Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD Hobbs

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

| · | | 21, 2010 | |
|----------------------------------|---|----------|--|
| 5. Lease Serial No NMNM18640A | ~ | | |

| SUNDRY NOTICES AND REPORTS ON WELLS | |
|---|--|
| Do not use this form for proposals to drill or to re-enter an | |

If Indian Allottee or Tribe Name

| abandoned wel | l. Use form 3160-3 (APD) fo | or such proposa | | i, Another of Tribe Name | | |
|---|--|---|------------------------------------|--|--|--|
| SUBMIT IN TRI | PLICATE - Other instruction | ns on reverse side | 0 2012 7. If Unit of | or CA/Agreement, Name and/or No | | |
| Type of Well | | | 8. Well Na DIAMO | me and No. ND 8 FED COM 3H | | |
| 2. Name of Operator EOG RESOURCES, INC. Oth | | AN WAGNER | 9 API We | | | |
| 3a. Address P.O. BOX 2267 MIDLAND, TX 79702 | 3b Pt | Phone No (include area code n: 432-686-3689 |) 10. Field a RED H | HILLS Soring | | |
| Sec 8 T25S R34E NENW 330 | , | | , | y or Parish, and State | | |
| 12. CHECK APPE | ROPRIATE BOX(ES) TO IN | DICATE NATURE OF 1 | NOTICE, REPORT, O | R OTHER DATA | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | |
| Notice of Intent | ☐ Acidize ☑ Alter Casing | ☐ Deepen☐ Fracture Treat | ☐ Production (Start/R☐ Reclamation | esume) Water Shut-Off Well Integrity | | |
| ☐ Subsequent Report | ☐ Casing Repair | ■ New Construction | ☐ Recomplete | · Other | | |
| ☐ Final Abandonment Notice | ☐ Change Plans ☐ Convert to Injection | ☐ Plug and Abandon☐ Plug Back☐ | ☐ Temporarily Abanc | don . | | |
| determined that the site is ready for f EOG Resources requests an a follows: Change from 11-3/4", 42#, H4 8-5/8", 32#, J55 & HCK55 LT0 5-1/2", 20#, P110 NSCC TO | amendment to our APD for th 10 STC TO 13-3/8", 54.5#, 5 10 TO 9-5/8", 40#, J55 & HCI 15-1/2", 17#, P110 LTC | New Hol 155 STC K55 LTC 8 3 | le size 17 1/2" 12 1/4 | | | |
| - OF APPROVA | | m Woperator Size change | e Also 5/29 | 1/2012 DEF | | |
| 14 Thereby certify that the foregoing is | Electronic Submission #1369 | 986 verified by the BLM We DURCES, INC., sent to the | ell Information System Hobbs | - | | |
| Name (Printed/Typed) STAN WA | GNER . | Title REGUL | ATORY ANALYST | MED | | |
| Signature (Electronic S | Submission) | Date 05/01/2 | 2012 A | PPRUVL | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE 2012 2012 | | | | | | |
| Approved By | | ! | UM ENGHVER | REAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE MAY 3 0 201 | | |
| Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to condi- | uitable title to those rights in the sub | warrant or ject lease Office | BU | REAU OF LAD FIELD UNITED CARLSBAD FIELD UNITED CARLSBAD FIELD UNITED CARLSBAD FIELD UNITED CARLSBAD AND AUGUST | | |

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



CONDITIONS OF APPROVAL

OPERATOR'S NAME: | EOG Resources

LEASE NO.: NM18640A

WELL NAME & NO.: Diamond 8 Fed Com 3H SURFACE HOLE FOOTAGE: 330' FNL & 1750' FWL BOTTOM HOLE FOOTAGE 342' FSL & 2223' FWL

LOCATION: | SESW Section 8, T.25S., R.34E., NMPM

COUNTY: Lea County, New Mexico

SPECIAL REQUIREMENT

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard & bballard & blm.gov> 575.234.5973.

Original COA still applies with the following changes:

A. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

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

Wait on cement (WOC) time prior to drilling out 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. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. 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 Castile and Delaware Mountain groups. Possible water flows in the Salado, Castile and Delaware Mountain groups.

COA - Diamond 8 Fed Com 3H

- 1. The 13-3/8 inch surface casing shall be set at approximately 1210 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. Additional cement will be required because calculated cement excess is NEG. 21%.
 - 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 surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - 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.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

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

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. Additional cement will be required because calculated cement excess is NEG. 10%.

EGF 052412