

OCD-ARTESIA

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

I-06-20

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

RECEIVED

JUL 21 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

EOG Resources, Inc.

3a. Address

P.O. Box 2267, Midland, TX 79702

3b. Phone No. (include area code)

(432) 686-3642

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1880' FSL & 660' FEL (U/L I)

At proposed prod. Zone 1880' FSL & 660' FWL (U/L L)

Subject to
Like Approval
By State

14. Distance in miles and direction from nearest town or post office*

14 miles NW from Artesia

12. County or Parish

Eddy

13. State

New Mexico

15. Distance from proposed* 660'

location to nearest property or lease line, ft.
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease

1,280

17. Spacing Unit dedicated to this well

S/2

18. Distance from proposed location* 1,120'

to nearest well, drilling, completed applied for, on this lease, ft.

19. Proposed Depth

5,200' TVD
8,175' TMD

20. BLM/BIA Bond No. on file

NM2308

21. Elevations (Show whether DF, KDB, RT, GL, etc)

Gr 3655'

22. Approximate date work will start*

8/15/2006

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.

2. A Drilling Plan.

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)

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Don G. Glanton

Name (Printed/Typed)

Donny G. Glanton

Date

6/9/2006

Title

SR ROW LEASE OPERATIONS REPRESENTATIVE

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

JUL 19 2006

ACTING FIELD MANAGER

Office

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)

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	Pool Name Cottonwood Creek; WC, West (Gas)
Property Code	Property Name GUADALUPE 8 FED.	Well Number 3H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3655'

Surface Location

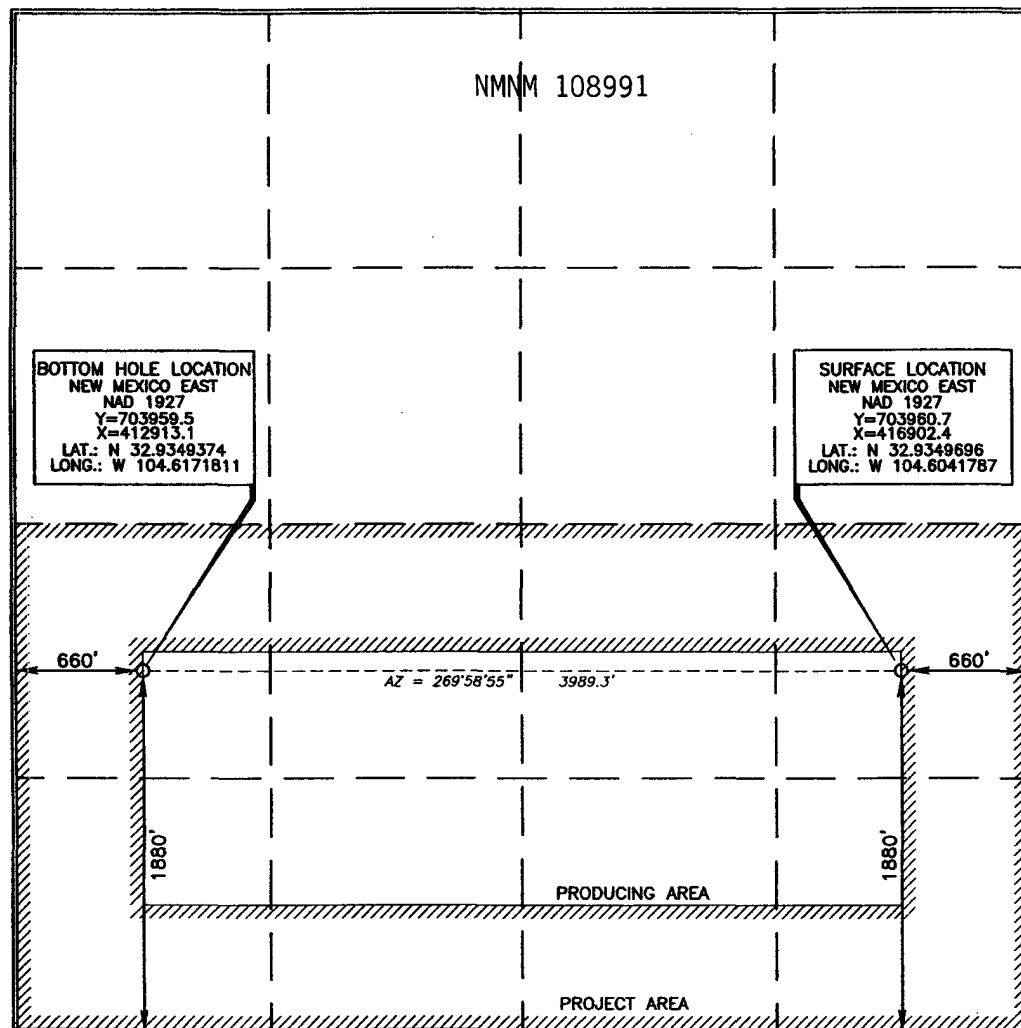
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	8	16 SOUTH	24 EAST, N.M.P.M.		1880	SOUTH	660	EAST	EDDY

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
L	8	16 SOUTH	24 EAST, N.M.P.M.		1880	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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.



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 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.

Signature: Donny G. Glanton
Date: 2/15/06

Printed Name: Donny G. Glanton

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.

Date of Survey: FEBRUARY 7, 2006

Signature and Seal of Professional Surveyor: Terry G. Asel

Certificate Number: 15079

WO# 060207WL-c (CDC)

DRILLING PROGRAM

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:

Quaternary Alluvium	0- 200'	Fresh Water
San Andres	665'	Oil
Glorieta	2,035'	Oil/Gas
Tubb	3,326'	Oil/Gas
Abo/Wolfcamp Pay	5,065'	Gas

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	Interval	OD Casing	Weight	Grade	Jt. Conn. Type
12.250"	0-900'	8.625"	32#	J-55	LT&C
7.875"	0-8,175'	5.5"	17#	N-80	LT&C

Cementing Program:

8-5/8" Surface Casing:

WITNESS

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

DRILLING PROGRAM

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:

<u>Depth</u>	<u>Type</u>	Wt	Viscosity		Waterloss
		<u>(PPG)</u>	<u>(sec)</u>	<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.

DRILLING PROGRAM

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.

DRILLING PROGRAM

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

SURFACE USE AND OPERATIONS PLAN

Surface is owned by the BLM

Directions to Well Site: 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.

DRILLING PROGRAM

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.

DRILLING PROGRAM

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


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

Operations

Mr. Howard Kemp
Production Manager
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(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 LaGrega
Division Drilling Engineer
DATE 6/8/2006

DRILLING PROGRAM

**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.

Guadalupe 8 Fed No. 3H

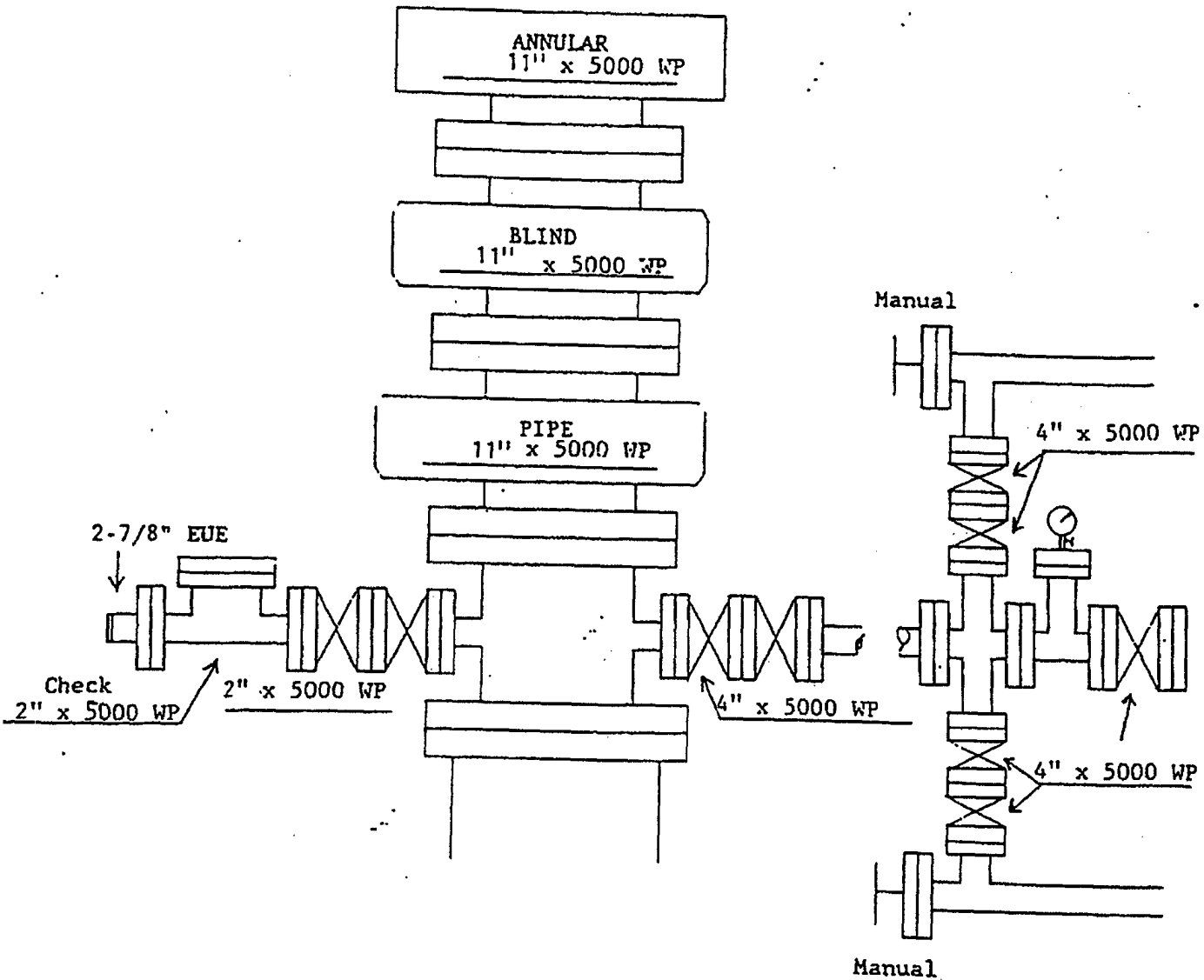
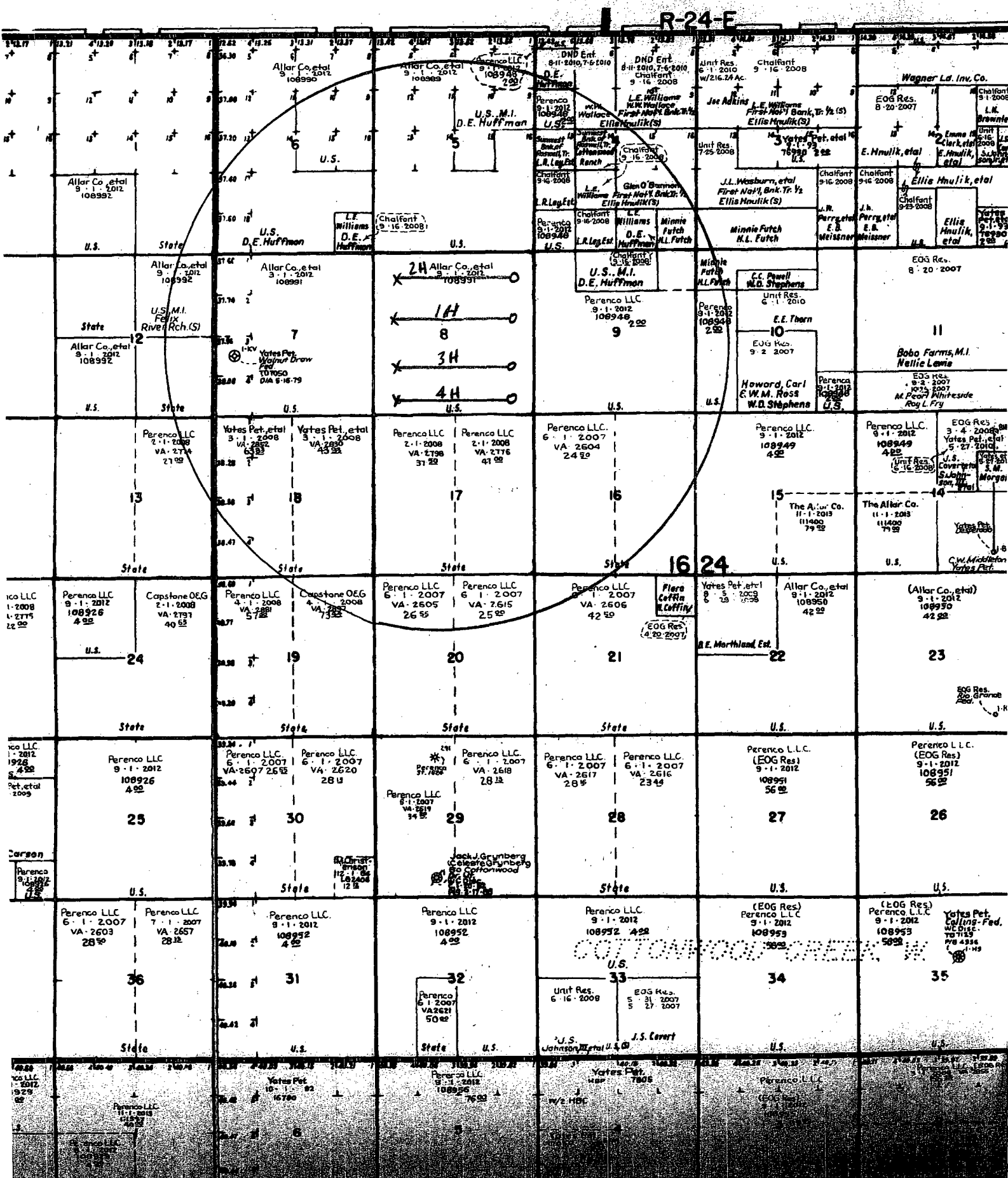
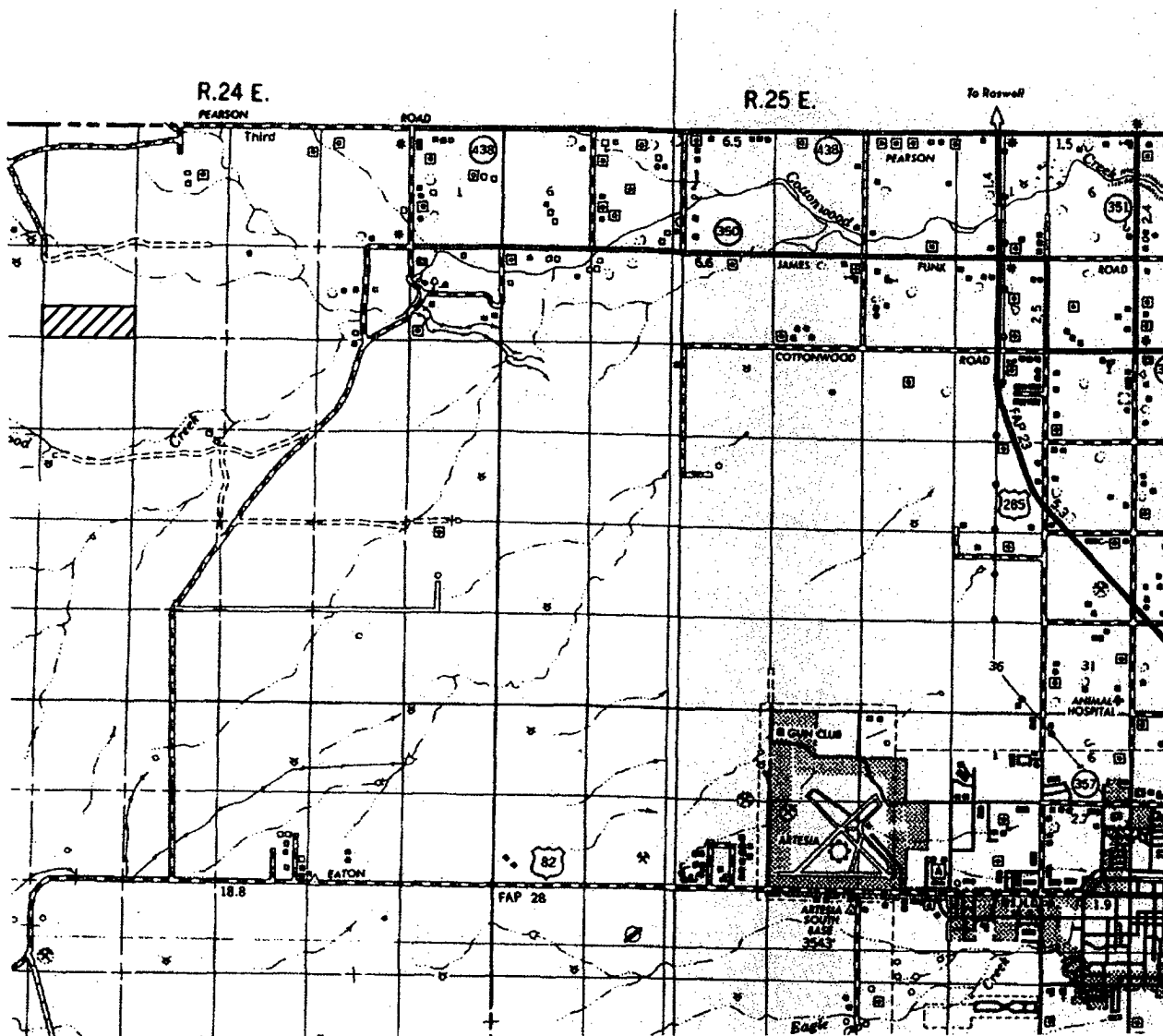


Exhibit 1

EXHIBIT "3"



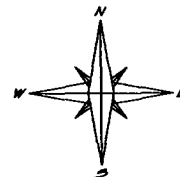
VICINITY MAP



SEC. 8 TWP. 16-S RGE. 24-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 1880' FSL & 660' FEL
 ELEVATION 3655'

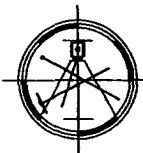
OPERATOR EOG RESOURCES, INC
 LEASE GUADALUPE 8 FED. #3H

SCALE 1" = 2 MILES



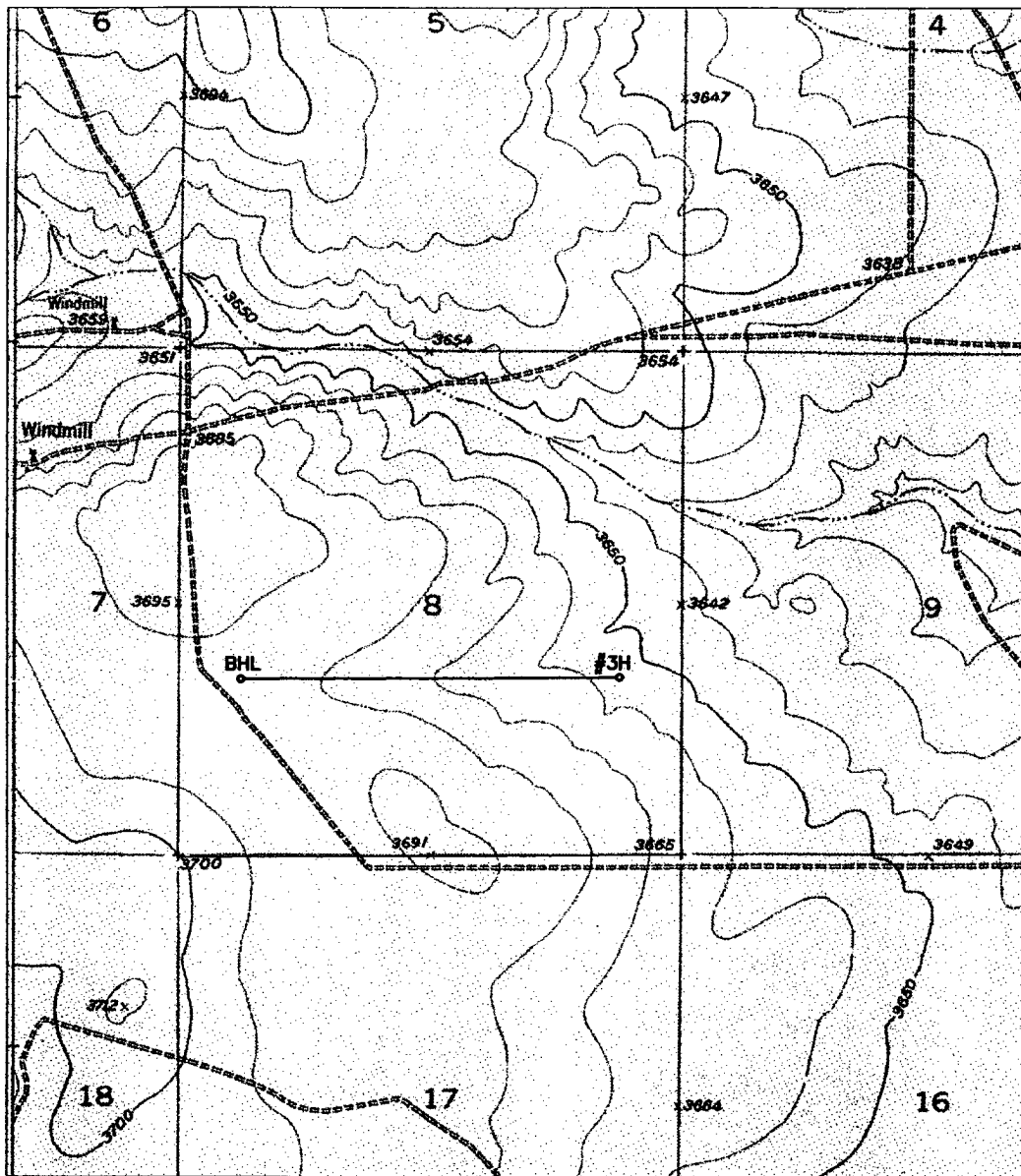
DIRECTIONS: FROM INTERSECTION OF HWY.'S #285 & #82 IN ARTESIA, GO NORTH ON HWY. #285 FOR 7.8 MILES; THENCE WEST ON FUNK ROAD (#121) FOR 7.0 MILES; THENCE SOUTH ON JOY ROAD (#95) FOR 0.7 MILES; THENCE WEST FOR 0.5 MILES; THENCE SOUTH FOR 0.2 MILES; THENCE WEST FOR 2.1 MILES; THENCE NORTH 0.3 MILES TO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

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

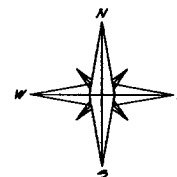
LEASE GUADALUPE 8 FED #3H

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

