

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|----------------------------------|-------------------------------|
| 1. Operator Name and Address EOG RESOURCES INC PO BOX 2267 MIDLAND , TX 79702 | | 2. OGRID Number 7377 |
| | | 3. API Number 30-015-34665 |
| 4. Property Code 35480 | 5. Property Name FRIO A 8 FEE | 6. Well No. 002H |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H | 8 | 16S | 25E | H | 2435 | N | 150 | E | EDDY |

8. Pool Information

| | |
|---------------------------------|-------|
| COTTONWOOD CREEK;WOLFCAMP (GAS) | 75250 |
|---------------------------------|-------|

Additional Well Information

| | | | | |
|--|----------------------------|--|---------------------------|---|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3500 |
| 14. Multiple N | 15. Proposed Depth 5100 | 16. Formation Wolfcamp | 17. Contractor | 18. Spud Date |
| Depth to Ground water 85 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 7000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 32 | 1000 | 325 | 0 |
| Prod | 7.875 | 5.5 | 17 | 8981 | 700 | 0 |

Casing/Cement Program: Additional Comments

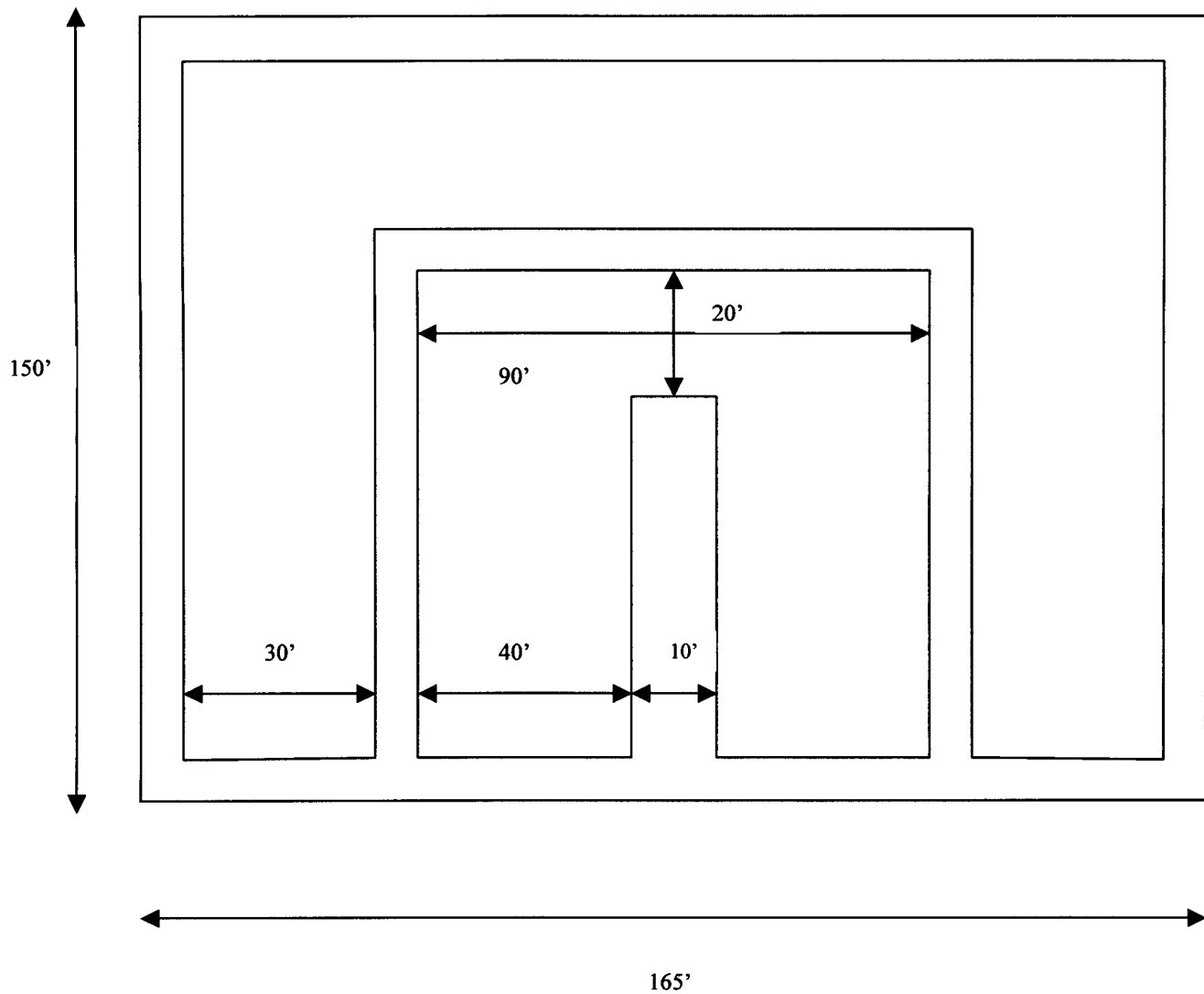
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Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000 | 3000 | |

| | | |
|---|---------------------------------|---------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Mike Francis Title: ROW Agent Email Address: mike_francis@eogresources.com Date: 3/1/2006 Phone: 4326863714 | OIL CONSERVATION DIVISION | |
| | Approved By: Bryan Arrant | |
| | Title: Geologist | |
| | Approved Date: 3/8/2006 | Expiration Date: 3/8/2007 |
| | Conditions of Approval Attached | |

New Mexico Double Horseshoe Reserve Pit Design



Approximate Inside Reserve Volume: 4500 bbls
Approximate Outside Reserve Volume: 5800 bbls

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 24343

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|---|
| 1. API Number 30-015-34665 | 2. Pool Code 75250 | 3. Pool Name COTTONWOOD CREEK;WOLFCAMP (GAS) |
| 4. Property Code 35480 | 5. Property Name FRIO A 8 FEE | 6. Well No. 002H |
| 7. OGRID No. 7377 | 8. Operator Name EOG RESOURCES INC | 9. Elevation 3500 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H | 8 | 16S | 25E | | 2435 | N | 150 | E | EDDY |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-------------------------------|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| E | 8 | 16S | 25E | E | 1880 | N | 660 | W | EDDY |
| 12. Dedicated Acres 320.00 | | 13. Joint or Infill | | 14. Consolidation Code | | 15. Order No. | | | |

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

| | |
|--|---|
| | <p align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: Mike Francis Title: ROW Agent Date: 3/1/2006</p> |
| | <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Terry Asel Date of Survey: 12/7/2005 Certificate Number: 15079</p> |

Permit Comments

Operator: EOG RESOURCES INC , 7377

Well: FRIO A 8 FEE #002H

API: 30-015-34665

| Created By | Comment | Comment Date |
|------------|---|--------------|
| dglanton | Plat, Detailed Casing, Mud, Cement, Drilling Plan and H2S letter will forward via regular mail. | 2/27/2006 |

Permit Conditions of Approval

Operator: EOG RESOURCES INC , 7377

Well: FRIO A 8 FEE #002H

API: 30-015-34665

| OCD Reviewer | Condition |
|--------------|---|
| BArrant | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| BArrant | Will require a directional survey with the C-104 |
| BArrant | Please notify OCD time of spud and time to witness the cementing the surface and production string of casing. |
| BArrant | Approval from Santa Fe is required for another well to drill & produce from the same formation in the same proration unit. |