NSL

ATS-08-1068

JAN 05 2009 OCD-ARTESIA

OCD-ARTESIA

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work: ☑ DRILL ☐ REENTER	5 Lease Serial No. **NM 108935**
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone	6 If Indian, Allotee or Tribe Name
2 Name of Operator **EOG Resources, Inc.**	7 If Unit or CA Agreement, Name and No
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 **404' FSL & 458' FEL (U/L P)** At proposed prod zone **760' FSL & 660' FWL (U/L M)** **Split Estate**	8 Lease Name and Well No **WAIMEA B 24 FEDERAL 1H**
	9 API Well No **30-015- 36874**
	10 Field and Pool, or Exploratory **Wildcat Wolfcamp**
	11 Sec., T R M or Blk and Survey or Area **Section 24, T17S-R23E, N.M.P.M.**
14 Distance in miles and direction from nearest town or post office* **Approx 5.5 miles E of Hope, NM**	12 County or Parish **Eddy** / 13 State **NM**

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) **404'**	16 No of acres in lease **280**	17 Spacing Unit dedicated to this well **S/2 Sec 24, T17S-R23E, N.M.P.M.**
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft **na**	19 Proposed Depth **4,830' TVD; 8,916' TMD**	20 BLM/BIA Bond No. on file **NM2308**
21 Elevations (Show whether DF, KDB, RT, GL, etc.) **GL 3,876.3'**	22 Approximate date work will start* **12/15/2008**	23 Estimated duration **14**

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)*	Date
Donny G. Glanton	**Donny G. Glanton**	**09/24/2008**

Title **Sr. Lease Operations ROW Representative**

Approved by *(Signature)*	Name *(Printed Typed)*	Date
/s/ Don Peterson	**FIELD MANAGER**	DEC 19 2008
Title	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 jurisdiction

*(Instructions on page 2)

ORTHODOX FOR HORIZONTAL

Roswell Controlled Water Basin

ENTERED 1-8-09

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & 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
30-015-36874	97677	S2134IIP Wildcat); Wolfcamp (Gas)

Property Code	Property Name	Well Number
37546	WAIMEA "B" 24 FEDERAL	1H

OGRID No.	Operator Name	Elevation
7377	EOG RESOURCES, INC.	3876.3'

Surface Location

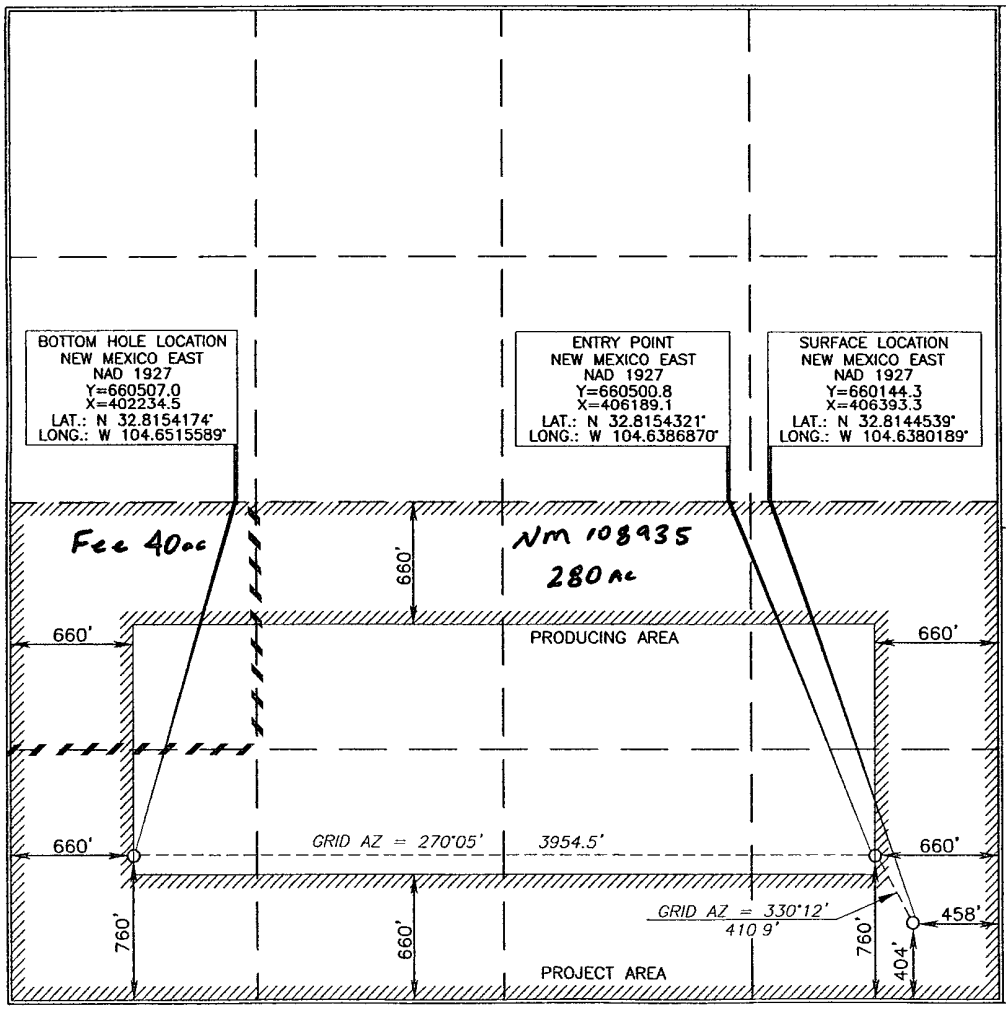
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	17 SOUTH	23 EAST, N.M.P.M.		404	SOUTH	458	EAST	EDDY

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
M	24	17 SOUTH	23 EAST, N.M.P.M.		760	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 — Date: 9/24/08

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.

AUGUST 23, 2008
Date of Survey

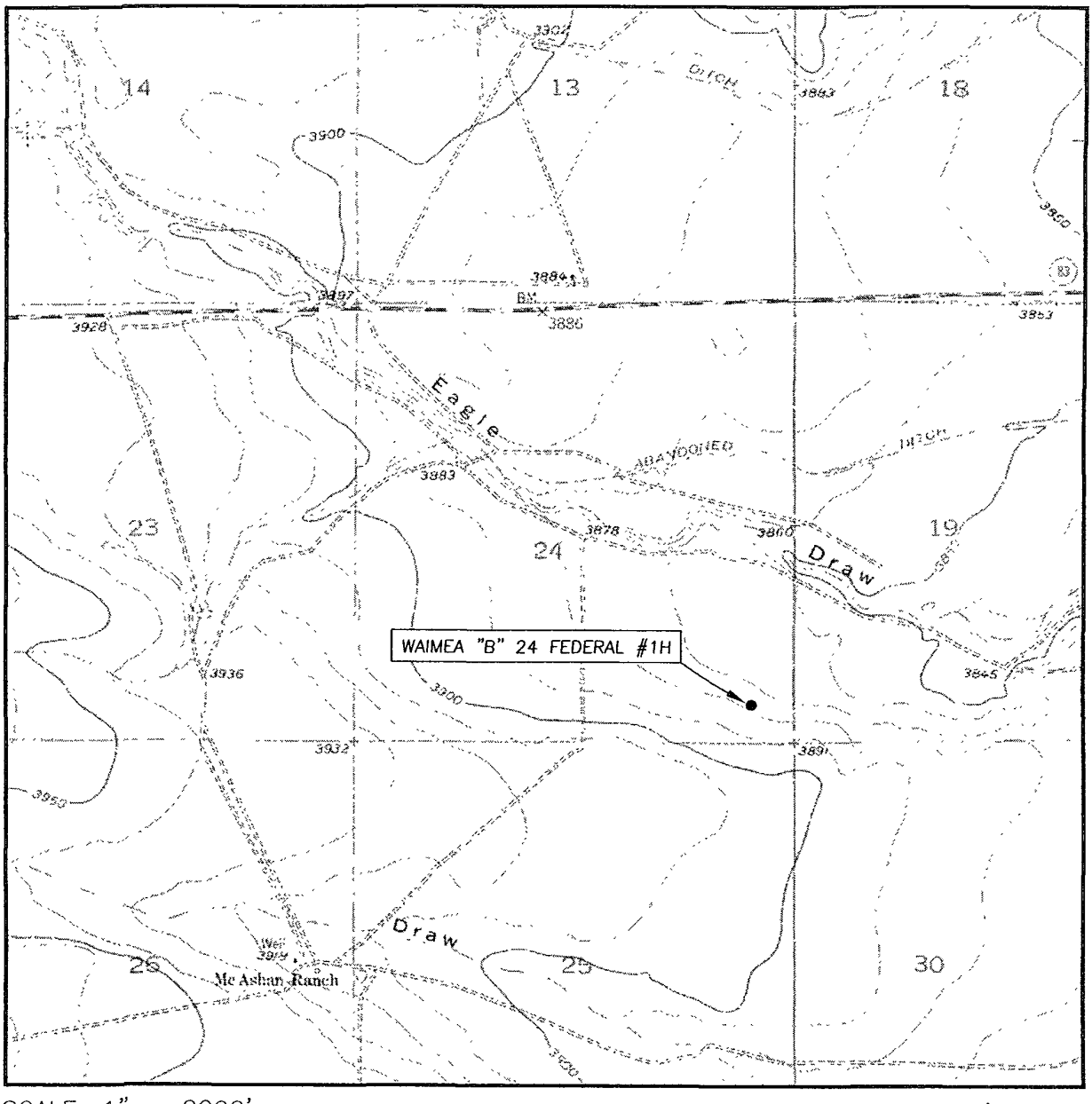
Signature and Seal of Professional Surveyor

NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number 15079

WO# 080823WL(KA)

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 24 TWP. 17-S RGE. 23-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 404' FSL & 458' FEL

ELEVATION 3876.3'

OPERATOR EOG RESOURCES INC.

LEASE WAIMEA "B" 24 FEDERAL #1H

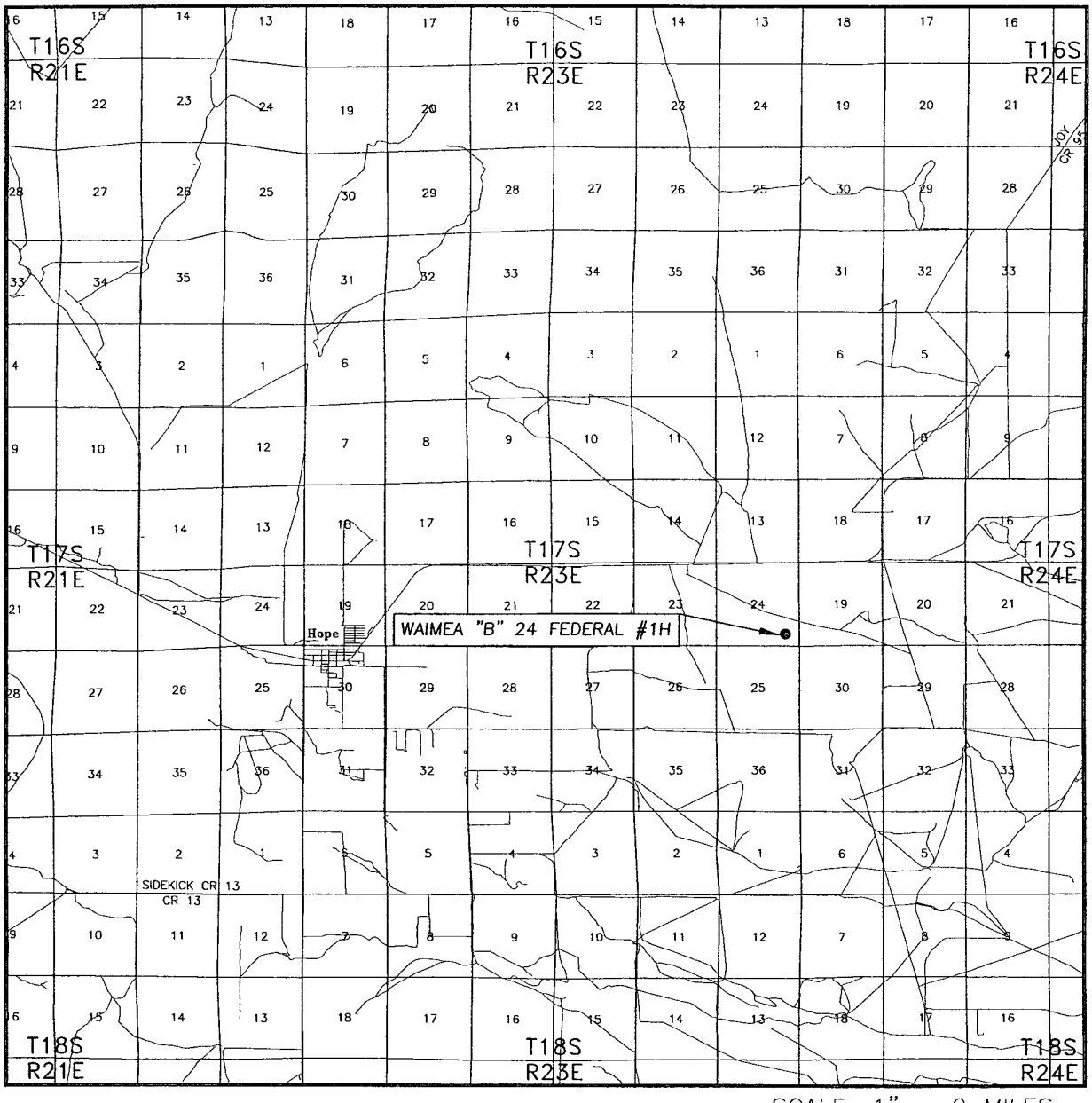
U.S.G.S. TOPOGRAPHIC MAP
HOPE, N.M.

Asel Surveying

P.O. BOX 393 – 310 W. TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

Exhibit 2

VICINITY MAP



SEC. 24 TWP. 17-S RGE. 23-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 404' FSL & 458' FEL
ELEVATION 3876.3'
OPERATOR EOG RESOURCES INC.
LEASE WAIMEA "B" 24 FEDERAL #1H

SCALE: 1" = 2 MILES

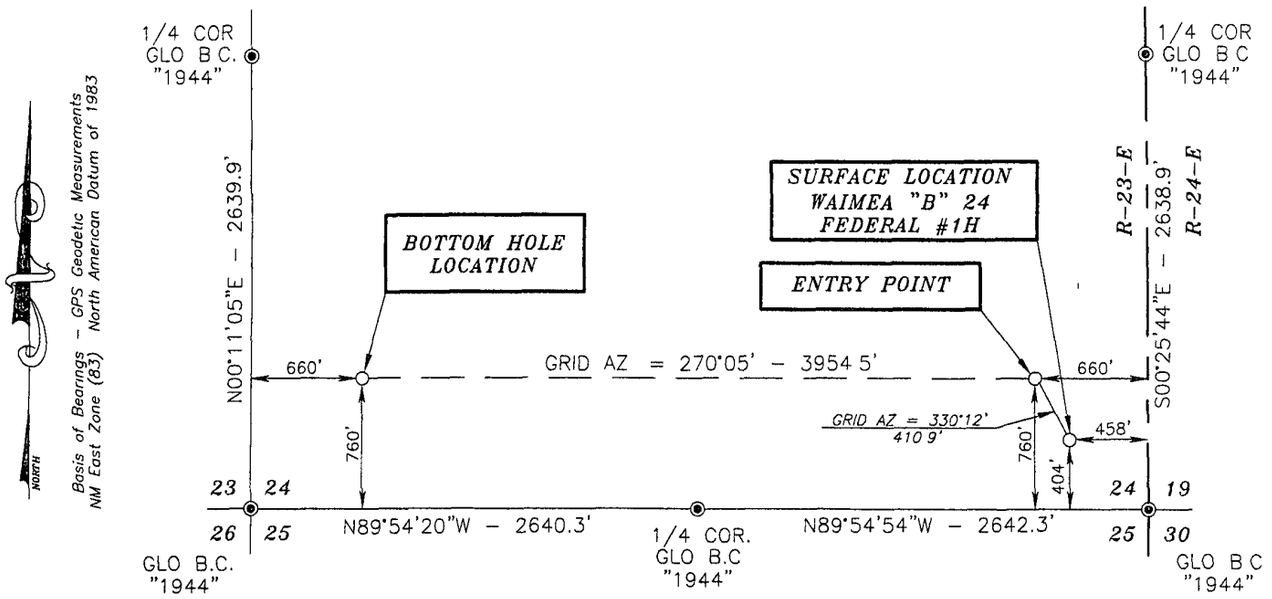
Asel Surveying

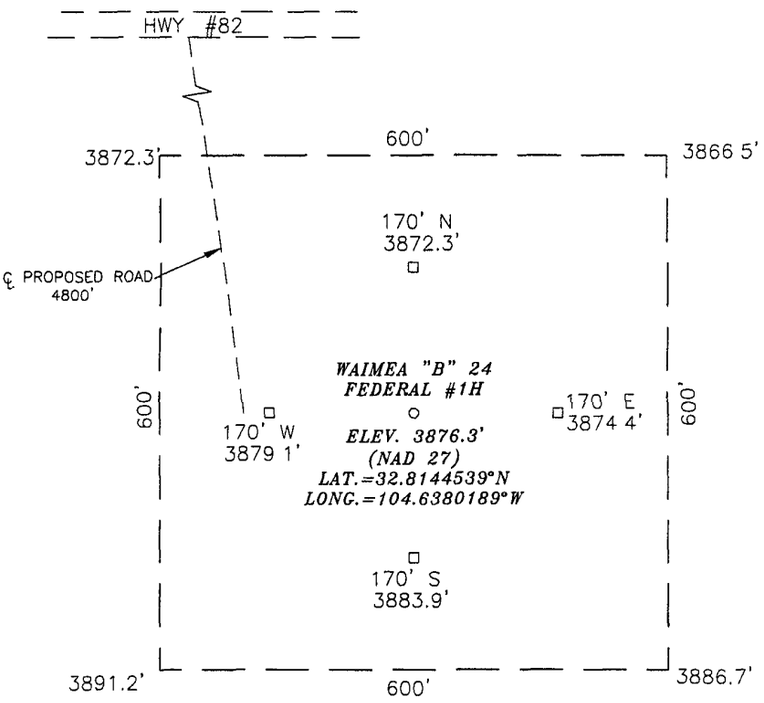
P.O. BOX 393 - 310 W TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

DIRECTIONS BEGINNING IN ARTESIA AT THE INTERSECTION OF US HWY. #82 AND US HWY. #285, GO WEST ON US HWY. #82 FOR 14.8 MILES TO PROPOSED NEW ROAD, GO SOUTH FOR 0.9 MILES TO LOCATION.

SECTION 24, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO

Exhibit 2a





DIRECTIONS.
BEGINNING IN ARTESIA AT THE INTERSECTION OF U.S HWY #82 AND U.S. HWY #285, GO WEST ON U.S HWY #82 FOR 14.8 MILES TO PROPOSED NEW ROAD, GO SOUTH FOR 0 9 MILES TO LOCATION.

SCALE-1'=200'

TERRY J. ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

◉ - DENOTES FOUND MONUMENT AS NOTED

1000' 0 1000' 2000' FEET

SCALE· 1"=1000'

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 9/4/2008

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

Asel Surveying

P O BOX 393 - 310 W TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

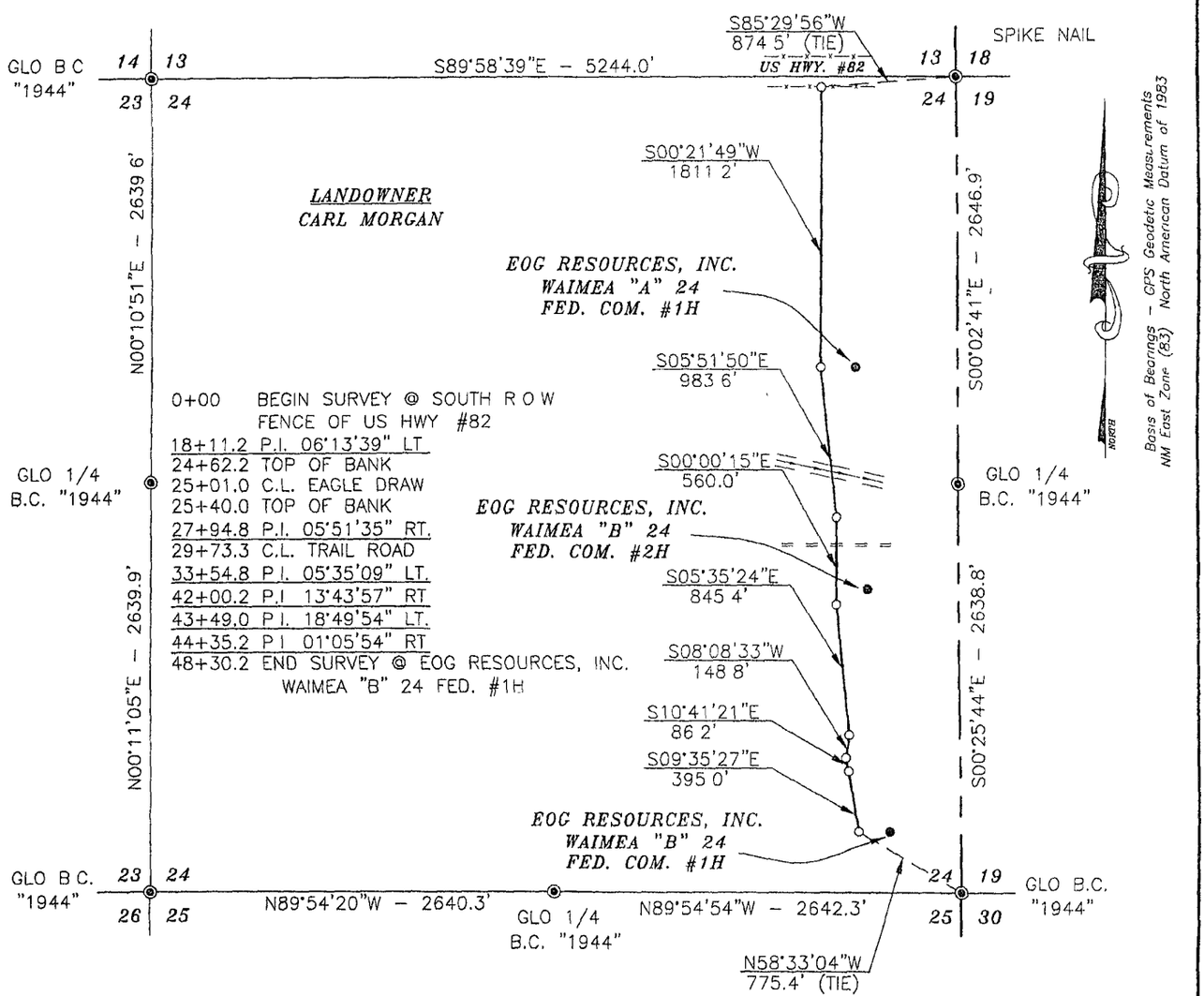
EOG RESOURCES, INC.

WAIMEA "B" 24 FEDERAL #1H
IN SECTION 24, TOWNSHIP 17 SOUTH,
RANGE 23 EAST, N M.P.M., EDDY COUNTY,
NEW MEXICO

Survey Date: 08/23/08	Sheet 1 of 1 Sheets	
W.O. Number: 080823WL	Drawn By: KA	Rev:
Date: 09/04/08	080823WL	Scale.1"=1000'

SECTION 24, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO

Exhibit 2b



0+00 BEGIN SURVEY @ SOUTH R O W FENCE OF US HWY #82
18+11.2 P.I. 06°13'39" LT
24+62.2 TOP OF BANK
25+01.0 C.L. EAGLE DRAW
25+40.0 TOP OF BANK
27+94.8 P.I. 05°51'35" RT.
29+73.3 C.L. TRAIL ROAD
33+54.8 P.I. 05°35'09" LT.
42+00.2 P.I 13°43'57" RT
43+49.0 P.I. 18°49'54" LT.
44+35.2 P.I 01°05'54" RT
48+30.2 END SURVEY @ EOG RESOURCES, INC. WAIMEA "B" 24 FED. #1H

DESCRIPTION

SURVEY FOR A ROAD EASEMENT CROSSING CARL MORGAN LAND IN SECTION 24, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH LIES S85°29'56"W – 874 5 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 24; THEN S00°21'49"W – 1811.2 FEET; THEN S05°51'50"E – 983 6 FEET; THEN S00°00'15"E – 560 0 FEET, THEN S05°35'24"E – 845 4 FEET; THEN S08°08'33"W – 148 8 FEET, THEN S10°41'21"E – 86.2 FEET; THEN S09°35'27"E – 395.0 FEET TO A POINT WHICH LIES N58°33'04"W – 775 4 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 24.

TOTAL LENGTH EQUALS 4830.2 FEET OR 0.915 MILES

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 CONSTRUCTED 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 9/22/2008

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

Asel Surveying
P O BOX 393 – 310 W TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

LEGEND

◉ – DENOTES FOUND MONUMENT AS NOTED

1000' 0 1000' 2000' FEET

SCALE: 1"=1000'

EOG RESOURCES, INC.

SURVEY FOR A ROAD EASEMENT CROSSING CARL MORGAN LAND IN SECTION 24, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N M P M , EDDY COUNTY, NEW MEXICO

Survey Date: 09/08/08	Sheet 1 of 1 Sheets	
W.O. Number. 080908RD (Rev. A)	Drawn By: JL	
Date: 09/22/08	080908RD DWG	Scale:1"=1000'

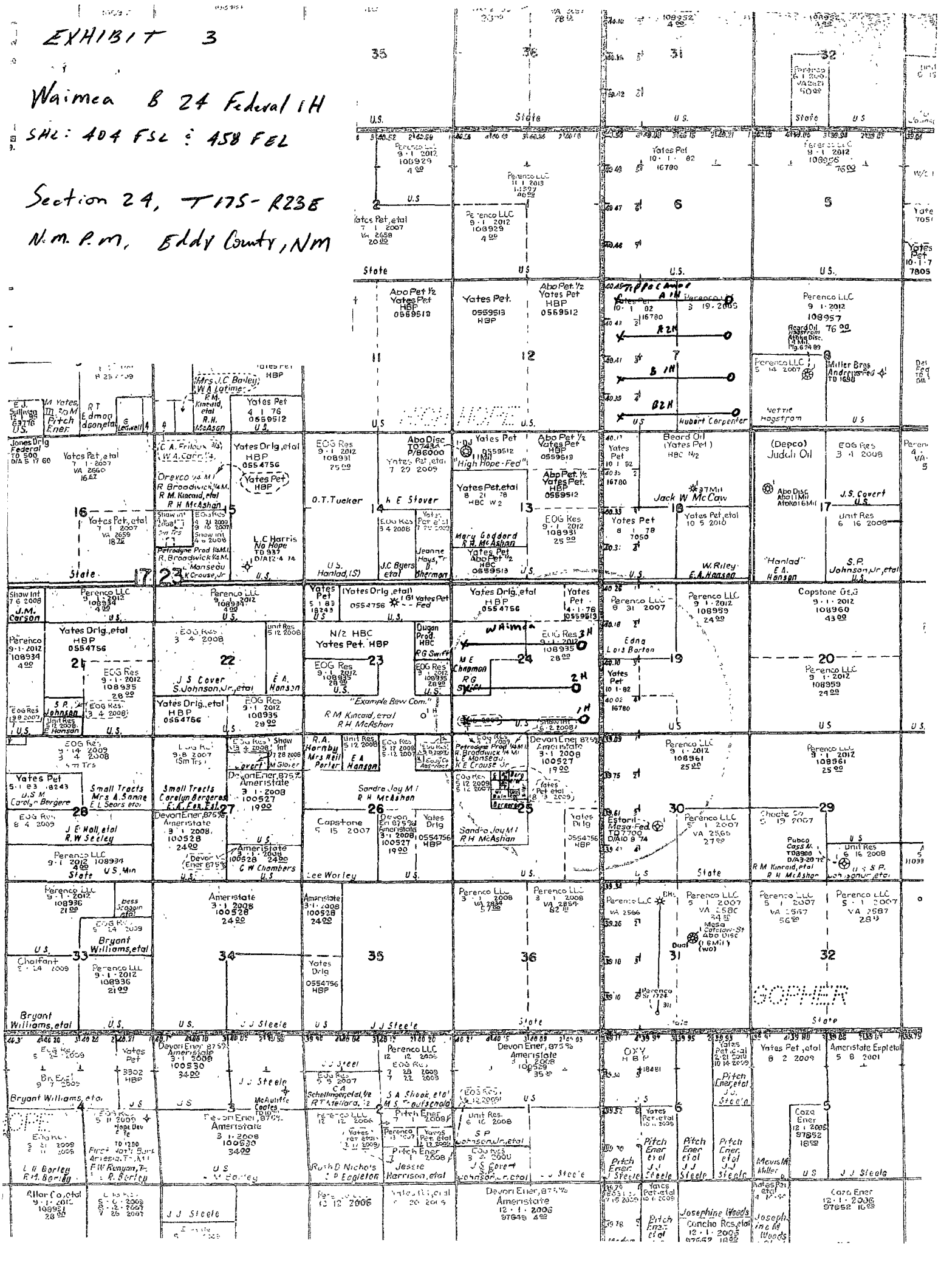
EXHIBIT 3

Waimea B 24 Federal 1H

SHL: 404 FSL & 458 FEL

Section 24, T17S-R23E

N.M.P.M., Eddy County, NM



EOG RESOURCES, INC.
WAIMEA B 24 FEDERAL 1H

DRILLING PROGRAM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Quaternary Alluvium	0-200

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

San Andres	550'
Glorieta	1,700'
Tubb	3,050'
Abo Shale	3,800'
Wolfcamp Pay	4,830'

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

Quanterary Alluvium	0- 200'	Fresh Water
San Andres	550'	Oil
Glorieta	1,700'	Oil/Gas
Tubb	3,050'	Oil/Gas
Abo/Wolfcamp Pay	4,830'	Gas

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh waters will be protected by 8.625" casing at 1,200' and circulating cement back to surface.

4. CASING PROGRAM-NEW

Hole	Interval	OD Csg	Weight	Grade	Conn.	Collapse Design Factor	Burst Design Factor	Tension Design Factor
12.250"	0-1,200'	8.625"	~~24#~~ 32#	J-55	~~LT&C~~ ok	4.76	3.79	7.01
7.875"	0-8,916'	5.5"	17#	N-80	LT&C	2.96	1.29	1.98

per operator 11/3/08 mt

Cementing Program:

8.625" Surface Casing: Cement to surface, Lead: 345 sx 35:65 Poz C + 0.005 pps Static Free + 5% NaCl + 5 pps LCM-1 + 0.005 gps FP-6L + 4% Bentonite + 5% MPA-5 + 0.8% SMS, 12.7 ppg, 2.02 yield
Tail: 400 sx Prem Plus C + 0.125 pps CelloFlake + 0.005 FP-6L + 0.005 pps Static Free, 14.8 ppg, 1.33 yield

See COA

5.50" Production:	Cement to surface, Lead: 630 sx 50:50 Poz C + 0.005 pps Static Free + 0.125 pps CelloFlake + 0.005 gps FP-6L + 10% Bentonite, 11.8 ppg, 2.29 yield Tail: 745 sx 50:50 Poz C + 2% Bentonite + 0.005 gps FP-6L + 0.005 pps Static Free + 5% NaCl + 0.05% R-3 + 0.2% CD-32 + 0.3% FL-52A, 14.2 ppg, 1.30 yield

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 bottom and drill pipe rams on top. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. for a 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.

EOG Resources requests a variance to eliminate the stipulation requiring a BOPE test within 500' of the Wolfcamp. The Wolfcamp is not expected to be abnormally pressured (approx 1,800 lbs.) and the BOPE will be tested to the appropriate pressure requirements as per Onshore Order No. 2 prior to drilling out of the surface casing.

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)	Vis/ (sec)	Waterloss (cc)
0-1,200'	Fresh – Gel	8.6-8.8	28-34	N/c
1,200'-4,400'	Cut Brine	8.8-9.2	28-34	N/c
4,400'-5,200'	Cut Brine	8.8-9.2	28-34	10-15
4,295'-8,916'	Polymer (Lateral)	9.0-9.4	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.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Laterlog and GR-Compensated Density-Neutron from +/-1,200' to TVD.

Possible sidewall cores based on shows.
Possible FMI.

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

The estimated bottom hole temperature (BHT) at TD is 125 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 2000 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.

Database:	EDM	Local Co-ordinate Reference:	Well Waimea B 24 Fed #1H
Company:	Midland - New Mexico	TVD Reference:	WELL @ 3895 30ft (Original Well Elev)
Project:	Thames	MD Reference:	WELL @ 3895.30ft (Original Well Elev)
Site:	Waimea B 24 Fed #1H	North Reference:	Grid
Well:	Waimea B 24 Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Waimea B 24 Fed #1H		
Design:	Original Plan		

Project Thames

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

Site Waimea B 24 Fed #1H

Site Position:		**Northing:**	660,144 30ft	**Latitude:**	32° 48' 52 034 N
From:	Map	**Easting:**	406,393.30ft	**Longitude:**	104° 38' 16 868 W
Position Uncertainty:	0 00 ft	**Slot Radius:**	"	**Grid Convergence:**	-0.17 deg

Well Waimea B 24 Fed #1H

Well Position	**+N/-S**	0 00 ft	**Northing:**	660,144.30 ft	**Latitude:**	32° 48' 52 034 N
	+E/-W	0 00 ft	**Easting:**	406,393.30 ft	**Longitude:**	104° 38' 16.868 W
Position Uncertainty		0 00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	3,876 30ft

Wellbore Waimea B 24 Fed #1H

Magnetics	Model Name	Sample Date	Declination (deg)	Dip Angle (deg)	Field Strength (nT)
	IGRF2005	9/23/2008	8 43	60.59	49,071

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 (deg)**	
	0.00	0.00	0.00	274.98	

Plan Sections

Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (?/100ft)	Build Rate (?/100ft)	Turn Rate (?/100ft)	TFO (deg)	Target
0 00	0 00	0.00	0.00	0 00	0 00	0.00	0.00	0.00	0.00	
4,295.00	0.00	360 00	4,295 00	0 00	0.00	0 00	0.00	0.00	360.00	
5,024.84	82.00	315 00	4,800.00	310.41	-310 41	11.24	11 24	0 00	315 00	
5,431.46	90 00	268 48	4,830.00	455.63	-676.84	11.57	1.97	-11 44	-82.48	
6,431.46	90.00	268 48	4,830.00	429.11	-1,676 48	0 00	0.00	0.00	0 00	
6,498 48	92.01	268.47	4,828.82	427.32	-1,743.47	3.00	3 00	-0.02	-0.36	
8,915 81	92 01	268.47	4,744 01	362.71	-4,158.44	0 00	0.00	0.00	0.00	
8,916 18	92 00	268.47	4,744.00	362 70	-4,158.81	3.00	-2.91	0 71	166.25	BHL (Waimea B #1

Database:	EDM	Local Co-ordinate Reference:	Well Waimea B 24 Fed #1H
Company:	Midland - New Mexico	TVD Reference:	WELL @ 3895 30ft (Original Well Elev)
Project:	Thames	MD Reference:	WELL @ 3895 30ft (Original Well Elev)
Site:	Waimea B 24 Fed #1H	North Reference:	Grid
Well:	Waimea B 24 Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Waimea B 24 Fed #1H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	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	360 00	100.00	0 00	0.00	0.00	0 00	0.00	0.00
200 00	0 00	360.00	200 00	0.00	0 00	0 00	0 00	0 00	0 00
300 00	0.00	360.00	300.00	0.00	0.00	0 00	0 00	0.00	0.00
400.00	0 00	360 00	400.00	0 00	0.00	0.00	0.00	0.00	0.00
500.00	0 00	360 00	500 00	0 00	0.00	0.00	0 00	0 00	0 00
600 00	0.00	360.00	600.00	0.00	0.00	0.00	0.00	0.00	0 00
700.00	0 00	360 00	700 00	0.00	0.00	0 00	0.00	0.00	0 00
800.00	0 00	360.00	800 00	0 00	0.00	0.00	0 00	0.00	0.00
900.00	0.00	360.00	900 00	0.00	0.00	0.00	0 00	0.00	0 00
1,000.00	0 00	360.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100 00	0 00	360.00	1,100 00	0.00	0.00	0 00	0 00	0 00	0.00
1,200 00	0 00	360 00	1,200 00	0 00	0 00	0 00	0.00	0 00	0 00
1,300 00	0.00	360.00	1,300.00	0 00	0 00	0 00	0.00	0 00	0.00
1,400.00	0 00	360.00	1,400.00	0 00	0 00	0 00	0.00	0.00	0.00
1,500.00	0 00	360.00	1,500.00	0 00	0.00	0.00	0.00	0.00	0 00
1,600.00	0 00	360.00	1,600.00	0 00	0.00	0.00	0 00	0.00	0 00
1,700 00	0.00	360 00	1,700.00	0 00	0.00	0.00	0.00	0 00	0 00
1,800.00	0.00	360.00	1,800 00	0.00	0 00	0 00	0.00	0 00	0.00
1,900 00	0.00	360 00	1,900.00	0 00	0.00	0.00	0 00	0.00	0 00
2,000.00	0.00	360 00	2,000.00	0 00	0 00	0 00	0.00	0.00	0 00
2,100 00	0.00	360.00	2,100 00	0 00	0.00	0 00	0 00	0 00	0.00
2,200.00	0.00	360.00	2,200 00	0 00	0.00	0.00	0.00	0.00	0.00
2,300.00	0 00	360.00	2,300.00	0 00	0.00	0.00	0 00	0 00	0.00
2,400 00	0.00	360 00	2,400.00	0.00	0 00	0.00	0.00	0 00	0.00
2,500 00	0.00	360 00	2,500 00	0 00	0 00	0.00	0.00	0.00	0.00
2,600 00	0 00	360.00	2,600 00	0 00	0 00	0 00	0 00	0 00	0.00
2,700 00	0 00	360 00	2,700 00	0.00	0 00	0 00	0.00	0.00	0.00
2,800 00	0.00	360 00	2,800 00	0.00	0 00	0 00	0 00	0.00	0.00
2,900 00	0 00	360 00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000 00	0.00	360 00	3,000.00	0.00	0.00	0.00	0.00	0.00	0 00
3,100.00	0.00	360.00	3,100.00	0.00	0.00	0 00	0 00	0.00	0.00
3,200 00	0.00	360 00	3,200 00	0.00	0 00	0.00	0.00	0 00	0.00
3,300.00	0 00	360.00	3,300 00	0.00	0.00	0.00	0.00	0 00	0.00
3,400.00	0.00	360 00	3,400.00	0.00	0.00	0 00	0.00	0.00	0 00
3,500.00	0 00	360.00	3,500 00	0.00	0.00	0.00	0 00	0.00	0.00
3,600.00	0 00	360.00	3,600 00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	360.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800 00	0.00	360 00	3,800.00	0.00	0.00	0 00	0.00	0.00	0 00
3,900 00	0.00	360 00	3,900 00	0.00	0.00	0.00	0.00	0.00	0 00
4,000 00	0 00	360.00	4,000 00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0 00	360 00	4,100.00	0.00	0.00	0.00	0.00	0 00	0 00
4,200.00	0.00	360.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,295.00	0.00	360 00	4,295.00	0.00	0.00	0.00	0.00	0 00	0.00
4,300.00	0.56	315.00	4,300.00	0.02	-0.02	0.02	11.24	11 24	0.00
4,400.00	11.80	315 00	4,399.26	7.62	-7 62	8.25	11 24	11.24	0.00
4,500.00	23.03	315.00	4,494 52	28 75	-28 75	31.13	11.24	11 24	0.00
4,600.00	34.27	315.00	4,582.14	62 59	-62.59	67.80	11.24	11 24	0 00
4,700.00	45 50	315.00	4,658.75	107.86	-107 86	116.83	11 24	11 24	0.00
4,800 00	56.74	315.00	4,721.42	162.82	-162.82	176.35	11.24	11.24	0.00
4,900 00	67.97	315 00	4,767.74	225.36	-225 36	244 09	11 24	11.24	0.00
4,992 34	78.35	315 00	4,794.45	287.77	-287 77	311.68	11.24	11 24	0.00
PP (Waimea B #1H)									

EOG Resources Inc

Planning Report

Database:	EDM	Local Co-ordinate Reference:	Well Waimea B 24 Fed #1H
Company:	Midland - New Mexico	TVD Reference:	WELL @ 3895 30ft (Original Well Elev)
Project:	Thames	MD Reference:	WELL @ 3895 30ft (Original Well Elev)
Site:	Waimea B 24 Fed #1H	North Reference:	Grid
Well:	Waimea B 24 Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Waimea B 24 Fed #1H		
Design:	Original Plan		

Planned Survey

Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (?/100ft)	Build Rate (?/100ft)	Turn Rate (?/100ft)
5,000.00	79.21	315.00	4,795.94	293.08	-293.08	317 44	11 24	11.24	0 00
5,024.84	82 00	315.00	4,800 00	310.41	-310.41	336 21	11.24	11 24	0.00
5,100.00	83 22	306 32	4,809 68	358 92	-366.90	396.70	11.57	1.63	-11.55
5,200.00	85 09	294 84	4,819 90	409 42	-452.41	486.27	11.57	1.86	-11 48
5,300 00	87 14	283 43	4,826.70	442 06	-546 51	582 85	11.57	2 06	-11.41
5,400.00	89 31	272 05	4,829 81	455.49	-645.38	682 51	11 57	2.17	-11.37
5,431.46	90 00	268.48	4,830 00	455 63	-676.84	713.86	11 57	2 20	-11.36
5,500.00	90.00	268.48	4,830.00	453 82	-745 35	781.96	0.00	0 00	0 00
5,600.00	90 00	268 48	4,830 00	451.16	-845.31	881.32	0.00	0 00	0 00
5,700.00	90 00	268.48	4,830 00	448.51	-945.28	980.67	0 00	0.00	0.00
5,800 00	90 00	268.48	4,830.00	445.86	-1,045.24	1,080.03	0.00	0.00	0.00
5,900 00	90.00	268 48	4,830.00	443 21	-1,145.21	1,179.39	0 00	0 00	0.00
6,000.00	90.00	268 48	4,830 00	440.55	-1,245 17	1,278.74	0.00	0 00	0 00
6,100.00	90 00	268.48	4,830 00	437.90	-1,345 14	1,378 10	0.00	0.00	0 00
6,200 00	90.00	268.48	4,830 00	435 25	-1,445.10	1,477.45	0.00	0.00	0 00
6,300.00	90.00	268.48	4,830 00	432 60	-1,545.07	1,576.81	0.00	0 00	0 00
6,400.00	90.00	268.48	4,830.00	429 94	-1,645.03	1,676.17	0.00	0 00	0.00
6,431.46	90.00	268.48	4,830.00	429.11	-1,676.48	1,707.43	0.00	0.00	0.00
6,498.48	92.01	268 47	4,828 82	427.32	-1,743 47	1,774 00	3.00	3 00	-0.02
6,500.00	92 01	268 47	4,828.77	427.28	-1,744.98	1,775.51	0.00	0.00	0 00
6,600.00	92.01	268.47	4,825.26	424.61	-1,844 89	1,874.80	0 00	0.00	0.00
6,700.00	92 01	268.47	4,821.75	421.94	-1,944 79	1,974 09	0.00	0 00	0.00
6,800.00	92.01	268.47	4,818 25	419.26	-2,044.69	2,073.39	0 00	0.00	0.00
6,900 00	92 01	268 47	4,814 74	416.59	-2,144.59	2,172.68	0 00	0.00	0.00
7,000 00	92 01	268 47	4,811 23	413 92	-2,244.50	2,271.97	0 00	0.00	0 00
7,100.00	92 01	268 47	4,807.72	411 25	-2,344.40	2,371.26	0 00	0.00	0 00
7,200 00	92 01	268.47	4,804.21	408.57	-2,444.30	2,470.56	0 00	0 00	0 00
7,300.00	92.01	268.47	4,800.70	405.90	-2,544.20	2,569.85	0 00	0.00	0.00
7,400 00	92.01	268.47	4,797.19	403 23	-2,644 11	2,669 14	0.00	0.00	0.00
7,500.00	92.01	268.47	4,793.69	400.55	-2,744.01	2,768.43	0.00	0 00	0 00
7,600.00	92.01	268.47	4,790.18	397.88	-2,843 91	2,867.73	0.00	0 00	0.00
7,700.00	92.01	268 47	4,786 67	395.21	-2,943 81	2,967.02	0.00	0 00	0.00
7,800.00	92.01	268 47	4,783 16	392.54	-3,043.72	3,066.31	0.00	0.00	0 00
7,900.00	92.01	268.47	4,779 65	389.86	-3,143.62	3,165.61	0.00	0.00	0.00
8,000.00	92 01	268.47	4,776.14	387.19	-3,243.52	3,264.90	0.00	0 00	0.00
8,100 00	92.01	268.47	4,772 64	384.52	-3,343.43	3,364 19	0 00	0 00	0 00
8,200.00	92 01	268 47	4,769 13	381.84	-3,443.33	3,463 48	0 00	0.00	0.00
8,300.00	92 01	268.47	4,765.62	379.17	-3,543.23	3,562 78	0.00	0.00	0.00
8,400 00	92.01	268 47	4,762 11	376.50	-3,643.13	3,662.07	0 00	0.00	0 00
8,500.00	92 01	268.47	4,758.60	373.82	-3,743.04	3,761.36	0.00	0.00	0 00
8,600 00	92.01	268 47	4,755.09	371.15	-3,842.94	3,860.65	0.00	0.00	0.00
8,700.00	92.01	268.47	4,751 58	368.48	-3,942 84	3,959.95	0 00	0.00	0.00
8,800.00	92.01	268.47	4,748 08	365.81	-4,042.74	4,059.24	0 00	0.00	0.00
8,900.00	92 01	268.47	4,744 57	363.13	-4,142 65	4,158 53	0.00	0.00	0.00
8,915.81	92.01	268.47	4,744 01	362.71	-4,158.44	4,174 23	0.00	0.00	0.00
8,916 18	92.00	268 47	4,744.00	362.70	-4,158.81	4,174 59	3 00	-2 91	0 71
BHL (Waimea B #1H)									

Database:	EDM	Local Co-ordinate Reference:	Well Waimea B 24 Fed #1H
Company:	Midland - New Mexico	TVD Reference:	WELL @ 3895 30ft (Original Well Elev)
Project:	Thames	MD Reference:	WELL @ 3895.30ft (Original Well Elev)
Site:	Waimea B 24 Fed #1H	North Reference:	Grid
Well:	Waimea B 24 Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Waimea B 24 Fed #1H		
Design:	Original Plan		

Targets

Target Name - hit/miss target - Shape	Dip Angle (deg)	Dip Dir. (deg)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PP (Waimea B #1H) - plan misses target center by 113.89ft at 4992.34ft MD (4794.45 TVD, 287.77 N, -287.77 E) - Point	0.00	0.00	4,830 00	356 50	-204 20	660,500.80	406,189 10	32° 48' 55.556 N	104° 38' 19.273 W
BHL (Waimea B #1H) - plan hits target center - Point	0 00	0.00	4,744 00	362 70	-4,158 81	660,507.00	402,234 50	32° 48' 55.502 N	104° 39' 5 612 W

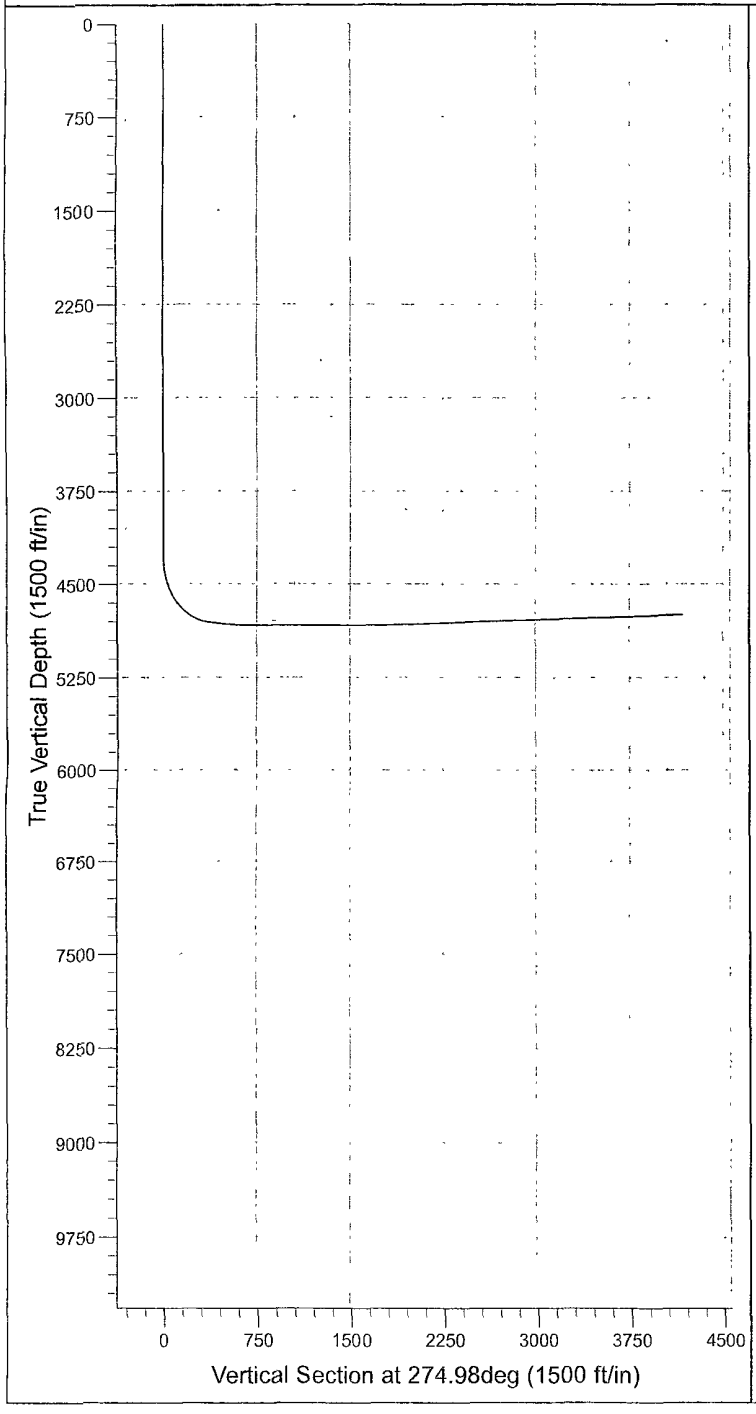
WELL DETAILS: Waimea B 24 Fed #1H

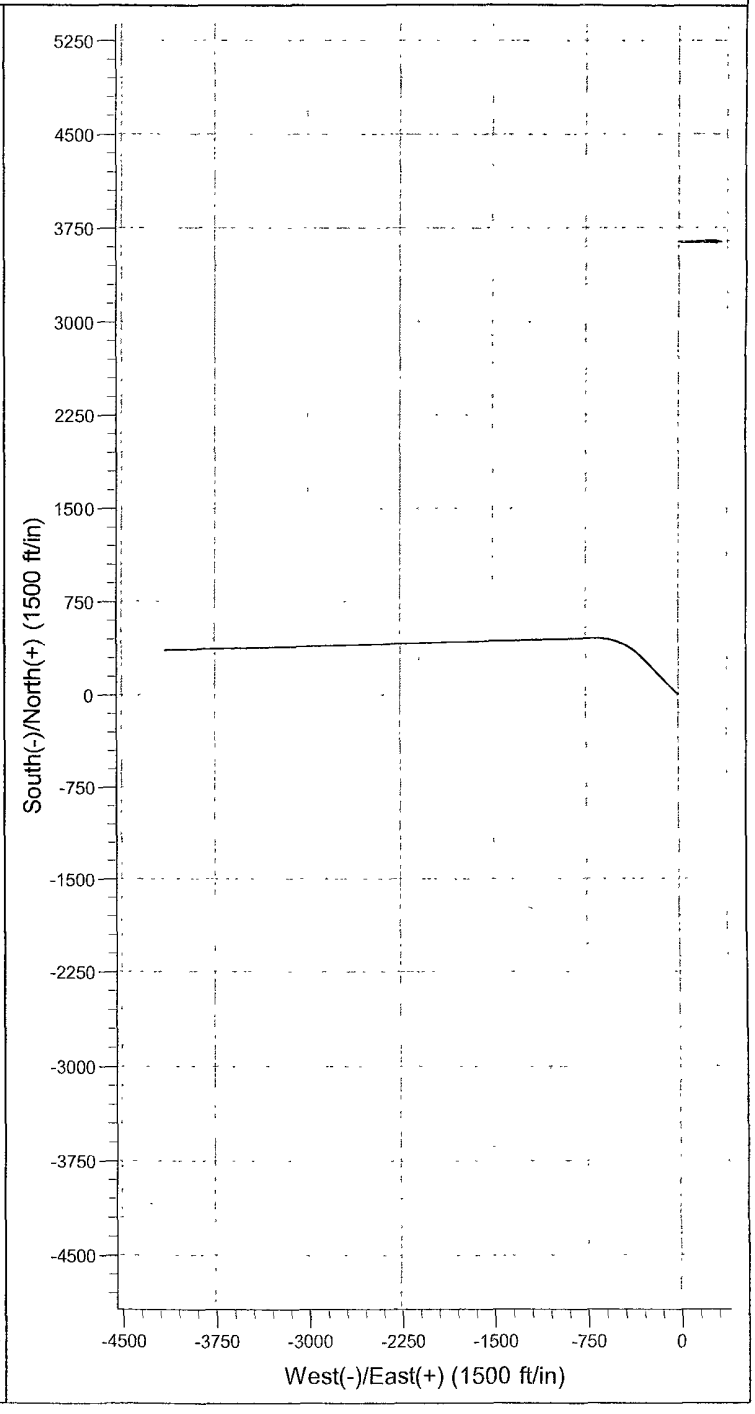
Ground Level: 3876.30

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	660144.30	406393.30	32° 48' 52.034 N	104° 38' 16.868 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4295.00	0.00	360.00	4295.00	0.00	0.00	0.00	360.00	0.00	
3	5024.84	82.00	315.00	4800.00	310.41	-310.41	11.24	315.00	336.21	
4	5431.46	90.00	268.48	4830.00	455.63	-676.84	11.57	-82.48	713.86	
5	6431.46	90.00	268.48	4830.00	429.11	-1676.48	0.00	0.00	1707.43	
6	6498.48	92.01	268.47	4828.82	427.32	-1743.47	3.00	-0.36	1774.00	
7	8915.81	92.01	268.47	4744.01	362.71	-4158.44	0.00	0.00	4174.23	
8	8916.18	92.00	268.47	4744.00	362.70	-4158.81	BHL (Waimea B 24 Fed #1H)		4174.59	





Permit Information:

Well Name: Waimea B 24 Fed #1H

Location:
SL 404' FSL & 458' FEL, Section 24, T-17-S, R-23-E, Eddy Co., N.M.
BHL 760' FSL & 660' FWL, Section 24, T-17-S, R-23-E, Eddy Co., N.M.

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	1,200'	12-1/4"	8-5/8"	32#	J-55	Surface
Production	8,916'	7-7/8"	5 ½"	17#	N-80	Surface

Cement Program:

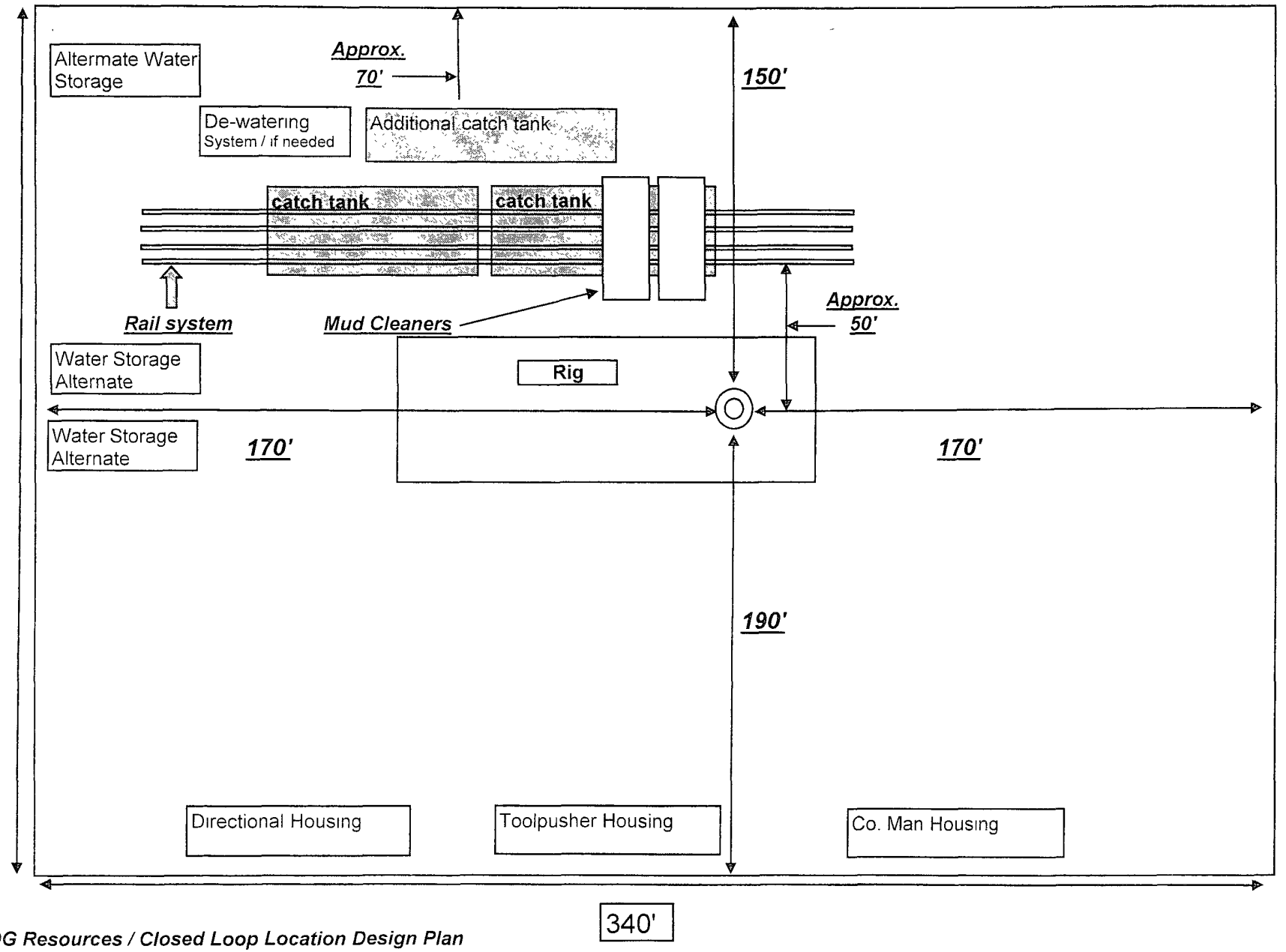
Depth	No. Sacks	Slurries:
1,200'	345	Lead: 35:65 Poz C + 4% Bentonite+ 0.005 gps FP-6L + 0.005 pps Static Free + 5 pps LCM-1 + 5% NaCl + 5% MPA-5 + 0.8% SMS
	400	Tail: Class C + 0.005 gps FP-6L + 0.005 pps Static Free + 0.125 pps CelloFlake
8,916'	630	Lead: 50:50 Poz:Class C + 0.005 gps FP-6L + 10% Bentonite + 0.005 pps Static Free + 0.125 pps CelloFlake
	745	Tail: 50:50 Poz:Class C + 2% Bentonite + 0.005 gps FP-6L + 0.005 pps Static Free + 5% NaCl + 0.3% FL-2A + 0.2% CD-32 + 0.05% R-3

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,200'	Fresh - Gel	8.6-8.8	28-34	N/c
1,200' – 4,400'	Cut Brine	8.8-9.2	28-34	N/c
4,400' – 5,200'	Cut Brine	8.8-9.2	28-34	10-15
4,295' – 8,916'	Polymer (Lateral)	8.8-9.4	40-45	10-25

Exhibit 4

Waimea B 24 Federal 1H



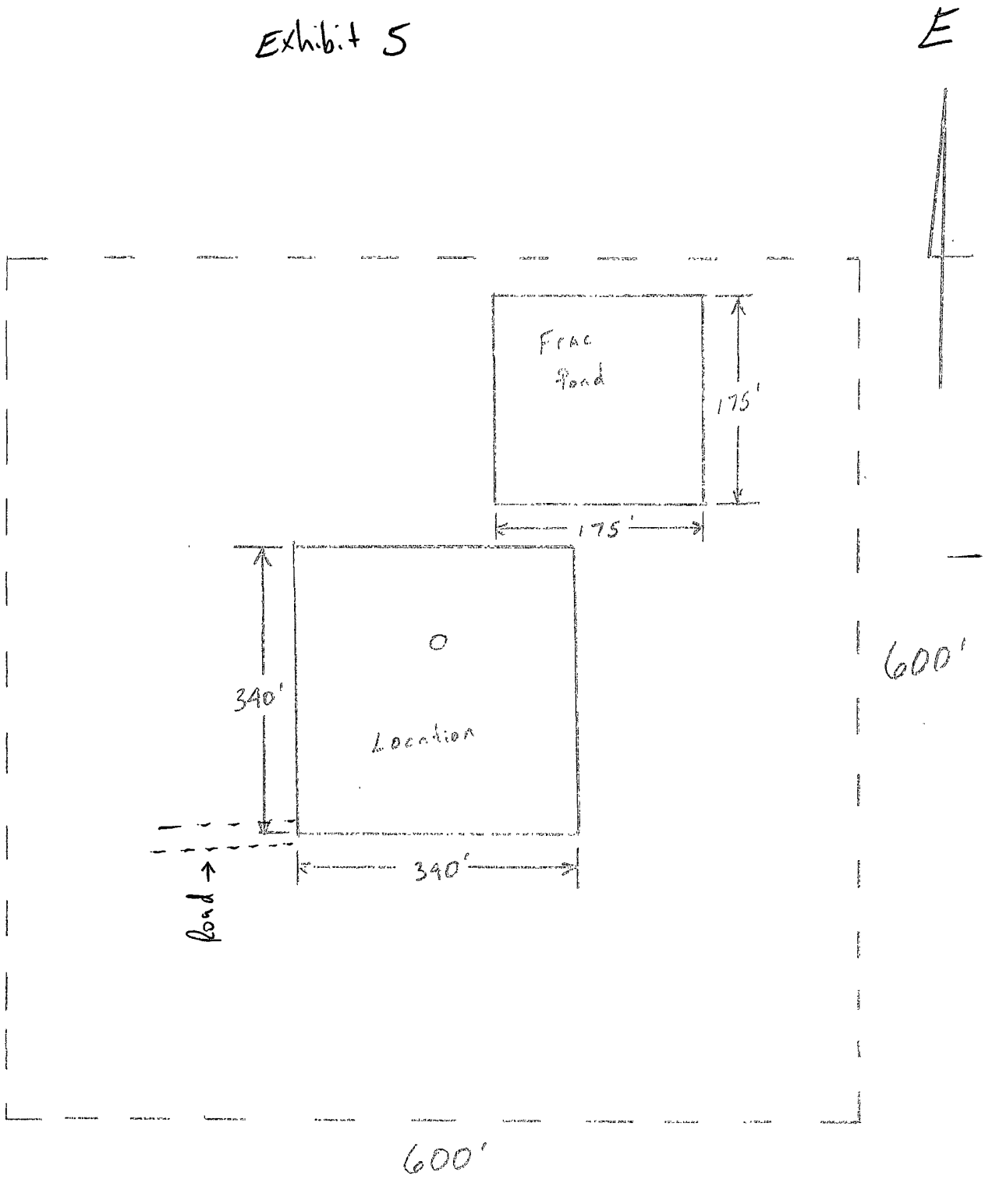
- EOG Resources / Closed Loop Location Design Plan

Not to scale

6/30/2008

Waimea B 24 Federal 1H

Exhibit 5



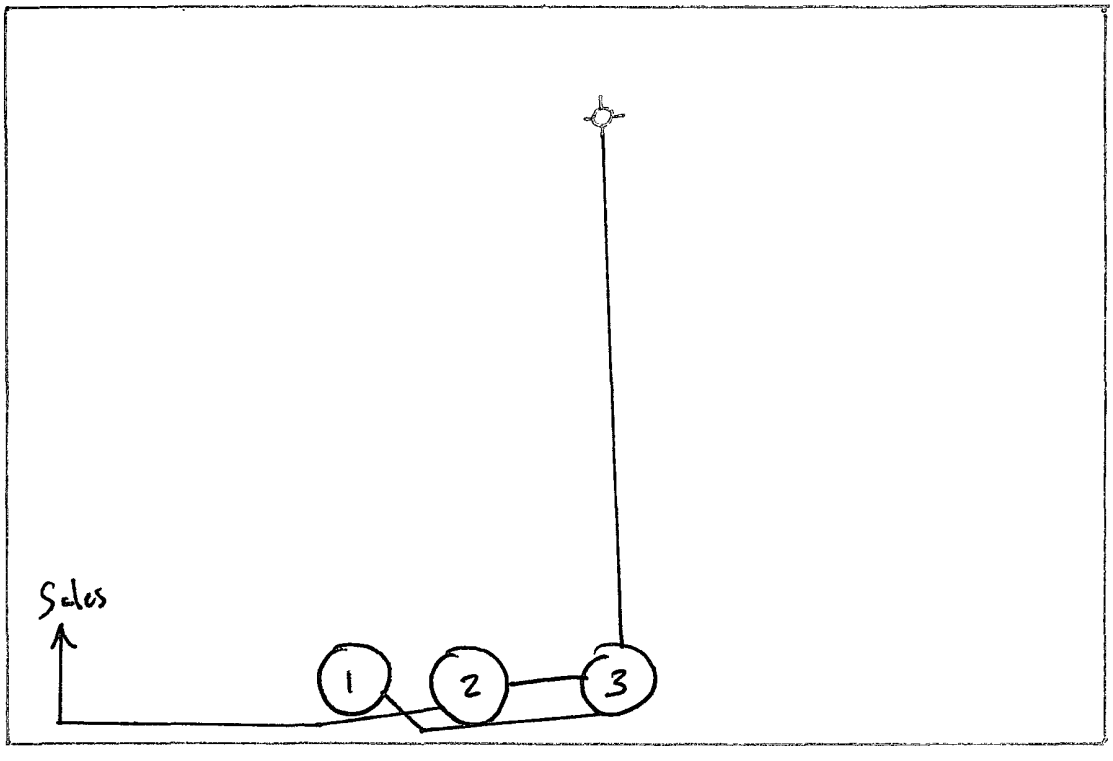
"Not TO Scale"

PRODUCTION FACILITY LAYOUT

WELL NAME: Waimea B 24 Federal 1H

CLOSED LOOP EQUIPMENT

Closed Loop EQUIPMENT



"NOT TO SCALE"

1. Tank
2. Meter
3. Separator

EOG RESOURCES, INC.
WAIMEA B 24 FEDERAL 1H

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.

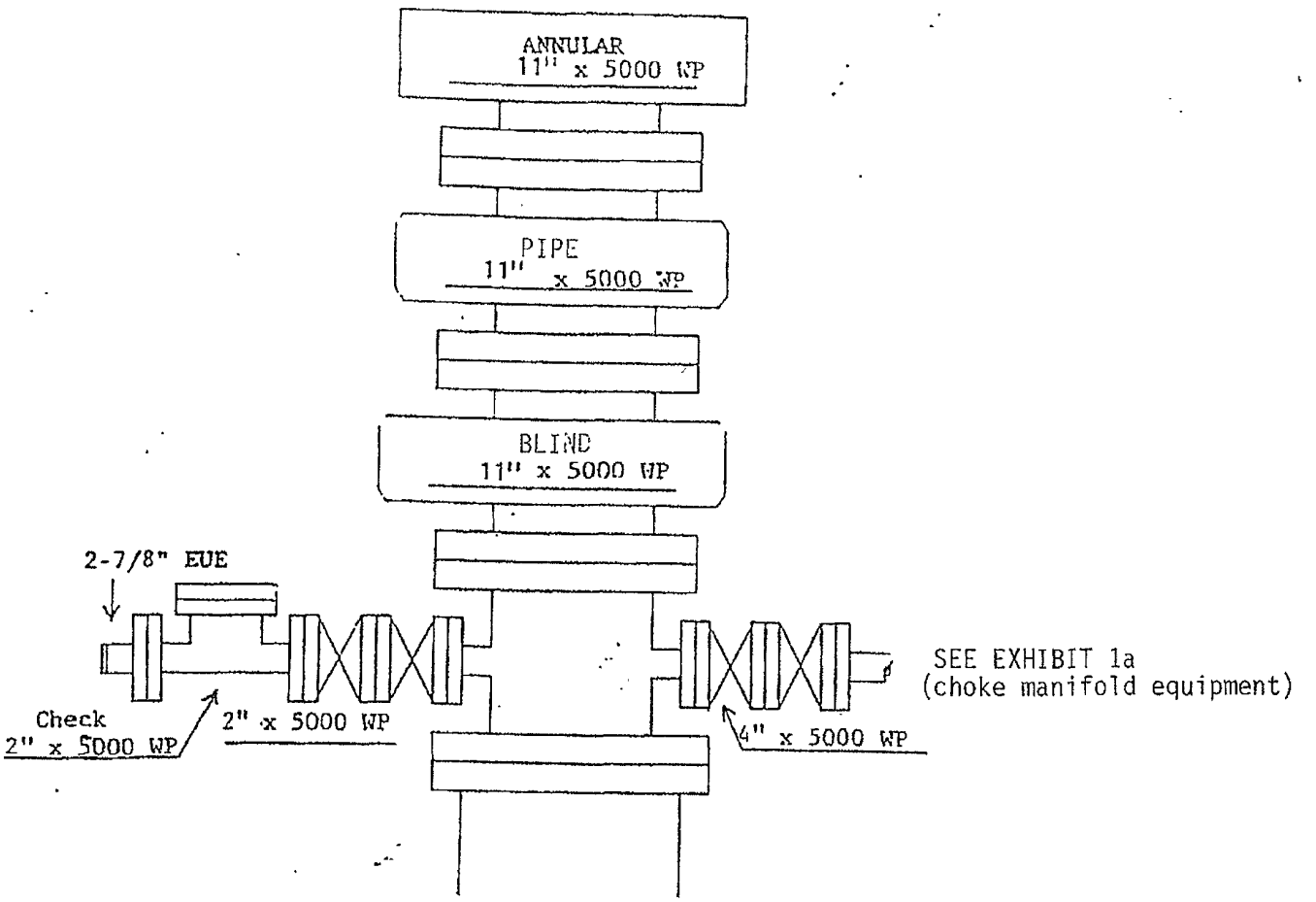
9. Blow out preventer control to be located as close to driller's position as feasible.

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.

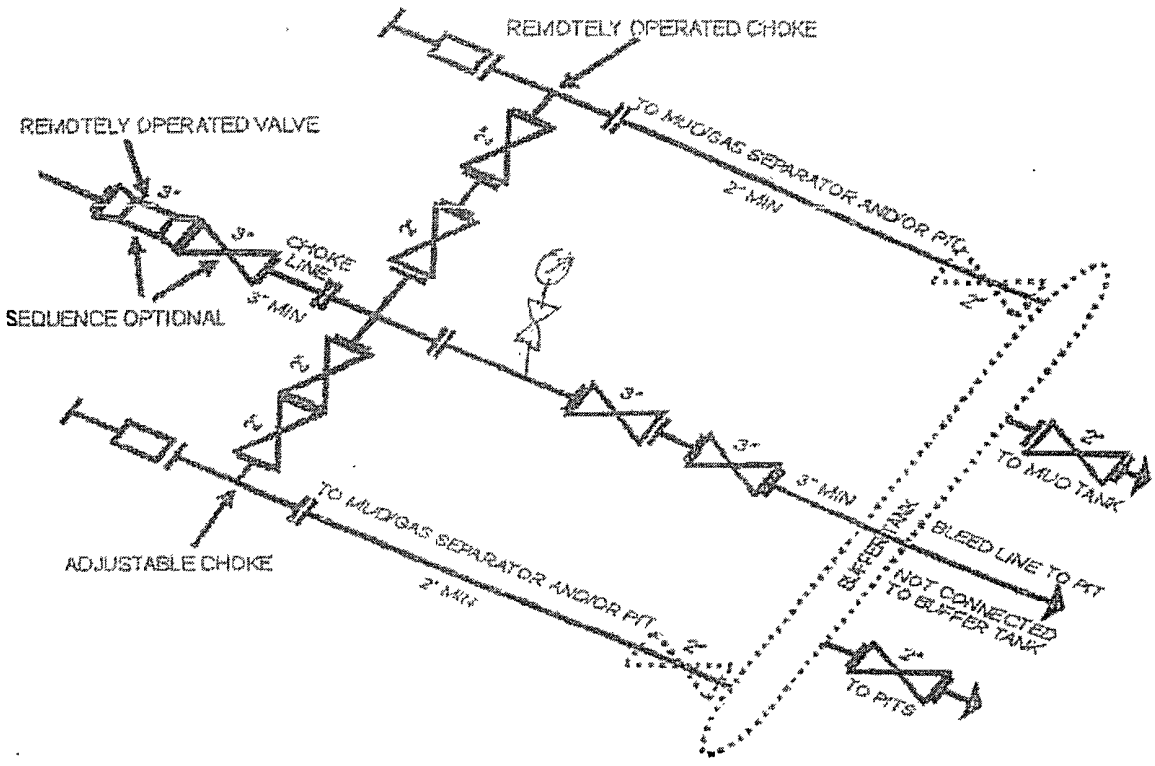
EXHIBIT 1

EOG Resources, Inc.

Waimea B 24 Federal 1H



WELL NAME: Waimea B 24 Federal 1H Exhibit 1a



5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

eog resources

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3600

September 24, 2008

State of New Mexico Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H_2S Contingency Plan for the Waimea B 24 Fed #1H. The current plan is to complete this well in the Wolfcamp, which is sweet, and I do not anticipate encountering any H_2S bearing formations during drilling operations.

Sincerely,

Jason LaGrega
Drilling Engineer

SURFACE USE PLAN OF OPERATION

SHL: 404' FSL & 458' FEL, Unit P, Section 24, T17S-R23E, N.M.P.M., Eddy, NM
BHL: 760' FSL & 660' FWL, Unit M, Section 24, T17S-R23E, N.M.P.M., Eddy, NM

1. EXISTING ROADS:

a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Terry Asel, RPL 15079.
b. All roads into the location are depicted on Exhibit 2, 2a & 2b.
c. Directions to Locations: Beginning in Artesia, NM, at the intersection of Hwy #82 and Hwy #285, go west on Hwy #82 for 14.8 miles to proposed new road, go south for 0.9 miles to location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

a. The well site layout, Exhibit 2a shows the layout. Exhibit 2b depicts the location of the lease access road.
b. The maximum width of the road will be 30'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.
c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
d. Cattleguards will be set where fences are cut. No turnouts are planned.

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 PRODUCTION FACILITIES:

a. In the event the well is found to be productive, the Waimea B 24 Federal 1H battery would be utilized and the necessary production equipment will be installed at the well site. See Production Facilities Layout diagram.
b. All flow lines will adhere to API standards.
c. If the well is productive, rehabilitation plans are as follows:
   i. Within 60 days after drilling and completion of the well, the location shall be reduced as determined by operator to the minimum area necessary to safely and effectively operate the well.
   ii. The original topsoil from the well site will be returned to the location. The location will be contoured as close as possible to the original state.

5. LOCATION AND TYPE OF WATER SUPPLY:

This location will be drilled using a combination of water mud systems (outlined in the drilling program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using existing and proposed roads shown in Exhibit 2,2a & 2b. On occasion, water will be obtained from existing water wells. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations shall be secured. If poly pipeline is used to transport fresh water to the location, proper authorization shall be secured by the contractor.

6. CONSTRUCTION MATERIALS

All caliche utilized for the drilling pad and proposed access road shall be obtained from an existing BLM approved pit or, the fee surface owner or from prevailing deposits found under the location. All roads shall be constructed of rolled and compacted caliche. Operator will use BLM recommended use of extra caliche from other locations close by roads, if available.

7. METHODS OF HANDLING WASTE MATERIALS

a. Drill cuttings shall be disposed of in a steel cuttings bin (catch tanks) on the drilling pad (behind the steel mud tanks). The bin and cuttings shall be hauled to an approved cuttings dumpsite.
   At the site, the cuttings shall be removed from the bin & the bin shall be returned to the drilling site for reuse.
b. All trash, junk, and other waste material shall be contained in trash cages or trash bins to prevent scattering. When a job is completed, all contents shall be removed and disposed of in an approved landfill.
c. The supplier, including broken sacks, shall pick up salts remaining after completion of well.
d. If necessary, a porto-john shall be provided for the rig crews. This equipment shall be properly maintained during the drilling and completion operations and shall be removed when all operations are complete.
e. Remaining drilling fluids shall be hauled off by transports to a state approved disposal site. Water produced during completion shall be put in storage tanks and disposed of in a state approved disposal. Oil and condensate produced shall be put in a storage tank and sold.
f. Disposal of fluids to be transported by the following companies:
   i. RGB TRUCKING
   ii. LOBO TRUCKING
   iii. I & W TRUCKING
   iv. CRANE HOT OIL & TRANSPORT
   v. JWS
   vi. QUALITY TRUCKING

8. ANCILLARY FACILITIES:

a. No airstrip, campsite, or other facilities will be built.

9. WELL SITE LAYOUT:

a. Exhibit 4 shows the proposed well site layout with dimensions of the pad layout and the location living facilities.
b. Exhibit 5 shows the 600' area and location of fresh water frac pond.
c. Mud pits in the active circulating system shall be steel pits and the catch tanks shall be steel tanks set in shallow sumps behind the steel circulating tanks and sumps.
d. The area where the catch tanks are placed shall be reclaimed and seeded per BLM requirements.

10. PLANS FOR SURFACE RECLAMATION:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche shall be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road shall be reclaimed as directed by the BLM. The catch tank area shall be broken out and leveled after drying to a condition where these are feasible. The original topsoil shall again be returned to the pad and contoured, as close as possible, to the original topography.
b. The location and road shall be reclaimed as recommended by the BLM.
c. If the well is deemed commercially productive, the catch tank area shall be restored as described in 10(a) within 120 days subsequent to the completion date. Caliche from areas of the pad site not required for operations shall be reclaimed. The original top soil shall be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad shall be contoured, as close as possible, to match the original topography.

11. SURFACE OWNERSHIP

The surface is owned by the Carl & Gwynetta Morgan. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and surface location will be restored as directed by the BLM.

As a requirement of the New Mexico Surface Owners Protection Act (NMSOPA), operator is currently negotiating a written Surface Use Agreement with the fee surface owner below. When an agreement has been reached, operator will provide BLM written confirmation.

Surface Owner:
Carl & Gwynetta Morgan
1211 E. Castleberry Road
Artesia, NM 88210
575-365-6414

12. OTHER INFORMATION:

a. The area surrounding the well is grassland. The topsoil is sandy & rocky in nature. The vegetation is moderately sparse with native prairie grass and cactus. No wildlife was observed but it is likely that deer, rabbits, coyotes, rodents and birds transverse the area.
b. There are not dwellings within 2 miles of location.
c. There is no permanent or live water within 1 mile of the location.
d. A Cutural Resources Examination will be conducted by Danny Boone and registered with BLM office in Carlsbad, New Mexico.

13. BOND COVERAGE:

a. Bond Coverage is Nationwide; Bond No. NM 2308

COMPANY REPRESENTATIVES:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

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

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

Operations

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

OPERATOR CERTIFICATION

I certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true, and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 24th day of September 2008.

Name: Donny G. Glanton
Position: Sr. Lease Operations ROW Representative
Address: P.O. Box 2267 Midland, TX 79705
Telephone: 432-686-3642
Email: donny_glanton@eogresources.com

Signed: _____

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG RESOURCES, INC.
LEASE NO.:	NM-108935
WELL NAME & NO.:	Waimea B 24 Federal 1H
SURFACE HOLE FOOTAGE:	404' FSL & 458' FEL
BOTTOM HOLE FOOTAGE	760' FSL & 660' FWL
LOCATION:	Section 24, T. 17 S., R 23 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Conditions-of-Approval for Drilling in Aplomado Falcon Habitat

The following well pad construction and reclamation measures will be implemented to provide for minimal long-term disturbance:

No Yuccas or trees over 5 feet in height will be damaged by vehicular use or any other activity associated with this project.

All active raptor nests will be avoided by a minimum of 400 meters by all activities or curtail activities until fledging is complete.

All inactive raptor nests will be avoided by a minimum of 200 meters by all activities.

Remove all caliche from well pads and roads that are plugged and abandoned. Reclamation will consist of disking, mulching, seeding with a drill (See seed mixture below), and application of water to encourage seed germination.

Well pad size will not exceed 300 ft. x 390 ft. (unless multiple wells are drilled from the same well pad). **All unused portions of the well pad associated with producing wells will be reclaimed** using the seed mixture below:

Buffalograss (Buchloe dactyloides)	4 lbs/acre
Blue grama (Bouteloua gracilis)	1 lbs/acre
Cane bluestem (Bothriochloa barbinodis)	5 lbs/acre
Sideoats grama (Boutelou curtipendula)	5 lbs/acre
Plains bristlegrass (Setaria macrostachya)	6 lbs/acre

Reserve pits for drilling and disposal are not allowed unless the pit can be effectively netted to the satisfaction of the BLM. Steel tank circulation system must be used if the reserve pit is not netted.

A sign stating "This Pipeline Corridor is Closed to Vehicular Traffic Due to Reclamation Efforts in Progress" will be placed where the pipeline crosses any road (both sides of the road), and at the beginning and end of the pipeline route on BLM administered lands.

All roads associated with well development will not exceed 30 ft in width

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5972 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil of the well pad. The topsoil to be stripped is approximately 4 inches in depth. The topsoil shall not be used to backfill the reserve pit and will be used for interim and final reclamation.

C. RESERVE PITS

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the
Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

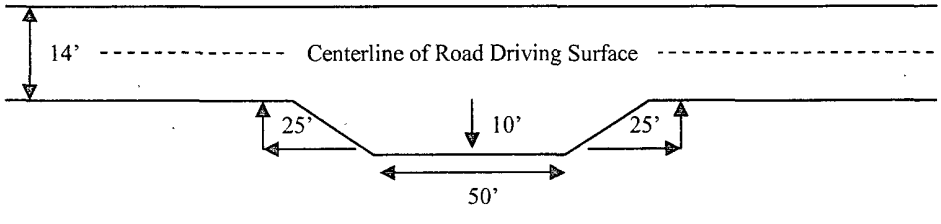
Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

Standard Turnout – Plan View

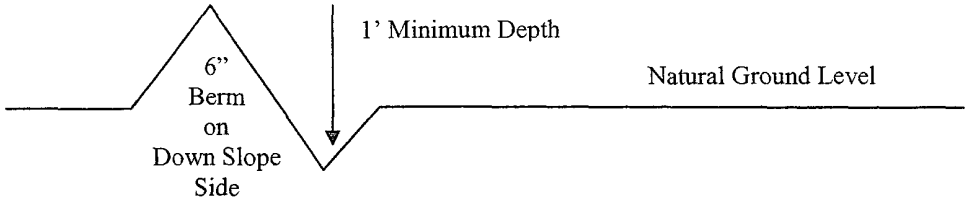


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Culvert Installations
Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards
An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

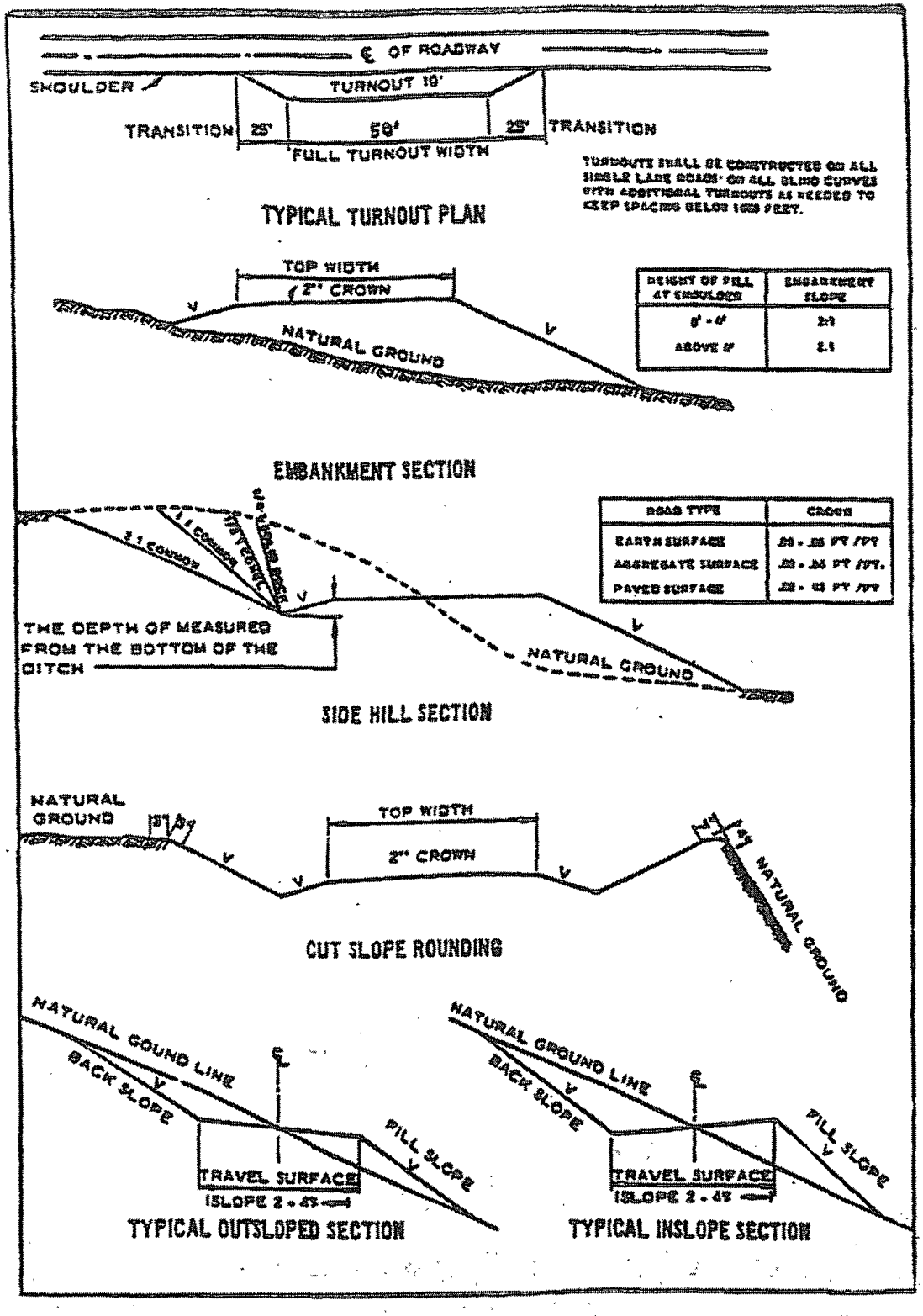
A gate shall be constructed and fastened securely to H-braces.

Fence Requirement
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2. 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.

3. Floor controls are required for 3M or Greater systems. These 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.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Grayburg and San Andres formations.
Possible high pressure gas bursts in the Wolfcamp formation.

1. The **8-5/8** inch surface casing shall be set **at approximately 1200 feet within the San Andres formation** and cemented to the surface.

    a. 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.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

    d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

2. The minimum required fill of cement behind the **5-1/2** inch production casing is:

    ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. 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.

C. PRESSURE CONTROL

1. 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 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi. **Operator using a 5M system, but testing as a 3M system.**

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. The tests shall be done by an independent service company.

    b. The results of the test shall be reported to the appropriate BLM office.

    c. 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.

    d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. 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.

    e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. 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.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

WWI 110308

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures
The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

The operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Aplomado Falcon Habitat Seed Mixture

Buffalograss (Buchloe dactyloides)) ---------- 4 lbs/acre
Blue grama (Bouteloua gracilis) ---------- 1 lb/acre
Cane bluestem (Bothriochloa barbinodis) ---------- 5 lbs/acre
Sideoats grama (Bouteloua curtipendula) ---------- 5 lbs/acre
Plains bristlegrass (Setaria macrostachya) ---------- 6 lbs/acre

(Insert Seed Mixture Here)

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.