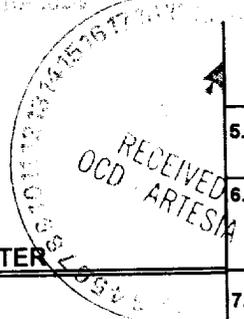


ARTESIA, NEW MEXICO

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. NM11042
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. Ross Draw Unit No. 24 24415
3b. Phone No. (include area code) (915)686-3714		9. API Well No. 30-015-31042
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 660' FNL & 660' FWL (Unit D) At proposed prod. Zone Same as surface		10. Field and Pool, or Exploratory Ross Draw (Wolfcamp)
14. Distance in miles and direction from nearest town or post office* 16 miles SE from Malaga		11. Sec., T., R., M., or Blk. And Survey or Area Sec 35, T26S, R30E
15. Distance from proposed* location to nearest property or lease line, ft. 660' (Also to nearest drlg. Unit line, if any) 660'	16. No. of Acres in lease 259.55	12. County or Parish Eddy
17. Spacing Unit dedicated to this well All of section Post 3-21-00	18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft. N/A	13. State NM
19. Proposed Depth 13,000'	20. BLM/BIA Bond No. on file MT-0748	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 2990'	22. Approximate date work will start* 3/25/2000	23. Estimated duration 30 days
24. Attachments: PERMITS CONTROLLED WATER BASIN		

EXP
12-31-01

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

- | | |
|--|--|
| 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 2/17/2000
--------------------------------------	--------------------------------------	-------------------

Title Agent		
----------------	--	--

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) [Name]	Date 2000
---	--------------------------------	--------------

Title Acting Assistant Field Manager, Lands And Minerals	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

0/44

BUREAU OF LAND MGMT.
ROSWELL OFFICE

2000 FEB 18 A 8 53

RECEIVED

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number		'Pool Code		'Pool Name	
		84330		Ross Draw (Wolfcamp)	
'Property Code		'Property Name			'Well Number
		ROSS DRAW UNIT "24"			24
'OGRID No.		'Operator Name			'Elevation
7377		EOG RESOURCES INC.			2990

¹⁰ Surface Location

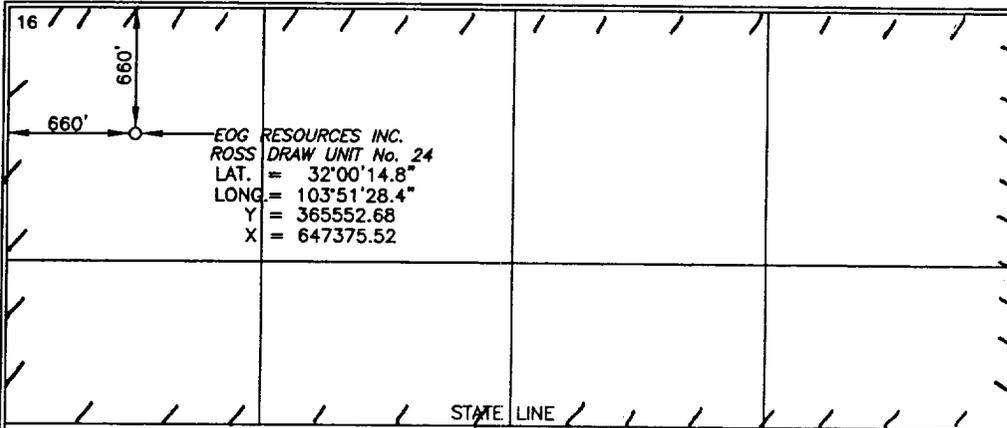
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	26-S	30-E		660'	NORTH	660'	WEST	EDDY

¹¹ 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.
259.55			

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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mike Francis
 Signature
 Mike Francis
 Printed Name
 Agent
 Title
 2/17/00
 Date

¹⁸ 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 best of my belief.

FEBRUARY 14, 2000
 Date of Survey
 Signature and Seal of Professional Surveyor:

 Certificate Number

DRILLING PROGRAM

**EOG RESOURCES, INC.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, T26S, R30E
EDDY COUNTY, NM**

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Delaware	3450'
Cherry Canyon	4420'
Bone Spring	7320'
First Bone Spring Sd	8250'
2 nd Bone Spring Sd	8950'
3 rd Bone Spring Sd	10180'
Wolfcamp	10550'
Wolfcamp Pay	12000'
Penn Marker	12900'

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

Upper Permian Sands	100'	Fresh Water
Upper Penn		Gas

4. CASING PROGRAM

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight Grade</u>	<u>Jt. Cond. Type</u>
14 3/4"	0- 4000 900'	11 3/4"	42#	H-40 ST&C
11"	0-4000'	8 5/8"	32#	J-55 LT&C
7 7/8"	0-11950'	5 1/2"	17#	S95/P110 L&TC
4 3/4"	0-13000'	2 7/8"	6.5#	N80

Cementing Program:

11 3/4" Surface Casing:

WITNESS

Cement to surface with 220 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 715 sx Interfill C, .25#/sx flocele, 250 sx Premium Plus, 2% Calcium Chloride

5 1/2" Production Casing:

Cement w/775 sx Premium, 3% Econolite, 5#/sx Salt, .25#/sx 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'.

2 7/8" Casing:

100 sx Prem, 0.3% Halad-344, 0.3% Halad-413, 0.3% Super CBL, .15% SCR-100
This designed to bring TOC to 11500 +/-.

DRILLING PROGRAM

**EOG RESOURCES, INC.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, T26S, R30E
EDDY COUNTY, NM**

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1 and #2)

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 to 600 psi before drilling out of surface casing. 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- 400 900'	Fresh Water (spud)	8.5	40-45	N.C.
1000'-4000'	Brine Water	10.0	30	N.C.
4000'-11950'	Fresh Water	8.4	28	N.C.
11700'-12500'	Brine & Polymer xcd	10-14.0	28/45	0/<1 CC

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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, T26S, R30E
EDDY COUNTY, NM**

(C) A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 2000' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

(A) The electric logging program 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.

(B) 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 8000 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.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, 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:

520' 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:

Water for drilling will be purchased from commercial sources and transported to the well site over the roads as shown on Exhibit #3.

DRILLING PROGRAM

**EOG RESOURCES, INC.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, 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.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, 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.

W. D. Smeltzer
Drilling Manager



Date: 2-17-2000

DRILLING PROGRAM

**EOG RESOURCES, INC.
ROSS DRAW UNIT NO. 24
660' FNL & 660' FWL
SEC. 35, 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.

EFFRON OIL & GAS COMPANY

Ross Draw Unit No. 24

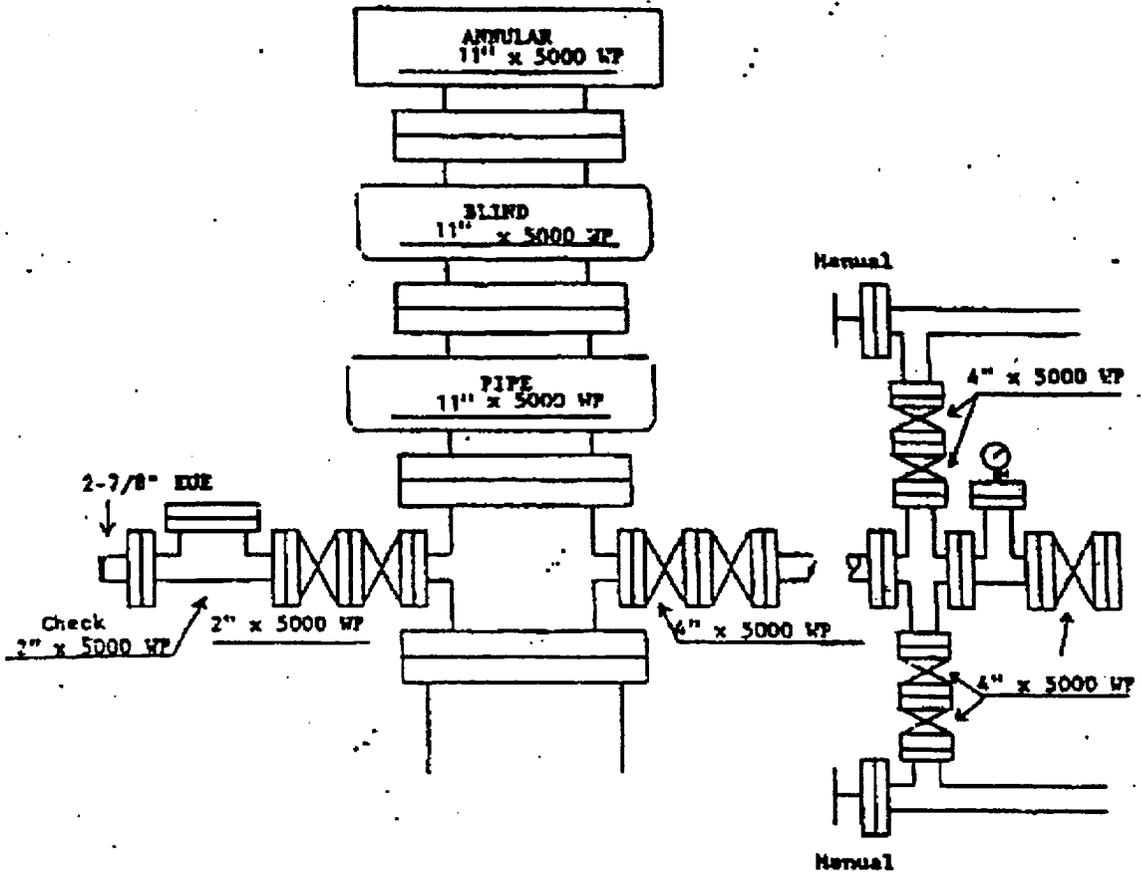


Exhibit I

EDMUND OIL & GAS COMPANY

Ross Draw Unit NO. 24

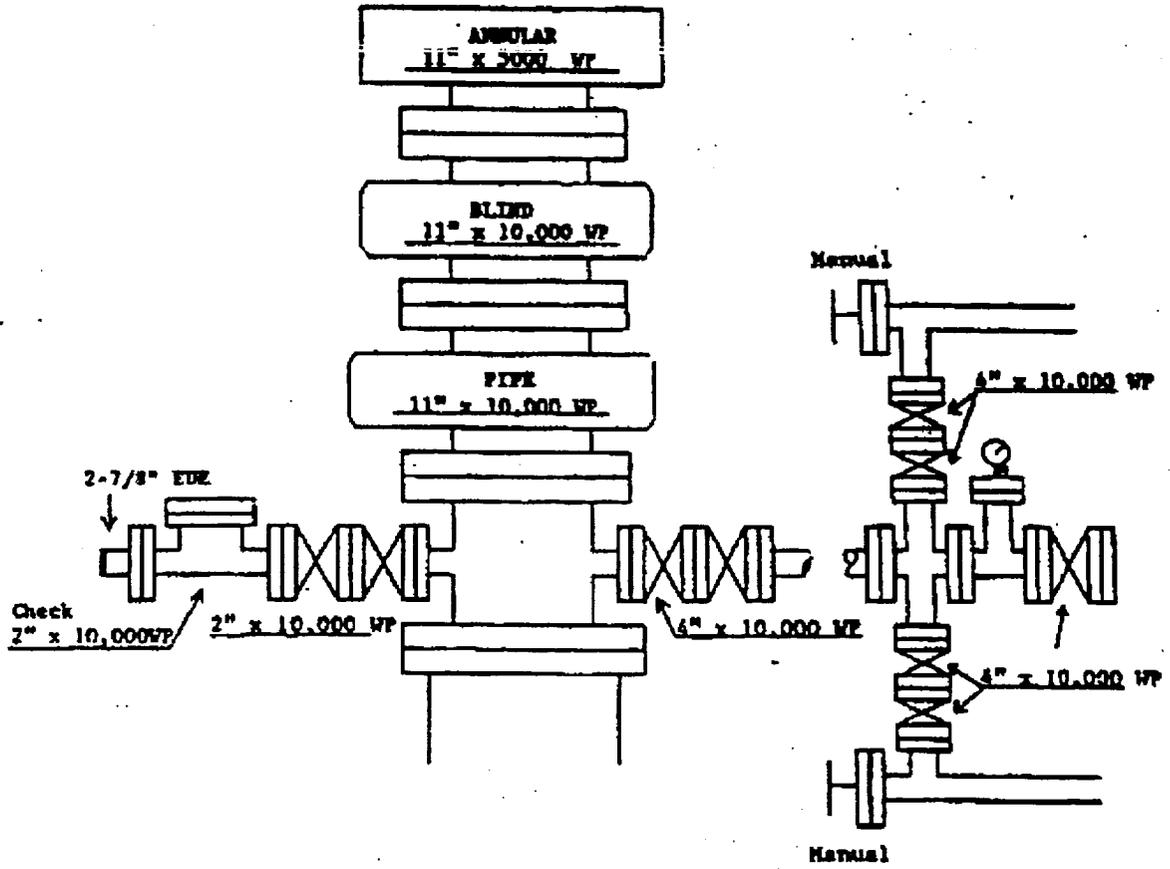
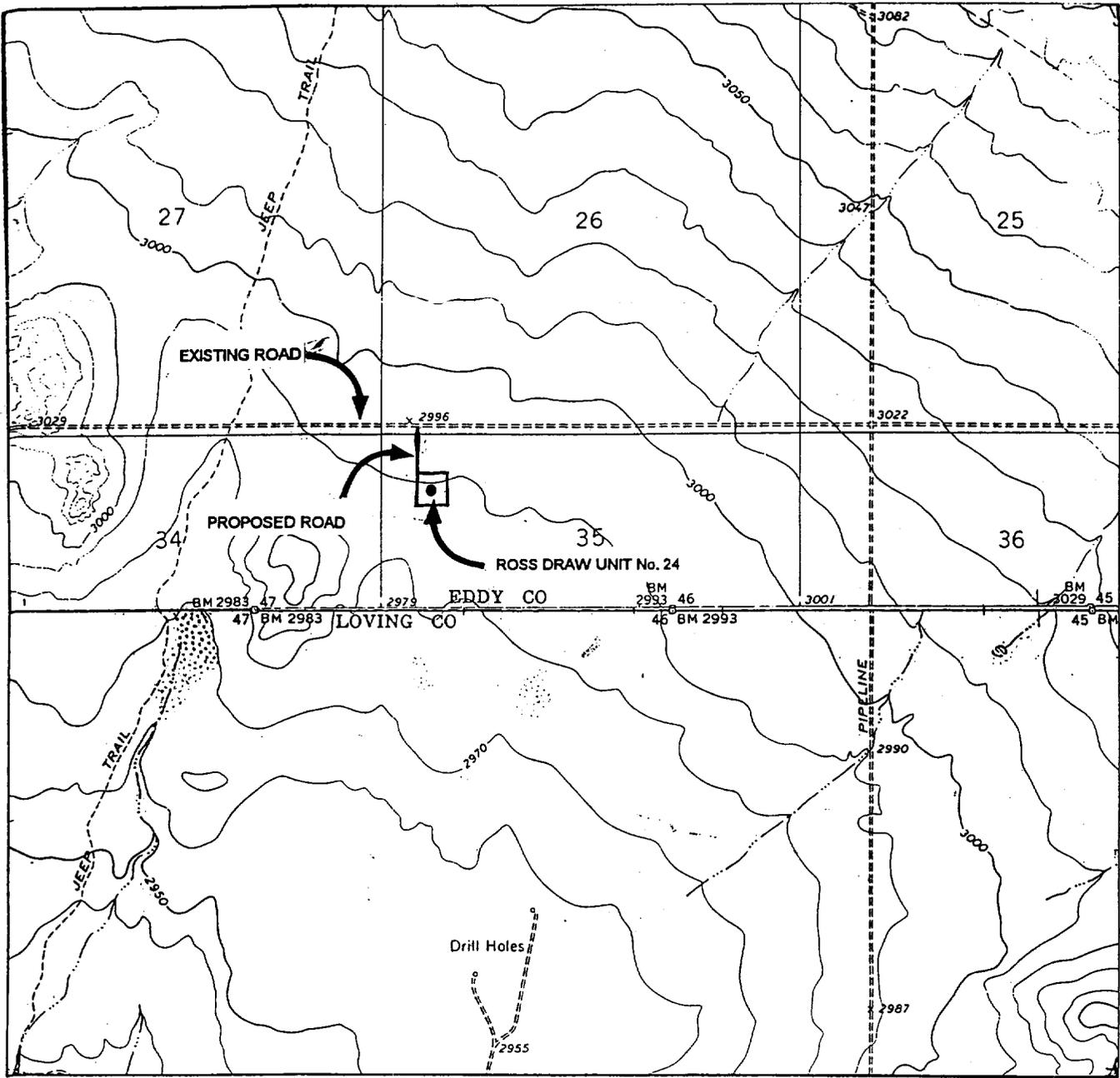


Exhibit #2

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'
WTC 45797

SEC. 35 TWP. 26-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 660' FNL & 660' FWL

ELEVATION 2990'

OPERATOR EOG RESOURCES, INC.

LEASE ROSS DRAW UNIT No. 24

USGS TOPO MAP PHANTOM BANKS, NEW MEXICO
AND ORLA NE, TEXAS.

EXHIBIT 3

CONTOUR INTERVAL 10'

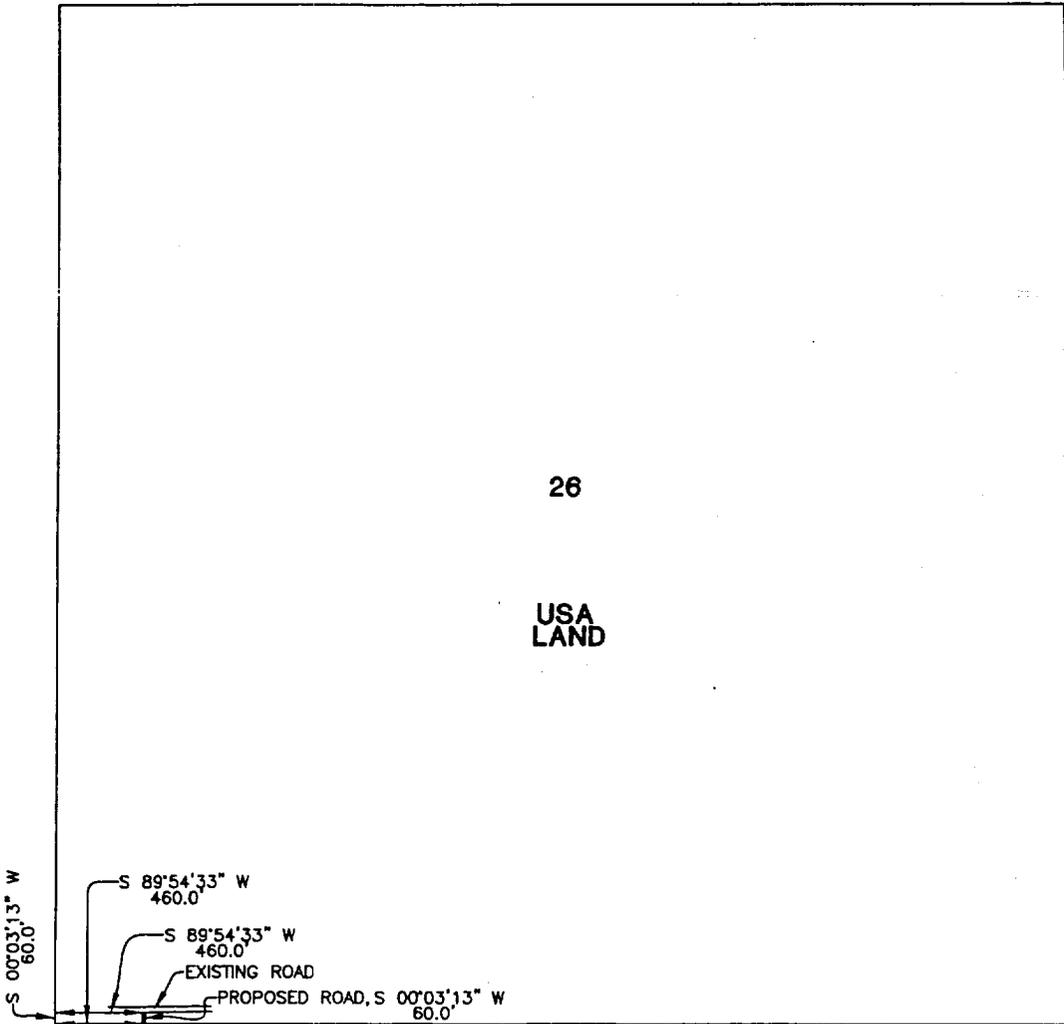
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

SECTION 26, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.
 EDDY COUNTY, N MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in an existing road, from which point the southwest corner of Section 26, T-26-S, R-30-E, N.M.P.M., Eddy County, New Mexico, bears S 89° 54' 33" W, 460.0 feet and S 00° 03' 13" W, 60.0 feet;
 THENCE S 00° 03' 13" W, with the centerline of proposed road, 60.0 feet to a point in the south line of said Section 26, for the end of this line, from which point the southwest corner of said Section 26 bears S 89° 54' 33" W, 460.0 feet.

Exhibit 3 A-1

PROPOSED ROAD TO SERVE
 ROSS DRAW UNIT No. 24

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

Earl Foote

Earl Foote
 Registered Professional Surveyor
 New Mexico Certificate No. 8278

EOG RESOURCES INC.

60.0 feet of proposed road in
 Section 26, T-26-S, R-30-E, N.M.P.M.,
 Eddy County, New Mexico

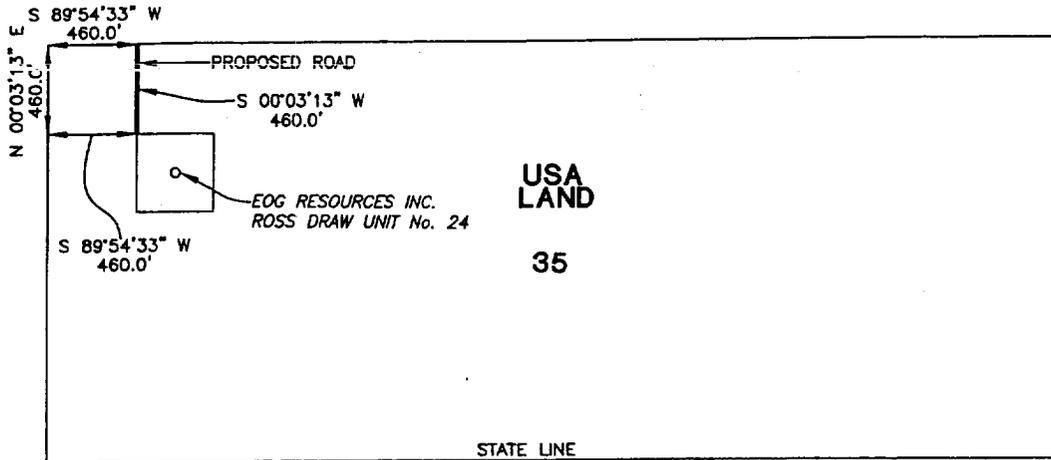
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-11-00	Date: 2-14-00	Scale: 1" = 1000'
WTC No. 45797	Drawn By: JRS II	Sheet 1 of 2

SECTION 35, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.
 EDDY COUNTY, N MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the north line of Section 35, T-26-S, R-30-E, N.M.P.M., Eddy County, New Mexico, from which point the northwest corner of said Section 35 bears S 89° 54' 33" W, 460.0 feet;

THENCE S 00° 03' 13" W, with the centerline of proposed road, 460.0 feet to a point in the northwest corner of a well pad for EOG Resources, Inc. ROSS DRAW UNIT No. 24, for the end of this line, from which point the northwest corner of said Section 35 bears S 89° 54' 33" W, 460.0 feet and N 00° 03' 13" E, 460.0 feet.

Exhibit 3 A-2
 PROPOSED ROAD TO SERVE
 ROSS DRAW UNIT No. 24

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

Earl Foote
 EARL FOOTE
 NEW MEXICO
 REGISTERED PROFESSIONAL LAND SURVEYOR
 8278

EOG RESOURCES INC.

460.0 feet of proposed road in
 Section 35, T-26-S, R-30-E, N.M.P.M.,
 Eddy County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-11-00	Date: 2-14-00	Scale: 1" = 1000'
WTC No. 45797	Drawn By: JRS II	Sheet 2 of 2

Earl Foote
 Registered Professional Surveyor
 New Mexico Certificate No. 8278

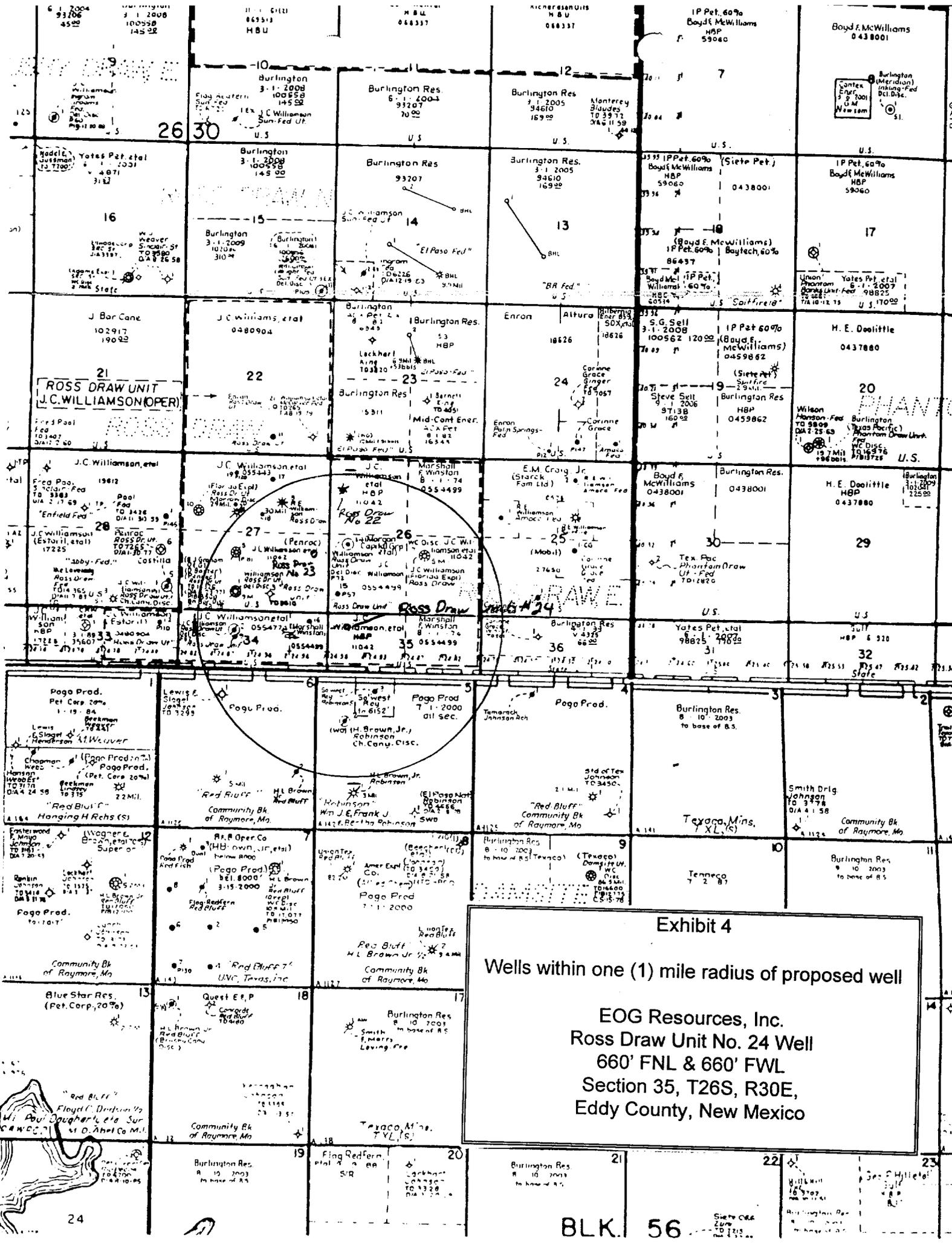


Exhibit 4

Wells within one (1) mile radius of proposed well

EOG Resources, Inc.
Ross Draw Unit No. 24 Well
660' FNL & 660' FWL
Section 35, T26S, R30E,
Eddy County, New Mexico



BLK. 56

Ross Draw Unit No. 24
Well Pad Dimension

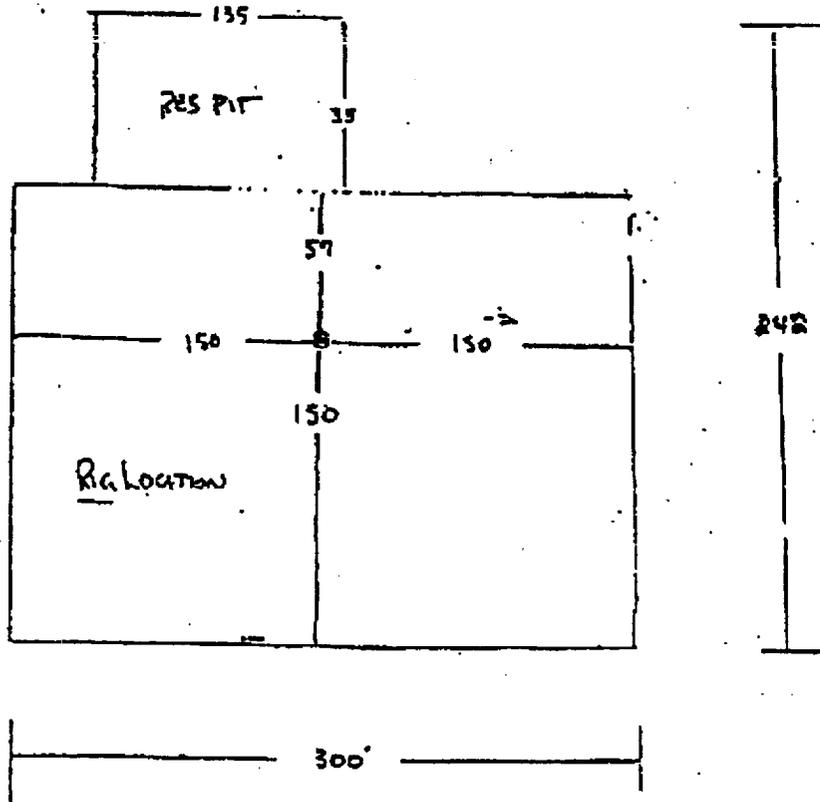


EXHIBIT #5

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:

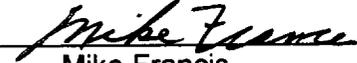
Lease No.: NM11042

Legal Description of Land: Section 35, T26S, R30E, NMPM
Eddy Co., NM

Formation(s) (if applicable):

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

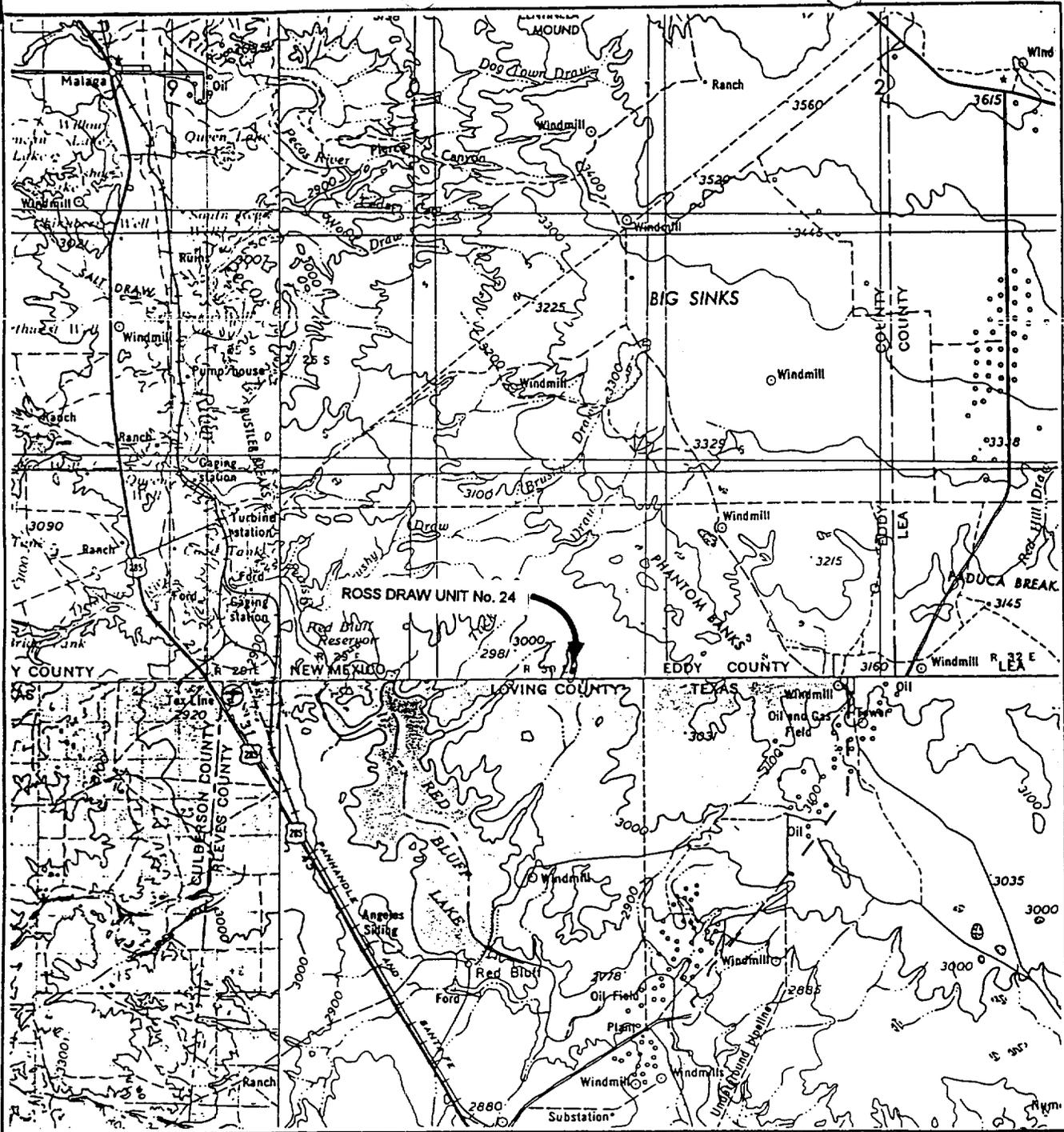
BLM Bond File No.: MT-0748 with endorsement to State of NM

Authorized Signature: 
Mike Francis

Title: Agent

Date: 2/17/00

VICINITY MAP



SCALE: 1" = 4 MILES

WTC 45797
 SEC. 35 TWP. 26-S RGE. 30-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 660' FNL & 660' FWL
 ELEVATION 2990'
 OPERATOR EOG RESOURCES, INC.
 LEASE ROSS DRAW UNIT No. 24

WEST TEXAS CONSULTANTS, INC.
 ENGINEERS-PLANNERS-SURVEYORS
 MIDLAND, TEXAS
 915-685-3800