

Well Name: NAILED IT FED COM	Well Location: T26S / R30E / SEC 36 / LOT 2 / 32.0020851 / -103.832799	County or Parish/State: EDDY / NM
Well Number: 123H	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM138850	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001546885	Well Status: Approved Application for Permit to Drill	Operator: TAP ROCK OPERATING LLC

Notice of Intent

Sundry ID: 2651355

Type of Submission: Notice of Intent

Date Sundry Submitted: 01/06/2022

Date proposed operation will begin: 01/06/2022

Type of Action: Other

Time Sundry Submitted: 08:10

Procedure Description: Tap Rock requests the option to drill from KOP to lateral TD with 7-7/8 inch OH size or the originally permitted 8-1/2 inch OH. See attached updated drill plans.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Nailed_It_Fed_Com_123H_APD_Drill_Plan_20220106_20220106080938.pdf

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Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: JEFFREY TRLICA
Signed on: JAN 06, 2022 08:09 AM
Name: TAP ROCK OPERATING LLC
Title: Regulatory Analyst
Street Address: 523 PARK POINT DRIVE SUITE 200
City: GOLDEN **State:** CO
Phone: (720) 772-5910
Email address: JTRLICA@TAPRK.COM

Field Representative

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

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS
BLM POC Phone: 5752342234
Disposition: Approved
Signature: Chris Walls
BLM POC Title: Petroleum Engineer
BLM POC Email Address: cwalls@blm.gov
Disposition Date: 02/03/2022



Drilling Operations Plan
 Nailed It Fed Com 123H
 Tap Rock Operating, LLC
 SHL 736' FSL & 2050' FEL, Sec. 36
 BHL 2465' FSL & 1980' FEL, Sec. 25
 T. 26S., R. 30E, Eddy County, NM

Elevation above Sea Level: 3030'

DRILLING PROGRAM

1. Estimated Tops

Formation	TVD	MD	Lithologies	Bearing
Quaternary Deposits	0	0	Surface	None
Rustler Anhydrite	845	845		Salt
Salado	1397	1397	Salt	Salt
Base Salt	3440	3443		Salt
Lamar	3646	3652	Limestone	None
Bell Canyon	3667	3674	Sandstone	Hydrocarbons
Cherry Canyon	4856	4881	Sandstone	Hydrocarbons
Brushy Canyon	5810	5850	Sandstone	Hydrocarbons
Bone Spring	7577	7636	Limestone	Hydrocarbons
KOP	8971	9030	Sandstone	Hydrocarbons
2nd Bone Spring Sand	9150	9212	Sandstone	Hydrocarbons
TD	9560	13942	Shale	Hydrocarbons

2. Notable Zones

Bone Springs is the target formation.

3. Pressure Control

Pressure Control Equipment (See Schematics):

A 15,000', 5,000 psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. See attachments for BOP and choke manifold diagrams. Also present will be an accumulator that meets the requirements of Onshore Order #2 for the pressure rating of the BOP stack. A rotating head will also be installed as needed. BOP will be inspected and operated as recommended in Onshore Order #2. A top drive check valve and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. The wellhead will be a multi-bowl speed head.

BOP Test procedure will be as follows:

After surface casing is set and the BOP is nipped up, the BOP pressure tests will be made with a third party tester to 250 psi low, 5000 psi high, and the annular preventer will be tested to 2,500 psi. The BOP will be tested in this manner after nipple-up if any break of the stack occurs.



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Variance Requests:

Tap Rock requests a variance to run a multi-bowl speed head for setting the Intermediate 1, and Production Strings. Tap Rock requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used. Tap Rock requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event that this well is batch drilled, after drilling surface, 1st intermediate and cementing 1st intermediate casing, a 10M dry hole cap with bleed off valve will be installed. The rig will then walk to another well on the pad. When the rig returns to this well and BOPs are installed, the operator will perform a full BOP test.

Tap Rock requests approval to possibly utilize a spudder rig to drill and set casing for the surface interval on this well. The spudder rig will be possibly utilized in order to reduce cost and save time. The wellhead will be installed and tested as soon as the surface casing is cut off per the existing COAs. A blind flange with the same pressure rating as the wellhead will be installed on the well. Once the spudder rig is removed, Tap Rock will secure the wellhead area by placing a guard rail around the cellar. Pressure will be monitored and a means for intervention will be maintained while the drilling rig is not over the well. Spudder rig operations are expected to take 2-3 days per well. Three wells on the pad will have surface casing set by the spudder rig as a part of this operation. The BLM will be notified 24 hours prior to commencing spudder rig operations. Within 90 days of the departure of the spudder rig, drilling operations will recommence on these wells. This rig will have a BOP stack equal or greater to the pressure rating required in the COAs. The BLM will be notified 24 hours before the larger rig moves on the pre-set wells. Tap Rock will have supervision on the spudder rig to ensure compliance with all BLM and NMOCD regulations.

Tap Rock requests approval to have the option to drill 8-3/4" OH size from Intermediate Casing Point down to KOP, then downsize the wellbore to 7-7/8" OH from KOP to planned production TD depth. Downsizing to 7-7/8" is a cost saving measure (drilling fluid and cement), but will also increase downhole tool reliability when drilling the curve & lateral.



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4. Casing & Cement

All Casing will be new.

Name	Hole Size	Casing Size	Standard	Tapered	Top MD	Bottom MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Surface	17 1/2	13 3/8	API	No	0	920	0	920	J-55	54.5	BUTT	1.13	1.15	1.6
1st Intermediate	12 1/4	9 5/8	API	No	0	3677	0	3671	J-55	40	BUTT	1.13	1.15	1.6
Production	8 1/2	5 1/2	NON API	No	0	13942	0	9560	P-110	20	TXP	1.13	1.15	1.6

Name	Type	Top MD	Sacks	Yield	Cu. Ft	Weight	Excess	Cement	Additives
Surface	Tail	0	947	1.35	1278	14.8	100%	C	5% NCI + LCM
1st Intermediate	Lead	0	697	2.18	1520	12.7	65%	C	Bentonite + 1% CaCL2 + 8% NaCl + LCM
	Tail	2677	286	1.33	380	14.8	65%	C	5% NaCl + LCM
Production	Tail	3177	1990	1.71	3404	14.2	25%	H	Fluid Loss + Dispersant + Retarder + LCM

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Production	7 7/8	5 1/2	NON API	No	0	13942	0	9560	P-110	20	TXP	1.13	1.15	1.6

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	Tail	2677	286	1.33	380	14.8	65%	C	5% NaCl + LCM
Production	Tail	3177	1706	1.71	2917	14.2	25%	H	Fluid Loss + Dispersant + Retarder + LCM

5. Mud Program

Name	Top	Bottom	Type	Mud Weight	Visc	Fluid Loss
Surface	0	920	FW Spud Mud	8.30	28	NC
Intermediate	920	3677	Brine Water	10.00	30-32	NC
Production	3677	13942	Cut Brine	9.00	28-40	<10

Name	Top	Bottom	Type	Mud Weight	Visc	Fluid Loss
Surface	0	920	FW Spud Mud	8.30	28	NC
Intermediate	920	3677	Brine Water	10.00	30-32	NC
Production	3677	13942	Oil Based Mud	9.00	40-60	<10

Tap Rock requests the option to run cut brine or OBM in the production interval.

Electronic Pason mud monitor system complying with Onshore Order 1 will be used. All necessary mud products (e. g., barite, cedar bark) for weight addition and fluid loss control will always be on site. Mud program is subject to change due to hole conditions. A closed loop system will be used.



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6. Cores, Tests, & Logs

- Electric Logging Program: No open-hole logs are planned at this time for the pilot hole.
- GR will be collected while drilling through the MWD tools from 9.625" casing shoe to TD.
- A 2-person mud logging program will be used from 9.625" casing shoe to TD.
- No DSTs or cores are planned at this time.
- CBL w/ CCL from as far as gravity will let it fall to TOC.

7. Down Hole Conditions

No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is $\approx 4,474$ psi. Expected bottom hole temperature is $\approx 170^{\circ}$ F.

Tap Rock does not anticipate that there will be enough H₂S from the surface to the Wolfcamp formations to meet the BLM's Onshore Order 6 requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for drilling and completing this well. Tap Rock has an H₂S safety package on all wells and an "H₂S Drilling Operations Plan" is attached. Adequate flare lines will be installed off the mud/gas separator where gas may be safely flared. All personnel will be familiar with all aspects of safe operation of equipment being used.

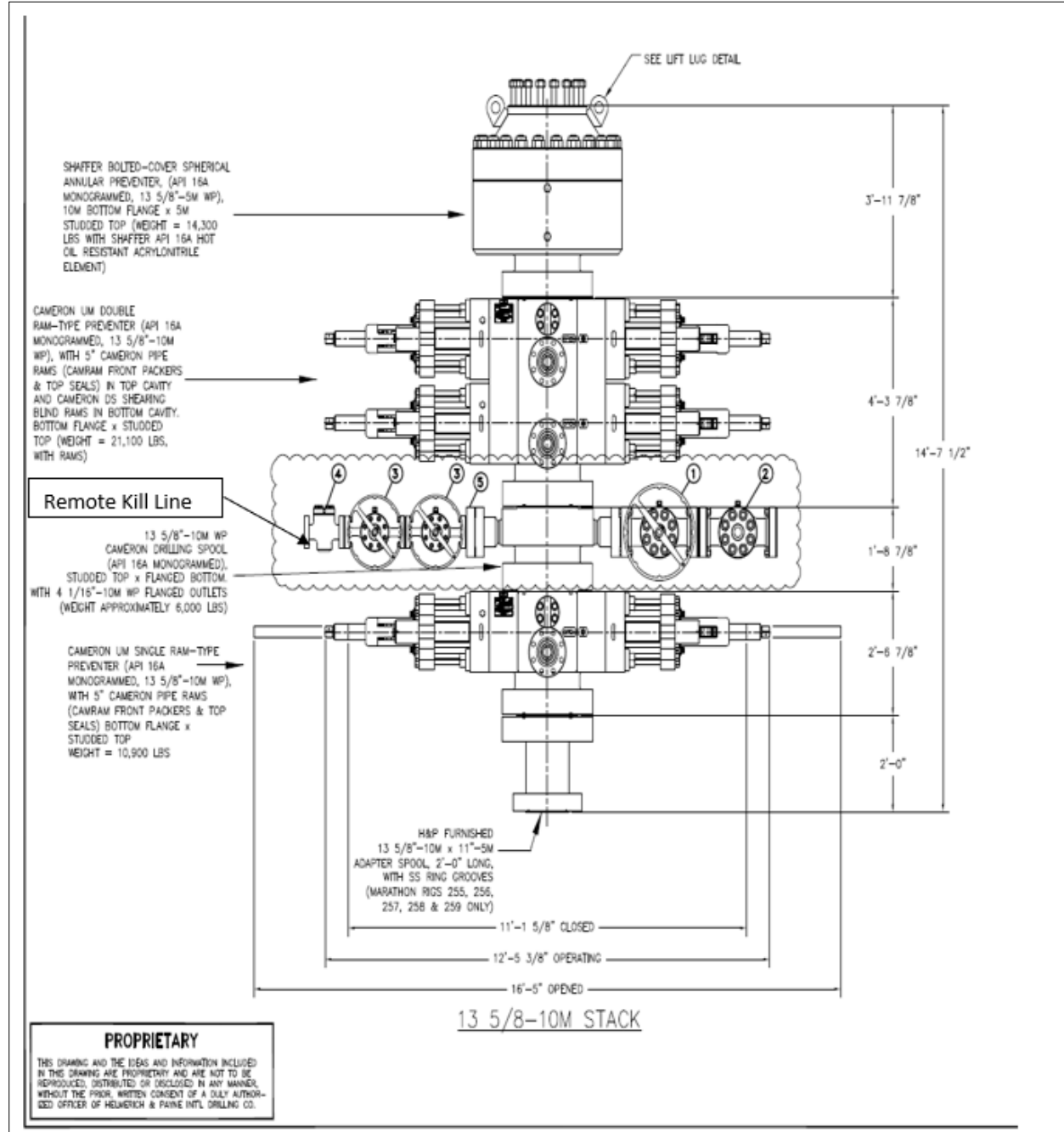
8. Other

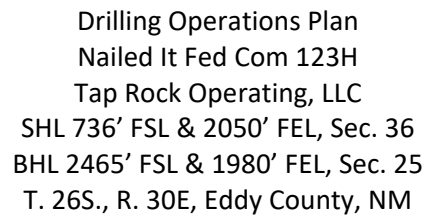
Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 30 days. If production casing is run an additional 60 days will be required to complete and construct surface facilities.



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5,000 psi BOP Stack

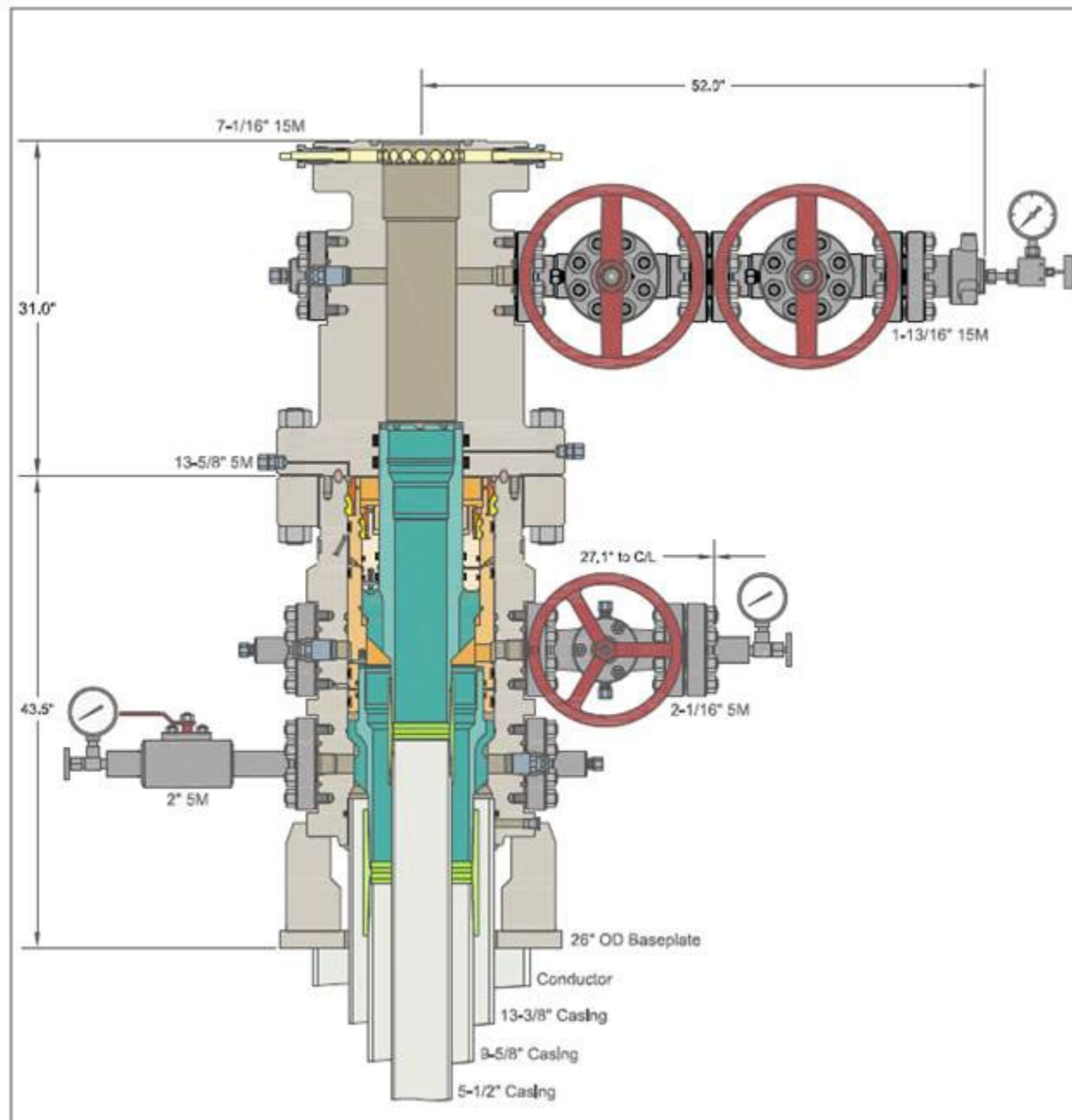






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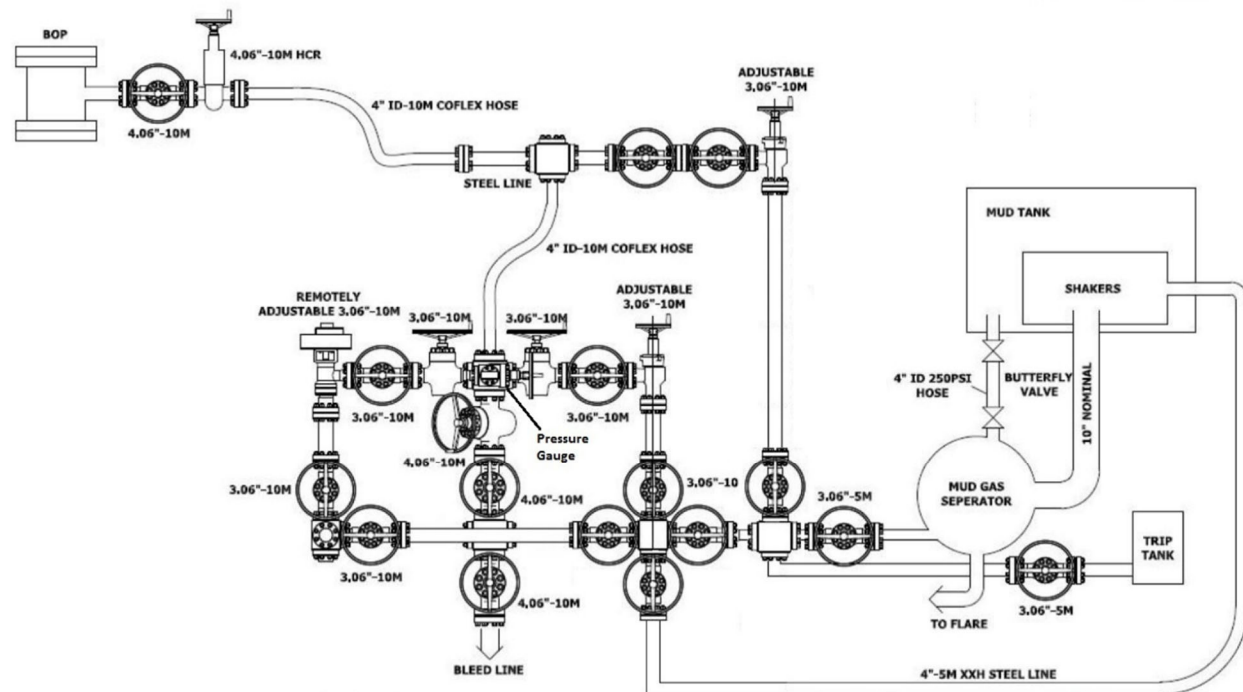
Multi-bowl Wellhead





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10M Choke Layout



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

COMMENTS

Action 78292

COMMENTS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 78292
	Action Type: [C-103] NOI Change of Plans (C-103A)

COMMENTS

Created By	Comment	Comment Date
jagarcia	Approved, John Garcia, Petroleum Engineer	5/19/2022

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CONDITIONS

Action 78292

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Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 78292
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CONDITIONS

Created By	Condition	Condition Date
jagarcia	None	5/19/2022