wed by OCD: 3/9/2021 11:08:2	29 AM					Page 1 of 14	
(June 2015) UNITED STATES (June 2015) UNITED STATES DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR RECVD 11/9/20					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMNM13280 7.6. If Indian, Allottee or Tribe Name 7.		
I SUNDRY							
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 ins	tructions on	bage 2		If Unit or CA/Agre	ement, Name and/or No.	
1. Type of Well ☐ Gas Well ☐ O	ther				8. Well Name and No. WAR EAGLE FE	DERAL COM 504H	
2. Name of Operator COG OPERATING LLC		STAN WAGN concho.com	ER		9. API Well No. 30-025-47429-0	00-X1	
3a. Address ONE CONCHO CENTER 6 MIDLAND, TX 79701-4287	00 W ILLINOIS AVENUE	3b. Phone No. Ph: 432.253	(include area code) 3.9685		10. Field and Pool or TEAS	Exploratory Area	
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description	ı)			11. County or Parish,	State	
Sec 12 T20S R33E SESE 10 32.580650 N Lat, 103.61010					LEA COUNTY,	NM	
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE	, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION			TYPE OF	FACTION			
☑ Notice of Intent	□ Acidize	🗖 Deep	ben	Produc	tion (Start/Resume)	□ Water Shut-Off	
—	□ Alter Casing	🗖 Hydi	aulic Fracturing	🗖 Reclam	ation	Well Integrity	
Subsequent Report	Casing Repair	🗖 New	Construction	🗖 Recom	plete	Other	
Final Abandonment Notice	Change Plans	🗖 Plug	and Abandon	lon □ Temporarily Abandon □ Water Disposal		Change to Original A PD	
	Convert to Injection	🗖 Plug	Back				
If the proposal is to deepen direction Attach the Bond under which the w following completion of the involve testing has been completed. Final <i>A</i> determined that the site is ready for COG Operating requests an design as attached.	ork will be performed or provide ed operations. If the operation re Abandonment Notices must be fi final inspection. amendment to our approv	e the Bond No. on esults in a multiple led only after all r	file with BLM/BIA e completion or reco equirements, includ	 Required su ompletion in a ing reclamation 	bsequent reports must be new interval, a Form 316 on, have been completed	e filed within 30 days 50-4 must be filed once	
	# Electronic Submission For COG	OPERATING L	LC, sent to the H	lobbs	2		
Committed to AFMSS for processing by PRISCILLA PEREZ on 11/(Name(Printed/Typed) STAN WAGNER Title REGULATO					. ,		
			TILOUL				
Signature(Electronic Submission)Date11/04/2020							
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE		
Approved By_JENNIFER_SANCH	<u>HEZ</u>		TitlePETROLE	UM ENGIN	EER	Date 11/09/2020	
onditions of approval, if any, are attach rtify that the applicant holds legal or ea hich would entitle the applicant to cond	quitable title to those rights in th		Office Hobbs				

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) ** BLM REVISED **

Revisions to Operator-Submitted EC Data for Sundry Notice #536453

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM13280	NMNM13280
Agreement:		
Operator:	COG OPERATING LLC ATTN: STAN WAGNER 600 WEST ILLINOIS AVE. MIDLAND, TX 79701 Ph: 432-253-9685	COG OPERATING LLC ONE CONCHO CENTER 600 W ILLINOIS AVENUE MIDLAND, TX 79701-4287 Ph: 432.685.4342
Admin Contact:	STAN WAGNER REGULATORY ADVISOR E-Mail: swagner@concho.com	STAN WAGNER REGULATORY ADVISOR E-Mail: swagner@concho.com
	Ph: 432-253-9685	Ph: 432.253.9685
Tech Contact:	STAN WAGNER REGULATORY ADVISOR E-Mail: swagner@concho.com	STAN WAGNER REGULATORY ADVISOR E-Mail: swagner@concho.com
	Ph: 432-253-9685	Ph: 432.253.9685
Location: State: County:	NM LEA	NM LEA
Field/Pool:	TEAS; BONE SPRING	TEAS
Well/Facility:	WAR EAGLE FEDERAL COM 504H Sec 12 T20S R33E Mer NMP SESE 100FSL 590FEL	WAR EAGLE FEDERAL COM 504H Sec 12 T20S R33E SESE 100FSL 590FEL 32.580650 N Lat, 103.610107 W Lon

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG Operating, LLC
LEASE NO.:	NMNM-013280
WELL NAME & NO.:	War Eagle Federal Com 504H
SURFACE HOLE FOOTAGE:	0100' FSL & 0590' FEL
BOTTOM HOLE FOOTAGE	0050' FNL & 1000' FEL Sec. 01, T.20 S., R.33 E.
LOCATION:	Section 12, T.20 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

COA

H2S	• Yes	C No	
Potash	C None	C Secretary	• R-111-P
Cave/Karst Potential	• Low	C Medium	C High
Cave/Karst Potential	Critical		
Variance	C None	• Flex Hose	C Other
Wellhead	Conventional	C Multibowl	C Both
Other	4 String Area	🗹 Capitan Reef	□ WIPP
Other	Fluid Filled	Cement Squeeze	Pilot Hole
Special Requirements	Water Disposal	COM	🗖 Unit

R-111-P Potash

Capitan Reef

Possible water flows in the Salado and Castile.

Possible lost circulation in the Rustler, Red Beds, Artesia Group, Capitan Reef, and Delaware.

Abnormal pressures may be encountered upon penetrating the 3rd Bone Spring Limestone and subsequent deeper formations.

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Yates** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

- 1. The **16** inch surface casing shall be set at approximately**1475** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>24 hours in the Potash Area</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- 2. The minimum required fill of cement behind the **11-3/4** inch intermediate casing, which shall be set at **3525** feet, is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.
 - Special Capitan Reef requirements. If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
 - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash and capitan reef.
- In <u>R111 Potash Areas</u> if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing string must come to surface.
- In <u>Capitan Reef Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back at least **50 feet** on top of Capitan Reef top **or 200 feet** into the previous casing, whichever is greater. If cement does not circulate see B.1.a, c-d above.

C. PRESSURE CONTROL

- 1. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000** (**2M**) psi.
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 1st intermediate casing shoe shall be 3000 (3M) psi.
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 2nd intermediate casing shoe shall be 5000 (5M) psi.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 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 are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least <u>24</u> <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 4. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 5. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 6. 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.
- 7. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - b. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- d. The results of the test shall be reported to the appropriate BLM office.
- e. 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.
- f. 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. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 11092020

War Eagle Federal Com 504H casing sundry

<u>Surface</u>

Drill 20" hole to 1500' Set 16" 84# J55 BTC casing at 1500' Cement in one stage to surface with: Lead: 670 sx of 13.5 ppg Class C + 4% gel, 1.728 cuft/sx Tail: 550 sx of 14.8 ppg Class C, 1.35 cuft/sx

Intermediate 1

2M BOP system Drill 14 ¾" hole to 3300' Set 11 ¾" 54# J55 BTC casing at 3300' Cement in one stage to surface with: Lead: 800 sx 12.7 ppg 35:35:6 C blend, 1.97 cuft/sx Tail:400 sx 14.8 ppg class C, 1.33 cuft/sx

After this string is set the well head ordinally welded on the 16" casing will need to be removed and a new well head will be welded on the $11 \frac{3}{4}$ " casing.

The annular space between the 16" casing and $11 \frac{3}{4}$ " casing will be sealed with 1" steel plate welded to the casing with a 2" valve, bull plug, needle valve, and gauge used to monitor pressure.

Intermediate 2

3M BOP System Drill 10 5/8" hole to 5450' Set 8 5/8" 32# L80HC BTC at 5450' (spec sheet attached) Cement in two stages to surface with the DVT/ECP at 3600' Stage 1: Lead: 300 sx 12.7 ppg 35:35:6 C blend, 1.97 cuft/sx Tail: 250 sx 14.8 ppg class C, 1.33 cuft/sx Stage 2: Lead: 450 sx 12.7 ppg 35:35:6 C blend, 1.97 cuft/sx Tail: 250 sx 14.8 ppg class C, 1.33 cuft/sx

Production

5M BOP System Drill 7 7/8" hole to TD 20,419' Set 5 ½" 17# P110 BTC Cement in one stage to 3950' Lead: 1000 sx 11.7 ppg Halliburton NeoCem H blend, 2.17 cuft/sx Tail: 1600 sx 13.2 ppg Halliburton NeoCem H blend, 1.42 cuft/sx

U. S. Steel Tubular Products 8.625" 32.00lbs/ft (0.352" Wall) L80 HC

11/4/2020 8:06:23 AM

MECHANICAL PROPERTIES	Pipe	BTC	LTC	STC	
Minimum Yield Strength	80,000				psi
Maximum Yield Strength	95,000				psi
Minimum Tensile Strength	95,000				psi
DIMENSIONS	Pipe	BTC	LTC	STC	
Outside Diameter	8.625				in.
Wall Thickness	0.352				in.
Inside Diameter	7.921				in.
Standard Drift	7.796	7.796	7.796	7.796	in.
Alternate Drift	7.875	7.875	7.875	7.875	in.
Nominal Linear Weight, T&C	32.00				lbs/ft
Plain End Weight	31.13				lbs/ft
PERFORMANCE	Pipe	BTC	LTC	STC	
Minimum Collapse Pressure	3,820	3,820	3,820	3,820	psi
Minimum Internal Yield Pressure	5,710	5,710	5,710	5,710	psi
Minimum Pipe Body Yield Strength	732				1,000 lbs
Joint Strength					1,000 lbs
Reference Length					ft
MAKE-UP DATA	Pipe	BTC	LTC	STC	
Make-Up Loss					in.
Minimum Make-Up Torque					ft-lbs
					ft-lbs

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> U. S. Steel Tubular Products 460 Wildwood Forest Drive, Suite 300S connections@uss.com Spring, Texas 77380

1-877-893-9461 www.usstubular.com District I 1625 N. French Dr., Hobbs, NM 88240

Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV

COMMENTS

Action 20219

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

COMMENTS							
Operator: COG OPERATING LLC	600 W Illinois Ave	Midland, TX79701	OGRID:	229137	Action Number: 20219	Action Type: C-103A	
Created By	Comment	Comment		Comment Date			
jagarcia	Accepted for Record	Accepted for Record					

Released to Imaging: 3/10/2021 9:38:20 AM

District I 1625 N. French Dr., Hobbs, NM 88240

District II

District IV

Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410 CONDITIONS

Action 20219

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

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:
COG OPERATING LLC	600 W Illinois Ave	Midland, TX79701		229137	20219	C-103A
				•		
OCD Reviewer			Condi	tion		
jagarcia			None			