U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Reports
04/08/2021

Well Name: STREETCAR 15 FED Well Location: T25S / R33E / SEC 15 / County or Parish/State: LEA /

SESE / 32.1255253 / -103.5559404

Well Number: 502H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMNM26079 Unit or CA Name: Unit or CA Number:

US Well Number: 300254751300X1 Well Status: Approved Application for Operator: EOG RESOURCES

Permit to Drill INCORPORATED

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Other

Date Sundry Submitted: 04/07/2021 Time Sundry Submitted: 08:01

Date proposed operation will begin: 04/06/2021

Procedure Description: EOG respectfully requests an amendment to our approved APD for this well to reflect the following changes for the purpose of a re-drill: Well number change from 502H to 502Y SHL change from T-25-S R-33-E Sec. 15 811 feet FSL 1325 feet FEL Lea Co., NM to T-25-S R-33-E Sec. 15 811 feet FSL 1292 feet FEL Lea Co., NM

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Streetcar_15_Fed_502Y_Permit_Info____Redrill_4.7.2021_20210407080116.pdf

Streetcar_15_Fed__20210407080115

Streetcar_15_Fed__20210407080115

10_M_Choke_Manifold_20210407080105.pdf

EOG_Cameron_3_String_13in_10M_MNDS_20210407080105.PDF

EOG_BLM_Variance_1c___10M_Annular_Variance___3_String_Large_surface_hole_20210407080105.pdf

Co_Flex_Hose_Test_Chart_20210407080105.pdf

10_M_BOP_Diagram_4_String_20210407080104.pdf

Co_Flex_Hose_Certification_20210407080104.pdf

STREETCAR_15_FED_502Y_C_102_20210407080054.pdf

eceived by OCD: 4/8/2021 1:29:44 PM Well Name: STREETCAR 15 FED

Well Location: T25S / R33E / SEC 15 /

SESE / 32.1255253 / -103.5559404

County or Parish/State: LEA/

NM

Well Number: 502H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM26079

Unit or CA Name:

Unit or CA Number:

US Well Number: 300254751300X1

000054754000\/4

Well Status: Approved Application for

Permit to Drill

Operator: EOG RESOURCES

INCORPORATED

Streetcar_15_Fed_502Y_3160_003_20210407080053.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: HARRELL Signed on: APR 07, 2021 08:01 AM

Name: EOG RESOURCES INCORPORATED

Title: Regulatory Specialist

Street Address: 5509 CHAMPIONS DRIVE

Phone: (432) 848-9161

City: MIDLAND

Email address: Star_Harrell@eogresources.com

Field Representative

Representative Name:

Street Address:

State:

State: TX

Zip:

Phone:

City:

Email address:

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752342234 **BLM POC Email Address:** cwalls@blm.gov

Disposition: Approved **Disposition Date:** 04/08/2021

Signature: Chris Walls

Page 2 of 2

County

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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

East/West line

WELL LOCATION AND ACREAGE DEDICATION PLAT

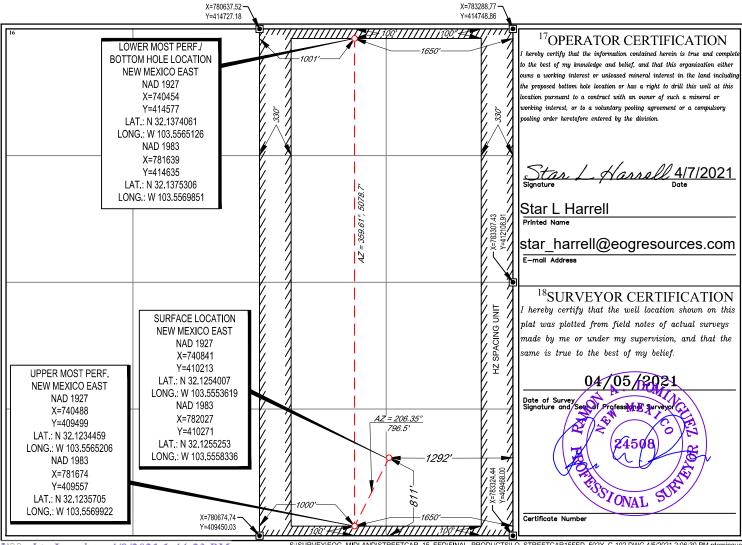
| ۱ | ¹ API Numbe | | | ³ Pool Name | | |
|---|------------------------|--|-----------------------|------------------------|--------------------------|--|
| | 30-025- | | 96392 | Draper Mill; Bone Spi | ring | |
| ſ | ⁴Property Code | | ⁵ Pr | operty Name | ⁶ Well Number | |
| | 315310 | | STREETCAR 15 FED 502Y | | | |
| ſ | ⁷ OGRID №. | ⁸ Operator Name ⁹ Elev | | | | |
| | 7377 | | 3355' | | | |

¹⁰Surface Location

North/South line

| UL OF IOURO. | Section | TOWNSHIP | Kange | Lot Iun | reet from the | North/South line | reet irom the | Last/ West line | County |
|--|--|----------|-------|---------|---------------|------------------|---------------|-----------------|--------|
| P | 15 | 25-S | 33-E | - | 811' | SOUTH | 1292' | EAST | LEA |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| В | 15 | 25-S | 33-E | - | 100' | NORTH | 1650' | EAST | LEA |
| 12Dedicated Acres | 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. | | | | | | | | |
| 320.00 | | | | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Released to Imaging: 4/8/2021 1:44:23 PM

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Revised Permit Information 4/7/2021:

Well Name: Streetcar 15 Fed #502Y

Location:

SHL: 811' FSL & 1292' FEL, Section 15, T-25-S, R-33-E, Lea Co., N.M. BHL: 100' FNL & 1650' FEL, Section 15, T-25-S, R-33-E, Lea Co., N.M.

Casing Program:

| Hole | | Csg | | | | DF _{min} | DF _{min} | DF _{min} |
|--------|-----------------|---------|--------|---------|------|-------------------|-------------------|-------------------|
| Size | Interval | OD | Weight | Grade | Conn | Collapse | Burst | Tension |
| 17.5" | 0' - 1,275' | 13.375" | 54.5# | J-55 | STC | 1.125 | 1.25 | 1.60 |
| 12.25" | 0'-4,000' | 9.625" | 40# | J-55 | LTC | 1.125 | 1.25 | 1.60 |
| 12.25" | 4,000' – 4,940' | 9.625" | 40# | HCK-55 | LTC | 1.125 | 1.25 | 1.60 |
| 8.75" | 0'-11,137' | 5.5" | 17# | HCP-110 | LTC | 1.125 | 1.25 | 1.60 |
| 8.5" | 11,137'- | 5.5" | 17# | HCP-110 | LTC | 1.125 | 1.25 | 1.60 |
| | 15,803' | | | | | | | |

Variance is requested to waive the centralizer requirements for the 9-5/8" casing in the 12-1/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 12-1/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" casing in the 8-3/4" and 8-1/2" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" and 8-1/2" hole interval to maximize cement bond and zonal isolation.

Cementing Program:

| | No. | Wt. | Yld | |
|---------|-------|------|---------------------|--|
| Depth | Sacks | ppg | Ft ³ /sk | Slurry Description |
| 1,275' | 390 | 13.5 | 1.73 | Lead: Class C + 4.0% Bentonite + 0.5% CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ Surface) |
| | 100 | 14.8 | 1.34 | Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate (TOC @ 1,075') |
| 4,940' | 720 | 9.0 | 3.5 | Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx (TOC @ Surface) |
| | 320 | 14.4 | 1.20 | Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 3,950') |
| 15,803' | 600 | 11.0 | 3.21 | Lead: Class C + 3% CaCl2 + 3% Microbond (TOC @ 4,440') |
| | 1,330 | 14.4 | 1.2 | Tail: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC @ 10,403') |

| Additive | Purpose |
|---------------------|---|
| Bentonite Gel | Lightweight/Lost circulation prevention |
| Calcium Chloride | Accelerator |
| Cello-flake | Lost circulation prevention |
| Sodium Metasilicate | Accelerator |
| MagOx | Expansive agent |
| Sodium Chloride | Accelerator |
| FL-62 | Fluid loss control |
| Halad-344 | Fluid loss control |
| Halad-9 | Fluid loss control |
| HR-601 | Retarder |
| Microbond | Expansive Agent |

Note: Cement volumes based on bit size plus at least 25% excess in the open hole plus 10% excess in the cased-hole overlap section.

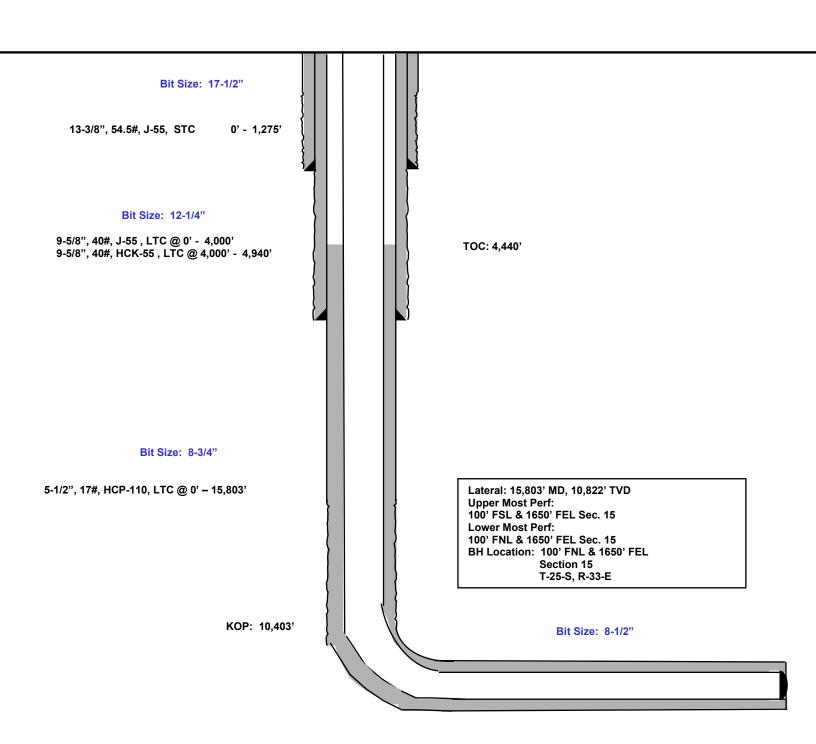
| Depth | Type | Weight (ppg) | Viscosity | Water Loss |
|------------------|-------------|--------------|-----------|------------|
| 0 – 1,275' | Fresh - Gel | 8.6-8.8 | 28-34 | N/c |
| 1,275' – 4,940' | Brine | 8.6-8.8 | 28-34 | N/c |
| 4,865' – 18,304' | Oil Base | 8.8-9.5 | 58-68 | N/c - 6 |

811' FSL 1325' FEL Section 15 T-25-S, R-33-E

Proposed Wellbore

KB: 3,381' GL: 3,356'

API: 30-025-****



Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 2. Name of Operator 9. API Well No. 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 11. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface At proposed prod. zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 20. BLM/BIA Bond No. in file 19. Proposed Depth to nearest well, drilling, completed, applied for, on this lease, ft. 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) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). BLM Name (Printed/Typed) Date ar L Harrell Date Approved by (Signature) Name (Printed/Typed) 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)

INSTRUCTIONS

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

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

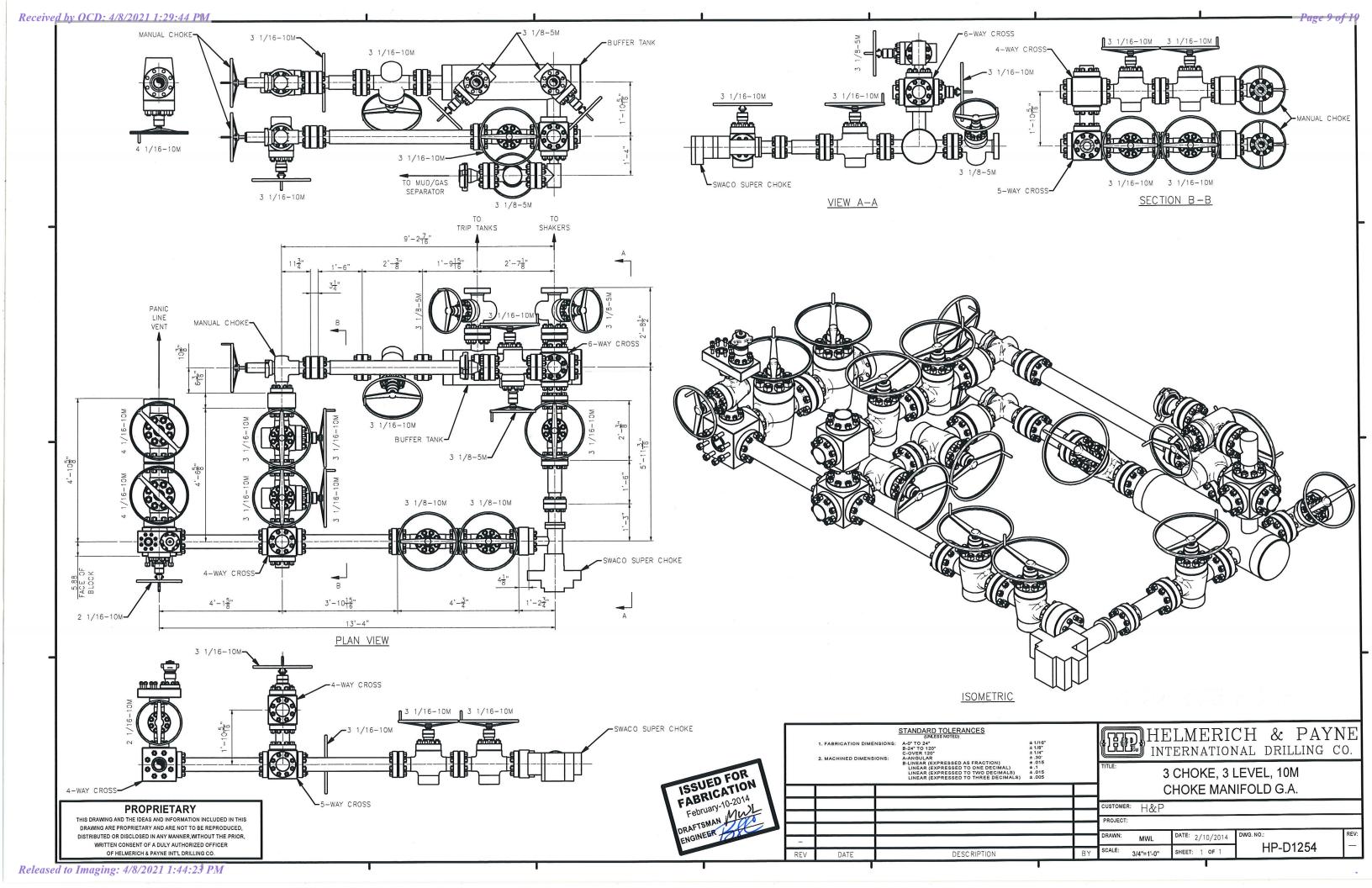
ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

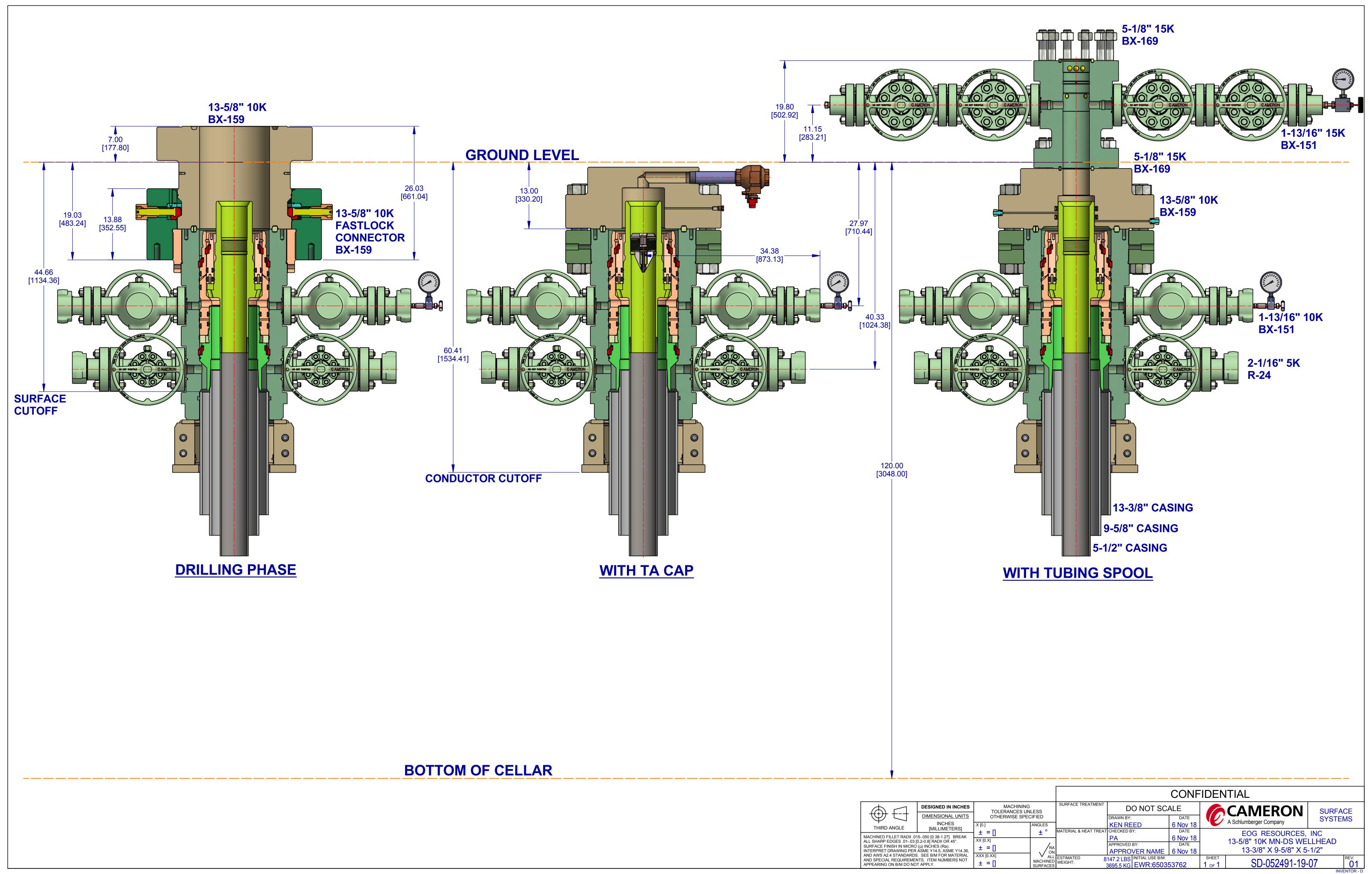
The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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



Page 10 of 19



10,000 PSI BOP Annular Variance Request (EOG Variance 1c)

EOG Resources request a variance to use a 5000 psi annular BOP with a 10,000 psi BOP stack. The component and compatibility tables along with the general well control plans demonstrate how the 5000 psi annular BOP will be protected from pressures that exceed its rated working pressure (RWP). The pressure at which the control of the wellbore is transferred from the annular preventer to another available preventer will not exceed 3500 psi (70% of the RWP of the 5000 psi annular BOP).

1. Component and Preventer Compatibility Tables

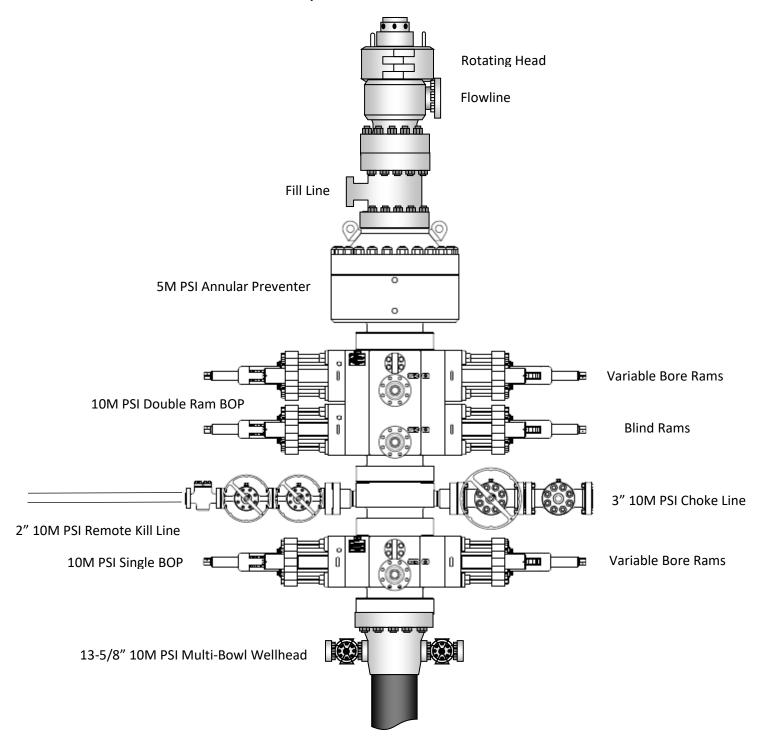
The tables below outlines the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

| 12-1/4" Intermediate Hole Section 10M psi requirement | | | | | | | |
|---|-----------------|--------------------------|-----|------------------------|-----|--|--|
| Component | OD | Primary Preventer | RWP | Alternate Preventer(s) | RWP | | |
| Drillpipe | 5.000" or | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | |
| | 4.500" | | | Lower 3.5 - 5.5" VBR | 10M | | |
| HWDP | 5.000" or | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | |
| | 4.500" | | | Lower 3.5 - 5.5" VBR | 10M | | |
| Jars | 6.500" | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | |
| | | | | Lower 3.5 - 5.5" VBR | 10M | | |
| DCs and MWD tools | 6.500" - 8.000" | Annular | 5M | - | - | | |
| Mud Motor | 8.000" - 9.625" | Annular | 5M | - | - | | |
| 1 st Intermediate casing | 9.625" | Annular | 5M | - | - | | |
| Open-hole | - | Blind Rams | 10M | - | - | | |

| | 8-3/4" Production Hole Section | | | | | | | |
|-------------------------------------|--------------------------------|-------------------|-----|------------------------|-----|--|--|--|
| C | 10M psi requirement | | | | | | | |
| Component | OD | Primary Preventer | RWP | Alternate Preventer(s) | RWP | | | |
| Drillpipe | 5.000" or | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | | |
| | 4.500" | | | Lower 3.5 - 5.5" VBR | 10M | | | |
| HWDP | 5.000" or | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | | |
| | 4.500" | | | Lower 3.5 - 5.5" VBR | 10M | | | |
| Jars | 6.500" | Annular | 5M | Upper 3.5 - 5.5" VBR | 10M | | | |
| | | | | Lower 3.5 - 5.5" VBR | 10M | | | |
| DCs and MWD tools | 6.500" - 8.000" | Annular | 5M | - | - | | | |
| Mud Motor | 6.750" - 8.000" | Annular | 5M | - | - | | | |
| 2 nd Intermediate casing | 7.625" | Annular | 5M | - | - | | | |
| Open-hole | - | Blind Rams | 10M | - | - | | | |

VBR = Variable Bore Ram

EOG Resources 13-5/8" 10M PSI BOP Stack



2. Well Control Procedures

Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. At least one well control drill will be performed weekly per crew to demonstrate compliance with the procedure and well control plan. The well control drill will be recorded in the daily drilling log. The type of drill will be determined by the ongoing operations, but reasonable attempts will be made to vary the type of drill conducted (pit, trip, open hole, choke, etc.). This well control plan will be available for review by rig personnel in the EOG Resources drilling supervisor's office on location, and on the rig floor. All BOP equipment will be tested as per Onshore O&G Order No. 2 with the exception of the 5000 psi annular which will be tested to 100% of its RWP.

General Procedure While Drilling

- 1. Sound alarm (alert crew)
- 2. Space out drill string
- 3. Shut down pumps (stop pumps and rotary)
- 4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
- 5. Confirm shut-in
- 6. Notify toolpusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Tripping

- 1. Sound alarm (alert crew)
- 2. Stab full opening safety valve and close
- 3. Space out drill string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
- 5. Confirm shut-in
- 6. Notify toolpusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Running Production Casing

- 1. Sound alarm (alert crew)
- 2. Stab crossover and full opening safety valve and close
- 3. Space out string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
- 5. Confirm shut-in
- 6. Notify toolpusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure With No Pipe In Hole (Open Hole)

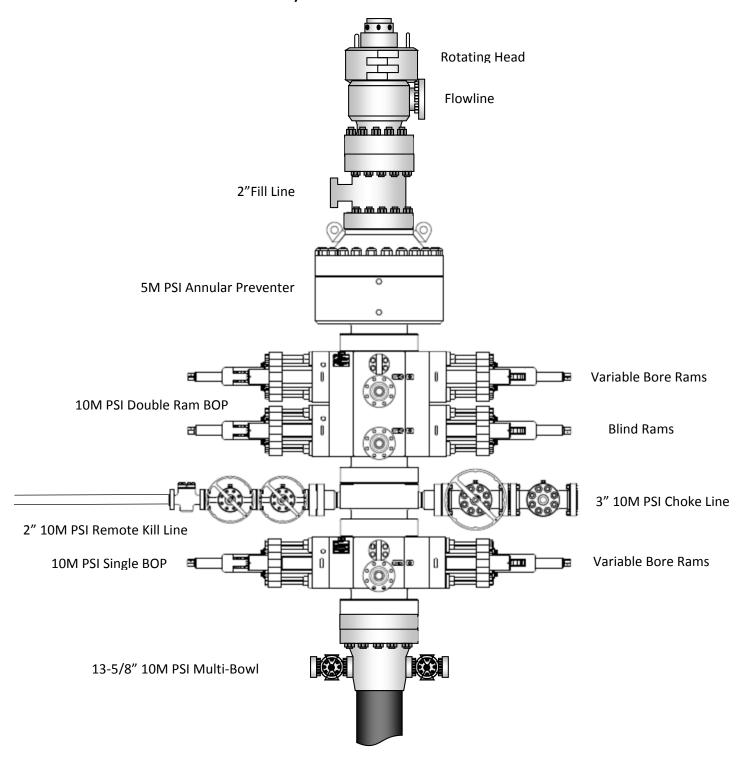
- 1. Sound alarm (alert crew)
- 2. Shut-in with blind rams. (HCR and choke will already be in the closed position.)
- 3. Confirm shut-in
- 4. Notify toolpusher/company representative
- 5. Read and record the following:
 - a. SICP
 - b. Pit gain
 - c. Time
- 6. Regroup and identify forward plan

General Procedures While Pulling BHA thru Stack

- 1. PRIOR to pulling last joint of drillpipe thru the stack.
 - a. Perform flowcheck, if flowing:
 - b. Sound alarm (alert crew)
 - c. Stab full opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper variable bore rams.
 - e. Shut-in using upper variable bore rams. (HCR and choke will already be in the closed position.)
 - f. Confirm shut-in
 - g. Notify toolpusher/company representative
 - h. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - i. Regroup and identify forward plan

- 2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with upset just beneath the upper variable bore rams.
 - d. Shut-in using upper variable bore rams. (HCR and choke will already be in the closed position.)
 - e. Confirm shut-in
 - f. Notify toolpusher/company representative
 - g. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - h. Regroup and identify forward plan
- 3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
 - c. If impossible to pick up high enough to pull the string clear of the stack:
 - d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
 - e. Space out drill string with tooljoint just beneath the upper variable bore ram.
 - f. Shut-in using upper variable bore ram. (HCR and choke will already be in the closed position.)
 - g. Confirm shut-in
 - h. Notify toolpusher/company representative
 - i. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - j. Regroup and identify forward plan

Exhibit 1
EOG Resources
13-5/8" 10M PSI BOP Stack



Hose Inspection Report

ContiTech Oil & Marine

| Customer | Customer Reference # | CBC Reference # | CBC Inspector | Date of Inspection |
|--------------|----------------------|-----------------|----------------------|--------------------|
| H&P Drilling | 740021604 | COM906112 | A. Jaimes | 10/17/2016 |

| Hose Manufacturer | Contitech Rubber Industrial |
|--------------------------|-----------------------------|
|--------------------------|-----------------------------|

| Hose Serial # | 62429 | | Date of Manufacture | 05/2012 |
|------------------|----------|---------|-------------------------|----------|
| Hose I.D. | 3" | | Working Pressure | 10000PSI |
| Hose Type | Choke an | d Kill | Test Pressure | 15000PSI |
| Manufacturing St | andard | API 16C | | |

Connections

| End A: 3.1/16" 10KPsi API Spec 6A Type 6BX Flange | End B: 3.1/16" 10Kpsi API Spec 6A Type 6BX Flange |
|---|---|
| No damage | No damage |
| Material: Carbon Steel | Material: Carbon Steel |
| Seal Face: BX154 | Seal Face: BX154 |
| Length Before Hydro Test: 16' | Length After Hydro test: 16' |

Conclusion: Hose #62429 passed the external inspection with no notable damages to the hose armor. Internal borescope of the hose showed no damage to the hose liner. Hose #62429 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #62429 is suitable for continued service.

Recommendations: In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

Visual inspection: Every 3 months (or during installation/removal)

Annual: In-situ pressure test

Initial 5 years service: Major inspection 2nd Major inspection: 8 / 10 years of service

(Detailed description of test regime available upon request, ISS-059 Rev 04)

**NOTE: There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service life, in particular maximums and peak conditions.

Issued By: Alejandro Jaimes **Checked By:** Jeremy Mckay **Date:** 10/25/2016

Date: 10/25/2016

QF97

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

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

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

CONDITIONS

Action 23477

CONDITIONS OF APPROVAL

| Opera | tor: | | | OGRID: | Action Number: | Action Type: |
|-------|-------------------|---------------|------------------|--------|----------------|--------------|
| | EOG RESOURCES INC | P.O. Box 2267 | Midland, TX79702 | 7377 | 23477 | FORM 3160-3 |

| OCD Reviewer | Condition | | |
|-----------------|---|--|--|
| pkautz | Will require a File As Drilled C-102 and a Directional Survey with the C-104 | | |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zo shall immediately set in cement the water protection string | | |