Form 3160-5 (June 2015)	UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAN	S INTERIOR AGEMENT	KOBBS	оср	FORM A OMB NC Expires: Ja	APPROVED 0. 1004-0137 nuary 31, 2018
SUNDRY	5. Lease Serial No. NMLC069144					
abandoned w	6. If Indian, Allottee or	Tribe Name				
SUBMIT IN	7. If Unit or CA/Agree 891000326X	ment, Name and/or No.				
1. Type of Well					8. Well Name and No. BIG EDDY UNIT 2	9 FEDERAL SWD 1
2. Name of Operator BOPCO LP	Contact: E-Mail: kelly kard	KELLY KAR	DOS .com		9. API Well No. 30-015-43253-0	 0-X1
3a. Address 6401 HOLIDAY HILL RD BL	DG 5 SUITE 200	3b. Phone No Ph: 432-62	o. (include area code) 20-4374		10. Field and Pool or E WILDCAT	xploratory Area
MIDLAND, TX 79707	T. R. M. or Survey Descriptio	NM	OIL CONSER	VATION	11 County of Parish S	tate
Sec 29 T21S R29E SWSW	980FSL 450FWL	<i>''</i>	ARTESIA DIST	RICT		NM
			MAR 05 20	19		, , , , , , , , , , , , , , , , , , , ,
12. CHECK THE A	APPROPRIATE BOX(ES) TO INDICA	TERECEIVEL	NOTICE,	REPORT, OR OTH	ER DATA
TYPE OF SUBMISSION			TYPE OF	ACTION		
Notice of Intent	C Acidize	Dee	epen	Product	ion (Start/Resume)	□ Water Shut-Off
Subsequent Report	Alter Casing	🗖 Hyd	draulic Fracturing	C Reclama	ation	U Well Integrity
Final Ahandonment Notice	Casing Repair		w Construction	C Tempor	liete	Other Change to Original A
	Convert to Injection		g Back	□ Vater D	arny Abandon Disposal	PD
Carleise Mela OCTOR	SE CONDI	E ATTAC TIONS O	CHED FOR F APPROV	٩L		
<u>All Previous COP</u>	ts Still Apply	<u>Exup</u>	f For t	he Fa	sllowing:	
14. Thereby certify that the toregoing	Electronic Submission # For	#454089 verifie BOPCO LP, s	d by the BLM Well ent to the Carlsbac	Information	System	
Cc Name (Printed/Typed) KELLY P	STAFA HAQUE on Title REGUL/	02/11/2019	(19MH0026SE) ORDINATOR			
Signature (Electronic	Date 02/11/20	119				
<u></u>	THIS SPACE F	OR FEDER	AL OR STATE (OFFICE U	SE	
						Data 02/12/2010
Conditions of approval, if any, are attack certify that the applicant holds legal or e which would entitle the applicant to con	Approval of this notice doe quitable title to those rights in th duct operations thereon.	s not warrant or le subject lease	Office Carlsbad		<u>==K</u>	Date 02/12/2019
Title 18 U.S.C. Section 1001 and Title 4 States any false, fictitious or fraudulen	3 U.S.C. Section 1212, make it a statements or representations a	a crime for any p s to any matter w	erson knowingly and vithin its jurisdiction.	willfully to ma	ke to any department or a	agency of the United
(Instructions on page 2) ** BLM RE	VISED ** BLM REVISE	D ** BLM R	EVISED ** BLM	REVISED	** BLM REVISED)** //-
			RW 3		19.	F-Z

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	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMLC069144	NMLC069144
Agreement:	NMNM68294X	891000326X (NMNM68294X)
Operator:	XTO PERMIAN OPERATING, LLC 6401 HOLIDAY HILL RD BLDG 5 MIDLAND, TX 79707 Ph: 432-620-4374	BOPCO LP 6401 HOLIDAY HILL RD BLDG 5 SUITE 200 MIDLAND, TX 79707 Ph: 432.683.2277
Admin Contact:	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com
	Ph: 432-620-4374	Ph: 432-620-4374
Fech Contact:	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com
	Ph: 432-620-4374	Ph: 432-620-4374
ocation: State: County:	NM EDDY	NM EDDY
Field/Pool:	DEVONIAN; SWD	WILDCAT
Vell/Facility:	BIG EDDY UNIT 29 FEDERAL SWD 1 Sec 29 T21S R29E Mer NMP SWSW 980FSL 450FWL	BIG EDDY UNIT 29 FEDERAL SWD 1 Sec 29 T21S R29E SWSW 980FSL 450FWL

DRILLING PLAN: BLM COMPLIANCE (Supplement to BLM 3160-3)

XTO Energy Inc. BEU 29 Federal 1 SWD Projected TD: 14860' MD / 14040' TVD SHL: 980' FSL & 450' FWL , Section 29, T21S, R29E BHL: 980' FSL & 450' FWL , Section 29, T21S, R29E Lea County, NM

1. Geologic Name of Surface Formation

A. Quaternary

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

Formation	Well Depth (TVD)	Water/Oil/Gas
Top of Fresh	203'	Water
Top of Salt	568'	Water
Base of Salt	2705'	Water
Delaware	2952'	Water
Brushy Canyon	5380'	Water/Oil/Gas
Bone Spring	6665'	Water/Oil/Gas
First Bone Spring Sand	7681'	Water/Oil/Gas
Second Bone Spring Sand	8441'	Water/Oil/Gas
Third Bone Spring Sand	9635'	Water/Oil/Gas
Wolfcamp	998Ō'	Water/Oil/Gas
Wolfcamp Carbonate	10132'	Water/Oil/Gas
Cisco	10849'	Water/Oil/Gas
Canyon	11171'	Water/Oil/Gas
Strawn	11461'	Water/Oil/Gas
Atoka	11699'	Water/Oil/Gas
Atoka Bank	11856'	Water/Oil/Gas
Morrow	12186'	Water/Oil/Gas
Morrow Clastics	12423'	Water/Oil/Gas
Barnett	12953'	Water/Oil/Gas
Mississippian Lime	13416'	Water/Oil/Gas
Woodford	13888'	Water/Oil/Gas
Siluro-Devonian	14022'	Disposal
Fusselman	14238'	Disposal
TD	14860'	
Montoya	14872'	
Simpson	15243'	

*** Hydrocarbons @ Brushy Canyon

*** Groundwater depth 40' (per NM State Engineers Office).

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 18-5/8 inch casing @ 390' (178' above the salt) and circulating cement back to surface. The salt will be isolated by setting 13-3/8 inch casing at 2830' and circulating cement to surface. 9-5/8 inch casing will be set into the Wolfcamp at 10230'. An 8-3/4 inch hole will be drilled to 14040' and a 7 inch liner will be set and cemented back up into the 9-5/8 inch casing shoe. A 6 inch hole will be drilled to TD at 14860' for an openhole completion.

3. Casing Design

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
24"	0'-1900	18-5/8"	87.5	BTC	J-55	New	2.56	3.61	38.95
17-1/2"	⁰⁷ z345	13-3/8"	68	BTC	J-55	New	1.19	1.30	5.92
12-1/4"	0' - 10230'	9-5/8"	53.5	LTC	L-80	New	1.60	1.28	1.91
8-1/2"	9830' – 14040'	7"	32	BTC	P-110	New	2.33	1.34	4.29
6"	14040' - 14860'	Open hole							



WELLHEAD:

Temporary Wellhead

- 18-5/8" SOW bottom x 21-1/4" 2M top flange.
- A. Starting Head: 13-5/8" 5M top flange x 13-3/8" SOW bottom
- B. Tubing Head: 13-5/8" 5M bottom flange x 11" 10M top flange
 - Wellhead will be installed by manufacturer's representatives.
 - Manufacturer will monitor welding process to ensure appropriate temperature of seal.
 - Manufacturer will witness installation of test plug for initial test.
 - Operator will test the 9-5/8" casing to 70% of casing burst before drilling out.

4. Cement Program

Surface Casing: 18-5/8", 87.5# New J-55, BTC casing to be set at +/- 390'

Lead: 0 sxs Poz/C (mixed at 13.5 ppg, 1.77 ft3/sx, 9.46 gal/sx water) Tail: 710 sxs Class C + 2% CaCl (mixed at 14.8 ppg, 1.36 ft3/sx, 6.61 gal/sx water) Compressives: 12-hr = 900 psi 24 hr = 1500 psi

1st Intermediate Casing: 13-3/8", 68# New J-55, BTC casing to be set at +/- 2830'

Lead: 1820 sxs Poz/C (mixed at 12.8 ppg, 1.923 ft3/sx, 10.45 gal/sx water) Tail: 310 sxs Class C + 2% CaCl (mixed at 14.8 ppg, 1.33 ft3/sx, 6.42 gal/sx water) Compressives: 12-hr = 900 psi 24 hr = 1500 psi

2nd Intermediate Casing: 9-5/8", 53.5# New L-80, LTC casing to be set at +/- 10230'

Lead: 1760 sxs Poz-C + 2% CaCl (mixed at 12.9 ppg, 1.9 ft3/sx, 9.99 gal/sx water) Tail: 1270 sxs Class C + 2% CaCl (mixed at 14.4 ppg, 1.25 ft3/sx, 5.49 gal/sx water) Compressives: 12-hr = 900 psi 24 hr = 1500 psi

Production Casing: 7", 32# New P-110, BTC casing to be set at +/- 14040'

Lead: 0 sxs Poz/C (mixed at 11 ppg, 2.811 ft3/sx, 17.4 gal/sx water) Tail: 480 sxs Class C (mixed at 13.2 ppg, 1.468 ft3/sx, 7.46 gal/sx water) Compressives: 12-hr = 1375 psi 24 hr = 2285 psi

5. Pressure Control Equipment

The blow out preventer equipment (BOP) on surface casing/temporary wellhead will consist of a 21-1/4" minimum 2M Annular. MASP should not exceed 878 psi.

Once WH is installed on 13-3/8 inch casing, the blow out preventer equipment (BOP) for this well consists of a 13-5/8" minimum 5M Annular and a 13-5/8" minimum 5M Double Ram BOP. MASP should not exceed 4942 psi. In any instance where 10M BOP is required by BLM, XTO requests variance to utilize 5M annular with 10M ram preventers (a common BOP configuration, which allows use of 10M rams in unlikely event that pressures exceed 5M).

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nippling up on the 13-5/8" 5M bradenhead and flange, the BOP test will be limited to 5000 psi. When nippling up on the 9-5/8", the BOP will be tested to a minimum of 5000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 5M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

6. Proposed Mud Circulation System

INTERVAL	Hole Size	Mud Type	MW (ppg)	Viscosity (sec/qt)	Fluid Loss
0' - 390'	24"	FW/Native	8.4-9.0	29-40	NC
390' - 2830'	17-1/2"	Brine	9.8-10.3	29-32	NC
2830' - 10230'	12-1/4"	Cut Brine	9.3-9.7	29-32	NC
10230' - 14040'	8-1/2"	Cut Brine / Polymer	10.5-11.0	29-40	NC - 20
14040' - 14860'	6"	FW	8.4-8.8	29-32	NC

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 18-5/8" surface casing with fully satuated brine. A 9.8-10.3 ppg brine mud will be used while drilling through the salt formation. Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Use available solids controls equipment to help keep mud weight down after mud up. Rig up solids control equipment to operate as a closed loop system.

7. Auxiliary Well Control and Monitoring Equipment

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
- C. H2S monitors will be on location when drilling below the 13-3/8" casing.

8. Logging, Coring and Testing Program

Mud Logger: Mud Logging Unit (2 man) below 13-3/8" casing (1st intermediate string).

Open hole logging and rotary side wall cores will be conducted in intermediate and production hole sections. Logs that may be run include Triple

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 190-220F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation is possible, and will be managed by additions of small amounts of LCM in the drilling fluid. The maximum anticipated bottom hole pressure for this well is 6645 psi.

10. Anticipated Starting Date and Duration of Operations

Road and location construction will begin after Santa Fe and BLM have approved the APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 50-75 days. If production casing is run, an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to commence injection.















GATES E & S NORTH AMERICA, INC DU-TEX 134 44TH STREET CORPUS CHRISTI, TEXAS 78405

PHONE: 361-887-9807 FAX: 361-887-0812 EMAIL: crpe&s@gates.com WEB: www.gates.com

GRADE D PRESSURE TEST CERTIFICATE

Customes :	AUSTIN DISTRIBUTING	Terr Door	
Costoner Ref. :	PENDING	- les date:	6/5/2014
invoice No. :	201709 Hose Senal No.	D-06081-1-1	
Created By.	Created By:	NORHA	
Product Description:		FD3.042.0R41/16.5KFLGF-F	
Product Description:		FD3.042.0R/1/16.5KFLGE/E	I.E
Product Description:		FD3.042.0R41/16.5KFLGE/E	LE
Product Description:	4 1/16 m.5K HLG	FD3.042.0R41/16.5KFLGE/E	
Product Description:	4 1/16 m.5K HLG 4774-6001	FD3.042.0R41/16.5KFLGE/E End Fitting 2 -	4 1/16 in.5K FLG
Product Description:	4 1/16 m.5K HLG 4774-6001 5.000 PSI	FD3.042.0R41/16.5KFLGE/E End Fitting 2 - Assembly Code :	4 1/16 in.5K FLG L33090011513D-060814-1

Gates E & S North America, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the 15 minute hydrostatic test per API Spec 7K/Q1, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 7,500 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.5 times the working pressure per Table 9.

Quality: QUALITY Technical Supervisor : PRODUCTION box. All 6/8/2014 / Date 5/8/2014 Supervise : 5/8/2014 Signature :		/·		
Quality: QUALITY Technical Supervisor: PRODUCTION biol. biol. biol. biol. biol. Signature: ////////////////////////////////////				
	Quality: teact : Signature :		Technical Supervisor : Date : Signature :	PRODUCTION

Form PTC 01 Rev.0 2





	BEU 29 Fed 1 SWD								
	Proposed SWD Schematic (Jan 9, 2019)								
	SHL:	980' FSL, 450' FWL Sec 29, T 21S, R 29E	Л		XTO ID #	N/A			
	BHL:	980' FSL, 450' FWL Sec 29, T 21S, R 29E	ENERG	Y	AP! # Elevation Rig:	N/A GL 3301.6', KB 3331.6' (30' AGL) TRD (BKB 30')			
	Geology	Casing & Cement	Wellhead		Hole Size	General Notes			
TVD	Formation		(Tech Data Sheet)		0.41				
					24.				
203'	Top Fresh Water								
		Tail (100% OH excess)							
		850 sx 14.8ppg Class C Top of Tail @ 0'							
		40 500 07 54 1 55 070							
		18-0/6" 8/.0# J-00 BIC	380.800		<u></u>	·			
568'	Ton Salt	Lead (150% OH excess)			17-1/2"				
500	TOP Salt	1875 sx 12.8ppg Poz/C							
		Top of Lead @ 0							
		Tail (100% OH excess)	T	lh -					
		585 sx 14.8ppg Class C Top of Tail @ 2230'							
2,705'	Base Salt	43 3/0" 60# UCL 00 DTC	2020/ MD						
		13-316 60# HCL-60 BTC	2030" MD			······································			
2 952'	Delaware				12-1/4"				
2,002	Delaware	Lead (100% OH excess)							
		1755 sx 11.5ppg Poz/H Top of Lead @ 2230'							
		100 01 2000 G 2200							
6,665'	Bone Spring	<u>Tail (100% OH excess)</u>							
		Top of Tail @ 9530'							
9,980'	Wolfcamp								
10,169'	Wolfcamp Carbonate								
		9-5/8" 63.5# P-110 BTC	10230' MD	ļ.					
					8-1/2"				
11,461'	Strawn								
11,699' 12 186'	Atoka Morrow	Tail (40% OH average)							
12,100		620 sx 14.5ppg Poz/H		1					
13,416' 13,888'	Mississippian Lm Woodford	Top of Tail @ 9830'							
14,022	Devonian								
		7" 32# P-110 BTC	14040' MD	.!					
14 000	Fuecolman				6"				
14,238	russeiman	Open hole completion							
14,860'	TVD at BHL		14,860' MD 14,860' TVD						
14,872'	Montoya								
			Approvals						
Prepared by:	:		Peer Revi	ewed by:	<u></u>				
						Date			

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO PERMIAN OPERATING, LLC
LEASE NO.:	NMLC069144
WELL NAME & NO.:	Big Eddy Unit 29 Federal SWD 1
SURFACE HOLE FOOTAGE:	980' FSL & 450' FWL
BOTTOM HOLE FOOTAGE	980' FSL & 450' FWL
LOCATION:	Section 29, T. 21 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico
· · · · · · · · · · · · · · · · · · ·	

Potash	None	Secretary	C R-111-P
Cave/Karst Potential	C Low	Medium	C High
Variance		Flex Hose	€ Other
Wellhead	Conventional	Multibowl	
Other	□4 String Area	Capitan Reef	□WIPP

All previous COAs still apply, except for the following:

A. CASING

- 1. The **18 5/8** inch surface casing shall be set at approximately **420** 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 $\underline{8}$ <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 13 3/8 inch intermediate casing, which shall be set at 2945 feet, 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.
- 3. The minimum required fill of cement behind the 9 5/8 inch second intermediate casing is:
 - Cement should tie-back at least **200** feet into previous casing string. Operator shall provide method of verification.
- 4. The minimum required fill of cement behind the 7 inch liner is:
 - Cement should tie-back at least 100 feet into previous casing string. Operator shall provide method of verification.

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).
- 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.
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the first intermediate casing shoe shall be 3000 (3M) psi.
- 4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the second intermediate casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5M Annular which shall be tested to 5000 psi.

JJP2122019

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
- 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.
- <u>Wait on cement (WOC) for Potash Areas:</u> 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> hours. WOC time will be recorded in the driller's log.
- <u>Wait on cement (WOC) for Water Basin:</u> 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.

- 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
- 5. 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.
- 6. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 7. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

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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.

E. WELL COMPLETION

A NOI sundry with the completion procedure for this well shall be submitted and approved prior to commencing completion work. The procedure will be reviewed to verify that the completion proposal will allow the operator to:

- 1. Properly evaluate the injection zone utilizing open hole logs, swab testing and/or any other method to confirm that hydrocarbons cannot be produced in paying quantities. This evaluation shall be reviewed by the BLM prior to injection commencing.
- 2. Restrict the injection fluid to the approved formation.

If off-lease water will be disposed in this well, the operator shall provide proof of right-of-way approval.