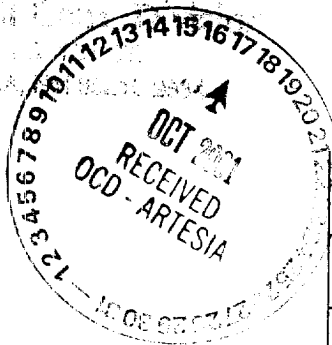


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

C/SF

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC060529-SW4 LC028936-D (drill site)
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" 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. 19445
3a. Address P.O. Box 2267, Midland, TX 79702	3b. Phone No. (include area code) 915 686-3689	8. Lease Name and Well No. SAND TANK "31" FED. COM NC .3
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660 FNL & 1980 FWL UNIT C At proposed prod. Zone Same as surface		9. API Well No. 30-015-32057
14. Distance in miles and direction from nearest town or post office* 2.5 MILES SOUTH FROM LOCO HILLS		10. Field and Pool, or Exploratory SAND TANK McKew
15. Distance from proposed* location to nearest property or lease line, ft. 660' (Also to nearest drlg. Unit line, if any) same	16. No. of Acres in lease 640	11. Sec., T., R., M., or Blk. And Survey or Area SEC. 31 T17S R30E
18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft. 1320	19. Proposed Depth 12,100	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc) GL 3576'	22. Approximate date work will start* 8/1/2001	13. State NM
20. BLM/BIA Bond No. on file NM2308		17. Spacing Unit dedicated to this well W2 (320) 310.56
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:

- | | |
|--|--|
| 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	Name (Printed/Typed) Bev Hatfield	Date 6/22/2001
Title Agent		
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date OCT 15 2001
Title FIELD MANAGER 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.

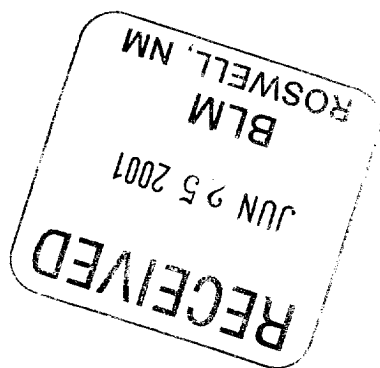
Conditions of approval, if any, are attached

APPROVAL FOR 1 YEAR

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**



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

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

Form C-102
Revised February 21, 1994
Instructions on back
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	
				Sand Tank	
Property Code		Property Name			Well Number
		SAND TANK "31" FED. COM			3
GRID No.		Operator Name			Elevation
7377		EOG RESOURCES INC.			3576

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
C	31	17-S	30-E		660	NORTH	1980	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.
20.310.56			

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

<div>16</div> <p>EOG RESOURCES INC. SAND TANK "31" FED. COM No. 3 ELEV.=3576' Y=653567.862 X=598530.626 LAT.=32°47'46.81" LONG.=104°00'45.67"</p> <p>Sand Tank '31' Fed. Com. #2.</p> <p>9905/1200W</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bev Hatfield</i> Signature Bev Hatfield Printed Name Sr. Regulatory Admin. Title 6-22-01 Date</p>
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>MAY 16, 2001 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>James E. Tompkins</i> Certificate Number 14729 JAMES E. TOMPKINS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14729</p>

DRILLING PROGRAM

EOG RESOURCES, INC.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	500'
San Andres	3400'
Wolfcamp	8200'
Lower Strawn	10375'
Morrow Clastics	11200'
TD	12100'

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

Upper Permian Sands	Above 250'	Fresh Water
Grayburg/San Andres	3000'	Oil
Strawn	10375'	Oil
Morrow	11100'	Gas

4. CASING PROGRAM

Hole Size	Interval	OD Casing	Weight Grade Jt. Cond. Type
14 3/4"	0-500'	11 3/4"	42# H-40 ST&C
11"	0-4000'	8 5/8"	32# J-55 LT&C
7 7/8"	0-11,900'	5 1/2"	17# N80/S95 L&TC

Cementing Program:

11 3/4" Surface Casing:	Cement to surface with 200 sx Prem Plus, 3% Econolite, 25 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/930 sx Premium, 3% Econolite, 5#/sx Salt (3%), 0.2% HR5, .25#/sk Flocele, 250 sx Prem 50/50 Poz mix 'A', 2% Halliburton-Gel First 2%, 0.5% Halad-322. This is designed to bring TOC to 4500'.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

DRILLING PROGRAM

**EOG RESOURCES, INC.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, 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. EOG request authorization to use a 2M system, providing for an annular preventer to be used prior to drilling the surface casing shoe before drilling out of surface casing. Before drilling out of 1st intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/1000 psi and the annular to 3500/5000-psig pressure.

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>
0-500'	Fresh Water	8.5	40-45	N.C.
500'-4000'	Brine Water	10.0	30	N.C.
4000'- TD	Cut Brine + Polymer/KCL	8.8 – 9.2	32	10

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.

DRILLING PROGRAM

**EOG RESOURCES, INC.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, NM**

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.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, NM**

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

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

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:

1299.5' of new road is required. Exhibit #2A

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 #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 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.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, 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 #4 shows the relative location and dimensions of the well pad.

DRILLING PROGRAM

**EOG RESOURCES, INC.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, NM**

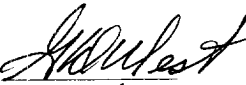
OTHER INFORMATION:

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.

Gary West.
Drilling Superintendent

Date: 
06/22/01

DRILLING PROGRAM

**EOG RESOURCES, INC.
SAND TANK "31" FED. COM. NO. 3
660' FNL & 1,980' FWL
SEC. 31, T17S, R30E
EDDY COUNTY, 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, 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.

EOG RESOURCES, INC.
SAND TANK "31" FED. COM.

WELL NO. 3

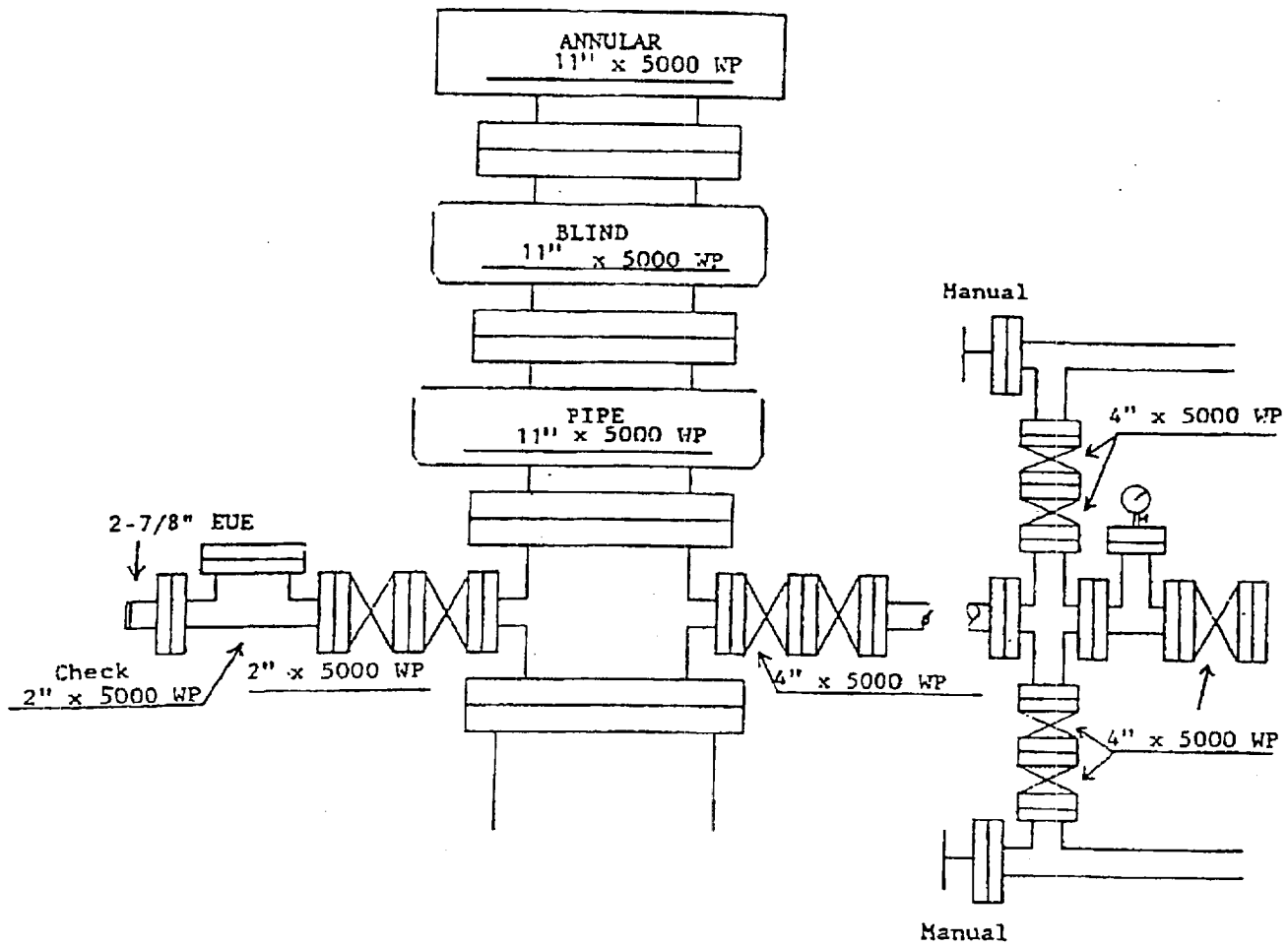
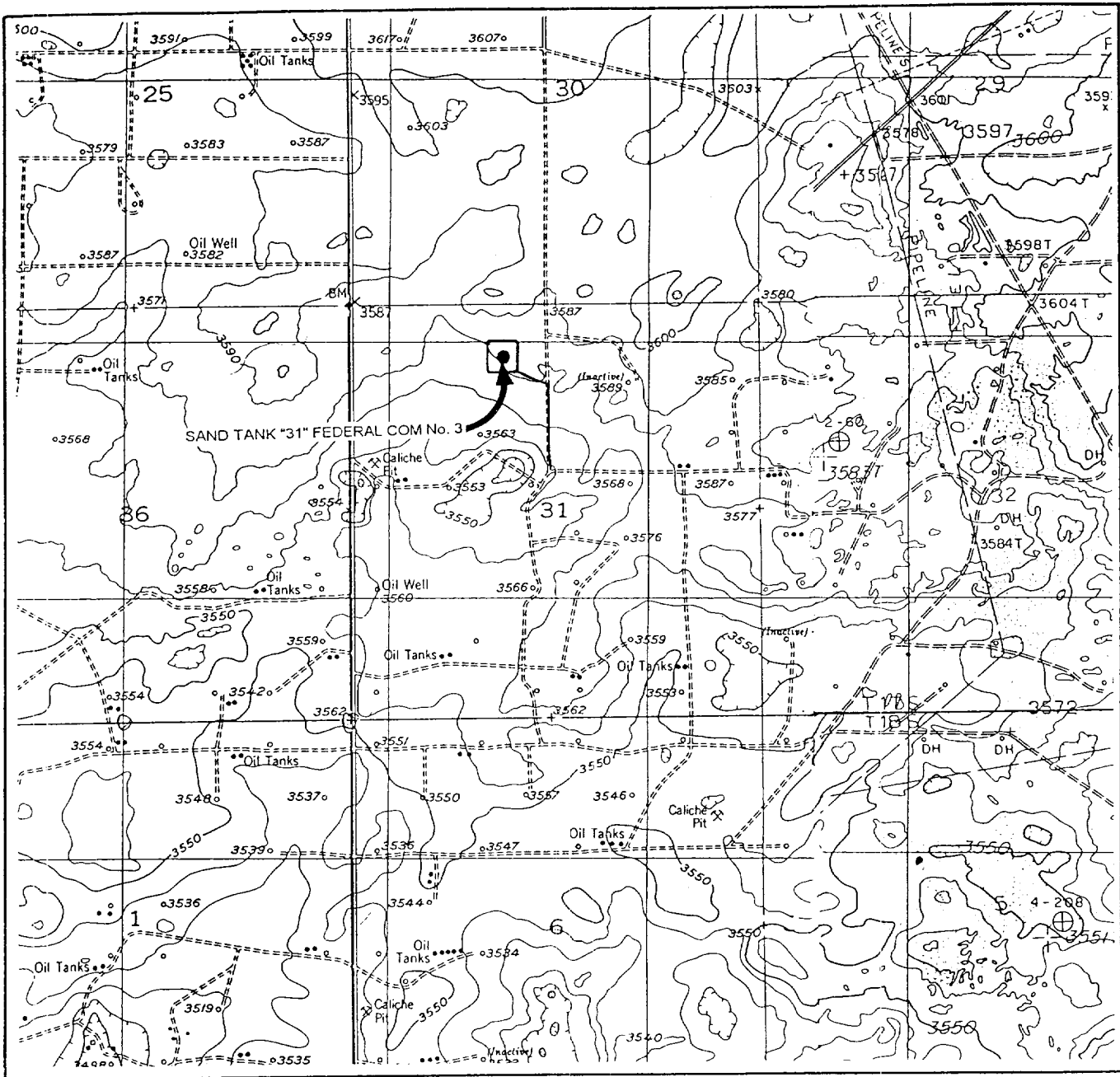


Exhibit 1

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'
WTC 46262

SEC. 31 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 660' FNL & 1980' FWL

ELEVATION 3576'

OPERATOR EOG RESOURCES, INC.

LEASE SAND TANK "31" FEDERAL COM No. 3

USGS TOPO MAP RED LAKE, SE. AND LOCO HILLS,
NEW MEXICO.

CONTOUR INTERVAL 10'

WEST TEXAS CONSULTANTS, INC.

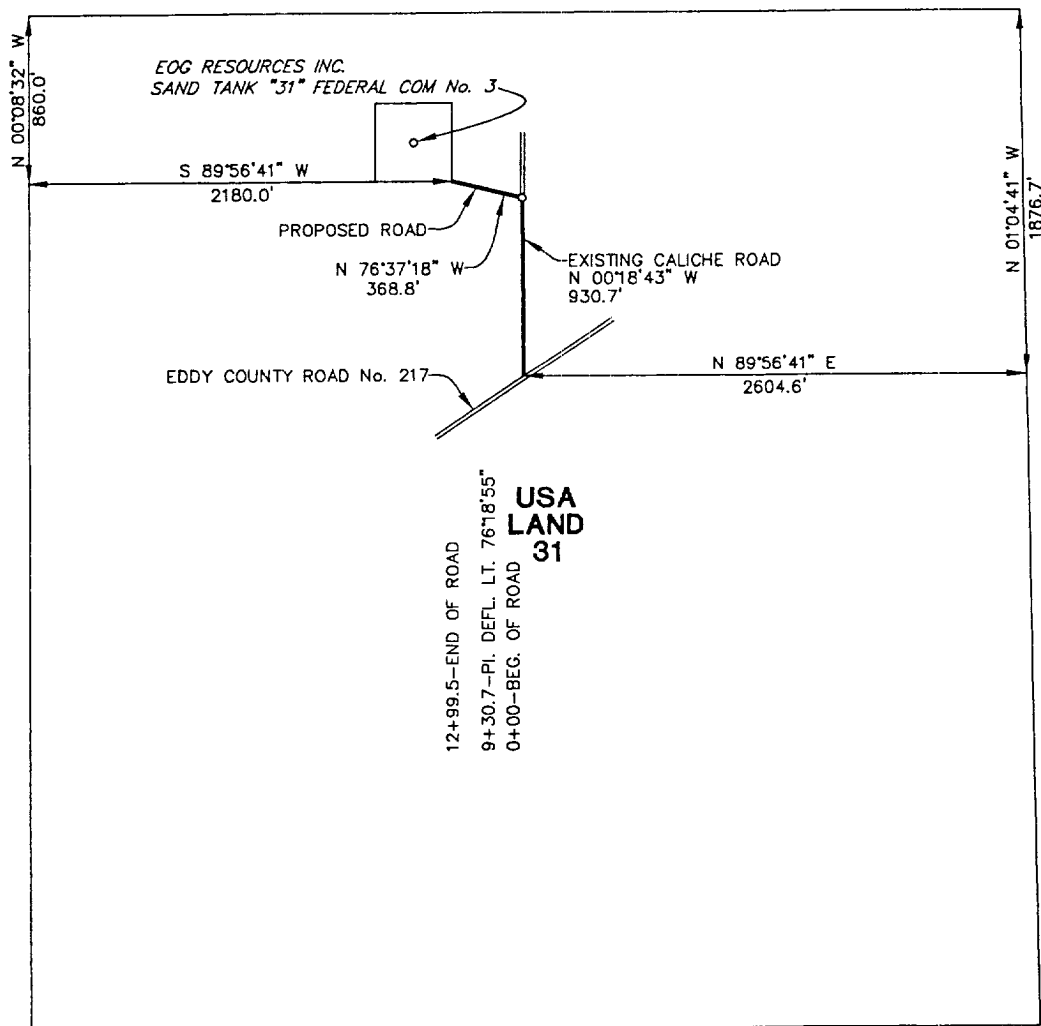
ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

EXHIBIT 2

915-685-3800

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

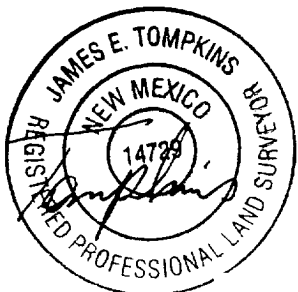


CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in an existing road, from which point the northeast corner of Section 31, T-17-S, R-30-E, N.M.P.M., Eddy County, New Mexico, bears N 89° 56' 41" E, 2604.6 feet and N 01° 04' 41" W, 1876.7 feet;
THENCE N 00° 18' 43" W, with the centerline of proposed road, 930.7 feet to a point for a bend in this road;
THENCE N 76° 37' 18" W, with the centerline of proposed road, 368.8 feet to a point in the southeast corner of a well pad for EOG Resources, Inc. SAND TANK "31" FEDERAL COM No. 3, for the end of this road, from which point the northwest corner of said Section 31 bears S 89° 56' 41" W, 2180.0 feet and N 00° 08' 32" W, 860.0 feet.

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.

James E. Tompkins



JAMES E. TOMPKINS
Registered Professional Surveyor
New Mexico Certificate No. 14729

EXHIBIT 2A

PROPOSED ROAD TO SERVE
SAND TANK "31" FEDERAL COM No. 3

EOG RESOURCES INC.

1299.5 feet of proposed road in
Section 31, T-17-S, R-30-E, N.M.P.M.,
Eddy County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 5-14-01

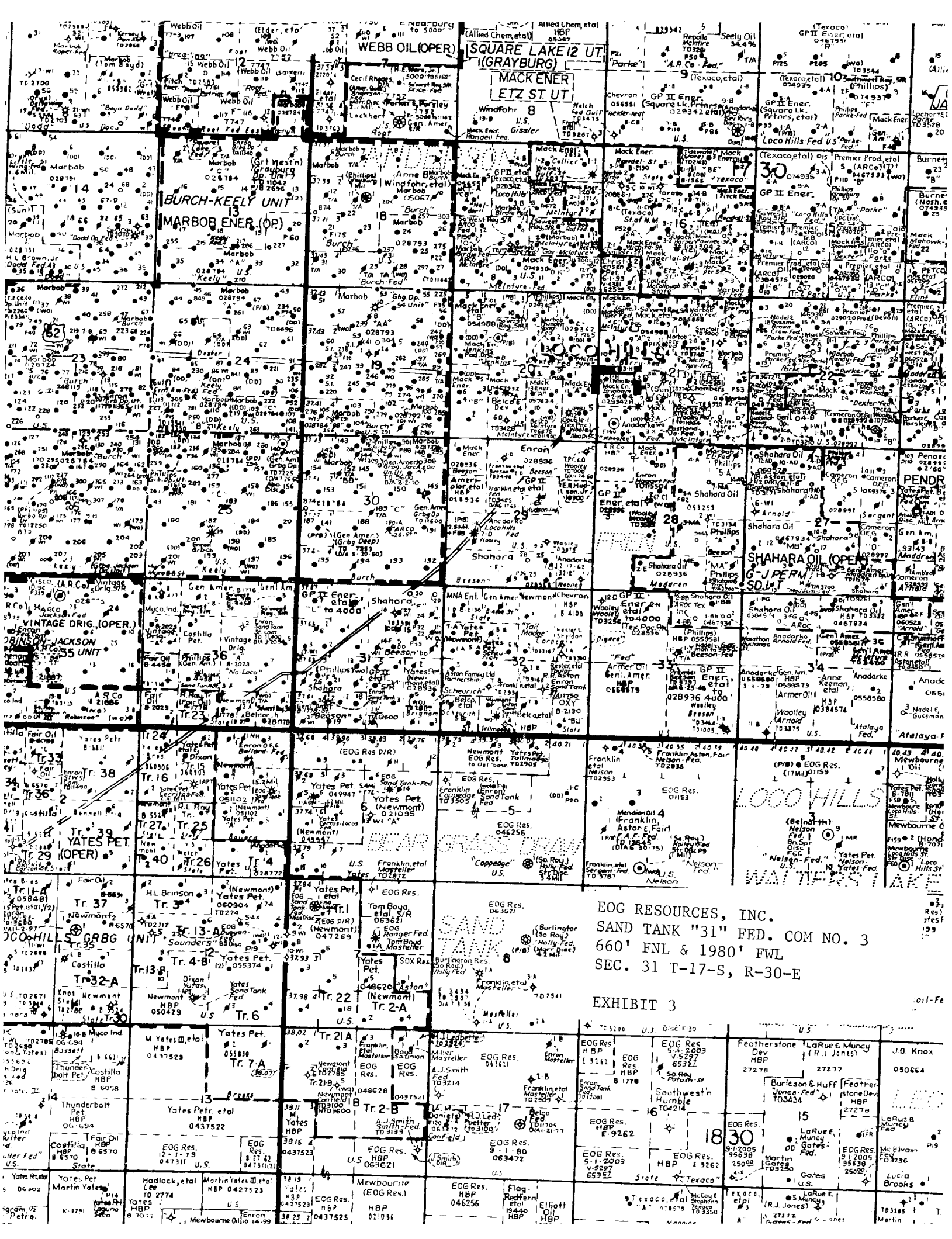
Date: 5-15-01

Scale: 1" = 1000'

WTC No.: 46262

Drawn By: JRS II

Sheet 1 of 1



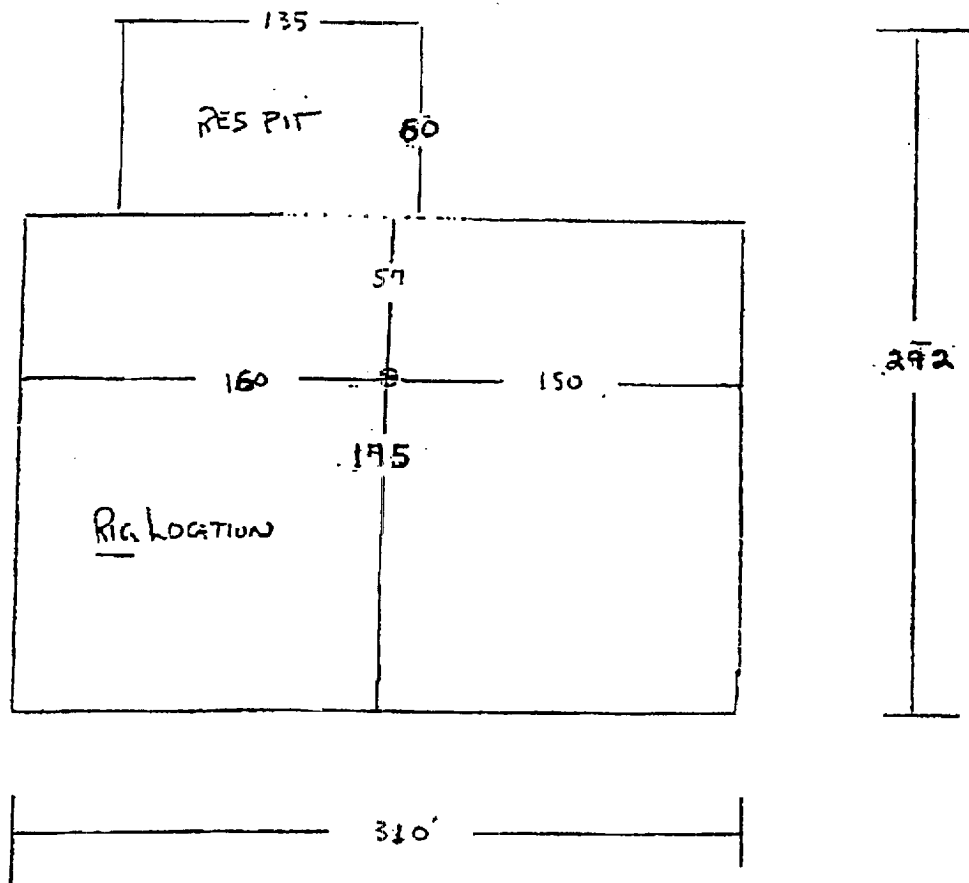
EOG RESOURCES, INC.
SAND TANK "31" FED. COM NO. 3
660' FNL & 1980' FWL
SEC. 31 T-17-S, R-30-E
EXHIBIT 3

EOG RESOURCES, INC.

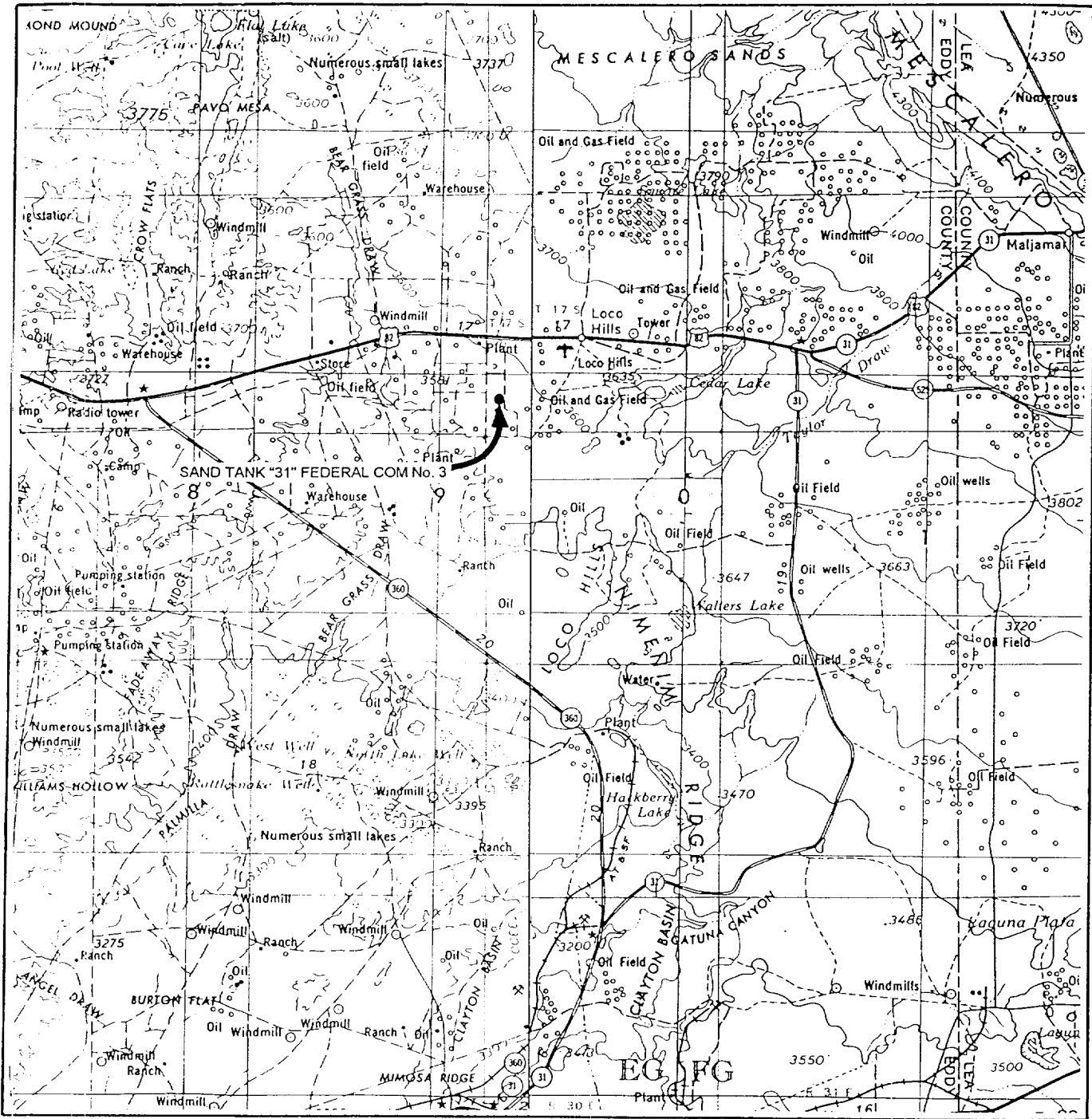
EXHIBIT 4

SAND TANK "31" FED COM.

WELL NO. 3



VICINITY MAP



SCALE: 1" = 4 MILES

WTC 46262

SEC. 31 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 660' FNL & 1980' FWL

ELEVATION 3576'

OPERATOR EOG RESOURCES, INC.

LEASE SAND TANK "31" FEDERAL COM No. 3

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

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 LC028936-D

Legal Description of Land: W/2 of Section 31, T17S, 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: 
Title: Senior Regulatory Administrator
Date: 06-22-2001