Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5 Lease Serial No. NMNM102034 BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. **✓** DRILL REENTER 1a. Type of work: 1b. Type of Well: ✓ Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone ✓ Multiple Zone BANJO 5 FED COM 581H 2. Name of Operator 9. API Well No. 30-015-47898 EOG RESOURCES INCORPORATED CORRAL CANYON;BONE 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory ING, SOUTH PERMIAN/WILDCAT G-015 S2630010; B 1111 BAGBY SKY LOBBY2, HOUSTON, TX 77002 (713) 651-7000 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area SEC 5/T26S/R30E/NMP At surface NENE / 421 FNL / 522 FEL / LAT 32.077931 / LONG -103.89657 At proposed prod. zone SESE / 100 FSL / 330 FEL / LAT 32.050145 / LONG -103.895948 12. County or Parish 14. Distance in miles and direction from nearest town or post office* 13 State **EDDY** NM 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well 100 feet location to nearest 640.0 property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, FED: NM2308 9717 feet / 20012 feet applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 3165 feet 01/15/2021 25 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO must be filed with the appropriate Forest Service Office). 6. Such other site specific information and/or plans as may be requested by the 25. Signature Name (Printed/Typed) Date (Electronic Submission) JAYNA HOBBY / Ph: (713) 651-7000 07/08/2020 Title Regulatory Specialist Approved by (Signature) Date Name (Printed/Typed) (Electronic Submission) Cody Layton / Ph: (575) 234-5959 12/04/2020 Title Office Assistant Field Manager Lands & Minerals Carlsbad Field Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.



Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency

(Continued on page 2)

*(Instructions on page 2)

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesin, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 376-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

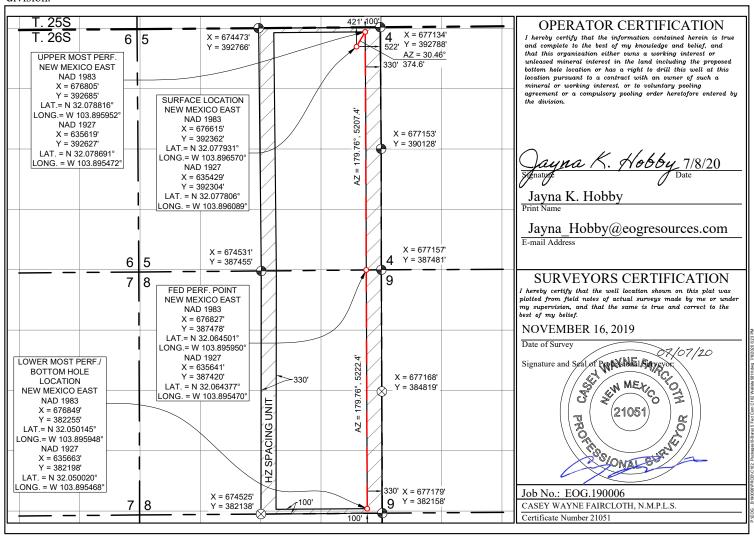
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015- ^A	PI Number 7898		13354	N:BONE SPR G-015 S26300	ING, SOUTH IO; BONE SPRING							
Property Co. 329888	ode		•		Property Name BANJO 5 FED	COM	Well Number					
329000				5811	1							
OGRID N	lo.		Operator Name									
7377			EOG RESOURCES, INC. 3165'									
	Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
A	5	26 S	30 E		421	NORTH	522	EAST	EDDY			
			Bott	om Hole I	Location If Diff	erent From Surfac	e					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
Р	8	26 S	30 E		100	SOUTH	330	EAST	EDDY			
Dedicated Acres	Joint or	Infill	Consolidated Co	de Orde	r No.	•	•		•			
640.00												

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Intent	t	As Dril	led											
API#														
Opei	rator Nar	ne:				Property Name:								Well Number
Kick C	Off Point	(KOP)												<u> </u>
UL	Section	Township	Range	Lot	Feet		From N	I/S	Feet	F	rom E/\	W C	County	
Latitu	Latitude					ıde						r	NAD	
First T	ake Poin	t (FTP) Township	Range	Lot	Feet		From N	ı/s	Feet	F	rom E/V	N (County	
Latitu	ıde				Longitu	ıde						ľ	NAD	
Last T	ake Poin	t (LTP) Township	Range	Lot	Feet	Froi	m N/S	Feet		From E/\	N Co	unty		
Latitu	ıde			I	Longitu	ıde			l		NA	AD		
		defining w	vell for th	e Hori	zontal Տր	pacinę	g Unit?]				
		infill well?	:-l- ADI :f	:			Nama				D - f:			
	ng Unit.	ease provi	de API If	availat	oie, Opei	rator	ivame	and w	veii ni	umber fo	or Defi	ınıng	well to	r Horizontal
Opei	rator Nar	ne:				Prop	perty N	ame:						Well Number

KZ 06/29/2018

Additional Operator Remarks

Location of Well

 $0. \ SHL: \ NENE \ / \ 421 \ FNL \ / \ 522 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 30E \ / \ SECTION: \ 5 \ / \ LAT: \ 32.077931 \ / \ LONG: \ -103.89657 \ (\ TVD: \ 0 \ feet \)$ PPP: \ NENE \ / \ 100 \ FNL \ / \ 330 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 30E \ / \ SECTION: \ 5 \ / \ LAT: \ 32.078816 \ / \ LONG: \ -103.895952 \ (\ TVD: \ 9452 \ feet \) BHL: \ SESE \ / \ 100 \ FSL \ / \ 330 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 30E \ / \ SECTION: \ 8 \ / \ LAT: \ 32.050145 \ / \ LONG: \ -103.895948 \ (\ TVD: \ 9717 \ feet \ MD: \ 20012 \ feet \)

BLM Point of Contact

Name: Sophia Cwiklinski

Title: LIE

Phone: (575) 234-5972

Email: scwiklinkski@blm.gov

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | EOG RESOURCES INCORPORATED

LEASE NO.: | NMNM102034

WELL NAME & NO.: BANJO 5 FED COM 581H

SURFACE HOLE FOOTAGE: 421'/N & 522'/E **BOTTOM HOLE FOOTAGE** 100'/S & 330'/E

LOCATION: Section 5, T.26 S., R.30 E., NMP **COUNTY:** Eddy County, New Mexico

COA

H2S	O Yes	• No	
Potash	None	Secretary	© R-111-P
Cave/Karst Potential	O Low	• Medium	O High
Cave/Karst Potential	Critical		
Variance	O None	Flex Hose	Other
Wellhead	Conventional	Multibowl	O Both
Other	☐4 String Area	☐ Capitan Reef	□WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	□ Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 1110 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

- completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The 9-5/8 inch intermediate casing shall be set at approximately 3410 feet. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **3000 (3M)** psi.

Option 2:

- 1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin

- after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

OTA11172020

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,029'
Tamarisk Anhydrite	1,081'
Top of Salt	1,335'
Base of Salt	3,306'
Lamar	3,507
Bell Canyon	3,534'
Cherry Canyon	4,479°
Brushy Canyon	5,708
Bone Spring Lime	7,341'
Leonard Shale	7,443
1 st Bone Spring Sand	8,248'
2 nd Bone Spring Shale	8,508'
2 nd Bone Spring Sand	8,915'
3 rd Bone Spring Carb	9,372
TD	9,717'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	4,479'	Oil
Brushy Canyon	5,708'	Oil
Leonard Shale	7,443'	Oil
1 st Bone Spring Sand	8,248'	Oil
2 nd Bone Spring Shale	8,508'	Oil
2 nd Bone Spring Sand	8,915'	Oil
3 rd Bone Spring Carb	9,372'	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 13.375" casing at 1,110' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	DF _{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
17.5"	0'-1,110'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
12.25"	0'-3,410'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0'- 10,010'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60
8.5"	10,010'-	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60
	20,012'							

Variance is requested to waive the centralizer requirements for the 9-5/8" casing in the 12-1/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 12-1/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" 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.

Cementing Program:

	No.	Wt.	Yld	
Depth	Sacks	ppg	Ft ³ /sk	Slurry Description
1,110'	660	13.5	1.74	Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl ₂ + 0.25
				lb/sk Cello-Flake (TOC @ Surface)
	160	14.8	1.35	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
				Sodium Metasilicate (TOC @ 910')
3,410'	540	12.7	2.22	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx
				(TOC @ Surface)
	220	14.8	1.32	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 2,730')
20,012'	640	11.0	3.21	Lead: Class C + 3% CaCl2 + 3% Microbond (TOC @ 2,910')
	2,840	14.4	1.2	Tail: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3%
				Microbond (TOC @ 9,260')

Additive	Purpose
Bentonite Gel	Lightweight/Lost circulation prevention
Calcium Chloride	Accelerator
Cello-flake	Lost circulation prevention
Sodium Metasilicate	Accelerator
MagOx	Expansive agent
Sodium Chloride	Accelerator
FL-62	Fluid loss control
Halad-344	Fluid loss control
Halad-9	Fluid loss control
HR-601	Retarder
Microbond	Expansive Agent

Cement integrity tests will be performed immediately following plug bump.

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 (5,000-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.

EOG will utilize wing unions on BOPE connections that can be isolated from wellbore pressure through means of a choke. All wing unions will be rated to a pressure that meets or exceeds the pressure rating of the BOPE system.

Variance is requested to use a 5,000 psi annular BOP with the 10,000 psi BOP stack.

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.

Pipe rams and blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

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

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

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

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

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,110'	Fresh - Gel	8.6-8.8	28-34	N/c
1,110' – 3,410'	Brine	8.6-8.8	28-34	N/c
3,410' - 20,012'	Oil Base	8.8-9.5	58-68	N/c - 6

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 167 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 4,800 psig and a maximum anticipated surface pressure of 2,662 psig (based on 9.5 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 5,708' to TD.

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 Surface 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 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 13-3/8" surface casing, a 13-3/8" 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 Cameron 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. EOG Resources reserves the option to conduct BOPE testing during wait on cement periods provided a test plug is utilized.

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.

Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

421' FNL 522' FEL Section 5 T-26-S, R-30-E

13-3/8", 54.5#, J-55, STC

Bit Size: 12-1/4"

Bit Size: 8-3/4"

5-1/2", 17#, HCP-110, LTC @ 0' - 20,012'

9-5/8", 40#, J-55 , LTC @ 0' - 3,410'

Bit Size: 17-1/2"

0' - 1,110'

KOP: 9,260'

Proposed Wellbore

API: 30-015-****

TOC: 2,910'

Lower Most Perf:

Lateral: 20,012' MD, 9,717' TVD Upper Most Perf: 100' FNL & 330' FEL Sec. 5 100' FSL & 330' FEL Sec. 8 BH Location: 100' FSL & 330' FEL Section 8 T-26-S, R-30-E Bit Size: 8-1/2"

KB: 3,190'

GL: 3,165'

6.



EOG Resources - Midland

Eddy County, NM (NAD 83 NME) Banjo 5 Fed Com #581H

OH

Plan: Plan #0.1

Standard Planning Report

30 June, 2020

EOG Resources

Planning Report

EDM Database:

Company: EOG Resources - Midland Project: Eddy County, NM (NAD 83 NME)

Site: Banjo 5 Fed Com

Well: #581H Wellbore: ОН Plan #0.1 Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

Minimum Curvature

Project Eddy County, NM (NAD 83 NME)

US State Plane 1983 Map System: North American Datum 1983 Geo Datum: New Mexico Eastern Zone Map Zone:

System Datum:

Mean Sea Level

Banjo 5 Fed Com Site

Northing: 392,301.00 usft Site Position: Latitude: 32° 4' 39.950 N From: Мар Easting: 676,477.00 usft Longitude: 103° 53' 49.257 W **Position Uncertainty:** Slot Radius: 13-3/16 " **Grid Convergence:** 0.23 0.0 usft

Well #581H

+N/-S **Well Position** 61.0 usft Northing: 392,362.00 usft Latitude: 32° 4' 40.548 N +E/-W 138.0 usft Easting: 676,615.00 usft Longitude: 103° 53' 47.650 W

Position Uncertainty 0.0 usft Wellhead Elevation: **Ground Level:** 3,165.0 usft

Wellbore ОН

Magnetics **Model Name** Sample Date Declination **Dip Angle** Field Strength (°) (°) (nT) 6/25/2020 IGRF2020 6.80 59.75 47,476.53716967

Design Plan #0.1 Audit Notes: Version: Phase: PLAN Tie On Depth: 0.0

Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 0.0 178.67 0.0 0.0

6/30/2020 Plan Survey Tool Program Date

Depth From Depth To

(usft) (usft) Survey (Wellbore) **Tool Name** Remarks

EOG MWD+IFR1 0.0 20,012.4 Plan #0.1 (OH)

MWD + IFR1

EOG Resources

Planning Report

Database: Company:

Project:

Site:

EDM

EOG Resources - Midland

Eddy County, NM (NAD 83 NME) Banjo 5 Fed Com

 Well:
 #581H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,483.5	5.67	26.99	1,483.0	12.5	6.4	2.00	2.00	0.00	26.99	
5,436.8	5.67	26.99	5,417.0	360.5	183.6	0.00	0.00	0.00	0.00	
5,720.3	0.00	0.00	5,700.0	373.0	190.0	2.00	-2.00	0.00	180.00	
9,259.8	0.00	0.00	9,239.5	373.0	190.0	0.00	0.00	0.00	0.00	KOP(Banjo 5 Fed Cor
9,480.2	26.46	180.00	9,452.2	323.0	190.0	12.00	12.00	81.65	180.00	FTP(Banjo 5 Fed Con
10,009.7	90.00	179.75	9,716.9	-104.5	191.3	12.00	12.00	-0.05	-0.27	
14,789.6	90.00	179.75	9,717.0	-4,884.3	211.8	0.00	0.00	0.00	0.00	Fed Perf 1(Banjo 5 F€
20,012.4	90.00	179.75	9,717.0	-10,107.0	234.0	0.00	0.00	0.00	0.00	PBHL(Banjo 5 Fed Co

EOG Resources

Planning Report

Database: EDM

Company: EOG Resources - Midland
Project: Eddy County, NM (NAD 83 NME)

Site: Banjo 5 Fed Com

 Well:
 #581H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

Design:	Plan #0.1								
Planned Survey									
Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	2.00	26.99	1,300.0	1.6	8.0	-1.5	2.00	2.00	0.00
1,400.0	4.00	26.99	1,399.8	6.2	3.2	-6.1	2.00	2.00	0.00
1,483.5	5.67	26.99	1,483.0	12.5	6.4	-12.3	2.00	2.00	0.00
1,500.0	5.67	26.99	1,499.5	13.9	7.1	-13.8	0.00	0.00	0.00
1,600.0	5.67	26.99	1,599.0	22.7	11.6	-22.5	0.00	0.00	0.00
1,700.0	5.67	26.99	1,698.5	31.5	16.1	-31.2	0.00	0.00	0.00
1,800.0	5.67	26.99	1,798.0	40.4	20.6	-39.9	0.00	0.00	0.00
1,900.0	5.67	26.99	1,897.5	49.2	25.0	-48.6	0.00	0.00	0.00
2,000.0	5.67	26.99	1,997.0	58.0	29.5	-57.3	0.00	0.00	0.00
2,100.0	5.67	26.99	2,096.5	66.8	34.0	-66.0	0.00	0.00	0.00
2,200.0	5.67	26.99	2,196.0	75.6	38.5	-74.7	0.00	0.00	0.00
2,300.0	5.67	26.99	2,295.5	84.4	43.0	-83.4	0.00	0.00	0.00
2,400.0	5.67	26.99	2,395.1	93.2	47.5	-92.0	0.00	0.00	0.00
2,500.0	5.67	26.99	2,494.6	102.0	51.9	-100.7	0.00	0.00	0.00
2,600.0	5.67	26.99	2,594.1	110.8	56.4	-109.4	0.00	0.00	0.00
2,700.0	5.67	26.99	2,693.6	119.6	60.9	-118.1	0.00	0.00	0.00
2,800.0	5.67	26.99	2,793.1	128.4	65.4	-126.8	0.00	0.00	0.00
2,900.0	5.67	26.99	2,892.6	137.2	69.9	-135.5	0.00	0.00	0.00
3,000.0	5.67	26.99	2,992.1	146.0	74.4	-144.2	0.00	0.00	0.00
3,100.0	5.67	26.99	3,091.6	154.8	78.9	-152.9	0.00	0.00	0.00
3,200.0	5.67	26.99	3,191.1	163.6 172.4	83.3	-161.6	0.00	0.00	0.00
3,300.0	5.67	26.99	3,290.7	172.4	87.8	-170.3	0.00	0.00	0.00
3,400.0	5.67	26.99	3,390.2	181.2	92.3	-179.0	0.00	0.00	0.00
3,500.0	5.67	26.99	3,489.7	190.0	96.8	-187.7	0.00	0.00	0.00
3,600.0	5.67	26.99	3,589.2	198.8	101.3	-196.4	0.00	0.00	0.00
3,700.0	5.67	26.99	3,688.7	207.6	105.8	-205.1	0.00	0.00	0.00
3,800.0	5.67	26.99	3,788.2	216.4	110.2	-213.8	0.00	0.00	0.00
3,900.0	5.67	26.99	3,887.7	225.2	114.7	-222.5	0.00	0.00	0.00
4,000.0	5.67	26.99	3,987.2	234.0	119.2	-231.2	0.00	0.00	0.00
4,100.0	5.67	26.99	4,086.7	242.8	123.7	-239.9	0.00	0.00	0.00
4,200.0	5.67	26.99	4,186.2	251.6	128.2	-248.6	0.00	0.00	0.00
4,300.0	5.67	26.99	4,285.8	260.4	132.7	-257.3	0.00	0.00	0.00
4,400.0	5.67	26.99	4,385.3	269.2	137.1	-266.0	0.00	0.00	0.00
4,500.0	5.67	26.99	4,484.8	278.0	141.6	-274.7	0.00	0.00	0.00
4,600.0	5.67	26.99	4,584.3	286.8	146.1	-283.4	0.00	0.00	0.00
4,700.0	5.67	26.99	4,683.8	295.7	150.6	-292.1	0.00	0.00	0.00
4,800.0	5.67	26.99	4,783.3	304.5	155.1	-300.8	0.00	0.00	0.00
4,900.0	5.67	26.99	4,882.8	313.3	159.6	-309.5	0.00	0.00	0.00
5,000.0	5.67	26.99	4,982.3	322.1	164.1	-318.2	0.00	0.00	0.00
	5.07		1,002.0						
5,100.0	5.67	26.99	5,081.8	330.9	168.5	-326.9	0.00	0.00	0.00

EOG Resources

Planning Report

eog resources

EDM Database: Company:

EOG Resources - Midland Project: Eddy County, NM (NAD 83 NME)

Banjo 5 Fed Com Site:

Well: #581H Wellbore: ОН Design: Plan #0.1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

esign:	Flail #0.1	Plan #0.1											
lanned Survey													
Measured Depth (usft)	Inclination (°)	Azimuth	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)				
5,300.0	5.67	26.99	5,280.9	348.5	177.5	-344.3	0.00	0.00	0.00				
5,400.0	5.67	26.99	5,380.4	357.3	182.0	-353.0	0.00	0.00	0.00				
5,436.8	5.67	26.99	5,417.0	360.5	183.6	-356.2	0.00	0.00	0.00				
5,500.0	4.41	26.99	5,480.0	365.5	186.2	-361.1	2.00	-2.00	0.00				
5,600.0	2.41	26.99	5,579.8	370.8	188.9	-366.3	2.00	-2.00	0.00				
5,700.0	0.41	26.99	5,679.7	372.9	190.0	-368.4	2.00	-2.00	0.00				
5,720.3	0.00	0.00	5,700.0	373.0	190.0	-368.5	2.00	-2.00	0.00				
5,800.0	0.00	0.00	5,779.7	373.0	190.0	-368.5	0.00	0.00	0.00				
5,900.0	0.00	0.00	5,879.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,000.0	0.00	0.00	5,979.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,100.0	0.00	0.00	6,079.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,200.0	0.00	0.00	6,179.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,300.0	0.00	0.00	6,279.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,400.0	0.00	0.00	6,379.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,500.0	0.00	0.00	6,479.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,600.0	0.00	0.00	6,579.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,700.0	0.00	0.00	6.679.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,800.0	0.00	0.00	6,779.7	373.0	190.0	-368.5	0.00	0.00	0.00				
6,900.0	0.00	0.00	6,879.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,000.0	0.00	0.00	6,979.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,100.0	0.00	0.00	7,079.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,200.0	0.00	0.00	7,179.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,300.0	0.00	0.00	7,279.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,400.0	0.00	0.00	7,379.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,500.0	0.00	0.00	7,479.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,600.0	0.00	0.00	7,579.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,700.0	0.00	0.00	7,679.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,800.0	0.00	0.00	7,779.7	373.0	190.0	-368.5	0.00	0.00	0.00				
7,900.0	0.00	0.00	7,879.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,000.0	0.00	0.00	7,979.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,100.0	0.00	0.00	8,079.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,200.0	0.00	0.00	8,179.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,300.0	0.00	0.00	8,279.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,400.0	0.00	0.00	8,379.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,500.0	0.00	0.00	8,479.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,600.0	0.00	0.00	8,579.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,700.0	0.00	0.00	8,679.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,800.0	0.00	0.00	8,779.7	373.0	190.0	-368.5	0.00	0.00	0.00				
8,900.0	0.00	0.00	8,879.7	373.0	190.0	-368.5	0.00	0.00	0.00				
9,000.0	0.00	0.00	8,979.7	373.0	190.0	-368.5	0.00	0.00	0.00				
9,100.0	0.00	0.00	9,079.7	373.0	190.0	-368.5	0.00	0.00	0.00				
9,200.0	0.00	0.00	9,179.7	373.0	190.0	-368.5	0.00	0.00	0.00				
9,259.8	0.00	0.00	9,239.5	373.0	190.0	-368.5	0.00	0.00	0.00				
9,275.0	1.83	180.00	9,254.7	372.8	190.0	-368.3	12.00	12.00	0.00				
9,300.0	4.83	180.00	9,279.7	371.3	190.0	-366.8	12.00	12.00	0.00				
9,325.0	7.83	180.00	9,304.5	368.6	190.0	-364.1	12.00	12.00	0.00				
9,350.0	10.83	180.00	9,329.2	364.5	190.0	-360.0	12.00	12.00	0.00				
9,375.0	13.83	180.00	9,353.6	359.2	190.0	-354.7	12.00	12.00	0.00				
9,400.0	16.83	180.00	9,377.7	352.6	190.0	-348.1	12.00	12.00	0.00				
9,425.0	19.83	180.00	9,401.5	344.7	190.0	-340.2	12.00	12.00	0.00				
9,450.0	22.83	180.00	9,424.7	335.6	190.0	-331.1	12.00	12.00	0.00				
9,475.0	25.83	180.00	9,447.5	325.3	190.0	-320.8	12.00	12.00	0.00				
9,480.2	26.46	180.00	9,452.2	323.0	190.0	-318.5	12.00	12.00	0.00				
9,500.0	28.83	179.98	9,469.7	313.8	190.0	-309.3	12.00	12.00	-0.12				

EOG Resources

eog resources

Planning Report

Database: EDM

Company: EOG Resources - Midland
Project: Eddy County, NM (NAD 83 NME)

Site: Banjo 5 Fed Com

 Well:
 #581H

 Wellbore:
 OH

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Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

Design:	Plan #0.1								
Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,525.0	31.83	179.95	9,491.3	301.2	190.0	-296.7	12.00	12.00	-0.10
9,550.0	34.83	179.93	9,512.2	287.5	190.0	-283.0	12.00	12.00	-0.08
9,575.0	37.83	179.91	9,532.3	272.7	190.0	-268.2	12.00	12.00	-0.07
9,600.0	40.83	179.90	9,551.7	256.8	190.1	-252.3	12.00	12.00	-0.06
9,625.0	43.83	179.88	9,570.1	240.0	190.1	-235.5	12.00	12.00	-0.06
9,650.0	46.83	179.87	9,587.7	222.2	190.1	-217.7	12.00	12.00	-0.05
9,675.0	49.83	179.86	9,604.3	203.5	190.2	-199.1	12.00	12.00	-0.05
9,700.0	52.83	179.85	9,619.9	184.0	190.2	-179.6	12.00	12.00	-0.04
9,725.0	55.83	179.84	9,634.5	163.7	190.3	-159.3	12.00	12.00	-0.04
9,750.0	58.83	179.83	9,648.0	142.7	190.4	-138.2	12.00	12.00	-0.04
9,775.0 9,800.0	61.83 64.83	179.82 179.81	9,660.4 9,671.6	120.9 98.6	190.4 190.5	-116.5 -94.2	12.00 12.00	12.00 12.00	-0.03 -0.03
9,825.0	67.83	179.80	9,681.6	75.7	190.6	-71.3	12.00	12.00	-0.03
9,850.0	70.83	179.80	9,690.5	52.3	190.7	-47.9	12.00	12.00	-0.03
9,875.0 9,900.0	73.83 76.83	179.79 179.78	9,698.1 9,704.4	28.5 4.3	190.7 190.8	-24.1 0.1	12.00 12.00	12.00 12.00	-0.03 -0.03
9,900.0 9,925.0	76.83 79.83	179.78	9,704.4 9,709.4	-20.2	190.8	24.6	12.00	12.00	-0.03
9,950.0	82.83	179.77	9,713.2	-44.9	191.0	49.3	12.00	12.00	-0.03
9,975.0	85.83	179.76	9,715.7	-69.7	191.1	74.2	12.00	12.00	-0.03
10,000.0 10,009.7	88.83 90.00	179.76 179.75	9,716.8 9,716.9	-94.7 -104.5	191.2 191.3	99.1 108.9	12.00 12.00	12.00 12.00	-0.03 -0.03
10,100.0	90.00	179.75	9,716.9	-194.7	191.7	199.1	0.00	0.00	0.00
10,200.0	90.00	179.75	9,716.9	-294.7	192.1	299.1	0.00	0.00	0.00
10,300.0	90.00	179.75	9,716.9	-394.7	192.5	399.1	0.00	0.00	0.00
10,400.0	90.00	179.75	9,716.9	-494.7	192.9	499.0	0.00	0.00	0.00
10,500.0	90.00	179.75	9,716.9	-594.7	193.4	599.0	0.00	0.00	0.00
10,600.0	90.00	179.75	9,716.9	-694.7	193.8	699.0	0.00	0.00	0.00
10,700.0	90.00	179.75	9,717.0	-794.7	194.2	799.0	0.00	0.00	0.00
10,800.0	90.00	179.75	9,717.0	-894.7	194.7	899.0	0.00	0.00	0.00
10,900.0	90.00	179.75	9,717.0	-994.7	195.1	999.0	0.00	0.00	0.00
11,000.0	90.00	179.75	9,717.0	-1,094.7	195.5	1,098.9	0.00	0.00	0.00
11,100.0	90.00	179.75	9,717.0	-1,194.7	195.9	1,198.9	0.00	0.00	0.00
11,200.0	90.00	179.75	9,717.0	-1,294.7	196.4	1,298.9	0.00	0.00	0.00
11,300.0	90.00	179.75	9,717.0	-1,394.7	196.8	1,398.9	0.00	0.00	0.00
11,400.0	90.00	179.75	9,717.0	-1,494.7	197.2	1,498.9	0.00	0.00	0.00
11,500.0 11,600.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-1,594.7 -1,694.7	197.7 198.1	1,598.8 1,698.8	0.00 0.00	0.00 0.00	0.00 0.00
11,700.0	90.00	179.75	9,717.0	-1,794.7	198.5	1,798.8	0.00	0.00	0.00
11,800.0	90.00	179.75	9,717.0	-1,894.7	198.9	1,898.8	0.00	0.00	0.00
11,900.0	90.00	179.75	9,717.0	-1,994.7	199.4	1,998.8	0.00	0.00	0.00
12,000.0 12,100.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-2,094.7 -2,194.7	199.8 200.2	2,098.8 2,198.7	0.00 0.00	0.00 0.00	0.00 0.00
12,200.0	90.00	179.75	9,717.0	-2,294.7	200.7	2,298.7	0.00	0.00	0.00
12,200.0	90.00	179.75	9,717.0	-2,294.7 -2,394.7	200.7	2,296.7	0.00	0.00	0.00
12,400.0	90.00	179.75	9,717.0	-2,494.7	201.5	2,498.7	0.00	0.00	0.00
12,500.0	90.00	179.75	9,717.0	-2,594.7	201.9	2,598.7	0.00	0.00	0.00
12,600.0	90.00	179.75	9,717.0	-2,694.7	202.4	2,698.7	0.00	0.00	0.00
12,700.0	90.00	179.75	9,717.0	-2,794.7	202.8	2,798.6	0.00	0.00	0.00
12,800.0	90.00	179.75	9,717.0	-2,894.7	203.2	2,898.6	0.00	0.00	0.00
12,900.0	90.00	179.75	9,717.0	-2,994.7	203.7	2,998.6	0.00	0.00	0.00
13,000.0	90.00	179.75	9,717.0	-3,094.7	204.1	3,098.6	0.00	0.00	0.00
13,100.0	90.00	179.75	9,717.0	-3,194.7	204.5	3,198.6	0.00	0.00	0.00
13,200.0	90.00	179.75	9,717.0	-3,294.7	204.9	3,298.5	0.00	0.00	0.00
13,300.0	90.00	179.75	9,717.0	-3,394.7	205.4	3,398.5	0.00	0.00	0.00

EOG Resources Planning Report



EDM Database: Company:

Project:

Site:

EOG Resources - Midland Eddy County, NM (NAD 83 NME)

Banjo 5 Fed Com

Well: #581H ОН Wellbore: Design: Plan #0.1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft

kb = 25' @ 3190.0usft Grid

esign:	Plan #0.1								
Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
13,400.0	90.00	179.75	9,717.0	-3,494.7	205.8	3,498.5	0.00	0.00	0.00
13,500.0	90.00	179.75	9,717.0	-3,594.7	206.2	3,598.5	0.00	0.00	0.00
13,600.0	90.00	179.75	9,717.0	-3,694.7	206.7	3,698.5	0.00	0.00	0.00
13,700.0	90.00	179.75	9,717.0	-3,794.7	207.1	3,798.5	0.00	0.00	0.00
13,800.0	90.00	179.75	9,717.0	-3,894.7	207.5	3,898.4	0.00	0.00	0.00
13,900.0	90.00	179.75	9,717.0	-3,994.7	207.9	3,998.4	0.00	0.00	0.00
14,000.0	90.00	179.75	9,717.0	-4,094.7	208.4	4,098.4	0.00	0.00	0.00
14,100.0	90.00	179.75	9,717.0	-4,194.7	208.8	4,198.4	0.00	0.00	0.00
14,200.0	90.00	179.75	9,717.0	-4,294.7	209.2	4,298.4	0.00	0.00	0.00
14,300.0	90.00	179.75	9,717.0	-4,394.7	209.7	4,398.4	0.00	0.00	0.00
14,400.0	90.00	179.75	9,717.0	-4,494.7	210.1	4,498.3	0.00	0.00	0.00
14,500.0	90.00	179.75	9,717.0	-4,594.7	210.5	4,598.3	0.00	0.00	0.00
14,600.0	90.00	179.75	9,717.0	-4,694.7	211.0	4,698.3	0.00	0.00	0.00
14,700.0	90.00	179.75	9,717.0	-4,794.7	211.4	4,798.3	0.00	0.00	0.00
14,789.6	90.00	179.75	9,717.0	-4,884.3	211.8	4,887.9	0.00	0.00	0.00
14,800.0	90.00	179.75	9,717.0	-4,894.7	211.8	4,898.3	0.00	0.00	0.00
14,900.0 15,000.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-4,994.7 -5,094.7	212.2 212.7	4,998.2 5,098.2	0.00 0.00	0.00 0.00	0.00 0.00
15,100.0	90.00	179.75	9,717.0	-5,194.7	213.1	5,198.2	0.00	0.00	0.00
15,200.0	90.00	179.75	9,717.0	-5,294.7	213.5	5,298.2	0.00	0.00	0.00
15,300.0	90.00	179.75	9,717.0	-5,394.7	214.0	5,398.2	0.00	0.00	0.00
15,400.0 15,500.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-5,494.7 -5,594.7	214.4 214.8	5,498.2 5,598.1	0.00 0.00	0.00 0.00	0.00 0.00
15,600.0	90.00	179.75	9,717.0	-5,694.7	215.2	5,698.1	0.00	0.00	0.00
15,700.0	90.00	179.75	9,717.0	-5,794.7	215.7	5,798.1	0.00	0.00	0.00
15,800.0	90.00	179.75	9,717.0	-5,894.7	216.1	5,898.1	0.00	0.00	0.00
15,900.0 16,000.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-5,994.7 -6,094.7	216.5 217.0	5,998.1 6,098.0	0.00 0.00	0.00 0.00	0.00 0.00
16,100.0	90.00	179.75	9,717.0	-6,194.7	217.4	6,198.0	0.00	0.00	0.00
16,200.0	90.00	179.75	9,717.0	-6,294.7	217.8	6,298.0	0.00	0.00	0.00
16,300.0 16,400.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-6,394.7 -6,494.7	218.2 218.7	6,398.0 6,498.0	0.00 0.00	0.00 0.00	0.00 0.00
16,500.0	90.00	179.75	9,717.0	-6,594.7	219.1	6,598.0	0.00	0.00	0.00
16,600.0	90.00	179.75	9,717.0	-6,694.7	219.5	6,697.9	0.00	0.00	0.00
16,700.0 16,800.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-6,794.7 -6,894.7	220.0 220.4	6,797.9 6,897.9	0.00 0.00	0.00 0.00	0.00 0.00
16,900.0	90.00	179.75	9,717.0	-6,094.7 -6,994.7	220.4	6,997.9	0.00	0.00	0.00
17,000.0	90.00	179.75	9,717.0	-7,094.7	221.2	7,097.9	0.00	0.00	0.00
17,100.0 17,200.0	90.00 90.00	179.75 179.75	9,717.0 9,717.0	-7,194.6 -7,294.6	221.7 222.1	7,197.9 7,297.8	0.00 0.00	0.00 0.00	0.00 0.00
17,200.0	90.00	179.75	9,717.0	-7,294.6 -7,394.6	222.1	7,297.8	0.00	0.00	0.00
17,400.0	90.00	179.75	9,717.0	-7,494.6	223.0	7,497.8	0.00	0.00	0.00
17,500.0	90.00	179.75	9,717.0	-7,594.6	223.4	7,597.8	0.00	0.00	0.00
17,600.0	90.00	179.75	9,717.0	-7,694.6	223.8	7,697.8	0.00	0.00	0.00
17,700.0	90.00	179.75	9,717.0	-7,094.6 -7,794.6	223.0 224.2	7,797.7	0.00	0.00	0.00
17,800.0	90.00	179.75	9,717.0	-7,894.6	224.7	7,897.7	0.00	0.00	0.00
17,900.0	90.00	179.75	9,717.0	-7,994.6	225.1	7,997.7	0.00	0.00	0.00
18,000.0	90.00	179.75	9,717.0	-8,094.6	225.5	8,097.7	0.00	0.00	0.00
18,100.0	90.00	179.75	9,717.0	-8,194.6	226.0	8,197.7	0.00	0.00	0.00
18,200.0	90.00	179.75	9,717.0	-8,294.6	226.4	8,297.7	0.00	0.00	0.00
18,300.0	90.00	179.75	9,717.0	-8,394.6	226.8	8,397.6	0.00	0.00	0.00
18,400.0	90.00	179.75	9,717.0	-8,494.6	227.2	8,497.6	0.00	0.00	0.00
18,500.0	90.00	179.75	9,717.0	-8,594.6	227.7	8,597.6	0.00	0.00	0.00
18,600.0	90.00	179.75	9,717.0	-8,694.6	228.1	8,697.6	0.00	0.00	0.00

EOG Resources

Planning Report

Database: EDM

Company: EOG Resources - Midland
Project: Eddy County, NM (NAD 83 NME)

Site: Banjo 5 Fed Com

 Well:
 #581H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well #581H

kb = 25' @ 3190.0usft kb = 25' @ 3190.0usft

Grid

anned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
18,700.0	90.00	179.75	9,717.0	-8,794.6	228.5	8,797.6	0.00	0.00	0.00
18,800.0	90.00	179.75	9,717.0	-8,894.6	229.0	8,897.6	0.00	0.00	0.00
18,900.0	90.00	179.75	9,717.0	-8,994.6	229.4	8,997.5	0.00	0.00	0.00
19,000.0	90.00	179.75	9,717.1	-9,094.6	229.8	9,097.5	0.00	0.00	0.00
19,100.0	90.00	179.75	9,717.1	-9,194.6	230.2	9,197.5	0.00	0.00	0.00
19,200.0	90.00	179.75	9,717.1	-9,294.6	230.7	9,297.5	0.00	0.00	0.00
19,300.0	90.00	179.75	9,717.1	-9,394.6	231.1	9,397.5	0.00	0.00	0.00
19,400.0	90.00	179.75	9,717.1	-9,494.6	231.5	9,497.4	0.00	0.00	0.00
19,500.0	90.00	179.75	9,717.1	-9,594.6	232.0	9,597.4	0.00	0.00	0.00
19,600.0	90.00	179.75	9,717.1	-9,694.6	232.4	9,697.4	0.00	0.00	0.00
19,700.0	90.00	179.75	9,717.1	-9,794.6	232.8	9,797.4	0.00	0.00	0.00
19,800.0	90.00	179.75	9,717.1	-9,894.6	233.2	9,897.4	0.00	0.00	0.00
19,900.0	90.00	179.75	9,717.1	-9,994.6	233.7	9,997.4	0.00	0.00	0.00
20,000.0	90.00	179.75	9,717.1	-10,094.6	234.1	10,097.3	0.00	0.00	0.00
20,012.4	90.00	179.75	9,717.0	-10,107.0	234.0	10,109.7	0.00	0.00	0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP(Banjo 5 Fed Com# - plan hits target cen - Point	0.00 ter	0.00	9,239.5	373.0	190.0	392,735.00	676,805.00	32° 4' 44.232 N	103° 53' 45.424 W
FTP(Banjo 5 Fed Com#t - plan hits target cen - Point	0.00 ter	0.00	9,452.2	323.0	190.0	392,685.00	676,805.00	32° 4' 43.737 N	103° 53' 45.427 W
Fed Perf 1(Banjo 5 Fed (- plan hits target cen - Point	0.00 ter	0.00	9,717.0	-4,884.3	211.8	387,477.68	676,826.76	32° 3′ 52.204 N	103° 53' 45.419 W
PBHL(Banjo 5 Fed Com: - plan hits target cen - Point	0.00 ter	0.00	9,717.0	-10,107.0	234.0	382,255.00	676,849.00	32° 3' 0.520 N	103° 53' 45.407 W

Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher
- H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
 - c. Two wind socks will be placed in strategic locations, visible from all angles.

■ Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

■ Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

■ Communication:

Communication will be via cell phones and land lines where available.

Emergency Assistance Telephone List

PUBLIC SAFETY:		911 or
Lea County Sheriff's Department		(575) 396-3611
Rod Coffman		
Fire Department:		
Carlsbad		(575) 885-3125
Artesia		(575) 746-5050
Hospitals:		
Carlsbad		(575) 887-4121
Artesia		(575) 748-3333
Hobbs		(575) 392-1979
Dept. of Public Safety/Carlsbad		(575) 748-9718
Highway Department		(575) 885-3281
New Mexico Oil Conservation		(575) 476-3440
U.S. Dept. of Labor		(575) 887-1174
EOG Resources, Inc.		
EOG / Midland	Office	(432) 686-3600
Company Drilling Consultants:	G 11	(422) 220 4040
Jett Dueitt	Cell	(432) 230-4840
Blake Burney		
Drilling Engineer		
Steve Munsell	Office	(432) 686-3609
	Cell	(432) 894-1256
Drilling Manager		
Aj Dach	Office	(432) 686-3751
	Cell	(817) 480-1167
Drilling Superintendent		
Jason Townsend	Office	(432) 848-9209
	Cell	(210) 776-5131
H&P Drilling		
H&P Drilling	Office	(432) 563-5757
H&P 415 Drilling Rig	Rig	(432) 230-4840
Tool Pusher:		
Johnathan Craig	Cell	(817) 760-6374
Brad Garrett		· · · / · · · · · · · · · · · · · · · ·
Safety	O.CC:	(100) 60 5 0 50 5
Brian Chandler (HSE Manager)		(432) 686-3695
	Cell	(817) 239-0251

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

6/20/2020

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN
Eddy County, NM

Date. 0/30/2020	Eddy County, NWI	
□ Original	Operator & OGRID No.:	EOG Resources, Inc. 7377
☐ Amended - Reason for Amendment:	-	

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected	Flared or	Comments
		(ULSTR)		MCF/D	Vented	
Banjo 5 Fed Com 581H	30-015-****	A-5-26S-30E	421' FNL & 522' FEL	±3500	None	APD Submission
					Planned	
Banjo 5 Fed Com 582H	30-015-****	A-5-26S-30E	421' FNL & 567' FEL	±3500	None	APD Submission
					Planned	
Banjo 5 Fed Com 583H	30-015-****	B-5-26S-30E	421' FNL &	±3500	None	APD Submission
			2341' FEL		Planned	
Banjo 5 Fed Com 585H	30-015-****	D-5-26S-30E	381' FNL &	±3500	None	APD Submission
		200 302	528' FWL		Planned	
Banjo 5 Fed Com 586H	30-015-****	D-5-26S-30E	381' FNL &	±3500	None	APD Submission
		200 302	483' FWL		Planned	
Banjo 5 Fed Com 591H	30-015-****	A-5-26S-30E	421' FNL &	±3500	None	APD Submission
		110 200 002	552' FEL		Planned	
Banjo 5 Fed Com 592H	30-015-****	B-5-26S-30E	421' FNL &	±3500	None	APD Submission
		2 5 205 301	2326' FEL		Planned	
Banjo 5 Fed Com 595H	30-015-****	D-5-26S-30E	381' FNL &	±3500	None	APD Submission
		Z C ZOD DOL	498' FWL		Planned	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to **Enlink, MarkWest, & Enterprise** and will be connected to **EOG Resources** low/high pressure gathering system located in Eddy County, New Mexico. **EOG Resources** provides (periodically) to **Enlink, MarkWest, & Enterprise** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, **EOG Resources** and **Enlink, MarkWest, & Enterprise** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **Enlink, MarkWest, & Enterprise** Processing Plant located in Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on **Enlink, MarkWest, & Enterprise** system at that time. Based on current information, it is **EOG Resources**' belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems 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 to reduce the amount of gas flared.

- Power Generation On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

COMMENTS

Action 13639

COMMENTS

Operator:			OGRID:	Action Number:	Action Type:
EOG RESOURCES INC	P.O. Box 2267	Midland, TX79702	7377	13639	FORM 3160-3

Created By	Comment	Comment Date
kpickford	KP GEO Review 1/5/2020	01/05/2021

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CONDITIONS

Action 13639

CONDITIONS OF APPROVAL

Operator:				Action Number:	Action Type:
EOG RESOURCES INC	P.O. Box 2267	Midland, TX79702	7377	13639	FORM 3160-3

OCD	Condition
Reviewer	
kpickford	Notify OCD 24 hours prior to casing &cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	CORRAL CANYON;BONE SPRING, SOUTH