Carlsbad Field Office OCD Hobb FORM APPROVED OMB No. 1004-0137 Expires October 31, 2014 UNITED STATES Lease Serial No. DEPARTMENT OF THE INTERIOR NMNM118726 BUREAU OF LAND MANAGEMENT If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. ✓ DRILL la. Type of work: REENTER 8. Lease Name and Well No. lb. Type of Well: ✓ Oil Well Gas Well Antietam 9 Fed Com 704H ✓ Single Zone Multiple Zone Name of Operator EOG Resources, Inc 30-025-3b. Phone No. (include area code) 3a. Address P.O. Box 2267 Midland, TX 79702 10. Field and Pool, or Exploratory 432-686-3689 WC-025 G-09 S253309A; Upper W 11. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 164' FNL & 2033' FWL, NENW (C), Sec 9, 25S, 33E Section 9, T25S, R33E At proposed prod. zone 2410' FNL & 2297' FWL, SENW (F), Sec 16 13. State 12. County or Parish 14. Distance in miles and direction from nearest town or post office* NM Approximately +/- 22 miles WNW from Jal, New Mexico Lea 15. Distance from proposed* 16. No. of acres in lease 17. Spacing Unit dedicated to this well 164', 330' PP location to nearest 240 ac. property or lease line, ft. 1319.75 ac. (Also to nearest drig. unit line, if any) 20 BLM/BIA Bond No. on file 18. Distance from proposed location* 19. Proposed Depth to nearest well, drilling, completed, applied for, on this lease, ft. 653' from 703H 19875' MD, 12430' TVD NM 2308

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

22. Approximate date work will start*

01/01/2017

24. Attachments

1. Well plat certified by a registered surveyor.

Elevations (Show whether DF, KDB, RT, GL, etc.)

A Drilling Plan.

3440' GL

- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

25 days

23. Estimated duration

- 5. Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name (Printed Typed) Stan Wagner	Date 08/16/2016
Title Regulatory Specialist		
Approved by (Signature) Bundon	Name (Printed Type)	Date 11/2016
Title For FIELD MANAGER	CARLSBAD FIELD	OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

APPROVAL FOR TWO YEARS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

K= 11/29/16

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,103'
Top of Salt	1,468'
Base of Salt / Top Anhydrite	5,018'
Lamar	5,018'
Bell Canyon	5,053'
Cherry Canyon	6,128'
Brushy Canyon	7,618
Bone Spring Lime	9,198'
1 st Bone Spring Sand	10,158'
2 nd Bone Spring Lime	10,383
2 nd Bone Spring Sand	10,748'
3 rd Bone Spring Carb	11,218'
3 rd Bone Spring Sand	11,878'
Wolfcamp	12,328'
TD	12,430'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,128'	Oil
Brushy Canyon	7,618'	Oil
1st Bone Spring Sand	10,158'	Oil
2 nd Bone Spring Lime	10,383'	Oil
2 nd Bone Spring Sand	10,748'	Oil
3 rd Bone Spring Carb	11,218'	Oil
3 rd Bone Spring Sand	11,878'	Oil
Wolfcamp	12,328'	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 1,190' 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"	0-1,190'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
8.75"	0'-10,900'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0'-10,400'	5.5"	23#	HCP-110	VAM Top HT	1.125	1.25	1.60
6.75"	10,400'-19,875'	5.5"	23#	HCP-110	VAM SG	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.

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.

See COA Cementing Program:

Depth	No. Sacks	Wt.	Yld Ft³/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,190	375	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)
	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"	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2
10,900'	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2
	550	14.4	1.20	4.81	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P
5-1/2" 19,875'	775	14.1	1.26	5,80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 10,400')

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.

Additional coment may be required

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 3500/250 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 3500/250 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 – 1,190'	Fresh - Gel	8.6-8.8	28-34	N/c
1,190' – 10,900'	Brine	8.8-10.0	28-34	N/c
10,900' - 19,875'	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:

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 182 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7433 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.

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.

Exhibit 1 EOG Resources

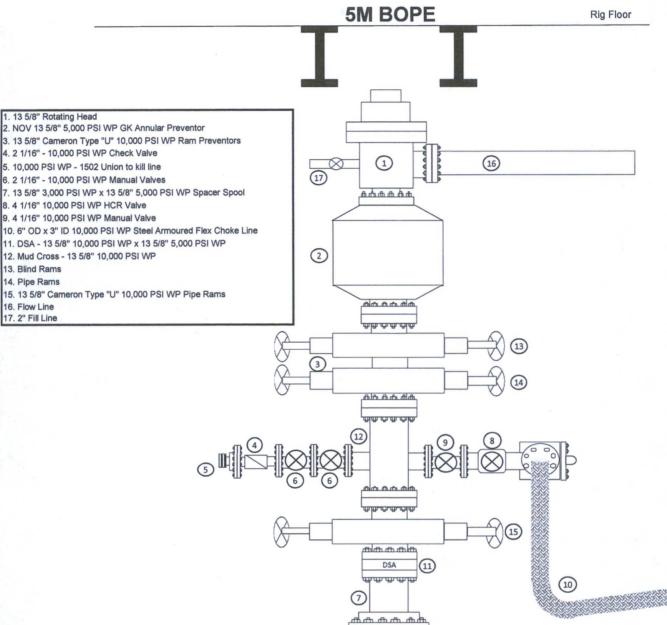
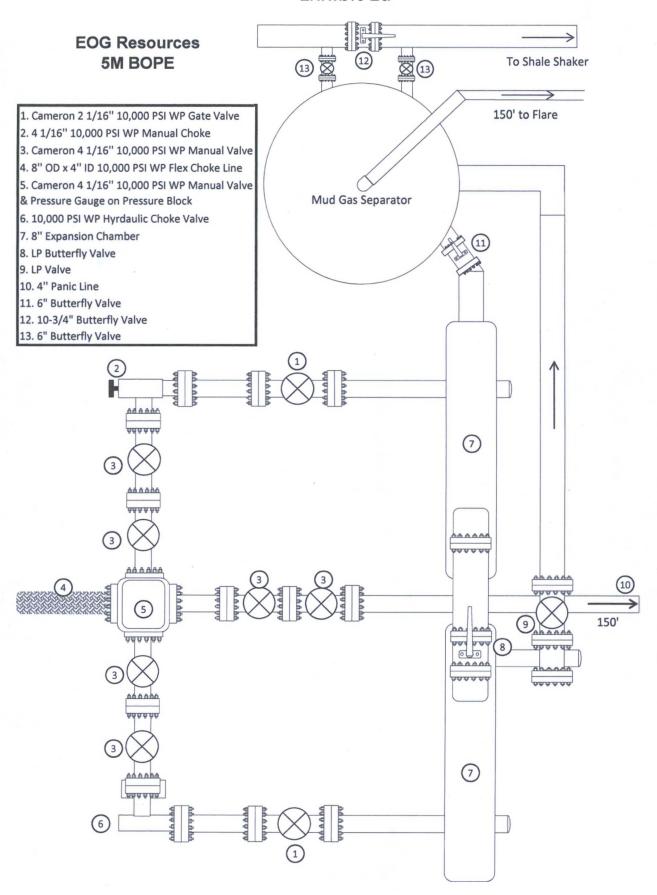


Exhibit 1a



Manufacturer: Midwest Hose & Specialty

Serial Number: SN#90067

Length: 35'

Size: OD = 8" ID = 4"

Ends: Flanges Size: 4-1/16"

WP Rating: 10,000 psi Anchors required by manfacturer: No

MIDWEST

HOSE AND SPECIALTY INC.

11	TERNAL	HYDROST	ATIC TEST	REPOR	T
Custome	r:			P.O. Numb	er:
CACTUS				RIG #123	
				Asset # N	110761
		HOSE SPECIF	ICATIONS		
Туре:	CHOKE LIN	E		Length:	35'
I.D.	4"	INCHES	O.D.	8"	INCHES
WORKING F	PRESSURE	TEST PRESSUR	E	BURST PRES	SURE
10,000	PSI	15,000	PSI		PSI
		COUP	LINGS		
	nd Fitting 4 1/16 10K F	LANGE			
Type of C	oupling: SWEDGED		MANUFACTU MIDWEST HOS		LTY
		PROC	EDURE		
	Hose seemble	y pressure tested w	th water at ambier	nt terminaretura	
1		TEST PRESSURE		BURST PRESSU	
	1	nem.			O PSI
COMMENT	S:				
	SN#90067	M10761			
	Hose is cov	ered with staini	ess steel armo	ur cover and	
	wraped with	fire resistant v	ermiculite coat	ed fiberglas	В
	insulation re	ated for 1500 de	grees complete	with lifting	eyes
Date:	6/6/2011	Tested By: BOBBY FINK		Approved: MENDI J	ACKSON



Internal Hydrostatic Test Graph

Customer: CACTUS

SALES ORDER# 90067

Hose Specifications

Hose Type C&K I.D. **Working Pressure** 10000 PSI

Length 35' 0.D. **Burst Pressure** Standard Safety Multiplier Applies

Verification

Type of Fitting 4 1/16 10K Die Size 6.62" Hose Serial #

Swage Final O.D. 6.68" **Hose Assembly Serial #** 90067

Coupling Method

Pressure Test 18000 16000 14000 12000 10000 **PSI** 8000 6000 4000 2000 12:57 AM 12:58 AM 12:59 AM 1:03 AM 1:07 AM 1:00 AM I:OJAM 1:02 AM 1:04 AM 1:05 AM **Time in Minutes Test Pressure Actual Burst Pressure** Peak Pressure

15000 PSI

Time Held at Test Pressure 11 1/4 Minutes

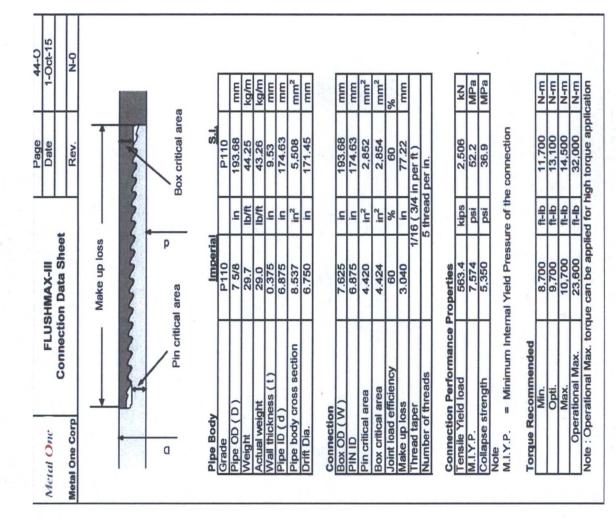
15439 PSI

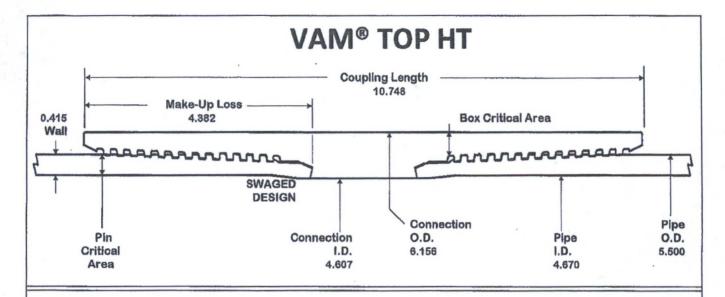
Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Bobby Fink

Approved By: Mendi Jackson

Bolly LC Mendi Jackson





O.D. 5,500 WEIGHT 23.00 WALL 0.415 GRADE NSSMC P110HC

Connection OD

Connection ID

DRIFT 4.545

6.156 in

4.607 in

PIPE BODY PROPERTIES

Material Grade	NSSMC P110HC
Min. Yield Strength	125 ksi
Min. Tensile Strength	125 ksi

Outside Diameter	5.500 in
Inside Diameter	4.670 in
Nominal Area	6.630 sq.in.

Yield Strength	829	kips
Ultimate Strength	829	kips
Min Internal Yield	16,510	psi
*High Collapse	16,220	psi

Contact: tech.support@vam-usa.com Ref. Drawing: SI-PD 100526 Rev.B

Date: Time: 30-Apr-15 10:24 AM

CONNECTION PROPERTIES

7.007	***
4.382	in
10.748	in
6.757	sq.in.
101.9%	
6.630	sq.in.
100.0%	
829	kips
829	kips
16,510	psi
16,220	psi
663	kips
30	%100 ft
	10.748 6.757 101.9% 6.630 100.0% 829 829 16,510 16,220 663

TORQUE DATA ft-lb

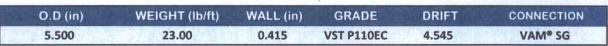
min	opt	max	
13,700	15,200	16,700	

Max. Liner Torque: 20,000 ft-lb



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PIPE PR	OPERTIES
Material Grade	VST P110EC
Min. Yield Strength	125 ksi
Min. Tensile Strength	135 ksi
Nominal OD	5.500 in
Nominal ID	4.670 in
Nominal Area	6.630 sq. in
Yield Strength	829 kips
Ultimate Strength	895 kips
Min Internal Yield	16,510 psi
*High Collapse	16,220 psi

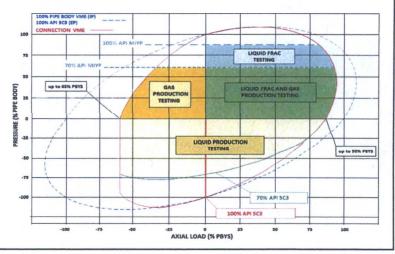
CONNECTION PRO	PERTIES	
Connection OD	5.720	in
Connection ID	4.603	in
Make up Loss	6.503	in
Connection Critical Area	5.967	sq. in
%PB Section Area	90.0%	
Yield Strength	746	kips
Parting Load	805	kips
Min Internal Yield	16,510	psi
*High Collapse	11,350	psi
Working Compression	522	kips
Max. Bending w/ Sealability	40	°/100 ft

DOCUMENTATION	
Ref. Drawing	SI-PD 100835 Rev.A
Date	11-Aug-14
Time	1:21 PM
Email	tech.support@vam-usa.com

TORQUE VALUES		
Min Make Up Torque	9,100 ft-lb	
Opt Make Up Torque	11,200 ft-lb	
Max Make Up Torque	13,300 ft-lb	
Max Torque w/ Sealability	14,500 ft-lb	

The single solution for Shale Play needs

VAM® SG brings VAM® premium sealing performance to a semi-flush connection with extremely high Tension performance and increased Torque capacity, validated to the specific Shale drilling requirements, while remaining highly competitive in North American Shale play economics.





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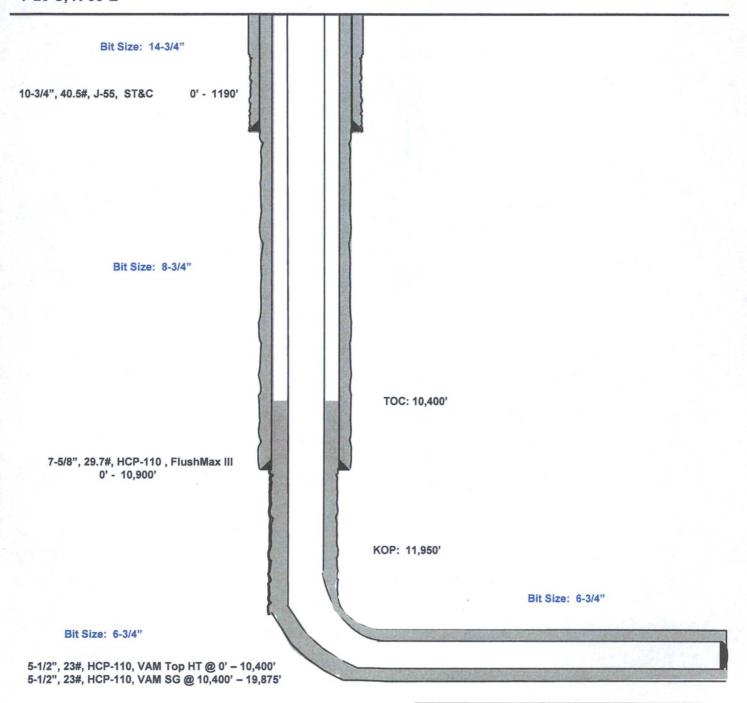
Antietam 9 Fed Com #704H

164' FNL 2033' FWL Section 9 T-25-S, R-33-E

Lea County, New Mexico **Proposed Wellbore**

API: 30-025-****

KB: 3,465' GL: 3,440'



Lateral: 19,875' MD, 12,430' TVD **Upper Most Perf:** 330' FNL & 2301' FWL Sec. 9

Lower Most Perf:

2310' FNL & 2297' FWL Sec. 16 BH Location: 2410' FNL & 2297' FWL

Section 16 T-25-S, R-33-E