Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

**SUNDRY NOTICES AND REPORTS ON WELLS**

***Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***

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

5. Lease Serial No. NMNM94850

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No. PEGASUS 3 FED COM/305H

2. Name of Operator EOG RESOURCES INCORPORATED

9. API Well No. **30-025-50957**

3a. Address 1111 BAGBY SKY LOBBY 2, HOUSTON, TX 77(

3b. Phone No. *(include area code)* (713) 651-7000

10. Field and Pool or Exploratory Area TRISTE DRAW; BONE SPRING

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* SEC 3/T24S/R32E/NMP

11. Country or Parish, State LEA/NM

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

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

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

EOG respectfully requests an amendment to our approved APD for this well to reflect the following changes:

Change SHL from T-24-S, R-32-E, Sec 3, 682' FSL, 2413' FWL, Lea Co., NM, to T-24-S, R-32-E, Sec 3, 666' FSL, 2414' FWL, Lea Co., N.M.

The original well Pegasus 3 Fed Com #305H (API: 30-025-47238) has been P&A'd (Sundry ID: 2709370). We request that the old well be renamed to Pegasus 3 Fed Com #305Y. The replacement well proposed will take the name Pegasus 3 Fed Com #305H. No new surface disturbance or pad expansion is required.

Reason for Skid: While drilling the conductor hole, the auger became stuck at 110 feet deep.

Continued on page 3 additional information

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* STAR HARRELL / Ph: (432) 848-9161

Title Regulatory Specialist

Signature

Date 01/10/2023

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

Approved by CHRISTOPHER WALLS / Ph: (575) 234-2234 / Approved

Title Petroleum Engineer

Date 01/11/2023

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

Office CARLSBAD

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

(Instructions on page 2)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

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

*Item 13:* Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.
AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.
PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.
ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.
EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.
Response to this request is mandatory.
The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

## Additional Information

### Additional Remarks

Went in the hole with an overshot to retrieve the auger, overshot hung up and had to cut the

Kelly bars off. Cemented the hole with 14 yards of 20 pound cement

### Location of Well

0. SHL: SESW / 682 FSL / 2413 FWL / TWSP: 24S / RANGE: 32E / SECTION: 3 / LAT: 32.2412166 / LONG: -103.6632373 ( TVD: 0 feet, MD: 0 feet )

PPP: SESW / 100 FSL / 1815 FWL / TWSP: 24S / RANGE: 32E / SECTION: 3 / LAT: 32.2396075 / LONG: -103.6651731 ( TVD: 9650 feet, MD: 9728 feet )

PPP: NESW / 1320 FSL / 1815 FWL / TWSP: 24S / RANGE: 32E / SECTION: 3 / LAT: 32.2429602 / LONG: -103.665174 ( TVD: 9915 feet, MD: 11050 feet )

BHL: NENW / 100 FNL / 1970 FWL / TWSP: 23S / RANGE: 32E / SECTION: 34 / LAT: 32.2680725 / LONG: -103.6651808 ( TVD: 9915 feet, MD: 20187 feet )

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

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

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

☐ **AMENDED REPORT**

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1]API Number | [2]Pool Code | [3]Pool Name |
|---|---|---|
| 30-025-50957 | 96603 | Triste Draw; Bone Spring |

| [4]Property Code | [5]Property Name | [6]Well Number |
|---|---|---|
| 328120 | PEGASUS 3 FED COM | 305H |

| [7]OGRID No. | [8]Operator Name | [9]Elevation |
|---|---|---|
| 7377 | EOG RESOURCES, INC. | 3644' |

## [10]Surface Location

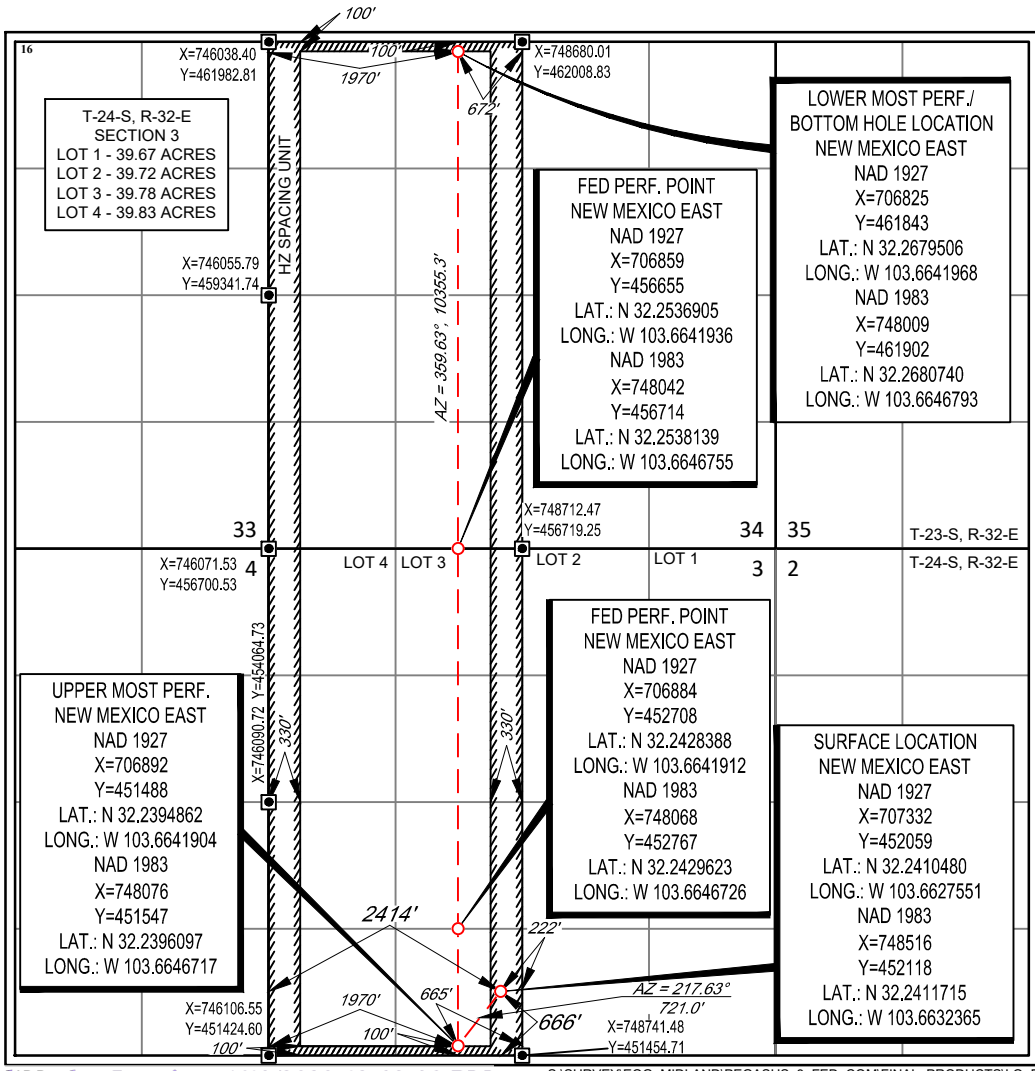
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| N | 3 | 24-S | 32-E | - | 666' | SOUTH | 2414' | WEST | LEA |

## [11]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 |
|---|---|---|---|---|---|---|---|---|---|
| C | 34 | 23-S | 32-E | - | 100' | NORTH | 1970' | WEST | LEA |

| [12]Dedicated Acres | [13]Joint or Infill | [14]Consolidation Code | [15]Order No. |
|---|---|---|---|
| 639.61 | | | |

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.




## [17]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 a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Star L Harrell 1/10/2023
Signature Date

Star L Harrell
Printed Name

star_harrell@eogresources.com
E-mail Address

## [18]SURVEYOR 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 to the best of my belief.*

12/24/2022
Date of Survey
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number



S:\SURVEY\EOG_MIDLAND\PEGASUS_3_FED_COM\FINAL_PRODUCTS\LO_PEGASUS_3_FED_COM_305H_REV3.DWG 1/3/2023 9:48:07 AM adisabella

eog resources

# Pegasus 3 Fed Com 305H

**Revised Permit Information 01/03/2023:**

Well Name: Pegasus 3 Fed Com 305H

Location: SHL: 666' FSL & 2414' FWL, Section 3, T-24-S, R-32-E, Lea Co., N.M.
BHL: 100' FNL & 1970' FWL, Section 34, T-24-S, R-32-E, Lea Co., N.M.

**Casing Program:**

| Hole Size | Interval MD From (ft) | Interval MD To (ft) | Interval TVD From (ft) | Interval TVD To (ft) | Csg OD | Weight | Grade | Conn |
|---|---|---|---|---|---|---|---|---|
| 12-1/4" | 0 | 1,230 | 0 | 1,230 | 9-5/8" | 36# | J-55 | LTC |
| 8-3/4" | 0 | 11,245 | 0 | 11,190 | 7-5/8" | 29.7# | HCP-110 | FXL |
| 6-3/4" | 0 | 10,745 | 0 | 10,690 | 5-1/2" | 20# | P110-EC | DWC/C IS MS |
| 6-3/4" | 10,745 | 11,245 | 10,690 | 11,190 | 5-1/2" | 20# | P110-EC | Vam Sprint SF |
| 6-3/4" | 11,245 | 22,378 | 11,190 | 12,125 | 5-1/2" | 20# | P110-EC | DWC/C IS MS |

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.

**Cementing Program:**

| Depth | No. Sacks | Wt. ppg | Yld Ft3/sk | Slurry Description |
|---|---|---|---|---|
| 1,230' 9-5/8'' | 340 | 13.5 | 1.73 | Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl2 + 0.25 lb/sk Cello-Flake (TOC @ Surface) |
| | 80 | 14.8 | 1.34 | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,030') |
| 11,190' 7-5/8'' | 510 | 14.2 | 1.11 | 1st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 6,850') |
| | 1170 | 14.8 | 1.5 | 2nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface) |
| 22,378' 5-1/2'' | 1000 | 13.2 | 1.31 | Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,690') |

eog resources

**Pegasus 3 Fed Com 305H**

| 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 variance from minimum standards 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 (7,053') and the second stage performed as a 1000 sack bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 170 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. 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.

**Mud Program:**

| Measured Depth | Type | Weight (ppg) | Viscosity | Water Loss |
|---|---|---|---|---|
| 0 – 1,230' | Fresh - Gel | 8.6-8.8 | 28-34 | N/c |
| 1,230' – 11,190' | Brine | 10.0-10.2 | 28-34 | N/c |
| 11,190’ – 11,701' | Oil Base | 8.7-9.4 | 58-68 | N/c - 6 |
| 11,701’ – 22,378’ Lateral | Oil Base | 10.0-14.0 | 58-68 | 4 - 6 |

eog resources

**Pegasus 3 Fed Com 305H**

**Wellhead & Offline Cementing:**

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

- Full BOPE test at first installation on the pad.
- Full BOPE test every 21 days per Onshore Order No. 2.
- Function test BOP elements per Onshore Order No. 2.
- Break testing BOP and BOPE coupled with batch drilling operations and option to offline cement and/or remediate (if needed) any surface or intermediate sections, according to attached offline cementing support documentation.
- After the well section is secured, the BOP will be disconnected from the wellhead and walked with the rig to another well on the pad.
- TA cap will also be installed per Wellhead vendor procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.
- See attached "EOG BLM Variance 3a -Offline Cement Intermediate Operational Procedure"

eog resources

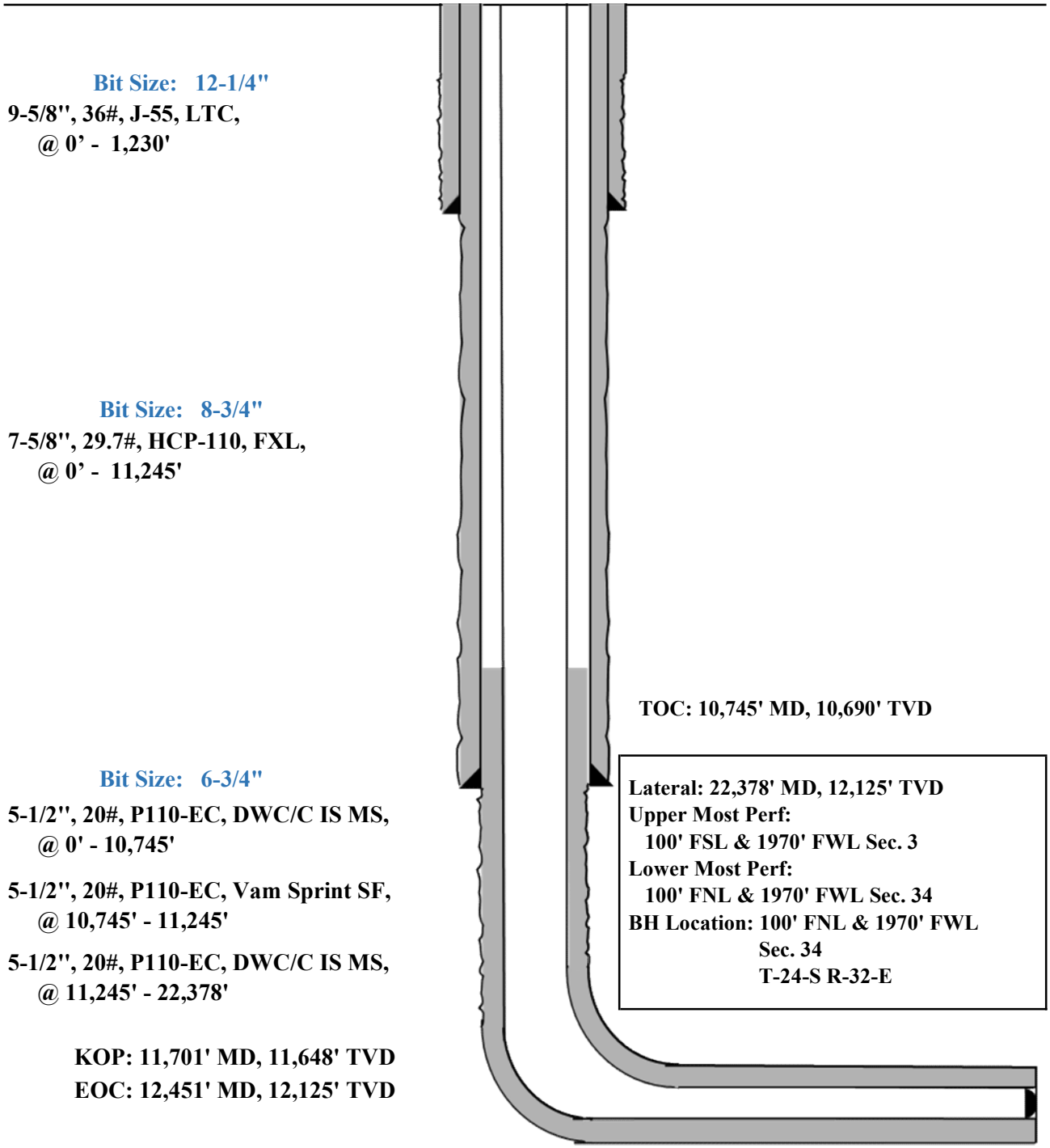
# Pegasus 3 Fed Com 305H

666' FSL
2414' FWL
Section 3
T-24-S, R-32-E

Revised Wellbore

API: 30-025-*****

KB: 3669'
GL: 3644'



eog resources

**Pegasus 3 Fed Com 305H**

**Design B**

**4. CASING PROGRAM**

| Hole Size | Interval MD From (ft) | Interval MD To (ft) | Interval TVD From (ft) | Interval TVD To (ft) | Csg OD | Weight | Grade | Conn |
|---|---|---|---|---|---|---|---|---|
| 13" | 0 | 1,230 | 0 | 1,230 | 10-3/4" | 40.5# | J-55 | STC |
| 9-7/8" | 0 | 11,245 | 0 | 11,190 | 8-3/4" | 38.5# | P110-EC | SLIJ II NA |
| 7-7/8" | 0 | 22,378 | 0 | 12,125 | 6" | 22.3# | P110-EC | DWC/C IS |

Variance is requested to waive the centralizer requirements for the 8-3/4" casing in the 9-7/8" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 9-7/8" hole interval to maximize cement bond and zonal isolation.

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

Variance is also requested to waive the annular clearance requirements for the 6" casing by 8-3/4" 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.

**Cementing Program:**

| Depth | No. Sacks | Wt. ppg | Yld Ft3/sk | Slurry Description |
|---|---|---|---|---|
| 1,230' 10-3/4" | 310 | 13.5 | 1.73 | Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl2 + 0.25 lb/sk Cello-Flake (TOC @ Surface) |
| | 70 | 14.8 | 1.34 | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,030') |
| 11,190' 8-3/4" | 580 | 14.2 | 1.11 | 1st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3% Microbond (TOC @ 6,850') |
| | 1330 | 14.8 | 1.5 | 2nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface) |
| 22,378' 6" | 1630 | 13.2 | 1.31 | Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,690') |

eog resources

**Pegasus 3 Fed Com 305H**

EOG requests variance from minimum standards to pump a two stage cement job on the 8-3/4" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (7,053') and the second stage performed as a 1000 sack bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 331 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. 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.

**Wellhead & Offline Cementing:**

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

- Full BOPE test at first installation on the pad.
- Full BOPE test every 21 days per Onshore Order No. 2.
- Function test BOP elements per Onshore Order No. 2.
- Break testing BOP and BOPE coupled with batch drilling operations and option to offline cement and/or remediate (if needed) any surface or intermediate sections, according to attached offline cementing support documentation.
- After the well section is secured, the BOP will be disconnected from the wellhead and walked with the rig to another well on the pad.
- TA cap will also be installed per Wellhead vendor procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.
- See attached "EOG BLM Variance 3a -Offline Cement Intermediate Operational Procedure"

eog resources

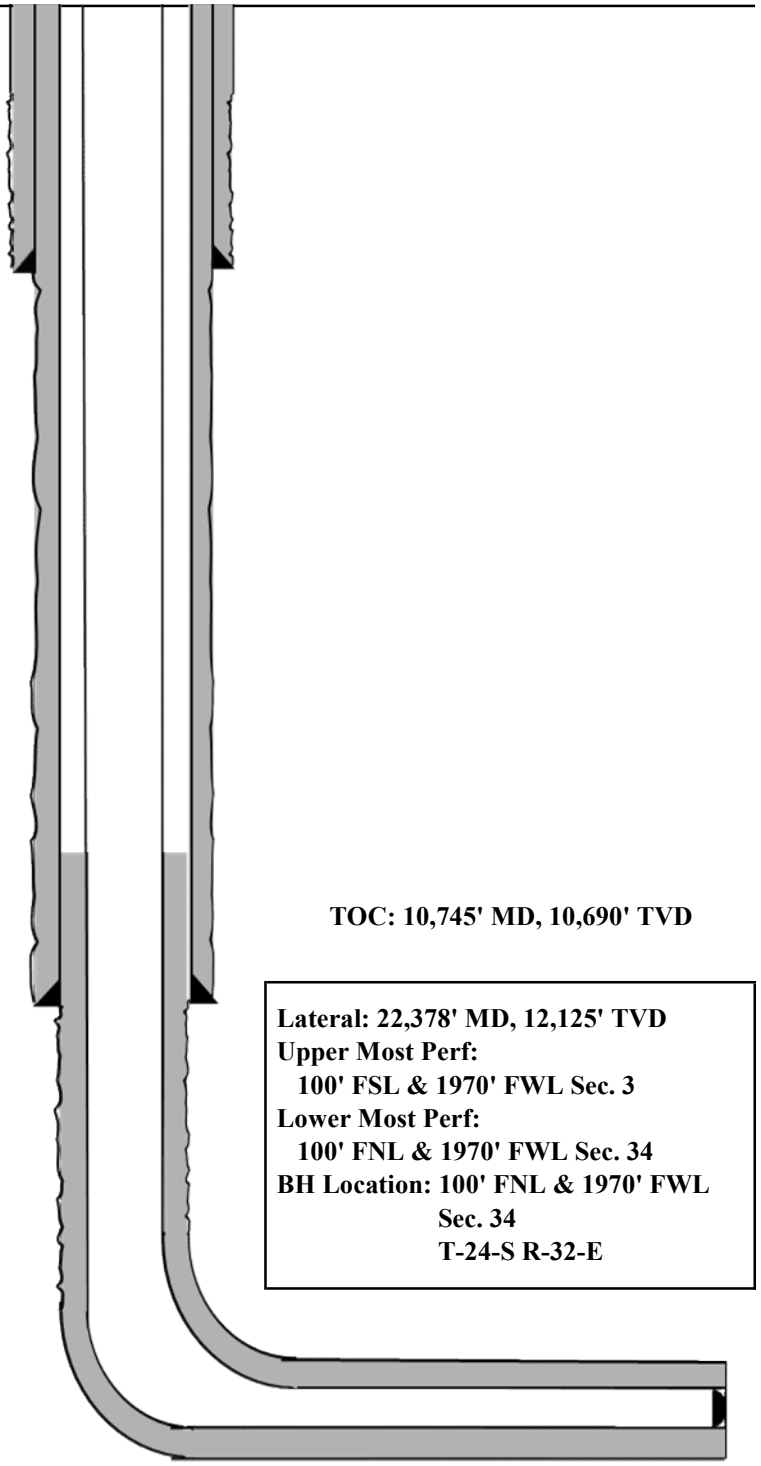
# Pegasus 3 Fed Com 305H

666' FSL
2414' FWL
Section 3
T-24-S, R-32-E

Proposed Wellbore

KB: 3669'
GL: 3644'

API: 30-025-*****



**Bit Size: 13"**
10-3/4", 40.5#, J-55, STC,
@ 0' - 1,230'

**Bit Size: 9-7/8"**
8-3/4" 38.5#, P110-EC, SLIJ II NA,
@ 0' - 11,245'

**Bit Size: 7-7/8"**
6", 22.3#, P110-EC, DWC/C IS,
@ 0' - 22,378'

TOC: 10,745' MD, 10,690' TVD

Lateral: 22,378' MD, 12,125' TVD
Upper Most Perf:
100' FSL & 1970' FWL Sec. 3
Lower Most Perf:
100' FNL & 1970' FWL Sec. 34
BH Location: 100' FNL & 1970' FWL
Sec. 34
T-24-S R-32-E

KOP: 11,701' MD, 11,648' TVD
EOC: 12,451' MD, 12,125' TVD

# Midland

**Lea County, NM (NAD 83 NME)**
**Pegasus 3 Fed Com**
**#305H**

**OH**

**Plan: Plan #0.3**

# Standard Planning Report

**03 January, 2023**

eog resources

# Planning Report

| | | | |
|---|---|---|---|
| **Database:** | PEDM | **Local Co-ordinate Reference:** | Well #305H |
| **Company:** | Midland | **TVD Reference:** | KB = 25 @ 3669.0usft |
| **Project:** | Lea County, NM (NAD 83 NME) | **MD Reference:** | KB = 25 @ 3669.0usft |
| **Site:** | Pegasus 3 Fed Com | **North Reference:** | Grid |
| **Well:** | #305H | **Survey Calculation Method:** | Minimum Curvature |
| **Wellbore:** | OH | | |
| **Design:** | Plan #0.3 | | |

**Project** Lea 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** Pegasus 3 Fed Com

| | | | | | |
|---|---|---|---|---|---|
| **Site Position:** | | **Northing:** | 451,857.00 usft | **Latitude:** | 32° 14' 25.685 N |
| **From:** | Map | **Easting:** | 747,693.00 usft | **Longitude:** | 103° 39' 57.253 W |
| **Position Uncertainty:** | 0.0 usft | **Slot Radius:** | 13-3/16 " | | |

**Well** #305H

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Well Position** | **+N/-S** | 0.0 usft | **Northing:** | 452,118.00 usft | **Latitude:** | 32° 14' 28.217 N |
| | **+E/-W** | 0.0 usft | **Easting:** | 748,516.00 usft | **Longitude:** | 103° 39' 47.652 W |
| **Position Uncertainty** | | 0.0 usft | **Wellhead Elevation:** | usft | **Ground Level:** | 3,644.0 usft |
| **Grid Convergence:** | | 0.36 ° | | | | |

**Wellbore** OH

| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
|---|---|---|---|---|---|
| | IGRF2015 | 11/11/2019 | 6.74 | 60.03 | 47,690.64006480 |

**Design** Plan #0.3

**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 | 357.03 |

**Plan Survey Tool Program** **Date** 1/3/2023

| | Depth From (usft) | Depth To (usft) | Survey (Wellbore) | Tool Name | Remarks |
|---|---|---|---|---|---|
| 1 | 0.0 | 22,378.3 | Plan #0.3 (OH) | MWD | |
| | | | | OWSG MWD - Standard | |

eog resources

Planning Report

| | | | |
|---|---|---|---|
| **Database:** | PEDM | **Local Co-ordinate Reference:** | Well #305H |
| **Company:** | Midland | **TVD Reference:** | KB = 25 @ 3669.0usft |
| **Project:** | Lea County, NM (NAD 83 NME) | **MD Reference:** | KB = 25 @ 3669.0usft |
| **Site:** | Pegasus 3 Fed Com | **North Reference:** | Grid |
| **Well:** | #305H | **Survey Calculation Method:** | Minimum Curvature |
| **Wellbore:** | OH | | |
| **Design:** | Plan #0.3 | | |

**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 | |
| 1,400.0 | 0.00 | 0.00 | 1,400.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,809.4 | 8.19 | 215.32 | 1,808.0 | -23.8 | -16.9 | 2.00 | 2.00 | 0.00 | 215.32 | |
| 6,743.7 | 8.19 | 215.32 | 6,692.0 | -597.2 | -423.1 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 7,153.1 | 0.00 | 0.01 | 7,100.0 | -621.0 | -440.0 | 2.00 | -2.00 | 0.00 | 180.00 | |
| 11,700.6 | 0.00 | 0.01 | 11,647.5 | -621.0 | -440.0 | 0.00 | 0.00 | 0.00 | 0.00 | KOP(Pegasus 3 Fed |
| 11,921.0 | 26.46 | 360.00 | 11,860.2 | -571.0 | -440.0 | 12.00 | 12.00 | 0.00 | 360.00 | FTP(Pegasus 3 Fed C |
| 12,450.5 | 90.00 | 359.58 | 12,124.9 | -143.6 | -442.2 | 12.00 | 12.00 | -0.08 | -0.47 | |
| 13,243.1 | 90.00 | 359.58 | 12,125.0 | 649.0 | -448.0 | 0.00 | 0.00 | 0.00 | 0.00 | Fed PP(Pegasus 3 Fe |
| 17,190.2 | 90.00 | 359.67 | 12,125.0 | 4,596.0 | -474.0 | 0.00 | 0.00 | 0.00 | 84.87 | Fed PP2(Pegasus 3 F |
| 22,378.3 | 90.00 | 359.60 | 12,125.0 | 9,784.0 | -507.0 | 0.00 | 0.00 | 0.00 | -97.27 | PBHL(Pegasus 3 Fed |

**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 |
| 1,400.0 | 0.00 | 0.00 | 1,400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,809.4 | 8.19 | 215.32 | 1,808.0 | -23.8 | -16.9 | -22.9 | 2.00 | 2.00 | 0.00 |
| 6,743.7 | 8.19 | 215.32 | 6,692.0 | -597.2 | -423.1 | -574.5 | 0.00 | 0.00 | 0.00 |
| 7,153.1 | 0.00 | 0.01 | 7,100.0 | -621.0 | -440.0 | -597.4 | 2.00 | -2.00 | 0.00 |
| 11,700.6 | 0.00 | 0.01 | 11,647.5 | -621.0 | -440.0 | -597.4 | 0.00 | 0.00 | 0.00 |
| 11,921.0 | 26.46 | 360.00 | 11,860.2 | -571.0 | -440.0 | -547.5 | 12.00 | 12.00 | 0.00 |
| 12,450.5 | 90.00 | 359.58 | 12,124.9 | -143.6 | -442.2 | -120.5 | 12.00 | 12.00 | -0.08 |
| 13,243.1 | 90.00 | 359.58 | 12,125.0 | 649.0 | -448.0 | 671.3 | 0.00 | 0.00 | 0.00 |
| 17,190.2 | 90.00 | 359.67 | 12,125.0 | 4,596.0 | -474.0 | 4,614.4 | 0.00 | 0.00 | 0.00 |
| 22,378.3 | 90.00 | 359.60 | 12,125.0 | 9,784.0 | -507.0 | 9,797.1 | 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(Pegasus 3 Fed Co<br>- plan hits target center<br>- Point | 0.00 | 0.01 | 11,647.5 | -621.0 | -440.0 | 451,497.00 | 748,076.00 | 32° 14' 22.099 N | 103° 39' 52.820 W |
| FTP(Pegasus 3 Fed Cor<br>- plan hits target center<br>- Point | 0.00 | 0.01 | 11,860.2 | -571.0 | -440.0 | 451,547.00 | 748,076.00 | 32° 14' 22.594 N | 103° 39' 52.816 W |
| PBHL(Pegasus 3 Fed C<br>- plan hits target center<br>- Point | 0.00 | 0.00 | 12,125.0 | 9,784.0 | -507.0 | 461,902.00 | 748,009.00 | 32° 16' 5.064 N | 103° 39' 52.845 W |
| Fed PP(Pegasus 3 Fed<br>- plan hits target center<br>- Point | 0.00 | 0.00 | 12,125.0 | 649.0 | -448.0 | 452,767.00 | 748,068.00 | 32° 14' 34.667 N | 103° 39' 52.821 W |
| Fed PP2(Pegasus 3 Fec<br>- plan hits target center<br>- Point | 0.00 | 0.00 | 12,125.0 | 4,596.0 | -474.0 | 456,714.00 | 748,042.00 | 32° 15' 13.725 N | 103° 39' 52.837 W |

eog resources

Planning Report

| | | | |
|---|---|---|---|
| **Database:** | PEDM | **Local Co-ordinate Reference:** | Well #305H |
| **Company:** | Midland | **TVD Reference:** | KB = 25 @ 3669.0usft |
| **Project:** | Lea County, NM (NAD 83 NME) | **MD Reference:** | KB = 25 @ 3669.0usft |
| **Site:** | Pegasus 3 Fed Com | **North Reference:** | Grid |
| **Well:** | #305H | **Survey Calculation Method:** | Minimum Curvature |
| **Wellbore:** | OH | | |
| **Design:** | Plan #0.3 | | |

# eog resources

# Lea County, NM (NAD 83 NME)

# Pegasus 3 Fed Com #305H

# Plan #0.3


Azimuths to Grid North
True North: -0.36°
Magnetic North: 6.38°

Magnetic Field
Strength: 47690.6nT
Dip Angle: 60.03°
Date: 11/11/2019
Model: IGRF2015

To convert a Magnetic Direction to a Grid Direction, Add 6.38°
To convert a Magnetic Direction to a True Direction, Add 6.74° East
To convert a True Direction to a Grid Direction, Subtract 0.36°

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

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

**WELL DETAILS: #305H**

3644.0
KB = 25 @ 3669.0usft

| Northing | Easting | Latittude | Longitude |
|---|---|---|---|
| 452118.00 | 748516.00 | 32° 14' 28.217 N | 103° 39' 47.652 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 | 1400.0 | 0.00 | 0.00 | 1400.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | |
| 3 | 1809.4 | 8.19 | 215.32 | 1808.0 | -23.8 | -16.9 | 2.00 | 215.32 | -22.9 | |
| 4 | 6743.7 | 8.19 | 215.32 | 6692.0 | -597.2 | -423.1 | 0.00 | 0.00 | -574.5 | |
| 5 | 7153.1 | 0.00 | 0.00 | 7100.0 | -621.0 | -440.0 | 2.00 | 180.00 | -597.4 | |
| 6 | 11700.6 | 0.00 | 0.00 | 11647.5 | -621.0 | -440.0 | 0.00 | 0.00 | -597.4 | KOP(Pegasus 3 Fed Com #305H) |
| 7 | 11921.0 | 26.46 | 360.00 | 11860.2 | -571.0 | -440.0 | 12.00 | 360.00 | -547.5 | FTP(Pegasus 3 Fed Com #305H) |
| 8 | 12450.5 | 90.00 | 359.58 | 12124.9 | -143.6 | -442.2 | 12.00 | -0.47 | -120.5 | |
| 9 | 13243.1 | 90.00 | 359.58 | 12125.0 | 649.0 | -448.0 | 0.00 | 0.00 | 671.3 | Fed PP(Pegasus 3 Fed Com #305H) |
| 10 | 17190.2 | 90.00 | 359.67 | 12125.0 | 4596.0 | -474.0 | 0.00 | 84.87 | 4614.4 | Fed PP2(Pegasus 3 Fed Com #305H) |
| 11 | 22378.3 | 90.00 | 359.60 | 12125.0 | 9784.0 | -507.0 | 0.00 | -97.27 | 9797.1 | PBHL(Pegasus 3 Fed Com #305H) |

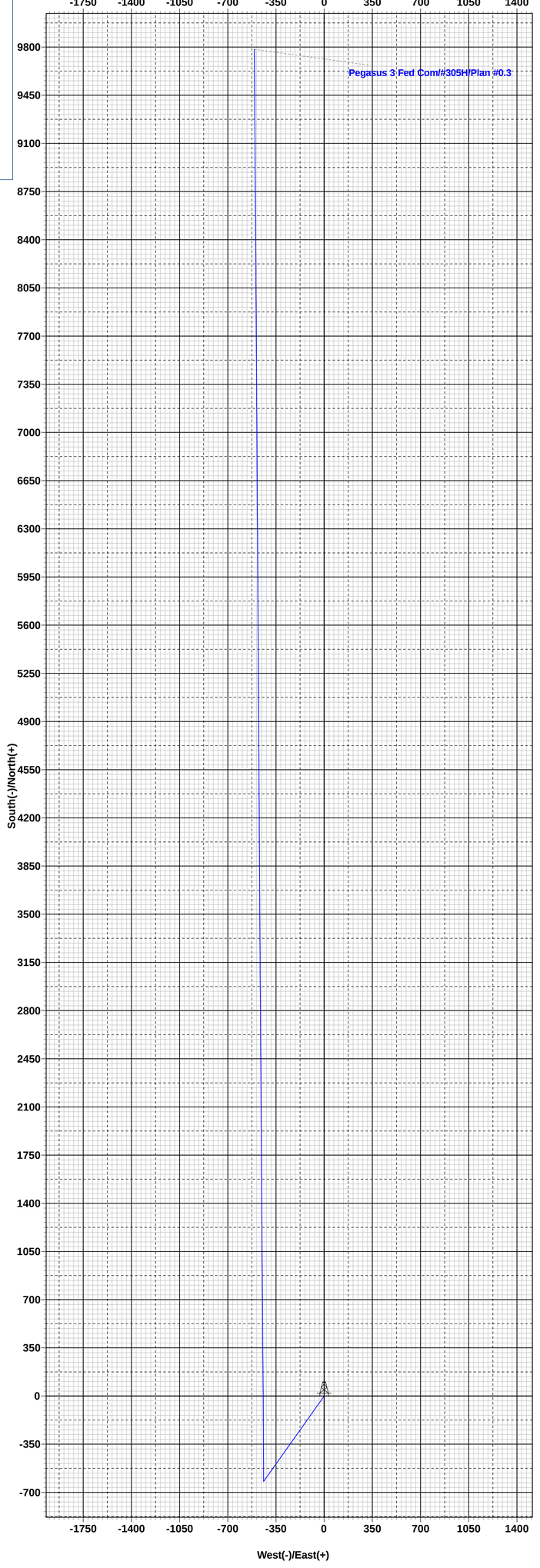
**CASING DETAILS**

No casing data is available

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

| Name | TVD | +N/-S | +E/-W | Northing | Easting |
|---|---|---|---|---|---|
| KOP(Pegasus 3 Fed Com #305H) | 11647.5 | -621.0 | -440.0 | 451497.00 | 748076.00 |
| FTP(Pegasus 3 Fed Com #305H) | 11860.2 | -571.0 | -440.0 | 451547.00 | 748076.00 |
| Fed PP(Pegasus 3 Fed Com #305H) | 12125.0 | 649.0 | -448.0 | 452767.00 | 748068.00 |
| Fed PP2(Pegasus 3 Fed Com #305H) | 12125.0 | 4596.0 | -474.0 | 456714.00 | 748042.00 |
| PBHL(Pegasus 3 Fed Com #305H) | 12125.0 | 9784.0 | -507.0 | 461902.00 | 748009.00 |




Lea County, NM (NAD 83 NME)
Pegasus 3 Fed Com
#305H
OH
Plan #0.3
14:39, January 03 2023

eog resources

Offline Intermediate Cementing Procedure 2/24/2022

## Cement Program

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

## Summarized Operational Procedure for Intermediate Casing

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

e. Diagram for rig positioning relative to offline cementing can be seen in Figure 4.

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

**Example Well Control Plan Content**

## A. Well Control Component Table

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

Intermediate hole section, 5M requirement

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

## B. Well Control Procedures

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

General Procedure While Circulating

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

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

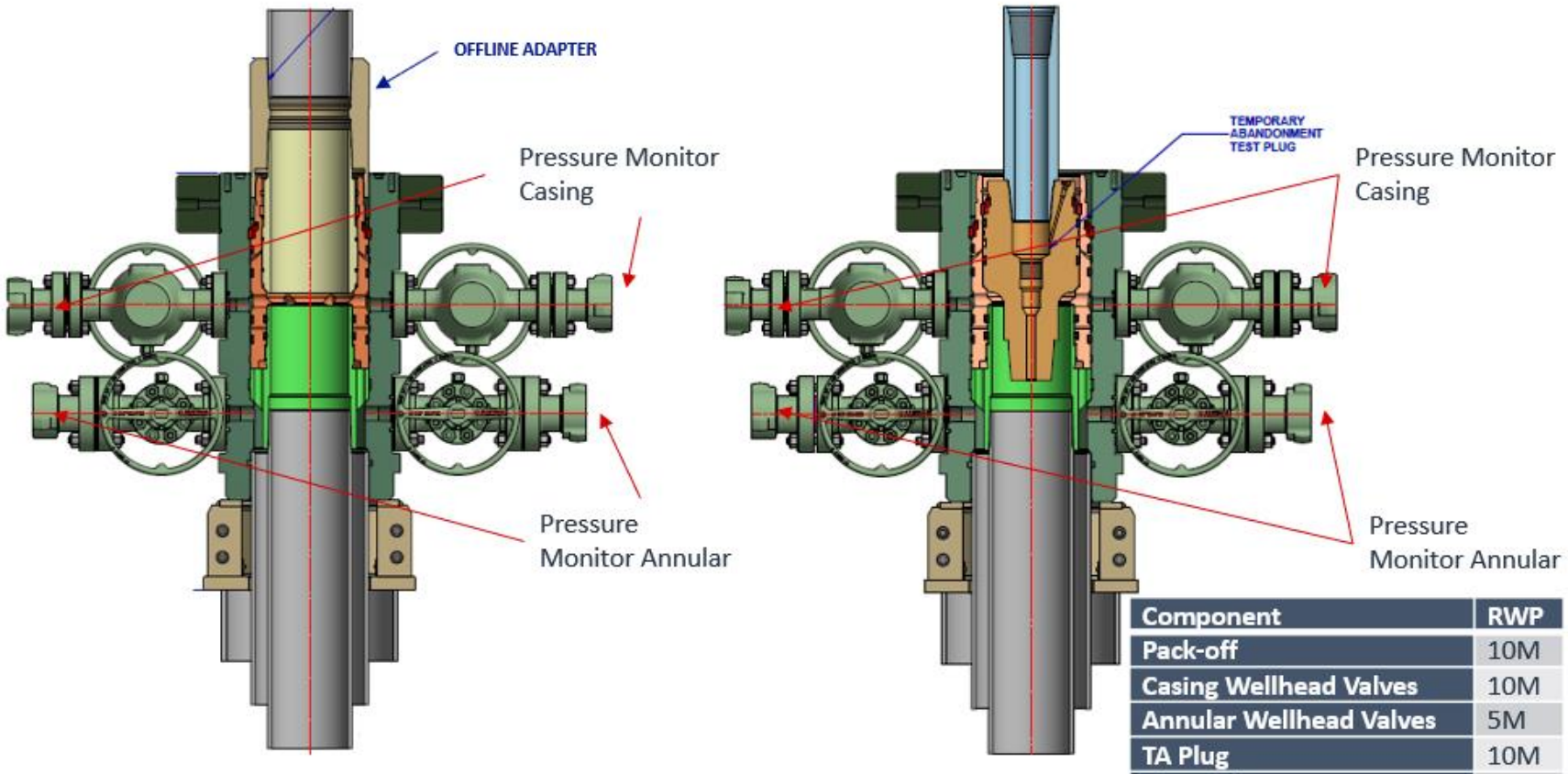
## General Procedure While Cementing

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

## General Procedure After Cementing

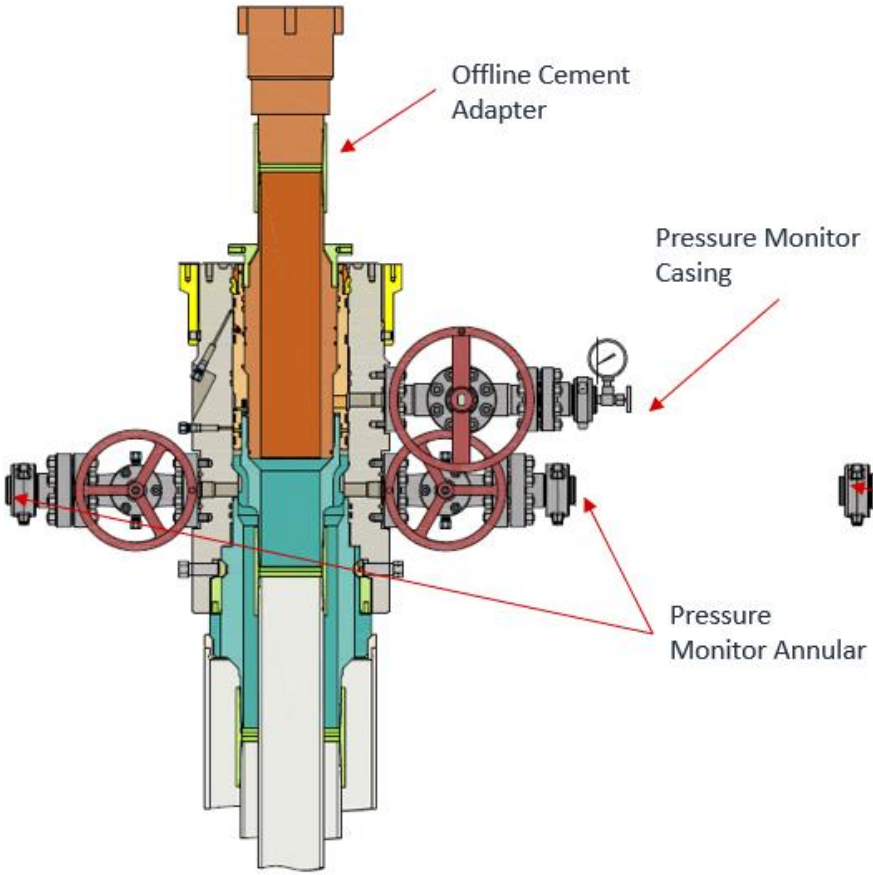
1. Sound alarm (alert crew).
2. Shut-in Well (close valves to rig pits and open valve to rig choke line. Rig choke will already be in the closed position).
3. Confirm shut-in.
4. Notify tool pusher/company representative.
5. Read and record the following:
    a. SICP and AP
    b. Pit gain
    c. Time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

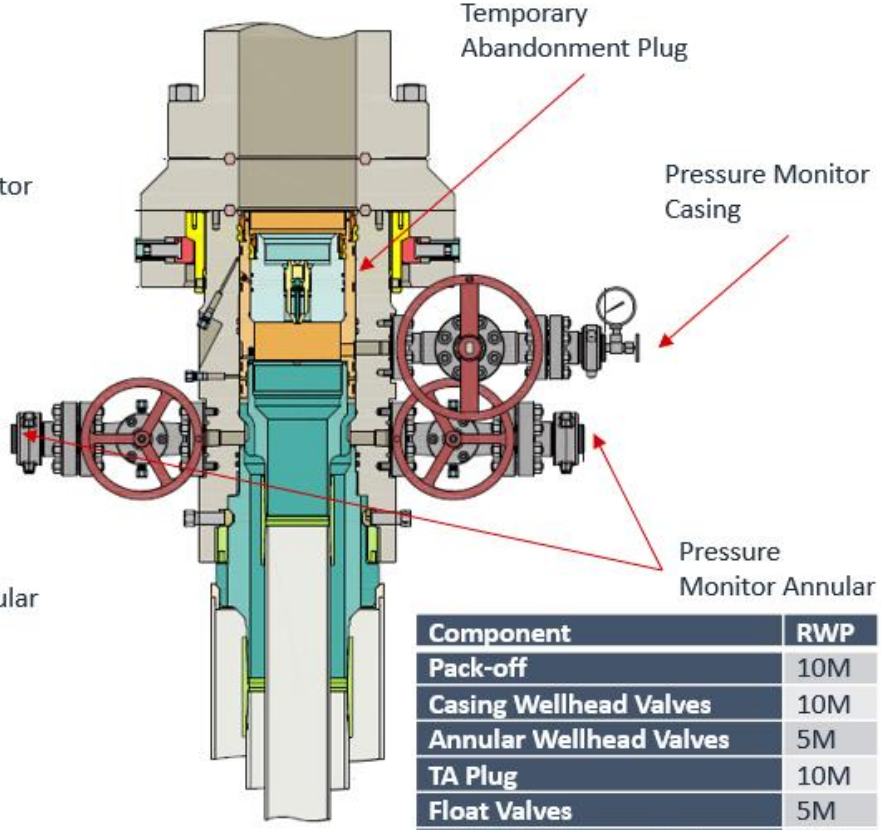
**Figure 1: Cameron TA Plug and Offline Adapter Schematic**




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

**Figure 2: Cactus TA Plug and Offline Adapter Schematic**




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

**Figure 3: Back Yard Rig Up**

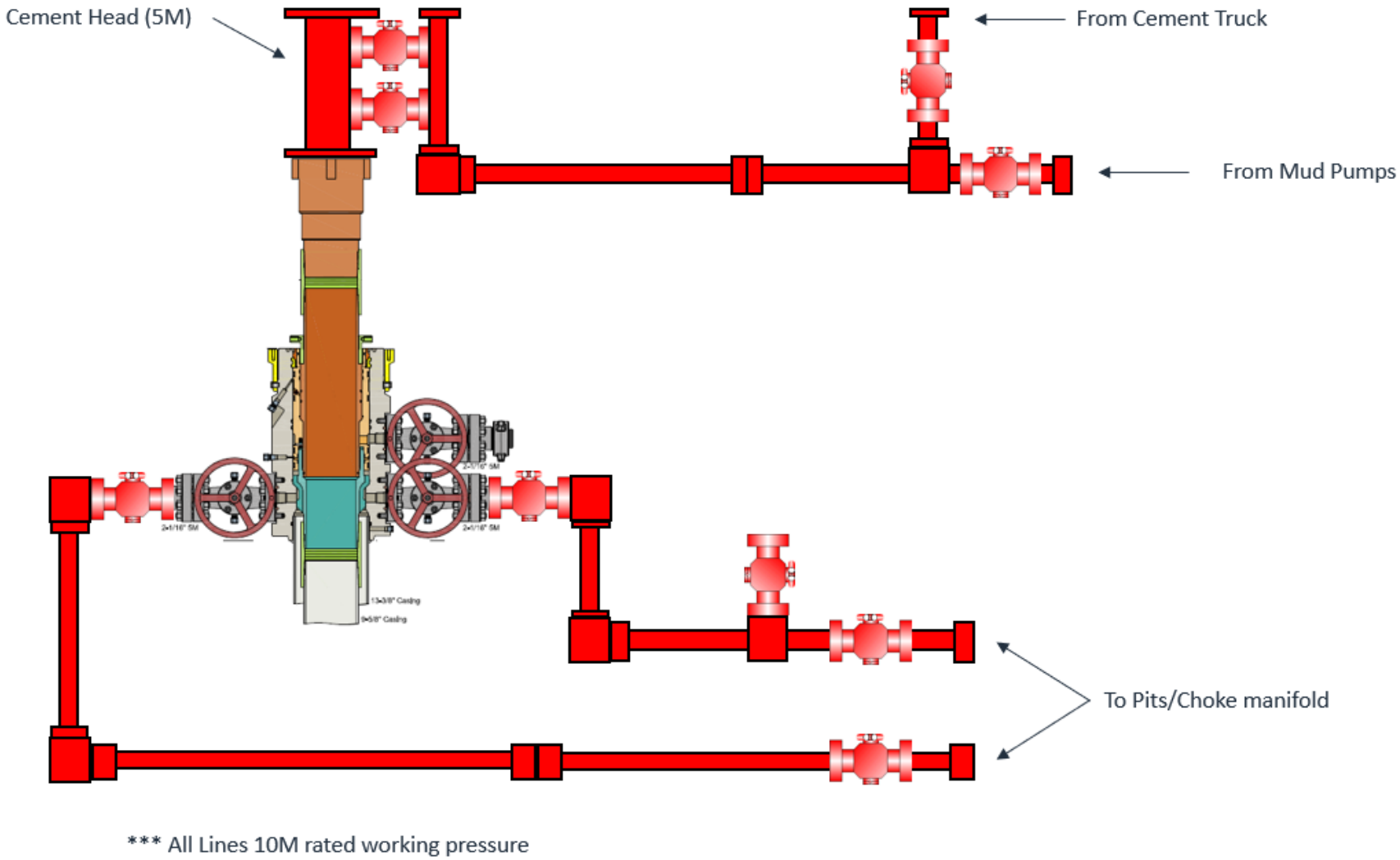
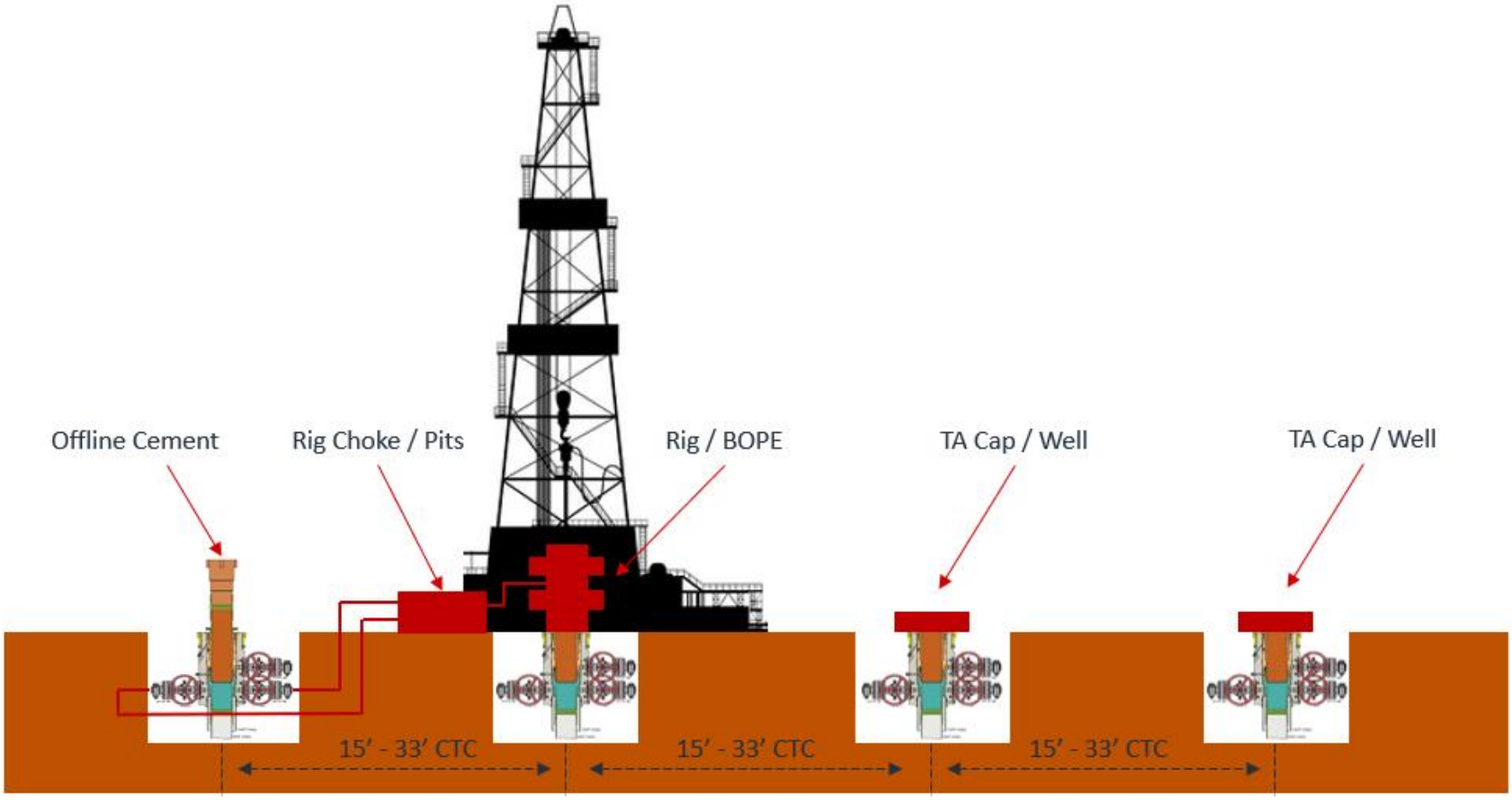


**Figure 4: Rig Placement Diagram**



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:** 1/12/2022

**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 |
|---|---|---|---|---|---|---|
| Pegasus 3 Fed Com 305H | 30-025-50957 | N-3-24S-32E | 666' FSL & 2414' FWL | +/- 1000 | +/- 3500 | +/- 3000 |
| | | | | | | |

**IV. Central Delivery Point Name:** ___Dragon 36 State CTB_____ [See 19.15.27.9(D)(1) NMAC]

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

| Well Name | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|---|---|---|---|---|---|---|
| Pegasus 3 Fed Com 305H | 30-025-50957 | 02/05/23 | 03/1/23 | 05/01/23 | 06/01/23 | 07/01/23 |
| | | | | | | |

**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: 1/12/2022 |
| Phone: (432) 848-9161 |

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

**Natural Gas Management Plan**
**Items VI-VIII**

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

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

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

Drilling Operations

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

Completions/Recompletions Operations

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

Production Operations

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

Performance Standards

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

Measurement & Estimation

- All volume that is flared and vented that is not measured will be estimated.
- All measurement equipment for flared volumes will conform to API 14.10.
- No meter bypasses 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.
- Prior to the commencement of any maintenance, the tank or vessel will be isolated from the rest of the facilities.
- All valves upstream of the equipment will be closed and isolated.
- After equipment has been isolated, the equipment will be blown down to as low a pressure as possible into the collection system.
- If the equipment being maintained cannot be relieved into the collection system, it shall be released to a tank where the vapor can either be captured or combusted if possible.
- After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

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

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

CONDITIONS

Action 175329

## CONDITIONS

| | |
|---|---|
| Operator:<br>EOG RESOURCES INC<br>P.O. Box 2267<br>Midland, TX 79702 | OGRID:<br>7377 |
| | Action Number:<br>175329 |
| | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

**CONDITIONS**

| Created By | Condition | Condition Date |
|---|---|---|
| pkautz | Will require a File As Drilled C-102 and a Directional Survey with the C-104 | 1/13/2023 |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string | 1/13/2023 |
| pkautz | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system | 1/13/2023 |
| pkautz | Cement is required to circulate on both surface and intermediate1 strings of casing | 1/13/2023 |