

APR 04 2016

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**1. GEOLOGIC NAME OF SURFACE FORMATION:**

Permian

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

Rustler	1,218'
Top of Salt	1,710'
Base of Salt / Top Anhydrite	5,000'
Base Anhydrite	5,248'
Lamar	5,248'
Bell Canyon	5,279'
Cherry Canyon	6,273'
Brushy Canyon	7,725'
Bone Spring Lime	9,250'
1 <sup>st</sup> Bone Spring Sand	10,220'
2 <sup>nd</sup> Bone Spring Lime	10,670'
2 <sup>nd</sup> Bone Spring Sand	10,940'
3 <sup>rd</sup> Bone Spring Lime	11,360'
3 <sup>rd</sup> Bone Spring Sand	11,960'
Wolfcamp	12,300'
TD	12,500'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,273'	Oil
Brushy Canyon	7,725'	Oil
Bone Spring Lime	9,250'	Oil
1 <sup>st</sup> Bone Spring Sand	10,220'	Oil
2 <sup>nd</sup> Bone Spring Lime	10,670'	Oil
2 <sup>nd</sup> Bone Spring Sand	10,940'	Oil
3 <sup>rd</sup> Bone Spring Lime	11,360'	Oil
3 <sup>rd</sup> Bone Spring Sand	11,960'	Oil
Wolfcamp	12,300'	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 1,300' and circulating cement back to surface.

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HAWK 26 FED NO. 708H

4. CASING PROGRAM - NEW SEE COA

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF <sub>min</sub> Collapse	DF <sub>min</sub> Burst	DF <sub>min</sub> Tension
17.5"	0 - 1,300'	13.375"	54.5#	J55	STC	1.125	1.25	1.60
12.25"	0-4,000'	9.625"	40#	J55	LTC	1.125	1.25	1.60
12.25"	4,000' - 5,100'	9.625"	40#	HCK55	LTC	1.125	1.25	1.60
8.75"	0'-17,818'	5.500"	17#	<del>P110</del> or HCP110	LTC	1.125	1.25	1.60

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Cementing Program:

Depth	No. Sacks	Wt. lb/gal	Yld Ft <sup>3</sup> /ft	Mix Water Gal/sk	Slurry Description
13-3/8" 1,300'	600	13.5	1.73	9.13	Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl <sub>2</sub> + 0.25 lb/sk Cello-Flake (TOC @ surface)
	300	14.8	1.34	6.34	Tail: Class C + 0.005 pps Static Free + 2% CaCl <sub>2</sub> + 0.25 pps CelloFlake + 0.005 gps FP-6L
9-5/8" 5,100'	1000	12.7	2.22	12.38	Lead: Class 'C' + 1.50% R-3 + 0.25 lb/sk Cello-Flake + 2.0% Sodium Metasilicate + 10% Salt + 0.005 lb/sk Static Free (TOC @ surface)
	200	14.8	1.32	6.33	Tail: Class 'C' + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
5-1/2" 17,818'	775	9.0	2.79	10.12	Lead: LiteCRETE + 0.10% D-065 + 0.20% D-046 + 0.40% D-167 + 0.20% D-198 + 0.04% D-208 + 2.0% D-174 (TOC @ 4,600')
	2100	14.4	1.28	5.69	Tail: Class H + 47.01 pps D-909 + 37.01 pps + 5.0% D-020 + 0.30% D-013 + 0.20% D-046 + 0.10% D-065 + 0.50% D-167 + 2.0% D-174

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:

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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 double ram-type (10,000 psi WP) preventer and an annular preventer (5000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

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

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

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

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

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

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

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

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,300'	Fresh Water Gel	8.6-8.8	28-34	N/c
1,300' – 5,100'	Saturated Brine	10.0-10.2	28-34	N/c
5,100' – 12,030'	Oil Base	8.7-9.4	58-68	N/c - 6
12,030' – 17,818' Lateral	Oil base	10.0-10.5	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) H<sub>2</sub>S monitoring and detection equipment will be utilized from surface casing point to TD.

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**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.

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

The estimated bottom-hole temperature (BHT) at TD is 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5412 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

**10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

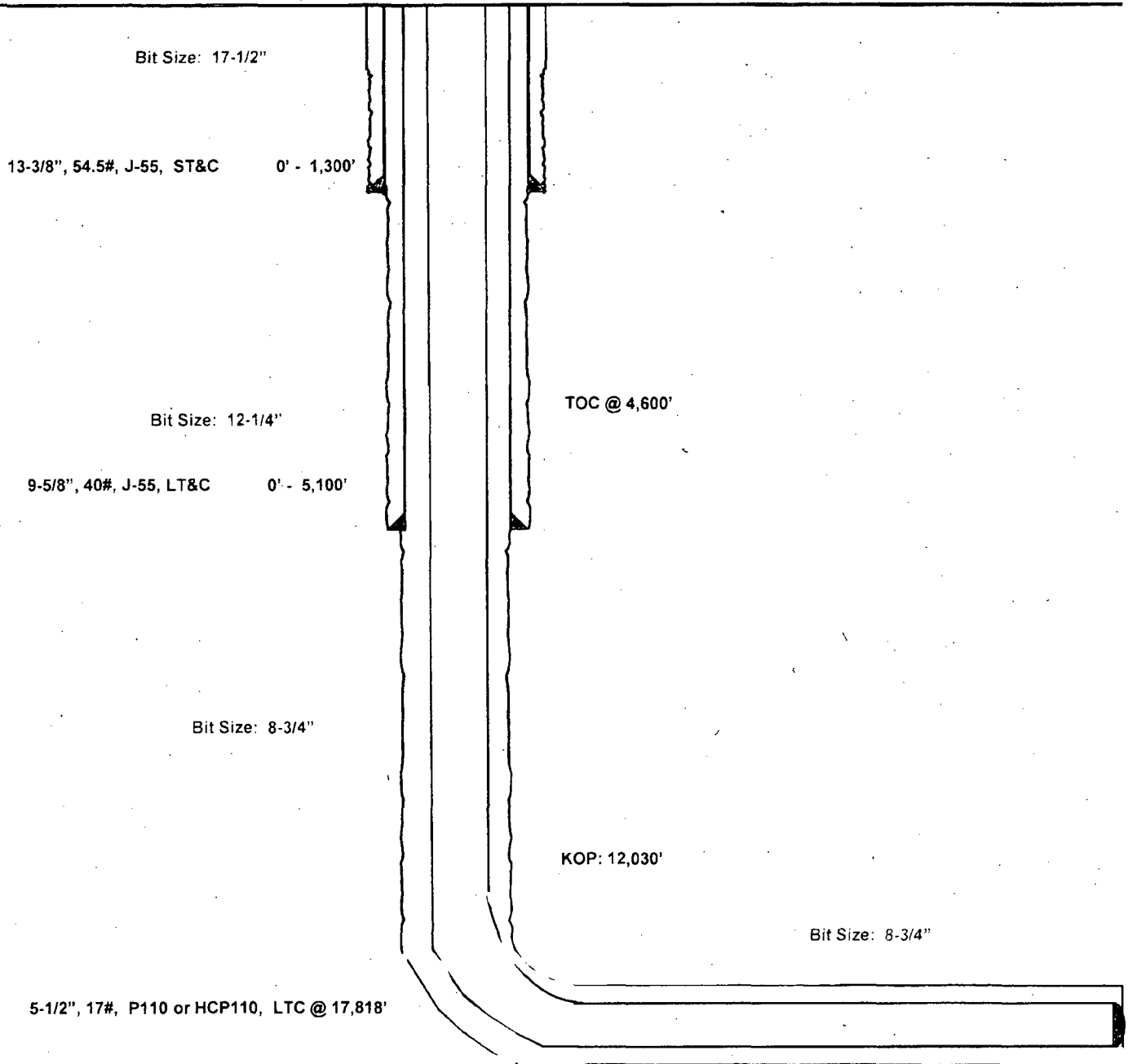
The drilling operation should be finished in approximately one month. If the well is productive, an additional 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.

Hawk 26 Fed #708H  
Lea County, New Mexico  
Proposed Wellbore

500' FSL  
1679' FEL  
Section 26  
T-24-S, R-33-E

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

KB: 3,558'  
GL: 3,528'



Lateral:  
17,818' MD, 12,500' TVD  
Upper Most Perf:  
10' FNL & 1388' FEL  
Lower Most Perf:  
330' FSL & 1394' FEL  
BH Location: 230' FSL & 1394' FEL  
Section 35  
T-24-S, R-33-E