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Form 3160-3
(March 2012)

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM66927

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
NAUTILUS 16 FED COM 707H (319663)

2. Name of Operator
EOG RESOURCES INCORPORATED (7377)

9. API Well No.
30-025-44245

3a. Address
1111 Bagby Sky Lobby2 Houston TX 77002

3b. Phone No. *(include area code)*
(713)651-7000

10. Field and Pool, or Exploratory
RED HILLS / WC-025 S263416B UPPER (98105)

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface SWSE / 280 FSL / 2565 FEL / LAT 32.036955 / LONG -103.4745686
At proposed prod. zone NWSE / 2413 FSL / 2595 FEL / LAT 32.0573345 / LONG -103.4742223

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 16 / T26S / R34E / NMP

14. Distance in miles and direction from nearest town or post office*
17.5 miles

12. County or Parish
LEA

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
280 feet

16. No. of acres in lease
2480

17. Spacing Unit dedicated to this well
240

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
570 feet

19. Proposed Depth
12772 feet / 20226 feet

20. BLM/BIA Bond No. on file
FED: NM2308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3306 feet

22. Approximate date work will start*
01/01/2018

23. Estimated duration
25 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	Stan Wagner / Ph: (432)686-3689	03/24/2017

Title
Regulatory Specialsit

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Cody Layton / Ph: (575)234-5959	09/27/2017

Title	Office
Supervisor Multiple Resources	CARLSBAD

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

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

(Continued on page 2)

*(Instructions on page 2)

APPROVED WITH CONDITIONS

KZ
12/01/17

Double S
X

INSTRUCTIONS

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

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

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

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

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

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

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.
AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160
PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.
ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.
EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

(Continued on page 3)

Additional Operator Remarks

Location of Well

1. SHL: SWSE / 280 FSL / 2565 FEL / TWSP: 26S / RANGE: 34E / SECTION: 16 / LAT: 32.036955 / LONG: -103.4745686 (TVD: 0 feet, MD: 0 feet)
   PPP: SWSE / 330 FSL / 2595 FEL / TWSP: 26S / RANGE: 34E / SECTION: 16 / LAT: 32.0370916 / LONG: -103.4746656 (TVD: 12741 feet, MD: 12856 feet)
   BHL: NWSE / 2413 FSL / 2595 FEL / TWSP: 26S / RANGE: 34E / SECTION: 9 / LAT: 32.0573345 / LONG: -103.4742223 (TVD: 12772 feet, MD: 20226 feet)

BLM Point of Contact

Name: Tenille Ortiz
Title: Legal Instruments Examiner
Phone: 5752345983
Email: tortiz@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

AFMSS

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

Application Data Report
09/28/2017

APD ID: 10400012613 **Submission Date:** 03/24/2017

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

APD ID: 10400012613 **Tie to previous NOS?** **Submission Date:** 03/24/2017

BLM Office: CARLSBAD **User:** Stan Wagner **Title:** Regulatory Specialsit

Federal/Indian APD: FED **Is the first lease penetrated for production Federal or Indian?** FED

Lease number: NMNM66927 **Lease Acres:** 2480

Surface access agreement in place? **Allotted?** **Reservation:**

Agreement in place? NO **Federal or Indian agreement:**

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO **APD Operator:** EOG RESOURCES INCORPORATED

Operator letter of designation:

Operator Info

Operator Organization Name: EOG RESOURCES INCORPORATED

Operator Address: 1111 Bagby Sky Lobby2

Zip: 77002

Operator PO Box:

Operator City: Houston **State:** TX

Operator Phone: (713)651-7000

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO **Mater Development Plan name:**

Well in Master SUPO? NO **Master SUPO name:**

Well in Master Drilling Plan? NO **Master Drilling Plan name:**

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** RED HILLS **Pool Name:** WC-025 S263416B UPPER WC

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Describe other minerals:

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** NAUTILUS 16 FED COM **Number:** 707H/708H

Well Class: HORIZONTAL **Number of Legs:** 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 17.5 Miles **Distance to nearest well:** 570 FT **Distance to lease line:** 280 FT

Reservoir well spacing assigned acres Measurement: 240 Acres

Well plat: Nautilus_16_Fed_Com_707H_signed_C_102_03-24-2017.pdf

Well work start Date: 01/01/2018 **Duration:** 25 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	280	FSL	2565	FEL	26S	34E	16	Aliquot SWSE	32.036955	-103.4745686	LEA	NEW MEXICO	NEW MEXICO	S	STATE	3306	0	0
KOP Leg #1	51	FSL	2591	FEL	26S	34E	16	Aliquot SWSE	32.036352	-103.4746599	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-8988	12297	12294
PPP Leg #1	330	FSL	2595	FEL	26S	34E	16	Aliquot SWSE	32.037091	-103.4746656	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-9435	12856	12741

APD ID: 10400012613 **Submission Date:** 03/24/2017

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
17706	PERMIAN	3306	0	0		NONE	No
17746	RUSTLER	2636	670	670	ANHYDRITE	NONE	No
17718	TOP SALT	2046	1260	1260	SALT	NONE	No
17722	BASE OF SALT	-1804	5110	5110	SALT	NONE	No
17719	LAMAR	-2019	5325	5325	LIMESTONE	NONE	No
15332	BELL CANYON	-2052	5358	5358	SANDSTONE	NATURAL GAS,OIL	No
15316	CHERRY CANYON	-3089	6395	6395	SANDSTONE	NATURAL GAS,OIL	No
17713	BRUSHY CANYON	-4798	8104	8104	SANDSTONE	NATURAL GAS,OIL	No
17721	BONE SPRING LIME	-6298	9604	9604	LIMESTONE	NONE	No
17770	FIRST BONE SPRING SAND	-7292	10598	10598	SANDSTONE	NATURAL GAS,OIL	No
17737	BONE SPRING 2ND	-7815	11121	11121	SANDSTONE	NATURAL GAS,OIL	No
17738	BONE SPRING 3RD	-8884	12190	12190	SANDSTONE	NATURAL GAS,OIL	No
17709	WOLFCAMP	-9311	12617	12617	SHALE	NATURAL GAS,OIL	Yes

Section 2 - Blowout Prevention

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Pressure Rating (PSI): 10M **Rating Depth:** 12785

Equipment: 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 (10,000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil and Gas order No. 2.

Requesting Variance? YES

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

Testing Procedure: 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 5000/ 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 5000/ 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.

Choke Diagram Attachment:

10M_Choke_Manifold_07-18-2017.pdf

BOP Diagram Attachment:

10M_BOPE_07-18-2017.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	14.75	10.75	NEW	API	N	0	695	0	695	3306	2611	695	J-55	40.5	STC	1.125	1.25	BUOY	1.6	BUOY	1.6
2	INTERMEDIATE	9.875	7.625	NEW	API	N	0	1000	0	1000	3306	2306	1000	HCP-110	29.7	LTC	1.125	1.25	BUOY	1.6	BUOY	1.6
3	INTERMEDIATE	9.875	7.625	NEW	API	N	1000	3000	1000	3000	2306	306	2000	OTHER	29.7	OTHER - SLIJ II	1.125	1.25	BUOY	1.6	BUOY	1.6
4	PRODUCTION	6.75	5.5	NEW	API	N	0	11200	0	11200	3306	-7894	11200	OTHER	20	OTHER - DWC/C-IS MS	1.125	1.25	BUOY	1.6	BUOY	1.6
5	INTERMEDIATE	8.75	7.625	NEW	API	N	3000	11700	3000	11700	306	-8394	8700	HCP-110	29.7	OTHER - Flushmax III	1.125	1.25	BUOY	1.6	BUOY	1.6
6	PRODUCTION	6.75	5.5	NEW	API	N	11200	20226	11200	12772	-7894	-9466	9026	OTHER	20	OTHER - VAM SFC	1.125	1.25	BUOY	1.6	BUOY	1.6

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Casing ID: 3 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Casing Attachments

Casing ID: 4 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Casing ID: 5 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Casing ID: 6 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf

Section 4 - Cement

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Lead		0	0	0	0	0	0		0	0
PRODUCTION	Lead		0	0	0	0	0	0	0	0	0
INTERMEDIATE	Lead		0	0	0	0	0	0		0	0
SURFACE	Lead		0	695	325	1.73	13.5	562	25	Class C	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl2 + 0.25 lb/sk Cello-Flake (TOC @ Surface)
SURFACE	Tail		695	695	200	1.34	14.8	268	25	Class C	Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate
INTERMEDIATE	Lead		0	11700	2250	1.38	14.8	3105	25	Class C	Class C + 5% Gypsum + 3% CaCl2 pumped via bradenhead (TOC@surface)
INTERMEDIATE	Tail		11700	11700	550	1.2	14.4	660	25	Class H	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped conventionally
PRODUCTION	Lead		11200	20226	850	1.26	14.1	1071	25	Class H	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11200')

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: (A) A Kelly cock will be kept in the drill string at all times. (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times. (C) H2S monitoring and detection equipment will be utilized from surface casing point to TD.
Describe the mud monitoring system 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.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
695	11700	SALT SATURATED	8.8	10							
11700	20226	OIL-BASED MUD	10	14							
0	695	WATER-BASED MUD	8.6	8.8							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Open-hole logs are not planned for this well.

List of open and cased hole logs run in the well:

DS

Coring operation description for the well:

None

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7645 **Anticipated Surface Pressure:** 4835.16

Anticipated Bottom Hole Temperature(F): 181

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Nautilus_16_Fed_Com_707H_H2S_Plan_Summary_03-24-2017.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Nautilus_16_Fed_Com_707H_Planning_Report_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_Wall_Plot_03-24-2017.pdf

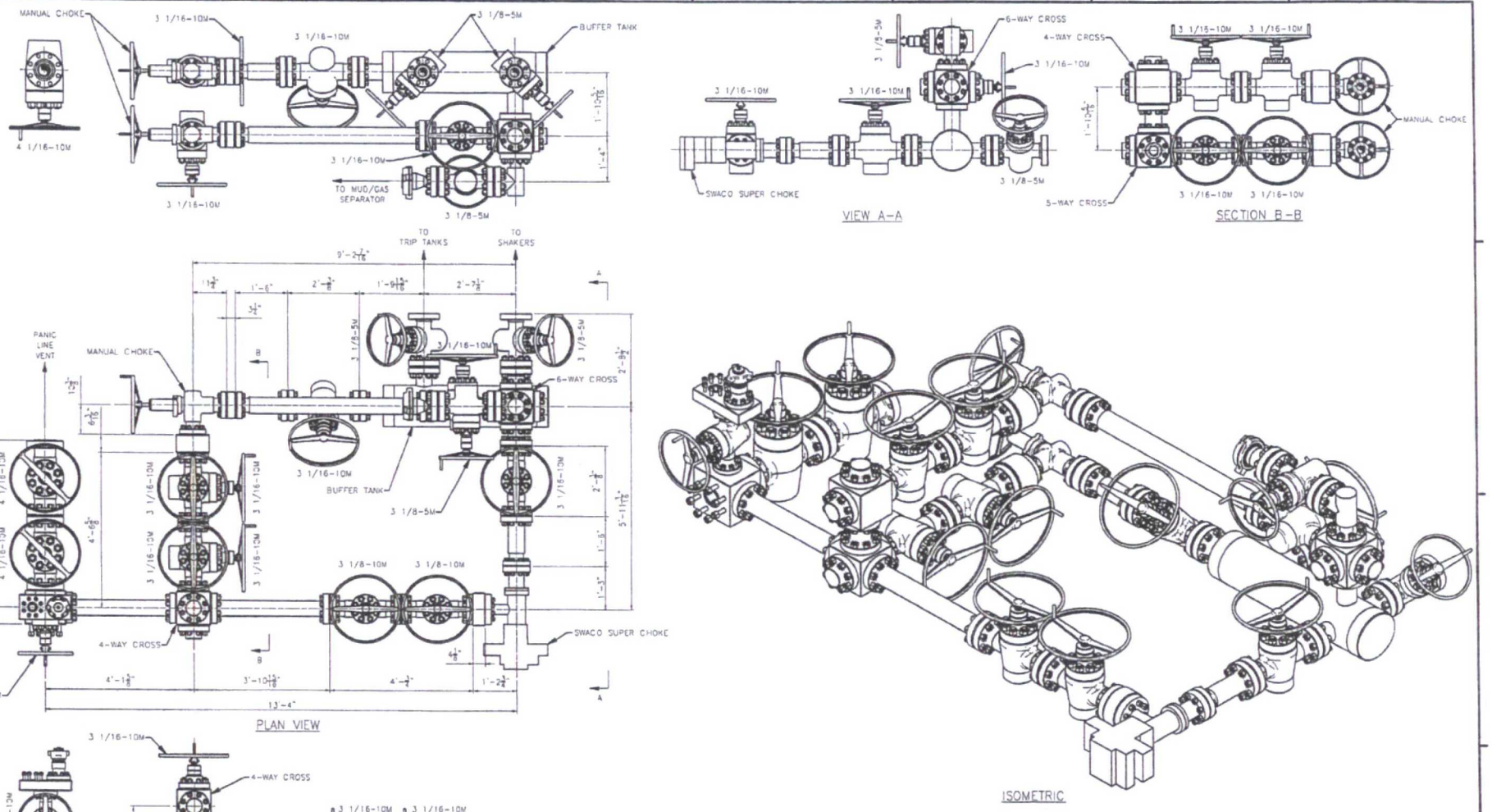
Other proposed operations facets description:

Other proposed operations facets attachment:

Nautilus_16_Fed_Com_707H_5.500in_20.00_VST_P110EC_DWC_C_IS_MS_Spec_Sheet_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_5.500in_20.00_VST_P110EC_VAM_SFC_Spec_Sheet_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_7.625in_29.7_P110EC_VAM_SLIJ_II_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_7.625in_29.70_P_110_FlushMax_III_Spec_Sheet_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_Proposed_Wellbore_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_Rig_Layout_03-24-2017.pdf
Nautilus_16_Fed_Com_707H_BLM_Plan_03-24-2017.pdf
Nautilus_16_FC_707_deficiency_response_07-18-2017.pdf

Other Variance attachment:

Nautilus_16_Fed_Com_707H_Co_Flex_Hose_Certification_03-24-2017.PDF
Nautilus_16_Fed_Com_707H_Co_Flex_Hose_Test_Chart_03-24-2017.pdf



PROPRIETARY

THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER, WITHOUT THE PRIOR, WRITTEN CONSENT OF A DULY AUTHORIZED OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

ISSUED FOR FABRICATION
February-10-2014
DRAFTSMAN MWL
ENGINEER

STANDARD TOLERANCES (UNLESS NOTED)

1. FABRICATION DIMENSIONS:	A-B" TO 24"	± 1/16"
	B-24" TO 120"	± 1/8"
	C-OVER 120"	± 1/4"
	A-ANGULAR	± 30'
2. MACHINED DIMENSIONS:	B-LINEAR (EXPRESSED AS FRACTION)	± 1/64
	LINEAR (EXPRESSED TO ONE DECIMAL)	± .1
	LINEAR (EXPRESSED TO TWO DECIMALS)	± .01
	LINEAR (EXPRESSED TO THREE DECIMALS)	± .005

REV	DATE	DESCRIPTION	BY
–			

HELMERICH & PAYNE INTERNATIONAL DRILLING CO.

TITLE: 3 CHOKE, 3 LEVEL, 10M CHOKE MANIFOLD G.A.

CUSTOMER: H&P

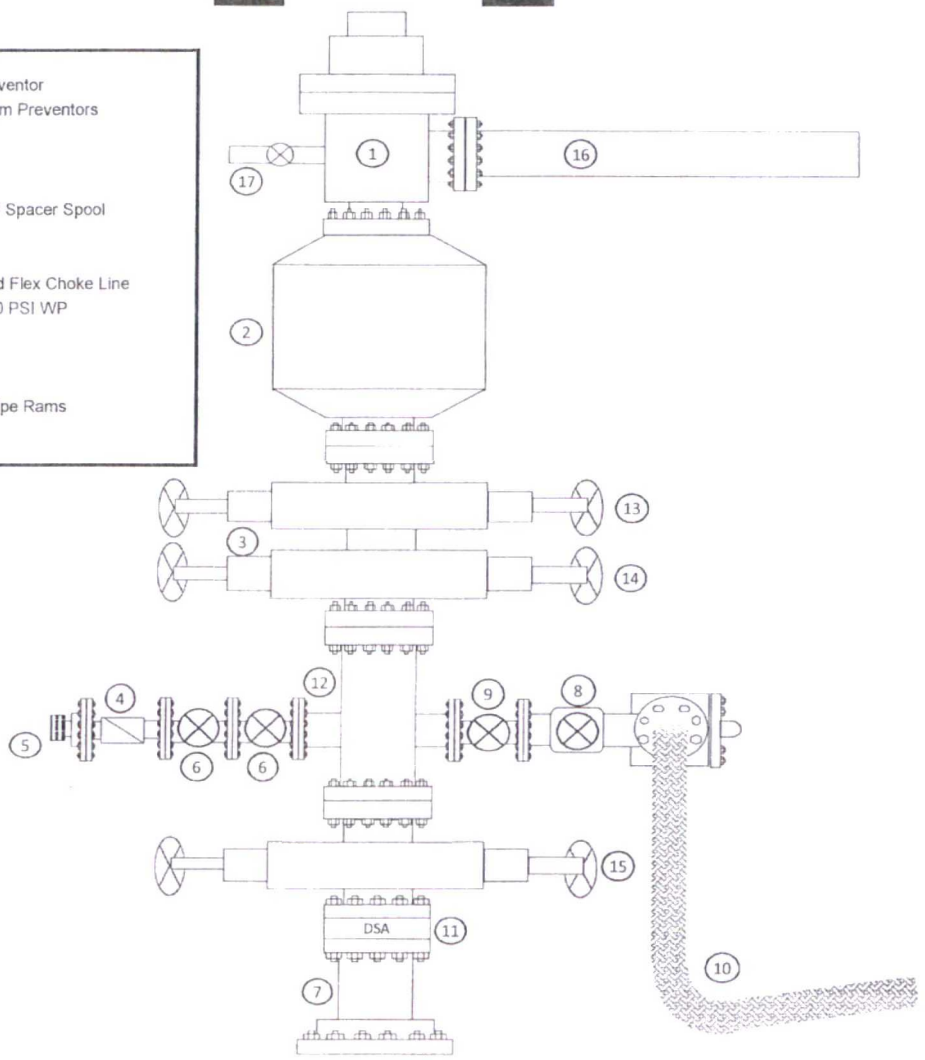
PROJECT:

DRAWN:	DATE:	DWG. NO.:	REV.
MWL	2/10/2014	HP-D1254	–
SCALE: 3/4"=1'-0"	SHEET: 1 OF 1		

Exhibit 1
EOG Resources
10M BOPE

Rig Floor

1. 13 5/8" Rotating Head
2. Hydril 13 5/8" 10,000 PSI WP GK Annular Preventor
3. 13 5/8" Cameron Type "U" 10,000 PSI WP Ram Preventors
4. 2 1/16" - 10,000 PSI WP Check Valve
5. 10,000 PSI WP - 1502 Union to kill line
6. 2 1/16" - 10,000 PSI WP Manual Valves
7. 13 5/8" 3,000 PSI WP x 13 5/8" 5,000 PSI WP Spacer Spool
8. 4 1/16" 10,000 PSI WP HCR Valve
9. 4 1/16" 10,000 PSI WP Manual Valve
10. 6" OD x 3" ID 10,000 PSI WP Steel Armoured Flex Choke Line
11. DSA - 13 5/8" 10,000 PSI WP x 13 5/8" 5,000 PSI WP
12. Mud Cross - 13 5/8" 10,000 PSI WP
13. Blind Rams
14. Pipe Rams
15. 13 5/8" Cameron Type "U" 10,000 PSI WP Pipe Rams
16. Flow Line
17. 2" Fill Line



EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:
Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	670'
Top of Salt	1,260'
Base of Salt / Top Anhydrite	5,110'
Base Anhydrite	5,325'
Lamar	5,325'
Bell Canyon	5,358'
Cherry Canyon	6,395'
Brushy Canyon	8,104'
Bone Spring Lime	9,604'
1st Bone Spring Sand	10,598'
2nd Bone Spring Shale	10,785'
2nd Bone Spring Sand	11,121'
3rd Bone Spring Carb	11,585'
3rd Bone Spring Sand	12,190'
Wolfcamp	12,617'
TD	12,785'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,395'	Oil
Brushy Canyon	8,104'	Oil
1st Bone Spring Sand	10,598'	Oil
2nd Bone Spring Shale	10,785'	Oil
2nd Bone Spring Sand	11,121'	Oil
3rd Bone Spring Carb	11,585'	Oil
3rd Bone Spring Sand	12,190'	Oil
Wolfcamp	12,617'	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 695' and circulating cement back to surface.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
14.75"	0 – 695'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,700'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0' – 11,200'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,200'-20,226'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
7-5/8" 11,700'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (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% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
5-1/2" 20,226'	850	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 @ 11,200')

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	Type	Weight (ppg)	Viscosity	Water Loss
0 – 695'	Fresh - Gel	8.6-8.8	28-34	N/c
695' – 11,700'	Brine	8.8-10.0	28-34	N/c
11,700' – 20,226' 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.

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_2S 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 7645 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.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	670'
Top of Salt	1,260'
Base of Salt / Top Anhydrite	5,110'
Base Anhydrite	5,325'
Lamar	5,325'
Bell Canyon	5,358'
Cherry Canyon	6,395'
Brushy Canyon	8,104'
Bone Spring Lime	9,604'
1st Bone Spring Sand	10,598'
2nd Bone Spring Shale	10,785'
2nd Bone Spring Sand	11,121'
3rd Bone Spring Carb	11,585'
3rd Bone Spring Sand	12,190'
Wolfcamp	12,617'
TD	12,785'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,395'	Oil
Brushy Canyon	8,104'	Oil
1st Bone Spring Sand	10,598'	Oil
2nd Bone Spring Shale	10,785'	Oil
2nd Bone Spring Sand	11,121'	Oil
3rd Bone Spring Carb	11,585'	Oil
3rd Bone Spring Sand	12,190'	Oil
Wolfcamp	12,617'	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 695' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
14.75"	0 – 695'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,700'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0' – 11,200'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,200'-20,226'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
7-5/8" 11,700'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (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% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
5-1/2" 20,226'	850	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 @ 11,200')

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	Type	Weight (ppg)	Viscosity	Water Loss
0 – 695'	Fresh - Gel	8.6-8.8	28-34	N/c
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11,700' – 20,226' 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.

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_2S 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 7645 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.

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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.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

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2nd Bone Spring Sand	11,121'
3rd Bone Spring Carb	11,585'
3rd Bone Spring Sand	12,190'
Wolfcamp	12,617'
TD	12,785'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,395'	Oil
Brushy Canyon	8,104'	Oil
1st Bone Spring Sand	10,598'	Oil
2nd Bone Spring Shale	10,785'	Oil
2nd Bone Spring Sand	11,121'	Oil
3rd Bone Spring Carb	11,585'	Oil
3rd Bone Spring Sand	12,190'	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 695' and circulating cement back to surface.

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Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
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9.875"	0 – 1,000'	7.625"	29.7#	HCP-110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
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6.75"	0' – 11,200'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,200'-20,226'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
7-5/8" 11,700'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (TOC @ Surface)
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	550	14.4	1.20	4.81	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
5-1/2" 20,226'	850	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 @ 11,200')

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	Type	Weight (ppg)	Viscosity	Water Loss
0 – 695'	Fresh - Gel	8.6-8.8	28-34	N/c
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11,700' – 20,226' 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.

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_2S 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 7645 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.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:
Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	670'
Top of Salt	1,260'
Base of Salt / Top Anhydrite	5,110'
Base Anhydrite	5,325'
Lamar	5,325'
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Upper Permian Sands	0- 400'	Fresh Water
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2nd Bone Spring Shale	10,785'	Oil
2nd Bone Spring Sand	11,121'	Oil
3rd Bone Spring Carb	11,585'	Oil
3rd Bone Spring Sand	12,190'	Oil
Wolfcamp	12,617'	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 695' and circulating cement back to surface.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
14.75"	0 – 695'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,700'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0' – 11,200'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,200'-20,226'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
7-5/8" 11,700'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (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% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
5-1/2" 20,226'	850	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 @ 11,200')

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	Type	Weight (ppg)	Viscosity	Water Loss
0 – 695'	Fresh - Gel	8.6-8.8	28-34	N/c
695' – 11,700'	Brine	8.8-10.0	28-34	N/c
11,700' – 20,226' 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.

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_2S 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 7645 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.

EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:
Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	670'
Top of Salt	1,260'
Base of Salt / Top Anhydrite	5,110'
Base Anhydrite	5,325'
Lamar	5,325'
Bell Canyon	5,358'
Cherry Canyon	6,395'
Brushy Canyon	8,104'
Bone Spring Lime	9,604'
1st Bone Spring Sand	10,598'
2nd Bone Spring Shale	10,785'
2nd Bone Spring Sand	11,121'
3rd Bone Spring Carb	11,585'
3rd Bone Spring Sand	12,190'
Wolfcamp	12,617'
TD	12,785'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,395'	Oil
Brushy Canyon	8,104'	Oil
1st Bone Spring Sand	10,598'	Oil
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Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
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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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 lb/sk Cello-Flake (TOC @ Surface)
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	550	14.4	1.20	4.81	50:50 Class H:Poz + 0.25% CPT20A + 0.40% CPT49 + 0.20% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
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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.

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

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NAUTILUS 16 FED COM NO. 707H

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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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
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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.

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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.

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7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

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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.

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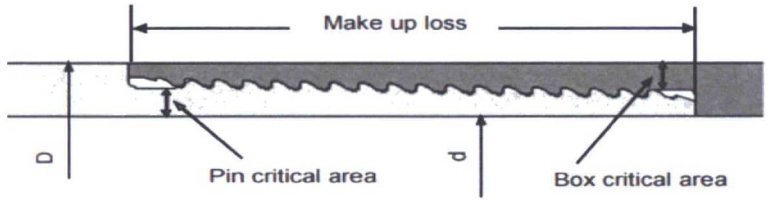
Metal One Corp	FLUSHMAX-III Connection Data Sheet	Page	44-0
		Date	1-Oct-15
		Rev.	N-0



Pipe Body	Imperial		S.I.	
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^2	5,508	mm^2
Drift Dia.	6.750	in	171.45	mm

Connection				
Box OD (W)	7.625	in	193.68	mm
PIN ID	6.875	in	174.63	mm
Pin critical area	4.420	in^2	2,852	mm^2
Box critical area	4.424	in^2	2,854	mm^2
Joint load efficiency	60	%	60	%
Make up loss	3.040	in	77.22	mm
Thread taper	1/16 (3/4 in per ft)			
Number of threads	5 thread per in.			

Connection Performance Properties				
Tensile Yield load	563.4	kips	2,506	kN
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-lb	11,700	N-m
Opti.	9,700	ft-lb	13,100	N-m
Max.	10,700	ft-lb	14,500	N-m
Operational Max.	23,600	ft-lb	32,000	N-m

Note : Operational Max. torque can be applied for high torque application

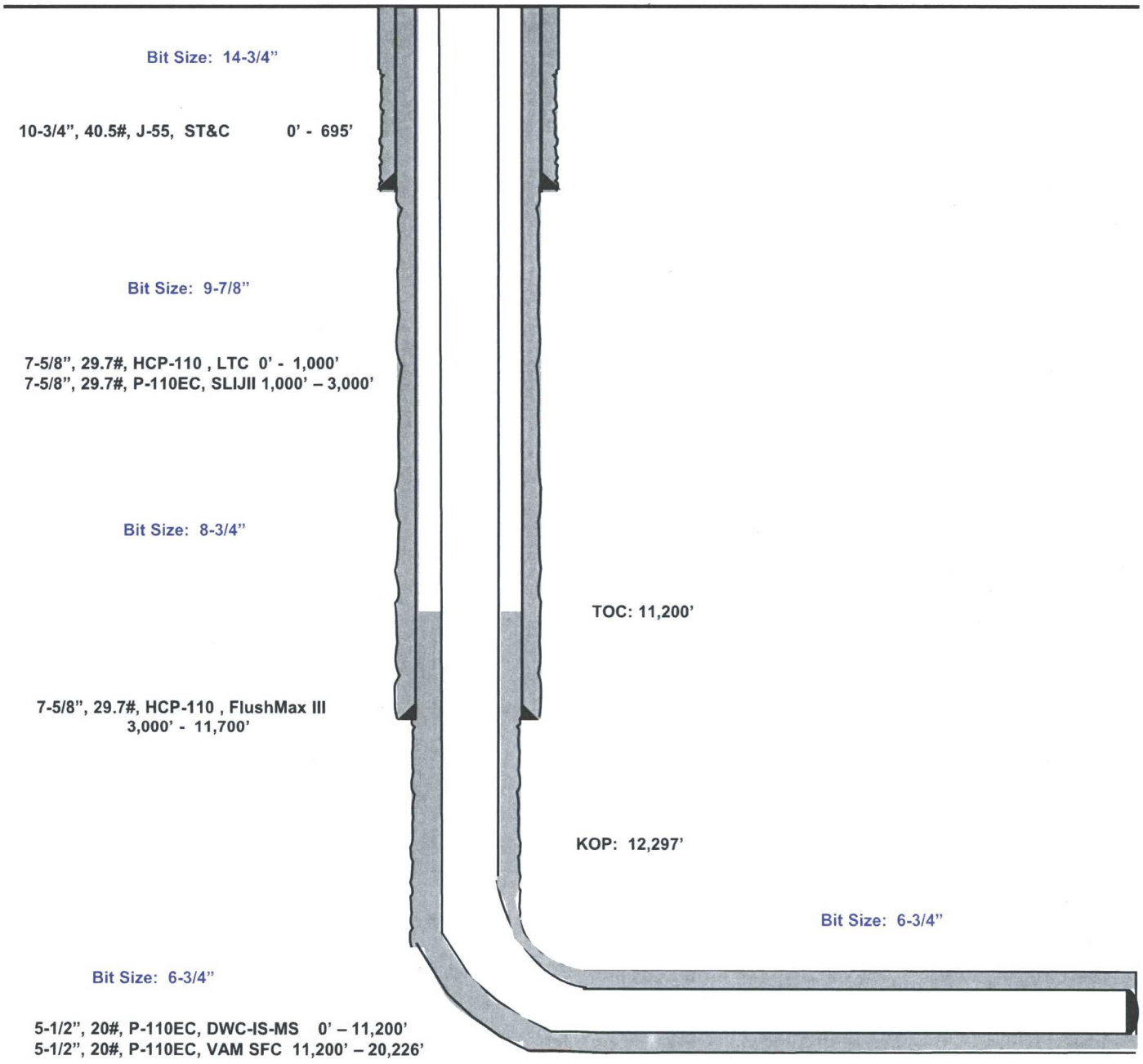
Nautilus 16 Fed Com #707H

Lea County, New Mexico
Proposed Wellbore

280' FSL
2565' FEL
Section 16
T-26-S, R-34-E

API: 30-025-*****

KB: 3,331'
GL: 3,306'

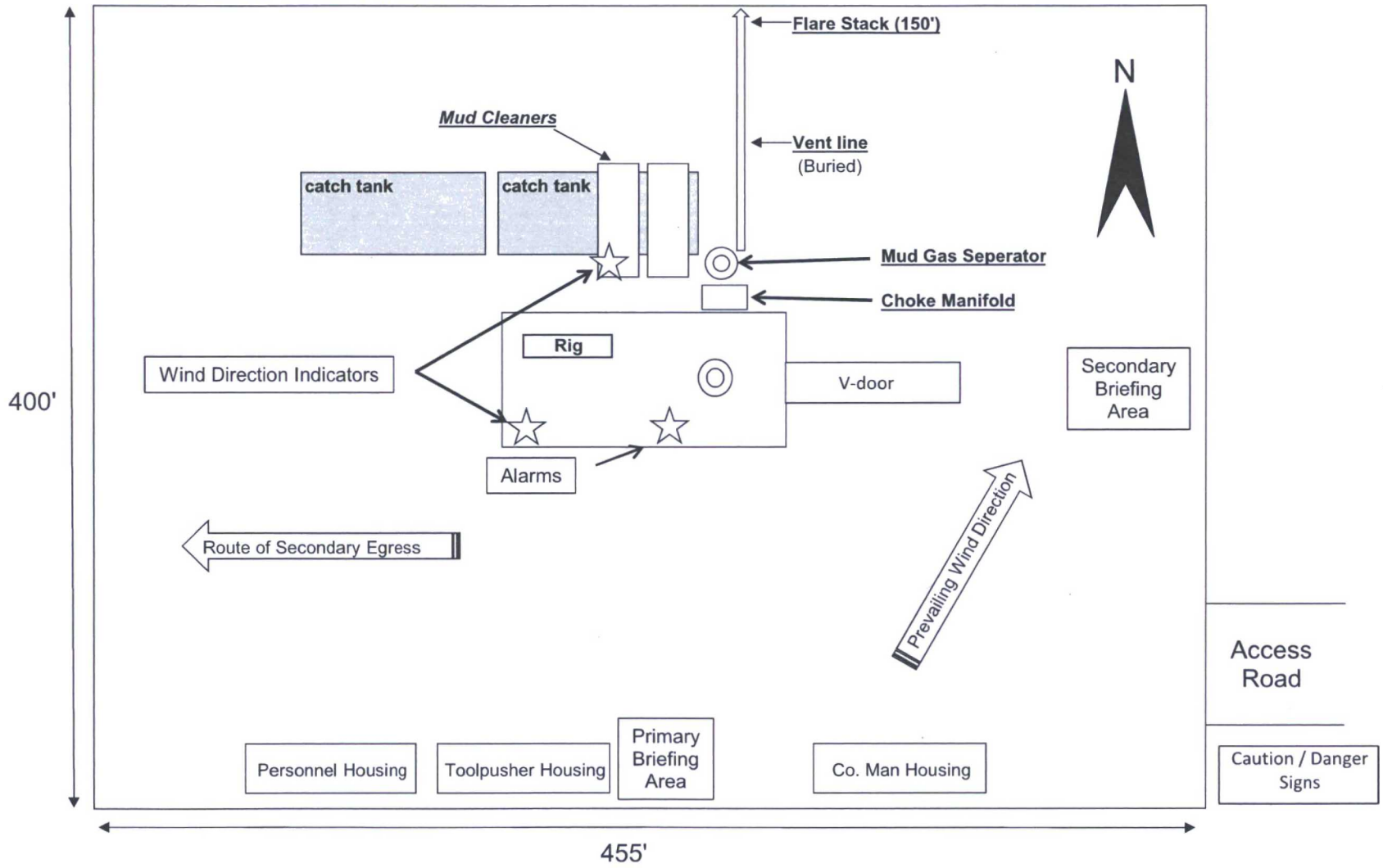


Lateral: 20,226' MD, 12,772' TVD
Upper Most Perf:
330' FSL & 2595' FEL Sec. 16
Lower Most Perf:
2313' FSL & 2595' FEL Sec. 9
BH Location: 2413' FSL & 2595' FEL
Section 9
T-26-S, R-34-E

Exhibit 4

EOG Resources
Nautilus 16 Fed Com #707H

Well Site Diagram



EOG RESOURCES, INC.
NAUTILUS 16 FED COM NO. 707H

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	670'
Top of Salt	1,260'
Base of Salt / Top Anhydrite	5,110'
Base Anhydrite	5,325'
Lamar	5,325'
Bell Canyon	5,358'
Cherry Canyon	6,395'
Brushy Canyon	8,104'
Bone Spring Lime	9,604'
1st Bone Spring Sand	10,598'
2nd Bone Spring Shale	10,785'
2nd Bone Spring Sand	11,121'
3rd Bone Spring Carb	11,585'
3rd Bone Spring Sand	12,190'
Wolfcamp	12,617'
TD	12,785'

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

Upper Permian Sands	0- 400'	Fresh Water
Cherry Canyon	6,395'	Oil
Brushy Canyon	8,104'	Oil
1st Bone Spring Sand	10,598'	Oil
2nd Bone Spring Shale	10,785'	Oil
2nd Bone Spring Sand	11,121'	Oil
3rd Bone Spring Carb	11,585'	Oil
3rd Bone Spring Sand	12,190'	Oil
Wolfcamp	12,617'	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 695' and circulating cement back to surface.

4. CASING PROGRAM - NEW

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF_{min} Collapse	DF_{min} Burst	DF_{min} Tension
14.75"	0 – 695'	10.75"	40.5#	J55	STC	1.125	1.25	1.60
9.875"	0 – 1,000'	7.625"	29.7#	HCP-110	LTC	1.125	1.25	1.60
9.875"	1,000' – 3,000'	7.625"	29.7#	P-110EC	SLIJ II	1.125	1.25	1.60
8.75"	3,000' – 11,700'	7.625"	29.7#	HCP-110	FlushMax III	1.125	1.25	1.60
6.75"	0' – 11,200'	5.5"	20#	P-110EC	DWC/C-IS MS	1.125	1.25	1.60
6.75"	11,200'-20,226'	5.5"	20#	P-110EC	VAM SFC	1.125	1.25	1.60

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.

Cementing Program:

Depth	No. Sacks	Wt. ppg	Yld Ft^3/ft	Mix Water Gal/sk	Slurry Description
10-3/4" 695'	325	13.5	1.73	9.13	Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% $CaCl_2$ + 0.25 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 Metasilicate
7-5/8" 11,700'	250	14.8	1.38	6.48	Class C + 5% Gypsum + 3% CaCl2 pumped via Bradenhead (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% CPT35 + 0.80% CPT16A + 0.25% CPT503P pumped Conventionally
5-1/2" 20,226'	850	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 @ 11,200')

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	Type	Weight (ppg)	Viscosity	Water Loss
0 – 695'	Fresh - Gel	8.6-8.8	28-34	N/c
695' – 11,700'	Brine	8.8-10.0	28-34	N/c
11,700' – 20,226' 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.

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_2S 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 7645 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.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE ST.
CARLSBAD, NM 88220
BLM_NM_CFO_APD@BLM.GOV

In Reply To:
3160 (Office Code)
[NMNM66927]

06/02/2017

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

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

FEDERAL - NMNM66927

Well Name / Number:	**NAUTILUS 16 FED COM / 707H**
Legal Description:	T26S, R34E, SEC 16, SWSE
County, State:	LEA, NM
Date APD Received:	03/24/2017

Dear Operator:

The BLM received your Application for Permit to Drill (APD), for the referenced well, on 03/24/2017 . 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
- ☑ 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]

2. ☐ 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 45th calendar day from this notice, **07/17/2017.**

- 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 Alana Baker at (575) 234-5922.

Sincerely,

Cody Layton
Assistant Field Manager
Lands and Minerals

cc: Official File

ADDENDUM - Incomplete/Deficient Clarifications

ADDENDUM - Deficient

Engineering Comments

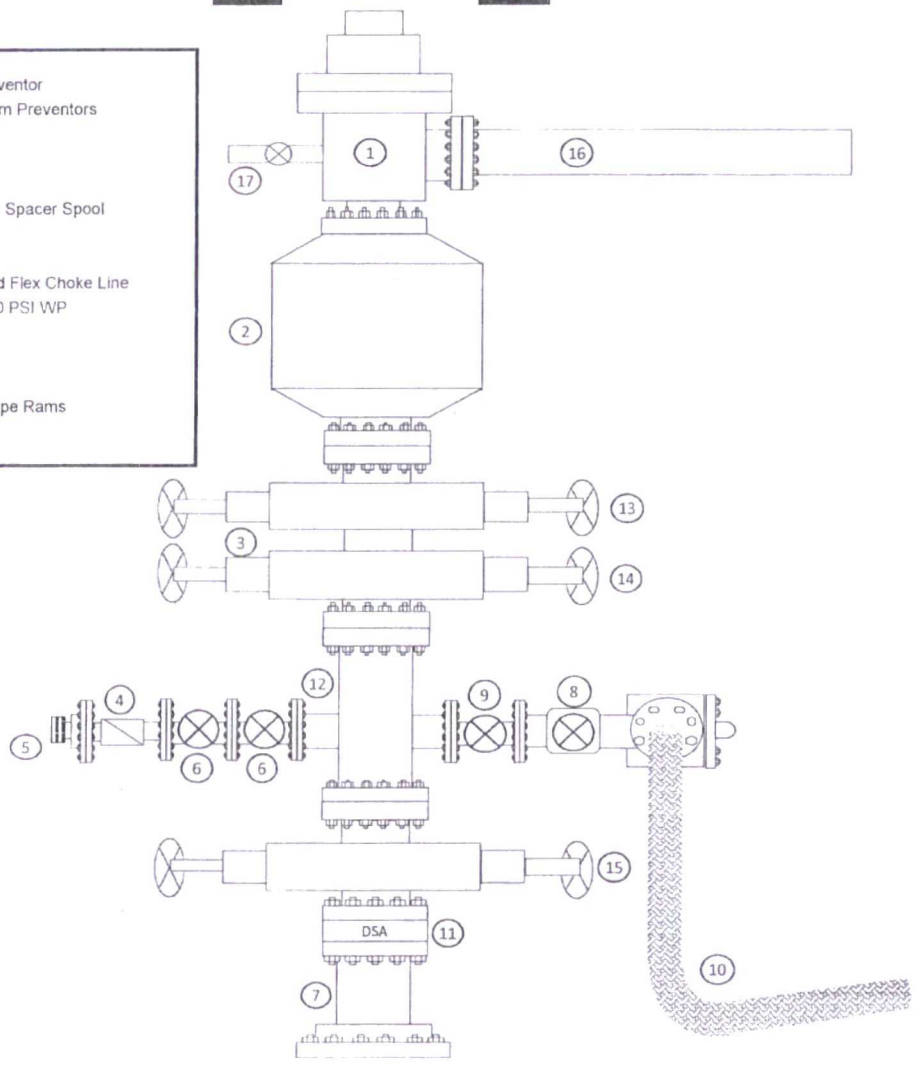
- BOP requirements are not met
  1. BOP Schematic must have a 10M Annular. Please resubmit with correction.

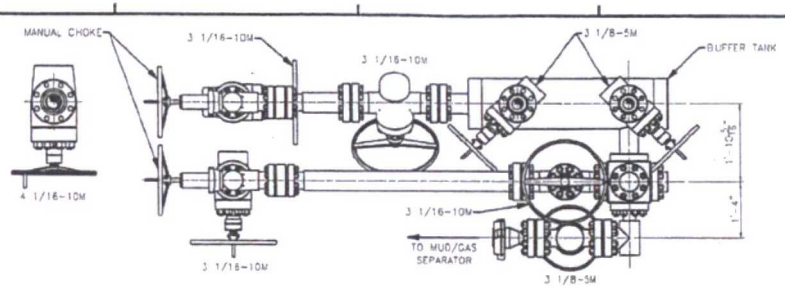
- Engineering Review: Other identified drilling plan deficiencies
  Not a deficiency but cannot approve APD without a waste minimization plan. Please attach state submitted gas capture plan (this will be a sufficient substitute for waste minimization plan).

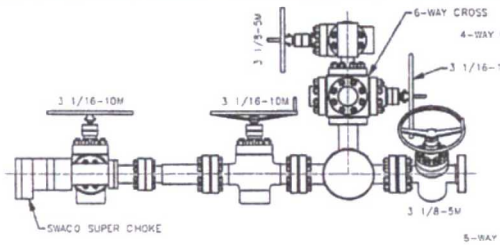
Exhibit 1
EOG Resources
10M BOPE

Rig Floor

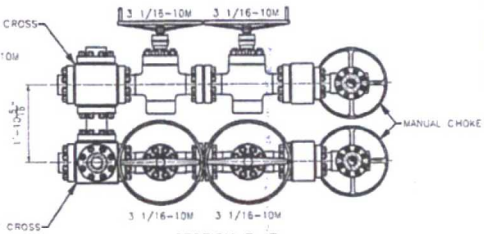
1. 13 5/8" Rotating Head
2. Hydril 13 5/8" 10,000 PSI WP GK Annular Preventor
3. 13 5/8" Cameron Type "U" 10,000 PSI WP Ram Preventors
4. 2 1/16" - 10,000 PSI WP Check Valve
5. 10,000 PSI WP - 1502 Union to kill line
6. 2 1/16" - 10,000 PSI WP Manual Valves
7. 13 5/8" 3,000 PSI WP x 13 5/8" 5,000 PSI WP Spacer Spool
8. 4 1/16" 10,000 PSI WP HCR Valve
9. 4 1/16" 10,000 PSI WP Manual Valve
10. 6" OD x 3" ID 10,000 PSI WP Steel Armoured Flex Choke Line
11. DSA - 13 5/8" 10,000 PSI WP x 13 5/8" 5,000 PSI WP
12. Mud Cross - 13 5/8" 10,000 PSI WP
13. Blind Rams
14. Pipe Rams
15. 13 5/8" Cameron Type "U" 10,000 PSI WP Pipe Rams
16. Flow Line
17. 2" Fill Line



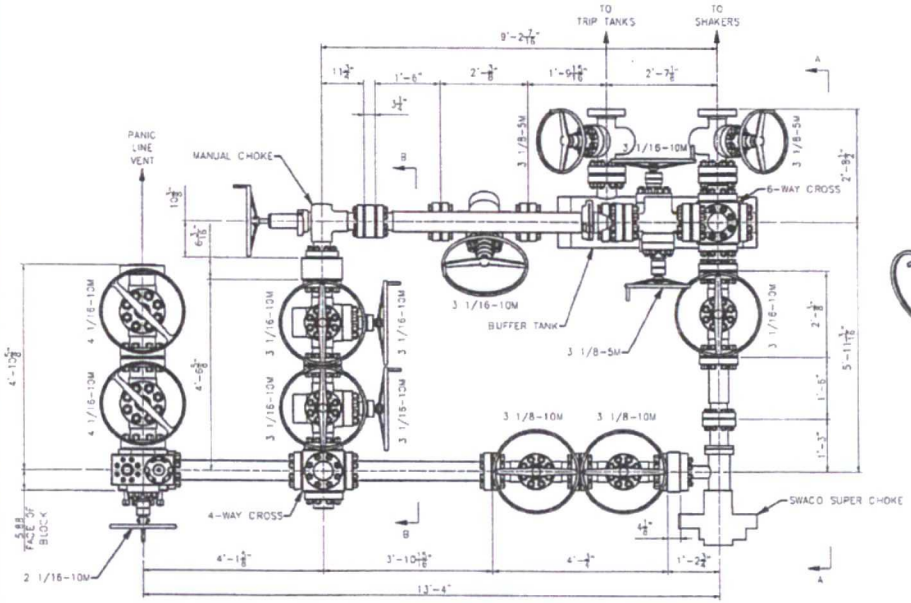




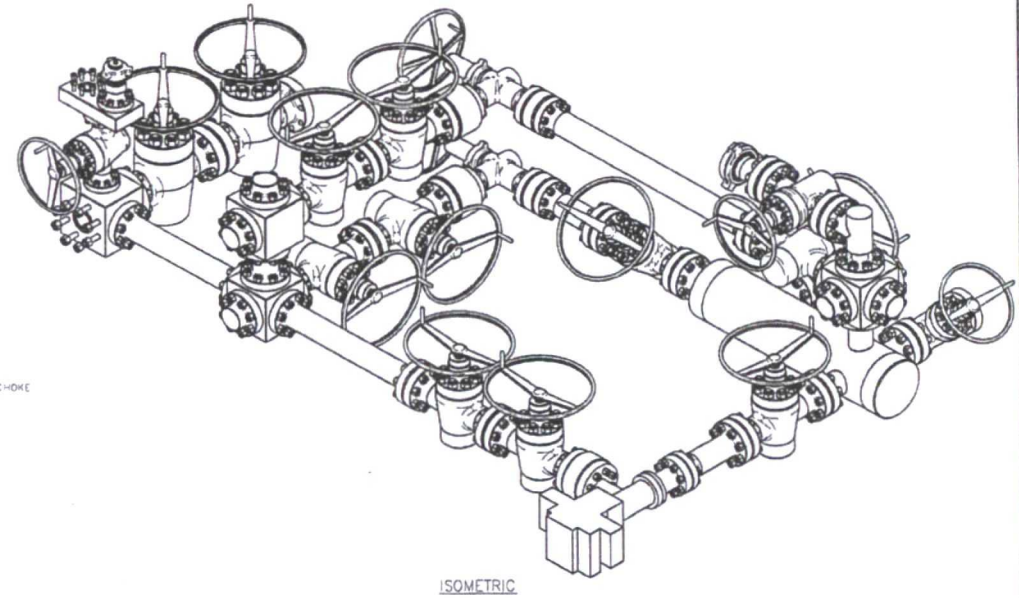
VIEW A-A



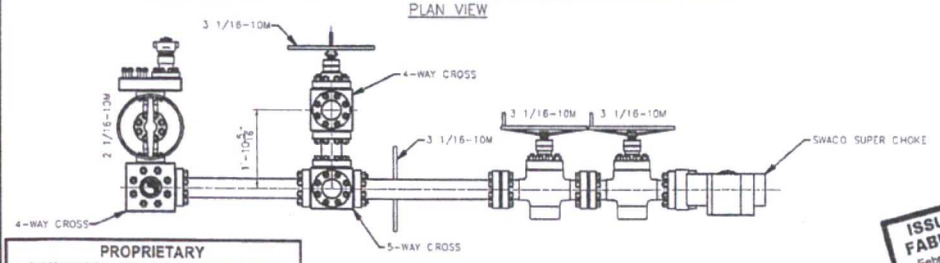
SECTION B-B



PLAN VIEW



ISOMETRIC



PROPRIETARY

THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER, WITHOUT THE PRIOR, WRITTEN CONSENT OF A DULY AUTHORIZED OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

ISSUED FOR FABRICATION
February-10-2014
DRAFTSMAN
ENGINEER

STANDARD TOLERANCES
UNLESS NOTED

1. FABRICATION DIMENSIONS:	A-0° TO 24°	± 1/16"
	B-24° TO 135°	± 1/8"
	C-OVER 135°	± 1/4"
	A-ANGULAR	± 30'
2. MACHINED DIMENSIONS:	B-LINEAR (EXPRESSED AS FRACTION)	± 1/64
	LINEAR (EXPRESSED TO ONE DECIMAL)	± .1
	LINEAR (EXPRESSED TO TWO DECIMALS)	± .010
	LINEAR (EXPRESSED TO THREE DECIMALS)	± .005

REV	DATE	DESCRIPTION	BY
–			

HELMERICH & PAYNE INTERNATIONAL DRILLING CO.

TITLE: 3 CHOKE, 3 LEVEL, 10M CHOKE MANIFOLD G.A.

CUSTOMER: H&P

PROJECT:

DRAWN: MWL	DATE: 2/10/2014	DWG. NO.: HP-D1254	REV.: –
SCALE: 3/4"=1'-0"	SHEET: 1 OF 1		

MIDWEST

HOSE AND SPECIALTY INC.

INTERNAL HYDROSTATIC TEST REPORT		
Customer: CACTUS		**P.O. Number:** RIG #123
		Asset # M10761
HOSE SPECIFICATIONS		
Type: CHOKE LINE		**Length:** 35'
I.D. 4" *INCHES*		**O.D.** 8" *INCHES*
WORKING PRESSURE 10,000 *PSI*	**TEST PRESSURE** 15,000 *PSI*	**BURST PRESSURE** *PSI*
COUPLINGS		
Type of End Fitting 4 1/16 10K FLANGE		
Type of Coupling: SWEDGED	**MANUFACTURED BY** MIDWEST HOSE & SPECIALTY	
PROCEDURE		
Hose assembly pressure tested with water at ambient temperature.		
TIME HELD AT TEST PRESSURE 1 *MIN.*	**ACTUAL BURST PRESSURE:** 0 *PSI*	
COMMENTS: SN#90067 M10761 Hose is covered with stainless steel armour cover and wraped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes		
Date: 6/6/2011	**Tested By:** BOBBY FINK	**Approved:** MENDI JACKSON

Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: CACTUS

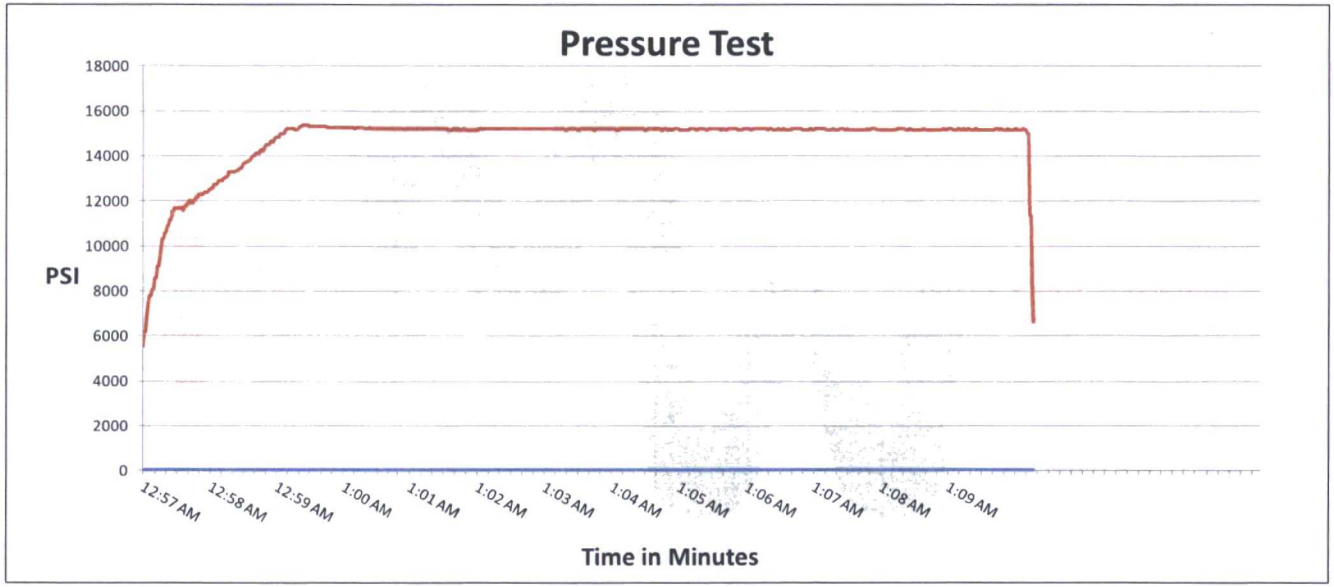
SALES ORDER# 90067

Hose Specifications

Hose Type	Length
C & K	35'
I.D.	**O.D.**
4"	8"
Working Pressure	**Burst Pressure**
10000 PSI	Standard Safety Multiplier Applies

Verification

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



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	11 1/4 Minutes		15439 PSI

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

Tested By: *Bobby Fink*

Approved By: *Mendi Jackson*

Mendi Jackson

APD ID: 10400012613 **Submission Date:** 03/24/2017

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

NAUTILUS_16_FED_COM_707H_vicinity_map_03-23-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT **Row(s) Exist?** NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

NAUTILUS_16_FED_COM_707H_well_site_03-23-2017.pdf
Nautilus_16_Fed_Com_infrastructure_sketch_03-23-2017.pdf

New road type: RESOURCE

Length: 158 Feet **Width (ft.):** 24

Max slope (%): 2 **Max grade (%):** 20

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 24

New road access erosion control: Newly constructed or reconstructed roads will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road. We plan to grade and water twice a year.

New road access plan or profile prepared? NO

New road access plan attachment:

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: CULVERT,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:

NAUTILUS_16_FED_COM_707H_radius_map_03-23-2017.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: Nautilus 16 Fed Com central tank battery is located in the NE/4 of section 16

Production Facilities map:

Nautilus_16_Fed_Com_infrastructure_sketch_03-23-2017.pdf

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: OTHER **Water source type:** RECYCLED

Describe type:

Source latitude: **Source longitude:**

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 (acre-feet):** 0

Source volume (gal): 0

Water source and transportation map:

Nautilus_16_Fed_Com_Water_Source_and_Caliche_Map_03-23-2017.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 aquifer:**

Aquifer comments:

Aquifer documentation:

Well depth (ft): **Well casing type:**

Well casing outside diameter (in.): **Well casing inside diameter (in.):**

New water well casing? **Used casing source:**

Drilling method: **Drill material:**

Grout material: **Grout depth:**

Casing length (ft.): **Casing top depth (ft.):**

Well Production type: **Completion Method:**

Water well additional information:

State appropriation permit:

Additional information attachment:

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:

Nautilus_16_Fed_Com_Water_Source_and_Caliche_Map_03-23-2017.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 FACILITY **Disposal location ownership:** COMMERCIAL
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?

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 width (ft.)**

Cuttings area depth (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:

NAUTILUS_16_FED_COM_707H_pad_site_03-23-2017.pdf
NAUTILUS_16_FED_COM_707H_well_site_03-23-2017.pdf
Nautilus_16_Fed_Com_707H_Rig_Layout_03-24-2017.pdf
Comments: Exhibit 2A-Wellsite & Exhibit 2B-Padsite Rig Layout Exhibit 4

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

NAUTILUS_16_FED_COM_707H_interim_reclamation_03-23-2017.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.

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Wellpad long term disturbance (acres): 2.772039 **Wellpad short term disturbance (acres):** 4.178145

Access road long term disturbance (acres): 0.087052 **Access road short term disturbance (acres):** 0.087052

Pipeline long term disturbance (acres): 1.1618457 **Pipeline short term disturbance (acres):** 1.9364096

Other long term disturbance (acres): 0 **Other short term disturbance (acres):** 0

Total long term disturbance: 4.020937 **Total short term disturbance:** 6.2016068

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

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

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 **Last Name:** Wagner

Phone: (432)686-3689 **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: NAUTILUS 16 FED COM **Well Number:** 707H

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

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:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

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

Phone: (575)399-9281 **Email:**

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:

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

Section 12 - Other Information

Right of Way needed? NO **Use APD as ROW?**

ROW Type(s):

ROW Applications

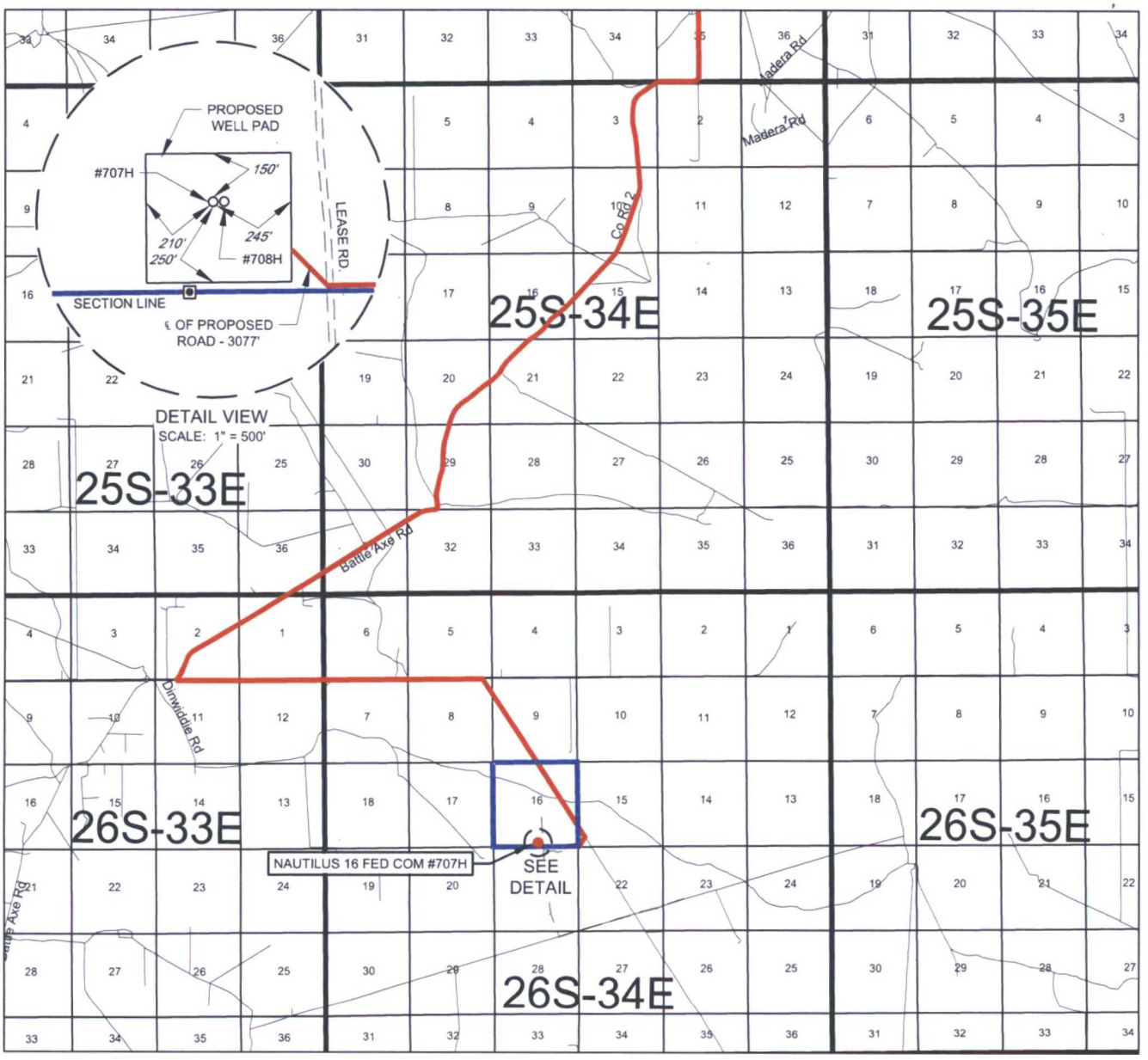
SUPO Additional Information: An onsite meeting was conducted 1/17/17. Poly lines are planned to transport water for operations. Will truck if necessary. See attached SUPO Plan.
Use a previously conducted onsite? NO

Previous Onsite information:

Other SUPO Attachment

NAUTILUS_16_FED_COM_707H_combined_03-23-2017.PDF
Nautilus_16_Fed_Com_infrastructure_sketch_03-23-2017.pdf
SUPO_Nautilus_16_Fed_Com_707H_03-23-2017.pdf
Nautilus_16_Fed_Com_707H_signed_C_102_03-24-2017.pdf
Nautilus_16_FC_707_deficiency_response_06-05-2017.pdf

EXHIBIT 2
VICINITY MAP



eog resources, inc.

LEASE NAME & WELL NO.: NAUTILUS 16 FED COM #707H

SECTION 16 TWP 26-S RGE 34-E SURVEY N.M.P.M.
COUNTY LEA STATE NM
DESCRIPTION 280' FSL & 2565' FEL

DISTANCE & DIRECTION

FROM INT. OF NM-18 N. & NM-128, GO WEST ON NM-128 ±14.1 MILES, THENCE SOUTH (LEFT) ON BATTLE AXE RD. ±10.1 MILES, THENCE SOUTHEAST (LEFT) ON LEASE RD. ±4.3 MILES, THENCE SOUTHWEST ON A PROPOSED RD. ±3077 FEET TO A POINT ±287 FEET SOUTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET.

SCALE: 1" = 10000'

0' 5000' 10000'

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE ST.
CARLSBAD, NM 88220
BLM_NM_CFO_APD@BLM.GOV

In Reply To:
3160 (Office Code)
[NMNM66927]

06/02/2017

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

Re: Receipt and Acceptability of Application for Permit to Drill (APD)
FEDERAL - NMNM66927

Well Name / Number:	**NAUTILUS 16 FED COM / 707H**
Legal Description:	T26S, R34E, SEC 16, SWSE
County, State:	LEA, NM
Date APD Received:	03/24/2017

Dear Operator:

The BLM received your Application for Permit to Drill (APD), for the referenced well, on 03/24/2017 . 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
- ☑ 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]

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

HOBBS OCD
NOV 30 2017
RECEIVED

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name
30-025-	98105	WC-025 G-09 S263416B; Upper Wolfcamp

[4]Property Code	[5]Property Name	[6]Well Number
	NAUTILUS 16 FED COM	#707H

[7]OGRID No.	[8]Operator Name	[9]Elevation
7377	EOG RESOURCES, INC.	3306'

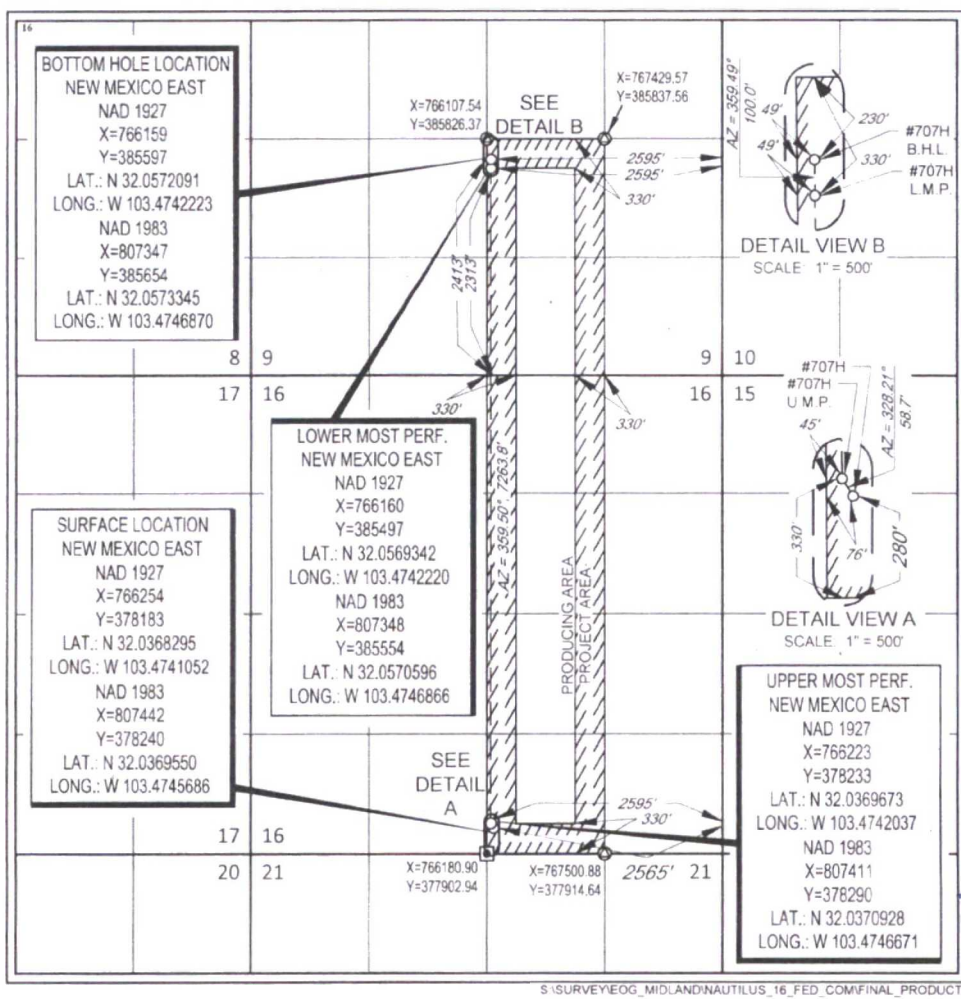
[10]Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	16	26-S	34-E	-	280'	SOUTH	2565'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	9	26-S	34-E	-	2413'	SOUTH	2595'	EAST	LEA

[12]Dedicated Acres	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
240.00			

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



[17]OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stan Wagner 3/24/17
Signature Date

Stan Wagner
Printed Name

E-mail Address

[18]SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/17/2017
Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL E. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\EOG_MIDLAND\NAUTILUS_16_FED_COM\FINAL_PRODUCTS\LO_NAUTILUS_16_FED_COM_707H.DWG 2/27/2017 5:04:17 PM ccaston

2. ☐ 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 45th calendar day from this notice, **07/17/2017.**

- 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 Alana Baker at (575) 234-5922.

Sincerely,

Cody Layton
Assistant Field Manager
Lands and Minerals

cc: Official File

ADDENDUM - Incomplete/Deficient Clarifications

ADDENDUM - Deficient

Engineering Comments

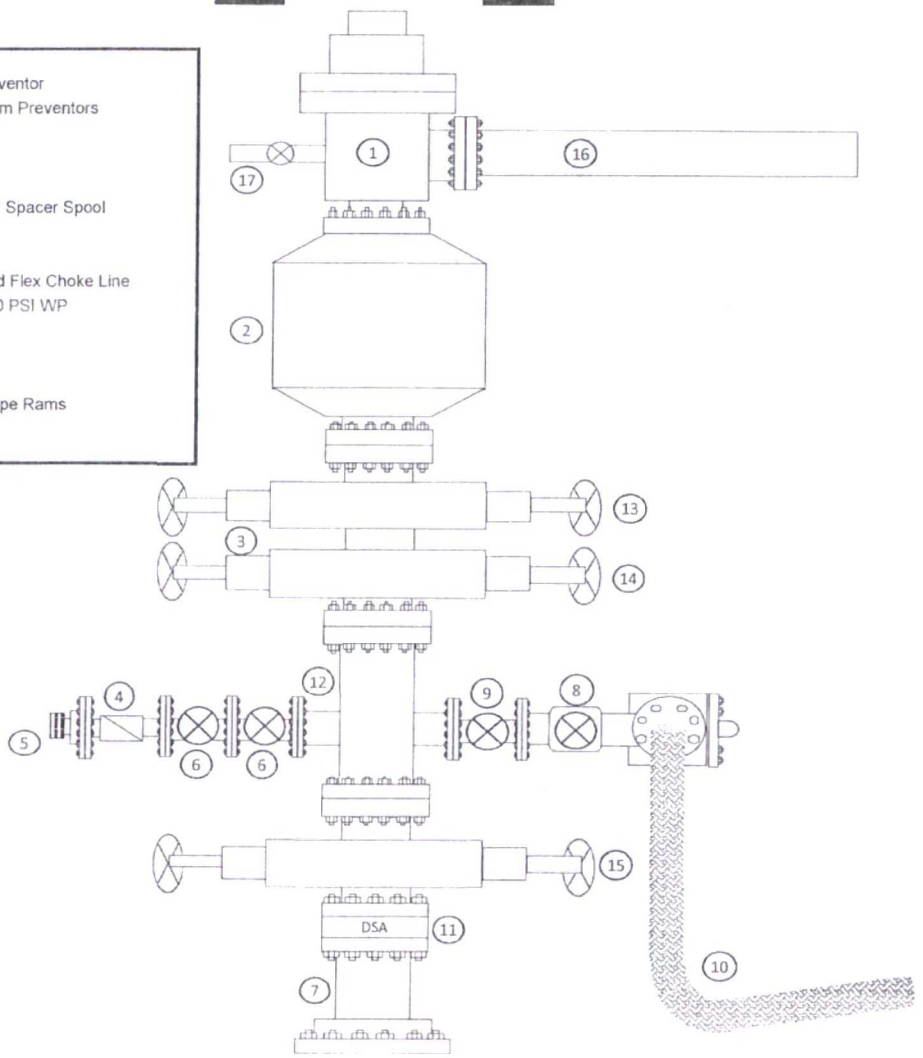
- BOP requirements are not met
  1. BOP Schematic must have a 10M Annular. Please resubmit with correction.

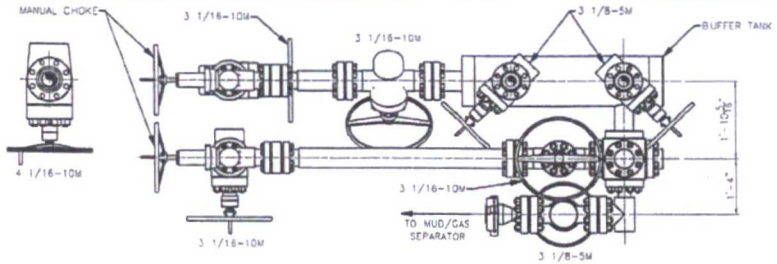
- Engineering Review: Other identified drilling plan deficiencies
  Not a deficiency but cannot approve APD without a waste minimization plan. Please attach state submitted gas capture plan (this will be a sufficient substitute for waste minimization plan).

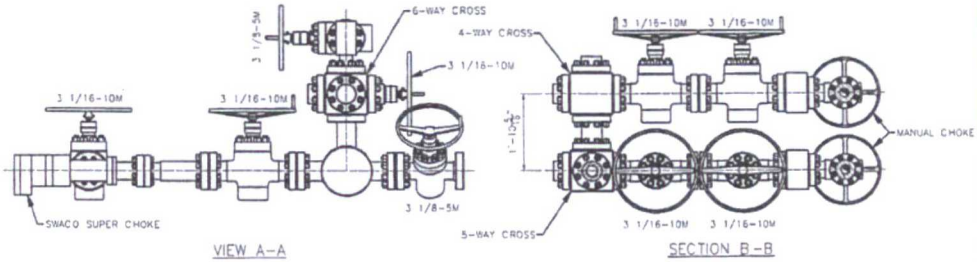
Exhibit 1
EOG Resources
10M BOPE

Rig Floor

1. 13 5/8" Rotating Head
2. Hydril 13 5/8" 10,000 PSI WP GK Annular Preventor
3. 13 5/8" Cameron Type "U" 10,000 PSI WP Ram Preventors
4. 2 1/16" - 10,000 PSI WP Check Valve
5. 10,000 PSI WP - 1502 Union to kill line
6. 2 1/16" - 10,000 PSI WP Manual Valves
7. 13 5/8" 3,000 PSI WP x 13 5/8" 5,000 PSI WP Spacer Spool
8. 4 1/16" 10,000 PSI WP HCR Valve
9. 4 1/16" 10,000 PSI WP Manual Valve
10. 6" OD x 3" ID 10,000 PSI WP Steel Armoured Flex Choke Line
11. DSA - 13 5/8" 10,000 PSI WP x 13 5/8" 5,000 PSI WP
12. Mud Cross - 13 5/8" 10,000 PSI WP
13. Blind Rams
14. Pipe Rams
15. 13 5/8" Cameron Type "U" 10,000 PSI WP Pipe Rams
16. Flow Line
17. 2" Fill Line

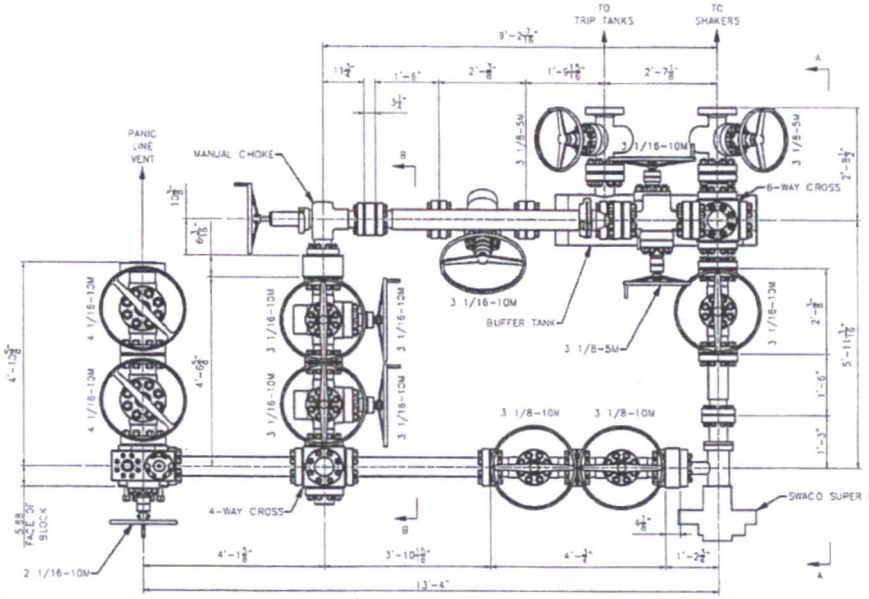




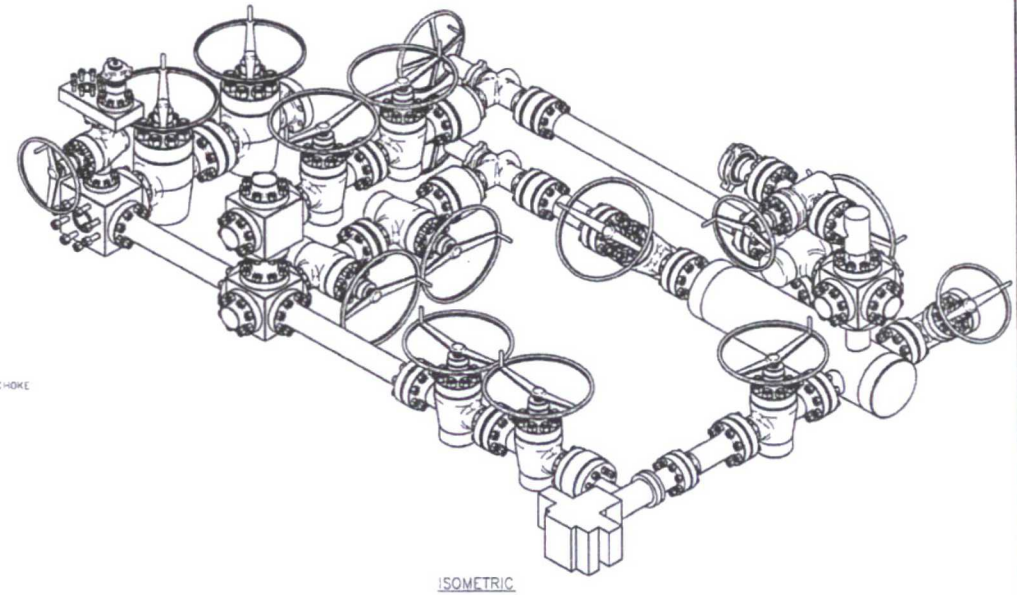


VIEW A-A

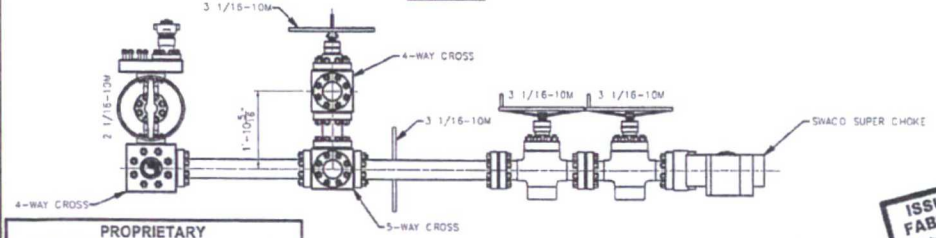
SECTION B-B



PLAN VIEW



ISOMETRIC



ISSUED FOR FABRICATION
February-10-2014
DRAFTSMAN
ENGINEER

STANDARD TOLERANCES (UNLESS NOTED)

1. FABRICATION DIMENSIONS:	A-0° TO 24°	± 1/16"
	B-24° TO 135°	± 1/8"
	C-OVER 135°	± 1/4"
2. MACHINED DIMENSIONS:	A-ANGULAR	± .30°
	B-LINEAR (EXPRESSED AS FRACTION)	± 1/64
	LINEAR (EXPRESSED TO ONE DECIMAL)	± .1
	LINEAR (EXPRESSED TO TWO DECIMALS)	± .010
	LINEAR (EXPRESSED TO THREE DECIMALS)	± .005

REV	DATE	DESCRIPTION	BY
–			

HELMERICH & PAYNE INTERNATIONAL DRILLING CO.

TITLE: 3 CHOKE, 3 LEVEL, 10M CHOKE MANIFOLD G.A.

CUSTOMER: H&P

PROJECT:

DRAWN:	DATE:	DWG. NO.:	REV:
MWL	2/10/2014	HP-D1254	–

SCALE: 3/4"=1'-0" SHEET: 1 OF 1

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: 06/05/2017

☒ Original
☐ Amended - Reason for Amendment:

Operator & OGRID No.: EOG Resources, Inc. 7377

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Nautilus 16 Fed Com 707H	30-015-***	O-16-26S-34E	280 FSL & 2565 FEL	±3000	None Planned	APD Submission

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to **Enterprise Field Services** and will be connected to **EOG Resources** low/high pressure gathering system located in Eddy/Lea County, New Mexico. It will require **±7880'** of pipeline to connect the facility to low/high pressure gathering system. **EOG Resources** provides (periodically) to **Enterprise Field Services** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, **EOG Resources** and **Enterprise Field Services** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **Enterprise Field Services** Processing Plant located in **Lea** County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

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

PWD Data Report
09/28/2017

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

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BUREAU OF LAND MANAGEMENT

Bond Info Data Report

09/28/2017

Bond Information

Federal/Indian APD: FED

BLM Bond number: NM2308

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office

Refer to: 3160-3

COPY

To: AFM, Lands & Minerals, CFO
From: Geologist, CFO
Subject: Geologic Review of Application for Permit to Drill

Operator: EOG Resources Inc

Well Name and Number: NAUTILUS 16 FED COM-708H

Potash: No

Location: SHL:280'/S.& 2530'/E. SEC016 T026S, R034E.(SWSE)

County Lea **Lease Number:** NMNM66927 **APD Received:** 3-24-2017

Ground Level Elevation: 3306 **Surface Geology:** Qe-Eolian deposits

TVD: 12772 **MD:** 20240 **BH Mud Weight:** 14

BHP: 9298 **MASP:** 6488

1. Geologic Marker Tops (from reports on surrounding wells):

Geologic Marker	Yates Federal 1 3002520434 T26S R34E Sec 9 660FSL 660FEL Elevation Depth	Federal CH 1 3002527376 T26S R34E Sec 22 660FNL 1980FEL Elevation Depth	PRE-ONGARD WELL #001 3002527814 T26S R34E Sec 20 1980FSL 1980FWL Elevation Depth	FEDERAL 53 COM #001 3002528402 T26S R34E Sec 17 1980FSL 660FWL Elevation Depth	**Proposed Well** NAUTILUS 16 FED COM-708H T026S, R034E.(SWSESEC016 280'/S.& 2530'/E Unit Elevation Estimated Depth
Rustler	768	796	730	708	670
Top of Salt	-	-	1320	1094	1260
Castile	2673	2591	3460	-	2391
Lamar	5342	5307	5320	5322	5325
Bell Canyon	5373	5340	5360	5366	5340
Cherry Canyon	-	-	6440	6415	6395
Brushy Canyon	-	-	7882	7874	8104
Bone Spring Lime	-	-	9593	9600	9604
1st BS Sand	-	-	10574	10545	10598
2nd BS Sand	-	-	11120	11093	11121
3rd BS Sand	-	-	12206	12170	12190
Wolfcamp	-	-	12602	12607	12617
Strawn	-	-	16042	-	15010
Atoka	-	-	15058	-	15106
Morrow	-	-	15234	15095	14915

2. Fresh Water Information

a. Fresh Water: 50

b. Fresh Water Remarks:

According to well data from the New Mexico Office of the State Engineer's (NMOSE) Water Rights Reporting System, there are 18 water wells within a six-mile radius of the proposed project. Depth to water ranges from 50' to 220' Santa Rosa fm. with the deepest well drilled to 625'Dewey Lake fm. Deepest range live stock water may also be encountered in the Magenta Dolomite Member of the Rustler Formation down to a depth of approximately 705'.

c. Water Basin: Carlsbad Water Basin

3. Recommended Casing Setting Depth

a. Surface Casing Depth: 740

b. Intermediate Casing Depth: 11700

c. 2nd Interm. Casing Depth

d. Casing Depth Remarks:

The operator proposes to set surface casing to a depth of 695': BLM proposes 740' protect BLM identified groundwater zones. If salt is encountered, set casing at least 25' above the salt. The operator proposes to set intermediate casing at 11700' 3rd Bone Springs shale Formation: BLM accepts casing set depth sealing fluid mineral production inside well casing.

4. Geologic Hazards

a. Cave/Karst Occurance: Low

b. Potential Cave/Karst Depth: 350

c. Possible Water Flows: Castile, Salado,

d. Possible Lost Circulation: Rustler, Red Beds, Delaware,

e. Possible Abnormal Pressure: NO

f. H2S within 1 mile: NO

g. H2S Remarks:

To date elevated H2S has not been reported within one mile of the proposed project depth on BLM GIS layer to date.

5. Additional Remarks

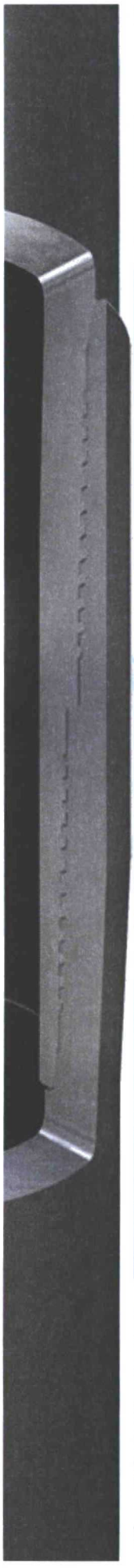
SWSE O

Geologist: Mark Lewis **Sign Off Date:** 5-17-2017

Operator Name: EOG RESOURCES INCORPORATED

Well Name: NAUTILUS 16 FED COM **Well Number:** 707H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1	2313	FSL	2595	FEL	26S	34E	9	Aliquot NWSE	32.0570594	-103.4746843	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 66927	-9466	20126	12772
BHL Leg #1	2413	FSL	2595	FEL	26S	34E	9	Aliquot NWSE	32.0573345	-103.4742223	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 66927	-9466	20226	12772



Issued on: 24 Jan. 2017

VAM® SLIJ-II

Connection Data Sheet

OD	Weight	Wall Th.	Grade	API Drift	Connection
7 5/8 in.	29.70 lb/ft	0.375 in.	VM 110 HC	6.750 in.	VAM® SLIJ-II

PIPE PROPERTIES

Nominal OD	7.625 in.
Nominal ID	6.875 in.
Nominal Cross Section Area	8.541 sqin.
Grade Type	High Collapse
Min. Yield Strength	110 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	125 ksi

CONNECTION PROPERTIES

Connection Type	Premium integral semi-flush
Connection OD (nom)	7.711 in.
Connection ID (nom)	6.820 in.
Make-up Loss	4.822 in.
Critical Cross Section	5.912 sqin.
Tension Efficiency	69.2 % of pipe
Compression Efficiency	48.5 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	100 % of pipe

CONNECTION PERFORMANCES

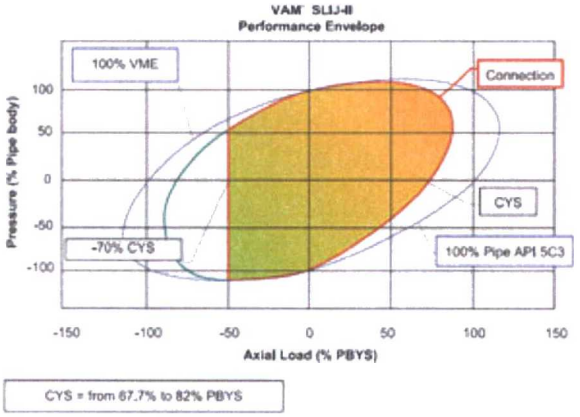
Tensile Yield Strength	651 klb
Compression Resistance	455 klb
Internal Yield Pressure	9470 psi
Uniaxial Collapse Pressure	7890 psi
Max. Bending Capacity	TDB
Max Bending with Sealability	20 °/100 ft

FIELD TORQUE VALUES

Min. Make-up torque	11300 ft.lb
Opti. Make-up torque	12600 ft.lb
Max. Make-up torque	13900 ft.lb

VAM® SLIJ-II is a semi-flush integral premium connection for all casing applications. It combines a near flush design with high performances in tension, compression and gas sealability.

VAM® SLIJ-II has been validated according to the most stringent tests protocols, and has an excellent performance history in the world's most prolific HPHT wells.



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

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

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

Operator Certification Data Report

09/28/2017

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Stan Wagner **Signed on:** 03/24/2017

Title: Regulatory Specialsit

Street Address: 5509 Champions Drive

City: Midland **State:** TX **Zip:** 79702

Phone: (432)686-3689

Email address: Stan_Wagner@eogresources.com

Field Representative

Representative Name: James Barwis

Street Address: 5509 Champions Drive

City: Midland **State:** TX **Zip:** 79706

Phone: (432)425-1204

Email address: james_barwis@eogresources.com

Manufacturer: Midwest Hose & Specialty

Serial Number: SN#90067

Length: 35'

Size: OD = 8" ID = 4"

Ends: Flanges Size: 4-1/16"

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