

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

RECEIVED
JAN 06 2010
HOBBSOCD

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

EOG Resources Inc.

3a Address

P.O. Box 2267 Midland, Texas 79702

3b Phone No. (include area code)

432-686-3689

4. Location of Well (Footage, Sec, T, R., M., or Survey Description)

660' GNL & 2310' FEL Unit B
Sec 8, T25S, R34E

5. Lease Serial No.

NM 14497

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Diamond 8 Federal 1

9. API Well No

30-025-30632

10. Field and Pool, or Exploratory Area

Red Hills; Bone Spring

11. County or Parish, State

Lea

NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

EOG Resources requests permission to plug back and drill a horizontal Bone Spring lateral as per the attached directional drilling plan.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Stan Wagner

Title Regulatory Analyst

Date 12/22/09

Signature

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

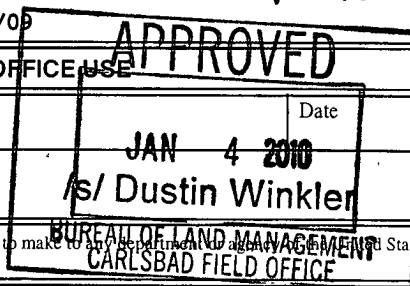
Title

Date

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

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.



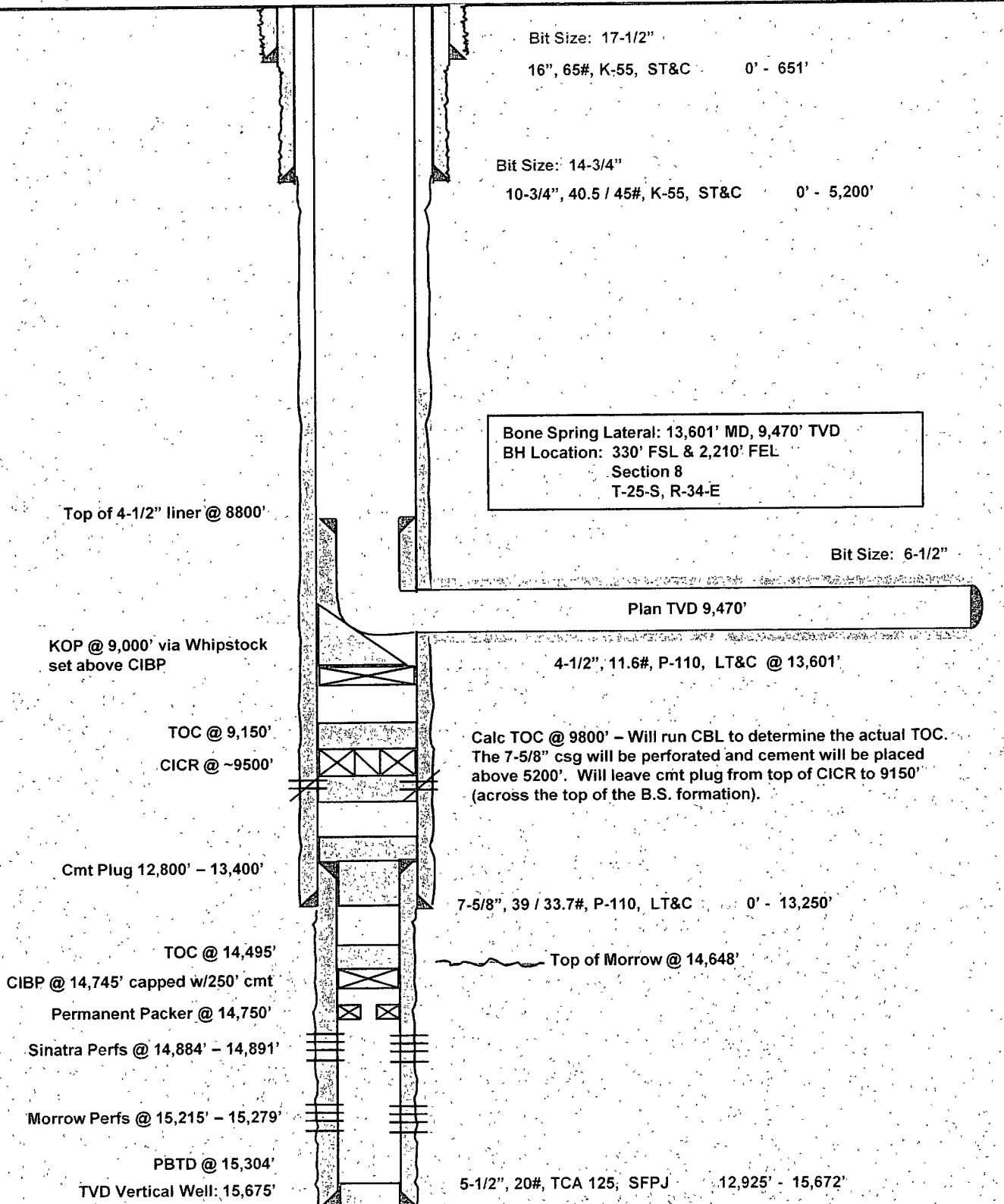
Diamond 8 Fed Com #1 RE
Red Hills
Lea County, New Mexico

660' FNL
2310' FEL
Section 8
T-25-S, R-34-E

Proposed Wellbore
Revised 12/23/09

API: 30-025-30632

KB: 3,383'
GL: 3,364'



Diamond 8 Fed Com #1 RE
Red Hills
Lea County, New Mexico

660' FNL
2310' FEL
Section 8
T-25-S, R-34-E

Proposed Wellbore

API: 30-025-30632

KB: 3,383'
GL: 3,364'

Bit Size: 17-1/2"

16", 65#, K-55, ST&C 0' - 651'

Bit Size: 14-3/4"

10-3/4", 40.5 / 45#, K-55, ST&C 0' - 5,200'

*Replaced
12-23-09
JW*

Calc TOC @ 9800' - Will run CBL to determine the actual TOC. The 7-5/8" csg will be perforated and cement will be placed above 5200'.

Bone Spring Lateral: 13,601' MD, 9,470' TVD
BH Location: 330' FSL & 2,210' FEL
Section 8
T-25-S, R-34-E

Top of 4-1/2" liner @ 8800'

Bit Size: 6-1/2"

KOP @ 9,000' via Whipstock

CICR @ ~9000'

4-1/2", 11.6#, P-110, LT&C @ 13,601'

Cmt Plug 12,800' - 13,400'

7-5/8", 39 / 33.7#, P-110, LT&C 0' - 13,250'

TOC @ 14,495'

CIBP @ 14,745' capped w/250' cmt

Permanent Packer @ 14,750'

Sinatra Perfs @ 14,884' - 14,891'

Top of Morrow @ 14,648'

Morrow Perfs @ 15,215' - 15,279'

PBTD @ 15,304'

TVD Vertical Well: 15,675'

5-1/2", 20#, TCA 125, SFPJ 12,925' - 15,672'

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

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JAN 06 2010
HOBBSON

State of New Mexico
Energy, 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 30-025-30632		Pool Code	Pool Name
Property Code	Property Name DIAMOND "8" FED. COM		Well Number 1H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3364.0'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	8	25 SOUTH	34 EAST, N.M.P.M.		660	NORTH	2310	EAST	LEA

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
O	8	25 SOUTH	34 EAST, N.M.P.M.		330	SOUTH	2210	EAST	LEA

Dedicated Acres 160	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.

	<h4>OPERATOR CERTIFICATION</h4> <p>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.</p> <p><i>Don D. Gantor</i> 12/22/09 Signature Date</p> <p>Donny G Gantor Printed Name</p> <hr/> <h4>SURVEYOR CERTIFICATION</h4> <p>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.</p> <p>15079 DECEMBER 10, 2009 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>Terry G. Paul</i> 12/14/2009 Certificate Number 15079</p> <p>WO# 091210WL(KA)</p>
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Permit Information:

Well Name: Diamond 8 Fed Com No. 1H RE

Location:

SL: 660' FNL & 2310' FEL, Section 8, T-25-S, R-34-E, Lea Co., N.M.

BHL: 330' FSL & 2210' FEL, Section 8, T-25-S, R-34-E, Lea Co., N.M.

Casing Program:

Sidetrack out of the existing 7-5/8" casing via a whipstock.

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Production	8800' - 13,601'	6-1/2"	4-1/2"	11.6#	HCP-110	Top of Liner

Cement Program:

Depth	No. Sacks	Wt. lb/gal	Yld Ft ³ /ft	Slurry Description
13,601	500	14.2	1.30	Tail: 50:50:2 Class 'H' + 0.30% FL-52A + 0.20% CD-32 + 0.35% SMS + 5.00% Salt (2.454 lb/sk) + 0.45% R-3 + 0.005 lb/sk Static Free

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
9,000' - 13,601' Lateral	Cut Brine - XCD	9.0-9.5	40-42	8-10

EOG RESOURCES, INC.
DIAMOND 8 FED NO. 1H RE

1. GEOLOGIC NAME OF SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,050'
Base of Salt	5,000'
Delaware	5,280'
Cherry Canyon	6,260'
Bone Spring Lime	9,250'
1 st Bone Spring Sand	10,230'
2 nd Bone Spring Sand	10,840'

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

Upper Permian Sands	0- 400'	Fresh Water
Delaware	5,280'	Oil
Cherry Canyon	6,260'	Oil
Bone Spring Lime	9,250'	Oil
1 st Bone Spring Sand	10,230'	Oil
2 nd Bone Spring Sand	10,840'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities.

4. CASING PROGRAM – NEW

Sidetrack out of the existing 7-5/8" casing via a whipstock.

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
6.5"	8800' - 13,601'	4.5"	11.6#	HCP110	BTC	1.10	1.25	1.60

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft ³ /ft	Slurry Description
13,601'	500	14.2	1.30	50:50:2 Class 'H' + 0.30% FL-52A + 0.20% CD-32 + 0.35% SMS + 5.00% Salt (2.454 lb/sk) + 0.45% R-3 + 0.005 lb/sk Static Free

EOG RESOURCES, INC.
DIAMOND 8 FED NO. 1H RE

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.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer mud system. The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
9,000' – 13,601' Lateral	Cut Brine - XCD	9.0-9.5	40-42	8-10

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.

(C) A mud logging unit will be continuously monitoring drill penetration rate and hydrocarbon shows from KOP to TD.

(D) H₂S monitoring and detection equipment will be utilized from KOP to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Open-hole logging is anticipated in the 6-1/2" hole section. The logging suites for this hole section are listed below:

FMI - Possible in the production hole

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

The estimated bottom hole temperature (BHT) at TD is 156 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 4200 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are

EOG RESOURCES, INC.
DIAMOND 8 FED NO. 1H RE

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 month. 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.