

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

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

SUNDRY NOTICES AND REPORTS ON WELLS **JAN 30 2018**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM66927
2. Name of Operator EOG RESOURCES INC		6. If Indian, Allottee or Tribe Name
3a. Address 1111 BAGBY SKY LOBBY2 HOUSTON, TX 77002		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-686-3689		8. Well Name and No. TOPAZ 11 FED 701H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T26S R34E NWNW 483FNL 330FWL 32.063877 N Lat, 103.448196 W Lon		9. API Well No. 30-025-44005-00-X1
		10. Field and Pool or Exploratory Area HARDIN TANK
		11. County or Parish, State LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

EOG Resources requests an amendment to our approved APD for this well to reflect a change in casing design as attached.

**Carlsbad Field Office
OCD Hobbs**

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #400073 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Hobbs Committed to AFMSS for processing by ZOTA STEVENS on 01/25/2018 (18ZS0042SE)	
Name (Printed/Typed) STAN WAGNER	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 01/09/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/25/2018</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office Hobbs

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revised Permit Information 1/9/18:

Well Name: Topaz 11 Fed No. 701H

Location:

SL: 483' FNL & 330' FWL, Section 11, T-26-S, R-34-E, Lea Co., N.M.

BHL: 230' FSL & 330' FWL, Section 11, T-26-S, R-34-E, Lea Co., N.M.

Casing Program:

Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
17.5"	0 - 935'	13.375"	54.5#	J55	STC	1.125	1.25	1.60
12.25"	0-4,000'	9.625"	40#	J55	LTC	1.125	1.25	1.60
12.25"	4,000' - 5,200'	9.625"	40#	HCK55	LTC	1.125	1.25	1.60
8.75"	0 - 11,700'	7.625"	29.7#	HCP110	FXL	1.125	1.25	1.60
6.75"	0 - 11,200'	5.5"	20#	P110EC	DWC CIS MS	1.125	1.25	1.60
6.75"	0 -17,531'	5.5"	20#	P110EC	VAM SFC	1.125	1.25	1.60

Variance is requested for annular clearance of the 5-1/2" x 7-5/8" to the top of cement.

11200

Cement Program:

Depth	No. Sacks	Wt. lb/gal	Yld Ft ³ /ft	Slurry Description
935'	697	13.5	1.74	Lead: Class 'C' + 4.00% Bentonite + 2.00% CaCl ₂ (TOC @ Surface)
	333	14.8	1.35	Tail: Class 'C' + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium Metasilicate + 2.0% KCl (1.06 lb/sk)
5,200'	692	12.7	2.22	Lead: Class C + 0.15% C-20 + 11.63 pps Salt + 0.1% C-51 + 0.75% C-41P (TOC @ Surface)
	303	14.8	1.32	Tail: Class C + 0.13% C-20
11,700'	375	10.8	3.67	Lead: Class C + 0.40% D013 + 0.20% D046 + 0.10% D065 + 0.20% D167 (TOC @ 4,700')
	400	14.8	2.38	Tail: Class H + 94.0 pps D909 + 0.25% D065 + 0.30% D167 + 0.02% D208 + 0.15% D800
17,531'	950	14.8	1.31	Class H + 0.1% C-20 + 0.05% CSA-1000 + 0.20% C-49 + 0.40% C-17 (TOC @ 11,200')

Mud Program:

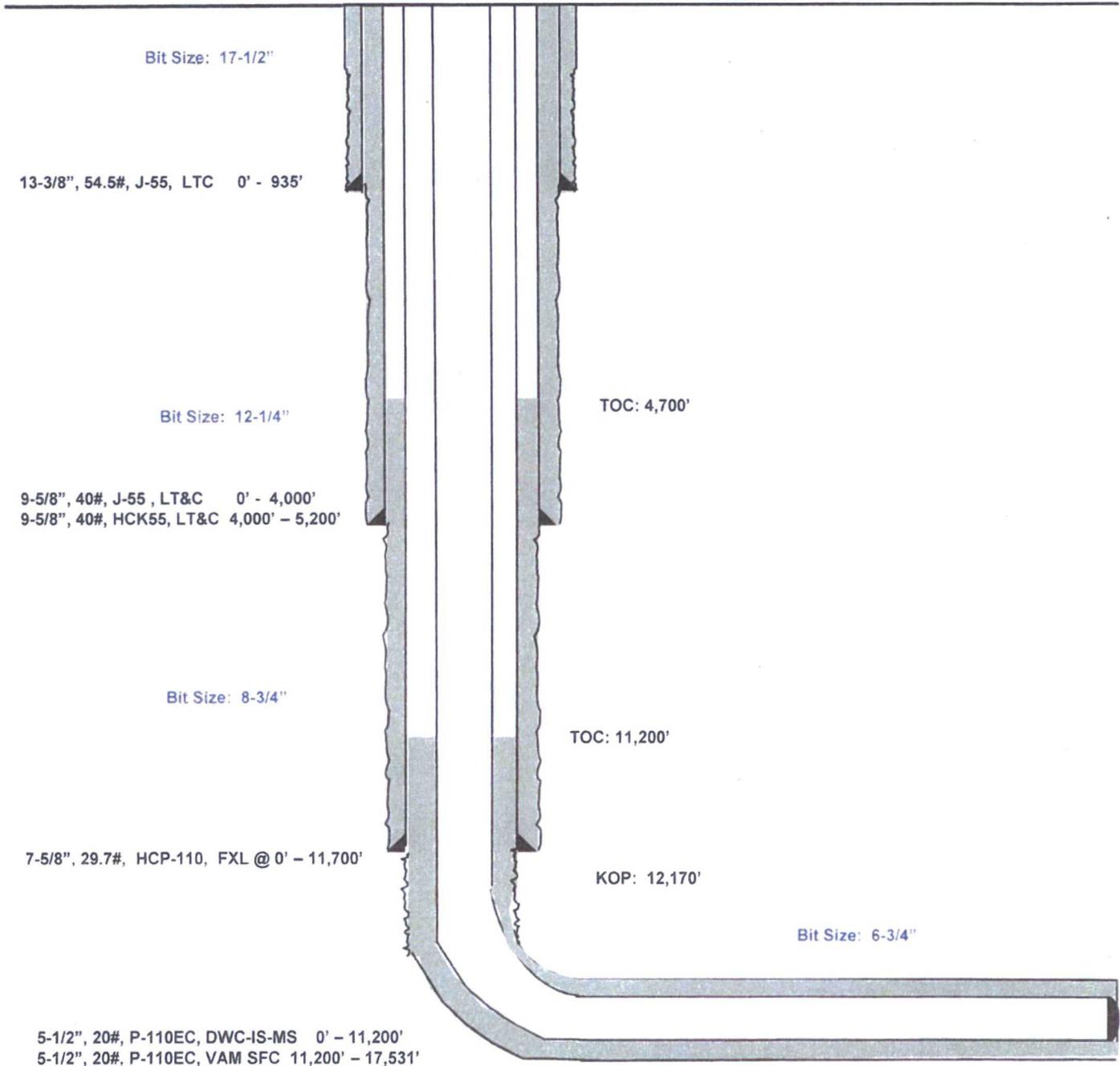
Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 - 935'	Fresh - Gel	8.6-8.8	28-34	N/c
935' - 5,200'	Brine	10.0-10.2	28-34	N/c
5,200' - 11,700'	Oil Base	8.7-9.4	58-68	N/c - 6
11,700' - 17,531' Lateral	Oil Base	10.0-11.5	58-68	3 - 6

Topaz 11 Fed #701H
Lea County, New Mexico

483' FNL
330' FWL
Section 11
T-26-S, R-34-E

Proposed Wellbore
Revised 1/9/18
API: 30-025-44005

KB: 3,345'
GL: 3,320'



Lateral: 17,531' MD, 12,764' TVD
Upper Most Perf:
330' FNL & 330' FWL Sec. 11
Lower Most Perf:
330' FSL & 330' FWL Sec. 11
BH Location: 230' FSL & 330' FWL
Section 11
T-26-S, R-34-E

TECHNICAL SPECIFICATIONS

These specifications are furnished for general information only and are not intended for design purposes. This information is preliminary and may change subject to a final design by VAM-USA Engineering. This is not a controlled document.

DWC/C-IS MS **Casing** **5.500" O.D.** **20.00 lb./ft.** **VST P-110EC**
standard

	<u>Material</u>
VST P-110EC	Grade
125,000	Minimum Yield Strength (psi.)
135,000	Minimum Ultimate Strength (psi.)



VAM-USA
 4424 W. Sam Houston Pkwy, Suite 150
 Houston, TX 77041
 Phone: (713) 479-3200
 Fax: (713) 479-3234
 E-mail: VAMUSAsales@na.vallourec.com

	<u>Pipe Dimensions</u>
5.500	Nominal Pipe Body OD (in.)
4.778	Nominal Pipe Body ID (in.)
0.361	Nominal Wall Thickness (in.)
20.00	Nominal Weight (lbs./ft.)
19.83	Plain End Weight (lbs./ft.)
5.828	Nominal Pipe Body Area (sq. in.)

	<u>Pipe Body Performance Properties</u>
729,000	Minimum Pipe Body Yield Strength (lbs.)
12,090	Minimum Collapse Pressure (psi.)
14,360	Minimum Internal Yield Pressure (psi.)
13,100	Hydrostatic Test Pressure (psi.)

	<u>Connection Dimensions</u>
6.115	Connection OD (in.)
4.778	Connection ID (in.)
4.653	Connection Drift Diameter (in.)
4.13	Make-up Loss (in.)
5.828	Critical Area (sq. in.)
100.0	Joint Efficiency (%)

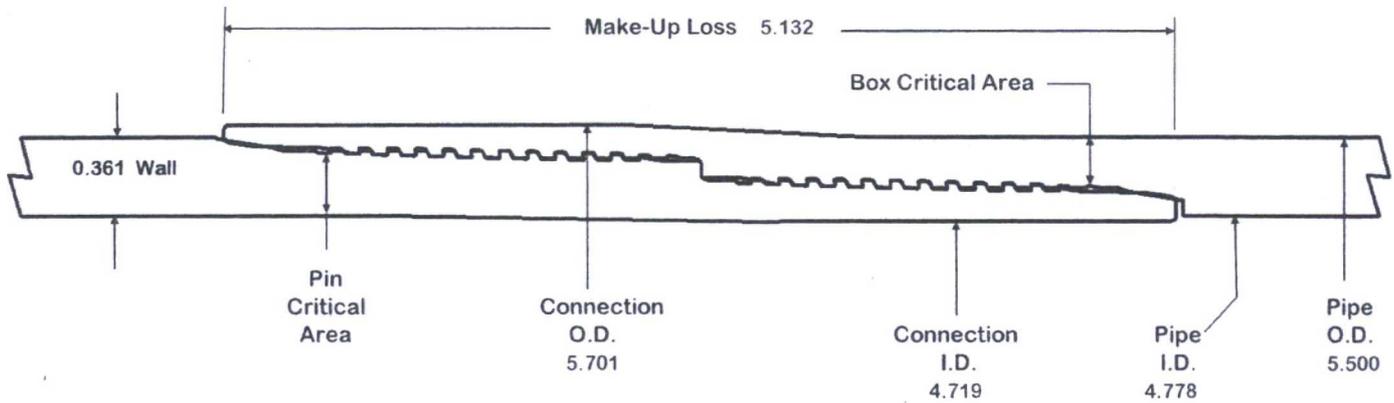
	<u>Connection Performance Properties</u>
729,000	(1) Joint Strength (lbs.)
26,040	(2) Reference String Length (ft.) 1.4 Design Factor
728,000	(3) API Joint Strength (lbs.)
729,000	Compression Rating (lbs.)
12,090	API Collapse Pressure Rating (psi.)
14,360	(4) API Internal Pressure Resistance (psi.)
104.2	Maximum Uniaxial Bend Rating (degrees/100 ft.)

	<u>Approximated Field End Torque Values</u>
16,600	(5) Minimum Final Torque (ft.-lbs.)
19,100	(5) Maximum Final Torque (ft.-lbs.)
21,600	(6) Connection Yield Torque (ft.-lbs.)

- (1) Joint Strength is the minimum pipe body yield strength multiplied by the connection critical area.
- (2) Reference String Length is the joint strength divided by both the weight in air and the design factor.
- (3) API Joint Strength is for reference only. It is calculated from Formulas 42 and 43 in the API Bulletin 5C3.
- (4) API Internal Pressure Resistance is calculated from Formulas 31, 32, and 35 in the API Bulletin 5C3.
- (5) Torque values are approximated and may be affected by field conditions.
- (6) Connection yield torque is not to be exceeded.

Connection specifications within the control of VAM-USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

VAM[®] SFC



O.D. 5.500	WEIGHT 20.00	WALL 0.361	GRADE VST P110EC	DRIFT 4.653
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PIPE BODY PROPERTIES

Material Grade	VST P110EC
Min. Yield Strength	125 ksi
Min. Tensile Strength	135 ksi
Outside Diameter	5.500 in
Inside Diameter	4.778 in
Nominal Area	5.828 sq.in.
Yield Strength	729 kips
Ultimate Strength	787 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi

CONNECTION PROPERTIES

Connection OD	5.701 in
Connection ID	4.719 in
Make up Loss	5.132 in
Box Critical Area	4.083 sq.in.
%PB Section Area	70.1%
Pin Critical Area	4.123 sq.in.
%PB Section Area	70.7%
Yield Strength	510 kips
Parting Load	551 kips
Min Internal Yield	14,360 psi
*High Collapse	12,090 psi
Wk Compression	357 kips
Max Pure Bending	20 °/100 ft

Contact: tech.support@vam-usa.com
 Ref. Drawing: SI-PD 100414 Rev.B
 Date: 14-Jun-16
 Time: 2:31 PM

TORQUE DATA ft-lb

min	opt	max
8,700	9,700	10,700



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Geometry

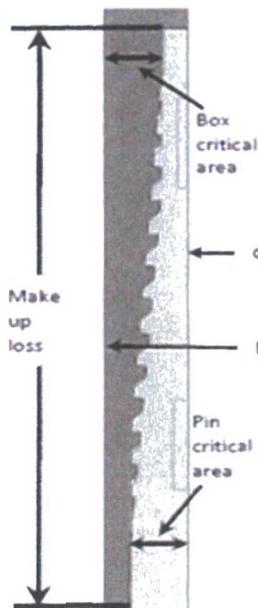
Imperial

S.I.

Pipe Body

Grade	P110HC *1		P110HC *1	
Pipe OD (D)	7 5/8	in	193.68	mm
Weight	29.70	lb/ft	44.25	kg/m
Actual weight	29.04		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

MO-FXL



Connection

Box OD (W)	7.625	in	193.68	mm
PIN ID	6.875	in	174.63	mm
Make up Loss	4.219	in	107.16	mm
Box Critical Area	5.714	in ²	3686	mm ²
Joint load efficiency	70	%	70	%
Thread Taper	1 / 10 (1.2" per ft)			
Number of Threads	5 TPI			

Performance

Performance Properties for Pipe Body

S.M.Y.S. *1	1,067	kips	4,747	kN
M.I.Y.P. *1	10,760	psi	74.21	MPa
Collapse Strength *1	7,360	psi	50.76	MPa

Note S.M.Y.S. = Specified Minimum YIELD Strength of Pipe body
 M.I.Y.P. = Minimum Internal Yield Pressure of Pipe body
 *1 Based on VSB P110HC (YS=125~140ksi)

Performance Properties for Connection

Tensile Yield load	747 kips (70% of S.M.Y.S.)
Min. Compression Yield	747 kips (70% of S.M.Y.S.)
Internal Pressure	8,610 psi (80% of M.I.Y.P.)
External Pressure	100% of Collapse Strength
Max. DLS (deg. /100ft)	40

Recommended Torque

Min.	15,500	ft-lb	21,000	N-m
Opti.	17,200	ft-lb	23,300	N-m
Max.	18,900	ft-lb	25,600	N-m
Operational Max.	23,600	ft-lb	32,000	N-m

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

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG RESOURCES INC
LEASE NO.:	NMNM66927
WELL NAME & NO.:	TOPAZ 11 FED 701H
SURFACE HOLE FOOTAGE:	483' FNL & 330' FWL
BOTTOM HOLE FOOTAGE:	230' FSL & 330' FWL
LOCATION:	Section 11, T. 26 S., R 34 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

All pervious COAs still apply expect the following:

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

A. Hydrogen Sulfide

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **935** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch 1st intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. **Additional cement maybe required. Excess calculates to 14%.**
 3. The minimum required fill of cement behind the **7-5/8** inch 2nd intermediate casing is:
Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

Variance was approved for annular clearance for the 5 1/2 x 7 5/8.

4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back 100' into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** 1st intermediate casing shoe shall be **5000 (5M)** psi.

GENERAL REQUIREMENTS

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

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

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM-engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE.

If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 012518

13 3/8 Segment	surface csg in a #/ft	17 1/2 Grade	inch hole. Coupling	Joint	Design Factors		SURFACE		
"A"	54.50	J 55	ST&C	10.09	Collapse	Burst	Length	Weight	
"B"					2.64	0.99	935	50,958	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,500				Tail Cmt	does not	circ to sfc.	Totals:	935	50,958
Comparison of Proposed to Minimum Required Cement Volumes									
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
17 1/2	0.6946	1030	1662	704	136	8.80	1611	2M	1.56

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

9 5/8 Segment	casing inside the #/ft	13 3/8 Grade	Coupling	Joint	Design Factors		INTERMEDIATE		
"A"	40.00	J 55	LT&C	2.50	Collapse	Burst	Length	Weight	
"B"	40.00	HCK 55	LT&C	13.56	2.86	1.66	4,000	160,000	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	5,200	208,000
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		935	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
12 1/4	0.3132	995	1936	1694	14	10.20	3133	5M	0.81

Assumed 1/3 Fluid Filled for Collapse Calculation
Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.99, b, c, d All > 0.70, OK.

7 5/8 Segment	casing inside the #/ft	9 5/8 Grade	Coupling	Joint	Design Factors		INTERMEDIATE		
"A"	29.70	HCP 110	LT&C	2.15	Collapse	Burst	Length	Weight	
"B"					1.29	1.13	11,700	347,490	
w/8.4#/g mud, 30min Sfc Csg Test psig: 932							Totals:	11,700	347,490
The cement volume(s) are intended to achieve a top of				5000	ft from surface or a		200	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
8 3/4	0.1005	775	2328	686	239	9.40	4817	5M	0.56

Class 'H' tail cmt yld > 1.20 MASP is within 10% of 5000psig, need exrta equip?

5 1/2 Segment	casing inside the #/ft	7 5/8 Grade	Coupling	Joint	Design Factors		PRODUCTION		
"A"	20.00	P 110	BUTT	2.86	Collapse	Burst	Length	Weight	
"B"	20.00	P 110	BUTT	5.20	1.48	1.88	11,200	224,000	
w/8.4#/g mud, 30min Sfc Csg Test psig: 2,464							Totals:	17,531	350,620
B segment Design Factors would be:				16.30	1.59	if it were a vertical wellbore.			
No Pilot Hole Planned		MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Seventy°	MEOC	
		17531	12764	12764	12170	90	10	13103	
The cement volume(s) are intended to achieve a top of				11500	ft from surface or a		200	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
6 3/4	0.0835	950	1245	511	144	11.50			0.52

Class 'H' tail cmt yld > 1.20 Capitan Reef est top XXXX. MASP is within 10% of 5000psig, need exrta equip?