# VAFMSS

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

APD ID: 10400010754

Operator Name: EOG RESOURCES INCORPORATED

Well Name: DOGWOOD 23 FED COM (2, 1)

Well Type: OIL WELL

# Submission Date: 03/07/2017

Well Number: 702H

Highlighted data reflects the most recent changes

Drilling Plan Data Repor

Show Final Text

Well Work Type: Drill

# **Section 1 - Geologic Formations**

| Formation | 6.               | 2 - 1 A - 1 | True Vertical | Measured |             |                   | Producing |
|-----------|------------------|-------------|---------------|----------|-------------|-------------------|-----------|
| ÍD.       | Formation Name   | Elevation   | Depth         | Depth    | Lithologies | Mineral Resources | Formation |
| 17706     | PERMIAN          | 3331        | 0             | 0        | ANHYDRITE   | NONE              | No        |
| 17746     | RUSTLER          | 2312        | 1019          | 1019     | ANHYDRITE   | NONE              | No        |
| 17718     | TOP SALT         | 1962        | 1369          | 1369     | SALT        | NONE              | No        |
| 17722     | BASE OF SALT     | -1648       | 4979          | 4979     | SALT        | NONE              | No        |
| 17719     | LAMAR            | -1875       | 5206          | 5206     | LIMESTONE   | NONE              | No        |
| 15332     | BELL CANYON      | -1914       | 5245          | 5245     | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 15316     | CHERRY CANYON    | -2956       | 6287          | 6287     | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 17713     | BRUSHY CANYON    | -4637       | . 7968        | 7968     | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 17721     | BONE SPRING LIME | -6111       | 9442          | 9442     | LIMESTONE   | NONE              | No        |
| 15338     | BONE SPRING 1ST  | -7039       | 10370         | 10370    | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 17737     | BONE SPRING 2ND  | -7593       | 10924         | 10924    | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 17738     | BONE SPRING 3RD  | -8649       | 11980         | 11980    | SANDSTONE   | NATURAL GAS,OIL   | No        |
| 17709     | WOLFCAMP         | -9070       | 12401         | 12401    | SHALE       | NATURAL GAS,OIL   | Yes       |

# **Section 2 - Blowout Prevention**

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: 6" of Compacted Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

**Onsite topsoil removal process:** An adequate amount of topsoil/root zone will be stripped by dozer from the proposed well location and stockpiled along the side of the well location as depicted on the well site diagram / survey plat. **Access other construction information:** 

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

# **Drainage Control**

New road drainage crossing: OTHER

Drainage Control comments: No drainage crossings

Road Drainage Control Structures (DCS) description: N/A

Road Drainage Control Structures (DCS) attachment:

#### **Access Additional Attachments**

Additional Attachment(s):

# Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

DOGWOOD23FEDCOM\_702H radius map\_02-24-2017.pdf

Existing Wells description:

# Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

**Estimated Production Facilities description:** 

Production Facilities description: Dogwood 23 Fed Com central tank battery located in SE/4 of section 23

Production Facilities map:

DOGWOOD\_23\_FED\_COM infrastructure sketch\_02-24-2017.pdf

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

# Section 5 - Location and Types of Water Supply

### Water Source Table

Water source use type: OTHER

Describe type:

Source latitude:

Source datum:

Water source permit type: WATER RIGHT

Source land ownership: FEDERAL

Water source transport method: PIPELINE, TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 0

Source volume (gal): 0

Water source and transportation map:

Dogwood 23 Fed Com Water Source and Caliche Map\_02-27-2017.pdf

Water source comments:

New water well? NO

# **New Water Well Info**

| Well latitude:                      | Well Longitude:    | Well datum:       |
|-------------------------------------|--------------------|-------------------|
| Well target aquifer:                |                    |                   |
| Est. depth to top of aquifer(ft):   | Est thickness of   | f aquifer:        |
| Aquifer comments:                   |                    |                   |
| Aquifer documentation:              |                    |                   |
| Well depth (ft):                    | Well casing type:  |                   |
| Well casing outside diameter (in.): | Well casing inside | e diameter (in.): |
| New water well casing?              | Used casing source | ce:               |
| Drilling method:                    | Drill material:    |                   |
| Grout material:                     | Grout depth:       |                   |
| Casing length (ft.):                | Casing top depth ( | (ft.):            |
| Well Production type:               | Completion Metho   | od:               |
| Water well additional information:  |                    |                   |
| State appropriation permit:         |                    |                   |
| Additional information attachment:  |                    |                   |

Water source type: RECYCLED

Source longitude:

Source volume (acre-feet): 0

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

# **Section 6 - Construction Materials**

**Construction Materials description:** Caliche will be supplied from pits shown on the attached caliche source map. Caliche utilized for the drilling pad will be obtained either from an existing approved mineral pit, or by benching into a hill, which will allow the pad to be level with existing caliche from the cut, or extracted by "Flipping" the well location. A mineral material permit will be obtained from BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for "Flipping" a well location is as follows: \* -An adequate amount of topsoil/root zone (usually top 6 inches of soil) will be stripped from the proposed well location and stockpiled along the side of the well location as depicted on the well site diagram/survey plat. -An area will be used within the proposed well site dimensions to excavate caliche. Subsoil will be removed and stockpiled within the surveyed well pad dimensions. -Once caliche/surfacing mineral is found, the mineral material will be excavated and stock piled within the approved drilling pad dimensions. -Then, subsoil will be pushed back in the excavated hole and caliche will be spread accordingly across the entire well pad and road (if available). -Neither caliche, nor subsoil will be stock piled outside of the well pad dimensions. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat. \* In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or federal land.

**Construction Materials source location attachment:** 

Dogwood 23 Fed Com Water Source and Caliche Map\_02-27-2017.pdf

## Section 7 - Methods for Handling Waste

#### Waste type: DRILLING

**Waste content description:** Drill fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility. Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly. Human waste and grey water will be properly contained of and disposed of properly. After drilling and completion operations; trash, chemicals, salts, frac sand, and other waste material will be removed and disposed of properly at a state approved disposal facility. **Amount of waste:** 0 barrels

Waste disposal frequency : Daily

Safe containment description: Steel Tanks

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: COMMERCIAL FACILITY Disposal type description:

Disposal location description: Trucked to NMOCD approved disposal facility

# **Reserve Pit**

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

#### **Reserve pit liner**

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

**Description of cuttings location** Closed Loop System. Drill cuttings will be disposed of into steel tanks and taken to an NMOCD approved disposal facility.

Cuttings area length (ft.)

Cuttings area depth (ft.)

Cuttings area width (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

**Section 8 - Ancillary Facilities** 

Are you requesting any Ancillary Facilities?: NO

**Ancillary Facilities attachment:** 

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

DOGWOOD23FEDCOM\_702H pad site\_02-24-2017.pdf DOGWOOD23FEDCOM\_702H well site\_02-24-2017.pdf Dogwood 23 Fed Com 702H Rig Layout\_03-02-2017.pdf **Comments:** Exhibit 2A-Wellsite & Exhibit 2B-Padsite Rig Layout Exhibit 4

# Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

**Recontouring attachment:** 

DOGWOOD23FEDCOM\_702H interim reclamation\_02-24-2017.pdf

**Drainage/Erosion control construction:** Proper erosion control methods will be used on the area to control erosion, runoff, and siltation of the surrounding area.

**Drainage/Erosion control reclamation:** The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Seed source:

Seed harvest description:

Seed harvest description attachment:

**Seed Management** 

Seed Table

Seed type:

Seed name:

Source name: Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary Total pounds/Acre: Seed Type Pounds/Acre

Seed reclamation attachment:

**Operator Contact/Responsible Official Contact Info** 

First Name: Stan

Phone: (432)686-3689

Last Name: Wagner

Email: stan\_wagner@eogresources.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, erosion is controlled, and free of noxious weeds. Weeds will be treated if found. Weed treatment plan attachment:

Monitoring plan description: Reclamation will be completed within 6 months of well plugging. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, erosion is controlled, and free of noxious weeds.

Monitoring plan attachment:

Success standards: N/A

Pit closure description: NA

| Operator Name: EOG RESOURCES INCORPORATED          |   |  |  |
|--|---|--|--|
| Well Name: DOGWOOD 23 FED COM                      | Well Number: 702H                                   |  |  |
| Wellpad long term disturbance (acres): 2.613636    | Wellpad short term disturbance (acres): 4.073691    |  |  |
| Access road long term disturbance (acres): 0.83747 | Access road short term disturbance (acres): 0.83747 |  |  |
| Pipeline long term disturbance (acres): 0.7706612  | Pipeline short term disturbance (acres): 1.2844353  |  |  |
| Other long term disturbance (acres): 0             | Other short term disturbance (acres): 0             |  |  |
| Total long term disturbance: 4.221767              | Total short term disturbance: 6.195596              |  |  |

**Reconstruction method:** In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads. Areas planned for interim reclamation will be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

**Topsoil redistribution:** Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts and fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites. **Soil treatment:** Re-seed according to BLM standards. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

**Existing Vegetation at the well pad:** Grass, forbs, and small woody vegetation, such as mesquite will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respreads evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils.

Existing Vegetation at the well pad attachment:

**Existing Vegetation Community at the road:** All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation. **Existing Vegetation Community at the road attachment:** 

**Existing Vegetation Community at the pipeline:** All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation. **Existing Vegetation Community at the pipeline attachment:** 

**Existing Vegetation Community at other disturbances:** All disturbed areas, including roads, pipelines, pads, will be recontoured to the contour existing prior to the initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation. **Existing Vegetation Community at other disturbances attachment:** 

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Well Name: DOGWOOD 23 FED COM

Well Number: 702H

Pit closure attachment:

Disturbance type: WELL PAD

# Section 11 - Surface Ownership

Describe: Surface Owner: BUREAU OF LAND MANAGEMENT Other surface owner description: BIA Local Office: BOR Local Office: COE Local Office: DOD Local Office: NPS Local Office: State Local Office: USFWS Local Office: Other Local Office:

USFS Forest/Grassland:

**USFS Ranger District:** 

Email:

Fee Owner Address: P.O. Box 135 Orla, TX 79770

Fee Owner: Oliver Kiehne

Phone: (575)399-9281

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: surface use agreement

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Well Name: DOGWOOD 23 FED COM

# Well Number: 702H

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# Section 12 - Other Information

**Right of Way needed? YES** 

Use APD as ROW? YES

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ROW Type(s): 281001 ROW - ROADS,288100 ROW - O&G Pipeline,288101 ROW - O&G Facility Sites,288103 ROW - Salt Water Disposal Pipeline/Facility

# **ROW Applications**

SUPO Additional Information: An onsite meeting was conducted 12 /20/16. Poly lines are planned to transport water for operations. Will truck if necessary. See attached SUPO Plan. Use a previously conducted onsite? NO

Previous Onsite information:

# **Other SUPO Attachment**

Dogwood 23 Fed Com\_702H SUPO\_02-24-2017.pdf DOGWOOD\_23\_FED\_COM infrastructure sketch\_02-24-2017.pdf DOGWOOD23FEDCOM\_702H COMBINED\_02-24-2017.pdf Dogwood\_23\_Fed\_Com\_702H\_signed\_C\_102\_03-07-2017.pdf Dogwood\_23\_Fed\_Com\_702H\_deficiency\_response\_05-31-2017.pdf

# Dogwood 23 Fed Com #702H



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# 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

# 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler                           | 1,019'  |
|-----------------------------------|---------|
| Top of Salt                       | 1,369'  |
| Base of Salt / Top Anhydrite      | 4,979'  |
| Base Anhydrite                    | 5,206'  |
| Lamar                             | 5,206'  |
| Bell Canyon                       | 5,245'  |
| Cherry Canyon                     | 6,287'  |
| Brushy Canyon                     | 7,968'  |
| Bone Spring Lime                  | 9,442'  |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' |
| Wolfcamp                          | 12,401' |
| TD                                | 12,570' |
|                                   |         |

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

| Upper Permian Sands               | 0-400'  | Fresh Water |
|-----------------------------------|---------|-------------|
| Cherry Canyon                     | 6,287'  | Oil         |
| Brushy Canyon                     | 7,968'  | Oil         |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil         |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil         |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil         |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil         |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil         |
| Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.



| Pipe Body               | Imperial |                 | <u>S.I.</u> |      |  |
|-------------------------|----------|-----------------|-------------|------|--|
| Grade                   | P110     |                 | P110        |      |  |
| Pipe OD (D)             | 7 5/8    | in              | 193.68      | mm   |  |
| Weight                  | 29.7     | lb/ft           | 44.25       | kg/m |  |
| Actual weight           | 29.0     | lb/ft           | 43.26       | kg/m |  |
| Wall thickness (t)      | 0.375    | in              | 9.53        | mm   |  |
| Pipe ID (d)             | 6.875    | in              | 174.63      | mm   |  |
| Pipe body cross section | 8.537    | in <sup>2</sup> | 5,508       | mm²  |  |
| Drift Dia.              | 6.750    | in              | 171.45      | mm   |  |

| 7.625                  | in                                     | 193.68  | mm  |  |
|------------------------|--|---|---|--|
| 6.875                  | in                                     | 174.63  | mm  |  |
| 4.420                  | in²                                    | 2,852   | mm²   |  |
| 4.424                  | in <sup>2</sup>                        | 2,854   | mm <sup>2</sup>   |  |
| 60                     | %                                      | 60  | %   |  |
| 3.040                  | in                                     | 77.22   | mm  |  |
| 1/16 ( 3/4 in per ft ) |  |   |   |  |
|                        | 5 thread                               | per in.   |   |  |
|                        | 6.875<br>4.420<br>4.424<br>60<br>3.040 | 6.875 in   4.420 in <sup>2</sup> 4.424 in <sup>2</sup> 60 %   3.040 in   1/16 ( 3/4 | 6.875 in 174.63   4.420 in <sup>2</sup> 2,852   4.424 in <sup>2</sup> 2,854   60 % 60 |  |

#### **Connection Performance Properties**

| Tensile Yield load | 563.4 | kips | 2,506 | <u>k</u> N |
|--------------------|-------|------|-------|------------|
| M.I.Y.P.           | 7,574 | psi  | 52.2  | MPa        |
| Collapse strength  | 5,350 | psi  | 36.9  | MPa        |

Note

M.I.Y.P. = Minimum Internal Yield Pressure of the connection

#### Torque Recommended

| Min.             | 8,700  | ft-Ib | 11,700 | N-m |
|------------------|--------|-------|--------|-----|
| Opti.            | 9,700  | ft-Ib | 13,100 | N-m |
| Max.             | 10,700 | ft-Ib | 14,500 | N-m |
| Operational Max. | 23.600 | ft-Ib | 32.000 | N-m |

#### **11. WELLHEAD**:

A multi-bowl wellhead system will be utilized.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 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 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 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.

Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

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) 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–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 7516 psig (based on 11.5 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. 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.

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

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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 (5000-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 5000/250 psig and the annular preventer to 3500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The intermediate casing will be tested to 2000 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 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             | epth Type Weight (ppg) Vise |           | Viscosity | Water Loss |
|-------------------|-----------------------------|-----------|-----------|------------|
| 0-1,045'          | Fresh - Gel                 | 8.6-8.8   | 28-34     | N/c        |
| 1,045' – 11,600'  | Brine                       | 8.8-10.0  | 28-34     | N/c        |
| 11,600' – 22,574' | Oil Base                    | 10.0-14.0 | 58-68     | 3 - 6      |
| Lateral           |                             | ь<br>     |           |            |

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.

| Hole<br>Size | Interval           | Csg<br>OD | Weight | Grade       | Conn           | DF <sub>min</sub><br>Collapse | DF <sub>min</sub><br>Burst | DF <sub>min</sub><br>Tension |
|--------------|--------------------|-----------|--------|-------------|----------------|-------------------------------|----------------------------|------------------------------|
| 14.75"       | 0-1,045'           | 10.75"    | 40.5#  | J55         | STC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 0 – 1,000'         | 7.625"    | 29.7#  | HCP-<br>110 | LTC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 1,000' –<br>3,000' | 7.625"    | 29.7#  | P-110EC     | SLIJ II        | 1.125                         | 1.25                       | 1.60                         |
| 8.75"        | 3,000' - 11,600'   | 7.625"    | 29.7#  | HCP-<br>110 | FlushMax III   | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 0'-11,100'         | 5.5"      | 20#    | P-110EC     | DWC/C-IS<br>MS | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 11,100'-22,574'    | 5.5"      | 20#    | P-110EC     | VAM SFC        | 1.125                         | 1.25                       | 1.60                         |

# 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)                       |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

# Cementing Program:

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.

# MIDWEST

# HOSE AND SPECIALTY INC.

| IN              | TERNAL                                | HYDROST                                       | ATIC TEST           | REPOR                | T                                     |
|-----------------|---------------------------------------|---|---------------------|----------------------|---------------------------------------|
| Customer:       | ,<br>,<br>,                           |   | ·                   | P.O. Numb            | 97:                                   |
| CACTUS          |                                       |   | <b>RIG #123</b>     |                      |                                       |
|                 |                                       |   |                     | Asset # N            | A10761                                |
|                 |                                       | HOSE SPECI                                    | FICATIONS           |                      |                                       |
| Туре: С         | CHOKE LIN                             | E   |                     | Length:              | 35'                                   |
| I.D.            | 4"                                    | INCHES  | O.D.                | 8"                   | INCHES                                |
| WORKING PF      | IESSURE                               | TEST PRESSUR                                  | E                   | BURST PRES           | SURE                                  |
| 10,000          | PSI                                   | 15,000  | PSI                 |                      | PSI                                   |
|                 |                                       | COUP  | LINGS               |                      |                                       |
| Type of En<br>4 | id Fitting<br>11/16 10K F             | LANGE   |                     |                      |                                       |
| Type of Co      | upling:                               |   | MANUFACTU           | RED BY               | · · · · · · · · · · · · · · · · · · · |
|                 | SWEDGED                               |   | MIDWEST HO          | SE & SPECIA          | LTY                                   |
|                 |                                       | PROC  | EDURE               |                      |                                       |
| ,               | inea assambl                          | v pressure tested w                           | ith water at embled | t tomooreturo        |                                       |
|                 |                                       | TEST PRESSURE                                 | 1                   | URST PRESSU          | IRE:                                  |
|                 | 1                                     | MIN.  |                     |                      | 0 <i>psi</i>                          |
| H<br>W          | N#90087<br>lose is cov<br>vraped with | M10761<br>ered with staining fire resistant v | ermiculite coat     | ed fiberglas         | 8                                     |
|                 | nsulation re                          | ated for 1500 de                              | grees complete      |                      | eyes                                  |
| Date:<br>6      | /6/2011                               | Tested By:<br>BOBBY FINK                      |                     | Approved:<br>MENDI J | ACKSON                                |

Manufacturer: Midwest Hose & Specialty

WP Rating: 10,000 psi Anchors required by manfacturer: No

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Serial Number: SN#90067

Length: 35'

Size: OD = 8" ID = 4"

Ends: Flanges Size: 4-1/16"

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

Tested By: Bobby Fink

Approved By: Mendi Jackson

, Mendi Jackson

| Hole<br>Size | Interval           | Csg<br>OD | Weight | Grade       | Conn           | DF <sub>min</sub><br>Collapse | DF <sub>min</sub><br>Burst | DF <sub>min</sub><br>Tension |
|--------------|--------------------|-----------|--------|-------------|----------------|-------------------------------|----------------------------|------------------------------|
| 14.75"       | 0-1,045'           | 10.75"    | 40.5#  | J55         | STC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 0 – 1,000'         | 7.625"    | 29.7#  | HCP-<br>110 | LTC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 1,000' –<br>3,000' | 7.625"    | 29.7#  | P-110EC     | SLIJ II        | 1.125                         | 1.25                       | 1.60                         |
| 8.75"        | 3,000' - 11,600'   | 7.625"    | 29.7#  | HCP-<br>110 | FlushMax III   | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 0' - 11,100'       | 5.5"      | 20#    | P-110EC     | DWC/C-IS<br>MS | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 11,100'-22,574'    | 5.5"      | 20#    | P-110EC     | VAM SFC        | 1.125                         | 1.25                       | 1.60                         |

# 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + $4.0\%$ Bentonite + $0.6\%$ CD- $32 + 0.5\%$ CaCl <sub>2</sub> + $0.25$<br>lb/sk Cello-Flake (TOC @ Surface)  |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

#### **Cementing Program:**

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 (5000-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 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The intermediate casing will be tested to 2000 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 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             | Туре        | Weight (ppg) | Viscosity | Water Loss |
|-------------------|-------------|--------------|-----------|------------|
| 0 - 1,045'        | Fresh - Gel | 8.6-8.8      | 28-34     | N/c        |
| 1,045' – 11,600'  | Brine       | 8.8-10.0     | 28-34     | N/c        |
| 11,600' – 22,574' | 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.

#### 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 (5000-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.

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|---|--------------------|

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|-------------------|-------------|--------------|-----------|------------|
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| 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.

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(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-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 7516 psig (based on 11.5 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. 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.

| Hole<br>Size | Interval           | Csg<br>OD | Weight | Grade       | Conn           | DF <sub>min</sub><br>Collapse | DF <sub>min</sub><br>Burst | DF <sub>min</sub><br>Tension |
|--------------|--------------------|-----------|--------|-------------|----------------|-------------------------------|----------------------------|------------------------------|
| 14.75"       | 0 - 1,045'         | 10.75"    | 40.5#  | J55         | STC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 0 – 1,000'         | 7.625"    | 29.7#  | HCP-<br>110 | LTC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 1,000' –<br>3,000' | 7.625"    | 29.7#  | P-110EC     | SLIJ II        | 1.125                         | 1.25                       | 1.60                         |
| 8.75"        | 3,000' 11,600'     | 7.625"    | 29.7#  | HCP-<br>110 | FlushMax III   | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 0' - 11,100'       | 5.5"      | 20#    | P-110EC     | DWC/C-IS<br>MS | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 11,100'-22,574'    | 5.5"      | 20#    | P-110EC     | VAM SFC        | 1.125                         | 1.25                       | 1.60                         |

# 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl <sub>2</sub> + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)              |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

#### **Cementing Program:**

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.

# 1. GEOLOGIC NAME OF SURFACE FORMATION:

# 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler                  | n for the second se<br>The second sec<br>The second se |                                       | 1,019'                                |  |
|--------------------------|---|---------------------------------------|---------------------------------------|--|
| Top of Salt              |   | :*                                    | 1,369'                                | ليدري الأراد الأرب الي ماكنين من مانين.<br>1- المي فري المالي المراجع المراجع الم                                |
| Base of Salt             | / Top Anhydrite   | - ,                                   | 4,979'                                |  |
| Base Anhyd               | lrite   | · · · ·                               | 5,206'                                |  |
| Lamar.                   | a kanalan ang sa sa   |                                       | 5,206'                                |  |
| Bell Canyor              | 1   |                                       | 5,245'                                |  |
| Cherry Can               | yon -   |                                       | 6,287'                                |  |
| Brushy Can               | yon   |                                       | 7,968'                                |  |
| Bone Spring              | g Lime  |                                       | 9,442'                                | an a   |
| 1 <sup>st</sup> Bone Spr | ring Sand   |                                       | 10,370'                               | a the second   |
| 2 <sup>nd</sup> Bone Sp  |   |                                       | 10,556'                               |  |
| 2 <sup>nd</sup> Bone Sp  | ring Sand   | e j <sup>e</sup> j e set              | 10,924'                               |  |
| 3 <sup>rd</sup> Bone Sp  | ring Carb   |                                       | 11,452'                               | in here and h |
| 3 <sup>rd</sup> Bone Sp  | ring Sand   |                                       | 11,980'                               | and a second   |
| Wolfcamp                 | n marine and an and an and an and an and an and an  |                                       | 12,401'                               |  |
| TD                       |   | · · · · · · · · · · · · · · · · · · · | 12,570                                | en an an thair an  |
|                          |   |                                       | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | - キャング・キー・ション きょうしゃ しんき パイト しゅう  |

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

| ;    | Upper Permian Sands               | 0- 400' | Fresh Water |
|------|-----------------------------------|---------|-------------|
| •    | Cherry Canyon                     | 6,287'  | Oil         |
| Ĵ    | Brushy Canyon                     | 7,968'  | Oil         |
|      | 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Õil         |
| <br> | 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil         |
|      | 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil         |
| 5    | 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil         |
|      | 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil         |
|      | Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.

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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) 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-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 7516 psig (based on 11.5 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. 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 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 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 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 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.

Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

# 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

# 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler                           | 1,019'  |
|-----------------------------------|---------|
| Top of Salt                       | 1,369'  |
| Base of Salt / Top Anhydrite      | 4,979'  |
| Base Anhydrite                    | 5,206'  |
| Lamar                             | 5,206'  |
| Bell Canyon                       | 5,245'  |
| Cherry Canyon                     | 6,287'  |
| Brushy Canyon                     | 7,968'  |
| Bone Spring Lime                  | 9,442'  |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' |
| Wolfcamp                          | 12,401' |
| TD                                | 12,570' |

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

Water

| Upper Permian Sands               | 0-400'  | Fresh |
|-----------------------------------|---------|-------|
| Cherry Canyon                     | 6,287'  | Oil   |
| Brushy Canyon                     | 7,968'  | Oil   |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil   |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil   |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil   |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil   |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil   |
| Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.

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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.

Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

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) 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-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 7516 psig (based on 11.5 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. 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.

4.

# 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 (5000-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 5000/250 psig and the annular preventer to 3500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The intermediate casing will be tested to 2000 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 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                        | Туре        | Weight (ppg) | Viscosity | Water Loss |
|------------------------------|-------------|--------------|-----------|------------|
| 0 - 1,045'                   | Fresh - Gel | 8.6-8.8      | 28-34     | N/c        |
| 1,045' – 11,600'             | Brine       | 8.8-10.0     | 28-34     | N/c        |
| 11,600' – 22,574'<br>Lateral | Oil Base.   | 10.0-14.0    | 58-68     | 3 - 6      |

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.

3.

| Hole   |                    | Csg    |        |             |                | DFmin    | DFmin | DFmin   |
|--------|--------------------|--------|--------|-------------|----------------|----------|-------|---------|
| Size   | Interval           | OD     | Weight | Grade       | Conn           | Collapse | Burst | Tension |
| 14.75" | 0-1,045'           | 10.75" | 40.5#  | J55         | STC            | 1.125    | 1.25  | 1.60    |
| 9.875" | 0 – 1,000'         | 7.625" | 29.7#  | HCP-<br>110 | LTC            | 1.125    | 1.25  | 1.60    |
| 9.875" | 1,000' –<br>3,000' | 7.625" | 29.7#  | P-110EC     | SLIJ II        | 1.125    | 1.25  | 1.60    |
| 8.75"  | 3,000' - 11,600'   | 7.625" | 29.7#  | HCP-<br>110 | FlushMax III   | 1.125    | 1.25  | 1.60    |
| 6.75"  | 0' - 11,100'       | 5.5"   | 20#    | P-110EC     | DWC/C-IS<br>MS | 1.125    | 1.25  | 1.60    |
| 6.75"  | 11,100'-22,574'    | 5.5"   | 20#    | P-110EC     | VAM SFC        | 1.125    | 1.25  | 1.60    |

# 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)                       |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

# **Cementing Program:**

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.

# 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

# 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler                           | 1,019'  |
|-----------------------------------|---------|
| Top of Salt                       | 1,369'  |
| Base of Salt / Top Anhydrite      | 4,979'  |
| Base Anhydrite                    | 5,206'  |
| Lamar                             | 5,206'  |
| Bell Canyon                       | 5,245'  |
| Cherry Canyon                     | 6,287'  |
| Brushy Canyon                     | 7,968'  |
| Bone Spring Lime                  | 9,442'  |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' |
| Wolfcamp                          | 12,401' |
| TD                                | 12,570' |
|                                   |         |

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

Water

| Upper Permian Sands               | 0-400'  | Fresh |
|-----------------------------------|---------|-------|
| Cherry Canyon                     | 6,287'  | Oil   |
| Brushy Canyon                     | 7,968'  | Oil   |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil   |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil   |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil   |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil   |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil   |
| Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.

1.

### **11. WELLHEAD**:

A multi-bowl wellhead system will be utilized.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 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 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 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.

Both the surface and intermediate casing strings will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

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) 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-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 7516 psig (based on 11.5 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. 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.

4.
#### 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 (5000-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 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The intermediate casing will be tested to 2000 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 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.

| Depth             | Туре        | Weight (ppg) | Viscosity | Water Loss |
|-------------------|-------------|--------------|-----------|------------|
| 0 - 1,045'        | Fresh - Gel | 8.6-8.8      | 28-34     | N/c        |
| 1,045' – 11,600'  | Brine       | 8.8-10.0     | 28-34     | N/c        |
| 11,600' - 22,574' | Oil Base    | 10.0-14.0    | 58-68     | 3 - 6      |
| Lateral           |             |              |           |            |

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

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.

| Hole<br>Size | Interval           | Csg<br>OD | Weight | Grade       | Conn           | DF <sub>min</sub><br>Collapse | DF <sub>min</sub><br>Burst | DF <sub>min</sub><br>Tension |
|--------------|--------------------|-----------|--------|-------------|----------------|-------------------------------|----------------------------|------------------------------|
| 14.75"       | 0-1,045'           | 10.75"    | 40.5#  | J55         | STC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 0 – 1,000'         | 7.625"    | 29.7#  | HCP-<br>110 | LTC            | 1.125                         | 1.25                       | 1.60                         |
| 9.875"       | 1,000' –<br>3,000' | 7.625"    | 29.7#  | P-110EC     | SLIJ II        | 1.125                         | 1.25                       | 1.60                         |
| 8.75"        | 3,000' - 11,600'   | 7.625"    | 29.7#  | HCP-<br>110 | FlushMax III   | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 0' - 11,100'       | 5.5"      | 20#    | P-110EC     | DWC/C-IS<br>MS | 1.125                         | 1.25                       | 1.60                         |
| 6.75"        | 11,100'-22,574'    | 5.5"      | 20#    | P-110EC     | VAM SFC        | 1.125                         | 1.25                       | 1.60                         |

## 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)                       |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

### Cementing Program:

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.

## 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

## 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| 1,019'  |
|---------|
| 1,369'  |
| 4,979'  |
| 5,206'  |
| 5,206'  |
| 5,245'  |
| 6,287'  |
| 7,968'  |
| 9,442'  |
| 10,370' |
| 10,556' |
| 10,924' |
| 11,452' |
| 11,980' |
| 12,401' |
| 12,570' |
|         |

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

| Upper Permian Sands               | 0-400'  | Fresh Water |
|-----------------------------------|---------|-------------|
| Cherry Canyon                     | 6,287'  | Oil         |
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| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil         |
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| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil         |
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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 10.75" casing at 1,045' and circulating cement back to surface.

1.

#### **11. WELLHEAD**:

A multi-bowl wellhead system will be utilized.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 5000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5000 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 5000 psi.

The multi-bowl wellhead will be installed by vendor's representative(s). A copy of the installation instructions for the Stream Flo FBD100 Multi-Bowl WH system has been sent to the NM BLM office in Carlsbad, NM.

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

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

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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.

| Depth             | Туре        | Weight (ppg) | Viscosity | Water Loss |
|-------------------|-------------|--------------|-----------|------------|
| 0-1,045'          | Fresh - Gel | 8.6-8.8      | 28-34     | · N/c      |
| 1,045' – 11,600'  | Brine       | 8.8-10.0     | 28-34     | N/c        |
| 11,600' - 22,574' | Oil Base    | 10.0-14.0    | 58-68     | 3 - 6      |
| Lateral           |             |              |           |            |

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

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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 (5000-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 5000/250 psig and the annular preventer to 3500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/ 250 psig and the annular preventer to 3500/ 250 psig. The intermediate casing will be tested to 2000 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 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.

| Depth             | Туре        | Weight (ppg) | Viscosity | Water Loss |
|-------------------|-------------|--------------|-----------|------------|
| 0 - 1,045'        | Fresh - Gel | 8.6-8.8      | 28-34     | N/c        |
| 1,045' – 11,600'  | Brine       | 8.8-10.0     | 28-34     | N/c        |
| 11,600' - 22,574' | Oil Base    | 10.0-14.0    | 58-68     | 3 - 6      |
| Lateral           |             |              |           |            |

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

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.

| Hole   |                  | Csg    |        |         |              | DFmin    | DFmin | DF <sub>min</sub> |
|--------|------------------|--------|--------|---------|--------------|----------|-------|-------------------|
| Size   | Interval         | OD     | Weight | Grade   | Conn         | Collapse | Burst | Tension           |
| 14.75" | 0-1,045'         | 10.75" | 40.5#  | J55     | STC          | 1.125    | 1.25  | 1.60              |
| 9.875" | 0 – 1,000'       | 7.625" | 29.7#  | HCP-    | LTC          | 1.125    | 1.25  | 1.60              |
|        |                  |        |        | 110     |              |          |       |                   |
| 9.875" | 1,000' –         | 7.625" | 29.7#  | P-110EC | SLIJ II      | 1.125    | 1.25  | 1.60              |
|        | 3,000'           |        |        |         |              |          |       |                   |
| 8.75"  | 3,000' - 11,600' | 7.625" | 29.7#  | HCP-    | FlushMax III | 1.125    | 1.25  | 1.60              |
|        |                  | · .    |        | . 110   |              |          |       |                   |
| 6.75"  | 0' - 11,100'     | 5.5"   | 20#    | P-110EC | DWC/C-IS     | 1.125    | 1.25  | 1.60              |
|        |                  |        |        |         | MS           |          |       |                   |
| 6.75"  | 11,100'-22,574'  | 5.5"   | 20#    | P-110EC | VAM SFC      | 1.125    | 1.25  | 1.60              |

## 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)                       |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

## Cementing Program:

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.

## 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

## 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler<br>Top of Salt<br>Base of Salt / Top Anhydrite<br>Base Anhydrite<br>Lamar<br>Bell Canyon<br>Cherry Canyon<br>Brushy Canyon<br>Bone Spring Lime<br>1 <sup>st</sup> Bone Spring Sand<br>2 <sup>nd</sup> Bone Spring Sand<br>3 <sup>rd</sup> Bone Spring Carb<br>3 <sup>rd</sup> Bone Spring Sand | 1,019'<br>1,369'<br>4,979'<br>5,206'<br>5,245'<br>6,287'<br>7,968'<br>9,442'<br>10,370'<br>10,556'<br>10,924'<br>11,452'<br>11,980' |
|--|---|
|  | ,   |
|  |   |

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

| Upper Permian Sands               | 0-400'  | Fresh Water |
|-----------------------------------|---------|-------------|
| Cherry Canyon                     | 6,287'  | Oil         |
| Brushy Canyon                     | 7,968'  | Oil         |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil         |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil         |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil         |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil         |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil         |
| Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.

1.

| Hole   |                  | Csg    |        |         | ~            | DFmin    | DFmin | DFmin   |
|--------|------------------|--------|--------|---------|--------------|----------|-------|---------|
| Size   | Interval         | OD     | Weight | Grade   | Conn         | Collapse | Burst | Tension |
| 14.75" | 0 – 1,045'       | 10.75" | 40.5#  | J55     | STC          | 1.125    | 1.25  | 1.60    |
| 9.875" | 0 - 1,000'       | 7.625" | 29.7#  | HCP-    | LTC          | 1.125    | 1.25  | 1.60    |
|        |                  |        |        | 110     |              |          |       |         |
| 9.875" | 1,000' -         | 7.625" | 29.7#  | P-110EC | SLIJ II      | 1.125    | 1.25  | 1.60    |
|        | 3,000'           |        |        |         |              |          |       |         |
| 8.75"  | 3,000' - 11,600' | 7.625" | 29.7#  | HCP-    | FlushMax III | 1.125    | 1.25  | 1.60    |
|        |                  |        |        | 110     |              |          |       |         |
| 6.75"  | 0' - 11,100'     | 5.5"   | 20#    | P-110EC | DWC/C-IS     | 1.125    | 1.25  | 1.60    |
|        |                  |        |        |         | MS           |          |       |         |
| 6.75"  | 11,100'-22,574'  | 5.5"   | 20#    | P-110EC | VAM SFC      | 1.125    | 1.25  | 1.60    |

## 4. CASING PROGRAM - NEW

Variance is requested to wave 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 wave 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.

| Depth             | No.<br>Sacks | Wt.<br>ppg | Yld<br>Ft <sup>3</sup> /ft | Mix<br>Water<br>Gal/sk | Slurry Description  |
|-------------------|--------------|------------|----------------------------|------------------------|---|
| 10-3/4"<br>1,045' | 325          | 13.5       | 1.73                       | 9.13                   | Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25<br>lb/sk Cello-Flake (TOC @ Surface)                       |
|                   | 200          | 14.8       | 1.34                       | 6.34                   | Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium<br>Metasilicate   |
| 7-5/8"<br>11,600' | 250          | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead<br>(TOC @ Surface)   |
|                   | 2000         | 14.8       | 1.38                       | 6.48                   | Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead  |
|                   | 550          | 14.4       | 1.20                       | 4.81                   | 50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20%<br>CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped<br>Conventionally |
| 5-1/2"<br>22,574' | 950          | 14.1       | 1.26                       | 5.80                   | Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,100')  |

## Cementing Program:

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.



#### EOG 5M BOPE Diagram (6/10/14)

## 1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

## 2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

| Rustler                           | 1,019'  |
|-----------------------------------|---------|
| Top of Salt                       | 1,369'  |
| Base of Salt / Top Anhydrite      | 4,979'  |
| Base Anhydrite                    | 5,206'  |
| Lamar                             | 5,206'  |
| Bell Canyon                       | 5,245'  |
| Cherry Canyon                     | 6,287'  |
| Brushy Canyon                     | 7,968'  |
| Bone Spring Lime                  | 9,442'  |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' |
| Wolfcamp                          | 12,401' |
| TD                                | 12,570' |
|                                   |         |

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

Water

| Upper Permian Sands               | 0-400'  | Fresh |
|-----------------------------------|---------|-------|
| Cherry Canyon                     | 6,287'  | Oil   |
| Brushy Canyon                     | 7,968'  | Oil   |
| 1 <sup>st</sup> Bone Spring Sand  | 10,370' | Oil   |
| 2 <sup>nd</sup> Bone Spring Shale | 10,556' | Oil   |
| 2 <sup>nd</sup> Bone Spring Sand  | 10,924' | Oil   |
| 3 <sup>rd</sup> Bone Spring Carb  | 11,452' | Oil   |
| 3 <sup>rd</sup> Bone Spring Sand  | 11,980' | Oil   |
| Wolfcamp                          | 12,401' | 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 10.75" casing at 1,045' and circulating cement back to surface.

## United States Department of the Interior



3160 (Office Code) | NMNM122622 ]

In Reply To:

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. GREENE ST. CARLSBAD, NM 88220 BLM\_NM\_CF0\_APD@BLM.GOV



05/26/2017

Aun: STAN WAGNER EOG RESOURCES INC 1111 BAGBY SKY LOBBY2 HOUSTON, TX 77002

Re: Receipt and Acceptability of Application for Permit to Drill (APD)

## FEDERAL - NMNM122622

Well Name / Number: Legal Description: County, State: Date APD Received: DOGWOOD 23 FED COM / 702H T26S, R33E, SEC 23, SESE LEA, NM 03/07/2017

Dear Operator:

The BLM received your Application for Permit to Drill (APD), for the referenced well, on 03/07/2017. The BLM reviewed the APD package pursuant to part III.D of Onshore Oil and Gas Order No.1 and it is:

1. Incomplete/Deficient (*The BLM cannot process the APD until you submit the identified items within 45 calendar days of the date of this notice or the BLM will return your APD.*)

|              | Well Plat  |
|--------------|--|
| $\checkmark$ | Drilling Plan  |
|              | Surface Use Plan of Operations (SUPO)  |
|              | Certification of Private Surface Owner Access Agreement  |
|              | Bonding  |
|              | Onsite (The BLM has scheduled the onsite to be on )  |
|              | This requirement is exempt of the 45-day timeframe to submit deficiencies. This requirement will be satisfied on the date of the onsite. |
|              | Other  |

[Please See Addendum for further clarification of deficiencies]

Missing Necessary Information (The BLM can start, but cannot complete the analysis until you submit the identified items. This is an early notice and the BLM will restate this in a 30-day deferral letter, if you have not submitted the information at that time. You will have two (2) years from the date of the deferral to submit this information or the BLM will deny your APD.)

[Please See Addendum for further clarification of deficiencies]

NOTE: The BLM will return your APD package to you, unless you correct all deficiencies identified above (item 1) within 45 calendar days.

• The BLM will not refund an APD processing fee or apply it to another APD for any returned APD.

#### **Extension Requests:**

- If you know you will not be able to meet the 45-day timeframe for reasons beyond your control, you must submit a written request through email/standard mail for extension prior to the 45<sup>th</sup> calendar day from this notice, 07/10/2017.
- The BLM will consider the extension request if you can demonstrate your diligence (providing reasons and examples of why the delay is occurring beyond your control) in attempting to correct the deficiencies and can provide a date by which you will correct the deficiencies. If the BLM determines that the request does not warrant an extension, the BLM will return the APD as incomplete after the 45 calendar days have elapsed.
  - The BLM will determine whether to grant an extension beyond the required 45 calendar days and will document this request in the well file. If you fail to submit deficiencies by the date defined in the extension request, the BLM will return the APD.

#### **APDs remaining Incomplete:**

- If the APD is still not complete, the BLM will notify you and allow 10 additional business days to submit a written request to the BLM for an extension. The request must describe how you will address all outstanding deficiencies and the timeframe you request to complete the deficiencies.
  - The BLM will consider the extension request if you can prove your diligence (providing reasons and examples of why the delay is occurring) in attempting to correct the deficiencies and you can provide a date by which you will correct the deficiencies. If the BLM determines that the request does not warrant an additional extension, the BLM will return the APD as incomplete.

If you have any questions, please contact Melissa Agee at (575) 234-5937.

Sincerely,

Cody Layton Assistant Field Manager

cc: Official File

## ADDENDUM - Incomplete/Deficient

ADDENDUM - Deficient j lova A. 19 1. ...

**Engineering Comments** 

BOP requirements are not met

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Sec. B. P. Sty R. B. Station

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2 2 1 1. BOP Schematic must have a 10M Annular. Please resubmit with correction. A Hached 2.10M BOP Choke manifold is required. Please resubmit with correction. and a second

, Clarifications

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Engineering Review: Other identified drilling plan deficiencies Not a deficiency but cannot approve APD without a waste minimization plan. Please attach state submitted gas capture plan (this will be a sufficient substitute for waste minimization plan).



#### EOG 5M BOPE Diagram (6/10/14)





EOG 5M BOPE Diagram (6/10/14)

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#### BLM APD Waste Minimization Plan Checklist

Well Name: Dogwood 23 Fed Com 702H (APD) Well Location: 200' FSL & 604' FEL, SESE 23-26S-33E, Lea County

Production Facility Name: Dogwood 23 Fed Com Central Tank Battery And American Production Facility Location: CTB Located in SE/4 of section 23. Gas is gathered at CTB and piped through EOG gathering system to Enterprise Field Services gas pipeline tie-in.

Anticipated Well Completion Date: Estimated 04/01/2018

- Initial Production Volumes: Estimated ~3000 – 7000 MCFPD initial rate.

In accordance with 3162.3-1(j)(3), one or more third-party, midstream processors have been notified of our development plan. Information provided includes anticipated completion dates and gas production rates.

NMOCD gas capture plan attached.

## Issued on: 24 Jan. 2017

Vevni ETLANDI

Connection Data Sheet

|                      | PIPE PRORENUES  |   | CONNECTION   | PROPERMES                             |
|----------------------|---|---|--|---------------------------------------|
|                      | Nominal OD  | 7.625 in.   | Connection Type  | Premium integral semi-flu             |
| 1.1                  | Nominal ID  | 6.875 in.   | Connection OD (nom)                                      | 7.711 in.                             |
|                      | Nominal Cross Section Area  | 8.541 sqin.   | Connection ID (nom)                                      | 6.820 in.                             |
| 1.5                  |   | High Collapse   | Make-up Loss   | 4.822 in.                             |
|                      | Min. Yield Strength   | 110 ksi   | Critical Cross Section                                   | 5.912 sqin.                           |
| 4                    | Max. Yield Strength   | 140 ksi   | Tension Efficiency                                       | 69.2 % of pipe                        |
|                      | Min. Ultimate Tensile Strength  | 125 ksi   | Compression Efficiency                                   | 48.5 % of pipe                        |
|                      |   |   | Internal Pressure Efficiency                             | 100 % of pipe                         |
|                      |   |   | External Pressure Efficiency                             | 100 % of pipe                         |
|                      | AMRIOFREM NOINBENNOS  | NGES  | HILD TORE  | UE VALUES                             |
|                      | Tensile Yield Strength  | 651 klb   | Min. Make-up torque                                      | 11300 ft.lb                           |
| n rí<br>r i l        | Compression Resistance  | 455 klb   | Opti. Make-up torque                                     | 12600 ft.lb                           |
|                      | Internal Yield Pressure   | 9470 psi  | Max. Make-up torque                                      | 13900 ft.lb                           |
|                      | Uniaxial Collapse Pressure  | 7890 psi  |  |                                       |
|                      | Max. Bending Capacity   | TDB   |  |                                       |
| . <del>)</del><br>Х, | Max Bending with Sealability  | 20 "/100 ft   |  | · ·                                   |
|                      |   |   |  | M'SLJ-II<br>nnco Envelopo             |
|                      | VAM® SLIJ-II is a semi-flush integral pre<br>all casing applications. It combines a ne<br>high performances in tension, com<br>sealability.<br>VAM® SLIJ-II has been validated acc<br>stringent tests protocols, and has an ex<br>history in the world's most prolific HPHT v | ear flush design with<br>pression and gas<br>cording to the most<br>cellent performance | 100<br>100<br>100<br>100<br>100<br>100<br>100<br>100     | Connection<br>CVS<br>100% Ppn API 5C3 |
| いたのたい、               |   |   | -150 -100 -50<br>Axial L<br>CYS = from 67.2% to 82% PBYS | 0 50 400 150<br>aad (% PBY\$)         |

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 singapore@vanifieldservice.com

 brazil@vanifieldservice.com
 australia@vanifieldservice.com

 Over 140 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

 Other Connection Data Sheets are available at www.vamservices.com



Vallourec Group