

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

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| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NM-0438001 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator EOG Resources, Inc. 7377 | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address P.O. Box 2267, Midland, TX 79702 | 3b. Phone No. (include area code) (915)686-3714 | 8. Lease Name and Well No. 25862 Phantom Draw Federal Unit No. 4 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1,980' FNL & 760' FEL (Unit Letter H) At proposed prod. Zone same as surface | | 9. API Well No. 30-015-31235 |
| 14. Distance in miles and direction from nearest town or post office* 18 miles SE from Malaga | | 10. Field and Pool, or Exploratory Wolfcamp |
| 15. Distance from proposed* location to nearest property or lease line, ft. 760 (Also to nearest drlg. Unit line, if any) same | 16. No. of Acres in lease 160 | 11. Sec., T., R., M., or Bkt. And Survey or Area Sec 30, T26S, R31E Phantom Draw |
| 18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft. N/A | 19. Proposed Depth 13,200' | 12. County or Parish Eddy |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc) GL-3196 | 22. Approximate date work will start* 7/10/2000 | 13. State NM |
| 17. Spacing Unit dedicated to this well N/2 320 | | |
| 20. BLM/BIA Bond No. on file MT-0748 | | |
| 23. Estimated duration 30 days | | |

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

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| 25. Signature <i>Mike Francis</i> | Name (Printed/Typed) Mike Francis | Date 6/1/2000 |
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| Title Agent |
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| Approved by (Signature) <i>Earle Smith</i> | Name (Printed/Typed) EARLE SMITH | Date 7/3/2000 |
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| Title For Assistant Field Manager, Lands And Minerals | Office |
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Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

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

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVED FOR 1 YEAR