Form 3160-3 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Serial No.

A DDI	ICATION FOR	DEDMIT TO	DDILL	OD DEENITE

NMNM110838	

FORM APPROVED OMB No. 1004-0137

Expires: January 31, 2018

APPLICATION FOR PERMIT TO D	6. If Indian, Allotee or Tribe Name					
1a. Type of work: PRILL R	EENTER			7. If Unit or CA Agre	ement, N	Name and No.
1b. Type of Well: Oil Well Gas Well O	ther					
1c. Type of Completion: Hydraulic Fracturing Si		8. Lease Name and V	Vell No.			
70. Type of completion.	ngie Zone	Multiple Zone		705H 32	26336	
2. Name of Operator EOG RESOURCES INCORPORATED 7377				9. API Well No. 30025 470	45	
3a. Address	3b. Phone No.	(include area coa	le)	10. Field and Pool, o		
1111 Bagby Sky Lobby2 Houston TX 77002	(713)651-7000	ס		PERMIAN / WC-02	5 G-08 S	S253235G; LV
4. Location of Well (Report location clearly and in accordance v	vith any State req	quirements.*)		11. Sec., T. R. M. or		
At surface NENW / 200 FNL / 1683 FWL / LAT 32.137	3091 / LONG -1	103.614452		SEC 18 / T25S / R3	33E / NM	1P
At proposed prod. zone SESW / 2540 FNL / 1980 FWL /	LAT 32.116363	36 / LONG -103	.6135148			
14. Distance in miles and direction from nearest town or post off	ice*			12. County or Parish LEA		13. State
15. Distance from proposed* 200 feet	16. No of acres	in lease	17. Spacii	ng Unit dedicated to th	is well	
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	1761.04		480.28			
18. Distance from proposed location*	19. Proposed D	Depth	20. BLM/	BIA Bond No. in file		
to nearest well, drilling, completed, applied for, on this lease, ft.	12379 feet / 19	9950 feet	FED: NM	12308		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)		te date work will	start*	23. Estimated duration	on	
3489 feet	04/24/2020	4/24/2020 25 days				
	24. Attachm	nents				
The following, completed in accordance with the requirements of (as applicable)	f Onshore Oil and	d Gas Order No.	1, and the H	Iydraulic Fracturing ru	le per 43	CFR 3162.3-3
 Well plat certified by a registered surveyor. A Drilling Plan. 	4	Bond to cover the Item 20 above).	ne operation	s unless covered by an	existing l	bond on file (see
3. A Surface Use Plan (if the location is on National Forest Systes SUPO must be filed with the appropriate Forest Service Office		. Operator certific . Such other site s BLM.		mation and/or plans as	may be re	equested by the
25. Signature	Name (P)	rinted/Typed)			Date	
(Electronic Submission)	Yolanda	Maese / Ph: (57	75)748-432	29	06/18/20	019
Title SR OPERATIONS ASSISTANT						
Approved by (Signature)		rinted/Typed)			Date	
(Electronic Submission)		yton / Ph: (575):	234-5959		03/30/20	020
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.

CARLSBAD

Conditions of approval, if any, are attached.

Assistant Field Manager Lands & Minerals

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.

> APPROVED WITH CONDITIONS **Approval Date: 03/30/2020**

04|03|2020

SL

GCP Rec 03/31/2020

*(Instructions on page 2)

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | **EOG RESOURCES, INC.**

LEASE NO.: | NMNM110838

WELL NAME & NO.: ICY 18 FED 705H SURFACE HOLE FOOTAGE: 200'/N & 1638'/W

BOTTOM HOLE FOOTAGE | 2540'/N & 1980'/W

LOCATION: Section 18, T.25 S., R.33 E., NMP

COUNTY: Lea County, New Mexico

COA

H2S	O Yes	● No	
Potash	None	© Secretary	© R-111-P
Cave/Karst Potential	© Low	Medium	[©] High
Variance	None	Flex Hose	Other Other
Wellhead	Conventional	• Multibowl	© Both
Other	☐4 String Area	Capitan Reef	□WIPP
Other	Fluid Filled	✓ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	□СОМ	☐ Unit

A. Hydrogen Sulfide

1. 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

The Primary Casing Design is the only design approved for this APD.

- 1. The 9-5/8 inch surface casing shall be set at approximately 1,040 feet (a minimum of 25 feet (Lea 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.

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Approval Date: 03/30/2020

- 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 7-5/8 inch intermediate casing is:

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage.

First Stage

• Operator will cement to **7,825** feet with intent to reach the top of Brushy Canyon.

Second Stage

• Operator will perform bradenhead squeeze. Cement to surface. If cement does not circulate see B.1.a, c-d above.

Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. Operator must run Echo-meter to verify fluid top and the volume of displacement fluid above the cement slurry in the annulus.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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. BOP Break Testing is not permitted.
- 3. 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 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

JJP03242020

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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)
 - Chaves and Roosevelt Counties
 Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
 During office hours call (575) 627-0272.
 After office hours call (575)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 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 2nd 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.
- 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.
- 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: 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.
- 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.

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

939'
1,013'
1,352'
4,778'
5,012'
5,025'
5,978'
7,825'
9,153'
10,115
10,340'
10,681'
11,173
11,831'
12,281'
12,379

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	5,978'	Oil
Brushy Canyon	7,825'	Oil
1st Bone Spring Sand	10,115'	Oil
2 nd Bone Spring Shale	10,340'	Oil
2 nd Bone Spring Sand	10,681'	Oil
3 rd Bone Spring Carbonate	11,173'	Oil
3 rd Bone Spring Sand	11,831'	Oil
Wolfcamp	12,281'	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 1,040' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole		Csg				DF _{min}	DF _{min}	$\mathbf{DF_{min}}$
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
12.25"	0'-1,040'	9.625"	40#	J-55	LTC	1.125	1.25	1.60
8.75"	0' - 11,275'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0'-10,775'	5.5"	20#	P-110EC	LTC	1.125	1.25	1.60
6.75"	10,775'-11,275'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	11,275' – 19,950'	5.5"	20#	P-110EC	LTC	1.125	1.25	1.60

Variance is requested to waive the centralizer requirements for the 7-5/8" FJ casing in the 8-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 8-3/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive any centralizer requirements for the 5-1/2" FJ casing in the 6-3/4" hole size. An expansion additive will be utilized, in the cement slurry, for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

Variance is also requested to waive the annular clearance requirements for the 5-1/2" casing by 7-5/8" casing annulus to the proposed top of cement.

EOG requests permission to allow deviation from the 0.422" annulus clearance requirement from Onshore Order #2 under the following conditions:

- Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casing strings.
- Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

EOG Resources also requests approval to implement Casing Design B (pg. 8-9). BLM will be notified of elected design at spud.

Cementing Program:

	No.	Wt.	Yld	
Depth	Sacks	ppg	Ft ³ /sk	Slurry Description
1,040'	890	13.5	1.73	Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl ₂ + 0.25
9-5/8"				lb/sk Cello-Flake (TOC @ Surface)
	80	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
				Sodium Metasilicate (TOC @ 840')
11,275'	440	14.2	1.11	1st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 +
7-5/8"				3% Microbond (TOC @ 7,825')
	1,000	12.7	2.30	2 nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1%
				PreMag-M + 6% Bentonite Gel (TOC @ surface)
19,950'	760	14.2	1.31	Lead: Class H + 0.4% Halad-344 + 0.35% HR-601 + 3%
5-1/2"				Microbond (TOC @ 10,775')

Additive	Purpose
Bentonite Gel	Lightweight/Lost circulation prevention
Calcium Chloride	Accelerator
Cello-flake	Lost circulation prevention
Sodium Metasilicate	Accelerator
MagOx	Expansive agent
Pre-Mag-M	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

EOG requests to pump a two stage cement job on the 7-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (7,825') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. The final cement top will be verified by Echo-meter.

EOG will include the Echo-meter verified fluid top and the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program.

EOG will report to the BLM the volume of fluid (limited to 5 bbls) used to flush intermediate casing valves following backside cementing procedures.

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.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5,000-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.

EOG requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test to 100% RWP is conducted on the first well on the pad.
- When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
- Full BOP test will be required prior to drilling any production hole.

Variance is requested to use a 5,000 psi annular BOP with the 10,000 psi BOP stack.

Pipe rams and 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 intermediate 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.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,040'	Fresh - Gel	8.6-8.8	28-34	N/c
1,040' – 11,275'	Brine	10.0-10.2	28-34	N/c
11,275' – 11,907'	Oil Base	8.7-9.4	58-68	N/c - 6
11,907' – 19,950'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

The highest mud weight needed to balance formation is expected to be 11.5 ppg. In order to maintain hole stability, mud weights up to 14.0 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.

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) H₂S 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-CCL Will be run in cased hole during completions phase of operations.

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

The estimated bottom-hole temperature (BHT) at TD is 181 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 9,002 psig and a maximum anticipated surface pressure of 6,279 psig (based on 14.0 ppg MW). No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. Severe loss circulation is expected from 7,300' to Intermediate 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.

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 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 10,000 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 10,000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Cactus 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.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 5000 psi.

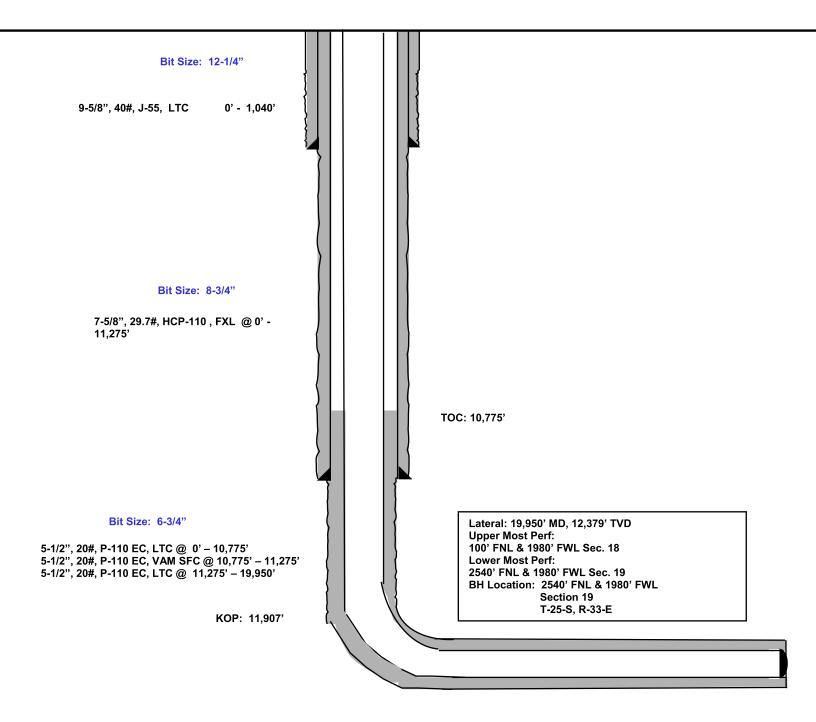
Casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

200' FNL 1683' FWL Section 18 T-25-S, R-33-E

Proposed Wellbore Design A

API: 30-025-****

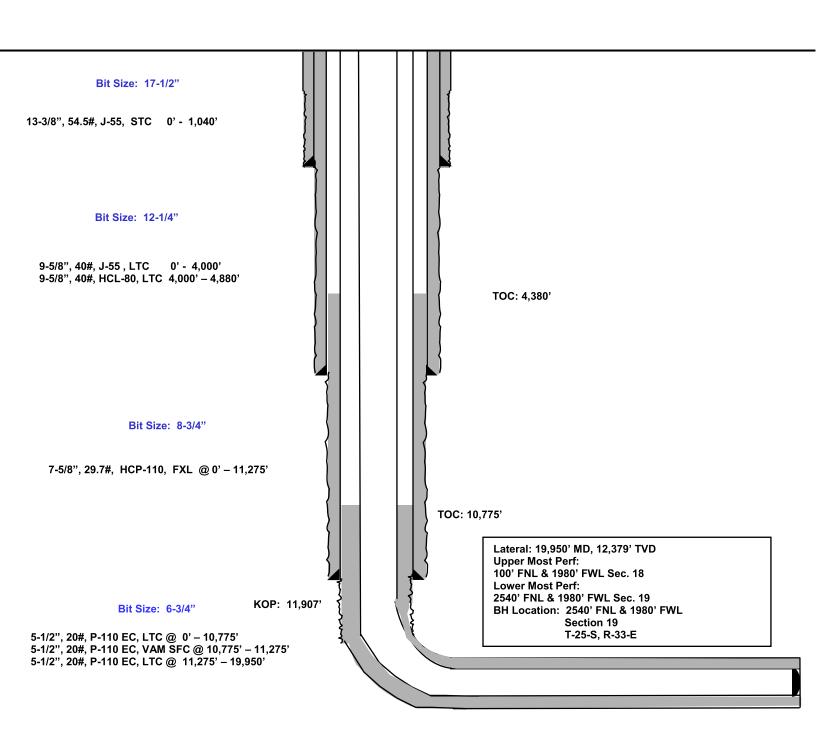
KB: 3,514' GL: 3,489'



200' FNL 1683' FWL Section 18 T-25-S, R-33-E Proposed Wellbore Design B

API: 30-025-****

KB: 3,514' GL: 3,489'



Design B

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
17.5"	0 – 1,040'	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' - 4,880'	9.625"	40#	HCL-80	LTC	1.125	1.25	1.60
8.75"	0 – 11,275'	7.625"	29.7#	HCP-110	FXL	1.125	1.25	1.60
6.75"	0'-10,775'	5.5"	20#	P-110EC	LTC	1.125	1.25	1.60
6.75"	10,775'-11,275'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60
6.75"	11,275' – 19,950'	5.5"	20#	P-110EC	LTC	1.125	1.25	1.60

Cement Program:

Cement F1	ogram.			
	No.	Wt.	Yld	
Depth	Sacks	lb/gal	Ft ³ /sk	Slurry Description
1,040'	610	13.5	1.74	Lead: Class C + 4.0% Bentonite Gel + 0.5% CaCl ₂ + 0.25 lb/sk
13-3/8"				Cello-Flake (TOC @ Surface)
	160	14.8	1.35	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2%
				Sodium Metasilicate (TOC @ 840')
4,880'	780	12.7	2.22	Lead: Class C + 10% NaCl + 6% Bentonite Gel + 3% MagOx
9-5/8"				(TOC @ Surface)
	310	14.8	1.32	Tail: Class C + 10% NaCl + 3% MagOx (TOC @ 3,900')
11,275'	200	10.8	3.67	Lead: Class C + 3% CaCl2 + 3% Microbond (TOC @ 4,380')
7-5/8"				
	100	14.8	2.38	Tail: Class H + 0.6% Halad-9 + 0.45% HR-601 + 3%
				Microbond (TOC @ 9,775')
19,950'	760	14.8	1.31	Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond
5-1/2"				(TOC @ 10,775')

As a contingency, EOG requests to pump a two stage cement job on the 7-5/8'' intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon (7,825') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If necessary, a top out consisting of 1,000 sacks of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed.

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,040'	Fresh - Gel	8.6-8.8	28-34	N/c
1,040' - 4,880'	Brine	10.0-10.2	28-34	N/c
4,880'-11,275'	Oil Base	8.7-9.4	58-68	N/c - 6
11,275'- 19,950'	Oil Base	10.0-11.5	58-68	3 - 6
Lateral				

Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

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

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher
- H2S detection and monitoring equipment:

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

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

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

■ Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

■ Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

■ Communication:

Communication will be via cell phones and land lines where available.

Emergency Assistance Telephone List

PUBLIC SAFETY:	911 or
Lea County Sheriff's Department	(575) 396-3611
Rod Coffman	
Fire Department:	
Carlsbad	(575) 885-3125
Artesia	(575) 746-5050
Hospitals:	
Carlsbad	(575) 887-4121
Artesia	(575) 748-3333
Hobbs	(575) 392-1979
Dept. of Public Safety/Carlsbad	(575) 748-9718
Highway Department	(575) 885-3281
New Mexico Oil Conservation	(575) 476-3440
U.S. Dept. of Labor	(575) 887-1174
EOG Resources, Inc.	
EOG / Midland	Office (432) 686-3600
	,
Company Drilling Consultants:	
Jett Dueitt	Cell (432) 230-4840
Blake Burney	,
•	
Drilling Engineer	
Steve Munsell	Office (432) 686-3609
	Cell (432) 894-1256
Drilling Manager	
Aj Dach	Office (432) 686-3751
	Cell (817) 480-1167
Drilling Superintendent	
Domingo Lopez	Office (432) 686-3702
	Cell (432) 215-9452
H&P Drilling	
H&P Drilling	Office (432) 563-5757
H&P 415 Drilling Rig	Rig (432) 230-4840
Tool Pusher:	
Johnathan Craig	Cell (817) 760-6374
Brad Garrett	
Safety	
Brian Chandler (HSE Manager)	Office (432) 686-3695
	Cell (817) 239-0251



EOG Resources - Midland

Lea County, NM (NAD 83 NME) lcy 18 Fed #705H

OH

Plan: Plan #0.1

Standard Planning Report

22 February, 2019



Database: EDM 5000.14

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

 Site:
 lcy 18 Fed

 Well:
 #705H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #705H

KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

Minimum Curvature

59.95

47.708.59208975

Project Lea County, NM (NAD 83 NME)

Map System: US State Plane 1983 System Datum: Mean Sea Level

Geo Datum: North American Datum 1983

Geo Datum: North American Datum 198
Map Zone: New Mexico Eastern Zone

Site Icy 18 Fed

Northing: 414,414.00 usft Site Position: Latitude: 32° 8' 14.217 N From: Мар Easting: 762,703.00 usft Longitude: 103° 37' 5.391 W **Position Uncertainty:** 0.0 usft Slot Radius: 13-3/16 " **Grid Convergence:** 0.38°

Well #705H

 Well Position
 +N/-S
 17.0 usft
 Northing:
 414,431.00 usft
 Latitude:
 32° 8′ 14.310 N

 +E/-W
 1,149.0 usft
 Easting:
 763,852.00 usft
 Longitude:
 103° 36′ 52.027 W

Position Uncertainty

0.0 usft

Wellhead Elevation:

Ground Level:

3,489.0 usft

Wellbore OH

Magnetics Model Name Sample Date Declination Dip Angle Field Strength (°) (°) (nT)

6.78

Plan #0.1 Design Audit Notes: Version: Phase: **PLAN** Tie On Depth: 0.0 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 0.0 0.0 0.0 177.44

Plan Survey Tool Program Date 2/22/2019

Depth From Depth To

(usft) (usft) Survey (Wellbore) Tool Name Remarks

2/22/2019

1 0.0 19,949.5 Plan #0.1 (OH) MWD

IGRF2015

OWSG MWD - Standard

Plan Sections Vertical Measured Dogleg Build Turn Depth Inclination Azimuth Depth +N/-S +E/-W Rate Rate Rate TFO (usft) (°/100usft) (usft) (°/100usft) (°/100usft) (°) (usft) (usft) (°) (°) Target 0.00 0.00 0.00 0.0 0.0 0.0 0.0 0.00 0.00 0.00 1,500.0 0.00 0.00 1,500.0 0.0 0.0 0.00 0.00 0.00 0.00 1,592.6 1.85 62.67 1,592.5 2.00 2.00 0.00 62.67 0.7 1.3 11.814.3 1.85 62.67 11.809.0 152.3 294.7 0.00 0.00 0.00 0.00 296.0 180.00 KOP(ICY 18 Fed #70! 11,906.9 0.00 11,901.5 153.0 2.00 -2.00 0.00 0.01 179.67 12,656.9 90.00 179.67 12,379.0 -324.5 298.8 12.00 12.00 23.96 19,949.5 90.00 179.67 12,379.0 -7,617.0 341.0 0.00 0.00 0.00 0.00 PBHL(ICY 18 Fed #70



Database: EDM 5000.14

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

 Site:
 lcy 18 Fed

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 OH

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Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #705H

KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

sign:	Plan #0.1								
anned 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)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00		500.0			0.0		0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
			,						
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,592.6	1.85	62.67	1,592.5	0.7	1.3	-0.6	2.00	2.00	0.00
1,600.0	1.85	62.67	1,600.0	0.8	1.5	-0.7	0.00	0.00	0.00
1,700.0	1.85	62.67	1,699.9	2.3	4.4	-2.1	0.00	0.00	0.00
1,800.0	1.85	62.67	1,799.9	3.8	7.3	-3.4	0.00	0.00	0.00
1,900.0	1.85	62.67	1,899.8	5.2	10.2	-4.8	0.00	0.00	0.00
2,000.0	1.85	62.67	1,999.8	6.7	13.0	-6.1	0.00	0.00	0.00
2,100.0	1.85	62.67	2,099.7	8.2	15.9	-7.5	0.00	0.00	0.00
2,200.0	1.85	62.67	2,199.7	9.7	18.8	-8.8	0.00	0.00	0.00
2,300.0	1.85	62.67	2,299.6	11.2	21.6	-10.2	0.00	0.00	0.00
2,400.0	1.85	62.67	2,399.6	12.7	24.5	-11.6	0.00	0.00	0.00
2,500.0	1.85	62.67	2,499.5	14.1	27.4	-12.9	0.00	0.00	0.00
2,600.0	1.85	62.67	2,599.5	15.6	30.2	-14.3	0.00	0.00	0.00
2,700.0	1.85	62.67	2,699.4	17.1	33.1	-15.6	0.00	0.00	0.00
2,800.0	1.85	62.67	2,799.4	18.6	36.0	-17.0	0.00	0.00	0.00
2,900.0	1.85	62.67	2,899.3	20.1	38.8	-18.3	0.00	0.00	0.00
3,000.0	1.85	62.67	2,999.2	21.6	41.7	-19.7	0.00	0.00	0.00
3,100.0	1.85	62.67	3,099.2	23.0	44.6	-21.0	0.00	0.00	0.00
3,200.0	1.85	62.67	3,199.1	24.5	47.5	-22.4	0.00	0.00	0.00
3,300.0	1.85	62.67	3,299.1	26.0	50.3	-23.7	0.00	0.00	0.00
3,400.0	1.85	62.67	3,399.0	27.5	53.2	-25.1	0.00	0.00	0.00
3,500.0	1.85	62.67	3,499.0	29.0	56.1	-26.4	0.00	0.00	0.00
3,600.0	1.85	62.67	3,598.9	30.5	58.9	-27.8	0.00	0.00	0.00
3,700.0	1.85	62.67	3,698.9	31.9	61.8	-29.2	0.00	0.00	0.00
3,800.0	1.85	62.67	3,798.8	33.4	64.7	-30.5	0.00	0.00	0.00
3,900.0	1.85	62.67	3,898.8	34.9	67.5	-31.9	0.00	0.00	0.00
4,000.0	1.85	62.67	3,998.7	36.4	70.4	-33.2	0.00	0.00	0.00
4,100.0	1.85	62.67	4,098.7	37.9	73.3	-34.6	0.00	0.00	0.00
4,200.0	1.85	62.67	4,198.6	39.4	76.2	-35.9	0.00	0.00	0.00
4,300.0	1.85	62.67	4,298.6	40.8	79.0	-37.3	0.00	0.00	0.00
4,400.0	1.85	62.67	4,398.5	42.3	81.9	-38.6	0.00	0.00	0.00
4,500.0	1.85	62.67	4,498.5	43.8	84.8	-40.0	0.00	0.00	0.00
4,600.0	1.85	62.67	4,598.4	45.3	87.6	-41.3	0.00	0.00	0.00
4,700.0	1.85	62.67	4,698.4	46.8	90.5	-42.7	0.00	0.00	0.00
4,800.0	1.85	62.67	4,798.3	48.3	93.4	-44.0	0.00	0.00	0.00
4.900.0	1.85	62.67	4,898.3	49.7	96.2	-45.4	0.00	0.00	0.00
4,900.0 5,000.0	1.85	62.67	4,090.3 4,998.2	49.7 51.2	99.1	-4 5.4 -46.7	0.00	0.00	0.00
5,000.0	1.85	62.67	4,996.2 5,098.2	51.2 52.7	102.0	-4 6.7 -48.1	0.00	0.00	0.00
5,200.0	1.85	62.67	5,198.1	54.2	104.9	-40.1 -49.5	0.00	0.00	0.00



Database: EDM 5000.14

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

 Site:
 lcy 18 Fed

 Well:
 #705H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well #705H

KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

esign:	Plan #0.1	Man #U. I												
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)					
5,300.0	1.85	62.67	5,298.0	55.7	107.7	-50.8	0.00	0.00	0.00					
5,400.0	1.85	62.67	5,398.0	57.2	110.6	-52.2	0.00	0.00	0.00					
5,500.0	1.85	62.67	5,497.9	58.6	113.5	-53.5	0.00	0.00	0.00					
5,600.0	1.85	62.67	5,597.9	60.1	116.3	-54.9	0.00	0.00	0.00					
5,700.0	1.85	62.67	5,697.8	61.6	119.2	-56.2	0.00	0.00	0.00					
5,800.0	1.85	62.67	5,797.8	63.1	122.1	-57.6	0.00	0.00	0.00					
5,900.0	1.85	62.67	5,897.7	64.6	124.9	-58.9	0.00	0.00	0.00					
6,000.0	1.85	62.67	5,997.7	66.1	127.8	-60.3	0.00	0.00	0.00					
6,100.0	1.85	62.67	6,097.6	67.5	130.7	-61.6	0.00	0.00	0.00					
6,200.0	1.85	62.67	6,197.6	69.0	133.6	-63.0	0.00	0.00	0.00					
6,300.0	1.85	62.67	6,297.5	70.5	136.4	-64.3	0.00	0.00	0.00					
6,400.0	1.85	62.67	6,397.5	72.0	139.3	-65.7	0.00	0.00	0.00					
6,500.0	1.85	62.67	6,497.4	73.5	142.2	-67.1	0.00	0.00	0.00					
6,600.0	1.85	62.67	6,597.4	75.0	145.0	-68.4	0.00	0.00	0.00					
6,700.0	1.85	62.67	6,697.3	76.4	147.9	-69.8	0.00	0.00	0.00					
6,800.0	1.85	62.67	6,797.3	77.9	150.8	-71.1	0.00	0.00	0.00					
6,900.0	1.85	62.67	6,897.2	79.4	153.6	-72.5	0.00	0.00	0.00					
7,000.0	1.85	62.67	6,997.2	80.9	156.5	-73.8	0.00	0.00	0.00					
7,100.0	1.85	62.67	7,097.1	82.4	159.4	-75.2	0.00	0.00	0.00					
7,200.0	1.85	62.67	7,197.1	83.9	162.3	-76.5	0.00	0.00	0.00					
7,300.0	1.85	62.67	7,297.0	85.3	165.1	-77.9	0.00	0.00	0.00					
7,400.0	1.85	62.67	7,397.0	86.8	168.0	-79.2	0.00	0.00	0.00					
7,500.0	1.85	62.67	7,496.9	88.3	170.9	-80.6	0.00	0.00	0.00					
7,600.0	1.85	62.67	7,596.8	89.8	173.7	-81.9	0.00	0.00	0.00					
7,700.0	1.85	62.67	7,696.8	91.3	176.6	-83.3	0.00	0.00	0.00					
7,800.0	1.85	62.67	7,796.7	92.8	179.5	-84.6	0.00	0.00	0.00					
7,900.0	1.85	62.67	7,896.7	94.2	182.3	-86.0	0.00	0.00	0.00					
8,000.0	1.85	62.67	7,996.6	95.7	185.2	-87.4	0.00	0.00	0.00					
8,100.0	1.85	62.67	8,096.6	97.2	188.1	-88.7	0.00	0.00	0.00					
8,200.0	1.85	62.67	8,196.5	98.7	190.9	-90.1	0.00	0.00	0.00					
8,300.0	1.85	62.67	8,296.5	100.2	193.8	-91.4	0.00	0.00	0.00					
8,400.0	1.85	62.67	8,396.4	101.7	196.7	-92.8	0.00	0.00	0.00					
8,500.0	1.85	62.67	8,496.4	103.1	199.6	-94.1	0.00	0.00	0.00					
8,600.0	1.85	62.67	8,596.3	104.6	202.4	- 95.5	0.00	0.00	0.00					
8,700.0	1.85	62.67	8,696.3	106.1	205.3	-96.8	0.00	0.00	0.00					
8,800.0	1.85	62.67	8,796.2	107.6	208.2	-98.2	0.00	0.00	0.00					
8,900.0	1.85	62.67	8,896.2	109.1	211.0	-99.5	0.00	0.00	0.00					
9,000.0	1.85	62.67	8,996.1	110.6	213.9	-100.9	0.00	0.00	0.00					
9,100.0	1.85	62.67	9,096.1	112.1	216.8	-102.2	0.00	0.00	0.00					
9,200.0	1.85	62.67	9,196.0	113.5	219.6	-103.6	0.00	0.00	0.00					
9,300.0	1.85	62.67	9,296.0	115.0	222.5	-105.0	0.00	0.00	0.00					
9,400.0	1.85	62.67	9,395.9	116.5	225.4	-106.3	0.00	0.00	0.00					
9,500.0	1.85	62.67	9,495.9	118.0	228.3	-107.7	0.00	0.00	0.00					
9,600.0	1.85	62.67	9,595.8	119.5	231.1	-109.0	0.00	0.00	0.00					
9,700.0	1.85	62.67	9,695.8	121.0	234.0	-110.4	0.00	0.00	0.00					
9,800.0	1.85	62.67	9,795.7	122.4	236.9	-111.7	0.00	0.00	0.00					
9,900.0	1.85	62.67	9,895.6	123.9	239.7	-113.1	0.00	0.00	0.00					
10,000.0	1.85	62.67	9,995.6	125.4	242.6	-114.4	0.00	0.00	0.00					
10,100.0	1.85	62.67	10,095.5	126.9	245.5	-115.8	0.00	0.00	0.00					
10,200.0	1.85	62.67	10,195.5	128.4	248.3	-117.1	0.00	0.00	0.00					
10,300.0	1.85	62.67	10,295.4	129.9	251.2	-118.5	0.00	0.00	0.00					
10,400.0	1.85	62.67	10,395.4	131.3	254.1	-119.8	0.00	0.00	0.00					
10,500.0	1.85	62.67	10,495.3	132.8	257.0	-121.2	0.00	0.00	0.00					



Database: EDM 5000.14

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

 Site:
 lcy 18 Fed

 Well:
 #705H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well #705H

KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

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)
10,700.0 10,800.0		62.67 62.67	10,695.2 10,795.2	135.8 137.3	262.7 265.6	-123.9 -125.3	0.00 0.00	0.00 0.00	0.00 0.00
10,900.0	1.85	62.67	10,895.1	138.8	268.4	-126.6	0.00	0.00	0.00
11,000.0		62.67	10,995.1	140.2	271.3	-128.0	0.00	0.00	0.00
11,100.0	1.85	62.67	11,095.0	141.7	274.2	-129.3	0.00	0.00	0.00
11,200.0	1.85	62.67	11,195.0	143.2	277.0	-130.7	0.00	0.00	0.00
11,300.0	1.85	62.67	11,294.9	144.7	279.9	-132.0	0.00	0.00	0.00
11,400.0	1.85	62.67	11,394.9	146.2	282.8	-133.4	0.00	0.00	0.00
11,500.0		62.67	11,494.8	147.7	285.7	-134.7	0.00	0.00	0.00
11,600.0		62.67	11,594.8	149.1	288.5	-136.1	0.00	0.00	0.00
11,700.0		62.67	11,694.7	150.6	291.4	-137.4	0.00	0.00	0.00
11,800.0	1.85	62.67	11,794.7	152.1	294.3	-138.8	0.00	0.00	0.00
11,814.3	1.85	62.67	11,809.0	152.3	294.7	-139.0	0.00	0.00	0.00
11,906.9		0.01	11,901.5	153.0	296.0	-139.6	2.00	-2.00	0.00
	8 Fed #705H)		, = =						
11,925.0		179.67	11,919.6	152.7	296.0	-139.3	12.00	12.00	0.00
11,950.0		179.67	11,944.6	151.1	296.0	-137.7	12.00	12.00	0.00
11,975.0		179.67	11,969.4	148.1	296.0	-134.8	12.00	12.00	0.00
12,000.0	11.18	179.67	11,994.0	143.9	296.1	-130.6	12.00	12.00	0.00
12,000.0		179.67	12,018.4	138.5	296.1	-125.1	12.00	12.00	0.00
12,050.0		179.67	12,042.5	131.7	296.1	-118.3	12.00	12.00	0.00
12,075.0		179.67	12,066.2	123.7	296.2	-110.3	12.00	12.00	0.00
12,100.0		179.67	12,089.4	114.5	296.2	-101.1	12.00	12.00	0.00
12,125.0		179.67	12,112.1	104.0	296.3	-90.7	12.00	12.00	0.00
12,150.0		179.67	12,134.3	92.4	296.4	-79.1	12.00	12.00	0.00
12,175.0 12,200.0		179.67 179.67	12,155.8 12,176.6	79.7 65.8	296.4 296.5	-66.3 -52.5	12.00 12.00	12.00 12.00	0.00 0.00
12,200.0		179.67	12,176.6	50.9	296.5	-32.5 -37.6	12.00	12.00	0.00
12,250.0		179.67	12,215.8	34.9	296.7	-21.6	12.00	12.00	0.00
12,275.0		179.67	12,234.2	18.0	296.8	-4.7	12.00	12.00	0.00
12,300.0		179.67	12,251.7	0.1	296.9	13.2	12.00	12.00	0.00
12,306.8		179.67	12,256.3	-4.9	296.9	18.2	12.00	12.00	0.00
12,325.0	Fed #705H)	179.67	12,268.2	-18.7	297.0	31.9	12.00	12.00	0.00
·									
12,350.0		179.67	12,283.7	-38.3	297.1	51.5	12.00	12.00	0.00
12,375.0		179.67	12,298.2	-58.7	297.2	71.9	12.00	12.00	0.00
12,400.0		179.67	12,311.5	-79.8	297.3	93.0	12.00	12.00	0.00
12,425.0		179.67	12,323.8	-101.6	297.5	114.8	12.00	12.00	0.00
12,450.0	65.18	179.67	12,334.8	-124.0	297.6	137.2	12.00	12.00	0.00
12,475.0		179.67	12,344.7	-147.0	297.7	160.1	12.00	12.00	0.00
12,500.0		179.67	12,353.4	-170.4	297.9	183.6	12.00	12.00	0.00
12,525.0		179.67	12,360.9	-194.3	298.0	207.4	12.00	12.00	0.00
12,550.0		179.67	12,367.1	-218.5	298.2	231.6	12.00	12.00	0.00
12,575.0	80.18	179.67	12,372.0	-243.0	298.3	256.1	12.00	12.00	0.00
12,600.0	83.18	179.67	12,375.6	-267.7	298.4	280.8	12.00	12.00	0.00
12,625.0		179.67	12,377.9	-292.6	298.6	305.7	12.00	12.00	0.00
12,650.0	89.18	179.67	12,378.9	-317.6	298.7	330.6	12.00	12.00	0.00
12,656.9	90.00	179.67	12,379.0	-324.5	298.8	337.5	12.00	12.00	0.00
12,700.0	90.00	179.67	12,379.0	-367.6	299.0	380.6	0.00	0.00	0.00
12,800.0	90.00	179.67	12,379.0	-467.6	299.6	480.5	0.00	0.00	0.00
12,900.0		179.67	12,379.0	-567.6	300.2	580.4	0.00	0.00	0.00
13,000.0		179.67	12,379.0	-667.6	300.8	680.4	0.00	0.00	0.00
13,100.0		179.67	12,379.0	-767.6	301.3	780.3	0.00	0.00	0.00
13,200.0	90.00	179.67	12,379.0	-867.6	301.9	880.2	0.00	0.00	0.00



Database: EDM 5000.14

Company: EOG Resources - Midland
Project: Lea County, NM (NAD 83 NME)

 Site:
 lcy 18 Fed

 Well:
 #705H

 Wellbore:
 OH

 Design:
 Plan #0.1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well #705H

KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

esign:	Plan #0.1	Man #U. I												
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)					
13,300.0	90.00	179.67	12,379.0	-967.6	302.5	980.1	0.00	0.00	0.00					
13,400.0	90.00	179.67	12,379.0	-1,067.6	303.1	1,080.1	0.00	0.00	0.00					
13,500.0	90.00	179.67	12,379.0	-1,167.6	303.6	1,180.0	0.00	0.00	0.00					
13,600.0	90.00	179.67	12,379.0	-1,267.6	304.2	1,279.9	0.00	0.00	0.00					
13,700.0	90.00	179.67	12,379.0	-1,367.6	304.8	1,379.8	0.00	0.00	0.00					
13,800.0	90.00	179.67	12,379.0	-1,467.6	305.4	1,479.8	0.00	0.00	0.00					
13,900.0	90.00	179.67	12,379.0	-1,567.6	306.0	1,579.7	0.00	0.00	0.00					
14,000.0	90.00	179.67	12,379.0	-1,667.6	306.5	1,679.6	0.00	0.00	0.00					
14,100.0	90.00	179.67	12,379.0	-1,767.6	307.1	1,779.5	0.00	0.00	0.00					
14,200.0	90.00	179.67	12,379.0	-1,867.6	307.7	1,879.5	0.00	0.00	0.00					
14,300.0	90.00	179.67	12,379.0	-1,967.6	308.3	1,979.4	0.00	0.00	0.00					
14,400.0	90.00	179.67	12,379.0	-2,067.6	308.9	2,079.3	0.00	0.00	0.00					
14,500.0	90.00	179.67	12,379.0	-2,167.6	309.4	2,179.2	0.00	0.00	0.00					
14,600.0	90.00	179.67	12,379.0	-2,267.6	310.0	2,279.2	0.00	0.00	0.00					
14,700.0	90.00	179.67	12,379.0	-2,367.6	310.6	2,379.1	0.00	0.00	0.00					
14,800.0	90.00	179.67	12,379.0	-2,467.6	311.2	2,479.0	0.00	0.00	0.00					
14,900.0	90.00	179.67	12,379.0	-2,567.6	311.8	2,578.9	0.00	0.00	0.00					
15,000.0	90.00	179.67	12,379.0	-2,667.6	312.3	2,678.8	0.00	0.00	0.00					
15,100.0	90.00	179.67	12,379.0	-2,767.5	312.9	2,778.8	0.00	0.00	0.00					
15,200.0	90.00	179.67	12,379.0	-2,867.5	313.5	2,878.7	0.00	0.00	0.00					
15,300.0	90.00	179.67	12,379.0	-2,967.5	314.1	2,978.6	0.00	0.00	0.00					
15,400.0	90.00	179.67	12,379.0	-3,067.5	314.7	3,078.5	0.00	0.00	0.00					
15,500.0	90.00	179.67	12,379.0	-3,167.5	315.2	3,178.5	0.00	0.00	0.00					
15,600.0	90.00	179.67	12,379.0	-3,267.5	315.8	3,278.4	0.00	0.00	0.00					
15,700.0	90.00	179.67	12,379.0	-3,367.5	316.4	3,378.3	0.00	0.00	0.00					
15,800.0	90.00	179.67	12,379.0	-3,467.5	317.0	3,478.2	0.00	0.00	0.00					
15,900.0	90.00	179.67	12,379.0	-3,567.5	317.5	3,578.2	0.00	0.00	0.00					
16,000.0	90.00	179.67	12,379.0	-3,667.5	318.1	3,678.1	0.00	0.00	0.00					
16,100.0	90.00	179.67	12,379.0	-3,767.5	318.7	3,778.0	0.00	0.00	0.00					
16,200.0	90.00	179.67	12,379.0	-3,867.5	319.3	3,877.9	0.00	0.00	0.00					
16,300.0	90.00	179.67	12,379.0	-3,967.5	319.9	3,977.9	0.00	0.00	0.00					
16,400.0	90.00	179.67	12,379.0	-4,067.5	320.4	4,077.8	0.00	0.00	0.00					
16,500.0	90.00	179.67	12,379.0	-4,167.5	321.0	4,177.7	0.00	0.00	0.00					
16,600.0	90.00	179.67	12,379.0	-4,267.5	321.6	4,277.6	0.00	0.00	0.00					
16,700.0	90.00	179.67	12,379.0	-4,367.5	322.2	4,377.6	0.00	0.00	0.00					
16,800.0	90.00	179.67	12,379.0	-4,467.5	322.8	4,477.5	0.00	0.00	0.00					
16,900.0	90.00	179.67	12,379.0	-4,567.5	323.3	4,577.4	0.00	0.00	0.00					
17,000.0	90.00	179.67	12,379.0	-4,667.5	323.9	4,677.3	0.00	0.00	0.00					
17,100.0	90.00	179.67	12,379.0	-4,767.5	324.5	4,777.3	0.00	0.00	0.00					
17,200.0	90.00	179.67	12,379.0	-4,867.5	325.1	4,877.2	0.00	0.00	0.00					
17,300.0	90.00	179.67	12,379.0	-4,967.5	325.7	4,977.1	0.00	0.00	0.00					
17,400.0	90.00	179.67	12,379.0	-5,067.5	326.2	5,077.0	0.00	0.00	0.00					
17,500.0	90.00	179.67	12,379.0	-5,167.5	326.8	5,177.0	0.00	0.00	0.00					
17,600.0	90.00	179.67	12,379.0	-5,267.5	327.4	5,276.9	0.00	0.00	0.00					
17,700.0	90.00	179.67	12,379.0	-5,367.5	328.0	5,376.8	0.00	0.00	0.00					
17,800.0	90.00	179.67	12,379.0	-5,467.5	328.6	5,476.7	0.00	0.00	0.00					
17,900.0	90.00	179.67	12,379.0	-5,567.5	329.1	5,576.7	0.00	0.00	0.00					
18,000.0	90.00	179.67	12,379.0	-5,667.5	329.7	5,676.6	0.00	0.00	0.00					
18,100.0	90.00	179.67	12,379.0	-5,767.5	330.3	5,776.5	0.00	0.00	0.00					
18,200.0	90.00	179.67	12,379.0	-5,867.5	330.9	5,876.4	0.00	0.00	0.00					
18,300.0	90.00	179.67	12,379.0	-5,967.5	331.4	5,976.3	0.00	0.00	0.00					
18,400.0	90.00	179.67	12,379.0	-6,067.5	332.0	6,076.3	0.00	0.00	0.00					
18,500.0	90.00	179.67	12,379.0	-6,167.5	332.6	6,176.2	0.00	0.00	0.00					
18,600.0	90.00	179.67	12,379.0	-6,267.5	333.2	6,276.1	0.00	0.00	0.00					



Database: EDM 5000.14

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KB = 25 @ 3514.0usft KB = 25 @ 3514.0usft

Grid

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)
18,700.0	90.00	179.67	12,379.0	-6,367.5	333.8	6,376.0	0.00	0.00	0.00
18,800.0	90.00	179.67	12,379.0	-6,467.5	334.3	6,476.0	0.00	0.00	0.00
18,900.0	90.00	179.67	12,379.0	-6,567.5	334.9	6,575.9	0.00	0.00	0.00
19,000.0	90.00	179.67	12,379.0	-6,667.5	335.5	6,675.8	0.00	0.00	0.00
19,100.0	90.00	179.67	12,379.0	-6,767.5	336.1	6,775.7	0.00	0.00	0.00
19,200.0	90.00	179.67	12,379.0	-6,867.5	336.7	6,875.7	0.00	0.00	0.00
19,300.0	90.00	179.67	12,379.0	-6,967.5	337.2	6,975.6	0.00	0.00	0.00
19,400.0	90.00	179.67	12,379.0	-7,067.5	337.8	7,075.5	0.00	0.00	0.00
19,500.0	90.00	179.67	12,379.0	-7,167.5	338.4	7,175.4	0.00	0.00	0.00
19,600.0	90.00	179.67	12,379.0	-7,267.5	339.0	7,275.4	0.00	0.00	0.00
19,700.0	90.00	179.67	12,379.0	-7,367.5	339.6	7,375.3	0.00	0.00	0.00
19,800.0	90.00	179.67	12,379.0	-7,467.5	340.1	7,475.2	0.00	0.00	0.00
19,900.0	90.00	179.67	12,379.0	-7,567.5	340.7	7,575.1	0.00	0.00	0.00
19,949.5	90.00	179.67	12,379.0	-7,617.0	341.0	7,624.6	0.00	0.00	0.00
PBHL(ICY 18	3 Fed #705H)								

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP(ICY 18 Fed #705H - plan hits target cen - Point	0.00 ter	0.01	11,901.5	153.0	296.0	414,584.00	764,148.00	32° 8′ 15.804 N	103° 36' 48.572 W
FTP(ICY 18 Fed #705H) - plan misses target of Point	0.00 center by 163	0.01 .4usft at 123	12,379.0 06.8usft MD	103.0 (12256.3 TVD	296.0 , -4 .9 N, 296.	414,534.00 9 E)	764,148.00	32° 8′ 15.309 N	103° 36' 48.576 W
PBHL(ICY 18 Fed #705h - plan hits target cen - Point	0.00 ter	0.00	12,379.0	-7,617.0	341.0	406,814.00	764,193.00	32° 6′ 58.913 N	103° 36' 48.653 W

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Azteo, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

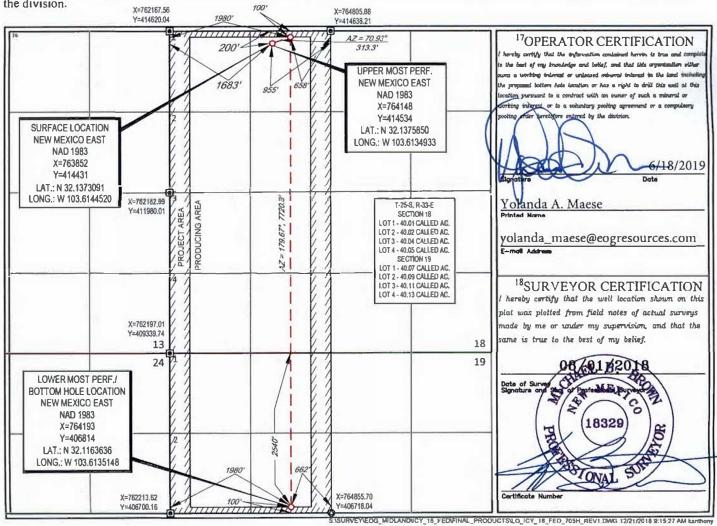
API Number	² Pool Code	³ Pool Name						
30-025-47045	98180	WC-025 G-09 S253309P;UPR WOLFCAMP						
⁴ Property Code 326336	⁵ P ₁	roperty Name 7 18 FED	Well Number #705H					
⁷ OGRID No. 7377		perator Name SOURCES, INC.	Elevation 3489'					

¹⁰Surface Location

UL or lot no.	Section	Township	Rauge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	25-S	33-E	-	200'	NORTH	1683'	WEST	LEA

UL or lot ao.	Section Township 25-S		33-E	Lot Idn	Feet from the 2540'	North/South line NORTH	Feet from the 1980'	East/West line WEST	LEA County	
¹² Dedicated Acres 480.28	13 Joint or 1	Infill 114Ce	onsolidation Code	15 Order	· No.					

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



Inten	t X	As Dril	led											
API #	ŧ													
Ope	erator Na	me:				Prop	perty N	lame:						Well Number
Kick (Off Point	(KOb)												
UL	Section	Township	Range	Lot	Feet		From N	I/S	Feet		From	n E/W	County	
Latit	ude				Longitu	ude							NAD	
	Take Poir	1	I <u>-</u>	Lot	Feet		From N	ı/c	Feet		Erom	E/M	Comb	
UL	Jacobson Tomismp Hange						From N	1/5	reet		From E/W County			
Latit	ude	Longitt	Longitude NAD											
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API #	ŧ													
Ope	Operator Name:					Property Name:							Well Number	

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

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 04/10/2019		
□ 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
Icy 18 Fed 501H	30-025-***	1-18-25S-33E	210 FNL & 534 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 502H	30-025-***	1-18-25S-33E	210 FNL & 567 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 503H	30-025-***	C-18-25S-33E	260 FNL & 1524 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 504H	30-025-***	C-18-25S-33E	260 FNL & 1557 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 505H	30-025-***	C-18-25S-33E	260 FNL & 2497 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 506H	30-025-***	B-18-25S-33E	260 FNL & 1776 FEL	±3500	None Planned	APD Submission
Icy 18 Fed 507H	30-025-***	B-18-25S-33E	260 FNL & 1743 FEL	±3500	None Planned	APD Submission
Icy 18 Fed 701H	30-025-***	1-18-25S-33E	150 FNL & 627 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 702H	30-025-***	1-18-25S-33E	150 FNL & 660 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 703H	30-025-***	1-18-25S-33E	150 FNL & 693 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 704H	30-025-***	C-18-25S-33E	200 FNL & 1650 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 705H	30-025-*** 47045	C-18-25S-33E	200 FNL & 1683 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 706H	30-025-***	C-18-25S-33E	200 FNL & 2557 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 707H	30-025-***	C-18-25S-33E	200 FNL & 2623 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 708H	30-025-***	B-18-25S-33E	200 FNL & 1683 FEL	±3500	None Planned	APD Submission
Icy 18 Fed 709H	30-025-***	B-18-25S-33E	200 FNL & 1650 FEL	±3500	None Planned	APD Submission
Icy 18 Fed 721H	30-025-***	C-18-25S-33E	200 FNL & 1617 FWL	±3500	None Planned	APD Submission

Icy 18 Fed 722H	30-025-***	C-18-25S-33E	200 FNL & 2590 FWL	±3500	None Planned	APD Submission
Icy 18 Fed 723H	30-025-***	B-18-25S-33E	200 FNL & 1617 FEL	±3500	None Planned	APD Submission

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 dedicated to ENGResources low/high pressure gathering system located in Eddy/Lea County, New Mexico. EOG Resources provides (periodically) to Enterprise Field Services / Lucid Energy and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources and Enterprise Field Services / Lucid Energy have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise Field Services / Lucid Energy Processing Plant located in Lea 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 **Enterprise Field Services / Lucid Energy** system at that time. Based on current information, it is **EOG Resources'** 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
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines