

Form 3160-3  
(June 2015)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address	3b. Phone No. (include area code)	9. API Well No. 30-015-47934
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		10. Field and Pool, or Exploratory
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area
		12. County or Parish
		13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be requested by the BLM.</li> </ul> |
|---|---|

25. Signature	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		Office

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

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



(Continued on page 2)

\*(Instructions on page 2)

## Additional Operator Remarks

### Location of Well

1. SHL: SESE / 973 FSL / 560 FEL / TWSP: 19S / RANGE: 525E / SECTION: 18 / LAT: 32.6564499 / LONG: -104.5174744 ( TVD: 0 feet, MD: 0 feet )  
PPP: NWSW / 1340 FSL / 100 FWL / TWSP: 19S / RANGE: 25E / SECTION: 17 / LAT: 32.6574577 / LONG: -104.5153228 ( TVD: 2360 feet, MD: 2817 feet )  
BHL: NESE / 1327 FSL / 100 FEL / TWSP: 19S / RANGE: 25E / SECTION: 17 / LAT: 32.6575059 / LONG: -104.4986748 ( TVD: 2595 feet, MD: 7946 feet )

### BLM Point of Contact

Name: Linda (Cathleen) Queen  
Title: Project Manager-Carlsbad Field Office  
Phone: 5752345962  
Email: cqueen@blm.gov

CONFIDENTIAL

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>EOG RESOURCES INCORPORATED</b>
<b>WELL NAME &amp; NO.:</b>	<b>BARB FEDERAL COM 3H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>973'/S &amp; 560'/E</b>
<b>BOTTOM HOLE FOOTAGE:</b>	<b>1327'/S &amp; 100'/E</b>
<b>LOCATION:</b>	<b>Section 18, T.19 S., R.25 E., NMPM</b>
<b>COUNTY:</b>	<b>Eddy County, New Mexico</b>

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input checked="" type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

### A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S 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 **9-5/8** inch surface casing shall be set at approximately **1250** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - 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 7 X 5 ½ inch intermediate casing is:
    - Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**
    - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

### C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
  - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

### D. SPECIAL REQUIREMENT (S)

#### Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the

signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

## GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)  
393-3612

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 Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing 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 Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

- e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
  - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
  - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
  - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
  - e. The results of the test shall be reported to the appropriate BLM office.
  - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

#### C. DRILLING MUD

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

#### D. WASTE MATERIAL AND FLUIDS

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

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

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

**Barb Fed Com 1H:**

**Surface Hole Location: 2486' FNL & 544' FEL, Section 18, T. 19 S., R. 25 E.**

**Bottom Hole Location: 1987' FNL & 100' FEL, Section 17, T. 19 S., R. 25 E.**

**Barb Fed Com 2H:**

**Surface Hole Location: 2501' FNL & 570' FEL, Section 18, T. 19 S., R. 25 E.**

**Bottom Hole Location: 2303' FSL & 100' FEL, Section 17, T. 19 S., R. 25 E.**

**Barb Fed Com 3H:**

**Surface Hole Location: 973' FSL & 560' FEL, Section 18, T. 19 S., R. 25 E.**

**Bottom Hole Location: 1327' FSL & 100' FEL, Section 17, T. 19 S., R. 25 E.**

**Barb Fed Com 4H:**

**Surface Hole Location: 943' FSL & 560' FEL, Section 18, T. 19 S., R. 25 E.**

**Bottom Hole Location: 330' FSL & 100' FEL, Section 17, T. 19 S., R. 25 E.**

## TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
  - Wildlife
  - Cave/Karst
  - Hydrology
- Construction**
  - Notification
  - Topsoil
  - Closed Loop System
  - Federal Mineral Material Pits
  - Well Pads
  - Roads
- Road Section Diagram**
- Production (Post Drilling)**
  - Well Structures & Facilities
  
- Interim Reclamation**
- Final Abandonment & Reclamation**

## **I. GENERAL PROVISIONS**

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

## **II. PERMIT EXPIRATION**

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

## **III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES**

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

## **IV. NOXIOUS WEEDS**

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

## V. SPECIAL REQUIREMENT(S)

### **Wildlife Management Mitigation:** Aplomado Falcon

- No yuccas or trees over 5 feet in height will be damaged, to protect nesting structures.
- All active raptor nests will be avoided by a minimum of 400 meters by all activities or curtail activities until fledging is complete. All inactive raptor nests will be avoided by a minimum of 200 meters by all activities.

### **Cave/Karst Surface Mitigation**

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

#### **Construction:**

##### **General Construction:**

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

##### **Pad Construction:**

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will be vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

**Tank Battery Construction:**

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

**Road Construction:**

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

**Buried Pipeline/Cable Construction:**

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

**Powerline Construction:**

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- Special restoration stipulations or realignment may be required if subsurface voids are encountered.

**Surface Flowlines Installation:**

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

**Leak Detection System:**

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

#### **Automatic Shut-off Systems:**

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

#### **Cave/Karst Subsurface Mitigation**

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

#### **Closed Loop System:**

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

#### **Rotary Drilling with Fresh Water:**

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

#### **Directional Drilling:**

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

#### **Lost Circulation:**

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

#### **Abandonment Cementing:**

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

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

**Pressure Testing:**

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

**Watershed Management Mitigation:**

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation a leak detection plan should be developed. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is

present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

## **VI. CONSTRUCTION**

### **A. NOTIFICATION**

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

### **B. TOPSOIL**

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

### **C. CLOSED LOOP SYSTEM**

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

### **D. FEDERAL MINERAL MATERIALS PIT**

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

### **E. WELL PAD SURFACING**

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

### **F. EXCLOSURE FENCING (CELLARS & PITS)**

### **Exclosure Fencing**

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

## **G. ON LEASE ACCESS ROADS**

### **Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

### **Surfacing**

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

### **Crowning**

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

### **Ditching**

Ditching shall be required on both sides of the road.

### **Turnouts**

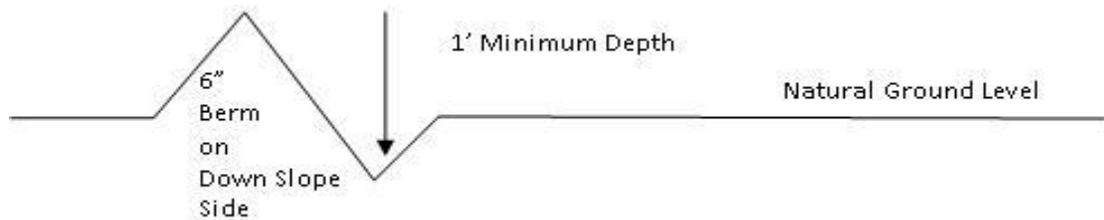
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

### **Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

### Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

### Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

### Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

### Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

### Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

- Construction Steps**
1. Salvage topsoil
  2. Construct road
  3. Redistribute topsoil
  4. Revegetate slopes

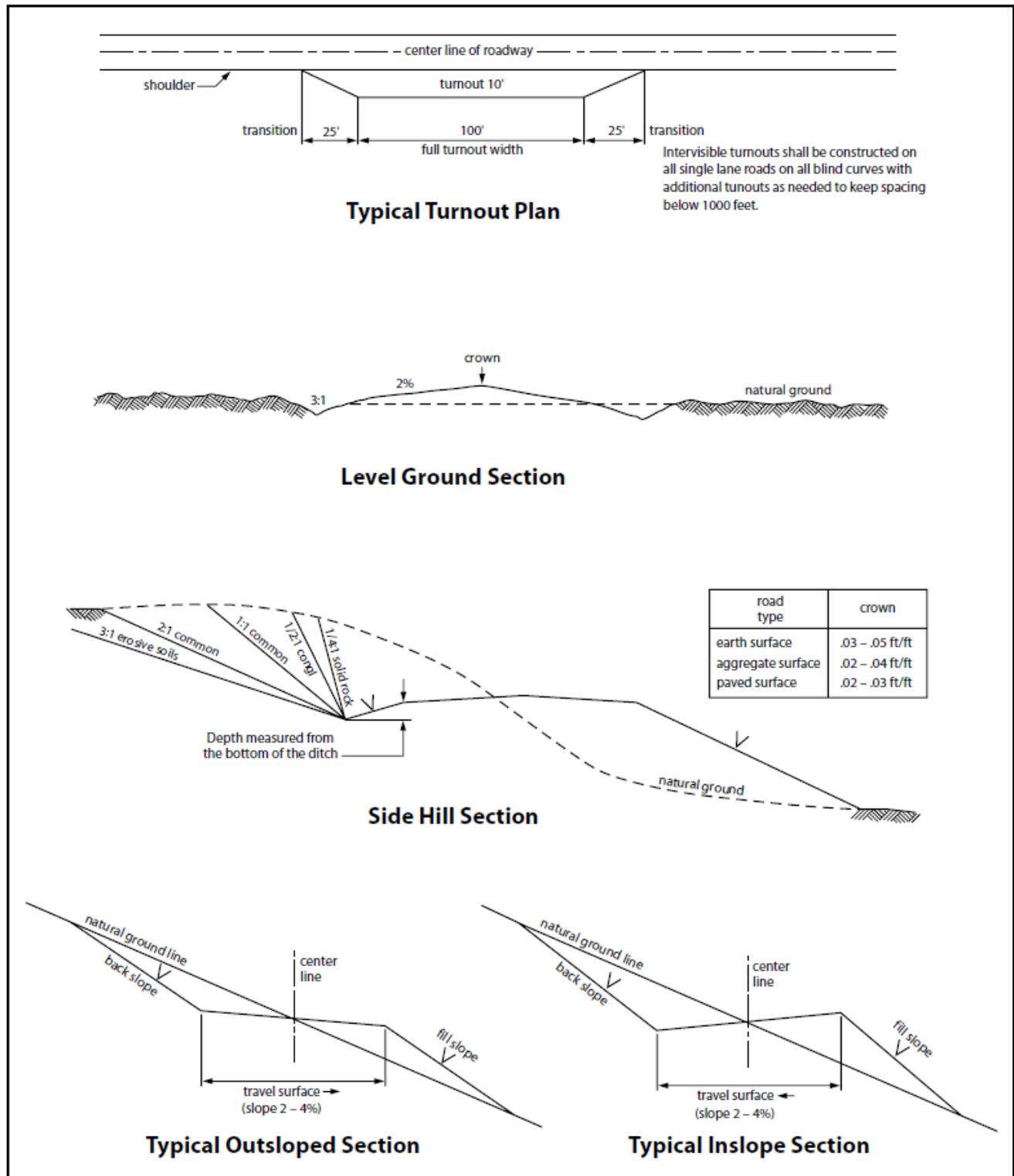


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## VII. PRODUCTION (POST DRILLING)

### A. WELL STRUCTURES & FACILITIES

#### **Placement of Production Facilities**

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

#### **Exclosure Netting (Open-top Tanks)**

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

#### **Chemical and Fuel Secondary Containment and Exclosure Screening**

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

#### **Open-Vent Exhaust Stack Exclosures**

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

#### **Containment Structures**

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

#### **Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

### **VIII. INTERIM RECLAMATION**

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

### **IX. FINAL ABANDONMENT & RECLAMATION**

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory

revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

**Seed Mixture 1 for Loamy Sites**

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

<u>Species</u>		<u>lb/acre</u>
Plains lovegrass (Eragrostis intermedia)	0.5	
Sand dropseed (Sporobolus cryptandrus)	1.0	
Sideoats grama (Bouteloua curtipendula)	5.0	
Plains bristlegrass (Setaria macrostachya)	2.0	

\*Pounds of pure live seed:

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

EXHIBIT 1a  
EOG Resources, Inc.  
3M Choke Manifold Equipment

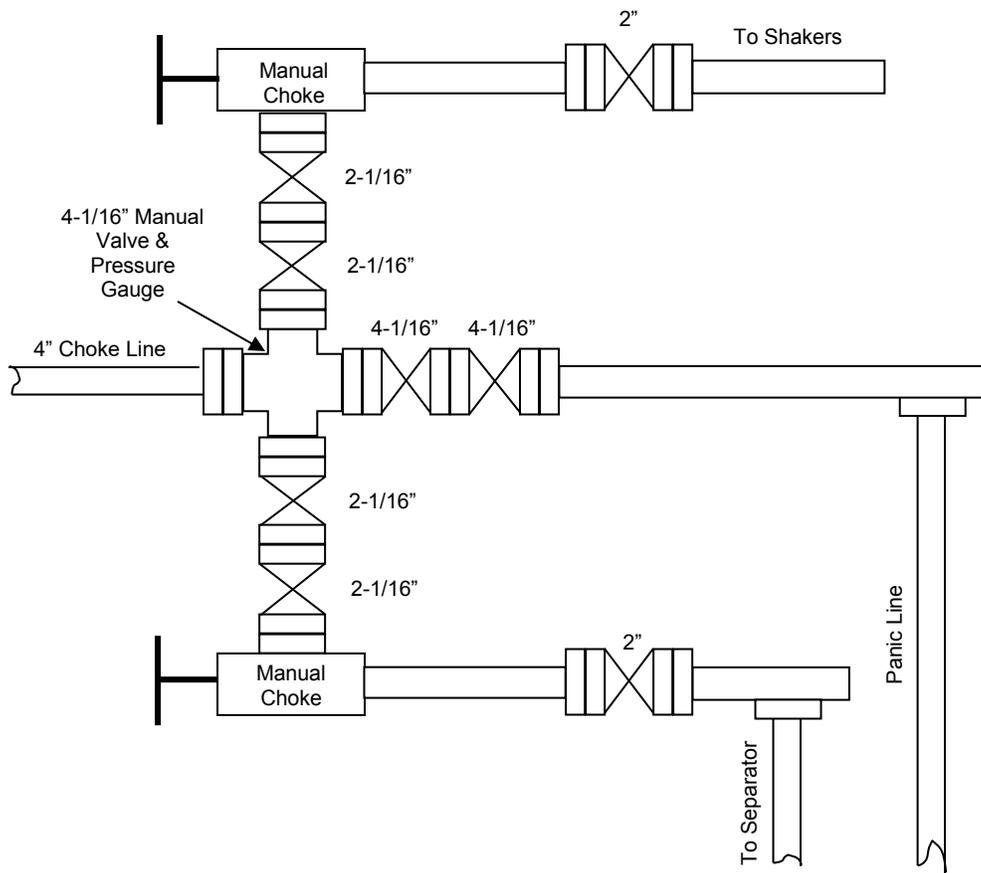
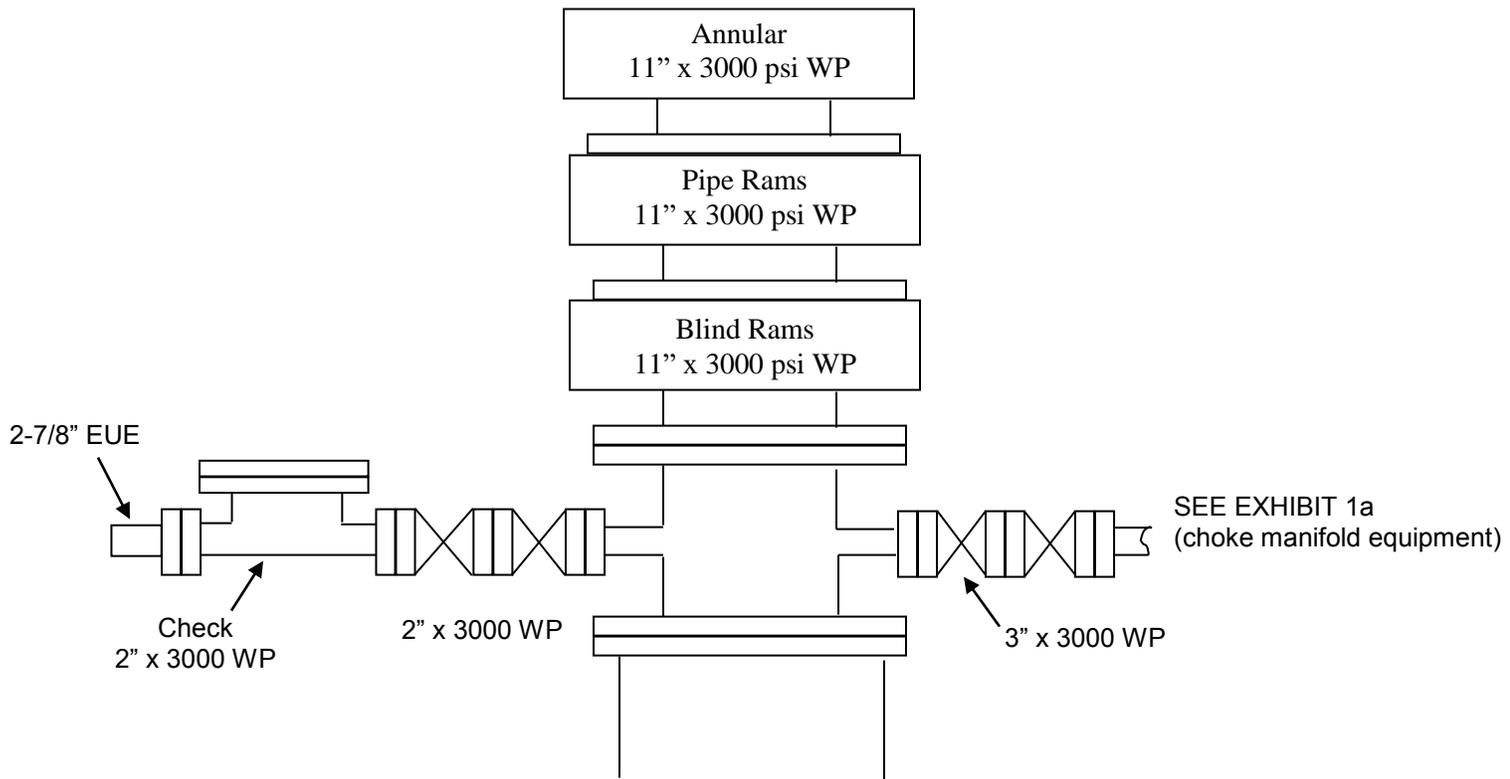


EXHIBIT 1

EOG Resources  
3000 PSI BOPE



**Manufacturer: Midwest Hose & Specialty**

**Serial Number: SN#90067**

**Length: 35'**

**Size: OD = 8" ID = 4"**

**Ends: Flanges Size: 4-1/16"**

**WP Rating: 10,000 psi    Anchors required by manufacturer: No**

**M I D W E S T**  
**H O S E   A N D   S P E C I A L T Y   I N C .**

<b>INTERNAL HYDROSTATIC TEST REPORT</b>			
<b>Customer:</b> CACTUS		<b>P.O. Number:</b> RIG #123 Asset # M10761	
<b>HOSE SPECIFICATIONS</b>			
<b>Type:</b> CHOKE LINE		<b>Length:</b> 35'	
<b>I.D.</b> 4"    INCHES		<b>O.D.</b> 8"    INCHES	
<b>WORKING PRESSURE</b>  10,000    PSI	<b>TEST PRESSURE</b>  15,000    PSI		<b>BURST PRESSURE</b>  PSI
<b>COUPLINGS</b>			
<b>Type of End Fitting</b> 4 1/16 10K FLANGE			
<b>Type of Coupling:</b> SWEDGED		<b>MANUFACTURED BY</b> MIDWEST HOSE & SPECIALTY	
<b>PROCEDURE</b>			
<i>Hose assembly pressure tested with water at ambient temperature.</i>			
<b>TIME HELD AT TEST PRESSURE</b>  1            MIN.		<b>ACTUAL BURST PRESSURE:</b>  0            PSI	
<b>COMMENTS:</b> SN#90057 M10761 Hose is covered with stainless steel armour cover and wrapped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes			
<b>Date:</b> 6/6/2011	<b>Tested By:</b> BOBBY FINK		<b>Approved:</b> MENDI JACKSON



Midwest Hose & Specialty, Inc.

# Internal Hydrostatic Test Graph

Customer: CACTUS

SALES ORDER# 90067

### Hose Specifications

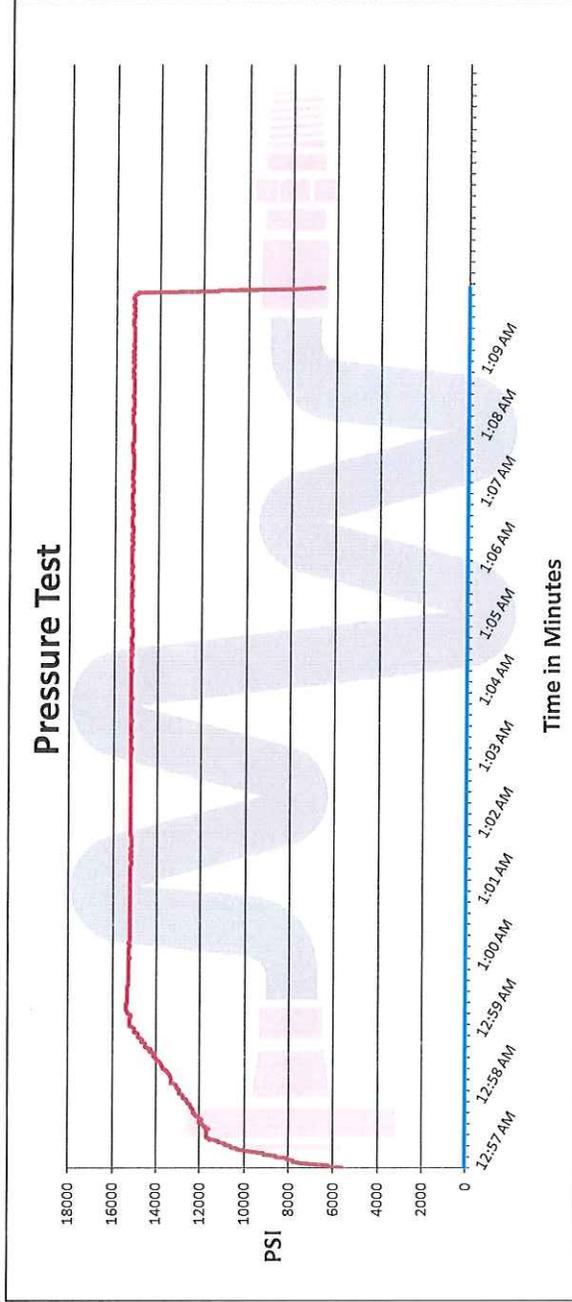
**Hose Type**  
C & K  
**I.D.**  
4"  
**Working Pressure**  
10000 PSI

**Length**  
35'  
**O.D.**  
8"  
**Burst Pressure**  
Standard Safety Multiplier Applies

### Verification

**Type of Fitting**  
4-1/16 10K  
**Die Size**  
6.62"  
**Hose Serial #**  
90067  
**Coupling Method**  
Swage  
**Final O.D.**  
6.68"  
**Hose Assembly Serial #**  
90067

## Pressure Test



**Test Pressure**  
15000 PSI

**Time Held at Test Pressure**  
1.1 1/4 Minutes

**Actual Burst Pressure**

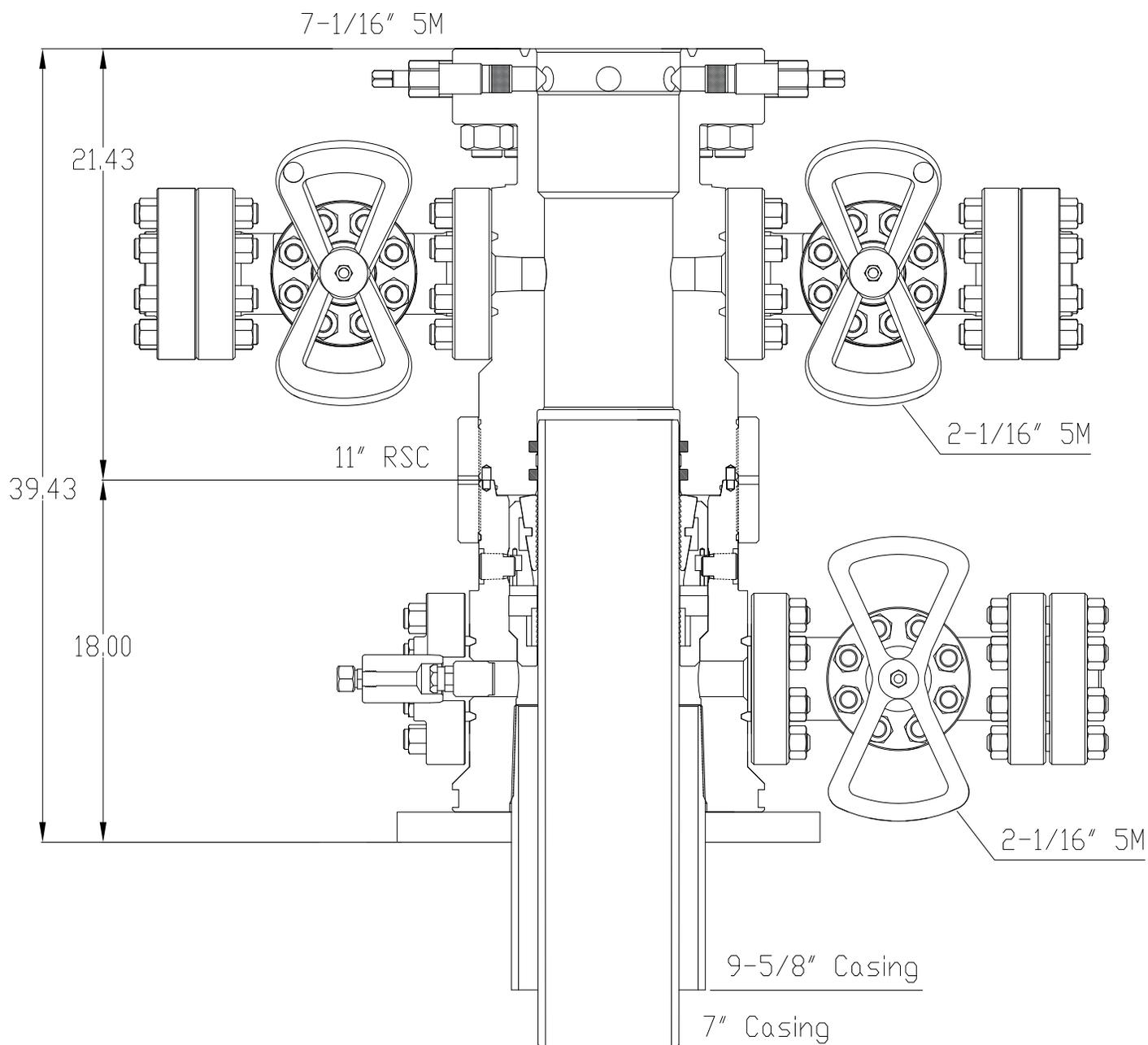
**Peak Pressure**  
15439 PSI

**Comments:** Hose assembly pressure tested with water at ambient temperature.

**Tested By:** Bobby Fink

**Approved By:** Mendi Jackson

Mendi Jackson



\*CONCEPT QUOTE DRAWING

EDG RESOURCES INC.  
 9-5/8" X 7" 5M  
 HES WELLHEAD SYSTEM  
 QUOTE: HDU - 119274

DWN	CB	1/25/18
CHK		
APP		
	BY	DATE



Worldwide Expertise - Global Strength

DRAWING NO  
 WH-17830



## **EOG Resources - Artesia**

**Eddy County (NAD83)**

**Barb**

**Barb Federal Com #3H**

**Lateral**

**Plan: Plan #1**

## **Standard Planning Report**

**25 September, 2018**



Planning Report

<b>Database:</b>	EDM 5000.14	<b>Local Co-ordinate Reference:</b>	Well Barb Federal Com #3H
<b>Company:</b>	EOG Resources - Artesia	<b>TVD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Project:</b>	Eddy County (NAD83)	<b>MD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Site:</b>	Barb	<b>North Reference:</b>	Grid
<b>Well:</b>	Barb Federal Com #3H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan #1		

<b>Project</b>	Eddy County (NAD83)		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	New Mexico Eastern Zone		

<b>Site</b>	Barb				
<b>Site Position:</b>	<b>Northing:</b>	603,682.64 usft	<b>Latitude:</b>	32° 39' 33.970 N	
<b>From:</b> Map	<b>Easting:</b>	484,904.33 usft	<b>Longitude:</b>	104° 31' 0.146 W	
<b>Position Uncertainty:</b>	0.000 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	-0.10 °

<b>Well</b>	Barb Federal Com #3H					
<b>Well Position</b>	<b>+N/-S</b>	-1,086.050 usft	<b>Northing:</b>	602,596.59 usft	<b>Latitude:</b>	32° 39' 23.220 N
	<b>+E/-W</b>	-237.970 usft	<b>Easting:</b>	484,666.36 usft	<b>Longitude:</b>	104° 31' 2.908 W
<b>Position Uncertainty</b>	0.000 usft	<b>Wellhead Elevation:</b>	3,606.000 usft	<b>Ground Level:</b>	3,588.000 usft	

<b>Wellbore</b>	Lateral				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2015	6/14/2018	7.32	60.29	47,988.47546054

<b>Design</b>	Plan #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.000
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	0.000	0.000	0.000	86.295

<b>Plan Survey Tool Program</b>	<b>Date</b>	9/12/2018		
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>
1	0.000	7,945.321 Plan #1 (Lateral)	MWD	
			OWSG MWD - Standard	

<b>Plan Sections</b>										
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
0.000	0.00	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	
1,656.860	0.00	0.000	1,656.860	0.000	0.000	0.00	0.00	0.00	0.00	
2,323.527	60.00	49.600	2,208.189	206.303	242.405	9.00	9.00	0.00	49.60	
2,398.527	60.00	49.600	2,245.689	248.400	291.869	0.00	0.00	0.00	0.00	
2,789.699	87.37	89.894	2,358.841	365.145	635.690	12.00	7.00	10.30	62.15	
7,945.798	87.37	89.894	2,595.000	374.660	5,786.370	0.00	0.00	0.00	0.00	[BFC#3H]BHL1



Planning Report

<b>Database:</b>	EDM 5000.14	<b>Local Co-ordinate Reference:</b>	Well Barb Federal Com #3H
<b>Company:</b>	EOG Resources - Artesia	<b>TVD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Project:</b>	Eddy County (NAD83)	<b>MD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Site:</b>	Barb	<b>North Reference:</b>	Grid
<b>Well:</b>	Barb Federal Com #3H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan #1		

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)
0.000	0.00	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00
100.000	0.00	0.000	100.000	0.000	0.000	0.000	0.00	0.00	0.00
200.000	0.00	0.000	200.000	0.000	0.000	0.000	0.00	0.00	0.00
300.000	0.00	0.000	300.000	0.000	0.000	0.000	0.00	0.00	0.00
400.000	0.00	0.000	400.000	0.000	0.000	0.000	0.00	0.00	0.00
500.000	0.00	0.000	500.000	0.000	0.000	0.000	0.00	0.00	0.00
600.000	0.00	0.000	600.000	0.000	0.000	0.000	0.00	0.00	0.00
700.000	0.00	0.000	700.000	0.000	0.000	0.000	0.00	0.00	0.00
800.000	0.00	0.000	800.000	0.000	0.000	0.000	0.00	0.00	0.00
900.000	0.00	0.000	900.000	0.000	0.000	0.000	0.00	0.00	0.00
1,000.000	0.00	0.000	1,000.000	0.000	0.000	0.000	0.00	0.00	0.00
1,100.000	0.00	0.000	1,100.000	0.000	0.000	0.000	0.00	0.00	0.00
1,200.000	0.00	0.000	1,200.000	0.000	0.000	0.000	0.00	0.00	0.00
1,300.000	0.00	0.000	1,300.000	0.000	0.000	0.000	0.00	0.00	0.00
1,400.000	0.00	0.000	1,400.000	0.000	0.000	0.000	0.00	0.00	0.00
1,500.000	0.00	0.000	1,500.000	0.000	0.000	0.000	0.00	0.00	0.00
1,600.000	0.00	0.000	1,600.000	0.000	0.000	0.000	0.00	0.00	0.00
1,656.860	0.00	0.000	1,656.860	0.000	0.000	0.000	0.00	0.00	0.00
<b>KOP 9°/100' BUILD RATE</b>									
1,700.000	3.88	49.600	1,699.967	0.947	1.113	1.172	9.00	9.00	0.00
1,750.000	8.38	49.600	1,749.668	4.408	5.179	5.453	9.00	9.00	0.00
1,800.000	12.88	49.600	1,798.797	10.386	12.203	12.849	9.00	9.00	0.00
1,850.000	17.38	49.600	1,847.051	18.843	22.141	23.312	9.00	9.00	0.00
1,900.000	21.88	49.600	1,894.132	29.728	34.931	36.779	9.00	9.00	0.00
1,950.000	26.38	49.600	1,939.750	42.974	50.495	53.166	9.00	9.00	0.00
2,000.000	30.88	49.600	1,983.625	58.499	68.736	72.372	9.00	9.00	0.00
2,050.000	35.38	49.600	2,025.484	76.207	89.543	94.280	9.00	9.00	0.00
2,100.000	39.88	49.600	2,065.071	95.989	112.786	118.753	9.00	9.00	0.00
2,150.000	44.38	49.600	2,102.141	117.723	138.324	145.641	9.00	9.00	0.00
2,200.000	48.88	49.600	2,136.466	141.275	165.997	174.778	9.00	9.00	0.00
2,250.000	53.38	49.600	2,167.834	166.499	195.636	205.985	9.00	9.00	0.00
2,300.000	57.88	49.600	2,196.052	193.242	227.058	239.070	9.00	9.00	0.00
2,323.527	60.00	49.600	2,208.189	206.303	242.405	255.229	9.00	9.00	0.00
<b>START 75' TANGENT</b>									
2,398.527	60.00	49.600	2,245.689	248.400	291.869	307.309	0.00	0.00	0.00
<b>END 60°/100' TANGENT/START 12° BR</b>									
2,400.000	60.08	49.780	2,246.425	249.225	292.842	308.333	12.00	5.61	12.24
2,425.000	61.52	52.796	2,258.622	262.868	309.870	326.207	12.00	5.76	12.06
2,450.000	63.03	55.728	2,270.254	275.788	327.832	344.966	12.00	6.02	11.73
2,475.000	64.59	58.581	2,281.290	287.950	346.677	364.558	12.00	6.25	11.41
2,500.000	66.21	61.361	2,291.699	299.320	366.355	384.930	12.00	6.47	11.12
2,525.000	67.87	64.071	2,301.452	309.868	386.812	406.026	12.00	6.66	10.84
2,550.000	69.58	66.716	2,310.523	319.564	407.991	427.787	12.00	6.84	10.58
2,575.000	71.33	69.303	2,318.887	328.382	429.835	450.155	12.00	6.99	10.35
2,600.000	73.11	71.837	2,326.520	336.298	452.283	473.068	12.00	7.13	10.13
2,625.000	74.93	74.323	2,333.403	343.289	475.275	496.463	12.00	7.25	9.94
2,650.000	76.77	76.767	2,339.516	349.338	498.746	520.276	12.00	7.36	9.77
2,675.000	78.63	79.173	2,344.842	354.426	522.633	544.442	12.00	7.45	9.63
2,700.000	80.51	81.548	2,349.367	358.541	546.871	568.894	12.00	7.53	9.50
2,725.000	82.41	83.898	2,353.079	361.671	571.392	593.567	12.00	7.59	9.40
2,750.000	84.32	86.226	2,355.967	363.808	596.129	618.391	12.00	7.64	9.31
2,775.000	86.24	88.539	2,358.023	364.944	621.016	643.299	12.00	7.68	9.25
2,789.699	87.37	89.894	2,358.841	365.145	635.690	657.955	12.00	7.70	9.22



Planning Report

<b>Database:</b>	EDM 5000.14	<b>Local Co-ordinate Reference:</b>	Well Barb Federal Com #3H
<b>Company:</b>	EOG Resources - Artesia	<b>TVD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Project:</b>	Eddy County (NAD83)	<b>MD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Site:</b>	Barb	<b>North Reference:</b>	Grid
<b>Well:</b>	Barb Federal Com #3H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan #1		

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)
<b>[BFC#3H]EOC1 2790' MD (2359' TVD)</b>									
2,800.000	87.37	89.894	2,359.313	365.164	645.980	668.225	0.00	0.00	0.00
2,816.824	87.37	89.894	2,360.083	365.195	662.787	684.998	0.00	0.00	0.00
<b>[BFC#3H]JUMP1 2817' MD (2360' TVD)</b>									
2,900.000	87.37	89.894	2,363.893	365.349	745.875	767.923	0.00	0.00	0.00
3,000.000	87.37	89.894	2,368.473	365.533	845.770	867.621	0.00	0.00	0.00
3,100.000	87.37	89.894	2,373.053	365.718	945.665	967.319	0.00	0.00	0.00
3,200.000	87.37	89.894	2,377.634	365.902	1,045.560	1,067.017	0.00	0.00	0.00
3,300.000	87.37	89.894	2,382.214	366.087	1,145.455	1,166.715	0.00	0.00	0.00
3,400.000	87.37	89.894	2,386.794	366.271	1,245.350	1,266.413	0.00	0.00	0.00
3,500.000	87.37	89.894	2,391.374	366.456	1,345.245	1,366.111	0.00	0.00	0.00
3,600.000	87.37	89.894	2,395.954	366.640	1,445.139	1,465.809	0.00	0.00	0.00
3,700.000	87.37	89.894	2,400.535	366.825	1,545.034	1,565.508	0.00	0.00	0.00
3,800.000	87.37	89.894	2,405.115	367.009	1,644.929	1,665.206	0.00	0.00	0.00
3,900.000	87.37	89.894	2,409.695	367.194	1,744.824	1,764.904	0.00	0.00	0.00
4,000.000	87.37	89.894	2,414.275	367.378	1,844.719	1,864.602	0.00	0.00	0.00
4,100.000	87.37	89.894	2,418.855	367.563	1,944.614	1,964.300	0.00	0.00	0.00
4,200.000	87.37	89.894	2,423.435	367.748	2,044.509	2,063.998	0.00	0.00	0.00
4,300.000	87.37	89.894	2,428.016	367.932	2,144.404	2,163.696	0.00	0.00	0.00
4,400.000	87.37	89.894	2,432.596	368.117	2,244.298	2,263.394	0.00	0.00	0.00
4,500.000	87.37	89.894	2,437.176	368.301	2,344.193	2,363.092	0.00	0.00	0.00
4,600.000	87.37	89.894	2,441.756	368.486	2,444.088	2,462.790	0.00	0.00	0.00
4,700.000	87.37	89.894	2,446.336	368.670	2,543.983	2,562.488	0.00	0.00	0.00
4,800.000	87.37	89.894	2,450.917	368.855	2,643.878	2,662.186	0.00	0.00	0.00
4,900.000	87.37	89.894	2,455.497	369.039	2,743.773	2,761.884	0.00	0.00	0.00
5,000.000	87.37	89.894	2,460.077	369.224	2,843.668	2,861.582	0.00	0.00	0.00
5,100.000	87.37	89.894	2,464.657	369.408	2,943.563	2,961.280	0.00	0.00	0.00
5,200.000	87.37	89.894	2,469.237	369.593	3,043.457	3,060.978	0.00	0.00	0.00
5,300.000	87.37	89.894	2,473.817	369.777	3,143.352	3,160.676	0.00	0.00	0.00
5,400.000	87.37	89.894	2,478.398	369.962	3,243.247	3,260.375	0.00	0.00	0.00
5,500.000	87.37	89.894	2,482.978	370.147	3,343.142	3,360.073	0.00	0.00	0.00
5,600.000	87.37	89.894	2,487.558	370.331	3,443.037	3,459.771	0.00	0.00	0.00
5,700.000	87.37	89.894	2,492.138	370.516	3,542.932	3,559.469	0.00	0.00	0.00
5,800.000	87.37	89.894	2,496.718	370.700	3,642.827	3,659.167	0.00	0.00	0.00
5,900.000	87.37	89.894	2,501.299	370.885	3,742.722	3,758.865	0.00	0.00	0.00
6,000.000	87.37	89.894	2,505.879	371.069	3,842.617	3,858.563	0.00	0.00	0.00
6,100.000	87.37	89.894	2,510.459	371.254	3,942.511	3,958.261	0.00	0.00	0.00
6,200.000	87.37	89.894	2,515.039	371.438	4,042.406	4,057.959	0.00	0.00	0.00
6,300.000	87.37	89.894	2,519.619	371.623	4,142.301	4,157.657	0.00	0.00	0.00
6,400.000	87.37	89.894	2,524.199	371.807	4,242.196	4,257.355	0.00	0.00	0.00
6,500.000	87.37	89.894	2,528.780	371.992	4,342.091	4,357.053	0.00	0.00	0.00
6,600.000	87.37	89.894	2,533.360	372.176	4,441.986	4,456.751	0.00	0.00	0.00
6,700.000	87.37	89.894	2,537.940	372.361	4,541.881	4,556.449	0.00	0.00	0.00
6,800.000	87.37	89.894	2,542.520	372.546	4,641.776	4,656.147	0.00	0.00	0.00
6,900.000	87.37	89.894	2,547.100	372.730	4,741.670	4,755.845	0.00	0.00	0.00
7,000.000	87.37	89.894	2,551.681	372.915	4,841.565	4,855.544	0.00	0.00	0.00
7,100.000	87.37	89.894	2,556.261	373.099	4,941.460	4,955.242	0.00	0.00	0.00
7,200.000	87.37	89.894	2,560.841	373.284	5,041.355	5,054.940	0.00	0.00	0.00
7,300.000	87.37	89.894	2,565.421	373.468	5,141.250	5,154.638	0.00	0.00	0.00
7,400.000	87.37	89.894	2,570.001	373.653	5,241.145	5,254.336	0.00	0.00	0.00
7,500.000	87.37	89.894	2,574.581	373.837	5,341.040	5,354.034	0.00	0.00	0.00
7,600.000	87.37	89.894	2,579.162	374.022	5,440.935	5,453.732	0.00	0.00	0.00
7,700.000	87.37	89.894	2,583.742	374.206	5,540.829	5,553.430	0.00	0.00	0.00



Planning Report

<b>Database:</b>	EDM 5000.14	<b>Local Co-ordinate Reference:</b>	Well Barb Federal Com #3H
<b>Company:</b>	EOG Resources - Artesia	<b>TVD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Project:</b>	Eddy County (NAD83)	<b>MD Reference:</b>	KB @ 3606.000usft (Training Rig)
<b>Site:</b>	Barb	<b>North Reference:</b>	Grid
<b>Well:</b>	Barb Federal Com #3H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan #1		

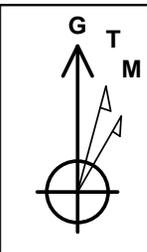
Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
7,800.000	87.37	89.894	2,588.322	374.391	5,640.724	5,653.128	0.00	0.00	0.00
7,900.000	87.37	89.894	2,592.902	374.575	5,740.619	5,752.826	0.00	0.00	0.00
7,945.798	87.37	89.894	2,595.000	374.660	5,786.370	5,798.486	0.00	0.00	0.00
<b>[BFC#3H]BHL1 7946' MD (2595' TVD)</b>									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
[BFC#3H]JUMP1 - hit/miss target - Shape	0.00	0.000	2,360.000	365.510	662.790	602,962.10	485,329.15	32° 39' 26.848 N	104° 30' 55.162 W
- plan misses target center by 0.326usft at 2816.824usft MD (2360.084 TVD, 365.195 N, 662.787 E)									
- Point									
[BFC#3H]BHL1 - plan hits target center - Point	0.00	0.000	2,595.000	374.660	5,786.370	602,971.25	490,452.73	32° 39' 27.021 N	104° 29' 55.229 W

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Local Coordinates	
					Comment
1,656.860	1,656.860	0.000	0.000		KOP 9°/100' BUILD RATE
2,323.527	2,208.189	206.303	242.405		START 75' TANGENT
2,398.527	2,245.689	248.400	291.869		END 60°/100' TANGENT/START 12° BR
2,789.699	2,358.841	365.145	635.690		[BFC#3H]EOC1 2790' MD (2359' TVD)
2,816.824	2,360.083	365.195	662.787		[BFC#3H]JUMP1 2817' MD (2360' TVD)
7,945.798	2,595.000	374.660	5,786.370		[BFC#3H]BHL1 7946' MD (2595' TVD)

Project: Eddy County (NAD83)  
 Site: Barb  
 Well: Barb Federal Com #3H  
 Wellbore: Lateral  
 Design: Plan #1  
 Ground Elevation 3588.000  
 Northing 602596.59  
 Easting 484666.36

PROJECT DETAILS: Eddy County (NAD83)  
 Geodetic System: US State Plane 1983  
 Datum: North American Datum 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico Eastern Zone  
 System Datum: Mean Sea Level



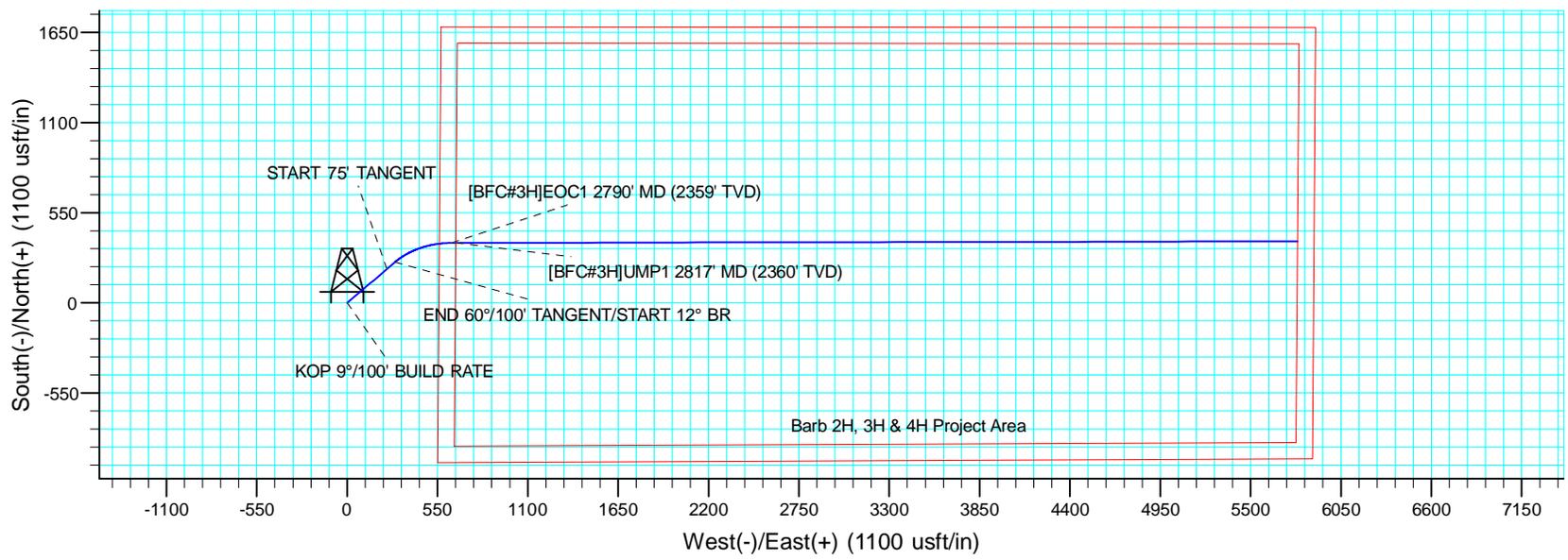
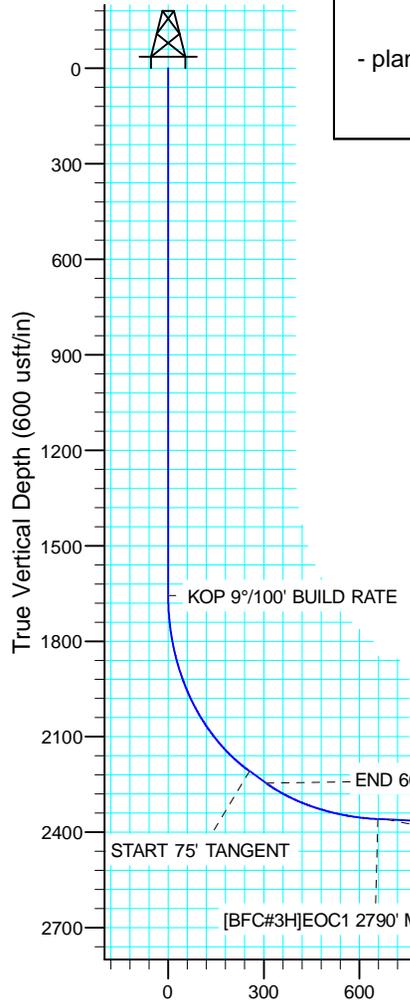
Azimuths to Grid North  
 True North: 0.10°  
 Magnetic North: 7.41°  
 Magnetic Field  
 Strength: 47988.5snT  
 Dip Angle: 60.29°  
 Date: 6/14/2018  
 Model: IGRF2015

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
1	0.000	0.00	0.000	0.000	0.000	0.000	0.00	0.00	0.000
2	1656.860	0.00	0.000	1656.860	0.000	0.000	0.00	0.00	0.000
3	2323.527	60.00	49.600	2208.189	206.303	242.405	9.00	49.60	255.229
4	2398.527	60.00	49.600	2245.689	248.400	291.869	0.00	0.00	307.309
5	2789.699	87.37	89.894	2358.841	365.145	635.690	12.00	62.15	657.955
6	7945.799	87.37	89.894	2595.000	374.660	5786.370	0.00	0.00	5798.487

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting
[BFC#3H]UMP1	2360.000	365.510	662.790	602962.10	485329.15
- plan misses target center by 0.326usft at 2816.824usft MD (2360.084 TVD, 365.195 N, 662.787 E)					
[BFC#3H]BHL1	2595.000	374.660	5786.370	602971.25	490452.73
- plan hits target center					



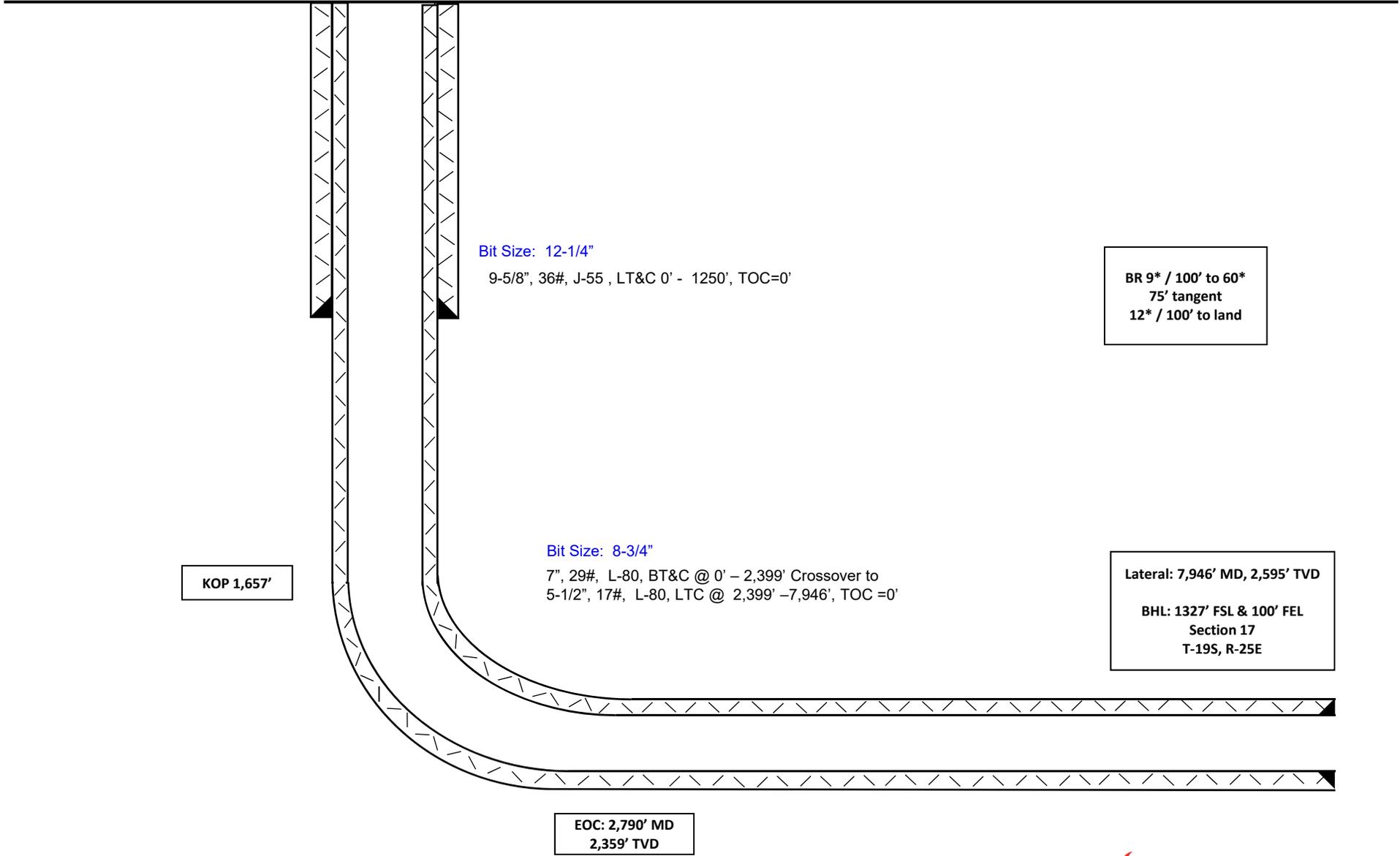
973' FSL  
560' FEL  
Section 18  
T-19S, R-25E

# Barb Federal Com #3H

## Proposed Wellbore

API: 30-015-\*\*\*\*\*

KB: 3,599'  
GL: 3,581'





District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 9/13/18

Original Operator & OGRID No.: EOG Resources, Inc. 7377  
 Amended - Reason for Amendment: \_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Barb Federal Com 3H		P-18-19S-25E	973' FSL & 560' FEL	500	0	
Barb Federal Com 4H		P-18-19S-25E	943' FNL & 560' FEL	500	0	

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is not dedicated to Lucid Energy and will be connected to Lucid Energy's ~~low~~/~~high~~ pressure gathering system located in Eddy County, New Mexico. It will require 2800' of pipeline to connect the facility to ~~low~~/~~high~~ pressure gathering system. EOG Resources, Inc. provides (periodically) to Lucid Energy a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources, Inc. and Lucid Energy have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Lucid Energy Processing Plant located in Sec. 26, Twn. 18S, Rng. 25E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Gas Transporter system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

**Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

**EOG RESOURCES, INC.  
BARB FEDERAL COM NO. 3H**

**1. GEOLOGIC NAME OF SURFACE FORMATION:**

Permian

**2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:**

San Andres	515'
Glorieta	1,990'
Yeso	2,070'
TD	7,946'

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

San Andres	515'	Fresh Water, Oil
Glorieta	1,990'	Oil
Yeso	2,070'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 9.625" casing at 1250' and circulating cement back to surface.

**4. CASING PROGRAM - NEW**

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF <sub>min</sub> Collapse	DF <sub>min</sub> Burst	DF <sub>min</sub> Tension
12.25"	0'-1250'	9.625"	36#	J-55	LTC	1.125	1.25	1.60
8.75"	0' -2399 '	7"	29#	L-80	BTC	1.125	1.25	1.60
8.75"	2399'-7946'	5 1/2"	17#	L-80	BTC	1.125	1.25	1.60

**Cementing Program:**

Note: Cement volumes based on bit size plus 100% excess on surface and 35% excess in production string.

Depth	No. Sacks	Wt. lb/gal	Yld Ft <sup>3</sup> /ft	Cubic Ft	Slurry Description
1250'	265	12.9	1.97	93	Lead: Class 'C' + 4%PF20(Bentonite Gel) + 2%PF1(Calcium Chloride) + 0.125#/skPF29(Celloflake) + 0.4#/skPF45 (Defoamer) 100% Excess (TOC @ Surface)
	200	1.34	1.34	48	Tail: Class 'C' + 2%PF1(Calcium Chloride)
7946'	200	11.9	2.47	88	Lead: Class 50/50 PozC + 5%PF44(BWOW)(Salt) + 10% PF20(Bentonite Gel) +.2%PF153(Anti Settling Agent( + 3#/sk OF42(Kolseal) + 0.125#/sk PF29 (celloflake) + 0.4#/sk PF45 (Defoamer) (TOC @ Surface) 35% Excess
	1280	13	1.48	337	Tail: Class PVL + 1.3% PF44(BWOW)(Salt) + 5% PF174 (Expanding Cement) + 0.5% PF606 (Fluid Loss) + 0.1% PF153 (Anti Settling Agent) + 0.4#/sk PF45 (Defoamer) 35% Excess

**EOG RESOURCES, INC.  
BARB FEDERAL COM NO. 3H**

**5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

A variance is requested to use a co-flex line between the BOP and choke manifold, dependent on rig selection (instead of using a steel line). Certification and specs are attached.

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a double rams with blind rams & pipe rams preventer (3,000 psi WP) and an annular preventer (3,000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 3,000/ 250 psig and the annular preventer to 1,500/ 250 psig. The surface casing will be tested to 1200 psi for 30 minutes.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

A hydraulically operated choke will be installed prior to drilling out of the surface casing shoe.

**6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:**

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal.

The applicable depths and properties of the drilling fluid systems are as follows.

<b>Depth</b>	<b>Type</b>	<b>Weight (ppg)</b>	<b>Viscosity</b>	<b>Water Loss</b>
0 – 1250'	Fresh Water	8.6-8.8	28-32	N/c
1250' – 7946' Vertical/Curve/Lateral	Fresh Water	8.6-8.8	28-32	N/c

The highest mud weight needed to balance formation is expected to be 8.8 ppg. In order to maintain hole stability, mud weights up to 8.8 ppg may be utilized.

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

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

**EOG RESOURCES, INC.  
BARB FEDERAL COM NO. 3H**

**7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:**

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) H<sub>2</sub>S monitoring and detection equipment will be utilized from surface casing point to TD.

**8. LOGGING, TESTING AND CORING PROGRAM:**

Open-hole logs are not planned for this well.

GR-Directional surveys will be run in open hole during drilling phase of operations.

**9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:**

The estimated bottom-hole temperature (BHT) at TD is 105 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 1187 psig (based on 8.8 ppg MW). Hydrogen sulfide has been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from spud to surface casing point.

**10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

The drilling operation should be finished in approximately one month. If the well is productive, an additional 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.

- (A) EOG Resources requests the option to contract a Surface Rig to drill, set surface casing, and cement on the subject well. After WOC 8 hours or 500 psi compressive strength (whichever is greater), the Surface Rig will move off so the wellhead can be installed. A welder will cut the casing to the proper height and weld on the wellhead (both "A" and "B" sections). The weld will be tested to 1000 psi. All valves will be closed and a wellhead cap will be installed (diagram attached). If the timing between rigs is such that EOG Resources would not be able to preset the surface, the Primary Rig will MIRU and drill the well in its entirety per the APD.

**EOG RESOURCES, INC.  
BARB FEDERAL COM NO. 3H**

**11. WELLHEAD:**

A multi-bowl wellhead system will be utilized.

After running the 9-5/8" surface casing, a 9 5/8" BOP/BOPE system with a minimum working pressure of 3,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 3,000 psi pressure test. This pressure test will be repeated at least every 30 days, as per Onshore Order No. 2

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 3,000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo HES Multi-Bowl WH system has been sent to the NM BLM office in Carlsbad, NM.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

The surface casing string will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

**Barb Federal Com #1H, #2H, #3H & #4H**

**Production Cement Contingency**

EOG Resources respectfully requests approval of a 2 stage production cement contingency for the production string of our wells. If losses are encountered after drill out of surface casing we request the option to cement in 2 stages with the use of a packer stage/DV tool. The placement of the tool will be based off the loss zone and set below the lost circulation zone to help ensure cement to surface on the production string of casing. Cement volumes will be adjusted based on the placement of the tool.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN EOG Resources, Inc.**

Barb Federal Com 3H

973' FSL and 560' FEL Section 18, T19S-R25E - Surface Hole Location

1327' FSL and 100' FEL Section 17, T19S-R25E -Bottom Hole Location

Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

### 1. EXISTING ROADS:

Attached is a portion of the County map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 22 miles southwest of Artesia, New Mexico and the access route to the location is indicated on Exhibit. Operator will maintain existing roads in condition the same or better than before operations begin. Operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures along the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use. Operator will reasonably prevent and abate fugitive dust as needed when created by vehicular traffic and equipment caused by the operator. The BLM's written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.

#### DIRECTIONS:

(See Exhibit A) From Artesia, go South on US-285 for approximately 12.9 miles. Turn right (West) onto CR21 (Rockin R Red Road). Travel West on CR28 for 7.1 miles. Turn right (North) on to lease road for 0.1 miles. Location is located 200 feet West of road.

### 2. PLANNED ACCESS ROAD.

- A. (See Exhibit) Existing access road runs along Southeast edge of well location. The road will be crowned and ditched to a 2% slope from the tip of the crown to the edge of the driving surface.
- B. The road will be 14 feet in width (driving surface) and will be adequately drained to control to control runoff and soil erosion. Ditches will be 3' wide with a 3:1 slopes.
- C. The road will be bladed with drainage on one side. A traffic turnout may be built.
- D. Existing roads will be maintained in the same or better condition.
- E. The route of road is visible.

### 3. LOCATION OF EXISTING WELL

- A. There is no drilling activity within a one-mile radius of the well site.
- B. Exhibits shows existing wells within a one-mile radius of the proposed well site.

**Barb Federal Com 3H**

**Page 2**

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. Central tank battery will be an on location gathering facility with water and gas take away.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate closest pit and obtain any permits and materials needed for construction of the well location.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. This well will be drilled with a closed loop system
- B. The closed loop system will be constructed, maintained, and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division – the “Pit Rule” 19.15.17 NMAC.
- C. Drilling fluids will be removed after drilling and completions are completed.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None.

9. WELLSITE LAYOUT:

- A. Attached exhibit shows the relative location and dimensions of the well pad, the closed loop mud system, location of the drilling equipment. All of the location will be constructed within the 350' x 380' staked area.
- B. A 350' x 380' area has been staked and flagged.

9. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible. The location will be reduced to a 250' x 250' after completion operations have been conducted. At this point the surfacing material will be removed and topsoil will be redistributed. The area will be contoured as closely as possible to its original state and reseeded. Please note attached Reclamation Plat.

**Barb Federal Com 3H**  
**Page 3**

- B. If the proposed well is plugged and abandoned, all equipment and other material will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible. At this point the surfacing material will be removed, topsoil will be redistributed. The area will be contoured as closely as possible to its original location and reseeded. These actions will be completed and accomplished as expeditiously as possible.
- C. The reclamation of the pad will be done in sixty days if possible after the well is put in production.

11. SURFACE OWNERSHIP:

Surface Estate: Howell Revocable Trust  
PO Box 75  
Lakewood, NM 88254-0075

Mineral Estate: Federal Lease NMNM-125008  
Leased to EOG Y Resources, Inc.  
104 South Fourth Street  
Artesia, NM 88210

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

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

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

COMMENTS

Action 14093

**COMMENTS**

Operator:	EOG RESOURCES INC	P.O. Box 2267	Midland, TX79702	OGRID:	7377	Action Number:	14093	Action Type:	FORM 3160-3
Created By	Comment				Comment Date				
kpickford	KP GEO Review 1/7/2020				01/07/2021				

**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 14093

**CONDITIONS OF APPROVAL**

Operator: EOG RESOURCES INC	P.O. Box 2267 Midland, TX79702	OGRID: 7377	Action Number: 14093	Action Type: FORM 3160-3
--------------------------------	-----------------------------------	----------------	-------------------------	-----------------------------

OCD Reviewer	Condition
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system