Form 3160-3
(February 2005)

7008

OCD-ARTESIA

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

ATS-07-271

585.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Month - Year

APPLICATION FOR PERMIT TO DRILL OR REENTER

OCD - ARTESIA, NM

5. Lease Serial No. **NM 0437521**	
6. If Indian, Allotee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. **SAND TANK 18 FED No. 2H**	21095
9. API Well No. **30-015-35617**	
10. Field and Pool, or Exploratory **Sand Tank Bone Spring**	
11. Sec., T. R. M. or Blk. and Survey or Area **Section 18, T18S-R30E, N.M.P.M.**	
12. County or Parish **Eddy**	13. State **NM**

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.** 7377

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 **330' FNL & 860' FEL (U/L A)**
At proposed prod. zone **2310' FNL & 660' FEL (U/L H)**

14. Distance in miles and direction from nearest town or post office*
4.5 miles SW of Loco Hills, NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **330'**	16. No. of acres in lease **80**	17. Spacing Unit dedicated to this well **E/2 NE/4 Sec 18, T18S-R30E, N.M.P.M.**	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **na**	19. Proposed Depth **TVD 8100' TMD 10,080'**	20. BLM/BIA Bond No. on file **NM2308**	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) **GL 3526'**	22. Approximate date work will start* **07/01/2007**	23. Estimated duration **45**	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must 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 must 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 BLM.

25. Signature	Name *(Printed/Typed)* **Donny G. Glanton**	Date **03/19/2007**
Title **Sr. Lease Operations ROW Representative**		
Approved by *(Signature)* **/s/ James Stovall**	Name *(Printed/Typed)* **/s/ James Stovall**	Date **MAY 11 2007**
Title **FIELD MANAGER**	Office **CARLSBAD FIELD OFFICE**	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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 juri

d

*(Instructions on page 2)

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

CAPITAN CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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	Pool Name
	96832	SAND TANK BONE SPRING

Property Code	Property Name	Well Number
	SAND TANK 18 FED.	2H

OGRID No.	Operator Name	Elevation
7377	EOG RESOURCES INC.	3526'

Surface Location

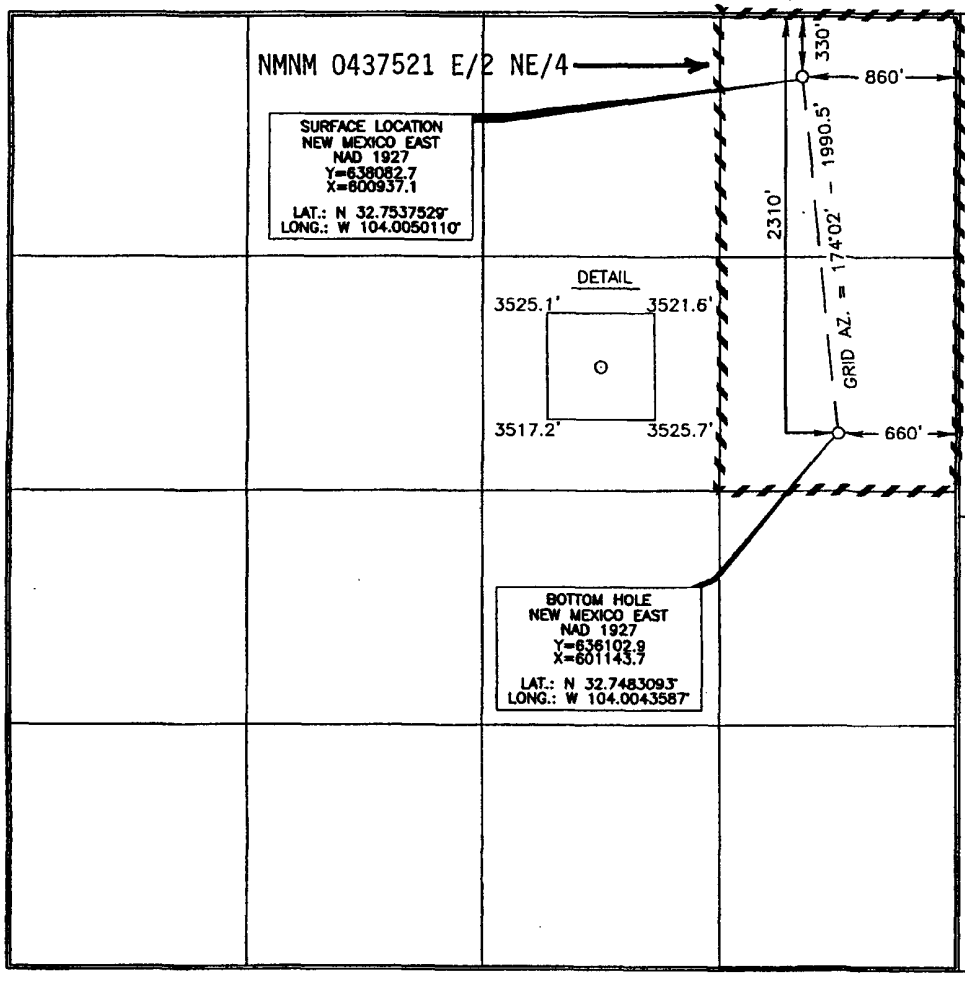
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	18 SOUTH	30 EAST, N.M.P.M.		330'	NORTH	860'	EAST	EDDY

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
H	18	18 SOUTH	30 EAST, N.M.P.M.		2310'	NORTH	660'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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 3/19/07 Date

Donny G. Glanton
Printed Name

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.

FEBRUARY 06, 2007
Date of Survey

Signature and Seal of Professional Surveyor:

NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

2/16/07
Certificate Number 15079

WO# 070206WL-b (JL)

DRILLING PROGRAM

EOG RESOURCES, INC.
SAND TANK 18 Fed 2H
Eddy Co. NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	500'
San Andres	3400'
1st Bone Spring	7600'
2nd Bone Spring	7900'
TD	8100'

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

Upper Permian Sands	Above 250'	Fresh Water
Grayburg/San Andres	3000'	Oil
1st Bone Spring	7600'	Oil
2nd Bone Spring	8100'	Gas

4. CASING PROGRAM

Hole Size	Interval	OD Casing	Weight	Grade	Jt.	Conn. Type	Desired TOC
14.750"	0-650'	11.750"	42#	H-40		ST&C	Surface
11"	0-3400'	8.625"	32#	J-55		LT&C	Surface
7.875"	0-9685'	5.5"	17#	P-110		LT&C	3000' – C O A

Cementing Program:

11.750" Surface Casing:	**Lead: 150 sx:** Premium Plus + 2% $CaCl_2$ + 3% Econolite + ¼ pps Flocele **Tail: 150 sx:** Premium Plus + 2% $CaCl_2$ + ¼ pps Flocele
8.625" Intermediate:	**Lead: 500 sx:** Interfill C + ¼ pps Flocele **Tail: 200 sx:** Premium Plus + 1% $CaCl_2$
5.50" Production:	**Lead: 350 sx:** Interfill C + ¼ pps Flocele **Tail: 200 sx:** Premium Cement + 100% Acid Soluable Additive + 0.6% Halad®-344 + 0.8% Econolite + 0.2% HR-55

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

The blowout preventer and related equipment (BOPE) shown in Exhibit #1 shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. EOG request authorization to use a 2M system, providing for an annular preventer to be used prior to the surface casing shoe while drilling the intermediate section. Before drilling out the 1st intermediate casing, the ram-type BOP and accessory equipment will be tested to ~~5000~~ psi and the annular to ~~3500~~ psi.
3000 - per Operator-1500

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:

Depth	Type	Wt (PPG)	Viscosit (sec)	Waterloss (cc)
0-650'	Fresh – Gel	8.6-8.8	28-34	N/c
650'-3,400'	Brine	10.0-10.2	28-34	N/c
3,400'-7,000'	Cut Brine	8.8-9.6	28-34	N/c
7,000'-8,125'	Cut Brine	8.8-9.6	28-34	10-15
7,418'-9,685'	Cut Brine/Polymer	8.8-9.6	40-45	10-25

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.

(C) A mud logging unit complete with H_2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 500' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Induction Focused and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron run from intermediate casing to surface and optional Sonic from TD to intermediate casing.

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 3500 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.

Sand Tank 18 Fed No. 2H

Meets 3M Specifications
For manifold

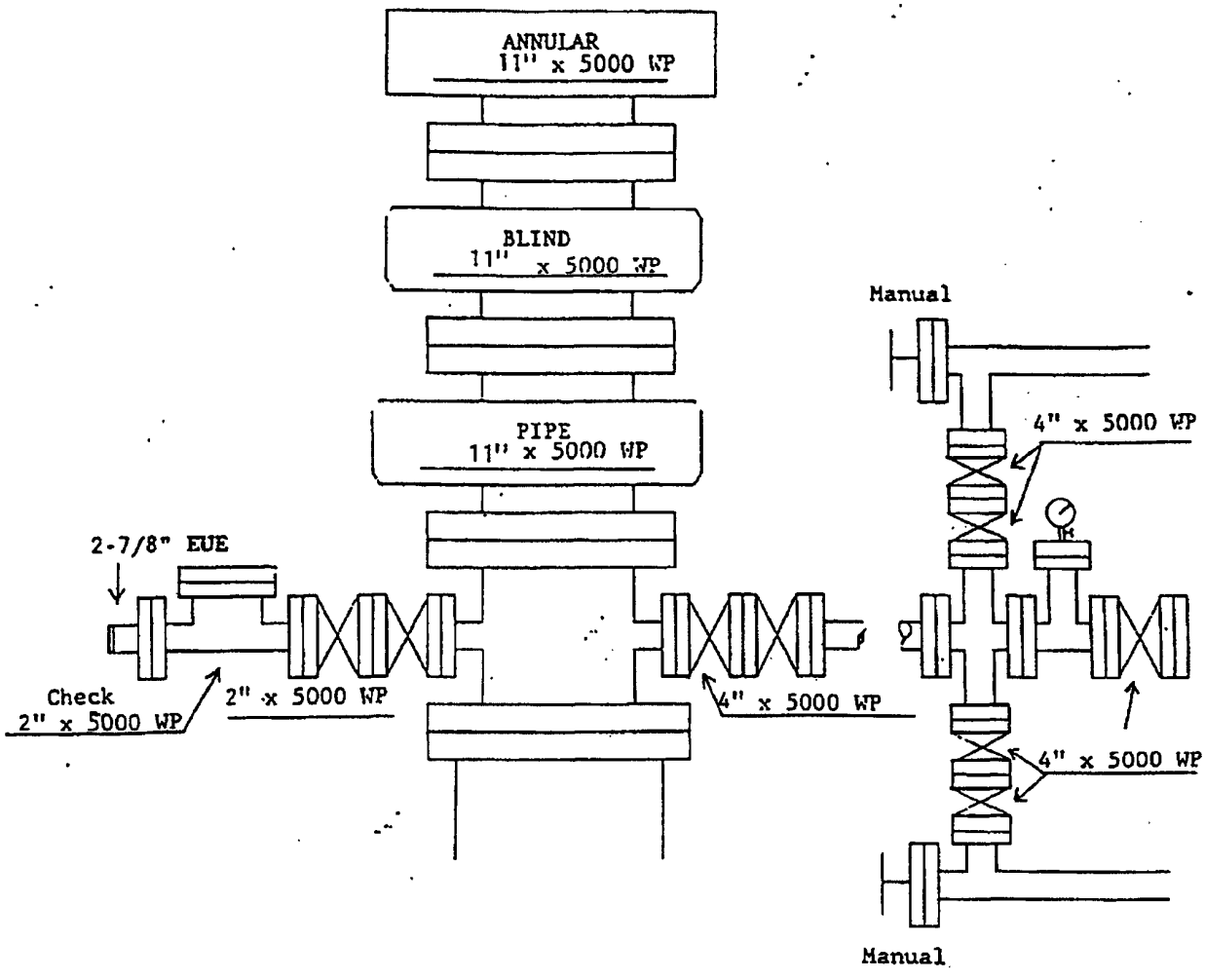


Exhibit 1

DRILLING PROGRAM

EOG RESOURCES, INC.
SAND TANK 18 Fed 2H
Eddy Co. NM

DATE: 3/19/2007

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, 5000 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 5000 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.

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well Sand Tank 18 Fed #2H
Company:	EOG - Midland (3)	**TVD Reference:**	WELL @ 3544.00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	**MD Reference:**	WELL @ 3544.00ft (Original Well Elev)
Site:	Sand Tank 18 Fed #2H	**North Reference:**	Grid
Well:	Sand Tank 18 Fed #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Sand Tank 18 Fed #2H		
Design:	Original Plan		

Project Sand Tank (Bone Spring), Eddy County, NM

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Sand Tank 18 Fed #2H

Site Position:		**Northing:**	638,082.70 ft	**Latitude:**	32° 45' 13.510 N
From:	Map	**Easting:**	600,937.10 ft	**Longitude:**	104° 0' 18.039 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	"	**Grid Convergence:**	0.18 °

Well Sand Tank 18 Fed #2H

Well Position	**+N/-S**	0.00 ft	**Northing:**	638,082.70 ft	**Latitude:**	32° 45' 13.510 N
	+E/-W	0.00 ft	**Easting:**	600,937.10 ft	**Longitude:**	104° 0' 18.039 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	3,526.00 ft

Wellbore Sand Tank 18 Fed #2H

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2000	12/31/2004	8.81	60.85	49,690

Design Original Plan

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	174.04

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,418.00	0.00	0.00	7,418.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,158.75	88.00	174.04	7,900.00	-462.95	48.33	11.88	11.88	0.00	174.04	
8,159.09	88.01	174.04	7,900.01	-463.28	48.37	3.00	2.84	0.97	0.00	
9,684.42	88.01	174.04	7,952.99	-1,979.46	206.56	0.00	0.00	0.00	0.00	
9,684.76	88.00	174.04	7,953.00	-1,979.80	206.60	3.00	-2.84	-0.97	0.00	BHL (ST 18 #2H)

EOG RESOURCES INC.

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Well:	Sand Tank 18 Fed #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Sand Tank 18 Fed #2H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00

Database:	EDM	**Local Co-ordinate Reference:**	Well Sand Tank 18 Fed #2H
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Wellbore:	Sand Tank 18 Fed #2H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00
6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0.00
6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00
6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00
6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00
7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00
7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00
7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00
7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00
7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00
7,418.00	0.00	0.00	7,418.00	0.00	0.00	0.00	0.00	0.00	0.00
7,500.00	9.74	174.04	7,499.61	-6.92	0.72	6.95	11.88	11.88	0.00
7,600.00	21.62	174.04	7,595.71	-33.75	3.52	33.93	11.88	11.88	0.00
7,700.00	33.50	174.04	7,684.20	-79.69	8.32	80.12	11.88	11.88	0.00
7,800.00	45.38	174.04	7,761.29	-142.76	14.90	143.54	11.88	11.88	0.00
7,900.00	57.26	174.04	7,823.68	-220.27	23.00	221.46	11.88	11.88	0.00
8,000.00	69.14	174.04	7,868.68	-308.88	32.25	310.56	11.88	11.88	0.00
8,100.00	81.02	174.04	7,894.38	-404.82	42.26	407.02	11.88	11.88	0.00
8,158.75	88.00	174.04	7,900.00	-462.95	48.33	465.46	11.88	11.88	0.00
8,159.09	88.01	174.04	7,900.01	-463.28	48.37	465.80	3.00	2.84	0.97
8,200.00	88.01	174.04	7,901.43	-503.95	52.61	506.69	0.00	0.00	0.00
8,300.00	88.01	174.04	7,904.91	-603.35	62.98	606.63	0.00	0.00	0.00
8,400.00	88.01	174.04	7,908.38	-702.75	73.35	706.57	0.00	0.00	0.00
8,500.00	88.01	174.04	7,911.85	-802.15	83.72	806.51	0.00	0.00	0.00
8,600.00	88.01	174.04	7,915.33	-901.55	94.09	906.45	0.00	0.00	0.00
8,700.00	88.01	174.04	7,918.80	-1,000.95	104.47	1,006.39	0.00	0.00	0.00
8,800.00	88.01	174.04	7,922.27	-1,100.35	114.84	1,106.33	0.00	0.00	0.00
8,900.00	88.01	174.04	7,925.74	-1,199.75	125.21	1,206.26	0.00	0.00	0.00
9,000.00	88.01	174.04	7,929.22	-1,299.15	135.58	1,306.20	0.00	0.00	0.00
9,100.00	88.01	174.04	7,932.69	-1,398.55	145.95	1,406.14	0.00	0.00	0.00
9,200.00	88.01	174.04	7,936.16	-1,497.95	156.32	1,506.08	0.00	0.00	0.00
9,300.00	88.01	174.04	7,939.64	-1,597.35	166.69	1,606.02	0.00	0.00	0.00
9,400.00	88.01	174.04	7,943.11	-1,696.75	177.07	1,705.96	0.00	0.00	0.00
9,500.00	88.01	174.04	7,946.58	-1,796.15	187.44	1,805.90	0.00	0.00	0.00
9,600.00	88.01	174.04	7,950.06	-1,895.55	197.81	1,905.84	0.00	0.00	0.00
9,684.42	88.01	174.04	7,952.99	-1,979.46	206.56	1,990.21	0.00	0.00	0.00
9,684.76	88.00	174.04	7,953.00	-1,979.80	206.60	1,990.55	3.00	-2.84	-0.97
BHL (ST 18 #2H)									

EOG RESOURCES INC.

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well Sand Tank 18 Fed #2H
Company:	EOG - Midland (3)	**TVD Reference:**	WELL @ 3544.00ft (Original Well Elev)
Project:	Sand Tank (Bone Spring)	**MD Reference:**	WELL @ 3544.00ft (Original Well Elev)
Site:	Sand Tank 18 Fed #2H	**North Reference:**	Grid
Well:	Sand Tank 18 Fed #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Sand Tank 18 Fed #2H		
Design:	Original Plan		

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BHL (ST 18 #2H) - plan hits target - Point	0.00	0.00	7,953.00	-1,979.80	206.60	636,102.90	601,143.70	32° 44' 53.913 N	104° 0' 15.692 W

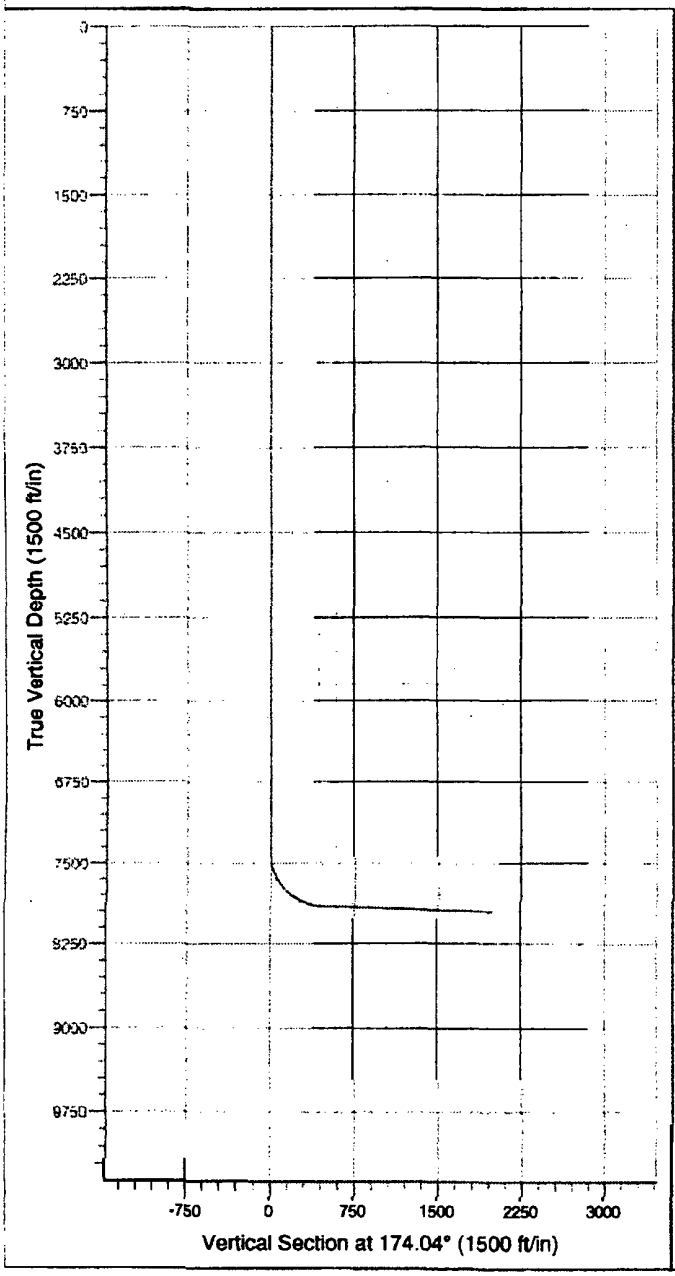
WELL DETAILS: Sand Tank 18 Fed #2H

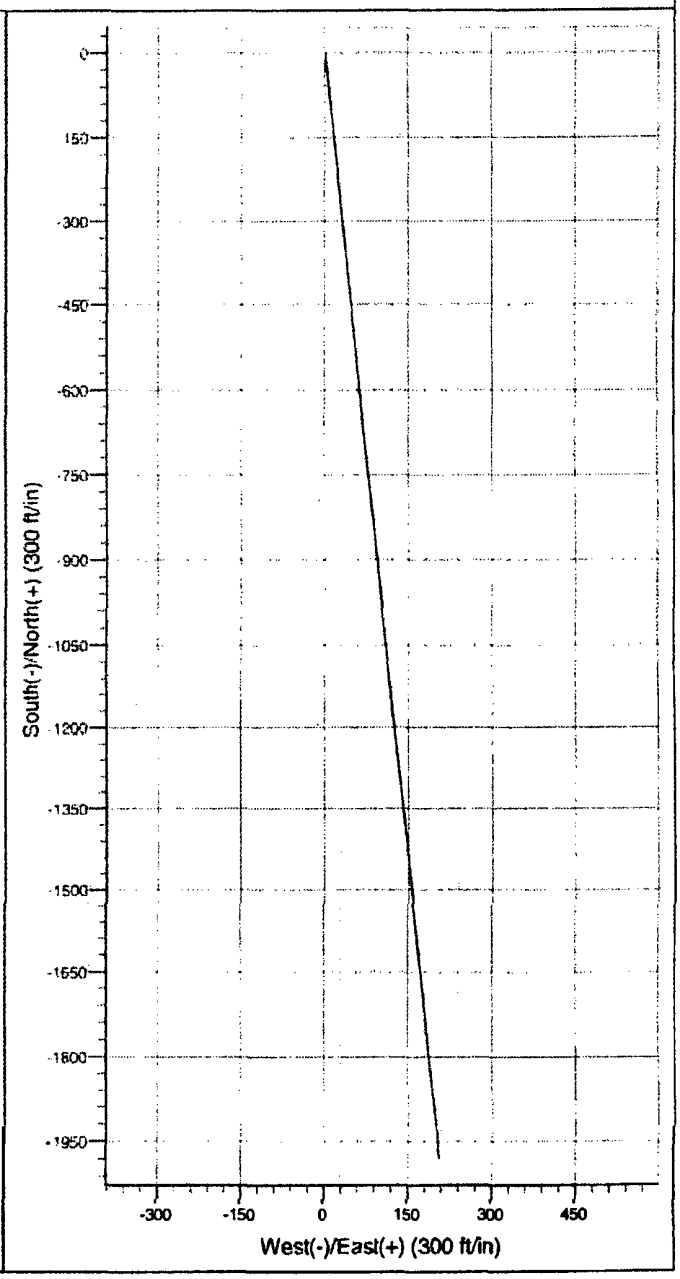
Ground Level: 3526.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	638082.70	600937.10	32° 45' 13.510 N	104° 0' 18.039 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	7418.00	0.00	0.00	7418.00	0.00	0.00	0.00	0.00	0.00
3	8158.75	88.00	174.04	7900.00	-462.95	48.33	11.88	174.04	465.46
4	8159.09	88.01	174.04	7900.01	-463.28	48.37	3.00	0.00	465.80
5	9684.42	88.01	174.04	7952.99	-1979.46	206.56	0.00	0.00	1990.21
6	9684.76	88.00	174.04	7953.00	-1979.80	206.60	3.00	0.00	1990.55





DRILLING PROGRAM

EOG RESOURCES, INC.
SAND TANK 18 Fed 2H
Eddy Co. NM

SURFACE USE AND OPERATIONS PLAN
Surface is owned by BLM

Directions to Well Site: From Loco Hills at the intersection of U.S. Hwy #82 and Eddy County Road No. 217, go south-southwest on Eddy Co. Road #217 for 3.0 miles; then turn left on Eddy County Road No. 216 and go south for 1.9 miles; then turn left on lease road for 0.1 miles; then turn right on lease road for 0.2 miles; then turn left on lease road and go east for 0.7 miles; then turn right and go south on old lease road for 0.1 miles to location.

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #2

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

EOG will utilize the existing old lease road to the Herman J. Ledbetter Southern Union No. 1 Dry Hole Marker as shown on Exhibit 2a.

No turnouts necessary.

No culverts 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, a flowline will be built to the nearest pipeline.

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 over the roads as shown on Exhibit 2 & 2a and by temporary water supply lines.

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.
SAND TANK 18 Fed 2H
Eddy Co. NM

OTHER INFORMATION:

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

COMPANY REPRESENTATIVES:

Permitting & Land

Mr. Donny G. Glanton
Senior Lease Operations ROW Representative
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office
(432) 770-0602 Cell
Email: donny_glanton@eogresources.com

Drilling

Mr. Jason LaGrega
Division Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3633 Office
(432) 894-1217 Cell
Email: jason_lagrega@eogresources.com

Operations

Mr. Howard Kemp
Production Manager
EOG Resources, Inc
P.O. Box 2267
Midland, TX 79702
(432) 686-3704 Office
(432) 634-1001 Cell
Email: howard_kemp@eogresources.com

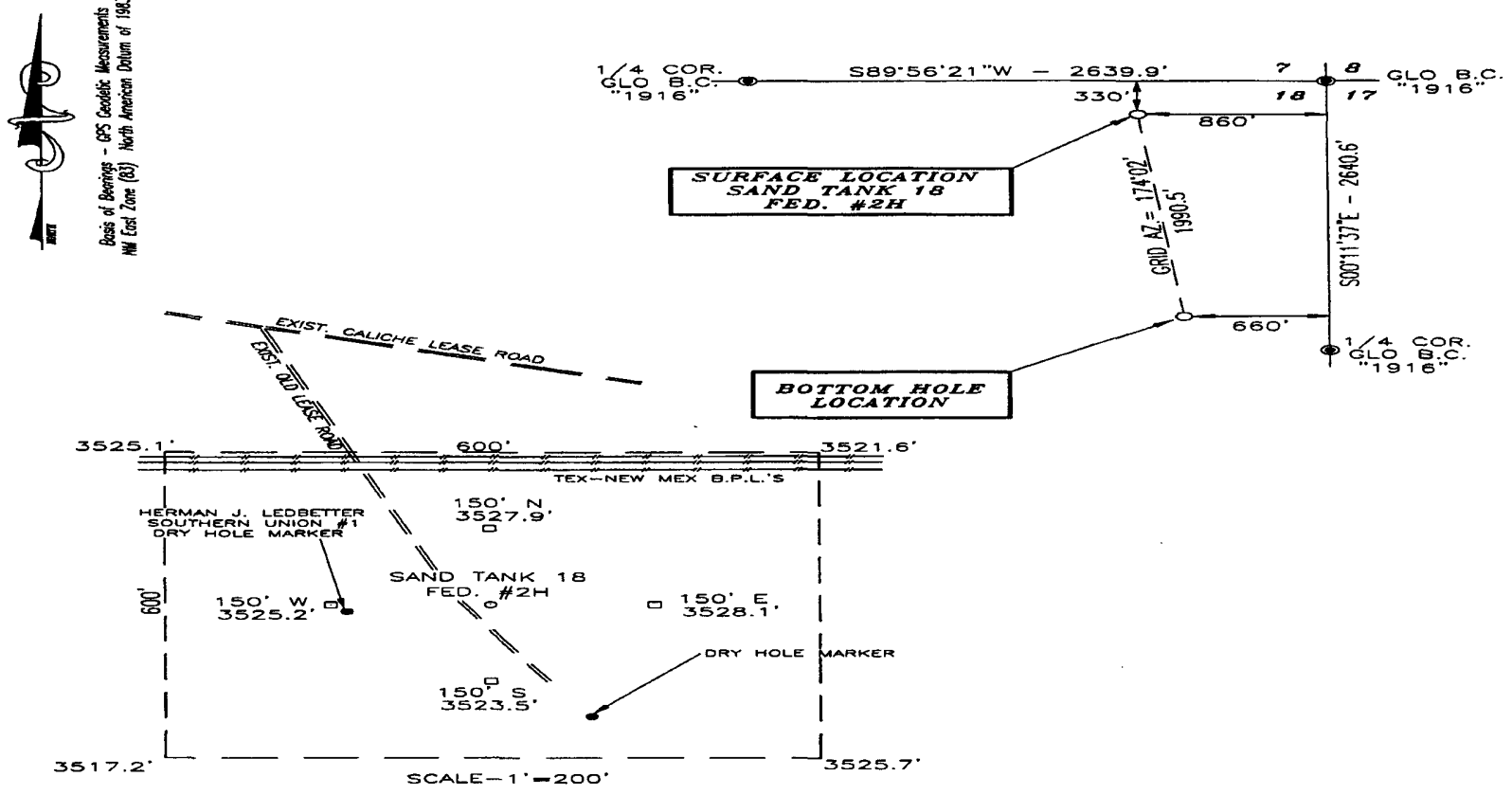
CERTIFICATION:

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

SECTION 18, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO

EXHIBIT 2a



DRIVING DIRECTIONS:
BEGINNING IN LOCO HILLS AT THE INTERSECTION OF U.S. HWY. #82 AND EDDY CO. RD. #217, GO SOUTH-SOUTHWEST ON EDDY CO. RD. #217 FOR 3.0 MILES; THEN TURN LEFT ON EDDY CO. RD. #216 AND GO SOUTH FOR 1.9 MILES; THEN TURN LEFT ON LEASE ROAD FOR 0.1 MILES; THEN TURN RIGHT ON LEASE ROAD FOR 0.2 MILES; THEN TURN LEFT ON LEASE ROAD AND GO EAST FOR 0.7 MILES; THEN TURN RIGHT AND GO SOUTH ON OLD LEASE ROAD FOR 0.1 MILES TO LOCATION.

LEGEND

● - DENOTES FOUND MONUMENT AS NOTED

1000' 0 1000' 2000' FEET

SCALE: 1" = 1000'

TERRY J. ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 2/16/07

Terry J. Asel N.M. R.P.S. No. 15079

Asel Surveying & Consulting

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

EOG RESOURCES INC.

SAND TANK 18 FEDERAL #2H
IN SECTION 18, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 02/06/07	Sheet 1 of 1 Sheets		
W.O. Number: 070206WL-b	Drawn By: JL	Rev:	
Date: 02/15/07	070206WL-b	Scale: 1" = 1000'	

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**EOG Resources, Inc**
Well Name & No.	**2H-Sand Tank 18 Fed**
Location SHL:	**0330FNL, 0860 FEL, Section 18, T-18-S, R-30-E**
Location BHL:	**2310 FNL, 0660 FEL, Section 18, T-18-S, R-30-E**
Lease:	**NM 0437521**

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. Although there is no measured Hydrogen Sulfide in this section, it has been measured in Section 7, T-18-S, R-31-E ranging from 150-380 ppm in the gas streams.

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 **13-3/8** inch surface casing shall be set at **a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 650 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.

B. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is **cement to circulate to surface.** If cement does not circulate see A.1 thru 4.

Possible water flow in the Salado Group and the Premier member of the Grayburg formation.

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 inch** intermediate casing shoe shall be **3000 (3M)** 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.

Engineer on call phone: 505-706-2779

WWI 032707