

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007



SURVEY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Month: MAY 22 2007
OCD-ARTESIA, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG RESOURCES, INC.**

3a. Address
P.O. Box 2267 Midland, Texas 79702

3b. Phone No. (include area code)
432 686 3642

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2072' FSL & 1705' FWL of Section 24, T17S-R30E, N.M.P.M.

5. Lease Serial No.
NM1747(S/L);NM74939;LC055264

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No
Burnett Oil 24 Fed Com No. 3

9. API Well No.
30-015-35418

10. Field and Pool, or Exploratory Area
Cedar Lake Morrow

11. County or Parish, State
Eddy

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. ("EOG") proposes to amend the Casing Program, Cementing Program and the Mud Program for the subject well.

Please see attached documents referencing the changes.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Donny G. Glanton

Title **Senior Lease Operations ROW Representative**

Signature

Donny G. Glanton

Date

05/16/2007

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

MAY 18 2007

**WESLEY W. INGRAM
PETROLEUM ENGINEER**

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 page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington D.C. 20240

DRILLING PROGRAM
EOG RESOURCES, INC.
BURNETT OIL 24 FED COM 3
Eddy Co. NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	500'
San Andres	3340'
1 st Bone Spring	6180'
Wolfcamp	9075'
Morrow Lime	10830'
Morrow Clastics	11250'

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

Upper Permian Sands	Above 250'	Fresh Water
San Andres	3340'	Oil
1 st Bone Spring	6180'	Oil
Atoka	10540'	Gas
Morrow	11250'	Gas

4. CASING PROGRAM

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Jt.</u>	<u>Conn. Type</u>	<u>Desired TOC</u>
14.750"	0-500'	11.750	42#	H-40		ST&C	Surface
11"	0-5400'	8.625"	32#	J-55/NS-80		LT&C	Surface
7.875"	0-11600'	5.5"	17#	HCP-110		LT&C	**Footnote

**500' above shallowest hydrocarbon bearing zone.

DRILLING PROGRAM
EOG RESOURCES, INC.
BURNETT OIL 24 FED COM 3
Eddy Co. NM

Cementing Program:

11.75" Surface Casing:	Lead: 100 sx: 10:2 RFC Class A + 5 PPS Gilsonite + 0.25 PPS Cello Flake Tail: 300 sx: Class C + 2% CaCl ₂
8.625" 1st Stage 5,400' – 2,600'	Lead: 500 sx: 50/50 Poz C + 10% Bentonite + 5% Salt Tail: 200 sx: Class C + 0.25 pps CelloFlake + 2% CaCl ₂
8.625" 2nd Stage 2,600' – 0	Lead: 1200 sx: 50/50 Poz C + 5% Salt + 10% Bentonite Tail: 150 sx: Class C + 0.25 pps CelloFlake + 2% CaCl ₂
5.50" Production:	Lead: 350 sx: 39/61 LiteCrete Blend + 1% Antisettling Agent + 0.25 pps CelloFlake + 0.05 gps Saltbond + 0.15 gps Retarder + 0.03 gps Antifoamer Tail: 250 sx: TXI Lightweight + 6% Salt + 0.4% Uniflac + 0.2% Dispersant + 0.2% Antifoamer

5. 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>	<u>Wt</u>	<u>Viscosit</u>	<u>Waterloss</u>
		<u>(PPG)</u>	<u>(sec)</u>	<u>(cc)</u>
0-500'	Fresh – Gel	8.6-8.8	28-34	N/c
500'-5,400'	Brine	10.0-10.2	28-39	N/c
5,400'-10,000'	Cut Brine	8.8-9.2	28-30	N/c
10,000'-11,600'	Cut Brine-Polymer	8.8-9.6	34-38	<12

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.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: EOG Resources, Inc
Well Name & No. 3-Burnett Oil 24 Fed Com
Location: 2072FSL, 1705FWL, Sec. 24, T-17-S, R-30-E, Eddy County, NM
Lease: NM 2747, NM 74939, LC 055264

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I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. **Hydrogen Sulfide has been reported in Sections 17, 20, and 21 in T-17-S, R-30-E measuring 1600-10000 ppm in gas streams and 20-4000 ppm in STVs.** A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the Seven Rivers formation.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

- A. The 11-3/4 inch surface casing shall be set at a minimum of 25 feet into the Rustler and above the salt at approximately 500 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Grayburg and San Andres formations.

Possible water flows in the Salado and Artesia groups.

Possible high pressure gas in the Strawn, Atoka, and Morrow formations.

- B. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is cement shall circulate to surface. Both stages of cement to circulate. If cement does not circulate contact the appropriate BLM office. Casing to be API grade, NS-80 not shown in catalog.**
- C. The minimum required fill of cement behind the 5-1/2 inch production casing is cement is to extend a minimum of 200 feet inside of the intermediate casing.**
- D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.**

III. PRESSURE CONTROL:

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53.**
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) PSI.**
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 8-5/8" intermediate casing shoe shall be 5000 (5M) PSI.**
- D. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.**
 - 1. The tests shall be done by an independent service company.**
 - 2. The results of the test shall be reported to the appropriate BLM office.**
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.**
 - 5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.**

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

Engineer on call phone: 505-706-2779

WWI 051807