UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD - HOBBS 06/23/2020 RECEIVED

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

	Expires: J	January	31
5. Lease	Serial No.		

6. If Indian, Allotee or Tribe Name

NMNM118726

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work:	REENTER			7. If Unit or CA Agr	reement, Name and No.	
1b. Type of Well: Oil Well Gas Well	Other			8. Lease Name and	W-II N	
1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone				ANTIETAM 9 FED		
Type of completion.	Single Zone				7131]	
				201H		
2. Name of Operator FOG RESOURCES INCORPORATED [7377]				9. API Well No. 30	-025-47358	
					10700	
3a. Address		o. (include area cod	de)		or Exploratory [9790	
1111 Bagby Sky Lobby2, Houston, TX 77002	(713) 651-7				LLS UPPER BONE SP	
4. Location of Well (Report location clearly and in accordance	•	1		11. Sec., T. R. M. or SEC 9/T25S/R33E	Blk. and Survey or Area	
At surface NWNW / 771 FNL / 1066 FWL / LAT 32.1				SEC 9/1255/R55E	/INIVIF	
At proposed prod. zone SWNW / 2540 FNL / 750 FWL	/ LAT 32.1308	654 / LONG -103	.5833332			
14. Distance in miles and direction from nearest town or post of	office*			12. County or Parish LEA	13. State NM	
15. Distance from proposed* 771 feet	16. No of ac	res in lease	17. Spaci	ng Unit dedicated to the	his well	
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	1319.75		240.0			
18 Distance from proposed location*	19. Proposed	d Depth	20. BLM	/BIA Bond No. in file		
to nearest well, drilling, completed, applied for, on this lease, ft.	9669 feet /	17177 feet	FED: NN	M2308		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxi	mate date work will	l start*	23. Estimated durati	ion	
3429 feet	08/09/2020			25 days		
	24. Attac	hments				
The following, completed in accordance with the requirements (as applicable)	of Onshore Oil	and Gas Order No.	1, and the I	Hydraulic Fracturing r	ule per 43 CFR 3162.3-3	
Well plat certified by a registered surveyor.	'			ns unless covered by ar	n existing bond on file (see	
 A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys 	tem Lands the	Item 20 above). 5. Operator certifi				
SUPO must be filed with the appropriate Forest Service Offi		6. Such other site s BLM.	specific info	rmation and/or plans as	may be requested by the	
25. Signature		(Printed/Typed)			Date	
(Electronic Submission)	LISA	TRASCHER / Ph:	(713) 651	-7000	12/10/2019	
Title						
Regulatory Specialist					In .	
proved by (Signature) Name (Printed/Typed) Iectronic Submission) Name (Printed/Typed) Cody Layton / Ph: (575) 234-595			234-5050		Date 06/19/2020	
Title	Office		204-0909		00/13/2020	
Assistant Field Manager Lands & Minerals		ad Field Office				
Application approval does not warrant or certify that the applic			those rights	in the subject lease w	hich would entitle the	
applicant to conduct operations thereon. Conditions of approval, if any, are attached.		<u>-</u>				
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, of the United States any false, fictitious or fraudulent statement					any department or agency	

GCP Rec 06/23/2020

APPROVED WITH CONDITIONS

Approval Date: 06/19/2020

KZ 06/30/2020

SL

*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

 $0. \ SHL: \ NWNW \ / \ 771 \ FNL \ / \ 1066 \ FWL \ / \ TWSP: \ 25S \ / \ RANGE: \ 33E \ / \ SECTION: \ 9 \ / \ LAT: \ 32.1502382 \ / \ LONG: \ -103.5822986 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet \)$ $PPP: \ NWNW \ / \ 100 \ FNL \ / \ 750 \ FWL \ / \ TWSP: \ 25S \ / \ RANGE: \ 33E \ / \ SECTION: \ 9 \ / \ LAT: \ 32.1520853 \ / \ LONG: \ -103.583332 \ (\ TVD: \ 9330 \ feet, \ MD: \ 9372 \ feet \)$ $BHL: \ SWNW \ / \ 2540 \ FNL \ / \ 750 \ FWL \ / \ TWSP: \ 25S \ / \ RANGE: \ 33E \ / \ SECTION: \ 16 \ / \ LAT: \ 32.1308654 \ / \ LONG: \ -103.5833332 \ (\ TVD: \ 9669 \ feet, \ MD: \ 17177 \ feet \)$

BLM Point of Contact

Name: Tanja Baca

Title: Land Law Examiner Phone: (575) 234-5940 Email: tabaca@blm.gov



(Form 3160-3, page 3)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.



(Form 3160-3, page 4)

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

Antietam 9 Fed Com Lease Number V044220002

244

Well Pads, Access Roads, Buried Flowlines/Gas Lift Lines, EOG Resources Inc.

Well Pad 1 - Center of Pad: 766' FNL & 1,130' FWL

Antietam 9 Fed Com #101H

Surface Hole Location: 769' FNL & 1,034' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 330' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #102H

Surface Hole Location: 774' FNL & 1,099' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,170' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #201H

Surface Hole Location: 771' FNL & 1,066' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 750' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #501H

Surface Hole Location: 718' FNL & 1,163' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 330' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #502H

Surface Hole Location: 720' FNL & 1,196' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 990' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #503H

Surface Hole Location: 722' FNL & 1,229' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,650' FWL, Section 16, T. 25 S., R. 33 E.

Well Pad 2 - Center of Pad: 832' FNL & 2,138' FWL

Antietam 9 Fed Com #103H

Surface Hole Location: 838' FNL & 2,074' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 2,010' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #104H

Surface Hole Location: 842' FNL & 2,140' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 2,429' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #202H

Surface Hole Location: 836' FNL & 2,041' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,590' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #203H

Surface Hole Location: 840' FNL & 2,107' FWL, Section 9, T. 25 S., R. 33 E.

Bottom Hole Location: 2,540' FNL & 2,430' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #504H

Surface Hole Location: 787' FNL & 2,240' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 2,310' FWL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #505H

Surface Hole Location: 789' FNL & 2,237' FWL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 2,309' FEL, Section 16, T. 25 S., R. 33 E.

Well Pad 3 - Center of Pad: 1,194' FNL & 1,193' FEL

Antietam 9 Fed Com #105H

Surface Hole Location: 1,193' FNL & 1,243' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,590' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #204H

Surface Hole Location: 1,226' FNL & 1,243' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 2,010' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #205H

Surface Hole Location: 1,160' FNL & 1,243' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,169' FEL, Section 16, T. 25 S., R. 33 E.

Well Pad 4 - Center of Pad: 100' FNL & 1,430' FEL

Antietam 9 Fed Com #506H

Surface Hole Location: 150' FNL & 1,479' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 1,649' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #507H

Surface Hole Location: 150' FNL & 1,446' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 990' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #508H

Surface Hole Location: 150' FNL & 1,413' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 330' FEL, Section 16, T. 25 S., R. 33 E.

Existing Well Pad - Center of Pad: 1,102' FNL & 657' FEL

Antietam 9 Fed Com #106H

Surface Hole Location: 1,112' FNL & 783' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 749' FEL, Section 16, T. 25 S., R. 33 E.

Antietam 9 Fed Com #206H

Surface Hole Location: 1,112' FNL & 750' FEL, Section 9, T. 25 S., R. 33 E. Bottom Hole Location: 2,540' FNL & 349' FEL, Section 16, T. 25 S., R. 33 E.

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
☐ Noxious Weeds
Special Requirements
Lesser Prairie-Chicken Timing Stipulations
Ground-level Abandoned Well Marker
Hydrology
☐ Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
☐ Road Section Diagram
Production (Post Drilling)
Well Structures & Facilities
Pipelines
☐ Interim Reclamation
Final Abandonment & Reclamation
I mai Avandonnicht & Accianiation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

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V. SPECIAL REQUIREMENT(S)

<u>Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:</u>

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Hvdrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

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VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

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Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

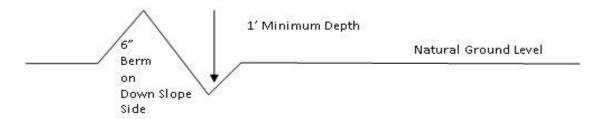
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope:
$$\frac{400'}{4\%} + 100' = 200'$$
 lead-off ditch interval

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

- 1. Salvage topsoil
- 3. Redistribute topsoil4. Revegetate slopes

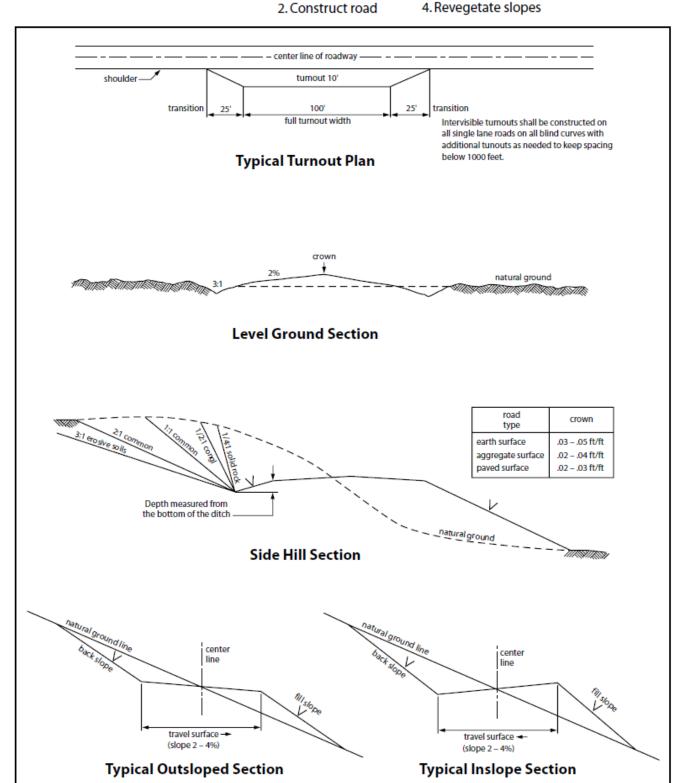


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

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- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
- 5. All construction and maintenance activity will be confined to the authorized right-of-way.
- 6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
- 7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed <u>30</u> feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
- 8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately ___6__ inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
- 9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

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- 10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3
() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

- 13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2.
- 14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.
- 15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.
- 16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

- 17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
- 18. <u>Escape Ramps</u> The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:
 - a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench
 - b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

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Approval Date: 06/19/2020

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

^{*}Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: EOG RESOURCES

LEASE NO.: | NMNM118726

WELL NAME & NO.: | ANTIETAM 9 FED COM 201H

SURFACE HOLE FOOTAGE: 771'/N & 1066'/W BOTTOM HOLE FOOTAGE 2540'/N & 750'/W

LOCATION: | Section 09, T.25 S., R.33 E., NMPM

COUNTY: Lea County, New Mexico

COA

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

A. HYDROGEN SULFIDE

1. Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set at approximately 1,240 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 $\underline{8}$

- **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 9-5/8 inch intermediate casing 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 cave/karst or potash.
- 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 previous casing string. Operator shall provide method of verification.

C. 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 is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) 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.

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. When the Communitization Agreement number is known, it shall also be on the sign.

JJP06142020

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.
- 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- e. 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.
- 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 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).
 - 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. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. 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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,138'
Tamarisk Anhydrite	1,213'
Top of Salt	1,466'
Base of Salt	4,761'
Lamar	5,076'
Bell Canyon	5,106'
Cherry Canyon	6,136'
Brushy Canyon	7,535
Bone Spring Lime	9,225'
Leonard A Shale	9,271'
Leonard B Shale	9,596'
TD	9,669'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	5,938'	Oil
Brushy Canyon	7,535'	Oil
Leonard A Shale	9,271'	Oil
Leonard B Shale	9,596'	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 13.375" casing at 1,240' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	$\mathbf{DF_{min}}$
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
17.5"	0' - 1,240'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
12.25"	0'-4,000'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
12.25"	4,000' - 4,865'	9.625"	40#	HCK-55	LTC	1.125	1.25	1.60
8.75"	0'- 10,031'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60
8.5"	10,031'-	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60
	17,177'							

Variance is requested to waive the centralizer requirements for the 9-5/8" FJ casing in the 12-1/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 12-1/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" 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.

Cementing Program:

Dandle	No.	Wt.	Yld	Character Description
Depth	Sacks	ppg	Ft ³ /sk	Slurry Description
1,240'	760	13.5	1.73	Lead: Class C + 4.0% Bentonite + 0.5% CaCl ₂ + 0.25 lb/sk
				Cello-Flake (TOC @ Surface)
	160	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
				Sodium Metasilicate (TOC @ 1,040')
4,865'	490	9.0	3.5	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx
				(TOC @ Surface)
	340	14.4	1.20	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 3,890')
17,177'	480	11.0	3.21	Lead: Class C + 3% CaCl2 + 3% Microbond (TOC @ 4,365')
	2,130	14.4	1.2	Tail: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3%
				Microbond (TOC @ 9,131')

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

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 (5,000-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.

Variance is requested to use a 5,000 psi annular BOP with the 10,000 psi BOP stack.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 10,000/250 psig and the annular preventer to 5,000/250 psig.

Pipe rams and 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 – 1,240'	Fresh - Gel	8.6-8.8	28-34	N/c
1,240' – 4,865'	Brine	8.6-8.8	28-34	N/c
4,865' – 17,177'	Oil Base	8.8-9.5	58-68	N/c - 6

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) H₂S 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 167 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 4,776 psig and a maximum anticipated surface pressure of 2,649 psig (based on 9.5 ppg MW). 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 7,535' 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.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Surface Rig will move off so the wellhead can be installed. A welder will cut the casing to the proper height and weld on the wellhead (both "A" and "B" sections). The weld will be tested to 1000 psi. All valves will be closed and a wellhead cap will be installed (diagram attached). If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

11. WELLHEAD:

A multi-bowl wellhead system will be utilized.

After running the 13-3/8" surface casing, a 13-3/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 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 10,000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Cameron 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.

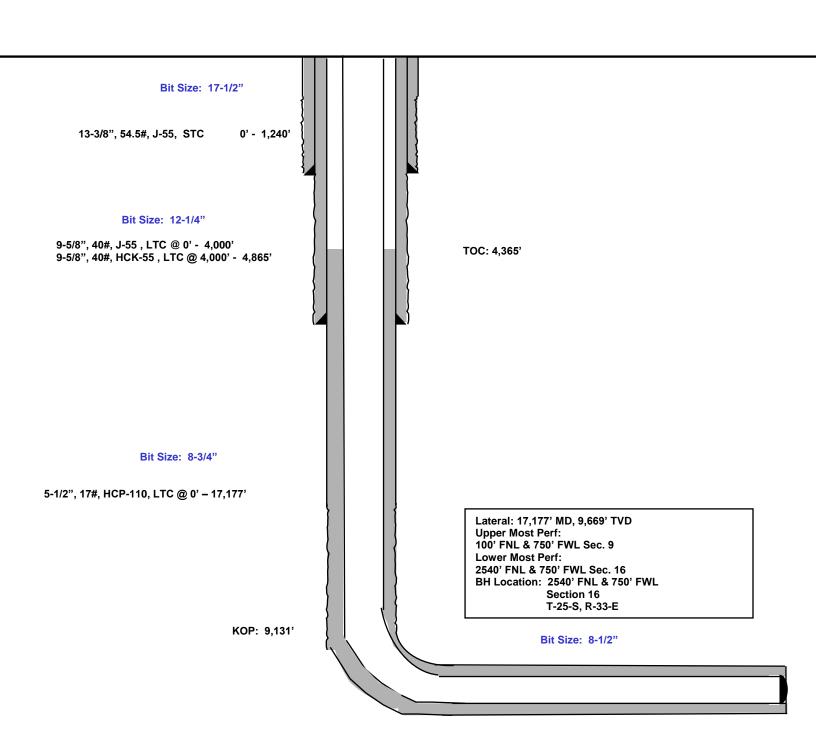
Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

771' FNL 1066' FWL Section 9 T-25-S, R-33-E

Proposed Wellbore

KB: 3,454' GL: 3,429'

API: 30-025-****





EOG Resources - Midland

Lea County, NM (NAD 83 NME) Antietam 9 Fed Com #201H

OH

Plan: Plan #0.1

Standard Planning Report

20 November, 2019



Database: EDM

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

Site: Antietam 9 Fed Com

 Well:
 #201H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #201H

KB = 25' @ 3454.0usft KB = 25' @ 3454.0usft

Grid

Minimum Curvature

Project Lea County, NM (NAD 83 NME)

Map System: US State Plane 1983 Sys

Geo Datum: North American Datum 1983
Map Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

Site Antietam 9 Fed Com

Northing: 419,815.00 usft Site Position: Latitude: 32.1519034°N From: Мар Easting: 774,698.00 usft Longitude: 103.5792922°W **Position Uncertainty:** Slot Radius: **Grid Convergence:** 0.40 0.0 usft 13-3/16 "

contained to the contai

Well #201H

 Well Position
 +N/-S
 -612.0 usft
 Northing:
 419,203.00 usft
 Latitude:
 32.1502390°N

 +E/-W
 -926.0 usft
 Easting:
 773,772.00 usft
 Longitude:
 103.5822979°W

Position Uncertainty 0.0 usft Wellhead Elevation: Ground Level: 3,429.0 usft

Wellbore ОН Magnetics **Model Name** Sample Date Declination **Dip Angle** Field Strength (nT) (°) (°) 47.643.81340680 IGRF2015 11/20/2019 6.69 59.96

Plan #0.1 Design Audit Notes: Version: Phase: **PLAN** Tie On Depth: 0.0 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 0 0 0.0 0.0 182.20

Plan Survey Tool Program Date 11/20/2019

Depth From Depth To

(usft) (usft) Survey (Wellbore) Tool Name Remarks

1 0.0 17,176.9 Plan #0.1 (OH) MWD

OWSG MWD - Standard

Plan Sections Measured Vertical Dogleg Build Turn Depth Inclination Azimuth Depth +N/-S +E/-W Rate Rate Rate **TFO** (usft) (usft) (usft) (°/100usft) (°/100usft) (°/100usft) (°) (°) (usft) (°) Target 0.00 0.00 0.00 0.0 0.0 0.0 0.0 0.00 0.00 0.00 1,000.0 0.00 0.00 1,000.0 0.0 0.0 0.00 0.00 0.00 0.00 334.37 1,270.9 5.42 334.37 1,270.4 11.5 -5.5 2.00 2.00 0.00 8.859.8 5.42 334.37 8.825.6 657.5 -315.5 0.00 0.00 0.00 0.00 180.00 KOP (Antietam 9 Fed 669.0 -321.0 0.00 9,130.7 0.00 0.00 9,096.0 2 00 -2 00 10,030.7 90.00 179.63 9,669.0 96.1 -317.3 10.00 10.00 19.96 179.63 17,176.9 90.00 179.63 9,669.0 -7,050.0 -271.0 0.00 0.00 0.00 0.00 PBHL (Antietam 9 Fed



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Grid

nned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00			0.0				0.00	
		0.00	300.0		0.0	0.0	0.00		0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	2.00	334.37	1,100.0	1.6	-0.8	-1.5	2.00	2.00	0.00
1,200.0	4.00	334.37	1,199.8	6.3	-3.0	-6.2	2.00	2.00	0.00
		334.37		11.5	-5.5		2.00	2.00	
1,270.9	5.42		1,270.4			-11.3			0.00
1,300.0	5.42	334.37	1,299.5	14.0	-6.7	-13.7	0.00	0.00	0.00
1,400.0	5.42	334.37	1,399.0	22.5	-10.8	-22.1	0.00	0.00	0.00
1,500.0	5.42	334.37	1,498.6	31.0	-14.9	-30.4	0.00	0.00	0.00
	5.42	334.37		39.6	-19.0	-38.8	0.00	0.00	0.00
1,600.0			1,598.1						
1,700.0	5.42	334.37	1,697.7	48.1	-23.1	-47.1	0.00	0.00	0.00
1,800.0	5.42	334.37	1,797.2	56.6	-27.1	-55.5	0.00	0.00	0.00
1,900.0	5.42	334.37	1,896.8	65.1	-31.2	-63.8	0.00	0.00	0.00
	5.42	334.37		73.6	-35.3		0.00	0.00	
2,000.0			1,996.3			-72.2			0.00
2,100.0	5.42	334.37	2,095.9	82.1	-39.4	-80.5	0.00	0.00	0.00
2,200.0	5.42	334.37	2,195.4	90.6	-43.5	-88.9	0.00	0.00	0.00
2,300.0	5.42	334.37	2,295.0	99.1	-47.6	-97.2	0.00	0.00	0.00
2,400.0	5.42	334.37	2,394.6	107.6	-51.6	-105.6	0.00	0.00	0.00
	5.42	334.37	2,494.1	116.2	-51.0	-113.9	0.00	0.00	0.00
2,500.0									
2,600.0	5.42	334.37	2,593.7	124.7	-59.8	-122.3	0.00	0.00	0.00
2,700.0	5.42	334.37	2,693.2	133.2	-63.9	-130.6	0.00	0.00	0.00
2,800.0	5.42	334.37	2,792.8	141.7	-68.0	-139.0	0.00	0.00	0.00
2 000 0	E 40	224.27	2 202 2	150.0	70.1	147.2	0.00	0.00	0.00
2,900.0	5.42	334.37	2,892.3	150.2	-72.1	-147.3	0.00	0.00	0.00
3,000.0	5.42	334.37	2,991.9	158.7	-76.2	-155.7	0.00	0.00	0.00
3,100.0	5.42	334.37	3,091.4	167.2	-80.2	-164.0	0.00	0.00	0.00
3,200.0	5.42	334.37	3,191.0	175.7	-84.3	-172.4	0.00	0.00	0.00
3,300.0	5.42	334.37	3,290.5	184.2	-88.4	-180.7	0.00	0.00	0.00
2 400 2	F 40		2 200 4	100.0	00.5	400.4	0.00	0.00	0.00
3,400.0	5.42	334.37	3,390.1	192.8	-92.5	-189.1	0.00	0.00	0.00
3,500.0	5.42	334.37	3,489.6	201.3	-96.6	-197.4	0.00	0.00	0.00
3,600.0	5.42	334.37	3,589.2	209.8	-100.7	-205.8	0.00	0.00	0.00
3,700.0	5.42	334.37	3,688.7	218.3	-104.7	-214.1	0.00	0.00	0.00
3,800.0	5.42	334.37	3,788.3	226.8	-108.8	-222.5	0.00	0.00	0.00
3,900.0	5.42	334.37	3,887.9	235.3	-112.9	-230.8	0.00	0.00	0.00
4,000.0	5.42	334.37	3,987.4	243.8	-117.0	-239.2	0.00	0.00	0.00
4,100.0	5.42	334.37	4,087.0	252.3	-121.1	-247.5	0.00	0.00	0.00
4,200.0	5.42	334.37	4,186.5	260.8	-125.2	-255.8	0.00	0.00	0.00
4,300.0	5.42	334.37	4,286.1	269.4	-129.2	-264.2	0.00	0.00	0.00
4,400.0	5.42	334.37	4,385.6	277.9	-133.3	-272.5	0.00	0.00	0.00
4,500.0	5.42	334.37	4,485.2	286.4	-137.4	-280.9	0.00	0.00	0.00
4,600.0	5.42	334.37	4,584.7	294.9	-141.5	-289.2	0.00	0.00	0.00
4,700.0	5.42	334.37	4,684.3	303.4	-145.6	-297.6	0.00	0.00	0.00
4,800.0	5.42	334.37	4,783.8	311.9	-149.7	-305.9	0.00	0.00	0.00
								0.00	
4,900.0	5.42	334.37	4,883.4	320.4	-153.7	-314.3	0.00	0.00	0.00
5,000.0	5.42	334.37	4,982.9	328.9	-157.8	-322.6	0.00	0.00	0.00
5,100.0	5.42	334.37	5,082.5	337.4	-161.9	-331.0	0.00	0.00	0.00
0,100.0	5.42	334.37	5,182.0	346.0	-166.0	-339.3	0.00	0.00	0.00



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 Well:
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Well #201H

KB = 25' @ 3454.0usft KB = 25' @ 3454.0usft

Grid

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Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,300.0	5.42	334.37	5,281.6	354.5	-170.1	-347.7	0.00	0.00	0.00
5,400.0	5.42	334.37	5,381.2	363.0	-174.2	-356.0	0.00	0.00	0.00
5,500.0	5.42	334.37	5,480.7	371.5	-178.3	-364.4	0.00	0.00	0.00
5,600.0	5.42	334.37	5,580.3	380.0	-182.3	-372.7	0.00	0.00	0.00
5,700.0	5.42	334.37	5,679.8	388.5	-186.4	-381.1	0.00	0.00	0.00
5,800.0	5.42	334.37	5,779.4	397.0	-190.5	-389.4	0.00	0.00	0.00
5,900.0	5.42	334.37	5,878.9	405.5	-194.6	-397.8	0.00	0.00	0.00
6,000.0	5.42	334.37	5,978.5	414.1	-198.7	-406.1	0.00	0.00	0.00
6,100.0	5.42	334.37	6,078.0	422.6	-202.8	-414.5	0.00	0.00	0.00
6,200.0	5.42	334.37	6,177.6	431.1	-206.8	-422.8	0.00	0.00	0.00
6,300.0	5.42	334.37	6,277.1	439.6	-210.9	-431.2	0.00	0.00	0.00
6,400.0	5.42	334.37	6,376.7	448.1	-215.0	-439.5	0.00	0.00	0.00
6,500.0	5.42	334.37	6,476.2	456.6	-219.1	-447.9	0.00	0.00	0.00
6,600.0	5.42	334.37	6,575.8	465.1	-223.2	-456.2	0.00	0.00	0.00
6,700.0	5.42	334.37	6,675.3	473.6	-227.3	-464.6	0.00	0.00	0.00
6,800.0	5.42	334.37	6,774.9	482.1	-231.3	-472.9	0.00	0.00	0.00
6,900.0	5.42	334.37	6,874.5	490.7	-235.4	-481.2	0.00	0.00	0.00
7,000.0	5.42	334.37	6,974.0	499.2	-239.5	-489.6	0.00	0.00	0.00
7,100.0	5.42	334.37	7,073.6	507.7	-243.6	-497.9	0.00	0.00	0.00
7,200.0	5.42	334.37	7,173.1	516.2	-247.7	-506.3	0.00	0.00	0.00
7,300.0	5.42	334.37	7,272.7	524.7	-251.8	-514.6	0.00	0.00	0.00
7,400.0	5.42	334.37	7,372.2	533.2	-255.8	-523.0	0.00	0.00	0.00
7,500.0	5.42	334.37	7,471.8	541.7	-259.9	-531.3	0.00	0.00	0.00
7,600.0	5.42	334.37	7,571.3	550.2	-264.0	-539.7	0.00	0.00	0.00
7,700.0	5.42	334.37	7,670.9	558.7	-268.1	-548.0	0.00	0.00	0.00
7,800.0	5.42	334.37	7,770.4	567.3	-272.2	-556.4	0.00	0.00	0.00
7,900.0	5.42	334.37	7,870.0	575.8	-276.3	-564.7	0.00	0.00	0.00
8,000.0	5.42	334.37	7,969.5	584.3	-280.3	-573.1	0.00	0.00	0.00
8,100.0	5.42	334.37	8,069.1	592.8	-284.4	-581.4	0.00	0.00	0.00
8,200.0	5.42	334.37	8,168.7	601.3	-288.5	-589.8	0.00	0.00	0.00
8,300.0	5.42	334.37	8,268.2	609.8	-292.6	-598.1	0.00	0.00	0.00
8,400.0	5.42	334.37	8,367.8	618.3	-296.7	-606.5	0.00	0.00	0.00
8,500.0	5.42	334.37	8,467.3	626.8	-300.8	-614.8	0.00	0.00	0.00
8,600.0	5.42	334.37	8,566.9	635.3	-304.9	-623.2	0.00	0.00	0.00
8,700.0	5.42	334.37	8,666.4	643.9	-308.9	-631.5	0.00	0.00	0.00
8,800.0	5.42	334.37	8,766.0	652.4	-313.0	-639.9	0.00	0.00	0.00
8,859.8	5.42	334.37	8,825.6	657.5	-315.5	-644.9	0.00	0.00	0.00
8,900.0	4.61	334.37	8,865.5	660.6	-317.0	-648.0	2.00	-2.00	0.00
9,000.0	2.61	334.37	8,965.3	666.3	-319.7	-653.5	2.00	-2.00	0.00
9,100.0	0.61	334.37	9,065.3	668.9	-320.9	-656.0	2.00	-2.00	0.00
9,130.7	0.00	0.00	9,096.0	669.0	-321.0	-656.2	2.00	-2.00	0.00
9,150.0	1.93	179.63	9,115.3	668.7	-321.0	-655.9	10.00	10.00	0.00
9,200.0	6.93	179.63	9,165.1	664.8	-321.0	-652.0	10.00	10.00	0.00
9,250.0	11.93	179.63	9,214.4	656.6	-320.9	-643.8	10.00	10.00	0.00
9,300.0 9,350.0	16.93 21.93	179.63 179.63	9,262.8 9,310.0	644.2 627.5	-320.8 -320.7	-631.4 -614.8	10.00 10.00	10.00 10.00	0.00 0.00
9,400.0	26.93	179.63	9,355.5	606.9	-320.6	-594.1	10.00	10.00	0.00
9,450.0	31.93	179.63	9,399.0	582.3	-320.4	-569.6	10.00	10.00	0.00
9,500.0 9,550.0	36.93	179.63 179.63	9,440.3	554.0 532.3	-320.3 -320.0	-541.3 -509.6	10.00	10.00 10.00	0.00
9,550.0 9,600.0	41.93 46.93	179.63	9,478.9 9,514.6	522.3 487.3	-320.0 -319.8	-509.6 -474.7	10.00 10.00	10.00	0.00 0.00
9,650.0 9,700.0	51.93	179.63	9,547.1	449.3	-319.6	-436.7	10.00	10.00	0.00
	56.93	179.63	9,576.1	408.7	-319.3	-396.1	10.00	10.00	0.00



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Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,800.0	66.93	179.63	9,623.1	320.6	-318.7	-308.1	10.00	10.00	0.00
9,850.0	71.93	179.63	9,640.7	273.8	-318.4	-261.3	10.00	10.00	0.00
9,900.0	76.93	179.63	9,654.1	225.6	-318.1	-213.2	10.00	10.00	0.00
9,950.0	81.93	179.63	9,663.3	176.5	-317.8	-164.1	10.00	10.00	0.00
10,000.0	86.93	179.63	9,668.1	126.7	-317.5	-114.5	10.00	10.00	0.00
10,030.7	90.00	179.63	9,669.0	96.1	-317.3 -316.8	-83.8	10.00	10.00 0.00	0.00
10,100.0	90.00	179.63	9,669.0	26.8		-14.6	0.00		0.00
10,200.0	90.00	179.63	9,669.0	-73.2	-316.2	85.3	0.00	0.00	0.00
10,300.0	90.00	179.63	9,669.0	-173.2	-315.5	185.2	0.00	0.00	0.00
10,400.0 10,500.0	90.00 90.00	179.63 179.63	9,669.0 9,669.0	-273.2 -373.2	-314.9 -314.2	285.1 385.0	0.00 0.00	0.00 0.00	0.00 0.00
10,600.0	90.00	179.63	9,669.0	-473.2	-313.6	484.9	0.00	0.00	0.00
10,700.0 10,800.0	90.00 90.00	179.63 179.63	9,669.0 9,669.0	-573.2 -673.2	-313.0 -312.3	584.8 684.7	0.00 0.00	0.00 0.00	0.00 0.00
10,900.0	90.00	179.63	9,669.0	-773.2	-312.3 -311.7	784.6	0.00	0.00	0.00
11,000.0	90.00	179.63	9,669.0	-873.2	-311.0	884.5	0.00	0.00	0.00
11,100.0	90.00	179.63	9,669.0	-973.2	-310.4	984.4	0.00	0.00	0.00
11,200.0	90.00	179.63	9,669.0	-1,073.2	-309.7	1,084.3	0.00	0.00	0.00
11,300.0	90.00	179.63	9,669.0	-1,173.2	-309.1	1,184.2	0.00	0.00	0.00
11,400.0	90.00	179.63	9,669.0	-1,273.2	-308.4	1,284.1	0.00	0.00	0.00
11,500.0	90.00	179.63	9,669.0	-1,373.2	-307.8	1,384.0	0.00	0.00	0.00
11,600.0	90.00	179.63	9,669.0	-1,473.2	-307.1	1,483.9	0.00	0.00	0.00
11,700.0	90.00	179.63	9,669.0	-1,573.2	-306.5	1,583.8	0.00	0.00	0.00
11,800.0	90.00	179.63	9,669.0	-1,673.2	-305.8	1,683.7	0.00	0.00	0.00
11,900.0	90.00	179.63	9,669.0	-1,773.2	-305.2	1,783.6	0.00	0.00	0.00
12,000.0	90.00	179.63	9,669.0	-1,873.2	-304.5	1,883.5	0.00	0.00	0.00
12,100.0	90.00	179.63	9,669.0	-1,973.2	-303.9	1,983.4	0.00	0.00	0.00
12,200.0	90.00	179.63	9,669.0	-2,073.2	-303.2	2,083.3	0.00	0.00	0.00
12,300.0	90.00	179.63	9,669.0	-2,173.2	-302.6	2,183.2	0.00	0.00	0.00
12,400.0	90.00	179.63	9,669.0	-2,273.2	-301.9	2,283.1	0.00	0.00	0.00
12,500.0 12,600.0	90.00 90.00	179.63 179.63	9,669.0 9,669.0	-2,373.2 -2,473.2	-301.3 -300.6	2,383.0 2,482.9	0.00 0.00	0.00 0.00	0.00 0.00
12,700.0	90.00	179.63	9,669.0	-2,573.2	-300.0	2,582.8	0.00	0.00	0.00
12,800.0	90.00	179.63	9,669.0	-2,673.2	-299.4	2,682.7 2,782.6	0.00	0.00	0.00
12,900.0 13,000.0	90.00 90.00	179.63 179.63	9,669.0 9,669.0	-2,773.2 -2,873.2	-298.7 -298.1	2,782.6	0.00 0.00	0.00 0.00	0.00 0.00
13,100.0	90.00	179.63	9,669.0	-2,973.2	-297.4	2,982.4	0.00	0.00	0.00
13,200.0	90.00	179.63	9,669.0	-3,073.2	-296.8	3,082.3	0.00	0.00	0.00
13,200.0	90.00	179.63	9,669.0	-3,073.2 -3,173.2	-296.6 -296.1	3,182.2	0.00	0.00	0.00
13,400.0	90.00	179.63	9,669.0	-3,273.2	-295.5	3,282.1	0.00	0.00	0.00
13,500.0	90.00	179.63	9,669.0	-3,373.2	-294.8	3,382.0	0.00	0.00	0.00
13,600.0	90.00	179.63	9,669.0	-3,473.2	-294.2	3,481.9	0.00	0.00	0.00
13,700.0	90.00	179.63	9,669.0	-3,573.2	-293.5	3,581.8	0.00	0.00	0.00
13,800.0	90.00	179.63	9,669.0	-3,673.2	-292.9	3,681.7	0.00	0.00	0.00
13,900.0	90.00	179.63	9,669.0	-3,773.2	-292.2	3,781.6	0.00	0.00	0.00
14,000.0	90.00	179.63	9,669.0	-3,873.2	-291.6	3,881.5	0.00	0.00	0.00
14,100.0	90.00	179.63	9,669.0	-3,973.2	-290.9	3,981.4	0.00	0.00	0.00
14,200.0	90.00	179.63	9,669.0	-4,073.2	-290.3	4,081.3	0.00	0.00	0.00
14,300.0	90.00	179.63	9,669.0	-4,173.2	-289.6	4,181.2	0.00	0.00	0.00
14,400.0	90.00	179.63	9,669.0	-4,273.2	-289.0	4,281.1	0.00	0.00	0.00
14,500.0	90.00	179.63	9,669.0	-4,373.2 4,473.1	-288.3	4,381.0	0.00	0.00	0.00
14,600.0	90.00	179.63	9,669.0	-4,473.1	-287.7	4,480.9	0.00	0.00	0.00
14,700.0	90.00	179.63	9,669.0	-4,573.1	-287.0	4,580.8	0.00	0.00	0.00
14,800.0	90.00	179.63	9,669.0	-4,673.1	-286.4	4,680.7	0.00	0.00	0.00



Database: Company:

Wellbore: Design:

EDM

EOG Resources - Midland

Project: Lea County, NM (NAD 83 NME)

Site: Antietam 9 Fed Com Well:

#201H ОН

Plan #0.1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #201H

KB = 25' @ 3454.0usft KB = 25' @ 3454.0usft

Grid

nned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,900.0	90.00	179.63	9,669.0	-4,773.1	-285.7	4,780.6	0.00	0.00	0.00
15,000.0	90.00	179.63	9,669.0	-4,873.1	-285.1	4,880.5	0.00	0.00	0.00
15,100.0	90.00	179.63	9,669.0	-4,973.1	-284.5	4,980.4	0.00	0.00	0.00
15,200.0	90.00	179.63	9,669.0	-5,073.1	-283.8	5,080.3	0.00	0.00	0.00
15,300.0	90.00	179.63	9,669.0	-5,173.1	-283.2	5,180.2	0.00	0.00	0.00
15,400.0	90.00	179.63	9,669.0	-5,273.1	-282.5	5,280.1	0.00	0.00	0.00
15,500.0	90.00	179.63	9,669.0	-5,373.1	-281.9	5,380.0	0.00	0.00	0.00
15,600.0	90.00	179.63	9,669.0	-5,473.1	-281.2	5,479.9	0.00	0.00	0.00
15,700.0	90.00	179.63	9,669.0	-5,573.1	-280.6	5,579.8	0.00	0.00	0.00
15,800.0	90.00	179.63	9,669.0	-5,673.1	-279.9	5,679.7	0.00	0.00	0.00
15,900.0	90.00	179.63	9,669.0	-5,773.1	-279.3	5,779.6	0.00	0.00	0.00
16,000.0	90.00	179.63	9,669.0	-5,873.1	-278.6	5,879.5	0.00	0.00	0.00
16,100.0	90.00	179.63	9,669.0	-5,973.1	-278.0	5,979.4	0.00	0.00	0.00
16,200.0	90.00	179.63	9,669.0	-6,073.1	-277.3	6,079.3	0.00	0.00	0.00
16,300.0	90.00	179.63	9,669.0	-6,173.1	-276.7	6,179.2	0.00	0.00	0.00
16,400.0	90.00	179.63	9,669.0	-6,273.1	-276.0	6,279.1	0.00	0.00	0.00
16,500.0	90.00	179.63	9,669.0	-6,373.1	-275.4	6,379.0	0.00	0.00	0.00
16,600.0	90.00	179.63	9,669.0	-6,473.1	-274.7	6,478.9	0.00	0.00	0.00
16,700.0	90.00	179.63	9,669.0	-6,573.1	-274.1	6,578.8	0.00	0.00	0.00
16,800.0	90.00	179.63	9,669.0	-6,673.1	-273.4	6,678.7	0.00	0.00	0.00
16,900.0	90.00	179.63	9,669.0	-6,773.1	-272.8	6,778.6	0.00	0.00	0.00
17,000.0	90.00	179.63	9,669.0	-6,873.1	-272.1	6,878.5	0.00	0.00	0.00
17,100.0	90.00	179.63	9,669.0	-6,973.1	-271.5	6,978.4	0.00	0.00	0.00
17,176.9	90.00	179.63	9,669.0	-7,050.0	-271.0	7,055.2	0.00	0.00	0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP (Antietam 9 Fed Co - plan hits target cen - Point		0.00	9,096.0	669.0	-321.0	419,872.00	773,451.00	32.1520840°N	103.5833200°W
PBHL (Antietam 9 Fed C - plan hits target cen - Point		0.00	9,669.0	-7,050.0	-271.0	412,153.00	773,501.00	32.1308658°N	103.5833321°W
FTP (Antietam 9 Fed Co - plan misses target - Point		0.00 .4usft at 958	9,669.0 3.1usft MD (9	669.0 9502.8 TVD, 4	-321.0 199.5 N, -319.9	419,872.00 9 E)	773,451.00	32.1520840°N	103.5833200°W

Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher
- H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
 - c. Two wind socks will be placed in strategic locations, visible from all angles.

■ Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

■ Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

■ Communication:

Communication will be via cell phones and land lines where available.

Emergency Assistance Telephone List

PUBLIC SAFETY:	911 or
Lea County Sheriff's Department	(575) 396-3611
Rod Coffman	
Fire Department:	
Carlsbad	(575) 885-3125
Artesia	(575) 746-5050
Hospitals:	
Carlsbad	(575) 887-4121
Artesia	(575) 748-3333
Hobbs	(575) 392-1979
Dept. of Public Safety/Carlsbad	(575) 748-9718
Highway Department	(575) 885-3281
New Mexico Oil Conservation	(575) 476-3440
U.S. Dept. of Labor	(575) 887-1174
EOG Resources, Inc.	
EOG / Midland	Office (432) 686-3600
Company Drilling Consultants:	
Jett Dueitt	Cell (432) 230-4840
Blake Burney	
D 1111 E .	
Drilling Engineer	055 (422) 606 2600
Steve Munsell	Office (432) 686-3609
D.:::: M	Cell (432) 894-1256
Drilling Manager	Office (422) 696 2751
Aj Dach	Office (432) 686-3751
Duilling Comparinter dans	Cell (817) 480-1167
Drilling Superintendent Jason Townsend	Office (422) 848 0200
Jason Townsend	Office (432) 848-9209
II & D Duddin a	Cell (210) 776-5131
H&P Drilling	Office (422) 562 5757
H&P Drilling	Office (432) 563-5757
H&P 415 Drilling Rig	Rig (432) 230-4840
Tool Pusher:	
Johnathan Craig	Cell (817) 760-6374
Brad Garrett	(017) 700-0374
Dian Caricu	
Safety	
Brian Chandler (HSE Manager)	Office (432) 686-3695
Zimi Simioto (IISZ IIIIIIgo)	Cell (817) 239-0251
	(017) 237 0231

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

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCD—HOBBS
06|23|2020
06|23|2020
06|23|2020

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

AMENDED REPORT

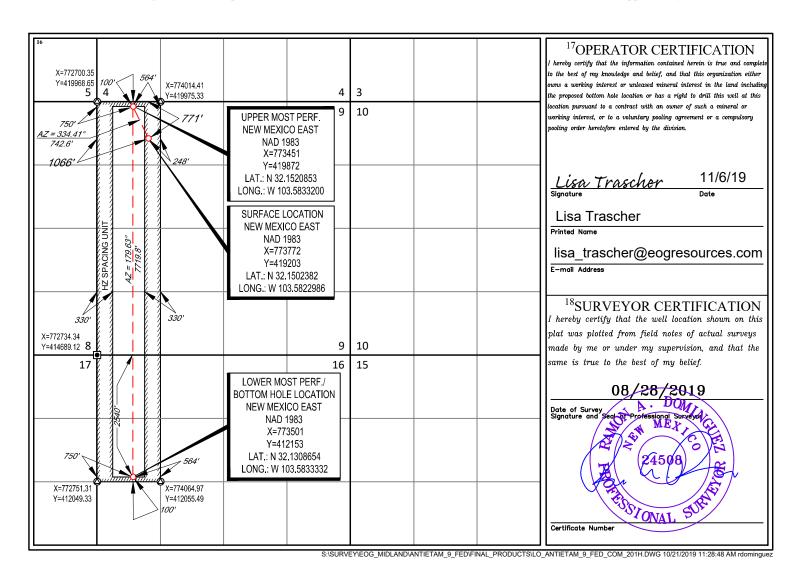
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	r	² Pool Code	³ Pool Name				
30-025 - 47358	97	7900	RED HILLS; UPPER BONE SPRING SH	HALE			
⁴ Property Code		⁵ Pro	operty Name	⁶ Well Number			
317131		ANTIETAN	M 9 FED COM	#201H			
⁷ OGRID No.		⁸ Opc	erator Name	⁹ Elevation			
7377		EOG RES	OURCES, INC.	3429'			

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	25-S	33-E	_	771'	NORTH	1066'	WEST	LEA
			11]	Bottom Ho	le Location If D	Different From Su	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	25-S	33-E	_	2540'	NORTH	750'	WEST	LEA
12Dedicated Acres	¹³ Joint or l	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.				
240.00									

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.



Inten	t	As Drill	led											
API#	ţ													
Ope	erator Nar	me:				Pro	perty N	lame	:					Well Number
Kick (Off Point	(KOP)												
UL	Section	Township	Range	Lot	Feet		From N	1/S	Feet	I	From	E/W	County	
Latitu	nde				Longitu	ıde							NAD	
	Take Poin		 											
UL	Section	Township	Range	Lot	Feet	From N/S Feet From E/W County								
Latitu					Longitu	ıde 							NAD	
	Tele Dain	· /: TD\												
Last I	Take Poin Section	t (LTP) Township	Range	Lot	Feet	T _{Frc}	om N/S	Feet	·	From E/	′w	Count	v	
Latitu		10111.5	Tiunge		Longitu							NAD	7	
Laut					LUngitu	lue						INAU		
Is this	s well the	e defining w	vell for th	ne Hori	zontal Sı	pacin	ıg Unit?	, [7				
							J	<u>L</u>		_				
Is this	s well an	infill well?												
	II is yes pling Unit.	lease provi	ide API if	availak	ole, Oper	rator	Name	and v	vell nı	umber f	or D	efinir	ng well fo	or Horizontal
API#	ļ]											
Ope	erator Nar	me:				Pro	perty N	lame	:					Well Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 OCD HOBBS 06/23/2020 RECEIVED

GAS CAPTURE PLAN

Date: 11/06/2019		
⊠ Original	Operator & OGRID No.:	EOG Resources, Inc. 7377
☐ Amended - Reason for Amendment:		

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected	Flared or	Comments
		(ULSTR)		MCF/D	Vented	
Antietam 9 Fed Com 201H	30-025-****	D-9-25S-33E	771' FNL & 1066' FWL	±3500	None	APD Submission
	47358				Planned	
Antietam 9 Fed Com 202H	30-025-****	C-9-25S-33E	836' FNL &	±3500	None	APD Submission
			2041' FWL		Planned	
Antietam 9 Fed Com 203H	30-025-****	C-9-25S-33E	840' FNL &	±3500	None	APD Submission
			2107' FWL		Planned	
Antietam 9 Fed Com 204H	30-025-****	A-9-25S-33E	1226' FNL	±3500	None	APD Submission
			&1243' FEL		Planned	
Antietam 9 Fed Com 205H	30-025-****	A-9-25S-33E	1160' FNL	±3500	None	APD Submission
			& 1243' FEL		Planned	
Antietam 9 Fed Com 206H	30-025-****	A-9-25S-33E	1112' FNL	±3500	None	APD Submission
		11 7 200 002	& 750' FEL		Planned	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Lucid Energy Enterprise & Regency Field Services</u> and will be connected to <u>EOG Resources</u> low/high pressure gathering system located in Lea County, New Mexico. EOG Resources provides (periodically) to <u>Lucid Energy, Enterprise & Regency Field Services</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources and <u>Lucid Energy, Enterprise & Regency Field Services</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Lucid Energy, Enterprise & Regency Field Services</u> Processing Plant located in Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on **Lucid Energy, Enterprise & Regency Field Services** system at that time. Based on current information, it is **EOG Resources**' belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines