

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Serial No.
NM 24499 99156
6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Empanada 6 Federal Com No.1	
2. Name of Operator EOG Resources, Inc.		9. API Well No. 30-025-36919	
3a. Address P.O. Box 2267 Midland, TX 79702		3b. Phone No. (include area code) (432) 686-3714	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 990'FNL & 1800' FEL Lea County Controlled Water Basin At proposed prod. Zone same as Surface Unit B		10. Field and Pool, or Exploratory Wildcat	
14. Distance in miles and direction from nearest town or post office* 8 mi. SW from Tatum NM		12. County or Parish Lea Co.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. Unit line, if any) 990		13. State NM	
16. No. of Acres in lease 80		17. Spacing Unit dedicated to this well N/2 Section 6	
18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft.		20. BLM/BIA Bond No. on file NM2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc) GL 4106'		22. Approximate date work will start* 11/15/2004	
23. Estimated duration 58 days		24. Attachments	

The following completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Mike Francis</i>	Name (Printed/Typed) Mike Francis	Date 8/23/2004
Title Agent		

Approved by (Signature) <i>/s/ Joe G. Lara</i>	Name (Printed/Typed) <i>/s/ Joe G. Lara</i>	Date OCT 14 2004
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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

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 reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OPEN. OGRID NO. 7377
PROPERTY NO. 34353
POOL CODE 10120104
EFF. DATE 10/20/04
API NO. 30-025-36919

KZ

Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	2050'
Yates	2900'
Queen	3600'
San Andreas	4300'
Drinkard	7400'
Wolfcamp	9400'
Strawn	11100'
Austin	12200'
Lower Miss	12750'

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

Upper Permian Sands	Above 500'	Fresh Water
Wolfcamp	9400'	Oil
Atoka	11600'	Gas
Austin	12200'	Gas

4. CASING PROGRAM

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight Grade Jt. Cond. Type</u>
14 3/4"	0-400'	11 3/4"	42# H-40 ST&C
11"	0-4000'	8 5/8"	32# J-55 LT&C
11"	4300'	8 5/8"	32# HCK LT&C
7 7/8"	0-13000'	5 1/2"	17# S95/P110 L&TC

Cementing Program:

11 3/4" Surface Casing:	Cement to surface with 105sx Prem Plus, 3% Econolite, 2% Calcium Chloride, 0.25#/sx Flocele, 150 sx Prem Plus, 2% Calcium Chloride
8 5/8" Intermediate:	Cement to surface with 850 sx Interfill C, .25#/sx flocele, 230 sx Premium Plus, 1% Calcium Chloride
5 1/2" Production:	Cement w/700 sx Premium, 3% Econolite, 5#/sx Salt (3%), 0.2% HR5, .25#/sk Flocele, 450 sx Prem 50/50 Poz mix 'A', 2% Halliburton-Gel First, 0.5% Halad-322. This is designed to bring TOC to 4000'.

**Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM**

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 top and drill pipe rams on bottom. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. EOG request authorization to use a 2M system, providing for an annular preventer to be used prior to drilling the surface casing shoe before drilling out of surface casing. Before drilling out of 1st intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/1000 psi and the annular to 3500/5000-psig pressure.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Wt Viscosity</u> <u>(PPG)</u>	<u>Waterloss</u> <u>(sec)</u>	<u>(cc)</u>
0-500'	Fresh Water -Gel	8.5	32-34	N.C.
500'-4300'	Brine Water	10.0	32-34	N.C.
4300'- TD	Cut Brine	8.9 - 9.6	34-40	10-25

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) A mud logging unit complete with H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 5000' to TD.

**Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM**

8. LOGGING, TESTING AND CORING PROGRAM:

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

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 200 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 6400 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.

**Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM**

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

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

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

2. PROPOSED ACCESS ROAD:

762' of new road is required. Exhibit 2a,

No turnouts necessary.

No culverts, cattleguards, gates, low-water crossings are necessary.

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. LOCATION OF EXISTING WELLS:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Fresh water and brine water for drilling will come from commercial sources and transported to the well site over the roads as shown on Exhibit #2.

6. PLANS FOR RESTORATION OF THE SURFACE:

Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the wellpad removed to promote vegetation and disposal of human waste will be complied with. Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

ANCILLARY FACILITIES:

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

WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad.

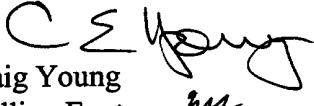
**Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM**

OTHER INFORMATION:

The area around the well site is grassland . .

CERTIFICATION:

I HEREBY CERTIFY that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.


Craig Young
Drilling Engineer
8/24/2004

**Drilling Program
Empanada 6 Federal Com No.1 Well
LEA COUNTY, NM**

ATTACHMENT TO EXHIBIT #1

1. Wear ring to be properly installed in head.
2. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum. Exhibit #1.
3. All fittings to be flanged
4. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.
5. All choke and fill lines to be securely anchored especially ends of choke lines.
6. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
7. Kelly cock on kelly.
8. Extension wrenches and hand wheels to be properly installed.
9. Blow out preventer control to be located as close to driller's position as feasible.
10. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

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, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36919		² Pool Code ✓	³ Pool Name Wildcat Austin	
⁴ Property Code 34355	⁵ Property Name EMPANADA "6" FEDERAL COM			⁶ Well Number 1
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 4106'

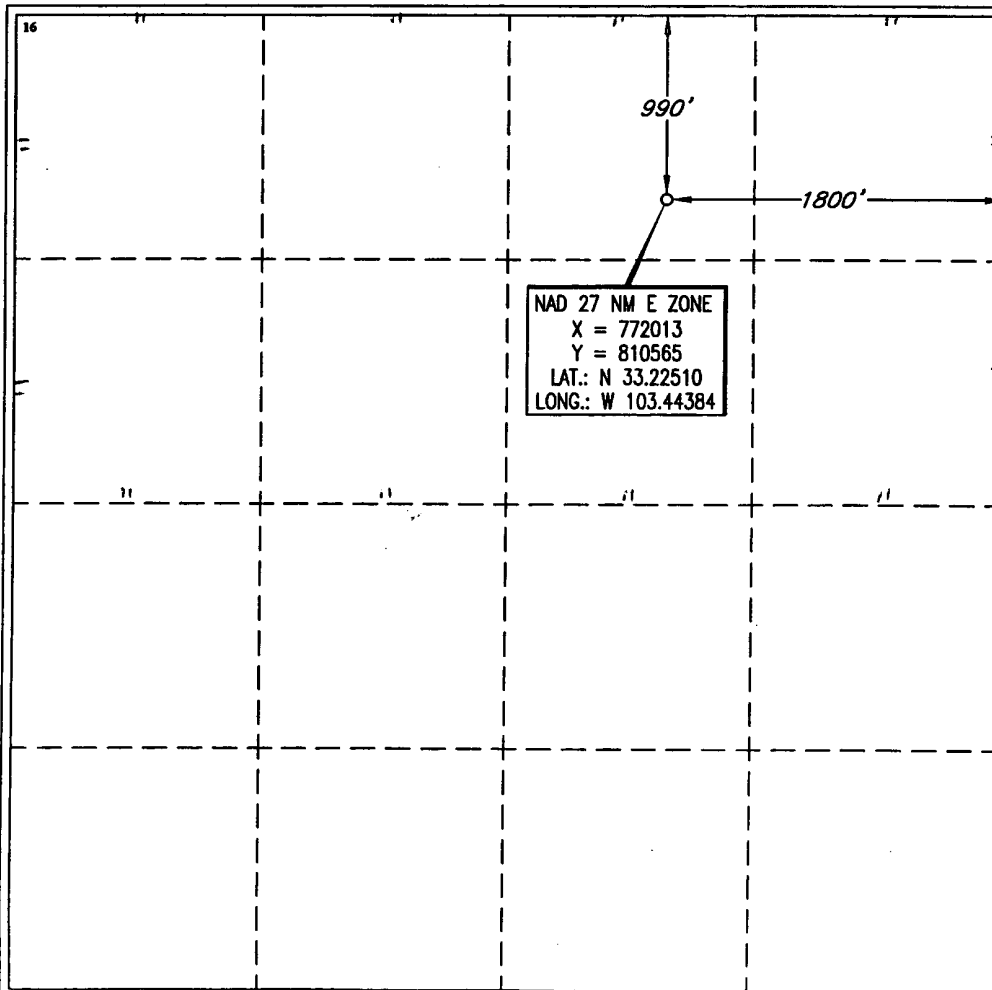
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	6	13 SOUTH	35 EAST, N.M.P.M.		990'	NORTH	1800'	EAST	LEA

¹¹ 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
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mike Francis
Signature

Mike francis
Printed Name

Agent
Title

8/23/2004
Date

¹⁸ 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 10, 2004

Date of Survey

Signature and Seal of Professional Surveyor

V. L. Beznier
Certificate Number
V. L. BEZNER R.P.S. #7920
JOB #96955 / 74SW / E.U.O.

EOG Resources, Inc.

Empanada 6 Federal No.1

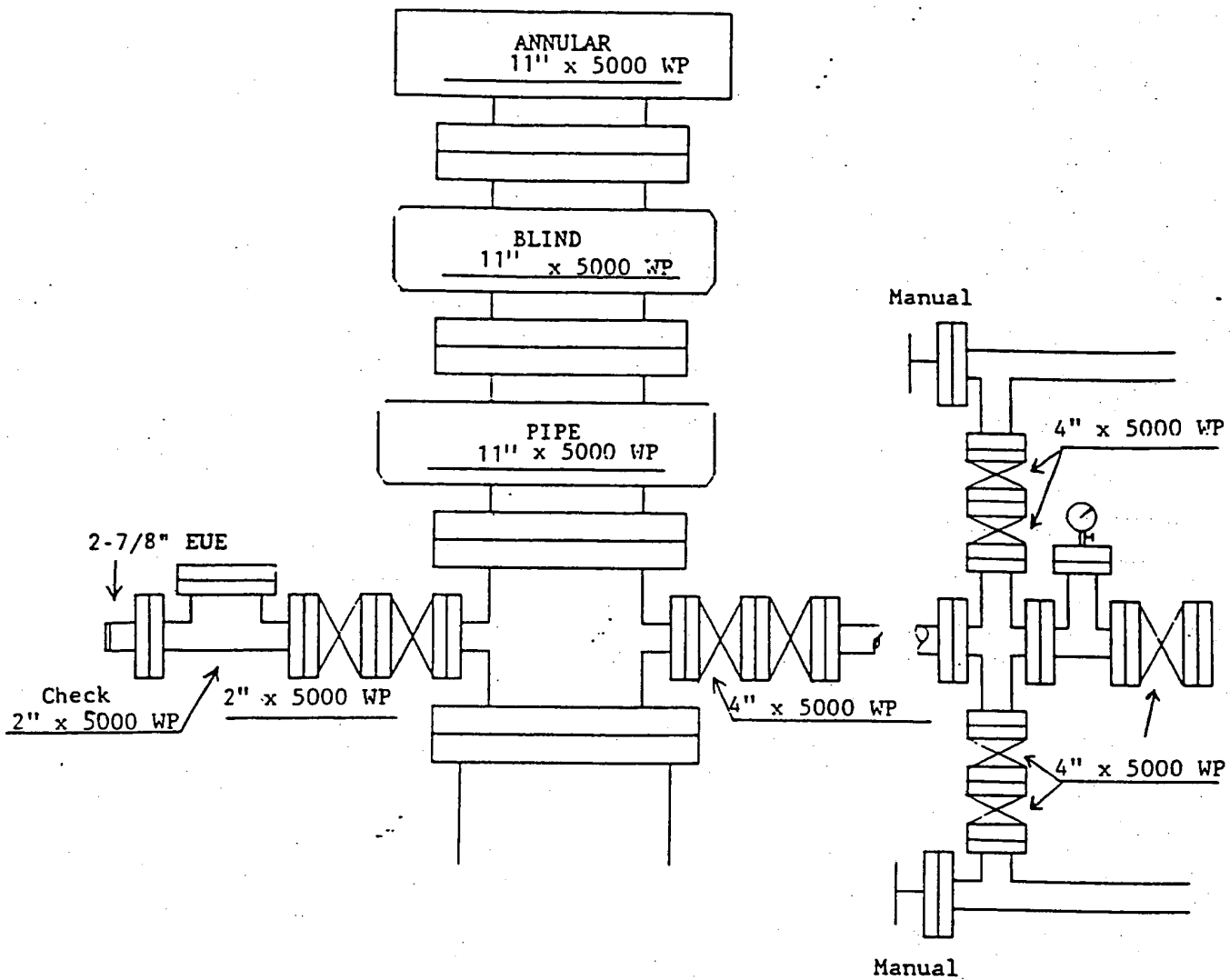
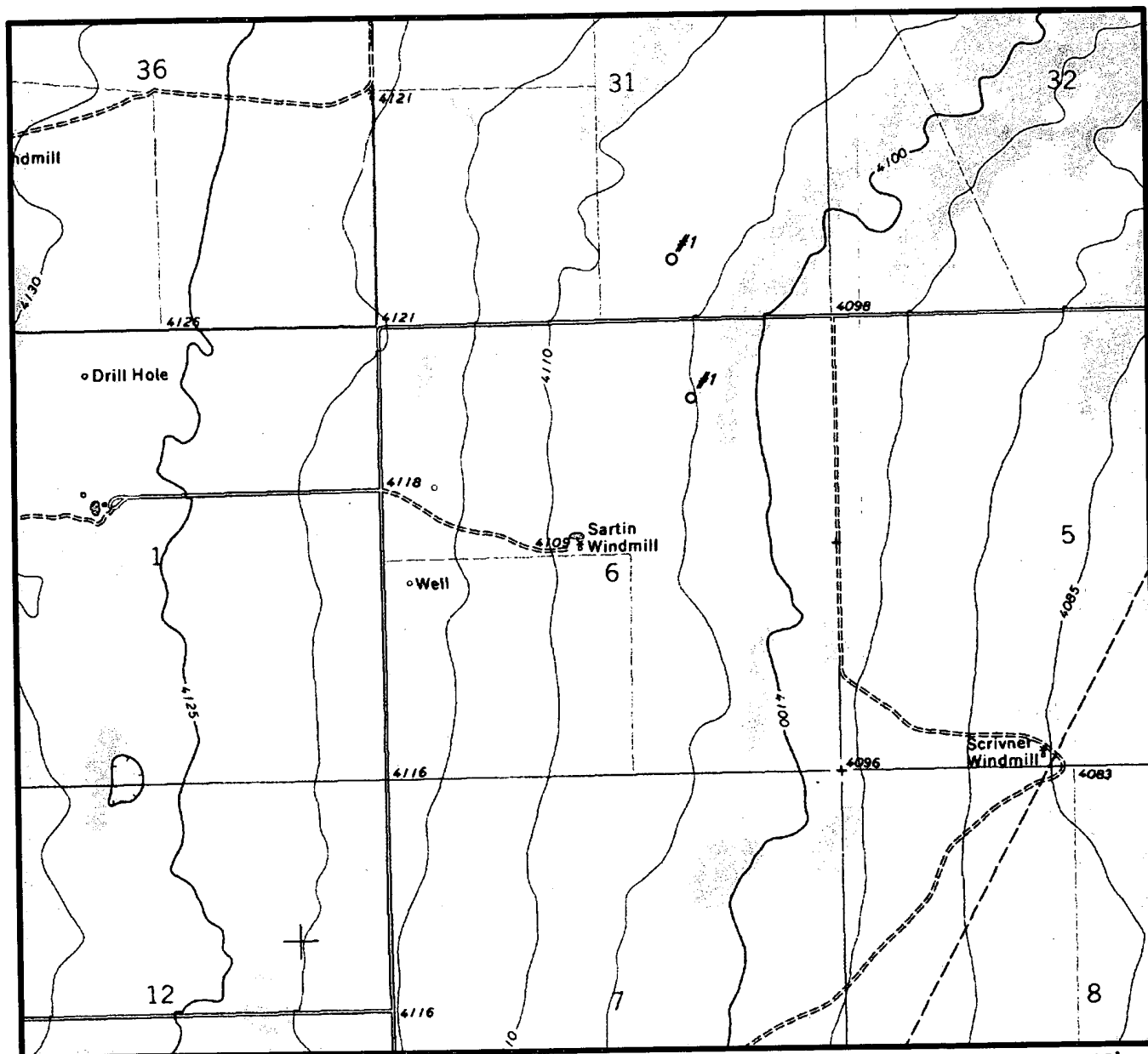


Exhibit 1

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 6 TWP 13-S RGE 35-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 990' FNL & 1800' FEL

ELEVATION 4106'

OPERATOR EOG RESOURCES, INC.

LEASE EMPANADA "6" FED COM #1

U.S.G.S. TOPOGRAPHIC MAP

ALSTON RANCH, NEW MEXICO

SCALED LAT. LAT.: N 33.22510

LONG. LONG.: W 103.44384

Exhibit 2

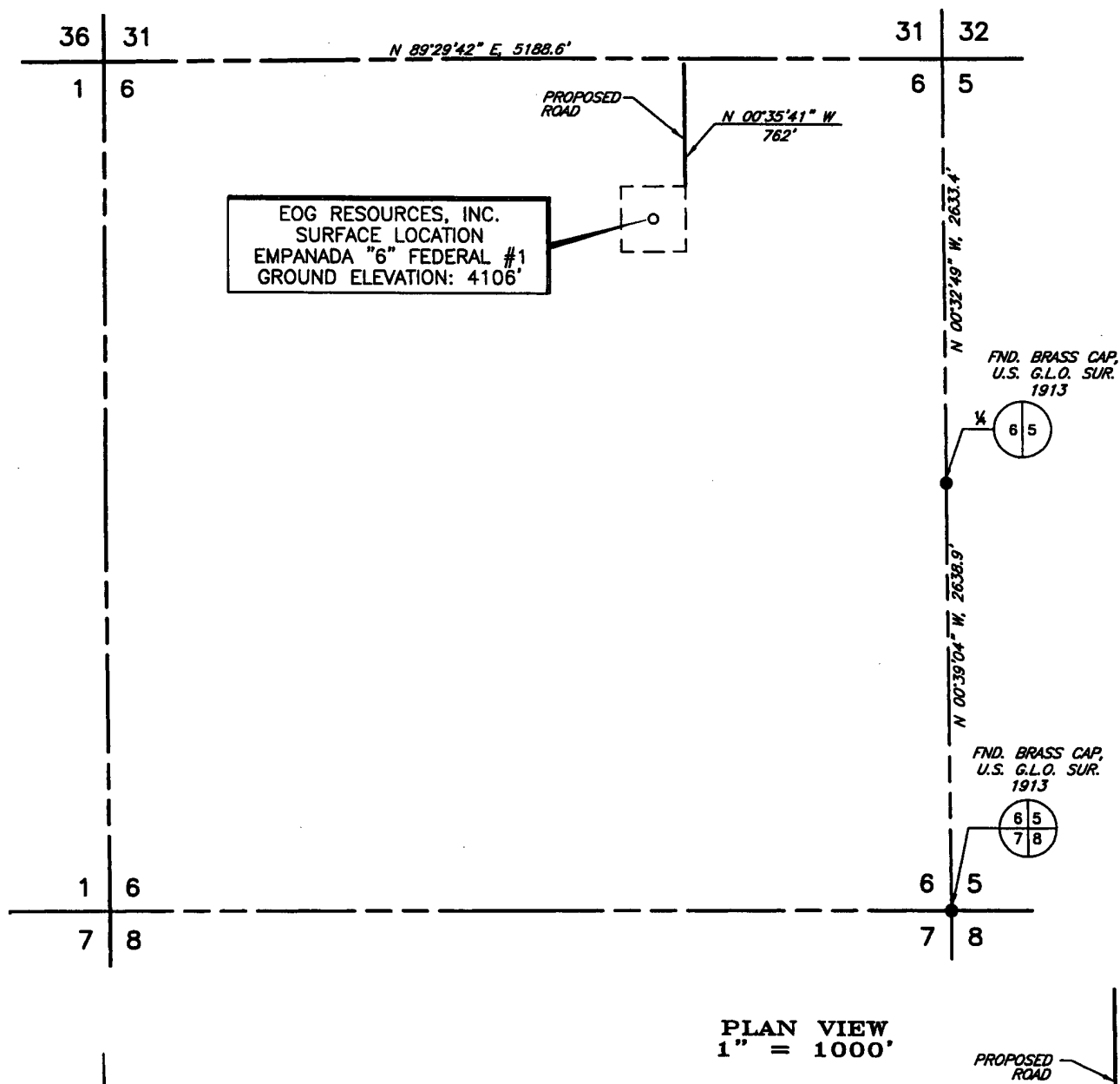


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

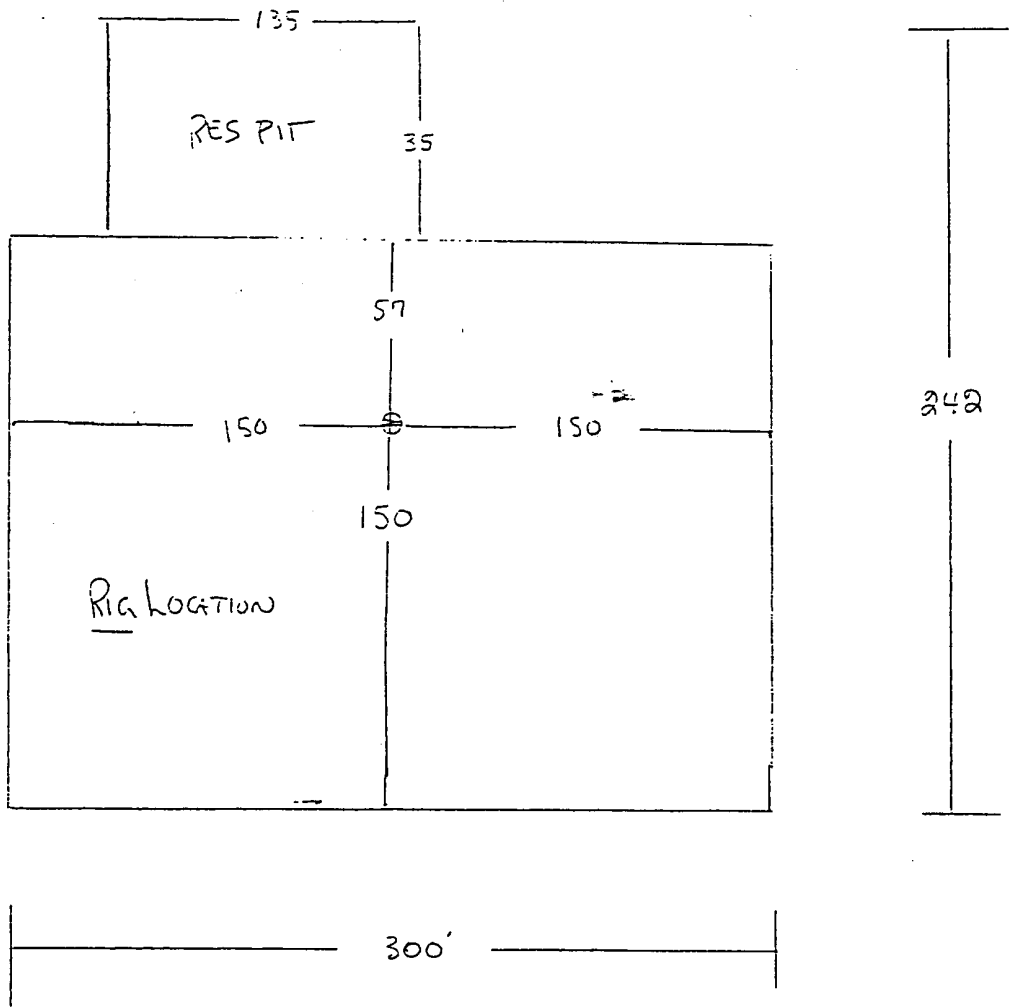
2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

SECTION 6, TOWNSHIP 13 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



Empanada 6 Federal No.1

Handwritten mark resembling a stylized 'A' or 'N' with a diagonal slash.



Statement Accepting Responsibility For Operations

Operator Name: EOG Resources, Inc.
Street or Box: P.O. Box 2267
City, State: Midland, TX
Zip Code: 79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM24493

Legal Description of Land: Section 6 N/2NE/4, T-13-S, R-35-E, NMPM
Lea Co., NM

Formation(s) (if applicable):

Bond Coverage: *(State if individually bonded or another's bond)* Individually

BLM Bond File No.: NM2308 with endorsement to State of NM

Authorized Signature:


Mike Francis

Title: Agent

Date 8/23/2004



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

August 23, 2004

BLM - Roswell
2909 West Second Street
Roswell, New Mexico 88201

Re: Surface Damages Empanada "6" Federal
Com. No. 1 Well, N/2 NE/4 Section 6,
Township 13 South, Range 35 East
Lea County, New Mexico

Gentlemen:

Please be advised that EOG Resources, Inc. has reached an agreement with the private surface owner, Mr. John Ingle, regarding surface damages for the subject well.

Very truly yours,

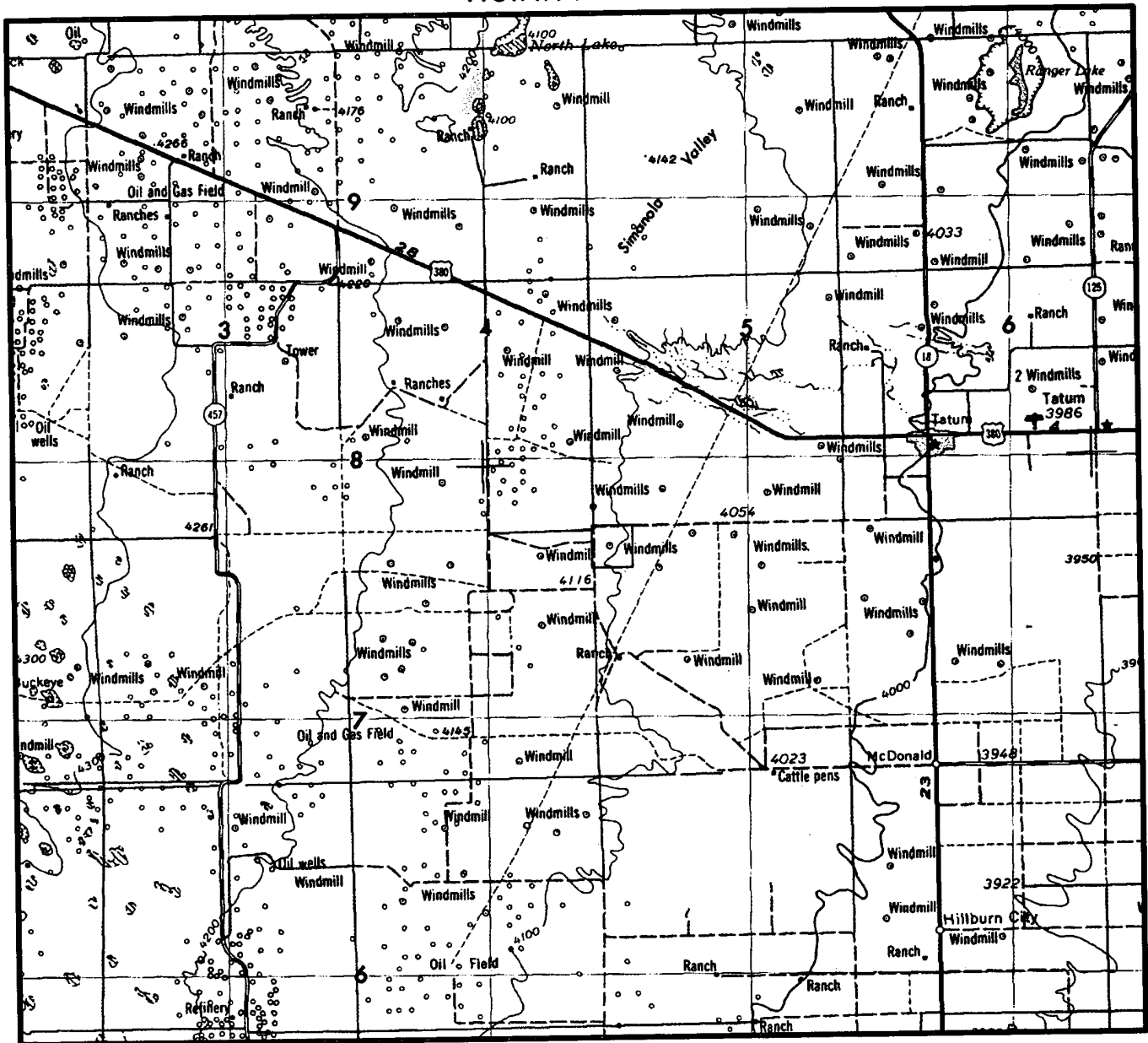
EOG Resources, Inc.

A handwritten signature in black ink, appearing to read "Mike Francis".

Mike Francis
ROW and Lease Operations Agent

MF/pcl

VICINITY MAP



SECTION 6 TWP 13-S RGE 35-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY LEA STATE NM
 DESCRIPTION 990' FNL & 1800' FEL

OPERATOR EOG RESOURCES, INC.
 LEASE EMPANADA "6" FED COM #1

DISTANCE & DIRECTION FROM HWY. INT. OF HWY. 206 &
CO. RD. 149, GO WEST ON CO. RD. 149 7.4 MILES TO A
POINT ±950' NORTH OF THE LOCATION.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
 PAMPA, TX. 79065
 (800) 658-6382

6709 N. CLASSEN BLVD.
 OKLAHOMA CITY, OK. 73116
 (800) 654-3219

2903 N. BIG SPRING
 MIDLAND, TX. 79705
 (800) 767-1653

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: EOG Resources, Inc. Telephone: 432 686-3-14 e-mail address: mike.francis@eogresources.com
Address: PO Box 2267 Midland Tx. 79702
Facility or well name: Empire de la Piedra #1 API #: 30-025-36912 U/L or Q/L or B: B Sec: 6 T: 13 R: 35
County: Lea Latitude: _____ Longitude: _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

2B Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume _____ bbl		Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)		Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)		Yes No	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)		Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
		Ranking Score (Total Points)	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 8/29/04

Printed Name/Title: Mike Francis Agent Signature: Mike Francis

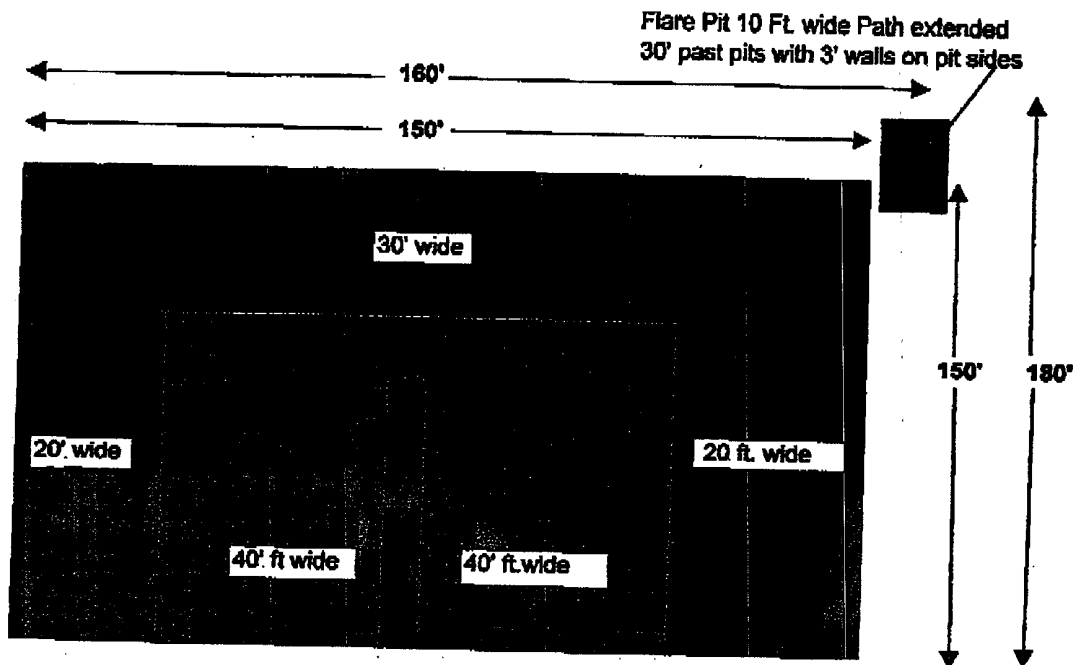
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: 10/21/04 PETROLEUM ENGINEER

Printed Name/Title: _____ Signature: Paul J. [Signature]

New Mexico Ground Level Double Horseshoe Pits (EOG)



Pits will be 150' deep X 150' wide ground level. Flare pit is 10 X 30