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. NMNM0002965A 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: NMNM 139118 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 BARLOW 34 FED COM 13198021 741H 2. Name of Operator 9. API Well No. [7377] 30-025-48343 EOG RESOURCES INCORPORATED 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory PERMIAN/SANDERS TANK; UPPER WO 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 34/T26S/R33E/NMP At surface LOT 1 / 1524 FNL / 1038 FEL / LAT 32.002994 / LONG -103.5549807 At proposed prod. zone NESE / 2450 FSL / 660 FEL / LAT 32.0141643 / LONG -103.5537665 12. County or Parish 14. Distance in miles and direction from nearest town or post office* 13 State LEA NM 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well 660 feet location to nearest 314.0 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, 12940 feet / 17785 feet FED: NM2308 applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 3322 feet 01/01/2021 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 LISA TRASCHER / Ph: (713) 651-7000 (Electronic Submission) 07/29/2020 Title Regulatory Specialist Approved by (Signature) Date Name (Printed/Typed) (Electronic Submission) Christopher Walls / Ph: (575) 234-2234 12/31/2020 Title Office Petroleum Engineer 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 of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. GCP Rec 12/31/2020

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(Continued on page 2)





*(Instructions on page 2)

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 I: 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 wen, 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 directionany 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.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

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 wen 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 win 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 conects this information to anow 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 Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

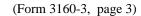
 $0. \ SHL: \ LOT \ 1 \ / \ 1524 \ FNL \ / \ 1038 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 33E \ / \ SECTION: \ 34 \ / \ LAT: \ 32.002994 \ / \ LONG: \ -103.5537618 \ (\ TVD: \ 12675 \ feet, \ MD: \ 12725 \ feet \)$ $PPP: \ LOT \ 1 \ / \ 2419 \ FNL \ / \ 660 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 33E \ / \ SECTION: \ 27 \ / \ LAT: \ 32.0141643 \ / \ LONG: \ -103.5537665 \ (\ TVD: \ 12940 \ feet, \ MD: \ 17785 \ feet \)$ $BHL: \ NESE \ / \ 2450 \ FSL \ / \ 660 \ FEL \ / \ TWSP: \ 26S \ / \ RANGE: \ 33E \ / \ SECTION: \ 27 \ / \ LAT: \ 32.0141643 \ / \ LONG: \ -103.5537665 \ (\ TVD: \ 12940 \ feet, \ MD: \ 17785 \ feet \)$

BLM Point of Contact

Name: Candy Vigil

Title: LIE

Phone: (575) 234-5982 Email: cvigil@blm.gov



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.



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | **EOG RESOURCES, INC.**

LEASE NO.: | NMNM0002965A

WELL NAME & NO.: | BARLOW 34 FED COM 741H – 747H

LOCATION: Section 34, T.26 S., R.33 E., NMPM

COUNTY: LEA County, New Mexico

COA

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

A. Hydrogen Sulfide

1. 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

- 1. The 9-5/8 inch surface casing shall be set at approximately 900 feet (a minimum of 25 feet (Lea 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 minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage.

First Stage

• Operator will cement to **8,091** feet with intent to reach the top of Brushy Canyon.

Second Stage

• Operator will perform bradenhead squeeze. Cement to surface. If cement does not circulate see B.1.a, c-d above.

Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. <u>Operator must run Echo-meter to verify fluid top and the volume of displacement fluid above the cement slurry in the annulus.</u>

- ❖ In <u>Medium/High Cave/Karst Areas</u> 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. 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.

JJP12172020

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)
 - ☑ Eddy CountyCall the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Lea County
 Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
 393-3612
- 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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	800'
Tamarisk Anhydrite	875'
Top of Salt	1,155'
Base of Salt	4,790'
Lamar	5,040'
Bell Canyon	5,067'
Cherry Canyon	6,098'
Brushy Canyon	8,091'
Bone Spring Lime	9,234'
Leonard Shale	9,307'
1 st Bone Spring Sand	10,178
2 nd Bone Spring Shale	10,342'
2 nd Bone Spring Sand	10,714
3 rd Bone Spring Carb	11,151'
3 rd Bone Spring Sand	11,801'
Wolfcamp	12,225
TD	12,940'

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

Upper Permian Sands	0-400'	Fresh Water
Cherry Canyon	6,098'	Oil
Brushy Canyon	8,091'	Oil
Leonard	9,307'	Oil
1 st Bone Spring Sand	10,178'	Oil
2 nd Bone Spring Shale	10,342'	Oil
2 nd Bone Spring Sand	10,714'	Oil
3 rd Bone Spring Carb	11,151'	Oil
3 rd Bone Spring Sand	11,801'	Oil
Wolfcamp	12,225	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 9.625" casing at 900' 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
12.25"	0'-900'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0' – 11,260'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0'-10,760'	5.5"	20#	P-110EC	DWC/C-IS	1.125	1.25	1.60
					MS			
6.75"	10,760'-11,260'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	11,260' – 17,785'	5.5"	20#	P-110EC	DWC/C-IS	1.125	1.25	1.60
					MS			

Variance is requested to waive the centralizer requirements for the 7-5/8" casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" hole interval to maximize cement bond and zonal isolation.

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

Variance is also requested to waive the annular clearance requirements for the 5-1/2" casing by 7-5/8" casing annulus to the proposed top of cement.

EOG requests permission to allow deviation from the 0.422" annulus clearance requirement from Onshore Order #2 under the following conditions:

- Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casing strings.
- Annular clearance less than 0.422" is acceptable for the production open hole section.

Cementing Program:

	No.	Wt.	Yld	
Depth	Sacks	ppg	Ft ³ /sk	Slurry Description
900'	740	13.5	1.73	Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl ₂ + 0.25
9-5/8"				lb/sk Cello-Flake (TOC @ Surface)
	100	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
				Sodium Metasilicate (TOC @ 700')
11,260'	530	14.2	1.11	1 st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 +
7-5/8"				3% Microbond (TOC @ 7,000')
	1,000	12.7	2.30	2 nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1%
				PreMag-M + 6% Bentonite Gel (TOC @ surface)
17,785	570	14.2	1.31	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3%
5-1/2"				Microbond (TOC @ 10,760')

Additive	Purpose
Bentonite Gel	Lightweight/Lost circulation prevention
Calcium Chloride	Accelerator
Cello-flake	Lost circulation prevention
Sodium Metasilicate	Accelerator
MagOx	Expansive agent
Pre-Mag-M	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

EOG requests to pump a two stage cement job on the 7-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (8,091") and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. Once cement circulates to surface drilling operations to drill out of the intermediate shoe will proceed (per clarification from BLM 4/21/2020). The final cement top will be verified by Echo-meter.

EOG will include the Echo-meter verified fluid top and the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program.

EOG will report to the BLM the volume of fluid (limited to 5 bbls) used to flush intermediate casing valves following backside cementing procedures.

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.

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.

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
0-900'	Fresh - Gel	8.6-8.8	28-34	N/c
900' – 11,260'	Brine	10.0-10.2	28-34	N/c
11,260' – 12,505'	Oil Base	8.7-9.4	58-68	N/c - 6
12,505' – 17,785'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

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

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) H₂S monitoring and detection equipment will be utilized from surface casing point to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Open-hole logs are not planned for this well.

GR-CCL Will be run in cased hole during completions phase of operations.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:

The estimated bottom-hole temperature (BHT) at TD is 199 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 9,420 psig and a maximum anticipated surface pressure of 6,574 psig (based on 14.0 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 8,091' to Intermediate casing point.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately one month. If the well is productive, an additional 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.

(A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the 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 9-5/8" surface casing, a 9-5/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 psi pressure test. This pressure test will be repeated at least every 30 days, as per Onshore Order No. 2

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 10,000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Cactus 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.

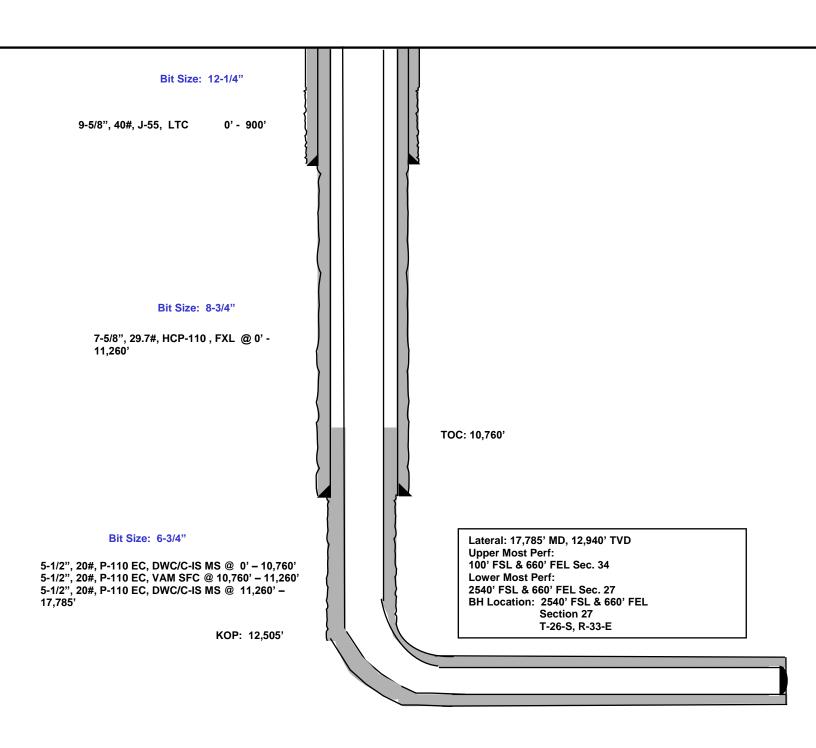
Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

1524' FNL 1038' FEL Section 34 T-26-S, R-33-E

Proposed Wellbore

KB: 3,347' GL: 3,322'

API: 30-025-****





EOG Resources - Midland

Lea County, NM (NAD 83 NME) Barlow 34 Fed Com #741H

OH

Plan: Plan #0.1 RT

Standard Planning Report

14 July, 2020

eog resources

EOG Resources

Planning Report

EDM 5000.14 Database:

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

Barlow 34 Fed Com Site:

Well: #741H Wellbore: OH

Plan #0.1 RT Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #741H

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

Grid

Minimum Curvature

Project Lea County, NM (NAD 83 NME)

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

New Mexico Eastern Zone

System Datum: Mean Sea Level

Barlow 34 Fed Com Site

Northing: 364,974.00 usft Site Position: Latitude: 32.0010774°N From: Мар Easting: 778,981.00 usft Longitude: 103.5667130°W **Position Uncertainty:** Slot Radius: 13-3/16 " **Grid Convergence:** 0.41 0.0 usft

Well #741H

Well Position +N/-S 723.0 usft Northing: 365,697.00 usft Latitude: 32.0029934°N +E/-W 3,632.0 usft Easting: 782,613.00 usft Longitude: 103.5549806°W

Position Uncertainty 0.0 usft Wellhead Elevation: **Ground Level:** 3,322.0 usft

Wellbore ОН

Magnetics **Model Name** Sample Date Declination **Dip Angle** Field Strength (°) (°) (nT) 7/14/2020 47.461.01101316 IGRF2020 6.63 59.73

Design Plan #0.1 RT

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 0.0 0.0 4.88

Date 7/14/2020 **Plan Survey Tool Program**

Depth From Depth To

0.0

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

Remarks

17,785.2 Plan #0.1 RT (OH)

MWD + IFR1

EOG MWD+IFR1

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	
237.8	4.76	157.82	237.6	-9.1	3.7	2.00	2.00	0.00	157.82	
12,266.6	4.76	157.82	12,224.9	-932.9	380.3	0.00	0.00	0.00	0.00	
12,504.5	0.00	0.00	12,462.5	-942.0	384.0	2.00	-2.00	0.00	180.00	KOP(Barlow 34 Fed C
13,254.5	90.00	359.58	12,940.0	-464.6	380.5	12.00	12.00	-0.06	359.58	
15,246.1	90.00	359.58	12,940.0	1,527.0	366.0	0.00	0.00	0.00	0.00	Fed Perf 1(Barlow 34
15,246.6	90.00	359.57	12,940.0	1,527.6	366.0	2.00	0.18	-1.99	-84.77	
17,785.2	90.00	359.57	12,940.0	4,066.0	347.0	0.00	0.00	0.00	0.00	PBHL(Barlow 34 Fed

EOG Resources Planning Report

SOURCOS

eog resources

Database: EDM 5000.14

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

Site: Barlow 34 Fed Com

 Well:
 #741H

 Wellbore:
 OH

 Design:
 Plan #0.1 RT

Local Co-ordinate Reference:

Survey Calculation Method:

TVD Reference:
MD Reference:
North Reference:

kb = 25' @

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

Grid

Well #741H

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	2.00	157.82	100.0	-1.6	0.7	-1.6	2.00	2.00	0.00
200.0	4.00	157.82	199.8	-6.5	2.6	-6.2	2.00	2.00	0.00
237.8	4.76	157.82	237.6	-9.1	3.7	-8.8	2.00	2.00	0.00
300.0	4.76	157.82	299.5	-13.9	5.7	-13.4	0.00	0.00	0.00
400.0	4.76	157.82	399.2	-21.6	8.8	-20.8	0.00	0.00	0.00
500.0	4.76	157.82	498.8	-29.3	11.9	-28.1	0.00	0.00	0.00
600.0	4.76	157.82	598.5	-36.9	15.1	-35.5	0.00	0.00	0.00
700.0	4.76	157.82	698.1	-44.6	18.2	-42.9	0.00	0.00	0.00
800.0	4.76	157.82	797.8	-52.3	21.3	-50.3	0.00	0.00	0.00
900.0	4.76	157.82	897.4	-60.0	24.5	-57.7	0.00	0.00	0.00
1,000.0	4.76	157.82	997.1	-67.7	27.6	-65.1	0.00	0.00	0.00
1,100.0	4.76	157.82	1,096.8	-75.3	30.7	-72.5	0.00	0.00	0.00
1,200.0	4.76	157.82	1,196.4	-83.0	33.8	-79.8	0.00	0.00	0.00
1,300.0	4.76	157.82	1,296.1	-90.7	37.0	-87.2	0.00	0.00	0.00
1,400.0	4.76	157.82	1,395.7	-98.4	40.1	-94.6	0.00	0.00	0.00
1,500.0	4.76	157.82	1,495.4	-106.1	43.2	-102.0	0.00	0.00	0.00
1,600.0	4.76	157.82	1,595.0	-113.7	46.4	-109.4	0.00	0.00	0.00
1,700.0	4.76	157.82	1,694.7	-121.4	49.5	-116.8	0.00	0.00	0.00
1,800.0	4.76	157.82	1,794.3	-129.1	52.6	-124.2	0.00	0.00	0.00
1,000.0	4.70	107.02	1,704.0	-120.1		-127.2	0.00	0.00	0.00
1,900.0	4.76	157.82	1,894.0	-136.8	55.8	-131.5	0.00	0.00	0.00
2,000.0	4.76	157.82	1,993.7	-144.5	58.9	-138.9	0.00	0.00	0.00
2,100.0	4.76	157.82	2,093.3	-152.1	62.0	-146.3	0.00	0.00	0.00
2,200.0	4.76	157.82	2,193.0	-159.8	65.1	-153.7	0.00	0.00	0.00
2,300.0	4.76	157.82	2,292.6	-167.5	68.3	-161.1	0.00	0.00	0.00
2,300.0	4.70	137.02	2,292.0	-107.5	00.3	-101.1	0.00	0.00	0.00
2,400.0	4.76	157.82	2,392.3	-175.2	71.4	-168.5	0.00	0.00	0.00
2,500.0	4.76	157.82	2,491.9	-182.9	74.5	-175.9	0.00	0.00	0.00
2,600.0	4.76	157.82	2,591.6	-190.5	77.7	-183.2	0.00	0.00	0.00
2,700.0	4.76	157.82	2,691.2	-198.2	80.8	-190.6	0.00	0.00	0.00
			,						
2,800.0	4.76	157.82	2,790.9	-205.9	83.9	-198.0	0.00	0.00	0.00
2,900.0	4.76	157.82	2,890.6	-213.6	87.1	-205.4	0.00	0.00	0.00
3,000.0	4.76	157.82	2,990.2	-221.3	90.2	-212.8	0.00	0.00	0.00
3,100.0	4.76	157.82	3,089.9	-228.9	93.3	-220.2	0.00	0.00	0.00
			,						
3,200.0	4.76	157.82	3,189.5	-236.6	96.5	-227.6	0.00	0.00	0.00
3,300.0	4.76	157.82	3,289.2	-244.3	99.6	-234.9	0.00	0.00	0.00
3,400.0	4.76	157.82	3,388.8	-252.0	102.7	-242.3	0.00	0.00	0.00
3,400.0	4.76	157.82	3,488.5	-259.6	105.8	-242.3	0.00	0.00	0.00
-,			,						
3,600.0	4.76	157.82	3,588.1	-267.3	109.0	-257.1	0.00	0.00	0.00
3,700.0	4.76	157.82	3,687.8	-275.0	112.1	-264.5	0.00	0.00	0.00
3,800.0	4.76	157.82	3,787.5	-282.7	115.2	-271.9	0.00	0.00	0.00
3,900.0	4 7C	157 00	2 007 1	200.4	110 /	270.2	0.00	0.00	0.00
	4.76	157.82	3,887.1	-290.4	118.4	-279.2	0.00	0.00	0.00
4,000.0	4.76	157.82	3,986.8	-298.0	121.5	-286.6	0.00	0.00	0.00
4,100.0	4.76	157.82	4,086.4	-305.7	124.6	-294.0	0.00	0.00	0.00
4,200.0	4.76	157.82	4,186.1	-313.4	127.8	-301.4	0.00	0.00	0.00
4,300.0	4.76	157.82	4,285.7	-321.1	130.9	-308.8	0.00	0.00	0.00
4 400 0	4 70	457.00			404.0		0.00	0.00	0.00
4,400.0	4.76	157.82	4,385.4	-328.8	134.0	-316.2	0.00	0.00	0.00
4,500.0	4.76	157.82	4,485.0	-336.4	137.1	-323.6	0.00	0.00	0.00
4,600.0	4.76	157.82	4,584.7	-344.1	140.3	-330.9	0.00	0.00	0.00
4,700.0	4.76	157.82	4,684.4	-351.8	143.4	-338.3	0.00	0.00	0.00
4,800.0	4.76	157.82	4,784.0	-359.5	146.5	-345.7	0.00	0.00	0.00
4,900.0	4.76	157.82	4,883.7	-367.2	149.7	-353.1	0.00	0.00	0.00
5,000.0	4.76	157.82	4,983.3	-374.8	152.8	-360.5	0.00	0.00	0.00
5,100.0	4.76	157.82	5,083.0	-382.5	155.9	-367.9	0.00	0.00	0.00
5,200.0	4.76	157.82	5,182.6	-390.2	159.1	-375.3	0.00	0.00	0.00

EOG Resources

Planning Report



Database: EDM 5000.14

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

Site: Barlow 34 Fed Com

Well: #741H
Wellbore: OH
Plan #0.1 F

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well #741H

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

Grid

esign:	Plan #0.1 RT								
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)
5,300.0	4.76	157.82	5,282.3	-397.9	162.2	-382.6	0.00	0.00	0.00
5,400.0	4.76	157.82	5,381.9	-405.6	165.3	-390.0	0.00	0.00	0.00
5,500.0	4.76	157.82	5,481.6	-413.2	168.5	-397.4	0.00	0.00	0.00
5,600.0	4.76	157.82	5,581.3	-420.9	171.6	-404.8	0.00	0.00	0.00
5,700.0 5,800.0	4.76 4.76	157.82 157.82	5,680.9 5,780.6	-428.6 -436.3	174.7 177.8	-412.2 -419.6	0.00 0.00	0.00 0.00	0.00 0.00
5,900.0	4.76	157.82	5,880.2	-444.0	181.0	-427.0	0.00	0.00	0.00
6,000.0	4.76	157.82	5,979.9	-451.6	184.1	-434.3	0.00	0.00	0.00
6,100.0	4.76	157.82	6,079.5	-459.3	187.2	-441.7	0.00	0.00	0.00
6,200.0	4.76	157.82 157.82	6,179.2	-467.0	190.4	-449.1	0.00	0.00	0.00
6,300.0	4.76	107.02	6,278.8	-474.7	193.5	-456.5	0.00	0.00	0.00
6,400.0	4.76	157.82	6,378.5	-482.3	196.6	-463.9	0.00	0.00	0.00
6,500.0	4.76	157.82	6,478.2	-490.0	199.8	-471.3	0.00	0.00	0.00
6,600.0	4.76	157.82	6,577.8	-497.7	202.9	-478.7	0.00	0.00	0.00
6,700.0	4.76	157.82	6,677.5	-505.4	206.0	-486.0	0.00	0.00	0.00
6,800.0	4.76	157.82	6,777.1	-513.1	209.1	-493.4	0.00	0.00	0.00
6,900.0	4.76	157.82	6,876.8	-520.7	212.3	-500.8	0.00	0.00	0.00
7,000.0	4.76	157.82	6,976.4	-528.4	215.4	-508.2	0.00	0.00	0.00
7,100.0	4.76	157.82	7,076.1	-536.1	218.5	-515.6	0.00	0.00	0.00
7,200.0	4.76	157.82	7,175.7	-543.8	221.7	-523.0	0.00	0.00	0.00
7,300.0	4.76	157.82	7,275.4	-551.5	224.8	-530.3	0.00	0.00	0.00
7,400.0	4.76	157.82	7,375.1	-559.1	227.9	-537.7	0.00	0.00	0.00
7,500.0	4.76	157.82	7,474.7	-566.8	231.1	-545.1	0.00	0.00	0.00
7,600.0	4.76	157.82	7,574.4	-574.5	234.2	-552.5	0.00	0.00	0.00
7,700.0	4.76	157.82	7,674.0	-582.2	237.3	-559.9	0.00	0.00	0.00
7,800.0	4.76	157.82	7,773.7	-589.9	240.5	-567.3	0.00	0.00	0.00
7,900.0	4.76	157.82	7,873.3	-597.5	243.6	-574.7	0.00	0.00	0.00
8,000.0	4.76	157.82	7,973.0	-605.2	246.7	-582.0	0.00	0.00	0.00
8,100.0	4.76	157.82	8,072.6	-612.9	249.8	-589.4	0.00	0.00	0.00
8,200.0	4.76	157.82	8,172.3	-620.6	253.0	-596.8	0.00	0.00	0.00
8,300.0	4.76	157.82	8,272.0	-628.3	256.1	-604.2	0.00	0.00	0.00
8,400.0	4.76	157.82	8,371.6	-635.9	259.2	-611.6	0.00	0.00	0.00
8,500.0	4.76	157.82	8,471.3	-643.6	262.4	-619.0	0.00	0.00	0.00
8,600.0	4.76	157.82	8,570.9	-651.3	265.5	-626.4	0.00	0.00	0.00
8,700.0	4.76	157.82	8,670.6	-659.0	268.6	-633.7	0.00	0.00	0.00
8,800.0	4.76	157.82	8,770.2	-666.6	271.8	-641.1	0.00	0.00	0.00
8,900.0	4.76	157.82	8,869.9	-674.3	274.9	-648.5	0.00	0.00	0.00
9,000.0	4.76	157.82	8,969.5	-682.0	278.0	-655.9	0.00	0.00	0.00
9,100.0	4.76	157.82	9,069.2	-689.7	281.1	-663.3	0.00	0.00	0.00
9,200.0	4.76	157.82	9,168.9	-697.4	284.3	-670.7	0.00	0.00	0.00
9,300.0	4.76	157.82	9,268.5	-705.0	287.4	-678.1	0.00	0.00	0.00
9,400.0	4.76	157.82	9,368.2	-712.7	290.5	-685.4	0.00	0.00	0.00
9,500.0	4.76	157.82	9,467.8	-720.4	293.7	-692.8	0.00	0.00	0.00
9,600.0	4.76	157.82	9,567.5	-728.1	296.8	-700.2	0.00	0.00	0.00
9,700.0	4.76	157.82	9,667.1	-735.8	299.9	-707.6	0.00	0.00	0.00
9,800.0	4.76	157.82	9,766.8	-743.4	303.1	-715.0	0.00	0.00	0.00
9,900.0	4.76	157.82	9,866.4	-751.1	306.2	-722.4	0.00	0.00	0.00
10,000.0	4.76	157.82	9,966.1	-758.8	309.3	-729.8	0.00	0.00	0.00
10,100.0	4.76	157.82	10,065.8	-766.5	312.5	-737.1	0.00	0.00	0.00
10,200.0	4.76	157.82	10,165.4	-774.2	315.6	-744.5	0.00	0.00	0.00
10,300.0	4.76	157.82	10,265.1	-781.8	318.7	-751.9	0.00	0.00	0.00
10,400.0	4.76	157.82	10,364.7	-789.5	321.8	-759.3	0.00	0.00	0.00
10,400.0	4.76 4.76	157.82	10,364.7	-789.5 -797.2	321.8 325.0	-759.3 -766.7	0.00	0.00	0.00
10,600.0	4.76	157.82	10,564.0	-797.2 -804.9	328.1	-700.7 -774.1	0.00	0.00	0.00

EOG Resources

Planning Report

eog resources

EDM 5000.14 Database:

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

Barlow 34 Fed Com Site:

Well: #741H Wellbore: ОН Design: Plan #0.1 RT Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #741H

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

esign:	Tidit#0.11tt	Plan #U.1 RT										
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)			
10,700.0	4.76	157.82	10,663.7	-812.6	331.2	-781.4	0.00	0.00	0.00			
10,800.0	4.76	157.82	10,763.3	-820.2	334.4	-788.8	0.00	0.00	0.00			
10,900.0	4.76	157.82	10,863.0	-827.9	337.5	-796.2	0.00	0.00	0.00			
11,000.0	4.76	157.82	10,962.7	-835.6	340.6	-803.6	0.00	0.00	0.00			
11,100.0	4.76	157.82	11,062.3	-843.3	343.8	-811.0	0.00	0.00	0.00			
11,200.0	4.76	157.82	11,162.0	-851.0	346.9	-818.4	0.00	0.00	0.00			
11,300.0	4.76	157.82	11,261.6	-858.6	350.0	-825.8	0.00	0.00	0.00			
11,400.0	4.76	157.82	11,361.3	-866.3	353.1	-833.1	0.00	0.00	0.00			
11,500.0	4.76	157.82	11,460.9	-874.0	356.3	-840.5	0.00	0.00	0.00			
11,600.0	4.76	157.82	11,560.6	-881.7	359.4	-847.9	0.00	0.00	0.00			
11,700.0	4.76	157.82	11,660.2	-889.3	362.5	-855.3	0.00	0.00	0.00			
11,800.0	4.76	157.82	11,759.9	-897.0	365.7	-862.7	0.00	0.00	0.00			
11,900.0	4.76	157.82	11,859.6	-904.7	368.8	-870.1	0.00	0.00	0.00			
12,000.0	4.76	157.82	11,959.2	-912.4	371.9	-877.5	0.00	0.00	0.00			
12,100.0	4.76	157.82	12,058.9	-920.1	375.1	-884.8	0.00	0.00	0.00			
12,200.0	4.76	157.82	12,158.5	-927.7	378.2	-892.2	0.00	0.00	0.00			
12,266.6	4.76	157.82	12,224.9	-932.9	380.3	-897.1	0.00	0.00	0.00			
12,300.0	4.09	157.82	12,258.2	-935.2	381.2	-899.4	2.00	-2.00	0.00			
12,400.0	2.09	157.82	12,358.0	-940.2	383.3	-904.2	2.00	-2.00	0.00			
12,504.5	0.00	0.00	12,462.5	-942.0	384.0	-905.9	2.00	-2.00	0.00			
12,525.0 12,550.0	2.46 5.46	359.58 359.58	12,483.0 12,508.0	-941.6	384.0 384.0	-905.5 -903.8	12.00	12.00 12.00	0.00			
			*	-939.8			12.00		0.00			
12,575.0	8.46	359.58	12,532.8	-936.8	384.0	-900.8	12.00	12.00	0.00			
12,600.0	11.46	359.58	12,557.4	-932.5	383.9	-896.5	12.00	12.00	0.00			
12,625.0 12,650.0	14.46 17.46	359.58 359.58	12,581.7 12,605.8	-926.9 -920.0	383.9 383.8	-890.9 -884.0	12.00 12.00	12.00 12.00	0.00 0.00			
12,675.0	20.46	359.58	12,629.4	-920.0 -911.9	383.8	-875.9	12.00	12.00	0.00			
12,700.0	23.46	359.58	12,652.6	-902.5	383.7	-866.6	12.00	12.00	0.00			
12,725.0	26.46	359.58	12,675.3	-892.0	383.6	-856.1	12.00	12.00	0.00			
12,750.0	29.46	359.58	12,697.3	-880.3	383.5	-844.5	12.00	12.00	0.00			
12,775.0	32.46	359.58	12,718.8	-867.4	383.5	-831.6	12.00	12.00	0.00			
12,800.0	35.46	359.58	12,739.5	-853.4	383.4	-817.7	12.00	12.00	0.00			
12,825.0	38.46	359.58	12,759.5	-838.4	383.2	-802.8	12.00	12.00	0.00			
12,850.0	41.46	359.58	12,778.6	-822.3	383.1	-786.8	12.00	12.00	0.00			
12,875.0	44.46	359.58	12,796.9	-805.3	383.0	-769.8	12.00	12.00	0.00			
12,900.0	47.46	359.58	12,814.3	-787.3	382.9	-751.9	12.00	12.00	0.00			
12,925.0	50.46	359.58	12,830.7	-768.5	382.7	-733.2	12.00	12.00	0.00			
12,950.0	53.46	359.58	12,846.1	-748.8	382.6	-713.6	12.00	12.00	0.00			
12,975.0	56.46	359.58	12,860.5	-728.3	382.4	-693.2	12.00	12.00	0.00			
13,000.0	59.46	359.58	12,873.7	-707.1	382.3	-672.1	12.00	12.00	0.00			
13,025.0 13,050.0	62.46 65.46	359.58 359.58	12,885.9 12,896.8	-685.3 -662.8	382.1 382.0	-650.3 -627.9	12.00 12.00	12.00 12.00	0.00 0.00			
13,075.0	68.46	359.58	12,906.6	-639.8	381.8	-605.0	12.00	12.00	0.00			
13,100.0 13,125.0	71.46 74.46	359.58 359.58	12,915.2 12,922.5	-616.3 -592.4	381.6 381.5	-581.7 -557.9	12.00 12.00	12.00 12.00	0.00 0.00			
13,125.0	74.46 77.46	359.58 359.58	12,922.5	-592.4 -568.2	381.3	-537.9 -533.7	12.00	12.00	0.00			
13,175.0	80.46	359.58	12,933.4	-543.7	381.1	-509.3	12.00	12.00	0.00			
13,200.0 13,225.0	83.46 86.46	359.58 359.58	12,936.9 12,939.1	-518.9 -494.0	380.9 380.7	-484.6 -459.8	12.00 12.00	12.00 12.00	0.00 0.00			
13,250.0	89.46	359.56 359.58	12,939.1	-494.0 -469.0	380.6	-439.6 -435.0	12.00	12.00	0.00			
13,254.5	90.00	359.58	12,940.0	-464.6	380.5	-430.5	12.00	12.00	0.00			
13,300.0	90.00	359.58	12,940.0	-419.0	380.2	-385.2	0.00	0.00	0.00			
13,400.0	90.00	359.58	12,940.0	-319.0	379.5	-285.6	0.00	0.00	0.00			
13,500.0	90.00	359.56 359.58	12,940.0	-319.0 -219.0	379.5 378.7	-265.6 -186.0	0.00	0.00	0.00			

eog resources

EOG Resources

Planning Report

Database: EDM 5000.14

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

Site: Barlow 34 Fed Com

 Well:
 #741H

 Wellbore:
 OH

 Design:
 Plan #0.1 RT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

North Reference: Survey Calculation Method: Well #741H

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

Grid

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)
13,600.0	90.00	359.58	12,940.0	-119.0	378.0	-86.5	0.00	0.00	0.00
13,700.0	90.00	359.58	12,940.0	-19.0	377.3	13.1	0.00	0.00	0.00
13,800.0	90.00	359.58	12,940.0	81.0	376.5	112.7	0.00	0.00	0.00
13,900.0	90.00	359.58	12,940.0	181.0	375.8	212.3	0.00	0.00	0.00
14,000.0	90.00	359.58	12,940.0	281.0	375.1	311.8	0.00	0.00	0.00
14,100.0	90.00	359.58	12,940.0	381.0	374.4	411.4	0.00	0.00	0.00
14,200.0	90.00	359.58	12,940.0	480.9	373.6	511.0	0.00	0.00	0.00
14,300.0	90.00	359.58	12,940.0	580.9	372.9	610.5	0.00	0.00	0.00
14,400.0	90.00	359.58	12,940.0	680.9	372.2	710.1	0.00	0.00	0.00
14,500.0	90.00	359.58	12,940.0	780.9	371.4	809.7	0.00	0.00	0.00
14,600.0	90.00	359.56 359.58	12,940.0	880.9	371.4 370.7	909.3	0.00	0.00	0.00
14,700.0	90.00	359.58	12,940.0	980.9	370.7	1,008.8	0.00	0.00	0.00
14,700.0	90.00	359.56 359.58	12,940.0	1,080.9	369.3	1,108.4	0.00	0.00	0.00
14,900.0	90.00	359.58	12,940.0	1,180.9	368.5	1,208.0	0.00	0.00	0.00
15,000.0	90.00	359.58	12,940.0	1,280.9	367.8	1,307.6	0.00	0.00	0.00
15,100.0	90.00	359.58	12,940.0	1,380.9	367.1	1,407.1	0.00	0.00	0.00
15,200.0	90.00	359.58	12,940.0	1,480.9	366.3	1,506.7	0.00	0.00	0.00
15,246.1	90.00	359.58	12,940.0	1,527.0	366.0	1,552.6	0.00	0.00	0.00
15,246.6	90.00	359.57	12.940.0	1,527.6	366.0	1,553.1	2.00	0.18	-1.99
15,300.0	90.00	359.57	12,940.0	1,580.9	365.6	1,606.3	0.00	0.00	0.00
15,400.0	90.00	359.57	12,940.0	1,680.9	364.8	1,705.9	0.00	0.00	0.00
15,500.0	90.00	359.57	12,940.0	1,780.9	364.1	1,805.4	0.00	0.00	0.00
15,600.0	90.00	359.57	12,940.0	1,880.9	363.4	1,905.0	0.00	0.00	0.00
15,700.0	90.00	359.57	12,940.0	1,980.9	362.6	2,004.6	0.00	0.00	0.00
15,800.0	90.00	359.57	12,940.0	2,080.9	361.9	2,104.1	0.00	0.00	0.00
15,900.0	90.00	359.57	12,940.0	2,180.9	361.1	2,203.7	0.00	0.00	0.00
16,000.0	90.00	359.57	12,940.0	2,280.9	360.4	2,303.3	0.00	0.00	0.00
16,100.0	90.00	359.57	12,940.0	2,380.9	359.6	2,402.9	0.00	0.00	0.00
16,200.0	90.00	359.57	12,940.0	2,480.9	358.9	2,502.4	0.00	0.00	0.00
16,300.0	90.00	359.57	12,940.0	2,580.9	358.1	2,602.0	0.00	0.00	0.00
16,400.0	90.00	359.57	12,940.0	2,680.9	357.4	2,701.6	0.00	0.00	0.00
16,500.0	90.00	359.57	12,940.0	2,780.9	356.6	2,801.1	0.00	0.00	0.00
16,600.0	90.00	359.57	12,940.0	2,880.9	355.9	2,900.7	0.00	0.00	0.00
16,700.0	90.00	359.57	12,940.0	2,980.9	355.1	3,000.3	0.00	0.00	0.00
16,800.0	90.00	359.57	12,940.0	3,080.9	354.4	3,099.9	0.00	0.00	0.00
16,900.0	90.00	359.57	12,940.0	3,180.9	353.6	3,199.4	0.00	0.00	0.00
17,000.0	90.00	359.57	12,940.0	3,280.9	352.9	3,299.0	0.00	0.00	0.00
17,100.0	90.00	359.57	12,940.0	3,380.9	352.1	3,398.6	0.00	0.00	0.00
17,200.0	90.00	359.57	12,940.0	3,480.9	351.4	3,498.1	0.00	0.00	0.00
17,300.0	90.00	359.57	12,940.0	3,580.9	350.6	3,597.7	0.00	0.00	0.00
17,400.0	90.00	359.57	12,940.0	3,680.9	349.9	3,697.3	0.00	0.00	0.00
17,500.0	90.00	359.57	12,940.0	3,780.9	349.1	3,796.9	0.00	0.00	0.00
17,600.0	90.00	359.57	12,940.0	3,880.9	348.4	3,896.4	0.00	0.00	0.00
17,700.0	90.00	359.57	12,940.0	3,980.9	347.6	3.996.0	0.00	0.00	0.00
17,700.0	90.00	359.57 359.57	12,940.0	3,980.9 4,066.0	347.6 347.0	3,996.0 4,080.8	0.00	0.00	0.00

beog resources

EOG Resources

Planning Report

Database: EDM 5000.14

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

Site: Barlow 34 Fed Com

 Well:
 #741H

 Wellbore:
 OH

 Design:
 Plan #0.1 RT

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #741H

kb = 25' @ 3347.0usft kb = 25' @ 3347.0usft

Grid

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(Barlow 34 Fed Cor - plan hits target cent - Point	0.00 er	0.00	12,462.5	-942.0	384.0	364,755.00	782,997.00	32.0003965°N	103.5537638°W
FTP(Barlow 34 Fed Con - plan misses target o - Point	0.00 enter by 0.4u	0.00 usft at 12724	12,675.2 .9usft MD (1	-892.0 2675.2 TVD, -	384.0 892.0 N, 383.	364,805.00 6 E)	782,997.00	32.0005340°N	103.5537626°W
Fed Perf 1(Barlow 34 Fe - plan hits target cent - Point	0.00 er	0.00	12,940.0	1,527.0	366.0	367,224.00	782,979.00	32.0071835°N	103.5537644°W
PBHL(Barlow 34 Fed Cc - plan hits target cent - Point	0.00 er	0.00	12,940.0	4,066.0	347.0	369,763.00	782,960.00	32.0141630°N	103.5537667°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:	2150	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.		
	Office	(432) 686-3600
LOG / Ivildiand	Office	(432) 000-3000
Company Drilling Consultants:		
Jett Dueitt	Cell	(432) 230-4840
Blake Burney		
Drilling Engineer		
	Office	(432) 686-3609
	Cell	(432) 894-1256
Drilling Manager	COII	(102) 09 1 1200
	Office	(432) 686-3751
· ·	Cell	(817) 480-1167
Drilling Superintendent		(0-1) 10001
	Office	(432) 848-9209
	Cell	(210) 776-5131
H&P Drilling		
8	Office	(432) 563-5757
<u> </u>	Rig	(432) 230-4840
	8	(10-) -00
Tool Pusher:		
Johnathan Craig	Cell	(817) 760-6374
Brad Garrett		
Safety		
	Office	(432) 686-3695
, , , , , , , , , , , , , , , , , , ,	Cell	(817) 239-0251
		(==:/==> 0==1

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

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

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

AMENDED REPORT

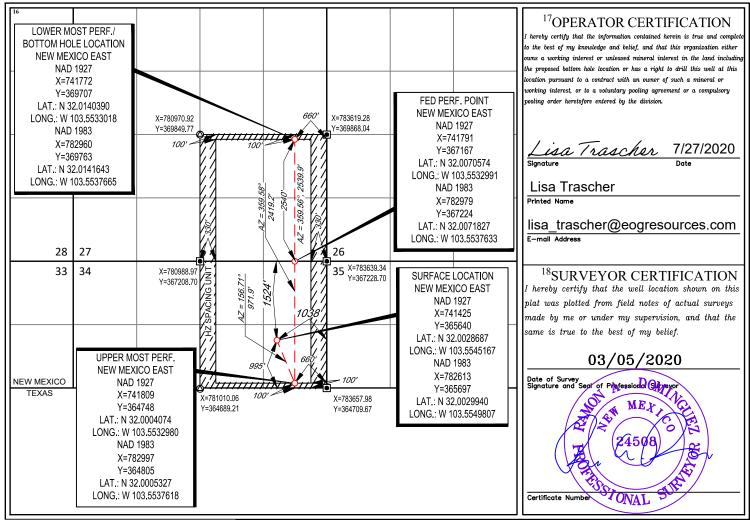
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48343		² Pool Code	³ Pool Name			
		98097	Sanders Tank; Upper Wolfcamp			
⁴ Property Code		⁵ Pı	roperty Name	⁶ Well Number		
319802	BARLOW 34 FED COM 7411					
⁷ OGRID No.		⁸ O ₁	perator Name	⁹ Elevation		
7377	EOG RESOURCES, INC. 3322'					
10 Sunface Location						

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	34	26-S	33-E	_	1524'	NORTH	1038'	EAST	LEA
	¹¹ Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	27	26-S	33-E	_	2540'	SOUTH	660'	EAST	LEA
12Dedicated Acres	12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.								
313.52									

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.



Oper	rator Nar	ne:				Property N	ame:					Well Number
ick O	Off Point ((KOP)										
UL	Section	Township	Range	Lot	Feet	Feet From N/S Feet From E/W County					County	
Latitu	de				Longitu	de					NAD	
UL	Section	Township	Range	Lot	Feet	From N	I/S	Feet	From	n E/W	County	
Latitu	de				Longitu	de					NAD	
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KZ 06/29/2018

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

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 (CAPT	URE	PLAN
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Date: 07/27/2020		
□ 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	
Barlow 34 Fed Com 741H	30-025-****	1-34-26S-33E	1524' FNL	±3500	None	APD Submission
30-	0 25-48343		& 1038' FEL		Planned	
Barlow 34 Fed Com 742H	30-025-****	1-34-26S-33E	1524' FNL	±3500	None	APD Submission
			& 1053' FEL		Planned	
Barlow 34 Fed Com 743H	30-025-****	2-34-26S-33E	2299' FNL	±3500	None	APD Submission
			& 2635' FEL		Planned	
Barlow 34 Fed Com 744H	30-025-****	2-34-26S-33E	2299' FNL&	±3500	None	APD Submission
			2646' FWL		Planned	
Barlow 34 Fed Com 745H	30-025-****	4-34-26S-33E	2299' FNL	±3500	None	APD Submission
			& 2631' FEL		Planned	
Barlow 34 Fed Com 746H	30-025-****	4-34-26S-33E	2344' FNL	±3500	None	APD Submission
			& 486' FWL		Planned	
Barlow 34 Fed Com 747H	30-025-****	4-34-26S-33E	2344' FNL	±3500	None	APD Submission
		- 72	& 471' 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 <u>Lucid Energy Enterprise & Regency Field Services</u> and will be connected to <u>EOG Resources</u> low/high pressure gathering system located in Lea County, New Mexico. <u>EOG Resources</u> provides (periodically) to <u>Lucid Energy Enterprise & Regency Field Services</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>EOG Resources</u> and <u>Lucid Energy, Enterprise & Regency Field Services</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Lucid Energy, Enterprise & Regency Field Services</u> Processing Plant located in Lea 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 **Lucid Energy, Enterprise & Regency Field Services** 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

811 S. First St., Artesia, 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 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**

CONDITIONS

Action 13824

CONDITIONS OF APPROVAL

Operator:		OGRID:	Action Number:	Action Type:
EOG RESOURCES INC P	/lidland, TX79702	7377	13824	FORM 3160-3

OCD	Condition
Reviewer	
pkautz	Notify OCD 24 hours prior to casing &cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	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