PO Hox 1980, Hobbs, NM 8 District II PO Drawer DD, Artesia, NM District III 1000 Rio Brazos Rd., Axtec District IV	88211-071 9		Energy.	Minerals & CONSE	Nature RVA' Box	x 2088)N Subm	it to App	Instru ropriate State Le	Form C-102 pruary 21, 1994 ctions on back District Office ase - 4 Copies ase - 3 Copies
PO Box 2088, Santa Fe, N	¥ 87504-2081	8							AME	NDED REPORT
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'API Number		Pool Co		Pool Name						
30-025-35600	4	1442		Lusk; Bone Spring, East						
*Property Code				roperty Name				*Well Number		
28170		LUSK "26" FED. COM *Operator Name						1 *Elevation		
1		EOG RESOURCES INC.							3575	
7377	·		1			Location		····	<u> </u>	
UL or lot no. Section	Township	Range Lot Idn		Feet from the		North/South line Feet from the		East/West line		County
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160 NO ALLOWABLE W						ON UNTIL ALL EEN APPROVE	D BY THE D 17 OPE 1 hereby cert frue and com Signature Sta Printed Nar	RATOR Try that the fi photo to the fi Nagne	CERT	TFICATION pontained herein to knowledge and belief.
				EOG RESOUR LUSK FEDER ELEV. 3610' (: 593069.9 (: 685750.7 LAT: 32'37'44 LONG: 103'4:	L COM	"26" No. 1	18 SUR I hereby cert was plotted if or under my correct to be	try that the very flaid note supervision, a set of my balls MARCH	rell location se of actual and that the st. 15. 2	TIFICATION shown on this plat surveys made by me same is true and 001

Lusk 26 Federal Com 1 EOG Resources Inc 30-025-35600 16 May 2012 Conditions of Approval

SUMMARY OF CURRENT STATUS:

- 4 string Potash area. Lesser Prairie Chicken stipulations.
- Completed in the Morrow. Atoka previously produced, not commercial
- Top Morrow is 12980' (Petra) 13100' (Operator)
- Top Wolfcamp is 10907'
- Top Bone Springs is 7750'
- Current producing perforations are at 13213' 13626'.

CURRENT SUNDRY INTENTION:

- a) To permanently abandon the Morrow interval
- b) To place well on production in the Bone Spring.
 - a. Proposed completion interval is 9210' 9228'.
 - **b.** Backup proposed completion interval, if needed, is 8936' 8944'

CONDITIONS OF APPROVAL: The following Conditions are applicable.

All work is to be completed within 90 days.

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Call the BLM Field Office at 575-393-3612 a minimum of 24 hours prior to commencing work.

Surface Disturbance: Not to exceed originally approved pad without prior approval.

- 2. **BOPE**: The Operator is responsible to provide BOPE of sufficient rating for proper well control. **3M** BOP *or larger* to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (**3M** Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 3. **H2S**: H2S monitoring equipment shall be onsite for potential Hydrogen Sulfide.

4. STEPS:

- a. **Step 0.5**: Using electric line or slickline, tag PBTD to confirm access depth for setting CIBP. BLM representative to witness tag. If tag is above 13115' contact BLM. The Operator is responsible to provide plan to clean out to 13115' or deeper if necessary.
- b. Step 1 through 4 revised: Set CIBP at 13113' (per sundry) to be within 100' above top of perforations. Place a ±500' cement plug on the CIBP to cover the intervals corresponding to the top Morrow formation, the 5-1/2" shoe, the top of the 3-1/2" liner at 12754', and the squeezed perforations from 12664'-12690' in the Atoka formation. 500' Cement plug(s) to extend from 13113' up to 12613' minimum. Contact BLM to witness the tag of the new PBTD at 12613' or higher.
- c. Step 5
 - Step 5a OK.
 - Step 5b revised Set the CIBP within 100' of the top of actual perforations. Dump bail 35' or pump 25 sacks of Class H cement on top of the CIBP to abandon the perforations in compliance with BLM standards. BLM to witness the tag of the new PBTD.
- d. Step 6a OK.
- e. **Step 6b** Dump bail 35' or pump 25 sacks of Class H cement on top of the CIBP to abandon the perforations in compliance with BLM standards. BLM to witness the tag of the new PBTD.
- f. Step 7 OK.
- 5. Waste Materials and Fluids: All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

6. **Logging**: A copy of all logs run on the borehole shall be submitted to the BLM office within 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies.

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- 7. **Subsequent Report Sundries**: Subsequent sundries are to be filed detailing all work done. Sundry Notices must contain an original and 3 (three) copies including all attachments. (Please staple the Sundries and Attachments together as individual sets.)
 - Subsequent sundry: to be submitted detailing work done, including a current wellbore schematic, is required after the fifth day of production and contain an original and 3 (three) copies including all attachments. (Please staple the Subsequent report and attachments together as individual sets.) BLM now uses updated sundry forms dated March 2012.
 - O Completion Report: to include a 24 hour well test is required is to be sent within 30 days of completion and contain an original and 3 (three) copies including all attachments. (Please staple the well completion report and attachments together as individual sets.) BLM now uses updated sundry forms dated March 2012.

NOTE: Subsequent Report Sundry, Completion Report Sundry and any applicable Notice of Intent (NOI) Sundry may all be submitted at the same time, but shall not be attached to each other. The BLM has issued revised sundry forms dated March 2012.

TMM 5/16/2012