Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
Operator Copy

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Multiple--See Attached

2. Name of Operator Contact: KAY MADDOX
EOG RESOURCES INCORPORATEDE-Mail: kay_maddox@eogresources.com

9. API Well No.
Multiple--See Attached

3a. Address
PO BOX 2267
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-686-3658

10. Field and Pool or Exploratory Area
WC025G09S243336I-UP WOLFCAMP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Multiple--See Attached

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Surface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

EOG REQUESTS PERMISSION TO TEMPORARILY COMMINGLE PRODUCTION AT THIS CTB FOR THESE WELLS:

STONEWALL 28 FEDERAL COM #308H 30-025-44873
STONEWALL 28 FEDERAL COM #309H 30-025-44926
STONEWALL 28 FEDERAL COM #313H 30-025-44874
STONEWALL 28 FEDERAL COM #314H 30-025-44875

HOBBS OCD
JAN 1 0 2020
RECEIVED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #489758 verified by the BLM Well Information System
For EOG RESOURCES INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/24/2019 (20PP0238SE)

Name *(Printed/Typed)* KAY MADDOX Title REGULATORY SPECIALIST

Signature (Electronic Submission) Date 10/24/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DYLAN ROSSMANGO Title PETROLEUM ENGINEER Date 12/21/2019

Conditions of approval, if any, ~~are attached~~. Approval of this notice does not warrant or certify that the applicant holds ~~legal or equitable~~ title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Hobbs

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

EOG respectfully requests temporary commingling for the attached CTB. EOG will utilize the Evolution Well Services (EWS) gas-powered electric completion fleet to power the equipment necessary to hydraulically fracture stimulate the new wells on this CTB, which necessitates temporary commingling ability for safety and operational considerations.

EWS will use field gas supplied by EOG's low-pressure gathering system. The gas will be metered prior to being conditioned and compressed (attached diagram). Liquids produced as a byproduct of using this gas will be stabilized, separated and metered as separate hydrocarbon liquid and gas streams prior to being sent to facility tanks and facility gas sales line located on the CTB.

Based on operational experience there will be <100 BBL/day going into the tanks on this CTB, with average completion time per well approximately 5-11 days.

Based on the terms of EOG's current and future marketing contracts, there will be no adverse impact on the royalties paid and reported in conjunction with these operations. All NGL volumes will be reported to ONRR under a separate product code.

There are numerous environmental benefits to using the EWS fleet during completions as opposed to a traditional diesel fuel fleet, which include.

- EWS provides a 95% reduction of NO_x emissions, 99% reduction of unburnt hydrocarbon emissions, 99% reduction of CO and no particulate matter emissions, resulting in drastic improvements in air quality. Additionally, EOG is able to use second generation proppant handling equipment when using EWS, which also improves air quality and meets/exceeds the latest OSHA silica dust regulations. Noise pollution is reduced by 88% when compared to a traditional diesel completion fleet.
- EWS reduces the fire hazard associated with hot engines by eliminating "hot fueling" while pumping and other traditional hands-on maintenance tasks. Through the elimination of these tasks, the use of EWS equipment thereby improves safety by allowing the completion crew to remain in the control posts and away from high pressure lines.
- Due to lack of diesel deliveries during operations, the utilization of double pump trailers and less overall equipment than a diesel completion fleet, EWS is able to drastically reduce the number of truck trips required for the mobilization and continuing use of this equipment.

The condensate will be measured downstream of the conditioning trailer prior to entering production tanks. When oil is sold via truck lack, tank haul or pipeline lact the volume of condensate will be deducted out of the sale ticket following the commingling of the condensate.

Example:

- Lact sales 87,637.13 bbls
- Condensate 61.33 bbls
- Volume for CTB 87,575.80 bbls

87,575.80 bbls is the volume that will be reported on OGOR B as sold, disposition code 10 (produced into inventory prior to sales)

61.33 bbls will be allocated to the wells that contributed gas to the gas gathering line where the e-FRAC pulled gas. Condensate will be allocated using C5+ components from most recent gas analysis..

Example:

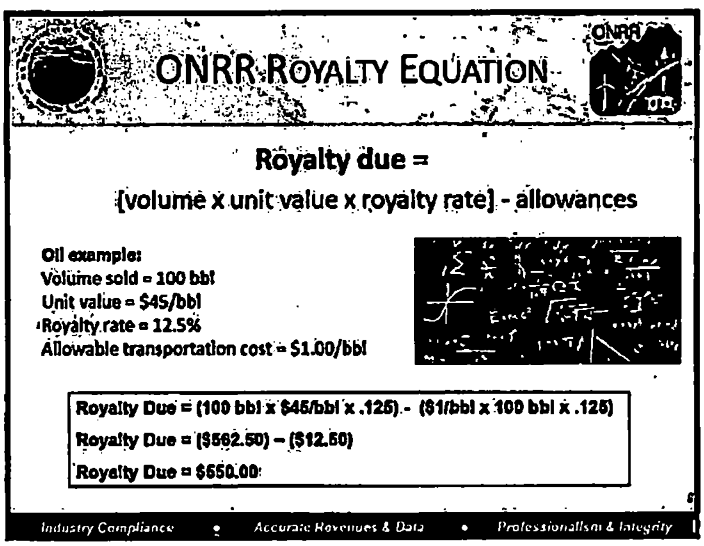
Well A – Gas Sales 9,778.4 mcf

C5+ components 1.107/100 = .01107 * 9,778.4 = 108.246 basis for condensate allocation

Theoretical % is calculated using all contributing wells, condensate is allocated based on the theoretical %, allocated condensate will be reported on OGOR B code 13 (-)(transferred from facility) & code 16 (+) (Pipeline Drip/Retrograde)

Royalties will be paid on both the oil/condensate per ONRR Royalty Equation guidelines:

30 CFR 1206.153(a)(2) – The value of production....shall be the combined value of the residue gas and all gas plant products...plus the value of any condensate recovered downstream of the point of royalty settlement....determined pursuant to 1206.102



The economic justification for mixing the condensate with the crude is due to the crude oil being transported out of the Delaware Basin fall into four categories: West Texas Sour (WTS), West Texas Intermediate (WTI), West Texas Light (WTL), and Condensate.

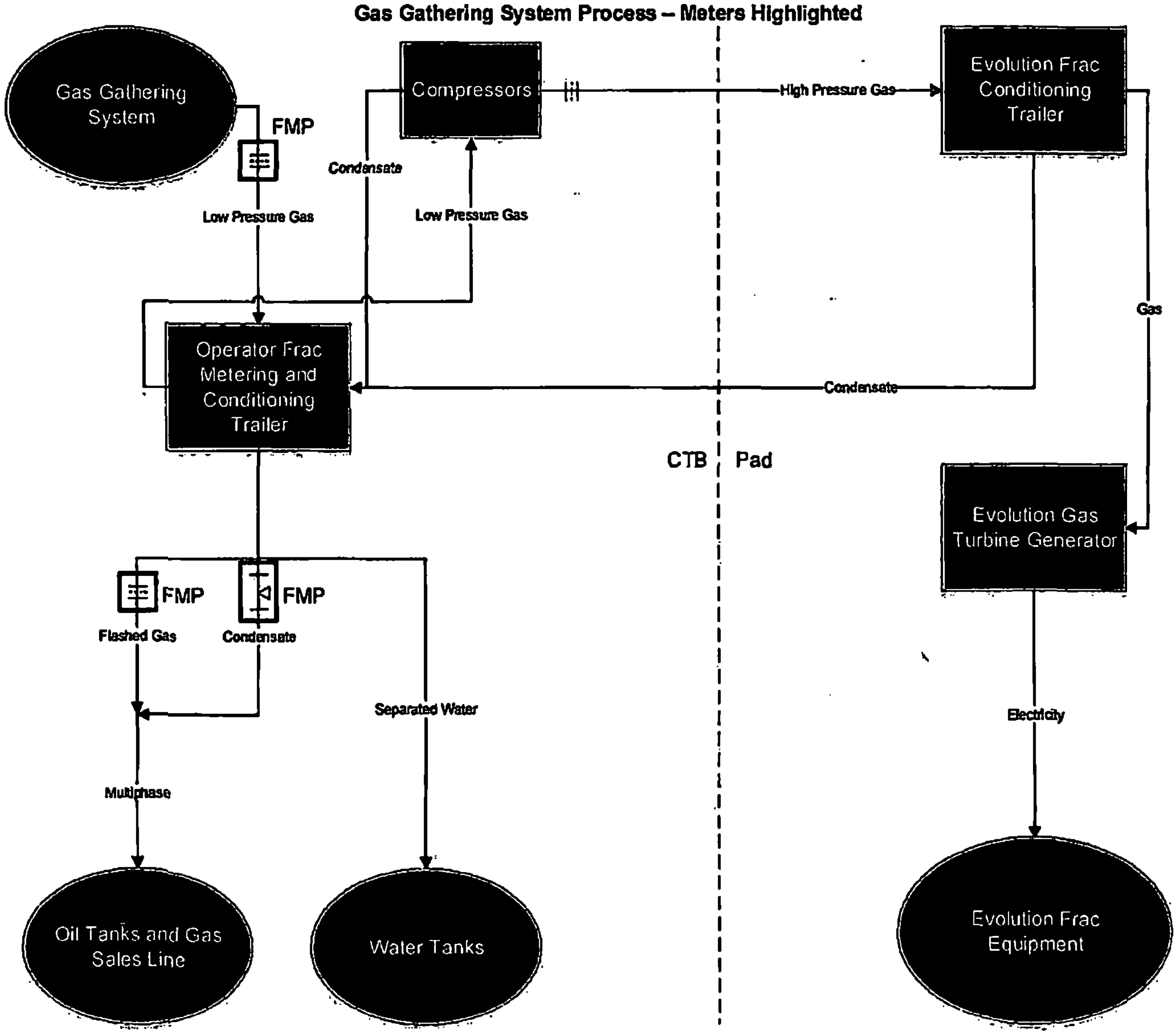
The production EOG is currently transporting out of the Delaware Basin is classified (as of March 2019) as WTL, which has an API gravity range of 44.0-49.9. Assuming that the product falls into the WTL range at the BLM measurement point, there will be no price differential affecting royalty. At the markets, WTL is being priced as a discount to WTI, currently approx. $1 to $1.50/bbl. Further assuming condensate production volumes averaging less than 5% of total daily CTB processing rates (based on initial condensate production rates at E-frac locations in Texas), EOG is confident that the product will remain classified as WTL at the aggregated point of sale.

Depending on the producing zones and locations of EOG's production, the crude oil might vary and thereby fall within any of the four categories. The market will price EOG's production based on the category of the crude being delivered. Royalty is paid based on the higher of the Weighted Average Sales Price (WASP) for the product delivered or the contract price at the sales point. Given the large volumes of WTL being produced and sold on either basis, as well as the relatively miniscule amount of condensate being introduced into the production stream, there will be no effect on the royalty value as prices are not dictated by gravity variations at individual leases.

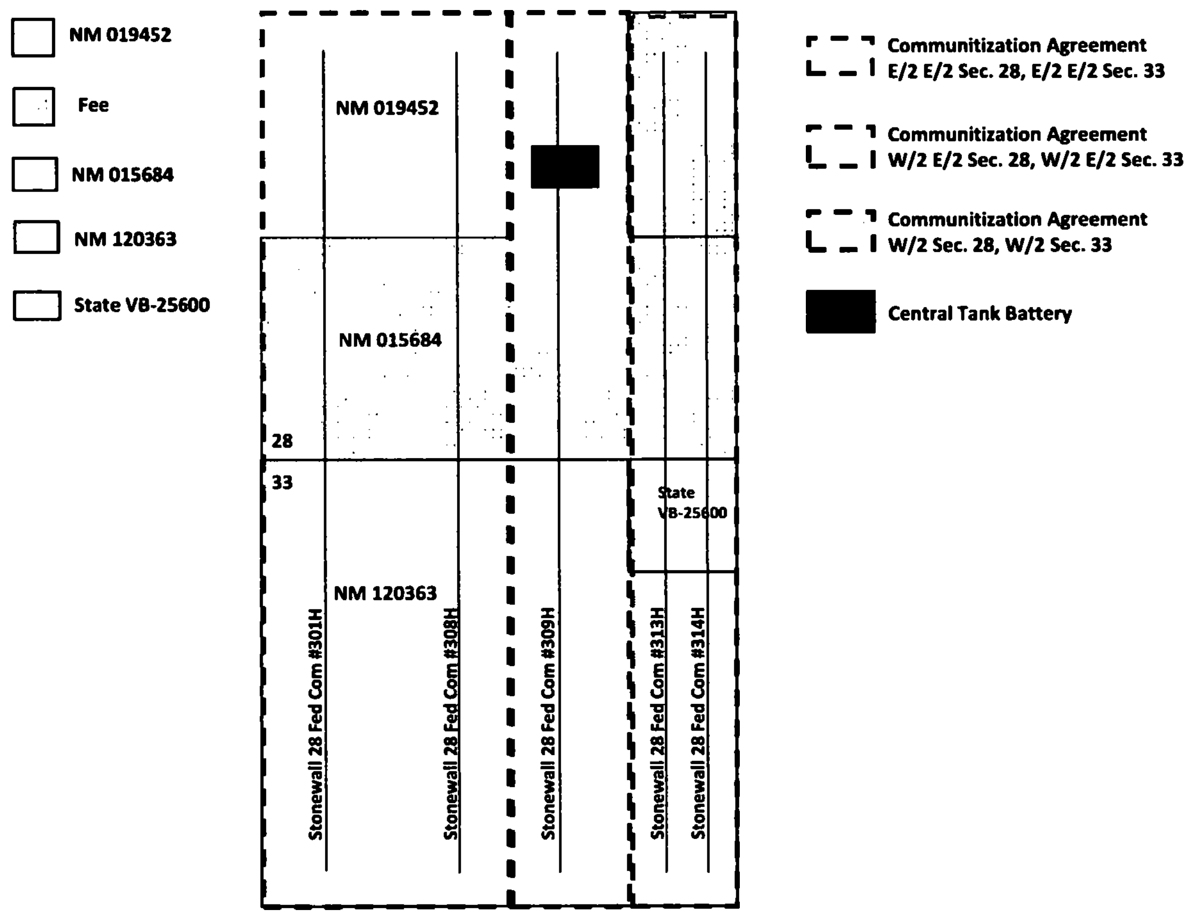
Flash gas - During the e-FRAC process where condensation and flash gas will be taken to the existing facility, flash gas will be introduced into the VRT. At that point the flash gas will be blended with like molecular structured gas flashing from the oil in the tanks. Our VRU compressor will compress that gas and send it into our gathering system, where applicable, or straight to a 3rd party purchaser. Our VRU gas is measured independently through a FMP meter which is held to the BLM onshore order 3175 standards and injected into the system downstream of any other measurement points. The flash gas meter on the e-FRAC trailer is calibrated and sampled at every job so the meter is accurate and applying the correct gas analysis to the known flow rate. With both the flash gas meter and VRU meter being calibrated and sampled at known intervals, the accurate flow rates of both meters are adjusted properly via the AGA calculations, per individual RTU, with the individually applied gas analysis.

The VRU/Flash Gas volumes are reported on OGOR B disposition code 01 (sales royalty due)

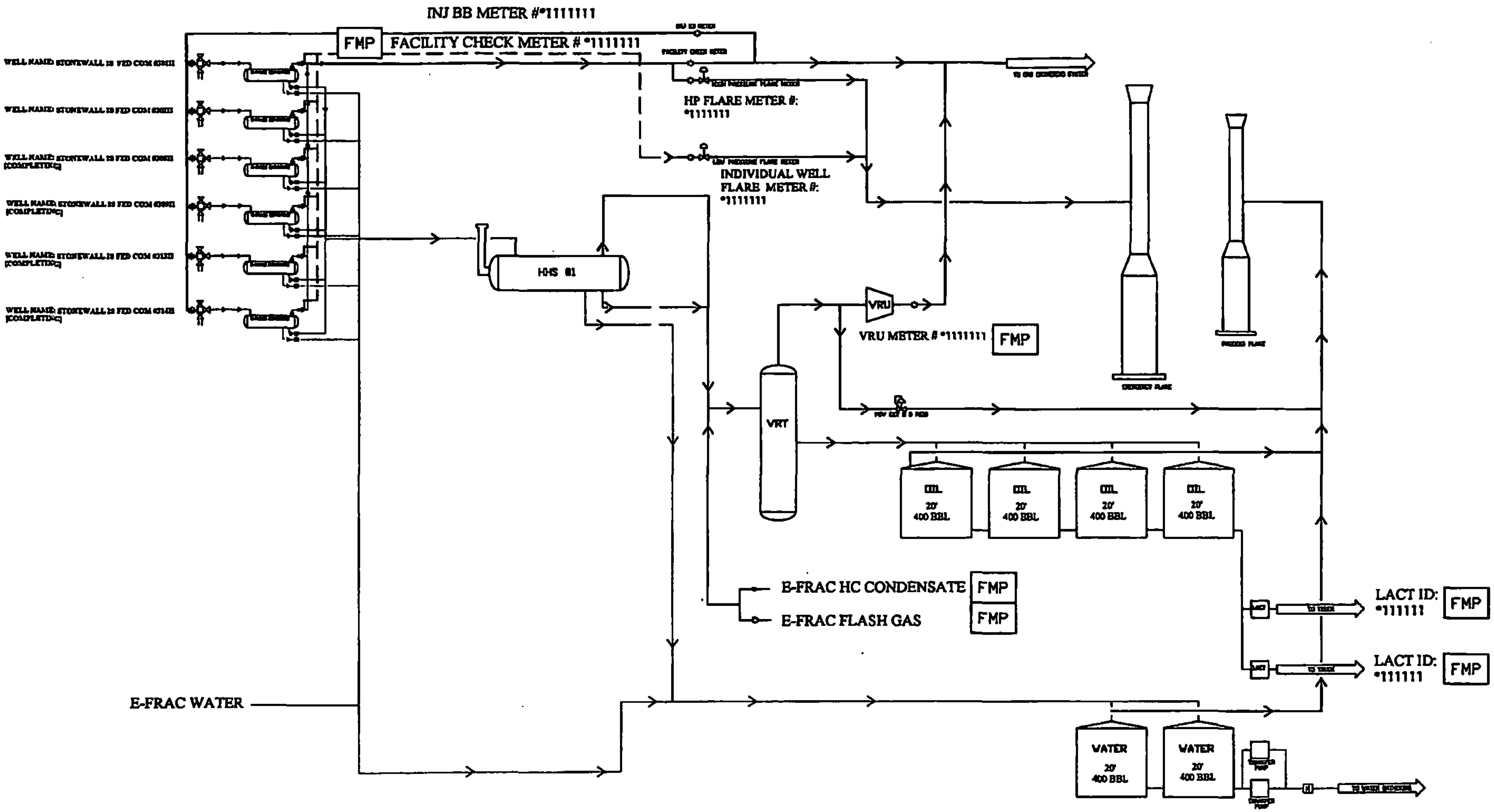
Gas Gathering System Process – Meters Highlighted



Township 24 South, Range 34 East, NMPM, Lea County, New Mexico
STONEWALL FED COM WELLS



FACILITY NAME: STONEWALL 28 FED COM CTB



¦|¦ Gas Orifice Meter

[M] Liquid Meter

*Test meter numbers will be provided upon installation of meters and completion of the facility.

STONEWALL 28 FED COM CTB PFD		
EOG RESOURCES MIDLAND DIVISION	BY: RY	REV 01 10/29/2019

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Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Temporary Commingling of Measurement and Sales of Production

EOG Resources Inc.
Stonewall 28 Fed Com 308H, 309H, 313H, 314H
Stonewall 28 Fed Com CTB
Lease: NMNM19452

Approval of comingling of measurement and sales of production is subject to the following conditions of approval:

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. **Notify Dylan Rossmango in the Carlsbad Field Office at 575-234-5998 at least 24 hours prior to proving and verifying the designated FMPs in this package.**
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. **This does not constitute a right-of-way approval for any off-lease operations.** Within 30 days, an application for right-of-way approval shall be submitted to the CFO realty department, if not already done.
6. Gas measurement for allocation shall be measured as per 43 CFR 3175 and API requirements, or as approved in this approval to commingle production.
7. Oil measurement for allocation shall be measured as per 43 CFR 3174 and API requirements, or as approved in this approval to commingle production.
    a. Condensate introduced to the CTB shall be measured with a Coriolis Measurement System (CMS) compliant with 43 CFR 3174.
8. All oil, gas, and condensate subject to royalty shall be measured and reported to ONRR as required, unless otherwise approved by an Authorized Officer. Aside from exceptions listed in 43 CFR 3179, all flared/vented gas volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
9. This agency shall be notified of any change in sales method or location of the sales point.
10. This approval does not authorize bypasses around any allocation meter or metering separator, this is to include the use of headers to divert production to production equipment other than the approved measurement points.

11. Approval for combining production from various sources, as well as off-lease operations, is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocations.

12/19/2019 DR