

<b>Well Name:</b> KEG SHELL FEDERAL COM	<b>Well Location:</b> T26S / R28E / SEC 35 / LOT 2 /	<b>County or Parish/State:</b>
<b>Well Number:</b> 704H	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM106909	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001548248	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> COG OPERATING LLC

Notice of Intent

**Sundry ID:** 2748603

**Type of Submission:** Notice of Intent

**Type of Action:** APD Change

**Date Sundry Submitted:** 08/30/2023

**Time Sundry Submitted:** 08:21

**Date proposed operation will begin:** 08/30/2023

**Procedure Description:** COG Operating requests a change to our approved APD for this well to reflect a change in casing design. The proposed changes reflect upsizing the surface and intermediate open hole sections to 17-1/2", 12-1/4" and adding a 2nd intermediate section which will be a 7-5/8" liner. The production section will remain unchanged from the approved APD. Cement blends and volumes have been adjusted to reflect the changes in wellbore design for the surface and intermediate sections. Keg Shell Federal Com 704H: Drill 17-1/2" hole to 750'. Run and cement 13-3/8" 54.5# J-55 BTC casing 310 sacks of 13.5 ppg lead (1.75 ft^3/sack yield and 9.0 gal/sack mix water) 250 sacks of 14.8 ppg tail (1.35 ft^3/sack yield and 6.34 gal/sack mix water) Drill 12-1/4" hole to 2,500'. Run and cement 9-5/8" 40.0# L80-IC BTC casing 490 sacks of 12.8 ppg lead (1.75 ft^3/sack yield and 9.21 gal/sack mix water) 190 sacks of 14.8 ppg tail (1.35 ft^3/sack yield and 6.60 gal/sack mix water) Drill 8-3/4" hole to 8,050'. Run and cement 7-5/8" 29.7# P110-ICY W513 casing liner from 2,300' to 8,050' 250 sacks of 10.5 ppg lead (3.3 ft^3/sack yield and 22.00 gal/sack mix water) 90 sacks of 14.8 ppg tail (1.35 ft^3/sack yield and 6.6 gal/sack mix water) Drill 6-3/4" hole to TD of 21,977'. Run and cement 5-1/2" 23# P110-CY TXP-BTC from 0'-7,800' and 5-1/2" 23# P110-CY W441 from 7,800'-21,977' (crossover 250' inside intermediate casing for cement bond tie in) 489 sacks of 11.0 ppg lead (1.48 ft^3/sack yield and 10.7 gal/sack mix water) 1060 sacks of 13.2 ppg tail (1.34 ft^3/sack yield and 5.7 gal/sack mix water)

NOI Attachments

Procedure Description

Keg\_Shell\_Fed\_Com\_704H\_Sundry\_Drill\_Plan\_8\_29\_23\_20230830082132.pdf

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Conditions of Approval

Specialist Review

Keg\_Shell\_Fed\_Com\_909\_\_904\_706\_705\_704H\_COA\_20230912103236.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

<b>Operator Electronic Signature:</b> STAN WAGNER	<b>Signed on:</b> AUG 30, 2023 08:21 AM
<b>Name:</b> COG OPERATING LLC	
<b>Title:</b> Regulatory Advisor	
<b>Street Address:</b> 600 WEST ILLINOIS AVE	
<b>City:</b> MIDLAND	<b>State:</b> TX
<b>Phone:</b> (432) 253-9685	
<b>Email address:</b> STAN.S.WAGNER@CONOCOPHILLIPS.COM	

Field

<b>Representative Name:</b>		
<b>Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>		
<b>Email address:</b>		

BLM Point of Contact

<b>BLM POC Name:</b> ZOTA M STEVENS	<b>BLM POC Title:</b> Petroleum Engineer
<b>BLM POC Phone:</b> 5752345998	<b>BLM POC Email Address:</b> ZSTEVENS@BLM.GOV
<b>Disposition:</b> Approved	<b>Disposition Date:</b> 09/12/2023
<b>Signature:</b> Zota Stevens	

Form 3160-5  
(June 2019)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No. NMNM106909

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
COG OPERATING LLC

3a. Address 600 West Illinois Ave, Midland, TX 79701

3b. Phone No. (include area code)  
(432) 683-7443

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. KEG SHELL FEDERAL COM/704H

9. API Well No. 3001548248

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SEC 35/T26S/R28E/NMP10. Field and Pool or Exploratory Area  
Purple Sage/Wolfcamp11. Country or Parish, State  
EDDY/NM

## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

COG Operating requests a change to our approved APD for this well to reflect a change in casing design.

The proposed changes reflect upsizing the surface and intermediate open hole sections to 17-1/2, 12-1/4 and adding a 2nd intermediate section which will be a 7-5/8 liner. The production section will remain unchanged from the approved APD. Cement blends and volumes have been adjusted to reflect the changes in wellbore design for the surface and intermediate sections.

Keg Shell Federal Com 704H:

Drill 17-1/2 hole to 750. Run and cement 13-3/8 54.5# J-55 BTC casing  
310 sacks of 13.5 ppg lead (1.75 ft<sup>3</sup>/sack yield and 9.0 gal/sack mix water)  
250 sacks of 14.8 ppg tail (1.35 ft<sup>3</sup>/sack yield and 6.34 gal/sack mix water)

Drill 12-1/4 hole to 2,500. Run and cement 9-5/8 40.0# L80-IC BTC casing  
490 sacks of 12.8 ppg lead (1.75 ft<sup>3</sup>/sack yield and 9.21 gal/sack mix water)

Continued on page 3 additional information

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
STAN WAGNER / Ph: (432) 253-9685

Title Regulatory Advisor

(Electronic Submission)  
Signature

Date 08/30/2023

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

ZOTA M STEVENS / Ph: (575) 234-5998 / Approved

Title Petroleum Engineer

Date 09/12/2023

Conditions of approval, if any, are attached. Approval of this notice 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.

Office CARLSBAD

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.

(Instructions on page 2)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law 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, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. 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 the 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., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

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

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## Additional Information

### Additional Remarks

190 sacks of 14.8 ppg tail (1.35 ft<sup>3</sup>/sack yield and 6.60 gal/sack mix water)

Drill 8-3/4 hole to 8,050. Run and cement 7-5/8 29.7# P110-ICY W513 casing liner from 2,300 to 8,050

250 sacks of 10.5 ppg lead (3.3 ft<sup>3</sup>/sack yield and 22.00 gal/sack mix water)

90 sacks of 14.8 ppg tail (1.35 ft<sup>3</sup>/sack yield and 6.6 gal/sack mix water)

Drill 6-3/4 hole to TD of 21,977. Run and cement 5-1/2 23# P110-CY TXP-BTC from 0-7,800 and 5-1/2 23# P110-CY W441 from

7,800-21,977 (crossover 250 inside intermediate casing for cement bond tie in)

489 sacks of 11.0 ppg lead (1.48 ft<sup>3</sup>/sack yield and 10.7 gal/sack mix water)

1060 sacks of 13.2 ppg tail (1.34 ft<sup>3</sup>/sack yield and 5.7 gal/sack mix water)

### Location of Well

0. SHL: LOT 2 / 460 FSL / 1400 FWL / TWSP: 26S / RANGE: 28E / SECTION: 35 / LAT: 32.001283 / LONG: -104.06229 ( TVD: 0 feet, MD: 0 feet )

PPP: LOT 2 / 330 FSL / 2310 FWL / TWSP: 26S / RANGE: 28E / SECTION: 35 / LAT: 32.000931 / LONG: -104.059354 ( TVD: 9550 feet, MD: 9748 feet )

PPP: SESW / 1 FSL / 2310 FWL / TWSP: 26S / RANGE: 28E / SECTION: 26 / LAT: 32.0006102 / LONG: -104.059354 ( TVD: 9591 feet, MD: 12059 feet )

PPP: SESW / 1 FSL / 2161 FWL / TWSP: 26S / RANGE: 28E / SECTION: 23 / LAT: 32.020672 / LONG: -104.059978 ( TVD: 9608 feet, MD: 17339 feet )

BHL: NENW / 200 FNL / 2275 FWL / TWSP: 26S / RANGE: 28E / SECTION: 23 / LAT: 32.03469 / LONG: -104.059672 ( TVD: 9626 feet, MD: 21977 feet )

# COG Operating, LLC - Keg Shell Federal Com 704H

## 1. Geologic Formations

TVD of target	9,689' EOL	Pilot hole depth	NA
MD at TD:	21,977'	Deepest expected fresh water:	0'

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	507	Water	
Top of Salt	852	Salt	
Base of Salt	2444	Salt	
Lamar	2624	Salt Water	
Bell Canyon	2682	Salt Water	
Cherry Canyon	3506	Oil/Gas	
Brushy Canyon	4932	Oil/Gas	
Bone Spring	6281	Oil/Gas	
Bone Spring 1st Sand	7189	Oil/Gas	
Bone Spring 2nd Sand	7958	Oil/Gas	
Bone Spring 3rd Carb	8269	Oil/Gas	
Bone Spring 3rd Sand	9030	Oil/Gas	
Wolfcamp	9369	Oil/Gas	
Wolfcamp A	9541	Target Oil/Gas	

## 2. Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Body	SF Joint
	From	To								
17.50"	0	750	13.38"	54.5	J55	BTC	3.29	2.60	20.87	22.24
12.250"	0	2500	9.625"	40	L80-IC	BTC	2.98	2.01	9.16	9.47
8.75"	2300	8050	7.625"	29.7	P110-ICY	W513	1.76	2.08	4.47	2.68
6.75"	0	7800	5.5"	23	P110-CY	BTC	2.87	3.39	4.06	4.06
6.75"	7800	21,977	5.5"	23	P110-CY	W441	2.31	2.73	3.27	2.97
BLM Minimum Safety Factor							1.125	1	1.6 Dry 1.8 Wet	1.6 Dry 1.8 Wet

Intermediate casing will be kept at least 1/3 full while running casing to mitigate collapse. Surface burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface and All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

The 5 1/2" W441 casing will be run back 200' into the intermediate casing to ensure the coupling OD clearance is greater than .422" for the cement bond tie in.

## COG Operating, LLC - Keg Shell Federal Com 704H

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary?	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	



## COG Operating, LLC - Keg Shell Federal Com 704H

## 3. Cementing Program

Casing	# Sk	Wt. lb/ gal	Yld ft3/ sack	H <sub>2</sub> O gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	310	13.5	1.75	9	12	Lead: Class C + 4% Gel + 1% CaCl <sub>2</sub>
	250	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl <sub>2</sub>
Int. #1	490	12.8	1.75	9.21	12	Lead: Class C + 4% Gel + 1% CaCl <sub>2</sub>
	190	14.8	1.35	6.6	8	Tail: Class C + 2% CaCl <sub>2</sub>
Inter. #2	250	10.5	3.3	22	24	Tuned light
	90	14.8	1.35	6.6	8	Tail: Class H
Prod	489	12.5	1.48	10.7	72	Lead: 50:50:10 H Blend
	1060	13.2	1.34	5.7	19	Tail: 50:50:2 Class H Blend

Volumes Subject to Observed Hole Conditions and/or Fluid Caliper Results

Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0'	50%
1 <sup>st</sup> Intermediate	0'	50%
2 <sup>nd</sup> Intermediate	2200'	20%
Production	7,800'	20% OH in Lateral (KOP to EOL)



## COG Operating, LLC - Keg Shell Federal Com 704H

## 4. Pressure Control Equipment

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.
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BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	x	Tested to:
12-1/4"	13-5/8"	5M	Annular	x	2500psi
			Blind Ram	x	5000psi
			Pipe Ram	x	
			Double Ram	x	
			Other*		
6-3/4"	13-5/8"	10M	5M Annular	x	5000psi
			Blind Ram	x	10000psi
			Pipe Ram	x	
			Double Ram	x	
			Other*		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Y	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or 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. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
N	Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

## COG Operating, LLC - Keg Shell Federal Com 704H

## 5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	Surf. Shoe	FW Gel	8.6 - 8.8	28-34	N/C
Surf csg	9-5/8" Int shoe	Brine	9 - 10	28-34	N/C
9-5/8" Int shoe	7-5/8" Int shoe	Brine	9 - 10	28-34	N/C
7-5/8" Int shoe	Lateral TD	OBM	9.6 - 12.5	35-45	<20

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

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring
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## 6. Logging and Testing Procedures

Logging, Coring and Testing.	
Y	Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
Y	No Logs are planned based on well control or offset log information.
N	Drill stem test? If yes, explain.
N	Coring? If yes, explain.

Additional logs planned		Interval
N	Resistivity	Pilot Hole TD to ICP
N	Density	Pilot Hole TD to ICP
Y	CBL	Production casing (If cement not circulated to surface)
Y	Mud log	Intermediate shoe to TD
N	PEX	

**COG Operating, LLC - Keg Shell Federal Com 704H****7. Drilling Conditions**

Condition	Specify what type and where?
BH Pressure at deepest TVD	6300 psi at 9689' TVD
Abnormal Temperature	NO 155 Deg. F.

No abnormal pressure or temperature conditions are anticipated. Sufficient mud materials to maintain mud properties and weight increase requirements will be kept on location at all times.

Sufficient supplies of Paper/LCM for periodic sweeps to control seepage and losses will be maintained on location.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

**8. Other Facets of Operation**

Y	Is it a walking operation?
Y	Is casing pre-set?

x	H2S Plan.
x	BOP & Choke Schematics.
x	Directional Plan

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	COG
<b>LEASE NO.:</b>	NMNM106909
<b>LOCATION:</b>	Section 35, T.26 S, R.28 E., NMPM
<b>COUNTY:</b>	Eddy County, New Mexico
<b>WELL NAME &amp; NO.:</b>	Keg Shell Fed Com 909H
<b>SURFACE HOLE FOOTAGE:</b>	460'/S & 880'/W
<b>BOTTOM HOLE FOOTAGE:</b>	200'/N & 850'/W

<b>WELL NAME &amp; NO.:</b>	Keg Shell Fed Com 706H
<b>SURFACE HOLE FOOTAGE:</b>	460'/S & 1340'/W
<b>BOTTOM HOLE FOOTAGE:</b>	200'/N & 850'/W

<b>WELL NAME &amp; NO.:</b>	Keg Shell Fed Com 705H
<b>SURFACE HOLE FOOTAGE:</b>	460'/S & 1370'/W
<b>BOTTOM HOLE FOOTAGE:</b>	200'/N & 1410'/W

<b>WELL NAME &amp; NO.:</b>	Keg Shell Fed Com 704H
<b>SURFACE HOLE FOOTAGE:</b>	460'/S & 1400'/W
<b>BOTTOM HOLE FOOTAGE:</b>	200'/N & 2275'/W

<b>WELL NAME &amp; NO.:</b>	Keg Shell Fed Com 904H
<b>SURFACE HOLE FOOTAGE:</b>	360'/S & 915'/E
<b>BOTTOM HOLE FOOTAGE:</b>	200'/N & 2345'/E

*Changes approved through engineering via **Sundry 2747969, 2748612, 2748608, 2748603, and 2746356** on 9-12-2023. Any previous COAs not addressed within the updated COAs still apply.*

COA

<b>H<sub>2</sub>S</b>	<input type="radio"/> Yes	<input checked="" type="radio"/> No		
<b>Potash / WIPP</b>	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P	<input type="checkbox"/> WIPP
<b>Cave / Karst</b>	<input type="radio"/> Low	<input checked="" type="radio"/> Medium	<input type="radio"/> High	<input type="radio"/> Critical
<b>Wellhead</b>	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both	<input type="radio"/> Diverter
<b>Cementing</b>	<input type="checkbox"/> Primary Squeeze	<input type="checkbox"/> Cont. Squeeze	<input type="checkbox"/> EchoMeter	<input type="checkbox"/> DV Tool
<b>Special Req</b>	<input type="checkbox"/> Break Testing	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit
<b>Variance</b>	<input checked="" type="checkbox"/> Flex Hose	<input type="checkbox"/> Casing Clearance	<input type="checkbox"/> Pilot Hole	<input type="checkbox"/> Capitan Reef
<b>Variance</b>	<input type="checkbox"/> Four-String	<input type="checkbox"/> Offline Cementing	<input type="checkbox"/> Fluid-Filled	<input type="checkbox"/> Open Annulus
<input type="checkbox"/> <b>Batch APD / Sundry</b>				

**A. HYDROGEN SULFIDE**

Hydrogen Sulfide (H<sub>2</sub>S) monitors shall be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area must meet all requirements from **43 CFR 3176**, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

**B. CASING**

1. The **13-3/8** inch surface casing shall be set at approximately **800** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

  - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
3. The minimum required fill of cement behind the **7-5/8** inch Intermediate Liner is:
  - Cement should tie-back at least **100 feet** into previous casing string. Operator shall provide method of verification.

**Wait on cement (WOC) time for a primary cement job is to include the tail cement slurry due to cave/karst.**
4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - Cement should tie-back **200 feet** into the previous casing. 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 casing shoe shall be **5000 (5M)** psi.

Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- a. 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.
- b. Manufacturer representative shall install the test plug for the initial BOP test.
- c. 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.
- d. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in 43 CFR 3171 and 3172.
- 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

Email or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, [BLM\\_NM\\_CFO\\_DrillingNotifications@BLM.GOV](mailto:BLM_NM_CFO_DrillingNotifications@BLM.GOV)  
(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 **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172** and **API STD 53 Sec. 5.3**.
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 **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172**.

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.

**ZS 9/12/2023**

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

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

CONDITIONS  
  
Action 267845

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 267845
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	All original COA's still apply.	1/25/2024