## 1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

## 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	800,
Top of Salt	1,151
Base of Salt / Top Anhydrite	4,612
Base Anhydrite	4,849
Lamar	4,849
Bell Canyon	4,876
Cherry Canyon	5,893
Brushy Canyon	7,453
Bone Spring Lime	9,022
1 <sup>st</sup> Bone Spring Sand	9,946
2 <sup>nd</sup> Bone Spring Shale	10,255
2 <sup>nd</sup> Bone Spring Sand	10,525
3 <sup>rd</sup> Bone Spring Carb	11,061'
3 <sup>rd</sup> Bone Spring Sand	11,677
Wolfcamp	12,142
TD	12,309

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

Upper Permian Sands	0-400	Fresh Water
Cherry Canyon	5,893	Oil
Brushy Canyon	7,453	Oil
1st Bone Spring Sand	9,946'	Oil
2 <sup>nd</sup> Bone Spring Shale	10,255	Oil
2 <sup>nd</sup> Bone Spring Sand	10,525	Oil
3 <sup>rd</sup> Bone Spring Carb	11,061'	Oil
3 <sup>rd</sup> Bone Spring Sand	11,677	Oil
Wolfcamp	12,142	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 830' and circulating cement back to surface.

## 4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF <sub>min</sub> Collapse	DF <sub>min</sub> Burst	DF <sub>min</sub> Tension
14.75"	0 - 830'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
8.75"	0'-11,100'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0'-10,600'	5.5"	23#	HCP-110	VAM Top HT	1.125	1.25	1.60
6.75"	10,600'-17,105'	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.

## **Cementing Program:**

Depth	No. Sacks	Wt.	Yld Ft³/ft	Mix 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 <sub>2</sub> + 0.25
830'					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
11,100'	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"	725	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 +
17,105					0.40% C-17 (TOC @ 10,600')

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 (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 - 830'	Fresh - Gel	8.6-8.8	28-34	N/c
830' - 11,100'	Brine	8.8-10.0	28-34	N/c
11,100' - 17,105'	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) H<sub>2</sub>S 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 7351 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.

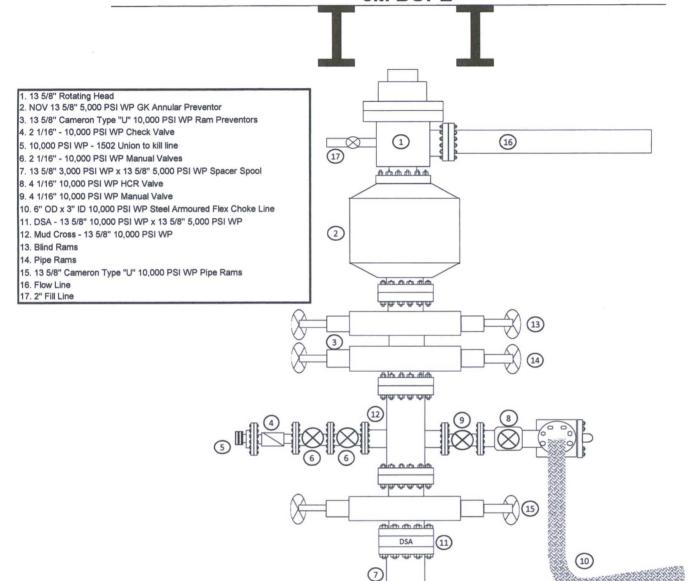
A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 5000 psi. Prior to running the intermediate casing, the rams will be changed out to accommodate the 7-5/8" casing. The bonnet seals 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.

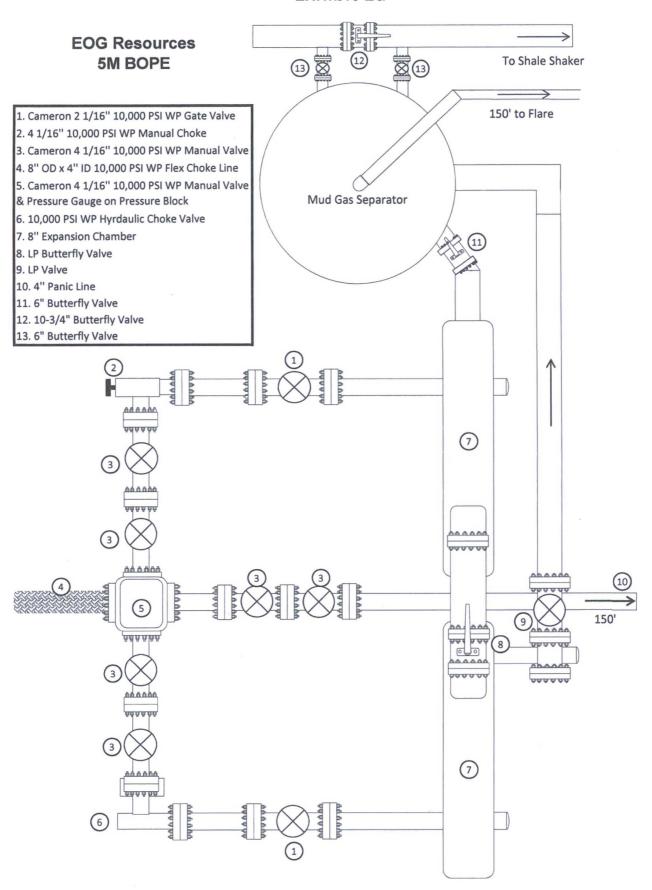
# **Exhibit 1**

**EOG Resources 5M BOPE** 

Rig Floor



## 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.

INTERNAL	L HYDROST	TATIC TEST	REPOR	Τ
Customer:			P.O. Numb	er:
CACTUS		9	RIG #123	3
			Asset # N	110761
	HOSE SPECI	FICATIONS		
Type: CHOKE LIN	E		Length:	35'
I.D. 4"	INCHES	O.D.	8"	INCHES
WORKING PRESSURE	TEST PRESSUR	E	BURST PRES	SURE
10,000 <i>PSI</i>	15,000	PSI		PSI
	COUP	LINGS		
Type of End Fitting				
4 1/16 10K F	LANGE			
Type of Coupling:		MANUFACTU	RED BY	
SWEDGED		MIDWEST HOS	SE & SPECIA	ALTY
	PROC	EDURE		
Wasa sasambi		the contract of anything		
	<i>y pressure tested w</i> TEST PRESSURE	1	KLISINIPSTEIMIS : KURST PRESSL	
1	MIN.			0 PSI
COMMENTS:				
SN#90067				
	ered with staini			
	fire resistant v			
	sted for 1500 de	grees complete	The Real Property lies and the Person Name of Street, or other Persons Name of Street, or other Per	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. 4"

Working Pressure
10000 PSI

Length
35'
O.D.
8"
Burst Pressure

Standard Safety Multiplier Applies

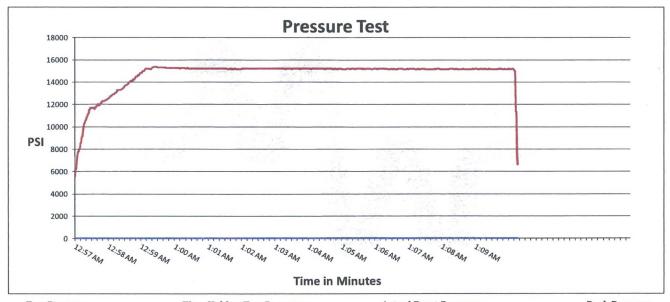
#### **Verification**

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

Hose Serial #

Coupling Method
Swage
Final O.D.
6.68"

Hose Assembly Serial # 90067



Test Pressure 15000 PSI <u>Time Held at Test Pressure</u> 11 1/4 Minutes **Actual Burst Pressure** 

Peak Pressure 15439 PSI

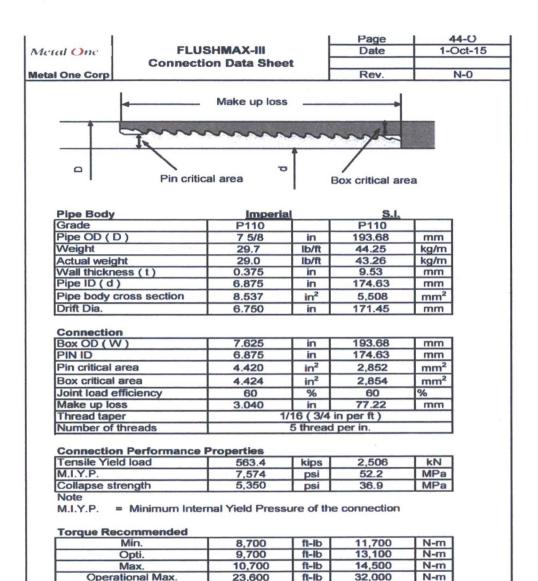
**Comments:** Hose assembly pressure tested with water at ambient temperature.

Tested By: Bobby Fink

Approved By: Mendi Jackson

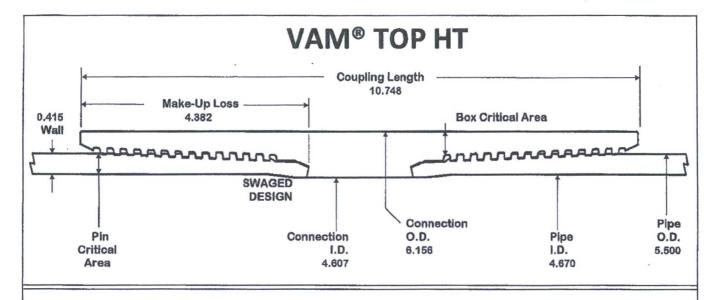
Frethy IC

x Mendi Jackson



Operational Max. 23,600 ft-lb 32,000 N-m

Note: Operational Max. torque can be applied for high torque application



O.D. 5.500 WEIGHT 23.00 WALL 0.415 GRADE NSSMC P110HC

**Connection OD** 

**DRIFT** 4.545

6.156 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: <u>tech.support@vam-usa.com</u> Ref. Drawing: SI-PD 100526 Rev.B

Date:

30-Apr-15 10:24 AM

### CONNECTION PROPERTIES

Connection ID	4.607 in
Make up Loss	4.382 in
Coupling Length	10.748 in
Box Critical Area	6.757 sq.in.
%PB Section Area	101.9%
Pin Critical Area	6.630 sq.in.
%PB Section Area	100.0%
Yield Strength	829 kips
Parting Load	829 kips
Min Internal Yield	16,510 psi
*High Collapse	16,220 psi
Wk Compression	663 kips
Max Pure Bending	30 °/100 ft

#### TORQUE DATA ft-lb

1011	MOC DIVIN 10	400
min	opt	max
13,700	15,200	16,700

Max. Liner Torque: 20,000 ft-lb



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PIPE PROPERTIES			
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	

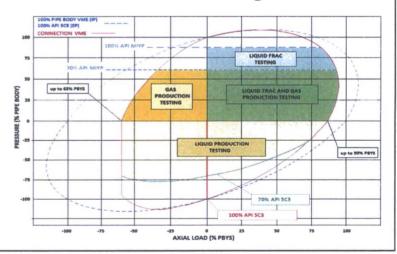
CONNECTION PRO	PERTIES	
Connection OD	5.720	in
Connection ID	4.603	in
Make up Loss	6.503	in
Connection Critical Area	5.967	sq. in
%PB Section Area	90.0%	
Yield Strength	746	kips
Parting Load	805	kips
Min Internal Yield	16,510	psi
*High Collapse	11,350	psi
Working Compression	522	kips
Max. Bending w/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

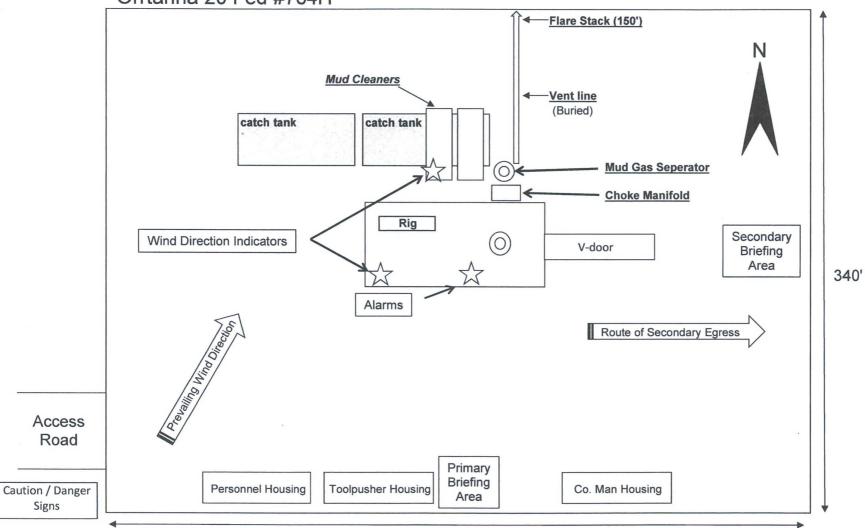




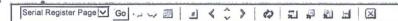
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Exhibit 4
EOG Resources
Orrtanna 20 Fed #704H

## Well Site Diagram



370'



#### **BUREAU OF LAND MANAGEMENT** CASE RECORDATION (LIVE) SERIAL REGISTER PAGE

Run Date/Time: 09/29/16 09:05 AM 01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres 640.000

Serial Number: NMNM-- - 118727

Serial Number: NMNM-- - 118727

Page 1 of ?

Case Type 312021: O&G LSE COMP PD - 1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED Case File

Case File Juris:

Serial Number NMNM-- - 118727

Name & Address

EOG RESOURCES INC

FOG RESOURCES INC

R & R ROYALTY LTD

23 0260S 0330E 020 ALL

PO BOX 2267 PO BOX 2267 500 N SHORELINE BLVD STE 322 500 N SHORELINE BLVD STE 322

MIDLAND TX 79702 MIDLAND TX 79702 CORPUS CHRISTI TX 784010313 CORPUS CHRISTI TX 78401

Int Rel \*Interest OPERATING RIGHTS LESSEE OPERATING RIGHTS LESSEE

0.000000000 99.000000000

Mer Twp Rng Sec SType Nr Suff Subdivision

ENTIRE SECTION

District/Resource Area County CARLSBAD FIELD OFFICE

LEA

Mgmt Agency BUREAU OF LAND MGMT

Serial Number: NMNM-- - 118727

Act Date	Code	Action	Action Remarks	Pending Office
05/25/2007	387	CASE ESTABLISHED	200707067;	
07/18/2007	143	BONUS PID PAYMENT RECD	\$1280.00;	
07/18/2007	191	SALE HELD		
07/18/2007	267	BID RECEIVED	\$96000.00;	
07/26/2007	143	BONUS BID PAYMENT RECD	\$94720.00;	
08/31/2007	237	LEASE ISSUED		
08/31/2007	974	AUTOMATED RECORD VERIF	BTM	
09/01/2007	496	FUND CODE	05;145003	
09/01/2007	530	RLTY RATE - 10 1/1%		
09/01/2007	868	EFFECTIVE DATE		
06/12/2014	140	ASGN FILED	RGR ROYAL/ROADRUNNE; 3	
06/12/2014	932	TRF OPER RGTS FILED	R4R ROYAL/ROADRUNNE; 1	
08/12/2014	930	TRF OPER RGTS FILET	R & R ROY/MICKEY RE;1	
09/05/2014	139	ASGN APPROVED	EFF 07/01/14;	
09/05/2014	933	TRF OPER RGTS APPROVED	EFF 07/01/14;	
09/05/2014	974	AUTOMATED RECORD VERIF	LBO	
10/02/2014	933	TRF OPER RGTS APPROVED	EFF 09/01/14;	
10/02/2014	974	AUTOMATED RECORD VERIF	EMR	
08/17/2015	899	TRF OF ORR FILED	1	
09/23/2015	140	ASGH FILED	ROADRUNNE/EGG RESOU; 1	
09/23/2015	932	TRF OPER RGTS FILED	ROADRUNNE/EDG RESOU;1	
10/15/2015	139	ASGN APPROVED	EFF 10/01/15;	
10/15/2015	933	TRF OPER RGTS APPROVED	EFF 10/01/15;	
10/15/2015	974	AUTOMATED RECORD VERIF	JA.	
08/31/2017	763	EXPIRES		

STIPULATIONS ATTACHED TO LEASE

M4-11-LM SPECIAL CULTURAL RESOURCE

Serial Number: NMNM-- - 118727

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

## **OPERATOR CERTIFICATION**

I certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true, and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 29th day of August , 2016.

Name: Stan Wagner

Position: Regulatory Specialist

Address: P.O. Box 2267, Midland, TX 79702

Telephone: (432) 686-3689

Email: stan wagner@eogresources.com

Field Representative (if not above signatory): James Barwis

Address: P.O. Box 2267, Midland, TX 79702

Telephone: (432) 686-3791 office; (432) 425-1204 cell

Signed the Way

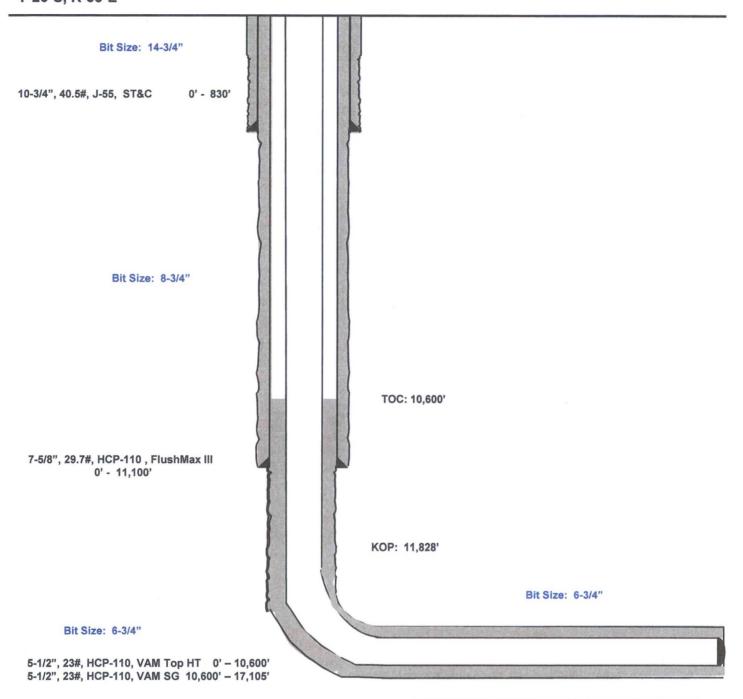
## Orrtanna 20 Fed #704H

221' FSL 1999' FWL Section 20 T-26-S, R-33-E

## Lea County, New Mexico Proposed Wellbore

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

KB: 3,257' GL: 3,232'



Lateral: 17,105' MD, 12,293' TVD Upper Most Perf: 330' FSL & 2313' FWL Sec. 20 Lower Most Perf: 330' FNL & 2315' FWL Sec. 20 BH Location: 230' FNL & 2315' FWL

Section 20 T-26-S, R-33-E