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

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

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

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

8. Lease Name and Well No.

2. Name of Operator

9. API Well No.
30-015-49620

3a. Address

3b. Phone No. *(include area code)*

10. Field and Pool, or Exploratory ~~Purple Sage;~~Wolfcamp

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 06/09/2022

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) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015- 49620	98220	PURPLE SAGE; WOLFCAMP (GAS)

Property Code	Property Name	Well Number
332869	MIDNIGHT HOUR 11 FED COM	723H

OGRID No.	Operator Name	Elevation
7377	EOG RESOURCES, INC.	3193'

Surface Location

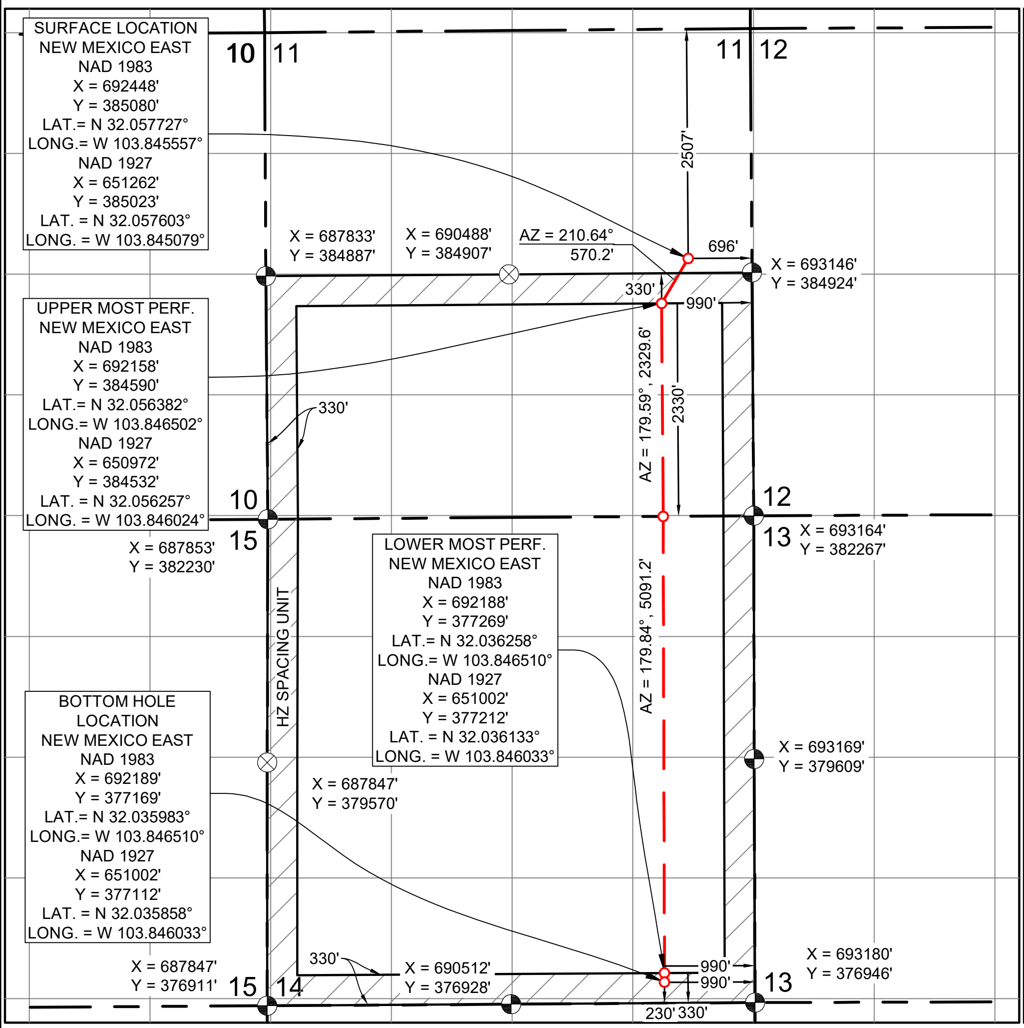
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	26 S	30 E		2507	NORTH	696	EAST	EDDY

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
P	14	26 S	30 E		230	SOUTH	990	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.
960.00			

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jayna K. Hobby 12/08/20
Signature Date

Jayna K. Hobby
Print Name

Jayna_Hobby@eogresources.com
E-mail Address

SURVEYORS CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 30, 2020
Date of Survey

Signature and Seal of Professional Surveyor: 11/18/20

CASEY WAYNE FAIRCLOTH
NEW MEXICO
21051
PROFESSIONAL SURVEYOR

Job No.: EOG.190049
CASEY WAYNE FAIRCLOTH, N.M.P.L.S.
Certificate Number 21051

P:\EOG_B190049\PROD\C102_Packages\C-1020-Midnight Hour 11 Fed Com C102 Website 723H.dwg 11/17/2020 9:05 PM

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:** 06/10/2022

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
Midnight Hour 11 Fed Com 723H		H-11-26S-30E	2507' FNL & 696' FEL	+/- 1000	+/- 3500	+/- 3000

IV. Central Delivery Point Name: MIDNIGHT HOUR 11 FED COM CTB [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Midnight Hour 11 Fed Com 723H		6/30/22	7/15/24	9/15/22	10/15/22	11/15/22

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: Star L Harrell
Printed Name: Star L Harrell
Title: Sr Regulatory Specialist
E-mail Address: Star_Harrell@eogresources.com
Date: 6/10/2022
Phone: (432) 848-9161

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

Natural Gas Management Plan
Items VI-VIII

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

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

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

Drilling Operations

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

Completions/Recompletions Operations

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

Production Operations

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

Performance Standards

- Production equipment will be designed to handle maximum anticipated rates and pressure.

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

Measurement & Estimation

- All volume that is flared or vented that is not measured will be estimated.
- All measurement equipment for flared volumes will conform to API 14.10.
- No meter bypasses with 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.
- After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

1. GEOLOGIC NAME OF SURFACE FORMATION:
Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,062’
Tamarisk Anhydrite	1,138’
Top of Salt	1,447’
Base of Salt	3,685’
Lamar	3,817’
Bell Canyon	3,846’
Cherry Canyon	4,608’
Brushy Canyon	5,885’
Bone Spring Lime	7,686’
Leonard A Shale	7,779’
Leonard B Shale	8,196’
1st Bone Spring Sand	8,627’
2nd Bone Spring Shale	8,908’
2nd Bone Spring Sand	9,279’
3rd Bone Spring Carb	9,737’
3rd Bone Spring Sand	10,554’
Wolfcamp	10,947’
TD	11,342’

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

Upper Permian Sands	0- 400’	Fresh Water
Cherry Canyon	4,608’	Oil
Brushy Canyon	5,885’	Oil
Leonard A Shale	7,779’	Oil
Leonard B Shale	8,196’	Oil
1st Bone Spring Sand	8,627’	Oil
2nd Bone Spring Shale	8,908’	Oil
2nd Bone Spring Sand	9,279’	Oil
3rd Bone Spring Carb	9,737’	Oil
3rd Bone Spring Sand	10,554’	Oil
Wolfcamp	10,947’	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 9.625” casing at 1,170’ and circulating cement back to surface.

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
12.25"	0' – 1,170'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0' – 9,840'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0' – 9,340'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	9,340'–9,840'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	9,840' – 19,040'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60

Variance is requested to waive the centralizer requirements for the 7-5/8" casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" 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 6-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive the annular clearance requirements for the 5-1/2" casing by 7-5/8" casing annulus to the proposed top of cement.

EOG requests permission to allow deviation from the 0.422'' annulus clearance requirement from Onshore Order #2 under the following conditions:

- Annular clearance to meet or exceed 0.422'' between intermediate casing ID and production casing coupling only on the first 500' overlap between both casing strings.
- Annular clearance less than 0.422'' is acceptable for the production open hole section.

EOG Resources also requests approval to implement Casing Design B (pg. 8-9). BLM will be notified of elected design at spud.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/sk	Slurry Description
1,170' 9-5/8"	330	13.5	1.73	Lead: Class C + 4.0% Bentonite Gel + 0.5% $CaCl_2$ + 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 @ 970')
9,840' 7-5/8"	490	14.2	1.11	1st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 5,680')
	1,000	12.7	2.30	2nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface)
19,040' 5-1/2"	840	14.2	1.31	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 9,340')

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

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

EOG requests to pump a two stage cement job on the 7-5/8'' intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (5,885') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. Once cement circulates to surface drilling operations to drill out of the intermediate shoe will proceed (per clarification from BLM 4/21/2020). The final cement top will be verified by Echo-meter.

EOG will include the Echo-meter verified fluid top and the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program.

EOG will report to the BLM the volume of fluid (limited to 5 bbls) used to flush intermediate casing valves following backside cementing procedures.

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.

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.

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.

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 – 1,170’	Fresh - Gel	8.6-8.8	28-34	N/c
1,170’ – 9,840’	Brine	10.0-10.2	28-34	N/c
9,840’ – 10,869’	Oil Base	8.7-9.4	58-68	N/c - 6
10,869’ – 19,040’ Lateral	Oil Base	10.0-14.0	58-68	3 - 6

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 ppg may be utilized.

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

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

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

(A) A kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

(C) H_2S monitoring and detection equipment will be utilized from surface casing point to TD.

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

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 183 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 8,257 psig and a maximum anticipated surface pressure of 5,762 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 5,885' to Intermediate casing point.

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.

(A) 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 1000 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 9-5/8" surface casing, a 9-5/8" 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.

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

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 1500 psi, whichever is greater.

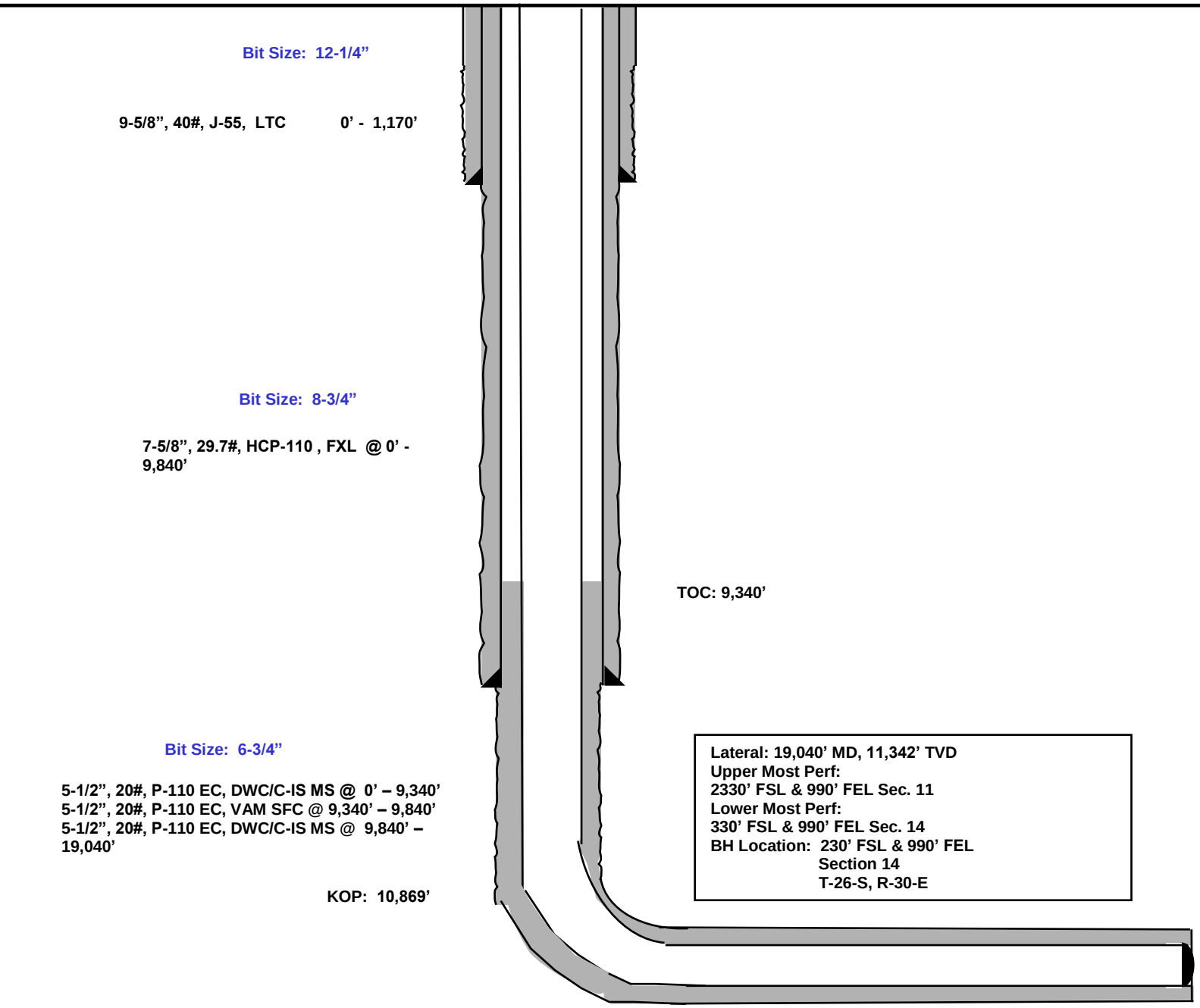
EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

2507' FNL
696' FEL
Section 11
T-26-S, R-30-E

Proposed Wellbore
Design A

API: 30-015-***

KB: 3,218'
GL: 3,193'



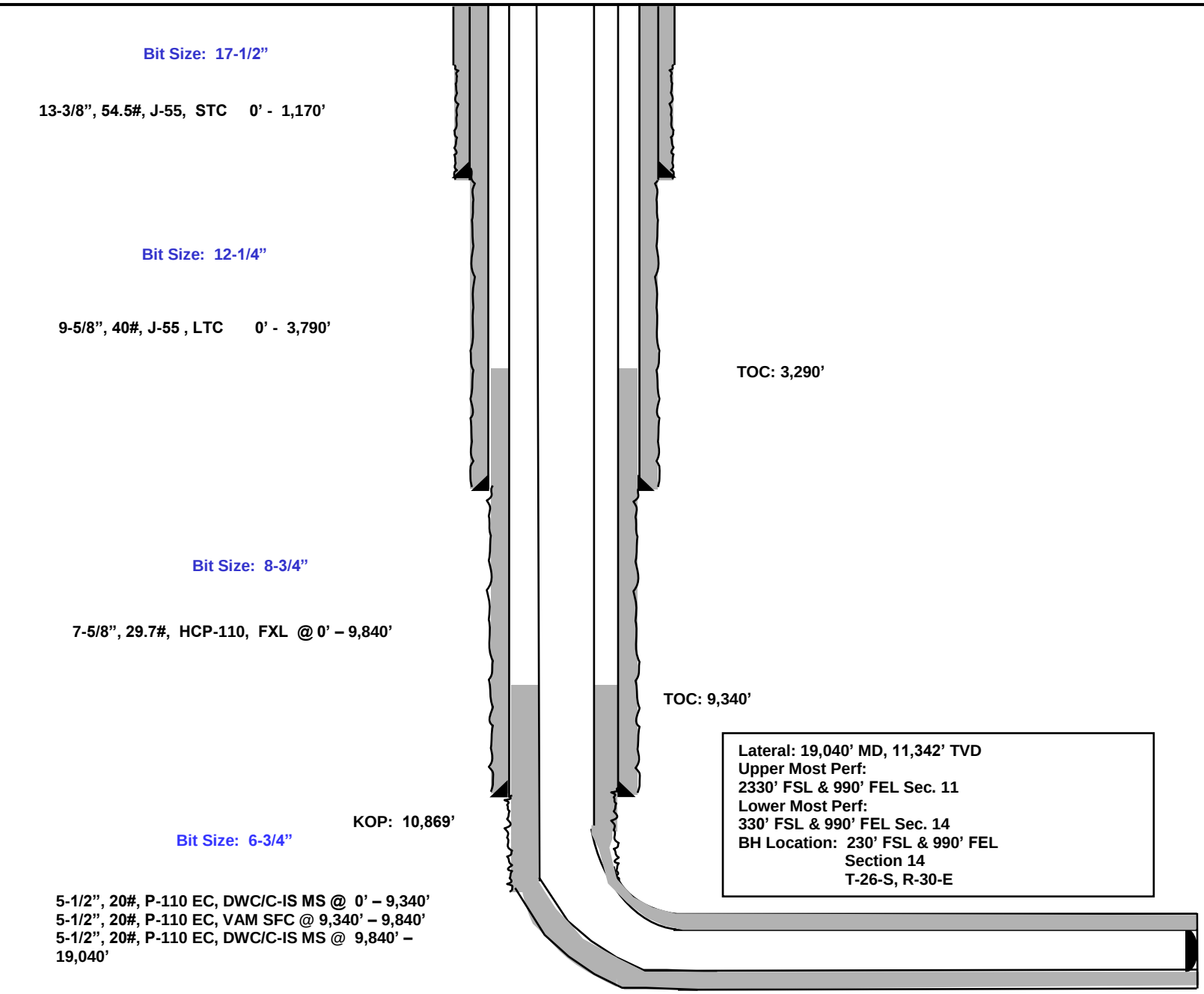
EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

2507' FNL
696' FEL
Section 11
T-26-S, R-30-E

Proposed Wellbore
Design B

API: 30-015-***

KB: 3,218'
GL: 3,193'



EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

Design B

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
17.5"	0 – 1,170'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
12.25"	0 – 3,790'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0 – 9,840'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0' – 9,340'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	9,340'–9,840'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	9,840' – 19,040'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60

Cement Program:

Depth	No. Sacks	Wt. lb/gal	Yld Ft^3/sk	Slurry Description
1,170' 13-3/8"	520	13.5	1.74	Lead: Class C + 4.0% Bentonite Gel + 0.5% $CaCl_2$ + 0.25 lb/sk Cello-Flake (TOC @ Surface)
	160	14.8	1.35	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 970')
3,790' 9-5/8"	560	12.7	2.22	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface)
	250	14.8	1.32	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 3,032')
9,840' 7-5/8"	200	10.8	3.67	Lead: Class C + 3% CaCl2 + 3% Microbond (TOC @ 3,290')
	100	14.8	2.38	Tail: Class H + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 8,340')
19,040' 5-1/2"	840	14.8	1.31	Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 9,340')

As a contingency, EOG requests to pump a two stage cement job on the 7-5/8'' intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (5,885') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed.

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,170'	Fresh - Gel	8.6-8.8	28-34	N/c
1,170' – 3,790'	Brine	10.0-10.2	28-34	N/c
3,790'– 9,840'	Oil Base	8.7-9.4	58-68	N/c - 6
9,840'– 19,040' Lateral	Oil Base	10.0-14.0	58-68	3 - 6

eog resources

Eddy County, NM (NAD 83 NME)

Midnight Hour 11 Fed Com #723H

Plan #0.1 RT

Azimuths to Grid North
True North: -0.26°
Magnetic North: 6.46°

Magnetic Field
Strength: 47423.9nT
Dip Angle: 59.72°
Date: 12/3/2020
Model: IGRF2020

To convert a Magnetic Direction to a Grid Direction, Add 6.46°
To convert a Magnetic Direction to a True Direction, Add 6.72° East
To convert a True Direction to a Grid Direction, Subtract 0.26°

PROJECT DETAILS: Eddy 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: #723H

3192.0
kb = 25' @ 3217.0usft

Northing	Easting	Latittude	Longitude
385080.00	692448.00	32.0577262°N	103.8455581°W

SECTION DETAILS

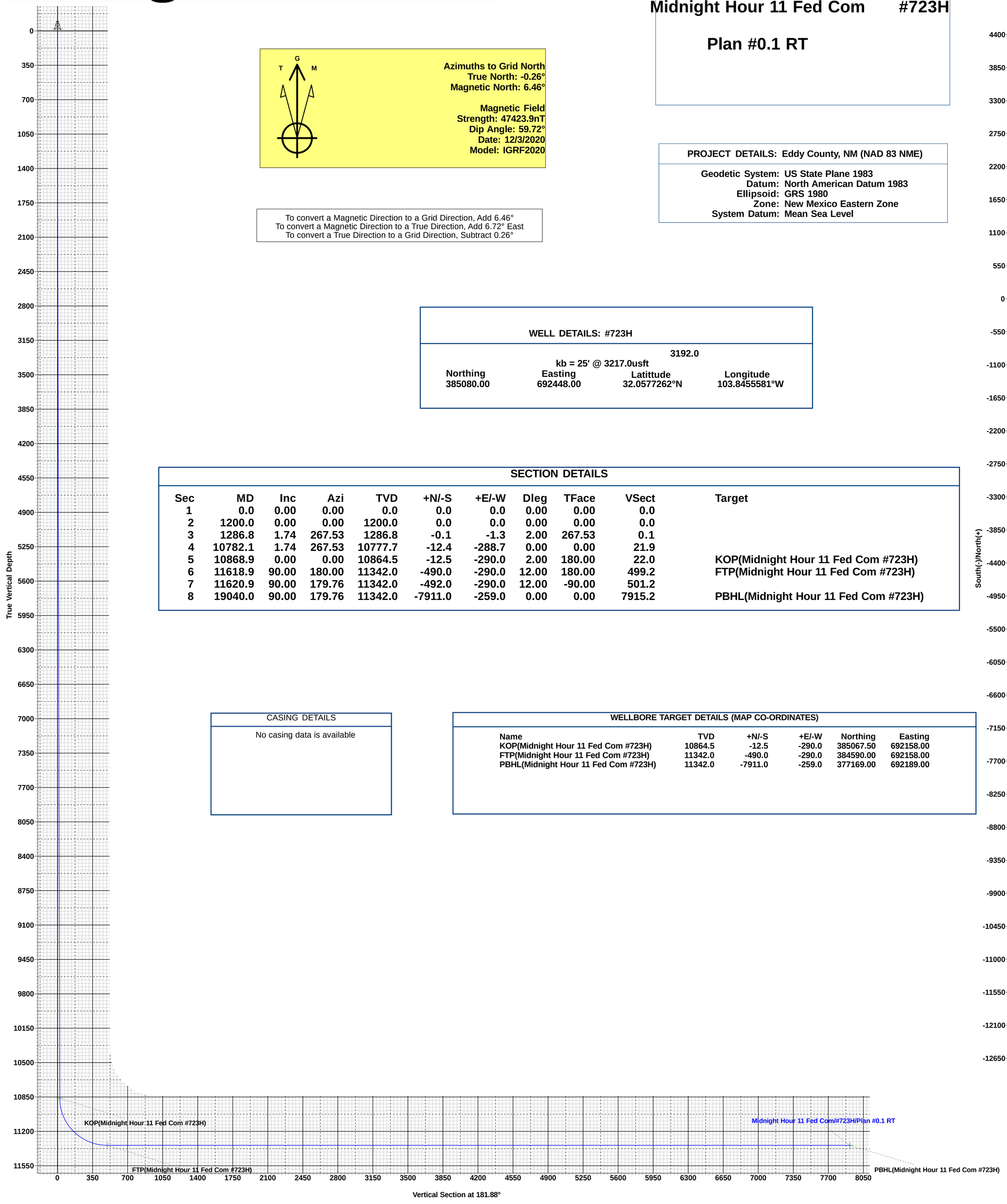
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1200.0	0.00	0.00	1200.0	0.0	0.0	0.00	0.00	0.0	
3	1286.8	1.74	267.53	1286.8	-0.1	-1.3	2.00	267.53	0.1	
4	10782.1	1.74	267.53	10777.7	-12.4	-288.7	0.00	0.00	21.9	
5	10868.9	0.00	0.00	10864.5	-12.5	-290.0	2.00	180.00	22.0	KOP(Midnight Hour 11 Fed Com #723H)
6	11618.9	90.00	180.00	11342.0	-490.0	-290.0	12.00	180.00	499.2	FTP(Midnight Hour 11 Fed Com #723H)
7	11620.9	90.00	179.76	11342.0	-492.0	-290.0	12.00	-90.00	501.2	
8	19040.0	90.00	179.76	11342.0	-7911.0	-259.0	0.00	0.00	7915.2	PBHL(Midnight Hour 11 Fed Com #723H)

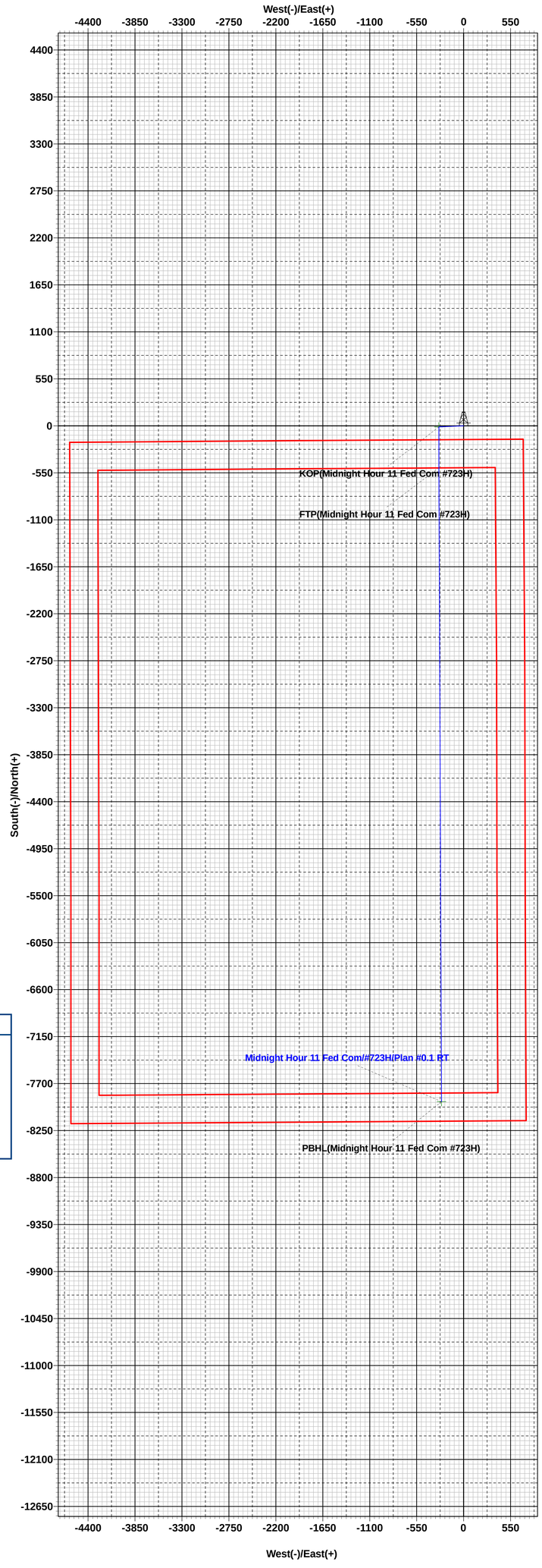
CASING DETAILS

No casing data is available

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting
KOP(Midnight Hour 11 Fed Com #723H)	10864.5	-12.5	-290.0	385067.50	692158.00
FTP(Midnight Hour 11 Fed Com #723H)	11342.0	-490.0	-290.0	384590.00	692158.00
PBHL(Midnight Hour 11 Fed Com #723H)	11342.0	-7911.0	-259.0	377169.00	692189.00





Eddy County, NM (NAD 83 NME)
Midnight Hour 11 Fed Com
#723H
OH
Plan #0.1 RT
16:39, December 07 2020

EOG Resources - Midland

Eddy County, NM (NAD 83 NME)
Midnight Hour 11 Fed Com
#723H

OH

Plan: Plan #0.1 RT

Standard Planning Report

07 December, 2020

EOG Resources

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
Company:	EOG Resources - Midland	**TVD Reference:**	kb = 25' @ 3217.0usft
Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #0.1 RT		

Project	Eddy County, NM (NAD 83 NME)		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Midnight Hour 11 Fed Com				
Site Position:		**Northing:**	384,955.00 usft	**Latitude:**	32.0574122°N
From:	Map	**Easting:**	690,054.00 usft	**Longitude:**	103.8532873°W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.25 °

Well	#723H				
Well Position	**+N/-S**	125.0 usft	**Northing:**	385,080.00 usft	**Latitude:**	32.0577263°N
	+E/-W	2,394.0 usft	**Easting:**	692,448.00 usft	**Longitude:**	103.8455581°W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,192.0 usft

Wellbore	OH				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2020	12/3/2020	6.72	59.72	47,423.91789490

Design	Plan #0.1 RT			
Audit Notes:				
Version:	**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**
	0.0	0.0	0.0	181.88

Plan Survey Tool Program **Date** 12/7/2020

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	19,040.0	Plan #0.1 RT (OH)	EOG MWD+IFR1	
				MWD + IFR1	

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	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,286.8	1.74	267.53	1,286.8	-0.1	-1.3	2.00	2.00	0.00	267.53	
10,782.1	1.74	267.53	10,777.7	-12.4	-288.7	0.00	0.00	0.00	0.00	
10,868.9	0.00	0.00	10,864.5	-12.5	-290.0	2.00	-2.00	0.00	180.00	KOP(Midnight Hour 1
11,618.9	90.00	180.00	11,342.0	-490.0	-290.0	12.00	12.00	24.00	180.00	FTP(Midnight Hour 11
11,620.9	90.00	179.76	11,342.0	-492.0	-290.0	12.00	0.00	-12.00	-90.00	
19,040.0	90.00	179.76	11,342.0	-7,911.0	-259.0	0.00	0.00	0.00	0.00	PBHL(Midnight Hour

EOG Resources

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
Company:	EOG Resources - Midland	**TVD Reference:**	kb = 25' @ 3217.0usft
Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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
1,286.8	1.74	267.53	1,286.8	-0.1	-1.3	0.1	2.00	2.00	0.00
1,300.0	1.74	267.53	1,300.0	-0.1	-1.7	0.1	0.00	0.00	0.00
1,400.0	1.74	267.53	1,399.9	-0.2	-4.7	0.4	0.00	0.00	0.00
1,500.0	1.74	267.53	1,499.9	-0.3	-7.8	0.6	0.00	0.00	0.00
1,600.0	1.74	267.53	1,599.8	-0.5	-10.8	0.8	0.00	0.00	0.00
1,700.0	1.74	267.53	1,699.8	-0.6	-13.8	1.0	0.00	0.00	0.00
1,800.0	1.74	267.53	1,799.8	-0.7	-16.8	1.3	0.00	0.00	0.00
1,900.0	1.74	267.53	1,899.7	-0.9	-19.9	1.5	0.00	0.00	0.00
2,000.0	1.74	267.53	1,999.7	-1.0	-22.9	1.7	0.00	0.00	0.00
2,100.0	1.74	267.53	2,099.6	-1.1	-25.9	2.0	0.00	0.00	0.00
2,200.0	1.74	267.53	2,199.6	-1.2	-29.0	2.2	0.00	0.00	0.00
2,300.0	1.74	267.53	2,299.5	-1.4	-32.0	2.4	0.00	0.00	0.00
2,400.0	1.74	267.53	2,399.5	-1.5	-35.0	2.7	0.00	0.00	0.00
2,500.0	1.74	267.53	2,499.4	-1.6	-38.0	2.9	0.00	0.00	0.00
2,600.0	1.74	267.53	2,599.4	-1.8	-41.1	3.1	0.00	0.00	0.00
2,700.0	1.74	267.53	2,699.3	-1.9	-44.1	3.3	0.00	0.00	0.00
2,800.0	1.74	267.53	2,799.3	-2.0	-47.1	3.6	0.00	0.00	0.00
2,900.0	1.74	267.53	2,899.2	-2.2	-50.1	3.8	0.00	0.00	0.00
3,000.0	1.74	267.53	2,999.2	-2.3	-53.2	4.0	0.00	0.00	0.00
3,100.0	1.74	267.53	3,099.2	-2.4	-56.2	4.3	0.00	0.00	0.00
3,200.0	1.74	267.53	3,199.1	-2.6	-59.2	4.5	0.00	0.00	0.00
3,300.0	1.74	267.53	3,299.1	-2.7	-62.2	4.7	0.00	0.00	0.00
3,400.0	1.74	267.53	3,399.0	-2.8	-65.3	4.9	0.00	0.00	0.00
3,500.0	1.74	267.53	3,499.0	-2.9	-68.3	5.2	0.00	0.00	0.00
3,600.0	1.74	267.53	3,598.9	-3.1	-71.3	5.4	0.00	0.00	0.00
3,700.0	1.74	267.53	3,698.9	-3.2	-74.3	5.6	0.00	0.00	0.00
3,800.0	1.74	267.53	3,798.8	-3.3	-77.4	5.9	0.00	0.00	0.00
3,900.0	1.74	267.53	3,898.8	-3.5	-80.4	6.1	0.00	0.00	0.00
4,000.0	1.74	267.53	3,998.7	-3.6	-83.4	6.3	0.00	0.00	0.00
4,100.0	1.74	267.53	4,098.7	-3.7	-86.5	6.6	0.00	0.00	0.00
4,200.0	1.74	267.53	4,198.6	-3.9	-89.5	6.8	0.00	0.00	0.00
4,300.0	1.74	267.53	4,298.6	-4.0	-92.5	7.0	0.00	0.00	0.00
4,400.0	1.74	267.53	4,398.6	-4.1	-95.5	7.2	0.00	0.00	0.00
4,500.0	1.74	267.53	4,498.5	-4.2	-98.6	7.5	0.00	0.00	0.00
4,600.0	1.74	267.53	4,598.5	-4.4	-101.6	7.7	0.00	0.00	0.00
4,700.0	1.74	267.53	4,698.4	-4.5	-104.6	7.9	0.00	0.00	0.00
4,800.0	1.74	267.53	4,798.4	-4.6	-107.6	8.2	0.00	0.00	0.00
4,900.0	1.74	267.53	4,898.3	-4.8	-110.7	8.4	0.00	0.00	0.00
5,000.0	1.74	267.53	4,998.3	-4.9	-113.7	8.6	0.00	0.00	0.00
5,100.0	1.74	267.53	5,098.2	-5.0	-116.7	8.8	0.00	0.00	0.00
5,200.0	1.74	267.53	5,198.2	-5.2	-119.7	9.1	0.00	0.00	0.00

EOG Resources

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
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Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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	1.74	267.53	5,298.1	-5.3	-122.8	9.3	0.00	0.00	0.00
5,400.0	1.74	267.53	5,398.1	-5.4	-125.8	9.5	0.00	0.00	0.00
5,500.0	1.74	267.53	5,498.1	-5.6	-128.8	9.8	0.00	0.00	0.00
5,600.0	1.74	267.53	5,598.0	-5.7	-131.9	10.0	0.00	0.00	0.00
5,700.0	1.74	267.53	5,698.0	-5.8	-134.9	10.2	0.00	0.00	0.00
5,800.0	1.74	267.53	5,797.9	-5.9	-137.9	10.5	0.00	0.00	0.00
5,900.0	1.74	267.53	5,897.9	-6.1	-140.9	10.7	0.00	0.00	0.00
6,000.0	1.74	267.53	5,997.8	-6.2	-144.0	10.9	0.00	0.00	0.00
6,100.0	1.74	267.53	6,097.8	-6.3	-147.0	11.1	0.00	0.00	0.00
6,200.0	1.74	267.53	6,197.7	-6.5	-150.0	11.4	0.00	0.00	0.00
6,300.0	1.74	267.53	6,297.7	-6.6	-153.0	11.6	0.00	0.00	0.00
6,400.0	1.74	267.53	6,397.6	-6.7	-156.1	11.8	0.00	0.00	0.00
6,500.0	1.74	267.53	6,497.6	-6.9	-159.1	12.1	0.00	0.00	0.00
6,600.0	1.74	267.53	6,597.5	-7.0	-162.1	12.3	0.00	0.00	0.00
6,700.0	1.74	267.53	6,697.5	-7.1	-165.1	12.5	0.00	0.00	0.00
6,800.0	1.74	267.53	6,797.5	-7.2	-168.2	12.7	0.00	0.00	0.00
6,900.0	1.74	267.53	6,897.4	-7.4	-171.2	13.0	0.00	0.00	0.00
7,000.0	1.74	267.53	6,997.4	-7.5	-174.2	13.2	0.00	0.00	0.00
7,100.0	1.74	267.53	7,097.3	-7.6	-177.2	13.4	0.00	0.00	0.00
7,200.0	1.74	267.53	7,197.3	-7.8	-180.3	13.7	0.00	0.00	0.00
7,300.0	1.74	267.53	7,297.2	-7.9	-183.3	13.9	0.00	0.00	0.00
7,400.0	1.74	267.53	7,397.2	-8.0	-186.3	14.1	0.00	0.00	0.00
7,500.0	1.74	267.53	7,497.1	-8.2	-189.4	14.4	0.00	0.00	0.00
7,600.0	1.74	267.53	7,597.1	-8.3	-192.4	14.6	0.00	0.00	0.00
7,700.0	1.74	267.53	7,697.0	-8.4	-195.4	14.8	0.00	0.00	0.00
7,800.0	1.74	267.53	7,797.0	-8.6	-198.4	15.0	0.00	0.00	0.00
7,900.0	1.74	267.53	7,897.0	-8.7	-201.5	15.3	0.00	0.00	0.00
8,000.0	1.74	267.53	7,996.9	-8.8	-204.5	15.5	0.00	0.00	0.00
8,100.0	1.74	267.53	8,096.9	-8.9	-207.5	15.7	0.00	0.00	0.00
8,200.0	1.74	267.53	8,196.8	-9.1	-210.5	16.0	0.00	0.00	0.00
8,300.0	1.74	267.53	8,296.8	-9.2	-213.6	16.2	0.00	0.00	0.00
8,400.0	1.74	267.53	8,396.7	-9.3	-216.6	16.4	0.00	0.00	0.00
8,500.0	1.74	267.53	8,496.7	-9.5	-219.6	16.6	0.00	0.00	0.00
8,600.0	1.74	267.53	8,596.6	-9.6	-222.6	16.9	0.00	0.00	0.00
8,700.0	1.74	267.53	8,696.6	-9.7	-225.7	17.1	0.00	0.00	0.00
8,800.0	1.74	267.53	8,796.5	-9.9	-228.7	17.3	0.00	0.00	0.00
8,900.0	1.74	267.53	8,896.5	-10.0	-231.7	17.6	0.00	0.00	0.00
9,000.0	1.74	267.53	8,996.4	-10.1	-234.8	17.8	0.00	0.00	0.00
9,100.0	1.74	267.53	9,096.4	-10.2	-237.8	18.0	0.00	0.00	0.00
9,200.0	1.74	267.53	9,196.4	-10.4	-240.8	18.3	0.00	0.00	0.00
9,300.0	1.74	267.53	9,296.3	-10.5	-243.8	18.5	0.00	0.00	0.00
9,400.0	1.74	267.53	9,396.3	-10.6	-246.9	18.7	0.00	0.00	0.00
9,500.0	1.74	267.53	9,496.2	-10.8	-249.9	18.9	0.00	0.00	0.00
9,600.0	1.74	267.53	9,596.2	-10.9	-252.9	19.2	0.00	0.00	0.00
9,700.0	1.74	267.53	9,696.1	-11.0	-255.9	19.4	0.00	0.00	0.00
9,800.0	1.74	267.53	9,796.1	-11.2	-259.0	19.6	0.00	0.00	0.00
9,900.0	1.74	267.53	9,896.0	-11.3	-262.0	19.9	0.00	0.00	0.00
10,000.0	1.74	267.53	9,996.0	-11.4	-265.0	20.1	0.00	0.00	0.00
10,100.0	1.74	267.53	10,095.9	-11.6	-268.0	20.3	0.00	0.00	0.00
10,200.0	1.74	267.53	10,195.9	-11.7	-271.1	20.5	0.00	0.00	0.00
10,300.0	1.74	267.53	10,295.9	-11.8	-274.1	20.8	0.00	0.00	0.00
10,400.0	1.74	267.53	10,395.8	-11.9	-277.1	21.0	0.00	0.00	0.00
10,500.0	1.74	267.53	10,495.8	-12.1	-280.1	21.2	0.00	0.00	0.00
10,600.0	1.74	267.53	10,595.7	-12.2	-283.2	21.5	0.00	0.00	0.00

EOG Resources

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
Company:	EOG Resources - Midland	**TVD Reference:**	kb = 25' @ 3217.0usft
Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
10,700.0	1.74	267.53	10,695.7	-12.3	-286.2	21.7	0.00	0.00	0.00
10,782.1	1.74	267.53	10,777.7	-12.4	-288.7	21.9	0.00	0.00	0.00
10,800.0	1.38	267.53	10,795.6	-12.5	-289.2	21.9	2.00	-2.00	0.00
10,868.9	0.00	0.00	10,864.5	-12.5	-290.0	22.0	2.00	-2.00	0.00
10,875.0	0.73	180.00	10,870.6	-12.5	-290.0	22.0	12.00	12.00	0.00
10,900.0	3.73	180.00	10,895.6	-13.5	-290.0	23.0	12.00	12.00	0.00
10,925.0	6.73	180.00	10,920.5	-15.8	-290.0	25.3	12.00	12.00	0.00
10,950.0	9.73	180.00	10,945.2	-19.4	-290.0	28.9	12.00	12.00	0.00
10,975.0	12.73	180.00	10,969.7	-24.2	-290.0	33.7	12.00	12.00	0.00
11,000.0	15.73	180.00	10,994.0	-30.4	-290.0	39.9	12.00	12.00	0.00
11,025.0	18.73	180.00	11,017.8	-37.8	-290.0	47.3	12.00	12.00	0.00
11,050.0	21.73	180.00	11,041.3	-46.4	-290.0	55.9	12.00	12.00	0.00
11,075.0	24.73	180.00	11,064.3	-56.3	-290.0	65.8	12.00	12.00	0.00
11,100.0	27.73	180.00	11,086.7	-67.3	-290.0	76.8	12.00	12.00	0.00
11,125.0	30.73	180.00	11,108.5	-79.6	-290.0	89.0	12.00	12.00	0.00
11,150.0	33.73	180.00	11,129.7	-92.9	-290.0	102.3	12.00	12.00	0.00
11,175.0	36.73	180.00	11,150.1	-107.3	-290.0	116.7	12.00	12.00	0.00
11,200.0	39.73	180.00	11,169.7	-122.8	-290.0	132.2	12.00	12.00	0.00
11,225.0	42.73	180.00	11,188.5	-139.3	-290.0	148.7	12.00	12.00	0.00
11,250.0	45.73	180.00	11,206.4	-156.7	-290.0	166.1	12.00	12.00	0.00
11,275.0	48.73	180.00	11,223.4	-175.0	-290.0	184.4	12.00	12.00	0.00
11,300.0	51.73	180.00	11,239.4	-194.3	-290.0	203.6	12.00	12.00	0.00
11,325.0	54.73	180.00	11,254.3	-214.3	-290.0	223.7	12.00	12.00	0.00
11,350.0	57.73	180.00	11,268.2	-235.1	-290.0	244.4	12.00	12.00	0.00
11,375.0	60.73	180.00	11,281.0	-256.5	-290.0	265.9	12.00	12.00	0.00
11,400.0	63.73	180.00	11,292.7	-278.7	-290.0	288.0	12.00	12.00	0.00
11,425.0	66.73	180.00	11,303.2	-301.3	-290.0	310.7	12.00	12.00	0.00
11,450.0	69.73	180.00	11,312.4	-324.6	-290.0	333.9	12.00	12.00	0.00
11,475.0	72.73	180.00	11,320.5	-348.2	-290.0	357.5	12.00	12.00	0.00
11,500.0	75.73	180.00	11,327.3	-372.3	-290.0	381.6	12.00	12.00	0.00
11,525.0	78.73	180.00	11,332.8	-396.7	-290.0	405.9	12.00	12.00	0.00
11,550.0	81.73	180.00	11,337.0	-421.3	-290.0	430.6	12.00	12.00	0.00
11,575.0	84.73	180.00	11,340.0	-446.1	-290.0	455.4	12.00	12.00	0.00
11,600.0	87.73	180.00	11,341.6	-471.1	-290.0	480.3	12.00	12.00	0.00
11,618.9	90.00	180.00	11,342.0	-490.0	-290.0	499.2	12.00	12.00	0.00
11,620.9	90.00	179.76	11,342.0	-492.0	-290.0	501.2	12.00	0.00	-12.00
11,700.0	90.00	179.76	11,342.0	-571.1	-289.7	580.2	0.00	0.00	0.00
11,800.0	90.00	179.76	11,342.0	-671.1	-289.2	680.2	0.00	0.00	0.00
11,900.0	90.00	179.76	11,342.0	-771.1	-288.8	780.1	0.00	0.00	0.00
12,000.0	90.00	179.76	11,342.0	-871.1	-288.4	880.0	0.00	0.00	0.00
12,100.0	90.00	179.76	11,342.0	-971.1	-288.0	980.0	0.00	0.00	0.00
12,200.0	90.00	179.76	11,342.0	-1,071.1	-287.6	1,079.9	0.00	0.00	0.00
12,300.0	90.00	179.76	11,342.0	-1,171.1	-287.2	1,179.8	0.00	0.00	0.00
12,400.0	90.00	179.76	11,342.0	-1,271.1	-286.7	1,279.8	0.00	0.00	0.00
12,500.0	90.00	179.76	11,342.0	-1,371.1	-286.3	1,379.7	0.00	0.00	0.00
12,600.0	90.00	179.76	11,342.0	-1,471.1	-285.9	1,479.6	0.00	0.00	0.00
12,700.0	90.00	179.76	11,342.0	-1,571.1	-285.5	1,579.6	0.00	0.00	0.00
12,800.0	90.00	179.76	11,342.0	-1,671.1	-285.1	1,679.5	0.00	0.00	0.00
12,900.0	90.00	179.76	11,342.0	-1,771.0	-284.7	1,779.4	0.00	0.00	0.00
13,000.0	90.00	179.76	11,342.0	-1,871.0	-284.2	1,879.3	0.00	0.00	0.00
13,100.0	90.00	179.76	11,342.0	-1,971.0	-283.8	1,979.3	0.00	0.00	0.00
13,200.0	90.00	179.76	11,342.0	-2,071.0	-283.4	2,079.2	0.00	0.00	0.00
13,300.0	90.00	179.76	11,342.0	-2,171.0	-283.0	2,179.1	0.00	0.00	0.00
13,400.0	90.00	179.76	11,342.0	-2,271.0	-282.6	2,279.1	0.00	0.00	0.00

eog resources

EOG Resources

Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
Company:	EOG Resources - Midland	**TVD Reference:**	kb = 25' @ 3217.0usft
Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
13,500.0	90.00	179.76	11,342.0	-2,371.0	-282.1	2,379.0	0.00	0.00	0.00
13,600.0	90.00	179.76	11,342.0	-2,471.0	-281.7	2,478.9	0.00	0.00	0.00
13,700.0	90.00	179.76	11,342.0	-2,571.0	-281.3	2,578.9	0.00	0.00	0.00
13,800.0	90.00	179.76	11,342.0	-2,671.0	-280.9	2,678.8	0.00	0.00	0.00
13,900.0	90.00	179.76	11,342.0	-2,771.0	-280.5	2,778.7	0.00	0.00	0.00
14,000.0	90.00	179.76	11,342.0	-2,871.0	-280.1	2,878.7	0.00	0.00	0.00
14,100.0	90.00	179.76	11,342.0	-2,971.0	-279.6	2,978.6	0.00	0.00	0.00
14,200.0	90.00	179.76	11,342.0	-3,071.0	-279.2	3,078.5	0.00	0.00	0.00
14,300.0	90.00	179.76	11,342.0	-3,171.0	-278.8	3,178.5	0.00	0.00	0.00
14,400.0	90.00	179.76	11,342.0	-3,271.0	-278.4	3,278.4	0.00	0.00	0.00
14,500.0	90.00	179.76	11,342.0	-3,371.0	-278.0	3,378.3	0.00	0.00	0.00
14,600.0	90.00	179.76	11,342.0	-3,471.0	-277.5	3,478.3	0.00	0.00	0.00
14,700.0	90.00	179.76	11,342.0	-3,571.0	-277.1	3,578.2	0.00	0.00	0.00
14,800.0	90.00	179.76	11,342.0	-3,671.0	-276.7	3,678.1	0.00	0.00	0.00
14,900.0	90.00	179.76	11,342.0	-3,771.0	-276.3	3,778.1	0.00	0.00	0.00
15,000.0	90.00	179.76	11,342.0	-3,871.0	-275.9	3,878.0	0.00	0.00	0.00
15,100.0	90.00	179.76	11,342.0	-3,971.0	-275.5	3,977.9	0.00	0.00	0.00
15,200.0	90.00	179.76	11,342.0	-4,071.0	-275.0	4,077.8	0.00	0.00	0.00
15,300.0	90.00	179.76	11,342.0	-4,171.0	-274.6	4,177.8	0.00	0.00	0.00
15,400.0	90.00	179.76	11,342.0	-4,271.0	-274.2	4,277.7	0.00	0.00	0.00
15,500.0	90.00	179.76	11,342.0	-4,371.0	-273.8	4,377.6	0.00	0.00	0.00
15,600.0	90.00	179.76	11,342.0	-4,471.0	-273.4	4,477.6	0.00	0.00	0.00
15,700.0	90.00	179.76	11,342.0	-4,571.0	-273.0	4,577.5	0.00	0.00	0.00
15,800.0	90.00	179.76	11,342.0	-4,671.0	-272.5	4,677.4	0.00	0.00	0.00
15,900.0	90.00	179.76	11,342.0	-4,771.0	-272.1	4,777.4	0.00	0.00	0.00
16,000.0	90.00	179.76	11,342.0	-4,871.0	-271.7	4,877.3	0.00	0.00	0.00
16,100.0	90.00	179.76	11,342.0	-4,971.0	-271.3	4,977.2	0.00	0.00	0.00
16,200.0	90.00	179.76	11,342.0	-5,071.0	-270.9	5,077.2	0.00	0.00	0.00
16,300.0	90.00	179.76	11,342.0	-5,171.0	-270.4	5,177.1	0.00	0.00	0.00
16,400.0	90.00	179.76	11,342.0	-5,271.0	-270.0	5,277.0	0.00	0.00	0.00
16,500.0	90.00	179.76	11,342.0	-5,371.0	-269.6	5,377.0	0.00	0.00	0.00
16,600.0	90.00	179.76	11,342.0	-5,471.0	-269.2	5,476.9	0.00	0.00	0.00
16,700.0	90.00	179.76	11,342.0	-5,571.0	-268.8	5,576.8	0.00	0.00	0.00
16,800.0	90.00	179.76	11,342.0	-5,671.0	-268.4	5,676.8	0.00	0.00	0.00
16,900.0	90.00	179.76	11,342.0	-5,771.0	-267.9	5,776.7	0.00	0.00	0.00
17,000.0	90.00	179.76	11,342.0	-5,871.0	-267.5	5,876.6	0.00	0.00	0.00
17,100.0	90.00	179.76	11,342.0	-5,971.0	-267.1	5,976.6	0.00	0.00	0.00
17,200.0	90.00	179.76	11,342.0	-6,071.0	-266.7	6,076.5	0.00	0.00	0.00
17,300.0	90.00	179.76	11,342.0	-6,171.0	-266.3	6,176.4	0.00	0.00	0.00
17,400.0	90.00	179.76	11,342.0	-6,271.0	-265.9	6,276.4	0.00	0.00	0.00
17,500.0	90.00	179.76	11,342.0	-6,371.0	-265.4	6,376.3	0.00	0.00	0.00
17,600.0	90.00	179.76	11,342.0	-6,471.0	-265.0	6,476.2	0.00	0.00	0.00
17,700.0	90.00	179.76	11,342.0	-6,571.0	-264.6	6,576.1	0.00	0.00	0.00
17,800.0	90.00	179.76	11,342.0	-6,671.0	-264.2	6,676.1	0.00	0.00	0.00
17,900.0	90.00	179.76	11,342.0	-6,771.0	-263.8	6,776.0	0.00	0.00	0.00
18,000.0	90.00	179.76	11,342.0	-6,871.0	-263.3	6,875.9	0.00	0.00	0.00
18,100.0	90.00	179.76	11,342.0	-6,971.0	-262.9	6,975.9	0.00	0.00	0.00
18,200.0	90.00	179.76	11,342.0	-7,071.0	-262.5	7,075.8	0.00	0.00	0.00
18,300.0	90.00	179.76	11,342.0	-7,171.0	-262.1	7,175.7	0.00	0.00	0.00
18,400.0	90.00	179.76	11,342.0	-7,271.0	-261.7	7,275.7	0.00	0.00	0.00
18,500.0	90.00	179.76	11,342.0	-7,371.0	-261.3	7,375.6	0.00	0.00	0.00
18,600.0	90.00	179.76	11,342.0	-7,471.0	-260.8	7,475.5	0.00	0.00	0.00
18,700.0	90.00	179.76	11,342.0	-7,571.0	-260.4	7,575.5	0.00	0.00	0.00
18,800.0	90.00	179.76	11,342.0	-7,671.0	-260.0	7,675.4	0.00	0.00	0.00

EOG Resources
Planning Report

Database:	EDM	**Local Co-ordinate Reference:**	Well #723H
Company:	EOG Resources - Midland	**TVD Reference:**	kb = 25' @ 3217.0usft
Project:	Eddy County, NM (NAD 83 NME)	**MD Reference:**	kb = 25' @ 3217.0usft
Site:	Midnight Hour 11 Fed Com	**North Reference:**	Grid
Well:	#723H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
18,900.0	90.00	179.76	11,342.0	-7,771.0	-259.6	7,775.3	0.00	0.00	0.00
19,000.0	90.00	179.76	11,342.0	-7,871.0	-259.2	7,875.3	0.00	0.00	0.00
19,040.0	90.00	179.76	11,342.0	-7,911.0	-259.0	7,915.2	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP(Midnight Hour 11 F - plan hits target center - Point	0.00	0.00	10,864.5	-12.5	-290.0	385,067.50	692,158.00	32.0576955°N	103.8464943°W
PBHL(Midnight Hour 11 - plan hits target center - Point	0.00	0.00	11,342.0	-7,911.0	-259.0	377,169.00	692,189.00	32.0359831°N	103.8465092°W
FTP(Midnight Hour 11 F - plan hits target center - Point	0.00	0.00	11,342.0	-490.0	-290.0	384,590.00	692,158.00	32.0563829°N	103.8465013°W

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

Midnight Hour 10 and 11 Fed Com
Lease Number NMLC 0069513
NMLC 0068337
NMNM 093207
NMNM 100856

Well Pads, Central Tank Batteries, Access Roads, Buried Flowlines/Gas Lift Lines, Buried Gas Lines, Buried Water Lines, Electric Lines, and Temporary Surface Water Lines
EOG Resources Inc.

The legal lands descriptions are located in Eddy County, New Mexico (Table 1). The following surface hole locations are located in Township 26S, Range 30E, Sections 10 and 11; bottom hole locations are located in Township 26S, Range 30E, Section 14.

Table 1: Legal Lands Descriptions

Well Name	Surface Hole Legal Location*	Bottom Hole Legal Location*
Well Pad A – Center of Pad: 2,478' FNL and 528' FEL		
Midnight Hour 11 Fed Com #101H	2,493' FNL and 360' FEL	100' FSL and 334' FEL
Midnight Hour 11 Fed Com #102H	2,448' FNL and 360' FEL	100' FSL and 907' FEL
Midnight Hour 11 Fed Com #201H	2,478' FNL and 360' FEL	100' FSL and 629' FEL
Midnight Hour 11 Fed Com #301H	2,463' FNL and 360' FEL	100' FSL and 629' FEL
Midnight Hour 11 Fed Com #501H	2,447' FNL and 540' FEL	100' FSL and 797' FEL
Midnight Hour 11 Fed Com #581H	2,447' FNL and 525' FEL	100' FSL and 334' FEL
Midnight Hour 11 Fed Com #582H	2,447' FNL and 570' FEL	100' FSL and 1,265' FEL
Midnight Hour 11 Fed Com #591H	2,447' FNL and 555' FEL	100' FSL and 797' FEL
Midnight Hour 11 Fed Com #702H	2,507' FNL and 663' FEL	230' FSL and 660' FEL
Midnight Hour 11 Fed Com #721H	2,507' FNL and 630' FEL	230' FSL and 334' FEL
Midnight Hour 11 Fed Com #723H	2,507' FNL and 696' FEL	230' FSL and 990' FEL
Midnight Hour 11 Fed Com #761H	2,388' FNL and 435' FEL	230' FSL and 660' FEL
Midnight Hour 11 Fed Com #771H	2,388' FNL and 420' FEL	230' FSL and 334' FEL
Midnight Hour 11 Fed Com #772H	2,388' FNL and 465' FEL	230' FSL and 990' FEL
Midnight Hour 11 Fed Com #801H	2,388' FNL and 450' FEL	230' FSL and 660' FEL
Well Pad B – Center of Pad: 2,404' FNL and 1,336' FEL		
Midnight Hour 11 Fed Com #103H	2,236' FNL and 1,335' FEL	100' FSL and 1,484' FEL
Midnight Hour 11 Fed Com #104H	2,236' FNL and 1,365' FEL	100' FSL and 2,061' FEL

Approval Date: 06/09/2022

Well Name	Surface Hole Legal Location*	Bottom Hole Legal Location*
Midnight Hour 11 Fed Com #202H	2,236' FNL and 1,320' FEL	100' FSL and 1,210' FEL
Midnight Hour 11 Fed Com #203H	2,236' FNL and 1,350' FEL	100' FSL and 1,791' FEL
Midnight Hour 11 Fed Com #704H	2,572' FNL and 1,306' FEL	230' FSL and 1,310' FEL
Midnight Hour 11 Fed Com #706H	2,506' FNL and 1,306' FEL	230' FSL and 1,980' FEL
Midnight Hour 11 Fed Com #725H	2,539' FNL and 1,306' FEL	230' FSL and 1,650' FEL
Midnight Hour 11 Fed Com #762H	2,341' FNL and 1,426' FEL	230' FSL and 1,310' FEL
Midnight Hour 11 Fed Com #763H	2,296' FNL and 1,425' FEL	230' FSL and 1,980' FEL
Midnight Hour 11 Fed Com #773H	2,311' FNL and 1,425' FEL	230' FSL and 1,650' FEL
Midnight Hour 11 Fed Com #802H	2,326' FNL and 1,425' FEL	230' FSL and 1,650' FEL
Well Pad C – Center of Pad: 2,403' FNL and 1,816' FEL		
Midnight Hour 11 Fed Com #105H	2,235' FNL and 1,815' FEL	100' FSL and 2,630' FEL
Midnight Hour 11 Fed Com #204H	2,235' FNL and 1,800' FEL	100' FSL and 2,372' FEL
Midnight Hour 11 Fed Com #205H	2,235' FNL and 1,845' FEL	100' FSL and 2,372' FEL
Midnight Hour 11 Fed Com #302H	2,235' FNL and 1,830' FEL	100' FSL and 2,630' FEL
Midnight Hour 11 Fed Com #502H	2,445' FNL and 1,846' FEL	100' FSL and 1,732' FEL
Midnight Hour 11 Fed Com #503H	2,400' FNL and 1,846' FEL	100' FSL and 2,630' FEL
Midnight Hour 11 Fed Com #583H	2,415' FNL and 1,846' FEL	100' FSL and 2,200' FEL
Midnight Hour 11 Fed Com #592H	2,430' FNL and 1,846' FEL	100' FSL and 1,732' FEL
Midnight Hour 11 Fed Com #708H	2,538' FNL and 1,786' FEL	230' FSL and 2,630' FEL
Midnight Hour 11 Fed Com #727H	2,571' FNL and 1,786' FEL	230' FSL and 2,310' FEL
Midnight Hour 11 Fed Com #729H	2,505' FNL and 1,786' FEL	230' FSL and 2,310' FWL
Midnight Hour 11 Fed Com #764H	2,310' FNL and 1,905' FEL	230' FSL and 2,630' FEL
Midnight Hour 11 Fed Com #774H	2,340' FNL and 1,906' FEL	230' FSL and 2,310' FEL
Midnight Hour 11 Fed Com #775H	2,295' FNL and 1,905' FEL	230' FSL and 2,310' FWL
Midnight Hour 11 Fed Com #803H	2,325' FNL and 1,905' FEL	230' FSL and 2,630' FEL
Well Pad D – Center of Pad: 2,592' FNL and 2,101' FWL		
Midnight Hour 11 Fed Com #106H	2,614' FNL and 2,222' FWL	100' FSL and 2,061' FWL
Midnight Hour 11 Fed Com #107H	2,594' FNL and 2,199' FWL	100' FSL and 1,484' FWL
Midnight Hour 11 Fed Com #206H	2,604' FNL and 2,211' FWL	100' FSL and 1,971' FWL
Midnight Hour 11 Fed Com #207H	2,585' FNL and 2,188' FWL	100' FSL and 1,210' FWL
Midnight Hour 11 Fed Com #504H	2,591' FSL and 2,061' FWL	100' FSL and 1,732' FWL
Midnight Hour 11 Fed Com #584H	2,602' FSL and 2,071' FWL	100' FSL and 2,200' FWL
Midnight Hour 11 Fed Com #593H	2,415' FNL and 1,846' FEL	100' FSL and 2,200' FEL
Midnight Hour 11 Fed Com #594H	2,580' FSL and 2,051' FWL	100' FSL and 1,732' FWL
Midnight Hour 11 Fed Com #710H	2,445' FSL and 2,015' FWL	230' FSL and 1,980' FWL
Midnight Hour 11 Fed Com #712H	2,495' FSL and 2,058' FWL	230' FSL and 1,310' FWL
Midnight Hour 11 Fed Com #731H	2,470' FSL and 2,036' FWL	230' FSL and 1,650' FWL
Midnight Hour 11 Fed Com #765H	2,625' FNL and 2,074' FWL	230' FSL and 1,980' FWL
Midnight Hour 11 Fed Com #766H	2,591' FNL and 2,103' FWL	230' FSL and 1,310' FWL

Approval Date: 06/09/2022

Well Name	Surface Hole Legal Location*	Bottom Hole Legal Location*
Midnight Hour 11 Fed Com #776H	2,602' FNL and 2,094' FWL	230' FSL and 1,650' FWL
Midnight Hour 11 Fed Com #804H	2,614' FNL and 2,084' FWL	230' FSL and 1,650' FWL
Well Pad E – Center of Pad: 1,998' FNL and 91' FEL		
Midnight Hour 10 Fed Com #108H	1,830' FNL and 76' FEL	100' FSL and 907' FWL
Midnight Hour 10 Fed Com #109H	1,830' FNL and 121' FEL	100' FSL and 330' FWL
Midnight Hour 10 Fed Com #208H	1,830' FNL and 91' FEL	100' FSL and 629' FWL
Midnight Hour 10 Fed Com #303H	1,830' FNL and 106' FEL	100' FSL and 629' FWL
Midnight Hour 10 Fed Com #505H	2,010' FNL and 121' FEL	100' FSL and 797' FWL
Midnight Hour 10 Fed Com #585H	1,995' FNL and 121' FEL	100' FSL and 1,265' FWL
Midnight Hour 10 Fed Com #586H	2,040' FNL and 121' FEL	100' FSL and 330' FWL
Midnight Hour 10 Fed Com #595H	2,025' FNL and 121' FEL	100' FSL and 797' FWL
Midnight Hour 10 Fed Com #714H	2,133' FNL and 61' FEL	230' FSL and 660' FWL
Midnight Hour 10 Fed Com #733H	2,100' FNL and 61' FEL	230' FSL and 990' FWL
Midnight Hour 10 Fed Com #735H	2,166' FNL and 61' FEL	230' FSL and 330' FWL
Midnight Hour 10 Fed Com #767H	1,905' FNL and 181' FEL	230' FSL and 660' FWL
Midnight Hour 10 Fed Com #777H	1,890' FNL and 181' FEL	230' FSL and 990' FWL
Midnight Hour 10 Fed Com #778H	1,935' FNL and 181' FEL	230' FSL and 330' FWL
Midnight Hour 10 Fed Com #805H	1,920' FNL and 181' FEL	230' FSL and 660' FWL

*FNL = from north line; FSL = from south line; FWL = from west line; FEL = from east line

TABLE OF CONTENTS

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.

Well Structures & Facilities
Pipelines
Electric Lines

☐ **Interim Reclamation**

☐ **Final Abandonment & Reclamation**

Approval Date: 06/09/2022

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 and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

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)

Hydrology:

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 top soil 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 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.

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.

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.

Heronries Stipulations

Surface disturbance would not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from engines must be muffled or otherwise controlled so as not to exceed 75 decibels measured at 30 feet from the source of the noise.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.
- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- The entire perimeter of the well pad 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 high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.

- 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.
- 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 access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- All tank battery locations and facilities will be lined and bermed.
- The liner should be at least 20 mil in thickness and installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures.
- Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

Buried Pipeline/Cable Construction:

- Rerouting of the buried line(s) may be required if a subsurface void is encountered during construction to minimize the potential subsidence/collapse of the feature(s) as well as the possibility of leaks/spills entering the karst drainage system.

Powerline Construction:

- 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.
- Special restoration stipulations or realignment may be required if subsurface voids are encountered.

Surface Flowlines Installation:

- Flowlines will be routed around sinkholes and other karst features to minimize the possibility of leaks/spills from entering the karst drainage system.

Leak Detection System:

- A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present.
- A leak detection plan will be submitted to BLM that incorporates an automatic shut off system (see below) to minimize the effects of an undesirable event that could negatively sensitive cave/karst resources.
- Well heads, pipelines (surface and buried), storage tanks, and all supporting equipment should be monitored regularly after installation to promptly identify and fix leaks.

Automatic Shut-off Systems:

- Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and groundwater concerns:

Closed Loop System:

- A closed loop system using steel tanks will be utilized during drilling – no pits
- All fluids and cuttings will be hauled off-site and disposed of properly at an authorized site

Rotary Drilling with Fresh Water:

- Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

- The kick off point for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

- ALL lost circulation zones between surface and the base of the cave occurrence zone will be logged and reported in the drilling report.
- If a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, regardless of the type of drilling machinery used, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

- Additional plugging conditions of approval may be required upon well abandonment in high and medium karst potential occurrence zones.

- The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

- The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice.
- If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Approval Date: 06/09/2022

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 (24) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) 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 24' 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.

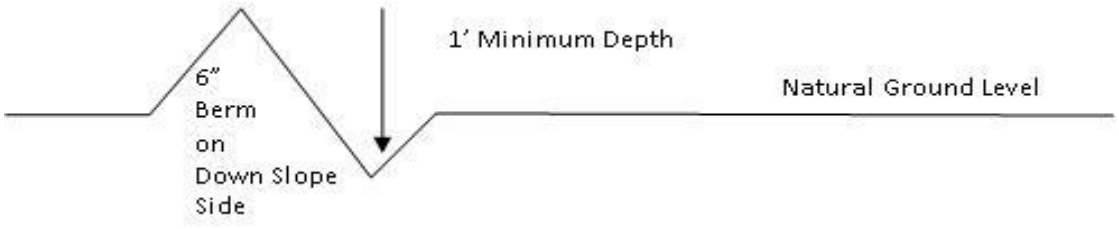
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

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 foot road with 4% road slope: $\frac{400'}{4\%}$ + 100' = 200' 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.

Approval Date: 06/09/2022

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

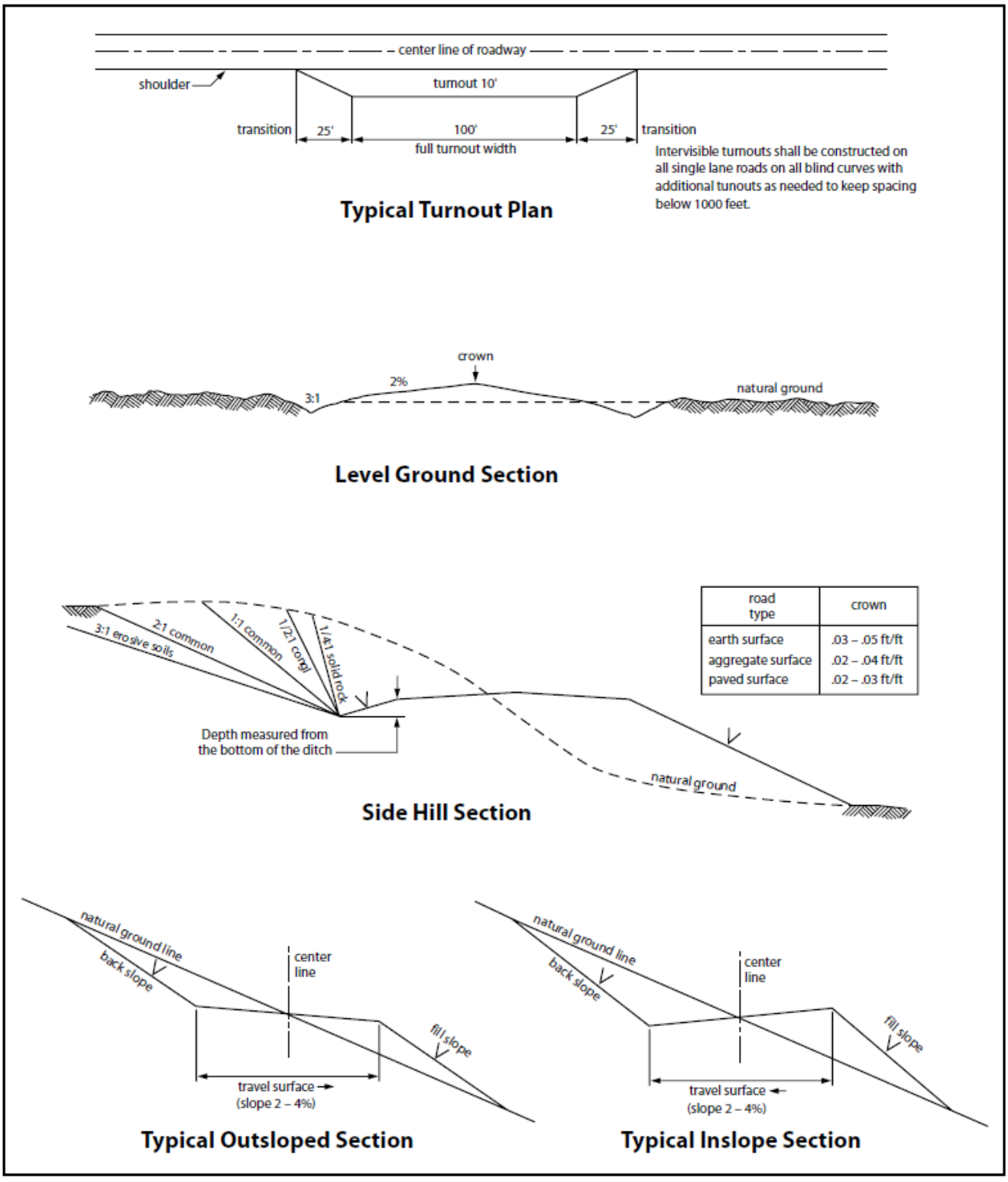


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

Approval Date: 06/09/2022

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

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 **30** 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.

(x) seed mixture 1	( ) seed mixture 3
( ) seed mixture 2	( ) seed mixture 4
( ) seed mixture 2/LPC	( ) 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 and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. 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.

18. 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 application (Grant, Sundry Notice, APD) 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 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 agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The 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 the 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 the holder, regardless of fault. Upon failure of the 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 the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must 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 must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

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

8. The 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 of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of **24** 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 and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. 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 cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. 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.

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

180 Day Temp Line Stipulations

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.

- 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, 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.

- This route is in a Northern Aplomado Falcon area and approved roads must be used. No routes on two tracks, power line R/W, or gas line R/W may be used.

C. ELECTRIC LINES

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 and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. 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).

Approval Date: 06/09/2022

R/W BLM SERIAL #: NMLC-0069513, NMLC-0068337,
NMNM-093207, NMNM-100856
Project name: Midnight Hour 10/11 Fed Com
Seed Mixture 3, for Shallow 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 shall 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 shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.
Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall 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 shall 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 shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may 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 lb/acre
Plains Bristlegrass (*Setaria macrostachya*) 1.0
Green Sprangletop (*Leptochloa dubia*) 2.0
Sideoats Grama (*Bouteloua curtipendula)* 5.0
*Pounds of pure live seed:

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

Approval Date: 06/09/2022

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG RESOURCES INCORPORATED
WELL NAME & NO.:	MIDNIGHT HOUR 11 FED COM 723H
SURFACE HOLE FOOTAGE:	2507'/N & 696'/E
BOTTOM HOLE FOOTAGE	230'/S & 990'/E
LOCATION:	Section 11, T.26 S., R.30 E., NMP
COUNTY:	Eddy County, New Mexico

COA

H2S	◉ Yes	○ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	○ Low	◉ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☑ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

A. HYDROGEN SULFIDE

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

B. CASING

Primary Casing Design:

1. The **9-5/8** inch surface casing shall be set at approximately **1,170** feet (a minimum of **70 feet (Eddy 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.

Approval Date: 06/09/2022

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 **7-5/8** inch intermediate casing shall be set at approximately **9,840** feet. The minimum required fill of cement behind the **7-5/8** 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.

❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. Operator must run a CBL OR ECHOMETER from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The **5-1/2** inch surface casing shall be set at approximately **19,040** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:

Option 1 (Single Stage):

 Approval Date: 06/09/2022

- 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. 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.

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- Notify the BLM when moving in the 2nd 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 intergrity 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 intergrity 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.

 Approval Date: 06/09/2022

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

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

KPI – 06/02/2022

Approval Date: 06/09/2022

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

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/Escape 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.

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- Mud program:
  The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S 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 H2S service.

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

EOG RESOURCES, INC.
MIDNIGHT HOUR 11 FED COM #723H

Emergency Assistance Telephone List

PUBLIC SAFETY:		**911 or**
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
EOG Resources, Inc.		
EOG / Midland	Office	(432) 686-3600
Company Drilling Consultants:		
Jett Dueitt	Cell	(432) 230-4840
Blake Burney		
Drilling Engineer		
Steve Munsell	Office	(432) 686-3609
	Cell	(432) 894-1256
Drilling Manager		
Aj Dach	Office	(432) 686-3751
	Cell	(817) 480-1167
Drilling Superintendent		
Jason Townsend	Office	(432) 848-9209
	Cell	(210) 776-5131
H&P Drilling		
H&P Drilling	Office	(432) 563-5757
H&P 415 Drilling Rig	Rig	(432) 230-4840
Tool Pusher:		
Johnathan Craig	Cell	(817) 760-6374
Brad Garrett		
Safety		
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

COMMENTS

Action 115706

COMMENTS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 115706
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
kpickford	Defining well	6/13/2022

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
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CONDITIONS

Action 115706

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Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 115706
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify OCD 24 hours prior to casing & cement	6/13/2022
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	6/13/2022
kpickford	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	6/13/2022
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	6/13/2022
kpickford	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	6/13/2022