

Well Name: PEGASUS 3 FED COM	Well Location: T24S / R32E / SEC 3 / SESE / 32.2410871 / -103.658203	County or Parish/State: LEA / NM
Well Number: 581H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM94850	Unit or CA Name:	Unit or CA Number:
US Well Number: 300254725200X1	Well Status: Drilling Well	Operator: EOG RESOURCES INCORPORATED

Notice of Intent

Type of Submission: Notice of Intent	Type of Action Other
Date Sundry Submitted: 04/12/2021	Time Sundry Submitted: 12:37
Date proposed operation will begin: 04/11/2021	
Procedure Description: EOG respectfully requests an amendment to our approved APD for this well to reflect the following changes: Update hole size and casing program to current design	

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- PEGASUS\_3\_FED\_COM\_581H\_REV3\_C102\_4\_6\_2021\_signed\_20210412123706.pdf
- Pegasus\_3\_Fed\_Com\_581H\_Permit\_Info\_\_\_Rev\_csg\_4.6.2021\_20210412123637.pdf
- IR778\_ENG\_CDS43\_rev0\_\_\_8.75in\_38.5lbf\_P110EC\_SPRINT\_SF\_20210412123637.pdf
- 10\_M\_Choke\_Manifold\_20210412123637.pdf
- EOG\_Cameron\_3\_String\_13in\_10M\_MNDS\_20210412123637.PDF
- EOG\_BLM\_Variance\_1c\_\_\_10M\_Annular\_Variance\_\_\_3\_String\_Large\_surface\_hole\_20210412123636.pdf
- Co\_Flex\_Hose\_Test\_Chart\_20210412123636.pdf
- 5.500in\_20.00\_VST\_P110EC\_VAM\_SFC\_20210412123636.pdf
- 10\_M\_BOP\_Diagram\_4\_String\_20210412123636.pdf
- Co\_Flex\_Hose\_Certification\_20210412123636.pdf
- 5.500in\_20.00\_VST\_P110EC\_DWC\_C\_IS\_MS\_Spec\_Sheet\_20210412123636.pdf

<b>Well Name:</b> PEGASUS 3 FED COM	<b>Well Location:</b> T24S / R32E / SEC 3 / SESE / 32.2410871 / -103.658203	<b>County or Parish/State:</b> LEA / NM
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<b>US Well Number:</b> 300254725200X1	<b>Well Status:</b> Drilling Well	<b>Operator:</b> EOG RESOURCES INCORPORATED

5.50in\_20\_ppf\_P110\_ICY\_TXP\_20210412123636.pdf

Conditions of Approval

Additional Reviews

PEGASUS\_3\_FED\_COM\_581H\_Drilling\_COAs\_20210413102929.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

**Operator Electronic Signature:** HARRELL  
**Signed on:** APR 12, 2021 12:37 PM  
**Name:** EOG RESOURCES INCORPORATED  
**Title:** Regulatory Specialist  
**Street Address:** 5509 CHAMPIONS DRIVE  
**City:** MIDLAND **State:** TX  
**Phone:** (432) 848-9161  
**Email address:** Star\_Harrell@eogresources.com

Field Representative

**Representative Name:**  
**Street Address:**  
**City:** **State:** **Zip:**  
**Phone:**  
**Email address:**

BLM Point of Contact

**BLM POC Name:** CHRISTOPHER WALLS  
**BLM POC Phone:** 5752342234  
**Disposition:** Approved  
**Signature:** Chris Walls  
**BLM POC Title:** Petroleum Engineer  
**BLM POC Email Address:** cwalls@blm.gov  
**Disposition Date:** 04/13/2021

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

<sup>1</sup> API Number 3002547252		<sup>2</sup> Pool Code 96603		<sup>3</sup> Pool Name TRISTE DRAW; BONE SPRING	
<sup>4</sup> Property Code 328120		<sup>5</sup> Property Name PEGASUS 3 FED COM			<sup>6</sup> Well Number 581H
<sup>7</sup> OGRID No. 7377		<sup>8</sup> Operator Name EOG RESOURCES, INC.			<sup>9</sup> Elevation 3645'

<sup>10</sup>Surface Location

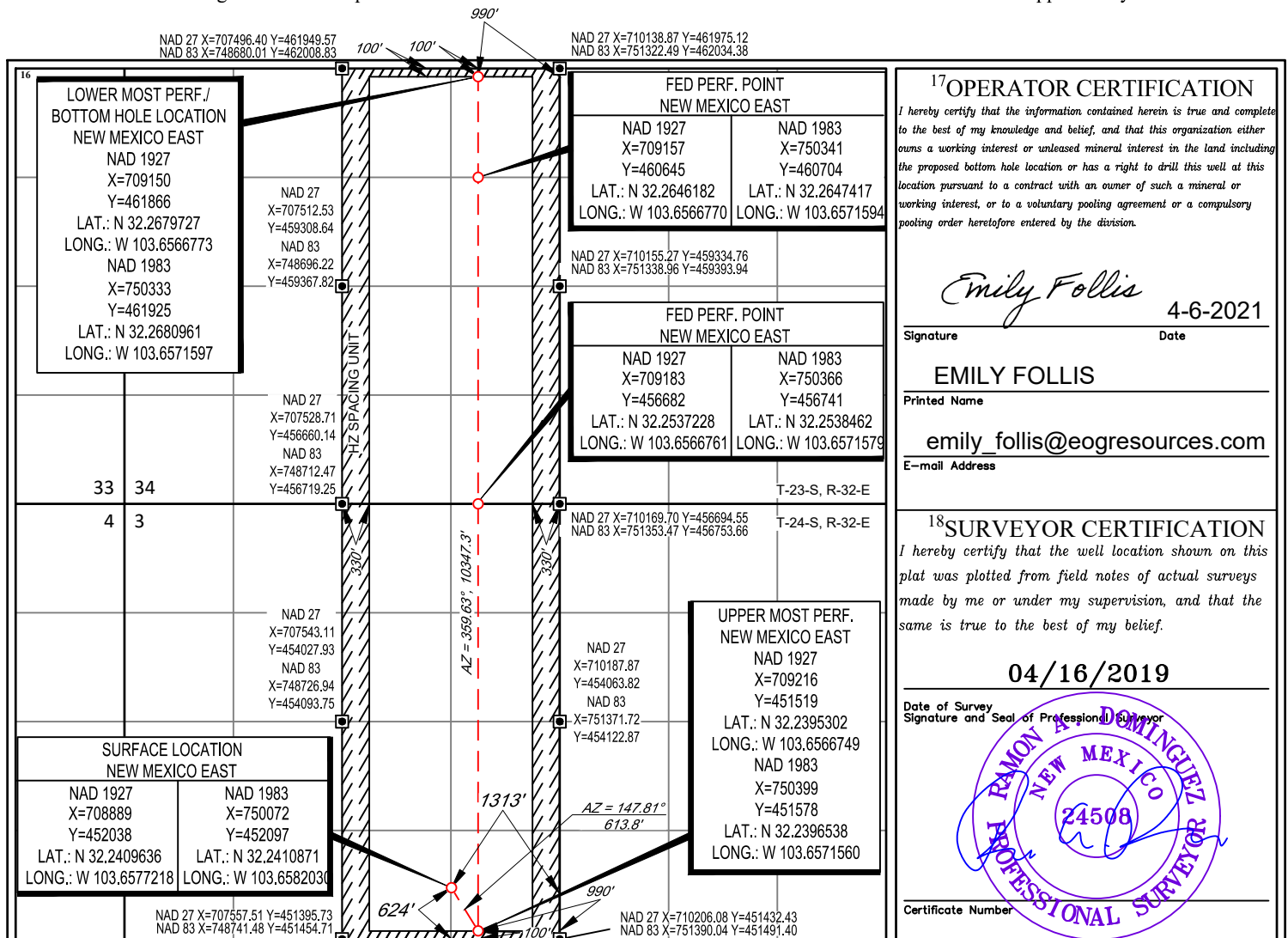
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	24-S	32-E	-	624'	SOUTH	1313'	EAST	LEA

<sup>11</sup>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
A	34	23-S	32-E	-	100'	NORTH	990'	EAST	LEA

<sup>12</sup> Dedicated Acres 639.39	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



**Revised Permit Information 4/6/2021:**

Well Name: Pegasus 3 Fed Com #581H

Location:

SHL: 624' FSL &amp; 1313' FEL, Section 3, T-24-S, R-32-E, Lea Co., N.M.

BHL: 100' FNL &amp; 990' FEL, Section 34, T-23-S, R-32-E, Lea Co., N.M.

**Casing Program:**

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF <sub>min</sub> Collapse	DF <sub>min</sub> Burst	DF <sub>min</sub> Tension
17.5"	0' – 1,275'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
9.875"	0' – 10,672'	8.75"	38.5#	P110EC	Sprint-SF	1.125	1.25	1.60
7.875"	0' – 21,900'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60

Variance is requested to waive the centralizer requirements for the 8-3/4" casing in the 9-7/8" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 9-7/8" 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 7-7/8" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 7-7/8" hole interval to maximize cement bond and zonal isolation.

**Cement Program:**

Depth	No. Sacks	Wt. ppg	Yld Ft <sup>3</sup> /sk	Slurry Description
1,275' 13-3/8"	350	13.5	1.73	Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl <sub>2</sub> + 0.25 lb/sk Cello-Flake (TOC @ Surface)
	80	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,075')
10,672' 8-3/4"	430	14.2	1.11	1 <sup>st</sup> Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 7,083')
	1200	14.8	1.5	2 <sup>nd</sup> Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface)
21,917' 5-1/2"	1000	14.2	1.31	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,172')

<b>Additive</b>	<b>Purpose</b>
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 variance from minimum standards to pump a two stage cement job on the 8-3/4" intermediate casing string with the first stage being pumped conventionally with the calculated TOC at the Brushy Canyon 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. Top of cement will be verified by Echo-meter.

EOG will include the final fluid top verified by Echo-meter 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.

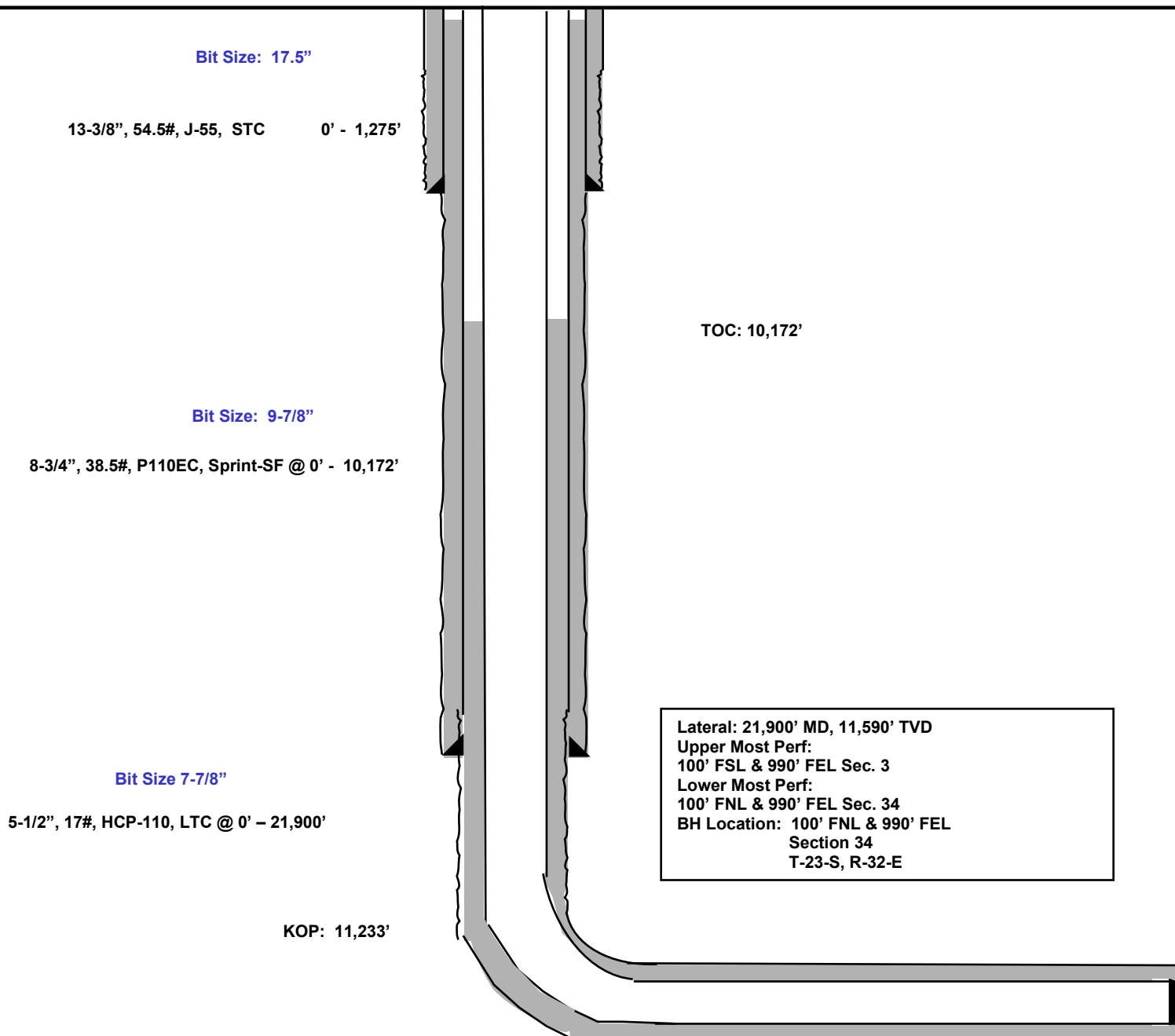
#### **Mud Program:**

<b>Depth</b>	<b>Type</b>	<b>Weight (ppg)</b>	<b>Viscosity</b>	<b>Water Loss</b>
0 – 1,275'	Fresh - Gel	8.6-8.8	28-34	N/c
1,275' – 10,672'	Brine	10.0-10.2	28-34	N/c
10,672' – 21,900'	Oil Base	10.0-14.0	58-68	3 - 6

624' FSL  
1313' FEL  
Section 3  
T-24-S, R-32-E

Revised Wellbore  
API: 30-025-47252

KB: 3,670'  
GL: 3,645'



Issued on: 09 Dec. 2020 by Wesley Ott

# VAM® SPRINT-SF

## Connection Data Sheet

<b>OD</b> <b>8 3/4 in.</b>	<b>Weight (lb/ft)</b> <b>Nominal: 38.50</b> <b>Plain End: 36.98</b>	<b>Wall Th.</b> <b>0.415 in.</b>	<b>Grade</b> <b>P110EC</b>	<b>Spec. Drift:</b> <b>7.875 in.</b>	<b>Connection</b> <b>VAM® SPRINT-SF</b>
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PIPE PROPERTIES		
Nominal OD	8.750	in.
Nominal ID	7.920	in.
Nominal Cross Section Area	10.867	sqin.
Grade Type	High Yield	
Min. Yield Strength	125	ksi
Max. Yield Strength	140	ksi
Min. Ultimate Tensile Strength	135	ksi

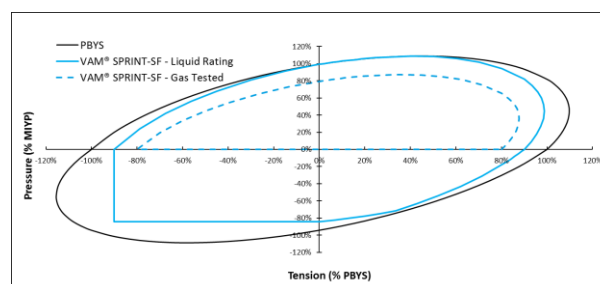
CONNECTION PROPERTIES		
Connection Type	Integral Semi-Flush	
Connection OD (nom):	9.009	in.
Connection ID (nom):	7.945	in.
Make-Up Loss	4.905	in.
Critical Cross Section	9.970	sqin.
Tension Efficiency	89.0	% of pipe
Compression Efficiency	80.0	% of pipe
Internal Pressure Efficiency	87	% of pipe
External Pressure Efficiency	100	% of pipe

CONNECTION PERFORMANCES		
Tensile Yield Strength	1,209	klb
Compression Resistance	1,086	klb
Internal Yield Pressure	9,030	psi
Collapse Resistance	5,210	psi
Max. Structural Bending	55	°/100ft
Max. Bending with ISO/API Sealability	30	°/100ft

\* 87.5% RBW

TORQUE VALUES		
Min. Make-up torque	20,750	ft.lb
Opt. Make-up torque	23,250	ft.lb
Max. Make-up torque	25,750	ft.lb
Max. Torque with Sealability (MTS)	50,000	ft.lb

**VAM® SPRINT-SF** is a semi-flush connection innovatively designed for extreme shale applications. Its high tension rating and ultra high torque capacity make it ideal to run a fill string length as production casing in shale wells with extended horizontal sections and tight clearance requirements.



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

canada@vamfieldservice.com  
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brazil@vamfieldservice.com

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singapore@vamfieldservice.com  
australia@vamfieldservice.com

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







**PROPRIETARY**

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**ISSUED FOR FABRICATION**  
February-10-2014  
DRAFTSMAN *MWL*  
ENGINEER *ESL*

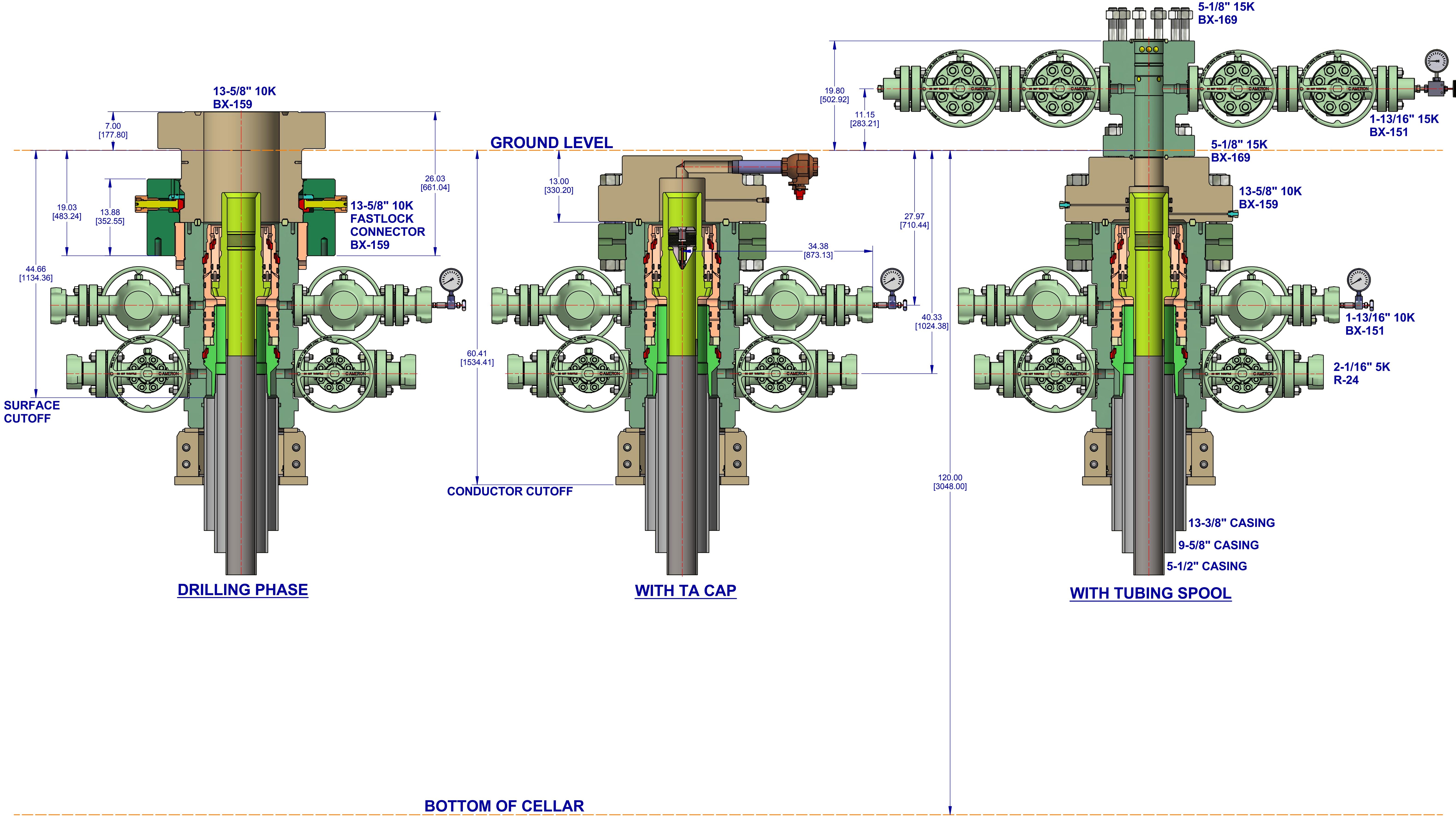


STANDARD TOLERANCES (UNLESS NOTED)			
1. FABRICATION DIMENSIONS:	A-0" TO 24"	± 1/16"	
	B-24" TO 120"	± 1/8"	
	C-OVER 120"	± 1/4"	
2. MACHINED DIMENSIONS:	A-ANGULAR	± .30"	
	B-LINEAR (EXPRESSED AS FRACTION)	± .015	
	C-LINEAR (EXPRESSED TO ONE DECIMAL)	± .1	
	D-LINEAR (EXPRESSED TO TWO DECIMALS)	± .015	
	E-LINEAR (EXPRESSED TO THREE DECIMALS)	± .005	

REV		DATE	DESCRIPTION	BY

TITLE:		HELMERICH & PAYNE INTERNATIONAL DRILLING CO.	
CUSTOMER:		H&P	
PROJECT:		3 CHOKE, 3 LEVEL, 10M CHOKE MANIFOLD G.A.	
DRAWN:	MWL	DATE:	2/10/2014
SCALE:	3/4"=1'-0"	SHEET:	1 OF 1
DWG. NO.:	HP-D1254	REV:	





CONFIDENTIAL											
 THIRD ANGLE	DESIGNED IN INCHES		MACHINING TOLERANCES UNLESS OTHERWISE SPECIFIED		SURFACE TREATMENT		DO NOT SCALE		 CAMERON A Schlumberger Company	SURFACE SYSTEMS	
	DIMENSIONAL UNITS				DRAWN BY: KEN REED		DATE 6 Nov 18				
	INCHES [MILLIMETERS]		X [D.] ± = [ ]		CHECKED BY: PA		DATE 6 Nov 18				
	ANGLES ± °		MATERIAL & HEAT TREAT		APPROVED BY: APPROVER NAME		DATE 6 Nov 18				
MACHINED FILLET RADII .015-.050 [0.38-1.27] BREAK ALL SHARP EDGES .01-.03 [0.2-0.8] RADII OR 45° SURFACE FINISH IN MICRO (μ) INCHES (Ra) INTERPRET DRAWING PER ASME Y14.5, ASME Y14.36, AND AWS A2.4 STANDARDS. SEE B/M FOR MATERIAL AND SPECIAL REQUIREMENTS. ITEM NUMBERS NOT APPEARING ON B/M DO NOT APPLY.					✓ RA ON ALL MACHINED SURFACES		ESTIMATED WEIGHT: 8147.2 LBS [3695.5 KG] INITIAL USE B/M: EWR:650353762		SHEET 1 OF 1	REV. 01	
									SD-052491-19-07		INVENTOR: _____



## 10,000 PSI BOP Annular Variance Request (EOG Variance 1c)

EOG Resources request a variance to use a 5000 psi annular BOP with a 10,000 psi BOP stack. The component and compatibility tables along with the general well control plans demonstrate how the 5000 psi annular BOP will be protected from pressures that exceed its rated working pressure (RWP). The pressure at which the control of the wellbore is transferred from the annular preventer to another available preventer will not exceed 3500 psi (70% of the RWP of the 5000 psi annular BOP).

### 1. Component and Preventer Compatibility Tables

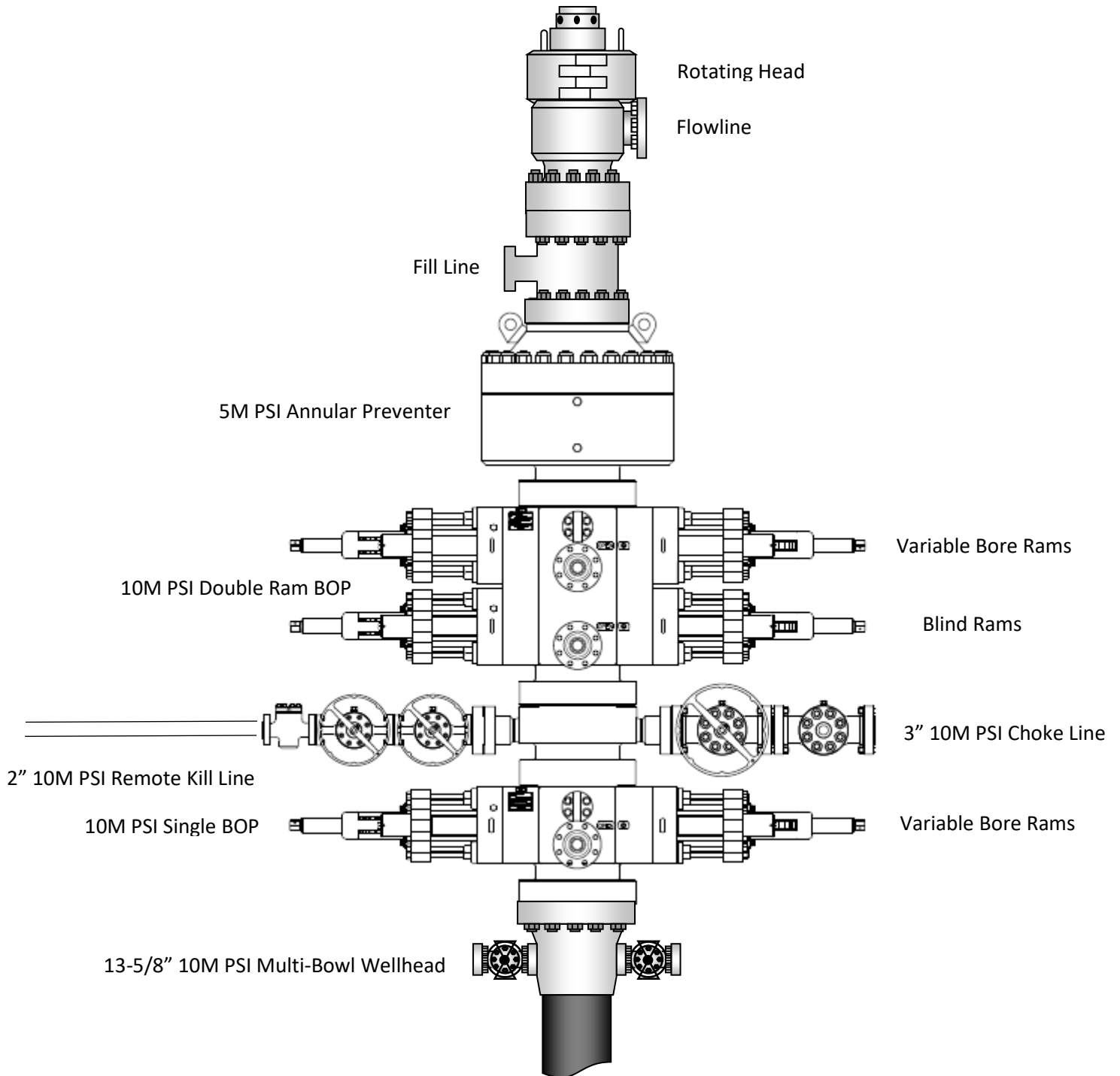
The tables below outlines the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

12-1/4" Intermediate Hole Section 10M psi requirement					
Component	OD	Primary Preventer	RWP	Alternate Preventer(s)	RWP
Drillpipe	5.000" or 4.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
HWDP	5.000" or 4.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
Jars	6.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
DCs and MWD tools	6.500" – 8.000"	Annular	5M	-	-
Mud Motor	8.000" – 9.625"	Annular	5M	-	-
1 <sup>st</sup> Intermediate casing	9.625"	Annular	5M	-	-
Open-hole	-	Blind Rams	10M	-	-

8-3/4" Production Hole Section 10M psi requirement					
Component	OD	Primary Preventer	RWP	Alternate Preventer(s)	RWP
Drillpipe	5.000" or 4.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
HWDP	5.000" or 4.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
Jars	6.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
DCs and MWD tools	6.500" – 8.000"	Annular	5M	-	-
Mud Motor	6.750" – 8.000"	Annular	5M	-	-
2 <sup>nd</sup> Intermediate casing	7.625"	Annular	5M	-	-
Open-hole	-	Blind Rams	10M	-	-

VBR = Variable Bore Ram

## EOG Resources 13-5/8" 10M PSI BOP Stack



## 2. Well Control Procedures

Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. At least one well control drill will be performed weekly per crew to demonstrate compliance with the procedure and well control plan. The well control drill will be recorded in the daily drilling log. The type of drill will be determined by the ongoing operations, but reasonable attempts will be made to vary the type of drill conducted (pit, trip, open hole, choke, etc.). This well control plan will be available for review by rig personnel in the EOG Resources drilling supervisor's office on location, and on the rig floor. All BOP equipment will be tested as per Onshore O&G Order No. 2 with the exception of the 5000 psi annular which will be tested to 100% of its RWP.

### General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
  - a. SIDPP and SICP
  - b. Pit gain
  - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

### General Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full opening safety valve and close
3. Space out drill string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
  - a. SIDPP and SICP
  - b. Pit gain
  - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.



General Procedure While Running Production Casing

1. Sound alarm (alert crew)
2. Stab crossover and full opening safety valve and close
3. Space out string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
  - a. SIDPP and SICP
  - b. Pit gain
  - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure With No Pipe In Hole (Open Hole)

1. Sound alarm (alert crew)
2. Shut-in with blind rams. (HCR and choke will already be in the closed position.)
3. Confirm shut-in
4. Notify toolpusher/company representative
5. Read and record the following:
  - a. SICP
  - b. Pit gain
  - c. Time
6. Regroup and identify forward plan

General Procedures While Pulling BHA thru Stack

1. PRIOR to pulling last joint of drillpipe thru the stack.
  - a. Perform flowcheck, if flowing:
  - b. Sound alarm (alert crew)
  - c. Stab full opening safety valve and close
  - d. Space out drill string with tool joint just beneath the upper variable bore rams.
  - e. Shut-in using upper variable bore rams. (HCR and choke will already be in the closed position.)
  - f. Confirm shut-in
  - g. Notify toolpusher/company representative
  - h. Read and record the following:
    - i. SIDPP and SICP
    - ii. Pit gain
    - iii. Time
  - i. Regroup and identify forward plan

2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
  - a. Sound alarm (alert crew)
  - b. Stab crossover and full opening safety valve and close
  - c. Space out drill string with upset just beneath the upper variable bore rams.
  - d. Shut-in using upper variable bore rams. (HCR and choke will already be in the closed position.)
  - e. Confirm shut-in
  - f. Notify toolpusher/company representative
  - g. Read and record the following:
    - i. SIDPP and SICP
    - ii. Pit gain
    - iii. Time
  - h. Regroup and identify forward plan
3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
  - a. Sound alarm (alert crew)
  - b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
  - c. If impossible to pick up high enough to pull the string clear of the stack:
  - d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
  - e. Space out drill string with tooljoint just beneath the upper variable bore ram.
  - f. Shut-in using upper variable bore ram. (HCR and choke will already be in the closed position.)
  - g. Confirm shut-in
  - h. Notify toolpusher/company representative
  - i. Read and record the following:
    - i. SIDPP and SICP
    - ii. Pit gain
    - iii. Time
  - j. Regroup and identify forward plan

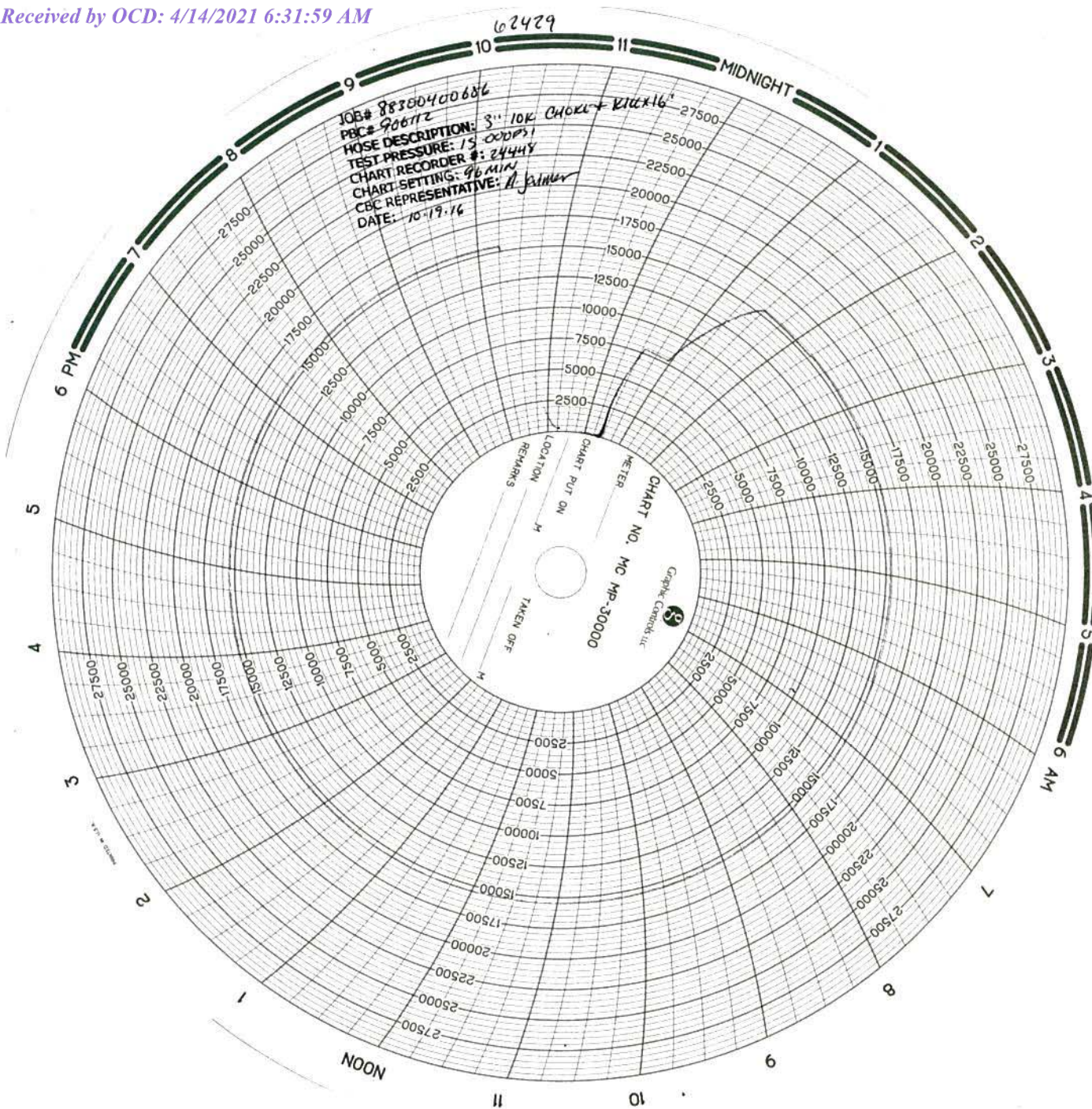
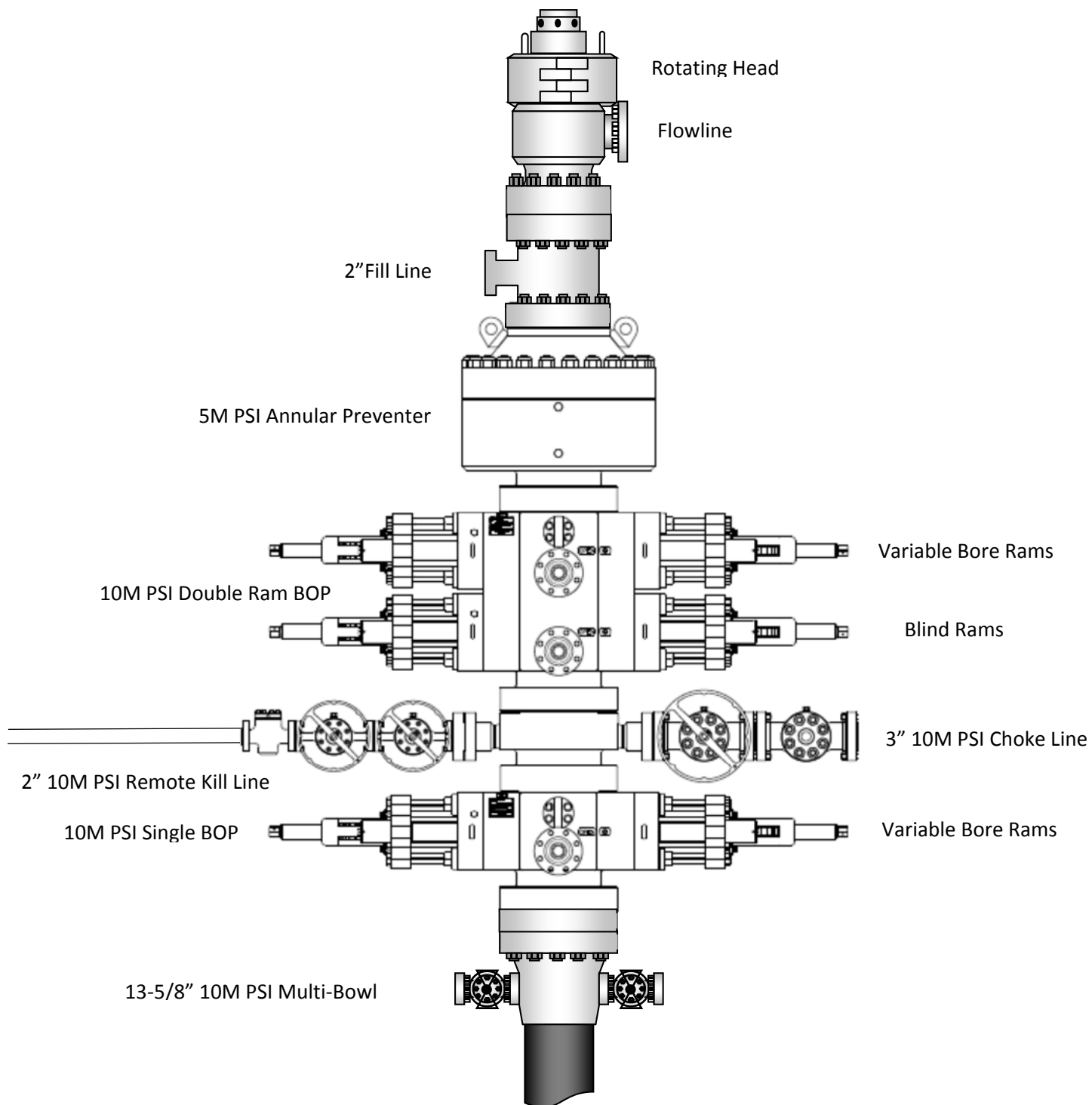


Exhibit 1  
EOG Resources  
13-5/8" 10M PSI BOP Stack





## Hose Inspection Report

ContiTech Oil &amp; Marine

Customer	Customer Reference #	CBC Reference #	CBC Inspector	Date of Inspection
H&P Drilling	740021604	COM906112	A. Jaimes	10/17/2016

<b>Hose Manufacturer</b>	Contitech Rubber Industrial
--------------------------	-----------------------------

<b>Hose Serial #</b>	62429	<b>Date of Manufacture</b>	05/2012
<b>Hose I.D.</b>	3"	<b>Working Pressure</b>	10000PSI
<b>Hose Type</b>	Choke and Kill	<b>Test Pressure</b>	15000PSI
<b>Manufacturing Standard</b>	API 16C		

## Connections

<b>End A:</b> 3.1/16" 10Kpsi API Spec 6A Type 6BX Flange	<b>End B:</b> 3.1/16" 10Kpsi API Spec 6A Type 6BX Flange
• No damage	• No damage
<b>Material:</b> Carbon Steel	<b>Material:</b> Carbon Steel
<b>Seal Face:</b> BX154	<b>Seal Face:</b> BX154
<b>Length Before Hydro Test:</b> 16'	<b>Length After Hydro test:</b> 16'

**Conclusion:** Hose #62429 passed the external inspection with no notable damages to the hose armor. Internal borescope of the hose showed no damage to the hose liner. Hose #62429 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #62429 is suitable for continued service.

**Recommendations:** In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

Visual inspection: Every 3 months (or during installation/removal)

Annual: In-situ pressure test

Initial 5 years service: Major inspection

2nd Major inspection: 8 / 10 years of service

(Detailed description of test regime available upon request, ISS-059 Rev 04)

**\*\*NOTE:** There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service life, in particular maximums and peak conditions.

**Issued By:** Alejandro Jaimes  
**Date:** 10/25/2016

**Checked By:** Jeremy Mckay  
**Date:** 10/25/2016  
QF97

Page 1 of 1

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>EOG RESOURCES</b>
<b>LEASE NO.:</b>	<b>NMNM059060</b>
<b>WELL NAME &amp; NO.:</b>	<b>PEGASUS 3 FED COM 581H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>624'S &amp; 1313'E</b>
<b>BOTTOM HOLE FOOTAGE</b>	<b>100'N &amp; 990'E</b>
<b>LOCATION:</b>	<b>Section 3, T.24 S., R.32 E., NMPM</b>
<b>COUNTY:</b>	<b>Lea County, New Mexico</b>

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

**All previous COAs still apply, except for the following:**

### A. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **1,275** 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 **8-5/8** 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.**

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.

## **B. 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.

## **C. SPECIAL REQUIREMENT (S)**

### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, 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.

**JJP04132021**

## 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 County

Call 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 2<sup>nd</sup> 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.

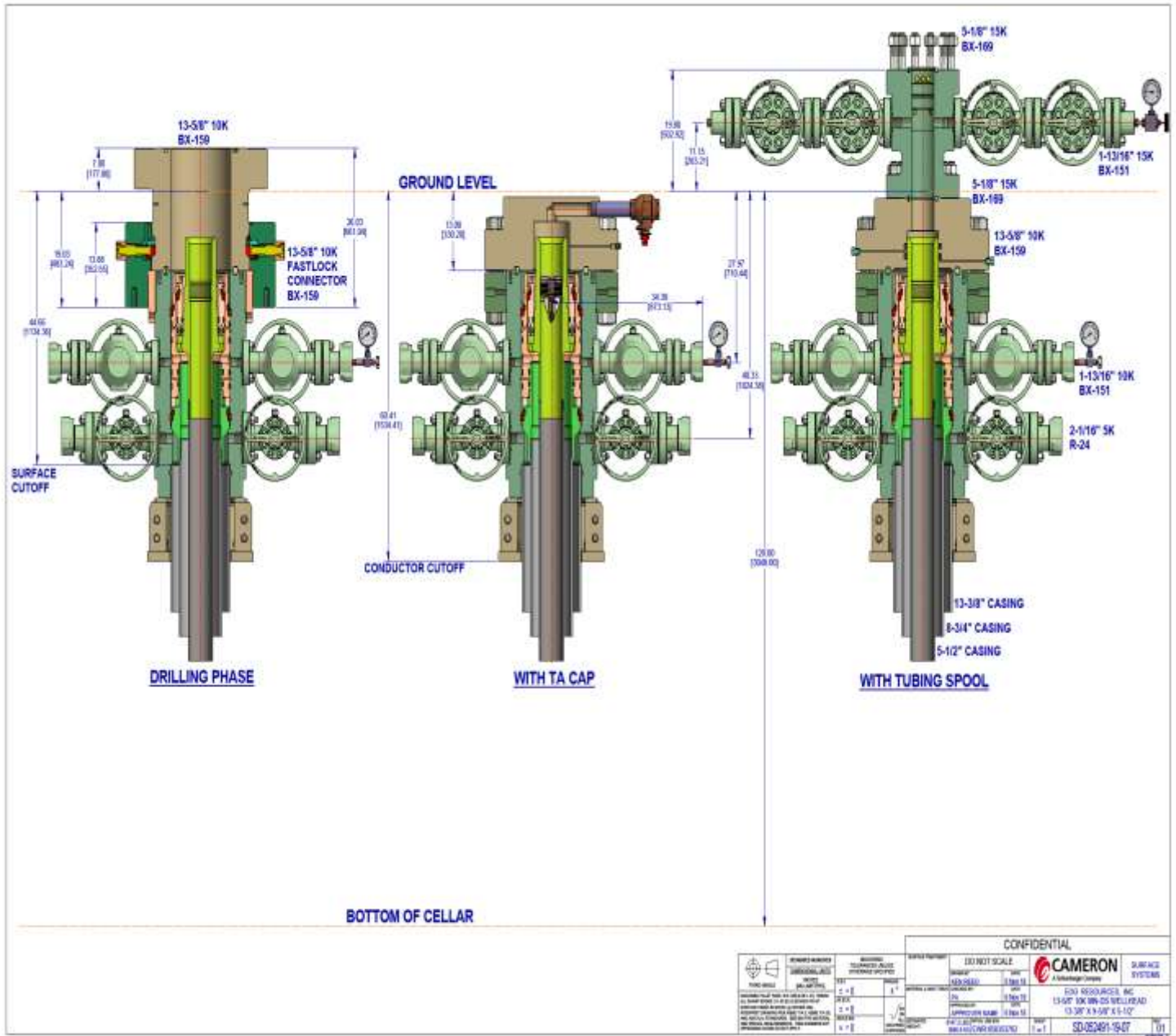
A. CASING

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 integrity 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 integrity 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).

- a. 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).
- b. 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).
- c. 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.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. 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.
- f. 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.
- g. 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.





**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 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) 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 23971

CONDITIONS OF APPROVAL

Operator:	EOG RESOURCES INC	P.O. Box 2267	Midland, TX79702	OGRID:	7377	Action Number:	23971	Action Type:	C-103A
OCD Reviewer									Condition
pkautz									None