

| Form 3160-3 (August 1999) | | | FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000 | | | |
|--|--|---------------------|---|--|--|--|
| UNITED STATES | 5. Lease Serial No. | | | | | |
| DEPARTMENT OF THE INT | NM 93 | | | | | |
| BUREAU OF LAND MANG | FMFNT |)58 | 6. If Indian, Allottee or Tribe Name | | | |
| APPLICATION FOR PERMIT TO D | RILL OR REENTER 1 |) | | | | |
| 1a. Type of Work: X DRILL | 7. If Unit or CA Agreement, Name and No. | | | | | |
| | 8. Lease Name and Well No. | | | | | |
| 1b. Type of Well: Oil Well X Gas Well Other | Single Zone Multi | ole Zone | Corbin "18" Fed. Com. No. 2 | | | |
| | THE PORT OF THE PROPERTY OF TH | | 9. API Well No. | | | |
| 2. Name of Operator EOG Resources, Inc. | | | 30-025-35725 | | | |
| 3a. Address | 3b. Phone No. (include area | code) | 10. Field and Pool, or Exploratory | | | |
| P.O. Box 2267, Midland, TX 79702 | 915 686-3689 | | Corbin Morrow South | | | |
| 4. Location of Well (Report location clearly and in accordant | ce with any State requiremen | ts.*) | 11. Sec., T., R., M., or Blk. And Survey or Area | | | |
| At surface 1970' FSL & 980' FWL | | | Sec. 18, T18S, R33E | | | |
| At proposed prod. Zone same | | | | | | |
| At proposed prod. Zone same 14. Distance in miles and direction from nearest town or pos | t office* | | 12. County or Parish 13. State | | | |
| 7 miles Southeast from Maljamar | | | Lea NM | | | |
| 15. Distance from proposed* | 16. No. of Acres in lease | 17. Spacin | g Unit dedicated to this well | | | |
| location to nearest | | | | | | |
| property or lease line, ft. 980' | 320 | S/2 320 | | | | |
| (Also to nearest drig. Unit line, if any) same | ., | | | | | |
| 18. Distance from proposed location* to nearest well, drilling, completed | 19. Proposed Depth 13,700' | 20. BLM/B NM2308 | IA Bond No. on file | | | |
| applied for, on this lease, ft. 2500' | oo t | ill atort? | 23. Estimated duration | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc) | 22. Approximate date work w | iii Start | 30 DAYS | | | |
| 3842 GL | 8/15/2001 24. Attachments | Cani | ten Controlled Water Pasia | | | |
| The following completed in accordance with the requirements of C | | | | | | |
| The following completed in accordance with the requirements of c | AISHOLE OIL AIR CAS CIGOT 140. T | Onan Do ana | | | | |
| Well plat certified by a registered surveyor. | 4. Bond to cover | | ns unless covered by an existing bond on file (see | | | |
| A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sytem | l l | • | | | | |
| 3. A Surface Use Plan (if the location is on National Polest Syleth Lands, the SUPO shall be filed with the appropriate Forest Service Office) 6. Such other site specific information and/or plans as may be required by the authorized officer. | | | | | | |
| as Signature | Name (Printed/Typed) | | Date | | | |
| 25. Signature | Bev Hatfield | | 6/28/2001 | | | |
| Till | | | | | | |
| Title V | | | | | | |
| Approved by Eight A. THEISS | Name (Printed/Typed) /S/ LESLIE A. | THEIS | S Date OCT 0 1 2001 | | | |
| Title FIELD MANAGER | | | ELD OFFICE | | | |
| Application approval does not warrant or certify the applicant holds legal or | equitable title to those rightes in the | Subject lease W | N/A1 FOR A A A CONTROL OF THE APPRICANT TO CONTROL OF THE | | | |
| operations theron. Conditions of approval, if any, are attached APPROVAL FOR 1 YEAR | | | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cri | me for any person knowingly and wi | Ifully 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 jurisidiction. | | | | | |
| '(Instructions on reverse) | 377 | | | | | |

APPROVAL SUBJECT TO
DENERAL REQUIREMENTS AND
PECIAL STIPULATIONS

ATTACHED

SCA

OPER. OGRID NO. 73.
PROPERTY NO. 2705.
POOL CODE 75080
EFF. DATE 10-4-01
API NO. 30-025-35

RECEIVED

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III

State of New Mexico
Energy. Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

| 1000 Rio Brazos | Rd., Azte | c, NM 87410 | | San | ıta Fe, | NM | 87504-208 | 88 | | | I CC IC | ase a cobie |
|-------------------------------|--------------|--|------------------|------------|-------------|---------------|-----------------------------|---------------|-------------------------------|------------------|----------------|-----------------------|
| District IV PO Box 2088, S | Santa Fe, N | M 87504-208 | 38 | | | | | | | | AME | NDED REPOR |
| | | w | ELL LO | OCATIO | N AND | ACI | REAGE DEDI | CAT | ION PL | AT | | |
| | PI Number | | | Pool Co | | | | | Pool Na | | | |
| 200 | | 35725 | , | 75080 |) | | (| CORB | IN, MORI | ROW SOU | TH | |
| Property | | 30104 | | | *Pr | roperty | Name | | | | ν, | Tell Number |
| 770 | 53 | | | CO | RBIN "1 | 8" F | EDERAL COM | | | 2 | | |
| OGRID | No. | | Operator Name | | | | | | *Elevation | | | |
| 7377 | | | | | EOG RE | SOU | RCES INC. | | | | <u> </u> | 3842 |
| | 1 | | | 1 | °Surfa | ce I | Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from | | North/South line | Feet | from the | East/We | st line | County |
| 1 | 18 | 18-S | 33-E | | 197 | 0 | SOUTH | | 980 | WE | ST | LEA |
| | | 11 | Botton | n Hole | Locatio | n If | Different F | rom | Surfac | е | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from | n the | North/South line | Feet | from the | East/We | st line | County |
| 12 Dedicated Acr | res 13 Joint | or Infill "C | Consolidatio | on Code 16 | Order No. | | <u> </u> | | | | | <u> </u> |
| | | | | | | | | | | | | |
| NO ALLOW | ABLE W | ILL BE A | SSIGNE NON-ST | D TO TH | IIS COMP | PLETI AS B | ON UNTIL ALL EEN APPROVE | INT D B | ERESTS THE DI | HAVE B VISION | EEN CO | ONSOLIDATED |
| 16 | | <u> </u> | | | | | | | 17 OPE | RATOR | CERT | IFICATION |
| | | | | | | | | | | | | contained herein is |
| | | | | | | | | | true and com | plete to the | best of my | knowledge and belief. |
| | | | | | | | | | | | | |
| | | | | | | | | | J. | | Li | 10 |
| | | | | | | | | | Signature Beverly | Hatfie | 1d | |
| | | | | | | | | | Printed Nam | | | |
| | | | | | | | | | Sr. Reg | | / Admir | 1. |
| | | | | | | | | | Title | | | |
| | | | | | | | | | $\frac{6-28-01}{\text{Date}}$ | | | |
| | | | · · · · | | | _ | \ \ \ \ | $\overline{}$ | 18 QT ID | VEYOP | ੂ ਪੁਸ਼ਾਸ਼ਾਹ | rification |
| / / / | . \ | | /// | /// | // | \ | / / / | `\ | | | | shown on this plat |
| | | | | | | | | | was plotted f | rom field not | es of actual | i surveys made by me |
| 980′ | | accourage | . 11/0 | | | | | | or under my correct to be | - | | e same is true and |
| | ♦ co | <i>Ġ RESOURCES</i> IRBIN "18" FEI EV.= 3842' | | No. 2 | | | | V | _ | JUNE 2 | 0 200 |)1 |
| | Y= | 635483.792 692380.438 | | | | | | | Date of Sur | vey | | |
| | LA | T.= 32°44'43. | | | | | | | Signature e | nd Sept of | EProtessio | And Surveyor: |
| | | NG.= 103°42'2 | | | | | | | - | JAN | EW MEY | |
| | 1970′ | | | | | | | | | AFGIS. | 1 | AVEYOR (03) |
| ` | 19 | | | İ | | | | _ | | 181 | (14729 |) |

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Queen | 4214' |
|-----------------|--------|
| San Andres | 4824' |
| Bone Springs | 7188' |
| Wolfcamp | 10331' |
| Wolfcamp Shale | 11458' |
| Atoka Shale | 12559' |
| Morrow Clastics | 13074' |
| Lower Morrow | 13402' |

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

| Upper Permian Sands Above 250' Fresh Wa | ter |
|---|-----|
| Grayburg/San Andres 4800' Oil | |
| Strawn 12200' Oil | |
| Atoka 12700' Gas | |
| Morrow 13400' Gas | |

4. CASING PROGRAM

| Hole Size | <u>Interval</u> | OD Casing | Weight Grade Jt. Cond. Type |
|-----------|-----------------|-----------|-----------------------------|
| 14 3/4 | 0-400' | 11 3/4" | 42# H-40 ST&C |
| 11" | 0-4000' | 8 5/8" | 32# J-55 LT&C |
| 11" | 5500' | 8 5/8" | 32# HCK LT&C |
| 7 7/8" | 0-13700' | 5 1/2" | 17# S95/P110 L&TC |

Cementing Program:

11 3/4" Surface Casing: Cement to surface with 200 sx Prem Plus, 3% Econolite, 25 Calcium Chloride, 0.25#/sx Flocele,

150 sx Prem Plus, 2% Calcium Chloride

8 5/8" Intermediate: Cement to surface with 800 sx Interfill C, .25#/sx

flocele, 250 sx Premium Plus, 2% Calcium Chloride

5 ½" Production: Cement w/930 sx Premium, 3% Econolite, 5#/sx

Salt (3%), 0.2% HR5, .25#/sk Flocele, 250 sx Prem 50/50 Poz mix 'A', 2% Halliburton-Gel First 2%, 0.5% Halad-322. This is designed to bring TOC to

4500'.

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

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 top and drill pipe rams on bottom. All BOP's and accessory equipment will be tested in accordance with Onshore Oil & Gas order No. 2. EOG request authorization to use a 2M system, providing for an annular preventer to be used prior to drilling the surface casing shoe before drilling out of surface casing. Before drilling out of 1st intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/1000 psi and the annular to 3500/5000-psig pressure.

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.

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/KCL mud system. The applicable depths and properties of this system are as follows:

| | | Wt Viscos: | ity Waterl | OSS |
|--------------|-------------------------|------------|------------|-------------|
| <u>Depth</u> | Type | (PPG) | (sec) | <u>(cc)</u> |
| 0-1300' | Fresh Water (Spud Mud) | 8.5 | 40-45 | N.C. |
| 1300'-5500' | Brine Water | 10.0 | 30 | N.C. |
| 5500'- TD | Cut Brine + Polymer/KCL | 8.8 - 9.2 | 32 | 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 complete with H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 5000' to TD.

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

8. LOGGING, TESTING AND CORING PROGRAM:

Electric logging will consist of GR-Dual Induction Focused and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron run from intermediate casing to surface and optional Sonic from TD to Intermediate casing.

Possible sidewall cores based on shows.

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

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5000 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 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.

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #2

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

833.9' of new road is required. Exhibit #2A.

No turnouts necessary.

No culverts, cattleguards, gates, low-water crossings are necessary.

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

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 FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Fresh water and brine water for drilling will come from commercial sources and transported to the well site over the roads as shown on Exhibit #2.

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

6. PLANS FOR RESTORATION OF THE SURFACE:

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the wellpad removed to promote vegetation and disposal of human waste will be complied with. Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built.

WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad.

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2
1970' FSL & 980' FWL
SEC. 18, T18S, R33E
LEA COUNTY, NM

OTHER INFORMATION:

The area around the well site is grassland and the topsoil is duned and sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

CERTIFICATION:

I HEREBY CERTIFY that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Tom Young
Division Drilling Manager

Date: 6-29-01

EOG RESOURCES, INC. CORBIN "18" FEDERAL COM. NO. 2 1970' FSL & 980' FWL SEC. 18, T18S, R33E LEA COUNTY, NM

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.
- 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.
CORBIN "18" FEDERAL COM. NO. 2
1970' FSL & 980' FWL
SEC. 18, T18S, R33E
LEA COUNTY, NM

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EOG Resources, Inc.

Corbin "18" Federal Com No. 2

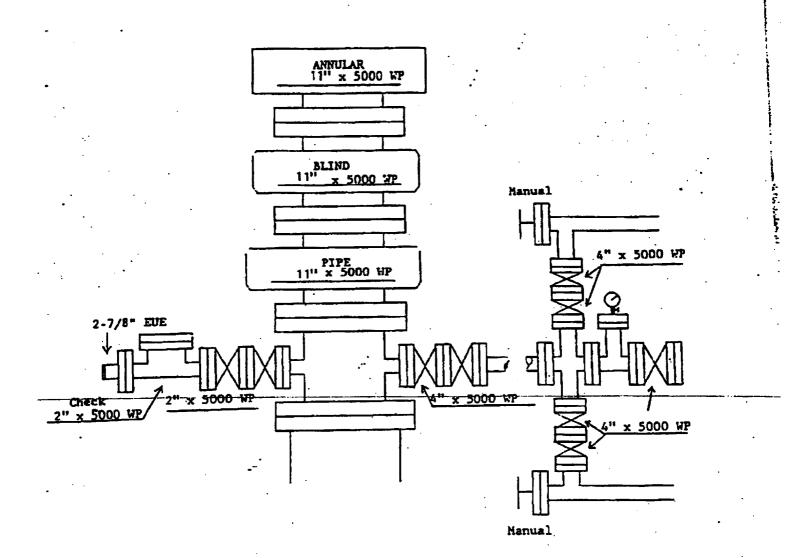


Exhibit 1

LOC/TION VERIFICATION MTP

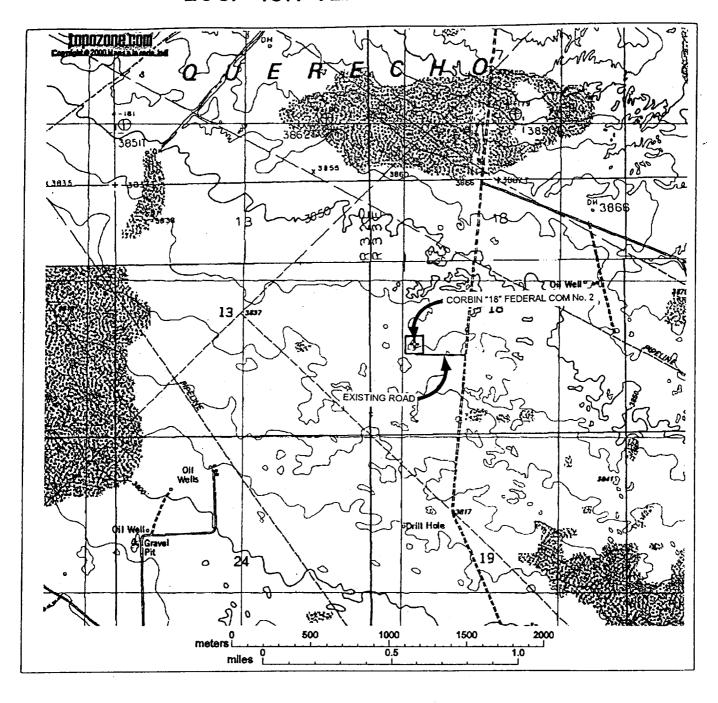


EXHIBIT 2

CONTOUR INTERVAL 10'

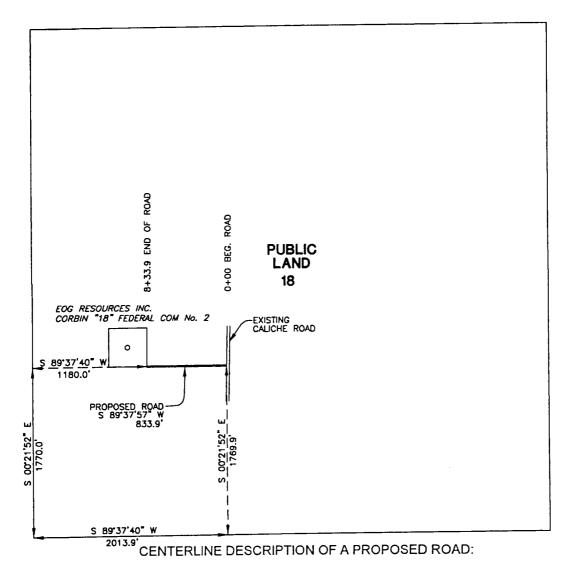
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

SECTION 18, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M. LEA COUNTY, NEW MEXICO



BEGINNING at a point in an existing caliche road, from which point the southwest corner of Section 18, T-18-S, R-33-E, N.M.P.M., Lea County, New Mexico, bears S 00° 21' 52" E, 1769.9 feet and S 89° 37' 40" W, 2013.9 feet; THENCE S 89° 37' 57" W, with the centerline of proposed road, 833.9 feet to a point in the southeast corner of a well pad for EOG Resources, Inc. CORBIN "18" FEDERAL COM No. 2, for the end of this road, from which point the southwest corner of said Section 18 bears S 89° 37' 40" W, 1180.0 feet and S 00° 21' 52" E, 1770.0 feet.

EXHIBIT 2A

PROPOSED ROAD TO SERVE CORBIN "18" FEDERAL COM No. 2

EOG RESOURCES INC.

833.9 feet of proposed road in Section 18, T-18-S, R-33-E, N.M.P.M., Lea County, New Mexico

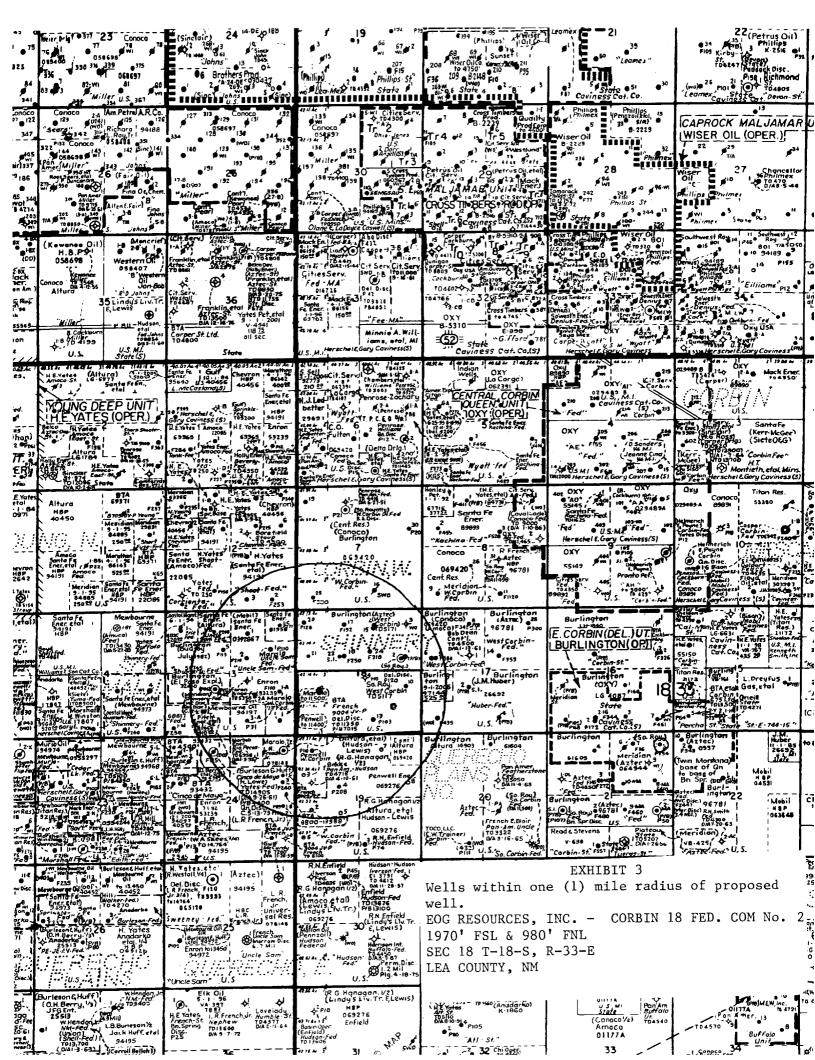
WEST TEXAS CONSULTANTS, INC.

ENGINEERS—PLANNERS—SURVEYORS MIDLAND, TEXAS

| LINGINEERS | 1 DAMENTS | 301112 | | | | | | |
|----------------------|-----------|---------------|----|--------|-------------------|---|----|---|
| Survey Date: 6-12-01 | | Date: 6-20-01 | | | Scale: 1" = 1000' | | | |
| WTC No. | 46286 | Drawn B | y: | JRS II | Sheet | 1 | of | 1 |

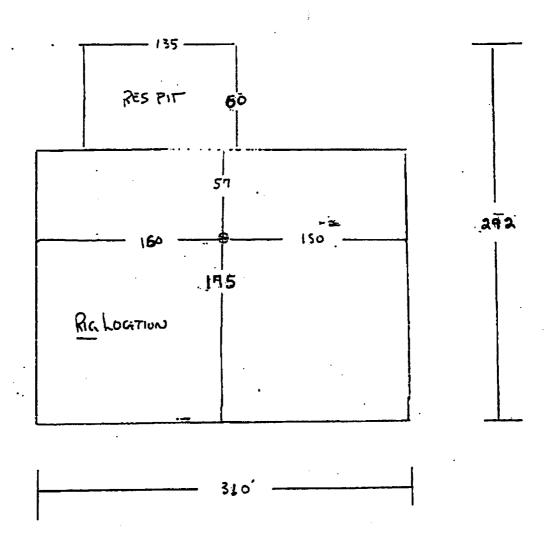
I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

James Tompking to the state of
JAMES E. TOMPKINS Registered Professional Surveyor New Mexico Certificate No. 14729



EOG RESOURCES, INC.

CORBIN 18 FED. COM NO. WELL, LEA CO., NM



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Statement Accepting Responsibility for Operations

Operator Name:

EOG Resources, Inc.

Street or Box:

P.O. Box 2267 Midland, TX

City, State: Zip Code:

79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.:

NM 93

Legal Description of Land:

Section 18, T18S, R38E, NMPM

Lea Co., NM

Formation(s) (if applicable):

Bond Coverage: (State if individually bonded or another's bond)

Individually

BLM Bond File No.: NM-2308 with endorsement to State of NM

Authorized Signature: _

Title: Senior Regulatory Administrator

Date: 06-28-2001