 Coil Well Gas Well Oth Contractor Cog RESOURCES INCORPORT 3a. Address PO BOX 2267 	Contact:	STAR HARR	ELLS BBS enter an roposals. FEB page 2	7 2019 CEIVE	Expires: Ja 5. Lease Serial No. NMNM02965A 6. If Indian, Allottee o 7. If Unit or CA/Agree	or Tribe N	
 Coil Well Gas Well Oth Contractor Cog RESOURCES INCORPORT 3a. Address PO BOX 2267 	ner Contact:	STAR HARR	enter an roposals. FEB page 2	7 2013 SEIVE			Name
 Coil Well Gas Well Oth Contractor Cog RESOURCES INCORPORT 3a. Address PO BOX 2267 	ner Contact:	STAR HARR	page 2	SEIVE) 7. If Unit or CA/Agre	ement N	
 Coil Well Gas Well Oth Contractor Cog RESOURCES INCORPORT 3a. Address PO BOX 2267 	ner Contact:	STAR HARR	RE	<u> </u>		oment, re	ame and/or No.
 Name of Operator EOG RESOURCES INCORP(3a. Address PO BOX 2267 	Contact:	STAR HARR			8. Well Name and No.		
EOG RESOURCES INCORPO 3a. Address PO BOX 2267	ORATEDE-Mail: Star_Harre	STAR HARRI Il@eogresourci			9. API Well No.		I 713H
PO BOX 2267			ELL es.com		30-025-44405-0)0-X1	
MIDLAND, TX 79702			10. Field and Pool or WC025G09S26		ory Area -UP WOLFCAMF		
4. Location of Well (Footage, Sec., T	C, R., M., or Survey Description))			11. County or Parish,	State	
Sec 15 T26S R33E NENE 740 32.048691 N Lat, 103.553741					LEA COUNTY,	NM	
12. CHECK THE AF	PROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	HER D	ATA
TYPE OF SUBMISSION			TYPE OF	ACTION			
Notice of Intent	Acidize	🗖 Deep	ben	Producti	ion (Start/Resume)		ater Shut-Off
Subsequent Report	☐ Alter Casing		raulic Fracturing	Reclama		_	ell Integrity
	Casing Repair	_	Construction	C Recomp		🔀 Or Char	ther nge to Original A
☐ Final Abandonment Notice	 Change Plans Convert to Injection 		and Abandon Back	U Tempora	arily Abandon Disposal	PD	
EOG respectfully requests an BHL and the casing design. Change BHL to : 2540 FNL 9 Change casing design in acco	93? FEL SEC 22-26S-33	E		lsbad	the Micha Ca Michael	ین. منه سال فرور	
Attached please find the follow Information & Revised Wellbo	ving supporting document re Diagram.				nit		
	C		TTACHED	- 011			
All Drevinus ('OAS SUI	Apola	NS OF AP	PROVAL For	the Follow	ม่กด	`
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #4 For EOG RESOU	151385 verifie	by the BLM Well	I Information	System	<u> </u>	
Com Name(Printed/Typed) STAR HA	nmitted to AFMSS for proce	essing by PRI	SCILLA PEREZ O	n 02/01/2019	(19PP0879SE) ORY SPECIALIST		
Name (1 runear typed) STAR HA			The SENIOR	(NEOULAI	ORTOFLOIALIOT		
Signature (Electronic S	Submission)		Date 01/22/2	019			
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE U	SE		
Approved By_JEROMY PORTER					EER		Date 02/07/2019
onditions of approval, if any, are attached rtify that the applicant holds legal or equ	itable title to those rights in the	not warrant or subject lease					
hich would entitle the applicant to condu- tile 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212, make it a	crime for any pe	Office Hobbs	willfully to ma	ke to any department or	agency	of the United /
States any false, fictitious or fraudulent s	statements or representations as	to any matter wi	unin its jurisdiction.				$\overline{\sqrt{1}}$
** BLM REV	ISED ** BLM REVISED) ** BLM RE	VISED ** BLN	I REVISED	** BLM REVISE	D **	(A)

Revisions to Operator-Submitted EC Data for Sundry Notice #451385

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	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM02965A	NMNM02965A
Agreement:		
Operator:	EOG RESOURCES INC P.O. BOX 2267 MIDLAND, TX 79702 Ph: 432-848-9161	EOG RESOURCES INCORPORATED PO BOX 2267 MIDLAND, TX 79702 Ph: 432.686.3689
Admin Contact:	STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com	STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com
	Ph: 432-848-9161	Ph: 432-848-9161
Tech Contact:	STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com	STAR HARRELL SENIOR REGULATORY SPECIALIST E-Mail: Star_Harrell@eogresources.com
	Ph: 432-848-9161	Ph: 432-848-9161
Location: State: County:	NM LEA	NM LEA
Field/Pool:	SANDERSTANK; UPR WOLFCAMP	WC025G09S263327G-UP WOLFCAMP
Well/Facility:	MAGNOLIA 15 FED COM 713H Sec 15 T26S R33E NENE 740FNL 648FEL 32.048692 N Lat, 103.553742 W Lon	MAGNOLIA 15 FED COM 713H Sec 15 T26S R33E NENE 740FNL 648FEL 32.048691 N Lat, 103.553741 W Lon

 District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161 Fax: (575) 393-0720

 District III

 811 S. First SL, 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

240.00

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

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

AMENDED REPORT

30-025	¹ API Number 5-44405	r	² Pool Code 98097			³ Pool Name Sanderstank; Upper Wolfcamp						
⁴ Property 3205			⁵ Property Name MAGNOLIA 15 FED COM				• •					
⁷ ogrid 7377			⁸ Operator Name EOG RESOURCES, INC.						^{°Elevation} 3330'			
					¹⁰ Surface Lo	cation						
UL or lot no. A	Section 15	Township 26–S	Range 33–E	Lot Idn —	Feet from the 740'	North/South line NORTH	Feet from the 648'	East/West line EAST	County LEA			
UL or lot no. H	Section 22	Township 26–S	Range 33–E	Lot Idn	Feet from the 2540'	North/South line NORTH	Feet from the 993'	East/West line EAST	County LEA			

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.

 9 16	10 15 SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=782877 Y=382324 LAT.: N 32.0486926 LONG.: W 103.5537426	X=782194.59 Y=383060.55 330' 740' Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=192 Y=	11 X=783518.27 Y=383068.06 AZ = 331.15° 728.4' 648' UPPER MOST PERF. NEW MEXICO EAST NAD 1983 X=782525	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete is he best of my innokedge and belief, and that this organization either owns a working interest or unbased meaned interest in the land including the proposed bottom hole localism or has a right to drill this well at this localism pursuant to a combased with ano usure of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Star Harrell Date
16	15	330' 330' 330' 330' 330' 330' 330' 330'	Y=382962 LAT.: N 32.0504533 LONG.: W 103.5548619 330' 14 x=783560.02	Printed Name Star_Harrell@eogresources.com 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
21	22 LOWER MOST PERF./ BOTTOM HOLE LOCATION NEW MEXICO EAST	100' X	23 Y=377767.93	same is true to the best of my belief. 0571282017 Date of Survey Office of Boole and Bay Survey Signature ord sol of Boole and Bay Survey 18329 H
	NAD 1983 X=782586 Y=375241 LAT.: N 32.0292288 LONG.: W 103.5548451	X=782257.04 Y=375139.22	x=185/9.92 Y=375147.58	Certificate Number

Intent X As Drilled		
30-025-		
Operator Name:	Property Name:	Well Number
EOG Resources, Inc.	Magnolia 15 Fed Com	713H

Kick Off Point (KOP)

,

UL A	Section 15	Township 26S	Range 33E	Lot	Feet 52	From N/S North	Feet 1000	From E/W East	County Lea
Latitu	de				Longitude				NAD
32.0)50589	6			-103.554	18620			83

First Take Point (FTP)

UL A	Section 15	Township 26S	Range 33E	Lot	Feet 100	From N/S North	Feet 995	From E/W East	County Lea	
Latitu 32.0	^{ude} 050453	33			Longitud	。 5548619			NAD 83	

Last Take Point (LTP)

UL H	Section 22	Township 26S	Range 33E	Lot	Feet 2540	From N/S North	Feet 993	From E/W East	County Lea	
Latitu	de				Longitud	de			NAD	
32.0)29228	88			-103.	5548451	l		83	

No

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

Yes

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

Revised Permit Information 1/9/19:

Well Name: Magnolia 15 Fed Com No. 713H

Location:

SHL: 740' FNL & 648' FEL, Section 15, T-26-S, R-33-E, Lea Co., N.M. BHL: 2540' FNL & 993' FEL, Section 22, T-26-S, R-33-E, Lea Co., N.M.

Casing Program:

Hole		Csg				DFmin	DFmin	DF _{min}
Size	Interval	OD	Weight	Grade	Conn	Collapse	Burst	Tension
12.25"	0-855'	9.625"	40#	J55	LTC	1.125	1.25	1.60
8.75"	0-11,300'	7.625"	26.4#	HCP-110	Ultra SF	1.125	1.25	1.60
6.75"	0'-10,800'	5.5"	20#	HCP-110	LTC	1.125	1.25	1.60
6.75"	10,800'-11,300'	5.5"	20#	HCP-110	VAM SFC	1.125	1.25	1.60
6.75"	11,300'-20,010'	5.5"	20#	HCP-110	LTC	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.

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

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

EOG also requests to retain the option to utilize previously permitted 4 string designs (to be referred to as Design B in post-drill reports and sundries), if applicable.

LIUgiai			
No.	Wt.	Yld	
Sacks	ppg	Ft ³ /ft	Slurry Description
690	13.5	1.73	Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5% CaCl ₂ + 0.25
			lb/sk Cello-Flake (TOC @ Surface)
80	14.8	1.34	Tail: Class C + 0.6% FL-62 + 0.25 lb/sk Cello-Flake + 0.2% Sodium
			Metasilicate (TOC @ 655')
500	14.2	1.11	1 st Stage (Tail): Class C + 0.6% Halad-9 + 0.45% HR-601 + 3%
			Microbond (TOC @ 7,000')
1,000	12.7	2.30	2 nd Stage (Bradenhead squeeze): Class C + 3% Salt + 1% PreMag-M +
			6% Bentonite Gel (TOC @ surface)
760	14.1	1.26	Class H + 0.4% Halad-344 + 0.35% HR-601 + 3% Microbond (TOC
			@ 10,800')
	No. Sacks 690 80 500 1,000	Sacks ppg 690 13.5 80 14.8 500 14.2 1,000 12.7	No. Wt. Yld Sacks ppg Ft³/ft 690 13.5 1.73 80 14.8 1.34 500 14.2 1.11 1,000 12.7 2.30

Cement Program:

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

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

EOG also requests variance for the option to perform this cement procedure on previously permitted 4 string designs in the 7-5/8" 2nd Intermediate casing string as a contingency plan.

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

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

Depth	Туре	Weight (ppg)	Viscosity	Water Loss
0 - 855'	Fresh - Gel	8.6-8.8	28-34	N/c
855' - 11,300'	Oil Base	8.7-9.4	58-68	N/c - 6
11,300' - 20,010'	Oil Base	10.0-14.0	58-68	3 - 6
Lateral				

Mud Program:



hauod co. 07 Feb. 2019	
	rada Áfi Dinti Cormection 1810 HC 4.655 In. VAMO SLIVII
Nambus ID 4.378 bi Randus Dours Section Area Crucio Type High Column Ron Vield Storingt 196 Ron Vield Ron Vield 196 Ron Vield Ron Vield 196 Ron Vield Ron Vield 196 Ron Vield Ron Vield 196 Ron Vield 196 Ron	CONNECTION PROPRINES Germandus Type Germandus Dype Germandus DD (more) Germandus DD (more) Germandus Dema Galles Composition Efficiency Structurel Composition Efficiency Composition Efficiency Composition Efficiency Calles Composition Efficiency Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Calles Call
Structure/Congestation Resistance 454 kb c Dempension/resistance with S200API Seculation 511 kb k Informal Yabit Presiston Informal Yabit Presiston	HELD TOROUE VALUES Vic Meta-Lpiteria, 850 Ord Maka-Lpiteria Max, Meta-cpiteria Max, Max, Meta-cpiteria Max,
VAN®-BLU-C is a semi-Scale integral prevalent connection for all caving applications. Count seatchDy. VAMO SLU-I has been verificated controling in the most stringent local protocols, and has a Co you cand histy on the printpart? - Remay	n occešent performance testory to the workd's mockgrafts: HD-HD we'rs
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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG Resources Incorporated	
LEASE NO.:	NMNM02965A	
WELL NAME & NO.:	MAGNOLIA 15 FED COM 713H	
SURFACE HOLE FOOTAGE:	740'/N & 648'/E	
BOTTOM HOLE FOOTAGE	2540'/N & 993'/E	
LOCATION:	Section 15, T.26 S., R.33 E., NMPM	
COUNTY:	Lea County, New Mexico	



H2S	Yes Yes	r No	
Potash	• None	Secretary	C R-111-P
Cave/Karst Potential	C Low	• Medium	
Variance		• Flex Hose	C Other
Wellhead	Conventional	Multibowl	C Both
Other	F 4 String Area	Capitan Reef	F WIPP

All previous COAs still apply, except for the following:

A. CASING

- 1. The **9** 5/8 inch surface casing shall be set at approximately **1000 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 <u>8</u>
 <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

- 2. The minimum required fill of cement behind the **7-5/8** inch first intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- In <u>Medium/High Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

In case of lost circulation, operator has proposed to pump down 9 5/8" X 7 5/8" annulus. <u>Operator must include final fluid top verified by Echo-meter and the volume of displacement fluid above the cement slurry in the annulus. Submit results to the BLM.</u>

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Cement should tie-back at least 200 feet into the previous casing. Operator shall provide method of verification. Excess calculates to 22% - additional cement might be required.

B. 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).

1. **Option 1:**

i. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) shall be **10,000 (10M)** psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi.

- 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

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

JJP02072019

GENERAL REQUIREMENTS

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

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Chaves and Roosevelt Counties Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (575) 627-0272. After office hours call (575)
 - Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- A. CASING
- 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.
- 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 <u>24</u> <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity 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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity 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.

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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.