<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

Phone:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Azteo, 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-101 August 1, 2011

Permit 193275

| 1. Operat | | and Address RESOURCES INC | | | | | | | | 2. OGRID Num 737 | | | |
|-----------|------------------|------------------------------|--------------|--------------------------|---------|-------------|----------------------|---------------|-----------|----------------------|-------------|--------|-----|
| | | ox 2267 d, TX 79702 | | | | | | | | 3. API Number 30- | 025-42158 | | |
| 4. Proper | ty Code 40398 | | 5. | Property Name JOLLY F | ROGER 1 | 6 STATE | | | | 6. Well No. 502 | ΣH | | |
| | | | | | | 7. S | urface Location | | | | | | |
| UL - Lot | D | Section 16 | Township 24S | Range | 34E | Lot Idn | Feet From 150 | N/S Line N | Feet From |)46 | V Line W | County | Lea |
| | | | | | | 8. Proposed | d Bottom Hole Locati | on | | | | | |
| | | Section | Township | Range | | Lot Idn | Feet From | N/S Line | Feet From | E/V | V Line | County | |
| UL - Lot | | | | | | | | | | | | | |

| 3.1 ooi information | |
|------------------------------|-------|
| RED HILLS:BONE SPRING, NORTH | 96434 |

Additional Well Information

| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lesse Type State | 15. Ground Level Elevation 3557 |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 16. Multiple N | 17. Proposed Depth 15658 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 11/1/2014 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☑ We will be using a closed-loop system in lieu of lined pits

21 Proposed Casing and Cement Program

| | | | Ziii Toposca cusing | una comont i rogium | | |
|-------------------------------|-------|--------|---------------------|---------------------|-----------------|---------------|
| Type Hole Size Casing Size Ca | | | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf | 17.5 | 13.375 | 54.5 | 1240 | 900 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4000 | 900 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 225 | 4000 |
| Prod | 9.75 | 5.5 | 17 | 15659 | 2075 | 0 |

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer | | | | | | | |
|------------|------------------|---------------|--------------|--|--|--|--|--|--|--|
| Double Ram | 3000 | 3000 | | | | | | | | |

| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ⋈ and/or 19.15.14.9 (B) NMAC ⋈, if applicable. Signature: | | | | OIL CONSERVATIO | N DIVISION | |
|---|-------------------------------------|---------------------|----------------|-----------------|----------------------------|--|
| Printed Name: | Electronically filed by Stan Wagner | r | Approved By: | Paul Kautz | | |
| Title: | Regulatory Analyst | | Title: | Geologist | | |
| Email Address: | Stan_Wagner@eogresources.com | | Approved Date: | 10/1/2014 | Expiration Date: 10/1/2016 | |
| Date: | 9/30/2014 | Conditions of Appre | oval Attached | | | |

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 311 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u> 2320 S. S. Especie Dr. Scate Fo. NM 87558

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 August 1, 2011

Permit 193275

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-025-42158 | 2. Pool Code 96434 | 3. Pool Name RED HILLS;BONE SPRING, NORTH |
|-------------------------------|--|---|
| 4. Property Code 40398 | 5. Property Name JOLLY ROGER 16 STATE | 6. Well No. 502H |
| 7. OGRID No. 7377 | 8. Operator Name EOG RESOURCES INC | 9. Elevation 3557 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D | 16 | 24S | 34E | D | 150 | N | 1046 | W | Lea |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section 16 | Township 24S | Range 34E | Lot Idn N | Feet From 230 | N/S Line S | Feet From 1631 | E/W Line W | County Lea |
|------------------------------|---------------------|--------------|---------------------|--------------|------------------------|---------------|-------------------|---------------|---------------|
| 12. Dedicated Acre 160.00 | 12. Dedicated Acres | | 13. Joint or Infill | | 14. Consolidation Code | e | | 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

| | # 100 m 100 |
|---|---|
| 0 | OPERATOR CERTIFICATION 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. |
| | E-Signed By: Stan Wagner |
| | Title: Regulatory Analyst |
| | Date: 9/30/2014 |
| | 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 the best of my belief. |
| | Surveyed By: Michael Brown |
| | Date of Survey: 9/8/2014 |
| | Certificate Number: 18329 |

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 311 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u> 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

Permit 193275

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|----------------------------|----------------------------|
| EOG RESOURCES INC [7377] | 30-025-42158 |
| P.O. Box 2267 | Well: |
| Midland, TX 79702 | JOLLY ROGER 16 STATE #502H |

| Created By | Comment | Comment Date |
|------------|---|--------------|
| RJarratt | Directional Survey & H2S Contingency Plan sent separately by email. | 9/30/2014 |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fsx:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fsx:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fsx:(505) 334-6170
District IV
1220 S. St Frencis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fsx:(505) 476-3462

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

Permit 193275

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|----------------------------|----------------------------|
| EOG RESOURCES INC [7377] | 30-025-42158 |
| P.O. Box 2267 | Well: |
| Midland, TX 79702 | JOLLY ROGER 16 STATE #502H |

| OCD Reviewer | Condition |
|-----------------|--|
| DMULL | Will require a directional survey with the C-104 |
| DMULL | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1) SURFACE & INTERNEMIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |