

<b>Well Name:</b> TEA OLIVE 25 36 33 FED COM	<b>Well Location:</b> T26S / R36E / SEC 4 / NWNW /	<b>County or Parish/State:</b>
<b>Well Number:</b> 081H	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM136233	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3002551077	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> AMEREDEV OPERATING LLC

**Notice of Intent**

**Sundry ID:** 2738683

**Type of Submission:** Notice of Intent

**Type of Action:** APD Change

**Date Sundry Submitted:** 06/29/2023

**Time Sundry Submitted:** 09:18

**Date proposed operation will begin:** 08/25/2023

**Procedure Description:** Ameredev would like to request the following changes to the wellbore design: - Change surface casing from 13.375" 68# J-55 BTC @ 1,413' to 13.375" 54.5# J-55 BTC @ 1,313' - Change intermediate casing from 7.625" 29.7# HC L-80 BTC @ 10,488' to 10.75" 45.5# HC L-80 SC BTC @ 5,231' - Change production casing from 5.5" 23# P-110 USS Eagle SFH @ 10,488' to 5.5" 17# P-110 BTC @ 10,488'. See attached wellbore diagram.

**NOI Attachments**

**Procedure Description**

TEA\_OLIVE\_FED\_COM\_25\_36\_33\_081H\_\_\_WBD\_REVISION\_PACKET\_REV\_20230823142630.pdf

**Well Name:** TEA OLIVE 25 36 33 FED COM

**Well Location:** T26S / R36E / SEC 4 / NWNW /

**County or Parish/State:**

**Well Number:** 081H

**Type of Well:** OIL WELL

**Allottee or Tribe Name:**

**Lease Number:** NMNM136233

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 3002551077

**Well Status:** Approved Application for Permit to Drill

**Operator:** AMEREDEV OPERATING LLC

### Conditions of Approval

#### Additional

Sec\_04\_26S\_36E\_NMP\_Sundry\_2738683\_Tea\_Olive\_25\_36\_33\_Fed\_Com\_081H\_COAs\_20230911084716.pdf

Sec\_04\_26S\_36E\_NMP\_Sundry\_2738683\_Tea\_Olive\_25\_36\_33\_Fed\_Com\_081H\_Eng\_Worksheet\_20230911084716.pdf

### Operator

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

**Operator Electronic Signature:** CHRISTIE HANNA

**Signed on:** AUG 23, 2023 02:26 PM

**Name:** AMEREDEV OPERATING LLC

**Title:** Senior Engineering Technician

**Street Address:** 2901 VIA FORTUNA, SUITE 600

**City:** AUSTIN

**State:** TX

**Phone:** (737) 300-4723

**Email address:** CHANNA@AMEREDEV.COM

### Field

**Representative Name:** Connor Aitken

**Street Address:** 2901 VIA FORTUNA, STE. 600

**City:** AUSTIN

**State:** TX

**Zip:** 78746

**Phone:** (737)300-4700

**Email address:** caitken@amerdev.com

### BLM Point of Contact

**BLM POC Name:** CHRISTOPHER WALLS

**BLM POC Title:** Petroleum Engineer

**BLM POC Phone:** 5752342234

**BLM POC Email Address:** cwalls@blm.gov

**Disposition:** Approved

**Disposition Date:** 09/11/2023

**Signature:** Chris Walls

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.**

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		5. Lease Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator		7. If Unit of CA/Agreement, Name and/or No.
3a. Address		8. Well Name and No.
3b. Phone No. (include area code)		9. API Well No.
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)		10. Field and Pool or Exploratory Area
		11. Country or Parish, State

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 performed 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 determined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	Title
Signature	Date

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

Approved by	Title	Date
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	

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 of this form to U.S. Department of the Interior, Bureau of Land 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

### Location of Well

0. SHL: NWNW / 230 FNL / 740 FWL / TWSP: 26S / RANGE: 36E / SECTION: 4 / LAT: 32.0789471 / LONG: -103.2762304 ( TVD: 0 feet, MD: 0 feet )

PPP: SWSW / 100 FSL / 660 FWL / TWSP: 25S / RANGE: 36E / SECTION: 33 / LAT: 32.0798542 / LONG: -103.2764892 ( TVD: 10486 feet, MD: 11064 feet )

PPP: SWNW / 2640 FSL / 660 FWL / TWSP: 25S / RANGE: 36E / SECTION: 28 / LAT: 32.1013527 / LONG: -103.276483 ( TVD: 10488 feet, MD: 18882 feet )

BHL: NWNW / 50 FNL / 660 FWL / TWSP: 25S / RANGE: 36E / SECTION: 28 / LAT: 32.1084662 / LONG: -103.2764827 ( TVD: 10488 feet, MD: 21470 feet )

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	Ameredev Operating LLC
<b>WELL NAME &amp; NO.:</b>	Tea Olive 25 36 33 Fed Com 081H
<b>LOCATION:</b>	Sec 04-26S-36E-NMP
<b>COUNTY:</b>	Lea County, New Mexico

*Changes approved through engineering via **Sundry 2738683** on 09/11/2023. Any previous COAs not addressed within the updated COAs still apply.*

COA

<b>H<sub>2</sub>S</b>	<input checked="" type="radio"/> No	<input type="radio"/> Yes		
<b>Potash / WIPP</b>	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P	<input type="checkbox"/> WIPP
<b>Cave / Karst</b>	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High	<input type="radio"/> Critical
<b>Wellhead</b>	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both	<input type="radio"/> Diverter
<b>Cementing</b>	<input type="checkbox"/> Primary Squeeze	<input type="checkbox"/> Cont. Squeeze	<input type="checkbox"/> EchoMeter	<input type="checkbox"/> DV Tool
<b>Special Req</b>	<input type="checkbox"/> Break Testing	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit
<b>Variance</b>	<input checked="" type="checkbox"/> Flex Hose	<input type="checkbox"/> Casing Clearance	<input type="checkbox"/> Pilot Hole	<input checked="" type="checkbox"/> Capitan Reef
<b>Variance</b>	<input type="checkbox"/> Four-String	<input type="checkbox"/> Offline Cementing	<input type="checkbox"/> Fluid-Filled	<input type="checkbox"/> Open Annulus
<input type="checkbox"/> <b>Batch APD / Sundry</b>				

### A. HYDROGEN SULFIDE

Hydrogen Sulfide (H<sub>2</sub>S) monitors shall be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

### B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately 1313 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

- completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **10-3/4** inch intermediate casing is:

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, Capitan Reef, or potash.**
- ❖ In Capitan Reef 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.
- ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
- Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
  - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - Cement should tie-back at least **50 feet** on top of Capitan Reef top or **200 feet** into the previous casing, whichever is greater. If cement does not circulate see B.1.a, c-d above.

### 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. 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 5000 (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 43 CFR 3172 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in 43 CFR 3171 and 3172.
- 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

Email **or** call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, **BLM\_NM\_CFO\_DrillingNotifications@BLM.GOV**  
(575) 361-2822

Lea County

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - Notify the BLM when moving in and removing the Spudder Rig.
    - Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - BOP/BOPE test to be conducted per **43 CFR part 3170 Subpart 3172** as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

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

larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR part 3170 Subpart 3172** and **API STD 53 Sec. 5.3**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Whenever any seal subject to test pressure is broken, all the tests in **43 CFR part 3170 Subpart 3172** 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172**.

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.

Sec 04-26S-36E-NMP Sundry 2738683 Tea Olive 25 36 33 Fed Com 081H Eng Worksheet

Tea Olive 25 36 33 Fed Com 081H

13 3/8	surface csg in a	17 1/2	inch hole.	Design Factors					Surface			
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	B@s	a-B	a-C	Weight	
"A"	54.50	J 55	BTC	11.92	1.93	1	1,313	5	1.74	3.80	71,559	
"B"			BTC				0				0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,338							Tail Cmt	does not	circ to sfc.	Totals:	1,313	71,559
<b>Comparison of Proposed to Minimum Required Cement Volumes</b>												
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE			Min Dist Hole-Cplg	
17 1/2	0.6946	1057	1818	912	99	8.60	1567	2M			1.56	
Site plat (pipe racks S or D) as per O O 1 III D 41 not found.												

10 3/4	casing inside the	13 3/8		Design Factors					Int 1		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	B@s	a-B	a-C	Weight
"A"	45.50	HCL 80	BTC	4.37	1.15	1.01	5,231	2	1.82	2.00	238,011
"B"							0				0
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	5,231			238,011
The cement volume(s) are intended to achieve a top of							0	ft from surface or a	1313		overlap.
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE			Min Dist Hole-Cplg
12 1/4	0.1882	658	1741	1049	66	10.00	2869	3M			0.25

5 1/2	casing inside the	10 3/4		Design Factors					Prod 1		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	B@s	a-B	a-C	Weight
"A"	17.00	P 110	BTC	3.06	1.45	2.06	21,470	2	3.71	2.61	364,990
"B"							0				0
w/8.4#/g mud, 30min Sfc Csg Test psig: 2,307							Totals:	21,470			364,990
The cement volume(s) are intended to achieve a top of							0	ft from surface or a	5231		overlap.
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE			Min Dist Hole-Cplg
7 7/8	0.1733	5774	13276	4775	178	9.50					0.91
Class 'C' tail cmt yld > 1.35											

0	#N/A	5 1/2		Design Factors					<Choose Casing>		
Segment	#/ft	Grade	Coupling	#N/A	Collapse	Burst	Length	B@s	a-B	a-C	Weight
"A"			0.00	#N/A			0				0
"B"			0.00				0				0
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	0			0
Cmt vol calc below includes this csg, TOC intended							#N/A	ft from surface or a	#N/A		overlap.
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE			Min Dist Hole-Cplg
0		#N/A	#N/A	0	#N/A						
#N/A Capitan Reef est top XXXX.											

Form 3160-5  
(June 2015)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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.**

5. Lease Serial No.  
NMNM136233

6. If Indian, Allottee or Tribe Name

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name Operator AMEREDEV OPERATING, LLC		8. Well Name and No. TEA OLIVE FED COM 25 36 33 081H
3a. Address 2901 VIA FORTUNA, STE. 600 AUSTIN, TX 78746	3b. Phone No. (include area code) 737-300-4700	9. API Well No. 30-025-51077
4. Location of Well (Footage, Sec., T.R.M., or Survey Description) SHL: NWNW / 230 FNL / 740 FWL / LAT 32.0789471 / LONG -103.2762304		10. Field and Pool or Exploratory Area WC-025 G-06 S263622F/BONE SPRING
		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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other : _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 performed 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 recompleat 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 determined that the site is ready for final inspection.

Ameredev would like to request the following changes to the wellbore design:

- Change surface casing from 13.375" 68# J-55 BTC @ 1,413' to 13.375" 54.5# J-55 BTC @ 1,313'
- Change intermediate casing from 7.625" 29.7# HC L-80 BTC @ 10,488' to 10.75" 45.5# HC L-80 SC BTC @ 5,231'
- Change production casing from 5.5" 23# P-110 USS Eagle SFH @ 10,488' to 5.5" 17# P-110 BTC @ 10,488'.

See attached wellbore diagram.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
Christie Hanna	Title Regulatory Coordinator
Signature <i>Christie Hanna</i>	Date 6/29/2023

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
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	

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.

## 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 Natural Resources 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 of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240



**Ameredev Operating, LLC**

**Tea Olive Fed Com 25 36 33 081H**

**API No. 30-025-51077**

Lea, NM

Projected MD: 21,470'

Projected TVD: 10,488'

### Tea Olive 25 36 33 Fed Com 081H

#### Second Bone Spring | 2 Mile Lateral

County, St: Lea, NM

SHL: Section 4 , T26S , R36E

230' FNL, 740' FWL

BHL: Section 28 , T25S , R36E

50' FNL, 660' FWL

Wellhead: A - 13-5/8" 5M x 13-5/8" SOW

B - 13-5/8" 5M x 13-5/8" 5M

C - 13-5/8" 5M x 13-5/8" 5M

Tubing Spool: 7-1/16" 10M x 13-3/8" 5M

Xmas Tree: 2-9/16" 10M

Tubing: 3-1/2" L-80 6.5# 8rd EUE

Co. Well ID: XXXXXX

AFE #: 2023-XXX

API #: 30-025-51077

Permit: Federal

GL: 2,994'

Field: Delaware

Rig: H&P 642

KB: 27.0'

Elevation: 3,021'

E-Mail: drillingengineering@ameredev.com

Offsets:

General Notes	Hole Size	Casing & Cement	Geology	TVD	Mud Weight
Notify BLM prior to spud, running casing, cementing, and BOP testing Sundry to be sent before spud  <span style="color: red;">1500 psi Surface Casing Test Done by Spudder Rig</span>	17-1/2"	<u>Lead (100% OH excess)</u> 717 sx 12.8 ppg Class C Top of Lead @ 0'  <u>Tail (100% OH excess)</u> 340 sx 14.8 ppg Class C Top of Tail @ 1013'  13.375   54.5   J-55   BTC 0 - 1313	Conductor	122'	8.4 - 8.6 ppg FW
Stage 1 Designed to Circulate Cement to Surface  DV Tool (Int) 3842  Casing Test to 1500 psi	12-1/4"	1313' MD  <u>Stg 1 Lead (50% OH excess)</u> 481 sx 11 ppg Class C - Low Portland Top of Lead @ 0' <u>Stg 1 Tail (50% OH excess)</u> 177 sx 14.8 ppg Class C Top of Tail @ 4481'  <u>Stg 2 Lead (50% OH excess)</u> 719 sx 12.8 ppg Class C - Low Portland Top of Lead @ 0' <u>Stg 2 Tail (25% OH excess)</u> 106 sx 14.8 ppg Class C Top of Tail @ 3242' 10.75   45.5   HC L-80   SC BTC 0 - 5231	Rustler  Salado  Tansill Capitan  Lamar	1,288'  1,728'  3,408' 3,942'  5,106'	10 ppg Brine
FIT to 10.5 ppg EMW	7-7/8" Vertical		Bell Canyon  Brushy Canyon  Bone Spring Lime  First Bone Spring	5,262'  6,999'  7,973'  9,459'	9.0 - 9.5 ppg Cut Brine
12" DLS curve section Surveys: 45' Curve , 90' Lateral  LTP VS: 8101' 90° INC, 359.44° AZM  BHL VS: 8151' 90° INC, 359.44° AZM	7-7/8" Curve	KOP 10026' MD 10000' TVD  EOC 11211' MD 10488' TVD	Second Bone Spring	10,004'	9.0 - 9.5 ppg Cut Brine
	7-7/8" Lateral	21470' MD 10,488' TVD @ BHL 8,151' VS	No Casing Test		

**Tea Olive 25 36 33 Fed Com 081H Data Sheet**

Mud Properties											
Hole Size	Depth	Mud Type	Weight (ppg)	Funnel Viscosity (s/qt)	pH	API FL	LGS (%)	6 rpm	PV (cp)	YP (lb/100 ft <sup>2</sup> )	
17-1/2"	0 - 1313	FW / Native	8.4 - 8.6	28 - 36	< 8.0	NC	< 1	1	1 - 4	15 - 17	
12-1/4"	1313 - 5231	Brine	10	28 - 32	< 10.5	NC	1 - 3	2	1 - 4	1 - 4	
7-7/8"	5231 - 10026	Cut Brine	9.0 - 9.5	28 - 32	< 10.5	NC	< 1	1	1 - 4	1 - 4	
7-7/8"	10026 - 21470	Cut Brine	9.0 - 9.5	OWR	ES	HPHT	< 8	6 - 10	14 - 26	WPS	
				70/30 - 80/20	>400	<12				243k - 274k	

**Casing Data**

Depth	Size (in)	Grade	Weight (ppf)	Thread	ID (in)	Drift (in)	Cap (bbl / ft)	Collapse (psi)		Burst (psi)		Tension (1000 lb)		Comments
								Rated	80%	Rated	80%	Rated	80%	
122	20	J-55	94	BTC	19.124	18.936	0.3553							
0 - 1313	13 3/8	J-55	54.5	BTC	12.615	12.459	0.1546	1130	904	2730	2184	853	682	
0 - 5231	10 3/4	HC L-80	45.5	SC BTC	9.950	9.875	0.0962	2940	2352	5210	4168	1040	832	
0 - 21470	5 1/2	P-110	17	BTC	4.892	4.767	0.0232	10640	8512	10640	8512	568	454	

**Estimated Cement Program**

Constants			Cement Variables							Cement Proposal			Excess				
Casing	Stages	Slurry	Volume (sx)	Feet of Cement	Top of Cement	% Excess Requested	Cement Grade	Weight (ppg)	Yield (ft <sup>3</sup> /sk)	Water (gal/sk)	Total Cement Volume (bbls)	Total Cement Volume (ft <sup>3</sup> )	Casing (bbls)	Open Hole (bbls)	Shoe Track Volume (bbls)	Total Volume Needed (bbls)	Total Excess (bbls)
13 3/8"	1 Stage	Lead	717	1013'	0'	100%	Class C	12.8	1.900	10.22	242.6	1362.2	22.1	110.2		132	110
		Tail	340	300	1013'	100%	Class C	14.8	1.340	6.37	81.2	455.8		37.1	7.0	44	37
10-3/4"	1 Stage	Lead	481	4481'	0'	100%	Class C - Low Portland	11.0	3.130	11.52	267.9	1504.3	55.6	106.2		162	106
		Tail	177	750	4481'	50%	Class C	14.8	1.330	6.33	42.0	236.0		25.1	4.3	29	13
	2 Stage (DV Tool)	Stg 1 Lead	472	4481'	0'	50%	Class C - Low Portland	11.0	3.130	10.44	263.0	1476.5		175.3		175	88
		Stg 1 Tail	177	750	4481'	50%	Class C	14.8	1.330	6.33	42.0	236.0		25.1	4.3	29	13
		Stg 2 Lead	719	3242'	0'	50%	Class C - Low Portland	12.8	1.830	10.44	234.2	1315.0	137.2	64.6		202	32
		Stg 2 Tail	106	600	3242'	25%	Class C	14.8	1.330	6.33	25.1	141.1		20.1		20	5
7-7/8"	1 Stage	Lead	2419	11470'	0'	50%	ProLite	10.6	3.810	21.14	1641.2	9214.5	503.1	591.0		1094	547
		Tail	3355	10000'	11470'	20%	Class H - Premium PozMix	14.5	1.210	5.33	722.9	4059.0		602	0.0	602	120

**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 264058

**CONDITIONS**

Operator: AMEREDEV OPERATING, LLC 2901 Via Fortuna Austin, TX 78746	OGRID: 372224
	Action Number: 264058
	Action Type: [C-103] NOI Change of Plans (C-103A)

**CONDITIONS**

Created By	Condition	Condition Date
pkautz	None	10/25/2023