March 2012) UNITED STATES DEPARTMENT OF THE I BUREAU OF LAND MAN APPLICATION FOR PERMIT TO	NTERIOR	HOBBS JAN 3 REENTBEC	0 2018 EIVE	FORM OMB N Expires O 5. Lease Serial No. MMNM02965A 6. If Indian, Allotee	APPROVED o. 1004-0137 ctober 31, 2014
a. Type of work: DRILL REENTE				7. If Unit or CA Agre	ement, Name and No.
b. Type of Well: 🖌 Oil Well 🗍 Gas Well 🗍 Other	🖌 Sin	gle Zone 🔲 Multip	ole Zone	8. Lease Name and V MAGNOLIA 15 FEI	
Name of Operator EOG RESOURCES INCORPORATED	(737	7)		9. API Well No.	- ILUVAL
a. Address 1111 Bagby Sky Lobby2 Houston TX 77002	3b. Phone No. (713)651-7	(include area code) 000		10. Field and Pool, or H	
Location of Well (Report location clearly and in accordance with any		•		11. Sec., T. R. M. or B	lk. and Survey or Area
At surface NENE / 740 FNL / 648 FEL / LAT 32.0486926 At proposed prod. zone SENE / 2410 FNL / 660 FEL / LAT			709	SEC 15 / T26S / R3	33E / NMP
 4. Distance in miles and direction from nearest town or post office* 22.5 miles 				12. County or Parish LEA	13. State NM
5 Distance from proposed* location to nearest 330 feet property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of ac 2174.12	res in lease	17. Spacir 240	ng Unit dedicated to this v	vell
B. Distance from proposed location* to nearest well, drilling, completed, 333 feet applied for, on this lease, ft.	19. Proposed 12350 feet	Depth / 19815 feet	20. BLM/ FED: N	BIA Bond No. on file M2308	
. Elevations (Show whether DF, KDB, RT, GL, etc.) 3330 feet	22 Approxin 01/01/2018	ate date work will sta 3	rt*	23. Estimated duration 25 days	n
	24. Attac				
 he following, completed in accordance with the requirements of Onshor Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). 		 Bond to cover the second second	he operatio cation		existing bond on file (see may be required by the
5. Signature		Printed/Typed)			Date
(Electronic Submission) tle Regulatory Specialsit	Stant	Vagner / Ph: (432)	000-3005	· · ·	08/17/2017
pproved by <i>(Signature)</i> (Electronic Submission)	Cody I	(Printed/Typed) .ayton / Ph: (575)2	234-5959	· · · · · · · · · · · · · · · · · · ·	Date 01/19/2018
tle Supervisor Multiple Resources	Office CARL	SBAD		· .	
pplication approval does not warrant or certify that the applicant hold onduct operations thereon. onditions of approval, if any, are attached.	s legal or equit	ble title to those righ	ts in the sul	bject lease which would e	ntitle the applicant to
tle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cr ates any false, fictitious or fraudulent statements or representations as t	rime for any pe to any matter w	rson knowingly and v thin its jurisdiction.	willfully to r	nake to any department o	or agency of the United
Continued on page 2)	······	H CONDITI			ructions on page 2)

Approval Date: 01/19/2018

KZ 01/30/18

Doubles deal

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts. ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

(Form 3160-3, page 2)

Approval Date: 01/19/2018



Additional Operator Remarks

Location of Well

SHL: NENE / 740 FNL / 648 FEL / TWSP: 26S / RANGE: 33E / SECTION: 15 / LAT: 32.0486926 / LONG: -103.5537426 (TVD: 0 feet, MD: 0 feet)
 PPP: SESE / 1170 FSL / 660 FEL / TWSP: 26S / RANGE: 33E / SECTION: 15 / LAT: 32.0394263 / LONG: -103.553776 (TVD: 12300 feet, MD: 16200 feet)
 PPP: NENE / 330 FNL / 660 FEL / TWSP: 26S / RANGE: 33E / SECTION: 15 / LAT: 32.0498196 / LONG: -103.5537815 (TVD: 12306 feet, MD: 12447 feet)
 BHL: SENE / 2410 FNL / 660 FEL / TWSP: 26S / RANGE: 33E / SECTION: 22 / LAT: 32.0295853 / LONG: -103.5537709 (TVD: 12350 feet, MD: 19815 feet)

BLM Point of Contact

Name: Deborah Ham Title: Legal Landlaw Examiner Phone: 5752345965 Email:.dham@blm.gov

(Form 3160-3, page 3)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Approval Date: 01/19/2018

(Form 3160-3, page 4)

AFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT Drilling Plan Data Report

01/24/2018

APD ID: 10400018268

Operator Name: EOG RESOURCES INCORPORATED

Well Name: MAGNOLIA 15 FED COM

•

Submission Date: 08/17/2017

Highlighted data reflects the most recent changes

Show Final Text

Well Number: 713H

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation	(True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
1	PERMIAN	3330	0	0		NONE	No
2	RUSTLER	2493	830	830	ANHYDRITE	NONE	No
3	TOP SALT	2163	1160	1160	SALT	NONE	No
4	BASE OF SALT	-1462	4785	4785	SALT	NONE	No
5	LAMAR	-1717	5040	5040	LIMESTONE	NONE	No
6	BELL CANYON	-1747	5070	5070	SANDSTONE	NATURAL GAS,OIL	No
7	CHERRY CANYON	-2777	6100	6100	SANDSTONE	NATURAL GAS,OIL	No
8	BRUSHY CANYON	-4367	7690	7690	SANDSTONE	NATURAL GAS,OIL	No
9	BONE SPRING LIME	-5937	9260	9260	LIMESTONE	NONE	No
10	FIRST BONE SPRING SAND	-6862	10185	10185	SANDSTONE	NATURAL GAS,OIL	No
11	BONE SPRING 2ND	-7367	10690	10690	SANDSTONE	NATURAL GAS,OIL	No
12	BONE SPRING 3RD	-8442	11765	11765	SANDSTONE	NATURAL GAS,OIL	No
13	WOLFCAMP	-8912	12235	12235	SHALE	NATURAL GAS,OIL	Yes

Section 2 - Blowout Prevention

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Pressure Rating (PSI): 10M

Rating Depth: 12350

Equipment: 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 (10,000-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 and Gas order No. 2.

Requesting Variance? YES

Variance request: Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line). 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 maximize cement slurry, for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

Testing Procedure: Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 5000/ 250 psig. The surface casing will be tested to 1500 psi for 30 minutes. Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 5000/ 250 psig. The intermediate casing will be tested to 2000 psi for 30 minutes. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

Choke Diagram Attachment:

Magnolia 15 FC 713H 10 M Choke Manifold 08-02-2017.pdf

Magnolia_15_FC_713H_Co_Flex_Hose_Certification_08-02-2017.PDF

Magnolia 15_FC_713H_Co_Flex_Hose_Chart_08-02-2017.pdf

BOP Diagram Attachment:

Magnolia 15 FC 713H 10 M BOP Diagram 08-02-2017.pdf

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	14.7 5	10.75	NEW	API	N	0	855	0	855	-9020	-9875	855	J-55	40.5	STC	1.12 5	1.25	BUOY	1.6 [.]	BUOY	1.6
2	INTERMED IATE	9.87 5	7.625	NEW	API	Y	0	1000	0	1000	-9020	- 10020		HCP -110	29.7	LTC .	1.12 5	1.25	BUOY	1.6	BUOY	1.6
3	PRODUCTI ON	6.75	5.5	NEW	API	Y	0	10800	0	10800	-9020	- 19820	10800	OTH ER		OTHER - DWC/C-IS MS	1.12 5	1.25	BUOY	1.6	BUOY	1.6

Section 3 - Casing

Page 2 of 6

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Casing Attachments

Casing ID: 1	String Type:SURFACE
Inspection Document:	

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Magnolia_15_FC_713H_BLM_Plan_08-02-2017.pdf

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Magnolia_15_FC_713H_7.625in_29.70_P_110_FlushMax_III_08-02-2017.pdf Magnolia_15_FC_713H_7.625in_29.7_P110EC_VAM_SLIJ_II_08-02-2017.pdf See_previously_attached_Drill_Plan_08-02-2017.pdf

Casing Design Assumptions and Worksheet(s):

Magnolia_15_FC_713H_BLM_Plan_08-02-2017.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

See previously attached Drill Plan 08-02-2017.pdf

Casing Design Assumptions and Worksheet(s):

See_previously_attached_Drill_Plan_08-02-2017.pdf

Section 4 - Cement

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	855	325	1.73	13.5	562	25	Class C	Class C + 4.0% Bentonite + 0.6% CD- 32 + 0.5% CaCl2 + 0.25 Ib/sk Cello-Flake (TOC @ Surface)
SURFACE	Tail		855	855	200	1.34	14.8	268	25	Class C	Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate
INTERMEDIATE	Lead		0	1130 0	2250	1.38	14.8	3105	25	Class C	Class C + 5% Gypsum + 3% CaCl2 pumped via bradenhead (TOC@surface)
INTERMEDIATE	Tail		1130 0	1130 0	550	1.2	14.4	660	25	Class H	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped conventionally
PRODUCTION	Lead		1080 0	1981 5	850	1.26	14.1	1071	25	Class H	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C- 17 (TOC @ 10800')

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: (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. **Describe the mud monitoring system 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.

Circulating Medium Table

AFMSS

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

Application Data Report

01/24/2018

APD ID: 10400018268

Operator Name: EOG RESOURCES INCORPORATED

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Well Work Type: Drill

Submission Date: 08/17/2017

Zip: 77002

Highlighted data reflects the most recent changes

Show Final Text

Well Type: OIL WELL

Section 1 - General

APD ID:	10400018268	Tie to previous NOS	Submission Date: 08/17/2017
BLM Office	: CARLSBAD	User: Stan Wagner	Title: Regulatory Specialsit
Federal/Ind	ian APD: FED	Is the first lease pen	etrated for production Federal or Indian? FED
Lease num	ber: NMNM02965A	Lease Acres: 2174.1	2
Surface acc	cess agreement in place?	Allotted?	Reservation:
Agreement	in place? NO	Federal or Indian ag	reement:
Agreement	number:		
Agreement	name:		
Keep applie	cation confidential? NO		
Permitting	Agent? NO	APD Operator: EOG	RESOURCES INCORPORATED
Operator le	tter of designation:	- ·	

Operator Info

Operator Organization Name: EOG RESOURCES INCORPORATED

Operator Address: 1111 Bagby Sky Lobby2

Operator PO Box:

Operator City: Houston State: TX

Operator Phone: (713)651-7000

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO	Mater Development Plan na	me:
Well in Master SUPO? NO	Master SUPO name:	
Well in Master Drilling Plan? NO	Master Drilling Plan name:	•
Well Name: MAGNOLIA 15 FED COM	Well Number: 713H	Well API Number:
Field/Pool or Exploratory? Field and Pool	Field Name: RED HILLS	Pool Name: WC-025 S263327G UPPR WC

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Describe other minerals:

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO Type of Well Pad: MULTIPLE WELL

Well Class: HORIZONTAL

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 22.5 Miles

Reservoir well spacing assigned acres Measurement: 240 Acres

Well plat: Magnolia_15_Fed_Com_713H_signed_C_102_08-17-2017.pdf

Well work start Date: 01/01/2018

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Survey number:

Vertical Datum: NAVD88

Duration: 25 DAYS

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	DM	TVD
SHL Leg #1	740	FNL	648	FEL	26S	33E	15	Aliquot NENE	32.04869 26	- 103.5537 426	LEA		NEW MEXI CO	1	NMNM 02965A	333 0	0	0
KOP Leg #1	53	FNL	664	FEL	26S	33E	15	Aliquot NENE	32.05057 82	- 103.5537 804	LEA		NEW MEXI CO	F	NMNM 02965A	- 849 9	118 60	118 29
PPP Leg #1	330	FNL	660	FEL	26S	33E	15	Aliquot NENE	32.04981 96	- 103.5537 815	LEA		NEW MEXI CO	F	NMNM 02965A	- 897 6	124 47	123 06

Distance to nearest well: 333 FT

New surface disturbance?

Multiple Well Pad Name: MAGNOLIA 15 FED COM Number of Legs: 1

Number: 712H/713H/714H

Distance to lease line: 330 FT

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	HA	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
855	1130 0	SALT SATURATED	8.8	10							
1130 0	1235 0	OIL-BASED MUD	10	14							
0	855	WATER-BASED MUD	8.6	8.8							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Open-hole logs are not planned for this well.

List of open and cased hole logs run in the well: DS

Coring operation description for the well: None

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7385

Anticipated Surface Pressure: 7385

Anticipated Bottom Hole Temperature(F): 181

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Magnolia_15_FC_713H_H2S_Plan_Summary_08-02-2017.pdf

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Magnolia_15_Fed_Com_713H_Planning_Report_08-02-2017.pdf Magnolia_15_Fed_Com_713H_Wall_Plot_08-02-2017.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Magnolia_15_FC_713H_Rig_Layout_08-02-2017.pdf Magnolia_15_FC_713H_Wellbore_08-02-2017.pdf Magnolia_15_FC_713H_Wellhead_Cap_08-02-2017.pdf Magnolia_15_Fed_Com_713H_gas_capture_08-02-2017.pdf Magnolia_15_FC_713H_deficiency_response_20171017122100.pdf Magnolia_15_FC_713H_gas_capture_20171017122101.pdf

Other Variance attachment:

VAFMSS

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

SUPO Data Report

01/24/2018

APD ID: 10400018268 Operator Name: EOG RESOURCES INCORPORATED Well Name: MAGNOLIA 15 FED COM Well Type: OIL WELL

Submission Date: 08/17/2017

Well Number: 713H Well Work Type: Drill Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

MAGNOLIA15FEDCOM713H_vicinity_08-03-2017.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

MAGNOLIA15FEDCOM_INFRASTRUCTURE_08-03-2017.pdf MAGNOLIA15FEDCOM713H padsite 08-03-2017.pdf

MAGNOLIA15FEDCOM713H_wellsite_08-03-2017.pdf

New road type: RESOURCE

Length: 830 Feet Width (ft.): 24

Max slope (%): 2

Max grade (%): 20

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 24

New road access erosion control: Newly constructed or reconstructed roads will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road. We plan to grade and water twice a year. **New road access plan or profile prepared?** NO

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

New road access plan attachment:

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:

MAGNOLIA15FEDCOM713H_radius_08-03-2017.pdf

Existing Wells description:

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

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: Magnolia 15 Fed Com central battery is located in the NW/4 of section 15 Production Facilities map:

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

MAGNOLIA15FEDCOM_INFRASTRUCTURE_08-03-2017.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: OTHER

Describe type:

Source latitude:

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 (gal): 0

Water source and transportation map:

Magnolia 15_Fed_Com_water_source_and_caliche_map_08-03-2017.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 diamete	r (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:		

Water source type: RECYCLED

Source volume (acre-feet): 0

Source longitude:

Page 3 of 11

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

State appropriation permit:

Additional information attachment:

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 permit will be acquired prior to obtaining any mineral material from BLM pits or federal land.

Construction Materials source location attachment:

Magnolia_15_Fed_Com_water_source_and_caliche_map_08-03-2017.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 containmant 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 width (ft.)

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

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

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 depth (ft.)

Cuttings area width (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:

Magnolia_15_FC_713H_Rig_Layout_08-02-2017.pdf MAGNOLIA15FEDCOM713H_padsite_08-03-2017.pdf MAGNOLIA15FEDCOM713H wellsite 08-03-2017.pdf Comments: Exhibit 2A-Wellsite & Exhibit 2B-Padsite Rig Layout Exhibit 4

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: MAGNOLIA 15 FED COM

Multiple Well Pad Number: 712H/713H/714H

Recontouring attachment:

MAGNOLIA15FEDCOM713H_reclamation_08-03-2017.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.

Wellpad long term disturbance (acres): 3.05326	Wellpad short term disturbance (acres): 4.499541
Access road long term disturbance (acres): 0.4573	Access road short term disturbance (acres): 0.4573
Pipeline long term disturbance (acres): 3.6108816	Pipeline short term disturbance (acres): 6.018136
Other long term disturbance (acres): 0	Other short term disturbance (acres): 0
Total long term disturbance: 7.1214414	Total short term disturbance: 10.974977

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:

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

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

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed name:

Source name:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Seed Summary Seed Type Pounds/Acre Seed source:

Source address:

Proposed seeding season:

Total pounds/Acre:

Seed reclamation attachment:

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Operator Contact/Responsible Official Contact Info

First Name: Stan

Phone: (432)686-3689

Last Name: Wagner

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

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:

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

USFS Forest/Grassland:

USFS Ranger District:

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

 Phone: (575)399-9281
 Email:

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:

Describe: Surface Owner: PRIVATE OWNERSHIP Other surface owner description:

Disturbance type: PIPELINE

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:

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

Fee Owner: Oliver Kiehne

Phone: (575)399-9281

Fee Owner Address:

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: EOG has a surface use agreement w/ Mr. Kiehne.

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO ROW Type(s): Use APD as ROW?

cow rype(s):

ROW Applications

SUPO Additional Information: An onsite meeting was conducted 5/23/17. 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

MAGNOLIA15FEDCOM713H_location_08-03-2017.pdf SUPO_Magnolia_15_Fed_Com_713H_08-03-2017.pdf Magnolia_15_FC_713H_deficiency_response_20171017122127.pdf

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection 4

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

PWD disturbance (acres):

PWD disturbance (acres):

Injection well type:

Injection well number:

Assigned injection well API number?

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner: Surface discharge PWD discharge volume (bbl/day): Surface Discharge NPDES Permit? Surface Discharge NPDES Permit attachment: Surface Discharge site facilities information: Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner: Other PWD discharge volume (bbl/day): Other PWD type description: Other PWD type attachment: Have other regulatory requirements been met? Other regulatory requirements attachment: Injection well name:

Injection well API number:

PWD disturbance (acres):

PWD disturbance (acres):

FAFMSS

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

Bond Information

Federal/Indian APD: FED

BLM Bond number: NM2308

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Bond Info Data Report

01/24/2018

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

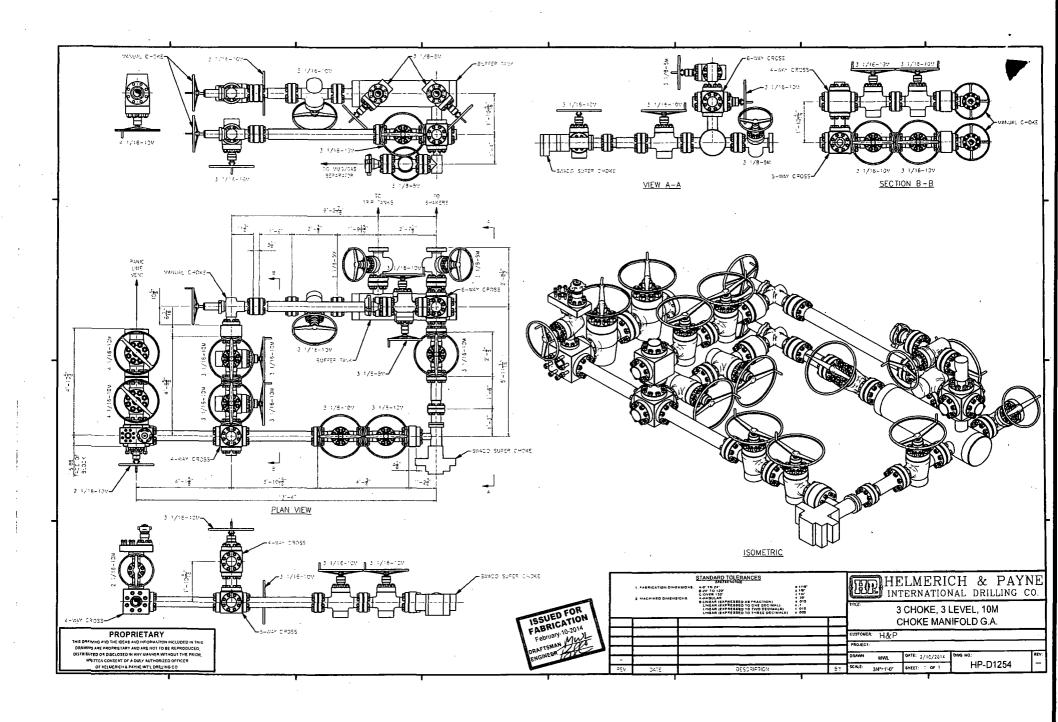
Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:



Manufacturer: Midwest Hose & Specialty

Serial Number: SN#90067

Length: 35'

Size: $OD = 8^\circ$ $ID = 4^\circ$

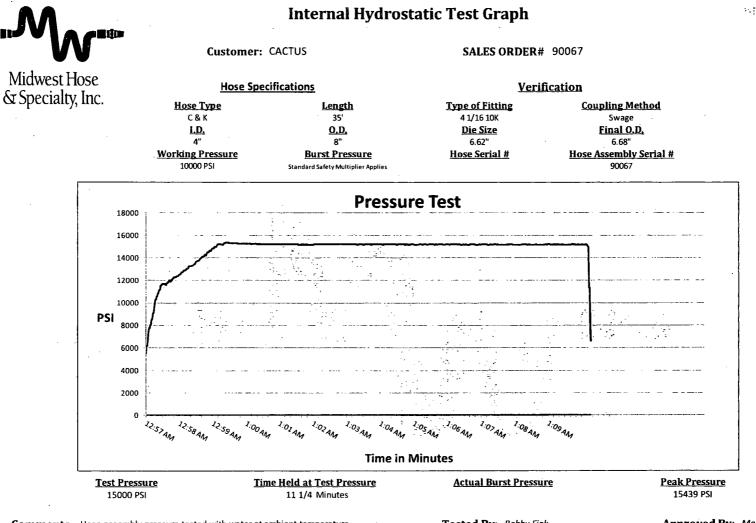
Ends: Flanges Size: 4-1/16*

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

MIDWEST

HOSE AND SPECIALTY INC.

INT	ERNAL	. HYDROST	ATIC TEST	REPOR	Т
Customer:	······································			P.O. Numb	er:
CACTUS		<u>.</u> .		RIG #123	
				Asset # N	110761
		HOSE SPECIE	ICATIONS	· ·	
Туре: Сн		E		Length:	35'
I.D.	4"	INCHES	O.D.	8"	INCHES
WORKING PRE	SSURE	TEST PRESSUR	E	BURST PRES	SURE
10,000	PSI	15,000	PSI		PSI
		COUP	LINGS		
Type of End 4 1	Fitting /16 10K F	LANGE	·····		
Type of Cou	pling:		MANUFACTU	RED BY	······································
1	VEDGED		MIDWEST HO	SE & SPECIA	LTY
		PROC	EDURE		
На	ee eeemhh	, pressure tested w	ith water at amhia	t lamnarahura	
		TEST PRESSURE	•	BURST PRESSU	RE:
	1	MIN.			0 PSI
COMMENTS:		······································			
SN	#90087	M10761			
Ha	se is cov	ered with stain!	ess steel armo	ur cover and	
Wr	aped with	fire resistant v	ermiculite coat	ed fiberglas	6
ins	ulation re	ted for 1500 de	grees complet	e with lifting	eyes
Date: 6/6	/2011	Tested By: BOBBY FINK		Approved: MENDI J	ACKSON



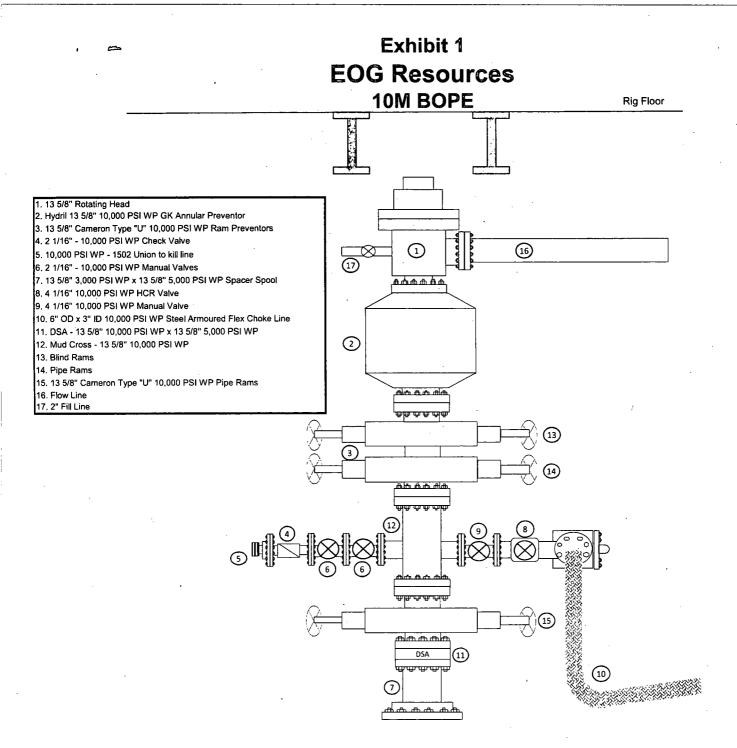
Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Bobby Fink

Approved By: Mendi Jackson

Mendi Jackson

september bei eit.



Issued on: 24 Jan. 2017

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Connection Data Sheet

100 % of pipe

100 % of pipe

OD	Woight	Wall Th.	Grade	API Drift	Connection
7 5/8 in.	29.70 lb/ft	1		6.750 in.	VAM® SLIJ-II

PIPE PROPERT	ES .	CONNECTION PROPERTIES			
Nominal OD	7.625 in.	Connection Type	Premium integral semi-flus		
Nominal ID	6.875 in.	Connection OD (nom)	7.711 in.		
Nominal Cross Section Area	. 8.541 sqin.	Connection ID (nom)	6.820 in.		
Grade Type	High Collapse	Make-up Loss	4.822 in.		
Min. Yield Strength	110 ksi	Critical Cross Section	5.912 sqin.		
Max. Yield Strength	140 ksi	Tension Efficiency	69.2 % of pipe		
Min. Ultimate Tensile Strength	125 ksi	Compression Efficiency	48.5 % of pipe		

Internal Pressure Efficiency

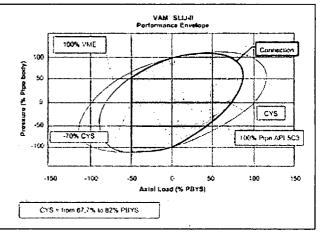
External Pressure Efficiency

CONNECTION PERFORMANCES								
Tensile Yield Strength	651 kib							
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.

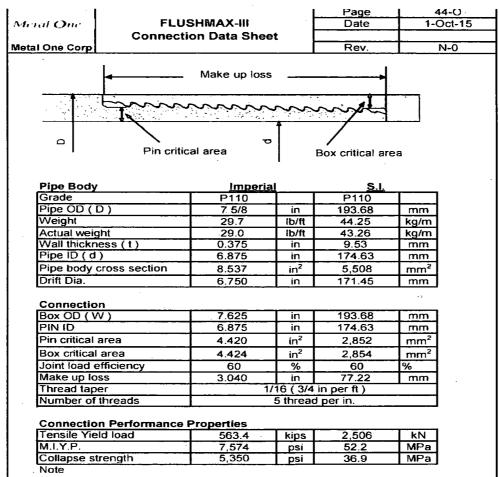


Do;you need help on this product? Remember no one knows VAM® like VAM canada@vamfieldservice.com uk@vamfieldservice.com china@vamfieldservice.com usa@vamfieldservice.com dubej@vamfieldservice.com baku@vamfieldservice.com mexico@vamfieldservice.com nigeria@vamfieldservice.com singapore@vamfieldservice.com brazil@vamfieldservice.com angola@vamfieldservice.com australia@vamfieldservice.com (Over 140 VAM® Specialists.available.worldwide 24/7 for Rig Site Assistance

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

♀ vallourec

Vallourec Group



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	Ň-m
Max.	10,700	ft-lb	14,500	N-m
Operational Max.	23,600	ft-lb	32,000	N-m
Note Operational Max for	nue can be ann	lied for hi	torque apr	lication

application

1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler Top of Salt Base of Salt / Top Anhydrite Base Anhydrite Lamar Bell Canyon Cherry Canyon Brushy Canyon Bone Spring Lime 1 st Bone Spring Sand	830' 1,160' 4,785' 5,040' 5,040' 5,070' 6,100' 7,690' 9,260' 10,185'
	,
Cherry Canyon	6,100'
Brushy Canyon	7,690'
Bone Spring Lime	9,260'
1 st Bone Spring Sand	10,185'
2 nd Bone Spring Shale	10,370'
2 nd Bone Spring Sand	10,690'
3 rd Bone Spring Carb	11,205'
3 rd Bone Spring Sand	11,765'
Wolfcamp	12,235'
TD	12,350'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,100'	Oil
Brushy Canyon	7,690'	Oil
1 st Bone Spring Sand	10,185'	Oil
2 nd Bone Spring Shale	10,370'	Oil
2 nd Bone Spring Sand	10,690'	Oil
3 rd Bone Spring Carb	11,205'	Oil
3 rd Bone Spring Sand	11,765'	Oil
Wolfcamp	12,235'	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 855' and circulating cement back to surface.

1.

1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

- · · ·	
Rustler	830'
Top of Salt	1,160'
Base of Salt / Top Anhydrite	4,785'
Base Anhydrite	5,040'
Lamar	5,040'
Bell Canyon	5,070'
Cherry Canyon	6,100'
Brushy Canyon	7,690'
Bone Spring Lime	9,260'
1 st Bone Spring Sand	10,185'
2 nd Bone Spring Shale	10,370'
2 nd Bone Spring Sand	10,690'
3 rd Bone Spring Carb	11,205'
3 rd Bone Spring Sand	11,765'
Wolfcamp	12,235'
TD	12,350'

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

Water

Upper Permian Sands	0-400'	Fresh
Cherry Canyon	6,100'	Oil
Brushy Canyon	7,690'	Oil
1 st Bone Spring Sand	10,185'	Oil
2 nd Bone Spring Shale	10,370'	Oil
2 nd Bone Spring Sand	10,690'	Oil
3 rd Bone Spring Carb	11,205'	Oil
3 rd Bone Spring Sand	11,765'	Oil
Wolfcamp	12,235'	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 855' and circulating cement back to surface.

1.

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 – 855'	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' - 11,300'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0' – 10,800'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	10,800'-19,815'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

4. CASING PROGRAM - NEW

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.

Depth	No. Sacks	Wt. ppg	Yld Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 855'	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" 11,300'	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" 19,815'	850	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 10,800')

Cementing Program:

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.

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
14.75"	0 - 855'	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' - 11,300'	7.625"	29.7#	HCP- 110	FlushMax III	1.125	1.25	1.60
6.75"	0' - 10,800'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	10,800'-19,815'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

4. CASING PROGRAM - NEW

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.

Depth	No. Sacks	Wt. ppg	Yld Ft ³ /ft	Mix Water Gal/sk	Slurry Description
10-3/4" 855'	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" 11,300'	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" 19,815'	850	14.1	1.26	5.80	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 10,800')

Cementing Program:

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 (10,000-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 10,000/250 psig and the annular preventer to 5,000/250 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 10,000/250 psig and the annular preventer to 5000/250 psig. The intermediate casing will be tested to 2000 psi for 30 minutes.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal.

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

Depth	Туре	Weight (ppg)	Viscosity	Water Loss			
0-855'	Fresh - Gel	8.6-8.8	28-34	N/c			
855' - 11,300'	Brine	8.8-10.0	28-34	N/c			
11,300' – 19,815'	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.

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 7385 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. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Durface Rig will move off so 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 (diagram attached). If the timing between rigs is such that EOG Resources would not be

4.

able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

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 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 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 10,000 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.

5.

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 (10,000-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.

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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.

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, 11/30/2017.
- 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.
 - 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 Deborah Ham at (575) 234-5965.

Sincerely.

Cody Layton Assistant Field Manager

cc: Official File

Clarifications

ADDENDUM - Deficient

Engineering Comments

- 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).



United States Department of the Interior

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. GREENE ST. CARLSBAD, NM 88220



In Reply To: 3160 (Office Code) [NMNM02965A]

10/16/2017

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

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

FEDERAL - NMNM02965A

Well Name / Number: Legal Description: County, State: Date APD Received: MAGNOLIA 15 FED COM / 713H T26S, R33E, SEC 15, NENE LEA, NM 08/17/2017

Dear Operator:

The BLM received your Application for Permit to Drill (APD), for the referenced well, on 08/17/2017. 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 45 calendar days of the date of this notice or the BLM will return your APD.*)

	Well Plat
\checkmark	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]

Operator Name: EOG RESOURCES INCORPORATED

Well Name: MAGNOLIA 15 FED COM

Well Number: 713H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	QW	TVD
PPP Leg #1	117 0	FSL	660	FEL	26S	33E	15	Aliquot SESE	32.03942 63	- 103.5537 76	LEA		NEW MEXI CO	F	FEE	- 897 0	162 00	123 00
EXIT Leg #1	231 0	FNL	660	FEL	26S	33E	22	Aliquot SENE	32.02986 02	- 103.5537 71	LEA	1	NEW MEXI CO	F	NMNM 02965A	- 902 0	197 15	123 50
BHL Leg #1	241 0	FNL	660	FEL	26S	33E	22	Aliquot SENE	32.02958 53	- 103.5537 709	LEA	1	NEW MEXI CO	F	NMNM 02965A	- 902 0	198 15	123 50

♥AFMSS

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

Section 1 - General

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Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO Produced Water Disposal (PWD) Location: PWD surface owner: Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

PWD disturbance (acres):

PWD Data Report

01/24/2018

FAFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT Operator Certification Data Report

01/24/2018

Operator Certification

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

NAME: Stan Wagner

Title: Regulatory Specialsit

Street Address: 5509 Champions Drive

City: Midland

State: TX

State: TX

Phone: (432)686-3689

Email address: Stan_Wagner@eogresources.com

Field Representative

Representative Name: James Barwis

Street Address: 5509 Champions Drive

City: Midland

Phone: (432)425-1204

Email address: james_barwis@eogresources.com

Signed on: 08/17/2017

Zip: 79702

Zip: 79706