| Forr  | n 3160-3                            | / *   | (   | CD-ARTI                | FZIV                            | 1                         | FORM AF           | PROVED             | 1-06-3       |  |
|-------|-------------------------------------|---|---|------------------------|---------------------------------|---------------------------|-------------------|--------------------|--------------|--|
|       | gust 1999)                          | If earthen pits are used in   | 1   | ,02                    |                                 | OMB No. 1004-0136         |                   |                    |              |  |
|       |                                     | association with the drilli   |   |                        |                                 | Expires November 30, 2000 |                   |                    |              |  |
|       |                                     | well, an OCD pit permit   | 0   | REC                    | EIVED                           | 5. Lease Serial No.       |                   |                    |              |  |
|       |                                     |   |   | 1 16-1                 | NMNM 10899                      | 91                        |                   |                    |              |  |
|       |                                     | obtained prior to pit cons  |   | JUL                    |                                 | Allottee or T             | ribe Name         |                    |              |  |
|       | AF                                  | PPLICATION FOR PERMIT TO D  | vittou  |                        |                                 |                           |                   |                    |              |  |
| 1a.   | Type of Work:                       | X DRILL RE  | ENTER   |                        |                                 | 7. If Unit or             | CA Agreeme        | nt, Name a         | nd No.       |  |
|       |                                     |   |   |                        |                                 | 8. Lease Na               | me and Well       | No.                |              |  |
| 1b.   | Type of Well:                       | Oil Well X Gas Well Other   | Single 2  | Zone Multip            | le Zone                         | GUADALUPE                 |                   | 358                | 97           |  |
| 2.    | Name of Operato                     | r   |   | yangino.               |                                 | 9. API Well               | No.               |                    |              |  |
|       | EOG Res                             | sources, Inc. 737   | 7   |                        |                                 | 30.                       | 015-              | 350                | 45           |  |
| 3a.   | Address                             |   | 3b. Phone N   | o. (include area d     | code)                           | 10. Field and             | d Pool, or Ex     |                    |              |  |
|       | P.O. Box                            | 2267, Midland, TX 79702   | (432) 686-364   | 2                      | Unders                          | Cottonwood (              | Creek; WC, W      | est (Gas)          |              |  |
| 4.    | Location of Well                    | (Report location clearly and in accordar                              | nce with any S  | tate requirement       | (s.*)                           |                           | R., M., or Blk    |                    | ey or Area   |  |
|       | At surface                          | 1880' FSL & 660' FEL (U/L I)  |   | Subject (              |                                 | Section 8, T1             | 6S-R24E, N.N      | 1.P.M.             |              |  |
|       | At Surface                          | 1860 FSL & 600 FEL (G/L 1)  |   | Like App               | revel                           |                           |                   |                    |              |  |
|       | At proposed proc                    | I. Zone 1880' FSL & 660' FWL  | (U/L L)   | By State               | )                               |                           |                   |                    |              |  |
| 14.   | <del></del>                         | and direction from nearest town or pos                                | ·   |                        |                                 | 12. County                | or Parish         | 13. State          |              |  |
| 14 m  | niles NW from Artes                 | sia   |   |                        |                                 | Eddy                      |                   | New Mexic          | 0            |  |
| 15.   | Distance from pro                   | oposed* 660'  | 16. No. of Ac   | res in lease           | 17. Spacing                     | g Unit dedica             | ted to this we    | all                |              |  |
|       | location to neare                   |   | 1,280 S/2   |                        |                                 |                           |                   |                    |              |  |
|       | property or lease                   |   |   |                        |                                 |                           |                   |                    |              |  |
| 40    | ·····                               | irlg. Unit line, if any)  | 40 Brancos  | d Dowth                | 20 DI MIDI                      | A Bond No. o              |                   |                    | ······       |  |
|       | Distance from proto nearest well, d | •   | <b>19. Proposed Depth</b>   <b>20. BLM/BI</b>   5,200' TVD   NM2308 |                        |                                 | A Bond No. C              | m rue             |                    |              |  |
|       | applied for, on th                  |   | 8.175' TMD  |                        |                                 |                           |                   |                    |              |  |
| 21.   |                                     | whether DF, KDB, RT, GL, etc)   | <u> </u>  | ⊣<br>nate date work wi | date work will start* 23. Estim |                           |                   | Estimated duration |              |  |
| Gr 3  | ·                                   | , , , , ,   | 8/15/2006   |                        |                                 | 30 days                   |                   |                    |              |  |
|       |                                     |   | 24. A   | ttachments             |                                 |                           |                   |                    |              |  |
| The   | following complete                  | d in accordance with the requirements of C                            | Inshore Oil an  | Gas Order No. 1,       | shall be attacl                 | hed to this form          | n:                |                    |              |  |
|       |                                     |   |   | L =                    |                                 |                           |                   |                    | <b>C</b> 1 ( |  |
|       | ·                                   | a registered surveyor.  |   | 4. Bond to cover       | •                               | s uniess cover            | ed by an exist    | ing bond or        | tile (see    |  |
|       | Drilling Plan.                      | Control to a street to an Alaskana I Francis O do                     |   | Item 20 above          | •                               |                           |                   |                    |              |  |
|       |                                     | (if the location is on National Forest Sytem                          | Lanus, the  | 5. Operator cert       |                                 |                           |                   |                    |              |  |
| 3     | OPO shall be filed t                | with the appropriate Forest Service Office)                           |   | 6. Such other sit      | •                               | ormation and/o            | r plans as ma     | y be require       | ed by trie   |  |
| 25    | Signature //                        | ALL   | Name (Printe  |                        |                                 |                           | Date              |                    |              |  |
| 20.   | J. 200                              | _ / MTA   | Donny G. C  |                        |                                 |                           | 6/9/2006          |                    |              |  |
| Title | 9, 7, 50                            |   | 1 2011117 0. 0  | Junion -               |                                 |                           | 0/0/2000          |                    |              |  |
|       |                                     | RATIONS REPRESENTATIVE  |   |                        |                                 |                           |                   |                    |              |  |
|       | roved by (Signatu                   |   | Name (Printe  | ed/Typed)              |                                 |                           | Date              |                    |              |  |
|       |                                     | Don Peterson  | /s/ Don Peterson  |                        |                                 | JUL 1 9 2006              |                   |                    |              |  |
| ARC.  | FIELD N                             | MANAGER   | Office  | CARLSE                 | AD FI                           | ELD OF                    | FICE              |                    | -            |  |
| oper  | ations theron.                      | not warrant or certify the applicant holds legal or                   | equitable title to  | those rightes in the   | subject lease w                 | hich would entitle        | e the applicant t |                    | AR           |  |
|       | ditions of approval, if a           | iny, are attached<br>01 and Title 43 U.S.C. Section 1212, make it a c | rime for any pers   | on knowingly and wil   |                                 |                           |                   |                    |              |  |
|       |                                     | or fraudulent statements or representations as to                     |   | • •                    |                                 |                           | Jy 4. W           |                    |              |  |
| *(Ins | tructions on reverse)               |   |   |                        |                                 |                           |                   |                    |              |  |

Roswell Controlled Water Basin

Witness Surface Casing

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

"District: I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe NM 87505

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease- 4 Copies

Fee Lease-3 Copies

WO# 060207WL-c (CDG)

| 1220 S. S       | St. Francis                     | Dr., Santa                                | Fe, NM 8 | 7505               |  | Suntu 1                                 | C, IVI      | WI 07303  |  |  | ☐ AM                      | MENDED F                  | REPORT                          |  |
|-----------------|---------------------------------|---|----------|--------------------|--|---|-------------|---|--|--|---------------------------|---------------------------|---------------------------------|--|
|                 | 484                             |   |          |                    |  |   | ACRE        |   | CATION PLA                                       | Pool Name                                  |                           |                           |                                 |  |
|                 | API                             | Number                                    |          |                    | Pool Code Undes Pool 75260 Cottonwood Creek; |   |             |   |  |  | est (Ga                   | s)                        |                                 |  |
| Pro             | operty Cod                      | le  |          |                    | Property Name GUADALUPE 8 FED.               |   |             |   |  |  | Well Number 3H            |                           |                                 |  |
| 0               | OGRÍD No.                       |   |          |                    |  |   | perator     |   |  |  |                           |                           | <b>Devation</b>                 |  |
| 7377            |                                 |   |          |                    | E  | OG RES                                  | <i>SOUR</i> | CES, INC  | <b>).</b>  |  |                           | ٠                         | 3 <i>655</i> ′                  |  |
|                 |                                 | ··  |          |                    |  | Sur                                     | face        | Location  |  |  |                           |                           |                                 |  |
| UL or lot no    |                                 |   |          |                    |  |   | East/Wes    | t line  | .County  |  |                           |                           |                                 |  |
| 1               | 8                               | 16 S                                      | OUTH     | 24 EAST,           | N.   | м.Р.м.                                  |             | 1880  | SOUTH  | 660  | E#                        | IST                       | EDDY                            |  |
|                 |                                 |   |          | Bottom             | ı ŀ  | Hole Loco                               | ition       | lf Differen                                     | it From Sur                                      | face                                       |                           |                           |                                 |  |
| UL or lot no    | Section 8                       | Town                                      | •        | Ra<br>24 EAST,     | nge<br>A/                                    |   | Lot Idn     | Feet from the 1880                              | North/South line SOUTH                           | Feet from the 660                          | East/Wes                  | t line                    | County<br>EDDY                  |  |
| .,              |                                 |   |          | <u> </u>           | 74.  |   | L           | 7000  | 300111   | 000  | ,,,                       |                           | 2001                            |  |
| Dedicate<br>320 |                                 | Joint or                                  | · Infill | Consolidation Code |  | Order No.                               |             |   |  |  |                           |                           |                                 |  |
|                 |                                 | be assi                                   | aned to  | this completion    | 1 11   | <u>l</u><br>ntil all inter              | ests h      | ave been co                                     | onsolidated or                                   | a non-stand                                | ard unit I                | nas been                  | approved by the                 |  |
| division.       |                                 | 20 200.                                   | <b>J</b> |                    |  |   |             |   |  |  |                           |                           |                                 |  |
| <del></del>     | <del></del>                     | <del></del> T                             |          |                    | Τ  | <del></del>                             |             | I   |  |  | OPERATO                   | 0 050115                  | TCATION                         |  |
|                 |                                 |   |          |                    | L.   |   |             |   |  |  |                           |                           |                                 |  |
| ı               |                                 |   |          | NMI                | M  | 108991                                  |             | ļ   |  |  |                           |                           | e information<br>and complete   |  |
|                 |                                 | ,   |          |                    | i<br>I                                       |   |             | ·<br>1  |  | to th                                      | ne best of<br>f, and tha  | my know                   | vledge and                      |  |
|                 |                                 |   |          |                    |  |   |             | Ì   |  | eithe                                      | r owns a                  | working i                 | interest or                     |  |
|                 |                                 |   |          |                    |  |   |             | i   |  | inclu                                      | ding the p                | proposed                  | st in the land<br>bottom hole   |  |
|                 |                                 |   |          |                    |  |   |             |   |  | locat<br>well                              | ion or has                | s a right                 | to drill this<br>rsuant to a    |  |
| <del>-</del>    |                                 | :   |          |                    | <u>:</u>                                     | ·                                       |             | '   |  | - conti                                    | ract with o               | an owner                  | of such a                       |  |
|                 |                                 | İ   |          |                    |  |   |             |   |  | سيامين اا                                  | tanı naali                |                           | rest, or to a<br>ment or a      |  |
|                 |                                 |   |          |                    |  |   |             |   |  | comp                                       | oulsory por<br>red by the | oling orde<br>division    | er heretofore                   |  |
| BOTTOM<br>NEW   | HOLE LO<br>MEXICO E<br>IAD 1927 | CATION                                    |          |                    | l  |   |             | SUF   | RFACE LOCATION WEXT                              | 1  |                           | lut                       |                                 |  |
|                 | =703959.5                       |   |          |                    |  |   |             | !   "   | NAD 1927<br>Y=703960.7<br>X=416902.4             | <u>                                   </u> |                           | am                        | 2/15/06                         |  |
| LAT.: N         | =412913.1<br>N 32.9349          | 374                                       |          |                    |  |   |             | LAT   | X=416902.4<br>.: N 32.9349696<br>.: W 104.604178 | Signo                                      | ature                     |                           | Date                            |  |
| LONG.:          | W 104.61                        | /   |          |                    | 1  |   |             | LONG  | .: W 104.004176                                  | ' Dor                                      | nny G.                    | Glant                     | on                              |  |
|                 |                                 | unfux                                     | 77777/// |                    | 100  |   | ווווווו     | undanda (                                       |  | Print                                      | ed Name                   |                           |                                 |  |
|                 |                                 | /   |          |                    | 1  |   |             |   | \  | S  | URVEYOR                   | CERTIFIC                  | ATION                           |  |
|                 | mlu                             | 1<br>//////////////////////////////////// | //////// |                    | 1<br>14/2                                    |   | <u> </u>    | <br>  <u>                                  </u> | u)x4/  | 'Al .                                      | reby certify              | that the                  | e well location                 |  |
| 660'            | <del>-</del> }                  |   |          | AZ = 269'58'55"    | ╁-   | 3989.3                                  |             |   | 660'   | field                                      | notes Of                  | <b>aetuel_</b> st         | NAMEYS\made by                  |  |
|                 | <b>1</b>                        |   |          |                    |  |   |             |   |  | me the                                     | gr under l<br>same is l   | my∖ysµpe∧<br>rue_and⁄,c   | vision, and that spirect to the |  |
|                 | 3                               | 1   |          |                    |  |   |             |   |  | bes  |                           |                           | 0/8/                            |  |
| <del>[</del>    | - {}-                           |   |          |                    | 1  |   |             | ;   | <del></del>                                      | 4  | E BRUAN                   | 15079)<br>22 7 <i>0</i> 0 | 00 <b>6</b> %                   |  |
|                 | 3.                              |   |          |                    |  |   |             |   | . [  | Date                                       | of Surve                  | $\overline{}$             | 731                             |  |
|                 | 88                              | 1   |          |                    |  |   |             |   | 880  | Sian                                       | atore And                 | Sool of                   | MO /                            |  |
|                 | 1                               |   |          |                    | L  | PRODUCING                               |             |   |  | Profi                                      | attere And                | a de Norte /              |                                 |  |
|                 | 7/1/7/                          | //////////////////////////////////////    |          |                    | ///.<br> -                                   | /////////////////////////////////////// |             | //////////////////////////////////////          |  |  | ~ `                       | MA                        | 11-11                           |  |
|                 |                                 | Ì   |          |                    |  |   |             |   |  |  | Leny (                    | 1/1/18                    | W 2/13/2006                     |  |
|                 | 1                               |   |          |                    |  | PROJECT A                               | REA         | ,   | 1  | Certi                                      | ficate/Nyn                | nber                      | 15079 <b>′</b>                  |  |

PROJECT AREA

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

#### 1. GEOLOGIC NAME OF SURFACE FORMATION:

Quaternary Alluvium

0-200

#### 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| San Andres   | 665'   |
|--------------|--------|
| Glorieta     | 2,035' |
| Tubb         | 3,326' |
| Abo Shale    | 4,015' |
| Wolfcamp Pay | 5,065' |

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

| 0- 200' | Fresh Water              |
|---------|--------------------------|
| 665'    | Oil                      |
| 2,035'  | Oil/Gas                  |
| 3,326'  | Oil/Gas                  |
| 5,065'  | Gas                      |
|         | 665'<br>2,035'<br>3,326' |

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 8.625" casing at 900' and circulating cement back to surface.

# 4. CASING PROGRAM

| Hole Size | <u>Interval</u> | OD Casing | Weight | Grade Jt. Co | onn. Type |  |
|-----------|-----------------|-----------|--------|--------------|-----------|--|
| 12.250"   | 0-900'          | 8.625"    | 32#    | J-55         | LT&C      |  |
| 7.875"    | 0-8,175'        | 5.5"      | 17#    | N-80         | LT&C      |  |

| Cement | ling | Progran | n· |
|--------|------|---------|----|
|        |      |         |    |
|        |      |         |    |

8-5/8" Surface Casing:

Cement to surface with 150 sx Prem Plus, 3% Econolite 1/4 pps Flocele, 2% Calcium Chloride,

WITNESS

175 sx Prem Plus, 2% Calcium Chloride, .25#/sx

Flocele

5-1/2" Production:

Cement with 400sx Interfill C,+ 0.25ppm Flocele;

350 sx Premium Cement, 100% Acid Soluble Additive, + 0.6% Halad-344 + 0.8% Econolite+

0.2% HR-55.

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

#### 5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

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. as follows:

Under Surface – 3M System

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

|               |                   | Wt           | Vis   | cosit Waterlo | OSS |
|---------------|-------------------|--------------|-------|---------------|-----|
| <u>Depth</u>  | <u>Type</u>       | <u>(PPG)</u> | (sec) | <u>(cc)</u>   |     |
| 0-900'        | Fresh – Gel       | 8.6-8.8      | 28-34 | N/c           |     |
| 900'-4400'    | Cut Brine         | 8.8-9.2      | 28-34 | N/c           |     |
| 4,400'-5,100' | Cut Brine         | 8.8-9.2      | 28-34 | 10-15         |     |
| 4,468'-8,175' | Polymer (Lateral) | 9.0-9.4      | 40-45 | 10-20         |     |

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.

## 8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Laterlog and GR-Compensated Density-Neutron from +/-900' to TVD.

Possible sidewall cores based on shows.

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

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

The estimated bottom hole temperature (BHT) at TD is 105 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 3000 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.

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

# SURFACE USE AND OPERATIONS PLAN Surface is owned by the BLM

<u>Directions to Well Site</u>: From the Intersection of U.S. Hwy 82 & U.S. Hwy 285 in Artesia, NM, Go north on Hwy 285 for 7.8 miles, Thence west on County Road No. 121 (Funk Road) for 7.0 miles, Thence south on County Road No. 95 (Joy Road) for 0.7 miles, Thence west on existing lease road constructed to the Guadalupe 8 Federal No. 1.

#### 1. EXISTING ROADS:

Utilize existing lease road constructed to the Guadalupe 8 Federal No. 1. (NM-115683)

#### 2. PROPOSED ACCESS ROAD:

The access road to the Guadalupe 8 Federal No. 1 is adjacent to the subject well location. No new access road needed. See Exhibit No. 2

No turnouts necessary.

No culverts or cattle guards are necessary. No 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 will be built to the nearest pipeline.

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

# 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 by temporary water supply lines adjacent and parallel to roads.

## 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 well pad 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.

EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

#### OTHER INFORMATION:

The area around the well site is grassland and the topsoil is sandy. The vegetation is native scrub grass.

#### **COMPANY REPRESENTATIVES:**

## Permitting & Land

Mr. Donny G. Glanton Senior ROW Lease Operations Representative EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702 (432) 686-3642 Office

## **Drilling**

# **Operations**

| Mr. Jason LaGrega          | Mr. Howard Kemp       |
|----------------------------|-----------------------|
| Division Drilling Engineer | Production Manager    |
| EOG Resources, Inc.        | EOG Resources, Inc.   |
| P.O. Box 2267              | P.O. Box 2267         |
| Midland, TX 79702          | Midland, TX 79702     |
| (432) 686-3633 Office      | (432) 686-3704 Office |

#### **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.

Jason La rega

Division Drilling Engineer

DATE 6/8/2006

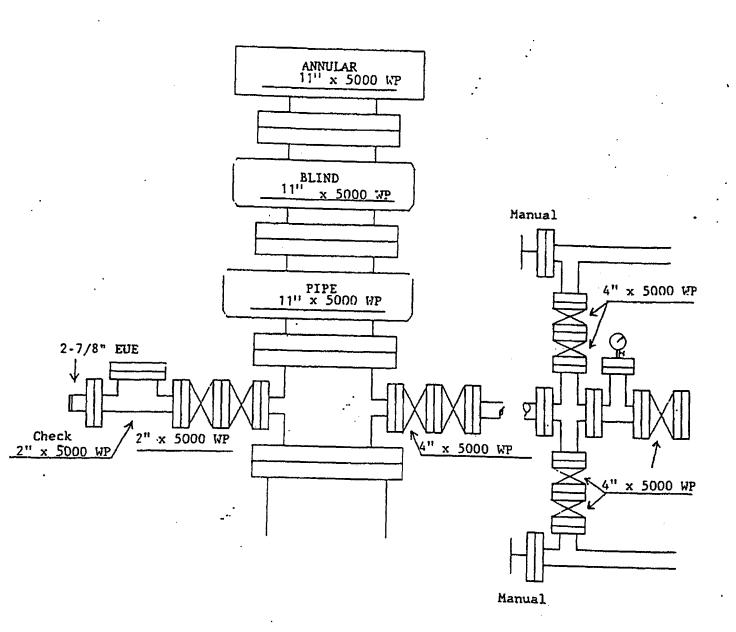
## EOG RESOURCES, INC. Guadalupe 8 Fed No. 3H Eddy Co. NM

#### 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, 3000 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 3000 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.

# Guada Wpe 8 Fed No. 3H

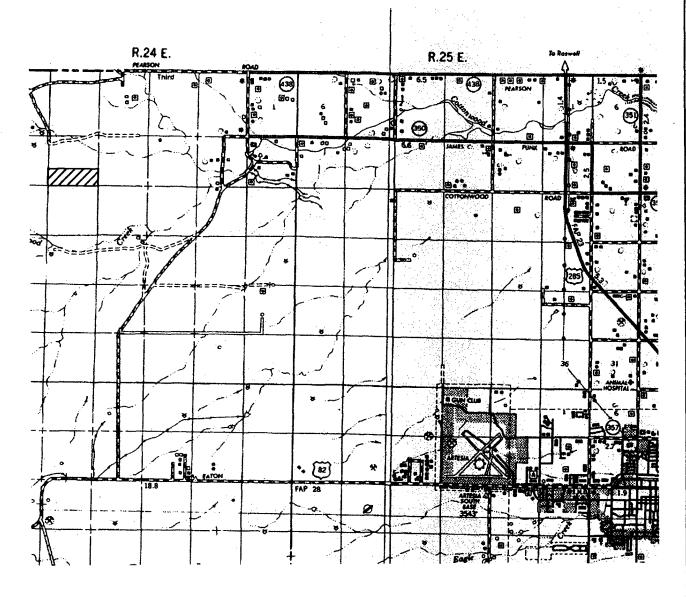


· Exhibit 1

# EXHIBIT "3"

|  |  |                                    |  | ·.   |                           |   | er er<br>Liter                           |                            |  | <b>14-</b> E                           |   | ri<br>Gundên Sara                      |  |
|--|--|------------------------------------|--|--|---------------------------|---|--|----------------------------|--|--|---|--|--|
|  |  | M 2 (A.FT (                        |  | 2 1/03/ 2/037 /  | na vua                    | WH PUR  |  | in The                     |  |  | MA DEL  | 214.21                                 | HERE SAME MAN THE  |
| 7 <sup>4</sup> 8                       | 19.21 4'19.20 31'19.<br>+ z <sup>+</sup> 6 |                                    | 36.30 5<br>36.30 5                       |  | *                         | # #   | DNO                                      | Enf.                       | DND Fat  |  | 1   | 7                                      |  |
|  |  |                                    |  | Allar Co, etal   | Affar Co.,                | 108948  | LDE                                      |                            | 11-2010, 7-6-2010<br>Chalfant                    | Unit Res<br>6 1 2010<br>w/216.24       | 9 16 2008   |  | Wagner Ld. Inv., Co.   |
| <i>*</i> ,                             |  | n <sup>†</sup> s                   | 37.00 12                                 | 1 1  | , <del>†</del>            | # 7-20 1  | Perenco                                  | < t.                       | LE Williams<br>LW Wallace<br>at Alaf Y Bale To   | Ju Adi                                 | t it i  | o <sup>t</sup> i                       | EOG Res. Chalfort  |
| " ·                                    |  | ,                                  |  |  |                           | U.S. M.I.<br>D.E. Huffman   | 9:1:2012<br>106:9216<br>U.S.             | Wallace Fix<br>Elfishe     | N. Wajiace<br>gj Maj Y. Bulc Tila<br>!: Is for   |  | First Not'l Bank<br>Ellis Haulik (3)                | , Tr. 92 (S)                           | 8 · 20 · 2007 L.M.<br>Brownle  |
| n+ ' n                                 | 18 18                                      | is <sup>†</sup> në                 | 57.20 13t                                | 1 th 1 th  | - i,+                     | ME U N  | · //                                     | Brik OF                    | 16   | 11                                     |   | Pet, etal <sup>IC</sup>                | 10 M2 Emme # Unit  |
|  |  |                                    |  | u.s.   |                           | i   | Brok.of<br>Rossoull, Tr.<br>L.M. Lay Est | elien meet                 | nalfaet<br>16 2008                               | Unit Res.<br>7:25:2008                 | 16990<br>76990                                      | 3 <b>7</b> 7                           | E. Hmulik, etal sonjirji |
| 1                                      | Allar Co etal                              |                                    | 51.40 mt                                 | <u> </u>   | 1                         | <u> </u>  | Chalfant<br>9 ig 2008                    | -                          |  | $\mu$                                  | Washurn, etal                                       | Chalfort<br>9-16-2008                  |  |
| }                                      | 9 · 1 · 2012<br>108992                     |                                    |  |  |                           |   | L.R.Loy.Est                              | Williams First<br>Filia Hr | ten O'Bannon<br>+ No+4. Brik II; 13<br>rudik (3) | Fire                                   | r Natil, Bak Tr. Yz<br>s Haulik (S)                 |  | Chalfant   |
|  |  | /                                  | 57.60 18 <sup>†</sup>                    | L.F.<br>Williams   | (Chalfort)                | ,   |  | Chalfant<br>9-16-2008 #11  | liams Minnie                                     | t -                                    |   | -u.it.<br>Perreletal                   | Perry etal Filia Per eta   |
|  |  | State                              | D.E.H                                    | 0.E.   | 9 16 20081                | U.S.  | 9:3700<br>9:300<br>108948<br>U.S.        | · ·                        | Free ALL Futch                                   | I\. ^                                  | linnie Futch<br>K.L. Eutch                          | E.B.<br>Weissner                       | Meissner u.s. Hnulik, 78980  |
|  | <i>U.</i> \$.                              | Aller to obe                       | 27.66                                    | THE PROPERTY.  | 2.51.00                   |   | 0.5.                                     | Chall<br>3 16              | font (   | Michie                                 |   |  | EOG Res.   |
|  | j  | 108392                             | , A                                      | llar Co., e tol<br>3 · 1 · 2012<br>108991                  | X ZHA                     | r Co.,etal<br>1. 1. 2012<br>108991  |  | U.S., M.<br>D.E. Huffin    | <i>t.</i> 1                                      | Path)                                  | C.C. Pewell<br>NLD. Stephens                        | 1                                      | 8 20 2007  |
|  |  |                                    | ัก.าง วั                                 |  |                           |   | . '                                      | Perenco L                  | TC.  | 0                                      | Unit Res  | _                                      |  |
|  | State R                                    | U.S.M.I.<br>Felix<br>River Rch.(S) |  |  | *                         | <u>H</u> 0  | ľ  | 9 1 2017                   | 2<br>2 <u>00</u>                                 | Perendo<br>9 1 - 2012<br>108948<br>299 | E.E. Thorn  |  |  |
|  | Allar Co.,etal                             | ave Across                         | inak pi                                  | 7  | €                         | 3   |  | 9                          |  | 292                                    | EVG KKS   | ]                                      | 11   |
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|  | 1  | 1 1                                | 5000 T 0                                 | 7050<br>IA 9-16-79   | ,                         |   | ŀ  |                            |  | 1                                      | Howard, Carl  | Perenca                                | EDG HES<br>• • • 2 2007<br>1025 2007<br>M. Peorl Whiteside                               |
|  | ¥.5,                                       | 51610                              |  | Ų.S.   | y4                        | <u>H</u> 0  |  | Ų.S.                       |  | us                                     | E.W.M. Ross<br>W.D. Stephens                        | Perenca<br>9:1:2012<br>1099248<br>U.S. | AL Pearl Whiteside<br>Roy L. Fry   |
|  | <del></del>                                | <del>- \</del>                     | Votes Pat                                |  |                           | <u> </u>  | Perend                                   | o LLC.                     |  |  |   |  | Perenco LLC. EGG Res 84 2008   |
|  | ļ  | 2 · 1 · 2008<br>VA · 2714          | Yotes Pet.,<br>3 1 20<br>VA 2852<br>6383 | etul Varies Pet., etal<br>08 3 1 2008<br>VA. 2830<br>43 23 | Z - 1 - 2008              | Perenco LLC<br>2-1-2008   | 6 I<br>VA                                | 2007                       |  |  | Perenco LLC<br>9 · 1 · 2012<br>108949<br>4 <b>9</b> |  | LAGGAG TOTES PET-ICIGIT  |
|  |  | 2199                               | pi 25 1                                  | 1  | VA - £798<br>37 <b>29</b> | VA-2776<br>41 00  | 24                                       | 20 I                       |  | /                                      | 492   |  | G 16 2008 Coverters S M.   |
|  | i  | \1                                 |  | į į  |                           | 1   |  | . I.                       |  | 1                                      | , air   |  | 422 (J.S. 1-2018) Correction (S.M. S.Abhirasan, Troil                                    |
|  | 13   | Y                                  | iene i <sup>l</sup>                      | ! <b>8</b>   |                           | 17  |  | 16                         |  |  | 15  | Co.                                    | The Alleir Co.   |
|  | i  | . 1                                |  | i  |                           | 1   | }  | 1                          |  | Ĭ                                      | 1 11-1  | 46<br>100<br>5013                      | (1-1-20)3<br>(11400<br>79 99 (255,000)   |
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|  | State                                      |                                    |  | S1010  |                           | state   |  | Silve                      | 16   | 24                                     | U.S.  |  | U.S. C.W.Middlefon<br>Yorkes Pet:  |
| ico LLC                                | Perenca LLC                                | Capstone 08.G                      | Perencol.                                | C   Dunstone OEG   | Perenco LLC<br>6 1 2007   | Perenco LLC   | ρ  | esenco LLC<br>1 200        | Flore  | Yates Pe                               | t etcl Allar  | Co., e.tal<br>2012<br>950              | (Allar Co., etal)  |
| 1-2008                                 | 9-1-2012                                   | 2 · I · 2008<br>VA · 2797          | 4 1 20<br>VA 28                          | Capstone OEG<br>008 4 2008                                 | VA 2505<br>26 55          | VA- 2.615<br>2589   |  | VA 2606<br>4250            | Coffin   | 8 3                                    | 108   | 950                                    | (Allar Co., etal)<br>9 · t · 2012<br>108950<br>42 <u>52</u> :                            |
| 75 00                                  | 499  | 40 63                              | יום                                      | .   "  | -                         | 1   | !  | 72 -                       | EOG Res 4 20 2007                                | ]                                      |   |  | 77.52  |
| *3                                     | u.s.                                       |                                    |  | , .<br>I <del>O</del>                                      |                           | 20  |  | . 21                       | , 1-2-2/3 J                                      | A E. Mort                              | hiand Est.  |  | 23   |
|  | 24   |                                    | 20.50 J.                                 | •  |                           | 1   | ·  | 21                         |  |  | CC  |  |  |
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|  |  |                                    | **** P                                   | •  |                           | ŧ   |  |                            |  | ·                                      | •   |  | A-60. ( 61-R   |
| ن ــــــــــــــــــــــــــــــــــــ | State                                      |                                    |  | State  |                           | State   |  | State                      |  |  | U.S.  |  | <u> </u>   |
| 100 LLC                                | Perenco                                    | LTC                                | Perenco L                                | 1C. Perenco LLC.<br>007   6 · 1 · 2007<br>2655   V4 · 2620 |                           | Perenco LLC.  | Perenc                                   | ouc.p                      | erenco LLC.                                      |  | Perenco L.L.C.<br>(EOG Res)                         |  | Pereneo L L C.<br>(EOG Res)  |
| 1926<br>492                            | 9 - 1 - 2                                  | 2012                               | Perenco L<br>5 1 2<br>VA-2607            | 2655 V4 2620   | Peranci<br>st. /ese       | VA 2618<br>28 13  | 6. I.                                    | 2007 1 6<br>2617           | 1- 2007<br>VA 2616<br>2344                       |  | 9 - 1 - 2012  |  | 9-1-2012<br>108951<br>5692   |
| et etal<br>2009                        | 490  |                                    | · ·                                      | 1  | Perenco LLC               | 1 20-   | 28                                       | ' T                        | 23.49  |  | 56 92.  |  | 702  |
|  | 25   |                                    | ז שמ                                     | 30   | VA-75[9                   | 29  |  | 28                         |  | 1                                      | 27  | ,                                      | 26   |
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| Carson                                 |  |                                    | is.m 7                                   | ROM:   | Į.                        | Jack J. Grynberg<br>(Celeste Grynberg   | ł  | 4                          | •  |  |   |  |  |
| Parenco<br>9 108976<br>438             |  |                                    |  | State 12 12  | ø.                        | Jack J. Grunberg<br>(Celeste Grunberg<br>90 Cotton Wood<br>W. College<br>86 1-17-00 |  | ļ                          |  |  | 21 · 4  |  |  |
| <u> 188</u>                            | U.S.                                       |                                    | 35.34                                    | State 1212   |                           |   | <del> </del>                             | State                      |  | -                                      | U.S.  |  | (EOG Res)  |
|  | 6 1 2007                                   | PerencoLLC<br>7 · 1 · 2007         | ٠.                                       | Perenco LLC.<br>8 • 1 • 2012                               | 9.                        | ico LLC   | 1  | Perenco L<br>9 · I · 20    | 12   |  | (EOG Res)<br>Perenco L.L.C<br>9 · l · Z012          |  | Perenco L.C. Yates Pet.<br>9 · 1 · 2012 Calins Fed.<br>108953 WEDISC.                    |
|  | VA - 2603<br>2850                          | VA · 2657<br>2812                  | 30.0 E                                   | 108952<br>4 90   | 10                        | 8952<br>99  | <b>!</b> .                               | 108 <i>9</i> ¶2            | A92  | ļ.,                                    | 108959  |  | B  |
|  | ŀ  |                                    | 1  | .*   |                           |   | :  |                            |  | 1                                      |   |  |  |
|  | 3,6  |                                    |  | 31   |                           | -32   | unit                                     | 33-                        | 555 H  | †                                      | 34  |  | 35   |
|  |  | :                                  |  |  | Perena<br>6 1 20<br>VA26  | 107   | 6 16                                     | 2008                       | EOG Kus.<br>5 31 2007<br>5 27 2007               | ł                                      |   |  |  |
|  | ì  | * .                                | ā.42 āl                                  | *  | 504                       |   |  | 1                          |  | l                                      |   |  |  |
|  | State                                      | Nograma i Lad                      |  | u.s.   | State                     | u.s.  | U.S.<br>Johnson                          | Metal U.S. CO              | J.S. Covert                                      | 1951. sa                               | Ü.S.  |  | 4.3  |
|  | ha do e da                                 | 20 10 10 10                        | <b></b>                                  |  | M. M.                     | 70 E 70 F   | W 3                                      | Yates F                    | COMPANY NAMED IN                                 |  | الرهاد الملة  | 24477                                  |  |
| 100 LLC<br>2012<br>1929                |  |                                    |  | Vates Pet<br>10- 92 1                                      | 100                       | eralit<br>1 2012<br>18956 1<br>7692   | L  | Yates F<br>HBP<br>L        | 7805<br>L  |  | Pérenco.L<br>L                                      | 1                                      |  |
|  | Perendo L<br>11 - t - ao                   | je d                               |  | 16760  |                           | 7699 ∓  | W/2 H                                    | BC .                       |  |  |   |  |  |
| •                                      | 749  |                                    |  | 6  | 4 200                     | <b>.</b>  | Has                                      |                            |  |  |   |  |  |
|  | 1334                                       |                                    |  |  |                           |   |  |                            |  |  |   |  |  |
|  |  |                                    |  |  |                           |   |  |                            | 13.44  |  |   |  | The transport of the best of   |

# VICINITY MAP



SEC. 8 TWP. 16-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1880' FSL & 660' FEL

ELEVATION 3655'

OPERATOR EOG RESOURCES, INC

OPERATOR <u>EOG RESOURCES, INC</u> LEASE GUADALUPE 8 FED. #3H

DIRECTIONS: FROM INTERSECTION OF HWY.'S #285 & #82 IN ARTESIA, GO NORTH ON HWY. #285 FOR 7.8 MILES; THENCE WEST ON FUNK ROAD (#121) FOR 7.0 MILES; THENCE SOUTH ON JOY ROAD (#95) FOR 0.7 MILES; THENCE WEST FOR 0.5 MILES; THENCE SOUTH FOR 0.2 MILES; THENCE WEST FOR 2.1 MILES; THENCE NORTH 0.3 MILES TO LOCATION.

SCALE 1" = 2 MILES

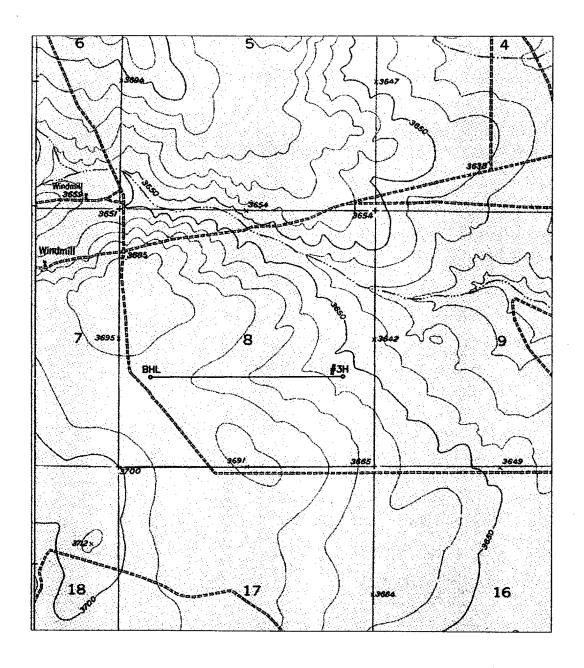


Asel Surveying & Consulting

P.O. BOX 393 - 310 W. TAYLOR HOBBS, NEW MEXICO - 505-393-9146



# LOCATION VERIFICATION MAP



SEC. 8 TWP. 16-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1880' FSL & 660' FEL

ELEVATION 3655'

OPERATOR EOG RESOURCES, INC

LEASE GUADALUPE 8 FED #3H

U.S.G.S. TOPOGRAPHIC MAP
HOPE NE, NM

CONTOUR INTERVAL = 10 FEET SCALE 1" = 2000'



Asel Surveying & Consulting

P.O. BOX 393 - 310 W. TAYLOR HOBBS, NEW MEXICO - 505-393-9146