

Apache Corp respectfully requests approval for the following changes and additions to the drilling plan:

1. Utilize a spudder rig to pre-set surface casing.
2. Description of Operations
  1. Spudder rig will move in their rig to drill the surface hole section and pre-set surface casing on the Palmillo 21 State COM 325H.
    - a. After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (19.15.16 NMAC Drilling and Production).
    - b. Rig will utilize fresh water based mud to drill 17-1/2" surface hole to TD. Solids control will be handled entirely on a closed loop basis.
  2. The wellhead (page 3) will be installed and tested once the 13-3/8" surface casing is cut off and the WOC time has been reached.
  3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
    - a. A means for intervention will be maintained while the drilling rig is not over the well.
  4. Spudder rig operations is expected to take 1-2 days on a single well pad.
  5. The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
  6. Drilling operations will be performed with the drilling rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
    - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.
  7. Apache Corp will have supervision over the rig to ensure compliance with all NMOCD regulations and to oversee operations.
  8. Once the rig is removed, Apache Corp will secure the wellhead area by placing a guard rail around the cellar area.



