30.025-40189

SURFACE USE PLAN OF OPERATION

SHL: 330' FNL & 430' FWL, Unit D, Section 8, T25S-R34E, N.M.P.M., Lea, NM BHL: 330' FSL & 430' FWL, Unit M, Section 23, T25S-R34E, N.M.P.M., Lea, 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, RPLS 15079.
- b. All roads into the location are depicted on Exhibits 2 and 2a <u>Directions to Locations</u>: Beginning in Jal, NM at the intersection of N.M. State Hwy 128 and Hwy 18, go west on Hwy 128 for 14.1 miles to County Road #2 (Battle Ax Road), turn left and go southwest on County Road #2 for 0.3 miles, turn right and go west for 1.6 miles, turn left and go south for 1.0 miles, turn right and go west for 0.5 miles, turn left and go south/southwest for 2.3 miles, turn right off of County Road #2 and go northwest on lease road for 2.0 miles, turn right and go north for 0.4 miles, turn left on proposed road and go west for 0.4 miles to location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. A new access road will be constructed a distance of (2,187.1 feet) of compact caliche as depicted per Exhibit 2a.
- b. The maximum width of the road will be 14'. 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%.

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 necessary production equipment will be installed on location
- b. As a proposed oil well, operator shall construct a power line as depicted by Exhibit 2a. The proposed power line is entirely on the Federal Lease.
- c. Pipeline will adhere to API standards. Applicant will lay two (2) 4" poly gas pipelines and two (2) 4" poly SWD pipelines to the Diamond 8 Fed Com 1H where the existing tie in are located.

- d. Refer to b above. The proposed gas pipeline and SWD pipeline are entirely on the Federal Lease.
- e. If the well is productive, rehabilitation plans are as follows:
 - i. The location shall be reduced on the north, west and east sides of the location as depicted by the Production Facilities Layout. The interim reclamation will be performed when optimal conditions exist during the growing season as per the interim reclamation guidelines of the BLM.
 - ii. The original topsoil from the well site will be returned to the location. The location will be contoured as close as possible to match the original topography.

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 and 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 will be secured. If poly pipeline is used to transport fresh water to the location, proper authorization will be secured by the contractor.

6. CONSTRUCTION MATERIALS

Obtaining Mineral Material – Caliche utilized for the drilling pad and proposed access road will be obtained either from an existing approved pit, or by benching into a hill which will allow the pad to level with existing caliche from cut, or extracted by "flipping" the location. A caliche permit shall be obtained from the BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for "flipping" the location is as follows:

- 1. An adequate amount of topsoil for final reclamation will be stripped from the well location surface and stockpiled along the edge of the location as shown in the well site layout.
- 2. An area will be used within the proposed well site to excavate caliche.
- 3. The subsoil will then be removed and stockpiled within the footages of the well location.
- 4. Once caliche/mineral material is found, the material will be excavated and stockpiled within the footages of the well location.
- 5. The subsoil will then be placed back in the excavated hole.
- 6. Caliche/mineral material will then be placed over the entire pad and/or road to be compacted.

In the event that caliche is not found on site, a permit will be acquired if caliche is obtained from a BLM approved caliche pit

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 location of reserve and sump pits, living facilities and well site layout with dimensions of the pad layout.
- b. 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.

c. The area where the catch tanks are placed shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.

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 and roads. The road shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations. 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. After the well is plugged and abandoned, the location and road shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.
- c. If the well is deemed commercially productive, the catch tank area shall be restored as described in 4(e)(i). Caliche from areas of the pad site not required for operations shall be reclaimed. The original topsoil 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 Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:

- a. The area surrounding the well is mesquite and tar brush. 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. Applicant will participate in the MOA.

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:

Land and Right of Way

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

<u>Drilling</u>

<u>Operations</u>

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

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 17th day of March 2011.

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

Signed:_____ Dig D. Milt

Exhibit 2



TURN LEFT ON PROPOSED ROAD AND GO WEST FOR 0.4 MILES TO LOCATION.

VICINITY MAP

LOCATION VERIFICATION MAP





	8 FED COM 4H	"coies U.S., MI	172 41 Vac U.S., MI	U S. MI (HBC S/2 Gruu PotT	Сланся работ в таких район в таких в	
330' FNL & 43	0' FWL, U/L D (SHL) 0' FWL, U/L M (BHL)	re Rubort Made	Rubert Madera TOISJSEVU S.	Ruberr Toistoo 01 P Madere U.S. 1.2000 A	Rubert Andera Rebel Dil	anco (o Bianco (o) 1901 1 2016 II - 2016
Sec 8, T25S, F Lea County, N	R34E	2 51.7 HBP 2006 Res.	EOG R cs. EOG Re. 29881 15139	Coordes Autom	owest Sorrest Pet Ind Pet Pet Ind In dring Bing 9: 2012 HH Darks Brog U.	5.MI US, MI
2	(HNG)	HBP 126991 30 1944 126991 30 1964 19 19 19 19 19 19	# Ruber Madera(s		Flagt Chism Madard, etal. S	DE Gonzales) 8-1 2019(W/2) 123533
Drov Fed	(12 GM(1)) (Gu(Ch, (→ TD 15 3 Gu (0M 1 10))	5/) 1000 R (0)2 - 109 (€) 100 15460 800 T0 15505 U S	EDG KHNG Marshall-Fed 1 7 i Mil	HBP 5/2 SFORUS 1U.S. HNG) InRubert Modero	1 A DE b+es Gonzales HBP 1:7019 → 173534 So May 173534 So May 18946 325.00 Kay	360. <u>00</u> 11
US. EOG Res	US BHL & Store	Ex 3946 d	U.S., MI MT McCloy(S)	Tpis 300 U-S	U.S. TER, SSO MT. U.S. U.S. Crey(S. MT. Mr.Cloy(S)	
19858	EOBRes. LG 4235 Kirki Lao-S	105340 10 D/AU 25-74 4 39954 J	(HING OII) Modera- State Morr B+Mil Disc		oles (R.E.Landreth) Transcende	TT O BHL
35 ***	36	55 EOG Res. 28681 Dillon*	Dist Band (Rickr Expl.) EOG Res. HBC N/1 LG 359	HNG Modera-Feo Crown Oil TPISIED 120363 (W0)	HBC W/2 (HNG) (WCD/C) Str Dis	4 7379 15 63 15 63
te Draw P.R. Bass	BHL Uicamond- 22 2 Mill (HNG) 22 2 Mill (HNG) Distance Distanc	1015 275 360 36.6 Mil 316.6 Mil 316.	32 38 38 38 38 38	33 1 9M	EOG etal	cther ge
te Draw P. R. Bass Fed - Muse To 5322 DIA 9 6 61 U.S.	5 mare	US MI MT MCC/04/55 Lete Dillon	TD 15,60 (HNG) Madera St "Ponnono State (10,558)	'Madera-Fed''	W Broot Madera	at 1
L 5114 177079		Hairwood EOG Res	101127 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177 - 1177	65 U.S. Ac / 40.02 Ac 4 39 33 Ac 3 38 39 4 5 19 4 7 5. EOG Rec (A) R E Landreith R	A More Miclicy Stor Mo	left H & State Bart
2 (HNG)F6		1 10 108 499 (UNG 0.1) 1 10 1 1 100 108 499 (UNG 0.1) 1 10 100 100 100 100 100 100 100 100 10	1335 # 31,95% # 5140 % #20:50 @ #13% # 506 Re Some Gon Samunice) 14497 0055-Fed Octamon 5-Fed 105339 TOILs 100 DIA1- 69	Det Disc Pis 1, 16139 181	CHNGOILAND	
Beil Lake 54 (3 4 m ii) 20	106	NW4 F AF FOG RELEDG	EOG Res EOG Res	(Burlington) IRdge Fed M O Pitchfork- US M I E M WCDISC BH <u>MI MCCloy</u> 13Mil ED6 Res.	Sec. Thisson U.S. Mi (3) Edna M. Page <u>MT. McCloyu</u> EOG Res 2/g	(5) Enron Henred, st 10 15 470 2
Store	EGG Res EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EHL EGG Res EGG Res	5 603(3) (COL 24	MI MCCIOU(S) HHNG) EOG RES. HOIF FOOD	2 2 4 (1500bls E06 Res. 16139 (Meridian) 16139 16159 16159 16159 16159 16159 16159 16159	FILE (Ricks Expl.)	DE: Gu DE: Gu J L Hamen - 1920ir SE Bell - 920ir
500 Pet. Inc. 5790 (1) 3 Res.) (1)(P(B) 1, 19899 (2010)	210 FA00 EDG Res (8) 208	Red 11 502 513 (FR) Med 11 755 143. 600 H - 10805 1440 1 - 17 8H - 07 011 (1 (Enron) 1 - EOG (F45) 0 77 FC (Dm) 1 - 14437 (FR)		Pitchfork Rehi-Fed U.S.	U.S. (wo)+2Mit	Rubert M
19059 (Firon) (19059 (-VL-)) (Morran Dac) (Morran Dac) (Morran Dac) (Morran Dac) (Morran Dac) (Morran Dac)	30400 BHL 20991 0212 213, 206 (6)	14437 (P(g)) 7 Fed Com 14437 (F5) 15 (23) 15 (4 Mil 704(4)) F105 (1) (4 Mil 704 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	EOG Res - 19 15675	EOG Res	Meridian Sowest Petr Lan Archive S 5 3 2013 Jun 27 S 25 2013 OGX Res. (Press 105, 4 5 25 2013	d Sun Expl Pitchfork Otis Yo Fed 564
	05 207(7) Big 229	506 The Martin No US	EOG Res - 8	7	Paul Page, Jr. V4 M I Margan Bryan Est. Prois Robert Moree, MI	R. Moder
HBP 108505	F357 Rodhills 211/ No. Ut " (Quinoco) ECG	HIL State, Reddils to ut "	HBP 18640 BC ECG Rei 108500 HBC 5/2 COBON US HBC 5/2 HBC 5/2 HILLE Meeter HUSE STORES HUSE STORES	VIII Judith	Sowest Petro Ld Tenneco IO 15-2012	Clinity Charles Control Contro
EOG Reso 3 941	304 Ags 156001 U.S. F65 F17173 Age F17173 Age 16001 U.S. F65 F17173 Age 17173 Age	US Minstol Bull 19625	Debut si miour Si di Bedo HHL	Drig Co, etal (Witten, etal) 5 7 2013 U.S., MI 10353 M.T. McCluy (S)	Smith To 5450 I Mia Filo 64Gary Neisler etal, Mi , Karen Neisler'& Emma L. ∰ ∭ Hardman, Mi Mi Mi McCloy(S)	(13419) \$ 160 28 U.S. { M T. McCl.
	(MK G)(1) F426 7422 (MK G)(1) F426 742 (MK G)(1) F426 742	BHL 153 EOG Res HCG Res BHL BHL 24490 24290	94108 EOG Res 108506 907	C W Bolin 2 2011 V 7686	Yotes Pet, et al 2 1 2015 10 13 2012 13420 260 00	So'west Pelr, [[d]
	WCD-54 (1) 13 C EOU	1) F192 Redhulls	M T McCloy (S) Droi (Stone Pet	201 20 Store Store 73 Mul 25		W J Bores, Jr (19/14)
NO EOG NO EOG	HBF 108503 Vgco 13 Fed " 15500 Da 322	MT McCloy(S	1700 TO 15.8225 170 Hotel 170	0 ¹³⁴¹ Yates Pet etal 2 1 2011 v 7699	15	EDG Bas
	US.	US.	edhills No Ut. " U S	212 50 014 Hue Store	U.S., MI S.R. Brown, MI Empire Gos, AM	12 1 2004 94167 1 1 140 <u>96</u> 5 1 U S. Millin M T. MCCLOU, (S)
G Res IBP ISOJ	EOG Res HBP 108504 108504		0.E 0.01- 0.12019 1.2019 1.2019 1.22625 1.2019 1.22625 1.2009 1.2009 1.22625 1.2009 1.20	DE Gon Zoles 5 1-2019 EOG Res, 122625 12 1 2004 2 130 20 94109	Store, S M T McCloy(5) D E Gonzoles 5 i 2019 122624 50 ∞	· · · · · · · · · · · · · · · · · · ·
23	ron Disc 24	0 5350 Dr4 11 16 422		I79 00 Encon Joyeling For Tol2750	U.S., MI	Yestes; Drig: (5 - 1,7015 110353 100
peker ar		Ashmun fi	FOG PGS	2i Continentai <i>Eihel Nokan Fed</i>	Store, 5 22 E0G Res.	.M.T. McCloy
U.S.	U.S. SPOTe, S.	nron UA 10 5 62 The I-Mur Fed I Y 12609 'A 12 20 96 ⊕ U S.	U.S.	DIA 9-19 56	12 2003 9410 480 00	- 12#1 2004, 94(1) . 680,001
EOG Res EOG Res IO I -2013 V8-1511 703 <u>Γ</u>	121958 \$750 @	№1 D.E. Gonzales ВНІ. О. НВР :1 2.013 О.	1 H E Gonzales 11 1 2013 763 00 763 00	US EOG Res.	U. S.	U.s.
26	11 2015 EDG /		0f Gon- zales 51-2019 122425 29	15 2004 94115 330 99	EOG Res. 12 i 2004 9410 480 00	EOG RES: 1 2004 94114
1 EOG Res 1 2 1 2009 1 VB 604 1 \$ 164 80 King F	₩ ⁴ 277305	a i 30	29 ^{130 gg}	28	€ ¹ FOG Res Prichblende 1075555 1074127 04 1075555 1074127 04 1074127 04 10741164	26
Старні (4 н О Вні О Вні О	5 69 Fed US. MI	G Res 2014 -2.79\$120∞ Serve IH BI	"	Amoco (TD 5500 (D,A+ (0-8)	107555 0/4122704 D/410-11-64	
umet zoio		EOGRas	Store U.S	U, S. 🐨 ^{(-CG}	US.	
Union Not Bak ETr	58 28 67 Superior 11	112275 14 Cont 112275 14 € [133 1253 1053 1053 1053	I Fed HBP	MitchellEner 12 - 1 - 2003 92200 47 99	EOG Res, 3004 34114 445 00	EDG.Res: 12711-2004 94114 4452P
	ve išij 500 ∞ 36		SALADO DRAW	33		Concho Resi 12 1 7006 97906
Ø	4. M W Ison (Marathon-Fea) 3324) 3245) 3245 (A 3-27 G3) - R Lowe	110839	DP) UNIT DHIO (OPER),			51116HCII/Ener)