

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG Resources Inc
LEASE NO.:	NM26079
WELL NAME & NO.:	702H-Streetcar 15 Fed
SURFACE HOLE FOOTAGE:	250'/S & 610'/E
BOTTOM HOLE FOOTAGE:	230'/N & 996'/E
LOCATION:	Section 15, T. 25 S., R. 33 E., NMPM
COUNTY:	Lea County, New Mexico

All previous COAs still apply except the following:

A. CASING

All previous COAs still apply except the following:

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.

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 Castile and Salado.

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

Abnormal pressure may be encountered within the 3rd Bone Spring Sandstone and all subsequent formations. Operator may need to increase mud weight.

1. The 10 3/4 inch surface casing shall be set at approximately 1165 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 7 5/8 inch intermediate is:

☒ Cement to surface. If cement does not circulate see A.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.

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

☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

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.

B. 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. **Operator has proposed a multi-bowl wellhead assembly. This assembly will only 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 10,000 (10M) psi.**
 - a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
 - b. **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.**
 - c. **Manufacturer representative shall install the test plug for the initial BOP test.**
 - d. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
 - e. **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.**

10M 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.

3. 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**. The operator also has the option of utilizing an independent tester

to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- 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. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation 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.

C. DRILLING MUD

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

Proposed mud weight may not be adequate for drilling through Wolfcamp.

MHH 08232017



OD	Weight	Wall Th.	Grade	API Drift	Connection
7 5/8 in.	29.70 lb/ft	0.375 in.	VM 110 HC	6.750 in.	VAM® SLIJ-II

PIPE PROPERTIES

Nominal OD	7.625 in.
Nominal ID	6.875 in.
Nominal Cross Section Area	8.541 sqin.
Grade Type	High Collapse
Min. Yield Strength	110 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	125 ksi

CONNECTION PROPERTIES

Connection Type	Premium integral semi-flush
Connection OD (nom)	7 711 in.
Connection ID (nom)	6.820 in.
Make-up Loss	4.822 in.
Critical Cross Section	5.912 sqin.
Tension Efficiency	69.2 % of pipe
Compression Efficiency	48.5 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	100 % of pipe

CONNECTION PERFORMANCES

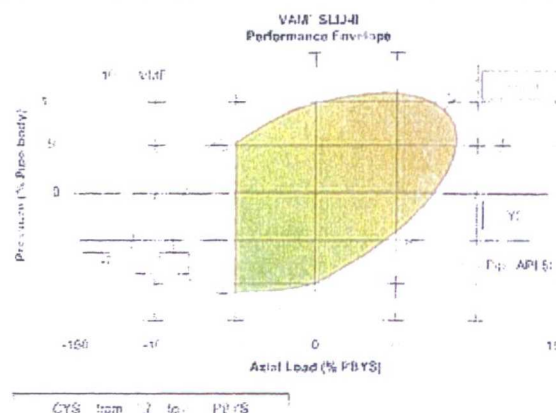
Tensile Yield Strength	651 klb
Compression Resistance	455 klb
Internal Yield Pressure	9470 psi
Uniaxial Collapse Pressure	7890 psi
Max. Bending Capacity	TDB
Max Bending with Sealability	20 °/100 ft

FIELD TORQUE VALUES

Min. Make-up torque	11300 ft.lb
Opti. Make-up torque	12600 ft.lb
Max. Make-up torque	13900 ft.lb

VAM® SLIJ-II is a semi-flush integral premium connection for all casing applications. It combines a near flush design with high performances in tension, compression and gas sealability.

VAM® SLIJ-II has been validated according to the most stringent tests protocols, and has an excellent performance history in the world's most prolific HPHT wells.



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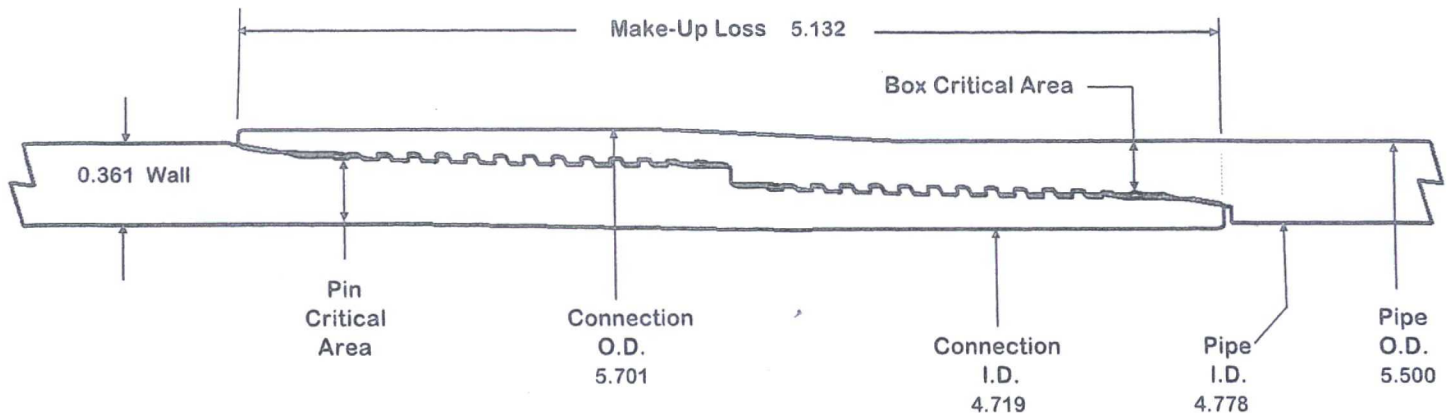
Over 140 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

Other Connection Data Sheets are available at www.vamservices.com

Vallourec Group



VAM® SFC



O.D.
5.500

WEIGHT
20.00

WALL
0.361

GRADE
VST P110EC

DRIFT
4.653

PIPE BODY PROPERTIES

Material Grade	VST P110EC
Min. Yield Strength	125 ksi
Min. Tensile Strength	135 ksi
Outside Diameter	5.500 in
Inside Diameter	4.778 in
Nominal Area	5.828 sq.in.
Yield Strength	729 kips
Ultimate Strength	787 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi

CONNECTION PROPERTIES

Connection OD	5.701 in
Connection ID	4.719 in
Make up Loss	5.132 in
Box Critical Area	4.083 sq.in.
%PB Section Area	70.1%
Pin Critical Area	4.123 sq.in.
%PB Section Area	70.7%
Yield Strength	510 kips
Parting Load	551 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi
Wk Compression	357 kips
Max Pure Bending	20 °/100 ft

Contact: tech.support@vam-usa.com
 Ref. Drawing: SI-PD 100414 Rev.B
 Date: 14-Jun-16
 Time: 2:31 PM

TORQUE DATA ft-lb

min	opt	max
8,700	9,700	10,700

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USA

TECHNICAL SPECIFICATIONS

These specifications are furnished for general information only and are not intended for design purposes. This information is preliminary and may change subject to a final design by VAM-USA Engineering. This is not a controlled document.

DWC/C-IS MS
standard

Casing

5.500" O.D.

20.00 lb./ft.

VST P-110EC

Material

VST P-110EC

125,000

135,000

Grade

Minimum Yield Strength (psi.)

Minimum Ultimate Strength (psi.)

Pipe Dimensions

5.500

4.778

0.361

20.00

19.83

5.828

Nominal Pipe Body OD (in.)

Nominal Pipe Body ID (in.)

Nominal Wall Thickness (in.)

Nominal Weight (lbs./ft.)

Plain End Weight (lbs./ft.)

Nominal Pipe Body Area (sq. in.)

Pipe Body Performance Properties

729,000

12,090

14,360

13,100

Minimum Pipe Body Yield Strength (lbs.)

Minimum Collapse Pressure (psi.)

Minimum Internal Yield Pressure (psi.)

Hydrostatic Test Pressure (psi.)

Connection Dimensions

6.115

4.778

4.653

4.13

5.828

100.0

Connection OD (in.)

Connection ID (in.)

Connection Drift Diameter (in.)

Make-up Loss (in.)

Critical Area (sq. in.)

Joint Efficiency (%)

Connection Performance Properties

729,000

26,040

728,000

729,000

12,090

14,360

104.2

(1)

(2)

(3)

(4)

Joint Strength (lbs.)

Reference String Length (ft.) 1.4 Design Factor

API Joint Strength (lbs.)

Compression Rating (lbs.)

API Collapse Pressure Rating (psi.)

API Internal Pressure Resistance (psi.)

Maximum Uniaxial Bend Rating (degrees/100 ft.)

Approximated Field End Torque Values

16,600

19,100

21,600

(5)

(5)

(6)

Minimum Final Torque (ft.-lbs.)

Maximum Final Torque (ft.-lbs.)

Connection Yield Torque (ft.-lbs.)

(1) Joint Strength is the minimum pipe body yield strength multiplied by the connection critical area.

(2) Reference String Length is the joint strength divided by both the weight in air and the design factor.

(3) API Joint Strength is for reference only. It is calculated from Formulas 42 and 43 in the API Bulletin 5C3.

(4) API Internal Pressure Resistance is calculated from Formulas 31, 32, and 35 in the API Bulletin 5C3.

(5) Torque values are approximated and may be affected by field conditions.

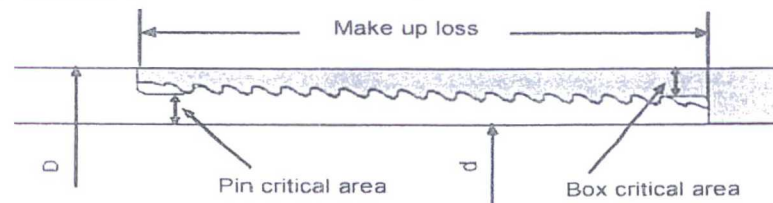
(6) Connection yield torque is not to be exceeded.

Connection specifications within the control of VAM-USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades are obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.



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Metal One Corp	FLUSHMAX-III Connection Data Sheet	Page	44-O
		Date	1-Oct-15
		Rev.	N-0



Pipe Body	Imperial		S.I.	
Grade	P110		P110	
Pipe OD (D)	7 5/8	in	193.68	mm
Weight	29.7	lb/ft	44.25	kg/m
Actual weight	29.0	lb/ft	43.26	kg/m
Wall thickness (t)	0.375	in	9.53	mm
Pipe ID (d)	6.875	in	174.63	mm
Pipe body cross section	8.537	in ²	5,508	mm ²
Drift Dia.	6.750	in	171.45	mm

Connection				
Box OD (W)	7.625	in	193.68	mm
PIN ID	6.875	in	174.63	mm
Pin critical area	4.420	in ²	2,852	mm ²
Box critical area	4.424	in ²	2,854	mm ²
Joint load efficiency	60	%	60	%
Make up loss	3.040	in	77.22	mm
Thread taper	1/16 (3/4 in per ft)			
Number of threads	5 thread per in.			

Connection Performance Properties				
Tensile Yield load	563.4	kips	2,506	kN
M.I.Y.P.	7,574	psi	52.2	MPa
Collapse strength	5,350	psi	36.9	MPa

Note

M.I.Y.P. = Minimum Internal Yield Pressure of the connection

Torque Recommended				
Min.	8,700	ft-lb	11,700	N-m
Opti.	9,700	ft-lb	13,100	N-m
Max.	10,700	ft-lb	14,500	N-m
Operational Max.	23,600	ft-lb	32,000	N-m

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

EOG Resources Surface Casing Option Request

1. Request for variance for the option to preset surface casing with surface rig:

- a) EOG Requests the option to contract a Surface Rig to drill, set surface casing, and cement on the following subject wells. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Surface Rig will move off so that the wellhead can be installed. A welder will cut the casing to the proper height and weld on the wellhead (both "A" and "B" sections). The weld will be tested to 1000 psi. All valves will be closed and a wellhead cap will be installed. See attached wellhead diagram below. If the timing between rigs is such that EOG Resources would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

Bum needs to be contacted and notified 24 hrs. prior to commencing the spider rig operation & before the larger rig moves back on the pre-set location. The larger rig needs to move back in within 90 days.

Wellname

ANTIETAM 9 FED COM #701H
ANTIETAM 9 FED COM #702H
ANTIETAM 9 FED COM #703H
ANTIETAM 9 FED COM #704H
COLGROVE FED COM #707H
COLGROVE FED COM #708H
ENDURANCE 36 STATE COM #707H
ENDURANCE 36 STATE COM #708H
HOUND 30 FED #701H
HOUND 30 FED #702H
HOUND 30 FED #703H
HOUND 30 FED #704H
LUCKY 13 FED COM #8H
LUCKY 13 FED COM #9H
TRIGG 5 FED #1