

30-01538959

SURFACE USE PLAN OF OPERATION

SHL: 530' FSL & 2310' FEL, Unit O, Section 18, T18S-R30E, N.M.P.M., Eddy, NM
BHL: 430' FSL & 2310' FWL, Unit N, Section 17, T18S-R30E, 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. Operator will amend RW120717 to include roadway described on Exhibit 2a.
- c. Directions to Locations: Beginning in Loco Hills, NM, From Jct. of Hwy 82 & Co. Road 217, Go Southwest on CR 217 for 3 miles, turn left on CR 216 and go south for 1.9 miles, turn left on lease road for 0.1 miles, turn right on lease road for 0.2 miles, turn left lease road for 0.5 miles, turn right and go south for 0.1 miles, turn right and go west on lease road for 0.2 miles, turn left and go south for 0.3 miles, turn left for 0.1 miles, turn south for 0.5 miles to location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. The proposed access road begins off an existing lease road and trends S to the W side of well pad. (See 1c above for driving directions).
- b. The maximum width of the road will be ~~20'~~ ^{See COAs}. 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. No cattleguards, gates or fence cuts will be required. 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 Sand Tank 18 Fed Com 5H battery would be utilized and the necessary production equipment will be installed at the well site. See Production Facilities Layout diagram.
- b. As a proposed oil well, operator shall construct a powerline to the well location alongside existing lease roads. A separate powerline grant will be secured prior to construction.

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- c. All flow lines will adhere to API standards. A separate pipeline grant will be secured prior to construction.
- d. Refer to b above.
- e. 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. 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 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

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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.
- b. Exhibit 4 shows proposed location living facilities.
- 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.

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11. SURFACE OWNERSHIP

The surface is owned by the Bureau of Land Management (BLM). 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.

12. OTHER INFORMATION:

- a. The area surrounding the well is grassland. The topsoil is sandy in nature. The vegetation is moderately sparse with native prairie grass, cactus and shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes, birds and rodents transverse the area.
- b. There are not dwellings within 2 miles of location.
- c. There is no permanent or live water within 1 miles of the location.
- d. EOG will participate in the Permian Basin Memorandum of Agreement (MOA) signed by SHPO and the ACHP to use as an option for archaeological clearance.

13. BOND COVERAGE:

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

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Sand Tank 18 Fed Com 5H

COMPANY REPRESENTATIVES:

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

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. Steve Munsell
Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3609 Office
(432) 894-1256 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

Regulatory

Mr. Stan Wagner
Regulatory Analyst
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3689

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 13th day of October 2010.

Name: Donny G. Glanton

Position: Sr. Lease Operations ROW Representative

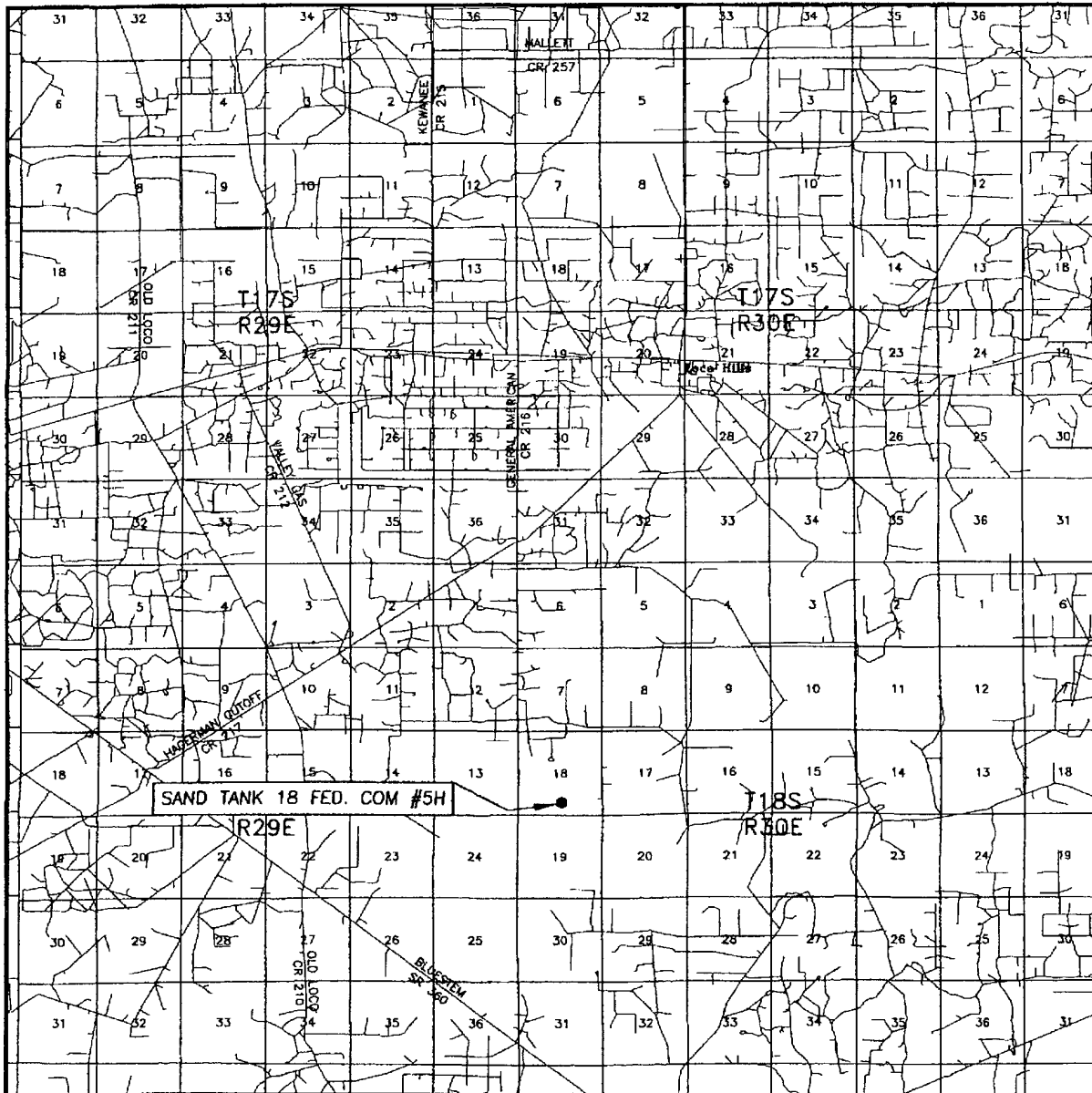
Address: P.O. Box 2267 Midland, TX 79705

Telephone: 432-686-3642

Email: donny_glanton@eogresources.com

Signed: 

VICINITY MAP

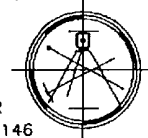


SEC. 18 TWP. 18-S RGE. 30-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 530' FSL & 2310' FEL
 ELEVATION 3511.0'
 OPERATOR EOG RESOURCES INC.

SCALE: 1" = 2 MILES

Asel Surveying

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



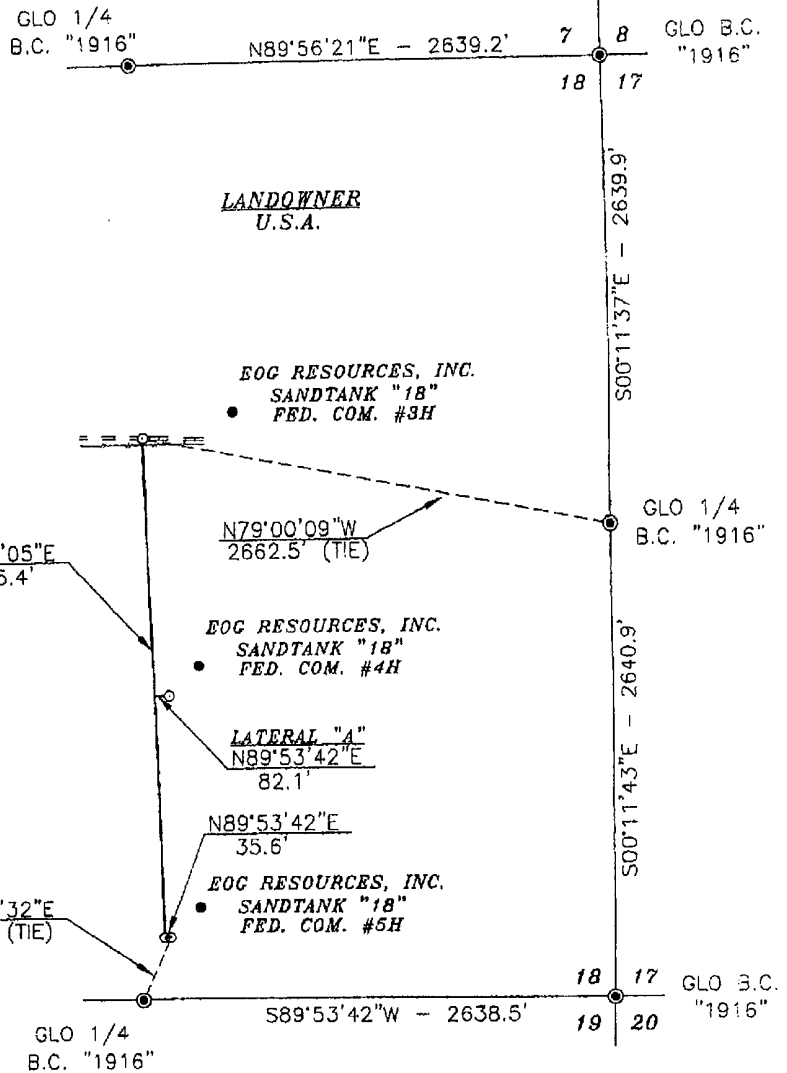
LEASE SAND TANK 18 FED. COM #5H
 DIRECTIONS BEGINNING IN LOCOS HILLS AT THE INTERSECTION OF U.S. HWY. #82 AND EDDY CO. ROAD #217, GO SOUTH SOUTHWEST ON EDDY CO. ROAD #217 FOR 3.0 MILES, TURN LEFT ON EDDY CO. ROAD #216 (GENERAL AMERICAN ROAD) AND GO SOUTH FOR 1.9 MILES, TURN LEFT ON LEASE ROAD FOR 0.1 MILES, TURN RIGHT ON LEASE ROAD FOR 0.2 MILES, TURN LEFT ON LEASE ROAD AND GO EAST FOR 0.5 MILES, TURN RIGHT AND GO SOUTH FOR 0.1 MILES, TURN RIGHT AND GO WEST ON LEASE ROAD FOR 0.2 MILES, TURN LEFT AND GO SOUTH FOR 0.3 MILES TO PROPOSED NEW ROAD, GO EAST FOR 0.1 MILES, TURN SOUTH FOR 0.5 MILES TO LOCATION.

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

Exhibit 2a

Nm. 120717

Basis of Bearings -- GPS Geodetic Measurements
NM East Zone (83) North American Datum of 1983



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 2913.1 FEET OR 0.552 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 18, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

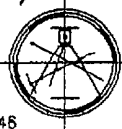


SURVEYORS CERTIFICATE

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.

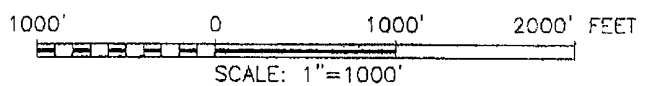
Terry J. Asel 7/11/2008
Terry J. Asel, N.M. R.P.S. No. 15079

Asel Surveying
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 505-393-9148



LEGEND

● -- DENOTES FOUND MONUMENT AS NOTED



EOG RESOURCES, INC.

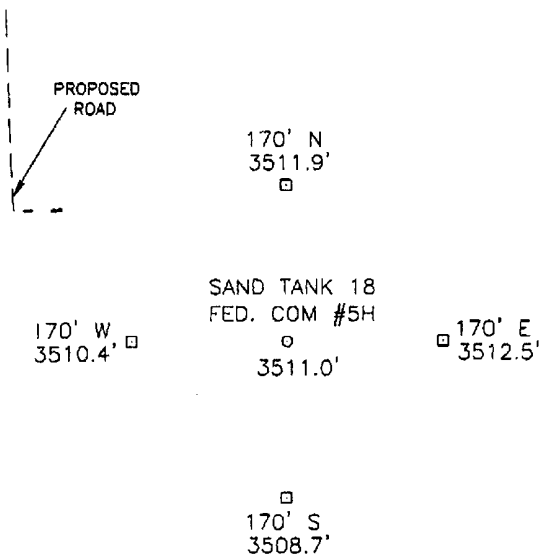
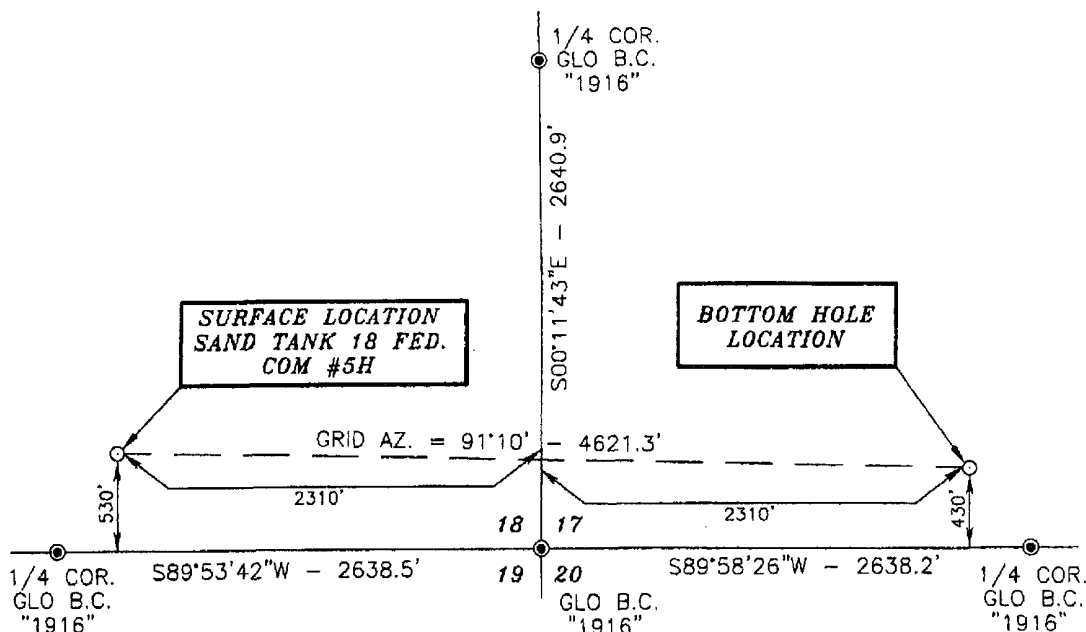
SURVEY FOR A ROAD EASEMENT CROSSING U.S.A. LAND IN SECTION 18, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 07/05/08	Sheet 1 of 1 Sheets
W.O. Number: 080705RD	Drawn By: JL
Date: 07/08/08	080705RD.DWG Scale: 1"=1000'

SECTIONS 18 & 17, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO

Exhibit 2 b

Basis of Bearings - GPS Geodetic Measurements
NW East Zone (83) North American Datum of 1983



DRIVING DIRECTIONS:
BEGINNING IN LOCO HILLS AT THE INTERSECTION OF
U.S. HWY. #82 AND EDDY COUNTY ROAD #217
(HAGERMAN CUTOFF ROAD), GO SOUTH SOUTHWEST
ON EDDY CO. ROAD #217 FOR 3.0 MILES, TURN
LEFT ON EDDY COUNTY ROAD #216 (GENERAL
AMERICAN ROAD) AND GO SOUTH FOR 1.9 MILES,
TURN LEFT ON LEASE ROAD FOR 0.1 MILES, TURN
RIGHT ON LEASE ROAD FOR 0.2 MILES, TURN LEFT
ON LEASE ROAD AND GO EAST FOR 0.5 MILES,
TURN RIGHT AND GO SOUTH FOR 0.1 MILES, TURN
RIGHT AND GO WEST ON LEASE ROAD FOR 0.2
MILES, TURN LEFT AND GO SOUTH FOR 0.3 MILES
TO PROPOSED NEW ROAD, GO EAST FOR 0.1 MILES,
TURN SOUTH FOR 0.5 MILES TO LOCATION.

SCALE-1"=200'



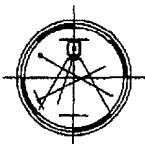
SURVEYORS CERTIFICATE

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 7/7/2008
Terry J. Asel N.M. R.P.S. No. 15079

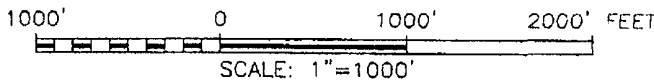
Asel Surveying

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



LEGEND

● - DENOTES FOUND MONUMENT AS NOTED



EOG RESOURCES, INC.

SAND TANK 18 FED. COM #5H
IN SECTIONS 18 & 17, TOWNSHIP 18 SOUTH,
RANGE 30 EAST, N.M.P.M., EDDY COUNTY,
NEW MEXICO

Survey Date: 07/02/08	Sheet 1 of 1 Sheets
W.O. Number: 080702WL-b	Drawn By: KA Rev:
Date: 07/07/08	080702WL-b Scale: 1"=1000'

EXHIBIT 3

Sand Tank 18 Fed Com SH

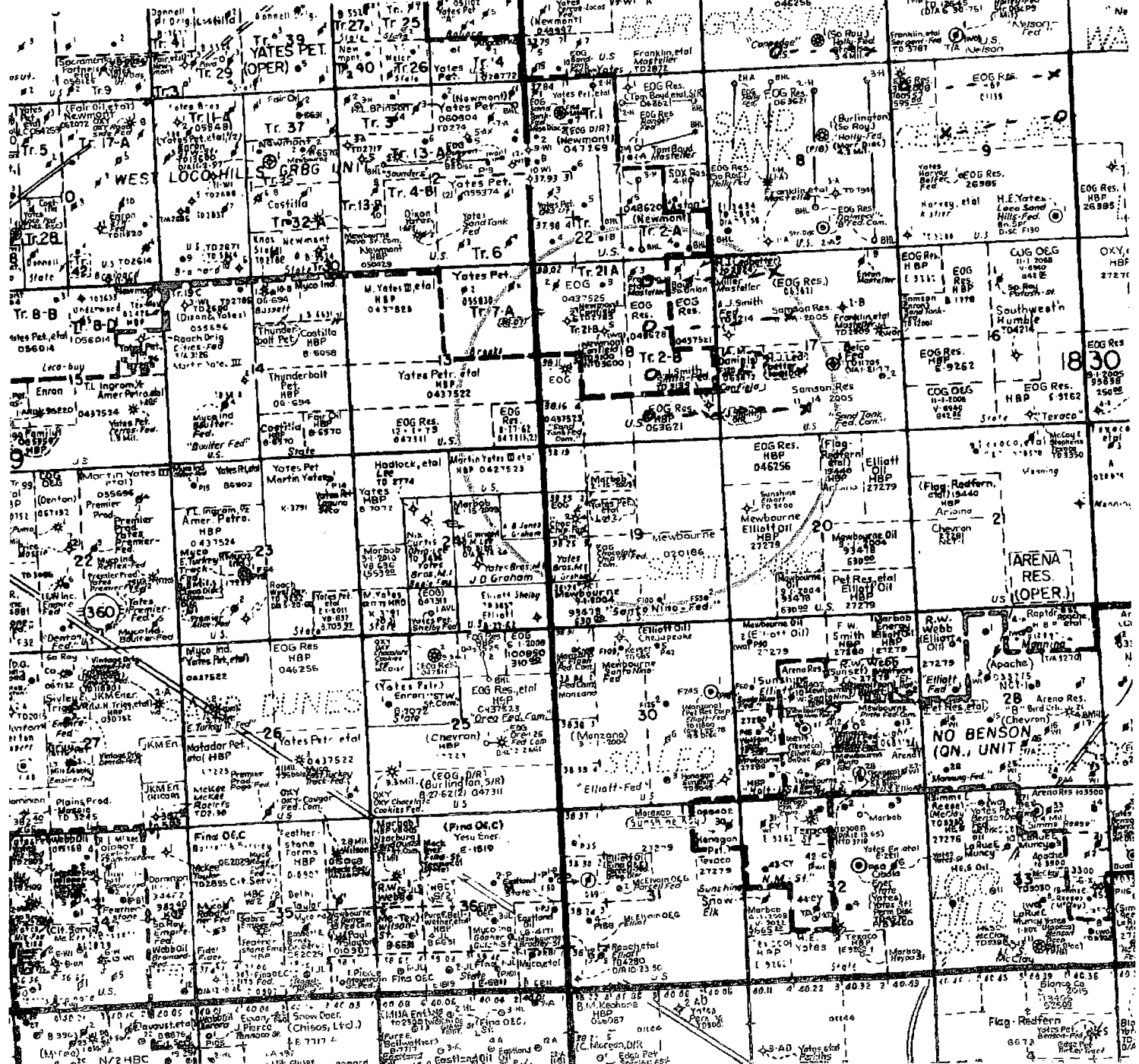
SHL: 530' FSL: 2310' FEL

Section 18, T 14S - R 30E

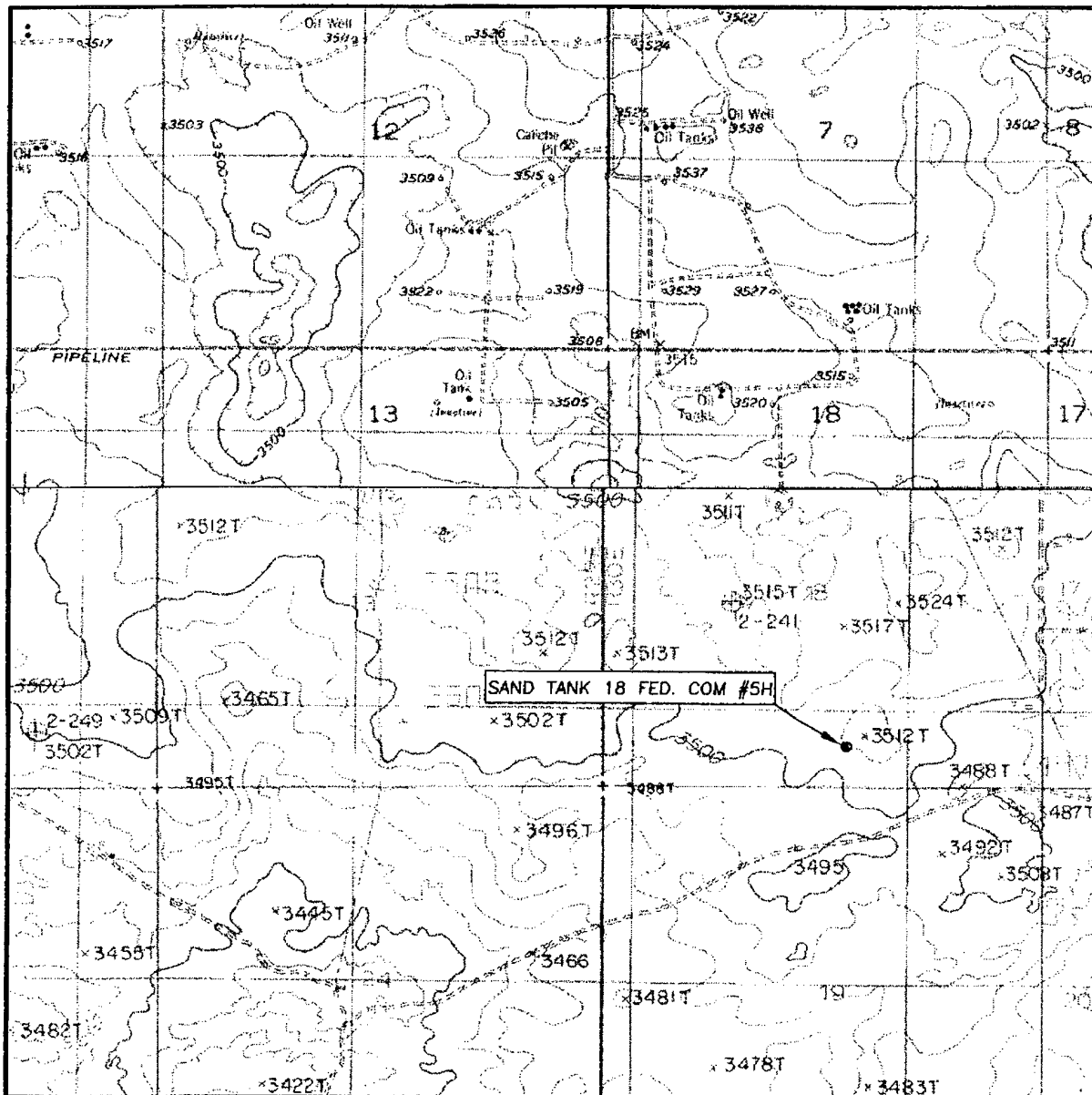
BHL: 430' FSL: 2310' FWL

Section 17, T 14S - R 30E

ERRY County, New Mexico



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 18 TWP. 18-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 530' FSL & 2310' FEL

ELEVATION 3511.0'

OPERATOR EOG RESOURCES INC.

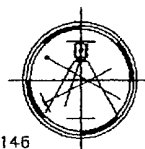
LEASE SAND TANK 18 FED. COM #5H

U.S.G.S. TOPOGRAPHIC MAP

ILLINOIS CAMP NE, N.M.

Asel Surveying

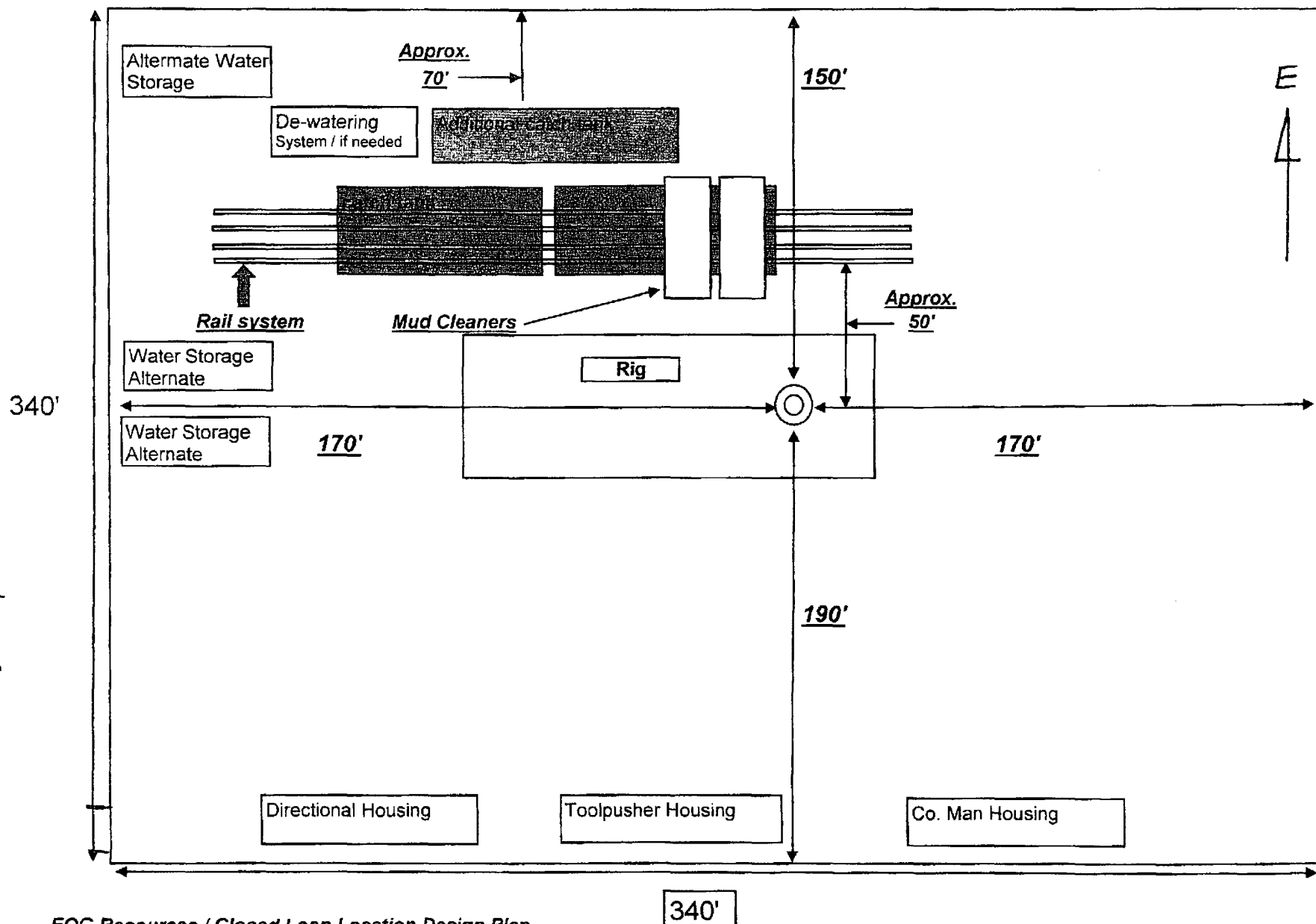
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



Sand Tank 18 Fed Com #5 H

Exhibit 4

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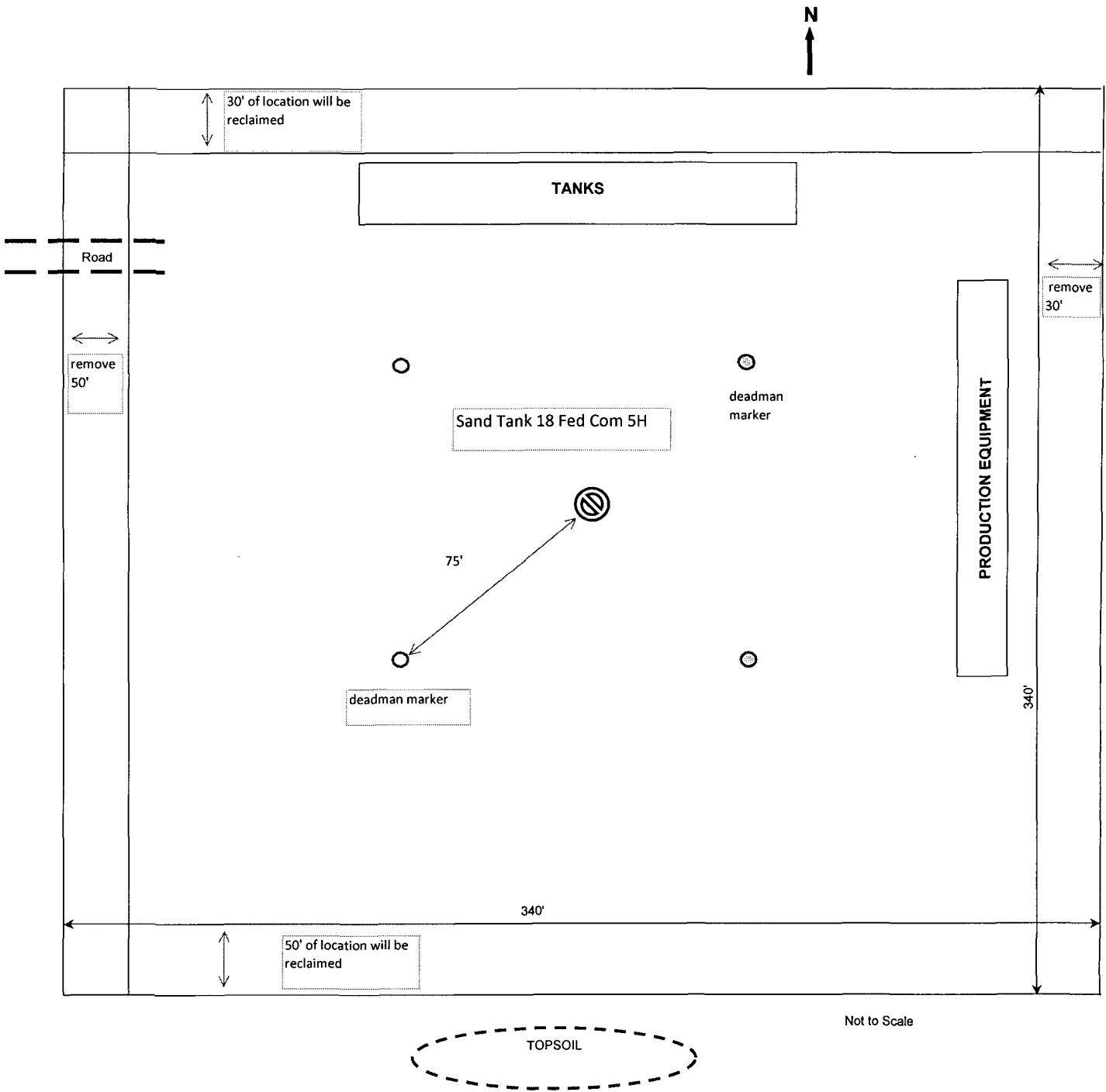


EOG Resources / Closed Loop Location Design Plan

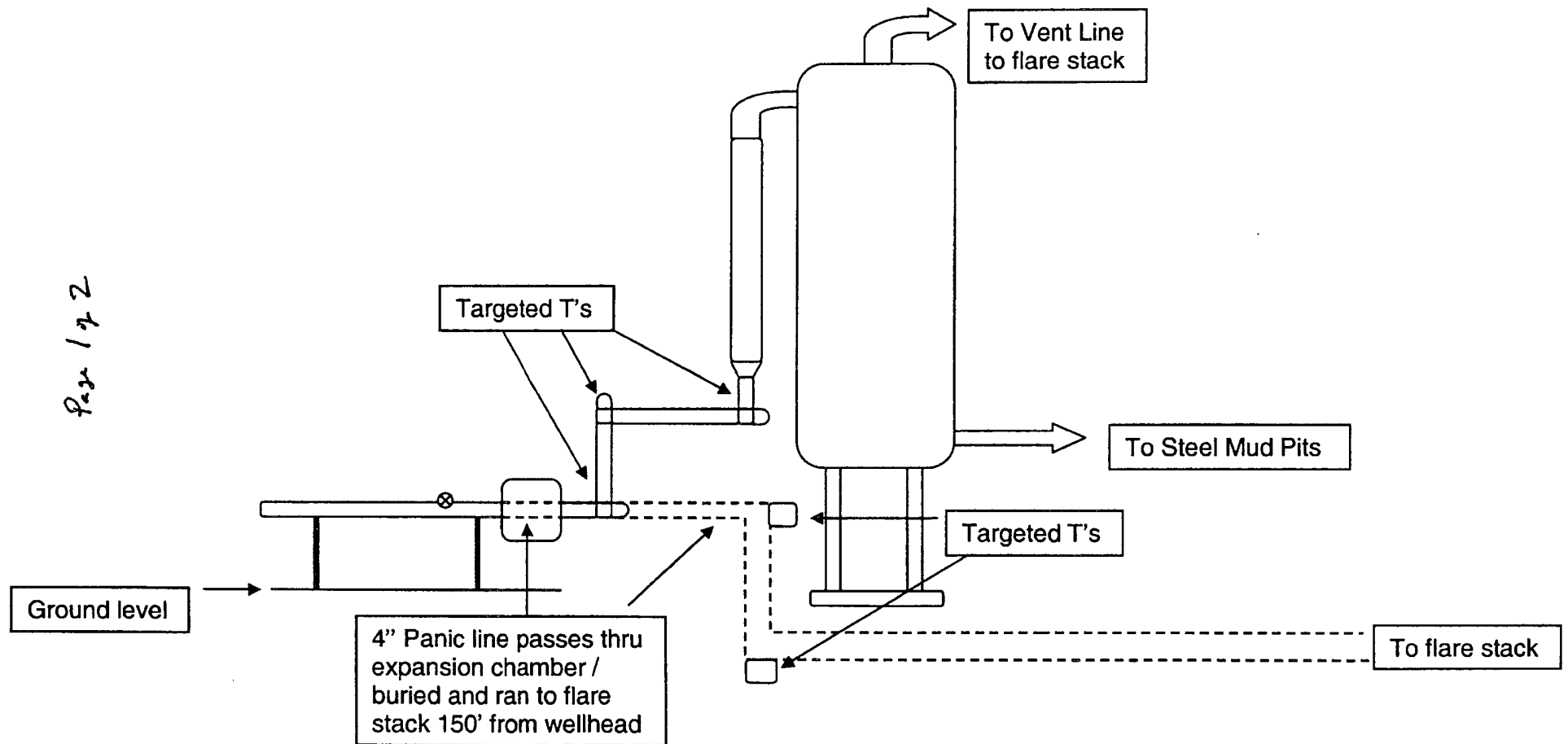
340'

Not to scale

6/30/2008



Profile View of Piping from Choke Manifold
to the Mud Gas Separator



Page 2 of 2

Aerial View of the Piping from the Choke
Manifold to the Mud Gas Separator

