30-025-41086

EOG RESOURCES, INC.
ENDURANCE 36 STATE COM 5H

SURFACE USE PLAN OF OPERATION

SHL: 330' FSL & 1790' FWL, Unit F, Section 36, T26S-R33E, N.M.P.M., Lea Co, NM
BHL: 230' FSL & 1840' FEL, Unit C, Section 25, T26S-R33E, N.M.P.M., Lea Co, 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 Michael B. Brown of Topographic Land Surveyors, N.M.P.S. No. 18329.
   b. All roads into the location are depicted on Exhibits 2 & 2a.
   c. Directions to Location: Beginning in Jal at the intersection of State Hwy 18 and State Hwy 128, go west on State Hwy 128 for 14.1 miles, turn south on County Road #2 (Battle Axe Road) and go southwest for 13.5 miles, go southeast on lease road for 2.3 miles, then go south on lease road for 3.2 miles, then southeast on lease road for 1.2 miles, then east on lease road for 0.2 miles to southwest corner of the location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

   a. The well site layout, Exhibit 2a shows the layout. The location will be accessed using a new lease road and will enter the SW corner of the well pad.
   b. The maximum width of the lease road is 20'. It is crowned and consists of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.
   c. Surface material is native caliche. This material will be obtained, as needed for maintenance, from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
   d. No cattleguards or gates will be required.

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 production for this location will be taken to the Endurance 36 State Com Central Tank Battery located on the Endurance 36 State Com 1H location. Please refer to the attached production facility diagram. The production of this well will be measured for sales on lease.

b. Applicant shall tie into a 4" poly surface low pressure pipeline on lease to transport gas to a SUG sales point located north of the Endurance 36 State Com Lease. Applicant shall construct a 6" poly buried low pressure SWD pipeline. There are two existing 4" poly surface low pressure SWD pipelines on lease that will initially be utilized to handle produced water until the Endurance 25 Fed #2 SWD well is operational for disposal of produced water. This 6" SWD line will be on lease until it leaves Section 36 to the north. A 4" poly surface pipeline that will be used as a gas lift line will originate from the gas sales point north of the Endurance 36 State Com Lease. There will also be a 2 7/8 low pressure surface production flowline that will travel on lease from the Endurance 36 State Com 5H to the Endurance 36 State Com CTB. At this time applicant will truck out its oil from the Endurance 36 State Com CTB. All pipelines are depicted on Exhibit 5.
c. Electricity is available on lease. A pole will be installed from the existing line to service the electricity needs on the Endurance 36 State Com 5H location.
d. Refer to b above.
e. If the well is productive, rehabilitation plans are as follows:
   i. The location shall be reduced on the east, west, south and north sides of the location as depicted by the Location 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 & 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:

a. 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.
b. An area will be used within the proposed well site to excavate caliche.
c. The subsoil will then be removed and stockpiled within the footages of the well location.
d. Once caliche/mineral material is found, the material will be excavated and stockpiled within the footages of the well location.
e. The subsoil will then be placed back in the excavated hole.
f. 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 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 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. 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 State of New Mexico. 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 0.75 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. Roger Motley
Senior Lease Operations ROW Representative
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office
(361) 537-8281 Cell

Drilling

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

Operations

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

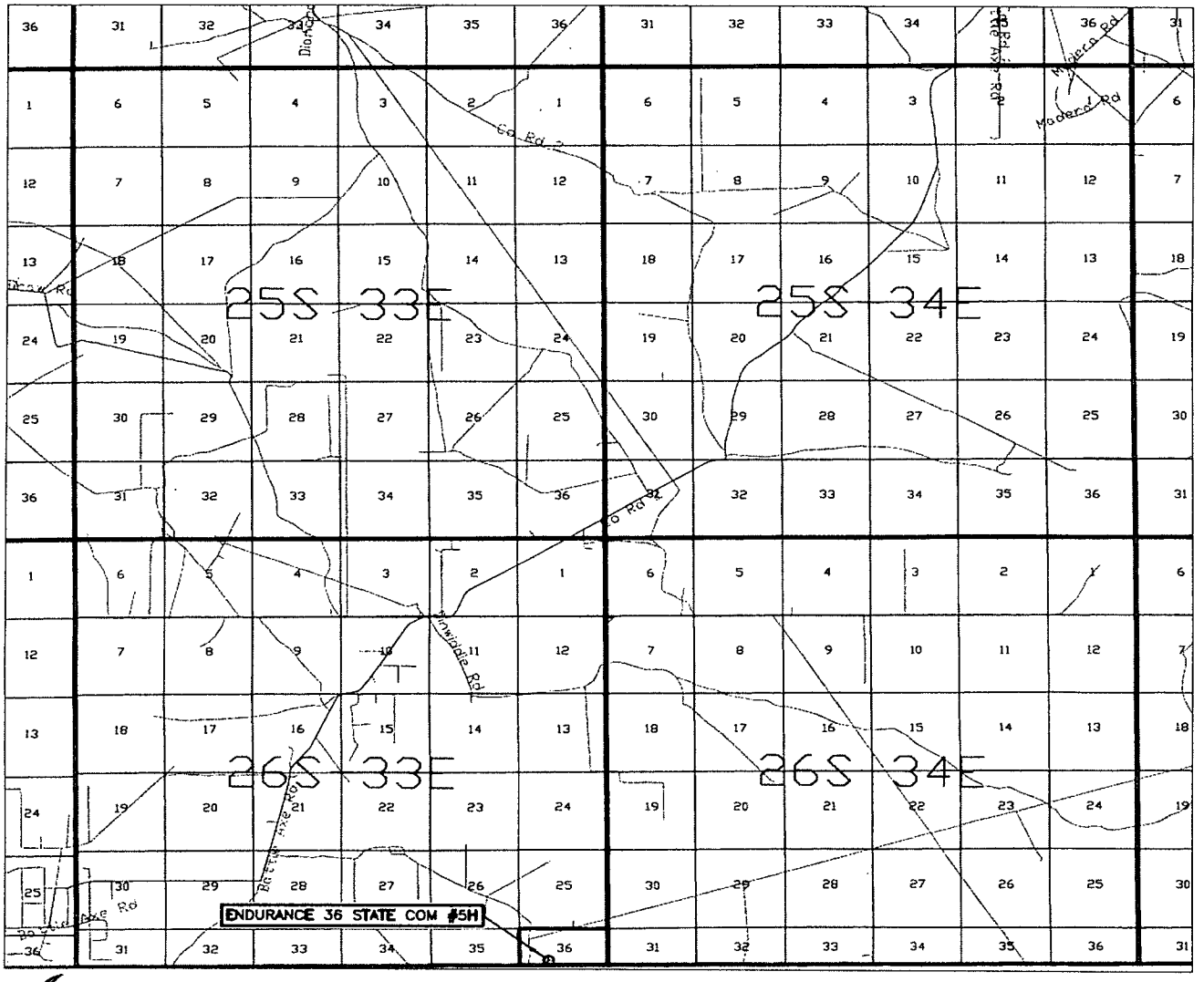
I certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Laws applicable to this operation; that the statements made in this APD 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 6th day of September, 2012.

Name: Roger Motley
Position: Sr. Lease Operations ROW Representative
Address: P.O. Box 2267, Midland, TX 79705
Telephone: (432) 686-3642
Email: roger_motley@eogresources.com

Signed Roger Motley

Exhibit 2

VICINITY MAP



eog resources, inc.

LEASE NAME & WELL NO.: ENDURANCE 36 STATE COM #5H

SECTION 36 TWP 26-S RGE 33-E SURVEY N.M.P.M.
COUNTY LEA STATE NM
DESCRIPTION 330' FSL & 1790' FWL

DISTANCE & DIRECTION FROM INT. OF NM-18 N & NM-128, GO WEST ON NM-128 W ±14.1 MILES, THENCE SOUTHWEST ON CR. 2 ±13.5 MILES, THENCE SOUTHEAST ON LEASE RD. ±2.3 MILES, THENCE SOUTH ON LEASE RD. ±3.2 MILES, THENCE SOUTHEAST ON LEASE RD. ±1.2 MILES, THENCE EAST ON LEASE RD. 0.2 MILES SOUTH OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET.

-N-

SCALE: 1" = 10000'
0' 5000' 10000'

TOPOGRAPHIC
SURVEYING • MAPPING • GIS • GPS
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
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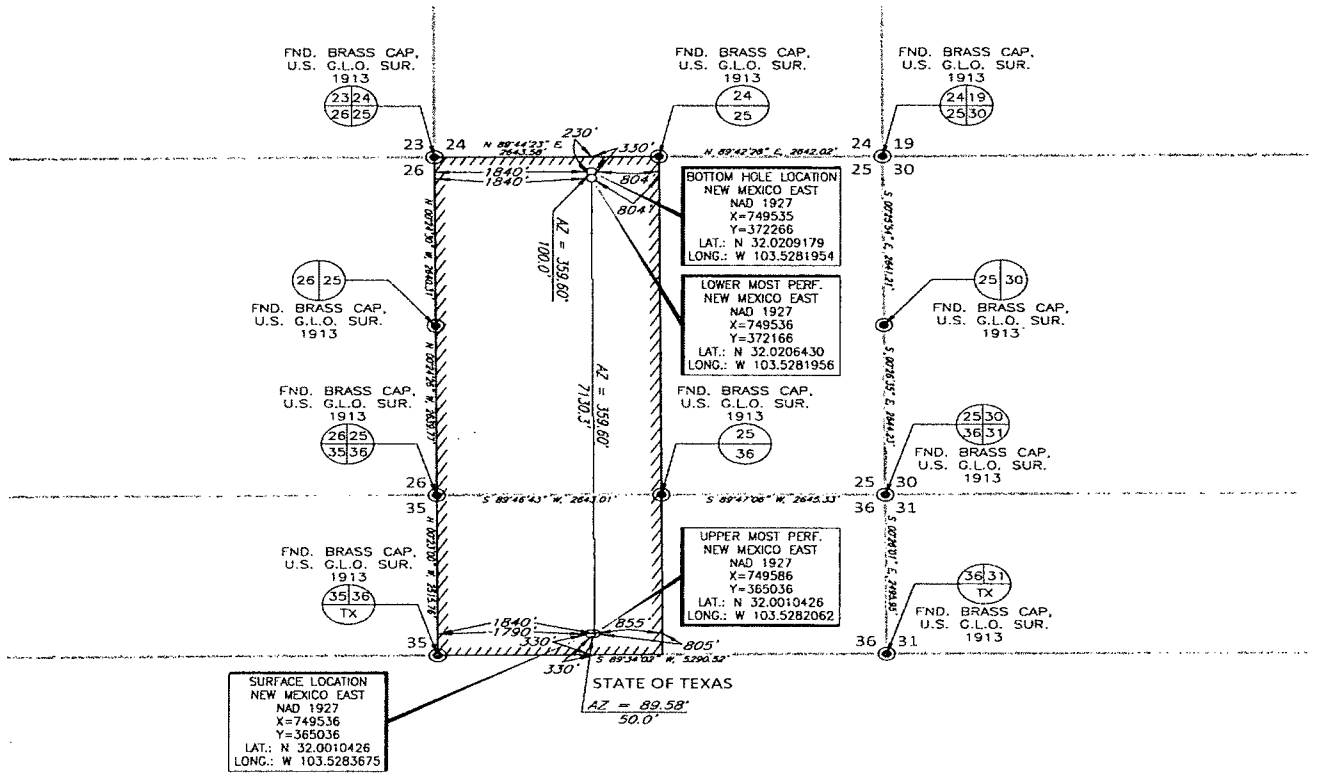
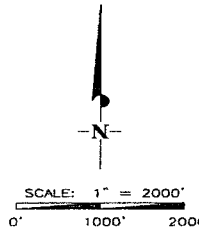
2225 PERRYTON PARKWAY • PAMPA, TEXAS 79065
TELEPHONE: (806) 665-7218 • FAX (806) 665-7210
WWW.TOPOGRAPHIC.COM

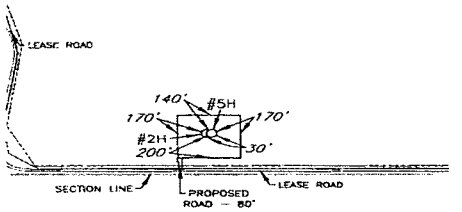
Exhibit 2A

eog resources, inc.

SECTION 36, TOWNSHIP 26 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO







DETAIL VIEW
SCALE: 1" = 500'

LEASE NAME & WELL NO.: ENDURANCE 36 STATE COM #5H

SECTION 36 **TWP** 26-S **RGE** 33-E **SURVEY** N.M.P.M.
COUNTY LEA **STATE** NM
DESCRIPTION 330' FSL & 1790' FWL
DISTANCE & DIRECTION FROM INT. OF NM-18 N & NM-128, GO WEST ON NM-128 W ±14.1 MILES, THENCE SOUTHWEST ON CR. 2 ±13.5 MILES, THENCE SOUTHEAST ON LEASE RD. ±2.3 MILES, THENCE SOUTH ON LEASE RD. ±3.2 MILES, THENCE SOUTHEAST ON LEASE RD. ±1.2 MILES, THENCE EAST ON LEASE RD. 0.2 MILES SOUTH OF THE LOCATION.

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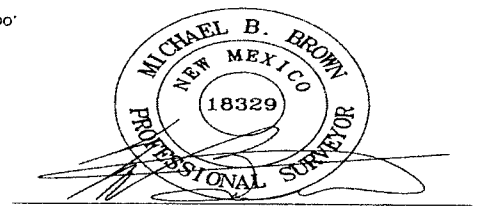
ORIGINAL DOCUMENT SIZE: 8.5" X 14"



Michael Blake Brown, P.S. No. 18329
SEPTEMBER 5, 2012

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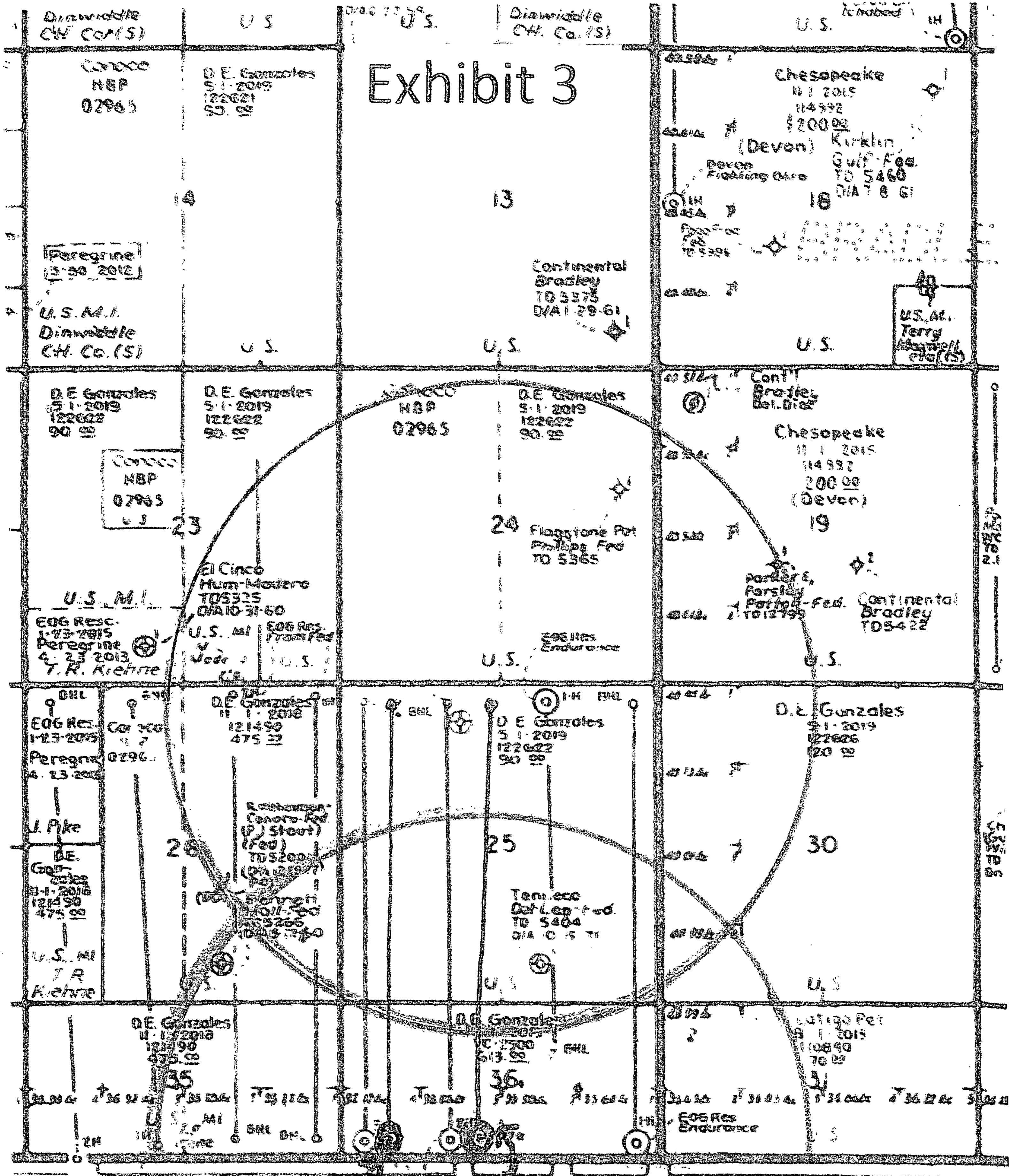
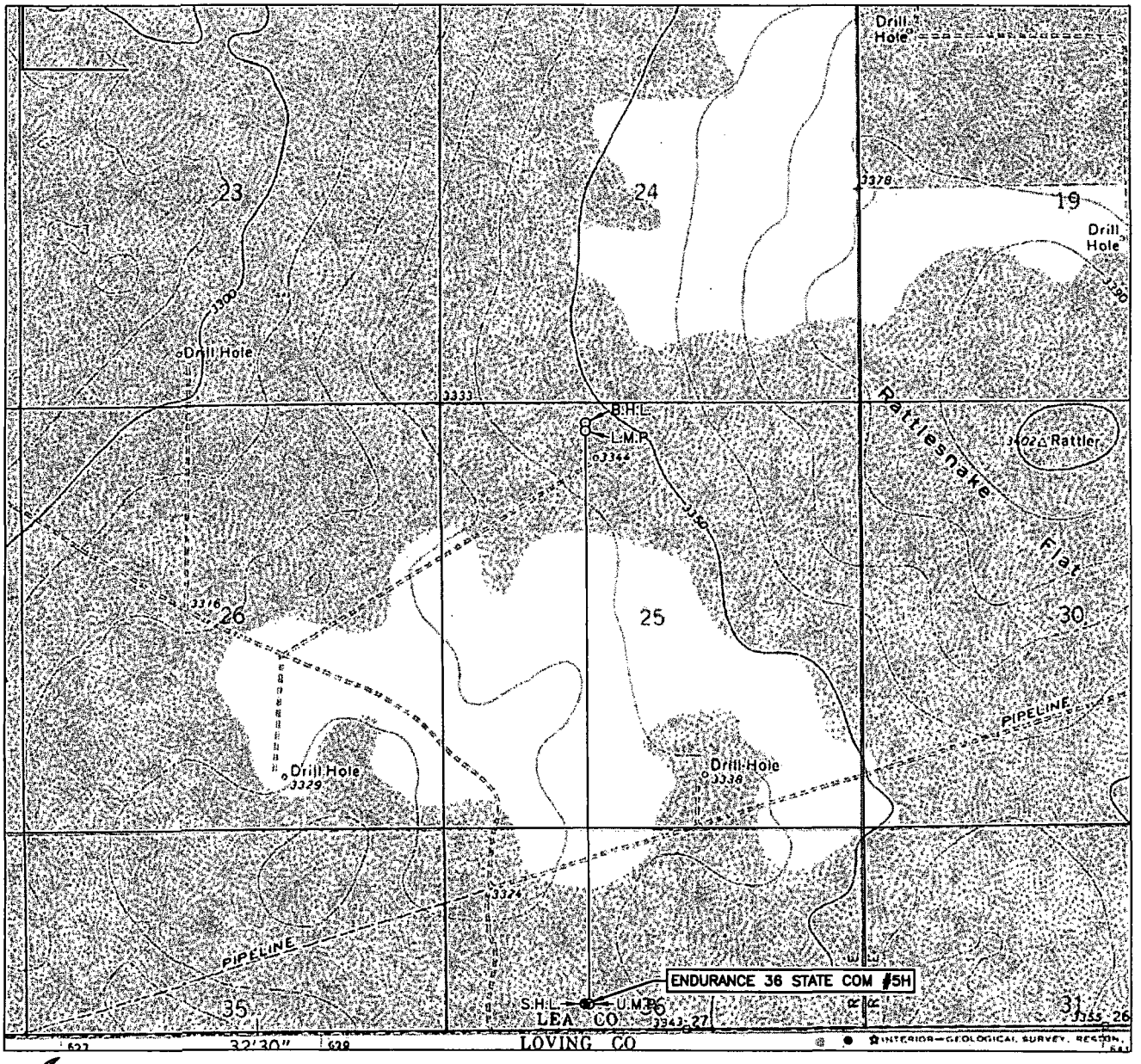
Exhibit 3



ENDURANCE 36 STATE COM 4H

ENDURANCE 36 STATE COM 5H

LOCATION & ELEVATION VERIFICATION MAP



eog resources, inc.

LEASE NAME & WELL NO.: ENDURANCE 36 STATE COM #5H

SECTION 36 **TWP** 26-S **RGE** 33-E **SURVEY** N.M.P.M.
COUNTY LEA **STATE** NM **ELEVATION** 3334'
DESCRIPTION 330' FSL & 1790' FWL

LATITUDE N 32.0010426 **LONGITUDE** W 103.5283675

-N-

SCALE: 1" = 2000'
0' 1000' 2000'

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Exhibit 5

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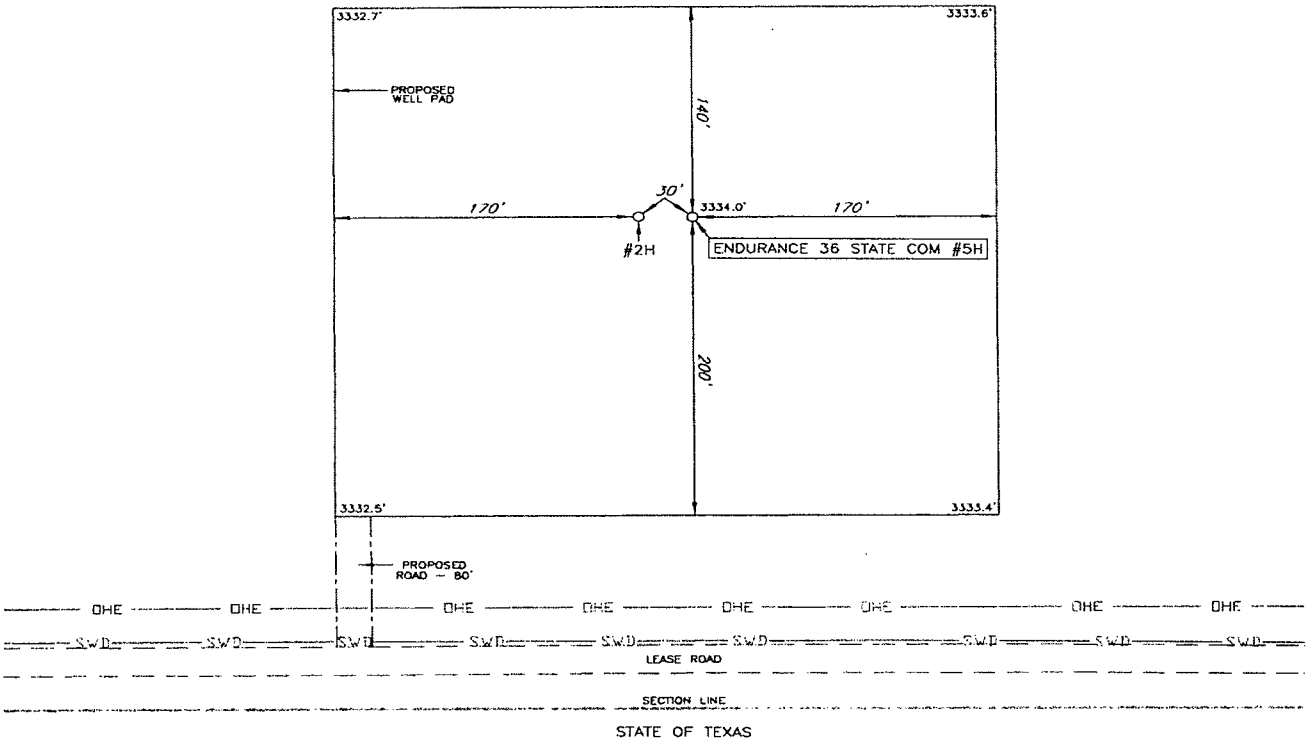
SECTION 36, TOWNSHIP 26 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: ENDURANCE 36 STATE COM #5H
#5H LATITUDE N 32.0010426 #5H LONGITUDE W 103.5283675

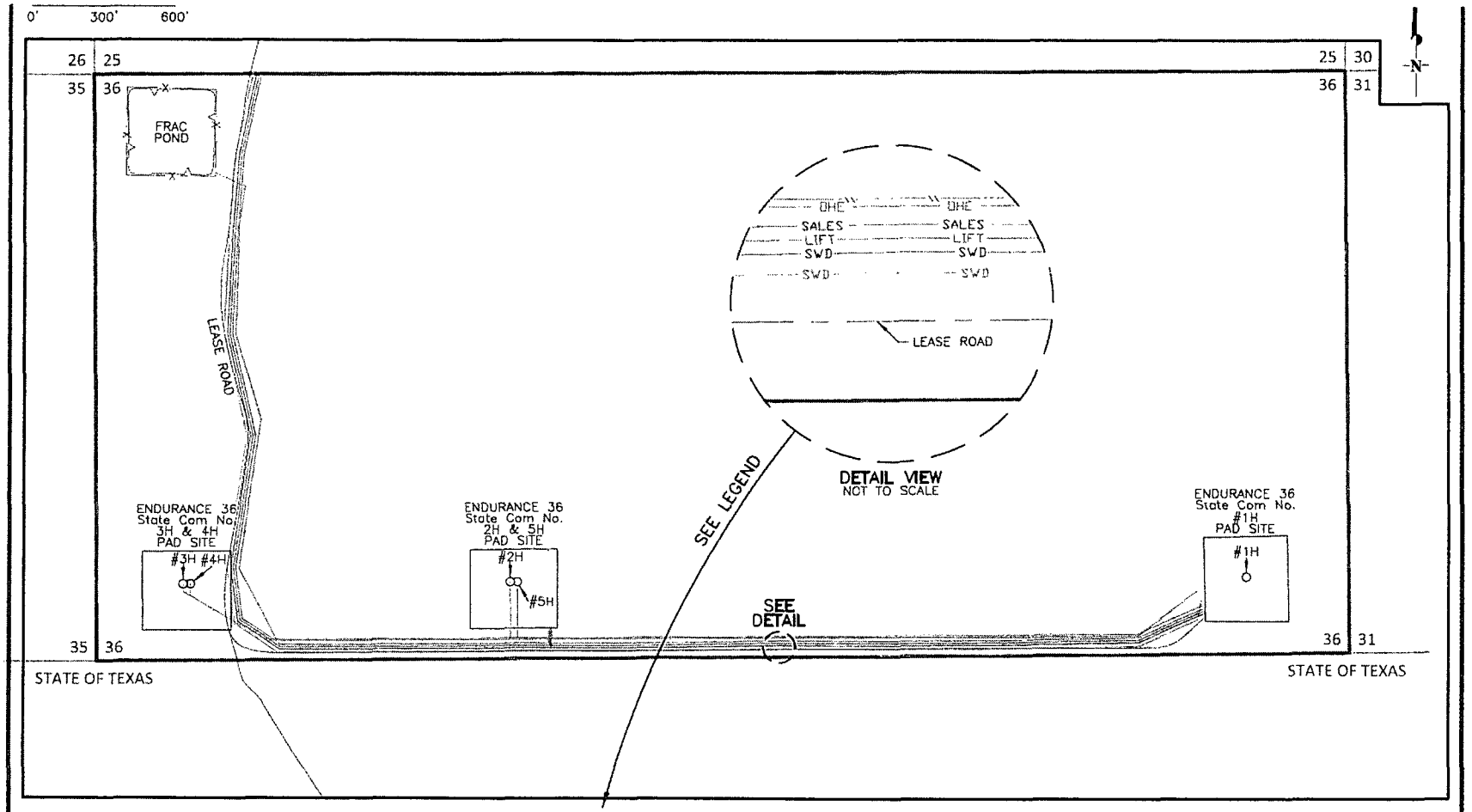
LEGEND

- ROAD WAY
- SECTION LINE
- EXISTING PIPELINE
- S.W.D. EXISTING SWD LINE
- OHE EXISTING POWERLINE

N

SCALE: 1" = 100'
0' 50' 100'

Exhibit 6



ENDURANCE 36 STATE COM #1H-5H LEASE INFRASTRUCTURE MAP	REVISION: INT	DATE
DATE: AUGUST 15, 2012		
FILE: EP_ENDURANCE36STATECOM_1H-5H_LEASE_INFRASTRUCTURE_MAP		
DRAWN BY: A.C.C.		
SHEET : 1 OF 1		

SWD	6" POLY SWD LINE -TOTAL FOOTAGE TO DISPOSAL WELL 8,610 FT -(WORKING PRESSURE 75-125 PSI)
SALES	1-4" POLY GAS SALES LINE -TOTAL FOOTAGE 6,580 FT -(WORKING PRESSURE 75-125 PSI)
LIFT	EXISTING 1-4" POLY GAS SALES LINE/GAS LIFT LINE (LINE WAS USED TO BUY AND SALE GAS FROM SUG) -TOTAL FOOTAGE 6,600 FT -(WORKING PRESSURE 75-125 PSI)
OHE	EXISTING POWER LINE -TOTAL FOOTAGE 6,190 FT -(WORKING PRESSURE 75-125 PSI)
SWD	EXISTING 2-4" POLY SWD LINES -TOTAL FOOTAGE 6,570 FT -(WORKING PRESSURE 75-125 PSI)
	4-2 7/8" PRODUCTION LINES TO ENDURANCE 36 CTB -TOTAL FOOTAGE 5,040 FT -(WORKING PRESSURE 75-125 PSI)

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