Form 3160-5 (June 2015)

UNITED STATES

SUNDRY NOTICES AND REPORTS ON WELLS SO Individual to the Individua

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

5. Lease Serial No. NMNM122619

Do not use thi abandoned wel	N 1 7 - 1 - A 1	019	6. If Indian, Allottee or	Tribe Name	·		
SUBMIT IN 1	s form for proposals to delay Use form 3160-3 (APL	ructions on p	age APP.	WED	7. If Unit or CA/Agreem	ent, Name and/o	r No.
1. Type of Well		8. Well Name and No.	20	5			
Oil Well Gas Well Oth		Multiple-See Attach	ned -	<u> 3</u>			
2. Name of Operator EOG RESOURCES INCORPO	API Well No. Multiple—See Atta	iched 30.0	35= 455				
3a. Address PO BOX 2267 MIDLAND, TX 79702		10. Field and Pool or Ex RED HILLS	ploratory Area				
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)			11. County or Parish, St.	ate		
Multiple-See Attached			_	LEA COUNTY, N	M		
12. CHECK THE AP	PROPRIATE BOX(ES)	TO INDICAT	E NATURE OI	NOTICE,	REPORT, OR OTHE	ER DATA	
TYPE OF SUBMISSION			TYPE OF	ACTION			
Notice of Intent	☐ Acidize	Deep	en	☐ Producti	on (Start/Resume)	■ Water Shu	t-Off
_	☐ Alter Casing	☐ Hydra	aulic Fracturing	□ Reclama	ation	☐ Well Integ	rity
☐ Subsequent Report	Casing Repair	□ New	Construction	☐ Recomp	lete	Other	
☐ Final Abandonment Notice ☐ Change Plans ☐ Plug		and Abandon	☐ Tempor	arily Abandon	Change to Original A PD	iginal A	
	☐ Convert to Injection	🗖 Plug	Back	☐ Water D	isposal		
CONDITION COAS	inal inspection. fully requests to, on multiple entation attached. ATTACHED FOR ONS OF APPROVI	ole wells, amer	OCD 1	g & casing		d the operator ha	s
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #4	158612 verified	by the BLM Wei	I Information	Svstem		
Con	For EOG RESOU nmitted to AFMSS for proce						
Name (Printed/Typed) STAR L HARRELL					SPECIALIST		
	 				· · · · · · · · · · · · · · · · · · ·		
Signature (Electronic Submission) Date 03/19/2019							<u> </u>
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE U	SE		
_Approved_By_JEROMY PORTER_]	TitlePETROLE	UM ENGIN	ER	Date 03/	/26/2019
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to condu	d. Approval of this notice does nitable title to those rights in the	Office Hobbs					
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent				willfully to ma	ake to any department or a	gency of the Uni	ted



Revised Permit Information 3/19/2019

Abstract: Amend the cementing program and add bradenhead squeeze stage. Amend the casing program and revise annulus clearance criteria.

EOG requests that these amendments be applied to the following wells:

Well Name	API No.	Lease No.
Dauntless 7 Fed #701H	30-025-45590	NMNM122619
Dauntless 7 Fed #703H	30-025-45592	NMNM122619
Dauntless 7 Fed #705H	30-025-45594	NMNM122619
Dauntless 7 Fed #707H	30-025-45596	NMNM122619
Dauntless 7 Fed #709H	30-025-45598	NMNM122619
Dauntless 7 Fed #724H	30-025-45593	NMNM122619
Dauntless 7 Fed #726H	30-025-45595	NMNM122619
Dauntless 7 Fed #728H	30-025-45597	NMNM122619

Cement

EOG requests a variance from the 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. A top out stage will be performed as a contingency.

Cementing Program:

Primary Plans For 7-5/8" cement Job:

Casing		Slurry	#Sks	Wt. (ppg)	Yld (ft3/sack)	H20 gal/sk	500# Comp. Strength	Slurry Discription
Intermediate 1st stage		Tail	404	14.2	1.11	4.47	4:11 Hrs	Class C Cement, Salt
Intermedia	te 2 nd Stage	e (Tail Sluri	ry) to be pum	ped as bra	adenhead Squ	eeze from	surface, do	wn the
			Interme	diate ann	ulus			
Intermediate 2 nd stage	Min Density Option	Tail	400	12.7	2.30	12.91	7:00 Hrs	Class C cement, Salt, Gel, Expansive
	Max Density Option		617	14.8	1.49	7.05	4:39 Hrs	Agent
Displacem	ent	Fresh Water	Maximum 5 bbls	8.4	N/A	N/A	N/A	N/A
Interme	diate Conti	ngency Sta	ge to be pum	ped as a t	top out down	the intern	nediate anni	ulus
Contingency: Top Out	Min Density Option	Tail	72	12.7	2.30	12.91	7:00 Hrs	Class C cement, Salt, Gel,
	Max Density Option		112	14.8	1.49	7.05	4:39 Hrs	Expansive Agent

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.

Casing

EOG requests the option to use a 3 string design implemented to the following parameters:

Surface Casing

- Casing shoe will be set at a minimum of 25' below the Tamarisk Anhydrite formation and a minimum of 25' above the Top Salt
- Casing string will consist of 9-5/8" 40 lb/ft J-55 casing with LTC connections
- Cement will be brought to surface

Intermediate Casing

- Casing shoe will be set 100' below the top of the Third Bone Spring Carbonate
- Casing string will consist of 7-5/8" 29.7 lb/ft HCP-110 casing with FXL connections (spec sheet attached)
- Cement will be brought to surface according to the program outlined above

Production Casing

- Casing string will consist of 3 segments:
 - 5-1/2" 20 lb/ft ECP-110 casing with DWC/C-IS MS connections from surface to 500' above the 7-5/8" casing shoe
 - 5-1/2" 20 lb/ft ECP-110 casing with VAM SFC connections covering a 500' section above the 7-5/8" intermediate shoe
 - 5-1/2" 20 lb/ft ECP-110 casing with DWC/C-IS MS connections from the 7-5/8" intermediate shoe to target depth
- Cement will tie back 500' above the 7-5/8" casing shoe

EOG also requests to retain the option to utilize previously permitted 4 string designs, if applicable

Annulus Clearance

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.

Revised Permit Information 3/26/2019:

The casing design below applies to the following wells as Design A:

Well Name	API No.	Lease No.
Dauntless 7 Fed #701H	30-025-45590	NMNM122619
Dauntless 7 Fed #703H	30-025-45592	NMNM122619
Dauntless 7 Fed #705H	30-025-45594	NMNM122619
Dauntless 7 Fed #707H	30-025-45596	NMNM122619
Dauntless 7 Fed #709H	30-025-45598	NMNM122619
Dauntless 7 Fed #724H	30-025-45593	NMNM122619
Dauntless 7 Fed #726H	30-025-45595	NMNM122619
Dauntless 7 Fed #728H	30-025-45597	NMNM122619

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
12.25"	0' - 1,135'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0' - 11,300'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0' - 10,800'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	10,800'-11,300'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	11,300' – TD	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60

Cement Program:

Depth	No. Sacks	Wt.	Yld Ft³/sk	Slurry Description
1,135° 9- 5/8°°	990	13.5	1.73	Lead: Class C + 4.0% Bentonite Gel + 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 @ 935')
11,300° 7-5/8"	500	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)
TD 5-1/2"	940	14.2	1.31	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,800')

Additive	Purpose
Bentonite Gel	Lightweight/Lost circulation prevention
Calcium Chloride	Accelerator
Cello-flake	Lost circulation prevention
Sodium Metasilicate	Accelerator
MagOx	Expansive agent
Pre-Mag-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

Mud Program:

sh - Gel	8.6-8.8	28-34	371
	0.0 0.0	∠o-3 4	N/c
Brine	10.0-10.2	28-34	N/c
il Base	8.7-9.4	58-68	N/c - 6
il Base	10.0-14.0	58-68	3 - 6
	il Base	il Base 8.7-9.4	il Base 8.7-9.4 58-68

TECHNICAL SPECIFICATIONS

These specifications are furnished for general information only and are not intended for design purposes. This information is preliminary and may change subject to a final design by VAM-USA Engineering. This is not a controlled document.

DWC/C-IS standard	MS	Casing	5.500" O.D.	20.00 lb./ft.	VST P-110EC
VST P-1108		Material Grade Minimum Yield Strength (ps	si.)		
135,0 5.5		Minimum Ultimate Strength Pipe Dimensions Nominal Pipe Body OD (in.	,	VAM-USA	USA
4.7 0.3 20. 19. 5.8	78 61 00 83	Nominal Pipe Body ID (in.) Nominal Wall Thickness (in Nominal Weight (lbs./ft.) Plain End Weight (lbs./ft.) Nominal Pipe Body Area (s	1.)	4424 W. Sam Hou Houston, TX 7704 Phone: (713) 479-3 Fax: (713) 479-3	9-3200
729,0 12,0 14,3 13,1	90 60	Pipe Body Performance F Minimum Pipe Body Yield S Minimum Collapse Pressur Minimum Internal Yield Pre Hydrostatic Test Pressure	Strength (lbs.) re (psi.) essure (psi.)		
6.1 4.7 4.6 4. 5.8 100	78 53 13 28	Connection Dimensions Connection OD (in.) Connection ID (in.) Connection Drift Diameter (Make-up Loss (in.) Critical Area (sq. in.) Joint Efficiency (%)	(in.)		-
729,0 26,0 728,0 729,0 12,0 14,3	(40 (2) (00 (3) (00 (90 (60 (4)	Connection Performance Joint Strength (lbs.) Reference String Length (fr API Joint Strength (lbs.) Compression Rating (lbs.) API Collapse Pressure Rat API Internal Pressure Resist Maximum Uniaxial Bend Ra	t.) 1.4 Design F ting (psi.) stance (psi.)		
16,6 19,1 21,6	00 (5)	Approximated Field End Minimum Final Torque (ftI Maximum Final Torque (ftConnection Yield Torque (f	lbs.) -lbs.)	·	

- (1) Joint Strength is the minimum pipe body yield strength multiplied by the connection critical area.
- (2) Reference String Length is the joint strength divided by both the weight in air and the design factor.
- (3) API Joint Strength is for reference only. It is calculated from Formulas 42 and 43 in the API Bulletin 5C3.
- (4) API Internal Pressure Resistance is calculated from Formulas 31, 32, and 35 in the API Bulletin 5C3.
- (5) Torque values are approximated and may be affected by field conditions.
- (6) Connection yield torque is not to be exceeded.

Connection specifications within the control of VAM-USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades voltained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advite obtain current connection specifications and verify pipe mechanical properties for each application.

Metal One Corp.		MO-FX	}	Page	MCTP				
_		1,10-1 %		Date	3-Nov-1	6			
A	letal One	Connection Da	ata Sheet	Rev.	0				
					<u> </u>				
		Geometry	<u>S.I.</u>						
		Pipe Body		region of		(20 - 1921 - 20			
		Grade:	P110HC 11		P110HC*1				
	MO-FXL	Pipe OD (D) Weight	29.70	in Ib/fit	193.68	mm			
	MOFAL	Actual weight	29.04	D. ALTER	43.26	kg/m			
		Wall Thickness (t)	0.375	in .	19:53				
		Pipe ID (d)	6.875	in	174.63	mm			
		Pipe body cross section	8,637	in ²	5,608	mm ²			
		Drift Dia.	6.750	in	171.45	mm			
			1 0., 50			1			
		Connection							
	-	Box OD (W)	7.625	in	193.68	mm			
1		PIN ID	6.875	in	174.63	mm			
1		Make up Loss	4.219	s in	107.16	mm			
l	Box	Box Scrincal Afea	35,744.72		22 3686 7.1.	mm ²			
	cntical	Joint load efficiency Thread Taper	170	10(1	2" per ft)	%			
1	aroa	Number of Threads		7 10 (1 3 3 5					
Maka up		Performance Properties for Pipe Body							
loss									
loss I	0	Performance Propertie	is for Pipe Body						
loss	3				74.21	MPa			
loss	Pin	M.I.Y.P. 1	10.760	psi	74.21	MÞa			
loss	3	M.I.Y.P. 1 Note S.M.Y.S.= Spe	10.760	psi ELD Stre	ngth of Pipe bod				
loss	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir	10.760 21: ecitied Minimum Yll nimum Internal Yiel	psi ELD Stre d Pressu	ngth of Pipe bod re of Pipe body				
loas	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS	10.760 ecified Minimum YII nimum Internal Yiel SB P110HC (YS=1	psi ELD Stre d Pressu 25~140k	ngth of Pipe bod re of Pipe body				
loss	Pin	Note S.M.Y.S.= Spe M.I.Y.P. = Mir *1 Based on VS Performance Properties	10.760 ecified Minimum YII nimum Internal Yiel SB P110HC (YS=1	psi ELD Stre d Pressu 25~140k	ngth of Pipe bod re of Pipe body				
loss	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Properties	10.760 ecitied Minimum YII nimum Internal Yiel SB P110HC (YS=1) es for Connection	psi ELD Stre d Pressu 25~140k on	ngth of Pipe bod re of Pipe body si)				
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lozs	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield	10.760 ecitied Minimum YII nimum Internal Yiel SB P110HC (YS=1) es for Connection	psi ELD Stre d Pressu 25~140k on	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	y			
loss	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Properties Min. Compression Yield	10.760 cified Minimum YII nimum Internal Yiel SB P110HC (YS=1) es for Connection 747 kips	psi ELD Stre d Pressu 25~140k on	ngth of Pipe bod re of Pipe body si)	y			
loss	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield External Pressure	10.760 cified Minimum YII nimum Internal Yiel SB P110HC (YS=1) es for Connection 747 kips	psi ELD Stre d Pressu 25~140k on	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	y			
lozs	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Properties Min. Compression Yield External Pressure	10.760 ecified Minimum YIII nimum Internal Yiel SB P110HC (YS=1) es for Connection 747 kips	psi ELD Stre d Pressu 25~140k on	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	y			
lozs	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield External Pressure Recommended Torque	10.760 cified Minimum YIII bimum Internal Yiel BB P110HC (YS=1) cs for Connection 747 kips	psi ELD Stre d Pressu 25~140k on 100%	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	y			
lozs .	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield External Pressure Recommended Torque	10.760 ecified Minimum YIII bimum Internal Yiel BB P110HC (YS=1) es for Connection 747 kips	psi ELD Stre d Pressu 25~140k on 100%	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	rength			
loes	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield External Pressure Recommended Torque Opti.	10.760 cified Minimum YIII bimum Internal Yiel B P110HC (YS=1) cs for Connection 747 kips 17,200	psi ELD Stre d Pressu 25~140k on 100%	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.) of Collapse St	y			
kozs	Pin	M.I.Y.P. 1 Note S.M.Y.S.= Spe M.I.Y.P. = Mir 1 Based on VS Performance Propertie Min. Compression Yield External Pressure Recommended Torque	10.760 ecified Minimum YIII bimum Internal Yiel BB P110HC (YS=1) es for Connection 747 kips	psi ELD Stre d Pressu 25~140k on 100%	ngth of Pipe bod re of Pipe body si) of S.M.Y.S.)	rength			

VAM® SFC Make-Up Loss 5.132 Box Critical Area -0.361 Wall Pin Connection Critical **Pipe** Area O.D. Connection Pipe O.D. 5.701 I.D. I.D. 5.500 4.719 4.778

O.D. 5.500 **WEIGHT** 20.00

WALL 0.361 GRADE VST P110EC

Connection OD

Connection ID

Max Pure Bending

DRIFT 4.653

5.701 in

4.719 in

20 °/100 ft

PIPE BODY PROPERTIES

Material Grade Min. Yield Strength Min. Tensile Strength	VST P110EC 125 ksi 135 ksi
Outside Diameter	5.500 in
Inside Diameter	4.778 in
Nominal Area	5.828 sq.in.

Yield Strength	729 kips
Ultimate Strength	787 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi

Contact: <u>tech.support@vam-usa.com</u> Ref. Drawing: SI-PD 100414 Rev.B

Date: Time:

14-Jun-16 2:31 PM

CONNECTION PROPERTIES

Make up Loss	5.132 in
Box Critical Area	4.083 sq.in.
%PB Section Area	70.1%
Pin Critical Area	4.123 sq.in.
%PB Section Area	70.7%
Yield Strength	510 kips
Parting Load	551 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi
Wk Compression	357 kips

TORQUE DATA ft-lb

min	opt	max
8,700	9,700	10,700



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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | **EOG RESOURCES, INC.**

LEASE NO.: | NMNM122619

WELL NAME & NO.: | DAUNTLESS 7 FED 703H

SURFACE HOLE FOOTAGE: 250'/S & 616'/E BOTTOM HOLE FOOTAGE 100'/N & 990'/E

LOCATION: | Section 7, T.25 S., R.33 E., NMPM

COUNTY: Lea County, New Mexico

COA

H2S	r Yes	e No	
Potash	• None	Secretary	↑ R-111-P
Cave/Karst Potential	€ Low	↑ Medium	↑ High
Variance	None	Flex Hose	C Other
Wellhead	Conventional	Multibowl	← Both
Other	√ 4 String Area	Capitan Reef	□ WIPP

All previous COAs still apply, except for the following:

A. CASING

- 1. The 9-5/8 inch surface casing shall be set at approximately 1,135 feet (a minimum of 25 feet 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>8</u> hours 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.

- 2. The minimum required fill of cement behind the 7-5/8 inch 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 inch production casing is:
 - Cement should tie-back at least 200 feet into the previous casing. 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. 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.

JJP03262019

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)
 - 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 CountyCall 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 intergrity 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 intergrity 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.