Hobbs, MW 10240

UNITED STATES FORM APPROVED Form 3160-5 DEPARTMENT OF THE INTERIOR OMB NO. 1004-0135 (August 1999) **BUREAU OF LAND MANAGEMENT** Expires: November 30, 2000 (1 original, 5 copies) SUNDRY NOTICES AND REPORTS ON WELLS Lease Serial No. Do not use this form for proposals to drill or to re-enter an NM 19623 SL; NM 18640 - A BHL abandoned well. Use Form 3160-3 (APD) for such proposals. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE - Other instructions on reverse side If Unit or CA/Agreement, Name and/or No. 1. Type of well X Oil Well Gas Well Red Hills North Unit Well Name and No. 2. Name of Operator Red Hills North Unit No. 302 EOG Resources, Inc. 3b. Phone No. (include area code) API Well No. 3a. Address 30-025-32182 P.O. Box 2267, Midland, TX 79702 (915)686-3714 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) Field and Pool, or Exploratory Red Hills Bone Springs County or Parish, State 660' FNL & 1980' FEL Sec 13 T-25-S, R-33-E 680' FSL & 400' FWL Sec 7 T-25-S, R-34-E Lea Co., NM IDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-Off Acidize Deepen Reclamation Well Integrity Alter Casing Fracture Treat Notice of Intent **New Construction** Recomplete Other Casing Repair Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Recomplete Horizontally Plug Back Water Disposal Final Abandonment Notice Convert to Injection 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone 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 dare following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed on 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 site is ready for final inspection. Attached here to Drilling Program, Surface use and Operations Plan for horizontal re-entry of producing well Bond No. on file with BLM NM2308 SUBJECT TO C-102 Plats enclosed. APPROVED LIKE APPROVA BY STATE GARY GOURL 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Agent Mike Francis 12/20/01 Signature FEDERAL OR STATE OFFICE Title Date Approved by 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 leaase Office which would entitle the applicant to conduct thereon. 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 AUA COMING TO OP. ************

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SECENTIFIC SECTION OF THE SECTION OF

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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*Property	Code				'Pro	perty	Name				• 1	Well Number
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'OGRID	No.						Name	· · · · · · · · · · · · · · · · · · ·			*Elevation	
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S 89'34'39" W (GRID)

18 SURVEYOR CERTIFICATION

was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.

NOVEMBER 30, 2001

Date of Survey Certificate Number SSIONA

TO THE TRANSPORT

\$901 DEC 56 FW 8: 48

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District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

S 89'39'43" W (GRID)

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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

State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		WE	LL LO	CATIO:	N AND	ACI	REAGE DEDI	CATION PL	АТ			
'API Number				Pool Code			¹ Pool Name					
30-025-32182				51020		Red Hills Bone Springs						
⁴ Property Code							Name			Well Number		
26406				R	ED HILLS	5 N	ORTH UNIT			302		
'OGRID	No.				-		Name			*Elevation		
737.7				EOG RESOURCES INC.								
				10	Surfac	e I	Location			-		
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				ĺ				Title				
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]		-23-3, K-33-1 ITY. NEW MI				ш Date				

HORIZONTAL DRILLING DIRECTION

S 89'45'42" W (GRID)

N 6017'38" E (GRID)

18 SURVEYOR CERTIFICATION was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief. NOVEMBER 30, 2001

Date of Survey TOMP Signature and

Certificate Number

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District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico
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OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

__ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API NUMOEF			POOL C	roge	Pool Name					
30-025-32182				510	1020 Red Hills Hills			ards Bone Sp	Bone Spring	
Property Code					•	Well Number				
26406			F		302					
OGRID No.		~			*Elevation					
7377					EOG RESOU	IRCES INC.				
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
				,						
	11 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	
М	7	25-S	34-E		680	SOUTH	400	WEST	LEA	
Dedicated Acre	Joint	or Infill 14	Consolidatio	n Code 15	Order No.					
40										

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

				THE DIVISION
16	и 89°31'31	E (GRID)		¹⁷ OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
				<i>3</i>
				Mike Francis
				Signature
				Mike Francis Printed Name
			-	Agent Title
N 00'26'00" W (GRID)			(Gias)	12/21/01 Date
*			ш —	Date
00,9			4,00	18 SURVEYOR CERTIFICATION
00.2			00.2	I hereby certify that the well location shown on this plat
z	-		()	was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.
				NOVEMBER 30, 2001
				Signature and Seal of D. Hollings Surveyor
Ego producers :				Signature and Seak & Providence Surveyor:
EOG RESOURCES IN RED HILLS NORTH I	UNIT No. 302			JAM METICO &
BOTTOM HOLE LOCA Y=415439.05	AIION			14729) ES
✓ X=753068.00				James & Omalhies
HORIZONTAL DRILL	ING DIRECTION			
N 6017'38" E (GRID)				Certificate Number ESSIONATO
	S 89°25'25	' W (GRID)		Certificate Number 103/10/14729

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EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Delaware Mt. Group 5260' Bone Spring Lime 9260' 3rd Bone Spring Sand 12210' TVD 12,250' TMD 14,950'

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

Upper Permian Sands 100' Fresh Water 3rd Bone Spring Sand 12210' Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands are protected by setting 113/4" casing at 657' and cement circulated back to surface.

4. <u>CASING PROGRAM</u>: (Existing Casing)

Hole Size	<u>Interval</u>	OD Casing	Weight Grade Jt. Cond. Type
14 3/4"	0-657'	11 3/4"	42# H40 ST&C
11	0-5035'	8 5/8"	32# S80 & K55 ST&C
7 7/8"	0'-12,475'	5 1/2"	17# P-110 LTC

<u>CASING PROGRAM</u>: (Proposed)

Hole SizeIntervalOD CasingWeight Grade Jt. Cond. Type4 ¾"11700-14950'3 ½9.2 # HCP-110, HYD 513

CEMENTING PROGRAM: (Existing Casing)

11 3/4" Surface Casing: Circulated cement to surface w/351 Sx. class "C".

8 5/8" Intermediate: Circulated cement to surface w/1487 Sx. PSL&ClassC

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EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

5 1/2" Production Casing: Cemented with 2225 sx. 50/50 Premium POZ "H". TOC@ 3800' by Temperature log.

CEMENTING PROGRAM: (Proposed)

3 ½" Production Liner: 140 sxs Acid Soluble Cement, 0.6% Halad 344, 0.7% Econolite, 0.2% SCR-100

5. Re-ENTRY PROCEDURE:

The RHNU #302 well will be re-entered. The existing perforations are in the Third Bone Springs @ 12,240' - 12,264'. A 5 ½ CIBP will be set @ 12,200' and 35' of cement placed on top.

A 5 ½" mechanical whipstock will be set @ approximately 11,700', window cut, and a 4 ¾" hole drilled horizontally to approximately 14,950'.

A 3 ½ production liner will be run and cemented in from 14,950' to 11,500'.. See Exhibit 4(a) 4(b)

6.MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

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 will be installed on the 5 ½" production casing and used continuously until TD is reached. Before drilling out of the 5 1/2" production casing, the ram-type BOP and accessory equipment will be tested to 5000 psi and the annular to 70% of rated working pressure (3500 psi).

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. A 2" kill line and 4" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 5000 psi WP rating.

7. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a polymer/KCL mud system. The applicable depths and properties of this system are as follows:

Depth	<u>Type</u>	Wt <u>(ppg)</u>	Viscosity (sec)	Waterloss (cc)	
11,700 – 1	4,950'	8.33	28-40	N.C 10	

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

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.

8. Auxillary 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.

9. LOGGING, TESTING AND CORING PROGRAM:

(A) The electric logging program will consist of a LWD GR from 11,700' to TD.

10. <u>ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:</u>

No abnormal pressures or temperatures are anticipated. 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.

11. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will not begin until approval has been received from the BLM. Anticipated spud date is within 30 days after approval at the present time. Once drilling has commenced, the drilling operation should be finished in approximately 60 days. If the well is productive, an additional 30 to 45 days will be required for the completion and testing before a decision is made to install permanent facilities.

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made on existing roads.

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. LOCATION OF EXISTING WELLS:

Exhibit #2 shows all existing wells within a one-mile radius of this well.

3. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

Existing production facilities and roads located within Red Hills North Unit (Exhibit 2) Flow lines are already in place for existing production.

4. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling will be purchased from commercial sources and transported to the well site over existing roads.

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EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

5. 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 well pad removed to promote vegetation. Reseeding will be as per BLM specifications

6. METHODS OF HANDLING WASTE DISPOSAL:

A small reserve pit will be utilized. Reserve pit will be evacuated of drilling fluid within 10 days after the well is completed.

Drill cuttings will be encapsulated in plastic and buried 2' below ground level.

Water produced during tests and waste water will be saved and hualed to a disposal well. Oil produced during tests will be in test tanks until sold.

Current laws and regulations pertaining to the disposal of human waste will be complied with.

Trash, waste paper, garbage and junk will be hauled to an approved disposal site n 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.

7. ANCILLARY FACILITIES:

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

8. WELL SITE LAYOUT:

Exhibit #3 shows the relative location and dimensions of the well pad, steel mud pits, and location of major rig components. Pad area has been staked and flagged.

10. OTHER INFORMATION:

BOLD TRANSPORT

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EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

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

There is no permanent or live water in the immediate area.

Cultural resources examination has been completed.

11. OPERATORS REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface-use and operations plan is as follows:

Mr. Tom Young Phone: Business 1/505/390/2903

Home 1/915/697/5639

30 (0) TE SON

84:818 92 (14188)

COMPORE

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

12. 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 Drilling Manager

Date: 12/20/01

Co on

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 302 LEA COUNTY, NM

ATTACHMENT TO EXHIBIT #1

- 1. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum.
- 2. All fittings to be flanged.
- 3. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.
- 4. All choke and fill lines to be securely anchored, especially ends of choke lines.
- 5. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 6. Kelly cock on kelly.
- 7. Extension wrenches and hand wheels to be properly installed.
- 8. Blow out preventer control to be located as close to driller's position as feasible.
- 9. 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.

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Red Hills North Unit 302

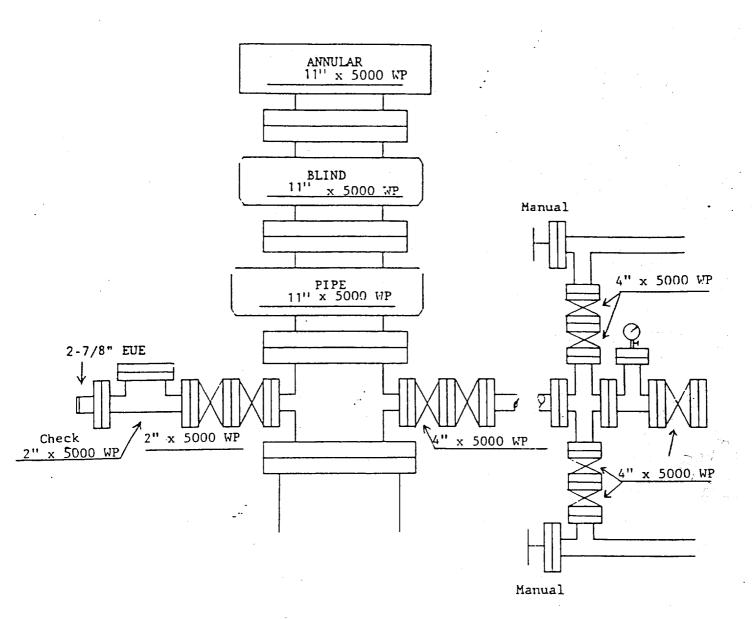
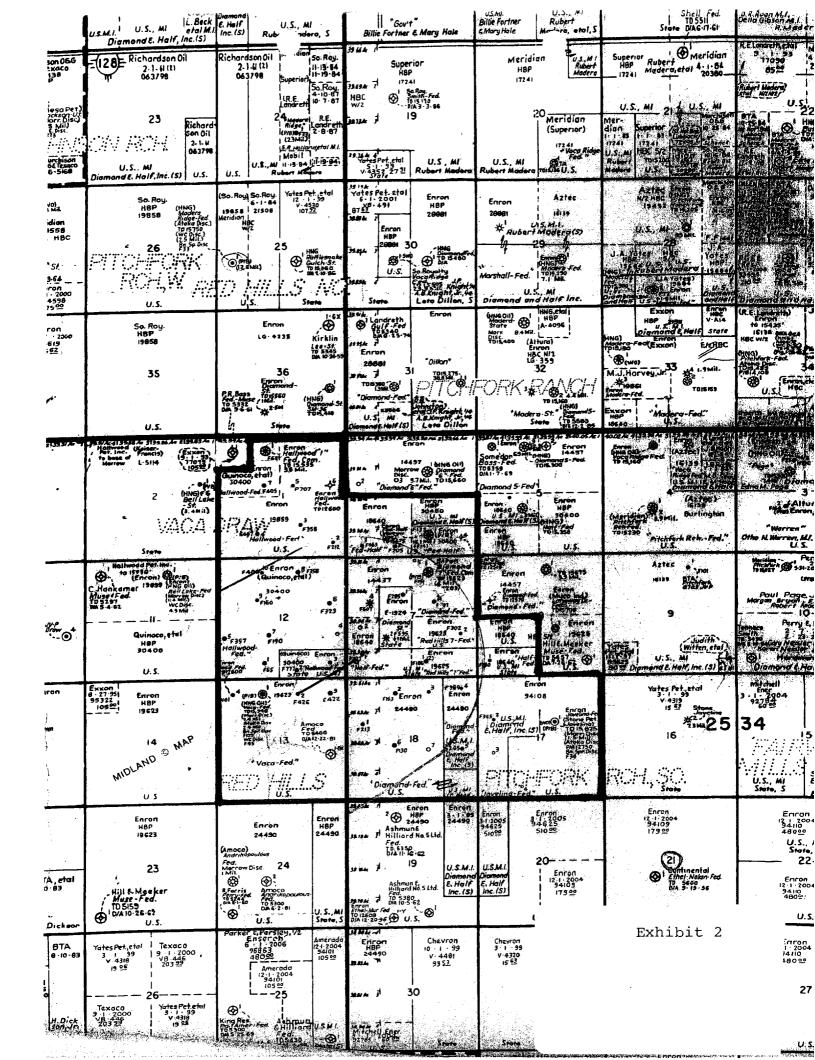


Exhibit 1

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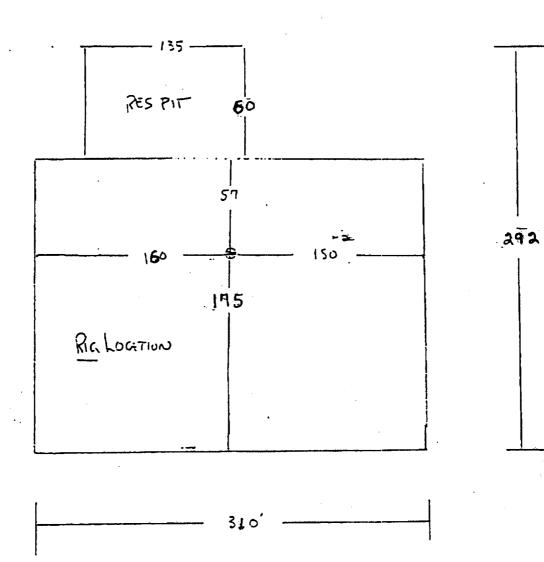
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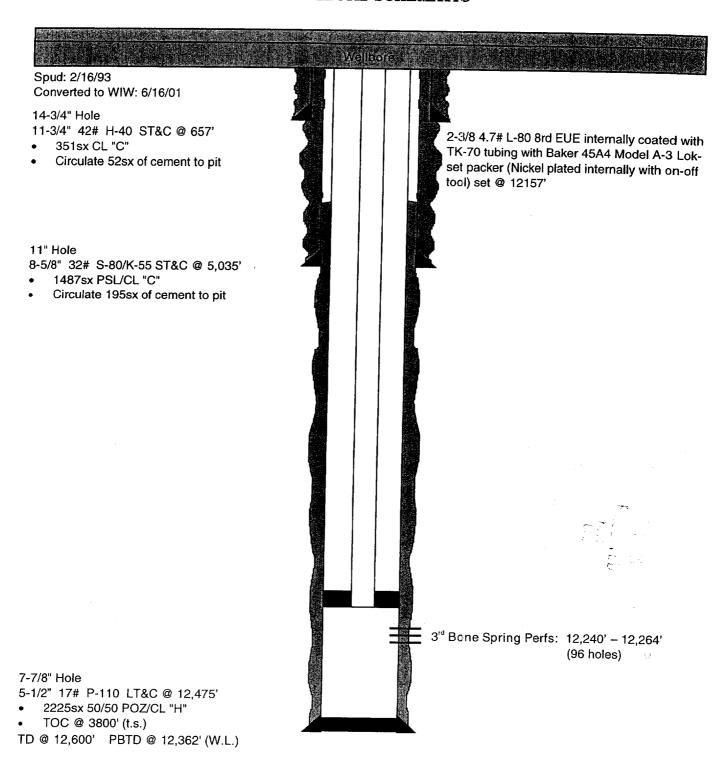
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EOG RESOURCES, INC. 660' FNL & 1980' FEL Sec.13-T25S-R33E

RHNU NO. 302 LEA CO., NEW MEXICO DECEMBER 14, 2001

CURRENT WELLBORE SCHEMATIC



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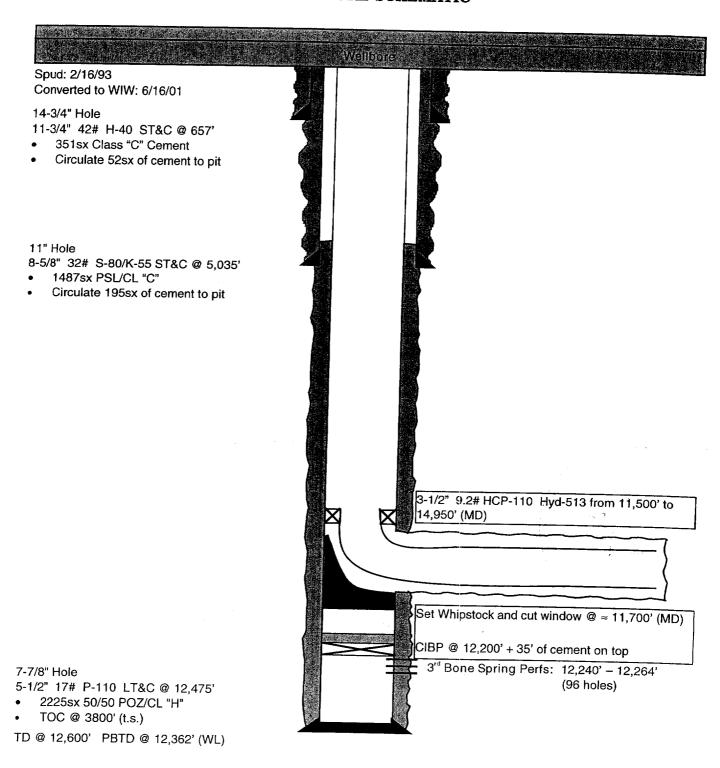
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EOG RESOURCES, INC. 660' FNL & 1,980' FEL Sec.13-T25S-R33E

RHNU NO. 302 LEA CO., NEW MEXICO DECEMBER 17, 2001

PROPOSED WELLBORE SCHEMATIC



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