Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5 Lease Serial No.
LC - ~~063681-A~~ 063621A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NM061P3586C347

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

JAN 23 2008
OCD-ARTESIA

8. Well Name and No.
Holly 8 Fed Com 1

2 Name of Operator
EOG Resources Inc.

9. API Well No
30-015-24298

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

3b Phone No. (*include area code*)
432 686 3689

10. Field and Pool, or Exploratory Area
Sand Tank

4 Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
1980' FNL & 1980' FEL, U/L G
Sec 8, T18S, R30E

11 County or Parish, State
Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☒ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

EOG Resources requests temporary TA authority for the Holly 8 Fed Com 1.
The intent is to use this wellbore as a Pinnacle micro seismic observation well of our Oatmeal 8 Fed 3H which is scheduled to be drilled in the 1st quarter if 2008.
An MIT test was performed to 570 psi for 30 min on 11/6/07.
Our intent is to plug the well in March 2008 as to the previously approved plan below.

Accepted for record
NMOCD RF

Proposal to P&A:
Pump 9 ppg mud between all plugs
1. Spot 50 sx cement plug from ~~8700' to 8900'~~ *
2. Cut and pull 5 1/2" casing at +/- 7500'.
3. Spot 60 sx cement plug from 7400' to 7600'. Tag. *
4. Spot 45 sx cement plug from 3275' to 3375'. Tag.
5. Spot 40 sx cement plug from ~~1400' to 1500'~~. *
6. Spot 35 sx cement plug from 233' to 333'. Tag.
7. Spot 25 sx cement plug from 50' to surface.
8. Cut off casing and weld on P&A marker. Clean and restore location.

* SEE ATTACHED FOR CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) Stan Wagner — Title Regulatory Analyst

Signature — Date 12/20/2007

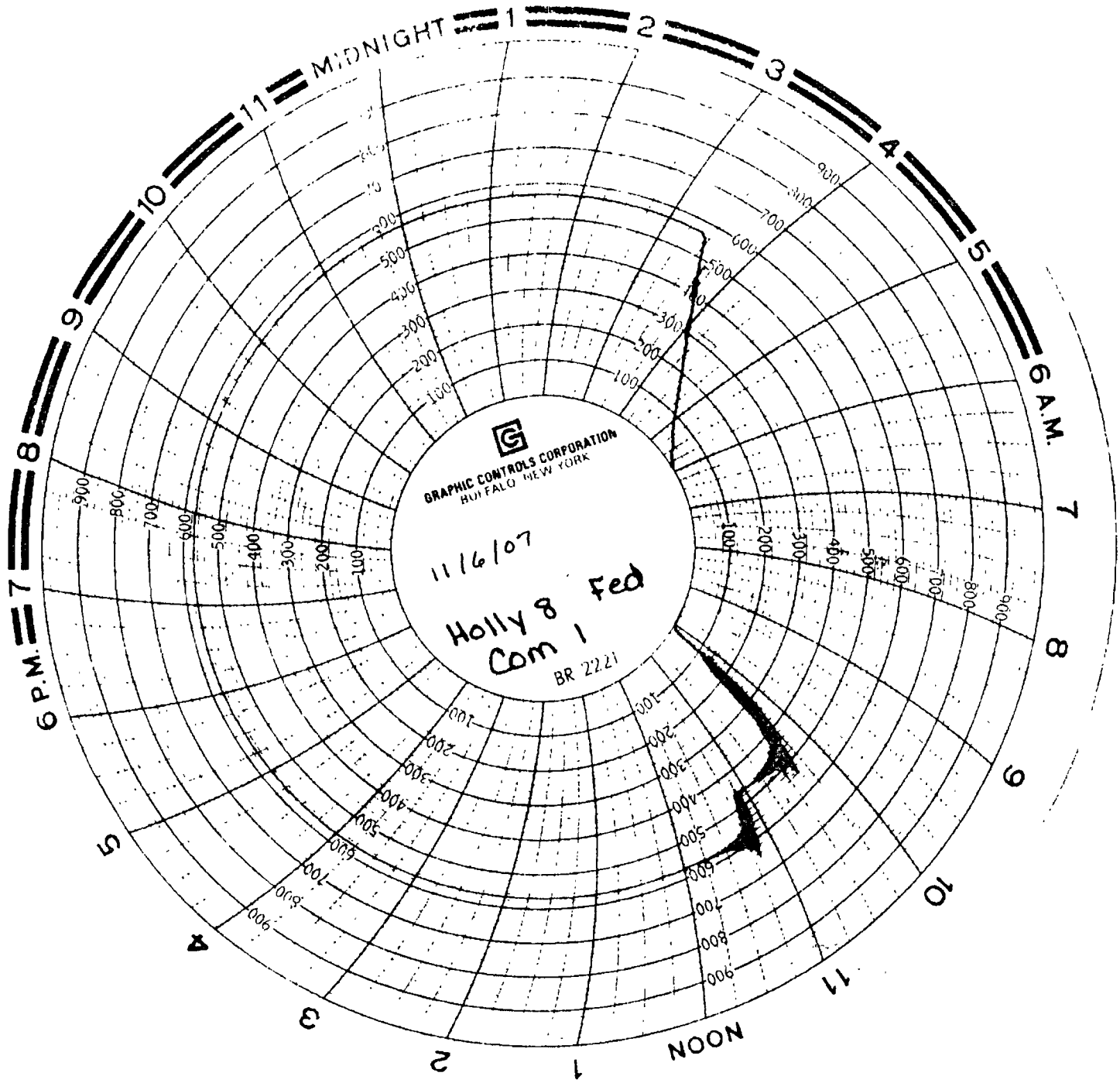
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by — Title FIELD MANAGER — Date

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.

Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.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GRAPHIC CONTROLS CORPORATION
BUFFALO NEW YORK
11/6/07
Holly 8 Fed
Com 1
BR 2221

CONDITIONS OF APPROVAL
NMLC063621A; Holly 8 Fed Com 1
1980' FNL & 1980' FEL, Sec. 8, T18S-R30E
Eddy County, New Mexico

Plugging procedure:

1. Spot 180' (100' plus 10% per 1000 foot of depth) cement plug across the Wolfcamp formation at 8450' (8360' – 8540')
2. Cut and pull 5 ½" casing at +/- 7500'.
3. Spot 170' (50' in/out, plus 10% per 1000 foot of depth) cement plug across the casing stub at 7500' +/- (7415' – 7585'), WOC and tag plug.
4. An additional 150'cement plug is to be set at 5340' – 5490' (No more than 2000' is allowed between cement plugs in open hole). WOC and tag.
5. Spot 165' cement plug across the 8 5/8" casing shoe at 3325' and extending 50' above the San Andres formation top at 3260'. WOC and Tag.
6. Spot 100' cement plug across the base of the salt (1260') from 1210' – 1310'. WOC and tag.
7. Spot 100' cement plug across the top of the salt (500') from 450' – 550'. WOC and tag.
8. Spot 100' cement plug across the 13 3/8" casing shoe (283') 233' – 333'. WOC and tag.
9. Spot 50' cement plug from 50' – surface.

Some of the upper plugs can be combined. If you have any questions, contact Jim Amos at 505-234-5909. Requirements are based on BLM Onshore Order #2 and NMOCD guidelines.

Attached: NMOCD Guidelines
BLM Permanent Abandonment Conditions of Approval

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 505-627-0272, Eddy County call 505- 234-5972; for wells in Lea County call 505-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

acs -- 8/26/96

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR PART 3160
Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Drilling Operations

The following standards apply to the abandonment of newly drilled dry or non- productive wells in accordance with 43 CFR 3162.3-4 and section V of Onshore Oil and Gas Order No. 1. Approval shall be obtained prior to the commencement of abandonment. All formations bearing usable-quality water, oil, gas, or geothermal resources, and/or a prospectively valuable deposit of minerals shall be protected. Approval may be given orally by the authorized officer before abandonment operations are initiated. This oral request and approval shall be followed by a written notice of intent to abandon filed not later than the fifth business day following oral approval. Failure to obtain approval prior to commencement of abandonment operations shall result in immediate assessment of under 43 CFR 3163.1(b)(3). The hole shall be in static condition at the time any plugs are placed (this does not pertain to plugging lost circulation zones). Within 30 days of completion of abandonment, a subsequent report of a abandonment shall be filed. Plugging design for an abandonment hole shall include the following:

1. Open Hole.

i. A cement plug shall be placed to extend at least 50 feet below the bottom (except as limited by total depth (TD) or plugged back total depth (PBTD)), to 50 feet above the top of:

a. Any zone encountered during which contains fluid or gas with a potential to migrate;

b. Any prospectively valuable deposit of minerals.

ii. All cement plugs, except the surface plug, shall have sufficient slurry volume to fill 100 feet of the hole, plus an additional 10 percent of slurry for each 1,000 feet of depth.

iii. No plug, except the surface plug, shall be less than 25 sacks without receiving specific approval from the authorized officer.

iv. Extremely thick sections of single formation may be secured by placing 100-foot plugs across the top and bottom of the formation, and in accordance with item ii hereof. v. In the absence of productive zones or prospectively valuable deposits of minerals which otherwise require placemnt of cement plugs, long sections of open hole shall be plugged at least every 3,000 feet. Such plugs shall be placed across in-gauge sections of the hole, unless otherwise approved by the authoriuzed officer.

2. Cased Hole. A cement plug shall be placed opposite all open perforation and extend to a minimum of 50 feet below (except as limited by TD or PBTD) to 50 feet above the perforated interval. All cement plugs, except the surface plug, shall have sufficient slurry volume to fill 100 feet of hole, plus an additional 10 percent of slurry for each 1,000 feet of depth. In lieu of the cement plug, a bridge plug is acceptable, provided:

i. The bridge plug is set within 50 feet to 100 feet above the open perforations;

ii. The perforations are isolated from any open hole below; and

iii. The bridge plug is capped with 50 feet of coment. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

3. Casing Removed from Hole. If any casing is cut and recovered, a cement plug shall be placed to extend at least 50 feet above and below the stub. The exposed hole resulting from the casing removal shall be secured as required in items 1i and 1ii hereof.

4. An additional cement plug placed to extend a minimum of 50 feet above and below the shoe of the surface casing for intermediate string, as appropriate).

5. Annular Space. No annular space that extends to the surface shall be left open to the drilled hole below. If this condition exists, a minimum of the top 50 feet of annulus shall be plugged with cement.

6. Isolating Medium. Any cement plug which is the only isolating medium for a usable water interval or a zone containg a prspectively valuable deposit of minerals shall be testedby tagging with the drill string. Any plugs placed where the fluid level will not remain static also shall be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1,000 psi, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questionable, or if the authorized officer has specific concerns for which he/she orders a plug to be tested, it shall be tested in the same manner.

7. Silica Sand or Silica Flour. Silica sand or silica flour shall be added to cement exposed to bottom hole static temperatures above 230 øF to prevent heat degradation of the cement.

8. Surface Plug. A cement plug of at least 50 feet shall be placed across all annuluses. The top of this plug shall be placed as near the eventual casing cutoff point as possible.

9. Mud. Each of the intervals between plugs shall be filled with mud of suffcient density to exert hydrostatic pressure exceeding the greatest formation pressure encountered while drilling such interval. In the absense of other information at the time plugging is approved, a minimum mud weight of 9 pounds per gallon shall be specified.

10. Surface Cap. All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least 1/4 inch thick and welded in place, or a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement as specified by the authorizedofficer. The well location and identity shall be permanently inscribed. A weep hole shall be left if a metal plate is welded in place.

11. The cellar shall be filled with suitable material as specified by the authorized officer and the surface restored in accordancxe with the instructions of the authorized officer.

Minimum Standard

All plugging orders shall be strictly adhered to.

Violation: Major.
Corrective Action: Contingent upon circumstances.
Normal Abatement Period: Prompt correction required.

NEW MEXICO OIL CONSERVATION DIVISION
GUIDELINES ON PLUGGING PROCEDURES

1. All cement plugs will be a minimum of 100' in length.
2. Minimum 25 sack cement plug allowed.
3. Mud laden fluids between all cement plugs.
4. Mud laden fluids mixed at 25 sack of gel per 100 barrels of water.
5. A cement plug is required to be set 50'below and 50' above all casing shoes and casing stub plugs. Tag plugs.
6. A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
7. A CIBP with 35' of cement on top or 100' cement plug (minimum 25 sacks) must be set with-in 100' of top perforation.
8. All cement plugs set at casing shoes, casing stubs, above perforations and at top and base of salt section will be tagged.
9. No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' allowed between cement plugs in cased holes.
10. D.V. tools are required to have 100' cement plug set 50' below and 50' above D.V. tool.
11. R-111-P requires a solid cement plug set across the salt section (50'below and 50' above salt section). Fluid used to mix the cement shall be saturated with the salts common to the salt section penetrated and with suitable proportions, but not more than three percent of calcium chloride by weight of cement being considered the desired mixture whenever possible. The plug will be tagged.
12. Formations to be isolated with 100' cement plug or CIBP with 35' cement on top are as follows. Top of Fusselman, top of Devonian, top of Morrow, Top of Wolfcamp, in Delaware Basin, top of bone Springs, Top of Delaware, top and base of salt section, in Plateform Shelf top of ABO, top of Glorieta, top of Yates, Top of salt section and base of salt section. Cement plug set at top of Yates will be base of salt plug.
13. If cement does not exist behind casing at recommended geological formations to be isolated, the casing must be cut and pulled and cement plugs placed at recommended formations to be isolated or casing must be perforated and cement squeezed behind casing at recommended formations to be isolated.