

Submit a Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-015-49286 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator XTO Energy, Inc | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 6401 Holiday Hill Rd bldg 5 Midland TX 79707 | | 7. Lease Name or Unit Agreement Name Remuda North 25 State |
| 4. Well Location Unit Letter <u>K</u> : <u>2370</u> feet from the <u>South</u> line and <u>2039</u> feet from the <u>West</u> line Section <u>25</u> Township <u>23S</u> Range <u>29E</u> NMPM County | | 8. Well Number 703H |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3070' | | 9. OGRID Number 05380 |
| | | 10. Pool name or Wildcat Forty Niner Ridge Bone Spring, West |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|--|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input checked="" type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy, Inc respectfully requests NOI to change plans for the Drilling program. XTO wants to go from a 3 string design to a 4 string design. the new Drilling plan is attached for review.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cassie Evans TITLE Regulatory Analyst DATE 04/21/22

Type or print name Cassie Evans E-mail address: cassie.evans@exxonmobil.com PHONE: 432.218.3671

For State Use Only

APPROVED BY: John Garcia TITLE Petroleum Engineer DATE 7/6/22

Conditions of Approval (if any):

DRILLING PLAN: NMOCD COMPLIANCE

XTO Energy Inc.
 Remuda North 25 State 703H
 Projected TD: 16804' MD / 9000' TVD
 SHL: 2370' FSL & 2039' FWL , Section 25, T23S, R29E
 BHL: 200' FNL & 2090' FWL , Section 24, T23S, R29E
 Eddy 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 |
|--------------------|------------------|---------------|
| Rustler | 72' | Water |
| Top of Salt | 420' | Water |
| Base of Salt | 3078' | Water |
| Delaware | 3288' | Water |
| Brushy Canyon | 5733' | Water/Oil/Gas |
| Bone Spring | 6995' | Water |
| 1st Bone Spring Ss | 8077' | Water/Oil/Gas |
| 2nd Bone Spring Ss | 8878' | Water/Oil/Gas |
| Target/Land Curve | 9000' | Water/Oil/Gas |

*** 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 13.375 inch casing @ 395' (25' above the salt) and circulating cement back to surface. The salt will be isolated by setting 9.625 inch casing at 3178' and circulating cement to surface. The second intermediate will isolate from the salt down to the next casing seat by setting 7.625 inch casing at 8100' and cementing to surface. A 6.75 inch curve and 6.75 inch lateral hole will be drilled to 16804 MD/TD and 5.5 inch production casing will be set at TD and cemented back up to 2nd intermediate (estimated TOC 7600 feet) per Potash regulations.

3. Casing Design

| Hole Size | Depth | OD Csg | Weight | Grade | Collar | New/Used | SF Burst | SF Collapse | SF Tension |
|-----------|----------------|--------|--------|----------|--------------|----------|----------|-------------|------------|
| 17.5 | 0' – 395' | 13.375 | 54.5 | J-55 | BTC | New | 2.87 | 6.47 | 39.62 |
| 12.25 | 0' – 3178' | 9.625 | 40 | J-55 | BTC | New | 2.05 | 2.66 | 4.96 |
| 8.75 | 0' – 3278' | 7.625 | 29.7 | RY P-110 | Flush Joint | New | 4.07 | 3.57 | 2.32 |
| 8.75 | 3278' – 8100' | 7.625 | 29.7 | HC L-80 | Flush Joint | New | 2.96 | 4.20 | 2.83 |
| 6.75 | 0' – 8000' | 5.5 | 20 | RY P-110 | Semi-Premium | New | 1.05 | 2.90 | 2.67 |
| 6.75 | 8000' - 8700' | 5.5 | 20 | RY P-110 | Semi-Flush | New | 1.05 | 2.67 | 6.24 |
| 6.75 | 8700' - 16804' | 5.5 | 20 | RY P-110 | Semi-Flush | New | 1.05 | 2.58 | 7.57 |

- XTO requests the option to utilize a spudder rig (Atlas Copco RD20 or Equivalent) to set and cement surface and intermediate 1 casing per this Sundry
- XTO requests to not utilize centralizers in the curve and lateral
- 9.625 Collapse analyzed using 50% evacuation based on regional experience.
- 7.625 Collapse analyzed using 50% evacuation based on regional experience.
- 5.5 Tension calculated using vertical hanging weight plus the lateral weight multiplied by a friction factor of 0.35
- Test on Casing will be limited to 70% burst of the casing or 1500 psi, whichever is less
- XTO requests the option to use 5" BTC Float equipment for the the production casing

Wellhead:

Permanent Wellhead – Multibowl System

A. Starting Head: 13-5/8" 10M top flange x 13-3/8" SOW bottom

B. Tubing Head: 13-5/8" 10M bottom flange x 7-1/16" 15M top flange

- Wellhead will be installed by manufacturer's representatives.
- Manufacturer will monitor welding process to ensure appropriate temperature of seal.
- Operator will test the 7-5/8" casing per BLM Onshore Order 2
- Wellhead Manufacturer representative will not be present for BOP test plug installation

4. Cement Program

Surface Casing: 13.375, 54.5 New BTC, J-55 casing to be set at +/- 395'

Tail: 400 sxs Class C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft³/sx, 6.39 gal/sx water)
 Top of Cement: Surface
 Compressives: 12-hr = 250 psi 24 hr = 500 psi

1st Intermediate Casing: 9.625, 40 New BTC, J-55 casing to be set at +/- 3178'

Lead: 1290 sxs Class C (mixed at 12.9 ppg, 1.39 ft³/sx, 10.13 gal/sx water)
 Tail: 130 sxs Class C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft³/sx, 6.39 gal/sx water)
 Top of Cement: Surface
 Compressives: 12-hr = 900 psi 24 hr = 1500 psi

2nd Intermediate Casing: 7.625, 29.7 New casing to be set at +/- 8100'

1st Stage

Optional Lead: 310 sxs Class C (mixed at 10.5 ppg, 2.77 ft³/sx, 15.59 gal/sx water)
 TOC: 0
 Tail: 220 sxs Class C (mixed at 14.8 ppg, 1.35 ft³/sx, 6.39 gal/sx water)
 TOC: Brushy Canyon @ 5733
 Compressives: 12-hr = 900 psi 24 hr = 1150 psi

2nd Stage

Lead: 0 sxs Class C (mixed at 12.9 ppg, 2.16 ft³/sx, 9.61 gal/sx water)
 Tail: 0 sxs Class C (mixed at 14.8 ppg, 1.33 ft³/sx, 6.39 gal/sx water)
 Top of Cement: 0
 Compressives: 12-hr = 900 psi 24 hr = 1150 psi

XTO requests 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 top of cement at the Brush Canyon (5733') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If cement is not visually confirmed to circulate to surface, the final cement top after the second stage job will be verified by Echo-meter. If necessary, a top out consisting of 1,500 sack of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. If cement is still unable to circulate to surface, another Echo-meter run will be performed for cement top verification.

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

XTO requests to pump an Optional Lead if well conditions dictate in an attempt to bring cement to surface. If cement reaches the desired height, the NMOCD will be notified and the second stage bradenhead squeeze and subsequent TOC verification will be negated.

XTO requests the option to conduct the bradenhead squeeze and TOC verification offline when unplanned remediation is needed and batch drilling is approved. In the event the bradenhead is conducted, XTO will ensure the first stage cement job is cemented properly and the well is static with floats holding and no pressure on the csg annulus as with all other casing strings where batch drilling operations occur before moving off the rig. The TA cap will also be installed per Cactus procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.

Production Casing: 5.5, 20 New Semi-Flush, RY P-110 casing to be set at +/- 16804'

Lead: 20 sxs NeoCem (mixed at 11.5 ppg, 2.69 ft³/sx, 15.00 gal/sx water) Top of Cement: 7600 feet
 Tail: 610 sxs VersaCem (mixed at 13.2 ppg, 1.51 ft³/sx, 8.38 gal/sx water) Top of Cement: 8281 feet
 Compressives: 12-hr = 1375 psi 24 hr = 2285 psi

XTO requests the option to offline cement and remediate (if needed) surface, intermediate and production casing strings where batch drilling is approved and if unplanned remediation is needed. XTO will ensure well is static with no pressure on the csg annulus, as with all other casing strings where batch drilling operations occur before moving off the rig. The TA cap will also be installed when applicable per Cactus procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops. Offline cement operations will then be conducted after the rig is moved off the current well to the next well in the batch sequence.

5. Pressure Control Equipment

Once the permanent WH is installed on the 13.375 casing, the blow out preventer equipment (BOP) will consist of a 13-5/8" minimum 3M Hydril and a 13-5/8" minimum 3M Double Ram BOP. MASP should not exceed 2326 psi. In any instance where 10M BOP is required by BLM, XTO requests a 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 nipping up on the 13.375, the BOP will be tested to a minimum of 3000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 3M 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.

XTO requests a variance to be able to batch drill this well if necessary. In doing so, XTO will set casing and ensure that the well is cemented properly (unless approval is given for offline cementing) and the well is static. With floats holding, no pressure on the csg annulus, and the installation of a 10K TA cap as per Cactus recommendations, XTO will contact the NMOCD to skid the rig to drill the remaining wells on the pad. Once surface and both intermediate strings are all completed, XTO will begin drilling the production

hole on each of the wells.

A variance is requested to **ONLY** test broken pressure seals on the BOP equipment when moving from wellhead to wellhead which is in compliance with API Standard 53. API standard 53 states, that for pad drilling operation, moving from one wellhead to another within 21 days, pressure testing is required for pressure-containing and pressure-controlling connections when the integrity of a pressure seal is broken.

6. Proposed Mud Circulation System

| INTERVAL | Hole Size | Mud Type | MW (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|-----------------|-----------|-------------------------|-------------|-----------------------|--------------------|
| 0' - 395' | 17.5 | FW/Native | 8.5-9 | 35-40 | NC |
| 395' - 3178' | 12.25 | Brine | 10-10.5 | 30-32 | NC |
| 3178' to 8100' | 8.75 | FW / Cut Brine / BDE | 8.8-9.3 | 30-32 | NC |
| 8100' to 16804' | 6.75 | OBM | 9.2-9.7 | 50-60 | NC - 20 |

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 13-3/8" surface casing with brine solution. A 10.0 ppg - 10.5 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 13.375 casing.

8. Logging, Coring and Testing Program

Mud Logger: Mud Logging Unit (2 man) below intermediate casing.

Open hole logging will not be done on this well.

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 155 to 175 F 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 could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid. The maximum anticipated bottom hole pressure for this well is 4306 psi.

10. Anticipated Starting Date and Duration of Operations

Anticipated spud date will be after Remuda South 25 State drilling is completed and BLM approval. Move in operations and drilling is expected to take 40 days.

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CONDITIONS

Action 100520

CONDITIONS

| | |
|---|--|
| Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707 | OGRID: 5380 |
| | Action Number: 100520 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| jagarcia | None | 7/6/2022 |