

Form 3160-3  
(June 2015)

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

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

1a. Type of work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  
1c. Type of Completion:  Hydraulic Fracturing  Single Zone  Multiple Zone

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

[325486]

2. Name of Operator  
[7377]

9. API Well No. **30-025-49832**

3a. Address 3b. Phone No. (include area code)

10. Field and Pool, or Exploratory [96603]  
XXXXXXXXXXXXXXXXXXXX

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface  
At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office\*

12. County or Parish

13. State

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

16. No of acres in lease

17. Spacing Unit dedicated to this well

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth

20. BLM/BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

22. Approximate date work will start\*

23. Estimated duration

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.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).

- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature

Name (Printed/Typed)

Date

Title

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NGMP Rec 03/07/2022



KZ  
03/10/2022

SL

(Continued on page 2)

\*(Instructions on page 2)

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

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-49832</b>		<sup>2</sup> Pool Code <b>96603</b>		<sup>3</sup> Pool Name <b>Triste Draw; Bone Spring</b>	
<sup>4</sup> Property Code <b>325486</b>		<sup>5</sup> Property Name <b>MODELO 10 FED COM</b>			<sup>6</sup> Well Number <b>502H</b>
<sup>7</sup> OGRID No. <b>7377</b>		<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>			<sup>9</sup> Elevation <b>3637'</b>

<sup>10</sup>Surface Location

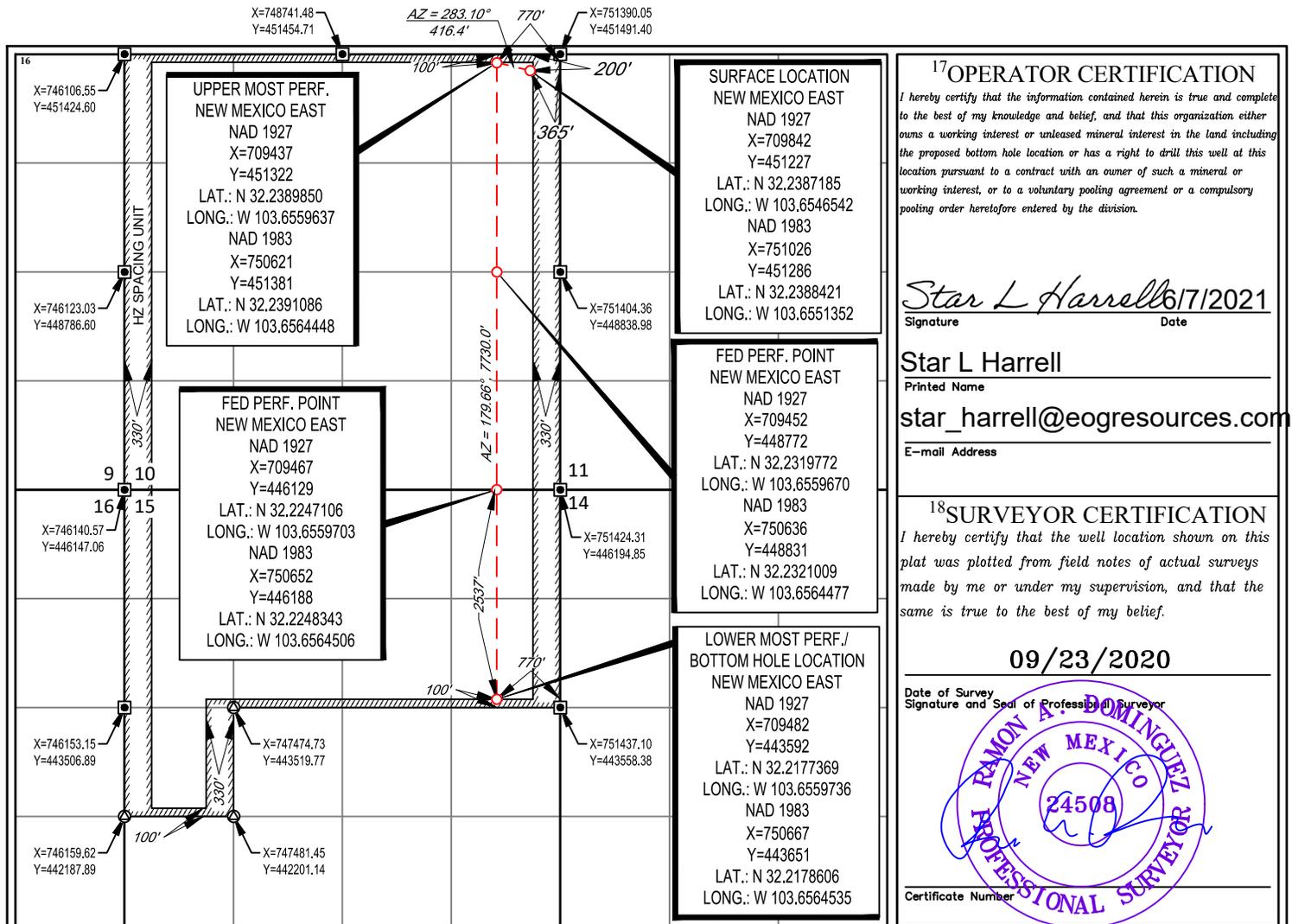
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>10</b>	<b>24-S</b>	<b>32-E</b>	<b>-</b>	<b>200'</b>	<b>NORTH</b>	<b>365'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>15</b>	<b>24-S</b>	<b>32-E</b>	<b>-</b>	<b>2537'</b>	<b>NORTH</b>	<b>770'</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>1000.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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:** 2/10/2022

**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
MODELO 10 FED COM 502H	<b>30-025-49832</b>	A-10-24S-32E	200' FNL & 365' FEL	+/- 1000	+/- 3500	+/- 3000

**IV. Central Delivery Point Name:** Dragon 36 State 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
MOEDLO 10 FED COM 502H	<b>30-025-49832</b>	6/10/22	6/24/22	08/10/22	10/10/22	12/10/22

**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: <i>Craig Richardson</i>
Printed Name: Craig Richardson
Title: Regulatory Specialist
E-mail Address: craig_richardson@eogresources.com
Date: 3/7/2022
Phone: (432) 848-9161
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
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.



**Modelo 10 Fed Com 502H**

**1. GEOLOGIC NAME OF SURFACE FORMATION:**

Permian

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

Rustler	1,184'
Tamarisk Anhydrite	1,244'
Top of Salt	1,479'
Base of Salt	4,669'
Lamar	4,908'
Bell Canyon	4,935'
Cherry Canyon	5,709'
Brushy Canyon	7,124'
Bone Spring Lime	8,755'
Leonard Shale	8,922'
1st Bone Spring Sand	9,930'
2nd Bone Spring Shale	10,175'
2nd Bone Spring Sand	10,514'
3rd Bone Spring Carb	11,125'
TD	10,660'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	5,709'	Oil
Brushy Canyon	7,124'	Oil
Leonard Shale	8,922'	Oil
1st Bone Spring Sand	9,930'	Oil
2nd Bone Spring Shale	10,175'	Oil
2nd Bone Spring Sand	10,514'	Oil
3rd Bone Spring Carb	11,125'	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 1,269' and circulating cement back to surface.



## Modelo 10 Fed Com 502H

## 4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DFmin Collapse	DFmin Burst	DFmin Tension
16"	0' - 1,270'	13.375"	54.5#	J-55	STC	1.125	1.25	1.6
12.25"	0' - 4,000'	9.625"	40#	J-55	LTC	1.125	1.25	1.6
12.25"	4,000' - 4,770'	9.625"	40#	HCK-55	LTC	1.125	1.25	1.6
8.75"	0' - 10,199'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.6
8.5"	10,199' - 18,251'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.6

Variance is requested to waive the centralizer requirements for the 9-5/8" casing in the 12-1/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 12-1/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" casing in the 8-3/4" and 8-1/2" hole sizes. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" and 8-1/2" hole intervals to maximize cement bond and zonal isolation.

**Cementing Program:**

Depth	No. Sacks	Wt. ppg	Yld Ft3/sk	Slurry Description
1,270' 13.375"	380	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 @ 1070')
4,770' 9.625"	700	12.7	2.22	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface)
	300	14.8	1.32	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 3815')
18,251' 5.5"	600	11.0	3.21	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 4269')
	1960	14.4	1.2	Tail: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10198.6')



### Modelo 10 Fed Com 502H

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.



## Modelo 10 Fed Com 502H

### 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 – 1,270'	Fresh - Gel	8.6-8.8	28-34	N/c
1,270' – 4,770'	Brine	8.6-8.8	28-34	N/c
4,570' – 18,251' 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) H2S monitoring and detection equipment will be utilized from surface casing point to TD.

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

Open-hole logs are not planned for this well.

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

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

The estimated bottom-hole temperature (BHT) at TD is 177 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 7,760 psig and a maximum anticipated surface pressure of 5,415 psig (based on 14.0 ppg MW). No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from 7,124' to intermediate casing point.



## Modelo 10 Fed Com 502H

### 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 1,000 psi. All valves will be closed and a wellhead cap will be installed (diagram attached). If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

### 11. WELLHEAD:

A multi-bowl wellhead system will be utilized.

After running the 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.

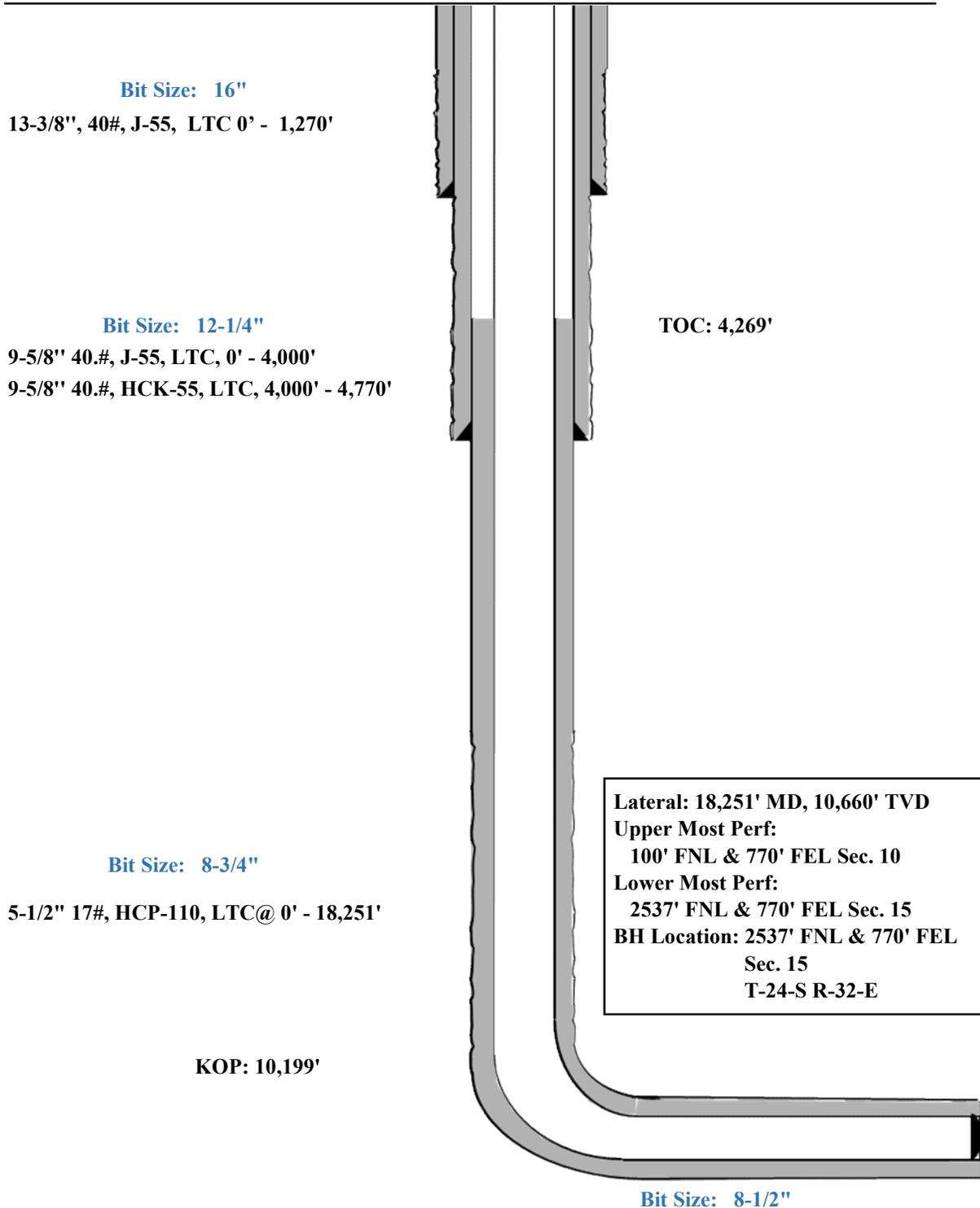


Modelo 10 Fed Com 502H

200' FNL  
365' FEL  
Section 10  
T-24-S, R-32-E

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

KB: 3662'  
GL: 3637'



Lea County, NM (NAD 83 NME)  
**Modelo 10 Fed Com #502H**  
**Plan #0.1 RT**

**Azimuths to Grid North**  
 True North: -0.36°  
 Magnetic North: 6.22°

**Magnetic Field**  
 Strength: 47493.2nT  
 Dip Angle: 59.90°  
 Date: 6/14/2021  
 Model: IGRF2020

To convert a Magnetic Direction to a Grid Direction, Add 6.22°  
 To convert a Magnetic Direction to a True Direction, Add 6.59° East  
 To convert a True Direction to a Grid Direction, Subtract 0.36°

**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: #502H**

kb = 25' @ 3662.0usft 3637.0

Northing	Easting	Latitude	Longitude
451286.00	751026.00	32° 14' 19.828 N	103° 39' 18.488 W

**SECTION DETAILS**

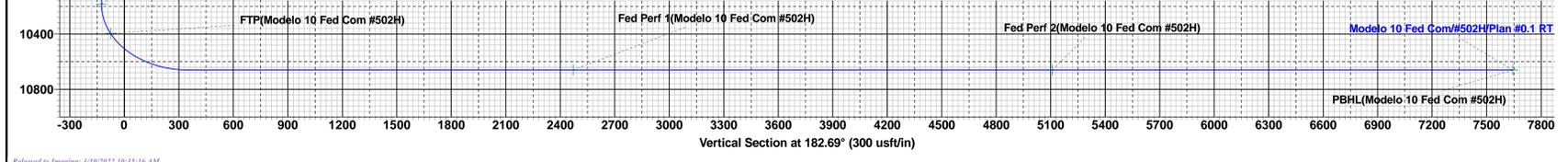
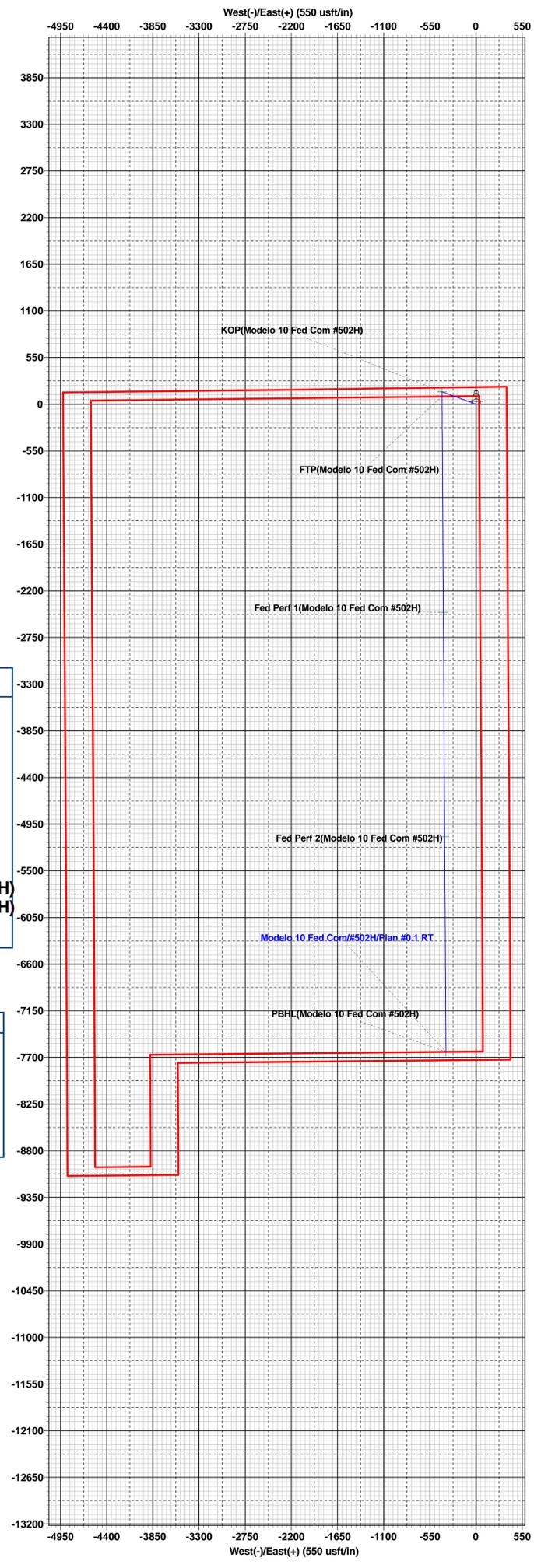
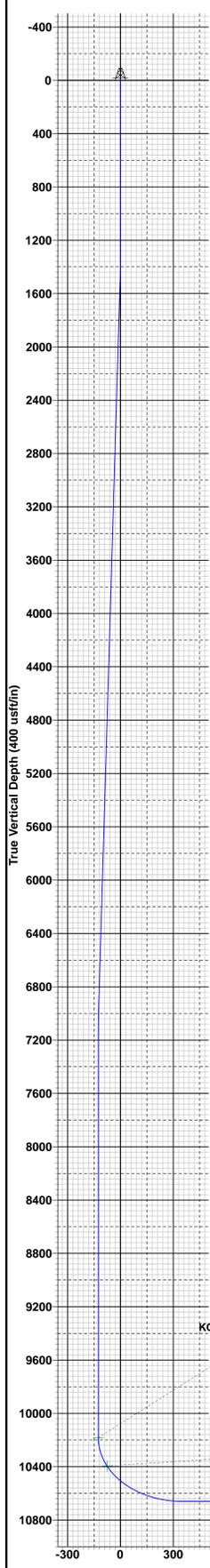
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1300.0	0.00	0.00	1300.0	0.0	0.0	0.00	0.00	0.0	
3	1517.6	4.35	289.70	1517.4	2.8	-7.8	2.00	289.70	-2.4	
4	6967.5	4.35	289.70	6951.6	142.2	-397.2	0.00	0.00	-123.4	
5	7185.1	0.00	0.00	7169.0	145.0	-405.0	2.00	180.00	-125.8	
6	10198.6	0.00	0.00	10182.5	145.0	-405.0	0.00	0.00	-125.8	KOP(Modelo 10 Fed Com #502H)
7	10419.1	26.46	180.00	10395.2	95.0	-405.0	12.00	180.00	-75.9	FTP(Modelo 10 Fed Com #502H)
8	10948.6	90.00	179.64	10659.9	-332.4	-403.2	12.00	-0.40	351.0	
9	13071.2	90.00	179.64	10660.0	-2455.0	-390.0	0.00	0.00	2470.6	Fed Perf 1(Modelo 10 Fed Com #502H)
10	15714.3	90.00	179.66	10660.0	-5098.0	-374.0	0.00	80.06	5109.9	Fed Perf 2(Modelo 10 Fed Com #502H)
11	18251.3	90.00	179.66	10660.0	-7635.0	-359.0	0.00	0.00	7643.4	PBHL(Modelo 10 Fed Com #502H)

**CASING DETAILS**

No casing data is available

**WELLBORE TARGET DETAILS (MAP CO-ORDINATES)**

Name	TVD	+N/-S	+E/-W	Northing	Easting
KOP(Modelo 10 Fed Com #502H)	10182.5	145.0	-405.0	451431.00	750621.00
FTP(Modelo 10 Fed Com #502H)	10395.2	95.0	-405.0	451381.00	750621.00
Fed Perf 1(Modelo 10 Fed Com #502H)	10660.0	-2455.0	-390.0	448831.00	750636.00
Fed Perf 2(Modelo 10 Fed Com #502H)	10660.0	-5098.0	-374.0	446188.00	750652.00
PBHL(Modelo 10 Fed Com #502H)	10660.0	-7635.0	-359.0	443651.00	750667.00





## **Midland**

**Lea County, NM (NAD 83 NME)**

**Modelo 10 Fed Com**

**#502H**

**OH**

**Plan: Plan #0.1 RT**

## **Standard Planning Report**

**17 June, 2021**



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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		

<b>Site</b>	Modelo 10 Fed Com				
<b>Site Position:</b>		<b>Northing:</b>	451,286.00 usft	<b>Latitude:</b>	32° 14' 19.830 N
<b>From:</b>	Map	<b>Easting:</b>	750,991.00 usft	<b>Longitude:</b>	103° 39' 18.896 W
<b>Position Uncertainty:</b>	0.0 usft	<b>Slot Radius:</b>	13-3/16 "		

<b>Well</b>	#502H					
<b>Well Position</b>	<b>+N/-S</b>	0.0 usft	<b>Northing:</b>	451,286.00 usft	<b>Latitude:</b>	32° 14' 19.828 N
	<b>+E/-W</b>	0.0 usft	<b>Easting:</b>	751,026.00 usft	<b>Longitude:</b>	103° 39' 18.488 W
<b>Position Uncertainty</b>	0.0 usft		<b>Wellhead Elevation:</b>	usft	<b>Ground Level:</b>	3,637.0 usft
<b>Grid Convergence:</b>	0.36 °					

<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	6/14/2021	6.59	59.90	47,493.24883591

<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	182.69	

<b>Plan Survey Tool Program</b>	<b>Date</b>	6/16/2021			
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>	
1	0.0	18,251.3 Plan #0.1 RT (OH)	EOG MWD+IFR1 MWD + IFR1		



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	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	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,517.6	4.35	289.70	1,517.4	2.8	-7.8	2.00	2.00	0.00	289.70	
6,967.5	4.35	289.70	6,951.6	142.2	-397.2	0.00	0.00	0.00	0.00	
7,185.1	0.00	0.00	7,169.0	145.0	-405.0	2.00	-2.00	0.00	180.00	
10,198.6	0.00	0.00	10,182.5	145.0	-405.0	0.00	0.00	0.00	0.00	0.00 KOP(Modelo 10 Fe
10,419.1	26.46	180.00	10,395.2	95.0	-405.0	12.00	12.00	81.65	180.00	180.00 FTP(Modelo 10 Fec
10,948.6	90.00	179.64	10,659.9	-332.4	-403.2	12.00	12.00	-0.07	-0.40	
13,071.2	90.00	179.64	10,660.0	-2,455.0	-390.0	0.00	0.00	0.00	0.00	0.00 Fed Perf 1(Modelo
15,714.3	90.00	179.66	10,660.0	-5,098.0	-374.0	0.00	0.00	0.00	80.06	80.06 Fed Perf 2(Modelo
18,251.3	90.00	179.66	10,660.0	-7,635.0	-359.0	0.00	0.00	0.00	0.00	0.00 PBHL(Modelo 10 Fi



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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	2.00	289.70	1,400.0	0.6	-1.6	-0.5	2.00	2.00	0.00
1,500.0	4.00	289.70	1,499.8	2.4	-6.6	-2.0	2.00	2.00	0.00
1,517.6	4.35	289.70	1,517.4	2.8	-7.8	-2.4	2.00	2.00	0.00
1,600.0	4.35	289.70	1,599.6	4.9	-13.7	-4.2	0.00	0.00	0.00
1,700.0	4.35	289.70	1,699.3	7.5	-20.8	-6.5	0.00	0.00	0.00
1,800.0	4.35	289.70	1,799.0	10.0	-28.0	-8.7	0.00	0.00	0.00
1,900.0	4.35	289.70	1,898.7	12.6	-35.1	-10.9	0.00	0.00	0.00
2,000.0	4.35	289.70	1,998.4	15.1	-42.2	-13.1	0.00	0.00	0.00
2,100.0	4.35	289.70	2,098.1	17.7	-49.4	-15.3	0.00	0.00	0.00
2,200.0	4.35	289.70	2,197.8	20.2	-56.5	-17.6	0.00	0.00	0.00
2,300.0	4.35	289.70	2,297.5	22.8	-63.7	-19.8	0.00	0.00	0.00
2,400.0	4.35	289.70	2,397.2	25.4	-70.8	-22.0	0.00	0.00	0.00
2,500.0	4.35	289.70	2,497.0	27.9	-78.0	-24.2	0.00	0.00	0.00
2,600.0	4.35	289.70	2,596.7	30.5	-85.1	-26.4	0.00	0.00	0.00
2,700.0	4.35	289.70	2,696.4	33.0	-92.3	-28.7	0.00	0.00	0.00
2,800.0	4.35	289.70	2,796.1	35.6	-99.4	-30.9	0.00	0.00	0.00
2,900.0	4.35	289.70	2,895.8	38.2	-106.6	-33.1	0.00	0.00	0.00
3,000.0	4.35	289.70	2,995.5	40.7	-113.7	-35.3	0.00	0.00	0.00
3,100.0	4.35	289.70	3,095.2	43.3	-120.9	-37.5	0.00	0.00	0.00
3,200.0	4.35	289.70	3,194.9	45.8	-128.0	-39.8	0.00	0.00	0.00
3,300.0	4.35	289.70	3,294.6	48.4	-135.1	-42.0	0.00	0.00	0.00
3,400.0	4.35	289.70	3,394.4	50.9	-142.3	-44.2	0.00	0.00	0.00
3,500.0	4.35	289.70	3,494.1	53.5	-149.4	-46.4	0.00	0.00	0.00
3,600.0	4.35	289.70	3,593.8	56.1	-156.6	-48.6	0.00	0.00	0.00
3,700.0	4.35	289.70	3,693.5	58.6	-163.7	-50.9	0.00	0.00	0.00
3,800.0	4.35	289.70	3,793.2	61.2	-170.9	-53.1	0.00	0.00	0.00
3,900.0	4.35	289.70	3,892.9	63.7	-178.0	-55.3	0.00	0.00	0.00
4,000.0	4.35	289.70	3,992.6	66.3	-185.2	-57.5	0.00	0.00	0.00
4,100.0	4.35	289.70	4,092.3	68.9	-192.3	-59.7	0.00	0.00	0.00
4,200.0	4.35	289.70	4,192.1	71.4	-199.5	-62.0	0.00	0.00	0.00
4,300.0	4.35	289.70	4,291.8	74.0	-206.6	-64.2	0.00	0.00	0.00
4,400.0	4.35	289.70	4,391.5	76.5	-213.7	-66.4	0.00	0.00	0.00
4,500.0	4.35	289.70	4,491.2	79.1	-220.9	-68.6	0.00	0.00	0.00
4,600.0	4.35	289.70	4,590.9	81.6	-228.0	-70.8	0.00	0.00	0.00
4,700.0	4.35	289.70	4,690.6	84.2	-235.2	-73.1	0.00	0.00	0.00
4,800.0	4.35	289.70	4,790.3	86.8	-242.3	-75.3	0.00	0.00	0.00
4,900.0	4.35	289.70	4,890.0	89.3	-249.5	-77.5	0.00	0.00	0.00
5,000.0	4.35	289.70	4,989.7	91.9	-256.6	-79.7	0.00	0.00	0.00
5,100.0	4.35	289.70	5,089.5	94.4	-263.8	-81.9	0.00	0.00	0.00
5,200.0	4.35	289.70	5,189.2	97.0	-270.9	-84.2	0.00	0.00	0.00



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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)
5,300.0	4.35	289.70	5,288.9	99.6	-278.1	-86.4	0.00	0.00	0.00
5,400.0	4.35	289.70	5,388.6	102.1	-285.2	-88.6	0.00	0.00	0.00
5,500.0	4.35	289.70	5,488.3	104.7	-292.4	-90.8	0.00	0.00	0.00
5,600.0	4.35	289.70	5,588.0	107.2	-299.5	-93.0	0.00	0.00	0.00
5,700.0	4.35	289.70	5,687.7	109.8	-306.6	-95.3	0.00	0.00	0.00
5,800.0	4.35	289.70	5,787.4	112.3	-313.8	-97.5	0.00	0.00	0.00
5,900.0	4.35	289.70	5,887.1	114.9	-320.9	-99.7	0.00	0.00	0.00
6,000.0	4.35	289.70	5,986.9	117.5	-328.1	-101.9	0.00	0.00	0.00
6,100.0	4.35	289.70	6,086.6	120.0	-335.2	-104.1	0.00	0.00	0.00
6,200.0	4.35	289.70	6,186.3	122.6	-342.4	-106.4	0.00	0.00	0.00
6,300.0	4.35	289.70	6,286.0	125.1	-349.5	-108.6	0.00	0.00	0.00
6,400.0	4.35	289.70	6,385.7	127.7	-356.7	-110.8	0.00	0.00	0.00
6,500.0	4.35	289.70	6,485.4	130.3	-363.8	-113.0	0.00	0.00	0.00
6,600.0	4.35	289.70	6,585.1	132.8	-371.0	-115.2	0.00	0.00	0.00
6,700.0	4.35	289.70	6,684.8	135.4	-378.1	-117.5	0.00	0.00	0.00
6,800.0	4.35	289.70	6,784.6	137.9	-385.3	-119.7	0.00	0.00	0.00
6,900.0	4.35	289.70	6,884.3	140.5	-392.4	-121.9	0.00	0.00	0.00
6,967.5	4.35	289.70	6,951.6	142.2	-397.2	-123.4	0.00	0.00	0.00
7,000.0	3.70	289.70	6,984.0	143.0	-399.4	-124.1	2.00	-2.00	0.00
7,100.0	1.70	289.70	7,083.9	144.6	-403.8	-125.4	2.00	-2.00	0.00
7,185.1	0.00	0.00	7,169.0	145.0	-405.0	-125.8	2.00	-2.00	0.00
7,200.0	0.00	0.00	7,183.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,300.0	0.00	0.00	7,283.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,400.0	0.00	0.00	7,383.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,500.0	0.00	0.00	7,483.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,600.0	0.00	0.00	7,583.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,700.0	0.00	0.00	7,683.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,800.0	0.00	0.00	7,783.9	145.0	-405.0	-125.8	0.00	0.00	0.00
7,900.0	0.00	0.00	7,883.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,000.0	0.00	0.00	7,983.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,100.0	0.00	0.00	8,083.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,200.0	0.00	0.00	8,183.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,300.0	0.00	0.00	8,283.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,400.0	0.00	0.00	8,383.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,500.0	0.00	0.00	8,483.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,600.0	0.00	0.00	8,583.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,700.0	0.00	0.00	8,683.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,800.0	0.00	0.00	8,783.9	145.0	-405.0	-125.8	0.00	0.00	0.00
8,900.0	0.00	0.00	8,883.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,000.0	0.00	0.00	8,983.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,100.0	0.00	0.00	9,083.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,200.0	0.00	0.00	9,183.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,300.0	0.00	0.00	9,283.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,400.0	0.00	0.00	9,383.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,500.0	0.00	0.00	9,483.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,600.0	0.00	0.00	9,583.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,700.0	0.00	0.00	9,683.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,800.0	0.00	0.00	9,783.9	145.0	-405.0	-125.8	0.00	0.00	0.00
9,900.0	0.00	0.00	9,883.9	145.0	-405.0	-125.8	0.00	0.00	0.00
10,000.0	0.00	0.00	9,983.9	145.0	-405.0	-125.8	0.00	0.00	0.00
10,100.0	0.00	0.00	10,083.9	145.0	-405.0	-125.8	0.00	0.00	0.00
10,198.6	0.00	0.00	10,182.5	145.0	-405.0	-125.8	0.00	0.00	0.00
<b>KOP(Modelo 10 Fed Com #502H)</b>									



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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)
10,200.0	0.16	180.00	10,183.9	145.0	-405.0	-125.8	12.00	12.00	0.00
10,225.0	3.16	180.00	10,208.8	144.3	-405.0	-125.1	12.00	12.00	0.00
10,250.0	6.16	180.00	10,233.8	142.2	-405.0	-123.1	12.00	12.00	0.00
10,275.0	9.16	180.00	10,258.5	138.9	-405.0	-119.7	12.00	12.00	0.00
10,300.0	12.16	180.00	10,283.1	134.3	-405.0	-115.1	12.00	12.00	0.00
10,325.0	15.16	180.00	10,307.4	128.4	-405.0	-109.2	12.00	12.00	0.00
10,350.0	18.17	180.00	10,331.3	121.2	-405.0	-102.1	12.00	12.00	0.00
10,375.0	21.17	180.00	10,354.9	112.8	-405.0	-93.6	12.00	12.00	0.00
10,400.0	24.17	180.00	10,377.9	103.2	-405.0	-84.0	12.00	12.00	0.00
10,419.1	26.46	180.00	10,395.2	95.0	-405.0	-75.9	12.00	12.00	0.00
<b>FTP(Modelo 10 Fed Com #502H)</b>									
10,425.0	27.17	179.99	10,400.5	92.3	-405.0	-73.2	12.00	12.00	-0.18
10,450.0	30.17	179.95	10,422.4	80.3	-405.0	-61.2	12.00	12.00	-0.16
10,475.0	33.17	179.92	10,443.7	67.2	-405.0	-48.1	12.00	12.00	-0.13
10,500.0	36.17	179.89	10,464.2	53.0	-405.0	-33.9	12.00	12.00	-0.11
10,525.0	39.17	179.86	10,484.0	37.7	-404.9	-18.7	12.00	12.00	-0.10
10,550.0	42.17	179.84	10,503.0	21.4	-404.9	-2.4	12.00	12.00	-0.09
10,575.0	45.17	179.82	10,521.1	4.2	-404.8	14.8	12.00	12.00	-0.08
10,600.0	48.17	179.80	10,538.2	-14.0	-404.8	33.0	12.00	12.00	-0.07
10,625.0	51.17	179.79	10,554.4	-33.1	-404.7	52.0	12.00	12.00	-0.06
10,650.0	54.17	179.77	10,569.6	-52.9	-404.6	71.9	12.00	12.00	-0.06
10,675.0	57.17	179.76	10,583.7	-73.6	-404.5	92.5	12.00	12.00	-0.05
10,700.0	60.17	179.75	10,596.7	-94.9	-404.4	113.8	12.00	12.00	-0.05
10,725.0	63.17	179.73	10,608.5	-116.9	-404.3	135.8	12.00	12.00	-0.05
10,750.0	66.17	179.72	10,619.2	-139.5	-404.2	158.4	12.00	12.00	-0.05
10,775.0	69.17	179.71	10,628.7	-162.6	-404.1	181.4	12.00	12.00	-0.04
10,800.0	72.17	179.70	10,637.0	-186.2	-404.0	205.0	12.00	12.00	-0.04
10,825.0	75.17	179.69	10,644.0	-210.2	-403.9	229.0	12.00	12.00	-0.04
10,850.0	78.17	179.68	10,649.8	-234.5	-403.7	253.2	12.00	12.00	-0.04
10,875.0	81.17	179.67	10,654.3	-259.1	-403.6	277.8	12.00	12.00	-0.04
10,900.0	84.17	179.66	10,657.5	-283.9	-403.5	302.6	12.00	12.00	-0.04
10,925.0	87.17	179.65	10,659.4	-308.8	-403.3	327.5	12.00	12.00	-0.04
10,948.6	90.00	179.64	10,659.9	-332.4	-403.2	351.0	12.00	12.00	-0.04
11,000.0	90.00	179.64	10,659.9	-383.8	-402.8	402.3	0.00	0.00	0.00
11,100.0	90.00	179.64	10,659.9	-483.8	-402.2	502.2	0.00	0.00	0.00
11,200.0	90.00	179.64	10,660.0	-583.8	-401.6	602.1	0.00	0.00	0.00
11,300.0	90.00	179.64	10,660.0	-683.8	-401.0	701.9	0.00	0.00	0.00
11,400.0	90.00	179.64	10,660.0	-783.8	-400.4	801.8	0.00	0.00	0.00
11,500.0	90.00	179.64	10,660.0	-883.8	-399.7	901.6	0.00	0.00	0.00
11,600.0	90.00	179.64	10,660.0	-983.8	-399.1	1,001.5	0.00	0.00	0.00
11,700.0	90.00	179.64	10,660.0	-1,083.8	-398.5	1,101.3	0.00	0.00	0.00
11,800.0	90.00	179.64	10,660.0	-1,183.8	-397.9	1,201.2	0.00	0.00	0.00
11,900.0	90.00	179.64	10,660.0	-1,283.8	-397.3	1,301.1	0.00	0.00	0.00
12,000.0	90.00	179.64	10,660.0	-1,383.8	-396.6	1,400.9	0.00	0.00	0.00
12,100.0	90.00	179.64	10,660.0	-1,483.8	-396.0	1,500.8	0.00	0.00	0.00
12,200.0	90.00	179.64	10,660.0	-1,583.8	-395.4	1,600.6	0.00	0.00	0.00
12,300.0	90.00	179.64	10,660.0	-1,683.8	-394.8	1,700.5	0.00	0.00	0.00
12,400.0	90.00	179.64	10,660.0	-1,783.8	-394.2	1,800.4	0.00	0.00	0.00
12,500.0	90.00	179.64	10,660.0	-1,883.8	-393.5	1,900.2	0.00	0.00	0.00
12,600.0	90.00	179.64	10,660.0	-1,983.8	-392.9	2,000.1	0.00	0.00	0.00
12,700.0	90.00	179.64	10,660.0	-2,083.8	-392.3	2,099.9	0.00	0.00	0.00
12,800.0	90.00	179.64	10,660.0	-2,183.8	-391.7	2,199.8	0.00	0.00	0.00
12,900.0	90.00	179.64	10,660.0	-2,283.8	-391.1	2,299.6	0.00	0.00	0.00
13,000.0	90.00	179.64	10,660.0	-2,383.8	-390.4	2,399.5	0.00	0.00	0.00



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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)
13,071.2	90.00	179.64	10,660.0	-2,455.0	-390.0	2,470.6	0.00	0.00	0.00
<b>Fed Perf 1(Modelo 10 Fed Com #502H)</b>									
13,100.0	90.00	179.64	10,660.0	-2,483.8	-389.8	2,499.4	0.00	0.00	0.00
13,200.0	90.00	179.65	10,660.0	-2,583.8	-389.2	2,599.2	0.00	0.00	0.00
13,300.0	90.00	179.65	10,660.0	-2,683.8	-388.6	2,699.1	0.00	0.00	0.00
13,400.0	90.00	179.65	10,660.0	-2,783.8	-388.0	2,798.9	0.00	0.00	0.00
13,500.0	90.00	179.65	10,660.0	-2,883.8	-387.4	2,898.8	0.00	0.00	0.00
13,600.0	90.00	179.65	10,660.0	-2,983.8	-386.7	2,998.7	0.00	0.00	0.00
13,700.0	90.00	179.65	10,660.0	-3,083.8	-386.1	3,098.5	0.00	0.00	0.00
13,800.0	90.00	179.65	10,660.0	-3,183.8	-385.5	3,198.4	0.00	0.00	0.00
13,900.0	90.00	179.65	10,660.0	-3,283.8	-384.9	3,298.2	0.00	0.00	0.00
14,000.0	90.00	179.65	10,660.0	-3,383.8	-384.3	3,398.1	0.00	0.00	0.00
14,100.0	90.00	179.65	10,660.0	-3,483.8	-383.7	3,498.0	0.00	0.00	0.00
14,200.0	90.00	179.65	10,660.0	-3,583.8	-383.1	3,597.8	0.00	0.00	0.00
14,300.0	90.00	179.65	10,660.0	-3,683.8	-382.5	3,697.7	0.00	0.00	0.00
14,400.0	90.00	179.65	10,660.0	-3,783.8	-381.9	3,797.5	0.00	0.00	0.00
14,500.0	90.00	179.65	10,660.0	-3,883.8	-381.3	3,897.4	0.00	0.00	0.00
14,600.0	90.00	179.65	10,660.0	-3,983.8	-380.6	3,997.3	0.00	0.00	0.00
14,700.0	90.00	179.66	10,660.0	-4,083.8	-380.0	4,097.1	0.00	0.00	0.00
14,800.0	90.00	179.66	10,660.0	-4,183.8	-379.4	4,197.0	0.00	0.00	0.00
14,900.0	90.00	179.66	10,660.0	-4,283.8	-378.8	4,296.8	0.00	0.00	0.00
15,000.0	90.00	179.66	10,660.0	-4,383.8	-378.2	4,396.7	0.00	0.00	0.00
15,100.0	90.00	179.66	10,660.0	-4,483.8	-377.6	4,496.5	0.00	0.00	0.00
15,200.0	90.00	179.66	10,660.0	-4,583.8	-377.1	4,596.4	0.00	0.00	0.00
15,300.0	90.00	179.66	10,660.0	-4,683.8	-376.5	4,696.3	0.00	0.00	0.00
15,400.0	90.00	179.66	10,660.0	-4,783.8	-375.9	4,796.1	0.00	0.00	0.00
15,500.0	90.00	179.66	10,660.0	-4,883.8	-375.3	4,896.0	0.00	0.00	0.00
15,600.0	90.00	179.66	10,660.0	-4,983.8	-374.7	4,995.8	0.00	0.00	0.00
15,700.0	90.00	179.66	10,660.0	-5,083.7	-374.1	5,095.7	0.00	0.00	0.00
15,714.3	90.00	179.66	10,660.0	-5,098.0	-374.0	5,109.9	0.00	0.00	0.00
<b>Fed Perf 2(Modelo 10 Fed Com #502H)</b>									
15,800.0	90.00	179.66	10,660.0	-5,183.7	-373.5	5,195.6	0.00	0.00	0.00
15,900.0	90.00	179.66	10,660.0	-5,283.7	-372.9	5,295.4	0.00	0.00	0.00
16,000.0	90.00	179.66	10,660.0	-5,383.7	-372.3	5,395.3	0.00	0.00	0.00
16,100.0	90.00	179.66	10,660.0	-5,483.7	-371.7	5,495.1	0.00	0.00	0.00
16,200.0	90.00	179.66	10,660.0	-5,583.7	-371.1	5,595.0	0.00	0.00	0.00
16,300.0	90.00	179.66	10,660.0	-5,683.7	-370.5	5,694.9	0.00	0.00	0.00
16,400.0	90.00	179.66	10,660.0	-5,783.7	-370.0	5,794.7	0.00	0.00	0.00
16,500.0	90.00	179.66	10,660.0	-5,883.7	-369.4	5,894.6	0.00	0.00	0.00
16,600.0	90.00	179.66	10,660.0	-5,983.7	-368.8	5,994.5	0.00	0.00	0.00
16,700.0	90.00	179.66	10,660.0	-6,083.7	-368.2	6,094.3	0.00	0.00	0.00
16,800.0	90.00	179.66	10,660.0	-6,183.7	-367.6	6,194.2	0.00	0.00	0.00
16,900.0	90.00	179.66	10,660.0	-6,283.7	-367.0	6,294.0	0.00	0.00	0.00
17,000.0	90.00	179.66	10,660.0	-6,383.7	-366.4	6,393.9	0.00	0.00	0.00
17,100.0	90.00	179.66	10,660.0	-6,483.7	-365.8	6,493.8	0.00	0.00	0.00
17,200.0	90.00	179.66	10,660.0	-6,583.7	-365.2	6,593.6	0.00	0.00	0.00
17,300.0	90.00	179.66	10,660.0	-6,683.7	-364.6	6,693.5	0.00	0.00	0.00
17,400.0	90.00	179.66	10,660.0	-6,783.7	-364.0	6,793.3	0.00	0.00	0.00
17,500.0	90.00	179.66	10,660.0	-6,883.7	-363.5	6,893.2	0.00	0.00	0.00
17,600.0	90.00	179.66	10,660.0	-6,983.7	-362.9	6,993.1	0.00	0.00	0.00
17,700.0	90.00	179.66	10,659.9	-7,083.7	-362.3	7,092.9	0.00	0.00	0.00
17,800.0	90.00	179.66	10,659.9	-7,183.7	-361.7	7,192.8	0.00	0.00	0.00
17,900.0	90.00	179.66	10,659.9	-7,283.7	-361.1	7,292.6	0.00	0.00	0.00



Planning Report

<b>Database:</b>	PEDM	<b>Local Co-ordinate Reference:</b>	Well #502H
<b>Company:</b>	Midland	<b>TVD Reference:</b>	kb = 25' @ 3662.0usft
<b>Project:</b>	Lea County, NM (NAD 83 NME)	<b>MD Reference:</b>	kb = 25' @ 3662.0usft
<b>Site:</b>	Modelo 10 Fed Com	<b>North Reference:</b>	Grid
<b>Well:</b>	#502H	<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	179.66	10,659.9	-7,383.7	-360.5	7,392.5	0.00	0.00	0.00	
18,100.0	90.00	179.66	10,659.9	-7,483.7	-359.9	7,492.4	0.00	0.00	0.00	
18,200.0	90.00	179.66	10,659.9	-7,583.7	-359.3	7,592.2	0.00	0.00	0.00	
18,251.3	90.00	179.66	10,660.0	-7,635.0	-359.0	7,643.4	0.00	0.00	0.00	
<b>PBHL(Modelo 10 Fed Com #502H)</b>										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
KOP(Modelo 10 Fed C - plan hits target center - Point	0.00	0.00	10,182.5	145.0	-405.0	451,431.00	750,621.00	32° 14' 21.288 N	103° 39' 23.193 W	
FTP(Modelo 10 Fed C - plan hits target center - Point	0.00	0.00	10,395.2	95.0	-405.0	451,381.00	750,621.00	32° 14' 20.794 N	103° 39' 23.197 W	
PBHL(Modelo 10 Fed - plan hits target center - Point	0.00	0.00	10,660.0	-7,635.0	-359.0	443,651.00	750,667.00	32° 13' 4.299 N	103° 39' 23.228 W	
Fed Perf 2(Modelo 10 - plan hits target center - Point	0.00	0.00	10,660.0	-5,098.0	-374.0	446,188.00	750,652.00	32° 13' 29.405 N	103° 39' 23.217 W	
Fed Perf 1(Modelo 10 - plan hits target center - Point	0.00	0.00	10,660.0	-2,455.0	-390.0	448,831.00	750,636.00	32° 13' 55.559 N	103° 39' 23.209 W	

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	EOG RESOURCES INCORPORATED
LEASE NO.:	NMNM 119276
COUNTY:	LEA COUNTY, NM

**Wells:**

Well Name	Surface Hole Legal Location*				Bottom Hole Legal Location*			
	FNL/FSL		FEL/FWL		FNL/FSL		FEL/FWL	
Modelo 10 Fed Com #202H	320'	N	579'	E	2,537'	N	830'	E
Modelo 10 Fed Com #601H	260'	N	460'	E	2,537'	N	580'	E
Modelo 10 Fed Com #751H	250'	N	1,240'	E	2,537'	N	330'	E
Modelo 10 Fed Com #752H	250'	N	1,255'	E	2,537'	N	1,254'	E
Modelo 10 Fed Com #753H	250'	N	1,270'	E	2,538'	N	2,178'	E
Modelo 10 Fed Com #583H	599'	N	2,031'	E	2,538'	N	2,090'	E
Modelo 10 Fed Com #602H	478'	N	2,030'	E	2,538'	N	1,580'	E
Modelo 10 Fed Com #603H	491'	N	2,037'	E	2,538'	N	2,580'	E
Modelo 10 Fed Com #208H	330'	N	1,542'	W	2,539'	N	1,332'	W
Modelo 10 Fed Com #584H	450'	N	1,378'	W	2,539'	N	2,090'	W
Modelo 10 Fed Com #585H	450'	N	1,363'	W	1,419'	S	1,210'	W
Modelo 10 Fed Com #604H	390'	N	1,452'	W	2,539'	N	1,580'	W
Modelo 10 Fed Com #754H	390'	N	1,647'	W	2,539'	N	2,178'	W
Modelo 10 Fed Com #755H	405'	N	1,648'	W	1,419'	S	1,254'	W
Modelo 10 Fed Com #756H	420'	N	1,648'	W	1,419'	S	330'	W
Modelo 10 Fed Com #209H	330'	N	822'	W	1,419'	S	830'	W
Modelo 10 Fed Com #210H	330'	N	807'	W	1,419'	S	330'	W
Modelo 10 Fed Com #307H	330'	N	792'	W	1,419'	S	990'	W
Modelo 10 Fed Com #308H	330'	N	777'	W	1,419'	S	330'	W
Modelo 10 Fed Com #586H	450'	N	568'	W	1,419'	S	330'	W
Modelo 10 Fed Com #605H	390'	N	688'	W	1,419'	S	580'	W
Modelo 10 Fed Com #709H	390'	N	718'	W	1,419'	S	830'	W
Modelo 10 Fed Com #710H	390'	N	703'	W	1,419'	S	330'	W

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
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- Special Requirements**
  - Lesser Prairie Chicken
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  - Notification
  - Topsoil
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- Road Section Diagram**
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  - Well Structures & Facilities
  - Pipelines
  - Electric Lines
- Interim Reclamation**
- Final Abandonment & Reclamation**

## I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

## II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

## III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See information below discussing NAGPRA.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

#### IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

#### V. SPECIAL REQUIREMENT(S)

##### Wildlife:

##### **Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:**

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

##### **Timing Limitation Exceptions:**

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

##### **Ground-level Abandoned Well Marker to avoid raptor perching:**

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

##### Watershed:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may

occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The topsoil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

**TANK BATTERY:**

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

**BURIED/SURFACE LINE(S):**

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

**ELECTRIC LINE(S):**

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

**TEMPORARY USE FRESH WATER FRAC LINE(S):**

Once the temporary use exceeds the timeline of 180 days and/or with a 90 day extension status; further analysis will be required if the applicant pursues to turn the temporary ROW into a permanent ROW.

**VI. CONSTRUCTION****A. NOTIFICATION**

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

**B. TOPSOIL**

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

**C. CLOSED LOOP SYSTEM**

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

**D. FEDERAL MINERAL MATERIALS PIT**

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

**E. WELL PAD SURFACING**

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

**F. EXCLOSURE FENCING (CELLARS & PITS)**

**Exclosure Fencing**

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

**G. ON LEASE ACCESS ROADS**

**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

**Surfacing**

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

**Crowning**

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

**Ditching**

Ditching shall be required on both sides of the road.

**Turnouts**

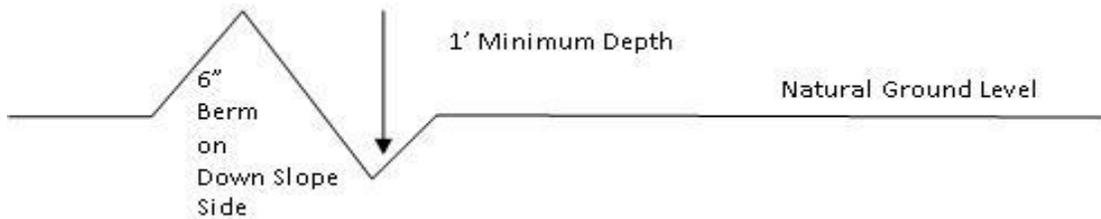
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

**Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

**Cross Section of a Typical Lead-off Ditch**



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

**Formula for Spacing Interval of Lead-off Ditches**

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

**Cattle guards**

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

**Fence Requirement**

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

**Public Access**

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

**Construction Steps**

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

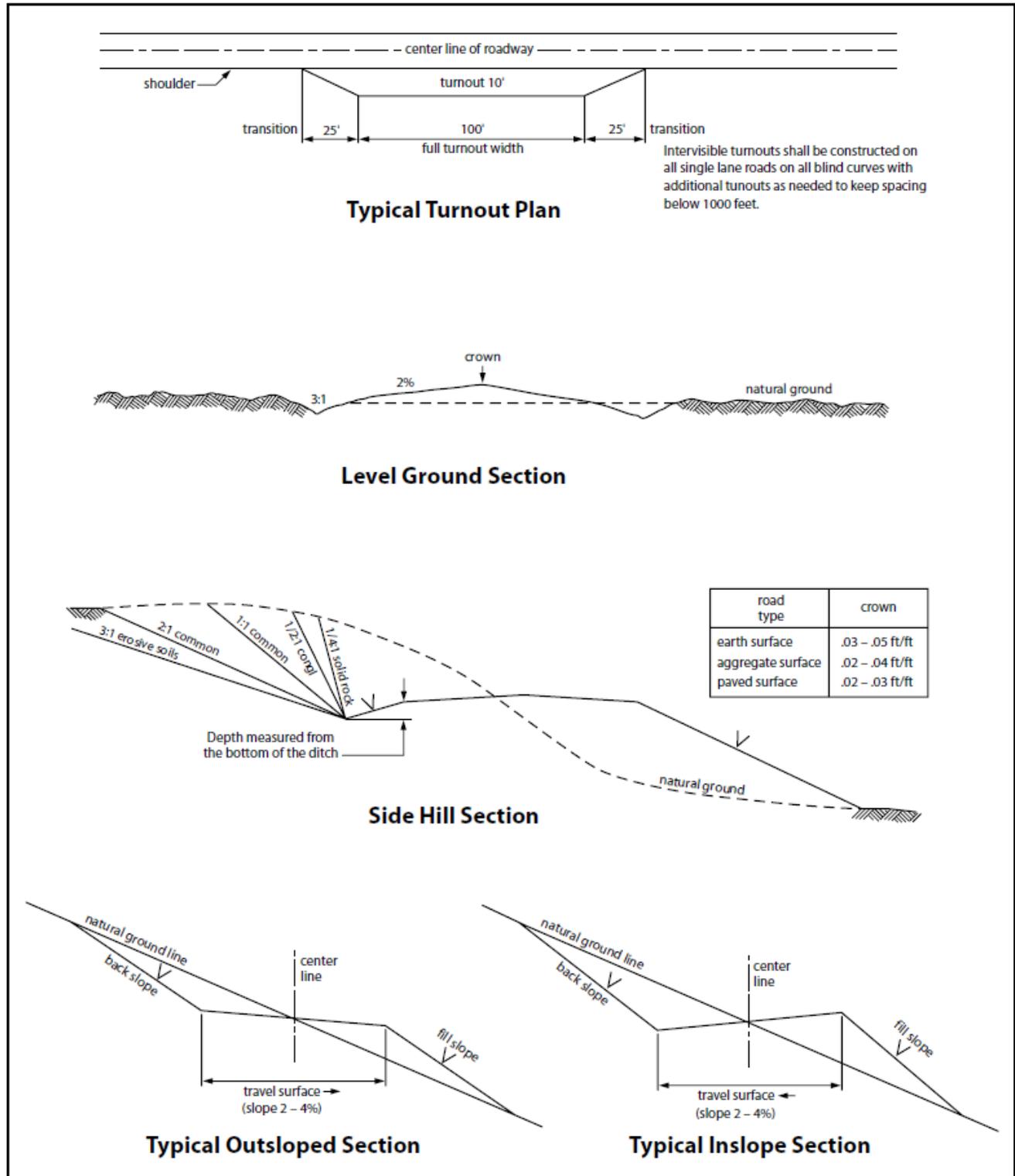


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## VII. PRODUCTION (POST DRILLING)

### A. WELL STRUCTURES & FACILITIES

#### Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

#### Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

#### Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

#### Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

#### Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

#### Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

### B. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Special restoration stipulations or realignment may be required at such intersections, if any.
- A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, siting valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

#### CONDITIONS OF APPROVAL FOR TEMPORARY FRESHWATER PIPELINES

Subject to the terms and conditions which are shown below, is hereby approved:

- Surface pipelines 6.5 inch to 16 inch OD may be in place for no more than 180 days not including installation. In accordance with your request, this 180 day period is requested to begin on the day the APD is approved.
- Surface pipeline will be in operation for no more than 180 days; a maximum of seven (7) days authorized for installation of the lay flat poly line prior to operation.
- Surface pipelines larger than 6.5 inch to-16-inch OD may be in place for no more than 180 days from date of authorization; 5/1/2018, unless a SF-299 is submitted within 30 days of this decision expiring requesting a long term buried fresh water pipeline, and processing of the SF-299 is not yet complete at the end of 30 days, in which case the line(s) may be left in place until a decision is made on the SF-299.
- All lines will be removed when no longer in use.
- Width of authorized use is 15-feet.
- No blading and/or earthwork will be allowed in order to place the pipeline except burying the line under crossings.
- The pipeline will be buried under all intersecting routes, including BLM-designated trails and access roads into caliche pits, rancher watering stations, etc. All such buried crossings will be removed when the pipeline is removed, unless otherwise approved by the Authorized Officer. Pipelines larger than 6.5-inch OD may utilize other crossing methodologies (but any fill placed over pipeline must be brought in from off-site).
- Pipeline crossings of fences should be avoided where possible. If a crossing is necessary, contact fence owner [usually the grazing permittee] prior to installation, and install by threading pipeline under the lowest wire of the fence; pipeline should never cross on top of any fence wires.

- The pipeline shall stay within 10 feet maximum of existing disturbance (e.g. lease road, pipeline right-of-way etc.); placement should be within 5 feet whenever possible.
- Placement of pumps or other high-maintenance equipment shall be installed along maintained lease roads.
- Gas or diesel pumps, generators, or compressors shall be placed on visquen matting [or 20 mil plastic] and in a containment structure capable of containing all potentially released fuels. Containments must be protected against wildlife deaths in accordance with oilfield best management practices.
- Due to potential damage to natural resources, no work is allowed during inclement weather.
- Pipeline will be marked with your company's name and contact number, at beginning and ending points, at all public-road crossings, and at intervals not exceeding every 0.6 mile, unless otherwise approved by the Authorized Officer.
- Should unforeseen damage occur to resources, BLM will require reclamation of the impacted land.
- No water may be released into the environment without BLM consent.
- Placement of surface pipelines along or under public roadways may require permits from the road authority.
- This authorization is limited to lands under BLM jurisdiction. If your proposed pipeline crosses lands under private ownership or under other agency jurisdiction, you are responsible for obtaining all necessary permits and approvals from those parties.

#### BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C.6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the

owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- Seed Mixture 1
- Seed Mixture 2
- Seed Mixture 2/LPC
- Seed Mixture 3
- Seed Mixture 4
- Seed Mixture Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 17 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

17. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

18. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

19. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

20. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

#### STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

**A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.**

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (see 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.
4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
  - a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;
  - b. Activities of other parties including, but not limited to:
    - (1) Land clearing
    - (2) Earth-disturbing and earth-moving work
    - (3) Blasting
    - (4) Vandalism and sabotage;
  - c. Acts of God.The maximum limitation for such strict liability damages shall not exceed one million dollars

(\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of 30 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 6 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the

pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 16 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

16. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

17. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

18. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

19. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

### C. ELECTRIC LINES

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.
- No further construction will be done until clearance has been issued by the Authorized Officer.
- Special restoration stipulations or realignment may be required.

### STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

**A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.**

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison

Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 11 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default

to the first paragraph stipulations.

11. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

12. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

13. Special Stipulations:

For reclamation remove poles, lines, transformer, etc. and dispose of properly.  
Fill in any holes from the poles removed.

## VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

## IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

**Seed Mixture 2, for Sandy Sites**

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

Species

	<u>lb/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	EOG RESOURCES INCORPORATED
<b>LEASE NO.:</b>	MODELO 10 FED COM 502H
<b>LOCATION:</b>	Section 10, T.24 S., R.32 E., NMP
<b>COUNTY:</b>	Lea County, New Mexico

<b>WELL NAME &amp; NO.:</b>	MODELO 10 FED COM 502H
<b>SURFACE HOLE FOOTAGE:</b>	200'/N & 365'/E
<b>BOTTOM HOLE FOOTAGE:</b>	2537'/N & 770'/E

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 type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

### A. HYDROGEN SULFIDE

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

### B. CASING

#### Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1270** feet (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of

six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The **9-5/8** inch intermediate casing shall be set at approximately **4770** feet. 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. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

**Option 2:**

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
  - Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

**Operator has proposed to pump down 13-3/8" X 9-5/8" annulus. Operator must run a CBL or ECHO-METER from TD of the 9-5/8" casing to surface. Submit results to BLM.**

3. 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.

### **Option 2:**

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
  - 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.

### **Option 1:**

- a. 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**.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (3.5M) psi.**

### **Option 2:**

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (3.5M) psi.**

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

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

##### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

## GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)  
689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - Notify the BLM when moving in and removing the Spudder Rig.
    - Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

## A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

## B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
  - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not

hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
  - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
  - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
  - e. The results of the test shall be reported to the appropriate BLM office.
  - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
  - h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- C. DRILLING MUD

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Modelo 10 Fed Com #502H**

**Hydrogen Sulfide Plan Summary**

- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
  - Well control equipment
    - a. Flare line 150' from wellhead to be ignited by flare gun.
    - b. Choke manifold with a remotely operated choke.
    - c. Mud/gas separator
  - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escapes packs — 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs — 4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

■ H2S detection and monitoring equipment:

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

(Gas sample tubes will be stored in the safety trailer)

■ Visual warning systems.

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

■ Mud program:

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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.

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Modelo 10 Fed Com #502H**

**Emergency Assistance Telephone List**

<b><u>PUBLIC SAFETY:</u></b>	<b><u>911 or</u></b>
Lea County Sheriff's Department	(575) 396-3611
Rod Coffman	
Fire Department:	
Carlsbad	(575) 885-3125
Artesia	(575) 746-5050
Hospitals:	
Carlsbad	(575) 887-4121
Artesia	(575) 748-3333
Hobbs	(575) 392-1979
Dept. of Public Safety/Carlsbad	(575) 748-9718
Highway Department	(575) 885-3281
New Mexico Oil Conservation	(575) 476-3440
U.S. Dept. of Labor	(575) 887-1174
<b><u>EOG Resources, Inc.</u></b>	
EOG / Midland	Office (432) 686-3600
<b><u>Company Drilling Consultants:</u></b>	
Jett Dueitt	Cell (432) 230-4840
Blake Burney	
<b><u>Drilling Engineer</u></b>	
Steve Munsell	Office (432) 686-3609
	Cell (432) 894-1256
<b><u>Drilling Manager</u></b>	
Aj Dach	Office (432) 686-3751
	Cell (817) 480-1167
<b><u>Drilling Superintendent</u></b>	
Jason Townsend	Office (432) 848-9209
	Cell (210) 776-5131
<b><u>H&amp;P Drilling</u></b>	
H&P Drilling	Office (432) 563-5757
H&P 415 Drilling Rig	Rig (432) 230-4840
<b><u>Tool Pusher:</u></b>	
Johnathan Craig	Cell (817) 760-6374
Brad Garrett	
<b><u>Safety</u></b>	
Brian Chandler (HSE Manager)	Office (432) 686-3695
	Cell (817) 239-0251

**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 87763

**CONDITIONS**

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 87763
	Action Type: [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	3/10/2022
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	3/10/2022
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	3/10/2022
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	3/10/2022