

Form 3160-3  
(June 2015)FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018UNITED 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  |  | 5. Lease Serial No.<br><b>NMNM108502</b>                                       |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other   |  | 6. If Indian, Allottee or Tribe Name   |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone  |  | 7. If Unit or CA Agreement, Name and No.                                       |
| 2. Name of Operator<br><b>EOG RESOURCES INCORPORATED</b>  |  | 8. Lease Name and Well No.<br><b>LACEY SWISS 1 FED COM</b><br><b>103H</b>      |
| 3a. Address<br><b>1111 BAGBY SKY LOBBY 2, HOUSTON, TX 77002</b>   | 3b. Phone No. (include area code)<br><b>(713) 651-7000</b> | 9. API Well No.<br><b>30-025-52767</b>   |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface <b>LOT 2 / 1229 FNL / 1483 FEL / LAT 32.1634242 / LONG -103.522296</b><br>At proposed prod. zone <b>TR O / 100 FSL / 1650 FEL / LAT 32.1380594 / LONG -103.5228393</b> |  | 10. Field and Pool, or Exploratory<br><b>RED HILLS/UPPER BONE SPRING SHALE</b> |
| 14. Distance in miles and direction from nearest town or post office*   |  | 11. Sec., T. R. M. or Blk. and Survey or Area<br><b>SEC 1/T25S/R33E/NMP</b>    |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>100 feet</b>   |  | 12. County or Parish<br><b>LEA</b>   |
| 16. No of acres in lease  |  | 13. State<br><b>NM</b>   |
| 17. Spacing Unit dedicated to this well<br><b>640.0</b>   |  |  |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>33 feet</b>   |  | 20. BLM/BIA Bond No. in file<br><b>FED:</b>                                    |
| 19. Proposed Depth<br><b>9500 feet / 19825 feet</b>   |  |  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>3458 feet</b>   | 22. Approximate date work will start*<br><b>04/14/2023</b> | 23. Estimated duration<br><b>25 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.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification.  |
| 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). | 6. Such other site specific information and/or plans as may be requested by the BLM.            |

|  |  |                           |
|--|--|---------------------------|
| 25. Signature<br>(Electronic Submission)                     | Name (Printed/Typed)<br><b>CRAIG RICHARDSON / Ph: (713) 651-7000</b> | Date<br><b>06/16/2023</b> |
| Title<br><b>Regulatory Specialist</b>                        |  |                           |
| Approved by (Signature)<br>(Electronic Submission)           | Name (Printed/Typed)<br><b>CODY LAYTON / Ph: (575) 234-5959</b>      | Date<br><b>04/11/2024</b> |
| Title<br><b>Assistant Field Manager Lands &amp; Minerals</b> |  |                           |
| Office<br><b>Carlsbad Field Office</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)



Approval Date: 04/11/2024

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Submit Electronically  
Via E-permitting

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:** EOG Resources, Inc. **OGRID:** 7377 **Date:** 4/12/2024

**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 BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|----------------------------|-----|-------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| Lacey Swiss 1 Fed Com 103H |     | 2-1-25S-33E | 1229' FNL & 1483' FEL | +/- 1000              | +/- 3500              | +/- 3000                         |
|                            |     |             |                       |                       |                       |                                  |

**IV. Central Delivery Point Name:** Lacey Swiss 1 Fed Com 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 proposed to be 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 |
|----------------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Lacey Swiss 1 Fed Com 103H |     | 05/10/24  | 05/25/24        | 07/25/24                     | 09/25/24               | 10/25/24              |
|                            |     |           |                 |                              |                        |                       |

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

**VII. Operational 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 | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
|      |     |  |  |
|      |     |  |  |

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

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
|          |        |                 |                                  |   |
|          |        |                 |                                  |   |

**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 gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** 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 attaches 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, no 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 an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an 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 that, 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: *Shea Bailey*

Printed Name: Shea Bailey

Title: Regulatory Contractor

E-mail Address: Shea\_Keithley@eogresources.com

Date: 4/12/2024

Phone: (432) 214-9797

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

Approved By:

Title:

Approval Date:

Conditions of Approval:

## Natural Gas Management Plan

### Items VI-VIII

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

- Separation equipment will be sized to provide adequate separation for anticipated rates.
- Adequate separation relates to retention time for Liquid – Liquid separation and velocity for Gas-Liquid separation.
- Collection systems are appropriately sized to handle facility production rates on all (3) phases.
- Ancillary equipment and metering is selected to be serviced without flow interruptions or the need to release gas from the well.

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

##### Drilling Operations

- All flare stacks will be properly sized. The flare stacks will be located at a minimum 100' from the nearest surface hole location on the pad.
- All natural gas produced during drilling operations will be flared, unless there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety and the environment, at which point the gas will be vented.

##### Completions/Recompletions Operations

- New wells will not be flowed back until they are connected to a properly sized gathering system.
- The facility will be built/sized for maximum anticipated flowrates and pressures to minimize waste.
- For flowback operations, multiple stages of separation will be used as well as excess VRU and blowers to make sure waste is minimized off the storage tanks and facility.
- During initial flowback, the well stream will be routed to separation equipment.
- At an existing facility, when necessary, post separation natural gas will be flared until it meets pipeline specifications, at which point it will be turned into a collection system.
- At a new facility, post separation natural gas will be vented until storage tanks can safely function, at which point it will be flared until it meets pipeline spec.

##### Production Operations

- Weekly AVOs will be performed on all facilities.
- All flares will be equipped with auto-ignition systems and continuous pilot operations.
- After a well is stabilized from liquid unloading, the well will be turned back into the collection system.
- All plunger lift systems will be optimized to limit the amount of waste.
- All tanks will have automatic gauging equipment installed.
- Leaking thief hatches found during AVOs will be cleaned and properly re-sealed.

##### Performance Standards

- Production equipment will be designed to handle maximum anticipated rates and pressure.
- All flared gas will be combusted in a flare stack that is properly sized and designed to ensure proper combustion.
- Weekly AVOs will be performed on all wells and facilities that produce more than 60 Mcfd.

##### Measurement & Estimation

- All volume that is flared and vented that is not measured will be estimated.
- All measurement equipment for flared volumes will conform to API 14.10.
- No meter bypasses will be installed.

- When metering is not practical due to low pressure/low rate, the vented or flared volume will be estimated.

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

- During downhole well maintenance, EOG will use best management practices to vent as minimally as possible.
- Prior to the commencement of any maintenance, the tank or vessel will be isolated from the rest of the facilities.
- All valves upstream of the equipment will be closed and isolated.
- After equipment has been isolated, the equipment will be blown down to as low a pressure as possible into the collection system.
- If the equipment being maintained cannot be relieved into the collection system, it shall be released to a tank where the vapor can either be captured or combusted if possible.
- After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.





## Lacey Swiss 1 Fed Com 103H

### 1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

### 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

|                        |         |
|------------------------|---------|
| Rustler                | 1,090'  |
| Tamarisk Anhydrite     | 1,277'  |
| Top of Salt            | 1,653'  |
| Base of Salt           | 4,943'  |
| Lamar                  | 5,199'  |
| Bell Canyon            | 5,211'  |
| Cherry Canyon          | 6,287'  |
| Brushy Canyon          | 7,768'  |
| Bone Spring Lime       | 9,273'  |
| Leonard (Avalon) Shale | 9,333'  |
| 1st Bone Spring Sand   | 10,270' |
| 2nd Bone Spring Shale  | 10,545' |
| 2nd Bone Spring Sand   | 10,854' |
| 3rd Bone Spring Carb   | 11,366' |
| 3rd Bone Spring Sand   | 11,890' |
| Wolfcamp               | 12,321' |
| TD                     | 9,500'  |

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

|                        |         |             |
|------------------------|---------|-------------|
| Upper Permian Sands    | 0- 400' | Fresh Water |
| Bell Canyon            | 5,211'  | Oil         |
| Cherry Canyon          | 6,287'  | Oil         |
| Brushy Canyon          | 7,768'  | Oil         |
| Leonard (Avalon) Shale | 9,333'  | Oil         |
| 1st Bone Spring Sand   | 10,270' | Oil         |
| 2nd Bone Spring Shale  | 10,545' | Oil         |
| 2nd Bone Spring Sand   | 10,854' | Oil         |

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 13-3/8" casing at 1,300' and circulating cement back to surface.



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## 4. CASING PROGRAM

| Hole Size | Interval MD |         | Interval TVD |         | Csg OD  | Weight | Grade   | Conn |
|-----------|-------------|---------|--------------|---------|---------|--------|---------|------|
|           | From (ft)   | To (ft) | From (ft)    | To (ft) |         |        |         |      |
| 16"       | 0           | 1,300   | 0            | 1,300   | 13-3/8" | 54.5#  | J-55    | STC  |
| 11"       | 0           | 4,131   | 0            | 4,000   | 9-5/8"  | 40#    | J-55    | LTC  |
| 11"       | 4,131       | 5,171   | 4,000        | 5,040   | 9-5/8"  | 40#    | HCK-55  | LTC  |
| 6-3/4"    | 0           | 19,825  | 0            | 9,500   | 5-1/2"  | 17#    | HCP-110 | LTC  |

Variance is requested to waive the centralizer requirements for the 9-5/8" casing in the 11" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 11" hole interval to maximize cement bond and zonal isolation.

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

EOG requests permission to allow deviation from the 0.422" annulus clearance requirement for the intermediate (salt) section from Onshore Order #2 under the following conditions:

- The variance is not applicable within the Potash Boundaries or Capitan Reef areas.
- Operator takes responsibility to get casing to set point in the event that the clearance causes stuck pipe issues.

**Cementing Program:**

| Depth             | No. Sacks | Wt. ppg | Yld Ft3/sk | Slurry Description  |
|-------------------|-----------|---------|------------|---|
| 1,300'<br>13-3/8" | 390       | 13.5    | 1.73       | Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl <sub>2</sub> + 0.25 lb/sk Cello-Flake (TOC @ Surface)                              |
|                   | 100       | 14.8    | 1.34       | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1100')                                      |
| 5,040'<br>9-5/8"  | 490       | 12.7    | 2.22       | Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface)  |
|                   | 170       | 14.8    | 1.32       | Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 4032')   |
| 19,825'<br>5-1/2" | 320       | 10.5    | 3.21       | Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 4540')  |
|                   | 750       | 13.2    | 1.52       | Tail: Class H + 5% NEX-020 + 0.2% NAC-102 + 0.15% NAS-725 + 0.5% NFL-549 + 0.2% NFP-703 + 1% NBE-737 + 0.3% NRT-241 (TOC @ 9150') |



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

Cement integrity tests will be performed immediately following plug bump.

Note: Cement volumes based on bit size plus at least 25% excess in the open hole plus 10% excess in the cased-hole overlap section.

#### 5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5,000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

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

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

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 10,000/ 250 psig and the annular preventer to 5,000/ 250 psig.

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

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



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### 6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

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

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

| Depth                       | Type        | Weight (ppg) | Viscosity | Water Loss |
|-----------------------------|-------------|--------------|-----------|------------|
| 0 – 1,300'                  | Fresh - Gel | 8.6-8.8      | 28-34     | N/c        |
| 1,300' – 5,050'             | Brine       | 8.6-8.8      | 28-34     | N/c        |
| 4,840' – 19,825'<br>Lateral | Oil Base    | 8.8-9.5      | 58-68     | N/c - 6    |

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

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

### 7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) H<sub>2</sub>S monitoring and detection equipment will be utilized from surface casing point to TD.

### 8. LOGGING, TESTING AND CORING PROGRAM:

- (A) Open-hole logs are not planned for this well.
- (B) GR-CCL will be run in cased hole during completions phase of operations.

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

The estimated bottom-hole temperature (BHT) at TD is 165 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 4,446 psig and a maximum anticipated surface pressure of 2,356 psig (based on 9.0 ppg MW). No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from 7,768' to intermediate casing point.

**Lacey Swiss 1 Fed Com 103H****10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

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

EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and Cement on the subject well. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Surface Rig will move off so the wellhead can be installed. A welder will cut the casing to the proper height and weld on the wellhead (both "A" and "B" sections). The weld will be tested to 1,500 psi. All valves will be closed and a wellhead cap will be installed (diagram attached). If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

**11. WELLHEAD & Offline Cementing:**

A multi-bowl wellhead system will be utilized.

After running the 13-3/8" surface casing, a 13-3/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 psi pressure test. This pressure test will be repeated at least every 30 days, as per Onshore Order No. 2.

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

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Cactus Multi-Bowl WH system has been sent to the NM BLM office in Carlsbad, NM.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type. EOG Resources reserves the option to conduct BOPE testing during wait on cement periods provided a test plug is utilized.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 5000 psi.

Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1,500 psi, whichever is greater.



### **Lacey Swiss 1 Fed Com 103H**

EOG Resources Inc. (EOG) respectfully requests a variance from the minimum standards for well control equipment testing of Onshore Order No. 2 (item III.A.2.a.i) to allow a testing schedule of the blow out preventer (BOP) and blow out prevention equipment (BOPE) along with Batch Drilling & Offline cement operations to include the following:

- Full BOPE test at first installation on the pad.
- Full BOPE test every 20 days per Onshore Order No. 2.
- Function test BOP elements per Onshore Order No. 2.
- Break testing BOP and BOPE coupled with batch drilling operations and option to offline cement and/or remediate (if needed) any surface or intermediate sections, according to attached offline cementing support documentation.
- After the well section is secured, the BOP will be disconnected from the wellhead and walked with the rig to another well on the pad.
- TA cap will also be installed per Wellhead vendor procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.
- See attached "EOG BLM Variance 3a -Offline Cement Intermediate Operational Procedure"



## Lacey Swiss 1 Fed Com 103H

### 12. TUBING REQUIREMENTS

EOG respectively requests an exception to the following NMOCD rule:

- 19.15.16.10 Casing AND TUBING REQUIREMENTS:  
J (3): "The operator shall set tubing as near the bottom as practical and tubing perforations shall not be more than 250 feet above top of pay zone."

With horizontal flowing and gas lifted wells an end of tubing depth placed at or slightly above KOP is a conservative way to ensure the tubing stays clean from debris, plugging, and allows for fewer well interventions post offset completion. The deeper the tubulars are run into the curve, the higher the probability is that the tubing will become stuck in sand and or well debris as the well produces over time. An additional consideration for EOT placement during artificial lift installations is avoiding the high dog leg severity and inclinations found in the curve section of the wellbore to help improve reliability and performance. Dog leg severity and inclinations tend not to hamper gas lifted or flowing wells, but they do effect other forms of artificial lift like rod pump or ESP (electric submersible pump). Keeping the EOT above KOP is an industry best practice for those respective forms of artificial lift.

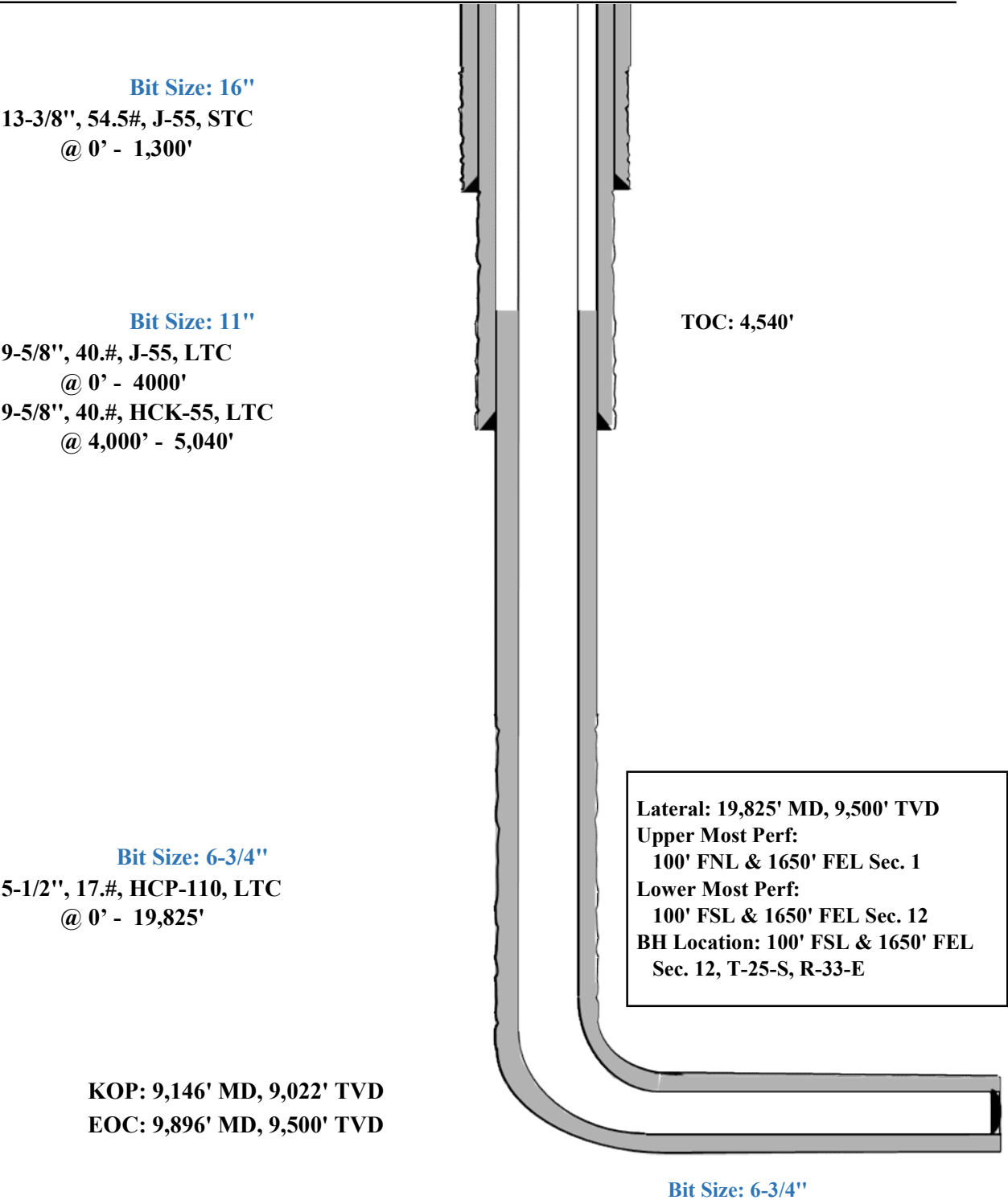


Lacey Swiss 1 Fed Com 103H

1229' FNL  
1483' FEL  
Section 1  
T-25-S, R-33-E

Proposed Wellbore A  
  
API: 30-025-\*\*\*\*\*

KB: 3483'  
GL: 3458'







### Lacey Swiss 1 Fed Com 103H

Well Name: Lacey Swiss 1 Fed Com 103H

Location: SHL: 1229' FNL & 1483' FEL, Section 1, T-25-S, R-33-E, Lea Co., N.M.

BHL: 100' FSL & 1650' FEL, Section 12, T-25-S, R-33-E, Lea Co., N.M.

#### Casing Program B:

| Hole Size | Interval MD |         | Interval TVD |         | Csg OD  | Weight | Grade   | Conn   |
|-----------|-------------|---------|--------------|---------|---------|--------|---------|--------|
|           | From (ft)   | To (ft) | From (ft)    | To (ft) |         |        |         |        |
| 13-1/2"   | 0           | 1,300   | 0            | 1,300   | 10-3/4" | 40.5#  | J-55    | STC    |
| 9-7/8"    | 0           | 4,131   | 0            | 4,000   | 8-5/8"  | 32#    | J-55    | BTC-SC |
| 9-7/8"    | 4,131       | 5,171   | 4,000        | 5,040   | 8-5/8"  | 32#    | P110-EC | BTC-SC |
| 6-3/4"    | 0           | 19,825  | 0            | 9,500   | 5-1/2"  | 17#    | HCP-110 | LTC    |

#### Cementing Program:

| Depth             | No. Sacks | Wt. ppg | Yld Ft3/sk | Slurry Description  |
|-------------------|-----------|---------|------------|---|
| 1,300'<br>10-3/4" | 420       | 13.5    | 1.73       | Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl <sub>2</sub> + 0.25 lb/sk Cello-Flake (TOC @ Surface)                              |
|                   | 110       | 14.8    | 1.34       | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,100')                                     |
| 5,040'<br>8-5/8"  | 340       | 12.7    | 2.22       | Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface)  |
|                   | 160       | 14.8    | 1.32       | Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 4,030')  |
| 19,825'<br>5-1/2" | 500       | 10.5    | 3.21       | Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 4,540')   |
|                   | 770       | 13.2    | 1.52       | Tail: Class H + 5% NEX-020 + 0.2% NAC-102 + 0.15% NAS-725 + 0.5% NFL-549 + 0.2% NFP-703 + 1% NBE-737 + 0.3% NRT-241 (TOC @ 9150') |



### **Lacey Swiss 1 Fed Com 103H**

Variance is requested to waive the centralizer requirements for the 8-5/8" casing in the 9-7/8" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 9-7/8" hole interval to maximize cement bond and zonal isolation.

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

EOG requests permission to allow deviation from the 0.422" annulus clearance requirement for the intermediate (salt) section from Onshore Order #2 under the following conditions:

- The variance is not applicable within the Potash Boundaries or Capitan Reef areas.
- Operator takes responsibility to get casing to set point in the event that the clearance causes stuck pipe issues.

### **Wellhead & Offline Cementing:**

EOG Resources Inc. (EOG) respectfully requests a variance from the minimum standards for well control equipment testing of Onshore Order No. 2 (item III.A.2.a.i) to allow a testing schedule of the blow out preventer (BOP) and blow out prevention equipment (BOPE) along with Batch Drilling & Offline cement operations to include the following:

- Full BOPE test at first installation on the pad.
- Full BOPE test every 30 days per Onshore Order No. 2.
- Function test BOP elements per Onshore Order No. 2.
- Break testing BOP and BOPE coupled with batch drilling operations and option to offline cement and/or remediate (if needed) any surface or intermediate sections, according to attached offline cementing support documentation.
- After the well section is secured, the BOP will be disconnected from the wellhead and walked with the rig to another well on the pad.
- TA cap will also be installed per Wellhead vendor procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.
- See attached "EOG BLM Variance 3a -Offline Cement Intermediate Operational Procedure"

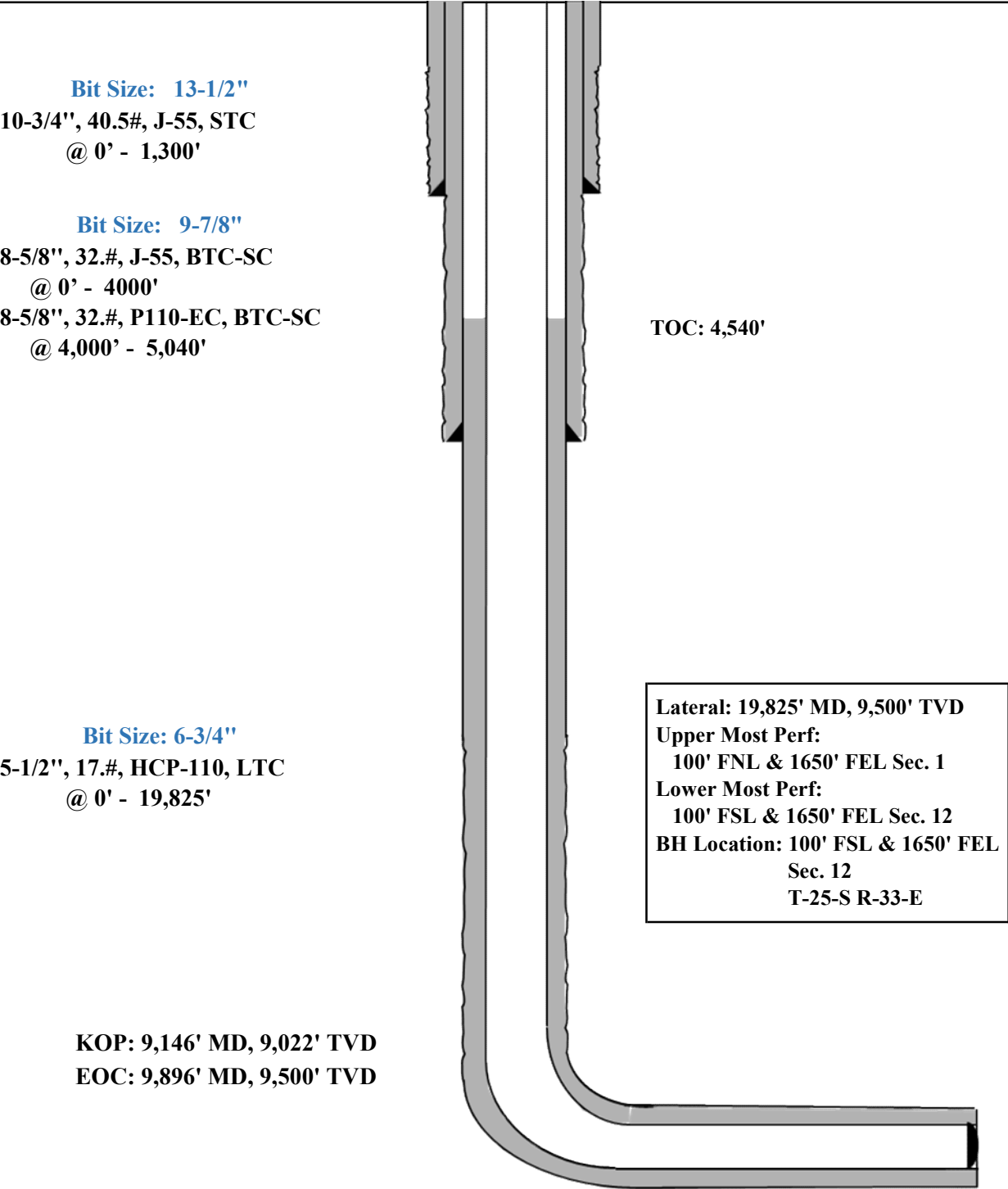


Lacey Swiss 1 Fed Com 103H

1229'  
1483'  
Section 1  
T-25-S, R-33-E

Proposed Wellbore B:  
  
  
API: 30-025-\*\*\*\*\*

KB: 3483'  
GL: 3458'





## Midland

Lea County, NM (NAD 83 NME)

Lacey Swiss 1 Fed Com

#103H

OH

Plan: Plan #0.1 RT

## Standard Planning Report

05 June, 2023



## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

|                    |                             |                      |                |
|--------------------|-----------------------------|----------------------|----------------|
| <b>Project</b>     | Lea County, NM (NAD 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                  | Lacey Swiss 1 Fed Com |              |                 |            |                   |
| Site Position:        |                       | Northing:    | 425,128.00 usft | Latitude:  | 32° 9' 58.098 N   |
| From:                 | Map                   | Easting:     | 793,117.00 usft | Longitude: | 103° 31' 10.745 W |
| Position Uncertainty: | 0.0 usft              | Slot Radius: | 13-3/16 "       |            |                   |

|                      |        |          |                     |                 |               |                   |
|----------------------|--------|----------|---------------------|-----------------|---------------|-------------------|
| Well                 | #103H  |          |                     |                 |               |                   |
| Well Position        | +N/-S  | 0.0 usft | Northing:           | 424,134.00 usft | Latitude:     | 32° 9' 48.323 N   |
|                      | +E/-W  | 0.0 usft | Easting:            | 792,306.00 usft | Longitude:    | 103° 31' 20.267 W |
| Position Uncertainty |        | 0.0 usft | Wellhead Elevation: | usft            | Ground Level: | 3,458.0 usft      |
| Grid Convergence:    | 0.43 ° |          |                     |                 |               |                   |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | OH                |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2020          | 6/2/2023           | 6.29                   | 59.79                | 47,257.96091161            |

|                          |                                |                     |                      |                      |  |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|--|
| <b>Design</b>            | Plan #0.1 RT                   |                     |                      |                      |  |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |  |
| <b>Version:</b>          | <b>Phase:</b>                  | PLAN                | <b>Tie On Depth:</b> | 0.0                  |  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (°)</b> |  |
|                          | 0.0                            | 0.0                 | 0.0                  | 180.61               |  |

|                                 |                        |                            |                  |                |  |
|---------------------------------|------------------------|----------------------------|------------------|----------------|--|
| <b>Plan Survey Tool Program</b> | <b>Date</b>            | 6/5/2023                   |                  |                |  |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b>   | <b>Tool Name</b> | <b>Remarks</b> |  |
| 1                               | 0.0                    | 19,825.3 Plan #0.1 RT (OH) | EOG MWD+IFR1     |                |  |
|                                 |                        |                            | MWD + IFR1       |                |  |



Planning Report

|           |                             |                              |                       |
|-----------|-----------------------------|------------------------------|-----------------------|
| Database: | PEDM                        | Local Co-ordinate Reference: | Well #103H            |
| Company:  | Midland                     | TVD Reference:               | kb = 26' @ 3484.0usft |
| Project:  | Lea County, NM (NAD 83 NME) | MD Reference:                | kb = 26' @ 3484.0usft |
| Site:     | Lacey Swiss 1 Fed Com       | North Reference:             | Grid                  |
| Well:     | #103H                       | Survey Calculation Method:   | Minimum Curvature     |
| Wellbore: | OH                          |                              |                       |
| Design:   | Plan #0.1 RT                |                              |                       |

| Plan Sections         |                 |             |                       |              |              |                         |                        |                       |         |                      |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target               |
| 0.0                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.00                    | 0.00                   | 0.00                  | 0.00    |                      |
| 1,653.0               | 0.00            | 0.00        | 1,653.0               | 0.0          | 0.0          | 0.00                    | 0.00                   | 0.00                  | 0.00    |                      |
| 2,264.3               | 12.23           | 351.51      | 2,259.7               | 64.3         | -9.6         | 2.00                    | 2.00                   | 0.00                  | 351.51  |                      |
| 7,279.7               | 12.23           | 351.51      | 7,161.3               | 1,114.7      | -166.4       | 0.00                    | 0.00                   | 0.00                  | 0.00    |                      |
| 7,891.0               | 0.00            | 0.00        | 7,768.0               | 1,179.0      | -176.0       | 2.00                    | -2.00                  | 0.00                  | 180.00  |                      |
| 9,145.5               | 0.00            | 0.00        | 9,022.5               | 1,179.0      | -176.0       | 0.00                    | 0.00                   | 0.00                  | 0.00    | KOP(Lacey Swiss 1 F  |
| 9,366.0               | 26.46           | 180.00      | 9,235.2               | 1,129.0      | -176.0       | 12.00                   | 12.00                  | 81.65                 | 180.00  | FTP(Lacey Swiss 1 F  |
| 9,895.5               | 90.00           | 179.56      | 9,499.9               | 701.5        | -173.7       | 12.00                   | 12.00                  | -0.08                 | -0.49   |                      |
| 14,646.2              | 90.00           | 179.56      | 9,500.0               | -4,049.0     | -137.0       | 0.00                    | 0.00                   | 0.00                  | 0.00    | Fed Perf 1(Lacey Swi |
| 19,825.3              | 90.00           | 179.60      | 9,500.0               | -9,228.0     | -99.0        | 0.00                    | 0.00                   | 0.00                  | 88.34   | PBHL(Lacey Swiss 1   |



## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

| Planned Survey        |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.0                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 100.0                 | 0.00            | 0.00        | 100.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 200.0                 | 0.00            | 0.00        | 200.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 300.0                 | 0.00            | 0.00        | 300.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 400.0                 | 0.00            | 0.00        | 400.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 500.0                 | 0.00            | 0.00        | 500.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 600.0                 | 0.00            | 0.00        | 600.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 700.0                 | 0.00            | 0.00        | 700.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 800.0                 | 0.00            | 0.00        | 800.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 900.0                 | 0.00            | 0.00        | 900.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,000.0               | 0.00            | 0.00        | 1,000.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,100.0               | 0.00            | 0.00        | 1,100.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,200.0               | 0.00            | 0.00        | 1,200.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,300.0               | 0.00            | 0.00        | 1,300.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,400.0               | 0.00            | 0.00        | 1,400.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,500.0               | 0.00            | 0.00        | 1,500.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,600.0               | 0.00            | 0.00        | 1,600.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,653.0               | 0.00            | 0.00        | 1,653.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,700.0               | 0.94            | 351.51      | 1,700.0               | 0.4          | -0.1         | -0.4                    | 2.00                    | 2.00                   | 0.00                  |
| 1,800.0               | 2.94            | 351.51      | 1,799.9               | 3.7          | -0.6         | -3.7                    | 2.00                    | 2.00                   | 0.00                  |
| 1,900.0               | 4.94            | 351.51      | 1,899.7               | 10.5         | -1.6         | -10.5                   | 2.00                    | 2.00                   | 0.00                  |
| 2,000.0               | 6.94            | 351.51      | 1,999.2               | 20.8         | -3.1         | -20.7                   | 2.00                    | 2.00                   | 0.00                  |
| 2,100.0               | 8.94            | 351.51      | 2,098.2               | 34.4         | -5.1         | -34.4                   | 2.00                    | 2.00                   | 0.00                  |
| 2,200.0               | 10.94           | 351.51      | 2,196.7               | 51.5         | -7.7         | -51.4                   | 2.00                    | 2.00                   | 0.00                  |
| 2,264.3               | 12.23           | 351.51      | 2,259.7               | 64.3         | -9.6         | -64.2                   | 2.00                    | 2.00                   | 0.00                  |
| 2,300.0               | 12.23           | 351.51      | 2,294.6               | 71.7         | -10.7        | -71.6                   | 0.00                    | 0.00                   | 0.00                  |
| 2,400.0               | 12.23           | 351.51      | 2,392.3               | 92.7         | -13.8        | -92.5                   | 0.00                    | 0.00                   | 0.00                  |
| 2,500.0               | 12.23           | 351.51      | 2,490.0               | 113.6        | -17.0        | -113.4                  | 0.00                    | 0.00                   | 0.00                  |
| 2,600.0               | 12.23           | 351.51      | 2,587.8               | 134.6        | -20.1        | -134.4                  | 0.00                    | 0.00                   | 0.00                  |
| 2,700.0               | 12.23           | 351.51      | 2,685.5               | 155.5        | -23.2        | -155.3                  | 0.00                    | 0.00                   | 0.00                  |
| 2,800.0               | 12.23           | 351.51      | 2,783.2               | 176.5        | -26.3        | -176.2                  | 0.00                    | 0.00                   | 0.00                  |
| 2,900.0               | 12.23           | 351.51      | 2,881.0               | 197.4        | -29.5        | -197.1                  | 0.00                    | 0.00                   | 0.00                  |
| 3,000.0               | 12.23           | 351.51      | 2,978.7               | 218.4        | -32.6        | -218.0                  | 0.00                    | 0.00                   | 0.00                  |
| 3,100.0               | 12.23           | 351.51      | 3,076.4               | 239.3        | -35.7        | -238.9                  | 0.00                    | 0.00                   | 0.00                  |
| 3,200.0               | 12.23           | 351.51      | 3,174.1               | 260.2        | -38.8        | -259.8                  | 0.00                    | 0.00                   | 0.00                  |
| 3,300.0               | 12.23           | 351.51      | 3,271.9               | 281.2        | -42.0        | -280.7                  | 0.00                    | 0.00                   | 0.00                  |
| 3,400.0               | 12.23           | 351.51      | 3,369.6               | 302.1        | -45.1        | -301.6                  | 0.00                    | 0.00                   | 0.00                  |
| 3,500.0               | 12.23           | 351.51      | 3,467.3               | 323.1        | -48.2        | -322.5                  | 0.00                    | 0.00                   | 0.00                  |
| 3,600.0               | 12.23           | 351.51      | 3,565.1               | 344.0        | -51.4        | -343.5                  | 0.00                    | 0.00                   | 0.00                  |
| 3,700.0               | 12.23           | 351.51      | 3,662.8               | 365.0        | -54.5        | -364.4                  | 0.00                    | 0.00                   | 0.00                  |
| 3,800.0               | 12.23           | 351.51      | 3,760.5               | 385.9        | -57.6        | -385.3                  | 0.00                    | 0.00                   | 0.00                  |
| 3,900.0               | 12.23           | 351.51      | 3,858.3               | 406.9        | -60.7        | -406.2                  | 0.00                    | 0.00                   | 0.00                  |
| 4,000.0               | 12.23           | 351.51      | 3,956.0               | 427.8        | -63.9        | -427.1                  | 0.00                    | 0.00                   | 0.00                  |
| 4,100.0               | 12.23           | 351.51      | 4,053.7               | 448.7        | -67.0        | -448.0                  | 0.00                    | 0.00                   | 0.00                  |
| 4,200.0               | 12.23           | 351.51      | 4,151.5               | 469.7        | -70.1        | -468.9                  | 0.00                    | 0.00                   | 0.00                  |
| 4,300.0               | 12.23           | 351.51      | 4,249.2               | 490.6        | -73.2        | -489.8                  | 0.00                    | 0.00                   | 0.00                  |
| 4,400.0               | 12.23           | 351.51      | 4,346.9               | 511.6        | -76.4        | -510.7                  | 0.00                    | 0.00                   | 0.00                  |
| 4,500.0               | 12.23           | 351.51      | 4,444.7               | 532.5        | -79.5        | -531.6                  | 0.00                    | 0.00                   | 0.00                  |
| 4,600.0               | 12.23           | 351.51      | 4,542.4               | 553.5        | -82.6        | -552.6                  | 0.00                    | 0.00                   | 0.00                  |
| 4,700.0               | 12.23           | 351.51      | 4,640.1               | 574.4        | -85.7        | -573.5                  | 0.00                    | 0.00                   | 0.00                  |
| 4,800.0               | 12.23           | 351.51      | 4,737.9               | 595.4        | -88.9        | -594.4                  | 0.00                    | 0.00                   | 0.00                  |
| 4,900.0               | 12.23           | 351.51      | 4,835.6               | 616.3        | -92.0        | -615.3                  | 0.00                    | 0.00                   | 0.00                  |
| 5,000.0               | 12.23           | 351.51      | 4,933.3               | 637.3        | -95.1        | -636.2                  | 0.00                    | 0.00                   | 0.00                  |
| 5,100.0               | 12.23           | 351.51      | 5,031.1               | 658.2        | -98.3        | -657.1                  | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

| Planned Survey                          |                 |             |                       |              |              |                         |                         |                        |                       |
|---|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)                   | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 5,200.0                                 | 12.23           | 351.51      | 5,128.8               | 679.1        | -101.4       | -678.0                  | 0.00                    | 0.00                   | 0.00                  |
| 5,300.0                                 | 12.23           | 351.51      | 5,226.5               | 700.1        | -104.5       | -698.9                  | 0.00                    | 0.00                   | 0.00                  |
| 5,400.0                                 | 12.23           | 351.51      | 5,324.3               | 721.0        | -107.6       | -719.8                  | 0.00                    | 0.00                   | 0.00                  |
| 5,500.0                                 | 12.23           | 351.51      | 5,422.0               | 742.0        | -110.8       | -740.7                  | 0.00                    | 0.00                   | 0.00                  |
| 5,600.0                                 | 12.23           | 351.51      | 5,519.7               | 762.9        | -113.9       | -761.7                  | 0.00                    | 0.00                   | 0.00                  |
| 5,700.0                                 | 12.23           | 351.51      | 5,617.4               | 783.9        | -117.0       | -782.6                  | 0.00                    | 0.00                   | 0.00                  |
| 5,800.0                                 | 12.23           | 351.51      | 5,715.2               | 804.8        | -120.1       | -803.5                  | 0.00                    | 0.00                   | 0.00                  |
| 5,900.0                                 | 12.23           | 351.51      | 5,812.9               | 825.8        | -123.3       | -824.4                  | 0.00                    | 0.00                   | 0.00                  |
| 6,000.0                                 | 12.23           | 351.51      | 5,910.6               | 846.7        | -126.4       | -845.3                  | 0.00                    | 0.00                   | 0.00                  |
| 6,100.0                                 | 12.23           | 351.51      | 6,008.4               | 867.6        | -129.5       | -866.2                  | 0.00                    | 0.00                   | 0.00                  |
| 6,200.0                                 | 12.23           | 351.51      | 6,106.1               | 888.6        | -132.6       | -887.1                  | 0.00                    | 0.00                   | 0.00                  |
| 6,300.0                                 | 12.23           | 351.51      | 6,203.8               | 909.5        | -135.8       | -908.0                  | 0.00                    | 0.00                   | 0.00                  |
| 6,400.0                                 | 12.23           | 351.51      | 6,301.6               | 930.5        | -138.9       | -928.9                  | 0.00                    | 0.00                   | 0.00                  |
| 6,500.0                                 | 12.23           | 351.51      | 6,399.3               | 951.4        | -142.0       | -949.8                  | 0.00                    | 0.00                   | 0.00                  |
| 6,600.0                                 | 12.23           | 351.51      | 6,497.0               | 972.4        | -145.2       | -970.8                  | 0.00                    | 0.00                   | 0.00                  |
| 6,700.0                                 | 12.23           | 351.51      | 6,594.8               | 993.3        | -148.3       | -991.7                  | 0.00                    | 0.00                   | 0.00                  |
| 6,800.0                                 | 12.23           | 351.51      | 6,692.5               | 1,014.3      | -151.4       | -1,012.6                | 0.00                    | 0.00                   | 0.00                  |
| 6,900.0                                 | 12.23           | 351.51      | 6,790.2               | 1,035.2      | -154.5       | -1,033.5                | 0.00                    | 0.00                   | 0.00                  |
| 7,000.0                                 | 12.23           | 351.51      | 6,888.0               | 1,056.2      | -157.7       | -1,054.4                | 0.00                    | 0.00                   | 0.00                  |
| 7,100.0                                 | 12.23           | 351.51      | 6,985.7               | 1,077.1      | -160.8       | -1,075.3                | 0.00                    | 0.00                   | 0.00                  |
| 7,200.0                                 | 12.23           | 351.51      | 7,083.4               | 1,098.0      | -163.9       | -1,096.2                | 0.00                    | 0.00                   | 0.00                  |
| 7,279.7                                 | 12.23           | 351.51      | 7,161.3               | 1,114.7      | -166.4       | -1,112.9                | 0.00                    | 0.00                   | 0.00                  |
| 7,300.0                                 | 11.82           | 351.51      | 7,181.2               | 1,118.9      | -167.0       | -1,117.1                | 2.00                    | -2.00                  | 0.00                  |
| 7,400.0                                 | 9.82            | 351.51      | 7,279.4               | 1,137.5      | -169.8       | -1,135.6                | 2.00                    | -2.00                  | 0.00                  |
| 7,500.0                                 | 7.82            | 351.51      | 7,378.2               | 1,152.6      | -172.1       | -1,150.7                | 2.00                    | -2.00                  | 0.00                  |
| 7,600.0                                 | 5.82            | 351.51      | 7,477.5               | 1,164.4      | -173.8       | -1,162.5                | 2.00                    | -2.00                  | 0.00                  |
| 7,700.0                                 | 3.82            | 351.51      | 7,577.1               | 1,172.7      | -175.1       | -1,170.8                | 2.00                    | -2.00                  | 0.00                  |
| 7,800.0                                 | 1.82            | 351.51      | 7,677.0               | 1,177.6      | -175.8       | -1,175.6                | 2.00                    | -2.00                  | 0.00                  |
| 7,891.0                                 | 0.00            | 0.00        | 7,768.0               | 1,179.0      | -176.0       | -1,177.0                | 2.00                    | -2.00                  | 0.00                  |
| 7,900.0                                 | 0.00            | 0.00        | 7,777.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,000.0                                 | 0.00            | 0.00        | 7,877.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,100.0                                 | 0.00            | 0.00        | 7,977.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,200.0                                 | 0.00            | 0.00        | 8,077.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,300.0                                 | 0.00            | 0.00        | 8,177.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,400.0                                 | 0.00            | 0.00        | 8,277.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,500.0                                 | 0.00            | 0.00        | 8,377.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,600.0                                 | 0.00            | 0.00        | 8,477.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,700.0                                 | 0.00            | 0.00        | 8,577.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,800.0                                 | 0.00            | 0.00        | 8,677.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 8,900.0                                 | 0.00            | 0.00        | 8,777.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 9,000.0                                 | 0.00            | 0.00        | 8,877.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 9,100.0                                 | 0.00            | 0.00        | 8,977.0               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| 9,145.5                                 | 0.00            | 0.00        | 9,022.5               | 1,179.0      | -176.0       | -1,177.0                | 0.00                    | 0.00                   | 0.00                  |
| <b>KOP(Lacey Swiss 1 Fed Com #103H)</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 9,150.0                                 | 0.54            | 180.00      | 9,027.0               | 1,179.0      | -176.0       | -1,177.0                | 12.00                   | 12.00                  | 0.00                  |
| 9,175.0                                 | 3.54            | 180.00      | 9,052.0               | 1,178.1      | -176.0       | -1,176.1                | 12.00                   | 12.00                  | 0.00                  |
| 9,200.0                                 | 6.54            | 180.00      | 9,076.9               | 1,175.9      | -176.0       | -1,173.9                | 12.00                   | 12.00                  | 0.00                  |
| 9,225.0                                 | 9.54            | 180.00      | 9,101.6               | 1,172.4      | -176.0       | -1,170.4                | 12.00                   | 12.00                  | 0.00                  |
| 9,250.0                                 | 12.54           | 180.00      | 9,126.2               | 1,167.6      | -176.0       | -1,165.7                | 12.00                   | 12.00                  | 0.00                  |
| 9,275.0                                 | 15.54           | 180.00      | 9,150.4               | 1,161.5      | -176.0       | -1,159.6                | 12.00                   | 12.00                  | 0.00                  |
| 9,300.0                                 | 18.54           | 180.00      | 9,174.3               | 1,154.2      | -176.0       | -1,152.3                | 12.00                   | 12.00                  | 0.00                  |
| 9,325.0                                 | 21.54           | 180.00      | 9,197.8               | 1,145.7      | -176.0       | -1,143.7                | 12.00                   | 12.00                  | 0.00                  |
| 9,350.0                                 | 24.54           | 180.00      | 9,220.8               | 1,135.9      | -176.0       | -1,133.9                | 12.00                   | 12.00                  | 0.00                  |





## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

| Planned Survey                   |                 |             |                       |              |              |                         |                         |                        |                       |  |
|----------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft)            | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 9,366.0                          | 26.46           | 180.00      | 9,235.2               | 1,129.0      | -176.0       | -1,127.0                | 12.00                   | 12.00                  | 0.00                  |  |
| FTP(Lacey Swiss 1 Fed Com #103H) |                 |             |                       |              |              |                         |                         |                        |                       |  |
| 9,375.0                          | 27.54           | 179.98      | 9,243.3               | 1,124.9      | -176.0       | -1,122.9                | 12.00                   | 12.00                  | -0.22                 |  |
| 9,400.0                          | 30.54           | 179.93      | 9,265.1               | 1,112.8      | -176.0       | -1,110.8                | 12.00                   | 12.00                  | -0.20                 |  |
| 9,425.0                          | 33.54           | 179.89      | 9,286.3               | 1,099.5      | -176.0       | -1,097.5                | 12.00                   | 12.00                  | -0.16                 |  |
| 9,450.0                          | 36.54           | 179.85      | 9,306.8               | 1,085.1      | -175.9       | -1,083.2                | 12.00                   | 12.00                  | -0.14                 |  |
| 9,475.0                          | 39.54           | 179.82      | 9,326.5               | 1,069.7      | -175.9       | -1,067.8                | 12.00                   | 12.00                  | -0.12                 |  |
| 9,500.0                          | 42.54           | 179.80      | 9,345.3               | 1,053.3      | -175.8       | -1,051.4                | 12.00                   | 12.00                  | -0.11                 |  |
| 9,525.0                          | 45.54           | 179.77      | 9,363.3               | 1,036.0      | -175.8       | -1,034.0                | 12.00                   | 12.00                  | -0.10                 |  |
| 9,550.0                          | 48.54           | 179.75      | 9,380.3               | 1,017.7      | -175.7       | -1,015.7                | 12.00                   | 12.00                  | -0.09                 |  |
| 9,575.0                          | 51.54           | 179.73      | 9,396.4               | 998.5        | -175.6       | -996.6                  | 12.00                   | 12.00                  | -0.08                 |  |
| 9,600.0                          | 54.54           | 179.71      | 9,411.4               | 978.5        | -175.5       | -976.6                  | 12.00                   | 12.00                  | -0.07                 |  |
| 9,625.0                          | 57.54           | 179.70      | 9,425.4               | 957.8        | -175.4       | -955.9                  | 12.00                   | 12.00                  | -0.07                 |  |
| 9,650.0                          | 60.54           | 179.68      | 9,438.2               | 936.4        | -175.3       | -934.4                  | 12.00                   | 12.00                  | -0.06                 |  |
| 9,675.0                          | 63.54           | 179.67      | 9,449.9               | 914.3        | -175.2       | -912.3                  | 12.00                   | 12.00                  | -0.06                 |  |
| 9,700.0                          | 66.54           | 179.65      | 9,460.5               | 891.6        | -175.0       | -889.7                  | 12.00                   | 12.00                  | -0.06                 |  |
| 9,725.0                          | 69.54           | 179.64      | 9,469.8               | 868.4        | -174.9       | -866.5                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,750.0                          | 72.54           | 179.63      | 9,477.9               | 844.8        | -174.7       | -842.9                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,775.0                          | 75.54           | 179.61      | 9,484.8               | 820.8        | -174.6       | -818.8                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,800.0                          | 78.54           | 179.60      | 9,490.4               | 796.4        | -174.4       | -794.5                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,825.0                          | 81.54           | 179.59      | 9,494.8               | 771.8        | -174.2       | -769.9                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,850.0                          | 84.54           | 179.58      | 9,497.8               | 747.0        | -174.1       | -745.1                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,875.0                          | 87.54           | 179.57      | 9,499.5               | 722.0        | -173.9       | -720.1                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,895.5                          | 90.00           | 179.56      | 9,499.9               | 701.5        | -173.7       | -699.6                  | 12.00                   | 12.00                  | -0.05                 |  |
| 9,900.0                          | 90.00           | 179.56      | 9,499.9               | 697.0        | -173.7       | -695.1                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,000.0                         | 90.00           | 179.56      | 9,499.9               | 597.0        | -172.9       | -595.1                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,100.0                         | 90.00           | 179.56      | 9,499.9               | 497.0        | -172.1       | -495.2                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,200.0                         | 90.00           | 179.56      | 9,499.9               | 397.0        | -171.4       | -395.2                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,300.0                         | 90.00           | 179.56      | 9,500.0               | 297.0        | -170.6       | -295.2                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,400.0                         | 90.00           | 179.56      | 9,500.0               | 197.1        | -169.8       | -195.2                  | 0.00                    | 0.00                   | 0.00                  |  |
| 10,500.0                         | 90.00           | 179.56      | 9,500.0               | 97.1         | -169.0       | -95.2                   | 0.00                    | 0.00                   | 0.00                  |  |
| 10,600.0                         | 90.00           | 179.56      | 9,500.0               | -2.9         | -168.3       | 4.7                     | 0.00                    | 0.00                   | 0.00                  |  |
| 10,700.0                         | 90.00           | 179.56      | 9,500.0               | -102.9       | -167.5       | 104.7                   | 0.00                    | 0.00                   | 0.00                  |  |
| 10,800.0                         | 90.00           | 179.56      | 9,500.0               | -202.9       | -166.7       | 204.7                   | 0.00                    | 0.00                   | 0.00                  |  |
| 10,900.0                         | 90.00           | 179.56      | 9,500.0               | -302.9       | -166.0       | 304.7                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,000.0                         | 90.00           | 179.56      | 9,500.0               | -402.9       | -165.2       | 404.7                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,100.0                         | 90.00           | 179.56      | 9,500.0               | -502.9       | -164.4       | 504.7                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,200.0                         | 90.00           | 179.56      | 9,500.0               | -602.9       | -163.6       | 604.6                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,300.0                         | 90.00           | 179.56      | 9,500.0               | -702.9       | -162.9       | 704.6                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,400.0                         | 90.00           | 179.56      | 9,500.0               | -802.9       | -162.1       | 804.6                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,500.0                         | 90.00           | 179.56      | 9,500.0               | -902.9       | -161.3       | 904.6                   | 0.00                    | 0.00                   | 0.00                  |  |
| 11,600.0                         | 90.00           | 179.56      | 9,500.0               | -1,002.9     | -160.5       | 1,004.6                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,700.0                         | 90.00           | 179.56      | 9,500.0               | -1,102.9     | -159.8       | 1,104.6                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,800.0                         | 90.00           | 179.56      | 9,500.0               | -1,202.9     | -159.0       | 1,204.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,900.0                         | 90.00           | 179.56      | 9,500.0               | -1,302.9     | -158.2       | 1,304.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,000.0                         | 90.00           | 179.56      | 9,500.0               | -1,402.9     | -157.5       | 1,404.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,100.0                         | 90.00           | 179.56      | 9,500.0               | -1,502.9     | -156.7       | 1,504.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,200.0                         | 90.00           | 179.56      | 9,500.0               | -1,602.9     | -155.9       | 1,604.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,300.0                         | 90.00           | 179.56      | 9,500.0               | -1,702.9     | -155.1       | 1,704.5                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,400.0                         | 90.00           | 179.56      | 9,500.0               | -1,802.9     | -154.4       | 1,804.4                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,500.0                         | 90.00           | 179.56      | 9,500.0               | -1,902.9     | -153.6       | 1,904.4                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,600.0                         | 90.00           | 179.56      | 9,500.0               | -2,002.9     | -152.8       | 2,004.4                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,700.0                         | 90.00           | 179.56      | 9,500.0               | -2,102.9     | -152.0       | 2,104.4                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,800.0                         | 90.00           | 179.56      | 9,500.0               | -2,202.9     | -151.3       | 2,204.4                 | 0.00                    | 0.00                   | 0.00                  |  |



## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

| Planned Survey                                 |                 |             |                       |              |              |                         |                         |                        |                       |
|--|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)                          | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 12,900.0                                       | 90.00           | 179.56      | 9,500.0               | -2,302.9     | -150.5       | 2,304.4                 | 0.00                    | 0.00                   | 0.00                  |
| 13,000.0                                       | 90.00           | 179.56      | 9,500.0               | -2,402.9     | -149.7       | 2,404.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,100.0                                       | 90.00           | 179.56      | 9,500.0               | -2,502.9     | -148.9       | 2,504.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,200.0                                       | 90.00           | 179.56      | 9,500.0               | -2,602.9     | -148.2       | 2,604.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,300.0                                       | 90.00           | 179.56      | 9,500.0               | -2,702.9     | -147.4       | 2,704.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,400.0                                       | 90.00           | 179.56      | 9,500.0               | -2,802.9     | -146.6       | 2,804.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,500.0                                       | 90.00           | 179.56      | 9,500.0               | -2,902.9     | -145.9       | 2,904.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,600.0                                       | 90.00           | 179.56      | 9,500.0               | -3,002.9     | -145.1       | 3,004.2                 | 0.00                    | 0.00                   | 0.00                  |
| 13,700.0                                       | 90.00           | 179.56      | 9,500.0               | -3,102.9     | -144.3       | 3,104.2                 | 0.00                    | 0.00                   | 0.00                  |
| 13,800.0                                       | 90.00           | 179.56      | 9,500.0               | -3,202.8     | -143.5       | 3,204.2                 | 0.00                    | 0.00                   | 0.00                  |
| 13,900.0                                       | 90.00           | 179.56      | 9,500.0               | -3,302.8     | -142.8       | 3,304.2                 | 0.00                    | 0.00                   | 0.00                  |
| 14,000.0                                       | 90.00           | 179.56      | 9,500.0               | -3,402.8     | -142.0       | 3,404.2                 | 0.00                    | 0.00                   | 0.00                  |
| 14,100.0                                       | 90.00           | 179.56      | 9,500.0               | -3,502.8     | -141.2       | 3,504.2                 | 0.00                    | 0.00                   | 0.00                  |
| 14,200.0                                       | 90.00           | 179.56      | 9,500.0               | -3,602.8     | -140.4       | 3,604.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,300.0                                       | 90.00           | 179.56      | 9,500.0               | -3,702.8     | -139.7       | 3,704.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,400.0                                       | 90.00           | 179.56      | 9,500.0               | -3,802.8     | -138.9       | 3,804.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,500.0                                       | 90.00           | 179.56      | 9,500.0               | -3,902.8     | -138.1       | 3,904.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,600.0                                       | 90.00           | 179.56      | 9,500.0               | -4,002.8     | -137.4       | 4,004.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,646.2                                       | 90.00           | 179.56      | 9,500.0               | -4,049.0     | -137.0       | 4,050.2                 | 0.00                    | 0.00                   | 0.00                  |
| <b>Fed Perf 1(Lacey Swiss 1 Fed Com #103H)</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 14,700.0                                       | 90.00           | 179.56      | 9,500.0               | -4,102.8     | -136.6       | 4,104.1                 | 0.00                    | 0.00                   | 0.00                  |
| 14,800.0                                       | 90.00           | 179.56      | 9,500.0               | -4,202.8     | -135.8       | 4,204.0                 | 0.00                    | 0.00                   | 0.00                  |
| 14,900.0                                       | 90.00           | 179.56      | 9,500.0               | -4,302.8     | -135.0       | 4,304.0                 | 0.00                    | 0.00                   | 0.00                  |
| 15,000.0                                       | 90.00           | 179.56      | 9,500.0               | -4,402.8     | -134.3       | 4,404.0                 | 0.00                    | 0.00                   | 0.00                  |
| 15,100.0                                       | 90.00           | 179.56      | 9,500.0               | -4,502.8     | -133.5       | 4,504.0                 | 0.00                    | 0.00                   | 0.00                  |
| 15,200.0                                       | 90.00           | 179.56      | 9,500.0               | -4,602.8     | -132.7       | 4,604.0                 | 0.00                    | 0.00                   | 0.00                  |
| 15,300.0                                       | 90.00           | 179.56      | 9,500.0               | -4,702.8     | -132.0       | 4,703.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,400.0                                       | 90.00           | 179.56      | 9,500.0               | -4,802.8     | -131.2       | 4,803.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,500.0                                       | 90.00           | 179.56      | 9,500.0               | -4,902.8     | -130.5       | 4,903.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,600.0                                       | 90.00           | 179.57      | 9,500.0               | -5,002.8     | -129.7       | 5,003.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,700.0                                       | 90.00           | 179.57      | 9,500.0               | -5,102.8     | -128.9       | 5,103.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,800.0                                       | 90.00           | 179.57      | 9,500.0               | -5,202.8     | -128.2       | 5,203.9                 | 0.00                    | 0.00                   | 0.00                  |
| 15,900.0                                       | 90.00           | 179.57      | 9,500.0               | -5,302.8     | -127.4       | 5,303.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,000.0                                       | 90.00           | 179.57      | 9,500.0               | -5,402.8     | -126.7       | 5,403.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,100.0                                       | 90.00           | 179.57      | 9,500.0               | -5,502.8     | -125.9       | 5,503.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,200.0                                       | 90.00           | 179.57      | 9,500.0               | -5,602.8     | -125.2       | 5,603.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,300.0                                       | 90.00           | 179.57      | 9,500.0               | -5,702.8     | -124.4       | 5,703.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,400.0                                       | 90.00           | 179.57      | 9,500.0               | -5,802.8     | -123.7       | 5,803.8                 | 0.00                    | 0.00                   | 0.00                  |
| 16,500.0                                       | 90.00           | 179.57      | 9,500.0               | -5,902.8     | -122.9       | 5,903.7                 | 0.00                    | 0.00                   | 0.00                  |
| 16,600.0                                       | 90.00           | 179.57      | 9,500.0               | -6,002.8     | -122.2       | 6,003.7                 | 0.00                    | 0.00                   | 0.00                  |
| 16,700.0                                       | 90.00           | 179.57      | 9,500.0               | -6,102.8     | -121.4       | 6,103.7                 | 0.00                    | 0.00                   | 0.00                  |
| 16,800.0                                       | 90.00           | 179.58      | 9,500.0               | -6,202.8     | -120.7       | 6,203.7                 | 0.00                    | 0.00                   | 0.00                  |
| 16,900.0                                       | 90.00           | 179.58      | 9,500.0               | -6,302.8     | -120.0       | 6,303.7                 | 0.00                    | 0.00                   | 0.00                  |
| 17,000.0                                       | 90.00           | 179.58      | 9,500.0               | -6,402.8     | -119.2       | 6,403.7                 | 0.00                    | 0.00                   | 0.00                  |
| 17,100.0                                       | 90.00           | 179.58      | 9,500.0               | -6,502.8     | -118.5       | 6,503.7                 | 0.00                    | 0.00                   | 0.00                  |
| 17,200.0                                       | 90.00           | 179.58      | 9,500.0               | -6,602.8     | -117.8       | 6,603.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,300.0                                       | 90.00           | 179.58      | 9,500.0               | -6,702.7     | -117.0       | 6,703.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,400.0                                       | 90.00           | 179.58      | 9,500.0               | -6,802.7     | -116.3       | 6,803.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,500.0                                       | 90.00           | 179.58      | 9,500.0               | -6,902.7     | -115.6       | 6,903.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,600.0                                       | 90.00           | 179.58      | 9,500.0               | -7,002.7     | -114.8       | 7,003.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,700.0                                       | 90.00           | 179.58      | 9,500.0               | -7,102.7     | -114.1       | 7,103.6                 | 0.00                    | 0.00                   | 0.00                  |
| 17,800.0                                       | 90.00           | 179.58      | 9,500.0               | -7,202.7     | -113.4       | 7,203.5                 | 0.00                    | 0.00                   | 0.00                  |
| 17,900.0                                       | 90.00           | 179.59      | 9,500.0               | -7,302.7     | -112.7       | 7,303.5                 | 0.00                    | 0.00                   | 0.00                  |



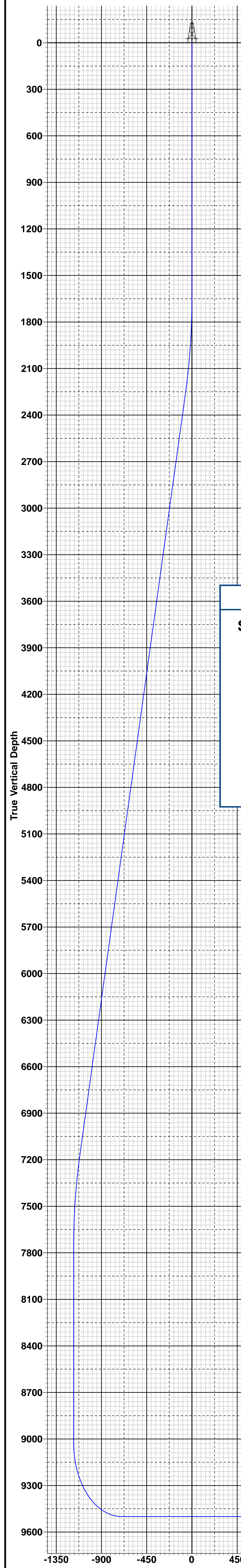
## Planning Report

|                  |                             |                                     |                       |
|------------------|-----------------------------|-------------------------------------|-----------------------|
| <b>Database:</b> | PEDM                        | <b>Local Co-ordinate Reference:</b> | Well #103H            |
| <b>Company:</b>  | Midland                     | <b>TVD Reference:</b>               | kb = 26' @ 3484.0usft |
| <b>Project:</b>  | Lea County, NM (NAD 83 NME) | <b>MD Reference:</b>                | kb = 26' @ 3484.0usft |
| <b>Site:</b>     | Lacey Swiss 1 Fed Com       | <b>North Reference:</b>             | Grid                  |
| <b>Well:</b>     | #103H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature     |
| <b>Wellbore:</b> | OH                          |                                     |                       |
| <b>Design:</b>   | Plan #0.1 RT                |                                     |                       |

| Planned Survey                    |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)             | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 18,000.0                          | 90.00           | 179.59      | 9,500.0               | -7,402.7     | -111.9       | 7,403.5                 | 0.00                    | 0.00                   | 0.00                  |
| 18,100.0                          | 90.00           | 179.59      | 9,500.0               | -7,502.7     | -111.2       | 7,503.5                 | 0.00                    | 0.00                   | 0.00                  |
| 18,200.0                          | 90.00           | 179.59      | 9,500.0               | -7,602.7     | -110.5       | 7,603.5                 | 0.00                    | 0.00                   | 0.00                  |
| 18,300.0                          | 90.00           | 179.59      | 9,500.0               | -7,702.7     | -109.8       | 7,703.5                 | 0.00                    | 0.00                   | 0.00                  |
| 18,400.0                          | 90.00           | 179.59      | 9,500.0               | -7,802.7     | -109.1       | 7,803.4                 | 0.00                    | 0.00                   | 0.00                  |
| 18,500.0                          | 90.00           | 179.59      | 9,500.0               | -7,902.7     | -108.3       | 7,903.4                 | 0.00                    | 0.00                   | 0.00                  |
| 18,600.0                          | 90.00           | 179.59      | 9,500.0               | -8,002.7     | -107.6       | 8,003.4                 | 0.00                    | 0.00                   | 0.00                  |
| 18,700.0                          | 90.00           | 179.59      | 9,500.0               | -8,102.7     | -106.9       | 8,103.4                 | 0.00                    | 0.00                   | 0.00                  |
| 18,800.0                          | 90.00           | 179.59      | 9,500.0               | -8,202.7     | -106.2       | 8,203.4                 | 0.00                    | 0.00                   | 0.00                  |
| 18,900.0                          | 90.00           | 179.59      | 9,500.0               | -8,302.7     | -105.5       | 8,303.4                 | 0.00                    | 0.00                   | 0.00                  |
| 19,000.0                          | 90.00           | 179.59      | 9,500.0               | -8,402.7     | -104.8       | 8,403.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,100.0                          | 90.00           | 179.60      | 9,500.0               | -8,502.7     | -104.1       | 8,503.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,200.0                          | 90.00           | 179.60      | 9,500.0               | -8,602.7     | -103.4       | 8,603.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,300.0                          | 90.00           | 179.60      | 9,500.0               | -8,702.7     | -102.7       | 8,703.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,400.0                          | 90.00           | 179.60      | 9,500.0               | -8,802.7     | -102.0       | 8,803.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,500.0                          | 90.00           | 179.60      | 9,500.0               | -8,902.7     | -101.3       | 8,903.3                 | 0.00                    | 0.00                   | 0.00                  |
| 19,600.0                          | 90.00           | 179.60      | 9,500.0               | -9,002.7     | -100.6       | 9,003.2                 | 0.00                    | 0.00                   | 0.00                  |
| 19,700.0                          | 90.00           | 179.60      | 9,500.0               | -9,102.7     | -99.9        | 9,103.2                 | 0.00                    | 0.00                   | 0.00                  |
| 19,800.0                          | 90.00           | 179.60      | 9,500.0               | -9,202.7     | -99.2        | 9,203.2                 | 0.00                    | 0.00                   | 0.00                  |
| 19,825.3                          | 90.00           | 179.60      | 9,500.0               | -9,228.0     | -99.0        | 9,228.5                 | 0.00                    | 0.00                   | 0.00                  |
| PBHL(Lacey Swiss 1 Fed Com #103H) |                 |             |                       |              |              |                         |                         |                        |                       |

| 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         |
| KOP(Lacey Swiss 1 Fed<br>- plan hits target center<br>- Point  | 0.00          | 0.00         | 9,022.5    | 1,179.0      | -176.0       | 425,313.00      | 792,130.00     | 32° 10' 0.003 N | 103° 31' 22.211 W |
| FTP(Lacey Swiss 1 Fed<br>- plan hits target center<br>- Point  | 0.00          | 0.00         | 9,235.2    | 1,129.0      | -176.0       | 425,263.00      | 792,130.00     | 32° 9' 59.508 N | 103° 31' 22.215 W |
| PBHL(Lacey Swiss 1 Fe<br>- plan hits target center<br>- Point  | 0.00          | 0.00         | 9,500.0    | -9,228.0     | -99.0        | 414,906.00      | 792,207.00     | 32° 8' 17.018 N | 103° 31' 22.227 W |
| Fed Perf 1(Lacey Swiss<br>- plan hits target center<br>- Point | 0.00          | 0.00         | 9,500.0    | -4,049.0     | -137.0       | 420,085.00      | 792,169.00     | 32° 9' 8.268 N  | 103° 31' 22.215 W |





To convert a Magnetic Direction to a Grid Direction, Add 5.85°  
To convert a Magnetic Direction to a True Direction, Add 6.29° East  
To convert a True Direction to a Grid Direction, Subtract 0.43°

Lea County, NM (NAD 83 NME)

Lacey Swiss 1 Fed Com #103H

Plan #0.1 RT

PROJECT DETAILS: Lea County, NM (NAD 83 NME)

Geodetic System: US State Plane 1983  
Datum: North American Datum 1983  
Ellipsoid: GRS 1980  
Zone: New Mexico Eastern Zone  
System Datum: Mean Sea Level

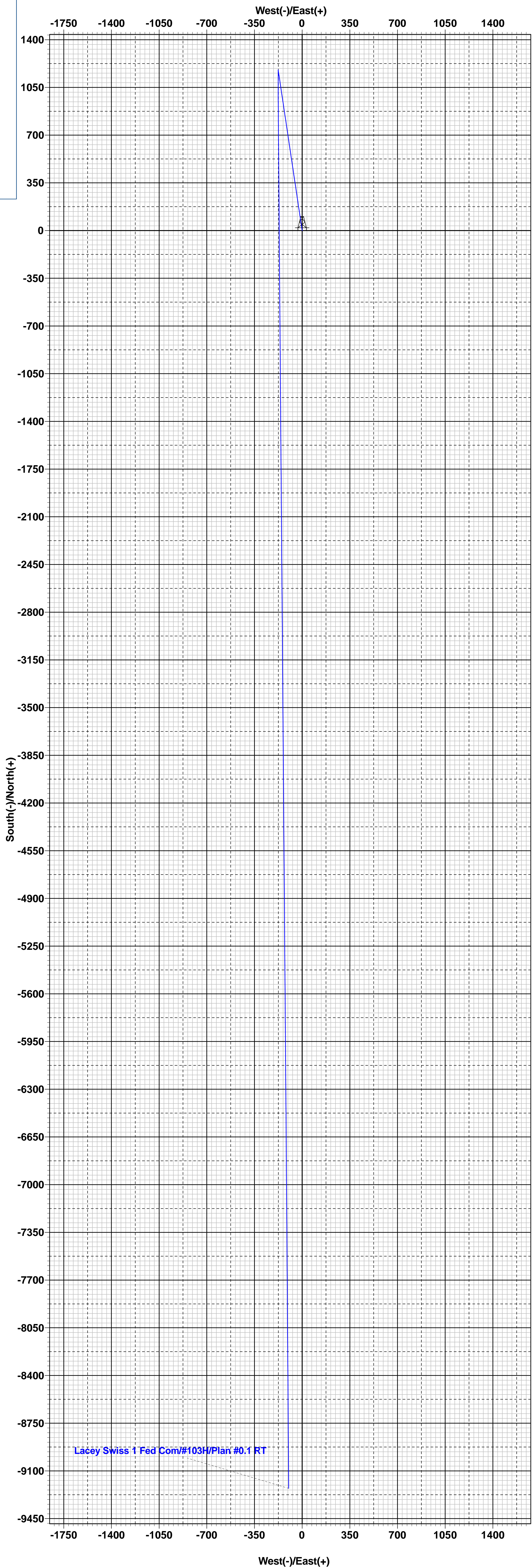
| WELL DETAILS: #103H   |           |                 |                   |  |
|-----------------------|-----------|-----------------|-------------------|--|
|                       |           | 3458.0          |                   |  |
| kb = 26' @ 3484.0usft |           |                 |                   |  |
| Northing              | Easting   | Latitude        | Longitude         |  |
| 424134.00             | 792306.00 | 32° 9' 48.323 N | 103° 31' 20.267 W |  |

| SECTION DETAILS |         |       |        |        |         |        |       |        |         |   |
|-----------------|---------|-------|--------|--------|---------|--------|-------|--------|---------|---|
| Sec             | MD      | Inc   | Azi    | TVD    | +N/-S   | +E/-W  | Dleg  | TFace  | VSect   | Target                                  |
| 1               | 0.0     | 0.00  | 0.00   | 0.0    | 0.0     | 0.0    | 0.00  | 0.00   | 0.0     |   |
| 2               | 1653.0  | 0.00  | 0.00   | 1653.0 | 0.0     | 0.0    | 0.00  | 0.00   | 0.0     |   |
| 3               | 2264.3  | 12.23 | 351.51 | 2259.7 | 64.3    | -9.6   | 2.00  | 351.51 | -64.2   |   |
| 4               | 7279.7  | 12.23 | 351.51 | 7161.3 | 1114.7  | -166.4 | 0.00  | 0.00   | -1112.9 |   |
| 5               | 7891.0  | 0.00  | 0.00   | 7768.0 | 1179.0  | -176.0 | 2.00  | 180.00 | -1177.0 |   |
| 6               | 9145.5  | 0.00  | 0.00   | 9022.5 | 1179.0  | -176.0 | 0.00  | 0.00   | -1177.0 | KOP(Lacey Swiss 1 Fed Com #103H)        |
| 7               | 9366.0  | 26.46 | 180.00 | 9235.2 | 1129.0  | -176.0 | 12.00 | 180.00 | -1127.0 | FTP(Lacey Swiss 1 Fed Com #103H)        |
| 8               | 9895.5  | 90.00 | 179.56 | 9499.9 | 701.5   | -173.7 | 12.00 | -0.49  | -699.6  |   |
| 9               | 14646.2 | 90.00 | 179.56 | 9500.0 | -4049.0 | -137.0 | 0.00  | 0.00   | 4050.2  | Fed Perf 1(Lacey Swiss 1 Fed Com #103H) |
| 10              | 19825.3 | 90.00 | 179.60 | 9500.0 | -9228.0 | -99.0  | 0.00  | 88.34  | 9228.5  | PBHL(Lacey Swiss 1 Fed Com #103H)       |

CASING DETAILS

No casing data is available

| WELLBORE TARGET DETAILS (MAP CO-ORDINATES) |        |         |        |           |           |
|--|--------|---------|--------|-----------|-----------|
| Name                                       | TVD    | +N/-S   | +E/-W  | Northing  | Easting   |
| KOP(Lacey Swiss 1 Fed Com #103H)           | 9022.5 | 1179.0  | -176.0 | 425313.00 | 792130.00 |
| FTP(Lacey Swiss 1 Fed Com #103H)           | 9235.2 | 1129.0  | -176.0 | 425263.00 | 792130.00 |
| Fed Perf 1(Lacey Swiss 1 Fed Com #103H)    | 9500.0 | -4049.0 | -137.0 | 420085.00 | 792169.00 |
| PBHL(Lacey Swiss 1 Fed Com #103H)          | 9500.0 | -9228.0 | -99.0  | 414906.00 | 792207.00 |



Vertical Section at 180.61°

Lacey Swiss 1 Fed Com #103H/Plan #0.1 RT

Lacey Swiss 1 Fed Com #103H/Plan #0.1 RT



## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

|                       |                             |
|-----------------------|-----------------------------|
| OPERATOR'S NAME:      | EOG RESOURCES INC.          |
| WELL NAME & NO.:      | LACEY SWISS 1 FED COM 103H  |
| SURFACE HOLE FOOTAGE: | 1229'/N & 1483'/E           |
| BOTTOM HOLE FOOTAGE:  | 100'/S & 1650'/E            |
| LOCATION:             | Section 1, T.25 S., R.33 E. |
| COUNTY:               | Lea County, New Mexico      |

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 checked="" type="radio"/> Low                   | <input type="radio"/> Medium                             | <input type="radio"/> High                                    |
| Cave/Karst Potential             | <input type="radio"/> Critical                         |  |   |
| Variance                         | <input type="radio"/> None                             | <input checked="" type="radio"/> Flex Hose               | <input type="radio"/> Other                                   |
| Wellhead                         | <input type="radio"/> Conventional                     | <input checked="" type="radio"/> Multibowl               | <input type="radio"/> Both                                    |
| Wellhead Variance                | <input type="radio"/> Diverter                         |  |   |
| Other                            | <input type="checkbox"/> 4 String                      | <input type="checkbox"/> Capitan Reef                    | <input type="checkbox"/> WIPP                                 |
| Other                            | <input type="checkbox"/> Fluid Filled                  | <input type="checkbox"/> Pilot Hole                      | <input type="checkbox"/> Open Annulus                         |
| Cementing                        | <input type="checkbox"/> Contingency<br>Cement Squeeze | <input type="checkbox"/> EchoMeter                       | <input checked="" type="checkbox"/> Primary Cement<br>Squeeze |
| Special Requirements             | <input type="checkbox"/> Water Disposal                | <input checked="" type="checkbox"/> COM                  | <input type="checkbox"/> Unit                                 |
| Special Requirements             | <input type="checkbox"/> Batch Sundry                  |  |   |
| Special Requirements<br>Variance | <input checked="" type="checkbox"/> Break Testing      | <input checked="" type="checkbox"/> Offline<br>Cementing | <input checked="" type="checkbox"/> Casing<br>Clearance       |

### A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. 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

#### Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately 1,300 feet (a minimum of 25 feet (Lea 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 **9-5/8** inch intermediate casing shall be set at approximately **5,040** feet **TVD**. **CASING TO BE KEPT AT LEAST HALF FULL DURING RUN FOR COLLAPSE SF.** The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Option 2:**

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- a. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon**
- b. Second stage:
  - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified.

**Operator has proposed to pump down 13-3/8" X 9-5/8" annulus. Operator must top out cement after the bradenhead squeeze and verify cement to surface. Operator can also check TOC with Echo-meter. CBL must be run from TD of the 9-5/8" casing to surface if confidence is lacking on the quality of the bradenhead squeeze cement job. Submit results to BLM.**

**If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.**

**Bradenhead squeeze in the production interval is only as an edge case remediation measure and is NOT approved in this COA. If production cement job experiences losses and a bradenhead squeeze is needed for tie-back, BLM Engineering should be notified prior to job with volumes and planned wellbore schematic. CBL will be needed when this occurs.**

3. The 5-1/2 inch production casing shall be set at approximately 19,825 feet The minimum required fill of cement behind the 5-1/2 inch production casing is:

**Option 1 (Single Stage):**

- Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

**Alternate Casing Design:**

1. The 10-3/4 inch surface casing shall be set at approximately 1,300 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - e. 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.
  - f. 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)
  - g. 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.
  - h. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The 8-5/8 inch intermediate casing shall be set at approximately 5,040 feet TVD. **CASING TO BE KEPT AT LEAST HALF FULL DURING RUN FOR COLLAPSE SF.** The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

### **Option 2:**

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- c. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon**
- d. Second stage:
  - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified.

**Operator has proposed to pump down 10-3/4" X 8-5/8" annulus. Operator must top out cement after the bradenhead squeeze and verify cement to surface. Operator can also check TOC with Echo-meter. CBL must be run from TD of the 8-5/8" casing to surface if confidence is lacking on the quality of the bradenhead squeeze cement job. Submit results to BLM.**

**If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.**

**Bradenhead squeeze in the production interval is only as an edge case remediation measure and is NOT approved in this COA. If production cement job experiences losses and a bradenhead squeeze is needed for tie-back, BLM Engineering should be notified prior to job with volumes and planned wellbore schematic. CBL will be needed when this occurs.**

3. The 5-1/2 inch production casing shall be set at approximately 19,825 feet The minimum required fill of cement behind the 5-1/2 inch production casing is:

### **Option 1 (Single Stage):**

- 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. Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 43 CFR part 3170 Subpart 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.

##### **(Note: For a minimum 5M BOPE or less (Utilizing a 10M BOPE system)**

##### **BOPE Break Testing Variance**

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. (Annular preventer

**must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)**

- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer (575-706-2779) prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted (575-689-5981 Lea County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per 43 CFR part 3170 Subpart 3172.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

### **Offline Cementing**

Operator has been (**Approved**) to pump the proposed cement program offline in the **Surface and intermediate(s) intervals.**

Offline cementing should commence within 24 hours of landing the casing for the interval.

Notify the BLM 4hrs prior to cementing offline at **Lea County: 575-689-5981.**

### **Casing Clearance:**

- Salt washout annular variance in place.
- Overlap clearance OK for production interval.

Operator shall clean up cycles until wellbore is clear of cuttings and any large debris, ensure cutting sizes are adequate “coffee ground or less” before cementing.

## **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)
- If well located in 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

- If well located in 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.

**KPI 2/22/2024**



Lacey Swiss 1 Fed Com #103H

## Hydrogen Sulfide Plan Summary

**A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.**

**B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.**

**C. Required Emergency Equipment:**

■ **Well control equipment**

- a. Flare line 150' from wellhead to be ignited by flare gun.
- b. Choke manifold with a remotely operated choke.
- c. Mud/gas separator

■ **Protective equipment for essential personnel:**

- a. Breathing Apparatus:
  - i. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
  - ii. Work/Escape packs — 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
  - iii. Emergency Escape Packs — 4 packs shall be stored in the doghouse for emergency evacuation.
- b. Auxiliary Rescue Equipment:
  - i. Stretcher
  - ii. Two OSHA full body harness
  - iii. 100 ft 5/8 inch OSHA approved rope
  - iv. 1-20# class ABC fire extinguisher

■ **H2S Detection and Monitoring Equipment:**

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

■ **Visual Warning System:**

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





Lacey Swiss 1 Fed Com #103H

■ **Mud Program:**

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H<sub>2</sub>S bearing zones.

■ **Metallurgy:**

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service.

■ **Communication:**

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



Lacey Swiss 1 Fed Com #103H

## Emergency Assistance Telephone List

| <b>PUBLIC SAFETY:</b>                                 | <b>911 or</b>  |
|---|----------------|
| <b>Lea County Sheriff's Department</b>                | (575) 396-3611 |
| Corey Helton  |                |
| <b>Fire Department</b>                                |                |
| Carlsbad  | (575) 885-3125 |
| Artesia   | (575) 746-5050 |
| <b>Hospitals</b>                                      |                |
| Carlsbad  | (575) 887-4121 |
| Artesia   | (575) 748-3333 |
| Hobbs   | (575) 392-1979 |
| <b>Dept. of Public Safety/Carlsbad</b>                | (575) 748-9718 |
| <b>Highway Department</b>                             | (575) 885-3281 |
| <b>U.S. Department of Labor</b>                       | (575) 887-1174 |
| <b>Bureau of Land Management - Hobbs (Lea Co)</b>     | (575) 393-3612 |
| PET On Call - Hobbs                                   | (575) 706-2779 |
| <b>Bureau of Land Management - Carlsbad (Eddy Co)</b> | (575) 234-5972 |
| PET On Call - Carlsbad                                | (575) 706-2779 |
| <b>New Mexico Oil Conservation Division - Artesia</b> | (575) 748-1283 |
| Inspection Group South - Gilbert Gordero              | (575) 626-0830 |
| <b>EOG Resources, Inc.</b>                            |                |
| EOG Midland   | (432) 686-3600 |
| <b>Company Drilling Consultants:</b>                  |                |
| Jett Dueitt   | (432) 230-4840 |
| Blake Burney  |                |
| <b>Drilling Engineers</b>                             |                |
| Stephen Davis   | (432) 235-9789 |
| Matt Day  | (210) 296-4456 |
| <b>Drilling Managers</b>                              |                |
| Branden Keener  | (210) 294-3729 |
| <b>Drilling Superintendents</b>                       |                |
| Lance Hardy   | (432) 215-8152 |
| Ryan Reynolds   | (432) 215-5978 |
| Steve Kelly   | (210) 416-7894 |
| <b>H&amp;P Drilling</b>                               |                |
| H&P Drilling  | (432) 563-5757 |
| <b>Nabors Drilling</b>                                |                |
| Nabors Drilling                                       | (432) 363-8180 |
| <b>Patterson UTI</b>                                  |                |
| Patterson UTI   | (432) 561-9382 |
| <b>EOG Safety</b>                                     |                |
| Brian Chandler (HSE Manager)                          | (817) 239-0251 |



# Salt Section Annular Clearance Variance Request

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Daniel Moose

# Current Design (Salt Strings)

## 0.422" Annular clearance requirement

- Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

- 12.25" Hole x 9.625" 40# J55/HCK55 LTC Casing
  - 1.3125" Clearance to casing OD
  - 0.8125" Clearance to coupling OD
- 9.875" Hole x 8.75" 38.5# P110 Sprint-SF Casing
  - 0.5625" Clearance to casing OD
  - 0.433" Clearance to coupling OD

# Annular Clearance Variance Request

**EOG request permission to allow deviation from the 0.422" annulus clearance requirement for the intermediate (salt) section from Onshore Order #2 under the following conditions:**

- The variance is not applicable within the Potash Boundaries or Capitan Reef areas.
- Operator takes responsibility to get casing to set point in the event that the clearance causes stuck pipe issues

# Volumetric Hole Size Calculation

## Hole Size Calculations Off Cement Volumes

- Known volume of cement pumped
- Known volume of cement returned to surface
- Must not have had any losses
- Must have bumped plug

## Average Hole Size

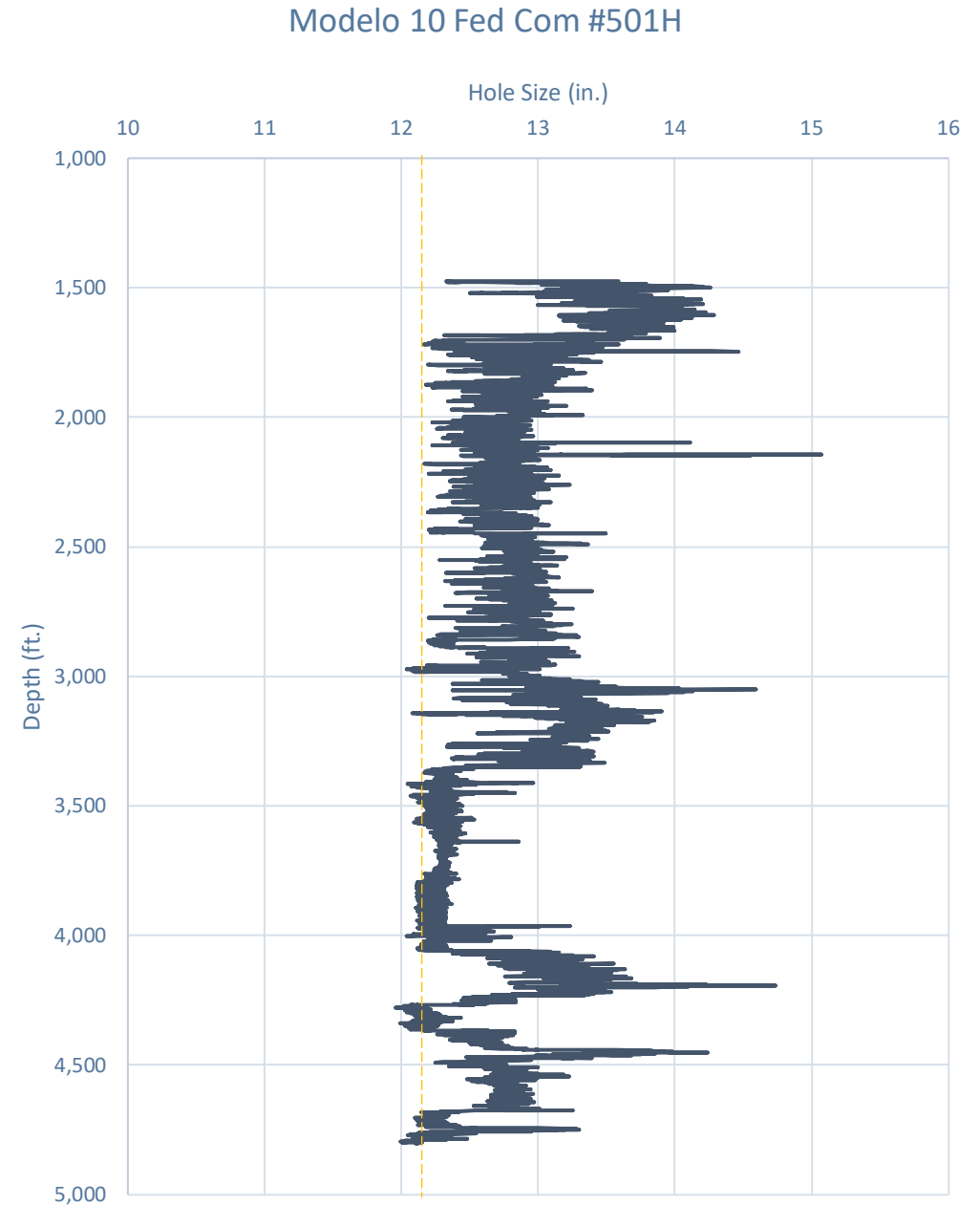
- 12.25" Hole
  - 12.88" Hole
    - 5.13% diameter increase
    - 10.52% area increase
  - 0.63" Average enlargement
  - 0.58" Median enlargement
  - 179 Well Count
- 9.875" Hole
  - 10.30" Hole
    - 4.24% diameter increase
    - 9.64% area increase
  - 0.42" Average enlargement
  - 0.46" Median enlargement
  - 11 Well Count



# Caliper Hole Size (12.25")

## Average Hole Size

- 12.25" Bit
  - 12.76" Hole
    - 4.14% diameter increase
    - 8.44% area increase
  - 0.51" Average enlargement
  - 0.52" Median enlargement
  - Brine



# Caliper Hole Size (9.875")

## Average Hole Size

- 9.875" Hole
  - 11.21" Hole
    - 13.54% diameter increase
    - 28.92% area increase
  - 1.33" Average enlargement
  - 1.30" Median enlargement
  - EnerLite

Whirling Wind 11 Fed Com #744H

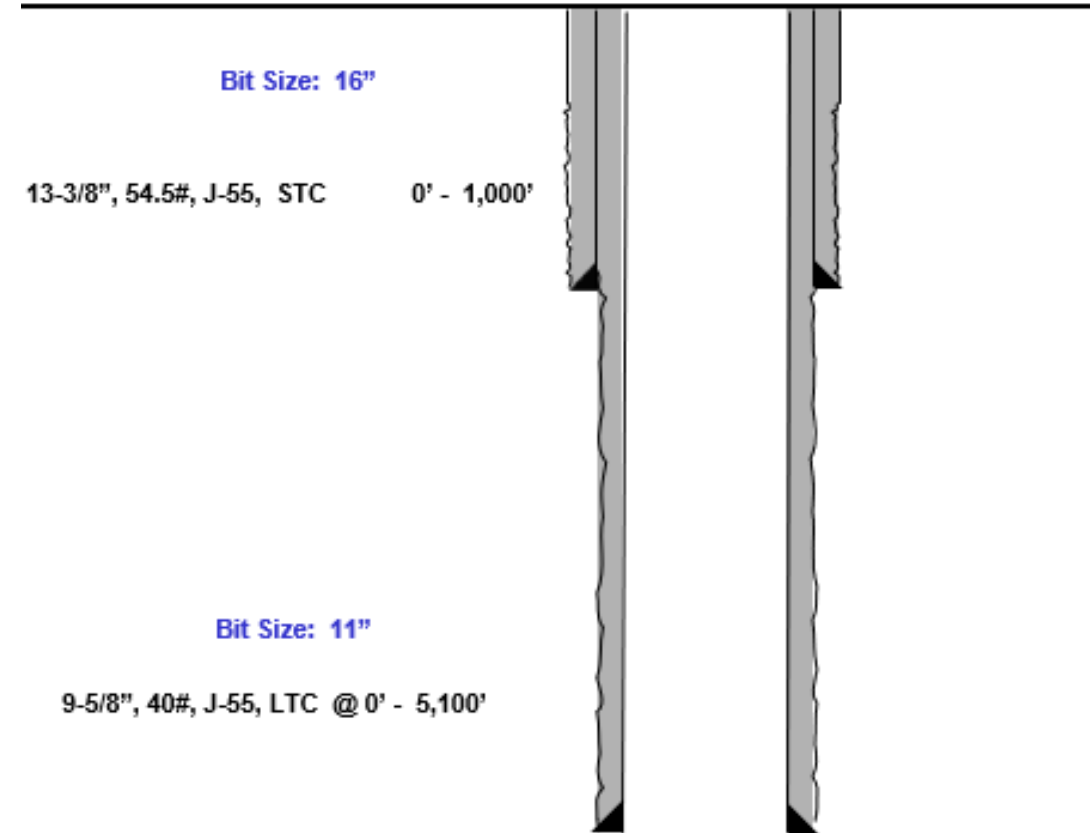




# Design A

## Proposed 11" Hole with 9.625" 40# J55/HCK55 LTC Casing

- 11" Bit + 0.52" Average hole enlargement = 11.52" Hole Size
  - 0.9475" Clearance to casing OD
 
$$= \frac{11.52 - 9.625}{2}$$
  - 0.4475" Clearance to coupling OD
 
$$= \frac{11.52 - 10.625}{2}$$
- Previous Shoe – 13.375" 54.5# J55 STC
  - 0.995" Clearance to coupling OD (~1,200' overlap)
 
$$= \frac{12.615 - 10.625}{2}$$



# Design B

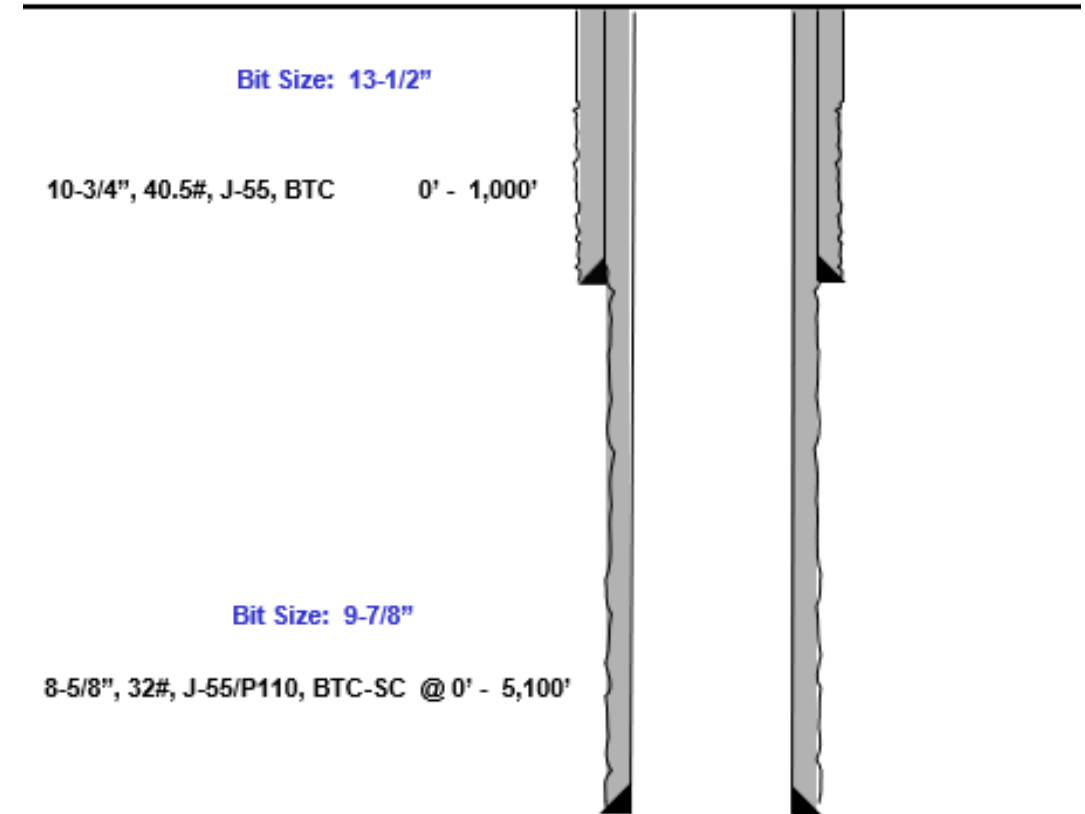
## Proposed 9.875" Hole with 8.625" 32# J55/P110 BTC-SC Casing

- 9.875" Bit + 0.42" Average hole enlargement = 10.295" Hole Size
  - 0.835" Clearance to casing OD  

$$= \frac{10.295 - 8.625}{2}$$
  - 0.585" Clearance to coupling OD  

$$= \frac{10.295 - 9.125}{2}$$
- Previous Shoe – 10.75" 40.5# J55 STC
  - 0.4625" Clearance to coupling OD (~1,200' overlap)  

$$= \frac{10.05 - 9.125}{2}$$





# Index

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# Casing Spec Sheets

## PERFORMANCE DATA

API LTC

Technical Data Sheet

9.625 in

40.00 lbs/ft

K55 HC

### Tubular Parameters

|                     |        |        |                              |       |      |
|---------------------|--------|--------|------------------------------|-------|------|
| Size                | 9.625  | in     | Minimum Yield                | 55    | ksi  |
| Nominal Weight      | 40.00  | lbs/ft | Minimum Tensile              | 95    | ksi  |
| Grade               | K55 HC |        | Yield Load                   | 629   | kips |
| PE Weight           | 38.94  | lbs/ft | Tensile Load                 | 1088  | kips |
| Wall Thickness      | 0.395  | in     | Min. Internal Yield Pressure | 3,950 | psi  |
| Nominal ID          | 8.835  | in     | Collapse Pressure            | 3600  | psi  |
| Drift Diameter      | 8.750  | in     |                              |       |      |
| Nom. Pipe Body Area | 11.454 | in²    |                              |       |      |

### Connection Parameters

|                              |        |       |
|------------------------------|--------|-------|
| Connection OD                | 10.625 | in    |
| Coupling Length              | 10.500 | in    |
| Threads Per Inch             | 8      | tpi   |
| Standoff Thread Turns        | 3.50   | turns |
| Make-Up Loss                 | 4.750  | in    |
| Min. Internal Yield Pressure | 3,950  | psi   |

## Pipe Body and API Connections Performance Data

13.375 54.50/0.380 J55

PDF

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USC ☒ Metric

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| Mechanical Properties            | Pipe   | BTC    | LTC | STC    |          |
|----------------------------------|--------|--------|-----|--------|----------|
| Minimum Yield Strength           | 55,000 | --     | --  | --     | psi      |
| Maximum Yield Strength           | 80,000 | --     | --  | --     | psi      |
| Minimum Tensile Strength         | 75,000 | --     | --  | --     | psi      |
| Dimensions                       | Pipe   | BTC    | LTC | STC    |          |
| Outside Diameter                 | 13.375 | 14.375 | --  | 14.375 | in.      |
| Wall Thickness                   | 0.380  | --     | --  | --     | in.      |
| Inside Diameter                  | 12.615 | 12.615 | --  | 12.615 | in.      |
| Standard Drift                   | 12.459 | 12.459 | --  | 12.459 | in.      |
| Alternate Drift                  | --     | --     | --  | --     | in.      |
| Nominal Linear Weight, T&C       | 54.50  | --     | --  | --     | lbs/ft   |
| Plain End Weight                 | 52.79  | --     | --  | --     | lbs/ft   |
| Performance                      | Pipe   | BTC    | LTC | STC    |          |
| Minimum Collapse Pressure        | 1,130  | 1,130  | --  | 1,130  | psi      |
| Minimum Internal Yield Pressure  | 2,740  | 2,740  | --  | 2,740  | psi      |
| Minimum Pipe Body Yield Strength | 853.00 | --     | --  | --     | 1000 lbs |
| Joint Strength                   | --     | 909    | --  | 514    | 1000 lbs |
| Reference Length                 | --     | 11,125 | --  | 6,290  | ft       |
| Make-Up Data                     | Pipe   | BTC    | LTC | STC    |          |
| Make-Up Loss                     | --     | 4.81   | --  | 3.50   | in.      |
| Minimum Make-Up Torque           | --     | --     | --  | 3,860  | ft-lbs   |
| Maximum Make-Up Torque           | --     | --     | --  | 6,430  | ft-lbs   |



# Casing Spec Sheets

## Pipe Body and API Connections Performance Data

10.750 40.50/0.350 J55

PDF

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USC ☒ Metric

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| Mechanical Properties            | Pipe   | BTC    | LTC | STC    |          |
|----------------------------------|--------|--------|-----|--------|----------|
| Minimum Yield Strength           | 55,000 | --     | --  | --     | psi      |
| Maximum Yield Strength           | 80,000 | --     | --  | --     | psi      |
| Minimum Tensile Strength         | 75,000 | --     | --  | --     | psi      |
| Dimensions                       | Pipe   | BTC    | LTC | STC    |          |
| Outside Diameter                 | 10.750 | 11.750 | --  | 11.750 | in.      |
| Wall Thickness                   | 0.350  | --     | --  | --     | in.      |
| Inside Diameter                  | 10.050 | 10.050 | --  | 10.050 | in.      |
| Standard Drift                   | 9.894  | 9.894  | --  | 9.894  | in.      |
| Alternate Drift                  | --     | --     | --  | --     | in.      |
| Nominal Linear Weight, T&C       | 40.50  | --     | --  | --     | lbs/ft   |
| Plain End Weight                 | 38.91  | --     | --  | --     | lbs/ft   |
| Performance                      | Pipe   | BTC    | LTC | STC    |          |
| Minimum Collapse Pressure        | 1,580  | 1,580  | --  | 1,580  | psi      |
| Minimum Internal Yield Pressure  | 3,130  | 3,130  | --  | 3,130  | psi      |
| Minimum Pipe Body Yield Strength | 629.00 | --     | --  | --     | 1000 lbs |
| Joint Strength                   | --     | 700    | --  | 420    | 1000 lbs |
| Reference Length                 | --     | 11,522 | --  | 6,915  | ft       |
| Make-Up Data                     | Pipe   | BTC    | LTC | STC    |          |
| Make-Up Loss                     | --     | 4.81   | --  | 3.50   | in.      |
| Minimum Make-Up Torque           | --     | --     | --  | 3,150  | ft-lbs   |
| Maximum Make-Up Torque           | --     | --     | --  | 5,250  | ft-lbs   |



### API 5CT, 10th Ed. Connection Data Sheet

| O.D. (in) | WEIGHT (lb/ft)                     | WALL (in) | GRADE | *API DRIFT (in) | RBW % |
|-----------|------------------------------------|-----------|-------|-----------------|-------|
| 8.625     | Nominal: 32.00<br>Plain End: 31.13 | 0.352     | J55   | 7.796           | 87.5  |

| Material Properties (PE)  |        | Pipe Body Data (PE)                          |                       |
|---------------------------|--------|--|-----------------------|
| Pipe                      |        | Geometry                                     |                       |
| Minimum Yield Strength:   | 55 ksi | Nominal ID:                                  | 7.92 inch             |
| Maximum Yield Strength:   | 80 ksi | Nominal Area:                                | 9.149 in <sup>2</sup> |
| Minimum Tensile Strength: | 75 ksi | *Special/Alt. Drift:                         | 7.875 inch            |
| Coupling                  |        | Performance                                  |                       |
| Minimum Yield Strength:   | 55 ksi | Pipe Body Yield Strength:                    | 503 kips              |
| Maximum Yield Strength:   | 80 ksi | Collapse Resistance:                         | 2,530 psi             |
| Minimum Tensile Strength: | 75 ksi | Internal Yield Pressure:<br>(API Historical) | 3,930 psi             |

| API Connection Data                   |  | API Connection Torque                              |  |
|---------------------------------------|--|--|--|
| Coupling OD: 9.625"                   |  | STC Torque (ft-lbs)                                |  |
| STC Performance                       |  | Min: 2,793 Opti: 3,724 Max: 4,655                  |  |
| STC Internal Pressure:                |  | LTC Torque (ft-lbs)                                |  |
| STC Joint Strength:                   |  | Min: 3,130 Opti: 4,174 Max: 5,217                  |  |
| LTC Performance                       |  | BTC Torque (ft-lbs)                                |  |
| LTC Internal Pressure:                |  | follow API guidelines regarding positional make up |  |
| LTC Joint Strength:                   |  |  |  |
| SC-BTC Performance - Cplg OD = 9.125" |  |  |  |
| BTC Internal Pressure:                |  |  |  |
| BTC Joint Strength:                   |  |  |  |

\*Alt. Drift will be used unless API Drift is specified on order.

\*\*If above API connections do not suit your needs, VAM® premium connections are available up to 100% of pipe body ratings.

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Rev 3, 7/30/2021

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Annular Clearance Variance

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

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

### 1. Component and Preventer Compatibility Tables

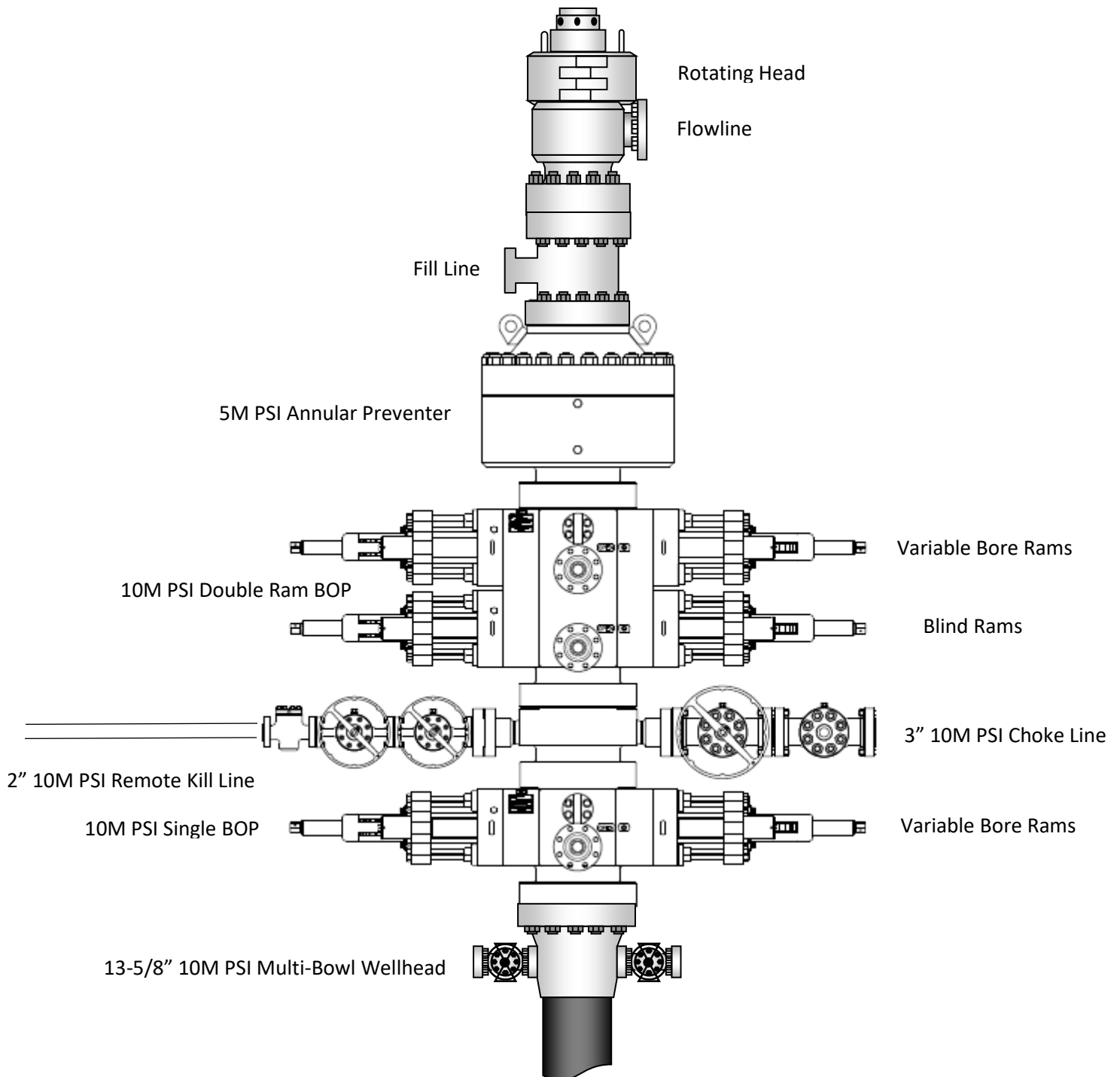
The tables below outlines the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

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

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

VBR = Variable Bore Ram

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



## 2. Well Control Procedures

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

### General Procedure While Drilling

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

### General Procedure While Tripping

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



General Procedure While Running Production Casing

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

General Procedure With No Pipe In Hole (Open Hole)

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

General Procedures While Pulling BHA thru Stack

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

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



## Offline Intermediate Cementing Procedure

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**Cement Program**

1. No changes to the cement program will take place for offline cementing.

**Summarized Operational Procedure for Intermediate Casing**

1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment back pressure valves.
  - a. Float equipment is equipped with two back pressure valves rated to a minimum of 5,000 psi.
2. Land production casing on mandrel hanger through BOP.
  - a. If casing is unable to be landed with a mandrel hanger, then the **casing will be cemented online**.
3. Break circulation and confirm no restrictions.
  - a. Ensure no blockage of float equipment and appropriate annular returns.
  - b. Perform flow check to confirm well is static.
4. Set pack-off
  - a. If utilizing a fluted/ported mandrel hanger, ensure well is static on the annulus and inside the casing by filling the pipe with kill weight fluid, remove landing joint, and set annular packoff through BOP. Pressure test to 5,000 psi for 10 min.
  - b. If utilizing a solid mandrel hanger, ensure well is static on the annulus and inside the casing by filling the pipe with kill weight fluid. Pressure test seals to 5,000 psi for 10 min. Remove landing joint through BOP.
5. After confirmation of both annular barriers and the two casing barriers, install TA plug and pressure test to 5,000 psi for 10 min. Notify the BLM with intent to proceed with nipple down and offline cementing.
  - a. Minimum 4 hrs notice.
6. With the well secured and BLM notified, nipple down BOP and secure on hydraulic carrier or cradle.
  - a. **Note, if any of the barriers fail to test, the BOP stack will not be nipped down until after the cement job has concluded and both lead and tail slurry have reached 500 psi.**
7. Skid/Walk rig off current well.
8. Confirm well is static before removing TA Plug.
  - a. Cementing operations will not proceed until well is under control. (If well is not static, notify BLM and proceed to kill)
  - b. Casing outlet valves will provide access to both the casing ID and annulus. Rig or third party pump truck will kill well prior to cementing.
  - c. Well control plan can be seen in Section B, Well Control Procedures.
  - d. If need be, rig can be moved back over well and BOP nipped back up for any further remediation.



## Offline Intermediate Cementing Procedure

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- e. Diagram for rig positioning relative to offline cementing can be seen in Figure 4.
9. Rig up return lines to take returns from wellhead to pits and rig choke.
  - a. Test all connections and lines from wellhead to choke manifold to 5,000 psi high for 10 min.
  - b. If either test fails, perform corrections and retest before proceeding.
  - c. Return line schematics can be seen in Figure 3.
10. Remove TA Plug from the casing.
11. Install offline cement tool.
  - a. Current offline cement tool schematics can be seen in Figure 1 (Cameron) and Figure 2 (Cactus).
12. Rig up cement head and cementing lines.
  - a. Pressure test cement lines against cement head to 80% of casing burst for 10 min.
13. Break circulation on well to confirm no restrictions.
  - a. If gas is present on circulation, well will be shut in and returns rerouted through gas buster.
  - b. Max anticipated time before circulating with cement truck is 6 hrs.
14. Pump cement job as per plan.
  - a. At plug bump, test casing to 0.22 psi/ft or 1500 psi, whichever is greater.
  - b. If plug does not bump on calculated, shut down and wait 8 hrs or 500 psi compressive strength, whichever is greater before testing casing.
15. Confirm well is static and floats are holding after cement job.
  - a. With floats holding and backside static:
    - i. Remove cement head.
  - b. If floats are leaking:
    - i. Shut-in well and WOC (Wait on Cement) until tail slurry reaches 500 psi compressive strength and the casing is static prior to removing cement head.
  - c. If there is flow on the backside:
    - i. Shut in well and WOC until tail slurry reaches 500 psi compressive strength. Ensure that the casing is static prior to removing cement head.
16. Remove offline cement tool.
17. Install night cap with pressure gauge for monitoring.
18. Test night cap to 5,000 psi for 10 min.



Offline Intermediate Cementing Procedure

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## Example Well Control Plan Content

### A. Well Control Component Table

The table below, which covers the cementing of the **5M MASP (Maximum Allowable Surface Pressure) portion of the well**, outlines the well control component rating in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the BOP nipped up to the wellhead.

Intermediate hole section, 5M requirement

| Component                | RWP |
|--------------------------|-----|
| Pack-off                 | 10M |
| Casing Wellhead Valves   | 10M |
| Annular Wellhead Valves  | 5M  |
| TA Plug                  | 10M |
| Float Valves             | 5M  |
| 2" 1502 Lo-Torque Valves | 15M |

### B. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while circulating and cementing through the Offline Cement Adapter.

#### General Procedure While Circulating

1. Sound alarm (alert crew).
2. Shut down pumps.
3. Shut-in Well (close valves to rig pits and open valve to rig choke line. Rig choke will already be in the closed position).
4. Confirm shut-in.
5. Notify tool pusher/company representative.



## Offline Intermediate Cementing Procedure

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6. Read and record the following:
  - a. SICP (Shut in Casing Pressure) and AP (Annular Pressure)
  - b. Pit gain
  - c. Time
  - d. Regroup and identify forward plan to continue circulating out kick via rig choke and mud/gas separator. Circulate and adjust mud density as needed to control well.

### General Procedure While Cementing

1. Sound alarm (alert crew).
2. Shut down pumps.
3. Shut-in Well (close valves to rig pits and open valve to rig choke line. Rig choke will already be in the closed position).
4. Confirm shut-in.
5. Notify tool pusher/company representative.
6. Open rig choke and begin pumping again taking returns through choke manifold and mud/gas separator.
7. Continue to place cement until plug bumps.
8. At plug bump close rig choke and cement head.
9. Read and record the following
  - a. SICP and AP
  - b. Pit gain
  - c. Time
  - d. Shut-in annulus valves on wellhead

### General Procedure After Cementing

1. Sound alarm (alert crew).
2. Shut-in Well (close valves to rig pits and open valve to rig choke line. Rig choke will already be in the closed position).
3. Confirm shut-in.
4. Notify tool pusher/company representative.
5. Read and record the following:
  - a. SICP and AP
  - b. Pit gain
  - c. Time
  - d. Shut-in annulus valves on wellhead



## Offline Intermediate Cementing Procedure

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Figure 1: Cameron TA Plug and Offline Adapter Schematic



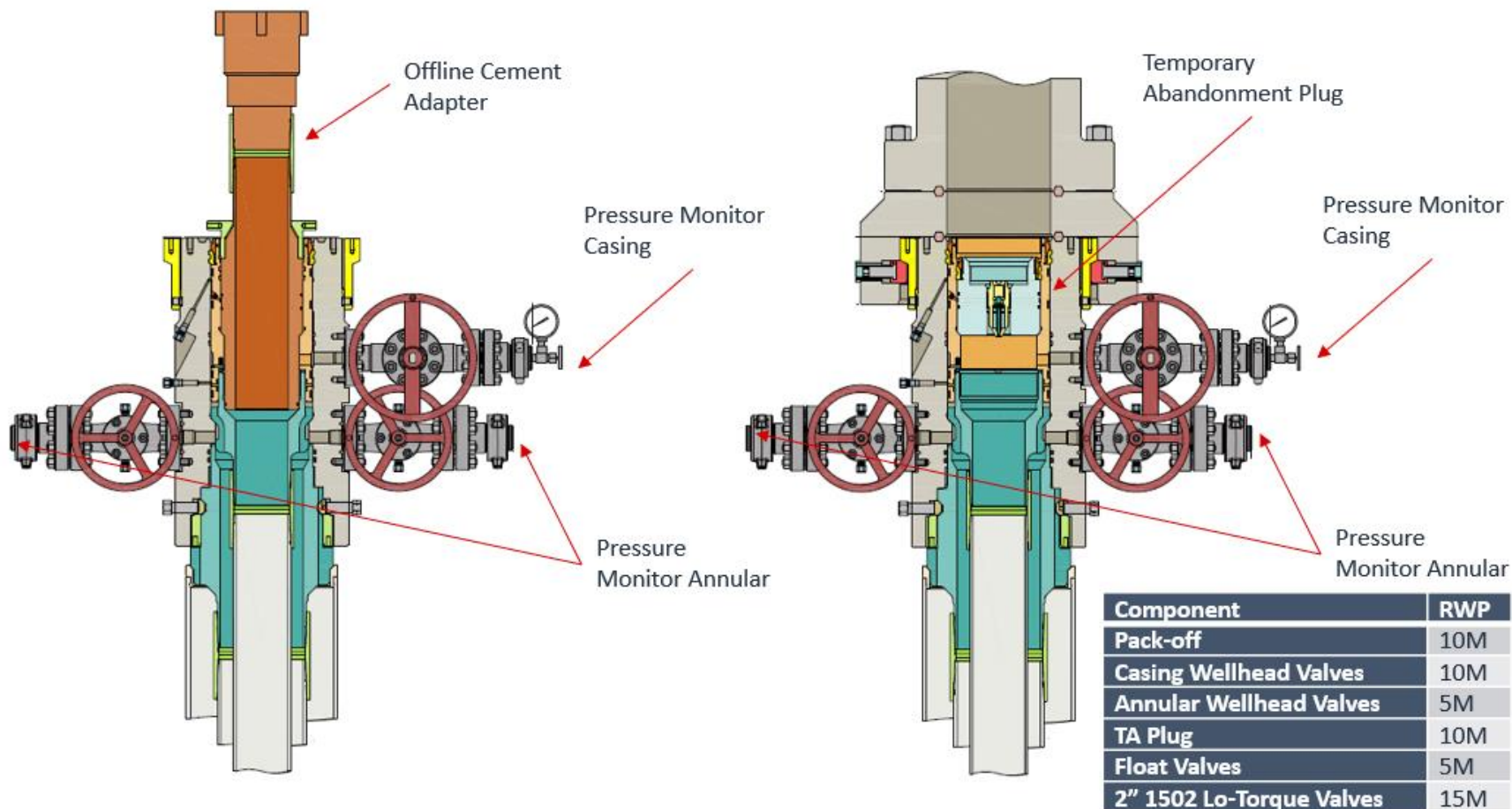




Offline Intermediate Cementing Procedure

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Figure 2: Cactus TA Plug and Offline Adapter Schematic







## Offline Intermediate Cementing Procedure

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Figure 3: Back Yard Rig Up



\*\*\* All Lines 10M rated working pressure



Offline Intermediate Cementing Procedure

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Figure 4: Rig Placement Diagram



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS  
  
Action 332872

CONDITIONS

|   |   |
|---|---|
| Operator:<br>EOG RESOURCES INC<br>5509 Champions Drive<br>Midland, TX 79706 | OGRID:  |
|   | 7377  |
|   | Action Number:<br>332872  |
|   | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

CONDITIONS

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| pkautz     | Will require a File As Drilled C-102 and a Directional Survey with the C-104   | 4/15/2024      |
| pkautz     | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string | 4/15/2024      |
| pkautz     | 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                  | 4/15/2024      |
| pkautz     | Cement is required to circulate on both surface and intermediate1 strings of casing  | 4/15/2024      |
| pkautz     | If cement does not circulate on any string, a CBL is required for that string of casing  | 4/15/2024      |