

EOG RESOURCES, INC.
GOLDEN GRAHAM 1 STATE COM #704H

Permit Information:

Well Name: Golden Graham 1 State Com #704H

Location:

SHL: 383' FSL & 1993' FEL, Section 1, T-26-S, R-28-E, Eddy Co., N.M.

BHL: 230' FNL & 1985' FEL, Section 36, T-25-S, R-28-E, Eddy Co., N.M.

Design A

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
12.25"	0 - 1,150'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0' - 8,716'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0' - 19,868'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60

Cement Program:

Depth	No. Sacks	Wt. ppg	Yld Ft ³ /sk	Slurry Description
1,150'	400	13.5	1.73	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ Surface)
	300	14.8	1.34	Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate
8,716'	600	14.2	1.11	1 st Stage (Tail): Class C + 5% Salt + (TOC @ 7,000')
	1,000	12.7	2.30	2 nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (TOC @ surface)
19,868'	800	14.2	1.31	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 8,216')

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 - 1,150'	Fresh - Gel	8.6-8.8	28-34	N/c
1,150' - 8,716'	Brine	8.8-10.0	28-34	N/c
8,716' - 9,212'	Oil Base	10.0-11.5	58-68	3 - 6
9,212' - 19,868' Lateral	Oil Base	10.0-11.5	58-68	3 - 6

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Design B

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
17.5"	0 – 1,150'	13.375"	54.5#	J-55	STC	1.125	1.25	1.60
12.25"	0-2,771'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0 – 8,716'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0'-19,868'	5.5"	17#	HCP-110	LTC	1.125	1.25	1.60

Cement Program:

Depth	No. Sacks	Wt. lb/gal	Yld Ft ³ /sk	Slurry Description
1,150'	697	13.5	1.74	Lead: Class 'C' + 4.00% Bentonite + 2.00% CaCl ₂ (TOC @ Surface)
	333	14.8	1.35	Tail: Class 'C' + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate + 2.0% KCl (1.06 lb/sk)
2,771'	692	12.7	2.22	Lead: Class C + 0.15% C-20 + 11.63 pps Salt + 0.1% C-51 + 0.75% C-41P (TOC @ Surface)
	303	14.8	1.32	Tail: Class C + 0.13% C-20
8,716'	375	10.8	3.67	Lead: Class C + 0.40% D013 + 0.20% D046 + 0.10% D065 + 0.20% D167 (TOC @ 2,271')
	400	14.8	2.38	Tail: Class H + 94.0 pps D909 + 0.25% D065 + 0.30% D167 + 0.02% D208 + 0.15% D800
19,868'	950	14.8	1.31	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 8,216')

As a contingency, EOG requests to pump a two stage cement job on the 7-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (4,914') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed.

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,150'	Fresh - Gel	8.6-8.8	28-34	N/c
1,150' – 2,771'	Brine	10.0-10.2	28-34	N/c
2,771' – 8,716'	Oil Base	8.7-9.4	58-68	N/c - 6
8,716' – 19,868' Lateral	Oil Base	10.0-11.5	58-68	3 - 6

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Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H₂S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:

- Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator

- Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escapes packs — 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs — 4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

- H₂S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.

- a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
- b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
- c. Two wind socks will be placed in strategic locations, visible from all angles.

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- **Mud program:**
The mud program has been designed to minimize the volume of H₂S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H₂S bearing zones.
- **Metallurgy:**
All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- **Communication:**
Communication will be via cell phones and land lines where available.

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Emergency Assistance Telephone List

PUBLIC SAFETY: **911 or**

Lea County Sheriff's Department (575) 396-3611

Rod Coffman

Fire Department:

Carlsbad (575) 885-3125

Artesia (575) 746-5050

Hospitals:

Carlsbad (575) 887-4121

Artesia (575) 748-3333

Hobbs (575) 392-1979

Dept. of Public Safety/Carlsbad (575) 748-9718

Highway Department (575) 885-3281

New Mexico Oil Conservation (575) 476-3440

U.S. Dept. of Labor (575) 887-1174

EOG Resources, Inc.

EOG / Midland Office (432) 686-3600

Company Drilling Consultants:

David Dominique Cell (985) 518-5839

Mike Vann Cell (817) 980-5507

Drilling Engineer

Steve Munsell Office (432) 686-3609

Cell (432) 894-1256

Drilling Manager

Aj Dach Office (432) 686-3751

Cell (817) 480-1167

Drilling Superintendent

Domingo Lopez Office (432) 686-3702

Cell (432) 215-9452

H&P Drilling

H&P Drilling Office (432) 563-5757

H&P 651 Drilling Rig Rig (903) 509-7131

Tool Pusher:

Johnathan Craig Cell (817) 760-6374

Brad Garrett

Safety

Brian Chandler (HSE Manager) Office (432) 686-3695

Cell (817) 239-0251