

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OGD

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.

FEB 13 2019

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

| | | |
|---|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM108503 |
| 2. Name of Operator EOG RESOURCES INCORPORATED Contact: STAR HARRELL E-Mail: Star_Harrell@eogresources.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO BOX 2267 MIDLAND, TX 79702 | 3b. Phone No. (include area code) Ph: 432-848-9161 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T25S R33E SESW 300FSL 2231FWL 32.109600 N Lat, 103.544456 W Lon | | 8. Well Name and No. CABALLO 23 FED 705H |
| | | 9. API Well No. 30-025-45584 |
| | | 10. Field and Pool or Exploratory Area RED HILLS |
| | | 11. County or Parish, State LEA COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original APD |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

EOG respectfully requests an amendment to our approved APD for this well to reflect changes in the BHL, casing design & cement.

Change BHL to : 2,541? FSL 2,430? FWL SEC 14-25S-33E.

Change casing & cement design in accordance with the attached drill plan.

Attached please find the following supporting documentation: Amended C-102 Plat, Revised Permit Information & Revised Wellbore Diagram.

Carlsbad Field Office
OCD Hobbs
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

All Previous COAs Still Apply, Except For the Following:

| | |
|---|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #453605 verified by the BLM Well Information System For EOG RESOURCES INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 02/07/2019 (19PP0964SE) | |
| Name (Printed/Typed) STAR HARRELL | Title SENIOR REGULATORY SPECIALIST |
| Signature (Electronic Submission) | Date 02/06/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------|-----------------|
| Approved By JEROMY PORTER | Title PETROLEUM ENGINEER | Date 02/08/2019 |
| 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 lease which would entitle the applicant to conduct operations thereon. | | |
| 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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #453605

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|---|---|
| Sundry Type: | APDCH NOI | APDCH NOI |
| Lease: | NMNM108503 | NMNM108503 |
| Agreement: | | |
| Operator: | EOG RESOURCES INC P.O. BOX 2267 MIDLAND, TX 79702 Ph: 432-848-9161 | EOG RESOURCES INCORPORATED PO BOX 2267 MIDLAND, TX 79702 Ph: 432.686.3689 |
| Admin Contact: | STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com Ph: 432-848-9161 | STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com Ph: 432-848-9161 |
| Tech Contact: | STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com Ph: 432-848-9161 | STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com Ph: 432-848-9161 |
| Location: | | |
| State: | NM | NM |
| County: | LEA | LEA |
| Field/Pool: | UPR WOLFCAMP | RED HILLS |
| Well/Facility: | CABALLO 23 FED 705H Sec 23 T25S R33E SESW 300FSL 2231FWL 32.109599 N Lat, 103.544453 W Lon | CABALLO 23 FED 705H Sec 23 T25S R33E SESW 300FSL 2231FWL 32.109600 N Lat, 103.544456 W Lon |

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
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------------------------|---|---------------------------------|--|
| ¹ API Number 30-025 | | ² Pool Code 98094 | ³ Pool Name WC-025 G-09 S253336D; Upper Wolfcamp |
| ⁴ Property Code 38481 | ⁵ Property Name CABALLO 23 FED | | ⁶ Well Number #705H |
| ⁷ GRID No. 7377 | ⁸ Operator Name EOG RESOURCES, INC. | | ⁹ Elevation 3342' |

¹⁰Surface Location

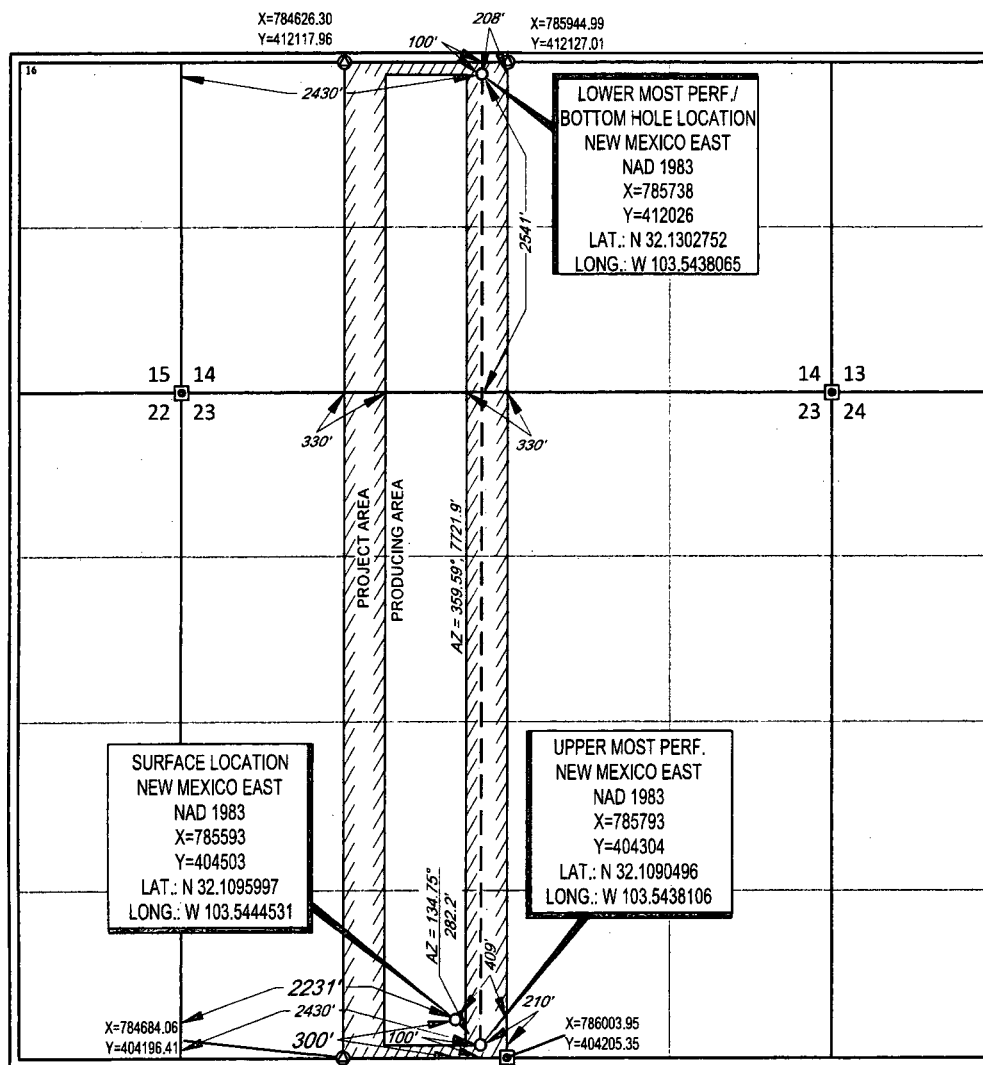
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 23 | 25-S | 33-E | - | 300' | SOUTH | 2231' | WEST | LEA |

¹¹Bottom 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 14 | 25-S | 33-E | - | 2541' | SOUTH | 2430' | WEST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 240.00 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Star L Harrell 1/25/19
Signature Date

Star L Harrell
Printed Name

star_harrell@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/20/2018
Date of Survey
Signature and Seal of Professional Surveyor
MECHANICAL BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

Revised Permit Information 1/25/2019:

Well Name: Caballo 23 Fed #705H

Location:

SHL: 300' FSL & 2,231' FWL, Section 23, T-25-S, R-33-E, Lea Co., N.M.

BHL: 2,541' FSL & 2,430' FWL, Section 14, T-25-S, R-33-E, Lea Co., N.M.

Casing Program:

| Hole Size | Interval | Csg OD | Weight | Grade | Conn | DF _{min} Collapse | DF _{min} Burst | DF _{min} Tension |
|-----------|-------------------|--------|--------|---------|----------|----------------------------|-------------------------|---------------------------|
| 12.25" | 0 – 1,150' | 9.625" | 40# | J55 | LTC | 1.125 | 1.25 | 1.60 |
| 8.75" | 0 – 11,400' | 7.625" | 26.4# | HCP-110 | Ultra SF | 1.125 | 1.25 | 1.60 |
| 6.75" | 0' – 10,900' | 5.5" | 20# | HCP-110 | LTC | 1.125 | 1.25 | 1.60 |
| 6.75" | 10,900' – 11,400' | 5.5" | 20# | HCP-110 | VAM SFC | 1.125 | 1.25 | 1.60 |
| 6.75" | 11,400' - 20,034' | 5.5" | 20# | HCP-110 | LTC | 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.

EOG requests variance to allow deviation from the 0.422" annulus clearance requirement from Onshore Order #2 under the following conditions:

- Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casing strings.
- Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

EOG also requests to retain the option to utilize previously permitted 4 string designs (to be referred to as Design B in post-drill reports and sundries), if applicable.

Cement Program:

| Depth | No. Sacks | Wt. ppg | Yld Ft ³ /ft | Slurry Description |
|-------------------|-----------|---------|-------------------------|--|
| 9-5/8" 1,150' | 500 | 13.5 | 1.73 | Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ Surface) |
| | 100 | 14.8 | 1.34 | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 950') |
| 7-5/8" 11,400' | 510 | 14.2 | 1.11 | 1 st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 7,000') |
| | 1,000 | 12.7 | 2.30 | 2 nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface) |
| 5-1/2" 20,034' | 780 | 14.1 | 1.26 | Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,900') |

| Additive | Purpose |
|---------------------|---|
| Bentonite | Lightweight/Lost circulation prevention |
| Calcium Chloride | Accelerator |
| Cello-flake | Lost circulation prevention |
| Sodium Metasilicate | Accelerator |
| PreMag-M | Expansive agent |
| Sodium Chloride | Accelerator |
| FL-62 | Fluid loss control |
| Halad-344 | Fluid loss control |
| Halad-9 | Fluid loss control |
| HR-601 | Retarder |
| Microbond | Expansive Agent |

EOG requests variance from minimum standards to pump a two stage cement job on the 7-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated TOC @ the Brushy Canyon and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. Top of cement will be verified by Echo-meter.

EOG also requests variance for the option to perform this cement procedure on previously permitted 4 string designs in the 7-5/8" 2nd Intermediate casing string as a contingency plan.

EOG will include the final fluid top verified by Echo-meter and the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program.

EOG will report to the BLM the volume of fluid (limited to 5 bbls) used to flush intermediate casing valves following backside cementing procedures.

Mud Program:

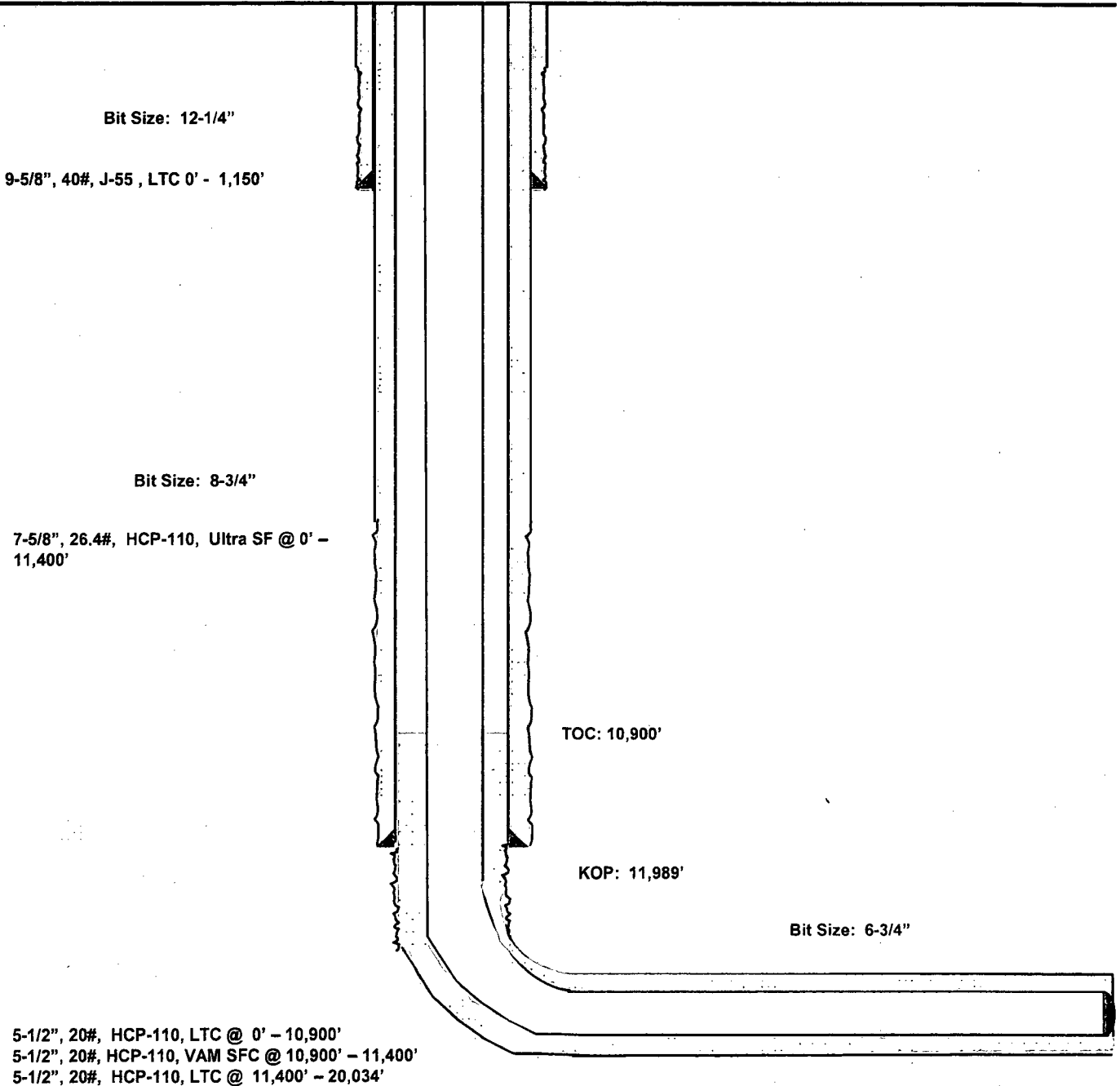
| Depth | Type | Weight (ppg) | Viscosity | Water Loss |
|------------------------------|-------------|---------------------|------------------|-------------------|
| 0 – 1,150' | Fresh - Gel | 8.6-8.8 | 28-34 | N/c |
| 1,150' – 11,989' | Oil Base | 8.7-9.4 | 58-68 | N/c - 6 |
| 11,989' – 20,034' Lateral | Oil Base | 10.0-14.0 | 58-68 | 3 - 6 |

**Caballo 23 Fed #705H
Lea County, New Mexico**

**300' FSL
2231' FWL
Section 23
T-25-S, R-33-E**

**Revised Wellbore Design A
Revised 1/25/19
API: 30-025-*******

**KB: 3,367'
GL: 3,342'**



**Lateral: 20,034' MD, 12,461' TVD
Upper Most Perf:
100' FSL & 2430' FWL Sec. 23
Lower Most Perf:
2541' FSL & 2430' FWL Sec. 14
BH Location: 2541' FSL & 2430' FWL
Section 14
T-25-S, R-33-E**

Issued on: 07 Feb. 2010



| OD | Weight | Wall Th. | Grade | API Dkt | Connection |
|-----------|------------|-----------|-----------|-----------|--------------|
| 5 1/2 in. | 20.00 lb/m | 0.361 in. | VM 110 HC | 4.653 in. | VAM® SLIJ-TR |

| PIPE PROPERTIES | | |
|--------------------------------|---------------|--------|
| Nominal OD | 5.561 | in. |
| Nominal ID | 4.776 | in. |
| Nominal Gross Section Area | 5.47 | sq in. |
| Grade Type | High Collapse | |
| Min. Yield Strength | 750 | ksi |
| Max. Yield Strength | 740 | ksi |
| Min. Ultimate Tensile Strength | 750 | ksi |

| CONNECTION PROPERTIES | | |
|---|----------|-----------|
| Connection Type | Integral | |
| Connection OD (max) | 5.254 | in. |
| Connection ID (min) | 4.749 | in. |
| Make-up Loss | 4.538 | in. |
| Orbital Groove Depth | 4.125 | in. |
| Tension Efficiency | 70.8 | % of pipe |
| Structural Compression Efficiency | 70.8 | % of pipe |
| Compression Efficiency with ISOCA11 sealability | 49.8 | % of pipe |
| Internal Pressure Efficiency | 70 | % of pipe |
| External Pressure Efficiency | 100 | % of pipe |

| CONNECTION PERFORMANCE | | |
|---|-------|----------|
| Tensile Field Strength | 454 | ksi |
| Structural Compression Resistance | 454 | ksi |
| Compression resistance with ISOCA11 Sealability | 315 | ksi |
| Internal Yield Pressure | 10640 | psi |
| Orbital Groove Yield Strength | 10640 | psi |
| Max. Circumferential Banding | 85 | 1000 psi |
| Max. Banding with ISOCA11 Sealability | 75 | 1000 psi |

| FIELD TONGUE VALUES | | |
|---------------------|------|-------|
| Min. Make-up Torque | 5800 | ft-lb |
| Opt. Make-up Torque | 6300 | ft-lb |
| Max. Make-up Torque | 7000 | ft-lb |
| Min. Banding Torque | 320 | ft-lb |
| Max. Banding Torque | 6300 | ft-lb |

VAM® SLIJ-TR is a semi-flush integral pressure connection for oil casing applications. It combines a new flush design with high performance in tension, compression and gas sealability. VAM® SLIJ-TR has been validated according to the most stringent test protocols, and has an excellent performance history in the world's most prolific HPHT wells.

| | | |
|--|--|--|
| cas@vallourec.com usa@vallourec.com china@vallourec.com india@vallourec.com | uk@vallourec.com australia@vallourec.com egypt@vallourec.com peru@vallourec.com | canada@vallourec.com brasil@vallourec.com argentina@vallourec.com colombia@vallourec.com |
|--|--|--|

Other Connection Data Sheets are available at www.vallourec.com

Vallourec Group



TECHNICAL DATA SHEET TMK UP SF 7.625 X 26.4 P110 HC**TUBULAR PARAMETERS**

| | |
|------------------------|----------|
| Nominal OD, (inch) | 7.625 |
| Wall Thickness, (inch) | 0.328 |
| Pipe Grade | P110 HC |
| Drift | Standard |

CONNECTION PARAMETERS

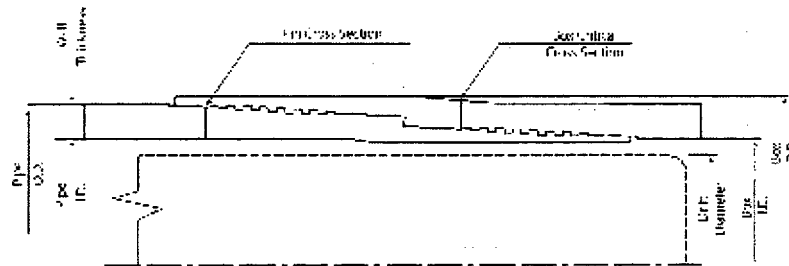
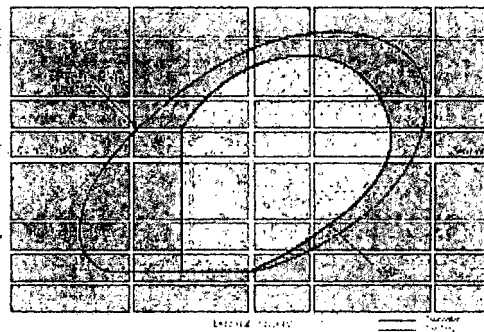
| | |
|--------------------------------------|-------|
| Connection OD (inch) | 7.792 |
| Connection ID, (inch) | 6.938 |
| Make-Up Loss, (inch) | 6.029 |
| Connection Critical Area, (sq inch) | 6.666 |
| Yield Strength in Tension, (kbs) | 733 |
| Yield Strength in Compression, (kbs) | 733 |
| Tension Efficiency | 89% |
| Compression Efficiency | 89% |
| Min. Internal Yield Pressure, (psi) | 8 280 |
| Collapse Pressure, (psi) | 4 510 |
| Uniaxial Bending (deg/100ft) | 59.0 |

MAKE-UP TORQUES

| | |
|---------------------------------|--------|
| Minimum Make-Up Torque, (ft-lb) | 20 000 |
| Optimum Make-Up Torque, (ft-lb) | 22 000 |
| Maximum Make-Up Torque, (ft-lb) | 24 200 |
| Operating Torque, (ft-lb) | 25 500 |
| Yield Torque, (ft-lb) | 30 000 |

PIPE BODY PROPERTIES

| | |
|-------------------------------------|---------|
| PE Weight, (lbs/ft) | 25.56 |
| Nominal Weight, (lbs/ft) | 26.40 |
| Nominal ID, (inch) | 6.969 |
| Drift Diameter, (inch) | 6.844 |
| Nominal Pipe Body Area, (sq inch) | 7.519 |
| Yield Strength in Tension, (kbs) | 827 |
| Min. Internal Yield Pressure, (psi) | 8 280 |
| Collapse Pressure, (psi) | 4 510 |
| Minimum Yield Strength, (psi) | 110 000 |
| Minimum Tensile Strength, (psi) | 125 000 |



NOTE: The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersedes all prior versions for this connection information that is printed or downloaded is no longer controlled by TMK and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest technical information, please contact PAC "TMK" Technical Sales in Russia (Tel: +7 (495) 776-76-00, Email: techsales@tmk-group.com) and TMK IPSCO in North America (Tel: +1 (281) 949-1044, Email: techsales@tmk-ipso.com).

Print date: 02/06/2019 22:28

https://www.tmkup.com/en/connections_data/SF?size=7.625&Imperial=1&wall=0.328&grade=P110%20HC

1/1

PECOS DISTRICT DRILLING OPERATIONS CONDITIONS OF APPROVAL

| | |
|------------------------------|-------------------------------------|
| OPERATOR'S NAME: | EOG RESOURCES INCORPORATED |
| LEASE NO.: | NMNM108503 |
| WELL NAME & NO.: | CABALLO 23 FED 705H |
| SURFACE HOLE FOOTAGE: | 300'/S & 2231'/E |
| BOTTOM HOLE FOOTAGE: | 2541'/S & 2430'/E |
| LOCATION: | SECTION 23, T25S, R33E, NMPM |
| COUNTY: | LEA |

| | | | |
|----------------------|--|--|-------------------------------|
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |

All Previous COAs Still Apply, Except for the Following:

A. CASING

1. The **9 5/8"** surface casing shall be set at approximately **1150'** (a minimum of 25' into the Rustler Anhydrite and above the salt) and cemented to surface.
 - a. **If cement does not circulate to 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 **6 hours** after pumping cement, ideally between 8-10 hours after completing the cement job.
 - b. WOC time for a primary cement job will be a minimum of **8 hours** or **500 psi** compressive strength, whichever is greater. This is to include the lead cement.
 - c. If cement falls back, remedial cementing will be done prior to drilling out that string.
 - d. WOC time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 psi compressive strength, whichever is greater.

Intermediate Casing must be kept fluid filled to meet BLM Collapse Requirements.

2. The minimum required fill of cement behind the 7 5/8" intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.

In case of lost circulation, operator has proposed to pump down 9 5/8" X 7 5/8" annulus. Operator must include final fluid top verified by Echo-meter and the volume of displacement fluid above the cement slurry in the annulus. Submit results to the BLM.

3. The minimum required fill of cement behind the 5-1/2" production casing is:
 - Cement should tie-back at least 200 feet into previous string. Operator shall provide method of verification.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
2. **Option 1:**
 - i. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) shall be 10,000 (10M) psi. **Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi).**

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. **Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi).**

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.

- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed

JJP020819

GENERAL REQUIREMENTS

1. 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)

☒ Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

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.
2. 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 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: 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 at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. 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.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. 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.
7. 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.
8. 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.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. 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).
 - c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
 - d. 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.

- 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. 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.