

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

09/<u>25/2017</u>

APD ID: 10400010754

Submission Date: 03/07/2017

Highlighted data reflects the most

recent changes

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Operator Name: EOG RESOURCES INCORPORATED

		True Vertical	Measured			Producing
Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
PERMIAN	3331	Ö	Ö	ANHYDRITE	NONE	No
RUSTLER	2312	1019	1019	ANHYDRITE	NONE	No
TOP SALT	1962	1369	1369	SALT	NONE	No
BASE OF SALT	-1648	4979	4979	SALT	NONE	No
LAMAR	-1875	5206	5206	LIMESTONE	NONE	No
BELL CANYON	-1914	5245	5245	SANDSTONE	NATURAL GAS,OIL	No
CHERRY CANYON	-2956	6287	6287	SANDSTONE	NATURAL GAS,OIL	No
BRUSHY CANYON	-4637	. 7968	7968	SANDSTONE	NATURAL GAS,OIL	No
BONE SPRING LIME	-6111	9442	9442	LIMESTONE	NONE	No .
BONE SPRING 1ST	-7039	10370	10370	SANDSTONE	NATURAL GAS,OIL	No
BONE SPRING 2ND	-7593	10924	10924	SANDSTONE	NATURAL GAS,OIL	No
BONE SPRING 3RD	-8649	11980	11980	SANDSTONE	NATURAL GAS,OIL	No
WOLFCAMP	-9070	12401	12401	SHALE	NATURAL GAS,OIL	Yes
	Formation Name PERMIAN RUSTLER TOP SALT BASE OF SALT LAMAR BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING LIME BONE SPRING 1ST BONE SPRING 2ND BONE SPRING 3RD	Formation Name Elevation PERMIAN 3331 RUSTLER 2312 TOP SALT 1962 BASE OF SALT -1648 LAMAR -1875 BELL CANYON -1914 CHERRY CANYON -2956 BRUSHY CANYON -4637 BONE SPRING LIME -6111 BONE SPRING 1ST -7039 BONE SPRING 2ND -7593 BONE SPRING 3RD -8649	Formation Name PERMIAN Elevation 3331 True Vertical Depth 3331 RUSTLER 2312 1019 TOP SALT 1962 1369 BASE OF SALT -1648 4979 LAMAR -1875 5206 BELL CANYON -1914 5245 CHERRY CANYON -2956 6287 BRUSHY CANYON -4637 7968 BONE SPRING LIME -6111 9442 BONE SPRING 1ST -7039 10370 BONE SPRING 2ND -7593 10924 BONE SPRING 3RD -8649 11980	Formation Name Elevation Depth Depth PERMIAN 3331 0 0 RUSTLER 2312 1019 1019 TOP SALT 1962 1369 1369 BASE OF SALT -1648 4979 4979 LAMAR -1875 5206 5206 BELL CANYON -1914 5245 5245 CHERRY CANYON -2956 6287 6287 BRUSHY CANYON -4637 7968 7968 BONE SPRING LIME -6111 9442 9442 BONE SPRING 1ST -7039 10370 10370 BONE SPRING 2ND -7593 10924 10924 BONE SPRING 3RD -8649 11980 11980	Formation Name Elevation True Vertical Depth Depth Depth Depth Depth Depth ANHYDRITE Lithologies ANHYDRITE RUSTLER 2312 1019 1019 ANHYDRITE TOP SALT 1962 1369 1369 SALT BASE OF SALT -1648 4979 4979 SALT LAMAR -1875 5206 5206 LIMESTONE BELL CANYON -1914 5245 5245 SANDSTONE CHERRY CANYON -2956 6287 6287 SANDSTONE BONE SPRING LIME -6111 9442 9442 LIMESTONE BONE SPRING 1ST -7039 10370 10370 SANDSTONE BONE SPRING 2ND -7593 10924 10924 SANDSTONE BONE SPRING 3RD -8649 11980 11980 SANDSTONE	Formation Name Elevation Permian True Vertical Depth International Permian Lithologies Mineral Resources Mineral Resources PERMIAN 3331 0 0 ANHYDRITE NONE RUSTLER 2312 1019 1019 ANHYDRITE NONE TOP SALT 1962 1369 1369 SALT NONE BASE OF SALT -1648 4979 4979 SALT NONE LAMAR -1875 5206 5206 LIMESTONE NATURAL GAS,OIL BELL CANYON -1914 5245 5245 SANDSTONE NATURAL GAS,OIL CHERRY CANYON -2956 6287 6287 SANDSTONE NATURAL GAS,OIL BONE SPRING LIME -6111 9442 9442 LIMESTONE NONE BONE SPRING 1ST -7039 10370 10370 SANDSTONE NATURAL GAS,OIL BONE SPRING 2ND -7593 10924 10924 SANDSTONE NATURAL GAS,OIL BONE SPRING 3RD -8649 11980 </td

Section 2 - Blowout Prevention

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: 6" of Compacted Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: An adequate amount of topsoil/root zone will be stripped by dozer from the proposed well location and stockpiled along the side of the well location as depicted on the well site diagram / survey plat.

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: No drainage crossings

Road Drainage Control Structures (DCS) description: N/A

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

DOGWOOD23FEDCOM_702H radius map_02-24-2017.pdf

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Estimated Production Facilities description:

Production Facilities description: Dogwood 23 Fed Com central tank battery located in SE/4 of section 23

Production Facilities map:

DOGWOOD_23_FED_COM infrastructure sketch_02-24-2017.pdf

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: OTHER

Water source type: RECYCLED

Describe type:

Source latitude:

Source longitude:

Source datum:

Water source permit type: WATER RIGHT

Source land ownership: FEDERAL

Water source transport method: PIPELINE, TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 0

Source volume (acre-feet): 0

Source volume (gal): 0

Water source and transportation map:

Dogwood 23 Fed Com Water Source and Caliche Map 02-27-2017.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Well Name: DOGWOOD 23 FED COM Well Number: 702H

Section 6 - Construction Materials

Construction Materials description: Caliche will be supplied from pits shown on the attached caliche source map. Caliche utilized for the drilling pad will be obtained either from an existing approved mineral pit, or by benching into a hill, which will allow the pad to be level with existing caliche from the cut, or extracted by "Flipping" the well location. A mineral material permit will be obtained from BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for "Flipping" a well location is as follows: *-An adequate amount of topsoil/root zone (usually top 6 inches of soil) will be stripped from the proposed well location and stockpiled along the side of the well location as depicted on the well site diagram/survey plat. -An area will be used within the proposed well site dimensions to excavate caliche. Subsoil will be removed and stockpiled within the surveyed well pad dimensions. -Once caliche/surfacing mineral is found, the mineral material will be excavated and stock piled within the approved drilling pad dimensions. -Then, subsoil will be pushed back in the excavated hole and caliche will be spread accordingly across the entire well pad and road (if available). -Neither caliche, nor subsoil will be stock piled outside of the well pad dimensions. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat. * In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or federal land.

Construction Materials source location attachment:

Dogwood 23 Fed Com Water Source and Caliche Map 02-27-2017.pdf

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drill fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility. Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly. Human waste and grey water will be properly contained of and disposed of properly. After drilling and completion operations; trash, chemicals, salts, frac sand, and other waste material will be removed and disposed of properly at a state approved disposal facility.

Amount of waste: 0

barrels

Waste disposal frequency: Daily

Safe containment description: Steel Tanks

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL

Disposal location ownership: COMMERCIAL

FACILITY

Disposal type description:

Disposal location description: Trucked to NMOCD approved disposal facility

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Well Name: DOGWOOD 23 FED COM Well Number: 702H

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location Closed Loop System. Drill cuttings will be disposed of into steel tanks and taken to an NMOCD approved disposal facility.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

DOGWOOD23FEDCOM_702H pad site_02-24-2017.pdf DOGWOOD23FEDCOM_702H well site_02-24-2017.pdf

Dogwood 23 Fed Com 702H Rig Layout 03-02-2017.pdf

Comments: Exhibit 2A-Wellsite & Exhibit 2B-Padsite Rig Layout Exhibit 4

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

DOGWOOD23FEDCOM_702H interim reclamation_02-24-2017.pdf

Drainage/Erosion control construction: Proper erosion control methods will be used on the area to control erosion, runoff, and siltation of the surrounding area.

Drainage/Erosion control reclamation: The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary

Total pounds/Acre:

Seed Type

Pounds/Acre

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Stan

Last Name: Wagner

Phone: (432)686-3689

Email: stan_wagner@eogresources.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, erosion is controlled, and free of noxious weeds. Weeds will be treated if found.

Weed treatment plan attachment:

Monitoring plan description: Reclamation will be completed within 6 months of well plugging. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, erosion is controlled, and free of noxious weeds.

Monitoring plan attachment:

Success standards: N/A

Pit closure description: NA

Well Name: DOGWOOD 23 FED COM Well Number: 702H

Wellpad long term disturbance (acres): 2.613636 Wellpad short term disturbance (acres): 4.073691

Access road long term disturbance (acres): 0.83747 Access road short term disturbance (acres): 0.83747

Pipeline long term disturbance (acres): 0.7706612 Pipeline short term disturbance (acres): 1.2844353

Other long term disturbance (acres): 0 Other short term disturbance (acres): 0

Total long term disturbance: 4.221767 Total short term disturbance: 6.195596

Reconstruction method: In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads. Areas planned for interim reclamation will be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

Topsoil redistribution: Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts and fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites. **Soil treatment:** Re-seed according to BLM standards. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

Existing Vegetation at the well pad: Grass, forbs, and small woody vegetation, such as mesquite will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respreads evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Email:

Fee Owner: Oliver Kiehne

Fee Owner Address: P.O. Box 135 Orla, TX 79770

Phone: (575)399-9281

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: surface use agreement

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Section 12 - Other Information

Right of Way needed? YES

Use APD as ROW? YES

ROW Type(s): 281001 ROW - ROADS,288100 ROW - O&G Pipeline,288101 ROW - O&G Facility Sites,288103 ROW - Salt Water Disposal Pipeline/Facility

ROW Applications

SUPO Additional Information: An onsite meeting was conducted 12 /20/16. Poly lines are planned to transport water for operations. Will truck if necessary. See attached SUPO Plan.

Use a previously conducted onsite? NO

Previous Onsite information:

Other SUPO Attachment

Dogwood 23 Fed Com_702H SUPO_02-24-2017.pdf
DOGWOOD_23_FED_COM infrastructure sketch_02-24-2017.pdf
DOGWOOD23FEDCOM_702H COMBINED_02-24-2017.pdf
Dogwood_23_Fed_Com_702H_signed_C_102_03-07-2017.pdf
Dogwood_23_Fed_Com_702H_deficiency_response_05-31-2017.pdf

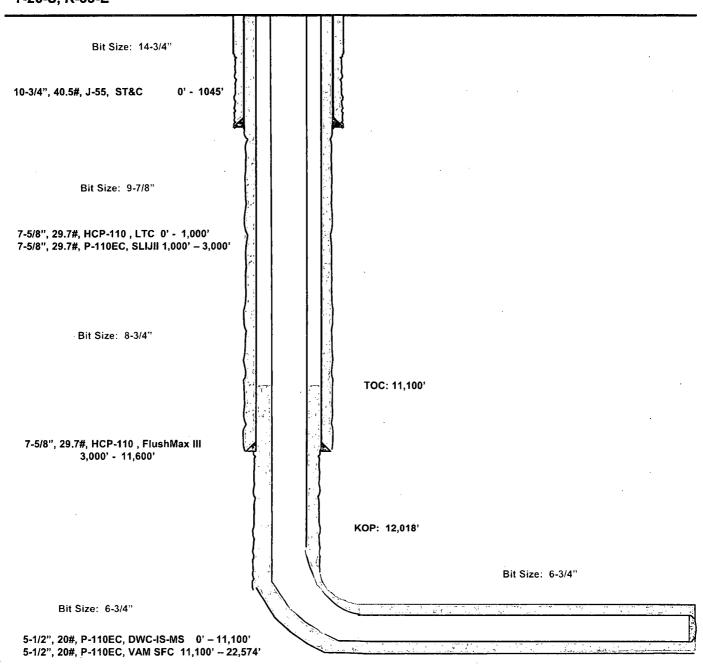
Dogwood 23 Fed Com #702H

200' FSL 604' FEL Section 23 T-26-S, R-33-E

Lea County, New Mexico Proposed Wellbore

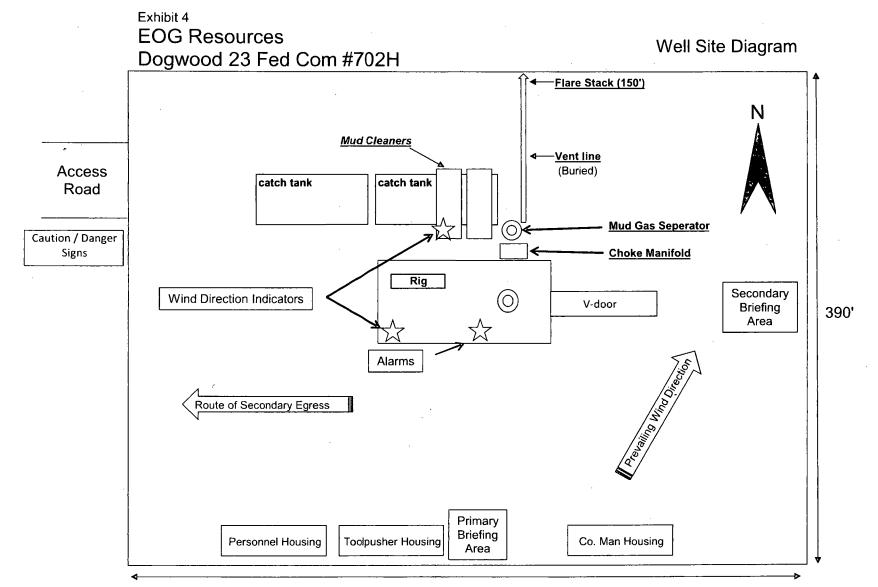
API: 30-025-****

KB: 3,356' GL: 3,331'



Lateral: 22,574' MD, 12,500' TVD Upper Most Perf: 330' FSL & 843' FEL Sec. 23 Lower Most Perf: 330' FNL & 843' FEL Sec. 14 BH Location: 230' FNL & 843' FEL Section 14

T-26-S, R-33-E



1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

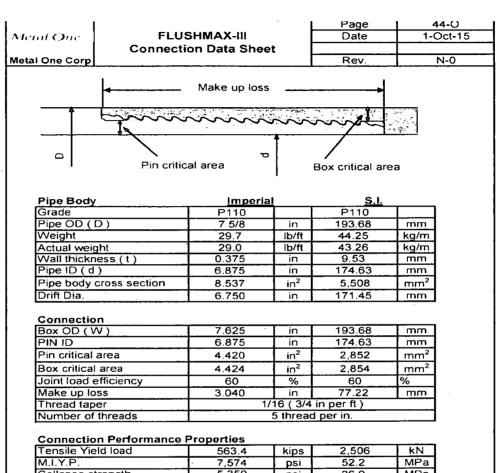
2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

1,019'
1,369'
4,979'
5,206'
5,206'
5,245'
6,287'
7,968'
9,442'
10,370'
10,556'
10,924'
11,452'
11,980'
12,401'
12,570

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,287'	Oil
Brushy Canyon	7,968'	Oil
1st Bone Spring Sand	10,370'	Oil
2 nd Bone Spring Shale	10,556'	Oil
2 nd Bone Spring Sand	10,924	Oil
3 rd Bone Spring Carb	11,452'	Oil
3 rd Bone Spring Sand	11,980'	Oil
Wolfcamp	12,401'	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 1,045' and circulating cement back to surface.



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

1 Of que i tecommenaca				
Min.	8,700	ft-Ib	11,700	N-m
Opti.	9,700	ft-Ib	13,100	N-m
Max.	10,700	ft-Ib	14,500	N-m
Operational Max.	23.600	ft-Ib	32,000	N-m

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

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.

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.

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 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7516 psig (based on 11.5 ppg MW). 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.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

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 – 1,045'	Fresh - Gel	8.6-8.8	28-34	N/c
1,045' – 11,600'	Brine	8.8-10.0	28-34	N/c
11,600' – 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral		,		

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 – 1,045'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP- 110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,600'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0' - 11,100'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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" 1,045'	325	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" 11,600'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

MIDWEST HOSE AND SPECIALTY INC.

INT	ERNAL	HYDROST	ATIC TEST	REPOR	T
Customer:	······································		,	P.O. Numb	
CACTUS		···		RIG #123	
		HOSE SPECI	FICATIONS	Asset # N	A10761
Туре: Сн	IOKE LIN	E ,		Length:	35'
					
I.D.	4"	INCHES	O.D.	8"	INCHES
WORKING PRE	SSURE	TEST PRESSUR	E	BURST PRES	SSURE
10,000	PSI	15,000	PSI		PSI
		COUP	LINGS		
Type of End 41	Fitting /16 10K F				
Type of Cou SW	pling: /EDGED		MANUFACTU MIDWEST HO		ALTY
		PROC	EDURE		
		<i>Pressure tested w</i> TEST PRESSURE	1	<u>nt temperature</u> BURST PRESSI	
1	1	MIN			0
COMMENTS:	<u>-</u>	RUPL			0 PSI
	#90087	M10761			
		ered with staini	ess steel armo	ur cover and	1
		fire resistant v			
ins	ulation re	sted for 1500 de	grees complet	e with lifting	eyes
Date: 6/6	/2011	Tested By: BOBBY FINK		Approved: MENDI	ACKSON

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



Internal Hydrostatic Test Graph

Customer: CACTUS

SALES ORDER# 90067

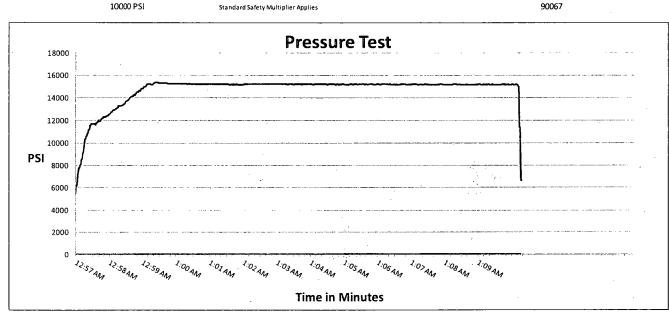
Verification

Hose Specifications

Hose Type C&K <u>l.D.</u> Working Pressure

Length 35' <u>O.D.</u> **Burst Pressure** Type of Fitting 4 1/16 10K <u>Die Size</u> 6.62" Hose Serial #

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



Test Pressure 15000 PSI

Time Held at Test Pressure 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

, Mendi Jackson

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 - 1,045	10.75"	40.5#	J55 ,	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP- 110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' - 11,600'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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. ppg	Yld Ft³/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045	325	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" 11,600°	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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 – 1,045'	Fresh - Gel	8.6-8.8	28-34	N/c
1,045' – 11,600'	Brine	8.8-10.0	28-34	N/c
11,600' – 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

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.

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The applicable depths and properties of the drilling fluid systems are as follows.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,045'	Fresh - Gel	8.6-8.8	28-34	N/c
1,045' – 11,600'	Brine	8.8-10.0	28-34	N/c
11,600' - 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				u.

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

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 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7516 psig (based on 11.5 ppg MW). 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.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	DF _{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
14.75"	0 – 1,045'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 - 1,000	7.625"	29.7#	HCP-	LTC	1.125	1.25	1.60
				110		1		
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,600'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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. ppg	Yld Ft³/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045'	325	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" 11,600°	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
İ	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,019'
Top of Salt	1,369
Base of Salt / Top Anhydrite	4,979
Base Anhydrite	5,206'
Lamár	5,206
Bell Canyon	5,245
Cherry Canyon	6,287
Cherry Canyon Brushy Canyon	7,968
Bone Spring Lime	9,442
1 st Bone Spring Sand	10,370
2 nd Bone Spring Shale	10,556
2 nd Bone Spring Sand	10,924
3 rd Bone Spring Carb	11,452
3 rd Bone Spring Sand	11,980
Wolfcamp	12,401
	12,570°
	5 (4) P 47 5 5

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

The state of the s

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,287'	Oil
Brushy Canyon	7,968'	Oil
1st Bone Spring Sand	10,370'	Oil
2 nd Bone Spring Shale	10,556'	Oil
2 nd Bone Spring Sand	10,924	Oil
3 rd Bone Spring Carb	11,452'	Oil
3 rd Bone Spring Sand	11,980'	Oil
Wolfcamp	12,401'	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 1,045" and circulating cement back to surface.

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.
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8. LOGGING, TESTING AND CORING PROGRAM:

Open-hole logs are not planned for this well.

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The estimated bottom-hole temperature (BHT) at TD is 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7516 psig (based on 11.5 ppg MW). 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.

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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.

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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,019'
Top of Salt	1,369'
Base of Salt / Top Anhydrite	4,979'
Base Anhydrite	5,206'
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Cherry Canyon	6,287'
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8. LOGGING, TESTING AND CORING PROGRAM:

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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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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.

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Depth	Type	Weight (ppg)	Viscosity	Water Loss
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11,600', - 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral			[1] 新西蒙斯·西斯斯·斯西斯	1

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 – 1,045'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP- 110	LTC	1.125	1.25	1.60
9.875"	1,000' - 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,600'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
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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. ppg	Yld Ft³/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045'	325	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" 11,600°	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
·	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,019'
Top of Salt	1,369'
Base of Salt / Top Anhydrite	4,979'
Base Anhydrite	5,206'
Lamar	5,206'
Bell Canyon	5,245'
Cherry Canyon	6,287'
Brushy Canyon	7,968'
Bone Spring Lime	9,442'
1 st Bone Spring Sand	10,370'
2 nd Bone Spring Shale	10,556'
2 nd Bone Spring Sand	10,924'
3 rd Bone Spring Carb	11,452'
3 rd Bone Spring Sand	11,980'
Wolfcamp	12,401'
TD	12,570'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,287'	Oil
Brushy Canyon	7,968'	Oil
1 st Bone Spring Sand	10,370'	Oil
2 nd Bone Spring Shale	10,556'	Oil
2 nd Bone Spring Sand	10,924'	Oil
3 rd Bone Spring Carb	11,452'	Oil
3 rd Bone Spring Sand	11,980'	Oil
Wolfcamp	12,401'	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 1,045' and circulating cement back to surface.

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.

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.

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 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7516 psig (based on 11.5 ppg MW). 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.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

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 – 1,045'	Fresh - Gel	8.6-8.8	28-34	N/c
1,045' – 11,600'	Brine	8.8-10.0	28-34	N/c
11,600' - 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	DFmin
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
14.75"	0 - 1,045	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-	LTC	1.125	1.25	1.60
				110				
9.875"	1,000' –	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
	3,000'							
8.75"	3,000' - 11,600'	7.625"	29.7#	HCP-	FlushMax III	1.125	1.25	1.60
				110	•			
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS	1.125	1.25	1.60
					MS			
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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 Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045'	325	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" 11,600'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,019'
Top of Salt	1,369'
Base of Salt / Top Anhydrite	4,979'
Base Anhydrite	5,206'
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1 st Bone Spring Sand	10,370'
2 nd Bone Spring Shale	10,556'
2 nd Bone Spring Sand	10,924'
3 rd Bone Spring Carb	11,452'
3 rd Bone Spring Sand	11,980'
Wolfcamp	12,401'
TD	12,570'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,287'	Oil
Brushy Canyon	7,968'	Oil
1 st Bone Spring Sand	10,370'	Oil
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2 nd Bone Spring Sand	10,924'	Oil
3 rd Bone Spring Carb	11,452'	Oil
3 rd Bone Spring Sand	11,980'	Oil
Wolfcamp	12,401'	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 1,045' and circulating cement back to surface.

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.

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.

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 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7516 psig (based on 11.5 ppg MW). 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.

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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.

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5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

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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 – 1,045'	Fresh - Gel	8.6-8.8	28-34	· N/c		
1,045' – 11,600'	Brine	8.8-10.0	28-34	N/c		
11,600' – 22,574'	Oil Base	10.0-14.0	58-68	3 - 6		
Lateral						

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

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

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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 – 1,045'	Fresh - Gel	8.6-8.8	28-34	N/c
1,045' - 11,600'	Brine	8.8-10.0	28-34	N/c
11,600' - 22,574'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	DF _{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
14.75"	0-1,045	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-	LTC	1.125	1.25	1.60
				110				
9.875"	1,000' -	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
	3,000'							
8.75"	3,000' – 11,600'	7.625"	29.7#	HCP-	FlushMax III	1.125	1.25	1.60
				110		<u> </u>		
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS	1.125	1.25	1.60
					MS			
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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 Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045'	325	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" 11,600°	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,019'
Top of Salt	1,369'
Base of Salt / Top Anhydrite	4,979°
Base Anhydrite	5,206'
Lamar	5,206'
Bell Canyon	5,245'
Cherry Canyon	6,287
Brushy Canyon	7,968'
Bone Spring Lime	9,442'
1 st Bone Spring Sand	10,370'
2 nd Bone Spring Shale	10,556
2 nd Bone Spring Sand	10,924'
3 rd Bone Spring Carb	11,452'
3 rd Bone Spring Sand	11,980'
Wolfcamp	12,401'
TD	12,570'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,287'	Oil
Brushy Canyon	7,968'	Oil
1st Bone Spring Sand	10,370'	Oil
2 nd Bone Spring Shale	10,556'	Oil
2 nd Bone Spring Sand	10,924'	Oil
3 rd Bone Spring Carb	11,452'	Oil
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Wolfcamp	12,401	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 1,045' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	DF _{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
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				110				
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,600'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0'-11,100'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,100'-22,574'	5.5"	20#	P-110EC	VAM SFC	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.

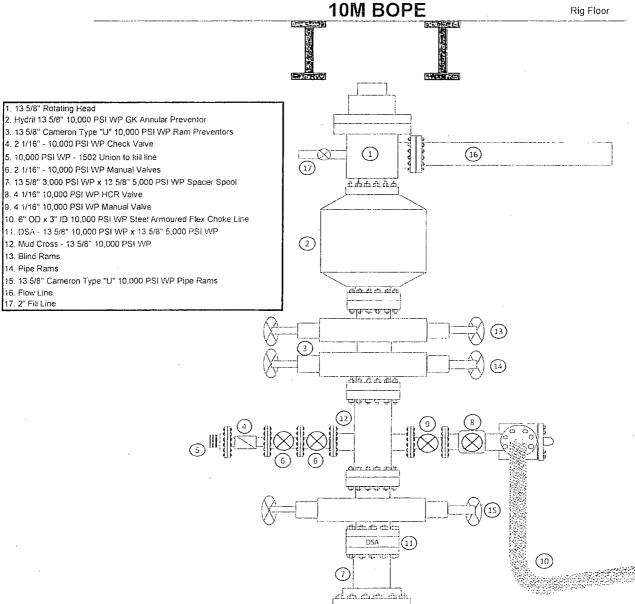
Variance is also requested to wave any centralizer requirements for the 5-1/2" FJ casing in the 6-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

Cementing Program:

Depth	No. Sacks	Wt.	Yld Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 1,045	325	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" 11,600'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
	2000	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead
	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 pumped Conventionally
5-1/2" 22,574'	950	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 @ 11,100')

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.

Exhibit 1 EOG Resources 10M BOPF



1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

1,019'
1,369'
4,979'
5,206'
5,206'
5,245'
6,287
7,968'
9,442'
10,370'
10,556'
10,924'
11,452'
11,980'
12,401'
12,570'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,287	Oil
Brushy Canyon	7,968'	Oil
1st Bone Spring Sand	10,370'	Oil
2 nd Bone Spring Shale	10,556'	Oil
2 nd Bone Spring Sand	10,924'	Oil
3 rd Bone Spring Carb	11,452'	Oil
3 rd Bone Spring Sand	11,980'	Oil
Wolfcamp	12,401'	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 1,045' and circulating cement back to surface.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. GREENE ST. CARLSBAD, NM 88220 BLM_NM_CFO_APD@BLM.GOV



In Reply To: 3160 (Office Code) I NMNM122622]

05/26/2017

Attn: STAN WAGNER EOG RESOURCES INC 1111 BAGBY SKY LOBBY2 HOUSTON, TX 77002

Re: Receipt and Acceptability of Application for Permit to Drill (APD)

FEDERAL - NMNM122622

Well Name / Number:

DOGWOOD 23 FED COM / 702H

Legal Description:

T26S, R33E, SEC 23, SESE

County, State:

LEA, NM

Date APD Received:

03/07/2017

Dear Operator:

The BLM received your Application for Permit to Drill (APD), for the referenced well, on 03/07/2017. The BLM reviewed the APD package pursuant to part III.D of Onshore Oil and Gas Order No.1 and it is:

1. Incomplete/Deficient (The BLM cannot process the APD until you submit the identified

items within 4:	5 calendar days of the date of this notice or the BLM will return your APD.)
	Well Plat
1	Drilling Plan
	Surface Use Plan of Operations (SUPO)
	Certification of Private Surface Owner Access Agreement
	Bonding
	Onsite (The BLM has scheduled the onsite to be on)
	This requirement is exempt of the 45-day timeframe to submit deficiencies. This requirement will be satisfied on the date of the onsite.
	Other

[Please See Addendum for further clarification of deficiencies]

2: Missing Necessary Information (The BLM can start, but cannot complete the analysis until you submit the identified items. This is an early notice and the BLM will restate this in a 30-day deferral letter, if you have not submitted the information at that time. You will have two (2) years from the date of the deferral to submit this information or the BLM will deny your APD.)

[Please See Addendum for further clarification of deficiencies]

NOTE: The BLM will return your APD package to you, unless you correct all deficiencies identified above (item 1) within 45 calendar days.

• The BLM will not refund an APD processing fee or apply it to another APD for any returned APD.

Extension Requests:

- If you know you will not be able to meet the 45-day timeframe for reasons beyond your control, you must submit a written request through email/standard mail for extension prior to the 45th calendar day from this notice. 07/10/2017.
- The BLM will consider the extension request if you can demonstrate your diligence (providing reasons and examples of why the delay is occurring beyond your control) in attempting to correct the deficiencies and can provide a date by which you will correct the deficiencies. If the BLM determines that the request does not warrant an extension, the BLM will return the APD as incomplete after the 45 calendar days have elapsed.
 - The BLM will determine whether to grant an extension beyond the required 45 calendar days and will document this request in the well file. If you fail to submit deficiencies by the date defined in the extension request, the BLM will return the APD.

APDs remaining Incomplete:

- If the APD is still not complete, the BLM will notify you and allow 10 additional business days to submit a written request to the BLM for an extension. The request must describe how you will address all outstanding deficiencies and the timeframe you request to complete the deficiencies.
 - o The BLM will consider the extension request if you can prove your diligence (providing reasons and examples of why the delay is occurring) in attempting to correct the deficiencies and you can provide a date by which you will correct the deficiencies. If the BLM determines that the request does not warrant an additional extension, the BLM will return the APD as incomplete.

If you have any questions, please contact Melissa Agee at (575) 234-5937.

Sincerely,

Cody Layton
Assistant Field Manager

cc: Official File

ADDENDUM - Deficient

Engineering Comments

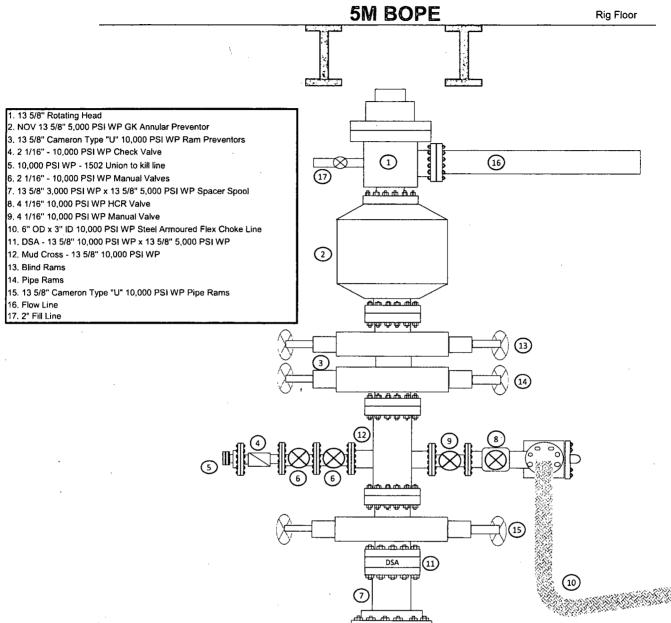
- BOP requirements are not met
 - 1. BOP Schematic must have a 10M Annular: Please resubmit with correction. A Hacked

- 2. 10M BOP Choke manifold is required. Please resubmit with correction.
- Engineering Review: Other identified drilling plan deficiencies

 Not a deficiency but cannot approve APD without a waste minimization plan. Please attach state

submitted gas capture plan (this will be a sufficient substitute for waste minimization plan).

Exhibit 1 EOG Resources



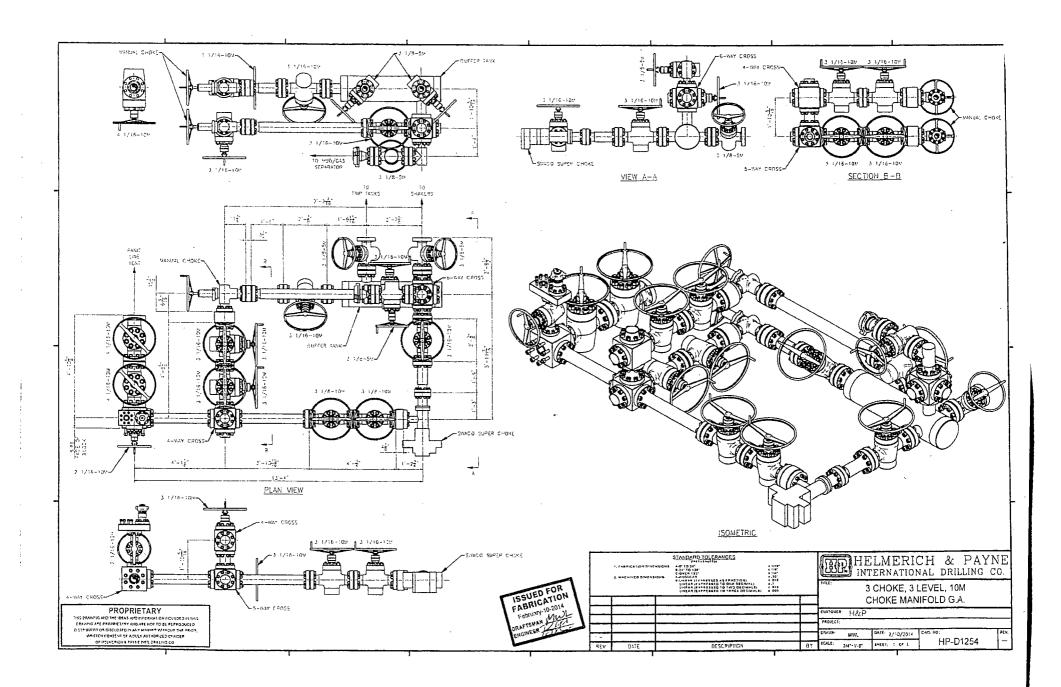
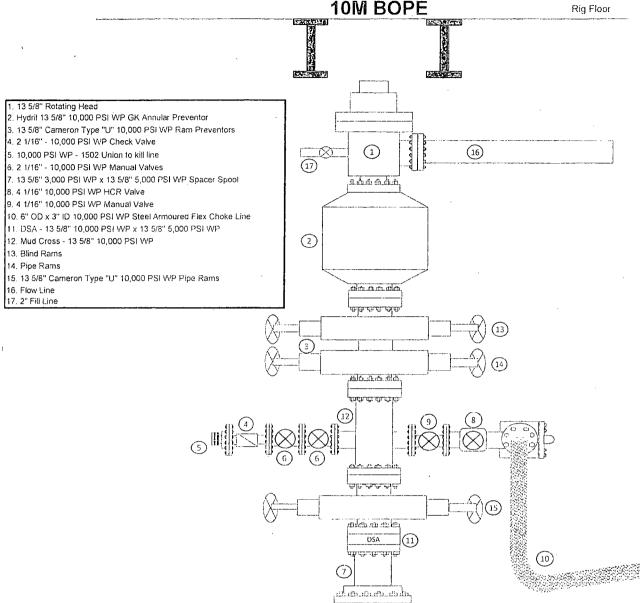
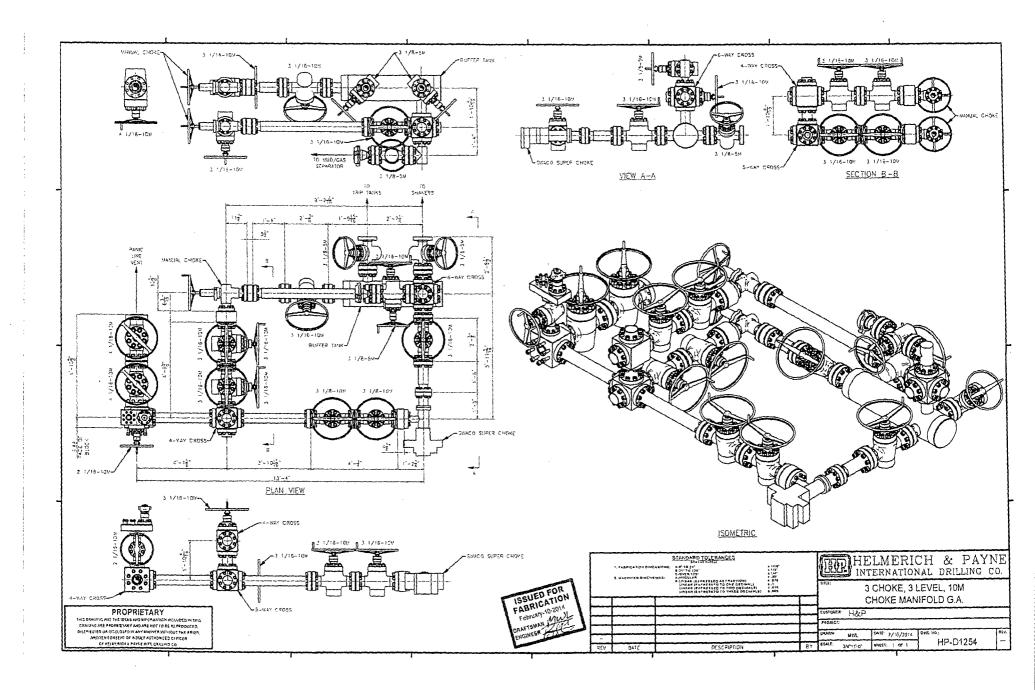


Exhibit 1 EOG Resources 10M BOPE





BLM APD Waste Minimization Plan Checklist

Well Name: Dogwood 23 Fed Com 702H (APD)

Well Location: 200' FSL & 604' FEL, SESE 23-26S-33E, Lea County

Production Facility Name: Dogwood 23 Fed Com Central Tank Battery

Production Facility Location: CTB Located in SE/4 of section 23. Gas is gathered at CTB and piped

through EOG gathering system to Enterprise Field Services gas pipeline tie-in.

Anticipated Well Completion Date: Estimated 04/01/2018

- Initial Production Volumes: Estimated ~3000 – 7000 MCFPD initial rate.

In accordance with 3162.3-1(j)(3), one or more third-party, midstream processors have been notified of our development plan. Information provided includes anticipated completion dates and gas production rates.

NMOCD gas capture plan attached.



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

PIPEPRÓPER	MES
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

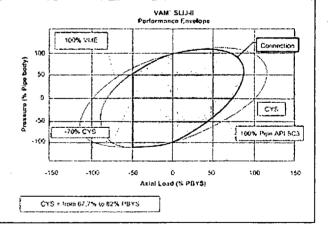
CENTRESION (CONTRESION)				
emi-flush				

CONVIGURACION L'ALLO	RMANGES
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

ENERGY ENDERGO PROPERTY OF THE	
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.



. Do you need help on this product? - Remember no one knows VAM[®] like VAM

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

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