

RECEIVED

ATS-CG-443

Form 3160-3
(February 2005)

SEP 02 2009

OCD Artesia

HOBBSON UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5 Lease Serial No.
NM 1999858 NM 19858 DM

6 If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☐ DRILL ☒ REENTER

7 If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. **<25569>**
Madera Ridge 25 Fed 1R

2. Name of Operator
EOG Resources, Inc.

9 API Well No.
30-025-28533

3a. Address **P.O. Box 2267 Midland, TX 79702**

3b Phone No. (include area code)
<7377>
432-686-3642

10 Field and Well on Exploratory
Undesignated Bone Spring **North**

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface **1980' FSL & 660' FWL (U/L L)**

At proposed prod. zone

11 Sec., T. R. M. or Blk. and Survey or Area

Section 25, T24S-R33E, N.M.P.M.

14 Distance in miles and direction from nearest town or post office*
Approx 20 miles W from Jal, NM

12. County or Parish

Lea

13 State

NM

15 Distance from proposed*
location to nearest
property or lease line, ft
(Also to nearest drig. unit line, if any) **660'**

16 No. of acres in lease
40

17 Spacing Unit dedicated to this well
NW/4 SW/4

18 Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft **2640'**

19 Proposed Depth
11,200' TMD

20 BLM/BIA Bond No. on file
NM2308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
GL 3558.6'

22. Approximate date work will start*
10/01/2009

23 Estimated duration
14 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form:

1. Well plat certified by a registered surveyor
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature **Donny G. Glanton**

Name (Printed/Typed)
Donny G. Glanton

Date
07/07/2009

Title

Sr. Lease Operations ROW Representative

Approved by (Signature) **/s/ Don Peterson**

Name (Printed/Typed)

Date **AUG 30 2009**

Title **FIELD MANAGER**

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

Carlsbad Controlled Water Basin

**Approval Subject to General Requirements
& Special Stipulations Attached**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-28533	Pool Code 96434	Pool Name Red Hills Bone Spring North
Property Code 25569	Property Name MADERA RIDGE 25 FED.	Well Number 1R
GRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3558.6'

Surface Location

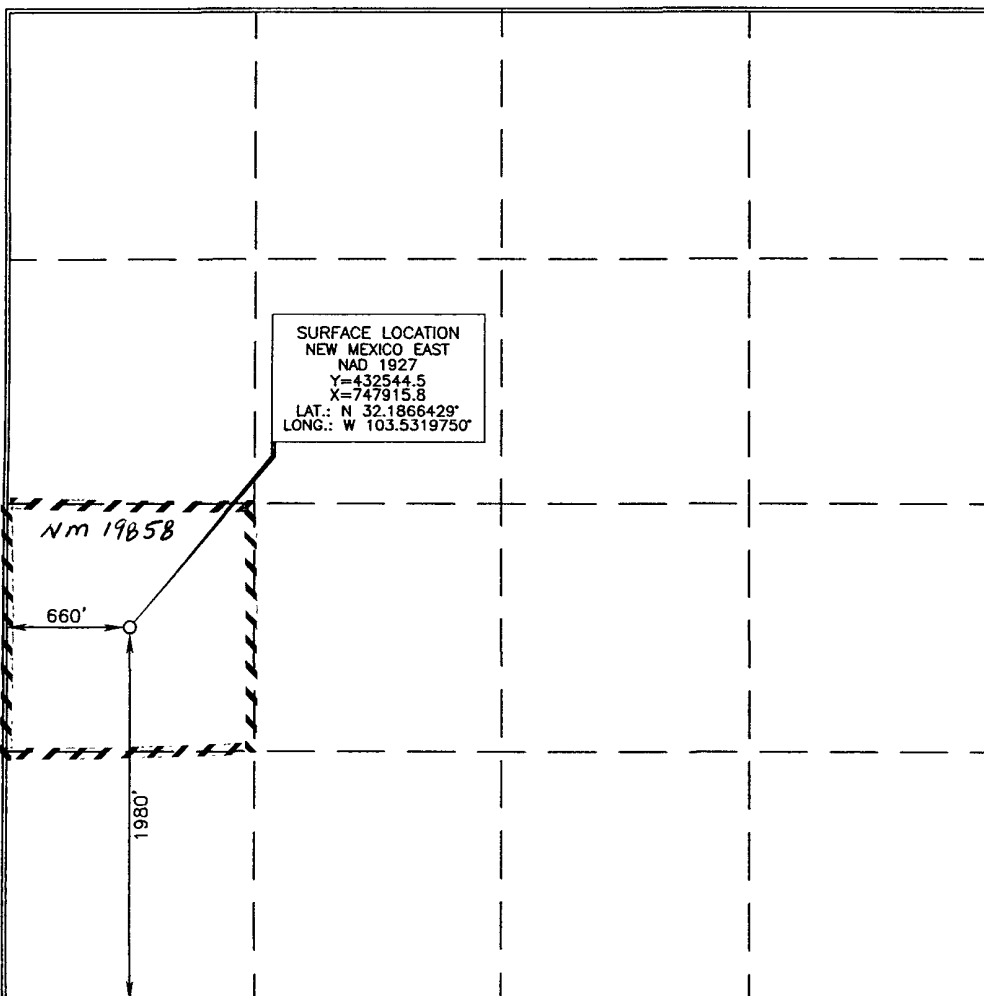
UL or lot no. L	Section 25	Township 24 SOUTH	Range 33 EAST, N.M.P.M.	Lot Idn	Feet from the 1980'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

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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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Don G. Glanton 7/7/09
Signature Date

Donny G. Glanton
Printed Name

SURVEYOR CERTIFICATION

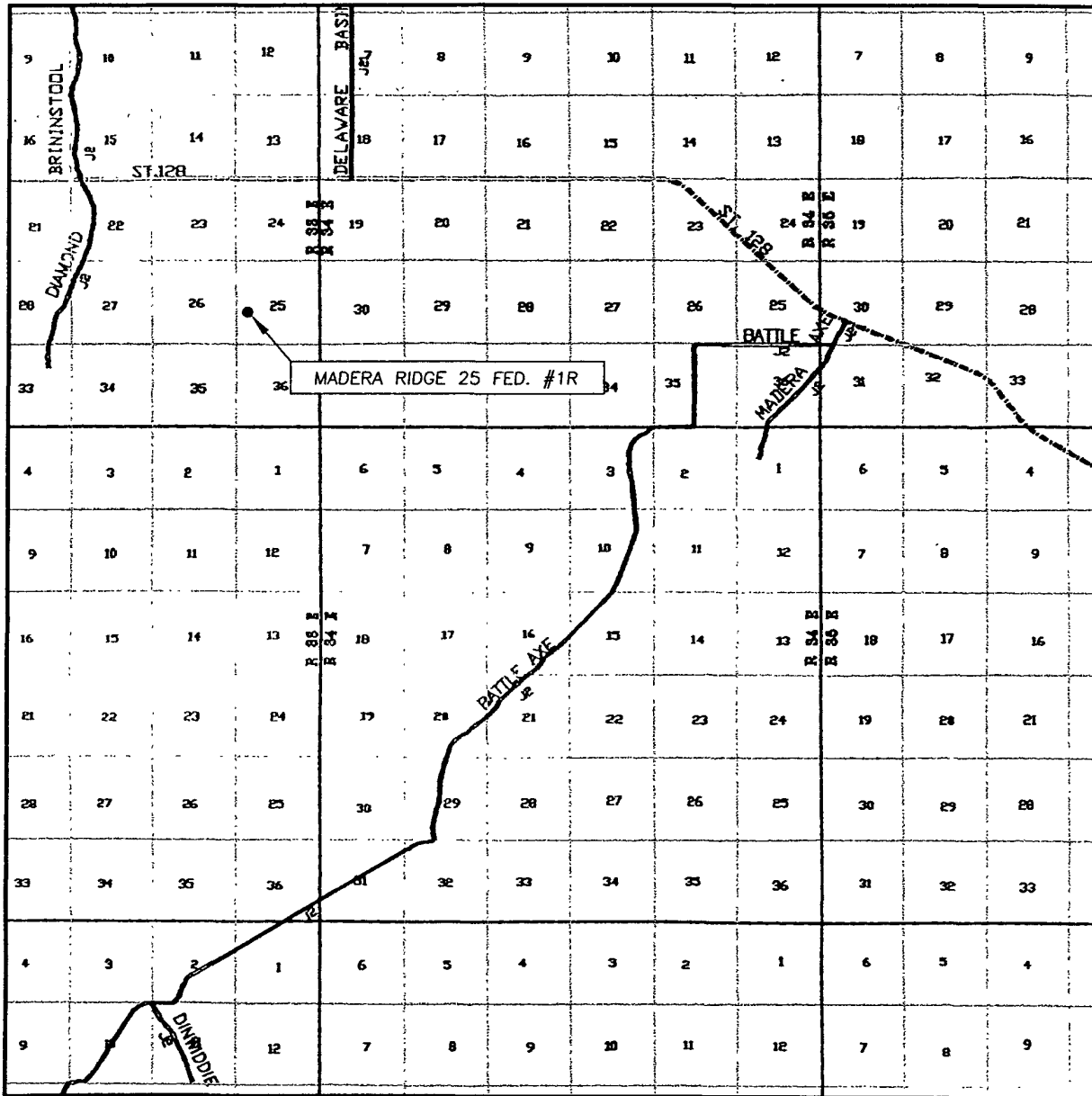
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

15079
Date of Survey
May 15, 2009

Signature and Seal of Professional Surveyor
Terry J. Arul 5/19/2009
Certificate Number 15079

WO# 090515WL (KA)

VICINITY MAP

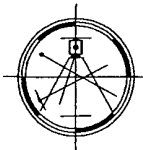


SEC. 25 TWP. 24-S RGE. 33-E
 SURVEY _____ N.M.P.M.
 COUNTY _____ LEA
 DESCRIPTION 1980' FSL & 660' FWL
 ELEVATION _____ 3558.6'
 OPERATOR EOG RESOURCES INC.
 LEASE MADERA RIDGE 25 FED. #1R

SCALE: 1" = 2 MILES

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146

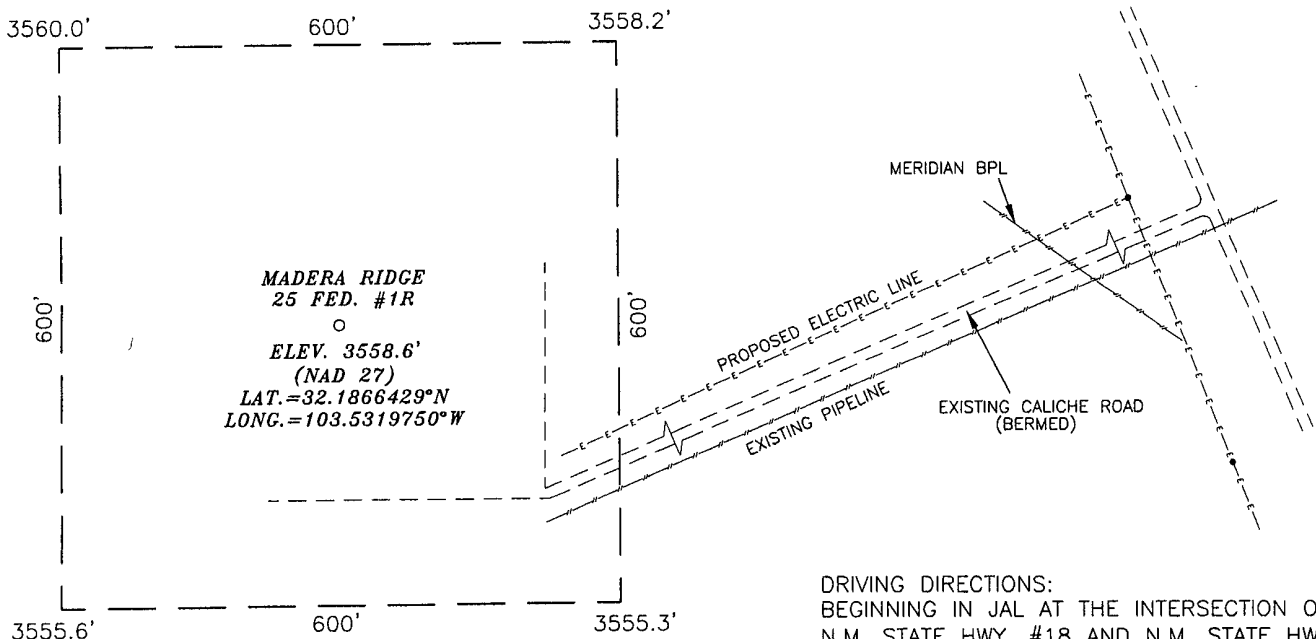
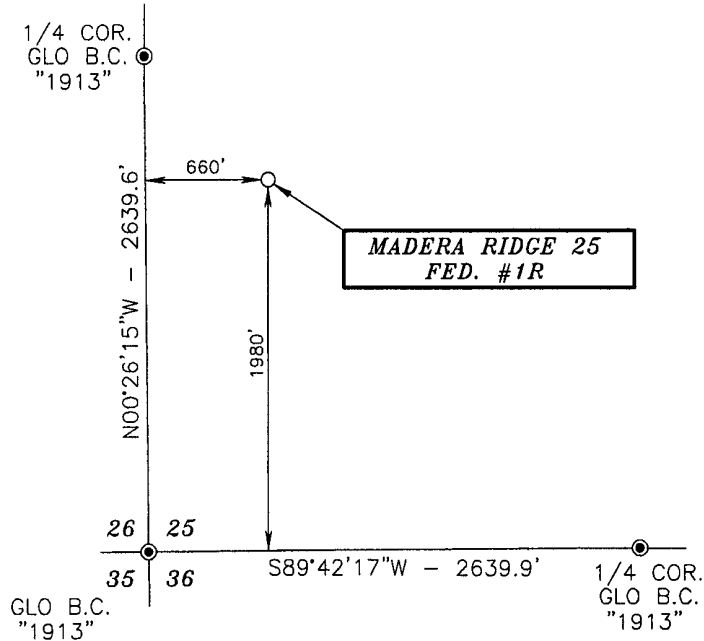


DIRECTIONS BEGINNING IN JAL AT THE INTERSECTION OF N.M. STATE HWY. #18 AND N.M. STATE HWY. #128, GO WEST ON N.M. STATE HWY. #128 FOR 22.0 MILES, TURN LEFT AND GO SOUTH ON LEASE ROAD FOR 1.6 MILES, TURN RIGHT AND GO WEST FOR 0.6 MILES TO LOCATION.

SECTION 25, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY
NEW MEXICO

Exhibit 2a

Basis of Bearings - GPS Geodetic Measurements
NM East Zone (83) North American Datum of 1983



DRIVING DIRECTIONS:
BEGINNING IN JAL AT THE INTERSECTION OF
N.M. STATE HWY. #18 AND N.M. STATE HWY.
#128, GO WEST ON N.M. STATE HWY. #128
FOR 22.0 MILES, TURN LEFT AND GO SOUTH
ON LEASE ROAD FOR 1.6 MILES, TURN
RIGHT AND GO WEST FOR 0.6 MILES TO
LOCATION.



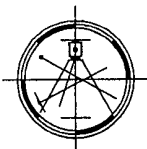
SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR
NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW
MEXICO STATE BOARD OF REGISTRATION FOR
PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 5/19/2009
Terry J. Asel, N.M. R.P.S. No. 15079

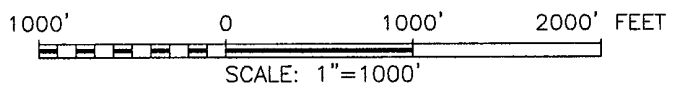
Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



LEGEND

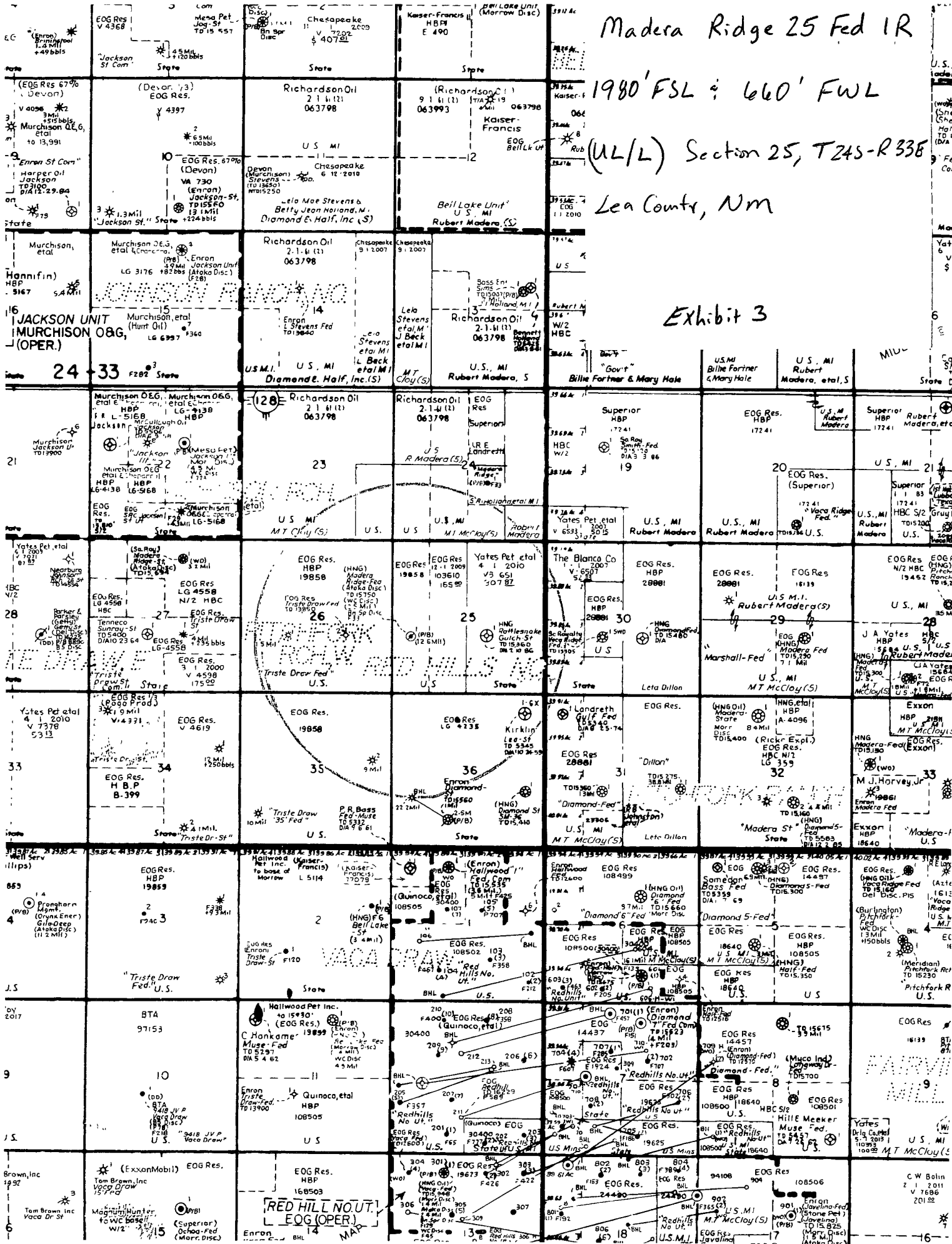
● - DENOTES FOUND MONUMENT AS NOTED



EOG RESOURCES, INC.

MADERA RIDGE 25 FED. #1R LOCATED AT
1980' FSL & 660' FWL IN SECTION 25,
TOWNSHIP 24 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 05/15/09	Sheet 1 of 1 Sheets
W.O. Number: 090515WL	Drawn By: KA Rev:
Date: 05/18/09	090515WL Scale: 1"=1000'



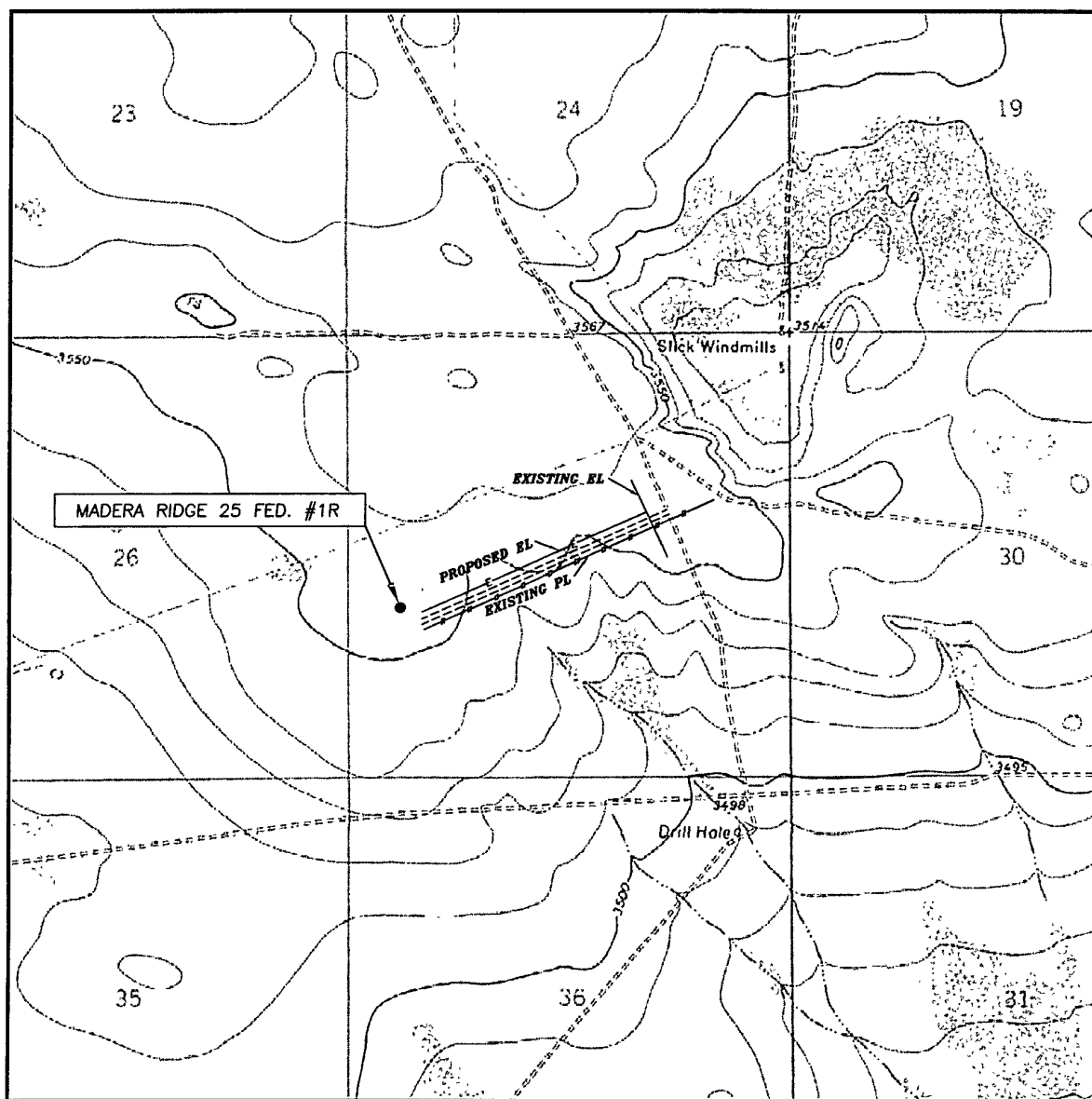
Madera Ridge 25 Fed 1R

1980' FSL : 660' FWL
(UL/L) Section 25, T24S-R33E
Lea Counr, Nm

Exhibit 3

RED HILL NO. 1
EOG (OPER.)

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 25 TWP. 24-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 660' FWL

ELEVATION 3558.6'

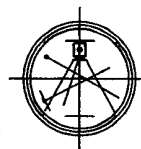
OPERATOR EOG RESOURCES INC.

LEASE MADERA RIDGE 25 FED. #1R

U.S.G.S. TOPOGRAPHIC MAP
BELL LAKE, N.M.

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,215'
Base of Salt	5,020'
Delaware	5,270'
1 st Bone Spring Sand	6,700'
Cherry Canyon	6,304'
Top of Leonard	9,060'
Bone Spring Lime	9,220'
1 st Bone Spring Sand	10,245'
2 nd Bone Spring Sand	10,910'
TD	15,750'
Current PBTD (8/2004)	Surface

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands	0- 450'	Fresh Water
Delaware	5,270'	Oil
1 st Bone Spring Sand	6,700'	Oil
Cherry Canyon	6,304'	Oil
Top of Leonard	9,060'	Oil
Bone Spring Lime	9,220'	Oil
1 st Bone Spring Sand	10,245'	Oil
2 nd Bone Spring Sand	10,910'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands are protected by 13 3/8" casing set at 609'. Cement has been circulated to surface from the 13 3/8" casing shoe at 609'. Cement has been circulated to surface on the primary cementing of the 9 5/8" intermediate casing set at 5,087', and cement was circulated during the P&A operations to surface from perforations at 650' in the 7" intermediate casing.

4. CASING PROGRAM – NO new casing is planned. A temporary tie-back 4 ½" frac string will be run to facilitate stimulation of the Leonard / Bone Spring intervals. The well will be placed on pump after retrieving the temporary tie-back frac string.

Cementing Program:

After drilling out the existing plugs inside of the 7" casing, if the 7" casing will not test to 1,000 psi, a cement squeeze using Class H neat cement will be performed.
Slurry Density: 16.4 ppg; Yield 1.06 cf/sk; Mix Water 4.30 gal/sk.

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

Cement Plug from 12,150' – 11,200': on top of existing CIBP + 40' of cement inside of 7" casing;
950' X 0.2148 cf/ft = 204 cf ; 195 sacks using Class H neat cement.
Slurry Density: 16.4 ppg; Yield 1.06 cf/sk; Mix Water 4.30 gal/sk

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(SEE EXHIBIT #1)

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000-psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. for a 2M system prior to drilling out of the surface casing shoe and while drilling the intermediate section. Before drilling out of the intermediate casing, the ram- type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 2500/ 250 psig.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

Hydraulically operated choke will not be installed prior to the setting and cementing of the intermediate casing string, but will be installed prior to drilling out of the intermediate casing shoe.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with fresh water. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Wt</u> <u>(PPG)</u>	<u>Viscosity</u> <u>(sec)</u>	<u>Waterloss</u> <u>(cc)</u>
0-12,150'	Fresh water	8.4-8.6	28-34	N/c

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

(A) A kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. LOGGING, TESTING AND CORING PROGRAM:

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

No Logging, Testing, or Coring will be done. ← See COA

**9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND
POTENTIAL HAZARDS:**

The estimated bottom hole temperature (BHT) at TD is 180 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5,260 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately one week. If the well is productive, an additional 30-60 days will be required for completion and testing before a decision is made to install permanent facilities.

SURFACE USE PLAN OF OPERATION

SHL: 1,980' FSL & 660' FWL, Unit "L", Section 25, T24S-R33E, 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.
- b. All roads into the location are depicted on Exhibit 2 & 2a .
- c. Directions to Locations: Beginning in Jal at the intersection of N.M. State Hwy 18 and N.M. State Hwy 128, go west on State Hwy 128 for 22 miles, turn left and go south on lease road for 1.6 miles, turn right on new lease road and go west for 0.6 miles to location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. The reclaimed lease road will be upgraded with compact caliche a distance of 3,200' from the SE corner of the well pad to the existing lease road.. Necessary Rights of Way will be secured prior to construction.
- b. The maximum width of the road will be 15'. 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%.
- d. No cattleguards, gates or fence cuts will be required. No turnouts are planned.

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 at the well site. See Production Facilities Layout diagram.
- b. As a proposed oil well, operator proposes to construct a powerline as depicted on Exhibit 2a. Necessary Right's of Way will be secured prior to construction.
- c. All flow lines will adhere to API standards.
- d. Refer to b above.
- e. If the well is productive, rehabilitation plans are as follows:

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

- i. Within 120 days subsequent to the first date of sales, the location shall be reduced as determined by operator to the minimum area necessary to safely and effectively operate the well.
- 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

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by roads, if available.

7. METHODS OF HANDLING WASTE MATERIALS

- a. Drill cement shall be disposed of in a steel cuttings bin (catch tanks) on the drilling pad (behind the steel mud tanks). The bin and cement shall be hauled to an approved dumpsite.
At the site, the cement 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:

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

- 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, 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 10(a) within 120 days subsequent to the first date of sales. Caliche from areas of the pad site not required for operations shall be reclaimed. The original top soil 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.

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

11. SURFACE OWNERSHIP

The surface is owned by the BLM. 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 grassland. The topsoil is sandy in nature. The vegetation is moderately sparse with native prairie grass, mesquite, 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. There is no permanent or live water within 2 miles of the location.
- d. A Cultural Resources Examination has been previously conducted and registered with the BLM office in Carlsbad, New Mexico.

13. BOND COVERAGE:

- a. Bond Coverage is Nationwide; Bond No. NM 2308

**EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R**

COMPANY REPRESENTATIVES:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

Permitting & Land

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

Drilling

Mr. Ron Willett
Division Completions Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3600 Office
(432) 230-2135 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

EOG RESOURCES, INC.
Madera Ridge 25 Fed 1R

ATTACHMENT TO EXHIBIT #1

1. Wear ring to be properly installed in head.
2. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum. Exhibit #1.
3. All fittings to be flanged
4. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.
5. All choke and fill lines to be securely anchored especially ends of choke lines.
6. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
7. Kelly cock on kelly.
8. Extension wrenches and hand wheels to be properly installed.
9. Blow out preventer control to be located as close to driller's position as feasible.
10. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.



EOG Resources, Inc.

P.O. Box 2267
Midland, TX 79702
(432) 686-3600

July 6, 2009

State of New Mexico Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

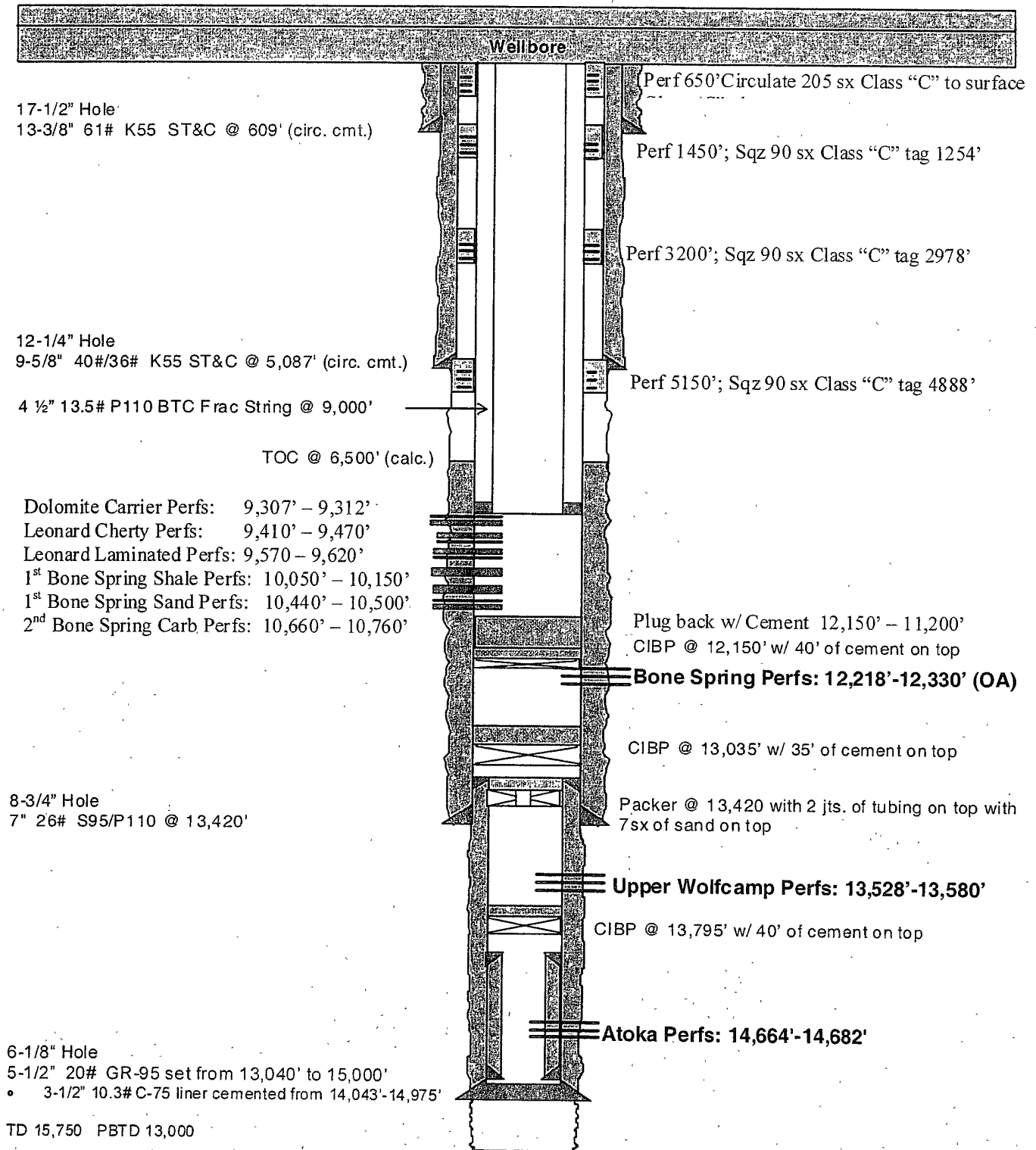
To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H₂S Contingency Plan for the Madera Ridge 25 Fed Com #1, a cased hole re-entry in Unit Letter "L", Section 25, Township 24S, Range 33E, Lea County, NM. The current plan is to complete this well in the Leonard and Bone Spring formations (9,207 – 10,760' OA), which is sweet, and I do not anticipate encountering any H₂S bearing formations during re-entry operations.

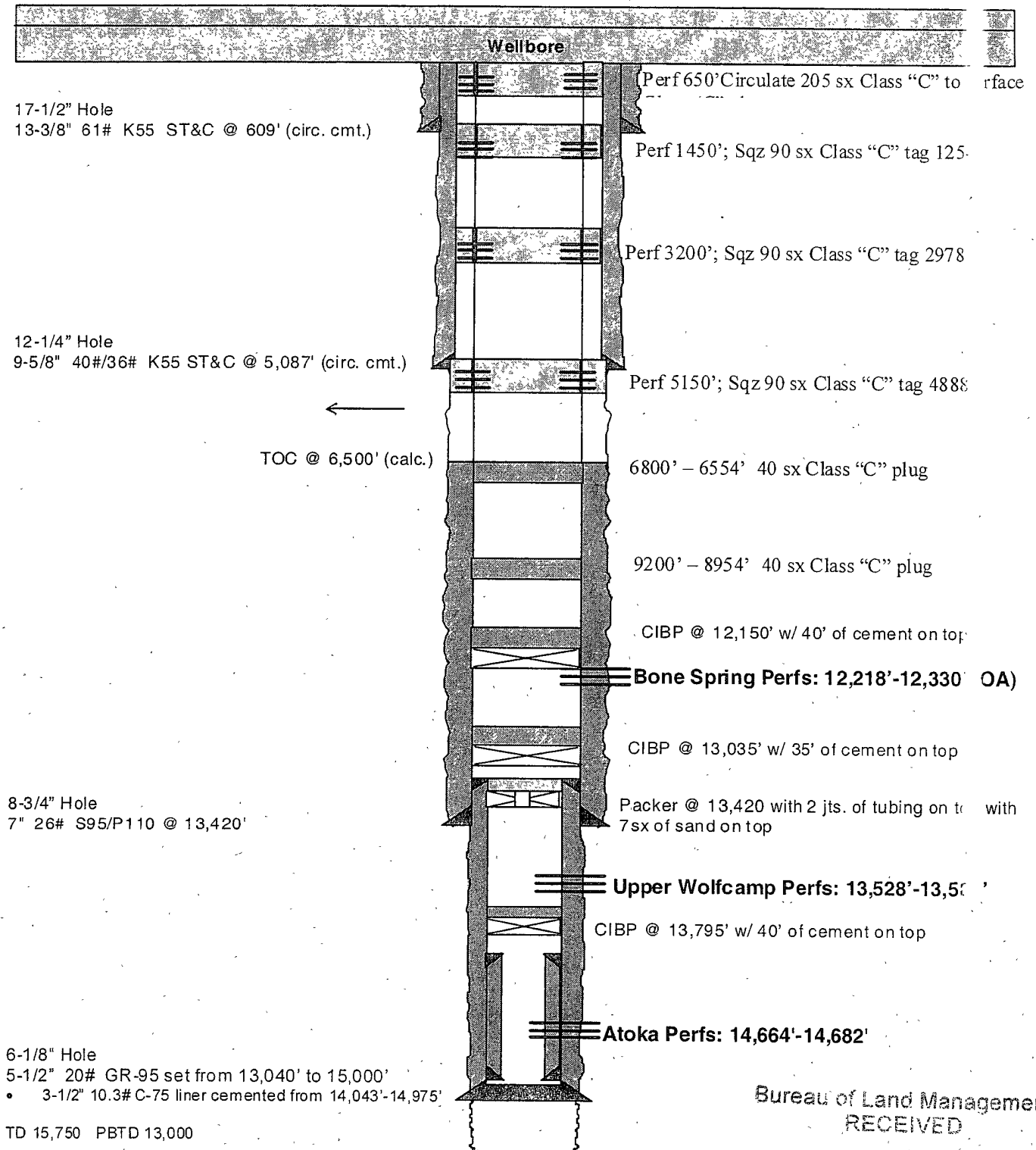
Sincerely,

Ron Willett
Completions Engineer

WELLBORE SCHEMATIC



WELLBORE SCHEMATIC



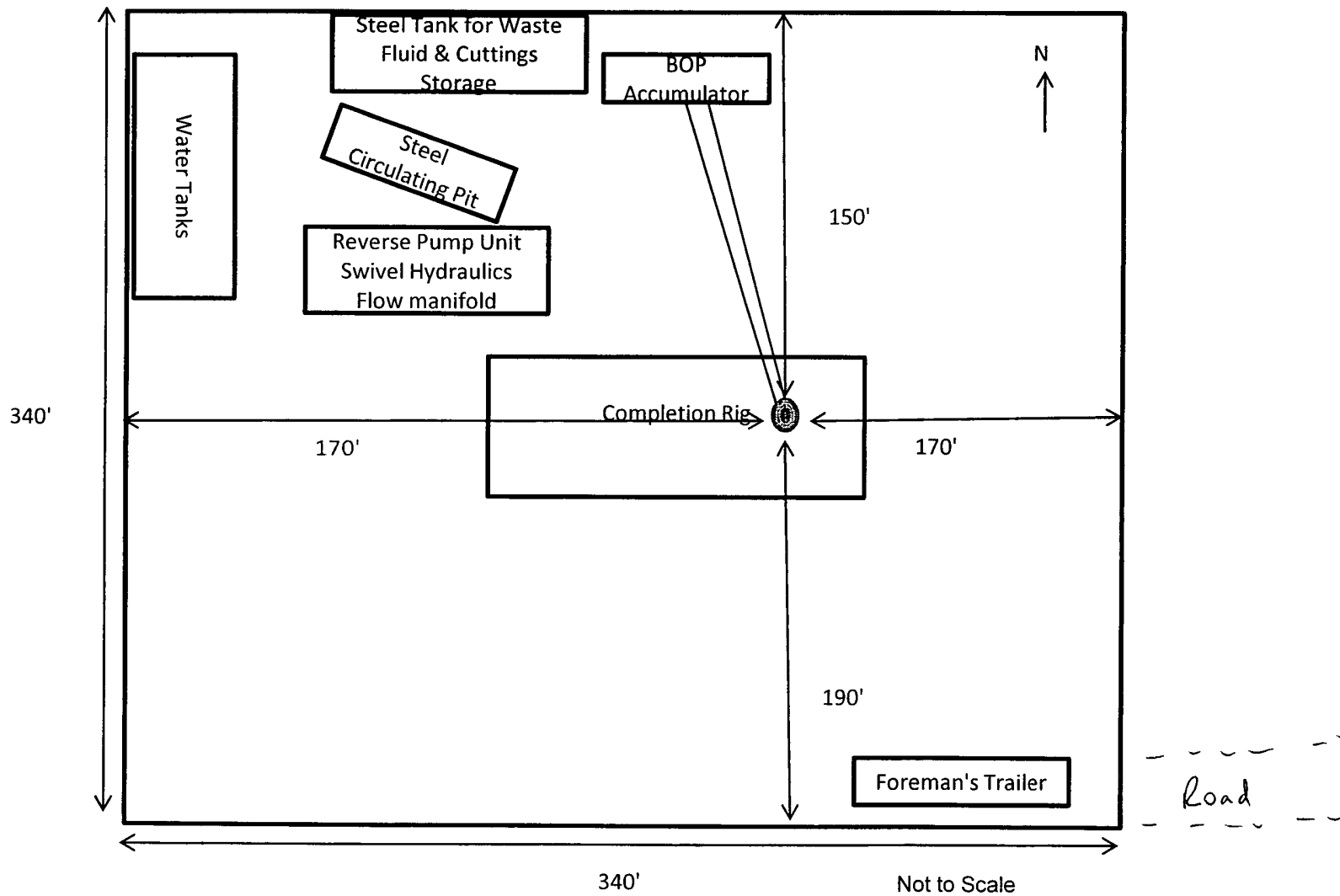
Bureau of Land Management
RECEIVED

JUL 30 2009

Carlsbad Field Office
Carlsbad, NM

Exhibit 4

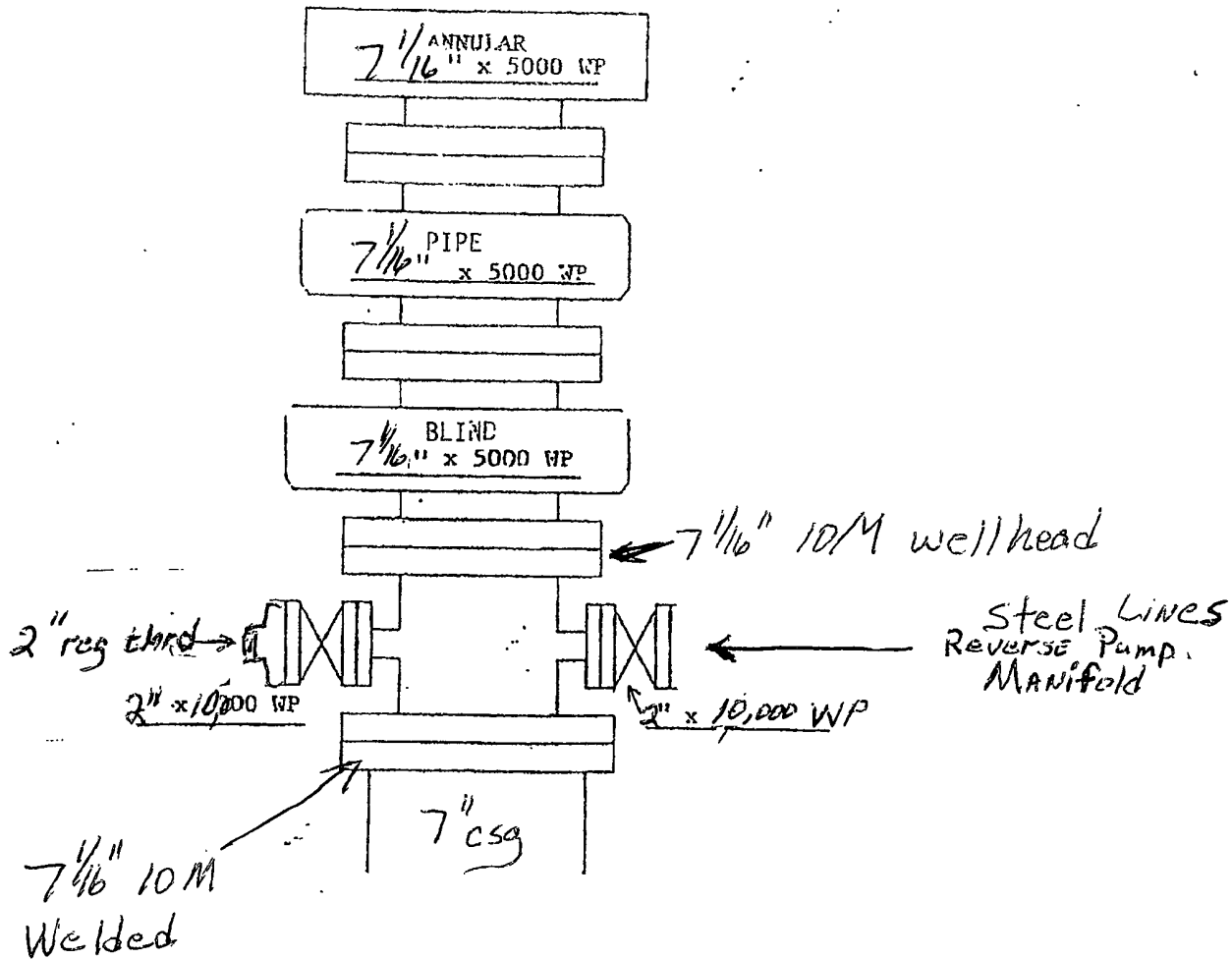
Madera Ridge 25 Fed 1R

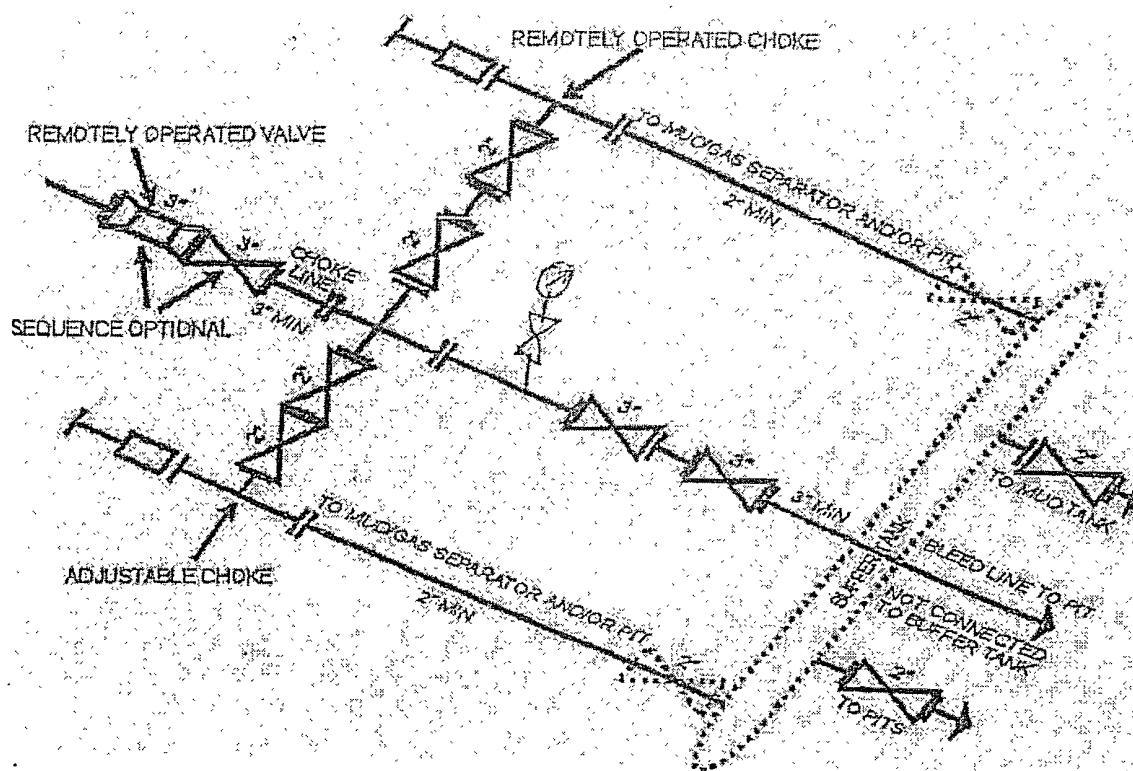


EOG Resources, Inc.

Madera Ridge 25 Fed Com #1R

Re-Entry





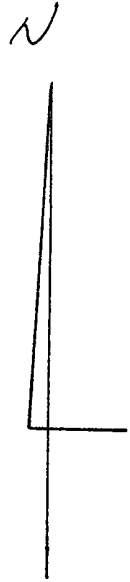
5M CHOKES MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

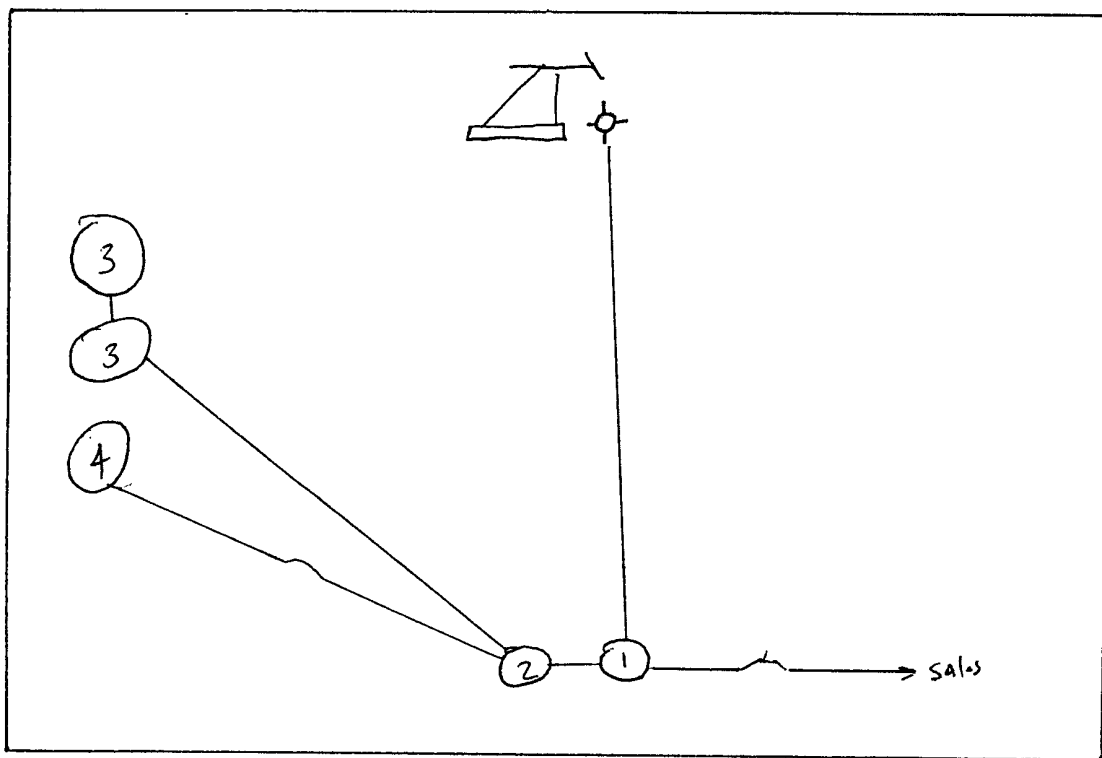
PRODUCTION FACILITY LAYOUT

WELL NAME: Madera Ridge 25 Fed. 1R



CLOSED LOOP
EQUIPMENT

Closed Loop
EQUIPMENT



1. Separator
2. Heater
3. Oil Tank
4. Water Tank

"NOT TO SCALE"

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 7th day of July 2009.

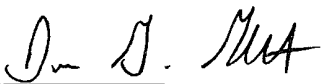
Name: Donny G. Glanton

Position: Sr. Lease Operations ROW Representative

Address: P.O. Box 2267 Midland, TX 79705

Telephone: 432-686-3642

Email: donny_glanton@eogresources.com

Signed: 

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG Resources
LEASE NO.:	NM19858
WELL NAME & NO.:	1R Madera Ridge 25 Fed
SURFACE HOLE FOOTAGE:	1980' FSL & 660' FWL
BOTTOM HOLE FOOTAGE	
LOCATION:	Section 25, T. 24 S., R 33 E., NMPM
COUNTY:	Lea County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

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, geophysical exploration other than 3-D operations, and 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 ft. from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Hobbs Field Station at (575) 393-3612 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

There is no measurable soil on this well pad to stockpile. No topsoil stockpile is required.

C. RESERVE PITS

The operator has applied for a closed-loop system. The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

VII. DRILLING – RE-ENTRY

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. BOPE test
- b. CIT test

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-282

1. **Although Hydrogen Sulfide has not been reported in this formation in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

B. CASING – Re-entry

A CIT is to be performed on the 7" casing per Onshore Oil and Gas Order 2.III.B.1.h after drilling out the first six plugs to +/- 11200 feet and tagging the plug at +/- 11200 feet.

1. **The 13-3/8" surface casing is set at 609 feet with cement circulated to surface.**
2. **The 9-5/8" intermediate casing is set at 5087 feet with cement circulated to surface.**
3. **The 7" production casing is set at 13420 feet with TOC reported at 6500' and 5-1/2" liner from 13040-15000 feet with plugs from 13755', 13420', 13000', 12150-12050', 9200-9100', 6800-6554', 5150-4900', 3200-3000', 1450-1250' and from 650' to surface. A CBL shall be run from 11200 feet to surface by the operator to verify TOC. This will also add to information that will be required when the well is plugged.**
4. **If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.**

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi. Operator is installing a 5M BOP – approved, test required after drilling out the first cement plug.**
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

RGH 083009

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.