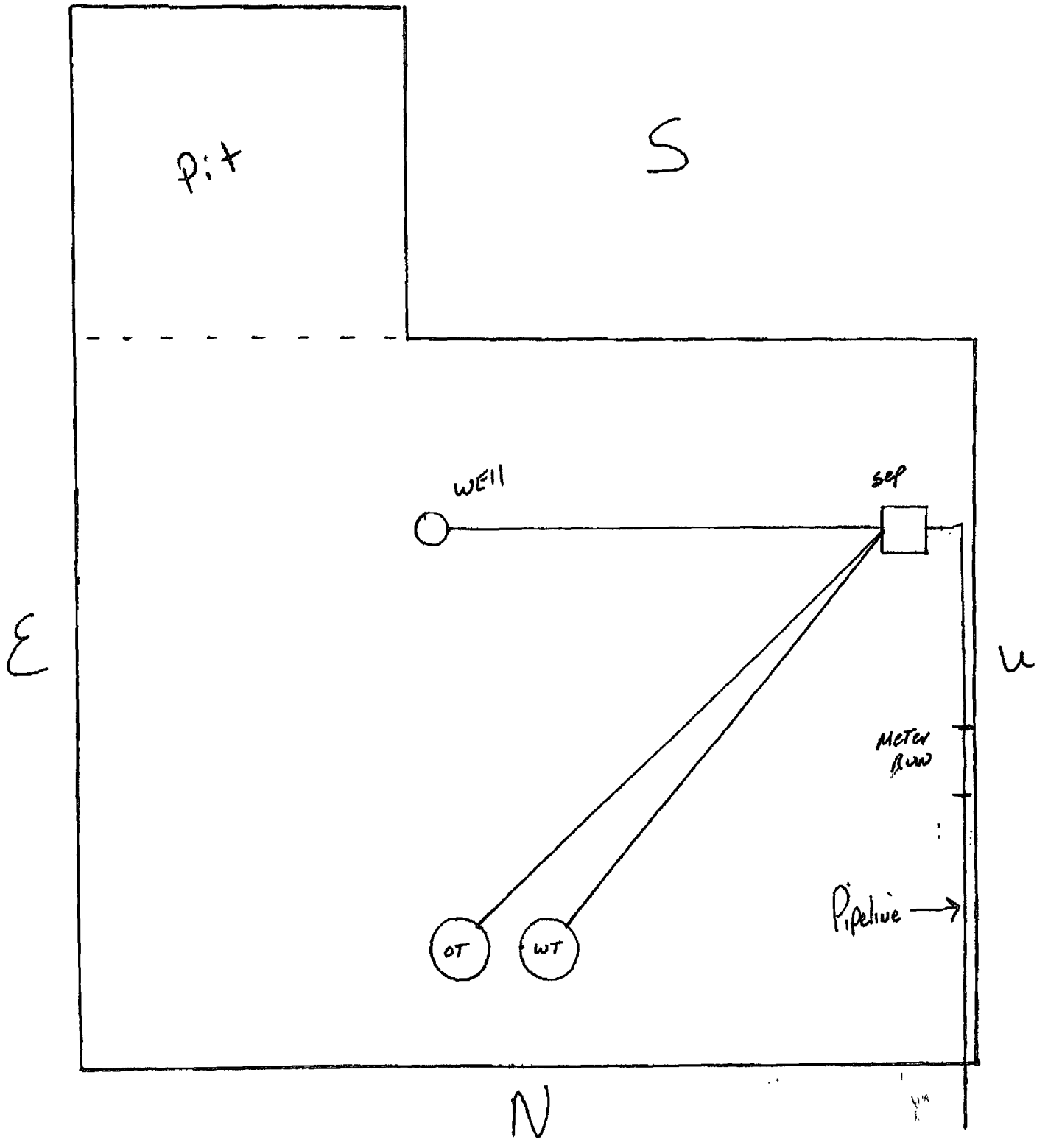
WELL NAME: Dakota 30 Federal 1

SE



Items 1-4: Drilling Trailers

Production Facility Layout
DAKOTA 30 Federal 1



"Not To Scale"

EOG RESOURCES, INC.
DAKOTA FEDERAL "30" NO. 1

ATTACHMENT TO EXHIBIT #1

1. Wear ring to be properly installed in head.

2. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum. Exhibit #1.

3. All fittings to be flanged

4. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.

5. All choke and fill lines to be securely anchored especially ends of choke lines.

6. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.

7. Kelly cock on kelly.

8. Extension wrenches and hand wheels to be properly installed.

9. Blow out preventer control to be located as close to driller's position as feasible.

10. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

EXHIBIT 1

EOG Resources, Inc.

Dakota Federal 30 No. 1

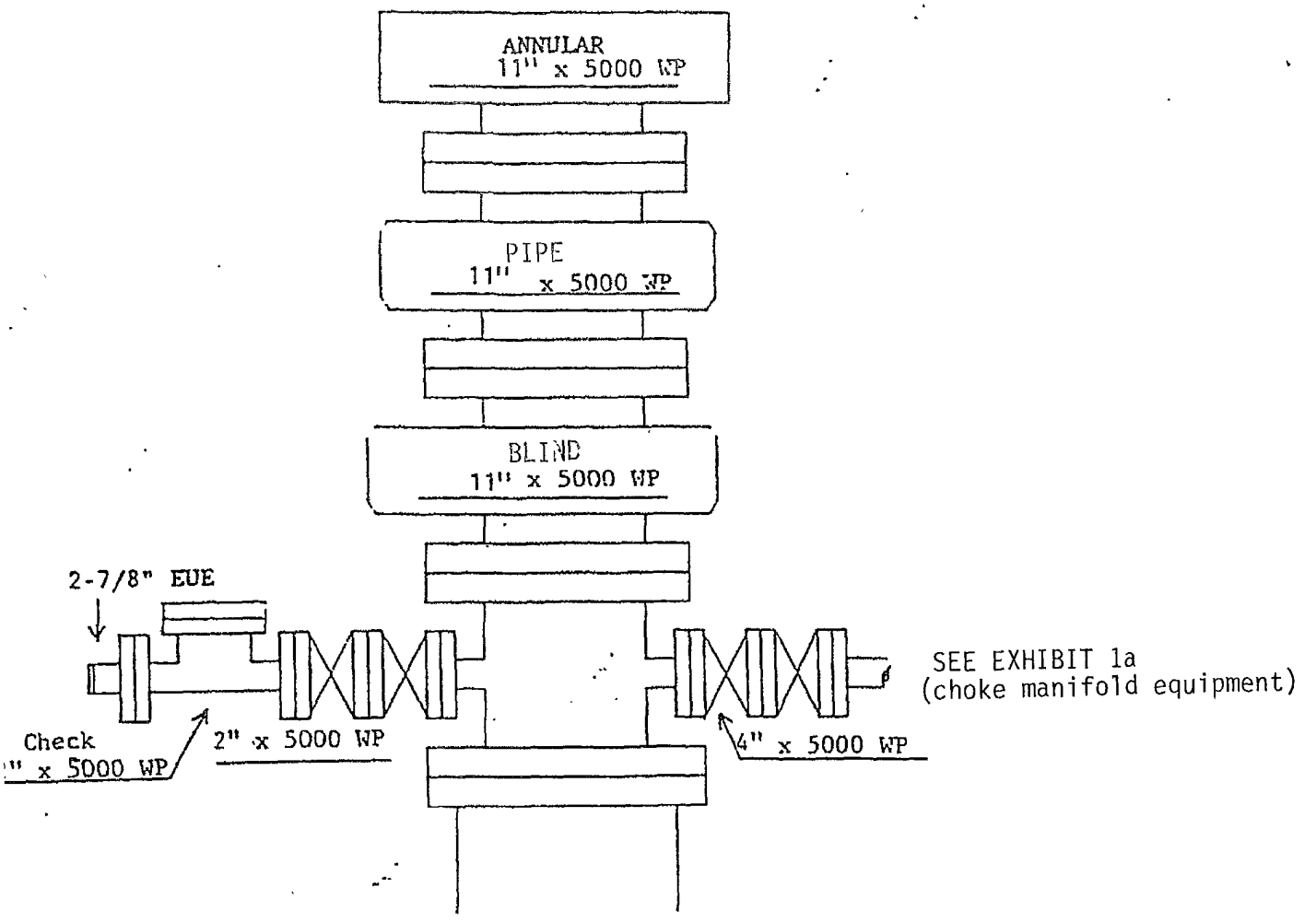
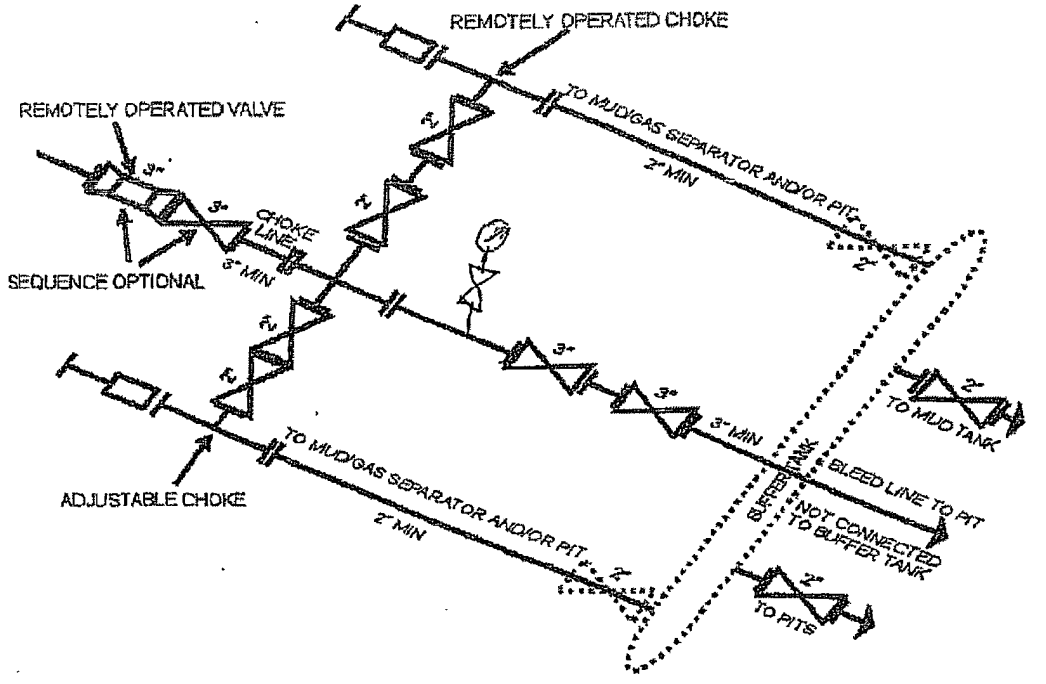


Exhibit #1a:

5000 psi Choke manifold will be used
On Surface and intermediate section: 2000 psi pressure environment
Below 9-5/8" casing shoe: 5000 psi pressure environment



5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

EOG RESOURCES, INC.
DAKOTA FEDERAL "30" NO. 1

SURFACE USE PLAN OF OPERATION

SHL: 1140' FSL & 720' FEL, Unit P, Section 30, T24S-R28E, N.M.P.M., Eddy, NM
BHL: SAME

1. EXISTING ROADS:

a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Terry Asel, RPL 15079.
b. All roads into the location are depicted on Exhibit 2 & 2a.
c. Directions to Locations: From the intersection of US 285 and Black River Village Road in Malaga, go west on Black River Village road for 1.6 miles, then turn south on Higby Hole Road for 0.7 miles, then turn west onto a caliche road going SW for 0.5 miles, then go west for 0.2 miles, then go in a southerly direction for 1.4 miles, then go west for 0.5 miles to a staked new road, go Southwest (on trail) for 0.3 miles, then go Southeast (on trail) for 0.2 miles to location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

a. The well site layout, Exhibit 2b shows the layout. The proposed access road, begins from an existing caliche oil field road and trends Southwest and then Southeast. (See 1c above for driving directions).
b. The maximum width of the road will be 15'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.
c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
d. No cattleguards, gates or fence cuts will be required. No turnouts are planned.

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 PRODUCTION FACILITIES:

a. In the event the well is found to be productive, the Dakota Federal 30 No. 1 tank battery would be utilized and the necessary production equipment will be installed at the well site. See Production Facilities Layout diagram.
b. As a proposed gas well, we do not anticipate the need for electrical service.
c. All flow lines will adhere to API standards.
d. As a proposed gas well, we do not anticipate the need for electrical service.
e. If the well is productive, rehabilitation plans are as follows:

i. The reserve pit will be back filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
ii. The original topsoil from the well site will be returned to the location. The drill site will be contoured as close as possible to the original state.

5. LOCATION AND TYPE OF WATER SUPPLY:

This location will be drilled using a combination of water mud systems (outlined in the drilling program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using existing and proposed roads shown in Exhibit 2. On occasion, water will be obtained from existing water wells. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If poly pipeline is used to transport fresh water to the location, proper authorization will be secured by the contractor.

6. CONSTRUCTION MATERIALS

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by roads, if available.

7. METHODS OF HANDLING WASTE MATERIALS

a. Drill cuttings will be disposed of in the reserve pit.
b. All trash, junk, and other waste material will be contained in trash cages or trash bins to prevent scattering. When a job is completed, all contents will be removed and disposed of in an approved landfill.
c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
d. If necessary, a porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
e. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken for further drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approved disposal site. Later pits will be broken out to speed dry. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in a storage tank and sold.
f. Disposal of fluids to be transported by the following companies:
    i. RGB TRUCKING
    ii. LOBO TRUCKING
    iii. I & W TRUCKING
    iv. CRANE HOT OIL & TRANSPORT

8. ANCILLARY FACILITIES:

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

9. WELL SITE LAYOUT:

a. Exhibit 4 shows the proposed well site layout with dimensions of the pad layout.
b. Exhibit 5 shows proposed location of reserve and sump pits and living facilities.
c. Mud pits in the active circulating system will be steel pits and the reserve pits will be lined.
d. If needed, the reserve pit is to be line with polyethylene. The pit liner will be 12 mils thick. Pit liner will extend a minimum of two feet (2') over the reserve pit's dykes where the liner will be anchored down.
e. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down after the pit contents have dried. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR SURFACE RECLAMATION:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be broken out and leveled after drying to a condition where these are feasible. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. The pit will be closed per OCD compliance regulations.
b. The pit lining will be buried or hauled away in order to return the location and road to their pristine nature. All pits will be filled and the location leveled, weather permitting, within 120 days after abandonment.
c. The location and road will be rehabilitated as recommended by the BLM.
d. The reserve pit will be fenced on three side throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.
e. If the well is deemed commercially productive, the reserve pit will be restored as described in 10(A) within 120 days subsequent to the completion date. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to

operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

11. SURFACE OWNERSHIP

The surface is owned by the Bureau of Land Management (BLM). The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and surface location will be restored as directed by the BLM.

12. OTHER INFORMATION:

a. The area surrounding the well is sparse grassland. The topsoil is sandy & rocky in nature. The vegetation is sparse with native prairie grass, some mesquite bushes and various cacti. No wildlife was observed but it is likely that deer, rabbits coyotes, and rodents transverse the area.
b. There are not dwellings within 2 miles of location.
c. There is no permanent or live water within 1 miles of the location.
d. A Cutural Resources Examination will be completed by 11/19/2007 and forwarded to the BLM office in Carlsbad, New Mexico.

13. BOND COVERAGE:

a. Bond Coverage is Nationwide; Bond No. NM 2308

COMPANY REPRESENTATIVES:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

Permitting & Land

Mr. Donny G. Glanton
Senior Lease Operations ROW Representative
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office
(432) 770-0602 Cell

Drilling

Mr. Steve Munsell
Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3609 Office
(432) 894-1256 Cell

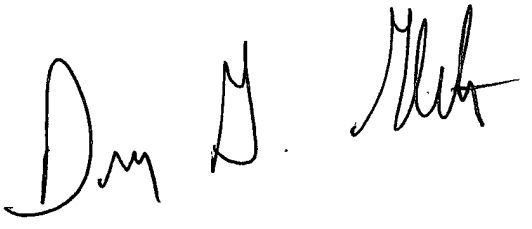
Operations

Mr. Howard Kemp
Production Manager
EOG Resources, Inc
P.O. Box 2267
Midland, TX 79702
(432) 686-3704 Office
(432) 634-1001 Cell

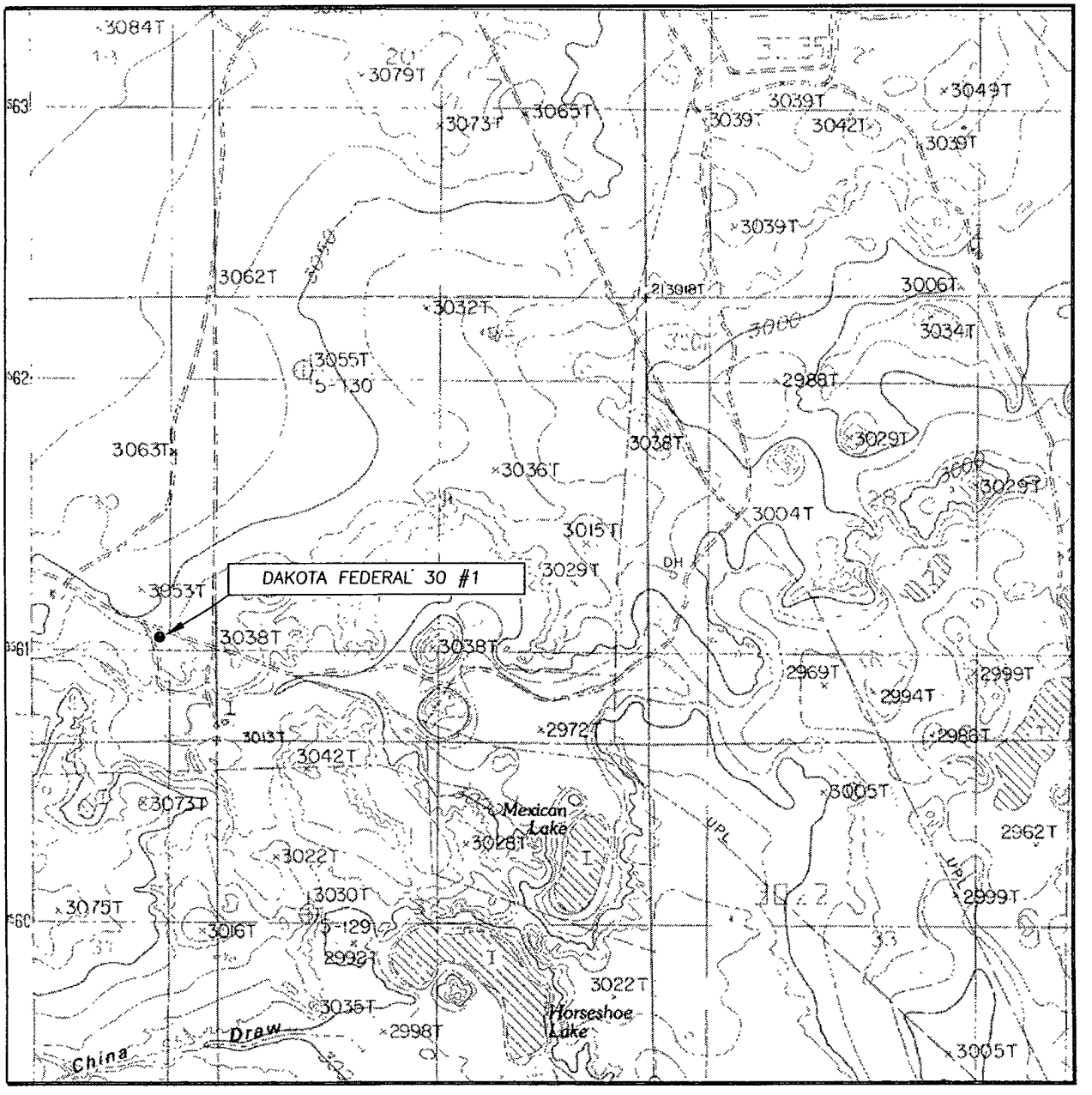
OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 6th day of November, 2007.

Name: Donny G. Glanton
Position: Sr. Lease Operations ROW Representative
Address: P.O. BOX 2267 Midland, TX 79705
Telephone: 432-686-3642
Field Representative (if not above signatory): _____
Address (if different from above): _____
Telephone (if different from above): _____
E-mail (optional): donny_glanton@eogresources.com



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 30 TWP. 24-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1140' FSL & 720' FEL

ELEVATION 3046'

OPERATOR EOG RESOURCES INC.

LEASE DAKOTA FEDERAL 30 #1

U.S.G.S. TOPOGRAPHIC MAP
MALAGA, N.M.

Asel Surveying

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

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard especially in the Canyon group. If Hydrogen Sulfide is encountered, please report measured amounts to the BLM.**

2. 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.

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

1. The **13-3/8** inch surface casing shall be set **at approximately 650** feet and cemented to the surface.

   a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

   b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial action will be done prior to drilling out that string.

High cave/karst.
Possible lost circulation in the Triassic redbeds and the Castile Group.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

   ☒ Cement to surface. If cement does not circulate see B.1.a-d above.

3. The minimum required fill of cement behind the **7** inch production casing is:

   ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. The minimum required fill of cement behind the **4-1/2** inch production liner is:

   ☒ Cement to come to top of liner. Operator shall provide method of verification.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** intermediate casing shoe shall be **5000 (5M)** psi. **The annular is also required to be rated to 5000 psi.**

4. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.

   a. The tests shall be done by an independent service company.

b. The results of the test shall be reported to the appropriate BLM office.

c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

Engineer on call phone (after hours): **Carlsbad: (575) 706-2779**

WWI 121807

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Thursday, December 27, 2007 2:37 PM
To: 'Donny_Glanton@eogresources.com'
Cc: Reno, Carmen, EMNRD; Guye, Gerry, EMNRD
Subject: Dakota A Federal 30 # 1

Hi Donny,

I need to get a h2s well contingency plan that meets NMOCD's Rule118.
Or if in your review such a plan is not required, I need a letter of statement.

Thanks,

Bryan G. Arrant
District II Geologist
New Mexico Oil Conservation Division
1301West Grand Ave.
Artesia, NM 88210
505-748-1283 Ext. 103

CC: Well File