### 1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

### 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	805'
Top of Salt	1,156'
Base of Salt / Top Anhydrite	4,617'
Base Anhydrite	4,854'
Lamar	4,854'
Bell Canyon	4,881'
Cherry Canyon	5,898'
Brushy Canyon	7,458'
Bone Spring Lime	9,027
1 <sup>st</sup> Bone Spring Sand	9,951'
2 <sup>nd</sup> Bone Spring Shale	10,260'
2 <sup>nd</sup> Bone Spring Sand	10,530'
3 <sup>rd</sup> Bone Spring Carb	11,066'
3 <sup>rd</sup> Bone Spring Sand	11,682'
Wolfcamp	12,147
TD	12,315'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	5,898'	Oil
Brushy Canyon	7,458'	Oil
1st Bone Spring Sand	9,951'	Oil
2 <sup>nd</sup> Bone Spring Shale	10,260'	Oil
2 <sup>nd</sup> Bone Spring Sand	10,530'	Oil
3 <sup>rd</sup> Bone Spring Carb	11,066'	Oil
3 <sup>rd</sup> Bone Spring Sand	11,682'	Oil
Wolfcamp	12,147'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 10.75" casing at 830' and circulating cement back to surface.

### 4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF <sub>min</sub> Collapse	DF <sub>min</sub> Burst	DF <sub>min</sub> Tension
14.75"	0 - 830'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
8.75"	0'-11,100'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0'-10,600'	5.5"	23#	HCP-110	VAM Top HT	1.125	1.25	1.60
6.75"	10,600'-17,112'	5.5"	23#	HCP-110	VAM SG	1.125	1.25	1.60

Variance is requested to wave the centralizer requirements for the 7-5/8" FJ casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to wave any centralizer requirements for the 5-1/2" FJ casing in the 6-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

### **Cementing Program:**

Depth	No. Sacks	Wt.	Yld Ft³/ft	Mix Water Gal/sk	Slurry Description
10-3/4"	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl <sub>2</sub> + 0.25
830'					lb/sk Cello-Flake (TOC @ Surface)
	200	14.8	1.34	6.34	Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
					Sodium Metasilicate
7-5/8"	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2
11,100'	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2
	550	14.4	1.20	4.81	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 +
					0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P
5-1/2"	725	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 +
17,112'					0.40% C-17 (TOC @ 10,600')

Note: Cement volumes based on bit size plus at least 25% excess in the open hole plus 10% excess in the cased-hole overlap section.

### 5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 5000/250 psig and the annular preventer to 3500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/250 psig and the annular preventer to 3500/250 psig. The intermediate casing will be tested to 2000 psi for 30 minutes.

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 hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

### 6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal.

The applicable depths and properties of the drilling fluid systems are as follows.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 - 830'	Fresh - Gel	8.6-8.8	28-34	N/c
830' - 11,100'	Brine	8.8-10.0	28-34	N/c
11,100' - 17,112'	Oil Base	10.0-11.5	58-68	3 - 6
Lateral				

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

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) H<sub>2</sub>S monitoring and detection equipment will be utilized from surface casing point to TD.

### 8. LOGGING, TESTING AND CORING PROGRAM:

Open-hole logs are not planned for this well.

GR-CCL Will be run in cased hole during completions phase of operations.

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

The estimated bottom-hole temperature (BHT) at TD is 182 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7354 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. Severe loss circulation is expected from 7,300' to Intermediate casing point.

### 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 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.

### 11. WELLHEAD:

A multi-bowl wellhead system will be utilized.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 psi pressure test. This pressure test will be repeated at least every 30 days, as per Onshore Order No. 2

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 Multi-Bowl WH system has been sent to the NM BLM office in Carlsbad, NM.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

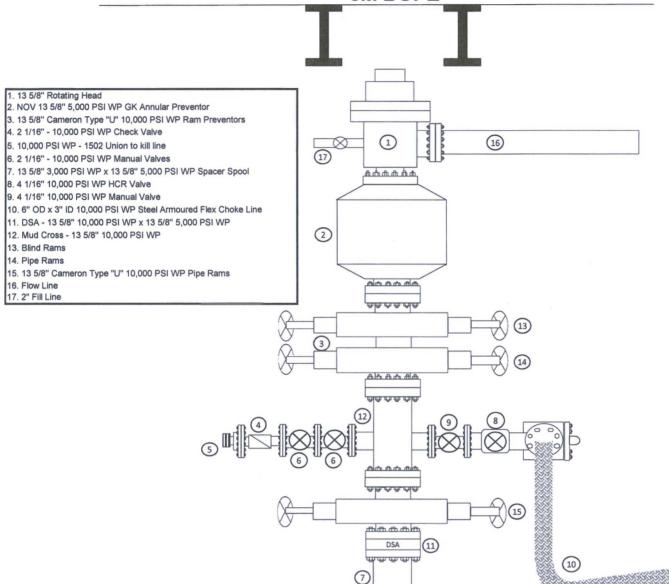
All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 5000 psi. Prior to running the intermediate casing, the rams will be changed out to accommodate the 7-5/8" casing. The bonnet seals will be tested to 1500 psi. After installing the intermediate casing the casing rams will be removed and replaced with variable bore rams. The remaining BOPE will not be retested after installing the intermediate casing.

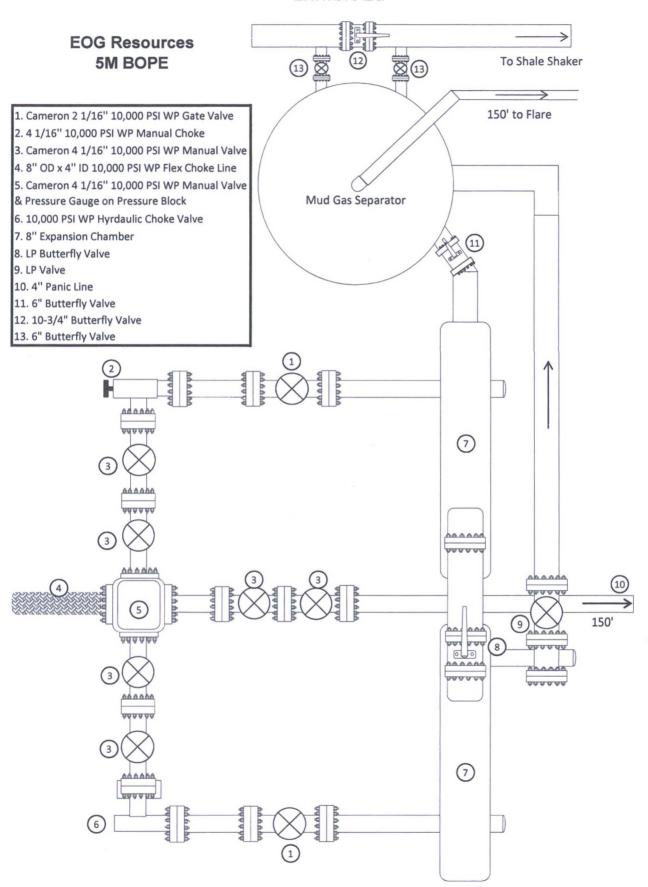
Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

# Exhibit 1 EOG Resources 5M BOPE

Rig Floor



## Exhibit 1a



Manufacturer: Midwest Hose & Specialty

Serial Number: SN#90067

Length: 35'

Size: OD = 8" ID = 4"

Ends: Flanges Size: 4-1/16"

WP Rating: 10,000 psi Anchors required by manfacturer: No

# MIDWEST

# **HOSE AND SPECIALTY INC.**

INTERNAL HYDROSTATIC TEST REPORT					
Customer:				P.O. Numb	er:
CACTUS				RIG #123	
				Asset # N	110761
		HOSE SPECIA	FICATIONS		
Туре: СН	KE LIN		Length:	35'	
I.D.	4"	INCHES	O.D.	8"	INCHES
WORKING PRES	SURE	TEST PRESSUR	E	BURST PRES	SURE
10,000	PSI	15,000	PSI		PSI
		COUP	LINGS		
Type of End I 4 1/	Fitting 16 10K F	LANGE			
Type of Coup SWI	ling: EDGED		MANUFACTU MIDWEST HOS		ALTY
		PROC	EDURE		
Hoo	cocombb	pressure tested w	fith water at emblar	nt tomononium	
		TEST PRESSURE	1	BURST PRESSU	
	1	MINL			0 PSI
COMMENTS:					
SNI	SN#90067 M10761				
Hose is covered with stainless steel armour cover and					
	wraped with fire resistant vermiculite coated fiberglass				
The state of the s	lation re	ted for 1500 de	grees complete	Contraction of the last of the	eyes
Date: 6/6/2	2011	Tested By: BOBBY FINK		Approved: MENDI	ACKSON



### **Internal Hydrostatic Test Graph**

Customer: CACTUS

SALES ORDER# 90067

### **Hose Specifications**

**Hose Type** C&K I.D.

**Working Pressure** 10000 PSI

Length 35' O.D. **Burst Pressure** 

Standard Safety Multiplier Applies

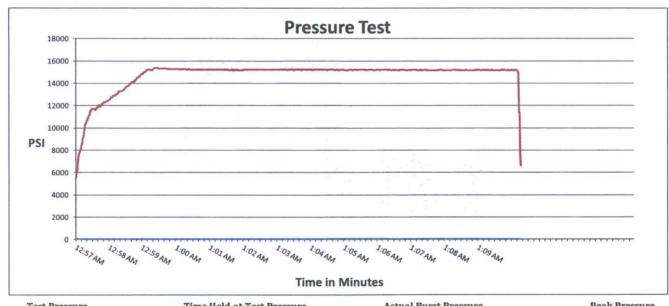
### **Verification**

**Type of Fitting** 4 1/16 10K **Die Size** 6.62"

Hose Serial #

**Coupling Method** Swage Final O.D. 6.68"

Hose Assembly Serial # 90067



**Test Pressure** 15000 PSI

**Time Held at Test Pressure** 11 1/4 Minutes

**Actual Burst Pressure** 

Peak Pressure 15439 PSI

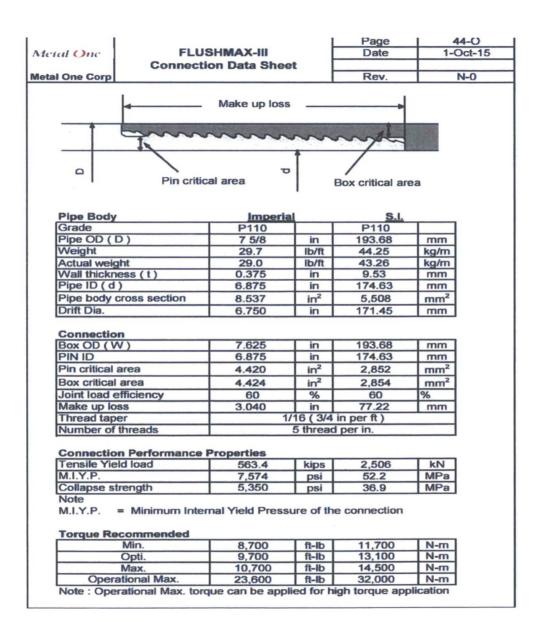
Comments: Hose assembly pressure tested with water at ambient temperature.

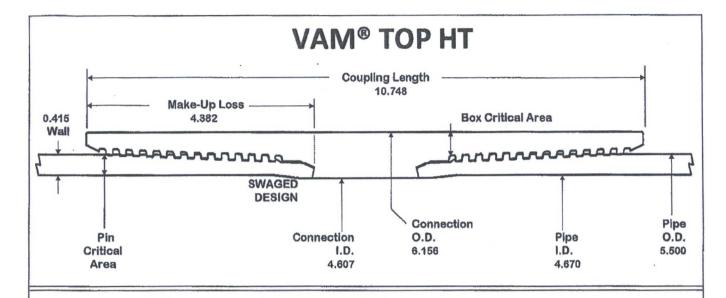
Tested By: Bobby Fink

Approved By: Mendi Jackson

Frilly IC

x Mendi Jackson





O.D. 5.500 WEIGHT 23.00 WALL 0.415 GRADE NSSMC P110HC

**Connection OD** 

DRIFT 4.545

6.156 in

### PIPE BODY PROPERTIES

Material Grade Min. Yield Strength Min. Tensile Strength	NSSMC P110HC 125 125	ksi
Outside Diameter	5.500	in
Inside Diameter	4.670	In
Nominal Area	6.630	sq.in.

Yield Strength	829 kips
Ultimate Strength	829 kips
Min Internal Yield	16,510 psi
*High Collapse	16,220 psi

Contact: tech.support@vam-usa.com Ref. Drawing: SI-PD 100526 Rev.B

Date:

30-Apr-15 10:24 AM

### CONNECTION PROPERTIES

Connection ID	4.607	in
Make up Loss	4.382	in
Coupling Length	10.748	in
Box Critical Area	6.757	sq.in.
%PB Section Area	101.9%	•
Pin Critical Area	6.630	sq.in.
%PB Section Area	100.0%	
Yield Strength	829	klps
Parting Load	829	kips
Min Internal Yield	16,510	psi
*High Collapse	16,220	psi
Wk Compression	663	kips
Max Pure Bending	30	°/100 ft

### **TORQUE DATA ft-lb**

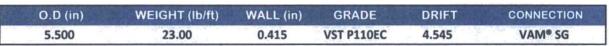
1011402 211111 1110			
min	opt	max	
13,700	15,200	16,700	

Max. Liner Torque: 20,000 ft-lb



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PIPE PRO	OPERTIES
Material Grade	VST P110EC
Min. Yield Strength	125 ksi
Min. Tensile Strength	135 ksi
Nominal OD	5.500 in
Nominal ID	4.670 in
Nominal Area	6.630 sq. in
Yield Strength	829 kips
Ultimate Strength	895 kips
Min Internal Yield	16,510 psi
*High Collapse	16,220 psi

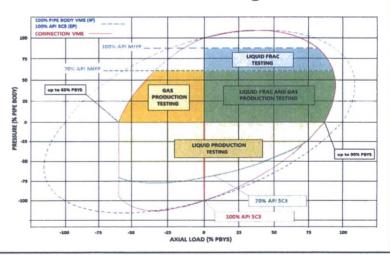
CONNECTION PRO	PERTIES	300
Connection OD	5.720	in
Connection ID	4.603	in
Make up Loss	6.503	in
Connection Critical Area	5.967	sq. in
%PB Section Area	90.0%	
Yield Strength	746	kips
Parting Load	805	kips
Min Internal Yield	16,510	psi
*High Collapse	11,350	psi
Working Compression	522	kips
Max. Bending w/ Sealability	40	°/100 ft

D(	DOCUMENTATION			
Ref. Drawing	SI-PD 100835 Rev.A			
Date	11-Aug-14			
Time	1:21 PM			
Email	tech.support@vam-usa.com			

TORQUE VAI	LUES
Min Make Up Torque	9,100 ft-lb
Opt Make Up Torque	11,200 ft-lb
Max Make Up Torque	13,300 ft-lb
Max Torque w/ Sealability	14,500 ft-lb

# The single solution for Shale Play needs

VAM® SG brings VAM® premium sealing performance to a semi-flush connection with extremely high Tension performance and increased Torque capacity, validated to the specific Shale drilling requirements, while remaining highly competitive in North American Shale play economics.

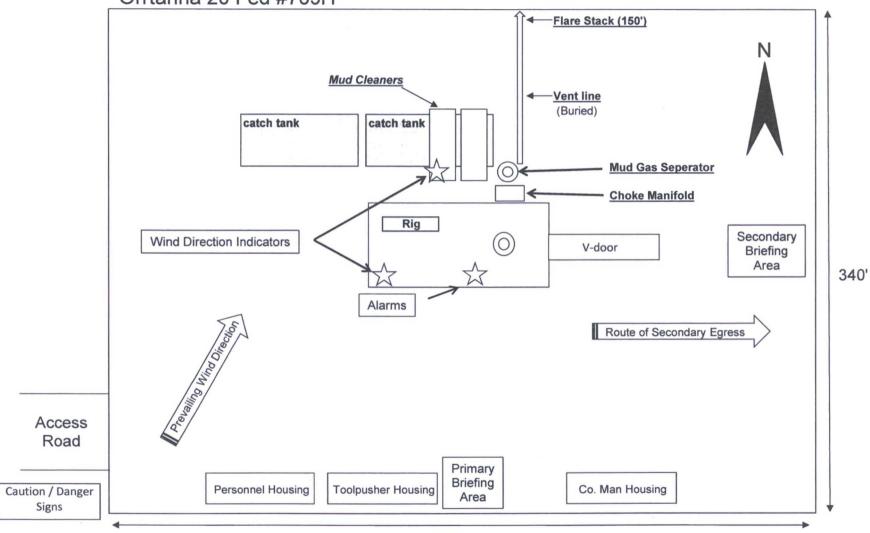




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Exhibit 4 EOG Resources Orrtanna 20 Fed #703H

# Well Site Diagram



370'



#### **BUREAU OF LAND MANAGEMENT** CASE RECORDATION (LIVE) SERIAL REGISTER PAGE

Run Date/Time: 09/29/16 09:05 AM 01 12-22-1987;101STAT1330;30USC181 ET SEQ

Mer Twp Rng Sec SType Nr Suff Subdivision

ENTIRE SECTION

Total Acres 640.000

Serial Number

Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED Case File

23 0260S 0330E 020 ALL

Case File Juris:

Serial Number: NMNM-- - 118727

Name & Address EOG RESOURCES INC PO BOX 2267 EOG RESOURCES INC PO BOX 2267 MIDLAND TX 79702 MICKEY RESOURCES LLC R & R ROYALTY LTD 500 N SHORELINE BLVD STE 322 500 N SHORELINE BLVD STE 322

OPERATING RIGHTS LESSEE CORPUS CHRISTI TX 784010313 CORPUS CHRISTI TX 78401 OPERATING RIGHTS

Int Rel

0.000000000

Page 1 of ?

Serial Number: NMNM-- - 118727

District/Resource Area CARLSBAD FIELD OFFICE

Mgmt Agency County BUREAU OF LAND MGMT LEA

Serial Number: NMNM-- - 118727

Act Date	Code	Action	Action Remarks	Pending Office
05/25/2007	387	CASE ESTABLISHED	200707067;	
07/18/2007	143	BONUS BID PAYMENT RECD	\$1280.00;	
07/18/2007	191	SALE HELD		
07/18/2007	267	BID RECEIVED	£96000.00;	
07/26/2007	143	BONUS BID PAYMENT RECD	\$94720.00;	
08/31/2007	237	LEASE ISSUED		
08/31/2007	974	AUTOMATED RECORD VERIF	BTM	
09/01/2007	496	FUND CODE	05;145003	
09/01/2007	530	RLTY RATE - 10 1/0%		
09/01/2007	868	EFFECTIVE DATE		
06/12/2014	140	ASGN FILED	R&R ROYAL/ROADRUNNE; 3	
06/12/2014	932	TRF OPER RGTS FILED	RGR ROYAL/ROADRUNNE; 1	
08/12/2014	932	TRF OPER RGTS FILEI	R & R ROY/MICKEY RE;1	
09/05/2014	139	ASGN APPROVED	EFF 07/01/14;	
09/05/2014	933	TRF OPER RGTS APPROVED	EFF 07/01/14;	
09/05/2014	974	AUTOMATED RECORD VERIF	LBO	
10/02/2014	933	TRF OPER RGTS APPROVED	EFF 09/01/14;	
10/02/2014	974	AUTOMATED RECORD VERIF	EMR	
08/17/2015	899	TRF OF ORR FILED	1	
09/23/2015	140	ASGN FILED	ROADRUNNE/EOG RESOU;1	
09/23/2015	932	TRF OPER RGTS FILED	ROADRUNNE/EDG RESOU; 1	
10/15/2015	139	ASGN APPROVED	EFF 10/01/15;	
10/15/2015	933	TRF OPER RGTS APPROVED	EFF 10/01/15;	
10/15/2015	974	AUTOMATED RECORD VERIF	JA	
08/31/2017	763	EXPIRES		

STIPULATIONS ATTACHED TO LEASE: NM-11-LN SPECIAL CULTURAL RESOURCE

Serial Number: NMNM-- - 118727

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR

## **OPERATOR CERTIFICATION**

I certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true, and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this again day of August, 2016.

Name: Stan Wagner

Position: Regulatory Specialist

Address: P.O. Box 2267, Midland, TX 79702

Telephone: (432) 686-3689

Email: stan\_wagner@eogresources.com

Field Representative (if not above signatory): James Barwis

Address: P.O. Box 2267, Midland, TX 79702

Telephone: (432) 686-3791 office; (432) 425-1204 cell

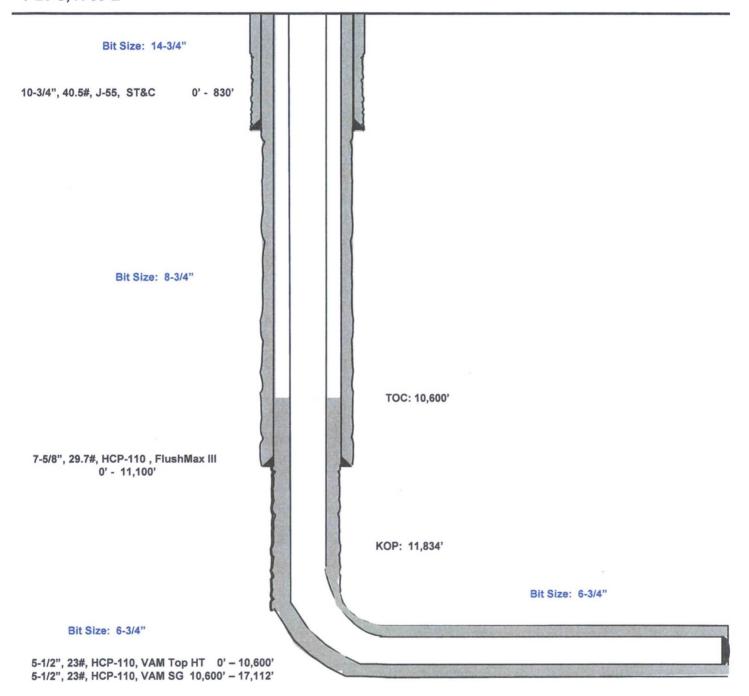
Signed

221' FSL 1969' FWL Section 20 T-26-S, R-33-E

## Lea County, New Mexico Proposed Wellbore

API: 30-025-\*\*\*\*

KB: 3,257' GL: 3,232'



Lateral: 17,112' MD, 12,299' TVD
Upper Most Perf:
330' FSL & 1651' FWL Sec. 20
Lower Most Perf:
330' FNL & 1652' FWL Sec. 20
BH Location: 230' FNL & 1652' FWL
Section 20

T-26-S, R-33-E