



U.S. Department of the Interior  
Bureau of Land Management

*Application for Permit to Drill*

**APD Package Report**

Date Printed: 11/17/2023 08:28 AM

APD ID: 10400083136

Well Status: AAPD

APD Received Date: 02/27/2022 11:07 PM

Well Name: BONDI 24 FED COM

Operator: COLGATE OPERATING LLC

Well Number: 122H

APD Package Report Contents

- Form 3160-3
- Operator Certification Report
- Application Report
- Application Attachments
  - Well Plat: 1 file(s)
- Drilling Plan Report
- Drilling Plan Attachments
  - Blowout Prevention Choke Diagram Attachment: 1 file(s)
  - Blowout Prevention BOP Diagram Attachment: 2 file(s)
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  - Proposed horizontal/directional/multi-lateral plan submission: 1 file(s)
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- SUPO Report
- SUPO Attachments
  - Existing Road Map: 1 file(s)
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  - Production Facilities map: 1 file(s)
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- PWD Report
- PWD Attachments
  - None

- Bond Report
- Bond Attachments
  - None

Form 3160-3  
(June 2015)FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

|   |  |  |
|---|--|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER<br>1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other<br>1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |  | 5. Lease Serial No.<br><b>NMNM100255</b><br>6. If Indian, Allottee or Tribe Name<br><br>7. If Unit or CA Agreement, Name and No.<br><br>8. Lease Name and Well No.<br><b>BONDI 24 FED COM</b><br><b>122H</b> |
| 2. Name of Operator<br><b>COLGATE OPERATING LLC</b>   |  | 9. API Well No. <span style="border: 2px solid red; padding: 2px;"><b>30-015-54427</b></span>  |
| 3a. Address<br><b>300 N MARIENFELD STREET SUITE 1000, MIDLAND, TX</b>   | 3b. Phone No. (include area code)<br><b>(432) 695-4272</b> | 10. Field and Pool, or Exploratory<br><b>AVALON/AVALON BONE SPRING EAST</b>  |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface <b>SENE / 1974 FNL / 645 FEL / LAT 32.5608628 / LONG -104.1244557</b><br>At proposed prod. zone <b>SWNW / 1980 FNL / 10 FWL / LAT 32.5608438 / LONG -104.1563716</b>   |  | 11. Sec., T. R. M. or Blk. and Survey or Area<br><b>SEC 24/T20S/R28E/NMP</b>   |
| 14. Distance in miles and direction from nearest town or post office*<br><b>12 miles</b>  |  | 12. County or Parish<br><b>EDDY</b>  |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br><b>645 feet</b>  | 16. No of acres in lease<br><br>                           | 17. Spacing Unit dedicated to this well<br><b>320.0</b>  |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.<br><b>1230 feet</b>  | 19. Proposed Depth<br><b>7567 feet / 18108 feet</b>        | 20. BLM/BIA Bond No. in file<br><b>FED:</b>  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>3257 feet</b>   | 22. Approximate date work will start*<br><b>03/31/2021</b> | 23. Estimated duration<br><b>90 days</b>   |
| 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.<br>2. A Drilling Plan.<br>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

|  |   |                           |
|--|---|---------------------------|
| 25. Signature<br>(Electronic Submission)<br><br>Title<br><b>Regulatory Manager</b>                                     | Name (Printed/Typed)<br><b>MIKAH THOMAS / Ph: (432) 695-4224</b>  | Date<br><b>02/27/2022</b> |
| Approved by (Signature)<br>(Electronic Submission)<br><br>Title<br><b>Assistant Field Manager Lands &amp; Minerals</b> | Name (Printed/Typed)<br><b>CODY LAYTON / Ph: (575) 234-5959</b><br><br>Office<br><b>Carlsbad Field Office</b> | Date<br><b>05/26/2023</b> |

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.

(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 well, and any other required information, should be furnished when required by Federal agency offices.

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

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

**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 well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

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

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

The BLM connects this information to an 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 Connection 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: SENE / 1974 FNL / 645 FEL / TWSP: 20S / RANGE: 28E / SECTION: 24 / LAT: 32.5608628 / LONG: -104.1244557 ( TVD: 0 feet, MD: 0 feet )  
PPP: SENE / 1980 FNL / 100 FEL / TWSP: 20S / RANGE: 28E / SECTION: 24 / LAT: 32.5608134 / LONG: -104.1226886 ( TVD: 7367 feet, MD: 7402 feet )  
PPP: SWNW / 1980 FNL / 1331 FEL / TWSP: 20S / RANGE: 28E / SECTION: 23 / LAT: 32.5609432 / LONG: -104.1526041 ( TVD: 7588 feet, MD: 16791 feet )  
PPP: SENW / 1980 FNL / 2662 FEL / TWSP: 20S / RANGE: 28E / SECTION: 23 / LAT: 32.5609056 / LONG: -104.1439883 ( TVD: 7655 feet, MD: 14136 feet )  
PPP: SENE / 1980 FNL / 0 FEL / TWSP: 20S / RANGE: 28E / SECTION: 23 / LAT: 32.5608866 / LONG: -104.1396797 ( TVD: 7692 feet, MD: 12808 feet )  
PPP: SWNW / 1980 FNL / 1331 FEL / TWSP: 20S / RANGE: 28E / SECTION: 24 / LAT: 32.5608674 / LONG: -104.1353505 ( TVD: 7713 feet, MD: 11474 feet )  
PPP: SENW / 1980 FNL / 2662 FEL / TWSP: 20S / RANGE: 28E / SECTION: 24 / LAT: 32.5608285 / LONG: -104.126692 ( TVD: 7749 feet, MD: 8806 feet )  
BHL: SWNW / 1980 FNL / 10 FWL / TWSP: 20S / RANGE: 28E / SECTION: 23 / LAT: 32.5608438 / LONG: -104.1563716 ( TVD: 7567 feet, MD: 18108 feet )

### BLM Point of Contact

Name: GAVIN MICKWEE  
Title: Land Law Examiner  
Phone: (575) 234-5972  
Email: gmickwee@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

|                         |                                    |
|-------------------------|------------------------------------|
| <b>OPERATOR'S NAME:</b> | <b>Colgate</b>                     |
| <b>LEASE NO.:</b>       | <b>NMNM100255</b>                  |
| <b>LOCATION:</b>        | Section 24, T.20 S., R.28 E., NMPM |
| <b>COUNTY:</b>          | Eddy County, New Mexico            |

|                              |                       |
|------------------------------|-----------------------|
| <b>WELL NAME &amp; NO.:</b>  | Bondi 24 Fed Com 122H |
| <b>SURFACE HOLE FOOTAGE:</b> | 1974'/N & 645'/E      |
| <b>BOTTOM HOLE FOOTAGE:</b>  | 1980'/N & 10'/W       |

COA

|                      |   |  |                                       |
|----------------------|---|--|---------------------------------------|
| H2S                  | <input checked="" type="radio"/> Yes              | <input type="radio"/> No                         |                                       |
| Potash               | <input checked="" type="radio"/> None             | <input type="radio"/> Secretary                  | <input type="radio"/> R-111-P         |
| Cave/Karst Potential | <input type="radio"/> Low                         | <input type="radio"/> Medium                     | <input checked="" 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 checked="" type="checkbox"/> 4 String Area | <input checked="" 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         |

### A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

### B. CASING

1. The **18.625** inch surface casing shall be set at approximately **340** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface. **Excess calculates to 23%. Additional cement maybe required.**
  - 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 **13-3/8** inch 1<sup>st</sup> intermediate casing is:
- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Excess calculates to 17%. Additional cement maybe required.**
- Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**
- ❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
  - ❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
  - ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:  
**(Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)**
    - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
    - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.
3. The minimum required fill of cement behind the **9-5/8** inch 2<sup>nd</sup> intermediate casing is:
- Cement should tie-back at least **200 feet** into the previous casing, whichever is greater. 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, potash or capitan reef.**

4. 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 **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 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.

## 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)  
689-5981

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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. 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.

**ZS040523**



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

# Operator Certification Data Report

11/17/2023

## Operator

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

**NAME:** MIKAH THOMAS

**Signed on:** 02/27/2022

**Title:** Regulatory Manager

**Street Address:** 1400 WOODLOCH FOREST DR SUITE 300

**City:** THE WOODLANDS

**State:** TX

**Zip:** 77380

**Phone:** (432)661-7106

**Email address:** MTHOMAS@EARTHSTONEENERGY.COM

## Field

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**



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

## Application Data

11/17/2023

APD ID: 10400083136

Submission Date: 02/27/2022

Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COM

Well Number: 122H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data  
reflects the most  
recent changes  
[Show Final Text](#)

### Section 1 - General

APD ID: 10400083136

Tie to previous NOS? N

Submission Date: 02/27/2022

BLM Office: Carlsbad

User: MIKAH THOMAS

Title: Regulatory Manager

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM100255

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? N

Permitting Agent? NO

APD Operator: COLGATE OPERATING LLC

Operator letter of

### Operator Info

Operator Organization Name: COLGATE OPERATING LLC

Operator Address: 300 N MARIENFELD STREET SUITE 1000

Zip: 79701

Operator PO Box:

Operator City: MIDLAND

State: TX

Operator Phone: (432)695-4272

Operator Internet Address: MTHOMAS@COLGATEENERGY.COM

### Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BONDI 24 FED COM

Well Number: 122H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: AVALON

Pool Name: AVALON BONE  
SPRING EAST



**Operator Name:** COLGATE OPERATING LLC**Well Name:** BONDI 24 FED COM**Well Number:** 122H**Is the proposed well in an area containing other mineral resources?** NATURAL GAS,OIL**Is the proposed well in a Helium production area?** N **Use Existing Well Pad?** N **New surface disturbance?****Type of Well Pad:** MULTIPLE WELL**Multiple Well Pad Name:** BONDI  
24 FED COM**Number:** 1**Well Class:** HORIZONTAL**Number of Legs:** 1**Well Work Type:** Drill**Well Type:** OIL WELL**Describe Well Type:****Well sub-Type:** INFILL**Describe sub-type:****Distance to town:** 12 Miles**Distance to nearest well:** 1230 FT**Distance to lease line:** 645 FT**Reservoir well spacing assigned acres Measurement:** 320 Acres**Well plat:** Bondi\_24\_Fed\_Com\_122H\_C102\_APD\_Signed\_20220208170951.pdf**Well work start Date:** 03/31/2021**Duration:** 90 DAYS**Section 3 - Well Location Table****Survey Type:** RECTANGULAR**Describe Survey Type:****Datum:** NAD83**Vertical Datum:** NAVD88**Survey number:** 12177**Reference Datum:** KELLY BUSHING

| Wellbore     | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude   | Longitude     | County | State       | Meridian    | Lease Type | Lease Number | Elevation | MD   | TVD  | Will this well produce from this |
|--------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|-------------|-------------|------------|--------------|-----------|------|------|----------------------------------|
| SHL Leg #1   | 1974    | FNL          | 645     | FEL          | 20S  | 28E   | 24      | Aliquot SENE      | 32.5608628 | - 104.1244557 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 100255  | 3257      | 0    | 0    | Y                                |
| KOP Leg #1   | 1990    | FNL          | 74      | FEL          | 20S  | 28E   | 24      | Aliquot SENE      | 32.5608149 | - 104.1226025 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 100255  | - 3863    | 7152 | 7120 | Y                                |
| PPP Leg #1-1 | 1980    | FNL          | 100     | FEL          | 20S  | 28E   | 24      | Aliquot SENE      | 32.5608134 | - 104.1226886 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 100255  | - 4110    | 7402 | 7367 | N                                |

Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COM

Well Number: 122H

| Wellbore     | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude   | Longitude     | County | State       | Meridian    | Lease Type | Lease Number | Elevation | MD    | TVD  | Will this well produce from this |
|--------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|-------------|-------------|------------|--------------|-----------|-------|------|----------------------------------|
| PPP Leg #1-2 | 1980    | FNL          | 2662    | FEL          | 20S  | 28E   | 24      | Aliquot SENW      | 32.5608285 | - 104.126692  | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 139844  | - 4492    | 8806  | 7749 | Y                                |
| PPP Leg #1-3 | 1980    | FNL          | 1331    | FEL          | 20S  | 28E   | 24      | Aliquot SWN W     | 32.5608674 | - 104.1353505 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 134864  | - 4456    | 11474 | 7713 | Y                                |
| PPP Leg #1-4 | 1980    | FNL          | 0       | FEL          | 20S  | 28E   | 23      | Aliquot SENE      | 32.5608866 | - 104.1396797 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMLC0 67684  | - 4435    | 12808 | 7692 | Y                                |
| PPP Leg #1-5 | 1980    | FNL          | 2662    | FEL          | 20S  | 28E   | 23      | Aliquot SENW      | 32.5609056 | - 104.1439883 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 008941  | - 4398    | 14136 | 7655 | Y                                |
| PPP Leg #1-6 | 1980    | FNL          | 1331    | FEL          | 20S  | 28E   | 23      | Aliquot SWN W     | 32.5609432 | - 104.1526041 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 017220  | - 4331    | 16791 | 7588 | Y                                |
| EXIT Leg #1  | 1980    | FNL          | 100     | FW L         | 20S  | 28E   | 23      | Aliquot SWN W     | 32.5609604 | - 104.1565854 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 017220  | - 4312    | 18018 | 7569 | Y                                |
| BHL Leg #1   | 1980    | FNL          | 10      | FW L         | 20S  | 28E   | 23      | Aliquot SWN W     | 32.5608438 | - 104.1563716 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 017220  | - 4310    | 18108 | 7567 | Y                                |

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**

|  |  |  |
|--|--|--|
| <b>1 API Number</b><br><b>30-015-54427</b> | <b>2 Pool Code</b><br>3713                   | <b>3 Pool Name</b><br>AVALON BONE SPRING, EAST |
| <b>4 Property Code</b><br><b>335040</b>    | <b>5 Property Name</b><br>BONDI 24 FED COM   | <b>6 Well Number</b><br>122H                   |
| <b>7 OGRID No.</b><br>371449               | <b>8 Operator Name</b><br>COLGATE ENERGY LLC | <b>9 Elevation</b><br>3257.22'                 |

**<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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 24      | 20-S     | 28-E  |         | 1974'         | NORTH            | 645'          | EAST           | EDDY   |

**<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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 23      | 20-S     | 28-E  |         | 1980'         | NORTH            | 10'           | WEST           | EDDY   |

|                                  |                           |                              |                     |
|----------------------------------|---------------------------|------------------------------|---------------------|
| <b>12 Dedicated Acres</b><br>320 | <b>13 Joint or Infill</b> | <b>14 Consolidation Code</b> | <b>15 Order No.</b> |
|----------------------------------|---------------------------|------------------------------|---------------------|

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.

|   |   |
|---|---|
| <p><b>16</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>SURFACE HOLE LOCATION (SHL)</b><br/>ELEV. = 3257.22'<br/>NEW MEXICO EAST - NAD 83<br/>X=605689.88 LAT.= 32.56086280° N<br/>Y=567835.70 LONG.= 104.12445572° W<br/>NEW MEXICO EAST - NAD 27<br/>X=564509.47 LAT.= 32.56074461° N<br/>Y=567774.31 LONG.= -104.12395066° W<br/>1974' FNL, 645' FEL - SECTION 24</p> </div> <div style="width: 45%;"> <p><b>FIRST TAKE POINT (FTP)</b><br/>NEW MEXICO EAST - NAD 83<br/>X=606234.33 LAT.= 32.56081025° N<br/>Y=567817.65 LONG.= 104.12268866° W<br/>NEW MEXICO EAST - NAD 27<br/>X=565053.91 LAT.= 32.56069204° N<br/>Y=567756.26 LONG.= -104.12218364° W<br/>1980' FNL, 100' FEL - SECTION 24</p> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>LAST TAKE POINT (LTP)</b><br/>NEW MEXICO EAST - NAD 83<br/>X=595791.08 LAT.= 32.56096196° N<br/>Y=567853.84 LONG.= 104.15658541° W<br/>NEW MEXICO EAST - NAD 27<br/>X=554610.71 LAT.= 32.56084413° N<br/>Y=567792.54 LONG.= -104.15607948° W<br/>1980' FNL, 100' FWL - SECTION 23</p> </div> <div style="width: 45%;"> <p><b>BOTTOM HOLE LOCATION (BHL)</b><br/>NEW MEXICO EAST - NAD 83<br/>X=595701.08 LAT.= 32.56096167° N<br/>Y=567853.59 LONG.= 104.15687755° W<br/>NEW MEXICO EAST - NAD 27<br/>X=554520.70 LAT.= 32.56084384° N<br/>Y=567792.28 LONG.= -104.15637161° W<br/>1980' FNL, 10' FWL - SECTION 23</p> </div> </div> <p style="text-align: center;"><b>CORNER DATA</b><br/>NEW MEXICO EAST - NAD 83<br/>A. FOUND IRON PIPE W/ BRASS CAP N:569833.61' E:595704.33'<br/>B. FOUND IRON PIPE W/ BRASS CAP N:569841.16' E:598358.59'<br/>C. FOUND IRON PIPE W/ BRASS CAP N:569849.56' E:601014.42'<br/>D. FOUND IRON PIPE W/ BRASS CAP N:569854.71' E:603684.70'<br/>E. FOUND 1" IRON PIPE N:569795.46' E:606354.93'<br/>F. CALCULATED CORNER N:567079.10' E:606326.64'<br/>G. CALCULATED CORNER N:564557.40' E:606301.50'<br/>H. FOUND 1" IRON PIPE N:564550.78' E:603638.78'<br/>I. FOUND 1" IRON PIPE N:564544.46' E:600975.35'<br/>J. FOUND 1" IRON PIPE N:564538.23' E:598321.52'<br/>K. FOUND 1" IRON PIPE N:564532.08' E:595667.80'<br/>L. FOUND IRON PIPE W/ BRASS CAP N:567182.27' E:595686.58'<br/>M. FOUND IRON PIPE W/ BRASS CAP N:567196.98' E:600995.92'</p> | <p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right;"> <br/>         Signature <span style="float: right;">02.08.2022</span><br/>         Date       </p> <p><b>Mikah Thomas</b><br/>Printed Name</p> <p><b>mthomas@colgateenergy.com</b><br/>E-mail Address</p> <hr/> <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p style="text-align: right;"> <br/>         Date of Survey <span style="float: right;">2/3/2022</span><br/>         Signature and Seal of Professional Surveyor:<br/>         Certificate Number       </p> |
|---|---|



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

# Drilling Plan Data Report

11/17/2023

APD ID: 10400083136

Submission Date: 02/27/2022

Highlighted data  
reflects the most  
recent changes

Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COM

Well Number: 122H

Well Type: OIL WELL

Well Work Type: Drill

[Show Final Text](#)

## Section 1 - Geologic Formations

| Formation ID | Formation Name         | Elevation | True Vertical | Measured Depth | Lithologies                 | Mineral Resources | Producing Formation |
|--------------|------------------------|-----------|---------------|----------------|-----------------------------|-------------------|---------------------|
| 10963906     | QUATERNARY             | 3257      | 30            | 30             | ALLUVIUM                    | NONE              | N                   |
| 10963907     | RUSTLER                | 3150      | 107           | 107            | ANHYDRITE, LIMESTONE, SALT  | NONE              | N                   |
| 10963908     | TOP SALT               | 2870      | 387           | 387            | ANHYDRITE, SALT             | NONE              | N                   |
| 10963909     | BASE OF SALT           | 2500      | 757           | 757            | ANHYDRITE, SALT             | NONE              | N                   |
| 10963910     | YATES                  | 2288      | 969           | 969            | DOLOMITE, SANDSTONE, SHALE  | NATURAL GAS, OIL  | N                   |
| 10963911     | CAPITAN REEF           | 1820      | 1437          | 1437           | LIMESTONE                   | NATURAL GAS, OIL  | N                   |
| 10963912     | CHERRY CANYON          | 155       | 3102          | 3108           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | N                   |
| 10963913     | LOWER BRUSHY CANYON 8A | -1860     | 5117          | 5136           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | N                   |
| 10963914     | BONE SPRING LIME       | -2305     | 5562          | 5584           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | N                   |
| 10963915     | BONE SPRING 1ST        | -3470     | 6727          | 6756           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | N                   |
| 10963916     | 2ND BONE SPRING LIME   | -3700     | 6957          | 6987           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | N                   |
| 10963917     | BONE SPRING 2ND        | -4090     | 7347          | 7381           | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL  | Y                   |

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 15000

**Equipment:** Well control equipment with working pressure ratings in excess of anticipated maximum surface pressure will be utilized for well control from drill out of surface casing to TMD. A diverter system will be installed on 185/8" casing once set & cemented. A 135/8" multibowl wellhead will be SOW installed to 133/8" casing once set & cemented. A 135/8" 10M BOP will be nipped up to the 135/8" multibowl wellhead through the completion of the drilling operation. A rotating head will also be installed and utilized as needed. All BOPE connections shall be flanged, welded or clamped. All choke lines shall be straight unless targeted with running tees or tee blocks are used, and choke lines shall be anchored to prevent whip and reduce vibrations. All

**Operator Name:** COLGATE OPERATING LLC**Well Name:** BONDI 24 FED COM**Well Number:** 122H

valves in the choke line & the choke manifold shall be full opening as to not cause restrictions and to allow for straight fluid paths to minimize potential erosion. All gauges utilized in the well control system shall be of a type designed for drilling fluid service. A top drive inside BOP valve will be utilized at all times. Subs equipped with full opening valves sized to fit the drill pipe and collars will be available on the rig floor in the open position. The key to operate said valve equipped subs will be on the rig floor at all times. The accumulator system will have sufficient capacity to open the HCR and close all three sets of rams plus the annular preventer while retaining at least 300 psi above precharge on the closing manifold (accumulator system shall be capable of doing so without using the closing unit pumps). The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity, and the fluid level will be maintained at the manufacturer's recommended level. Prior to connecting the closing unit to the BOP stack, an accumulator precharge pressure test shall be performed to ensure the precharge pressure is within 100 psi of the desired precharge pressure (only nitrogen gas will be used to precharge). Two independent power sources will be made available at all times to power the closing unit pumps so that the pumps can automatically start when the closing valve manifold pressure has decreased to the preset level. Closing unit pumps will be sized to allow opening of HCR and closing of annular preventer on 5" drill pipe achieving at least 200 psi above precharge pressure with the accumulator system isolated from service in less than two minutes. A valve shall be installed in the closing line as close to the annular preventer as possible to act as a locking device; the valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative. Remote controls capable of opening and closing all preventers & the HCR shall be readily accessible to the driller; master controls with the same capability will be operable at the accumulator. The wellhead will be a multibowl speed head allowing for hangoff of intermediate I casing & isolation of the 133/8 x 95/8 annulus without breaking the connection between the BOP & wellhead to install an additional casing head. A wear bushing will be installed & inspected frequently to guard against internal wear to wellhead. VBRs (variablebore rams) will be run in upper rambody of BOP stack to provide redundancy to annular preventer while RIH w/ production casing;

**Requesting Variance? YES**

**Variance request:** hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used. 2. Colgate Energy requests a variance to Onshore Order #2's requirement that a 2M system with annular preventer be installed prior to drilling of the surface casing shoe due to the shallow setting depth of the surface casing. The diverter system adequately meets the requirements for the preferred method for handling a well control event in a situation where the existing casing shoe is not adequate for a hard shutin due to the likelihood of an underground blowout with the potential to breach surface.

**Testing Procedure:** Once surface casing is set and diverter system installed on 185/8" casing, pressure tests will be performed by a third party tester to 500 psi. After intermediate I casing is set and the BOPE installed, pressure tests of BOPE will be performed by a third party tester utilizing water and a test plug to 250 psi low and 5,000 psi high. To deem a pressure test successful, pressure must be maintained for ten minutes without any bleedoff. A valve on the wellhead below seat of test plug will be open at all time during BOPE tests to guard against damage to casing. The BOPE will be retested in this manner after any connection breaks or passage of allotted time (25 days). Any BOPE which fails to pass pressure tests after initial install will be replaced prior to drilling out of intermediate I casing shoe. If at any time a BOPE component cannot function to secure the hole, the hole shall be secured utilizing a retrievable packer, and the nonfunctioning BOPE component shall be repair or replaced. After repair or replacement, a pressure test of the repaired or replaced component and any connections broken to repair or replace the nonfunctioning component will be tested in the same manner as described for initial install of BOPE. The annular preventer will be function tested at least weekly, and the ramtype preventers will be function tested on each trip. BOPE pit level drills will be conducted weekly with each drilling crews. All pressure tests performed on BOPE and BOPE pit level drills will be logged in the drilling log. Isolation of 133/8" x 95/8" casing annulus shall be confirmed by pressure testing of wellhead sealing component after said sealing component is installed.

**Choke Diagram Attachment:**

Bondi\_24\_Fed\_Com\_122H\_Choke\_Layout\_20220206175848.pdf

**BOP Diagram Attachment:**

Bondi\_24\_Fed\_Com\_122H\_BOP\_Stack\_20220206175854.pdf

Bondi\_24\_Fed\_Com\_122H\_Diverter\_System\_20220208171012.pdf

Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COMWell Number: 122H

Section 3 - Casing

| Casing ID | String Type  | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type  | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|--------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|-------|--------|-------------|-------------|----------|---------------|----------|--------------|---------|
| 1         | SURFACE      | 24        | 18.625   | NEW       | API      | N              | 0          | 340           | 0           | 340            | 3257        | 2917           | 340                         | J-55  | 87.5   | BUTT        | 1.125       | 1.2      | DRY           | 1.6      | DRY          | 1.6     |
| 2         | INTERMEDIATE | 17.5      | 13.375   | NEW       | API      | N              | 0          | 800           | 0           | 800            | 0           | 2457           | 800                         | J-55  | 54.5   | BUTT        | 1.125       | 1.2      | DRY           | 1.6      | DRY          | 1.6     |
| 3         | INTERMEDIATE | 12.25     | 9.625    | NEW       | API      | N              | 0          | 3027          | 0           | 2994           | 0           | 263            | 3027                        | P-110 | 36     | OTHER - BTC | 1.125       | 1.2      | DRY           | 1.6      | DRY          | 1.6     |
| 4         | PRODUCTION   | 7.875     | 5.5      | NEW       | API      | N              | 0          | 18108         | 0           | 7567           | 0           | -4310          | 18108                       | P-110 | 17     | OTHER - BTC | 2.1         | 1.31     | DRY           | 2.33     | DRY          | 1.39    |

Casing Attachments

Casing ID: 1StringSURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

- Casing\_Design\_Assumptions\_20220207051856.pdf
- Bondi\_24\_Fed\_Com\_122H\_\_\_Four\_String\_Casing\_Design\_Summary\_20220207051852.pdf



Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COM

Well Number: 122H

Casing Attachments

Casing ID: 2StringINTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bondi\_24\_Fed\_Com\_122H\_\_\_Four\_String\_Casing\_Design\_Summary\_20220207052011.pdfCasing\_Design\_Assumptions\_20220207052020.pdf

Casing ID: 3StringINTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bondi\_24\_Fed\_Com\_122H\_\_\_Four\_String\_Casing\_Design\_Summary\_20220207052143.pdfCasing\_Design\_Assumptions\_20220207052157.pdf

Casing ID: 4StringPRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bondi\_24\_Fed\_Com\_122H\_\_\_Four\_String\_Casing\_Design\_Summary\_20220207052550.pdfCasing\_Design\_Assumptions\_20220207052556.pdfProprietary\_Connections\_Performance\_Data\_5.5000\_17.0000\_0.3040\_\_\_P110\_HP\_20220208171318.pdf

Operator Name: COLGATE OPERATING LLC

Well Name: BONDI 24 FED COM

Well Number: 122H

## Casing Attachments

## Section 4 - Cement

| String Type  | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft   | Excess% | Cement type | Additives                                       |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|---------|---------|-------------|---|
| SURFACE      | Lead      |                  | 0      | 0         | 0            | 0     | 0       | 0       | 0       | 0           | 0   |
| SURFACE      | Tail      |                  | 0      | 340       | 389          | 1.34  | 14.8    | 521.26  | 100     | Class C     | Accelerator                                     |
| INTERMEDIATE | Lead      |                  | 0      | 640       | 275          | 2.08  | 12.7    | 873.6   | 50      | Class C     | Salt, Extender, LCM Additives                   |
| INTERMEDIATE | Tail      |                  | 640    | 800       | 105          | 1.34  | 14.8    | 203.68  | 25      | Class C     | Accelerator                                     |
| INTERMEDIATE | Lead      |                  | 0      | 2422      | 733          | 2.07  | 12.7    | 1517.31 | 100     | Class C     | Accelerator, Extender, LCM additives            |
| INTERMEDIATE | Tail      |                  | 2422   | 3027      | 178          | 1.34  | 14.8    | 238.52  | 25      | Class C     | Accelerator                                     |
| PRODUCTION   | Lead      |                  | 0      | 6960      | 635          | 2.41  | 11.5    | 1004.97 | 25      | Class H     | POZ, Extender, Fluid Loss, Dispersant, Retarder |
| PRODUCTION   | Tail      |                  | 6960   | 18108     | 1420         | 1.73  | 12.5    | 2124.44 | 25      | Class H     | POZ, Extender, Fluid Loss, Dispersant, Retarder |

## Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

**Describe what will be on location to control well or mitigate other conditions:** All necessary mud products for weight addition and fluid loss control will be on location at all times.

**Describe the mud monitoring system utilized:** Mud program is subject to change due to hole conditions. The mud monitoring system is an electronic Pason system satisfying requirements of Onshore Order #1. Both visual and electronic mud monitoring equipment will be utilized to detect volume changes indicating loss or gain of circulating system fluid volume. Slow pump rates will be taken & recorded hourly in the drilling log. Mud engineer will perform tests and provide written report at least every 12 hours while circulating. A trip tank will be utilized and trip sheet will be recorded to ensure wellbore is taking proper fill or displacing proper fluid volume during all tripping operations. Gas detecting equipment will be utilized to monitor for

**Operator Name:** COLGATE OPERATING LLC**Well Name:** BONDI 24 FED COM**Well Number:** 122H

hydrocarbon gas at the shakers while drilling and/or circulating. H2S monitoring equipment with both visual & auditory alarms will be installed and operational at the shakers, rig floor and cellar while drilling and/or circulating. A flare system with an effective method for ignition & discharge more than 100 feet from the wellbore will be utilized to gather and burn all gas; lines will be straight unless targeted with running tees. A mud gas separator will be installed and operable prior to drill out of surface casing.

### Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type            | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | PH | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|---------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 0         | 340          | OTHER : Fresh Water | 8.6                  | 8.9                  |                     |                             |    |                |                |                 |                            |
| 340       | 1170         | SALT SATURATED      | 10                   | 10.2                 |                     |                             |    |                |                |                 |                            |
| 1170      | 3027         | OTHER : Fresh Water | 8.4                  | 8.9                  |                     |                             |    |                |                |                 |                            |
| 3027      | 1810<br>8    | OIL-BASED MUD       | 9.5                  | 10.5                 |                     |                             |    |                |                |                 |                            |

### Section 6 - Test, Logging, Coring

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

Directional surveys will be collected at no greater than 200' intervals while drilling through the MWD tools. A GR log will be collected while drilling through the MWD tools from intermediate casing to TD. No DSTs or cores are planned at this time. No temperature logs planned at this time.

CBL will be run to confirm TOC on production casing after rig is removed from location. A formation integrity test (FIT) will be performed on 95/8" casing string after

BOPE is installed to at least 1 ppg over planned section mud weight after drilling ten feet of new hole.

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

GAMMA RAY LOG,DIRECTIONAL SURVEY,MEASUREMENT WHILE DRILLING,

#### Coring operation description for the well:

No openhole logs are planned at this time.

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 3359

**Anticipated Surface Pressure:** 1654

**Anticipated Bottom Hole Temperature(F):** 120

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

**Describe:**

**Contingency Plans geohazards description:**

**Operator Name:** COLGATE OPERATING LLC**Well Name:** BONDI 24 FED COM**Well Number:** 122H**Contingency Plans geohazards****Hydrogen Sulfide drilling operations plan required? YES****Hydrogen sulfide drilling operations**

Colgate\_H2S\_Contingency\_Plan\_20220207060740.pdf

**Section 8 - Other Information****Proposed horizontal/directional/multi-lateral plan submission:**

Bondi\_24\_Fed\_Com\_122H\_APD\_Rev00\_20220208171831.pdf

**Other proposed operations facets description:**

After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 185/8 surface casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. The casing pressure test will be completed against the cement head. After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 133/8 intermediate I casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. The casing pressure test will be completed against the blind rams of 135/8 10M BOPE prior to PU tools to drill out. After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 95/8 intermediate II casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. Casing pressure test will be completed against the lower pipe rams of 135/8 10M BOPE immediately prior to drilling out float equipment. Casing pressure test on 51/2 production casing will occur more than 72 hours after cement is placed and reached ultimate compressive strength. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. Casing will be tested by pressuring up to 8,750 psi and holding pressure for 30 minutes prior to the beginning of perforating & stimulating operations.

-----  
Cement will be placed on all casing strings utilizing the pump and plug method. A float will be installed in the casing shoe and float collar on all casing strings to hold cement in place once pumping is completed. A top plug will be utilized on all casing strings to prevent contamination of the cement by the displacement fluid. A preflush fluid will be pumped prior to cement to aid in removal of drilling mud from the wellbore, eliminate drilling mud contamination of the cement slurry and prepare the surface of both the wellbore and casing for cement.

-----  
No abnormal pressures or temperatures are expected. In accordance with Onshore Order No. 6, Colgate Energy does not anticipate that there will be enough H2S from the surface to the Wolfcamp formations to meet the BLMs minimum requirements for the submission of an H2S Drilling Operation Plan or Public Protection Plan for the drilling and completion of this well. Since we have an H2S safety package on all wells, attached is an H2S Drilling Operations Plan. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

**Operator Name:** COLGATE OPERATING LLC

**Well Name:** BONDI 24 FED COM

**Well Number:** 122H

**Other proposed operations facets attachment:**

Choke\_Hose\_SN\_53621\_20220207060915.pdf

Colgate\_13\_MBS\_RP\_20220207060948.PDF

Bondi\_24\_Fed\_Com\_122H\_APD\_Procedure\_UPDATED\_20230116171431.pdf

**Other Variance attachment:**

Technical drawing of a wellhead assembly, showing a cross-section view. The drawing includes dimensions and labels for various components.

**Dimensions:**

- Overall height: 25.0"
- Height from top to first casing hanger: 22.5"
- Height from first casing hanger to baseplate: 31.8"

**Labels and Components:**

- 7-1/16 10M
- 1-13/16 10M
- 13-5/8 5M
- 5-1/2 DBL FS SEALS
- CASING HANGER, C-22-TV, MBS-A/W, 13-5/8 NOM X 5-1/2 CSG, EXTRA CAPACITY
- 13-5/8 5M
- CASING HANGER, MBS-W-EWS-22 LOWER, FLT.D, 13-5/8 NOM, 9-5/8 BC BOX BTM X 10.000 4TPI STUB ACME-2G-LH PIN TOP, W/ PACKOFF SUPPORT
- 13-3/8 CASING
- 9-5/8 CASING
- 5-1/2 CASING
- 2-1/16 5M
- 2 LP 5M
- 26 OD BASEPLATE W/(2) GROUT PORTS 3" X 3"

Rotating Control Device (1,500 psi Static/1,000 psi Dynamic)

2M Flowline Isolation Valve w/ 6" Bore

6" Flowline to Pit

21-1/4" 2M Flanged Connection

20" Riser

21-1/4" 2M Flanged Connection

18-5/8" Surface Casing

30" Conductor Casing

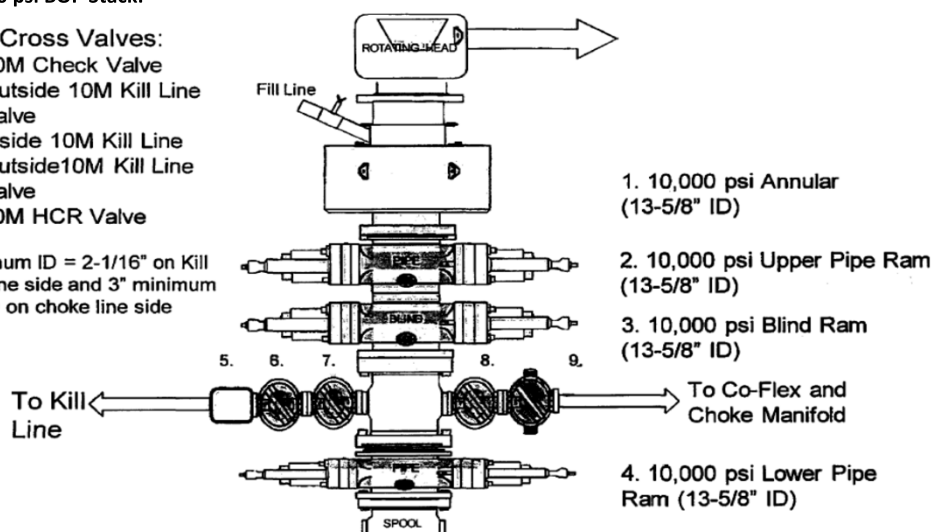


10,000 psi BOP Stack:

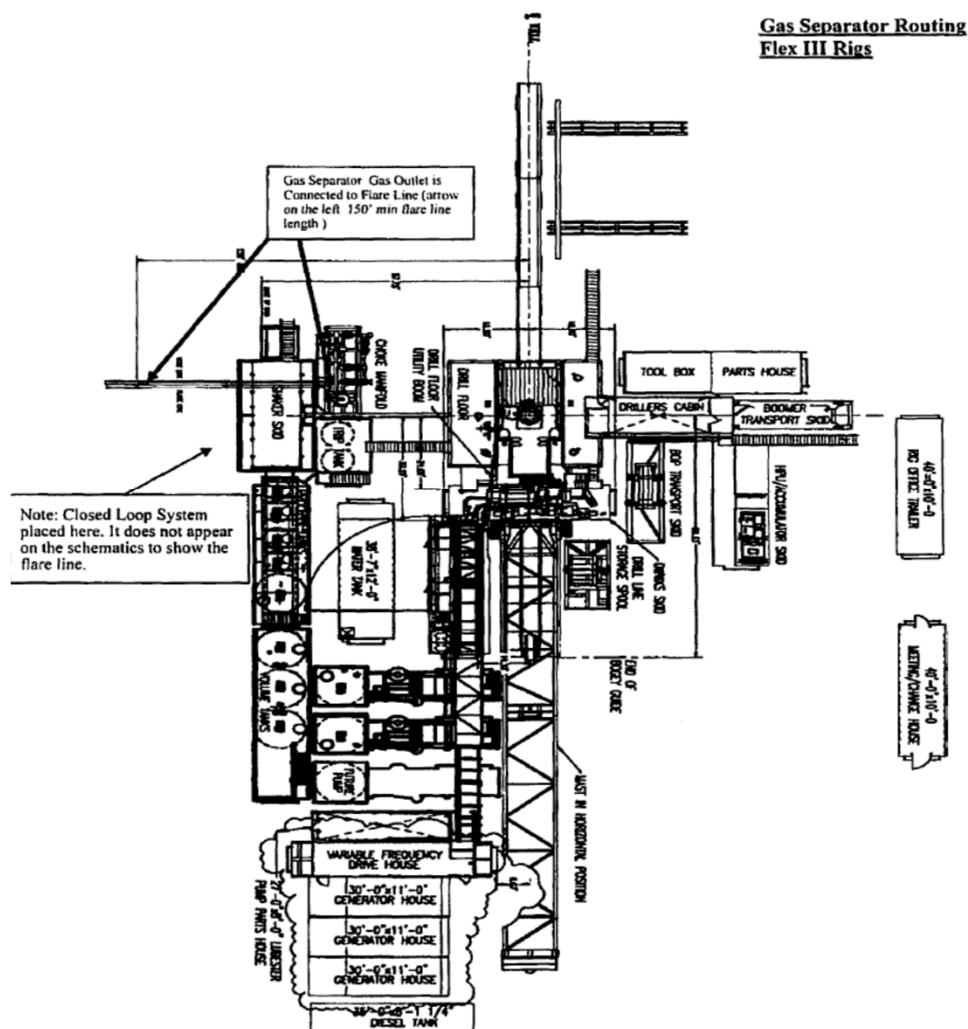
**Mud Cross Valves:**

5. 10M Check Valve
6. Outside 10M Kill Line Valve
7. Inside 10M Kill Line Valve
8. Outside 10M Kill Line Valve
9. 10M HCR Valve

\*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side



Closed Loop System Layout:



Technical drawing of a wellhead assembly, showing a cross-section view. The drawing includes dimensions and labels for various components.

**Dimensions:**

- Overall height: 25.0"
- Height from top to first casing hanger: 22.5"
- Height from first casing hanger to baseplate: 31.8"

**Labels and Components:**

- 7-1/16 10M
- 1-13/16 10M
- 13-5/8 5M
- 5-1/2 DBL FS SEALS
- CASING HANGER, C-22-TV, MBS-A/W, 13-5/8 NOM X 5-1/2 CSG, EXTRA CAPACITY
- 13-5/8 5M
- CASING HANGER, MBS-W-EWS-22 LOWER, FLT'D, 13-5/8 NOM, 9-5/8 BC BOX BTM X 10.000 4TPI STUB ACME-2G-LH PIN TOP, W/ PACKOFF SUPPORT
- 2-1/16 5M
- 2 LP 5M
- 13-3/8 CASING
- 9-5/8 CASING
- 5-1/2 CASING
- 26 OD BASEPLATE W/(2) GROUT PORTS 3" X 3"

Rotating Control Device (1,500 psi Static/1,000 psi Dynamic)

2M Flowline Isolation Valve w/ 6" Bore

6" Flowline to Pit

21-1/4" 2M Flanged Connection

20" Riser

21-1/4" 2M Flanged Connection

18-5/8" Surface Casing

30" Conductor Casing

File: Plan #1

Date: February 3, 2022 Page: 1

**WELL SUMMARY**

|   | String<br>Conductor Casing | OD/Weight/Grade<br>30", 118.760 ppf, B | Connection<br>N/A | MD Interval<br>(usft)<br>25-80 | Drift Dia.<br>(")<br>29.063 | Minimum Safety Factor (Abs) |                  |                |                  |  |
|---|----------------------------|--|-------------------|--------------------------------|-----------------------------|-----------------------------|------------------|----------------|------------------|--|
|   |                            |  |                   |                                |                             | Burst<br>6.07               | Collapse<br>1.31 | Axial<br>26.67 | Triaxial<br>6.57 |  |
| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8<br>9 | Surface Casing             | 18 5/8", 87.500 ppf, J-55              | BTC, J-55         | 25-340                         | 17.567                      | 1.68                        | 1.91             | 3.92 F         | 1.27             |  |
| 10<br>11<br>12                            | Intermediate Casing        | 13 3/8", 54.500 ppf, J-55              | BTC, J-55         | 25-1170                        | 12.459                      | 1.85                        | 1.80             | 6.72           | 1.73             |  |
| 13<br>14<br>15<br>16                      | Intermediate Casing        | 9 5/8", 36.000 ppf, J-55               | BTC, J-55         | 25-3027                        | 8.765                       | 1.41                        | 3.12             | 2.91           | 1.41             |  |
| 17<br>18                                  | Production Casing          | 5 1/2", 17.000 ppf, P-110 HP           | BTC, P-110        | 25-18108                       | 4.767                       | 1.31                        | 2.10             | 2.33           | 1.39             |  |
|   | F Conn Fracture            |  |                   |                                |                             |                             |                  |                |                  |  |

122H

StressCheck 5000.15.1.0 Build 1002

## Colgate's Minimum Design Criteria

Burst, collapse and tension SF are calculated using Landmark's StressCheck (casing design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

### Casing Design Assumptions:

#### Surface

- 1) Burst Design Loads
  - a) Displacement to Gas
    - (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate I

- 1) Burst Design Loads
  - a) Displacement to Gas
    - (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.

- (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate or Intermediate II

- 1) Burst Design Loads
  - a) Gas Kick Profile
    - (1) Internal: Load profile based on influx encountered in lateral portion of wellbore with a maximum influx volume of 150 bbl and a kick intensity of 1.5 ppg using maximum anticipated MW of 9.9 ppg.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the deepest TVD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Production

- 1) Burst Design Loads
  - a) Injection Down Casing
    - (1) Internal: Surface pressure plus injection fluid gradient.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test (Drilling)
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCDC regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - c) Casing Pressure Test (Production)
    - (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - d) Tubing Leak
    - (1) Internal: SITP plus a packer fluid gradient to the top of packer.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
  - b) Full Evacuation
    - (1) Internal: Full void pipe.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

## Colgate's Minimum Design Criteria

Burst, collapse and tension SF are calculated using Landmark's StressCheck (casing design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

### Casing Design Assumptions:

#### Surface

- 1) Burst Design Loads
  - a) Displacement to Gas
    - (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate I

- 1) Burst Design Loads
  - a) Displacement to Gas
    - (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.



- (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate or Intermediate II

- 1) Burst Design Loads
  - a) Gas Kick Profile
    - (1) Internal: Load profile based on influx encountered in lateral portion of wellbore with a maximum influx volume of 150 bbl and a kick intensity of 1.5 ppg using maximum anticipated MW of 9.9 ppg.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the deepest TVD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Production

- 1) Burst Design Loads
  - a) Injection Down Casing
    - (1) Internal: Surface pressure plus injection fluid gradient.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test (Drilling)
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - c) Casing Pressure Test (Production)
    - (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - d) Tubing Leak
    - (1) Internal: SITP plus a packer fluid gradient to the top of packer.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
  - b) Full Evacuation
    - (1) Internal: Full void pipe.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

File: Plan #1

Date: February 3, 2022 Page: 1

**WELL SUMMARY**

|   | String<br>Conductor Casing | OD/Weight/Grade<br>30", 118.760 ppf, B | Connection<br>N/A | MD Interval<br>(usft)<br>25-80 | Drift Dia.<br>(")<br>29.063 | Minimum Safety Factor (Abs) |                  |                |                  |  |
|---|----------------------------|--|-------------------|--------------------------------|-----------------------------|-----------------------------|------------------|----------------|------------------|--|
|   |                            |  |                   |                                |                             | Burst<br>6.07               | Collapse<br>1.31 | Axial<br>26.67 | Triaxial<br>6.57 |  |
| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8<br>9 | Surface Casing             | 18 5/8", 87.500 ppf, J-55              | BTC, J-55         | 25-340                         | 17.567                      | 1.68                        | 1.91             | 3.92 F         | 1.27             |  |
| 10<br>11<br>12                            | Intermediate Casing        | 13 3/8", 54.500 ppf, J-55              | BTC, J-55         | 25-1170                        | 12.459                      | 1.85                        | 1.80             | 6.72           | 1.73             |  |
| 13<br>14<br>15<br>16                      | Intermediate Casing        | 9 5/8", 36.000 ppf, J-55               | BTC, J-55         | 25-3027                        | 8.765                       | 1.41                        | 3.12             | 2.91           | 1.41             |  |
| 17<br>18                                  | Production Casing          | 5 1/2", 17.000 ppf, P-110 HP           | BTC, P-110        | 25-18108                       | 4.767                       | 1.31                        | 2.10             | 2.33           | 1.39             |  |
|   | F Conn Fracture            |  |                   |                                |                             |                             |                  |                |                  |  |

122H

StressCheck 5000.15.1.0 Build 1002

File: Plan #1

Date: February 3, 2022 Page: 1

**WELL SUMMARY**

|   | String<br>Conductor Casing | OD/Weight/Grade<br>30", 118.760 ppf, B | Connection<br>N/A | MD Interval<br>(usft)<br>25-80 | Drift Dia.<br>(")<br>29.063 | Minimum Safety Factor (Abs) |                  |                |                  |  |
|---|----------------------------|--|-------------------|--------------------------------|-----------------------------|-----------------------------|------------------|----------------|------------------|--|
|   |                            |  |                   |                                |                             | Burst<br>6.07               | Collapse<br>1.31 | Axial<br>26.67 | Triaxial<br>6.57 |  |
| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8<br>9 | Surface Casing             | 18 5/8", 87.500 ppf, J-55              | BTC, J-55         | 25-340                         | 17.567                      | 1.68                        | 1.91             | 3.92 F         | 1.27             |  |
| 10<br>11<br>12                            | Intermediate Casing        | 13 3/8", 54.500 ppf, J-55              | BTC, J-55         | 25-1170                        | 12.459                      | 1.85                        | 1.80             | 6.72           | 1.73             |  |
| 13<br>14<br>15<br>16                      | Intermediate Casing        | 9 5/8", 36.000 ppf, J-55               | BTC, J-55         | 25-3027                        | 8.765                       | 1.41                        | 3.12             | 2.91           | 1.41             |  |
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|   | F Conn Fracture            |  |                   |                                |                             |                             |                  |                |                  |  |

122H

StressCheck 5000.15.1.0 Build 1002

## Colgate's Minimum Design Criteria

Burst, collapse and tension SF are calculated using Landmark's StressCheck (casing design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

### Casing Design Assumptions:

#### Surface

- 1) Burst Design Loads
  - a) Displacement to Gas
    - (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
- 3) Tension Loads
  - a) Overpull Force
    1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate I

- 1) Burst Design Loads
  - a) Displacement to Gas
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    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
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- (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
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  - b) Lost Returns with Mud Drop
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  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

#### Intermediate or Intermediate II

- 1) Burst Design Loads
  - a) Gas Kick Profile
    - (1) Internal: Load profile based on influx encountered in lateral portion of wellbore with a maximum influx volume of 150 bbl and a kick intensity of 1.5 ppg using maximum anticipated MW of 9.9 ppg.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
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- 2) Collapse Loads
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    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
  - b) Lost Returns with Mud Drop
    - (1) Internal: Lost circulation at the deepest TVD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
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- 3) Tension Loads
  - a) Overpull Force
    - 1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
  - b) Green Cement Casing Test
    - 1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Production

- 1) Burst Design Loads
  - a) Injection Down Casing
    - (1) Internal: Surface pressure plus injection fluid gradient.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - b) Casing Pressure Test (Drilling)
    - (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
    - (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
  - c) Casing Pressure Test (Production)
    - (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
  - d) Tubing Leak
    - (1) Internal: SITP plus a packer fluid gradient to the top of packer.
    - (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
- 2) Collapse Loads
  - a) Cementing
    - (1) Internal: Displacement fluid density.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
  - b) Full Evacuation
    - (1) Internal: Full void pipe.
    - (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
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# U. S. Steel Tubular Products

3/5/2020 8:48:46 PM

## 5.500" 17.00lbs/ft (0.304" Wall) P110 HP USS-CDC HTQ®



| MECHANICAL PROPERTIES             | Pipe    | USS-CDC HTQ® |            |
|-----------------------------------|---------|--------------|------------|
| Minimum Yield Strength            | 125,000 | --           | psi        |
| Maximum Yield Strength            | 140,000 | --           | psi        |
| Minimum Tensile Strength          | 130,000 | --           | psi        |
| DIMENSIONS                        | Pipe    | USS-CDC HTQ® |            |
| Outside Diameter                  | 5.500   | 6.300        | in.        |
| Wall Thickness                    | 0.304   | --           | in.        |
| Inside Diameter                   | 4.892   | 4.892        | in.        |
| Standard Drift                    | 4.767   | 4.767        | in.        |
| Alternate Drift                   | --      | --           | in.        |
| Coupling Length                   | --      | 9.250        | in.        |
| Nominal Linear Weight, T&C        | 17.00   | --           | lbs/ft     |
| Plain End Weight                  | 16.89   | --           | lbs/ft     |
| SECTION AREA                      | Pipe    | USS-CDC HTQ® |            |
| Critical Area                     | 4.962   | 4.962        | sq. in.    |
| Joint Efficiency                  | --      | 97.1         | %          |
| PERFORMANCE                       | Pipe    | USS-CDC HTQ® |            |
| Minimum Collapse Pressure         | 9,440   | 9,440        | psi        |
| External Pressure Leak Resistance | --      | 7,550        | psi        |
| Minimum Internal Yield Pressure   | 12,090  | 12,090       | psi        |
| Minimum Pipe Body Yield Strength  | 620,000 | --           | lbs        |
| Joint Strength                    | --      | 602,000      | lbs        |
| Compression Rating                | --      | 361,000      | lbs        |
| Reference Length                  | --      | 23,608       | ft         |
| Maximum Uniaxial Bend Rating      | --      | 60.7         | deg/100 ft |
| MAKE-UP DATA                      | Pipe    | USS-CDC HTQ® |            |
| Make-Up Loss                      | --      | 4.63         | in.        |
| Minimum Make-Up Torque            | --      | 11,000       | ft-lbs     |
| Maximum Make-Up Torque            | --      | 15,500       | ft-lbs     |
| Connection Yield Torque           | --      | 19,200       | ft-lbs     |

1. Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness and Specified Minimum Yield Strength (SMYS).
2. Uniaxial bending rating shown is structural only, and equal to compression efficiency.
3. Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).
4. Reference length is calculated by joint strength divided by nominal threaded and coupled weight with 1.5 safety factor.
5. Connection external pressure leak resistance has been verified to 80% API pipe body collapse pressure following the guidelines of API 5C5 Cal II.

### Legal Notice

USS - CDC HTQ® (High Torque Casing Drilling Connection) is a trademark of U. S. Steel Corporation. This product is a modified API Buttress threaded and coupled connection designed for drilling with casing applications. All material contained in this publication is for general information only. This material should not therefore be used or relied upon for any specific application without independent competent professional examination and verification of accuracy, suitability and applicability. Anyone making use of this material does so at their own risk and assumes any and all liability resulting from such use. U. S. Steel disclaims any and all expressed or implied warranties of fitness for any general or particular application.

U. S. Steel Tubular Products  
460 Wildwood Forest Drive, Suite 300S  
Spring, Texas 77380

1-877-893-9461  
connections@uss.com  
www.usstubular.com



# H<sub>2</sub>S Contingency Plan



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**I. EMERGENCY ASSISTANCE TELEPHONE LIST****PUBLIC SAFETY****911 or****Sheriff's Department:**

Eddy County Sherriff's Office (575) 887-7551

**Fire Department:**

Carlsbad Fire Department (575) 885-3125

Artesia Fire Department (575) 746-5051

**Ambulance:**

Elite Medical Transport (Carlsbad) (915) 542-1144

Trans Aero MedEvac (Artesia) (970) 657-7449

**Hospitals:**

Carlsbad Medical Center (575) 887-4100

Artesia General Hospital (575) 748-3333

**New Mexico Dept. of Transportation:**

Highway &amp; Transportation Department (505) 795- 1401

**New Mexico Railroad Commission:**

Main Line (505) 476-3441

**OSHA 24 Hr. Reporting**

(800) 321-6742

(8 hrs. after death or 24 hrs. after in-patient, amputation, loss of an eye)

**Office Contacts****911 or****Colgate Energy LLC.****(432) 695-4222****Vice President of Operations:**

Casey McCain

(432) 664-6140

**Drilling Engineering Supervisor**

Rafael Madrid

(432) 556-6387

**Drilling Engineering Technical Adviser**

Steven Segrest

(405) 550-0277

**Operations Superintendent**

Rick Lawson

(432) 530- 3188

**Drilling Superintendent**

Daniel Cameron

(405) 933-0435

**Onsite Supervision (H&P 481 Rig Managers)**

Juan Gutierrez

(970)394-4768

Jonathan Jackson

(970)394-4768

**Onsite Supervision (H&P 481 Company Men)**

Pierre Dupuis

(432)438-0114

Eric Rutherford

(432)438-0114

Rolando Torres

(432)438-0114

Trevor Hein

(432)438-0114

**Emergency Accommodations**

Safety Solutions Office

(432) 563-0400

Safety Solutions Dispatch

(432) 556-2002

Craig Strasner

(432) 894-0341 (Cell)

## II. H<sub>2</sub>S CONTINGENCY PLAN SECTION

### Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H<sub>2</sub>S).

### Objective:

Prevent any and all accidents and prevent the uncontrolled release of H<sub>2</sub>S into the atmosphere.  
Provide proper evacuation procedures to cope with emergencies.  
Provide immediate and adequate medical attention should an injury occur.

### Purpose, Distribution and Updating of Contingency Plan:

The Purpose of this contingency plan is to protect the general public from the harmful effects of H<sub>2</sub>S accidentally escaping from the subject producing well. This plan is designed to accomplish its purpose by assuring the preparedness necessary to:

1. Minimize the possibility of releasing H<sub>2</sub>S into the atmosphere during related operations.
2. Provide for the logical, efficient, and safe emergency actions required to protect the general public in the event of an accidental release of a potentially hazardous quantity of H<sub>2</sub>S.

Supplemental information is included with this plan and is intended as reference material for anyone needing a more detailed understanding of the many factors pertinent to H<sub>2</sub>S drilling operations safety. The release of a potentially hazardous quantity of H<sub>2</sub>S is highly unlikely. If such a release should occur however, obviously the exact time, rate, duration, and other pertinent facts will be known in advance thus, this contingency plan must necessarily be somewhat general. The plan does review in detail, as is reasonably possible, the type of accidental release that could possibly endanger the general public, the probable extent of such danger, and the emergency actions generally appropriate. In the event of such an accidental release, the specific actions to be taken will have to be determined at the time of release by the responsible personnel at the drilling location. Complete familiarity with this plan will help such personnel make the proper decisions rapidly. Familiarity with this plan is so required all operators, operator representatives, and drilling contractor supervisory personnel who could possibly be on duty at the drilling location at the time of an H<sub>2</sub>S emergency.

**IT IS THE RESPONSIBILITY OF THE OPERATOR TO ASSURE SUCH FAMILIARITY BEFORE DRILLING WITHIN 1000' OR THREE DAYS PRIOR TO PENETRATION OF THE SHALLOWEST FORMATION KNOWN OR SUSPECTED TO CONTAIN H<sub>2</sub>S IN POTENTIALLY HAZARDOUS QUANTITIES, AND ALSO TO ASSURE THE TIMELY ACCOMPLISHMENT OF ALL THE OTHER ACTION SPECIFIED HERE IN.**

As this contingency plan was prepared considerably in advance of the anticipated H<sub>2</sub>S operation, the plan must be kept current if it is to effectively serve its purpose. The operators will be responsible for seeing that all copies are updated. Updating the plan is required when any changes to the personnel Call List (Section ) including telephone numbers occur or when any pertinent data or plans for the well are altered. The plan must also be updated when any changes in the general public likely to be within the exposure area in the event of an

accidental release from the well bore of a potentially hazardous quantity of H<sub>2</sub>S. Two copies of this plan shall be retained at the office of Colgate Energy. Two copies shall be retained at the drilling location.

**Discussion of Plan:**

**Suspected Problem Zones:**

**Implementation:** This plan, with all details, is to be fully implemented 1000' before drilling into the first sour zone.

**Emergency Response Procedure:** This section outlines the conditions and denotes steps to be taken in the event of an emergency.

**Emergency Equipment and Procedure:** This section outlines the safety and emergency equipment that will be required for the drilling of this well.

**Training Provisions:** This section outlines the training provisions that must be adhered to 1000' before drilling into the first sour zone.

**Emergency call list:** Included are the telephone numbers of all persons that would need to be contacted, should an H<sub>2</sub>S emergency occur.

**Briefing:** This section deals with the briefing of all persons involved with the drilling of this well.

**Public Safety:** Public Safety Personnel will be made aware of the drilling of this well.

**Check Lists:** Status check lists and procedural check lists have been included to ensure adherence to the plan.

**General Information:** A general information section has been included to supply support information.

### III. OPERATING PROCEDURES

#### A. Blowout Preventer Drills

Due to the special piping and Mani folding necessary to handle poisonous gas, particular care will be taken to ensure that all rig personnel are completely familiar with their jobs during the drills. The Drilling Consultant and Tool Pusher (Rig Superintendent) are thoroughly familiar with the additional controls and piping necessary.

#### B. H<sub>2</sub>S Alarm Drills

The Company Man and/ or designee will conduct frequent H<sub>2</sub>S alarm drills for each crew by injecting a trace of H<sub>2</sub>S where the detector will give an alarm. Under these conditions all personnel on location will put on air equipment and remain masked until all clear is announced.

#### C. Surface Annular Preventer/ Diverter System Testing

After installation of the surface annular preventer, Hydraulic Control Valve and diverter system, both are to be function tested. They also should be function tested frequently while drilling surface hole.

#### D. Blowout Preventer

After installation of the Blowout Preventer Stack, the stack will be pressure tested. The Choke manifold is also to be pressure tested at this time. This procedure will be repeated as required by the NMOCD, the BLM, or if any of the stack is nipped down. Also, at this time, the Blind and Pipe Rams are checked for correct operation.

#### E. Well Control Practice Drills and Safety Meeting for Crew Members

Pit drills are for the purpose of acquainting each member of the drilling crew with his duties in the event of an emergency. Drills will be held with each crew as frequently as required to thoroughly familiarize each man with his duties. Drills are to be held at least weekly from that time forward.

##### 1. BOP Drill while on Bottom Drilling:

A. Signal will be three or more long blast given by driller on the horn.

B. Procedure will be as follows:

1. Tool Pusher: Supervises entire operation.

2. Driller

a. Gives signal.

b. Picks up Kelly.

c. Stops pumps.

d. Observes flow.

e. Signal to close (pipe rams if necessary).

f. Check that Choke Manifold is closed.

g. Record drill pipe pressure, casing pressure and determine mud volume gain.

3. Motorman

a. Go to closing unit and standby for signal to close BOP.

b. Close BOP in signal.

c. Check on BOP closing.

d. Go to floor to assist driller. (NOTE: During test drills the BOP

need not be completely closed at the discretion of the supervisor. Supervisor should make it very clear that it is a test drill only!)

4. Derrickman
  - a. Check pumps.
  - b. Go to floor for directions from the driller.
5. Floorman
  - a. Go to manifold.
  - b. Observe and record pressure.
  - c. Check manifold and BOP for leaks.
  - d. Check with driller for additional instructions.
2. BOP Drill While Making Trip:
  - A. During trip driller will fill hole every five (5) stands and check the pits to be sure hole is taking mud.
  - B. Drill Procedure is as follows:
    1. Driller
      - a. Order Safety valve installed.
      - b. Alert those not on the floor.
      - c. Go to stations as described in above drill.
3. Safety Meetings
  - A. Every person involved in the operating will be informed of the characteristics of H<sub>2</sub>S, its danger and safety procedures to be used when it is encountered, and recommended first-aid procedure for regular rig personnel. This will be done through a series of talks made before spud.
  - B. The Safety Advisor or Drilling Supervisor will conduct these training sessions and will repeat them as deemed necessary by him or as instructed by Colgate Energy. Talks may include the following subjects:
    1. Dangers of Hydrogen Sulfide (H<sub>2</sub>S).
    2. Use and limitations of air equipment.
    3. Use of resuscitator.
    4. Organize Buddy System.
    5. First Aid procedures.
    6. Use of H<sub>2</sub>S detection devices.
    7. Designate responsible people.
    8. Explain rig layout and policy to visitors.
      - a. Designate smoking and safety or Muster area.
      - b. Emphasize the importance of wind directions.
    9. Describe and explain operation of BOP stack, manifold, separator, and pit piping. Include maximum allowable pressure for casing procedure.
    10. Explain functions of Safety Supervisor.
    11. Explain organize H<sub>2</sub>S Drills.
    12. Explain the overall emergency plan with emphasis given to the evacuation phase of the plans.

- Note: The above talks will be attended by every person involved in the operation. When drilling has reached a depth where H<sub>2</sub>S is anticipated, temporary service personnel and visitors will be directed to the Drilling Consultant, who will designate the air equipment to be used by them in case of emergency, acquaint them with the dangers involved and be sure of their safety while they are in the area. He will point out the Briefing Areas, Windsocks, and Smoking Areas. He may refuse entrance to anyone, who in his opinion should not be admitted because of lack of safety equipment, special operations in progress or for other reasons involving personnel safety.

#### **F. Outside Service Personnel**

All service people such as cementing crews, logging crews, specialist, mechanics, and welders will furnish their own safety equipment. The Company Man/ or designee will be sure that the number of people on location does not exceed the number of masks on location, and they have been briefed regarding safety procedures. He will also be sure each of these people know about smoking and "Briefing Areas" and know what to do in case of an emergency alert or drill. Visitors will be restricted, except with special permission from the Drilling Consultant, when H<sub>2</sub>S might be encountered. They will be briefed as to what to do in case of an alert or drill.

#### **G. Onsite/ off shift workers**

All workers that are staying on site must be identified as to where they are staying while off tour. If a drill/ or emergency takes place related to an H<sub>2</sub>S release, each crew must have a designated person(s) that will wake them up and ensure that they are cleared to the appropriate muster area immediately.

#### **H. Simultaneous Operations (SIMOPS)**

If work is going on adjacent to the location is the responsibility of the Drilling Consultant or designee to communicate any applicable risks that may affect personnel working on that adjacent location. In the case of an H<sub>2</sub>S drill or event, there should be a designated crew member that is responsible for contacting personnel on adjacent locations. This could include just communication on potential events or in case of an event, notification to evacuate location. Drilling Consultant or designee are the Point of Contact and oversee all activities at such point of an H<sub>2</sub>S event occurrence.

#### **I. Area Residences/ Occupied Locations/ Public Roads**

Any occupied residences/ businesses that are within a reasonable perimeter of the location (attached map will identify a 3000' radius around location) should be identified as part of this contingency and a reasonable effort will be made to gain contact information for them. As part of the briefing of the contingency plan, the team reviewing should identify where these potential receptors are and plan on who will contact them in case of a release that may impact that area.

#### **J. Drilling Fluids**

Drilling Fluid Monitoring – On Any Hazardous H<sub>2</sub>S gas well, the earlier the warning of danger the better chance to control operations. Mud Company will be in daily contact with Colgate Energy Consultant. The Mud Engineer will take samples of the mud, analyze these samples, and make necessary recommendations to prevent H<sub>2</sub>S gas from the formation, the pH will be increased as necessary for corrosion control.



pH Control – For normal drilling, pH of 10.5 – 11.5. Would be enough for corrosion protection. If there is an influx of H<sub>2</sub>S gas from the formation, the pH will be increased as necessary for corrosion control.

H<sub>2</sub>S Scavengers – If necessary H<sub>2</sub>S scavengers will be added to the drilling mud.

## IV. OPERATING CONDITIONS

### A. Posting Well Condition Flags

Post the green, yellow or red well condition flag, as appropriate, on the well condition sign at the location entrance, and take necessary precautions as indicated below:

1. **Green Flag:** Potential Danger- When Drilling in known H<sub>2</sub>S zones or when H<sub>2</sub>S has been detected in the drilling fluid atmosphere. Protective breathing equipment shall be inspected, and all personnel on duty shall be alerted to be ready to use this equipment.
2. **Yellow Flag:** Potential Danger- When the threshold limit value of H<sub>2</sub>S (10 PPM) or of SO<sub>2</sub> (5 PPM) is reached. If the concentration of H<sub>2</sub>S or SO<sub>2</sub> reaches 10 PPM, protective breathing equipment shall be worn by all working personnel, and non-working personnel shall go to the upwind Safe Briefing Area.
3. **Red Flag:** Extreme danger\*- When the ambient concentration of H<sub>2</sub>S or SO<sub>2</sub> is reasonably believed or determined to have exceeded the potentially hazardous level. All non-essential personnel shall leave the drilling location taking the route most likely to exposure to escaping gas.

### B. Requiring Air Masks Conditions

1. Whenever air masks are used, the person must be clean shaven as shown in the APC Guidelines
2. When breaking out any line where H<sub>2</sub>S can reasonably be expected.
3. When sampling air in areas to determine if toxic concentrations of H<sub>2</sub>S exist.
4. When working in areas where 10 PPM or more of H<sub>2</sub>S has been detected.
5. At any time, there is doubt as to the H<sub>2</sub>S level in the area to be entered.

### C. Kick Procedure

1. It is very important that the driller be continuously alert, especially when approaching a gas formation.
2. Should gas come into the well bore, it is very important to be aware of a kick at the earliest time.
3. If a kick is identified, follow appropriate diverter or shut in procedures according to the situation that is presented utilizing appropriate kick procedures.

## V. EMERGENCY PROCEDURES

- I. In the event of any evidence of H<sub>2</sub>S level above 10ppm, take the following steps immediately:
  - a. Secure breathing apparatus.
  - b. Order non-essential personnel out of the danger zone.
  - c. Take steps to determine if the H<sub>2</sub>S level can be corrected or suppressed, and if so, proceed with normal operations.
- II. If uncontrollable conditions occur, proceed with the following:
  - a. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel.
  - b. Remove all personnel to the Safe Briefing Area.
  - c. Notify public safety personnel for help with maintaining roadblocks, thus limiting traffic and implementing evacuation.
  - d. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.
- III. Responsibility
  - a. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
  - b. The Company Approved Supervisor shall be in complete command during any emergency.
  - c. The Company Approved Supervisor shall designate a backup Supervisor if he/she is not available.
- IV. Actions to be taken
  - a. Assign specific tasks to drilling location personnel
  - b. Evacuate the general public from the exposure area
  - c. Cordon off the exposure area to prevent entry by unauthorized persons
  - d. Request assistance if and as needed and initiate emergency notifications
  - e. Stop the dispersion of H<sub>2</sub>S
  - f. Complete emergency notifications as required
  - g. Return the situation to normal

**EMERGENCY PROCEDURE IMPLEMENTATION****I. Drilling or Tripping****a. All Personnel**

- i. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
- ii. Check status of other personnel (buddy system).
- iii. Secure breathing apparatus.
- iv. Wait for orders from supervisor.

**b. Drilling Consultant**

- i. Report to the upwind Safe Briefing Area.
- ii. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
- iii. Determine the concentration of H<sub>2</sub>S.
- iv. Assess the situation and take appropriate control measures.

**c. Tool Pusher**

- i. Report to the upwind Safe Briefing Area.
- ii. Don Breathing Apparatus and return to the point of release with the Drilling Consultant or the Driller (buddy system).
- iii. Determine the concentration of H<sub>2</sub>S.
- iv. Assess the situation and take appropriate control measures.

**d. Driller**

- i. Check the status of other personnel (in a rescue attempt, always use the buddy system).
- ii. Assign the least essential person to notify the Drilling Consultant and Tool Pusher, in the event of their absence.
- iii. Assume the responsibility of the Drilling Consultant and the Tool Pusher until they arrive, in the event of their absence.

**e. Derrick Man and Floor Hands**

- i. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

**f. Mud Engineer**

- i. Report to the upwind Safe Briefing Area.
- ii. When instructed, begin check of mud for pH level and H<sub>2</sub>S level.

**g. Safety Personnel**

- i. Don Breathing Apparatus.
- ii. Check status of personnel.
- iii. Wait for instructions from Drilling Consultant or Tool Pusher.

**II. Taking a Kick**

- a.* All Personnel report to the upwind Safe Briefing Area.
- b.* Follow standard BOP/ diverter procedures.

**III. Open Hole Logging**

- a.* All unnecessary personnel should leave the rig floor.
- b.* Drilling Consultant and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

**IV. Running Casing or Plugging**

- a.* Follow "Drilling or Tripping" procedures.
- b.* Assure that all personnel have access to protective equipment.

## VI. POST EMERGENCY ACTIONS

In the event this plan is activated, the following post emergency actions shall be taken in an effort to reduce the possibility of a reoccurrence of the type of problem that required its activation, and/or assure that any future activation of a similar plan will be as effective as possible.

- A. Review the factors that caused or permitted the emergency occur, and if the need is indicated, modify operating, maintenance and/or surveillance procedures.
- B. If the need is indicated, retrain employees in blowout prevention, H<sub>2</sub>S emergency procedures and etc.
- C. Clean up, recharge, restock, repair, and/ or replace H<sub>2</sub>S emergency equipment as necessary, and return it to its proper place. (For whatever rental equipment is used, this will be the responsibility of Rental Company).
- D. See that future H<sub>2</sub>S drilling contingency plans are modified accordingly, if the need is indicated.

## VII. IGNITION PROCEDURES

### Responsibilities:

The decision to ignite the well is the responsibility of the DRILLING CONSULTANT in concurrence with the STATE POLICE. In the event the Drilling Consultant is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.
2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

### Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Consultant is responsible for igniting the well.
2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.
3. Ignite from upwind and do not approach any closer than is warranted.
4. Select the ignition site best suited for protection and which offers an easy escape route.
5. Before igniting, check for the presence of combustible gases.
6. After igniting, continue emergency actions and procedures as before.
7. All unassigned personnel will limit their actions to those directed by the Drilling Consultant.

**Note:** After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide, which is also highly toxic. Also, both are heavier than air. Do not assume the area is safe even after the well is ignited.

## VIII. TRAINING PROGRAM

When working in an area where Hydrogen Sulfide (H<sub>2</sub>S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel, at the well site, have had adequate training in the following:

1. Hazards and characteristics of Hydrogen Sulfide (H<sub>2</sub>S).
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H<sub>2</sub>S detection, Emergency alarm and sensor location.
5. Don and Doff of SCBA and be clean shaven.
6. Emergency rescue.
7. Resuscitators.
8. First aid and artificial resuscitation.
9. The effects of Hydrogen Sulfide on metals.
10. Location safety.

Service company personnel and visiting personnel must be notified if the zone contains H<sub>2</sub>S, and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

## IX. EMERGENCY EQUIPMENT

### Lease Entrance Sign:

Should be located at the lease entrance with the following information:

CAUTION – POTENTIAL POISON GAS  
HYDROGEN SULFIDE  
NO ADMITTANCE WITHOUT AUTHORIZATION

### Respiratory Equipment:

- Fresh air breathing equipment should be placed at the safe briefing areas and should include the following:
- Two SCBA's at each briefing area.
- Enough airline units to operate safely, anytime the H<sub>2</sub>S concentration reaches the IDLH level (100 ppm).

- Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

**Windssocks or Wind Streamers:**

- A minimum of two 10" windssocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should always be placed at various locations on the well site to ensure wind consciousness. (Corners of location).

**Hydrogen Sulfide Detector and Alarms:**

- 1 - Four channel H<sub>2</sub>S monitor with alarms.
- Three (3) sensors located as follows: #1 – Rig Floor, #2 – Shale Shaker, #3 – Cellar.
- Gastec or Draeger pump with tubes.
- Sensor test gas.

**Well Condition Sign and Flags:**

The Well Condition Sign w/flags should be placed a minimum of 150' before you enter the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions  
YELLOW – Potential Danger  
RED – Danger, H<sub>2</sub>S Gas Present

**Auxiliary Rescue Equipment:**

- Stretcher
- 2 – 100' Rescue lines.
- First Aid kit properly stocked.

**Mud Inspection Equipment:**

Garret Gas Train or Hach Tester for inspection of Hydrogen Sulfide in the drilling mud system.

**Fire Extinguishers:**

Adequate fire extinguishers shall be located at strategic locations.



**Blowout Preventer:**

- The well shall have hydraulic BOP equipment for the anticipated bottom hole pressure (BHP).
- The BOP should be tested upon installation.
- BOP, Choke Line and Kill Line will be tested as specified by Operator.

**Confined Space Monitor:**

There should be a portable multi-gas monitor with at least 3 sensors (O<sub>2</sub>, LEL H<sub>2</sub>S), preferably 4 (O<sub>2</sub>, LEL, H<sub>2</sub>S, CO). This instrument should be used to test the atmosphere of any confined space before entering. It should also be used for atmospheric testing for LEL gas before beginning any type of Hot Work. Proper calibration documentation will need to be provided.

**Communication Equipment:**

- Proper communication equipment such as cell phones or 2-way radios should be available at the rig.
- Radio communication shall be available for communication between the company man's trailer, rig floor and the tool pusher's trailer.
- Communication equipment shall be available on the vehicles.

**Special Control Equipment:**

- Hydraulic BOP equipment with remote control on the ground.
- Rotating head at the surface casing point.

**Evacuation Plan:**

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

**Designated Areas:*****Parking and Visitor area:***

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- Designated smoking area.

**Safe Briefing Areas:**

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds, or they are at a 180-degree angle if wind directions tend to shift in the area.
- Personal protective equipment should be stored at both briefing areas and if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

**Note:**

- Additional equipment will be available at the H<sub>2</sub>S Provider Safety office.
- Additional personal H<sub>2</sub>S monitors are available for all employees on location.
- Automatic Flare Igniters are recommended for installation on the rig.

**X. CHECKLISTS****Rig-up & Equipment Status Check List**

Note: Initial & Date each item as they are implemented. Multiple wells require additional Columns to be Dated/ Initialed

|  | Date & Initial<br>1 <sup>st</sup> Well | Date & Initial<br>2 <sup>nd</sup> Well | Date & Initial<br>3 <sup>rd</sup> Well | Date & Initial<br>4 <sup>th</sup> Well |
|--|--|--|--|--|
| Sign at location entrance.   |  |  |  |  |
| Two (2) windsocks (in required locations).   |  |  |  |  |
| Wind Streamers (if required).  |  |  |  |  |
| SCBA's on location (Minimum of 2 @ each Muster Area)                                   |  |  |  |  |
| Air packs (working packs and escape packs), inspected and ready for use.               |  |  |  |  |
| Spare bottles for each air pack (if required).   |  |  |  |  |
| Cascade system and hose line hook up.  |  |  |  |  |
| Choke manifold hooked-up and tested. (before drilling out surface casing.)             |  |  |  |  |
| Remote Hydraulic BOP control tested (before drilling out surface casing).              |  |  |  |  |
| BOP tested (before drilling out surface casing).                                       |  |  |  |  |
| Safe Briefing Areas set-up   |  |  |  |  |
| Well Condition sign and flags on location and ready.                                   |  |  |  |  |
| Hydrogen Sulfide detection/ alarm system hooked-up & tested.                           |  |  |  |  |
| Stretcher on location  |  |  |  |  |
| 2 – 100' Lifelines on location.  |  |  |  |  |
| 1 – 20# Fire Extinguisher in safety trailer.   |  |  |  |  |
| Confined Space monitor on location and tested.   |  |  |  |  |
| All rig crews and supervisor trained (as required).                                    |  |  |  |  |
| All rig crews and supervision medically qualified and fit tested on proper respirators |  |  |  |  |
| Access restricted for unauthorized personnel.  |  |  |  |  |
| Pre-spud meeting held reviewing Contingencies  |  |  |  |  |
| Drills on H <sub>2</sub> S and well control procedures.                                |  |  |  |  |
| All outside service contractors advised of potential H <sub>2</sub> S on the well.     |  |  |  |  |
| 25mm Flare Gun on location w/flares.   |  |  |  |  |

## Procedural Check List

Perform the following on each tour:

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to ensure that they have not been tampered with.
3. Check pressure on the supply air bottles to make sure they are capable of recharging.
4. Make sure all the Hydrogen Sulfide detection systems are operative.
5. Ensure that all BOP/ Surface Annular/ Diverter systems are functioning and operational.

Perform the following each week:

1. Check each piece of breathing equipment to make sure that they are fully charged and operational. This requires that the air cylinder be opened, and the mask assembly be put on and tested to make sure that the regulators and masks are properly working. Negative and Positive pressure should be conducted on all masks.
2. BOP skills.
3. Check supply pressure on BOP accumulator stand-by source.
4. Check all breathing air mask assemblies to see that straps are loosened and turned back, ready for use.
5. Check pressure on cascade air cylinders to make sure they are fully charged and ready to use for refill purposes if necessary.
6. Check all cascade system regulators to make sure they work properly.
7. Perform breathing drills with on-site personnel.
8. Check the following supplies for availability (may be with H<sub>2</sub>S Techs On-call):
  - Stretcher
  - Safety Belts and Ropes
  - Spare air Bottles
  - Spare Oxygen Bottles (if resuscitator required)
  - Gas Detector Pump and Tubes
  - Emergency telephone lists
  - Test the Confined Space Monitor to verify the batteries are good.

## XI. BRIEFING PROCEDURES

The following scheduled briefings will be held to ensure the effective drilling and operation of this project:

Pre-Spud Meeting

Date: Prior to spudding the well.

Attendance:   Drilling Supervisor  
                  Drilling Engineer  
                  Drilling Consultant  
                  Rig Tool Pushers  
                  Rig Drillers  
                  Mud Engineer  
                  All Safety Personnel  
                  Key Service Company Personnel

Purpose:       Review and discuss the well program, step-by-step, to insure complete understanding of assignments and responsibilities.

## **XII. EVACUATION PLAN**

### **General Plan**

The direct lines of action prepared by Colgate Energy to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Consultant, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the area map.
2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists, and evacuation needs to be implemented.
3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.
4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining roadblocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, "Company" personnel will determine when the area is safe for re-entry.
6. If a major release is secured, all exposed housing, vehicles, rig buildings, and low-lying areas and other structures downwind must be tested and clear with SCBAs donned to ensure that all residual H<sub>2</sub>S is cleared. Fans, or opening of doors is recommended to ensure that areas are cleared out as part of this process.

### **XIII. APPENDICES AND GENERAL INFORMATION**

#### **Radius of Exposure Affected Notification List**

**(within a 65' radius of exposure @100ppm)**

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H<sub>2</sub>S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

#### **Evacuee Description: Residents:**

#### **Notification Process:**

A continuous siren audible to all residence will be activated, signaling evacuation of previously notified and informed residents.

#### **Evacuation Plan:**

All evacuees will migrate lateral to the wind direction.

The Operating Company will identify all home bound or highly susceptible individuals and make special evacuation preparations, interfacing with the local and emergency medical service as necessary.

### Toxic Effects of H<sub>2</sub>S Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity – 1.192) and is colorless and transparent. Hydrogen Sulfide is almost as toxic as Hydrogen Cyanide and is 5-6 times more toxic than Carbon Monoxide. Occupational exposure limits for Hydrogen Sulfide and other gases are compared below in Table 1. Toxicity table for H<sub>2</sub>S and physical effects are shown in Table 2.

Table 1  
Permissible Exposure Limits of Various Gases

| <u>Common Name</u> | <u>Symbol</u>    | <u>Sp. Gravity</u> | <u>TLV</u> | <u>STEL</u> | <u>IDLH</u> |
|--------------------|------------------|--------------------|------------|-------------|-------------|
| Hydrogen Cyanide   | HCN              | .94                | 4.7 ppm    | 4.7 ppm     | 50 ppm      |
| Hydrogen Sulfide   | H <sub>2</sub> S | 1.192              | 10 ppm     | 15 ppm      | 100 ppm     |
| Sulfide Dioxide    | SO <sub>2</sub>  | 2.21               | 2 ppm      | 5 ppm       | 100 ppm     |
| Chlorine           | CL               | 2.45               | .5 ppm     | 1 ppm       | 10 ppm      |
| Carbon Monoxide    | CO               | .97                | 25 ppm     | 200 ppm     | 1200 ppm    |
| Carbon Dioxide     | CO <sub>2</sub>  | 1.52               | 5000 ppm   | 30,000 ppm  | 40,000 ppm  |
| Methane            | CH <sub>4</sub>  | .55                | 5% LEL     | 15% UEL     |             |



## Definitions

- A. TLV – Threshold Limit Value is the concentration employees may be exposed based on a TWA (time weighted average) for eight (8) hours in one day for 40 hours in one (1) week. This is set by ACGIH (American Conference of Governmental Hygienists) and regulated by OSHA.
- B. STEL – Short Term Exposure Limit is the 15-minute average concentration an employee may be exposed to providing that the highest exposure never exceeds the OEL (Occupational Exposure Limit). The OEL for H<sub>2</sub>S is 20 PPM.
- C. IDLH – Immediately Dangerous to Life and Health is the concentration that has been determined by the ACGIH to cause serious health problems or death if exposed to this level. The IDLH for H<sub>2</sub>S is 100 PPM.
- D. TWA – Time Weighted Average is the average concentration of any chemical or gas for an eight (8) hour period. This is the concentration that any employee may be exposed based on a TWA.

**Toxicity Table of H<sub>2</sub>S**

| <u>Percent %</u> | <u>PPM</u> | <u>Physical Effects</u>   |
|------------------|------------|---|
| .0001            | 1          | Can smell less than 1 ppm.  |
| .001             | 10         | TLV for 8 hours of exposure.  |
| .0015            | 15         | STEL for 15 minutes of exposure.  |
| .01              | 100        | Immediately Dangerous to Life & Health.<br>Kills sense of smell in 3 to 5 minutes.    |
| .02              | 200        | Kills sense of smell quickly, may burn eyes and throat.                               |
| .05              | 500        | Dizziness, cessation of breathing begins <b>in a few minutes</b> .                    |
| .07              | 700        | Unconscious quickly, death will result if not rescued promptly.                       |
| .10              | 1000       | Death will result unless rescued promptly. Artificial resuscitation may be necessary. |

## PHYSICAL PROPERTIES OF H<sub>2</sub>S

The properties of all gases are usually described in the context of seven major categories:

- COLOR
- ODOR
- VAPOR DENSITY
- EXPLOSIVE LIMITS
- FLAMMABILITY
- SOLUBILITY (IN WATER)
- BOILING POINT

Hydrogen Sulfide is no exception. Information from these categories should be considered in order to provide a complete picture of the properties of the gas.

### ***COLOR – TRANSPARENT***

Hydrogen Sulfide is colorless, so it is invisible. This fact simply means that you can't rely on your eyes to detect its presence. In fact, that makes this gas extremely dangerous to be around.

### ***ODOR – ROTTEN EGGS***

Hydrogen Sulfide has a distinctive offensive smell, like "rotten eggs". For this reason, it earned its common name "sour gas". However, H<sub>2</sub>S, even in low concentrations, is so toxic that it attacks and quickly impairs a victim's sense of smell, so it could be fatal to rely on your nose as a detection device.

### ***VAPOR DENSITY – SPECIFIC GRAVITY OF 1.192***

Hydrogen Sulfide is heavier than air, so it tends to settle in low-lying areas like pits, cellars or tanks. If you find yourself in a location where H<sub>2</sub>S is known to exist, protect yourself. Whenever possible, work in an area upwind and keep to higher ground.

### ***EXPLOSIVE LIMITS – 4.0% TO 44%***

Mixed with the right proportion of air or oxygen, H<sub>2</sub>S will ignite and burn or explode, producing another alarming element of danger besides poisoning.

### ***FLAMMABILITY***

Hydrogen Sulfide will burn readily with a distinctive clear blue flame, producing Sulfur Dioxide (SO<sub>2</sub>), another hazardous gas that irritates the eyes and lungs.

### ***SOLUBILITY – 4 TO 1 RATIO WITH WATER***

Hydrogen Sulfide can be dissolved in liquids, which means that it can be present in any container or vessel used to carry or hold well fluids including oil, water, emulsion and sludge. The solubility of H<sub>2</sub>S is dependent on temperature and pressure, but if conditions are right, simply agitating a fluid containing H<sub>2</sub>S may release the gas into the air.

### ***BOILING POINT – (-77° Fahrenheit)***

Liquefied Hydrogen Sulfide boils at a very low temperature, so it is usually found as a gas.

## RESPIRATOR USE

The Occupational Safety and Health Administration (OSHA) regulate the use of respiratory protection to protect the health of employees. OSHA's requirements are written in the Code of Federal Regulations, Title 29, Part 1910, Section 134, Respiratory Protection. This regulation requires that all employees who might be required to wear respirators, shall complete an OSHA mandated medical evaluation questionnaire. The employee then should be fit tested prior to wearing any respirator while being exposed to hazardous gases.

Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.

Respirators shall be inspected prior to and after each use to make sure that the respirator has been properly cleaned, disinfected and that the respirator works properly. The unit should be fully charged prior to being used.

Anyone who may use respirators shall be properly trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (Note: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal.) Anyone who may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.

Respirators shall be worn during the following conditions:

- A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H<sub>2</sub>S.
- B. When breaking out any line where H<sub>2</sub>S can reasonably be expected.
- C. When sampling air in areas where H<sub>2</sub>S may be present.
- D. When working in areas where the concentration of H<sub>2</sub>S exceeds the Threshold Limit Value for H<sub>2</sub>S (10 ppm).
- E. At any time where there is a doubt as to the H<sub>2</sub>S level in the area to be entered.

## EMERGENCY RESCUE PROCEDURES

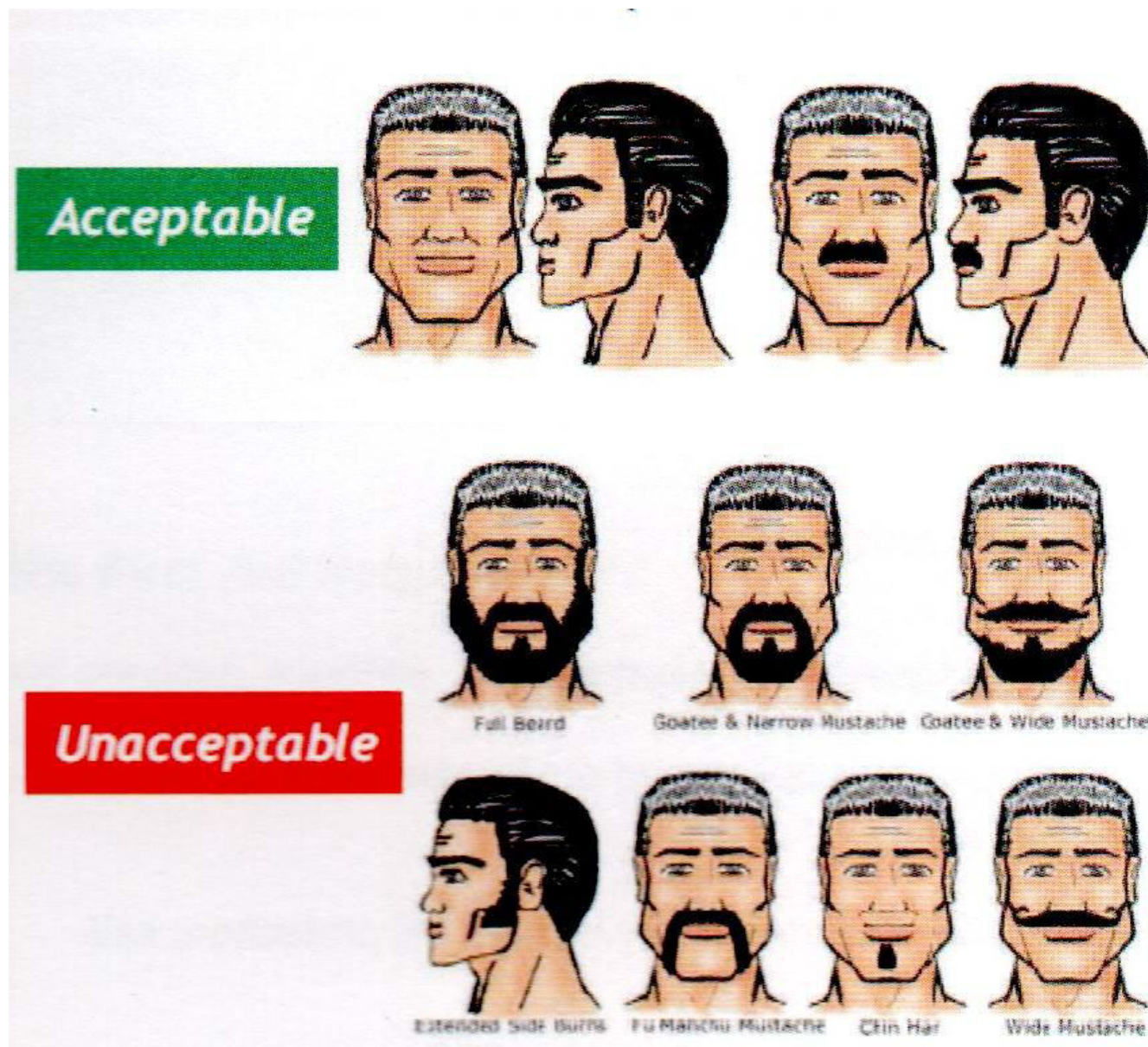
### ***DO NOT PANIC!!!***

#### **Remain Calm – Think**

1. Before attempting any rescue, you must first get out of the hazardous area yourself. Go to a safe briefing area.
2. Sound alarm and activate the 911 system.
3. Put on breathing apparatus. At least two persons should do this, when available use the buddy system.
4. Rescue the victim and return them to a safe briefing area.
5. Perform an initial assessment and begin proper First Aid/CPR procedures.
6. Keep victim lying down with a blanket or coat, etc., under the shoulders to keep airway open. Conserve body heat and do not leave unattended.
7. If the eyes are affected by H<sub>2</sub>S, wash them thoroughly with potable water. For slight irritation, cold compresses are helpful.
8. In case a person has only minor exposure and does not lose consciousness totally, it's best if he doesn't return to work until the following day.
9. Any personnel overcome by H<sub>2</sub>S should always be examined by medical personnel. They should always be transported to a hospital or doctor.

## Facial Hair – Clean Shaven Examples

Purpose: To define clean shaven expectations in the field for: 1) Respirator Use, if applicable and 2) First Aid Administration, if situation occurs related to H<sub>2</sub>S exposure, having no facial hair can greatly benefit response time and treatment ability.





## **Colgate Energy**

**(Permit) Eddy County, NM (83-NME)**

**Bondi 24 Fed Com**

**Bondi 24 Fed Com 122H**

**122H**

**Plan: APD\_Rev00**

## **Standard Planning Report**

**03 February, 2022**



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
| <b>Database:</b> | EDM 5000.14 Single User Db        | <b>Local Co-ordinate Reference:</b> | Well Bondi 24 Fed Com 122H |
| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

|                    |                                   |                      |                |
|--------------------|-----------------------------------|----------------------|----------------|
| <b>Project</b>     | (Permit) Eddy County, NM (83-NME) |                      |                |
| <b>Map System:</b> | US State Plane 1983               | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983         |                      |                |
| <b>Map Zone:</b>   | New Mexico Eastern Zone           |                      |                |

| Site                  |     | Bondi 24 Fed Com |            |              |            |               |
|-----------------------|-----|------------------|------------|--------------|------------|---------------|
| Site Position:        |     | Northing:        | 567,835.44 | usft         | Latitude:  | 32.56086193   |
| From:                 | Map | Easting:         | 605,719.90 | usft         | Longitude: | -104.12435829 |
| Position Uncertainty: |     | 0.00             | usft       | Slot Radius: | 13-3/16    | "             |

|                      |                       |           |                     |                 |               |               |
|----------------------|-----------------------|-----------|---------------------|-----------------|---------------|---------------|
| Well                 | Bondi 24 Fed Com 122H |           |                     |                 |               |               |
| Well Position        | +N/-S                 | 0.00 usft | Northing:           | 567,835.70 usft | Latitude:     | 32.56086280   |
|                      | +E/-W                 | 0.00 usft | Easting:            | 605,689.88 usft | Longitude:    | -104.12445572 |
| Position Uncertainty |                       | 0.00 usft | Wellhead Elevation: | usft            | Ground Level: | 3,257.00 usft |
| Grid Convergence:    |                       | 0.11 °    |                     |                 |               |               |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | 122H              |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2020          | 2/1/2022           | 6.75                   | 60.10                | 47,570.87224650            |

|                          |                                |                     |                      |                      |  |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|--|
| <b>Design</b>            | APD_Rev00                      |                     |                      |                      |  |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |  |
| <b>Version:</b>          | <b>Phase:</b>                  | PROTOTYPE           | <b>Tie On Depth:</b> | 0.00                 |  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (°)</b> |  |
|                          | 0.00                           | 0.00                | 0.00                 | 270.20               |  |

|                                 |                        |                            |   |                |  |
|---------------------------------|------------------------|----------------------------|---|----------------|--|
| <b>Plan Survey Tool Program</b> | <b>Date</b>            | 2/3/2022                   |   |                |  |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b>   | <b>Tool Name</b>                                    | <b>Remarks</b> |  |
| 1                               | 0.00                   | 18,108.09 APD_Rev00 (122H) | MWD+IFR1+SAG+FDIR (SQC<br>OWSG MWD + IFR1 + Sag + F |                |  |





## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
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| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| 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             |
| 0.00                  | 0.00            | 0.00        | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 1,800.00              | 0.00            | 0.00        | 1,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 2,225.45              | 6.38            | 91.63       | 2,224.57              | -0.67        | 23.66        | 1.50                    | 1.50                   | 0.00                  | 91.63   |                    |
| 7,151.75              | 6.38            | 91.63       | 7,120.34              | -16.29       | 571.00       | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 8,122.41              | 90.69           | 270.19      | 7,756.92              | -16.14       | -5.28        | 10.00                   | 8.69                   | 18.40                 | 178.55  |                    |
| 10,617.37             | 90.69           | 270.19      | 7,727.00              | -7.66        | -2,500.04    | 0.00                    | 0.00                   | 0.00                  | 0.00    | 02-2500(B-122H-O1) |
| 10,628.87             | 90.92           | 270.20      | 7,726.84              | -7.62        | -2,511.54    | 2.00                    | 2.00                   | 0.01                  | 0.18    |                    |
| 13,117.69             | 90.92           | 270.20      | 7,687.00              | 0.87         | -5,000.03    | 0.00                    | 0.00                   | 0.00                  | 0.00    | 03-5000(B-122H-O1) |
| 13,163.90             | 91.84           | 270.20      | 7,685.89              | 1.03         | -5,046.23    | 2.00                    | 2.00                   | 0.00                  | 0.00    |                    |
| 15,618.97             | 91.84           | 270.20      | 7,607.00              | 9.40         | -7,500.01    | 0.00                    | 0.00                   | 0.00                  | 0.00    | 04-7500(B-122H-O1) |
| 15,665.66             | 90.91           | 270.20      | 7,605.88              | 9.56         | -7,546.68    | 2.00                    | -2.00                  | 0.00                  | -180.00 |                    |
| 18,108.09             | 90.91           | 270.20      | 7,567.19              | 17.89        | -9,988.80    | 0.00                    | 0.00                   | 0.00                  | 0.00    | 06-PBHL(B-122H-O1) |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
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| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| 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) |
| 0.00                   | 0.00            | 0.00        | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 100.00                 | 0.00            | 0.00        | 100.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 107.00                 | 0.00            | 0.00        | 107.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Rustler</b>         |                 |             |                       |              |              |                         |                         |                        |                       |
| 200.00                 | 0.00            | 0.00        | 200.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 300.00                 | 0.00            | 0.00        | 300.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 387.00                 | 0.00            | 0.00        | 387.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Top of Salt</b>     |                 |             |                       |              |              |                         |                         |                        |                       |
| 400.00                 | 0.00            | 0.00        | 400.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 500.00                 | 0.00            | 0.00        | 500.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 600.00                 | 0.00            | 0.00        | 600.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 700.00                 | 0.00            | 0.00        | 700.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 757.00                 | 0.00            | 0.00        | 757.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Base of Salt</b>    |                 |             |                       |              |              |                         |                         |                        |                       |
| 800.00                 | 0.00            | 0.00        | 800.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 900.00                 | 0.00            | 0.00        | 900.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 969.00                 | 0.00            | 0.00        | 969.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Yates</b>           |                 |             |                       |              |              |                         |                         |                        |                       |
| 1,000.00               | 0.00            | 0.00        | 1,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,100.00               | 0.00            | 0.00        | 1,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,200.00               | 0.00            | 0.00        | 1,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,300.00               | 0.00            | 0.00        | 1,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,400.00               | 0.00            | 0.00        | 1,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,437.00               | 0.00            | 0.00        | 1,437.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Capitan</b>         |                 |             |                       |              |              |                         |                         |                        |                       |
| 1,500.00               | 0.00            | 0.00        | 1,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,600.00               | 0.00            | 0.00        | 1,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,700.00               | 0.00            | 0.00        | 1,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,800.00               | 0.00            | 0.00        | 1,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,900.00               | 1.50            | 91.63       | 1,899.99              | -0.04        | 1.31         | -1.31                   | 1.50                    | 1.50                   | 0.00                  |
| 2,000.00               | 3.00            | 91.63       | 1,999.91              | -0.15        | 5.23         | -5.23                   | 1.50                    | 1.50                   | 0.00                  |
| 2,100.00               | 4.50            | 91.63       | 2,099.69              | -0.34        | 11.77        | -11.77                  | 1.50                    | 1.50                   | 0.00                  |
| 2,200.00               | 6.00            | 91.63       | 2,199.27              | -0.60        | 20.92        | -20.92                  | 1.50                    | 1.50                   | 0.00                  |
| 2,225.45               | 6.38            | 91.63       | 2,224.57              | -0.67        | 23.66        | -23.66                  | 1.50                    | 1.50                   | 0.00                  |
| 2,300.00               | 6.38            | 91.63       | 2,298.66              | -0.91        | 31.94        | -31.95                  | 0.00                    | 0.00                   | 0.00                  |
| 2,400.00               | 6.38            | 91.63       | 2,398.04              | -1.23        | 43.05        | -43.06                  | 0.00                    | 0.00                   | 0.00                  |
| 2,500.00               | 6.38            | 91.63       | 2,497.42              | -1.55        | 54.16        | -54.17                  | 0.00                    | 0.00                   | 0.00                  |
| 2,600.00               | 6.38            | 91.63       | 2,596.80              | -1.86        | 65.27        | -65.28                  | 0.00                    | 0.00                   | 0.00                  |
| 2,700.00               | 6.38            | 91.63       | 2,696.18              | -2.18        | 76.39        | -76.39                  | 0.00                    | 0.00                   | 0.00                  |
| 2,800.00               | 6.38            | 91.63       | 2,795.56              | -2.50        | 87.50        | -87.50                  | 0.00                    | 0.00                   | 0.00                  |
| 2,900.00               | 6.38            | 91.63       | 2,894.94              | -2.81        | 98.61        | -98.62                  | 0.00                    | 0.00                   | 0.00                  |
| 3,000.00               | 6.38            | 91.63       | 2,994.32              | -3.13        | 109.72       | -109.73                 | 0.00                    | 0.00                   | 0.00                  |
| 3,100.00               | 6.38            | 91.63       | 3,093.70              | -3.45        | 120.83       | -120.84                 | 0.00                    | 0.00                   | 0.00                  |
| 3,108.35               | 6.38            | 91.63       | 3,102.00              | -3.47        | 121.76       | -121.77                 | 0.00                    | 0.00                   | 0.00                  |
| <b>DLWR Mnt. Group</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 3,200.00               | 6.38            | 91.63       | 3,193.08              | -3.76        | 131.94       | -131.95                 | 0.00                    | 0.00                   | 0.00                  |
| 3,300.00               | 6.38            | 91.63       | 3,292.46              | -4.08        | 143.05       | -143.06                 | 0.00                    | 0.00                   | 0.00                  |
| 3,400.00               | 6.38            | 91.63       | 3,391.84              | -4.40        | 154.16       | -154.17                 | 0.00                    | 0.00                   | 0.00                  |
| 3,500.00               | 6.38            | 91.63       | 3,491.22              | -4.71        | 165.27       | -165.29                 | 0.00                    | 0.00                   | 0.00                  |
| 3,600.00               | 6.38            | 91.63       | 3,590.60              | -5.03        | 176.38       | -176.40                 | 0.00                    | 0.00                   | 0.00                  |
| 3,700.00               | 6.38            | 91.63       | 3,689.98              | -5.35        | 187.49       | -187.51                 | 0.00                    | 0.00                   | 0.00                  |
| 3,800.00               | 6.38            | 91.63       | 3,789.36              | -5.67        | 198.60       | -198.62                 | 0.00                    | 0.00                   | 0.00                  |
| 3,900.00               | 6.38            | 91.63       | 3,888.74              | -5.98        | 209.71       | -209.73                 | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
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| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| Planned Survey                              |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
|---|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|--|
| Measured<br>Depth<br>(usft)                 | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Vertical<br>Section<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) |  |
| 4,000.00                                    | 6.38               | 91.63          | 3,988.12                    | -6.30           | 220.82          | -220.84                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,100.00                                    | 6.38               | 91.63          | 4,087.51                    | -6.62           | 231.93          | -231.96                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,200.00                                    | 6.38               | 91.63          | 4,186.89                    | -6.93           | 243.05          | -243.07                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,300.00                                    | 6.38               | 91.63          | 4,286.27                    | -7.25           | 254.16          | -254.18                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,400.00                                    | 6.38               | 91.63          | 4,385.65                    | -7.57           | 265.27          | -265.29                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,500.00                                    | 6.38               | 91.63          | 4,485.03                    | -7.88           | 276.38          | -276.40                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,600.00                                    | 6.38               | 91.63          | 4,584.41                    | -8.20           | 287.49          | -287.51                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,700.00                                    | 6.38               | 91.63          | 4,683.79                    | -8.52           | 298.60          | -298.63                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,800.00                                    | 6.38               | 91.63          | 4,783.17                    | -8.83           | 309.71          | -309.74                       | 0.00                          | 0.00                         | 0.00                        |  |
| 4,900.00                                    | 6.38               | 91.63          | 4,882.55                    | -9.15           | 320.82          | -320.85                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,000.00                                    | 6.38               | 91.63          | 4,981.93                    | -9.47           | 331.93          | -331.96                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,100.00                                    | 6.38               | 91.63          | 5,081.31                    | -9.79           | 343.04          | -343.07                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,135.91                                    | 6.38               | 91.63          | 5,117.00                    | -9.90           | 347.03          | -347.06                       | 0.00                          | 0.00                         | 0.00                        |  |
| Lower Brushy Canyon                         |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 5,200.00                                    | 6.38               | 91.63          | 5,180.69                    | -10.10          | 354.15          | -354.18                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,300.00                                    | 6.38               | 91.63          | 5,280.07                    | -10.42          | 365.26          | -365.30                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,400.00                                    | 6.38               | 91.63          | 5,379.45                    | -10.74          | 376.37          | -376.41                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,500.00                                    | 6.38               | 91.63          | 5,478.83                    | -11.05          | 387.48          | -387.52                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,583.69                                    | 6.38               | 91.63          | 5,562.00                    | -11.32          | 396.78          | -396.82                       | 0.00                          | 0.00                         | 0.00                        |  |
| Bone Spring Lime                            |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 5,600.00                                    | 6.38               | 91.63          | 5,578.21                    | -11.37          | 398.59          | -398.63                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,700.00                                    | 6.38               | 91.63          | 5,677.59                    | -11.69          | 409.71          | -409.74                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,800.00                                    | 6.38               | 91.63          | 5,776.97                    | -12.00          | 420.82          | -420.86                       | 0.00                          | 0.00                         | 0.00                        |  |
| 5,900.00                                    | 6.38               | 91.63          | 5,876.35                    | -12.32          | 431.93          | -431.97                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,000.00                                    | 6.38               | 91.63          | 5,975.73                    | -12.64          | 443.04          | -443.08                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,100.00                                    | 6.38               | 91.63          | 6,075.11                    | -12.96          | 454.15          | -454.19                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,200.00                                    | 6.38               | 91.63          | 6,174.49                    | -13.27          | 465.26          | -465.30                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,300.00                                    | 6.38               | 91.63          | 6,273.87                    | -13.59          | 476.37          | -476.41                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,400.00                                    | 6.38               | 91.63          | 6,373.25                    | -13.91          | 487.48          | -487.53                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,500.00                                    | 6.38               | 91.63          | 6,472.63                    | -14.22          | 498.59          | -498.64                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,600.00                                    | 6.38               | 91.63          | 6,572.01                    | -14.54          | 509.70          | -509.75                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,700.00                                    | 6.38               | 91.63          | 6,671.39                    | -14.86          | 520.81          | -520.86                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,755.95                                    | 6.38               | 91.63          | 6,727.00                    | -15.03          | 527.03          | -527.08                       | 0.00                          | 0.00                         | 0.00                        |  |
| 1st Bone Spring SD                          |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 6,800.00                                    | 6.38               | 91.63          | 6,770.77                    | -15.17          | 531.92          | -531.97                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,900.00                                    | 6.38               | 91.63          | 6,870.15                    | -15.49          | 543.03          | -543.08                       | 0.00                          | 0.00                         | 0.00                        |  |
| 6,987.39                                    | 6.38               | 91.63          | 6,957.00                    | -15.77          | 552.74          | -552.79                       | 0.00                          | 0.00                         | 0.00                        |  |
| 2nd Bone Sprng LM                           |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 7,000.00                                    | 6.38               | 91.63          | 6,969.54                    | -15.81          | 554.14          | -554.20                       | 0.00                          | 0.00                         | 0.00                        |  |
| 7,100.00                                    | 6.38               | 91.63          | 7,068.92                    | -16.12          | 565.25          | -565.31                       | 0.00                          | 0.00                         | 0.00                        |  |
| 7,151.75                                    | 6.38               | 91.63          | 7,120.34                    | -16.29          | 571.00          | -571.06                       | 0.00                          | 0.00                         | 0.00                        |  |
| KOP: 7151.75' MD, -571.06' VS, 7120.34' TVD |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 7,200.00                                    | 1.56               | 96.11          | 7,168.46                    | -16.44          | 574.34          | -574.39                       | 10.00                         | -9.99                        | 9.28                        |  |
| 7,250.00                                    | 3.45               | 267.52         | 7,218.44                    | -16.57          | 573.51          | -573.57                       | 10.00                         | 3.77                         | 342.81                      |  |
| 7,300.00                                    | 8.45               | 269.11         | 7,268.16                    | -16.70          | 568.34          | -568.39                       | 10.00                         | 10.00                        | 3.18                        |  |
| 7,350.00                                    | 13.45              | 269.52         | 7,317.23                    | -16.80          | 558.85          | -558.90                       | 10.00                         | 10.00                        | 0.82                        |  |
| 7,380.82                                    | 16.53              | 269.65         | 7,347.00                    | -16.86          | 550.88          | -550.93                       | 10.00                         | 10.00                        | 0.42                        |  |
| 2nd Bone Spring SD                          |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
| 7,400.00                                    | 18.45              | 269.71         | 7,365.29                    | -16.89          | 545.11          | -545.17                       | 10.00                         | 10.00                        | 0.31                        |  |
| 7,450.00                                    | 23.45              | 269.82         | 7,411.97                    | -16.96          | 527.24          | -527.30                       | 10.00                         | 10.00                        | 0.22                        |  |
| 7,500.00                                    | 28.45              | 269.90         | 7,456.92                    | -17.01          | 505.37          | -505.43                       | 10.00                         | 10.00                        | 0.15                        |  |
| 7,550.00                                    | 33.45              | 269.95         | 7,499.79                    | -17.05          | 479.67          | -479.73                       | 10.00                         | 10.00                        | 0.11                        |  |
| 7,600.00                                    | 38.45              | 269.99         | 7,540.25                    | -17.06          | 450.33          | -450.39                       | 10.00                         | 10.00                        | 0.08                        |  |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
| <b>Database:</b> | EDM 5000.14 Single User Db        | <b>Local Co-ordinate Reference:</b> | Well Bondi 24 Fed Com 122H |
| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| 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) |
| 7,650.00  | 43.45           | 270.02      | 7,578.01              | -17.06       | 417.57       | -417.63                 | 10.00                   | 10.00                  | 0.07                  |
| 7,683.29  | 46.77           | 270.04      | 7,601.50              | -17.05       | 393.99       | -394.05                 | 10.00                   | 10.00                  | 0.06                  |
| <b>01-FTP(B-122H-O1)</b>                        |                 |             |                       |              |              |                         |                         |                        |                       |
| 7,700.00  | 48.45           | 270.05      | 7,612.76              | -17.04       | 381.65       | -381.71                 | 10.00                   | 10.00                  | 0.05                  |
| 7,750.00  | 53.45           | 270.07      | 7,644.26              | -16.99       | 342.83       | -342.89                 | 10.00                   | 10.00                  | 0.05                  |
| 7,800.00  | 58.45           | 270.09      | 7,672.25              | -16.93       | 301.42       | -301.48                 | 10.00                   | 10.00                  | 0.04                  |
| 7,850.00  | 63.45           | 270.11      | 7,696.52              | -16.86       | 257.73       | -257.79                 | 10.00                   | 10.00                  | 0.04                  |
| 7,900.00  | 68.45           | 270.13      | 7,716.89              | -16.76       | 212.08       | -212.14                 | 10.00                   | 10.00                  | 0.03                  |
| 7,950.00  | 73.45           | 270.14      | 7,733.21              | -16.65       | 164.84       | -164.90                 | 10.00                   | 10.00                  | 0.03                  |
| 8,000.00  | 78.45           | 270.16      | 7,745.35              | -16.52       | 116.35       | -116.41                 | 10.00                   | 10.00                  | 0.03                  |
| 8,050.00  | 83.45           | 270.17      | 7,753.22              | -16.37       | 66.99        | -67.05                  | 10.00                   | 10.00                  | 0.03                  |
| 8,100.00  | 88.45           | 270.19      | 7,756.75              | -16.21       | 17.13        | -17.19                  | 10.00                   | 10.00                  | 0.03                  |
| 8,122.41  | 90.69           | 270.19      | 7,756.92              | -16.14       | -5.28        | 5.22                    | 10.00                   | 10.00                  | 0.03                  |
| <b>EOC: 8122.41' MD, 5.22' VS, 7756.92' TVD</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,200.00  | 90.69           | 270.19      | 7,755.99              | -15.88       | -82.86       | 82.80                   | 0.00                    | 0.00                   | 0.00                  |
| 8,300.00  | 90.69           | 270.19      | 7,754.79              | -15.54       | -182.85      | 182.80                  | 0.00                    | 0.00                   | 0.00                  |
| 8,400.00  | 90.69           | 270.19      | 7,753.59              | -15.20       | -282.84      | 282.79                  | 0.00                    | 0.00                   | 0.00                  |
| 8,500.00  | 90.69           | 270.19      | 7,752.39              | -14.86       | -382.84      | 382.78                  | 0.00                    | 0.00                   | 0.00                  |
| 8,600.00  | 90.69           | 270.19      | 7,751.19              | -14.52       | -482.83      | 482.78                  | 0.00                    | 0.00                   | 0.00                  |
| 8,700.00  | 90.69           | 270.19      | 7,749.99              | -14.18       | -582.82      | 582.77                  | 0.00                    | 0.00                   | 0.00                  |
| 8,800.00  | 90.69           | 270.19      | 7,748.79              | -13.84       | -682.81      | 682.76                  | 0.00                    | 0.00                   | 0.00                  |
| 8,900.00  | 90.69           | 270.19      | 7,747.60              | -13.50       | -782.81      | 782.75                  | 0.00                    | 0.00                   | 0.00                  |
| 9,000.00  | 90.69           | 270.19      | 7,746.40              | -13.16       | -882.80      | 882.75                  | 0.00                    | 0.00                   | 0.00                  |
| 9,100.00  | 90.69           | 270.19      | 7,745.20              | -12.82       | -982.79      | 982.74                  | 0.00                    | 0.00                   | 0.00                  |
| 9,200.00  | 90.69           | 270.19      | 7,744.00              | -12.48       | -1,082.78    | 1,082.73                | 0.00                    | 0.00                   | 0.00                  |
| 9,300.00  | 90.69           | 270.19      | 7,742.80              | -12.14       | -1,182.77    | 1,182.72                | 0.00                    | 0.00                   | 0.00                  |
| 9,400.00  | 90.69           | 270.19      | 7,741.60              | -11.80       | -1,282.77    | 1,282.72                | 0.00                    | 0.00                   | 0.00                  |
| 9,500.00  | 90.69           | 270.19      | 7,740.40              | -11.46       | -1,382.76    | 1,382.71                | 0.00                    | 0.00                   | 0.00                  |
| 9,600.00  | 90.69           | 270.19      | 7,739.20              | -11.12       | -1,482.75    | 1,482.70                | 0.00                    | 0.00                   | 0.00                  |
| 9,700.00  | 90.69           | 270.19      | 7,738.00              | -10.78       | -1,582.74    | 1,582.70                | 0.00                    | 0.00                   | 0.00                  |
| 9,800.00  | 90.69           | 270.19      | 7,736.80              | -10.44       | -1,682.74    | 1,682.69                | 0.00                    | 0.00                   | 0.00                  |
| 9,900.00  | 90.69           | 270.19      | 7,735.60              | -10.10       | -1,782.73    | 1,782.68                | 0.00                    | 0.00                   | 0.00                  |
| 10,000.00                                       | 90.69           | 270.19      | 7,734.40              | -9.76        | -1,882.72    | 1,882.67                | 0.00                    | 0.00                   | 0.00                  |
| 10,100.00                                       | 90.69           | 270.19      | 7,733.20              | -9.42        | -1,982.71    | 1,982.67                | 0.00                    | 0.00                   | 0.00                  |
| 10,200.00                                       | 90.69           | 270.19      | 7,732.01              | -9.08        | -2,082.70    | 2,082.66                | 0.00                    | 0.00                   | 0.00                  |
| 10,300.00                                       | 90.69           | 270.19      | 7,730.81              | -8.74        | -2,182.70    | 2,182.65                | 0.00                    | 0.00                   | 0.00                  |
| 10,400.00                                       | 90.69           | 270.19      | 7,729.61              | -8.40        | -2,282.69    | 2,282.65                | 0.00                    | 0.00                   | 0.00                  |
| 10,500.00                                       | 90.69           | 270.19      | 7,728.41              | -8.06        | -2,382.68    | 2,382.64                | 0.00                    | 0.00                   | 0.00                  |
| 10,600.00                                       | 90.69           | 270.19      | 7,727.21              | -7.72        | -2,482.67    | 2,482.63                | 0.00                    | 0.00                   | 0.00                  |
| 10,617.37                                       | 90.69           | 270.19      | 7,727.00              | -7.66        | -2,500.04    | 2,500.00                | 0.00                    | 0.00                   | 0.00                  |
| <b>02-2500(B-122H-O1)</b>                       |                 |             |                       |              |              |                         |                         |                        |                       |
| 10,628.87                                       | 90.92           | 270.20      | 7,726.84              | -7.62        | -2,511.54    | 2,511.50                | 2.00                    | 2.00                   | 0.01                  |
| 10,700.00                                       | 90.92           | 270.20      | 7,725.70              | -7.38        | -2,582.66    | 2,582.62                | 0.00                    | 0.00                   | 0.00                  |
| 10,800.00                                       | 90.92           | 270.20      | 7,724.10              | -7.04        | -2,682.65    | 2,682.61                | 0.00                    | 0.00                   | 0.00                  |
| 10,900.00                                       | 90.92           | 270.20      | 7,722.50              | -6.70        | -2,782.63    | 2,782.59                | 0.00                    | 0.00                   | 0.00                  |
| 11,000.00                                       | 90.92           | 270.20      | 7,720.90              | -6.35        | -2,882.62    | 2,882.58                | 0.00                    | 0.00                   | 0.00                  |
| 11,100.00                                       | 90.92           | 270.20      | 7,719.30              | -6.01        | -2,982.61    | 2,982.57                | 0.00                    | 0.00                   | 0.00                  |
| 11,200.00                                       | 90.92           | 270.20      | 7,717.70              | -5.67        | -3,082.59    | 3,082.56                | 0.00                    | 0.00                   | 0.00                  |
| 11,300.00                                       | 90.92           | 270.20      | 7,716.10              | -5.33        | -3,182.58    | 3,182.54                | 0.00                    | 0.00                   | 0.00                  |
| 11,400.00                                       | 90.92           | 270.20      | 7,714.50              | -4.99        | -3,282.57    | 3,282.53                | 0.00                    | 0.00                   | 0.00                  |
| 11,500.00                                       | 90.92           | 270.20      | 7,712.89              | -4.65        | -3,382.55    | 3,382.52                | 0.00                    | 0.00                   | 0.00                  |
| 11,600.00                                       | 90.92           | 270.20      | 7,711.29              | -4.31        | -3,482.54    | 3,482.50                | 0.00                    | 0.00                   | 0.00                  |
| 11,700.00                                       | 90.92           | 270.20      | 7,709.69              | -3.97        | -3,582.53    | 3,582.49                | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
| <b>Database:</b> | EDM 5000.14 Single User Db        | <b>Local Co-ordinate Reference:</b> | Well Bondi 24 Fed Com 122H |
| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| 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) |
| 11,800.00                 | 90.92           | 270.20      | 7,708.09              | -3.63        | -3,682.51    | 3,682.48                | 0.00                    | 0.00                   | 0.00                  |
| 11,900.00                 | 90.92           | 270.20      | 7,706.49              | -3.28        | -3,782.50    | 3,782.47                | 0.00                    | 0.00                   | 0.00                  |
| 12,000.00                 | 90.92           | 270.20      | 7,704.89              | -2.94        | -3,882.49    | 3,882.45                | 0.00                    | 0.00                   | 0.00                  |
| 12,100.00                 | 90.92           | 270.20      | 7,703.29              | -2.60        | -3,982.47    | 3,982.44                | 0.00                    | 0.00                   | 0.00                  |
| 12,200.00                 | 90.92           | 270.20      | 7,701.69              | -2.26        | -4,082.46    | 4,082.43                | 0.00                    | 0.00                   | 0.00                  |
| 12,300.00                 | 90.92           | 270.20      | 7,700.09              | -1.92        | -4,182.45    | 4,182.41                | 0.00                    | 0.00                   | 0.00                  |
| 12,400.00                 | 90.92           | 270.20      | 7,698.49              | -1.58        | -4,282.43    | 4,282.40                | 0.00                    | 0.00                   | 0.00                  |
| 12,500.00                 | 90.92           | 270.20      | 7,696.89              | -1.24        | -4,382.42    | 4,382.39                | 0.00                    | 0.00                   | 0.00                  |
| 12,600.00                 | 90.92           | 270.20      | 7,695.29              | -0.90        | -4,482.41    | 4,482.38                | 0.00                    | 0.00                   | 0.00                  |
| 12,700.00                 | 90.92           | 270.20      | 7,693.69              | -0.55        | -4,582.39    | 4,582.36                | 0.00                    | 0.00                   | 0.00                  |
| 12,800.00                 | 90.92           | 270.20      | 7,692.09              | -0.21        | -4,682.38    | 4,682.35                | 0.00                    | 0.00                   | 0.00                  |
| 12,900.00                 | 90.92           | 270.20      | 7,690.48              | 0.13         | -4,782.37    | 4,782.34                | 0.00                    | 0.00                   | 0.00                  |
| 13,000.00                 | 90.92           | 270.20      | 7,688.88              | 0.47         | -4,882.35    | 4,882.33                | 0.00                    | 0.00                   | 0.00                  |
| 13,100.00                 | 90.92           | 270.20      | 7,687.28              | 0.81         | -4,982.34    | 4,982.31                | 0.00                    | 0.00                   | 0.00                  |
| 13,117.69                 | 90.92           | 270.20      | 7,687.00              | 0.87         | -5,000.03    | 5,000.00                | 0.00                    | 0.00                   | 0.00                  |
| <b>03-5000(B-122H-O1)</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 13,163.90                 | 91.84           | 270.20      | 7,685.89              | 1.03         | -5,046.23    | 5,046.20                | 2.00                    | 2.00                   | 0.00                  |
| 13,200.00                 | 91.84           | 270.20      | 7,684.73              | 1.15         | -5,082.30    | 5,082.28                | 0.00                    | 0.00                   | 0.00                  |
| 13,300.00                 | 91.84           | 270.20      | 7,681.51              | 1.49         | -5,182.25    | 5,182.23                | 0.00                    | 0.00                   | 0.00                  |
| 13,400.00                 | 91.84           | 270.20      | 7,678.30              | 1.83         | -5,282.20    | 5,282.17                | 0.00                    | 0.00                   | 0.00                  |
| 13,500.00                 | 91.84           | 270.20      | 7,675.09              | 2.17         | -5,382.15    | 5,382.12                | 0.00                    | 0.00                   | 0.00                  |
| 13,600.00                 | 91.84           | 270.20      | 7,671.87              | 2.51         | -5,482.10    | 5,482.07                | 0.00                    | 0.00                   | 0.00                  |
| 13,700.00                 | 91.84           | 270.20      | 7,668.66              | 2.86         | -5,582.04    | 5,582.02                | 0.00                    | 0.00                   | 0.00                  |
| 13,800.00                 | 91.84           | 270.20      | 7,665.45              | 3.20         | -5,681.99    | 5,681.97                | 0.00                    | 0.00                   | 0.00                  |
| 13,900.00                 | 91.84           | 270.20      | 7,662.24              | 3.54         | -5,781.94    | 5,781.92                | 0.00                    | 0.00                   | 0.00                  |
| 14,000.00                 | 91.84           | 270.20      | 7,659.02              | 3.88         | -5,881.89    | 5,881.86                | 0.00                    | 0.00                   | 0.00                  |
| 14,100.00                 | 91.84           | 270.20      | 7,655.81              | 4.22         | -5,981.83    | 5,981.81                | 0.00                    | 0.00                   | 0.00                  |
| 14,200.00                 | 91.84           | 270.20      | 7,652.60              | 4.56         | -6,081.78    | 6,081.76                | 0.00                    | 0.00                   | 0.00                  |
| 14,300.00                 | 91.84           | 270.20      | 7,649.38              | 4.90         | -6,181.73    | 6,181.71                | 0.00                    | 0.00                   | 0.00                  |
| 14,400.00                 | 91.84           | 270.20      | 7,646.17              | 5.24         | -6,281.68    | 6,281.66                | 0.00                    | 0.00                   | 0.00                  |
| 14,500.00                 | 91.84           | 270.20      | 7,642.96              | 5.58         | -6,381.63    | 6,381.61                | 0.00                    | 0.00                   | 0.00                  |
| 14,600.00                 | 91.84           | 270.20      | 7,639.74              | 5.93         | -6,481.57    | 6,481.55                | 0.00                    | 0.00                   | 0.00                  |
| 14,700.00                 | 91.84           | 270.20      | 7,636.53              | 6.27         | -6,581.52    | 6,581.50                | 0.00                    | 0.00                   | 0.00                  |
| 14,800.00                 | 91.84           | 270.20      | 7,633.32              | 6.61         | -6,681.47    | 6,681.45                | 0.00                    | 0.00                   | 0.00                  |
| 14,900.00                 | 91.84           | 270.20      | 7,630.10              | 6.95         | -6,781.42    | 6,781.40                | 0.00                    | 0.00                   | 0.00                  |
| 15,000.00                 | 91.84           | 270.20      | 7,626.89              | 7.29         | -6,881.36    | 6,881.35                | 0.00                    | 0.00                   | 0.00                  |
| 15,100.00                 | 91.84           | 270.20      | 7,623.68              | 7.63         | -6,981.31    | 6,981.30                | 0.00                    | 0.00                   | 0.00                  |
| 15,200.00                 | 91.84           | 270.20      | 7,620.46              | 7.97         | -7,081.26    | 7,081.24                | 0.00                    | 0.00                   | 0.00                  |
| 15,300.00                 | 91.84           | 270.20      | 7,617.25              | 8.31         | -7,181.21    | 7,181.19                | 0.00                    | 0.00                   | 0.00                  |
| 15,400.00                 | 91.84           | 270.20      | 7,614.04              | 8.65         | -7,281.16    | 7,281.14                | 0.00                    | 0.00                   | 0.00                  |
| 15,500.00                 | 91.84           | 270.20      | 7,610.82              | 8.99         | -7,381.10    | 7,381.09                | 0.00                    | 0.00                   | 0.00                  |
| 15,600.00                 | 91.84           | 270.20      | 7,607.61              | 9.34         | -7,481.05    | 7,481.04                | 0.00                    | 0.00                   | 0.00                  |
| 15,618.97                 | 91.84           | 270.20      | 7,607.00              | 9.40         | -7,500.01    | 7,500.00                | 0.00                    | 0.00                   | 0.00                  |
| <b>04-7500(B-122H-O1)</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 15,665.66                 | 90.91           | 270.20      | 7,605.88              | 9.56         | -7,546.68    | 7,546.67                | 2.00                    | -2.00                  | 0.00                  |
| 15,700.00                 | 90.91           | 270.20      | 7,605.34              | 9.68         | -7,581.02    | 7,581.01                | 0.00                    | 0.00                   | 0.00                  |
| 15,800.00                 | 90.91           | 270.20      | 7,603.75              | 10.02        | -7,681.01    | 7,681.00                | 0.00                    | 0.00                   | 0.00                  |
| 15,900.00                 | 90.91           | 270.20      | 7,602.17              | 10.36        | -7,781.00    | 7,780.99                | 0.00                    | 0.00                   | 0.00                  |
| 16,000.00                 | 90.91           | 270.20      | 7,600.58              | 10.70        | -7,880.98    | 7,880.97                | 0.00                    | 0.00                   | 0.00                  |
| 16,100.00                 | 90.91           | 270.20      | 7,599.00              | 11.04        | -7,980.97    | 7,980.96                | 0.00                    | 0.00                   | 0.00                  |
| 16,200.00                 | 90.91           | 270.20      | 7,597.42              | 11.38        | -8,080.96    | 8,080.95                | 0.00                    | 0.00                   | 0.00                  |
| 16,300.00                 | 90.91           | 270.20      | 7,595.83              | 11.72        | -8,180.94    | 8,180.94                | 0.00                    | 0.00                   | 0.00                  |
| 16,400.00                 | 90.91           | 270.20      | 7,594.25              | 12.06        | -8,280.93    | 8,280.92                | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
| <b>Database:</b> | EDM 5000.14 Single User Db        | <b>Local Co-ordinate Reference:</b> | Well Bondi 24 Fed Com 122H |
| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| 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) |
| 16,500.00   | 90.91           | 270.20      | 7,592.66              | 12.41        | -8,380.92    | 8,380.91                | 0.00                    | 0.00                   | 0.00                  |
| 16,600.00   | 90.91           | 270.20      | 7,591.08              | 12.75        | -8,480.90    | 8,480.90                | 0.00                    | 0.00                   | 0.00                  |
| 16,700.00   | 90.91           | 270.20      | 7,589.50              | 13.09        | -8,580.89    | 8,580.88                | 0.00                    | 0.00                   | 0.00                  |
| 16,800.00   | 90.91           | 270.20      | 7,587.91              | 13.43        | -8,680.88    | 8,680.87                | 0.00                    | 0.00                   | 0.00                  |
| 16,900.00   | 90.91           | 270.20      | 7,586.33              | 13.77        | -8,780.87    | 8,780.86                | 0.00                    | 0.00                   | 0.00                  |
| 17,000.00   | 90.91           | 270.20      | 7,584.74              | 14.11        | -8,880.85    | 8,880.85                | 0.00                    | 0.00                   | 0.00                  |
| 17,100.00   | 90.91           | 270.20      | 7,583.16              | 14.45        | -8,980.84    | 8,980.83                | 0.00                    | 0.00                   | 0.00                  |
| 17,200.00   | 90.91           | 270.20      | 7,581.58              | 14.79        | -9,080.83    | 9,080.82                | 0.00                    | 0.00                   | 0.00                  |
| 17,300.00   | 90.91           | 270.20      | 7,579.99              | 15.13        | -9,180.81    | 9,180.81                | 0.00                    | 0.00                   | 0.00                  |
| 17,400.00   | 90.91           | 270.20      | 7,578.41              | 15.47        | -9,280.80    | 9,280.80                | 0.00                    | 0.00                   | 0.00                  |
| 17,500.00   | 90.91           | 270.20      | 7,576.82              | 15.82        | -9,380.79    | 9,380.78                | 0.00                    | 0.00                   | 0.00                  |
| 17,600.00   | 90.91           | 270.20      | 7,575.24              | 16.16        | -9,480.77    | 9,480.77                | 0.00                    | 0.00                   | 0.00                  |
| 17,700.00   | 90.91           | 270.20      | 7,573.65              | 16.50        | -9,580.76    | 9,580.76                | 0.00                    | 0.00                   | 0.00                  |
| 17,800.00   | 90.91           | 270.20      | 7,572.07              | 16.84        | -9,680.75    | 9,680.75                | 0.00                    | 0.00                   | 0.00                  |
| 17,900.00   | 90.91           | 270.20      | 7,570.49              | 17.18        | -9,780.73    | 9,780.73                | 0.00                    | 0.00                   | 0.00                  |
| 18,000.00   | 90.91           | 270.20      | 7,568.90              | 17.52        | -9,880.72    | 9,880.72                | 0.00                    | 0.00                   | 0.00                  |
| <b>05-LTP(B-122H-O1)</b>  |                 |             |                       |              |              |                         |                         |                        |                       |
| 18,108.09   | 90.91           | 270.20      | 7,567.19              | 17.89        | -9,988.80    | 9,988.80                | 0.00                    | 0.00                   | 0.00                  |
| <b>TD: 18108.09' MD, 9988.80' VS, 7567.19' TVD - 06-PBHL(B-122H-O1) - 07-10000(B-122H-O1)</b> |                 |             |                       |              |              |                         |                         |                        |                       |

| Design Targets   |               |              |            |              |              |                 |                |             |               |
|--|---------------|--------------|------------|--------------|--------------|-----------------|----------------|-------------|---------------|
| Target Name<br>- hit/miss target<br>- Shape  | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude    | Longitude     |
| 07-10000(B-122H-O1)<br>- plan misses target center by 11.20usft at 18108.09usft MD (7567.19 TVD, 17.89 N, -9988.80 E)<br>- Point | 0.00          | 0.00         | 7,567.00   | 17.93        | -10,000.00   | 567,853.63      | 595,689.88     | 32.56096183 | -104.15691390 |
| 06-PBHL(B-122H-O1)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 7,567.19   | 17.89        | -9,988.80    | 567,853.59      | 595,701.08     | 32.56096167 | -104.15687754 |
| 05-LTP(B-122H-O1)<br>- plan misses target center by 18.09usft at 18000.00usft MD (7568.90 TVD, 17.52 N, -9880.72 E)<br>- Point   | 0.00          | 0.00         | 7,568.61   | 18.14        | -9,898.80    | 567,853.84      | 595,791.08     | 32.56096195 | -104.15658542 |
| 04-7500(B-122H-O1)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 7,607.00   | 9.40         | -7,500.01    | 567,845.10      | 598,189.87     | 32.56092673 | -104.14879940 |
| 03-5000(B-122H-O1)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 7,687.00   | 0.87         | -5,000.03    | 567,836.57      | 600,689.85     | 32.56089111 | -104.14068494 |
| 02-2500(B-122H-O1)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 7,727.00   | -7.66        | -2,500.04    | 567,828.04      | 603,189.84     | 32.56085497 | -104.13257046 |
| 01-FTP(B-122H-O1)<br>- plan misses target center by 216.38usft at 7683.29usft MD (7601.50 TVD, -17.05 N, 393.99 E)<br>- Point    | 0.00          | 0.00         | 7,757.00   | -18.05       | 544.45       | 567,817.65      | 606,234.33     | 32.56081024 | -104.12268865 |



## Planning Report

|                  |                                   |                                     |                            |
|------------------|-----------------------------------|-------------------------------------|----------------------------|
| <b>Database:</b> | EDM 5000.14 Single User Db        | <b>Local Co-ordinate Reference:</b> | Well Bondi 24 Fed Com 122H |
| <b>Company:</b>  | Colgate Energy                    | <b>TVD Reference:</b>               | 3257+30 @ 3287.00usft      |
| <b>Project:</b>  | (Permit) Eddy County, NM (83-NME) | <b>MD Reference:</b>                | 3257+30 @ 3287.00usft      |
| <b>Site:</b>     | Bondi 24 Fed Com                  | <b>North Reference:</b>             | Grid                       |
| <b>Well:</b>     | Bondi 24 Fed Com 122H             | <b>Survey Calculation Method:</b>   | Minimum Curvature          |
| <b>Wellbore:</b> | 122H                              |                                     |                            |
| <b>Design:</b>   | APD_Rev00                         |                                     |                            |

| Formations            |                       |                     |           |         |                   |  |
|-----------------------|-----------------------|---------------------|-----------|---------|-------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name                | Lithology | Dip (°) | Dip Direction (°) |  |
| 107.00                | 107.00                | Rustler             |           |         |                   |  |
| 387.00                | 387.00                | Top of Salt         |           |         |                   |  |
| 757.00                | 757.00                | Base of Salt        |           |         |                   |  |
| 969.00                | 969.00                | Yates               |           |         |                   |  |
| 1,437.00              | 1,437.00              | Capitan             |           |         |                   |  |
| 3,108.35              | 3,102.00              | DLWR Mnt. Group     |           |         |                   |  |
| 5,135.91              | 5,117.00              | Lower Brushy Canyon |           |         |                   |  |
| 5,583.69              | 5,562.00              | Bone Spring Lime    |           |         |                   |  |
| 6,755.95              | 6,727.00              | 1st Bone Spring SD  |           |         |                   |  |
| 6,987.39              | 6,957.00              | 2nd Bone Sprng LM   |           |         |                   |  |
| 7,380.82              | 7,347.00              | 2nd Bone Spring SD  |           |         |                   |  |

| Plan Annotations      |                       |                   |              |   |  |
|-----------------------|-----------------------|-------------------|--------------|---|--|
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates |              |   |  |
|                       |                       | +N/-S (usft)      | +E/-W (usft) | Comment                                     |  |
| 7,151.75              | 7,120.34              | -16.29            | 571.00       | KOP: 7151.75' MD, -571.06' VS, 7120.34' TVD |  |
| 8,122.41              | 7,756.92              | -16.14            | -5.28        | EOC: 8122.41' MD, 5.22' VS, 7756.92' TVD    |  |
| 18,108.09             | 7,567.19              | 17.89             | -9,988.80    | TD: 18108.09' MD, 9988.80' VS, 7567.19' TVD |  |





# Certificate of Conformity

ContiTech

|   |  |   |
|---|--|---|
| <b>Certificate Number</b><br>1036465  | <b>COM Order Reference</b><br>1036465  | <b>Customer Name &amp; Address</b><br>HELMERICH & PAYNE DRILLING CO<br>1434 SOUTH BOULDER AVE<br>TULSA, OK 74119<br>USA |
| <b>Customer Purchase Order No:</b> 740122520  |  |   |
| <b>Project:</b>   |  |   |
| <b>Test Center Address</b><br>ContiTech Oil & Marine Corp.<br>11535 Brittmoore Park Drive<br>Houston, TX 77041<br>USA | <b>Accepted by COM Inspection</b><br>Signed: Gerson Mejia-Lazo<br>Date: 11/29/17 | <b>Accepted by Client Inspection</b>  |

We certify that the items detailed below meet the requirements of the customer's Purchase Order referenced above, and are in conformance with the specifications given below.

| Item | Part No. | Description   | Qty | Serial Number | Specifications     |
|------|----------|---|-----|---------------|--------------------|
| 60   |          | RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL | 1   | 64526         | ContiTech Standard |
| 90   |          | RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL | 1   | 53621         | ContiTech Standard |





## Hydrostatic Test Certificate

ContiTech

|   |   |   |  |
|---|---|---|--|
| <b>Certificate Number</b><br>1036465  | <b>COM Order Reference</b><br>1036465   | <b>Customer Name &amp; Address</b><br>HELMERICH & PAYNE DRILLING CO<br>1434 SOUTH BOULDER AVE<br>TULSA, OK 74119<br>USA |  |
| <b>Customer Purchase Order No:</b> 740122520  |   |   |  |
| <b>Project:</b>   |   |   |  |
| <b>Test Center Address</b><br>ContiTech Oil & Marine Corp.<br>11535 Brittmoore Park Drive<br>Houston, TX 77041<br>USA | <b>Accepted by COM Inspection</b><br>Signed: Gerson Mejia-Lazo<br>Date: 2/27/18 | <b>Accepted by Client Inspection</b>  |  |

We certify that the goods detailed hereon have been inspected as described below by our Quality Management System, and to the best of our knowledge are found to conform the requirements of the above referenced purchase order as issued to ContiTech Oil & Marine Corporation.

| Item | Part No. | Description   | Qty | Serial Number | Work. Press. | Test Press. | Test Time (minutes) |
|------|----------|---|-----|---------------|--------------|-------------|---------------------|
| 60   |          | RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL | 1   | 64526         | 10,000 psi   | 15,000 psi  | 60                  |
| 90   |          | RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL | 1   | 53621         | 10,000 psi   | 15,000 psi  | 60                  |

## Hose Inspection Report

ContiTech Oil &amp; Marine

| Customer     | Customer Reference # | COM Reference # | COM Inspector | Date of Inspection |
|--------------|----------------------|-----------------|---------------|--------------------|
| H&P Drilling | 740122520            | 1036465         | A. Jaimes     | 02/22/2018         |

| Hose Manufacturer | Contitech Rubber Industrial |
|-------------------|-----------------------------|
|-------------------|-----------------------------|

|                        |                |                     |          |
|------------------------|----------------|---------------------|----------|
| Hose Serial #          | 53621          | Date of Manufacture | 08/2008  |
| Hose I.D.              | 3"             | Working Pressure    | 10000PSI |
| Hose Type              | Choke and Kill | Test Pressure       | 15000PSI |
| Manufacturing Standard | API 16C        |                     |          |

## Connections

|   |   |
|---|---|
| End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange | End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange |
| • No damage                                       | • No damage                                       |
| Material: Carbon Steel                            | Material: Carbon Steel                            |
| Seal Face: BX155                                  | Seal Face: BX155                                  |
| Length Before Hydro Test: 35'                     | Length After Hydro test: 35'                      |

**Conclusion:** Hose #53621 passed the external inspection with no notable damage to the armor. Internal video inspection showed no damage to the hose liner. Hose #53621 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #53621 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 to 6 months (or during installation/removal)  
 Annual: In-situ pressure test (in addition to the 3 to 6 monthly inspections)  
 Initial 5 years service: Major inspection  
 2nd Major inspection: Following subsequent 3 year life cycle  
 (Detailed description of test regime available upon request, QCP 206-1)

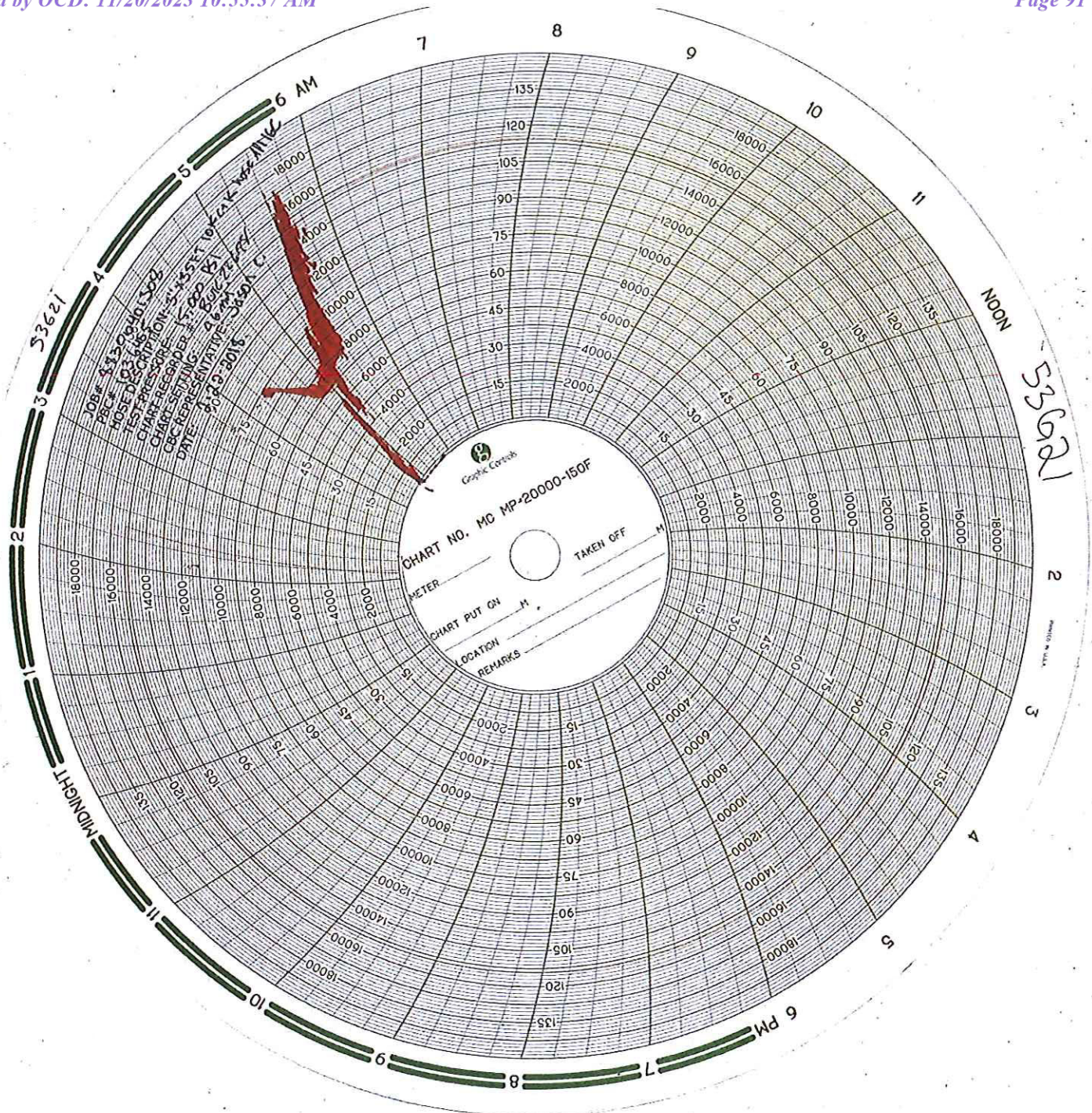
**\*\*NOTE:** There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service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

Issued By: Alejandro Jaimes  
 Date: 2/27/2018

Checked By: Roger Suarez  
 Date: 2/27/2018

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 QF97

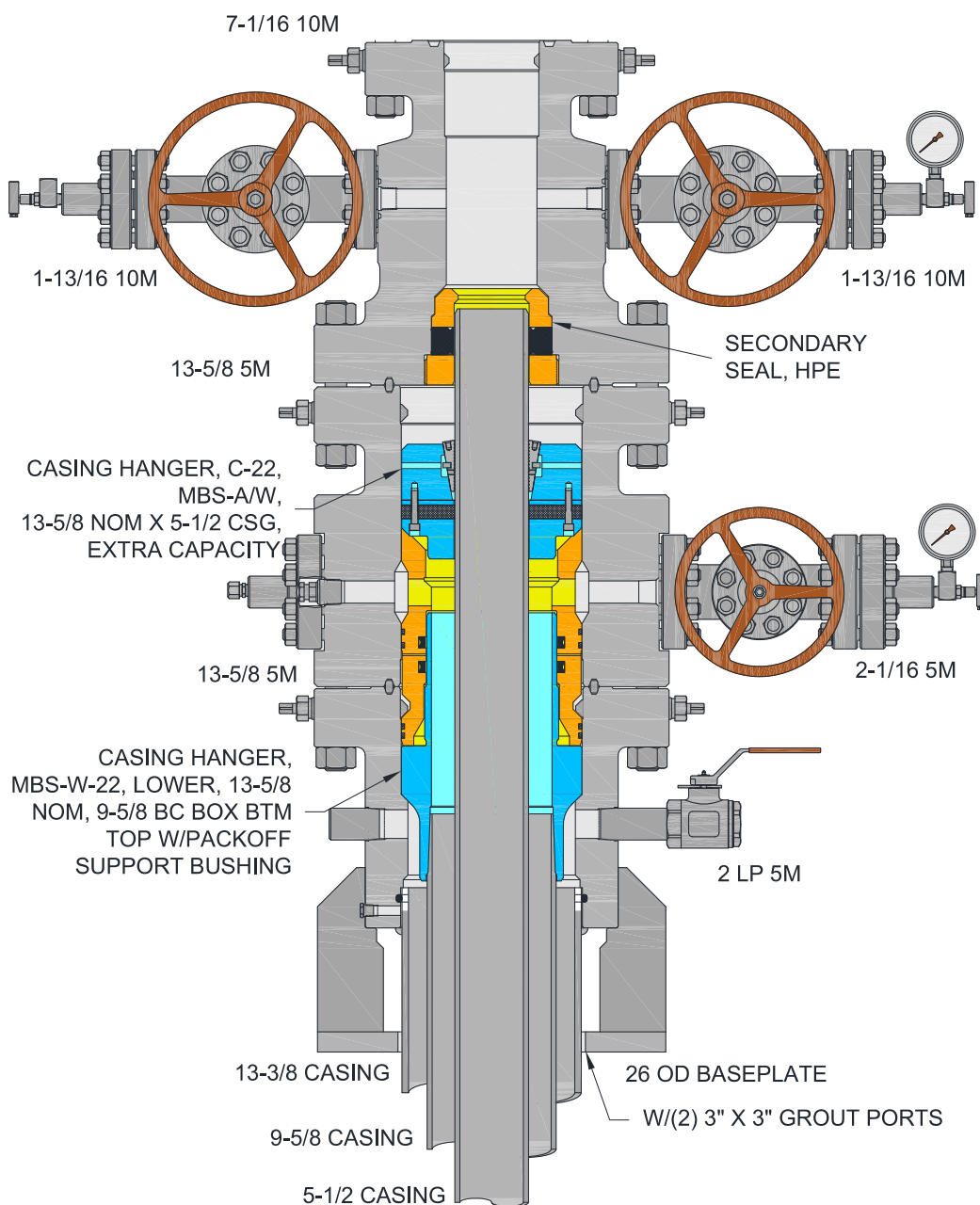








## MULTI-BOWL WELLHEAD SYSTEM RUNNING PROCEDURE



Prepared By:

Reviewed By:

Rev:

EQ #:

LAP

Date: 4/22/21

Date:

Date:

4070

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| <b>APPENDIX A: RECOMMENDED PROCEDURE FOR FIELD WELDING PIPE TO WELLHEAD PARTS<br/>FOR LOW PRESSURE SEAL .....</b> | <b>21</b> |



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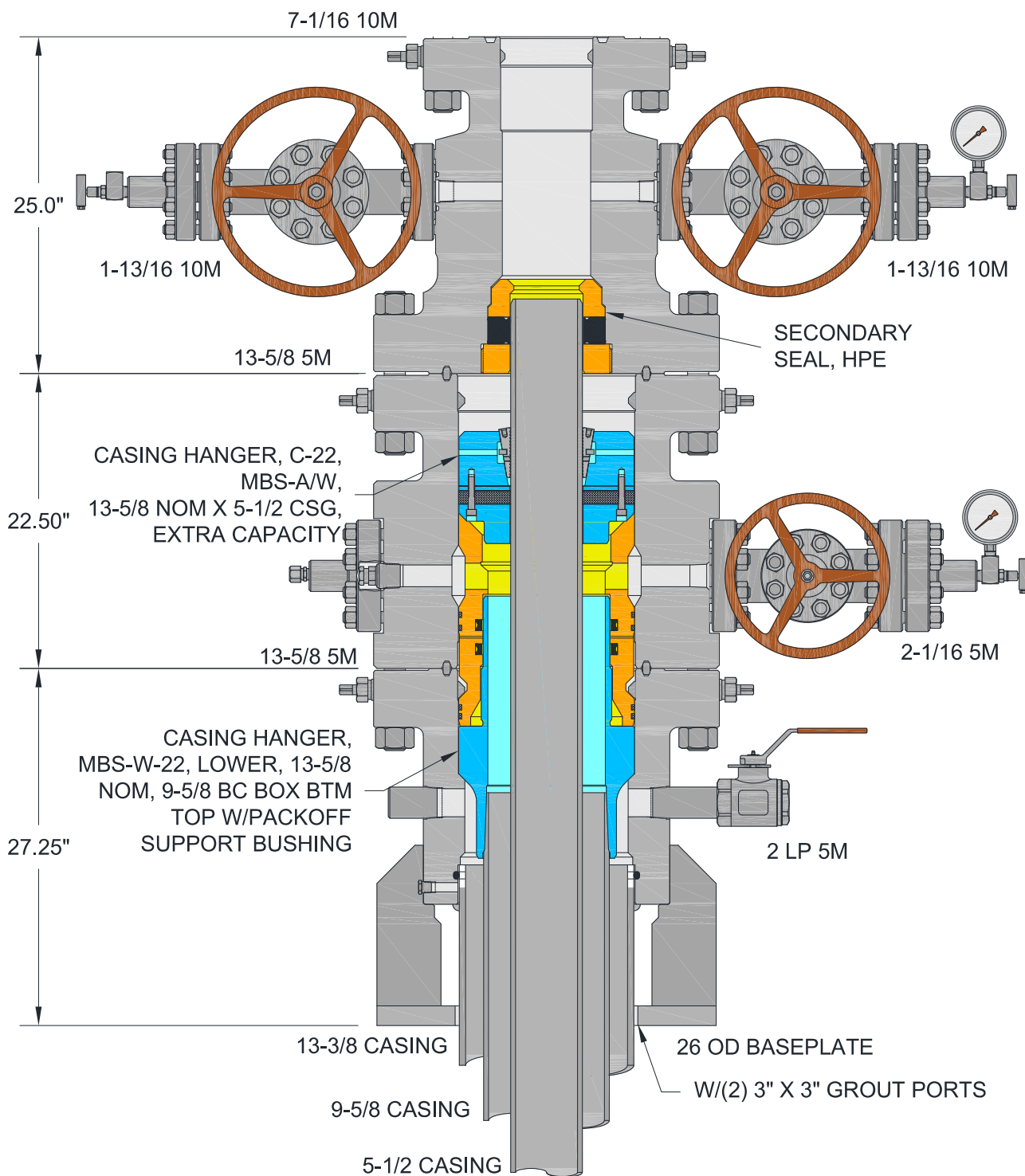
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## 1.0 DIAGRAM OF STACK-UP

### 1.1 DIMENSIONS FOR CONFIGURATION



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## 2.0 CASING HEAD SECTION

### 2.1 PREPARATION

- 2.1.1 Check and record Multi-bowl Assembly part numbers and serial numbers.
- 2.1.2 Inspect assembly's upper and lower bowl. Ensure seal areas are in good condition and free from damage.
- 2.1.3 Inspect ring groove for burrs, damage and any defects. If burrs exist, redress using emery cloth.
- 2.1.4 Ensure SOW O-Ring is in good condition. Replace if damaged.

### 2.2 LANDING

- 2.2.1 Determine 13-3/8" casing cutoff height. Cut and bevel accordingly.
- 2.2.2 Clean scale off casing OD.
- 2.2.3 Lift Multi-bowl Assembly with certified wire rope harness or landing & flange and lower carefully over casing stub.
- 2.2.4 Ensure Multi-bowl Assembly is level and outlet orientation will match flow lines. Remove 1/2" NPT pipe plug from bottom of casing head.
- 2.2.5 Tack weld Multi-bowl SOW to casing at four points. Recheck level.

**NOTE: DO NOT USE HOT HEADS OR SIMILAR METHODS OF PREHEATING, AS IT MAY DAMAGE SEALS AND PACKING**

- 2.2.6 Preheat casing and Multi-bowl to specifications, 3" on either side of weld areas. Use heat sensitive crayons to monitor temperature limits.
- 2.2.7 Complete external weld. Perform post weld heat treatment.

**NOTE: STEPS 2.2.4 TO 2.2.6 ARE TO BE COMPLETED BY OPERATOR'S AUTHORIZED WELDER ONLY. SEE SECTION 3.0 FOR FIELD WELDING PROCEDURE.**

- 2.2.8 When weld is cool, test weld to 80% of casing collapse for minimum of 15 minutes. Use only water as test fluid, do not use oil.
- 2.2.9 Bleed off pressure after successful test. Replace pipe plug.
- 2.2.10 Install outlet accessories as required.



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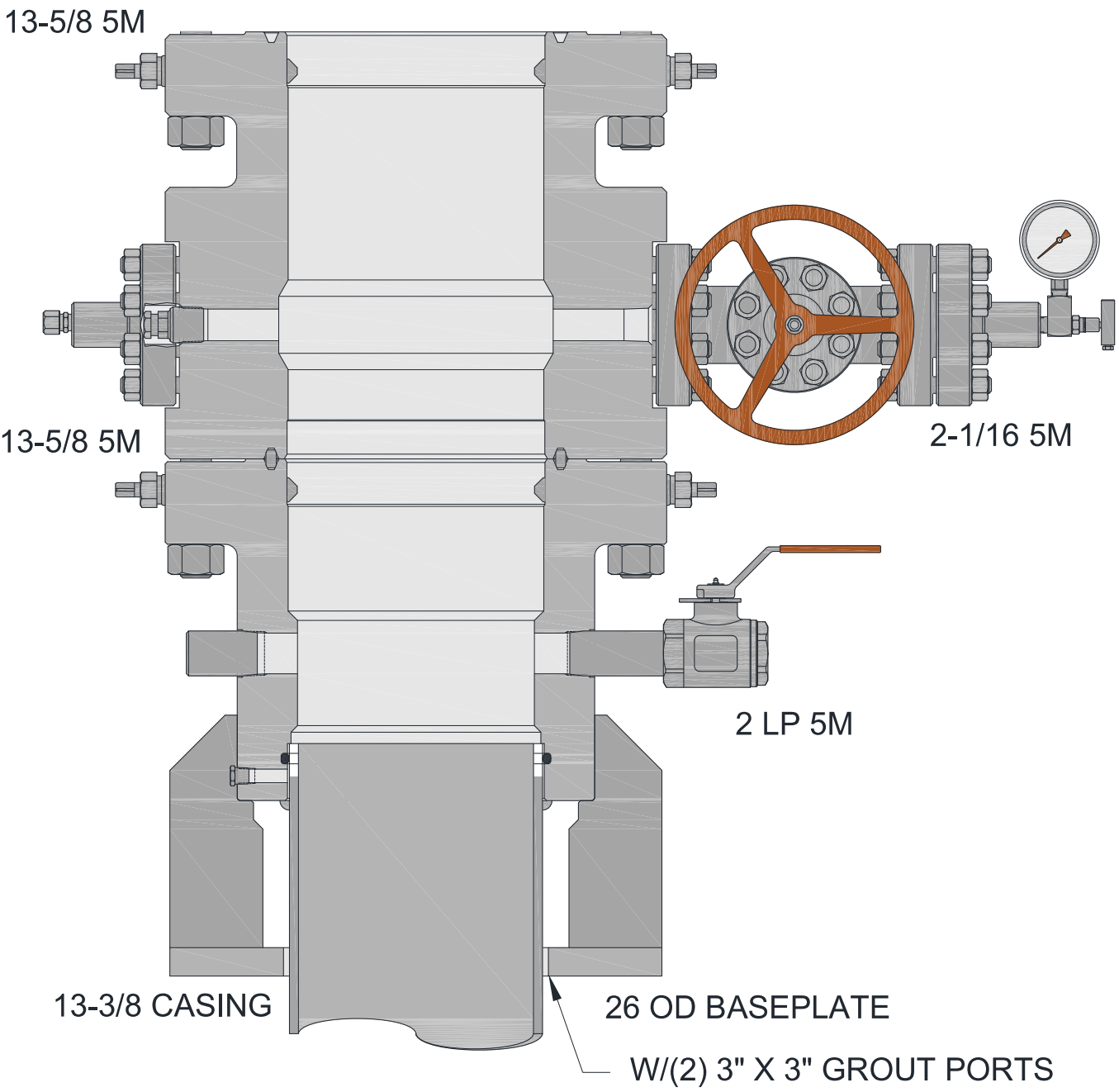
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**FIGURE 1 – LANDING MULTI-BOWL**

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### 3.0 TEST PLUG SECTION

#### 3.1 PREPARATION

- 3.1.1 Check and record BOP Test Plug Assembly part & serial numbers.
- 3.1.2 Inspect test plug's LP threads and Tool Joint threads for damage. Ensure O-rings & lift lugs are in good condition.

#### 3.2 RUNNING – TEST PLUG

- 3.2.1 Make up a joint of drill pipe to test plug. Ensure O-rings are in down position.

**NOTE: IF PUMPING THROUGH DRILL PIPE, MAKE SURE 1/2" LP PIPE PLUGS ARE REMOVED. IF PRESSURIZING THROUGH CHOKE OR KILL LINE, 1/2" LP PIPE PLUGS MUST BE INSTALLED AND DRILL PIPE MUST BE PROPERLY TORQUED TO TEST PLUG.**

- 3.2.2 Open casing head outlet valve to check for leakage during BOP test.
- 3.2.3 Lightly oil test plug's O-rings.
- 3.2.4 Lower test plug through BOP and riser stack, land on casing head load shoulder.
- 3.2.5 Test BOP stack per operator's requirements. Never exceed connection's max working pressure. Monitor any leakage through open outlet valve.

#### 3.3 RETRIEVING – TEST PLUG

- 3.3.1 After a successful test, release pressure and open BOP rams.
- 3.3.2 Drain fluid from BOP stack.
- 3.3.3 Pull and retrieve test plug slowly to avoid damage to seals.
- 3.3.4 Close casing head outlet valve.
- 3.3.5 Inspect test plug for damage. Replace O-rings if necessary. Clean, grease, store.



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## 4.0 WEAR BUSHING SECTION

### 4.1 PREPARATION

- 4.1.1 Check and record wear bushing and running tool part and serial numbers.
- 4.1.2 Inspect wear bushing for damage, ensuring bore, slots are clean and the bore is the correct ID.
- 4.1.3 Inspect running tool for damage, ensure threads and slots are clean.

### 4.2 RUNNING

- 4.2.1 Make up drill pipe to running tool. Ensure lift lugs are in the down position.
- 4.2.2 Lower running tool into wear bushing. Rotate 1/4 turn clockwise to lock position.
- 4.2.3 Slowly lower wear bushing through BOP stack and riser, land on casing head load shoulder.
- 4.2.4 Run in two Lockscrews, 180° apart, for retention.
- 4.2.5 Remove Running Tool from Wear Bushing by rotating drill pipe counter-clockwise 1/4 turn and slowly lifting it straight up.

**4.2.5.1 NOTE: WHILE RETRIEVING THE TOOL, MONITOR THE WEIGHT INDICATOR TO ENSURE THE TOOL IS PROPERLY DISENGAGED.**

- 4.2.6 Inspect the Running Tool for any visible damage.
- 4.2.7 Proceed with drilling for next casing size.

### 4.3 RETRIEVING – WEAR BUSHING

- 4.3.1 Make up drill pipe to Running Tool. Ensure lift lugs are in the down position.
- 4.3.2 Slowly lower Running Tool through BOP stack until it lands on Wear Bushing.
- 4.3.3 Slowly Rotate tool until it drop. This indicates the lift lugs have aligned with j-slots of the Wear Bushing.
- 4.3.4 Slack off all weight to make sure tool is down.
- 4.3.5 Rotate tool 1/4 turn clockwise to fully engage in Wear Bushing.
- 4.3.6 Retract the two engaged Lockscrews, 180° apart.
- 4.3.7 Inspect Running Tool and Wear Bushing for any damage. Clean, grease, & store.
- 4.3.8 Proceed to running next casing.



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## 5.0 LOWER CASING HANGER SECTION

### 5.1 PREPARATION

- 5.1.1 Inspect Mandrel Casing Hanger's casing thread and ACME running threads for damage. Ensure neck seal area is clean and in good condition.
- 5.1.2 Inspect the Running Tool's casing thread and running thread for any damage. Ensure bore and O-ring is clean and in good condition.
- 5.1.3 Verify Running Tool's .50" width OD groove is painted with fluorescent yellow.

### 5.2 INSTALLATION

- 5.2.1 Make up the Running Tool to the Hanger by rotating counter-clockwise 8 to 9 turns until it bottoms out on the Hanger.

**NOTE: DO NOT TORQUE TO HANGER.**

- 5.2.2 Pressure test the Running Tool's seal through the 1/8 LP test port for at least 15 minutes. Do not exceed 5,000psi test pressure.
- 5.2.3 After a successful test, release pressure.
- 5.2.4 Lower the Hanger onto the last joint of casing run. Make up the connection to the API threads recommended optimum torque.
- 5.2.5 Verify all lock-screws are fully retracted.
- 5.2.6 Slowly and carefully lower the Hanger through the BOP and land it in the Multi-bowl.
- 5.2.7 Slack off all weight on the casing.
- 5.2.8 Visually verify the yellow paint marking on the Running Tool is in the center of the upper-most outlet of the Multi-bowl indicating that the Hanger is properly landed.

**NOTE: ENSURE THAT THE WELL IS SAFE AND THERE IS NO PRESSURE BEFORE OPENING THE UPPERMOST OUTLET VALVE. CLOSE THE OUTLET AFTER VISUAL INSPECTION.**

- 5.2.9 Cement as required.
- 5.2.10 Back off Running Tool by rotating clockwise until thread jump can be felt.
- 5.2.11 Retrieve the landing joint and running tool to the rig floor.
- 5.2.12 Inspect the running tool for any damage. Clean, grease, and store.
- 5.2.13 Proceed to next operation.



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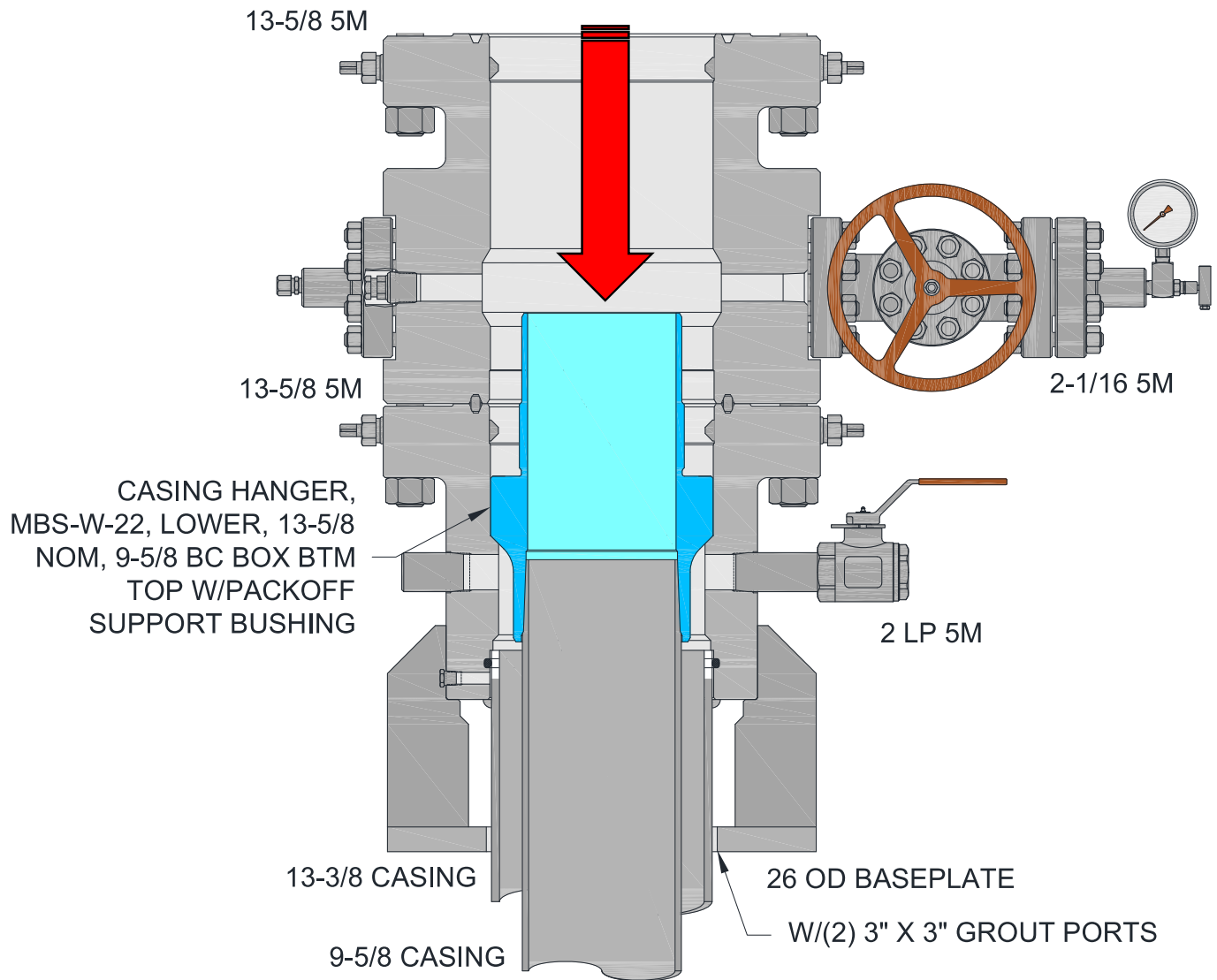
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**FIGURE 2 –CASING HANGER MANDREL**



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## 6.0 PACKOFF SUPPORT BUSHING SECTION

### 6.1 PREPARATION

- 6.1.1 Check and record Pack-off Support Bushing and Running Tool part and serial numbers.
- 6.1.2 Inspect the Pack-offs elastomeric seals, bore, and OD for any damage. Ensure that all are clean and in good condition.
- 6.1.3 Inspect the Running Tool's IF thread for any damage. Ensure all are clean and in good condition.
- 6.1.4 Wash out Multi-bowl and top of casing hanger landing flutes and open lower valves in lower head.

**NOTE: WASHING CAN BE DONE MANUALLY USING PRESSURIZED HOSE OR WITH A WASH TOOL.**

### 6.2 INSTALLATION

- 6.2.1 Make up a landing joint to the Running Tool. Ensure to power tight the landing joint to the Running tool per API thread's specification.
- 6.2.2 Lightly oil the Pack-offs elastomeric seals and running threads.
- 6.2.3 Lower Running Tool into Pack-off and rotate 1/4 turn clockwise to lock position.
- 6.2.4 Verify all Lock-screws are fully retracted.
- 6.2.5 Slowly and carefully lower the Pack-off through the BOP and land it on the Hanger inside the Multi-bowl.

**NOTE: HEAVY DRILL PIPE OR DRILL COLLAR MIGHT BE REQUIRED AS ADDITIONAL WEIGHT TO PULL DOWN THE PACK-OFF INTO ITS LANDING POSITION.**

- 6.2.6 Verify that the Pack-off has landed properly by making measurement on its setting depth.
- 6.2.7 Run Lock-screws in pairs, 180 degrees apart, at the lower Multi-bowl. Tighten gland nuts to 350 ft.-lbs and Lock-screws to 450 ft.-lbs.
- 6.2.8 Pull the Running Tool to 2,000 lbs to confirm that the Pack-off has been successfully locked down.
- 6.2.9 Slack off tension.



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- 6.2.10 Locate the two Flange Test Ports on the upper Multi-bowl and remove the test cap from each of the fittings.
- 6.2.11 Attach a bleeder tool to one of the fittings and open the tool.
- 6.2.12 Attach a hydraulic test pump to the other fitting and pump hydraulic fluid until a continuous stream flows from the bleeder tool. Close the bleeder tool.
- 6.2.13 Perform pressure test to 5,000 psi for at least 15 minutes.

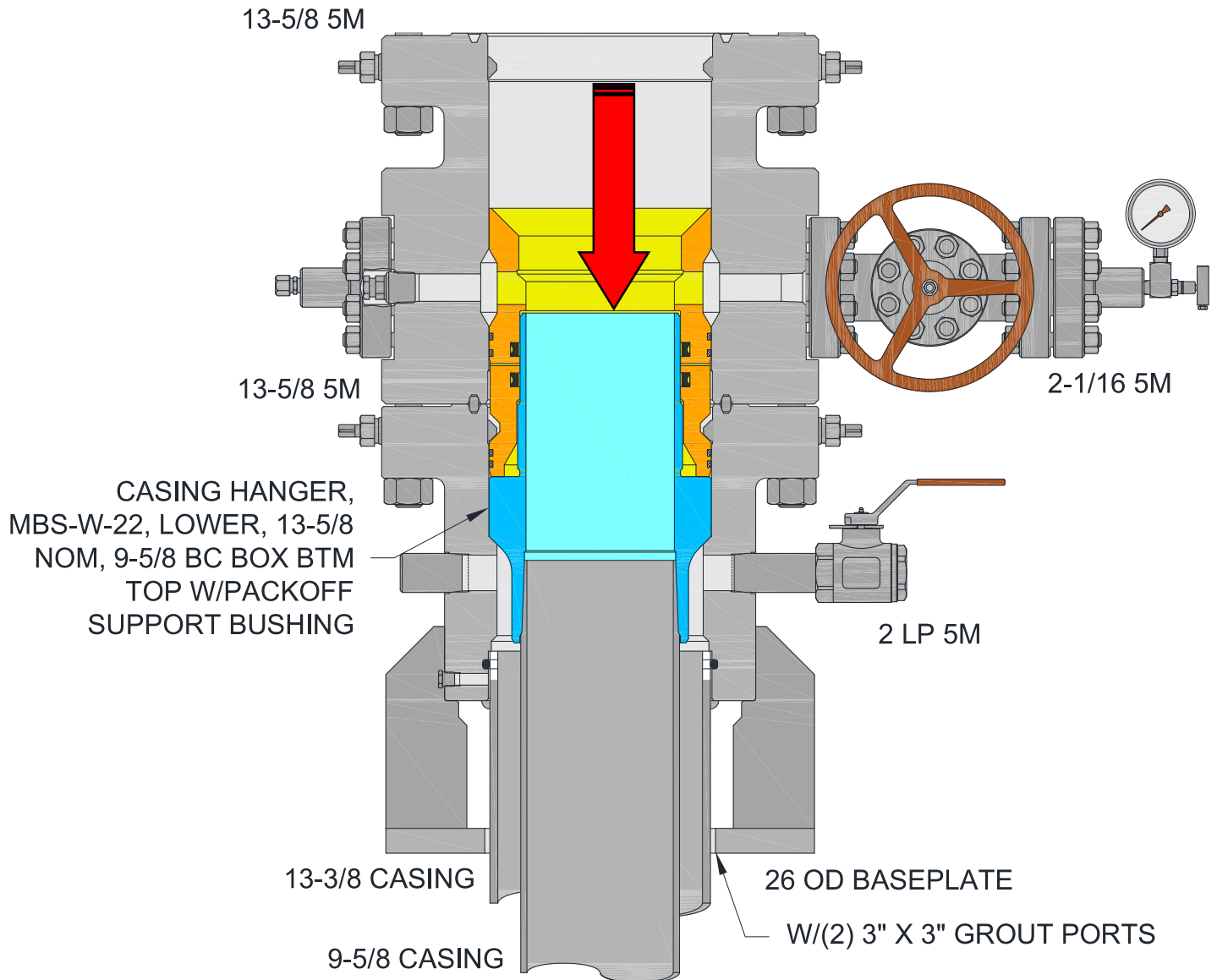
**NOTE: IN CASE OF TESTING AGAINST A CASING, DO NOT EXCEED 80% OF CASING COLLAPSE.**

- 6.2.14 After a successful test, release pressure. Replace test caps.
- 6.2.15 Remove the Running Tool from Pack-off by rotating the drill pipe counter-clockwise 1/4 turn and slowly lifting it straight up.

**NOTE: WHILE RETRIEVING THE TOOL, MONITOR THE WEIGHT INDICATOR TO ENSURE THE TOOL IS PROPERLY DISENGAGED.**

- 6.2.16 Retrieve the Running Tool to the rig floor.
- 6.2.17 Inspect the Running Tool for any damage. Clean, grease, and store.
- 6.2.18 Proceed to next operation.

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**FIGURE 3 – PACKOFF SUPPORT BUSHING**



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## 7.0 TEST PLUG FOR PACKOFF SECTION

### 7.1 PREPARATION

- 7.1.1 Check and record the BOP Test plug Assembly part number and serial number.
- 7.1.2 Inspect test plug's LP & tool joints threads for damage. Ensure O-ring & lift lugs are in good condition.

### 7.2 RUNNING

- 7.2.1 Make up a joint of drill pipe to test plug. Ensure O-ring is down and lift lugs are up.

**NOTE: IF IT IS INTENDED TO TEST BY PUMPING THROUGH DRILL PIPE, MAKE SURE THAT THE FOUR 1/2" LP PIPE PLUGS ARE REMOVED. HOWEVER, IF TEST IS TO BE DONE BY PRESSURIZING THROUGH THE CHOKE OR KILL LINE, THE FOUR 1/2" LP PIPE PLUGS SHOULD BE INSTALLED AND DRILL PIPE MUST BE PROPERLY TORQUED TO THE TEST PLUG.**

- 7.2.2 Verify lock-screws in the top flange are fully retracted.
- 7.2.3 Open Multi-bowl upper valve to check for leakage past test plug during BOP test.
- 7.2.4 Lightly oil test plug's O-ring.
- 7.2.5 Lower test plug through BOP stack until it lands on Pack-off Support Bushing.
- 7.2.6 Test BOP stack per operator's requirements. Never exceed connection's maximum working pressure. Monitor any leakage through open lower valve.

### 7.3 RETRIEVING

- 7.3.1 After a successful test, release pressure and open BOP rams.
- 7.3.2 Drain the fluid from BOP stack.
- 7.3.3 Pull and retrieve the test plug slowly to avoid damage.
- 7.3.4 Close the Multi-bowl upper outlet valve.
- 7.3.5 Inspect test plug for damage. Replace O-ring if necessary. Clean, grease, & store.



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## 8.0 C-22 HANGER SECTION

### 8.1 PREPARATION

- 8.1.1 Check and record Slip Casing Hanger Assembly Part serial numbers.
- 8.1.2 Inspect Slip Casing Hanger, Ensure all screws are in place & seals are in good condition.

### 8.2 INSTALLATION

- 8.2.1 Cement casing as required.
- 8.2.2 Drain multi-bowl
- 8.2.3 Separate Upper Multi-bowl from BOP.


**NOTE: ENSURE WELL IS SAFE AND THERE IS NO PRESSURE BEFORE BREAKING CONNECTION.**

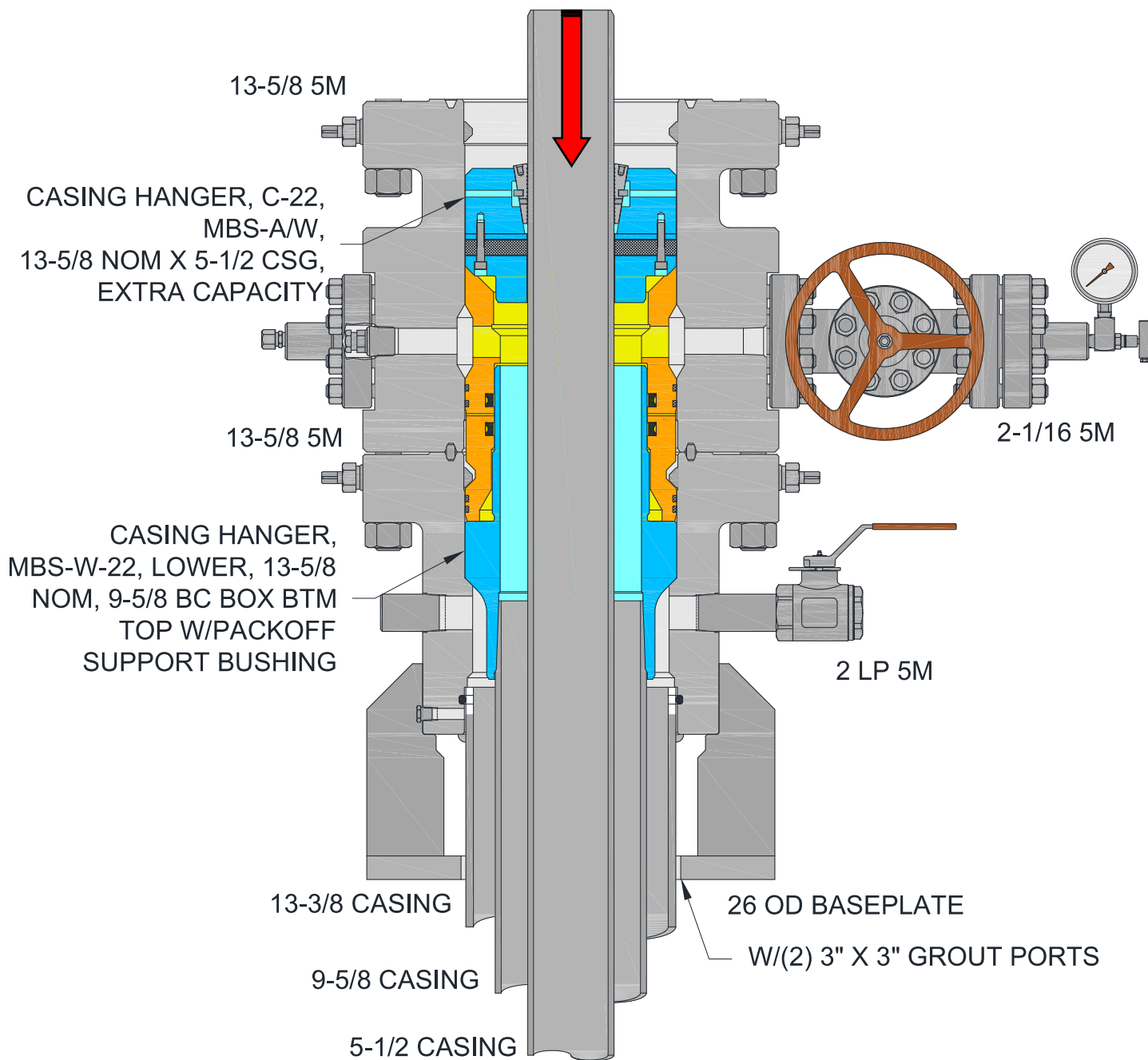
- 8.2.4 Lift BOP and suspend above Upper Multi-bowl high enough to install Hanger.
- 8.2.5 Washout as necessary.
- 8.2.6 Place two boards on Upper Multi-bowl top flange against casing.
- 8.2.7 Wrap Hanger around casing using boards as support.
- 8.2.8 Replace latch screw
- 8.2.9 Grease Hanger body and remove slip retaining screws.
- 8.2.10 Remove boards and lower Hanger into Multi-bowl.

**NOTE: ENSURE TO CENTER CASING AS MUCH AS POSSIBLE USING CAT-LINE.**

- 8.2.11 Ensure Hanger is properly seated by tapping down on slip bowl.
- 8.2.12 Engage slip segments evenly by hammering down on top of segments.
- 8.2.13 Pull tension on casing to desired weight then slack off tension to set load to energize packing.
- 8.2.14 Rough cut casing approximately 18" above casing spool top flange.
- 8.2.15 Clean ring groove and install ring gasket into top flange.
- 8.2.16 Final cut casing at 5-3/4" +/-1/8" above top flange and bevel cut stub to specifications.

**NOTE: ENSURE STUB IS PROPERLY BEVELED WITHOUT ANY ROUGH EDGES THAT COULD DAMAGE THE PACK-OFF SEALS, PICK-UP LANDING JOINT WITH PRE-INSTALLED MANDREL CASING HANGER RUNNING TOOL.**

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**FIGURE 4 – HANGER INSTALLED**



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## 9.0 TUBING HEAD SECTION

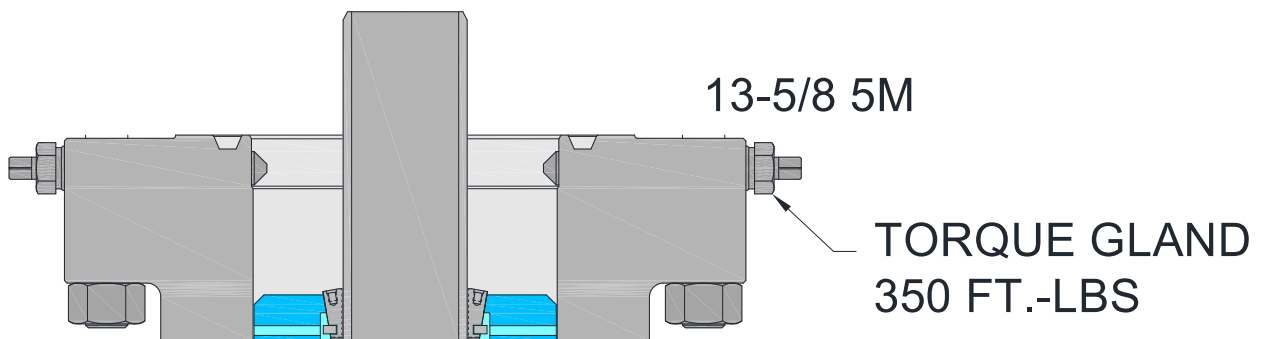
### 9.1 PREPARATION

- 9.1.1 Check & record tubing head assembly part & serial numbers.
- 9.1.2 Inspect tubing head's bowl & ring groove for burrs, damage and/or any defects. Ensure seal areas are in good condition and free from damage. If burrs exist, redress using emery cloth.
- 9.1.3 Ensure bore and FS seals are clean and in good condition.

### 9.2 INSTALLATION

- 9.2.1 Place ring gasket into casing spool ring groove.
- 9.2.2 Slowly and carefully lift and orient tubing head assembly over casing spool and casing hanger neck. Line up casing spool to bolt holes on casing head.
- 9.2.3 Lower tubing head and install onto casing spool. Nipple up tubing head to API recommended specifications.
- 9.2.4 Locate 1/2 LP flange test port on Tubing Head bottom flange remove fitting test cap.
- 9.2.5 Torque lock-screw glands to 350 ft.-lbs on the upper multi-bowl flange.

**See reference 1**



***REFERENCE – 1***



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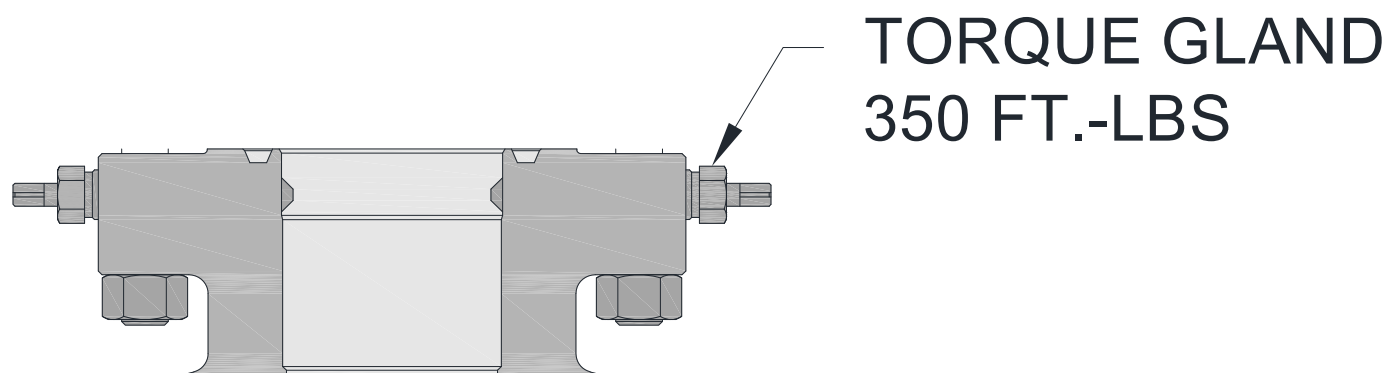
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- 9.2.6 Attach hydraulic test pump to fitting and pressure test flange to 5,000 psi or 80% of collapse of casing whichever is less, Perform test for at least 15 minutes.
- 9.2.7 After successful test, release pressure, detach test pump and reinstall cap.
- 9.2.8 Torque lock-screws glands to 350 ft.-lbs before nipple up of BOP's on 7-1/16" flange.  
See reference 2



### ***REFERENCE - 2***

- 9.2.9 Nipple up BOP to casing spool assembly.
- 9.2.10 Proceed to drilling and running next casing size.

**NOTE: SECONDARY SEAL WILL BE INSTALLED AND LANDED WITH TUBING HEAD.**



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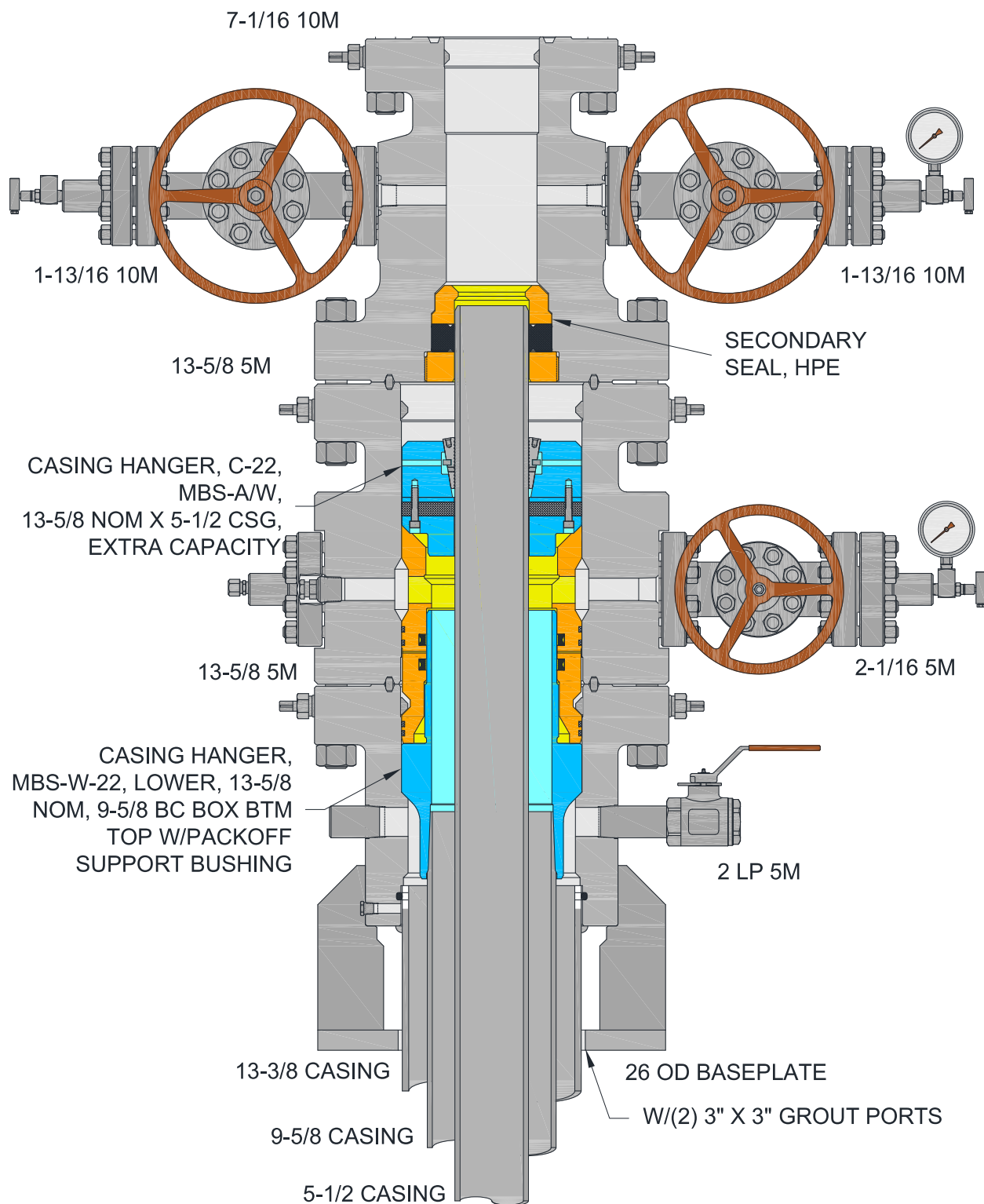
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**FIGURE 5 – TUBING HEAD SECTION**



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## 10.0 EMERGENCY CASING HANGER C-21 SECTION

### 10.1 PREPARATION

- 10.1.1 If casing becomes stuck, follow the steps outlined below.
- 10.1.2 With casing suspended break flange connection between casing spool & casing head, lift & secure the casing spool & BOP at a safe working distance above casing head.
- 10.1.3 Examine the C-21 casing hanger for damage.

### 10.2 INSTALLATION

- 10.2.1 Place two boards on casing to support the casing hanger.
- 10.2.2 Remove the latch screw to open the hanger.
- 10.2.3 Wrap hanger around the casing & replace the latch screw, remove slip retainer screws.
- 10.2.4 Prepare to lower the hanger.
- 10.2.5 Remove the boards & carefully lower the hanger. If necessary, use a cat line or tugger to centralize the casing.
- 10.2.6 When the hanger is landed on load shoulder pull tension on the casing to desired hanging weight & then slack off.
- 10.2.7 Nipple up casing spool & BOP to casing head.



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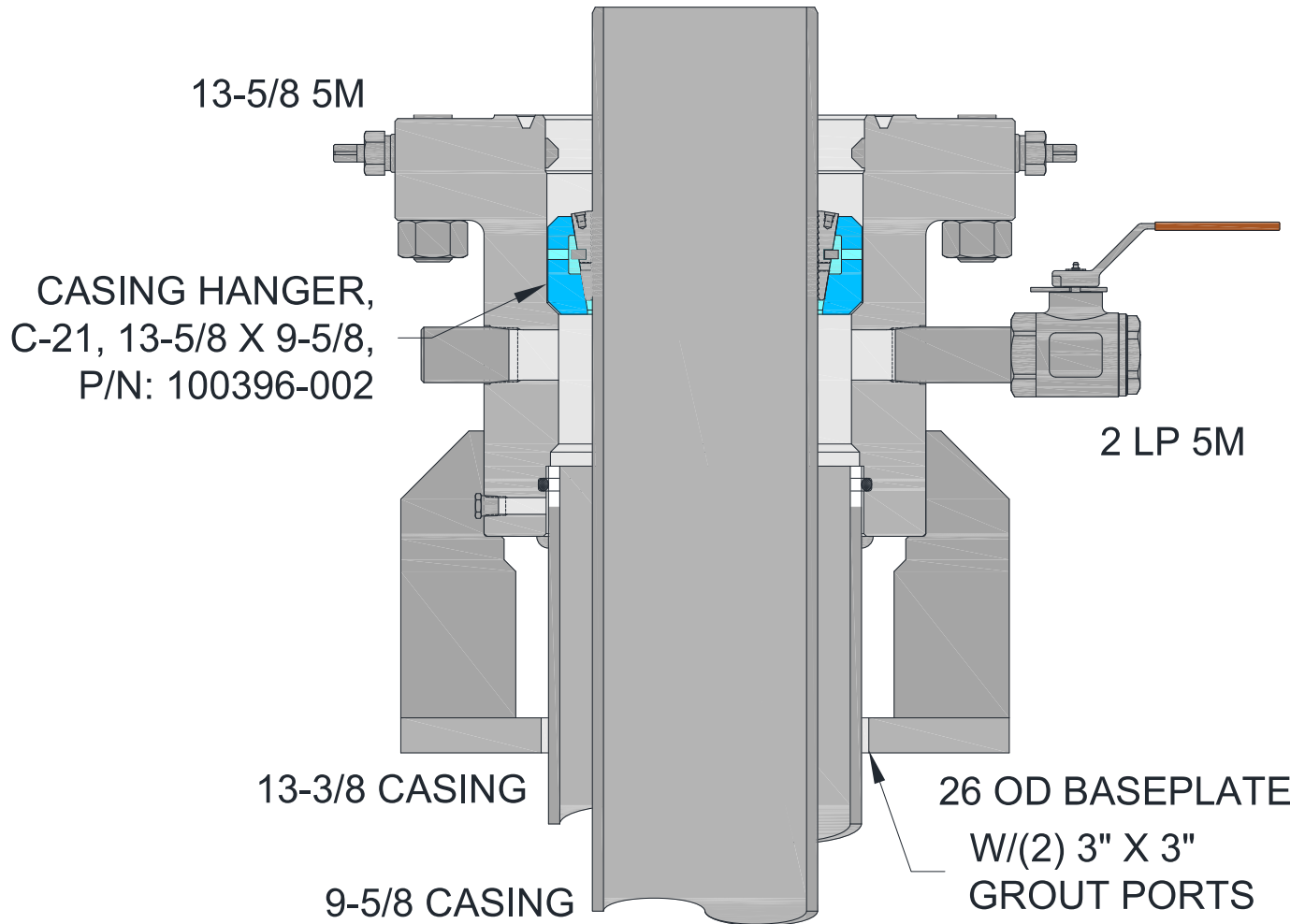
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**FIGURE 6 – EMERGENCY CASING HANGER**



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## **APPENDIX A: RECOMMENDED PROCEDURE FOR FIELD WELDING PIPE TO WELLHEAD PARTS FOR LOW PRESSURE SEAL**

The following procedure is a direct extraction (except for the numeric, footnote designators) from the 20<sup>th</sup> Edition of the API 6A. Editorial footnotes have been added to provide additional information that may be of benefit when developing procedures for specific field welding applications. The recommended procedure and footnotes are for general information purposes and it should be mentioned that Encore is not responsible for determining or administering any field welding practices. The organization performing the welding should qualify their welding procedure(s) and welder(s) in accordance with applicable codes and standards. The success of any field weld should be verified by subsequent hydrostatic test at the direction of the customer.

1. **Introduction and Scope** - The following recommended procedure has been prepared with particular regard to attaining pressure-tight welds when attaching casing heads, flanges, etc., to casing. Although most of the high strength casing used (such as P-110) is not normally considered field weldable, some success may be obtained by using the following or similar procedures.

**CAUTION: IN SOME WELLHEADS, THE SEAL WELD IS ALSO A STRUCTURAL WELD AND CAN BE SUBJECTED TO HIGH TENSILE STRESSES. CONSIDERATION MUST THEREFORE BE GIVEN BY COMPETENT AUTHORITY TO THE MECHANICAL PROPERTIES OF THE WELD AND ITS HEAT AFFECTED ZONE.**


2. The steels used in wellhead parts and in casing are high strength steels that are susceptible to cracking when welded. It is imperative that the finished weld and adjacent metal be free from cracks. The heat from welding also affects the mechanical properties. This is especially serious if the weld is subjected to service tension stresses.
3. This procedure is offered only as a recommendation. The responsibility for welding lies with the user and results are largely governed by the welder's skill. Weld-ability of these several makes and grades of casing varies widely, thus placing added responsibility on the welder. Transporting a qualified welder to the job, rather than using a less-skilled man who may be at hand, will, in most cases, prove economically. The responsible operating representative should ascertain the welder's qualifications and if necessary, assure himself by instruction or demonstration, that the welder is able to perform the work satisfactorily.

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4. **Welding Conditions** - Unfavorable welding conditions must be avoided or minimized in every way possible, as even the most skilled welder cannot successfully weld steels that are susceptible to cracking under adverse working conditions, or when the work is rushed. Work above the welder on the drilling floor should be avoided. The weld should be protected from dripping mud, water, and oil and from wind, rain, or other adverse weather conditions. The drilling mud, water, or other fluids must be lowered in the casing and kept at a low level until the weld has properly cooled. It is the responsibility of the user to provide supervision that will assure favorable working conditions, adequate time, and the necessary cooperation of the rig personnel.
  
5. **Welding** - The welding should be done by the shielded metal-arc or other approved process.
  
6. **Filler Metal** - After the root pass, low hydrogen electrodes or filler wires of a yield strength equal to the casing yield strength should be used. The low hydrogen electrodes include classes EXX15, EXX16, EX18, and EXX28 of AWS A5.1 (latest edition): *Mild Steel Covered Arc-Welding Electrodes\** and AWS A5.5 (latest edition): *Low Alloy Steel Covered Arc-Welding Electrodes\**. Low hydrogen electrodes should not be exposed to the atmosphere until ready for use. Electrodes exposed to atmosphere should be dried 1 to 2 hours at 500 to 600°F (260 to 316°C) just before use.  
 \*Available from the American Society for Testing and Materials, 1916 Race Street, Philadelphia, PA 19103.
  
7. **Preparation of Base Metal** - The area to be welded should be dry and free of any paint, grease, scale, rust, or dirt.
  
8. **Preheating** - Both the casing and the wellhead member should be preheated to 250-400°F (121 to 204°C) for a distance of at least 3 inches (76.2mm) on either side of the weld location, using a suitable preheating torch. Before applying preheat, the fluid should be bailed out of the casing to a point several inches (mm) below the weld location. The preheat temperature should be checked by the use of heat sensitive crayons. Special attention must be given to preheating the thick sections of wellhead parts to be welded, to insure uniform heating and expansion with respect to the relatively thin casing.

**NOTE: PREHEATING MAY HAVE TO BE MODIFIED BECAUSE OF THE EFFECT OF TEMPERATURE ON ADJACENT PACKING ELEMENTS WHICH MAY BE DAMAGED BY EXPOSURE TO TEMPERATURES 200°F (93°C) AND HIGHER. TEMPERATURE LIMITATIONS OF THE PACKING MATERIALS SHOULD BE DETERMINED BEFORE THE APPLICATION OF PREHEAT.**

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|   | LAP           |              |       | 4070  |               |
|   | Date: 4/22/21 | Date:        | Date: |       |               |

9. **Welding Technique** - Use a 1/8" or 5/32" (3.2 or 4.0mm) E6010 electrodes and step weld the first beat (root pass); that is, weld approximately 2 to 4 inches (50 to 100mm) and then move diametrically opposite this point and weld 2 to 4 inches (50 to 100mm). Then weld 2 to 4 inches (50 to 100mm) halfway between the first two welds, more diametrically opposite this weld, and so on until the first pass is completed. The second pass should be made with 5/32" (4.0mm) low hydrogen electrode of the proper strength and may be continuous. The balance of the welding groove may then be filled with continuous passes without back stepping or lacing, using a 3/16" (4.8mm) low hydrogen electrode. All beads should be stringer beads with good penetration, and each bead after the root pass should be thoroughly peened before applying the next bead. There should be no undercutting and welds shall be workmanlike in appearance.
- Test ports should be open when welding is performed to prevent pressure build-up within the test cavity.
  - During welding temperature of base metal on either side of weld should be maintained at 250°F (121°C) minimum.
  - Care should be taken to insure that the welding cable is properly grounded to the casing, but ground wire should not be welded to the casing or the wellhead. Ground wire should be firmly clamped to the casing, the wellhead, or fixed in position between pipe slips. Bad contact may cause sparking, with resultant hard spots beneath which incipient cracks may develop; the welding cable should not be grounded to the steel derrick, nor to the rotary-table base.
10. **Cleaning** - All slag or flux remaining on any welding bead should be removed before laying the next bead. This also applies to the completed weld.
11. **Defects** - Any cracks or blow holes that appear on any bead should be removed to sound metal by chipping or grinding before depositing the next bead.
12. **Post heating** - For the removal of all brittle areas on high strength steel casing, a post heat temperature of 1050-1100°F (566 to 593°C) is desirable. It is recognized, however, that this temperature is difficult or impossible to obtain in the field, and that the mechanical properties of the wellhead parts and the pipe may be considerably reduced by these temperatures. As a practical matter, the temperature range of 500-900°F (260-482°C) has been used with satisfactory results.
13. **Cooling** - Rapid cooling must be avoided. To assure slow cooling, welds should be protected from extreme weather conditions (cold, rain, high winds, etc.). By the use of a blanket made from suitable insulating material. Particular attention should be given to maintaining uniform cooling of the thick sections of the wellhead parts and the relatively thin casing will pull away from the head or hanger if allowed to cool more rapidly. The welds should cool in air to 250°F (121°C) (measured with a heat sensitive crayon) prior to permitting the mud to rise in the casing.

|   |               |              |       |       |               |
|---|---------------|--------------|-------|-------|---------------|
|  | Prepared By:  | Reviewed By: | Rev:  | EQ #: | Page 23 of 23 |
|   | LAP           |              |       | 4070  |               |
|   | Date: 4/22/21 | Date:        | Date: |       |               |

**Drilling Program****Colgate Energy**

Bondi 24 Fed Com 122H

1,974' FNL &amp; 645' FEL (SHL)

Sec 24-T20S-R28E

Eddy County, New Mexico

**The estimated tops of geologic formations are as follows:**

| <b>Formation:</b>       | <b>TVD</b> | <b>Subsea</b> |
|-------------------------|------------|---------------|
| Rustler                 | 107        | 3180          |
| Top of Salt             | 387        | 2900          |
| Base of Salt            | 757        | 2530          |
| Yates                   | 969        | 2318          |
| Capitan                 | 1437       | 1850          |
| Delaware Mountain Group | 3102       | 185           |
| Lower Brushy Canyon*    | 5117       | -1830         |
| Bone Spring Lime        | 5562       | -2275         |
| 1st Bone Spring Sand*   | 6727       | -3440         |
| 2nd Bone Spring Sand*   | 7347       | -4060         |
| 3rd Bone Spring Sand*   | 8697       | -5410         |
| Wolfcamp A*             | 9117       | -5830         |

**Formations anticipated to contain fresh water, oil or gas are as follows:**

|              |   |
|--------------|---|
| Water        | Fresh water is anticipated at 65' and will be protected by setting a water protection string at 340' and cementing to surface.                            |
| Water        | The Capitan Reef is anticipated to contain usable water and will be protected by setting an intermediate casing string at 3028' and cementing to surface. |
| Hydrocarbons | Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.  |

**Proposed casing program is as follows:**

| <b><u>Name</u></b> | <b><u>Hole Size</u></b> | <b><u>Casing Size</u></b> | <b><u>Weight &amp; Grade</u></b> | <b><u>Thread Collar</u></b> | <b><u>Top Csg</u></b> | <b><u>Setting Depth</u></b> | <b><u>Collapse</u></b> | <b><u>Burst</u></b> | <b><u>Tension</u></b> |
|--------------------|-------------------------|---------------------------|----------------------------------|-----------------------------|-----------------------|-----------------------------|------------------------|---------------------|-----------------------|
| Surface            | 22-3/8                  | 18.625                    | 87.5# J-55 (new)                 | BTC                         | 0                     | 340'                        | 1.125                  | 1.2                 | 1.6                   |
| Intermediate I     | 17 1/2                  | 13 3/8                    | 54.5# J-55 (new)                 | BTC                         | 0                     | 800'                        | 1.125                  | 1.2                 | 1.6                   |
| Intermediate II    | 12 1/4                  | 9 5/8                     | 36# J-55 (new)                   | BTC                         | 0                     | 3,027'                      | 1.125                  | 1.2                 | 1.6                   |
| Production         | 7 7/8                   | 5 1/2                     | 17# HPP-110 (new)                | CDC HTQ                     | 0                     | 18,108'                     | 1.125                  | 1.2                 | 1.6                   |

SF Values will meet or exceed

**Proposed cementing program is as follows:**

| <b><u>Name</u></b> | <b><u>Slurry</u></b> | <b><u>Sacks</u></b> | <b><u>Yield</u></b> | <b><u>Weight</u></b> | <b><u>Excess</u></b> | <b><u>Top Cement</u></b> | <b><u>Blend</u></b>   |
|--------------------|----------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|---|
| Surface            | Tail                 | 389                 | 1.34                | 14.8                 | 100%                 | 0'                       | Class C w/ accelerator                                      |
| Intermediate I     | Lead                 | 275                 | 2.08                | 12.7                 | 50%                  | 0'                       | Class C w/ salt, extender and LCM additives                 |
|                    | Tail                 | 105                 | 1.34                | 14.8                 | 25%                  | 640'                     | Class C w/ accelerator                                      |
| Intermediate II    | Lead                 | 733                 | 2.07                | 12.7                 | 100%                 | 0'                       | Class C w/ accelerator, extender and LCM additives          |
|                    | Tail                 | 178                 | 1.34                | 14.8                 | 25%                  | 2,422'                   | Class C w/ accelerator                                      |
| Production         | Lead                 | 635                 | 2.41                | 11.5                 | 25%                  | 2,050'                   | Class H w/ POZ, extender, fluid loss, dispersant & retarder |
|                    | Tail                 | 1420                | 1.73                | 12.5                 | 25%                  | 6,960'                   | Class H w/ POZ, extender, fluid loss, dispersant & retarder |

**Proposed casing and cementing accessories are as follows:** (Casing will be centralized per Onshore Order 2.III.B.1.f)

|                  |  |
|------------------|--|
| Surface:         | 1 centralizer 5' above shoe held in place with stop ring; 1 centralizer per joint for following 2 joints then every other joint to surface |
| Intermediate I:  | 2 centralizers on 1st joint, 1 centralizer on 2nd joint, 1 centralizer every 4th joint to surface  |
| Intermediate II: | 2 centralizers on 1st joint, 1 centralizer on 2nd joint, 1 centralizer every 4th joint to surface  |
| Production:      | 2 centralizers on bottom joint, 1 centralizer on 2nd joint, 1 centralizer every 3rd joint to 2528'   |

**Proposed pressure control equipment is as follows (see schematics below):**

Well control equipment with working pressure ratings in excess of anticipated maximum surface pressure will be utilized for well control from drill out of surface casing to TMD. A diverter system will be installed on 18-5/8" casing once set & cemented. A 13-5/8" multi-bowl wellhead will be SOW installed to 13-3/8" casing once set & cemented. A 13-5/8" 10M BOP will be nipped up to the 13-5/8" multi-bowl wellhead through the completion of the drilling operation. A rotating head will also be installed and utilized as needed. All BOPE connections shall be flanged, welded or clamped. All choke lines shall be straight unless targeted with running tees or tee blocks are used, and choke lines shall be anchored to prevent whip and reduce vibrations. All valves in the choke line & the choke manifold shall be full opening as to not cause restrictions and to allow for straight fluid paths to minimize potential erosion. All gauges utilized in the well control system shall be of a type designed for drilling fluid service. A top drive inside BOP valve will be utilized at all times. Subs equipped with full opening valves sized to fit the drill pipe and collars will be available on the rig floor in the open position. The key to operate said valve equipped subs will be on the rig floor at all times. The accumulator system will have sufficient capacity to open the HCR and close all three sets of rams plus the annular preventer while retaining at least 300 psi above precharge on the closing manifold (accumulator system shall be capable of doing so without using the closing unit pumps). The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity, and the fluid level will be maintained at the manufacturer's recommended level. Prior to connecting the closing unit to the BOP stack, an accumulator precharge pressure test shall be performed to ensure the precharge pressure is within 100 psi of the desired precharge pressure (only nitrogen gas will be used to precharge). Two independent power sources will be made available at all times to power the closing unit pumps so that the pumps can automatically start when the closing valve manifold pressure has decreased to the pre-set level. Closing unit pumps will be sized to allow opening of HCR and closing of annular preventer on 5" drill pipe achieving at least 200 psi above precharge pressure with the accumulator system isolated from service in less than two minutes. A valve shall be installed in the closing line as close to the annular preventer as possible to act as a locking device; the valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative. Remote controls capable of opening and closing all preventers & the HCR shall be readily accessible to the driller; master controls with the same capability will be operable at the accumulator. The wellhead will be a multi-bowl speed head allowing for hang-off of intermediate I casing & isolation of the 13-3/8" x 9-5/8" annulus without breaking the connection between the BOP & wellhead to install an additional casing head. A wear bushing will be installed & inspected frequently to guard against internal wear to wellhead. VBRs (variable-bore rams) will be run in upper ram-body of BOP stack to provide redundancy to annular preventer while RIH w/ production casing;

**A request for variance of pressure control equipment as follows:**

1. Colgate Energy requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used.
2. Colgate Energy requests a variance to Onshore Order #2's requirement that a 2M system with annular preventer be installed prior to drilling of the surface casing shoe due to the shallow setting depth of the surface casing. The diverter system adequately meets the requirements for the preferred method for handling a well control event in a situation where the existing casing shoe is not adequate for a hard shut-in due to the likelihood of an underground blowout with the potential to breach surface.

**BOPE will be tested per the following procedure:**

Once surface casing is set and diverter system installed on 18-5/8" casing, pressure tests will be performed by a third party tester to 500 psi. After intermediate I casing is set and the BOPE installed, pressure tests of BOPE will be performed by a third party tester utilizing water and a test plug to 250 psi low and 5,000 psi high. To deem a pressure test successful, pressure must be maintained for ten minutes without any bleed-off. A valve on the wellhead below seat of test plug will be open at all time during BOPE tests to guard against damage to casing. The BOPE will be re-tested in this manner after any connection breaks or passage of allotted time (25 days). Any BOPE which fails to pass pressure tests after initial install will be replaced prior to drilling out of intermediate I casing shoe. If at any time a BOPE component cannot function to secure the hole, the hole shall be secured utilizing a retrievable packer, and the non-functioning BOPE component shall be repair or replaced. After repair or replacement, a pressure test of the repaired or replaced component and any connections broken to repair or replace the non-functioning component will be tested in the same manner as described for initial install of BOPE. The annular preventer will be function tested at least weekly, and the ram-type preventers will be function tested on each trip. BOPE pit level drills will be conducted weekly with each drilling crews. All pressure tests performed on BOPE and BOPE pit level drills will be logged in the drilling log. Isolation of 13-3/8" x 9-5/8" casing annulus shall be confirmed by pressure testing of wellhead sealing component after said sealing component is installed.

**Each casing string will be tested once installed in the wellbore per the following procedure:**

After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 18-5/8" surface casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. The casing pressure test will be completed against the cement head. After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 13-3/8" intermediate I casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. The casing pressure test will be completed against the blind rams of 13-5/8" 10M BOPE prior to PU tools to drill out. After cement has been allowed to sit undisturbed for eight hours and has reached a compressive strength of 500 psi, the 9-5/8" intermediate II casing will be pressured to 1,500 psi and held for 30 minutes. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. Casing pressure test will be completed against the lower pipe rams of 13-5/8" 10M BOPE immediately prior to drilling out float equipment. Casing pressure test on 5-1/2" production casing will occur more than 72 hours after cement is placed and reached ultimate compressive strength. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. A casing test will be deemed successful if test pressure does not decline more than 10% over the thirty minute period. Casing will be tested by pressuring up to 8,750 psi and holding pressure for 30 minutes prior to the beginning of perforating & stimulating operations.

**Each casing string will be cemented per the following cementing procedure:**

Cement will be placed on all casing strings utilizing the pump and plug method. A float will be installed in the casing shoe and float collar on all casing strings to hold cement in place once pumping is completed. A top plug will be utilized on all casing strings to prevent contamination of the cement by the displacement fluid. A preflush fluid will be pumped prior to cement to aid in removal of drilling mud from the wellbore, eliminate drilling mud contamination of the cement slurry and prepare the surface of both the wellbore and casing for cement.

**Proposed mud system is as follows:**

| <u>Name</u>     | <u>Hole Size</u> | <u>Mud Weight</u> | <u>Viscosity</u> | <u>Fluid Loss</u> | <u>Type Mud</u> |
|-----------------|------------------|-------------------|------------------|-------------------|-----------------|
| Surface         | 24"              | 8.6 - 9.0         | 28 - 34          | NC                | FW Spud Mud     |
| Intermediate I  | 17-1/2"          | 10.0 - 10.2       | 30 - 32          | NC                | Brine Water     |
| Intermediate II | 12-1/4"          | 8.4 - 8.9         | 28 - 30          | NC                | Fresh Water     |
| Production      | 8-3/4"           | 9.5 - 10.5        | (PV) 20 - 26 cP  | 8 - 12 cc         | Oil Based Mud   |

All necessary mud products for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions. The mud monitoring system is an electronic Pason system satisfying requirements of Onshore Order #1. Both visual and electronic mud monitoring equipment will be utilized to detect volume changes indicating loss or gain of circulating system fluid volume. Slow pump rates will be taken & recorded hourly in the drilling log. Mud engineer will perform tests and provide written report at least every 12 hours while circulating. A trip tank will be utilized and trip sheet will be recorded to ensure wellbore is taking proper fill or displacing proper fluid volume during all tripping operations. Gas detecting equipment will be utilized to monitor for hydrocarbon gas at the shakers while drilling and/or circulating. H<sub>2</sub>S monitoring equipment with both visual & auditory alarms will be installed and operational at the shakers, rig floor and cellar while drilling and/or circulating. A flare system with an effective method for ignition & discharge more than 100 feet from the wellbore will be utilized to gather and burn all gas; lines will be straight unless targeted with running tees. A mud gas separator will be installed and operable prior to drill out of surface casing.

**Proposed testing, surveying, logging and coring program is as follows:**

No open-hole logs are planned at this time. Directional surveys will be collected at no greater than 200' intervals while drilling through the MWD tools. A GR log will be collected while drilling through the MWD tools from intermediate casing to TD. No DSTs or cores are planned at this time. No temperature logs planned at this time. CBL will be run to confirm TOC on production casing after rig is removed from location. A formation integrity test (FIT) will be performed on 9-5/8" casing string after BOPE is installed to at least 1 ppg over planned section mud weight after drilling ten feet of new hole.

**Anticipated potential hazards are as follows:**

No abnormal pressures or temperatures are expected. In accordance with Onshore Order No. 6, Colgate Energy does not anticipate that there will be enough H<sub>2</sub>S from the surface to the Wolfcamp formations to meet the BLM's minimum requirements for the submission of an "H<sub>2</sub>S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H<sub>2</sub>S safety package on all wells, attached is an "H<sub>2</sub>S Drilling Operations Plan". Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP: 8.9 lbs/gal gradient or less

Estimated BHT: 135° F

**Aerate drilling well control plan is as follows:**

Should a formation influx occur while aerate drilling, Colgate Energy's protocol will be to immediately remove the air supply from the stand pipe using the air manifold at the rig floor. This would allow the mud pumps to quickly fill the annulus of the wellbore with non-aerated drilling mud in order to significantly increase the hydrostatic barrier between the formation of influx and surface. In the event an additional influx is observed once a full hydrostatic column of drilling mud is in place, all well control practices and procedures will be identical to mud drilling, well control protocols. During BOP drills performed weekly with each rig crew, emphasis will be placed on well control situations occurring while aerate drilling (specifically identifying the steps at the air manifold required to remove the air injection from the standpipe to allow the mud pumps to fill the wellbore with non-aerated drilling mud in order to regain a full hydrostatic column).

**Planned commencement of operations is as follows:**

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 30 days. If production casing is run an additional 60 days will be required to complete and construct surface facilities.

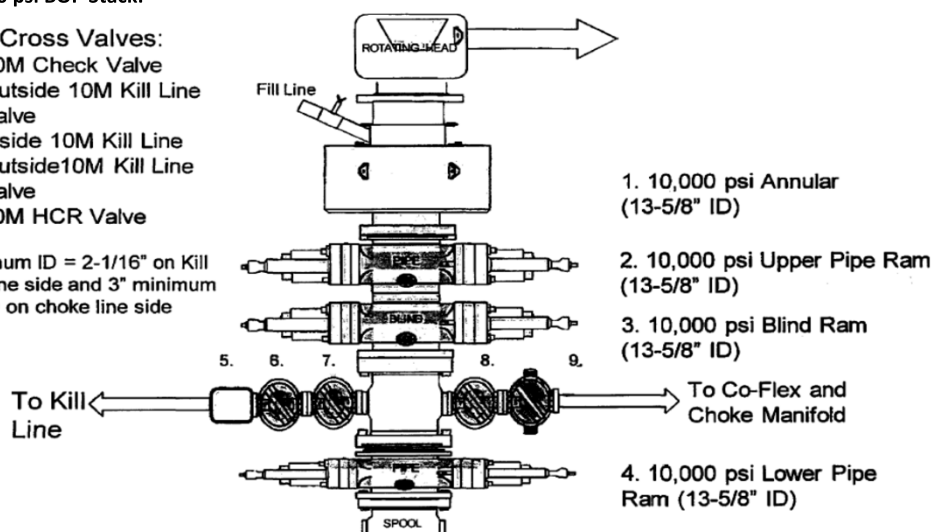


10,000 psi BOP Stack:

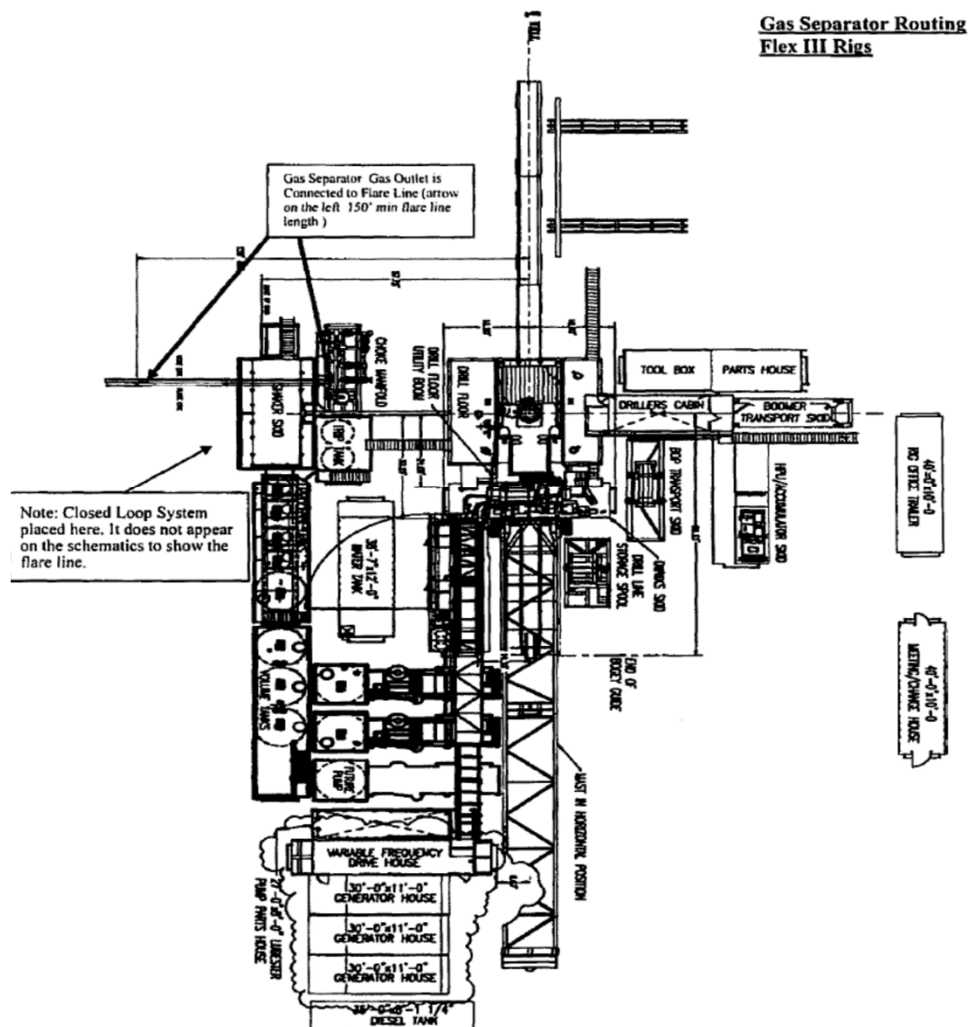
**Mud Cross Valves:**

5. 10M Check Valve
6. Outside 10M Kill Line Valve
7. Inside 10M Kill Line Valve
8. Outside 10M Kill Line Valve
9. 10M HCR Valve

\*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side



Closed Loop System Layout:



Technical drawing of a wellhead assembly, showing a cross-section view. The drawing includes dimensions and labels for various components.

**Dimensions:**

- Overall height: 25.0"
- Height from top to the first casing hanger: 22.5"
- Height from the first casing hanger to the baseplate: 31.8"

**Labels and Components:**

- 7-1/16 10M
- 1-13/16 10M
- 13-5/8 5M
- 5-1/2 DBL FS SEALS
- CASING HANGER, C-22-TV, MBS-A/W, 13-5/8 NOM X 5-1/2 CSG, EXTRA CAPACITY
- 13-5/8 5M
- CASING HANGER, MBS-W-EWS-22 LOWER, FLT'D, 13-5/8 NOM, 9-5/8 BC BOX BTM X 10.000 4TPI STUB ACME-2G-LH PIN TOP, W/ PACKOFF SUPPORT
- 2-1/16 5M
- 2 LP 5M
- 13-3/8 CASING
- 9-5/8 CASING
- 5-1/2 CASING
- 26 OD BASEPLATE W/(2) GROUT PORTS 3" X 3"

Rotating Control Device (1,500 psi Static/1,000 psi Dynamic)

2M Flowline Isolation Valve w/ 6" Bore

6" Flowline to Pit

21-1/4" 2M Flanged Connection

20" Riser

21-1/4" 2M Flanged Connection

18-5/8" Surface Casing

30" Conductor Casing



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

## PWD Data Report

11/17/2023

**APD ID:** 10400083136

**Submission Date:** 02/27/2022

**Operator Name:** COLGATE OPERATING LLC

**Well Name:** BONDI 24 FED COM

**Well Number:** 122H

**Well Type:** OIL WELL

**Well Work Type:** Drill

### Section 1 - General

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

### Section 2 - Lined

Would you like to utilize Lined Pit PWD options? N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Lined pit PWD on or off channel:**

**Lined pit PWD discharge volume (bbl/day):**

**Lined pit**

**Pit liner description:**

**Pit liner manufacturers**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal**

**Lined pit precipitated solids disposal schedule:**

**Lined pit precipitated solids disposal schedule**

**Lined pit reclamation description:**

**Lined pit reclamation**

**Leak detection system description:**

**Leak detection system**



**Operator Name:** COLGATE OPERATING LLC

**Well Name:** BONDI 24 FED COM

**Well Number:** 122H

**Lined pit Monitor description:**

**Lined pit Monitor**

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

**Is the reclamation bond a rider under the BLM bond?**

**Lined pit bond number:**

**Lined pit bond amount:**

**Additional bond information**

### Section 3 - Unlined

**Would you like to utilize Unlined Pit PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD disturbance (acres):**

**PWD surface owner:**

**Unlined pit PWD on or off channel:**

**Unlined pit PWD discharge volume (bbl/day):**

**Unlined pit**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal**

**Unlined pit precipitated solids disposal schedule:**

**Unlined pit precipitated solids disposal schedule**

**Unlined pit reclamation description:**

**Unlined pit reclamation**

**Unlined pit Monitor description:**

**Unlined pit Monitor**

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

**Beneficial use user**

**Estimated depth of the shallowest aquifer (feet):**

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

**TDS lab results:**

**Geologic and hydrologic**

**State**

**Unlined Produced Water Pit Estimated**

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

**Operator Name:** COLGATE OPERATING LLC**Well Name:** BONDI 24 FED COM**Well Number:** 122H**Is the reclamation bond a rider under the BLM bond?****Unlined pit bond number:****Unlined pit bond amount:****Additional bond information****Section 4 -****Would you like to utilize Injection PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Injection PWD discharge volume (bbl/day):****Injection well mineral owner:****Injection well type:****Injection well number:****Injection well name:****Assigned injection well API number?****Injection well API number:****Injection well new surface disturbance (acres):****Minerals protection information:****Mineral protection****Underground Injection Control (UIC) Permit?****UIC Permit****Section 5 - Surface****Would you like to utilize Surface Discharge PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Surface discharge PWD discharge volume (bbl/day):****Surface Discharge NPDES Permit?****Surface Discharge NPDES Permit attachment:****Surface Discharge site facilities information:****Surface discharge site facilities map:****Section 6 -****Would you like to utilize Other PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Other PWD discharge volume (bbl/day):**

**Operator Name:** COLGATE OPERATING LLC

**Well Name:** BONDI 24 FED COM

**Well Number:** 122H

**Other PWD type description:**

**Other PWD type**

**Have other regulatory requirements been met?**

**Other regulatory requirements**



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

## Bond Info Data

11/17/2023

**APD ID:** 10400083136

**Submission Date:** 02/27/2022

Highlighted data  
reflects the most  
recent changes  
[Show Final Text](#)

**Operator Name:** COLGATE OPERATING LLC

**Well Name:** BONDI 24 FED COM

**Well Number:** 122H

**Well Type:** OIL WELL

**Well Work Type:** Drill

### Bond

**Federal/Indian APD:** FED

**BLM Bond number:**

**BIA Bond number:**

**Do you have a reclamation bond?** NO

**Is the reclamation bond a rider under the BLM bond?**

**Is the reclamation bond BLM or Forest Service?**

**BLM reclamation bond number:**

**Forest Service reclamation bond number:**

**Forest Service reclamation bond**

**Reclamation bond number:**

**Reclamation bond amount:**

**Reclamation bond rider amount:**

**Additional reclamation bond information**

**State of New Mexico**  
**Energy, Minerals and Natural Resources Department**

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

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description Effective May 25, 2021

**I. Operator:** Permian Resources Operating, LLC      **OGRID:** 372165      **Date:** 8/1/2023

**II. Type:** ☒ Original   ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.  
 If Other, please describe: \_\_\_\_\_.

**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name             | API | ULSTR          | Footages             | Anticipated Oil | Anticipated Gas | Anticipated Prod Water |
|-----------------------|-----|----------------|----------------------|-----------------|-----------------|------------------------|
| Bondi 24 Fed Com 121H |     | A-24-T20S-R28E | 611' FNL – 522' FEL  | 867 BOPD        | 1710 MCFD       | 2245 BWPD              |
| Bondi 24 Fed Com 122H |     | H-24-T20S-R28E | 1974' FNL – 645' FEL | 1084 BOPD       | 2138 MCFD       | 2806 BWPD              |
| Bondi 24 Fed Com 123H |     | I-24-T20S-R28E | 1325' FSL – 378' FEL | 1084 BOPD       | 2138 MCFD       | 2806 BWPD              |
| Bondi 24 Fed Com 124H |     | I-24-T20S-R28E | 1326' FSL – 408' FEL | 1084 BOPD       | 2138 MCFD       | 2806 BWPD              |

**IV. Central Delivery Point Name:** Bondi/ Boomerang CTB [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or recompleted from a single well pad or connected to a central delivery point.

| Well Name             | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-----------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Bondi 24 Fed Com 121H |     | 8/19/2026 | 8/30/2026       | 10/14/2026                   | 10/28/2026             | 10/28/2026            |
| Bondi 24 Fed Com 122H |     | 8/7/2026  | 8/19/2026       | 10/14/2026                   | 10/28/2026             | 10/28/2026            |
| Bondi 24 Fed Com 123H |     | 7/28/2026 | 8/9/2026        | 10/4/2026                    | 10/28/2026             | 10/28/2026            |
| Bondi 24 Fed Com 124H |     | 8/9/2026  | 8/20/2026       | 10/4/2026                    | 10/28/2026             | 10/28/2026            |

**VI. Separation Equipment:** ☒ Attach a complete description of how Operator will seize separation equipment to optimize gas capture.

**VII. Operations Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

## **Section 2 – Enhanced Plan**

### **Effective April 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

#### **IX. Anticipated Natural Gas Production:**

| Well Name  | API | Anticipated Average Natural Gas Rate | Anticipated Volume of Natural Gas for the First Year |
|------------|-----|--------------------------------------|--|
| [REDACTED] |     | [REDACTED]                           | [REDACTED]   |
| [REDACTED] |     | [REDACTED]                           | [REDACTED]   |
| [REDACTED] |     | [REDACTED]                           | [REDACTED]   |
| [REDACTED] |     | [REDACTED]                           | [REDACTED]   |

#### **X. Natural Gas Gathering System (NGGS):**

| Operator   | System     | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Volume of Natural Gas for the First Year |
|------------|------------|-----------------|----------------------------------|--|
| [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]                       | [REDACTED]   |

**XI. Map.** ☒ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas system(s) to which the well(s) will be connected.

**XII. Line Capacity.** Operator ☒ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☒ Attach Operator's plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:** ☒ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attached a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

### **Section 3 – Certifications**

**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

***If Operator checks this box, Operator will select one of the following:***

**Well Shut-In.** ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.** ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) Power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

### **Section 4 – Notices**

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, not later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file and update for each Natural Gas Management Plan until the Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- (c) OCD may deny or conditionally approve and APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:



Printed Name: Tinlee Via

Title: Contract Drilling Engineer

E-mail Address: tinlee.via@permianres.com

Date: 9/29/2023

Phone: 512-755-6018

**OIL CONSERVATION DIVISION****(Only applicable when submitted as a standalone form)**

Approved By:

Title:

Approval Date:

Conditions of Approval:



## Permian Resources Operating, LLC (372165)

**Natural Gas Management Plan Descriptions****VI. Separation Equipment:**

Permian Resources Operating, LLC (Permian) utilizes a production forecast from our Reservoir Engineering team to appropriately size each permanent, 3-phase separator and heater treater utilized for production operations. Our goal is to maintain 5 minutes of retention time in the test vessel and 20 minutes in the heater treater at peak production rates. The gas produced is routed from the separator to the gas sales line.

**VII. Operational Practices:***Drilling*

During Permian's drilling operations it is uncommon for venting or flaring to occur. If flaring is needed due to safety concerns, gas will be routed to a flare and volumes will be estimated.

*Flowback*

During completion/recompletion flowback operations, after separation flowback begins and as soon as it is technically feasible, Permian routes gas through a permanent separator and the controlled facility where the gas is either sold or flared through a high-pressure flare if needed.

*Production*

Per 19.15.27.8.D, Permian's facilities are designed to minimize waste. Our produced gas will only be vented or flared in an emergency or malfunction situation, except as allowed for normal operations noted in 19.15.27.8.D(2) & (4). All gas that is flared is metered. All gas that may be vented will be estimated.

*Performance Standards*

Permian utilizes a production forecast from our Reservoir Engineering team to appropriately size each permanent, 3-phase separator and heater treater utilized for production operations.

All of Permian's permanent storage tanks associated with production operations which are routed to a flare or control device are equipped with an automatic gauging system.

All of Permian's flare stacks, both currently installed and for future installation, are:

- 1) Appropriately sized and designed to ensure proper combustion efficiency.
- 2) Equipped with an automatic ignitor or continuous pilot.
- 3) Anchored and located at least 100 feet from the well and storage tanks.

Permian's field operations and HSE teams have implemented an AVO inspection schedule that adheres to the requirements of 19.15.27.8.E(5).

All of our operations and facilities are designed to minimize waste. We routinely employ the following methods and practices:

- Closed-loop systems
- Enclosed and properly sized tanks

## Permian Resources Operating, LLC (372165)

- Vapor recovery units to maximize recovery of low-pressure gas streams and potential unauthorized emissions
- Low-emitting or electric engines whenever practical
- Combustors and flare stacks in the event of a malfunction or emergency
- Routine facility inspections to identify leaking components, functioning control devices, such as flares and combustors, and repair / replacement of malfunctioning components where applicable

*Measurement or estimation*

Permian measures or estimates the volumes of natural gas vented, flared and/or beneficially used for all of our drilling, completing and producing wells. We utilize accepted industry standards and methodology which can be independently verified. Annual GOR testing is completed on our wells and will be submitted as required by the OCD. None of our equipment is designed to allow diversion around metering elements except during inspection, maintenance and repair operations.

**VIII. Best Management Practices:**

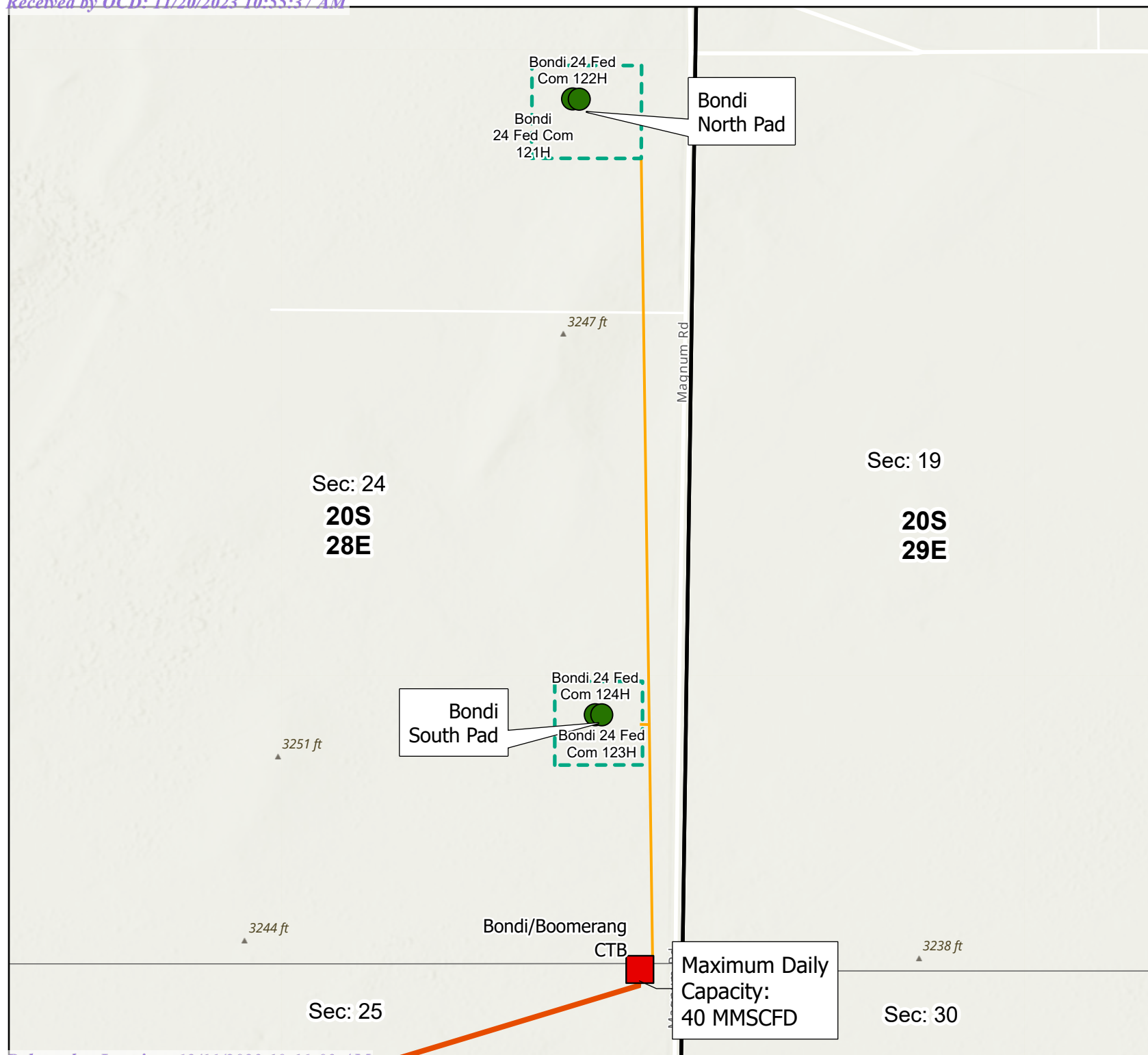
Permian Resources utilizes the following BMPs to minimize venting during active and planned maintenance activities:

- Use a closed-loop process wherever possible during planned maintenance activities, such as blowdowns, liquid removal, and work over operations.
- Employ low-emitting or electric engines for equipment, such as compressors
- Adhere to a strict preventative maintenance program which includes routine facility inspections, identification of component malfunctions, and repairing or replacing components such as hatches, seals, valves, etc. where applicable
- Utilize vapor recovery units (VRU's) to maximize recovery of volumes of low-pressure gas streams and potential unauthorized emissions
- Route low pressure gas and emissions streams to a combustion device to prevent venting where necessary

## **Enhanced Natural Gas Management Plan**

### **Operator's Plan to Manage Production in Response to Increased Line Pressure**

Permian Resources Operating, LLC (Permian) anticipates that its existing wells connected to the same portion of the natural gas gathering system will continue to meet anticipated increases in line pressure caused by the new wells. Permian will actively monitor line pressure throughout the field and will make necessary adjustments to existing production separators' pressures to send gas to sales. Permian also plans to implement automated alarms on all flare meters to alert of flaring events as they occur. The alarms will send notifications to field operations and engineering staff via text message and email at every occurrence of flaring. In addition, Permian plans to implement automated alarms on all flare meters to alert of any continuous flaring event that has continued for at least 4 hours. The alarms will send notifications to field operations and engineering management. Permian personnel will promptly respond to these alarms, communicate with midstream partners, and take the appropriate action to reduce flaring caused by high line pressure from new well production.



- Bondi SHL
- Well Pad
- CTB Facility
- Gas Takeaway
- Flowlines



0 150 300 600 Feet

Spatial Reference  
 Name: GCS North American 1983  
 GCS: GCS North American 1983  
 Datum: North American 1983  
 Map Units: Degree

This map and its contents are not a legal surveyed document. It is meant for the use of Permian Resources and its employees and cannot be shared without expressed written authorization.

**PERMIAN**  
RESOURCES



**NM APD NGMP**  
**Bondi 24 Fed Com**  
**121H/122H**  
**123H/124H**

Lea County, New Mexico

Created Date: 08/01/23 Revised Date: 8/28/2023

Author: A. Brown Drafter: T. Douglass

Path: X:\GIS\Coal\permian\resources\PRM\_APD\Project\NGMP\_APD.apx

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**District IV**

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

CONDITIONS

Action 287248

**CONDITIONS**

|   |   |
|---|---|
| Operator:<br>COLGATE OPERATING, LLC<br>300 North Marienfeld Street<br>Midland, TX 79701 | OGRID:  |
|   | 371449  |
|   | Action Number:<br>287248  |
|   | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

**CONDITIONS**

| Created By  | Condition  | Condition Date |
|-------------|--|----------------|
| ward.rikala | Notify OCD 24 hours prior to casing & cement   | 12/7/2023      |
| ward.rikala | Will require a File As Drilled C-102 and a Directional Survey with the C-104   | 12/7/2023      |
| ward.rikala | 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 | 12/7/2023      |
| ward.rikala | Cement is required to circulate on both surface and intermediate1 strings of casing  | 12/7/2023      |
| ward.rikala | If cement does not circulate on any string, a CBL is required for that string of casing  | 12/7/2023      |
| ward.rikala | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system                  | 12/7/2023      |