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1b. Type of Well:	Gas We	II 🛄 Other	Single	Zone Mul	iple Zone	Vaca 25 Fed		
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	Resources, Inc.						025-	
	3a. Address		3b. Phone N	lo. <i>(include area</i>	code)	10. Field an	•	· /) (
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The following comp	leted in accordance with the requ	irements of O	enshore Oil an C	Gas Order No. 1,	shall be attac	hed to this form	:	
1. Well plat certifie	d by a registered surveyor.			4. Bond to cover	the operation	ns unless covere	ed by an exis	ting bond on file (see
2. A Drilling Plan.				Item 20 abov	e)			- ·
	lan (if the location is on National	-	Lands, the	5. Operator cert				
SUPO shall be fil	ed with the appropriate Forest Se	ervice Office)		1		ormation and/or	plans as ma	ay be required by the
25. Signature	1-		Name (Printe	authorized of d/Typed)	ilcer.		Date	
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Application approval do operations theron.	pes not warrant or certify the applican	nt holds legal or	equitable title to	those rightes in the	subject lease			
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		 + 	 	 		<u> LONG.: W 1</u> - + 	<u> </u>	¹⁸ SURVEYOR I hereby certify that the up plotted from field notes of an supervision, and that the easy belief.	ell location shown on th ctual surveys made by me o	is plat was v under my
		 	 					Date of Survey Signature parses	LYNN EZNER 0, 7920	

2

Certificate Number V. L. BEZNER

JOB #96885-A2/

ONAL LAND

R.P.S. **#**7920

/ E.U.O.

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DISTRICT I

1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1100'
Delaware Mt. Group	59270'
Bone Springs	9275'
3 rd Bone Spring Sand	12025'

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

Upper Permian Sands	Above 250'	Fresh Water
3 rd Bone Spring Sands	12,450'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 11-3/4" casing at 650' and circulating cement back to surface, and 8-5/8" casing will be set at 5200' with cement circulated back to surface

4. CASING PROGRAM

₽.

<u>Hole Size</u>	Interval	OD Casing	Weight Grade Jt. Cond. Type
14-3/4"	0-650'	11-3/4"	42# H-40 ST&C USE LEA COA.
11"	0-4000'	8-5/8"	32# J-55 LT&C
11'	4000'-5200'	8-5/8"	32# HCK LT&C
7-7/8"	0-12,600'	5-1/2"	17#P-110 LT&C

Cementing Program:	
11-3/4" Surface Casing:	Cement to surface with 250 sx Prem Plus, 3%
	Econolite, 25 Calcium Chloride, 0.25#/sx Flocele,
	150 sx Prem Plus, 2% Calcium Chloride
8-5/8" Intermediate:	Cement to surface with 1100 sx Interfill C, .25#/sx flocele, 250 sx Premium Plus, 2% Calcium Chloride
5-1/2" Production	Cement w1200sx 50/50 POZ+ 2% gel + 4% CF-14 + .1% Diacel LWL. This cement slurry is designed to bring TOC to 4500'.

EOG RESOURCES, INC. Vaca 25 Federal No.1 Lea Co. 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:

		Wt Viscosi	ity Water	loss
<u>Depth</u>	Type	<u>(PPG)</u>	<u>(sec)</u>	<u>(cc)</u>
0-1100	Fresh Water (Spud Mud)	8.5	40-45	N.C.
1100'-5200'	Brine Water	10.0	30	N.C.
5200''- TD	Cut Brine + Polymer/KC	CL 8.8 – 9.2	28	N.C

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.

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Laterlog-MSFL and GR-Compensated Density-Neutron from TD to intermediate casing with a GR- Compensated Neutron ran from Intermediate casing to surface..

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately one month. If the well is productive, an additional 30-60 days will be required for completion and testing before a decision is made to install permanent facilities.

EOG RESOURCES, INC. Vaca 25 Federal No.1 Lea Co. 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:

4262' of new road is required. Exhibit #2a,2b

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

EOG RESOURCES, INC. Vaca 25 Federal No.1 Lea Co. 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 well pad removed to promote vegetation and disposal of human waste will be complied with. Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

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

ANCILLARY FACILITIES:

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

WELL SITE LAYOUT:

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

DRILLING PROGRAM

EOG RESOURCES, INC. Vaca 25 Federal No.1 Lea Co. NM

OTHER INFORMATION:

The area around the well site is grassland and the topsoil is duned and sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

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 23/04

DRILLING PROGRAM

EOG RESOURCES, INC. Vaca 25 Federal No.1 Lea Co. 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.

EOG Resources, Inc.

Vaca 25 Federal No.1



Exhibit 2a





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Vaca 25 Federal No.1 Exhibit 4



VICINITY MAP

Exhibit 2



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

LOCATION & ELEVATION VERIFICATION MAP



Statement Accepting Responsibility For Operations

EOG Resources, Inc. Operator Name: 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.: NM94101

Legal Description of Land: Section 25 E/2E/2, T-25-S, R-33-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 Hance

Mike Francis

Title: Agent

Date 8/23/2004

DRILLING FAX	Fax:915686	6365 No	v 11 2004	11:56	P.02
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white cleveline of groe		Yes	•	(0 points)	
Wellhead protection area: (Less than 200 feet	from & private domaster	No		(20 points)	
		Less than 200 feet	1000 feet	(to points)	•
		200 feet of more, but less th	an 100-1-1-	(0 points)	
Distance to surface water: (horizontal distance Distance to surface water: (horizontal distance irrigation canals, ditches, and percurial and a	phenoeral watercourses.)	1000 feet or more			
Industrian canals, disciplin, and			(the	·	
<u>If this is a pli chaures</u> (1) attach a diagra		Ranking Score (Total Po		dicate disposal local	den:
		it's relationship to other equips	ant and tanks. (2)	action taken melad	ting: 1983 semediation start dans and 1993 semediation start dans and
(1) attach a diagra	m of the facility showing use	(3) Attach a general de	Scription of stinch 5	ample results. (5) A	the culture stands to a stand a
If this is a pit chainer of faite, name of fa	cility have detail	below ground surface			Any K
<u>)i this is a plt closure</u> : (1) much of fa onsite (1) officite (1) If officite, name of fa date. (4) Groundwater encountered: No	Yes C Kyes, show errow			t the above descri	ped pit or below-grade can
date. (4) Ground water and excevel	002	t of my knowledge and belief.) further certify to	ive OCD approved	Para Cr.
his second of sumplies to the	is true and complete to the p	12, a general permit LI, or at	17		
diagram		171. L	e lance	of the pit of 196	ik contaminate ground water
I hereby certify that the information above	raing to prove	. Signature			
 If this is a pin construction of faile on site of the offsite of fishe of the fishe of the offsite, name of faile of the offsite offsite of the offsite offsite	ancis Age	Signature Signature	bility should the cont	ich sny other federa	L State, or press
I bereby certify that the information above basen/will be constructed or closed acco Data: A 22 Mike Fi Printed Name/Title	ancis Ages	Signature for the operator of lis we not relieve the operator of lis we the operator of its responsibility	bility should the con- lity for compliance w	with any other federa	
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