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· •		20	0		PI
Form 3160-3 March 2012)	20	DBBS UN	B,	FORM OMB N Expires O	APPROVED o. 1004-0137 ctober 31, 2014
UNITED STATES DEPARTMENT OF THE I BUREAU OF LAND MAN	NTERIOR	FEB 16 C	JED	5. Lease Serial No. NMLC065607	
APPLICATION FOR PERMIT TO	DRILL OR	REENTER		6. If Indian, Allotee	or Tribe Name
				7. If Unit or CA Agre	ement, Name and No.
lb. Type of Well: Oil Well 🔽 Gas Well Other	□ Sin	gle Zone 🖌 Multip	le Zone	8. Lease Name and V VERNA RAE FEDE	Well No. 320548 ERAL COM 203H
2. Name of Operator MATADOR PRODUCTION COMPANY	228	G737)		9. API Well No.	- 44493
3a. Address 5400 LBJ Freeway, Suite 1500 Dallas TX 7524	3b. Phone No. (972)371-5	(include area code) 200		10. Field and Pool, or I TONTO / WOLFCA	Exploratory MP 59500)
4. Location of Well (Report location clearly and in accordance with an	y State requireme	ents.*)		11. Sec., T. R. M. or B	lk. and Survey.or Area
At surface LOT 2/230 FNL/1845 FEL/LAT 32.608762 At proposed prod. zone SWSE/240 FSL/2310 FEL/LAT	4 / LONG -1 32.5955542	03.5968937 / LONG -103.5984	985	SEC 6 / T20S / R34	4E / NMP
 Distance in miles and direction from nearest town or post office* 19 miles 				12. County or Parish LEA	13. State NM
15 Distance from proposed* location to nearest 230 feet property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of ac 722.39	cres in lease	17. Spacir 160	ng Unit dedicated to this v	vell
 Distance from proposed location* to nearest well, drilling, completed, 30 feet 	19. Proposed	Depth	20. BLM/	BIA Bond No. on file	
applied for, on this lease, ft.	10955 feet	/ 15714 feet	FED: N	MB001079	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3620 feet	22 Approxin 09/01/201	nate date work will star 7	1*	23. Estimated duration 90 days	n
	24. Attac	hments			
The following, completed in accordance with the requirements of Onsho	re Oil and Gas (Order No.1, must be at	tached to th	nis form:	
 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) 	Lands, the	 Bond to cover th Item 20 above). Operator certific Such other site : 	ne operatio ation	ons unless covered by an	existing bond on file (see
		BLM.			
25. Signature (Electronic Submission)	Name Brian	(Printed/Typed) Wood / Ph: (505)4	66-8120		Date 06/19/2017
President	•				
Approved by (Signature) (Electronic Submission)	Name Cody	(Printed/Typed) Layton / Ph: (575)2	34-5959		Date 02/02/2018
Title Supervisor Multiple Resources	Office CARL	SBAD		•	<u> </u>
Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached.	s legal or equit	able title to those righ	ts in the sul	bject lease which would e	ntitle the applicant to
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c States any false, fictitious or fraudulent statements or representations as	rime for any pe to any matter w	erson knowingly and v ithin its jurisdiction	villfully to r	nake to any department c	or agency of the United
(Continued on page 2)		· · · · ·		*(Inst	ructions on page 2)
			AVG	Kæ,	116

PROVED WITH CONDITIONS	
Approval Date: 02/02/2018	

AP

02/16/18

- Do the best

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: 02/02/2018

Additional Operator Remarks

Location of Well

 SHL: LOT 2 / 230 FNL / 1845 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.6087624 / LONG: -103.5968937 (TVD: 0 feet, MD: 0 feet) PPP: SWNE / 2640 FNL / 2310 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.60215 / LONG: -103.5968937 (TVD: 0 feet, MD: 13316 feet) PPP: LOT 2 / 230 FNL / 1845 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.6087624 / LONG: -103.5968937 (TVD: 0 feet, MD: 0 feet) BHL: SWSE / 240 FSL / 2310 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.5955542 / LONG: -103.5984985 (TVD: 10955 feet, MD: 15714 feet)

BLM Point of Contact

Name: Sipra Dahal Title: Legal Instruments Examiner Phone: 5752345983 Email: sdahal@blm.gov

Approval Date: 02/02/2018

(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: 02/02/2018

(Form 3160-3, page 4)

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FMSS

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

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: Brian Wood

Title: President

Street Address: 37 Verano Loop

City: Santa Fé

Phone: (505)466-8120

Email address: afmss@permitswest.com

State: NM

State:

Field Representative

Representative Name:

Street Address:

City:

Phone:

Email address:



Operator Certification Data Report

Signed on: 06/19/2017

Zip: 87508

02/12/2018

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

Application Data Report

<u>02/1</u>2/2018

APD ID: 10400015211

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: VERNA RAE FEDERAL COM

Well Type: CONVENTIONAL GAS WELL

Submission Date: 06/19/2017

Well Number: 203H Well Work Type: Drill Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General		
APD ID: 10400015211	Tie to previous NOS?	Submission Date: 06/19/2017
BLM Office: CARLSBAD	User: Brian Wood	Title: President
Federal/Indian APD: FED	Is the first lease penetr	ated for production Federal or Indian? FED
Lease number: NMLC065607	Lease Acres: 722.39	
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? NO	Federal or Indian agree	ment:
Agreement number:		
Agreement name:		
Keep application confidential? NO		
Permitting Agent? YES	APD Operator: MATAD	OR PRODUCTION COMPANY
Operator letter of designation:		·
Operator Info		
Operator Organization Name: MATADO	R PRODUCTION COMPANY	•
Operator Address: 5400 LBJ Freeway, S	uite 1500	7: 75040
Operator PO Box:		21p: / 5240
Operator City: Dallas Stat	te: TX	

Operator Phone: (972)371-5200

Operator Internet Address: amonroe@matadorresources.com

Section 2 - Well Information

Well in Master Development Plan? NO	Mater Development Plan name:	
Well in Master SUPO? NO	Master SUPO name:	
Well in Master Drilling Plan? NO	Master Drilling Plan name:	
Well Name: VERNA RAE FEDERAL COM	Well Number: 203H	Well API Number:
Field/Pool or Exploratory? Field and Pool	Field Name: TONTO	Pool Name: WOLFCAMP

Is the proposed well in an area containing other mineral resources? POTASH

Weil Name: VERNA RAE FEDERAL COM

Well Number: 203H

Describe other minerals: Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance? Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: Number: SLOT 3 VERNA RAE Well Class: HORIZONTAL Number of Legs: 1 Well Work Type: Drill Well Type: CONVENTIONAL GAS WELL **Describe Well Type:** Well sub-Type: INFILL Describe sub-type: Distance to nearest well: 30 FT Distance to town: 19 Miles Distance to lease line: 230 FT Reservoir well spacing assigned acres Measurement: 160 Acres Well plat: VernaRae_203H_Plat_20170928100754.PDF Well work start Date: 09/01/2017 Duration: 90 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Survey number: 18329

Vertical Datum: NAVD88

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	DVT
SHL	230	FNL	184	FEL	20S	34E	6	Lot	32.60876	-	LEA	NEW	NEW	F	NMLC0	362	0	0
Leg			5					2	24	103.5968		MEXI	MEXI		65607	0		
#1										937		co	co					
кор	230	FNL	184	FEL	20S	34E	6	Lot	32.60876	-	LEA	NEW	NEW	F	NMLC0	-	104	104
Leg			5					2	24	103.5968		MEXI	MEXI		65607	680	50	29
#1										937		CO .	co			9		
PPP	230	FNL	184	FEL	20S	34E	6	Lot	32.60876	-	LEA	NEW	NEW	F	NMLC0	362	0	0
Leg			5					2	24	103.5968		MEXI	MEXI		65607	0		
#1										937		co	co					

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

	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
PPP Leg #1	264 0	FNL	231 0	FEL	20S	34E	6	Aliquot SWNE	32.60215	- 103.5984 4	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 733 5	133 16	109 55
ÈXIT Leg #1	240	FSL	231 0	FEL	20S	34E	6	Aliquot SWSE	32.59555 42	- 103.5984 985	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 733 5	157 14	109 55
BHL Leg #1	240	FSL	231 0	FEL	20S	34E	6	Aliquot SWSE	32.59555 42	- 103.5984 985	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 733 5	157 14	109 55

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Safety requirements during cleanout operations may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint, but determined to be impractical, to reduce the amount of gas flared.

- Power Generation On lease
 - o Operating a generator will only utilize a portion of the produced gas and the remainder of gas would still need to be flared.
 - Power generation also requires an agreement with a power company that is willing to purchase the gas. The terms of any such agreement typically require a long term commitment from the operator at certain and steady deliverables. With gas decline rates and the unpredictability of markets, it is impracticable for the operator to agree to a long term commitment because as the wells decline the operator would be burdened with penalties for failure to meet the deliverables.
- Compressed Natural Gas On lease
 - Compressed Natural Gas is likely to be uneconomic to operate when the gas volume declines.
- NGL Removal On lease
 - o NGL Removal requires a plant and is expensive on such a small scale rendering it uneconomic and still requires residue gas to be flared.

FMSS

APD ID: 10400015211

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

Submission Date: 06/19/2017

Highlighted data reflects the most recent changes

02/12/2018

Drilling Plan Data Report

1.1

100

Well Number: 203H

Well Name: VERNA RAE FEDERAL COM Well Type: CONVENTIONAL GAS WELL

Show Final Text

Well Work Type: Drill

Section 1 - Geologic Formations

Operator Name: MATADOR PRODUCTION COMPANY

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
1		3620	0	0	OTHER : Quaternary	USEABLE WATER	No
2	RUSTLER ANHYDRITE	2149	1475	1479	ANHYDRITE	OTHER : Anhydrite	No
3	TOP SALT	2019	1605	1609	SALT	OTHER : Salt	No
4	BASE OF SALT	460	3160	3170	SALT	OTHER : Salt	No
5	TANSILL	425	3195	3205	SANDSTONE	OTHER : Sandstone	No
6	YATES	318	3302	3313	GYPSUM	OTHER : Gypsum	No .
7	SEVEN RIVERS	-75	3695	3707	DOLOMITE	NONE	No
8	QUEEN	982	4602	4617	SANDSTONE	OTHER : Sandstone	No
9	CAPITAN REEF	-1130	4750	4766	OTHER : Carbonate	USEABLE WATER	No
10	DELAWARE SAND	-1675	5295	5313	SANDSTONE	NATURAL GAS,CO2,OIL	No '
11	BRUSHY CANYON	-2574	6194	["] 6215	SANDSTONE	NATURAL GAS,CO2,OIL	No
12	BONE SPRING LIME	-4659	8279	8300		NATURAL GAS,CO2,OIL	No
13	BONE SPRING 1ST	-5390	9010	9031	OTHER : Carbonate	NATURAL GAS,CO2,OIL	No
14	BONE SPRING 1ST	-5780	9400	9421	SANDSTONE	NATURAL GAS,CO2,OIL	No
15	BONE SPRING 2ND	-6075	9695	9716	OTHER : Carbonate	NATURAL GAS,CO2,OIL	No
16	BONE SPRING 2ND	-6310	9930	9951	SANDSTONE	NATURAL GAS,CO2,OIL	No
17	BONE SPRING 3RD	-6826	10446	10467	OTHER : Carbonate	NATURAL GAS,CO2,OIL	No
18	BONE SPRING 3RD	-7050	10670	10704	SANDSTONE	NATURAL GAS,CO2,OIL	Yes

Page 1 of 8

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Formation ID 19	Formation Name WOLFCAMP	Elevation -7320	True Vertical Depth 10940	Measured Depth 11174	Lithologies SANDSTONE	Mineral Resources NATURAL GAS,CO2,OIL	Producing Formation Yes

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 12000

Equipment: A 12,000' 5000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. See attached BOP, choke manifold, co-flex hose, and speed head diagrams. An accumulator complying with Onshore Order 2 for the BOP stack pressure rating will be present. Rotating head will be installed as needed.

Requesting Variance? YES

Variance request: Matador is requesting a variance to use a speed head. Speed head diameter range is 13.375" x 9.625" x 7.625" x 5.5". Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. Manufacturer does not require the hose to be anchored. If the specific hose is not available, then one of equal or higher rating will be used.

Testing Procedure: Pressure tests will be conducted before drilling out from under all casing strings. BOP will be inspected and operated as required in Onshore Order 2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. A third party company will test the BOPs. After surface casing is set and the BOP is nippled up, then BOP pressure tests will be made to 250 psi low and 2000 psi high. Intermediate 1 pressure tests will be made to 250 psi low and 2000 psi high. Intermediate 1 pressure tests will be made to 250 psi low and 3000 psi high. Intermediate 2 pressure tests will be made to 250 psi low and 2500 psi high on the intermediate 1 and 2 casing. In the case of running a speed head with landing mandrel for 9.625" and 7" casing, after surface casing is set, BOP test pressures will be 250 psi low and 3000 psi high. Wellhead seals will be tested to 5000 psi once the 9.625" casing has been landed and cemented. BOP will then be lifted to install the C-section of the wellhead. BOP will then be nippled back up and pressure tested to 250 psi low and 7500 psi high. Annular will be tested to 250 psi low and 2500 psi high. Annular will be tested to 250 psi low and 2500 psi high. Mellhead seals will be tested to 250 psi low and 3000 psi high. Wellhead seals will be tested to 250 psi low and 2500 psi high. Wellhead seals will be tested to 250 psi low and 2500 psi high. Wellhead seals will be tested to 250 psi low and 2500 psi high. Annular will be tested to 250 psi low and 2500 psi high. Annular will be tested to 250 psi low and 2500 psi high. Annular will be tested to 250 psi low and 2500 psi high.

Choke Diagram Attachment:

VernaRae_203H_Choke_20171023103316.pdf

BOP Diagram Attachment:

VernaRae_203H_BOP_06-19-2017.pdf

Section 3 - Casing

	<u> </u>				·		,	1			r				1							
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	20	13.375	NEW	API	Y	0	1600	0	1596	3620	2024	1600	J-55	54.5	OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

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
2	INTERMED IATE	8.75	7.625	NEW	API	Y	0	5300	0	5282	3620	-1662	5300	P- 110	29.7	OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8
3	INTERMED IATE	12.2 5	9.625	NEW	API	Y	0	5400	0	5381	3620	-1761	5400	J-55	40	OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8
4	PRODUCTI ON	6.12 5	5.5	NEW	API	Y	0	10250	0	10229	3620		10250	P- 110	20	OTHER - Tenaris XP	1.12 5	1.12 5	DRY	1.8	DRY	1.8
5		8.75	7.625	NEW	API	Y	5300	10350	5282	10339			5050	P- 110	29.7	OTHER - VAM HTF- NR	1.12 5 <i>.</i>	1.12 5	DRY	1.8	DRY	1.8
6	INTERMED	8.75	7.0	NEW	API	Y	10350	11100	10339	10919			750	P- 110	29	OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8
7	PRODUCTI ON	6.12 5	4.5	NEW	API	Y	10250	15714	10229	10955			5464	P- 110	13.5	OTHER - Tenaris XP	1.12 5	1.12 5	DRY	1.8	DRY	1.8

Casing Attachments

Casing ID: 1

String Type:SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Surface_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Surface_06-19-2017.docx

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Casing Attachments

Casing ID: 2

String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing ID: 3 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Intermediate1_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Intermediate1_06-19-2017.docx

Casing ID: 4 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Production_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Production_06-19-2017.docx

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Casing Attachments

Casing ID: 5

String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing ID: 6 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Intermediate2_06-19-2017.docx

Casing ID: 7 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions_Production_06-19-2017.docx

Casing Design Assumptions and Worksheet(s):

Casing_Design_Assumptions_Production_06-19-2017.docx

Section 4 - Cement

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1600	1764	1.75	13.5	3087	100	Class C	3% NaCl + LCM
SURFACE	Tail		0	1600	559	1.38	14.8	771	100	Class C	5% NaCl + LCM
INTERMEDIATE	Lead		0	5300	845	2.36	11.5	1994	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Tail		0	5300	155	1.38	13.2	213	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Lead	•	0	5400	1262	1.81	13.5	2284	100	Class C	Bentonite + 1% CaCl2 + 8% NaCl + LCM
INTERMEDIATE	Tail	<u> </u>	0	5400	490	1.38	14.8	676	100	Class C	5% NaCl + LCM
PRODUCTION	Lead		0	1025 0	421	1.38	15.8	580	10	Class H	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Tail		0	1025 0	421	1.38	15.8	580	10	Class H	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Lead		5300	1035 0	845	2.36	11.5	1994	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Tail		5300	1035 0	155	1.38	13.2	213	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Lead		1035 0	1110 0	845	2.36	11.5	1994	35	TXI	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Tail		1035 0	1110 0	155	1.38	13.2	213	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Lead		1025 0	1571 4	421	1.38	15.8	580	10	Class H	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Tail		1025 0	1571 4	421	1.38	15.8	580	10	Class H	Fluid Loss + Dispersant + Retarder + LCM

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

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: All necessary mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times.

Describe the mud monitoring system utilized: An electronic Pason mud monitoring system complying with Onshore Order 1 will be used. Mud program is subject to change due to hole conditions. A closed loop system will be used.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1600	SPUD MUD	8.3	8.3							
5400	1110 0	OTHER : Fresh water & cut brine	9	9							
1600	5400	SALT SATURATED	10	10		-					
1110 0	1571 4	OIL-BASED MUD	12.5	12.5							

Section 6 - Test, Logging, Coring

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

A 2-person mud logging program will be used from 1600' to TD.

No electric logs are planned at this time. GR will be collected through the MWD tools from intermediate casing to TD. CBL with CCL will be run as far as gravity will let it fall to TOC.

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

CBL,GR,MWD,OTH

Other log type(s):

Casing collar locator

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7668

Anticipated Surface Pressure: 5257.9

Anticipated Bottom Hole Temperature(F): 170

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:

VernaRae_203H_H2S_Plan_06-19-2017.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

VernaRae_203H_Horizontal_Drilling_Plan_06-19-2017.pdf

Other proposed operations facets description:

Deficiency Letter dated 10/20/17 requested:

1) Revised Choke Diagram - see attached

3) 7 5/8 in, 5.5 in, 4.5 in casing specs - attachment is correct, so no deficiency

Other proposed operations facets attachment:

VernaRae_203H_General_Drill_Plan_06-19-2017.pdf

VernaRae_203H_Wellhead_Casing_Spec_20170928101044.pdf

Other Variance attachment:







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Internal Hydrostatic Test Graph

March 10, 2015

Pick Ticket #: 296283 Customer: Patterson B&E Midwest Hose **Hose Specifications Verification** & Specialty, Inc. <u>Hose Type</u> Length **Type of Fitting Coupling Method** Mud 50' 2"1502 Swage LD. Final O.D. 0.D. Die Size 2" 3.47" 97MM 4.03" Working Pressure **Burst Pressure** Hose Serial # Hose Assembly Serial # 10000 PSI Standard Safety Multiplier Applies 11839 296283 **Pressure Test** 18000 16000 14000 12600 10000 PSI 8000 6000 4000 2000 0 11.SOPM II.SI PM 11:52 PM 11.5.2 PM 11:54 PM 11:48 PM 11.49 PM PAN PAN PAN PAN 11.50 11.59 12:00 12:01 12:03 12:03 12:05 ANA **Time in Minutes Test Pressure Time Held at Test Pressure Actual Burst Pressure** Peak Pressure 15000 PSI 17 3/4 Minutes 15361 PSI

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

Tested By: Richard Davis

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Approved By: Ryan Adams

Pro No ⊐**n**ic⊃ Midwest Hose & Specialty, Inc. Internal Hydrostatic Test Certificate **General Information Hose Specifications** Choke & Kill **PATTERSON B&E** Hose Assembly Type Customer MWH Sales Representative AMY WHITE Certification API 7K/FSL Level 2 Date Assembled 3/10/2015 Hose Grade MUD Location Assembled OKC Hose Working Pressure 10000 11839-11/14 Sales Order # 245805 Hose Lot # and Date Code 2" Customer Purchase Order # 270590 Hose I.D. (Inches) Assembly Serial # {Pick Ticket #} 296283 Hose O.D. (Inches) 3.99" Hose Assembly Length 50' Armor (yes/no) YES Fittings S. Sever. End A End B Stem (Part and Revision #) R2.0X32M1502 Stem (Part and Revision #) RF2.0 32F1502 14104546 Stern (Heat #) A144853 Stem (Heat #) Ferrule (Part and Revision #) **RF2.0 10K** Ferrule (Part and Revision #) **RF2.0 10K** 41044 Ferrule (Heat #) 41044 Fe**rrule** (Heat #) Connection . Flange Hammer Union Part Connection (Part #) Connection (Heat #) Connection (Heat #) 2" 1502 H2S Nut (Part #) Nut (Part #) Nut (Heat #) Nut (Heat #) Dies Used 97MM Dies Used 97MM . . Hydrostatic Test Acquirements Test Pressure (nsi) 15,000 Hose assembly was tested with ambient water Test Pressure Hold Time (minutes) 17 3/4 temperature. Date Tested Tested By Approved By 3/10/2015

MHSI-008 Rev. 0.0 Proprietary

	Midu		
	& Spec	cialty, inc.	
(Certificate	of Conformity	
Customer: PATTERSON B&E		Customer P.O.# 270590	
Sales Order # 245805		Date Assembled: 3/10/2015	
	Spec	ifications	
Hose Assembly Type: Chok	e & Kill		
Assembly Serial # 2962	83	Hose Lot # and Date Code 11839-11/14	
Hose Working Pressure (psi) 1000	0	Test Pressure (psi) 15000	
Ve hereby certify that the above mate o the requirements of the purchase o upplier: Aidwest Hose & Specialty, Inc.	erial supplied f rder and curre	or the referenced purchase order to be true according nt industry standards.	
312 ST-35 Service Ra)klahoma City, OK 73129			
omments:			
Approved By		Date 3/19/2015	

MHSI-009 Rev.0.0 Proprietary

Molcy **Internal Hydrostatic Test Graph** Customer: Patterson Pick Ticket #: 286159 **Verification Type of Fitting Coupling Method** Length 2" 1502 50' Swage Final O.D. <u>O.D.</u> <u>Die Size</u> 3.55" 97MM 3.98"

Midwest Hose **Hose Specifications** & Specialty, Inc. Hose Type Ck 1.D. 2" <u>Burst Pressure</u> Working Pressure Hose Assembly Serial # Hose Serial # 10000 PSI 11784 286159 Standard Safety Multiplier Applies **Pressure Test** 18000 16000 14000 12000 10000 PSI 8000 6000 4000 2000 2.52 AN, 2:53 AM 2:53 AN1 2:48 AM 2:09 ANA ANA ANA 2:55 AN & AM AM 2:55 AN 2:59 AN 3:00 AN AN AN 3:02 AN 3:03 AN **Time in Minutes** Test Pressure **Time Held at Test Pressure Actual Burst Pressure** Peak Pressure 15000 PSI 15 1/4 Minutes 15410 PSI

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

Tested By: Tyler Hill Approved By; Ryon Adoms



Internal Hydrostatic Test Certificate

TERSON B&E / WHITE 23/2014	Hose Assembly Type Certification Hose Grade	Choke & Kill API 7K/FSL Level 2	
Y WHITE 23/2014	Certification Hose Grade	API 7K/FSL Level 2	
23/2014	Hose Grade		
		MUD	
	Hose Working Pressure	10000	
566	Hose Lot # and Date Code	11784-10/14	
581	Hose I.D. (Inches)	2"	
159	Hose O.D. (Inches)	4.00"	
	Armor (yes/no)	YES	
Fit	tings	•	
End A		End B	
2.0X32M1502	Stem (Part and Revision #)	R2.0X32M1502	
M14104546	Stem (Heat #)	M14101226	
RF2.0 10K	Ferrule (Part and Revision #)	RF2.0 10K	
41044	Ferrule (Heat #)	41044	
2"1502	Connection (Part #)		
2866	Connection (Heat #)		
	Nut (Part #)		
	NUt (Heat #)		
97MM	Dies Used	97MM	
ydrostatic Te	est Requirements		
15,000	Hose assembly was tested with ambient water		
15 1/4	tempera	iture.	
	581 159 Fit 2.0X32M1502 M14104546 RF2.0 10K 41044 2"1502 2866 97MM ydrostatic Te 15,000 15 1/4	581 Hose I.D. (Inches) 159 Hose O.D. (Inches) Armor (yes/no) Fittings End 2.0X32M1502 Stem (Part and Revision #) M14104546 Stem (Heat #) RF2.0 10K Ferrule (Part and Revision #) 41044 Ferrule (Part and Revision #) 2"1502 Connection (Part #) 2866 Connection (Heat #) Nut (Part #) Nut (Heat #) 97MM Dies Used ydrostatic Test Requirements Hose assembly was teste 15 1/4 temperation	

MHSI-008 Rev. 0.0 Proprietary

B∎ M &	Aidwest Hose Specialty, Inc.
Certifica	ate of Conformity
Customer: PATTERSON B&E	Customer P.O.# 261581
Sales Order # 237566	Date Assembled: 12/23/2014
Sr	pecifications
Hose Assembly Type: Choke & Kill	· · · · · · · · · · · · · · · · · · ·
Assembly Serial # 286159	Hose Lot # and Date Code 11784-10/14
Hose Working Pressure (psi) 10000	Test Pressure (psi) 15000
We hereby certify that the above material suppl to the requirements of the purchase order and c	lied for the referenced purchase order to be true according current industry standards.
Supplier: Midwest Hose & Specialty, Inc. 3312 S I-35 Service Rd Oklahoma City, OK 73129	
Comments:	
Approved By	Date 12/29/2014

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MHSI-009 Rev.0.0 Proprietary



Surface Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF₀=1.125

• Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0:43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
 run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing
 will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DF₁=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
 run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing
 will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
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 will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 - psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Production Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Surface Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

• Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
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- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DF₁=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
 run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing
 will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.

Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft)
which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
 run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing
 will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture
 Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting
 depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft)
 which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Production Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

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SUPO Data Report

02/12/2018

Highlighted data reflects the most

recent changes

Show Final Text

APD ID: 10400015211

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: VERNA RAE FEDERAL COM

Well Type: CONVENTIONAL GAS WELL

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

VernaRae_203H_Road_Map_06-19-2017.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT

Row(s) Exist? NO

Submission Date: 06/19/2017

Well Number: 203H

Well Work Type: Drill

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: VernaRae_203H_Road_Map_06-19-2017.pdf New road type: RESOURCE Length: 629.25 Feet Width (ft.): 30 Max slope (%): 0 Max grade (%): 3 Army Corp of Engineers (ACOE) permit required? NO ACOE Permit Number(s): New road travel width: 14 New road access erosion control: Crown & ditch, surface with caliche New road access plan or profile prepared? NO New road access plan attachment: Access road engineering design? NO

Access road engineering design attachment:

Well Name: VERNA RAE FEDERAL COM

N	ell	Num	nber:	203H
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Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: grader

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 needed.

Road Drainage Control Structures (DCS) description: Crown & ditch, no culverts needed.

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:

VernaRae_203H_Well_Map_06-19-2017.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: A 1415.63' long overhead raptor safe 3-phase power line will be built east to the slot 4 pad. (Power line to slot 4 pad is BLM right-of-way NMNM-137063). Oil tanks, water tanks, meter runs, separators, pumps, heater-treaters, combustion unit, and a flare will be installed on the south and west sides of the pad. Gas line plans have not been finalized, though it appears DCP will build a short line from its existing line that is between the Verna Rae Fed Com slot 3 and 4 pads.

Production Facilities map:

VernaRae_203H_Production_Diagram_06-19-2017.PDF

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: DUST CONTROL, STIMULATION

Describe type:

Source latitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Source land ownership: PRIVATE

Water source transport method: TRUCKING

Source transportation land ownership: PRIVATE

Water source volume (barrels): 15000

Source volume (gal): 630000

Water source and transportation map:

VernaRae_203H_Water_Source_06-19-2017.pdf

Water source comments:

New water well? NO

New Water Well Info

Well datum: Well latitude: Well Longitude: Well target aquifer: Est thickness of aquifer: Est. depth to top of aquifer(ft): **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.): **Completion Method:** Well Production type: Water well additional information: State appropriation permit: Additional information attachment:

Water source type: GW WELL

Source longitude:

Source volume (acre-feet): 1.9333965

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Section 6 - Construction Materials

Construction Materials description: NM One Call (811) will be notified before construction starts. Top 6" of soil and brush will be stockpiled north of the pad. V-door will face south. Closed loop drilling system will be used. Caliche will be hauled from existing caliche pits on private land. Klein pit is in SWNW 27-19S-35E. Berry pit is in E2NE4 35-20s-34e. **Construction Materials source location attachment:**

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: cuttings and mud

Amount of waste: 15000 barrels

Waste disposal frequency : Daily

Safe containment description: steel tanks

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE FACILITY Disposal type description:

Disposal location description: Halfway, NM

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?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area depth (ft.)

Cuttings area width (ft.)

Cuttings area volume (cu. yd.)

Page 4 of 9

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

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:

VernaRae_203H_Well_Site_Layout_06-19-2017.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: VERNA RAE

Multiple Well Pad Number: SLOT 3

Recontouring attachment:

VernaRae_203H_Recontour_Plat_06-19-2017.PDF VernaRae_203H_Interim_Reclamation_Diagram_20170928101238.PDF Drainage/Erosion control construction: Surface with caliche

Drainage/Erosion control reclamation: Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Wellpad long term disturbance (acres): 3.15 Access road long term disturbance (acres): 0.43 Pipeline long term disturbance (acres): 0 Other long term disturbance (acres): 0 Total long term disturbance: 3.58 Wellpad short term disturbance (acres): 3.57 Access road short term disturbance (acres): 0.43 Pipeline short term disturbance (acres): 0 Other short term disturbance (acres): 0.49 Total short term disturbance: 4.49

Reconstruction method: Within 7 days disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour with a grader. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Topsoil redistribution: Soil will be evenly spread over disturbed areas

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Soil treatment: No soil treatment planned, site will be revegetated in accordance with the surface owner's requirements. Existing Vegetation at the well pad:

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Existing Vegetation Community at the road attachment: Existing Vegetation Community at the pipeline: Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: Existing Vegetation Community at other disturbances attachment:

Non native seed used?

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project?

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? 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 source:

Total pounds/Acre:

Source address:

Proposed seeding season:

Seed Summary

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

Seed Type

Pounds/Acre

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name:

Last Name:

Phone:

Email:

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: Noxious weeds will be controlled.

Weed treatment plan attachment:

Monitoring plan description: On pumper visits.

Monitoring plan attachment:

Success standards: To landowner's specifications.

Pit closure description: N/A (closed loop)

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

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:

Well Name: VERNA RAE FEDERAL COM

Well Number: 203H

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Fee Owner: Larry Hughes

Fee Owner Address: HC 69 Box 57 Monument NM 88265

Phone: (575)263-7602

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: Matador Resources Company has a private surface owner agreement with Larry Hughes (HC 69 Box 57, Monument NM 88265) for the Verna Rae Fed Com road in SESE Sec. 31, T. 19 S., R. 34 E. and the Verna Rae Fed Com slot 3 well site, road, and power line in Section 6, T. 20 S., R. 34 E., Lea County, NM. Matador Resources Company will file an Application for Right-Of-Way Easement with the NM State Land Office (PO Box 1148, Santa Fe NM 87504) for road access across S2S2 32-19s-34e. Their phone number is (505) 827-5728.

Email:

Surface Access Bond BLM or Forest Service: BLM

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information: Deficiency Letter dated 9/19/17 requested: 1) Reclamation Diagram - see attachment in Reclamation section; 2) Surface Use Agreement - see attachment in Other SUPO attachments Use a previously conducted onsite? YES

Previous Onsite information: On site inspection was held with Vance Wolf, Cassie Brooks, and Bob Ballard (all BLM) on April 3, 2017.

Other SUPO Attachment

VernaRae_203H_General_SUPO_06-19-2017.pdf

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

0

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

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):

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Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB001079

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Bond Info Data Report

1. S. C. C.

02/12/2018

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:

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Section 1 - General

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):