

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

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Salt Creek Midstream, LLC 5775 N Sam Houston Pkwy W, Suite #600; Houston, TX 77086		² OGRID Number 373554
		³ API Number 30-025-51865
⁴ Property Code 326981	⁵ Property Name SALT CREEK AGI	⁶ Well No. 3

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
L	21	26-S	36-E		2329	SOUTH	278	WEST	LEA

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
L	21	26-S	36-E		2329	SOUTH	278	WEST	LEA

⁹ Pool Information

Pool Name AGI; DELAWARE	Pool Code 98335
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Additional Well Information

¹¹ Work Type N	¹² Well Type I	¹³ Cable/Rotary R	¹⁴ Lease Type P	¹⁵ Ground Level Elevation 2926'
¹⁶ Multiple NO	¹⁷ Proposed Depth 7,040'	¹⁸ Formation CHERRY CANYON	¹⁹ Contractor	²⁰ Spud Date AUG 1, 2023
Depth to Ground water APPROX. 250'	Distance from nearest fresh water well		Distance to nearest surface water	

☒ We will be using a closed-loop system in lieu of lined pits²¹ Proposed Casing and Cement Program

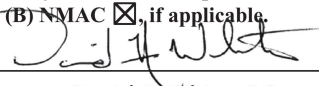
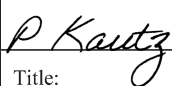
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	26"	20"	133	2,100'	2,850	Surface
Intermediate	17.5"	13.375"	54.5	3,100'	1,680	Surface
Intermediate	12.25"	9.625"	40	5,110'	715	Surface
Production	8.75"	7"	26	7,040'	214 bbls, 50 sks	Surface

Casing/Cement Program: Additional Comments

Production interval utilizes corrosion-resistant casing and cement (214 bbls WellLock Resin and CorrosaCem slurry (see attached well diagram))
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²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3,000	3,000	
Double Ram	5,000	5,000	

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: 		OIL CONSERVATION DIVISION	
Printed name: David A. White, P.G.		Approved By: 	
Title: Consultant to Salt Creek Midstream, LLC		Title:	
E-mail Address: dwhite@geolex.com		Approved Date: 08/17/2023	Expiration Date: 08/17/2025
Date: July 13, 2023	Phone: (505)842-8000	Conditions of Approval Attached	

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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

API Number 30-025-51865		Pool Code 98335	Pool Name AGI; DELAWARE
Property Code 326981	Property Name SALT CREEK AGI		Well Number #3
OGRID No. 373554	Operator Name SALT CREEK MIDSTREAM, LLC		Elevation 2926'

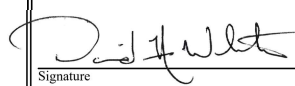
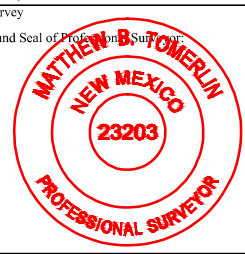
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	21	26 S	36 E		2329	SOUTH	278	WEST	LEA

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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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.

	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p> 07/18/2023 Signature Date</p> <p>David A. White, P.G. -- Consultant to SCM Printed Name</p> <p>dwhite@geolex.com E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 18, 2023 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p></p>
	<p>Job No.: 22-05-2051 MATTHEW B. TOMERLIN, N.M.P.L.S. Certificate Number 23203</p>

NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32.027965°	
LONGITUDE = 103.277702°	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32.027837°	
LONGITUDE = 103.277245°	
STATE PLANE NAD 83 (N.M. EAST)	
N: 375510.69' E: 868479.42'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 375453.20' E: 827290.85'	

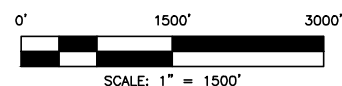
⊙ FND. U.S.G.L.O. MON.
UNLESS OTHERWISE
NOTED

☒ CALC. CORNER

○ SHL

— OIL & GAS LEASE

— HORIZONTAL SPACING UNIT



NOTES

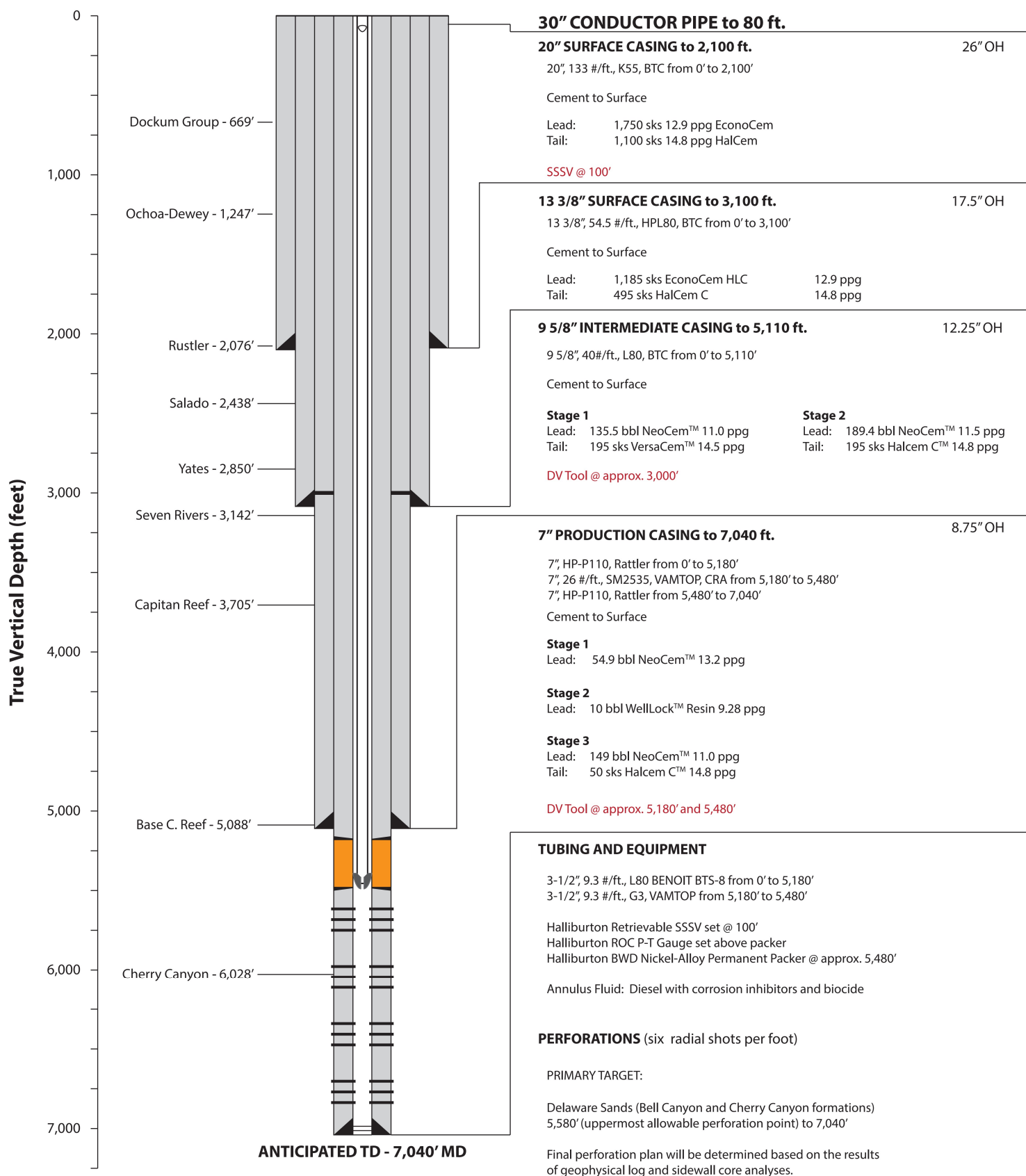
- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001'), NAVD 88.
- THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING MAY, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

ATTACHMENT A

PROPOSED WELL BORE DIAGRAM SALT CREEK AGI #3



SALT CREEK AGI #3 REVISED WELL SCHEMATIC



*All depths are approximate and subject to change based off of the geology encountered

Date prepared: 01/20/2023

Redesign wellbore schematic for Salt Creek AGI #3

ATTACHMENT B

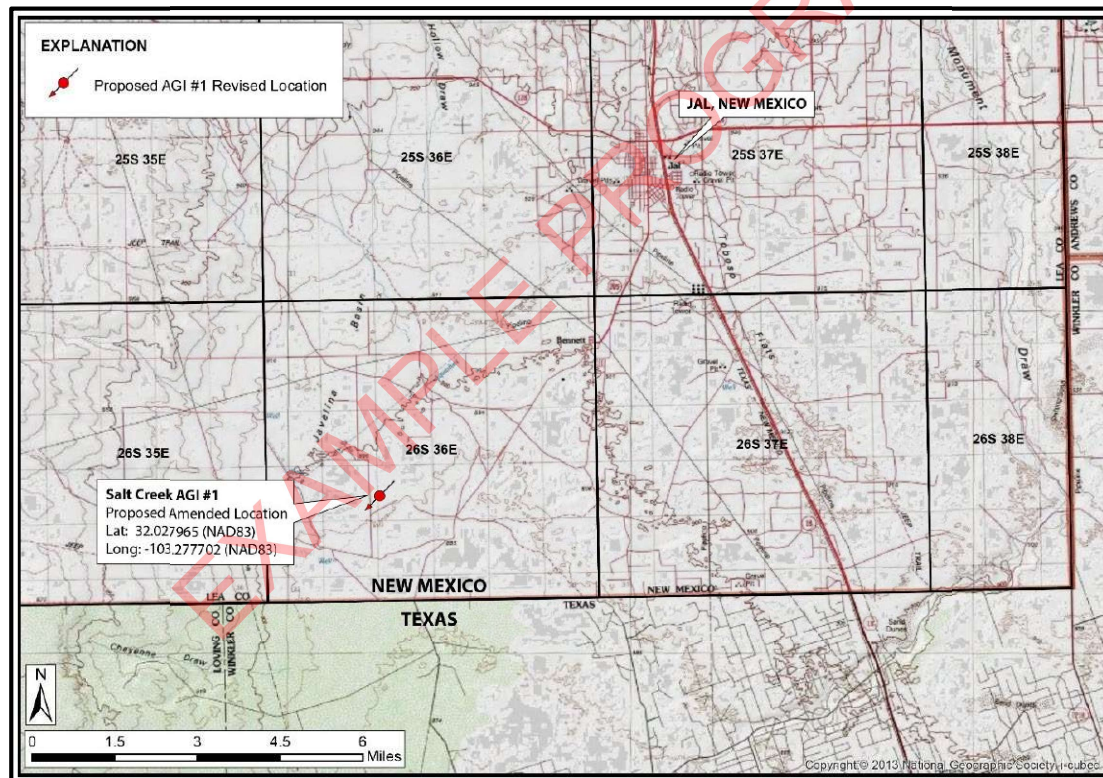
EXAMPLE DRILLING PROGRAM SALT CREEK AGI #3



PRELIMINARY DRILLING PROGRAM SALT CREEK AGI #3

Location: Section 21
Township 26 South, Range 36 East
2,329' FSL & 278' FWL
Lea County, New Mexico

Directions: From Jal, New Mexico, drive south on 3rd Street (a.k.a Frying Pan Road) for approximately 8 miles. Turn right on lease road marked with Salt Creek Midstream signage and continue for approximately 1.5 miles to the end of road. Turn right (north) at T-intersection of lease road and continue for approximate 500 feet. Turn right at lease road marked with Salt Creek Midstream signage and continue 0.25 mile to east plant entrance.

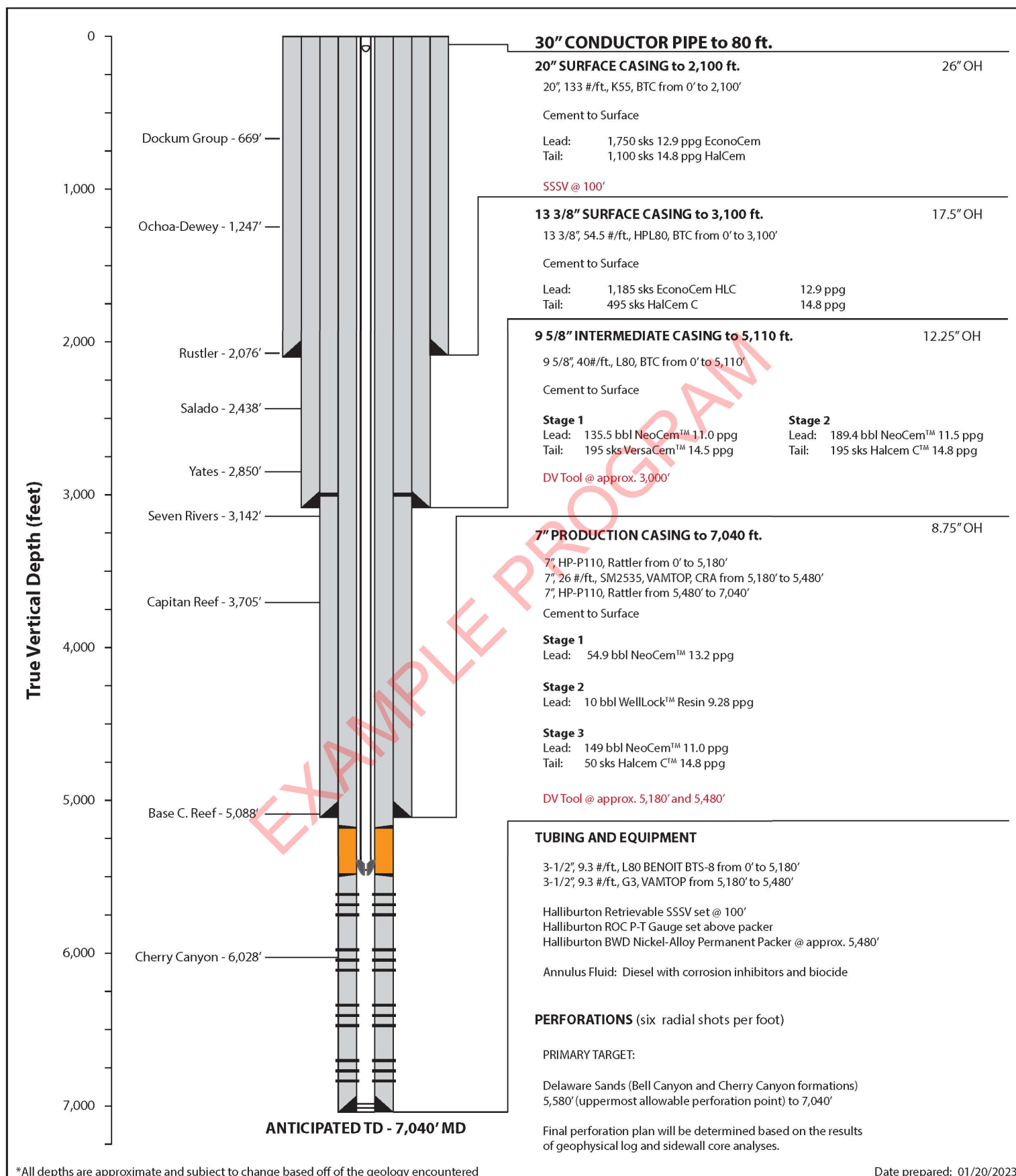


WELL SUMMARY DATA

County:	Lea	Field	Delaware
API:	TBD	NMOCC Order No.	R-20913-F
AFE Number:	TBD	Drilling Rig:	TBD
Elevation:	2926'	KB Elevation:	-
NAD83 Coordinates:	32.027965 -103.277702	Location:	2329' FSL, 278' FWL T26S, R36E, Sec. 21



SALT CREEK AGI #3 REVISED WELL SCHEMATIC

GEOLEX
INCORPORATED


HOLE SECTION SUMMARY

Hole Section	Hole Size	Depth Interval (hole section)	Depth Criteria
Surface	26"	0' – 2,100'	Set at ± 2,100' Casing and Cement to Surface
Intermediate (1 st)	17.5"	2,100' – 3,100'	Below Rustler Fm. Instability Casing and Cement to Surface
Intermediate (2 nd)	12.25"	3,100' – 5,110'	Isolation of Capitan Rf. Casing and Cement to Surface
Production	8.75"	5,110' – 7,040'	Casing and Cement to Surface

CASING PROGRAM

String	Casing Size (in)	Weight (lb/ft)	Grade	Thread	Top (ft., MD)	Base (ft., MD)	Length
Surface Casing	20	133	K55	BTC	0	2,100	2,100
Intermediate (1 st)	13.325	54.5	HPL-80	BTC	0	3,100	3,100
Intermediate (2 nd)	9.625	40	L80	BTC	0	5,110	5,110
Production	7	29	HP-P110	Rattler	0	5,180	5,180
Production (CRA)	7	26	SM2535	VAMTOP	5,180	5,480	300
Production (Inj. Zone)	7	29	HP-P110	Rattler	5,480	7,040	1,560

CEMENT PROGRAM

String	Lead/Tail	Type	Density (ppg)	# Sacks	Estimated TOC
Surface	Lead	EconoCem HLC (or equivalent)	12.9	2850	Surface
	Tail	HalCem C	14.8		
Intermediate (1 st)	Lead	EconoCem HLC	12.9	1680	Surface
	Tail	HalCem C	14.8		
2 nd Int. (Stage 1)	Lead	NeoCem	11.0	135.5 bbls	Surface
	Tail	VersaCem	14.5	195 sks	
2 nd Int. (Stage 2)	Lead	NeoCem	11.5	189.4 bbls	Surface
	Tail	HalCem C	14.8	195 sks	
Prod. (Stage 1)	-	NeoCem	13.2	54.9 bbls	5,480'
Prod. (Stage 2)	-	WellLock Resin	9.28	10 bbls	5,180'
Prod. (Stage 3)	Lead	NeoCem	11.0	149 bbls	Surface
	Tail	HalCem C	14.8	50 sks	

***NOTE:** DV Tools at 3,000', 5180', and 5480'



PRE SPUD

Notify regulatory agency (NMOCD – Hobbs District) 24 hours prior to spud. Document notification on IADC and morning report

1. Level and grade the location with caliche or comparable material, as required
2. Install a corrugated steel cellar around well site
3. Auger a 36-inch hole to approximately 80 feet and set 30-inch conductor pipe
4. Cement conductor pipe to the surface using sufficient volume of Redi-mix cement
5. Install a 4-inch outlet for draining the conductor pipe after cementing the surface casing
6. Drill a mouse hole per drilling contractor. Ensure rat hole contractor is using correct layout.
7. Prior to moving rig, drive to location and note any road hazards and/or power lines
8. Move in and rig up drilling rig and associated equipment
 - a. Move in and rig up a closed-loop system for handling drill cuttings and drilling fluid
 - b. Inspect drill collars and drill pipe (or use most recent if supplied as per IADC contract) and circulate inspection report to drilling superintendent
 - c. Make sure all drill pipe has been inspected with paperwork in hand before spud and all pipe on location is counted prior to spud. Keep an up-to-date and correct account (OD, ID, length) of all tubulars on location at all times, including 3rd-party equipment.
 - d. Perform a pre-spud rig inspection prior to accepting the rig on daywork.



26" SURFACE INTERVAL: 0' – 2,100'

Objective: Drill a 26" hole to approximately 2,100' and set 20" casing to protect usable water intervals and to isolate potentially problematic intervals of flowing sand. Casing string will be cemented to surface.

Notes: Notify NMOCD – Hobbs District Office 24 hours prior to running and cementing surface casing string.

Procedure:

1. Weld a flange to the 30-inch conductor pipe and install an annular blowout preventer (BOP)
2. Install riser pipe with bell nipple and flowline to the BOP
3. Mix a spud mud for the surface hole
4. Make up a bottom-hole assembly (BHA) with a 26" bit (TBD, based on availability)
5. Drill ahead to 2,100' (top of Rustler Formation) taking deviation surveys at approximately 250' intervals and maintaining deviation below 2°.
6. Monitor cellar to ensure ground is not washing out
7. Vary RPM, differential psi, and WOB to optimize ROP. Ream each stand 2-3 on surface hole.
8. Monitor pickup, slack off, torque, returns, and standpipe pressure to evaluate hole cleaning
9. Sweep the hole with paper/MF-55 sweeps and drop a soap stick every connection.
10. Circulate and condition mud for running casing
11. Sweep the hole with a high-viscosity, fresh gel sweep at surface casing TD and spot a high-viscosity sweep at TD
12. Run fluid caliper
13. TOOH to run surface casing
14. Move in and rig up casing crew and run centralized 20", 133 #/ft., K55, BTC surface casing to approximately 2,100'. Run two bow spring centralizers on the float joint (1 in center of joint on a stop ring and 1 on collar) and one centralizer per every third joint at the collars back to surface
15. Dimensional data and minimum performance properties (TBD) of the surface casing are presented on page 7.
16. Move in and rig up cementing equipment. Cement the surface casing as follows:
 - a. Pump a freshwater spacer followed by a tuned spacer designed for the rheology of the drilling fluid and lead cement.



- b. Pump 1750 sks of ECONOCЕМ with additives (density – 12.9 ppg) followed by 1100 sks HALCEM with additives (density – 14.8 ppg) according to the current cement program
 - c. Drop wiper plug and displace with drilling fluid according to the cementing program
 - d. Bump wiper plug and pressurize over final circulating pressure
 - e. Monitor pressure for five (5) minutes and bleed off to cement unit to ensure floats are holding
 - f. Wait on cement at least eight (8) hours (cement volumes are based on bit size, plus 100% excess for open-hole section. Actual cement volumes will be based on fluid caliper hole volume, plus 25% excess)
 - g. If cement was not circulated to surface, additional cement bond logging may be required and it may be necessary to perform a top out operation using a 1" pipe to place up to 200 sks of standard cement.
17. After waiting at least 8 hours for cement to set, release the 20" surface casing and lift the stack to make a rough cut on the 20" surface casing. Nipple down the bell nipple, flow line, and BOP. Cut the conductor and make a final cut on the 20" casing. Weld a temporary flange to the 20" casing. Re-install the BOP. Nipple up the bell nipple with flow line and riser pipe to the top of the BOP and test. Pressure test and function test the BOP.

EXAMPLE PROGRAM



Casing and Cementing – 20” Section

CASING						
Hole Size	Wt./ft.	Grade	Connection	Top Set	Bottom Set	Length
26	133	K55	BTC	0'	2,100'	2,100'
CASING DETAILS						
ID: 18.73 inches			Internal Yield Pressure: 3,060			
Drift: 18.54 inches			Pipe Body Strength: 2,125,000 lbs			
Coupling OD: 21 inches			Joint Strength: 1,453,000 lbs.			
Collapse: 1,500			Capacity: 0.3408 bbl/ft			

Float Equipment & Accessories				
Item	Model	Depth	Qty	Remarks
Float Collar	HOWCO	2,060	1	
Shoe	HOWCO	2,100'	1	
Centralizers	HOWCO		15	2 on float joint, and 1 every 3 rd joint to surface
Stop ring		2,059'	1	

Cement	
Spacer:	20 bbl gel spacer with red dye
Type:	EconoCem HLC & Halcem C (2850 sks total)



17.5" FIRST INTERMEDIATE INTERVAL: 2,100' – 3,100'

Objective: Drill a 17.5" hole to planned TD of 3,100' and set 13.375" intermediate casing. Casing will be set to cover interval of anticipated wellbore instability within the Rustler Formation geologic strata.

Notes: Notify NMOCD – Hobbs District Office 24 hours prior to running and cementing production-casing string.

Procedure:

1. RU mud loggers
2. Make up suitable BHA and trip in the hole to the float collar. Drill out the float collar and approximately 30' of cement in the shoe track joint.
3. Trip in hole with a 17.5" bit and BHA which includes a straight-hole motor. Pressure test the 20" surface casing to 1,000 psi for at least 30 minutes and record the test on a chart recorder. Drill the remainder of the shoe track cement and float shoe. Drill 10 feet of formation and perform a Formation Integrity Test (FIT) to 100 psi for 30 minutes.
4. Continue drilling an 17.5" hole to approximately 3,100', maintaining a low fluid loss mud system as the developed mud program.
5. Move in and rig up casing crew and run centralized 13.375", 54.5 #/ft. casing to 3,100' from 0' to 3,100'
6. Run two bow spring centralizers on the float joint (1 in center of joint on a stop ring and 1 on collar) and one centralizer per every third joint at the collars back to surface. The float joint will consist of a float shoe, one joint of casing, and a float collar. Circulate and condition the mud for cementing in three stages.
7. Dimensional data and minimum performance properties of the production casing are presented on page 10.
8. Cement the 13.375" intermediate casing back to the surface in the following three stages:
 - a. Establish circulation and conditions the mud for optimum cementing conditions. Pump a freshwater spacer followed by a 20 bbl gel spacer w/ red dye designed for the rheology of the drilling fluid and lead cement. Pump 1185 sks EconoCem and 495 sks HalCem C and flush with 2% KCl water according to the final cementing plan.
 - b. If cement was not circulated to surface, additional cement bond logging may be required and it may be necessary to perform a top out operation using a 1" pipe to place up to 200 sks of standard cement.
9. After waiting at least 8 hours for cement to set, release the 13.375" casing and lift the stack to make a rough cut on the intermediate casing. Nipple down the bell nipple, flow line, and BOP. If necessary, perform a top out operation using a 1" pipe to place up to 200 sks of standard cement. Cut the conductor and make a final cut on the casing. Weld a temporary flange to the 13.375" casing. Re-install the BOP. Nipple up the bell nipple with flow line and riser pipe to the top of the BOP and test. Pressure test and function test the BOP.



Casing and Cementing – 13.375” Section

CASING						
Hole Size	Wt./ft.	Grade	Connection	Top Set	Bottom Set	Length
17.5	54.5	HPL80	BTC	0'	3,100'	3,100'
CASING DETAILS						
ID: TBD				Internal Yield Pressure: TBD		
Drift: TBD				Pipe Body Strength: TBD		
Coupling OD: TBD				Joint Strength: TBD		
Collapse: TBD				Capacity: TBD		

Float Equipment & Accessories				
Item	Model	Depth	Qty	Remarks
Float Collar	HOWCO	3,060'	1	
Float Shoe	HOWCO	3,100'	1	
Centralizers	HOWCO		-	2 on float joint and 1 every 3 rd joint to surface
Stop ring	HOWCO	3,059	1	

Cement	
Spacer:	20 bbls gel spacer with red dye
Type:	EconoCem (1185 sks) & HalCem C (495 sks)



9.625" SECOND INTERMEDIATE INTERVAL: 3,100' – 5,110'

Objective: Drill a 12.25" hole to planned TD of 5,110' and set 9.625" casing. Note that open-hole geophysical logs, from original SCM AGI #1 location, are available and are to be reviewed prior to drilling intermediate interval. Primary objective is to isolate, via casing, the interval of the Capitan Reef.

Notes: Notify NMOCD – Hobbs District Office 24 hours prior to running and cementing production-casing string.

Procedure:

1. RU mud loggers
2. Make up 12.25" PDC drill bit and trip in the hole to the float collar. Drill out the float collar and approximately 30' of cement in the shoe track joint.
3. Trip in hole with a 12.25" bit and BHA which includes a straight-hole motor. Pressure test the 13.375" intermediate casing to 1,000 psi for at least 30 minutes and record the test on a chart recorder. Drill the remainder of the shoe track cement and float shoe. Drill 10 feet of formation and perform a Formation Integrity Test (FIT) to 100 psi for 30 minutes.
4. Continue drilling an 12.25" hole to approximately 5,110', maintaining a low fluid loss mud system as per developed mud program.
5. Move in and rig up casing crew and run centralized 9.625", 40 #/ft. casing to 5,110' as follows:
 - a. 9.625", 40 #/ft., L80, BTC from 0' to 5,110'
 - b. DV Tool will be installed at approximately 3,000'
6. Run two bow spring centralizers on the float joint (1 in center of joint on a stop ring and 1 on collar) and one centralizer per every third joint at the collars back to surface. The float joint will consist of a float shoe, one joint of casing, and a float collar. A DV tool will be positioned in the casing string at approximately 3,000' for the first stage. Circulate and condition the mud for cementing in two stages.
7. Dimensional data and minimum performance properties of the production casing are presented on page 10.
8. Cement the 9.625" casing back to the surface in the following three stages:
 - a. **Stage 1** – Establish circulation and conditions the mud for optimum cementing conditions. Pump a freshwater spacer followed by a 20 bbl gel spacer w/ red dye designed for the rheology of the drilling fluid and lead cement. Pump 135.5 bbls Halliburton NeoCem (11.0 ppg) and 195 sks VersaCem (14.5 ppg) and flush with 2% KCl water according to the final cementing plan.



- b. **Stage 2** – Drop stage collar opening plug and wait for it to reach stage collar. Pressure casing to open stage collar. Establish circulation through the stage collar and continue circulating for four (4) hours. Pump a gel spacer with red dye followed by approximately 189.4 bbls of NeoCem (11.5 ppg) and 195 sks HalCem C (14.8 ppg).
 - c. If cement was not circulated to surface, additional cement bond logging may be required and it may be necessary to perform a top out operation using a 1” pipe to place up to 200 sks of standard cement.
9. After waiting at least 8 hours for cement to set, release the 9.625” casing and lift the stack to make a rough cut on the intermediate casing. Nipple down the bell nipple, flow line, and BOP. If necessary, perform a top out operation using a 1” pipe to place up to 200 sks of standard cement. Cut the conductor and make a final cut on the casing. Weld a temporary flange to the casing. Re-install the BOP. Nipple up the bell nipple with flow line and riser pipe to the top of the BOP and test. Pressure test and function test the BOP.

EXAMPLE PROGRAM

**Casing and Cementing – 9.625” Section**

CASING						
Hole Size	Wt./ft.	Grade	Connection	Top Set	Bottom Set	Length
12.25	40	L80	BTC	0'	5,110'	5,110'
CASING DETAILS						
ID: 9.625 inches			Internal Yield Pressure: 5,750			
Drift: 8.679 inches			Pipe Body Strength: 916,000 lbs			
Coupling OD: -			Joint Strength: -			
Collapse: 3,090			Capacity: 0.0758 bbls/ft.			

Float Equipment & Accessories				
Item	Model	Depth	Qty	Remarks
Float Collar	HOWCO	5,070'	1	
Float Shoe	HOWCO	5,110'	1	
Centralizers	HOWCO		-	2 on float joint and 1 every 3 rd joint to surface
Stop ring	HOWCO	5,069'	1	
DV Tool	-	3,000'	1	

Cement – Stage 1	
Spacer:	20 bbls gel spacer with red dye
Type:	NeoCem (135.5 bbls) and VersaCem (195 sks)
Cement – Stage 2	
Spacer:	20 bbls gel spacer with red dye
Type:	NeoCem (189.4 bbls) and HalCem C (195 sks)



8.75" PRODUCTION INTERVAL: 5,110' – 7,040'

Objective: Drill a 8-3/4" hole to planned TD of 7,040' and set 7" casing. Open-hole geophysical logs are currently available from prior AGI #1 location. Collect sidewall cores on cap rock, top of injection interval, and various sections of the open-hole interval.

Notes: Notify NMOCD – Hobbs District Office 24 hours prior to running and cementing production-casing string.

Procedure:

1. RU mud loggers
2. Make up 8.75" PDC drill bit and trip in the hole to the float collar. Drill out the float collar and approximately 30' of cement in the shoe track joint.
3. Trip in hole with a 8.75" bit and BHA which includes a straight-hole motor. Pressure test the 9.625" surface casing to 1,000 psi for at least 30 minutes and record the test on a chart recorder. Drill the remainder of the shoe track cement and float shoe. Drill 10 feet of formation and perform a Formation Integrity Test (FIT) to 100 psi for 30 minutes.
4. Continue drilling an 8.75" hole to approximately 7,040', maintaining a low fluid loss mud system as per attached mud program.
5. Move in and rig up casing crew and run centralized 7", 26 #/ft. casing to 7,040' as follows:
 - a. 7", 26 #/ft., HP-P110, Rattler, from 5,480' – 7,040'
 - b. 7", 26 #/ft., SM2535 (CRA), VAMTOP, from 5,180' – 5,480'
 - c. 7", 26 #/ft., HP-P110, Rattler from 0' – 5,180'
6. Run two bow spring centralizers on the float joint (1 in center of joint on a stop ring and 1 on collar) and one centralizer per every third joint at the collars back to surface. The float joint will consist of a float shoe, one joint of casing, and a float collar. A DV tool will be positioned in the casing string at approximately 5,480' for the first stage and another DV tool at 5,180' for the second stage cement. Circulate and condition the mud for cementing in three stages.
7. Dimensional data and minimum performance properties of the production casing are presented on page 10.
8. Cement the 7" casing back to the surface in the following three stages:
 - a. **Stage 1** – Establish circulation and conditions the mud for optimum cementing conditions. Pump a freshwater spacer followed by a 20 bbl gel spacer w/ red dye designed for the rheology of the drilling fluid and lead cement. Pump 54.9 bbls Halliburton NeoCem (13.2 ppg) and flush with 2% KCl water according to the final cementing plan.
 - b. **Stage 2** – Drop stage collar opening plug and wait for it to reach stage collar. Pressure casing to open stage collar. Establish circulation through the stage collar and continue circulating for four (4) hours. Pump a gel spacer with red dye followed



by approximately 10 bbls of Halliburton WellLock Resin and two (2) bbls solvent cleanup. Drop stage collar wiper/closing plug and displace with 2% KCl water. Bump wiper/closing plug and close stage collar with required pressure over final circulating pressure. Release pressure and assure that stage collar is holding.

- c. **Stage 3** – Drop stage collar opening plug and wait for it to reach stage collar. Pressure casing to open stage tool and continue circulating for four (4) hours. Pump 20 bbl Gel spacer with red dye. Pump 149 bbls NeoCem (11.0 ppg) followed by 50 sks HALCEM “C” (14.8 ppg) according to the final cementing plan. Drop stage collar wiper/closing plug and flush with 2% KCl water.
 - d. If cement was not circulated to surface, additional cement bond logging may be required and it may be necessary to perform a top out operation using a 1” pipe to place up to 200 sks of standard cement.
9. After waiting on cement, ND BOP and cut off 7” casing. NU wellhead.
 10. RD and release drilling rig and all associated equipment.

EXAMPLE PROGRAM



Casing and Cementing – 7” Section

CASING						
Hole Size	Wt./ft.	Grade	Connection	Top Set	Bottom Set	Length
7”	26.0	HP-P110	Rattler	0'	5,110'	5,110'
7”	26.0	SM2535	VAMTOP	5,180'	5,480'	300'
7”	26.0	HP-P110	Rattler	5,480'	7,040'	1,560'
CASING DETAILS						
ID: TBD Drift: TBD Coupling OD: TBD Collapse: TBD				Internal Yield Pressure: TBD Pipe Body Strength: TBD Joint Strength: TBD Capacity: TBD		

Float Equipment & Accessories				
Item	Model	Depth	Qty	Remarks
Float Collar	HOWCO	-	1	
Float Shoe	HOWCO	7,040'	1	
Centralizers	HOWCO	-	-	2 on float joint and 1 every 3 rd joint to surface
Stop ring	HOWCO	-	1	
DV Tool #1	HOWCO	5,180'	1	
DV Tool #2	HOWCO	5,480'	1	

Cement – Stage 1	
Spacer:	20 bbls gel spacer with red dye
Type:	NeoCem (54.9 bbls) – 13.2 ppg
Cement – Stage 2	
Spacer:	20 bbls gel spacer with red dye
Type:	Halliburton WellLock Resin (10 bbls)
Cement – Stage 3	
Spacer:	20 bbls gel spacer with red dye
Type:	NeoCem (149 bbls) & HalCem C (50 sks)

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 240347

CONDITIONS

Operator: Salt Creek Midstream, LLC 5775 N Sam Houston Pkwy W Houston, TX 77086	OGRID: 373554
	Action Number: 240347
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Notify OCD 24 hours prior to casing & cement	8/17/2023
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	8/17/2023
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	8/17/2023
pkautz	CEMENT MUST CIRCULATE ON ALL STRINGS	8/17/2023
pkautz	In addition to the requirements of the APD, operator shall complete the conditions contained in the UIC permit including logging (CBL for liner; mud logging, etc.), well testing, and reporting as stipulated.	8/17/2023
pkautz	IF ON ANY STRING CEMENT DOES NOT CIRCULATE, A RCBL MUST BE RUN ON THAT STRING OF CASING.	8/17/2023