UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Expires: July 31, 201

5. Lease Serial No.

OCD HODDS

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.

NMNM19858

6. If Indian, Allottee or Tribe Name

ubundoned wor	000 101111 0100-0 (A11	o, for such p	roposars.			
SUBMIT IN TRII		7. If Unit or CA/Agree	ement, Name and/or No.			
Type of Well	8. Well Name and No. HAWK 26 FED 710H					
Name of Operator EOG RESOURCES, INC.	9. API Well No. 30-025-42403					
3a. Address P.O. BOX 2267 MIDLAND, TX 79702		3b. Phone No. Ph: 432-68	3b. Phone No. (include area code) Ph: 432-686-3689		10. Field and Pool, or Exploratory WC-025 G-09 S243336I	
4. Location of Well (Footage, Sec., To Sec 26 T24S R33E SESE 500)	JUN 0 6 2016		11. County or Parish, and State LEA COUNTY, NM		
12 CHECK ADDI	ROPRIATE BOX(ES) TO	NIDICATE	RECEIV		EDODT OF OTHE	P DATA
	COFRIATE BOX(ES) TO	INDICATE			EFORT, OR OTHER	KDATA
TYPE OF SUBMISSION			TYPE O	F ACTION		
☐ Notice of Intent	☐ Acidize	☐ Dee			tion (Start/Resume)	☐ Water Shut-Off
Subsequent Report ■	☐ Alter Casing	_	ture Treat	☐ Reclam		☐ Well Integrity
	☐ Casing Repair	_	Construction	□ Recom		☑ Other Change to Original A
☐ Final Abandonment Notice	☐ Change Plans		and Abandon		rarily Abandon	PD
	☐ Convert to Injection	☐ Plug	Back	☐ Water I	Disposal	
EOG Resources requests and casing design and our intention. Detailed information regarding	n to use a multi-bowl wel	lhead system	in the drilling of	the well.		
14. I hereby certify that the foregoing is	Electronic Submission #	338366 verifie	d by the BLM We	ell Information	n System	
	For EOG F	RESOURCES, or processing	NC., sent to the by PRISCILLA PI	Hobbs EREZ on 05/1	8/2016 ()	
Name(Printed/Typed) STAN WA	- 5	Title REGULATORY ANALYST				
Signature (Electronic S		Date 05/04/2016				
20	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE	
Approved By Can will	Bennit		Title Petal	eur E	vinen	Date 6/1/20H
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conductive th	itable title to those rights in the		Office Ca.	ilsbe	Fold Off	ű Q
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a statements or representations as	crime for any pe to any matter w	rson knowingly and thin its jurisdiction	d willfully to m	ake to any department or	agency of the United

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **



NOI Casing Sundry - Hawk 26

3 messages

Stan Wagner <Stan_Wagner@eogresources.com>
To: "Rennick, Kenneth" <krennick@blm.gov>

Tue, May 31, 2016 at 10:44 AM

Good morning Kenny,

Hope you had a good weekend and holiday.

Attached are two NOI sundry casing changes for the Hawk 26, 709H & 710H that I filed on 5/4/16. They are the routine design of late.

There is no immediate hurry on these, but they are coming up in about 2 weeks. I know drilling will be asking for them soon.

If you can fit them in sometime soon, I would appreciate it.

Thanks,

Stan

2 attachments



Hawk 26 - 709H.pdf 3039K



Hawk 26 - 710H.pdf 3011K

Rennick, Kenneth < krennick@blm.gov>

To: Stan Wagner < Stan_Wagner@eogresources.com>

Cc: Edward Fernandez <efernand@blm.gov>

Hello Mr. Stan Wagner,

I hope all is well!

I reviewing these sundry notifications. I am calculating a collapse factor for the 7 5/8 inch intermediate casing that is below the required 1.125.

This is a similar case that Mr. Robert Bosig of the EOG and Mr. Charles Nimmer of the BLM discussed for the Thor 21 FC No. 704H. The solution was that Nimmer required that the intermediate casing be kept fluid fill to satisfy the collapse requirements.

Tue, May 31, 2016 at 2:02 PM

I just want to make sure that is EOG is planning to keep the intermediate casing fluid filled for these wells to satisfy the collapse factor.

Thank You in Advance!

Kenny Rennick [Quoted text hidden]

Kenneth Rennick

Petroleum Engineer Bureau of Land Management Carlsbad Field Office (575) 234-5964 krennick@blm.gov

Stan Wagner <Stan_Wagner@eogresources.com>
To: "Rennick, Kenneth" <krennick@blm.gov>

Wed, Jun 1, 2016 at 6:52 AM

Yes, we will.

From: Rennick, Kenneth [mailto:krennick@blm.gov]

Sent: Tuesday, May 31, 2016 3:02 PM

To: Stan Wagner

Cc: Edward Fernandez

Subject: Re: NOI Casing Sundry - Hawk 26

** External email. Use caution.**

[Quoted text hidden]



Relevant for Hawk 26 Fed 710H

Sundry NOI - Casing Change - Thor 21 Fed Com 703H & 704H

Steve Munsell <Steve_Munsell@eogresources.com> Wed, Mar 30, 2016 at 9:27 AM To: "Rennick, Kenneth" <krennick@blm.gov>, Stan Wagner <Stan_Wagner@eogresources.com>

Cc: Bruce Coit <Bruce Coit@eogresources.com>

Kenneth.

We will resubmit and change the anticipated mud weight range to 10.0 to 11.5 ppg. Normally we drill these laterals with mud weights ranging from 9.5 to 11.5 ppg. Almost always we get it done with 10.5 ppg or less.

So the 11.5 ppg maximum anticipated MW keeps us below the 5000 psi shut in surface pressure scenario.

I'm very comfortable with this. All of our rigs are equipped with 10,000 psi BOPs and chokes. The only piece of equipment that is not rated for 10,000 psi is the annular BOP.

Also we have all rigs equipped with two sets of pipe rams and one set of blinds (single BOP, mud cross, dual BOP, annular).

Thanks for your help.

>>>Munsell

From: Rennick, Kenneth [mailto:krennick@blm.gov]

Sent: Wednesday, March 30, 2016 9:59 AM

To: Stan Wagner < Stan Wagner@eogresources.com>

Cc: Bruce Coit <Bruce Coit@eogresources.com>; Steve Munsell <Steve Munsell@eogresources.com>

Subject: Re: Sundry NOI - Casing Change - Thor 21 Fed Com 703H & 704H

** External email. Use caution. **

Hello Gentlemen,

[Quoted text hidden]
[Quoted text hidden]

Hawk 26 Fed No. 710H 30-025-42403 **EOG** Resources, Inc Surface Location: Sec. 26, T. 24S, R. 33E

Conditions of Approval

See below for the updated Conditions of Approval for the Drilling Section.

DRILLING

DRILLING OPERATIONS REQUIREMENTS A.

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. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the Bone Spring Sandstone. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.
- 2. 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. If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. 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 is located, this does not include the dog house or stairway area.

4. 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.

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE.

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.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Risks:

Possibility of water flows in the Salado and in the Castile.

Possibility of lost circulation in the Red Beds, in the Rustler and in the Delaware.

Abnormal pressures may be encountered upon penetrating the 3rd Bone Spring Sandstone and all subsequent formations.

- 1. The 10 3/4 inch surface casing shall be set at approximately 1300 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet 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 is to include the lead cement slurry.
 - 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.

Formation below the 10 3/4 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

The intermediate casing shall be kept fluid filled to avoid approaching the minimum collapse pressure rating of the casing.

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

Formation below the 7 5/8 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Variance is granted for centralizers in the production interval per the drilling program.

3. The minimum required fill of cement behind the 5 1/2 inch production casing is:

Ement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. Additional cement may be required since excess was calculated to be 23%.

4. 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.

C. 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 53.
- 2. Variance approved to use flex line from BOP to choke manifold. 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. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

- 3. Operator has proposed a multi-bowl wellhead assembly. This assembly (BOPE/BOPE) will 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 5000 (5M) psi. 5M 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.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.
 - c. 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.
 - d. Manufacturer representative shall install the test plug for the initial and all BOP testing.
 - e. Prior to running the intermediated casing, the rams will be changed out to accommodate the 7-5/8" casing. After installing the intermediate casing the casing rams will be removed and replaced with variable bore rams.
- Operator has broken a seal on the BOP stack therefore per Onshore Oil and Gas
 Order No. 2 the entire BOP stack shall be tested prior to drilling out the
 intermediated casing.
 - a. A solid steel body pack-off will be utilized after running & cementing the intermediate casing. After installation of the pack-off and lower flange will be pressure tested to 5000 psi.
 - b. 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. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- c. 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.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes 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.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the 3rd Bone Spring Sandstone 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.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the 3rd Bone Spring Sandstone and the Wolfcamp formation, and shall be used until production casing is run and cemented.

Proposed mud weight may not be adequate for drilling through the 3rd Bone Spring Sandstone and the Wolfcamp formation

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. 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.

KGR 05312016

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 st Bone Spring Sand	10,220'
2 nd Bone Spring Lime	10,670'
2 nd Bone Spring Sand	10,940'
3 rd Bone Spring Lime	11,360'
3 rd Bone Spring Sand	11,960'
Wolfcamp	12,300°
TD	12,500°

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

0-400	Fresh Water
6,273	Oil
7,725	Oil
9,250'	Oil
10,220	Oil
10,670	Oil
10,940	Oil
11,360'	Oil
11,960'	Oil
12,300	Oil
	6,273' 7,725' 9,250' 10,220' 10,670' 10,940' 11,360' 11,960'

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 1,300' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 – 1,300'	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' - 11,400'	7.625"	29.7#	HCP-110	Ultra FJ	1.125	1.25	1.60
6.75"	0'-17,818'	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: See Con

Depth	No. Sacks	Wt.	Yld Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,300	700	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ Surface)
	300	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"	780	9.0	2.86	11.14	D195 LiteFill (Beads) + 0.50% Retarder + D046 Antifoam
11,400'	525	13.5	1.55	7.47	50:50 Class H:Poz + 0.10% D065 + 0.20% D112 + 10% D154 + 2.0% D174 + 0.40% D800
5-1/2" 17,818"	575	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 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.

Seld seld seld

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 (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 – 1,300'	Fresh - Gel	8.6-8.8	28-34	N/c
1,300' - 11,400'	Brine	8.8-10.0	28-34	N/c
11,400' - 17,818' Lateral	Oil Base	10.0-11.5	58-68	3 - 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:

Sec

The estimated bottom-hole temperature (BHT) at TD is 170 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7475 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.

11. WELLHEAD:



A multi-bowl wellhead system will be utilized.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 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 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 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. Prior to running the intermediate casing, the rams will be changed out to accommodate the 7-5/8" casing. The bonnet seals will be tested to 1500 psi. After installing the intermediate casing the casing rams will be removed and replaced with variable bore rams. The remaining BOPE will not be retested after installing the intermediate casing.

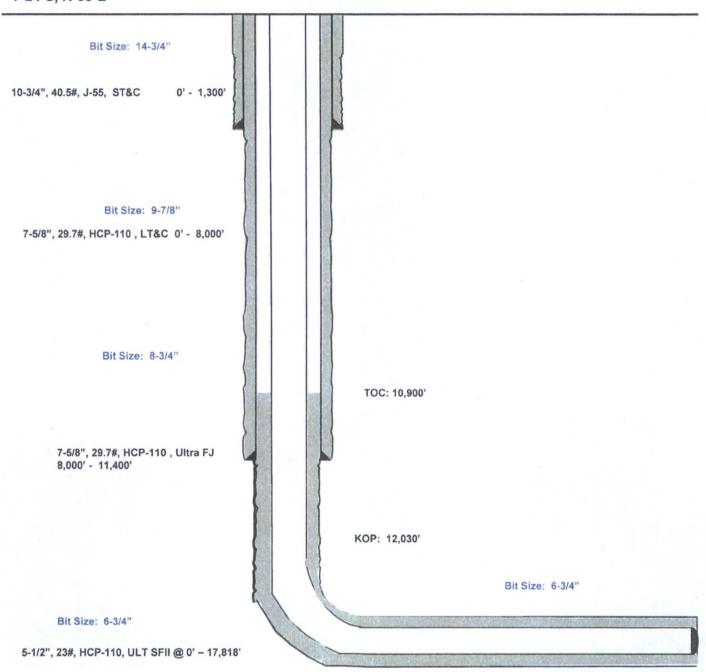
Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

Wellhead drawing Attached.

COA

500' FSL 685' FEL Section 26 T-24-S, R-33-E Lea County, New Mexico Proposed Wellbore Revised 5/4/16 API: 30-025-42403

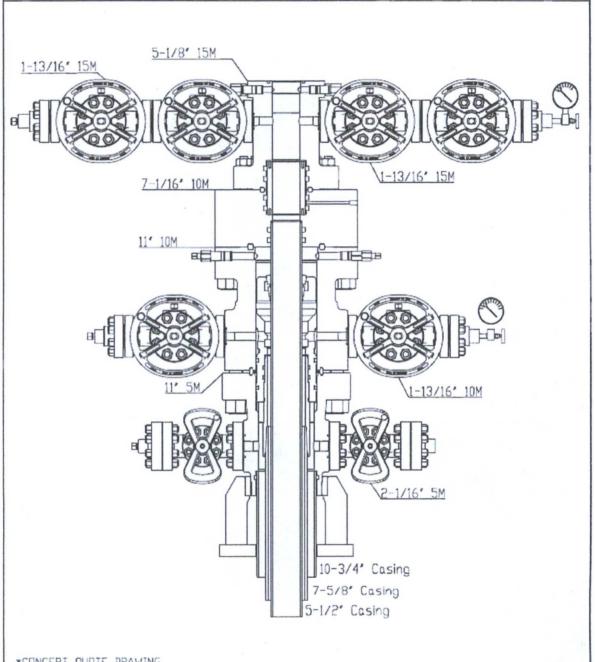
KB: 3,568' GL: 3,538'



Lateral:

17,818' MD, 12,500' TVD Upper Most Perf: 10' FNL & 380' FEL Lower Most Perf: 330' FSL & 380' FEL

BH Location: 230' FSL & 380' FEL Section 35 T-24-S, R-33-E



*CONCEPT QUOTE DRAWING

10-3/4' X 7-5/8' X 5-1/2' FBD-100 WELLHEAD SYSTEM QUOTE # - 93482

DVN	BAY	1/28/16
CHK		
APP		
	BY	DATE



DRAWING NO WH-15848