1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	783;
Top of Salt	1,138'
Base of Salt / Top Anhydrite	4,843
Lamar	4,843;
Bell Canyon	4,883;
Cherry Canyon	5,763
Brushy Canyon	7,573
Bone Spring Lime	9,003
1 st Bone Spring Sand	10,000
2 nd Bone Spring Lime	10,360°
2 nd Bone Spring Sand	10,520°
3 rd Bone Spring Sand	11,650'
Wolfcamp	12,060
TD	12,280

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

Upper Permian Sands	0-400	Fresh Water
Cherry Canyon /	5,763	Oil
Brushy Canyon	7,573	Oil
1st Bone Spring Sand	10,000	Oil
2 nd Bone Spring Lime	10,360'	Oil
2 nd Bone Spring Sand	10,520'	Oil
3 rd Bone Spring Sand	11,650	Oil
Wolfcamp	12,060	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 10.75" casing at 875' and circulating cement back to surface.

4. CASING PROGRAM - NEW

SEE COA

Hole		Csg				DF _{min}	DF _{min}	\mathbf{DF}_{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
14.75"	0 – 875	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0-8,000	7.625"	29.7#	HCP-110	LTC	1.125	. 1.25	1.60
8.75"	8,000' - 10.900'	7.625"	29.7#	HCP-110	Ultra FJ	1.125.	1.25	1.60
6.75"	0'-17,033'	5.5"	23#	HCP-110	ULT SFII	1.125	1.25	1.60

Variance is requested to wave the centralizer requirements for the 7-5/8" FJ casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" hole interval to maximize cement bond and zonal isolation. Centralizers will be placed in the 9-7/8" hole interval at least one every third joint.

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

Cementing Program:

D4b	No.	Wt.	Yld Ft ³ /ft	Mix	Shama Doganiation
Depth	Sacks	ppg	F1-/11	Water Gal/sk	Slurry Description
10-3/4"	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl ₂ + 0.25
875					lb/sk Cello-Flake (TOC @ Surface)
	200	14.8	1.34	6.34	Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
					Sodium Metasilicate
7-5/8"	750	9.0	2.50	9.06	Class C + 0.6% ASM-3 + 0.15% CDF-4P + 0.6% LTR + 0.5%
10,900					SCA-6 + 0.13 pps LCL-11 + 0.13 pps LDP-c-0215
	500	12.5	1.71	9.06	Class C + 0.6% LTR + 0.5% SCA-6 + 0.6% ASM-3 + 0.15%
					CDF-4P + 0.13% LCL-11 + 0.13% LCF-7
	250	15.6	1.19	5.20	Class H + 0.2% ASM-3 + 0.3% SCA-6 + 0.65% LTR + 0.3%
					SPC-2
5-1/2"	575	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 +
17.033					0.40% C-17

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:

SEE

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

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

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 5000/250 psig and the annular preventer to 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 – 875	Fresh - Gel	8.6-8.8	28-34	N/c
875' – 10,900'	Brine	8.8-10.0	28-34	N/c
10,900' - 17,033'	Oil Base	10.0-11.5	58-68	3 - 6
Lateral	•			

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

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) H₂S monitoring and detection equipment will be utilized from surface casing point to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

SEE COA

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:

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The estimated bottom-hole temperature (BHT) at TD is 179 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7343 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from 7,300° to Intermediate casing point.

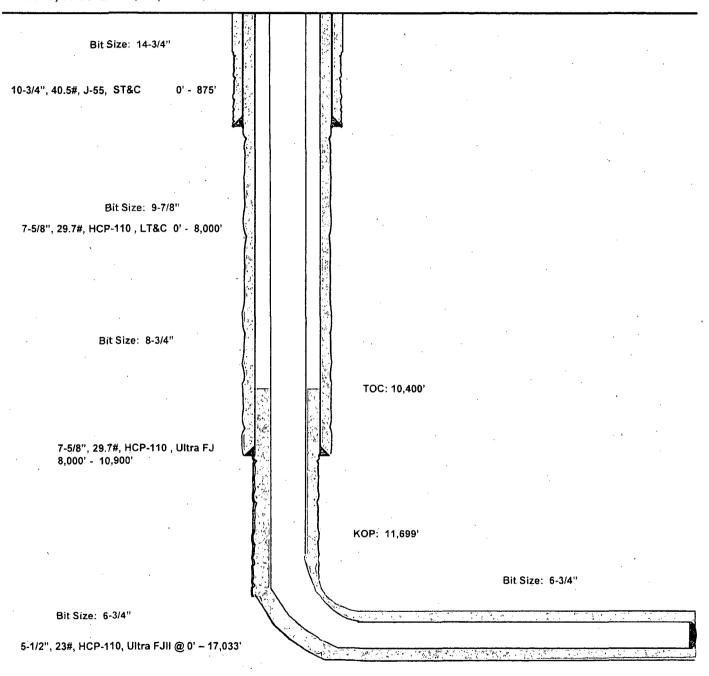
10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

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

Orrtanna 20 Fed #702H

221' FSL 995' FWL Section 20 T-26-S, R-33-E Lea County, New Mexico Proposed Wellbore Revised 3/29/16 API: 30-025-42938

KB: 3,250' GL: 3,220'



Lateral: 17,033' MD, 12,280' TVD Upper Most Perf: 330' FSL & 990' FWL Sec. 20 Lower Most Perf: 330' FNL & 990' FWL Sec. 20

330' FNL & 990' FWL Sec. 20
BH Location: 230' FNL & 990' FWL
Section 20
T-26-S, R-33-E

PERFORMANCE DATA

TMK UP ULTRA™ FJ Technical Data Sheet

7.625 in

29.70 lbs/ft

lbs/ft

P110 HC - EVRAZ

psi

psi

psi psi

Tubular Parameters					
Size	7.625	rii	Minimum Yield	110,000	
Nominal Weight	29 70	1bs/ft	Minimum Tensile	125,000	
Grade	10 HC - EVRAZ	3AZ	Yield Load	939,000	
PE Weight	29.04	lbs/ft	Tensile Load	1,067,000	
Wall Thickness	0.375	Ξ	Min, Internal Yield Pressure	9.420	
Nominal ID	6.875	<u>.</u> £	Collapse Pressure	7,610	
Drift Diametar	6.750	. £		•	
Nom. Pipe Body Area	8.541	inz			
					ţ.
Connection Parameters					
Connection OD	7.625	Ŀ			
Connection ID	6.881	٤			1
Make-Up Loss	4.022	£			
Critical Section Area	5.316	2 רוו			
Tension Efficiency	62.2	%			
Compression Efficiency	62.2	%	2		
Yield Load In Tension	584,000	sqı			
Min. Internal Yield Pressure	9.470	psi			
Collapse Pressure	7.610	psi			
Uniaxial Bending	. 7	% 100 tt			10

ft-ibs ft-ibs ft-Ibs

17.700 19.700 21.700

Мах. Make-Up Torque

Yield Torque

Min Make-Up Torque Opt. Make-Up Torque

Make-Up Torques

PREMIUM CONNECTIONS PERFORMANCE DATA

Size 5.500

NomWt 23.0

Grade P-110 HC

TMK UP ULTRATM

23.0lbs/ft 5.500in

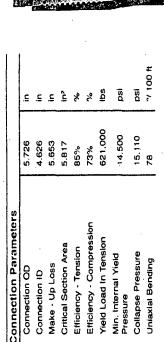
P-110 HC

Technical Data Sheet

SFII

	Minimum Yield
ps/#	Minimum Tensile
	Yield Load
lbs/#	Tensile Load
	Min. Internal Yield Pl
	Collapse Pressure
in,	
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<u>.c</u>	Minimum Yield	110,000	psi
. 1J/sqi	Minimum Tensile	125,000	psi
	Yield Load	729.000	sqj
lbs/#	Tensile Load	828,000	sqj
. <u>.</u>	Min. Internal Yield Pressure	14,500	psi
Ē	Collapse Pressure	15,110	psi
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	ft-lbs	ff-lbs	ft-lbs	ft-lbs
	15,500	16,300	18,700	24.800
Make-Up Torques	Min. Make-Up Torque	Optimum Make-Up Torque	Max Make-Up Torque	Yield Torque