

C/SF

N.M. Oil Cons. Bd. Order No. 13001 YL Artesia, NM 88000

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM16343
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		8. Lease Name and Well No. El Paso "23" Federal No. 3 27029
3b. Phone No. (include area code) (915)686-3714		9. API Well No. 30-015-32173
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1280 FSL & 1360 FEL Unit O At proposed prod. Zone		10. Field and Pool, or Exploratory Ross Draw (Wolfcamp)
14. Distance in miles and direction from nearest town or post office* 18 miles SE from Malaga		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 23, T26S, R30E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. Unit line, if any) 1280	16. No. of Acres in lease 320	12. County or Parish Eddy
17. Spacing Unit dedicated to this well S/2	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft.	19. Proposed Depth 13,000	
20. BLM/BIA Bond No. on file NM2308		
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3079 GL	22. Approximate date work will start* 9/15/2001	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:

Carlsbad Controlled Water Basin

- | | |
|--|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Mike Francis</i>	Name (Printed/Typed) Mike Francis	Date 7/27/2001
Title Agent		
Approved by (Signature) <i>/s/ LESLIE A. THEISS</i>	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date JAN 23 2002
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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**



BUREAU OF LAND MGMT.
FOREST OFFICE

2001 AUG 15 AM 11:41

RECEIVED

Instructions on back

DISTRICT II
P. O. Drower DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code 84330		3 Pool Name ROSS DRAW (WOLFCAMP)					
4 Property Code		5 Property Name EL PASO '23' FEDERAL				6 Well Number 3			
7 OGRID No. 7377		8 Operator Name EDG RESOURCES, INC.				9 Elevation 3079'			
10 SURFACE LOCATION									
UL or lot no. 0	Section 23	Township 26 SOUTH	Range 30 EAST, N.M.P.M.	Lot Ida	Feet from the 1280'	North/South line SOUTH	Feet from the 1360'	East/West line EAST	County EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			
NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									
<div style="border: 1px dashed black; height: 300px; position: relative;"> <div style="position: absolute; top: 10%; left: 10%; width: 80%; height: 80%; border: 1px dashed black;"></div> <div style="position: absolute; top: 60%; left: 40%;">3</div> <div style="position: absolute; top: 80%; left: 10%;">El Paso '23' Federal #1</div> <div style="position: absolute; top: 80%; left: 45%;">1280'</div> <div style="position: absolute; top: 80%; left: 60%;">1360'</div> </div>						OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>			
						Signature 			
						Printed Name Mike Francis			
						Title 7/30/01			
						Date			
						SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plot 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.</i>			
						Date of Survey JUNE 25, 2001			
						Signature and Seal of Professional Surveyor 			
						Certificate No. V. L. BEZNER R.P.S. #7920			
						JOB # 77218 / 23 SE / V.H.B			

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The Registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

DRILLING PROGRAM

EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Delaware	3650'
Cherry Canyon	4650'
Bone Springs	7550'
2 nd Bone Spring Sd	8800'
3 rd Bone Spring Sd	10000'
Wolfcamp	10770'
Wolfcamp Pay	12100'
Penn Marker	13100'

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

Upper Permian Sands 400'	Fresh Water
Upper Penn	Gas

4. CASING PROGRAM

Hole Size	Interval	OD Casing	Weight Grade Jt. Cond. Type
14 3/4"	0-400'	11 3/4"	42# H-40 ST&C
11"	0-4000'	8 5/8"	32# J-55 LT&C
7-7/8"	0-11700'	5-1/2"	17# S95/P110 LT&C
4-3/4"	11400-13100'	3-1/2"	12.95# L80

Cementing Program:

11 3/4" Surface Casing:	Cement to surface with 200 sx Prem Plus, 3% Econolite, 2% Calcium Chloride, 0.25#/sx Flocele, 150 sx Prem Plus, 2% Calcium Chloride
8 5/8" Intermediate:	Cement to surface with 800 sx Interfill C, .25#/sx flocele, 250 sx Premium Plus, 2% Calcium Chloride
5 1/2" Production:	Cement w/775 sx Premium, 3% Econolite, 5#/sx Salt, .25#/sk Flocele, 250 sx Prem 50/50 Poz mix 'A', 2% Halliburton-Gel First 2%, 0.5% Halad-322. 0.2% HR-5. This is designed to bring TOC to 3500'.
3 1/2" Casing:	110 sx prem, 0.3% Halad-344, 0.3% Halad-413, 0.3% Super CBL, .15% SCR-100. This is designed to bring TOC to 11400+/-.

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1 and #2)

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 11-3/4" casing shoe and shall be tested as described in Onshore Order No. 2.

Minimum working pressure of the blow out preventer and related equipment (BOPE) for drilling surface and 1st intermediate hole shall be 2000 psi (2M system).

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. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/1000 psi and the annular to 3500/5000-psi pressure. The blowout preventer equipment (BOP) shown in Exhibit 2 will consist of a double ram-type (10,000 psi) preventer and an annular preventer (10,000 psi) from 11,700' to TD. Before drilling below 2nd Intermediate ram type BOP and accessory equipment will be tested to 10,000/1,000 psi and the annulus to 5000/1000. This equipment will be used from +/- 11,950' to TD.

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/KCL mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Wt (PPG)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0-400'	Fresh Water (Spud Mud)	8.5	40-45	N.C.
400'-4000'	Brine Water	10.0	30	N.C.
4000'-11700'	Fresh Water	8.8 – 9.2	28	10
11700-13000'	Brine & Polymer xcd	10-14.0	28/45	0/<1CC

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 5000' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Induction Focused and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron run from intermediate casing to surface and optional Sonic from TD to Intermediate casing.

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, 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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #3

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:

2,771' of new road is required. Exhibit #3A.

No turnouts necessary.

No culverts, cattleguards, gates, 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 #4 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 would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

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 wellpad 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 #5 shows the relative location and dimensions of the well pad.

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

OTHER INFORMATION:

The area around the well site is grassland and the topsoil is duned and sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

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.

Tom Young
Division Drilling Manager



Date: 8-6-01

DRILLING PROGRAM

**EOG RESOURCES, INC.
EL PASO "23" FEDERAL NO. 3
1280' FSL & 1360' FEL
SEC. 23, T26S, R30E
EDDY COUNTY, NM**

ATTACHMENT TO EXHIBIT #1 & #2

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 and 10,000 psi W.P. minimum, Exhibit #2.
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.

EOG Resources, Inc.

EL PASO "23" FEDERAL No. 3

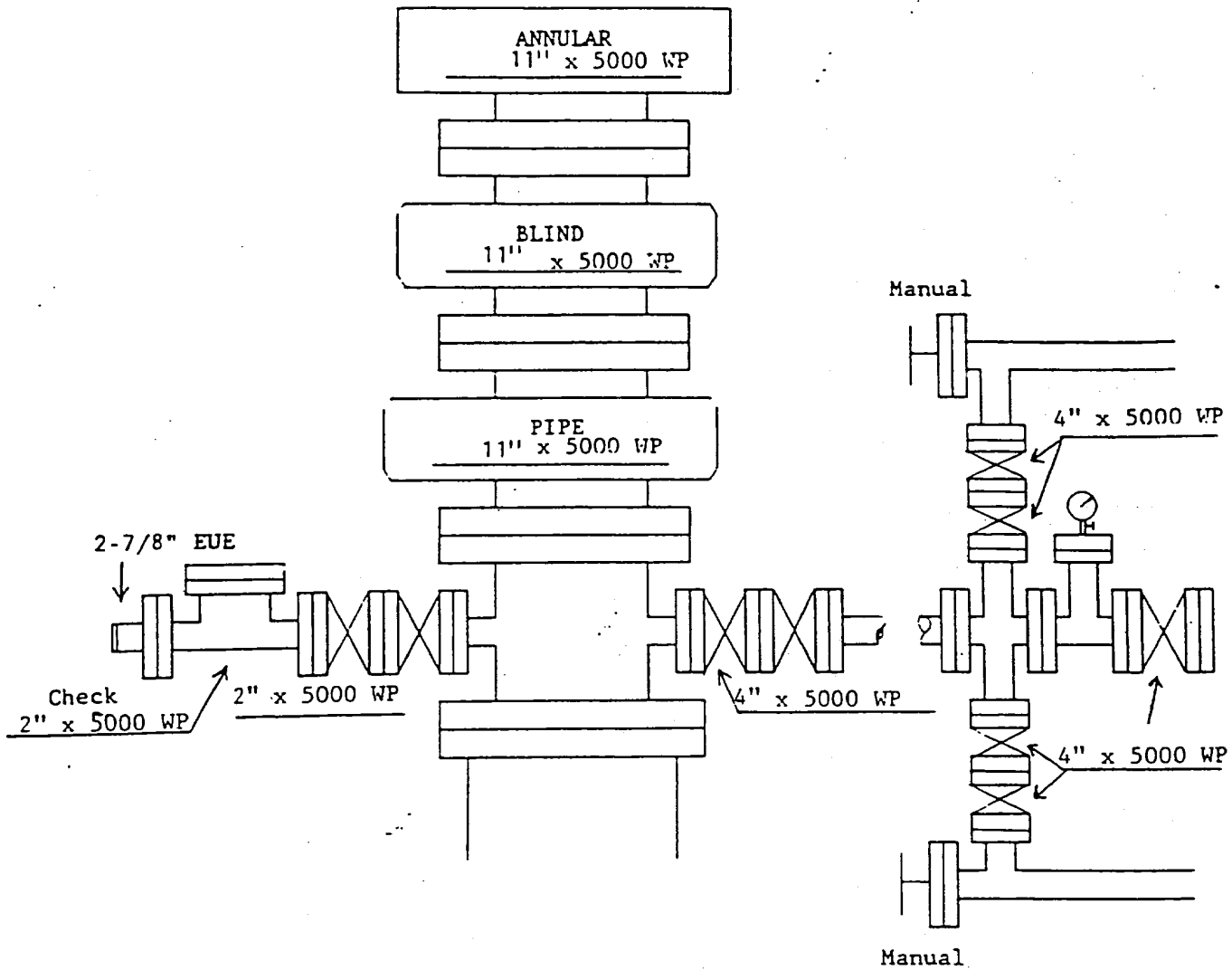


Exhibit 1

EOG Resources, Inc.

EL PASO "23" FEDERAL NO. 3

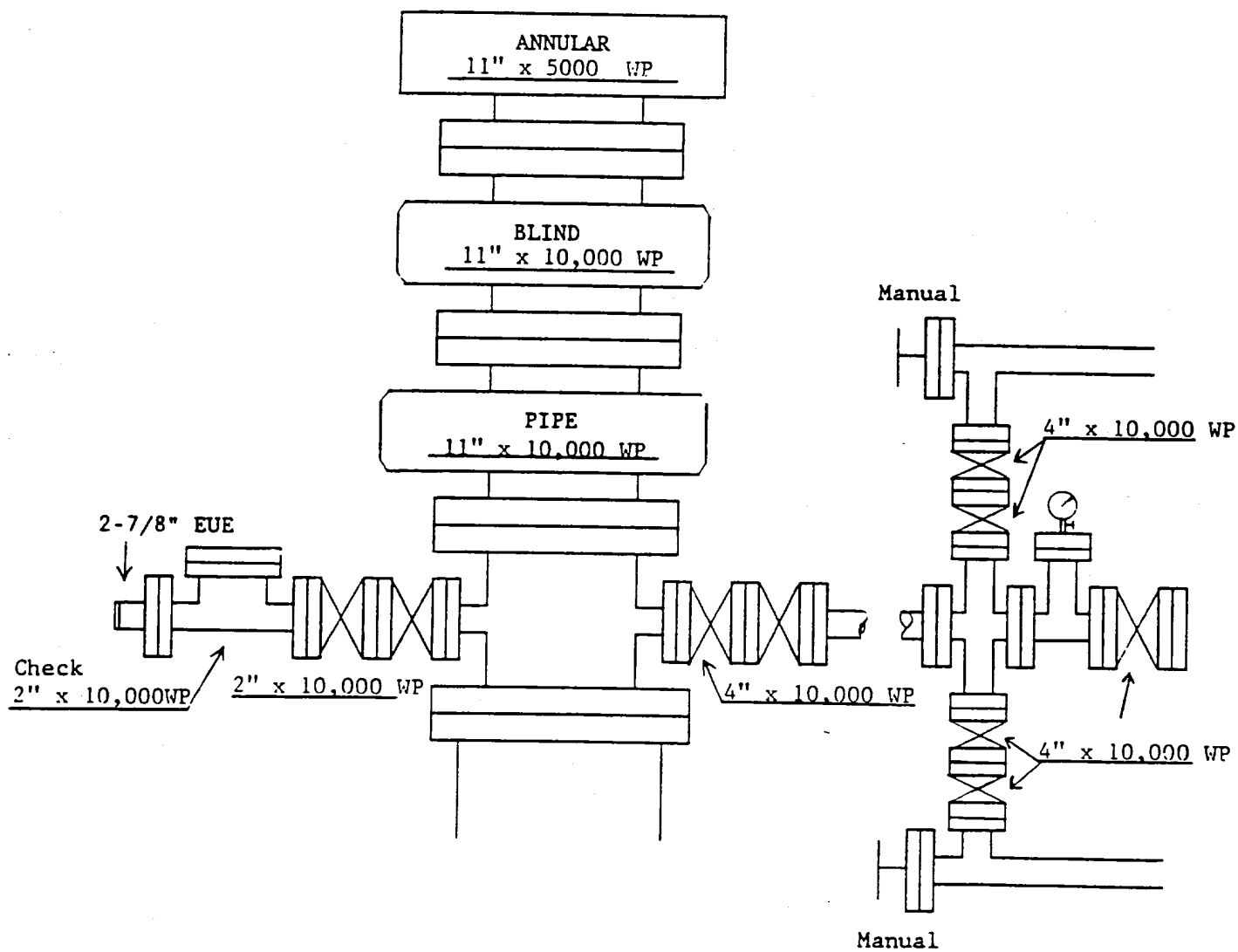
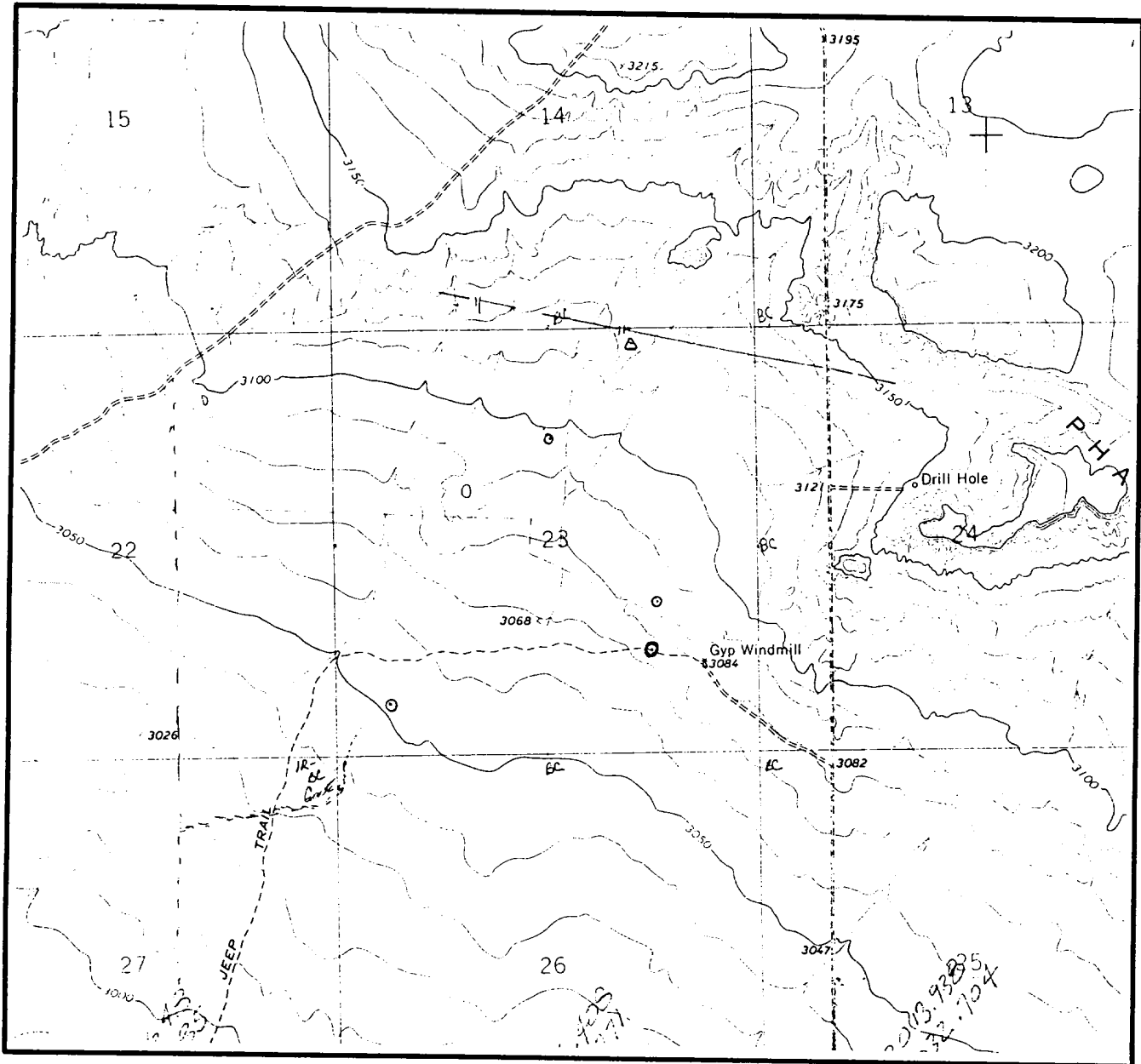


Exhibit 2

LOCATION & ELEVATION VERIFICATION MAP



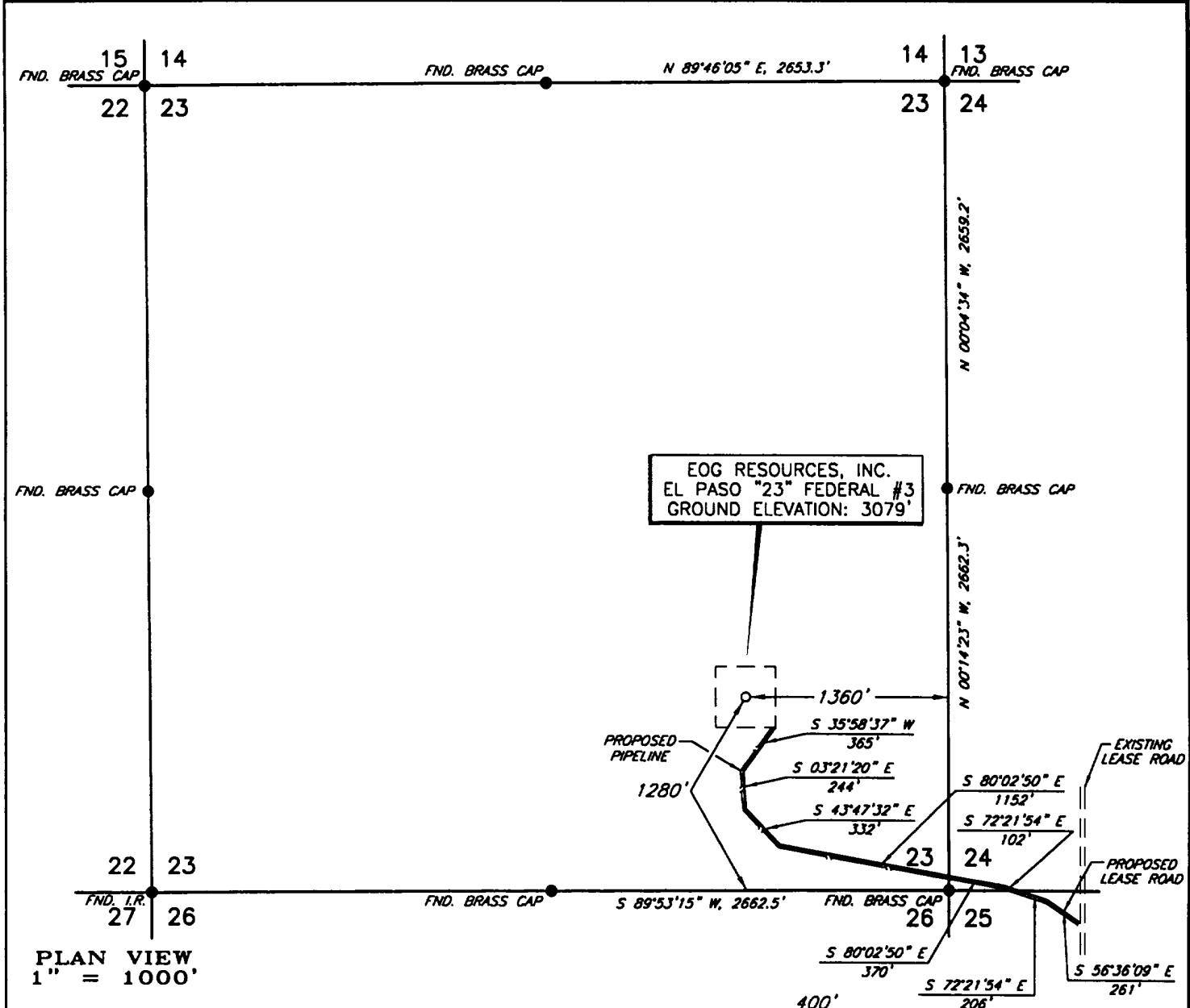
SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 23 TWP 26-S RGE 30-E

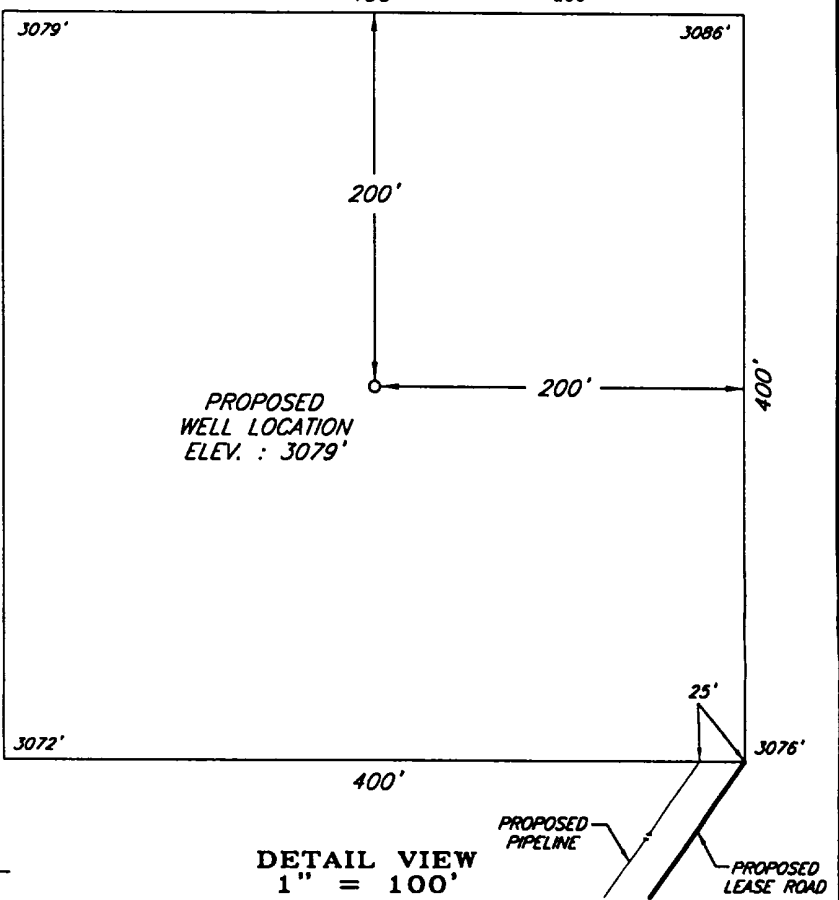
PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 23, T-26-S, R-30-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

EXHIBIT 3A

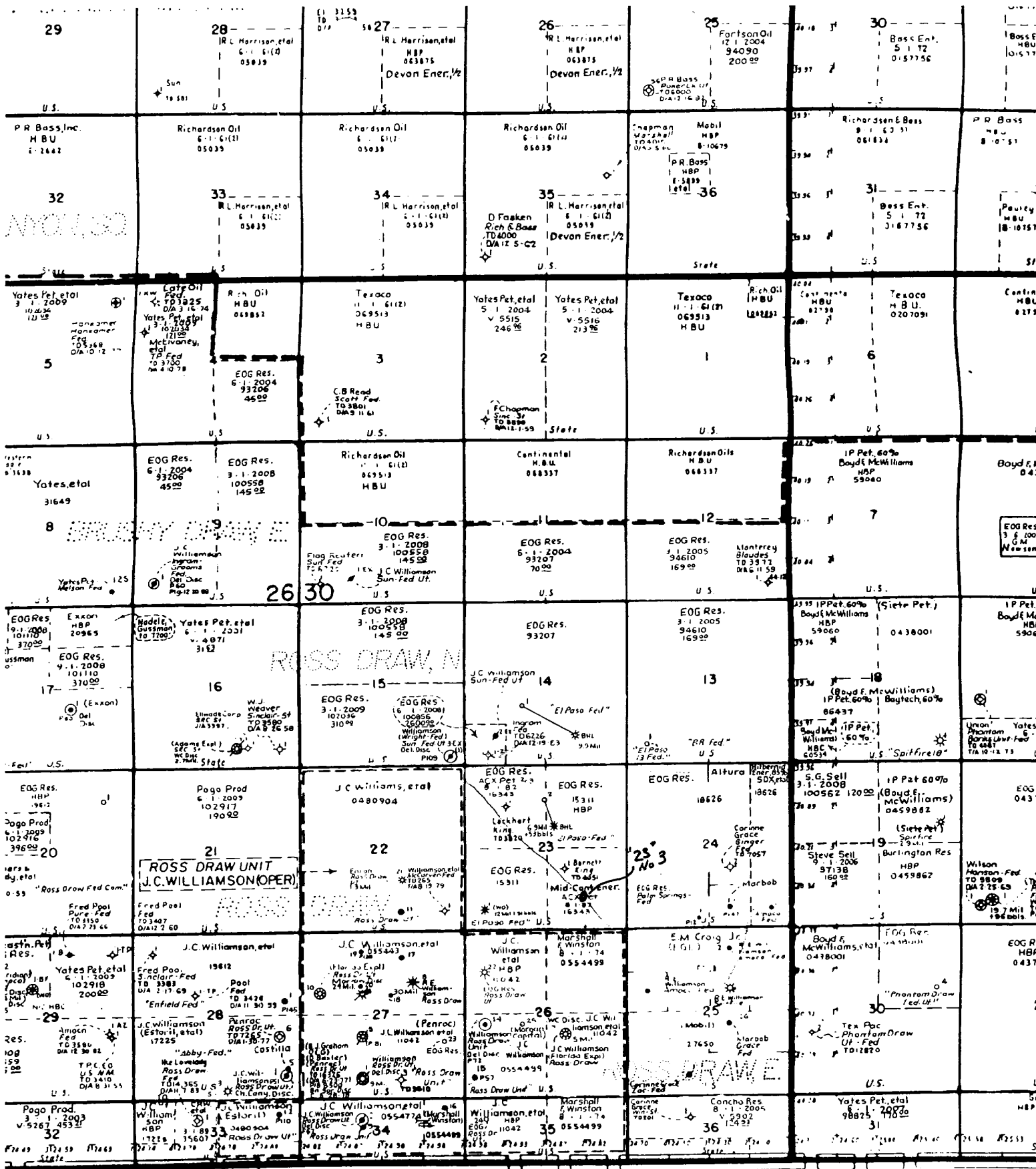


DATE OF FIELD WORK: JUNE 25, 2001

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)



				EOG RESOURCES, INC.	SCALE:	AS SHOWN
					DATE:	JUNE 25, 2001
NO.	REVISION	DATE	BY		JOB NO.:	77218-F
SURVEYED BY: R.J.O.				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS	QUAD NO.: 23 SE	
DRAWN BY: V.H.B.						

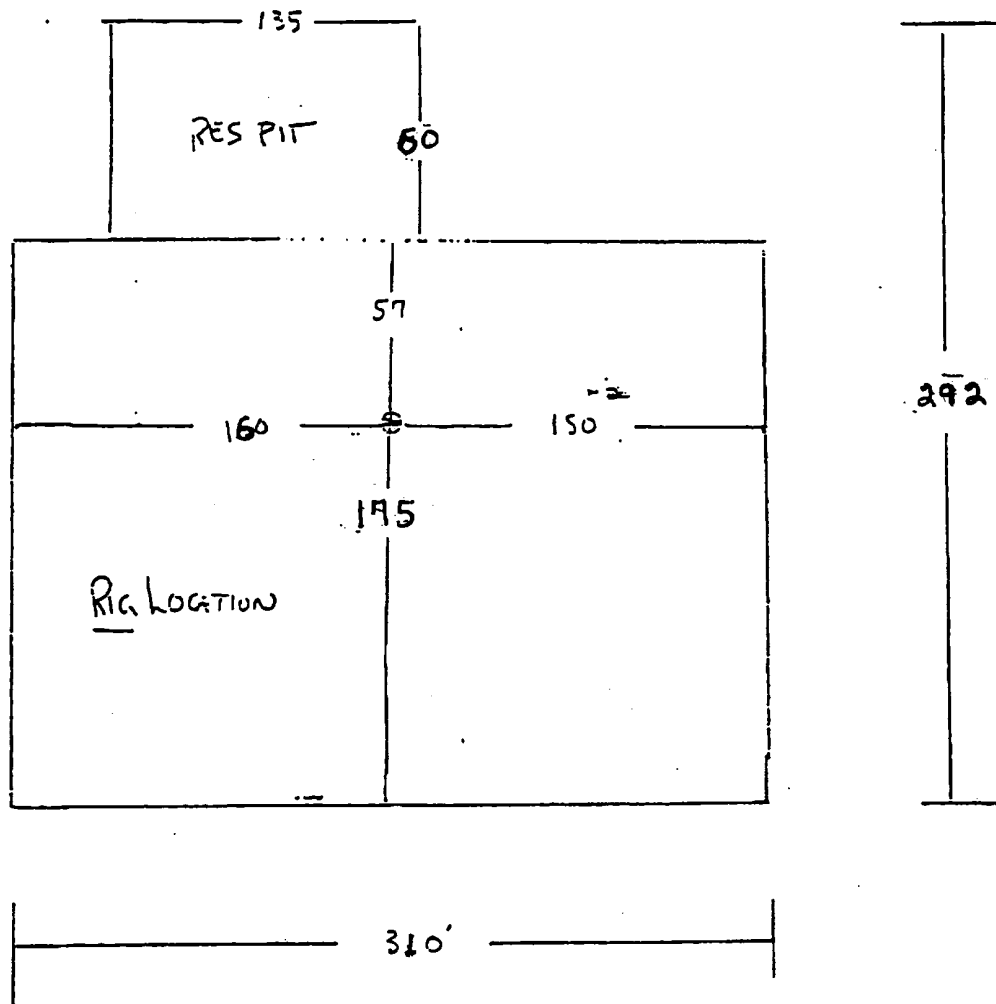


R-30-E

LOVING County
EXHIBIT 4
EL PASO "23" FEDERAL NO. 3
WELLS WITHIN ONE (1) MILE
OF PROPOSED WELL.

Exhibit V

EL PASO "23" FEDERAL NO. 3



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.: NM 16343

Legal Description of Land: SE/4 of Section 23, T26S, R30E, NMPM
Lea Co., NM

Formation(s) (if applicable):

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

BLM Bond File No.: NM-2308 with endorsement to State of NM

Authorized Signature: _____

Title: Agent

Date: 07-30-2001



N.M. Oil Cons. DIV
1301 W. Grand
Artesia, NM

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 666-3600

August 7, 2001

Bureau of Land Management
Ms Linda Askwig
2909 West Second Street
Roswell, New Mexico 88202

Dear Ms.Askwig:

Please withdraw EOG Resources, Inc.'s application for permit to drill (APD) for the El Paso "23" Federal Well No. 3, located 1980' FSL & 1310' FEL. Section 23, T-26-3, R-30-E, Eddy County, New Mexico.

The above well staked at it's present location was not acceptable because of Topographical and Archeological concerns.

Enclosed, please find APD for El Paso "23" Federal Well No. 3 at a new location of 1280' FSL: & 1360' FEL, Section 23, T-26-S, R-30-E, Eddy County, New Mexico.

Thanking you for your attention to this matter, I am.

Very Truly Yours,

A handwritten signature in cursive script that reads "Mike Francis".

Mike Francis
Agent

MF/bh

Enclosures

RECEIVED

2001 AUG 15 AM 11:41

BURO OF INVESTIGATION
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C.