

| | | |
|--|---|--|
| Well Name: CLAWHAMMER 33-28-21 FED COM | Well Location: T26S / R30E / SEC 33 / LOT L2 / | County or Parish/State: |
| Well Number: 415H | Type of Well: OTHER | Allottee or Tribe Name: |
| Lease Number: NMNM0480904A | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3001549847 | Well Status: Approved Application for Permit to Drill | Operator: WPX ENERGY PERMIAN LLC |

Notice of Intent

Sundry ID: 2726687

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: 04/19/2023

Time Sundry Submitted: 03:09

Date proposed operation will begin: 04/19/2023

Procedure Description: ENGINEERING ONLY Devon Energy Production Company, L.P. respectfully requests approval for optional surface casing/drilling plan of 13.375" surface casing inside of 17.5" surface hole to 620'. Devon is also requesting to run an additional salt string with a 10.75" intermediate casing inside of 12.25" intermediate hole to 3420'. Please see the attached updated drill plan.

NOI Attachments

Procedure Description

- 13.375_54.50_J55_20230419150826.pdf
- 10.750_45.50lb_J55_BTC_SC_BLP_Devon_20230419150826.pdf
- CLAWHAMMER_33_28_21_FEDERAL_COM_415H_rev1_20230419150735.pdf

| | | | |
|--|---|--|--------------------------------|
| Well Name: CLAWHAMMER 33-28-21 FED COM | | Well Location: T26S / R30E / SEC 33 / LOT L2 / | County or Parish/State: |
| Well Number: 415H | Type of Well: OTHER | | Allottee or Tribe Name: |
| Lease Number: NMNM0480904A | Unit or CA Name: | Unit or CA Number: | |
| US Well Number: 3001549847 | Well Status: Approved Application for Permit to Drill | Operator: WPX ENERGY PERMIAN LLC | |

Conditions of Approval

Additional

33_26_30_H_30_015_49847_Clawhammer_33_28_21_Federal_Com_415H_Eddy_NM0480904A_WPX_ENERGY_PE
RMIAN_LLC_13_22fa_4_24_2023_LV_20230424102924.pdf
Clawhammer_33_28_21_Federal_Com_415H_Dr_COA_Verbal_20230424102924.pdf
Mail___Vo___Long_T___Outlook_20230424102924.pdf
Mail___Vo___Long_T___Outlook2_20230424102924.pdf

Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

| | |
|---|---|
| Operator Electronic Signature: CHELSEY GREEN | Signed on: APR 19, 2023 02:37 PM |
| Name: WPX ENERGY PERMIAN LLC | |
| Title: Regulatory Compliance Professional | |
| Street Address: 333 West Sheridan Avenue | |
| City: Oklahoma City | State: OK |
| Phone: (405) 228-8595 | |
| Email address: Chelsey.Green@dnv.com | |

Field

| | | |
|-----------------------------|---------------|-------------|
| Representative Name: | | |
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |
| Email address: | | |

BLM Point of Contact

| | |
|--|--|
| BLM POC Name: CHRISTOPHER WALLS | BLM POC Title: Petroleum Engineer |
| BLM POC Phone: 5752342234 | BLM POC Email Address: cwalls@blm.gov |
| Disposition: Approved | Disposition Date: 04/25/2023 |
| Signature: Chris Walls | |

CLAWHAMMER 33-28-21 FEDERAL COM 415H

1. Geologic Formations

| | | | |
|---------------|-------|------------------------------|-----|
| TVD of target | 10719 | Pilot hole depth | N/A |
| MD at TD: | 20580 | Deepest expected fresh water | |

Basin

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/Target Zone? | Hazards* |
|----------------------|---------------------------|--|----------|
| Rustler | 533 | | |
| Salt | 1562 | | |
| Base of Salt | 3370 | | |
| Delaware | 3481 | | |
| Cherry Canyon | 4467 | | |
| Brushy Canyon | 5512 | | |
| 1st Bone Spring Lime | 7345 | | |
| Bone Spring 1st | 8235 | | |
| Bone Spring 2nd | 8859 | | |
| 3rd Bone Spring Lime | 9316 | | |
| Bone Spring 3rd | 10132 | | |
| Wolfcamp | 10492 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

*H2S, water flows, loss of circulation, abnormal pressures, etc.

CLAWHAMMER 33-28-21 FEDERAL COM 415H

2. Casing Program (Primary Design)

| Hole Size | Csg. Size | Wt (PPF) | Grade | Conn | Top (MD) | Bottom (MD) | Top (TVD) | Bottom (TVD) |
|-----------|-----------|----------|--------|---------------|----------|-------------|-----------|--------------|
| 17 1/2 | 13 3/8 | 54.5 | J-55 | BTC | 0.0 | 620 MD | 0 | 620 TVD |
| 12 1/4 | 10 3/4 | 45.5 | J-55 | BTC SCC | 0.0 | 3420 MD | 0 | 3420 TVD |
| 9 7/8 | 8 5/8 | 32.0 | P110EC | Sprint FJ | 0 | 10157 MD | 0 | 10157 TVD |
| 7 7/8 | 5 1/2 | 17.0 | P110 | DWC/C-IS PLUS | 0 | 20580 MD | 0 | 10719 TVD |

- All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for contingency casing.
- The Rustler top will be validated via drilling parameters (i.e. reduction in ROP), and the surface casing setting depth will be revised accordingly. In addition, surface casing will be set a minimum of 25' above the top of the salt.

CLAWHAMMER 33-28-21 FEDERAL COM 415H

3. Cementing Program (Primary Design)

| Casing | # Sk | TOC | Wt. (lb/gal) | Yld (ft ³ /sack) | Slurry Description |
|-------------------------------|--------------|-------|-----------------|--------------------------------|--|
| Surface | 487 | Surf | 13.2 | 1.44 | Lead: Class C Cement + additives |
| Int | 217 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 101 | 2920 | 13.2 | 1.44 | Tail: Class H / C + additives |
| Int 1 | 225 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 539 | 5512 | 13.2 | 1.44 | Tail: Class H / C + additives |
| Int 1 Top Out (Squeeze) | As Needed | Surf | 13.2 | 1.44 | Top Out (Squeeze) Lead: Class C Cement + additives |
| Int 1 | 225 | Surf | 9 | 3.27 | 2nd Stage Lead: Class C Cement + additives |
| | 539 | 5512 | 13.2 | 1.44 | Tail: Class H / C + additives |
| Production | 117 | 8249 | 9 | 3.27 | Lead: Class H / C + additives |
| | 1367 | 10249 | 13.2 | 1.44 | Tail: Class H / C + additives |

Assuming no returns are established while drilling, Devon requests to pump a two stage cement job on the 8-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brushy Canyon and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. The final cement top will be verified by Echo-meter. Devon will include the Echo-meter verified fluid top and the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program. Devon will report to the BLM the volume of fluid (limited to 1 bbls) used to flush intermediate casing valves following backside cementing procedures.

| Casing String | % Excess |
|---------------------------------|----------|
| Surface | 50% |
| Intermediate and Intermediate 1 | 30% |
| Intermediate 1 (Two Stage) | 25% |
| Prod | 10% |

CLAWHAMMER 33-28-21 FEDERAL COM 415H

4. Pressure Control Equipment (Four String Design)

| BOP installed and tested before drilling which hole? | | Size? | Min. Required WP | Type | ✓ | Tested to: |
|--|--|-------|------------------|------|---|--------------------------------|
| Int | 13-5/8" | 5M | Annular | | X | 50% of rated working pressure |
| | | | Blind Ram | | X | 5M |
| | | | Pipe Ram | | | |
| | | | Double Ram | | X | |
| | | | Other* | | | |
| Int 1 | 13-5/8" | 5M | Annular (5M) | | X | 100% of rated working pressure |
| | | | Blind Ram | | X | 5M |
| | | | Pipe Ram | | | |
| | | | Double Ram | | X | |
| | | | Other* | | | |
| Production | 13-5/8" | 5M | Annular (5M) | | X | 100% of rated working pressure |
| | | | Blind Ram | | X | 5M |
| | | | Pipe Ram | | | |
| | | | Double Ram | | X | |
| | | | Other* | | | |
| N | A variance is requested for the use of a diverter on the surface casing. See attached for schematic. | | | | | |
| N | A variance is requested to run a 5 M annular on a 10M system | | | | | |

5. Mud Program (Four String Design)

| Section | Type | Weight (ppg) |
|----------------|-----------------|--------------|
| Surface | WBM | 8.5-9 |
| Intermediate | DBE / Cut Brine | 10-10.5 |
| Intermediate 1 | WBM | 8.5-9 |
| Production | OBM | 10-10.5 |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

| | |
|---|-----------------------------|
| What will be used to monitor the loss or gain of fluid? | PVT/Pason/Visual Monitoring |
|---|-----------------------------|

6. Logging and Testing Procedures

| Logging, Coring and Testing | |
|-----------------------------|---|
| X | Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM. |
| | No logs are planned based on well control or offset log information. |
| | Drill stem test? If yes, explain. |
| X | Wireline Triple Combo log in 9 7/8" hole section |

| Additional logs planned | | Interval |
|-------------------------|-------------|-------------------------|
| | Resistivity | Int. shoe to KOP |
| | Density | Int. shoe to KOP |
| X | CBL | Production casing |
| X | Mud log | Intermediate shoe to TD |
| | PEX | |

7. Drilling Conditions

| Condition | Specify what type and where? |
|----------------------------|------------------------------|
| BH pressure at deepest TVD | 5853 |
| Abnormal temperature | No |

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H₂S) monitors will be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered measured values and formations will be provided to the BLM.

| | |
|---|---------------------------------|
| N | H ₂ S is present |
| Y | H ₂ S plan attached. |

8. Other facets of operation

Is this a walking operation? Potentially

- 1 If operator elects, drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- 2 The drilling rig will then batch drill the intermediate sections and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
- 3 The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

- 1 Spudder rig will move in and batch drill surface hole.
 - a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.,
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pa.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan
 Other, describe



13-3/8" 54.50# .380 J-55

Dimensions (Nominal)

| | | |
|------------------|--------|--------|
| Outside Diameter | 13.375 | in. |
| Wall | 0.380 | in. |
| Inside Diameter | 12.615 | in. |
| Drift | 12.459 | in. |
| | | |
| Weight, T&C | 54.500 | lbs/ft |
| Weight, PE | 52.790 | lbs/ft |

Performance Ratings, Minimum

| | | |
|---------------------------|------|----------|
| Collapse, PE | 1130 | psi |
| | | |
| Internal Yields Pressure | | |
| PE | 2730 | psi |
| STC | 2730 | PSI |
| BTC | 2730 | psi |
| | | |
| Yield Strength, Pipe Body | 853 | 1000 lbs |
| | | |
| Joint Strength, STC | 514 | 1000 lbs |
| Joint Strength, BTC | 909 | 1000 lbs |

Note: SeAH Steel has produced this specification sheet for general information only. SeAH does not assume liability or responsibility for any loss or injury resulting from the use of information or data contained herein. All applications for the material described are at the customer's own risk and responsibility.



10-3/4" 45.50# 0.400" J-55

Dimensions (Nominal)

| | | |
|------------------|--------|--------|
| Outside Diameter | 10.750 | in. |
| Wall | 0.400 | in. |
| Inside Diameter | 9.950 | in. |
| Drift | 9.875 | in. |
| Weight, T&C | 45.500 | lbs/ft |
| Weight, PE | 44.260 | lbs/ft |

Performance Properties

| | | |
|--|------|----------|
| Collapse | 2090 | psi |
| Internal Yield Pressure at Minimum Yield | | |
| PE | 3580 | psi |
| STC | 3580 | psi |
| BTC | 3580 | psi |
| Yield Strength, Pipe Body | 715 | 1000 lbs |
| Joint Strength | | |
| STC | 493 | 1000 lbs |
| BTC | 796 | 1000 lbs |
| BTC Special Clearance (11.25" OD Cplg) | 506 | 1000 lbs |

Note: SeAH Steel has produced this specification sheet for general information only. SeAH does not assume liability or responsibility for any loss or injury resulting from the use of information or data contained herein. All applications for the material described are at the customer's own risk and responsibility.

Re: [EXTERNAL] Clawhammer 33-28-21 Fed Com 415H

Vo, Long T <lvo@blm.gov>

Mon 4/24/2023 10:03 AM

To: Green, Chelsey <Chelsey.Green@dvn.com>

Cc: Schilling, John <John.Schilling@dvn.com>

 1 attachments (206 KB)

Clawhammer 33-28-21 Federal Com 415H-Dr COA Verbal.pdf;

Please see attached the COA for the APD changes proposal. You have verbal approval to process, I'll update AFMSS once it's online. Please utilize this COA and have the verbal approval on the rig site.

Regards,

Long Vo

Petroleum Engineer
Carlsbad Field Office
Land and Minerals
Bureau of Land Management
Department of Interior
575-988-5402 Cell

From: Green, Chelsey <Chelsey.Green@dvn.com>

Sent: Monday, April 24, 2023 7:52 AM

To: Vo, Long T <lvo@blm.gov>

Cc: Schilling, John <John.Schilling@dvn.com>

Subject: [EXTERNAL] Clawhammer 33-28-21 Fed Com 415H

| |
|--|
| <p>This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.</p> |
|--|

Long,

Please see the attached drill plan. If you need anything else please let me know.

Thank you,

Chelsey Green

Regulatory Compliance Professional

Devon Energy Production Co, L.P.

333 W. Sheridan Ave.
Oklahoma City, OK 73102
(405) 228-8595

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33-26-30-H 30-015-49847 Clawhammer 33-28-21 Federal Com 415H Eddy NM0480904A WPX ENERGY PERMIAN LLC 13-22fa 4-24-2023
LV.xlsm

Clawhammer 33-28-21 Federal Com 415H

| 13 3/8 | | surface csg in a | | 17 1/2 | | inch hole. | | Design Factors | | | | Surface | |
|---|---------|------------------|--|----------|--|------------|----------|----------------|--------------|------|---------|---------|-----------|
| Segment | #/ft | Grade | | Coupling | | Body | Collapse | Burst | Length | B@s | a-B | a-C | Weight |
| "A" | 54.50 | j 55 | | btc | | 34.03 | 5.25 | 1.46 | 460 | 13 | 2.45 | 9.92 | 25,070 |
| "B" | | | | btc | | | | | 0 | | | | 0 |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 1,500 | | | | | | | Tail Cmt | does not | circ to sfc. | | Totals: | 460 | 25,070 |
| Comparison of Proposed to Minimum Required Cement Volumes | | | | | | | | | | | | | |
| Hole | Annular | 1 Stage | | 1 Stage | | Min | 1 Stage | Drilling | Calc | | | | Min Dist |
| Size | Volume | Cmt Sx | | CuFt Cmt | | Cu Ft | % Excess | Mud Wt | MASP | BOPE | | | Hole-Cplg |
| 17 1/2 | 0.6946 | 487 | | 701 | | 320 | 119 | 9.00 | 1113 | 2M | | | 1.56 |
| Site plot (pipe racks 5 and 6) as per D.D. 1.10 (D.4) - not found | | | | | | | | | | | | | |

| 10 3/4 | casing inside the | 13 3/8 | | Design Factors | | | | | Int 1 | | |
|---|-------------------|----------------|------------------|----------------|----------------------|-----------------|-----------|------------|-------|------|--------------------|
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | B@s | a-B | a-C | Weight |
| "A" | 45.50 | j 55 | btc scc | 3.25 | 1.12 | 0.75 | 3,420 | 2 | 1.42 | 1.88 | 155,610 |
| "B" | | | | | | | 0 | | | | 0 |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 1,014 | | | | | | | | | | | |
| The cement volume(s) are intended to achieve a top of | | | | 0 | ft from surface or a | 460 | | | | | 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 | 0.1882 | 318 | 855 | 666 | 28 | 10.50 | 2514 | 3M | | | 0.50 |
| r D V Tool(s): | | | | | | | sum of sx | Σ CuFt | | | Σ%excess |
| t by stage % : | | | | #VALUE! | #VALUE! | | 318 | 855 | | | 28 |
| Class 'C' tail cmt yld > 1.35 | | | | | | | | | | | |
| Burst Frac Gradient(s) for Segment(s): A, B, C, D = 1.05; b, c, d All > 0.70, OK. | | | | | | | | | | | |

| 8 5/8 | casing inside the | 10 3/4 | | Design Factors | | | | | Int 2 | | |
|---|-------------------|----------------|------------------|----------------|----------------------|-----------------|-----------|------------|-------|------|--------------------|
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | B@s | a-B | a-C | Weight |
| "A" | 32.00 | p 110 | vam sprint fj | 2.29 | 0.84 | 1.22 | 10,157 | 2 | 2.05 | 1.59 | 325,024 |
| "B" | | | | | | | 0 | | | | 0 |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 573 | | | | | | | | | | | |
| The cement volume(s) are intended to achieve a top of | | | | 3220 | 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 |
| 9 7/8 | 0.1261 | 539 | 776 | 877 | -11 | 9.00 | 3489 | 5M | | | 0.61 |
| Setting Depths for D V Tool(s): | | | | 5512 | | | sum of sx | Σ CuFt | | | Σ%excess |
| % excess cmt by stage: | | | | 32 | 153 | | 764 | 1512 | | | 72 |
| Class 'C' tail cmt yld > 1.35 | | | | | | | | | | | |

| 5 1/2 | casing inside the | 8 5/8 | | Design Factors | | | | | Prod 1 | | |
|---|-------------------|----------------|------------------|----------------|----------------------|-----------------|-----------|------------|--------|------|--------------------|
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | B@s | a-B | a-C | Weight |
| "A" | 17.00 | p 110 | dwc/c is+ | 3.00 | 1.28 | 1.82 | 20,580 | 2 | 3.05 | 2.14 | 349,860 |
| "B" | | | | | | | 0 | | | | 0 |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 2,358 | | | | | | | | | | | |
| The cement volume(s) are intended to achieve a top of | | | | 9957 | 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 |
| 7 7/8 | 0.1733 | 1484 | 2351 | 1841 | 28 | 10.50 | | | | | 0.91 |
| Class 'H' tail cmt yld > 1.20 | | | | | | | | | | | |
| Capitan Reef est top XXXX. | | | | | | | | | | | |

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|-------------------------|------------------------------------|
| OPERATOR'S NAME: | WPC Energy Permian LLC |
| LEASE NO.: | NMNM0480904A |
| LOCATION: | Section 33, T.26 S., R.30 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

| | |
|------------------------------|---|
| WELL NAME & NO.: | Clawhammer 33-28-21 Federal Com 415H |
| SURFACE HOLE FOOTAGE: | 293' S & 1521' E |
| BOTTOM HOLE FOOTAGE: | 2609' S & 330' E |
| ATS/API ID: | 3001549847 |
| APD ID: | 3001549847 |
| Sundry ID: | Verbal |

COA

| | | | |
|-------------------------------|---|---|---|
| H2S | No | | |
| Potash | None | | |
| Cave/Karst Potential | Medium | | |
| Cave/Karst Potential | <input type="checkbox"/> Critical | | |
| Variance | <input checked="" type="checkbox"/> None | <input checked="" type="checkbox"/> Flex Hose | <input checked="" type="checkbox"/> Other |
| Wellhead | Conventional and Multibowl | | |
| Other | <input checked="" type="checkbox"/> 4 String | Capitan Reef None | <input type="checkbox"/> WIPP |
| Other | Pilot Hole None | <input type="checkbox"/> Open Annulus | |
| Cementing | Contingency Squeeze None | Echo-Meter Int 2 | Primary Cement Squeeze None |
| Special Requirements | <input type="checkbox"/> Water Disposal/Injection | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |
| Special Requirements | <input type="checkbox"/> Batch Sundry | | |
| Special Requirements Variance | <input checked="" type="checkbox"/> Break Testing | <input type="checkbox"/> Offline Cementing | <input type="checkbox"/> Casing Clearance |

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

Alternate Casing Design:

1. The **13-3/8 inch** surface casing shall be set at approximately **460 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. The surface hole shall be **17 1/2 inch** in diameter.
 - 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the **10-3/4 inch** 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.**

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

3. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- 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.

Option 2:

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- a. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon at 5512' (539 sxs Class H/C+ additives)**.
- b. Second stage:
 - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified. **(Squeeze 225 sxs Class C)**
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Operator has proposed to pump down 10-3/4" X 8-5/8" annulus after primary cementing stage. Operator must run Echo-meter to verify Cement Slurry/Fluid top in the annulus Or operator shall run a CBL from TD of the 8-5/8" casing to surface after the second stage BH to verify TOC.

Submit results to the BLM. No displacement fluid/wash out shall be utilized at the top of the cement slurry between second stage BH and top out. Operator must run one CBL per Well Pad.

If cement does not reach surface, the next casing string must come to surface.

Operator must use a limited flush fluid volume of 1 bbl following backside cementing procedures.

- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

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.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **10-3/4** intermediate casing shoe shall be **5000 (5M)** psi. **Annular which shall be tested to 3500 (70% Working Pressure) psi.**
- c. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **8-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

- a. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** 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.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 2.
- 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. When the Communitization Agreement number is known, it shall also be on the sign.

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. **(Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)**
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer **(575-706-2779)** prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted **(575-361-2822 Eddy County)** 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at **14-day** intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.

- If in the event break testing is not utilized, then a full BOPE test would be conducted.

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)

☒ 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)
689-5981

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. 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. 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

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.

LVO 4/24/2023

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 210812

CONDITIONS

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| Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102 | OGRID: 246289 |
| | Action Number: 210812 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|-------------|--|----------------|
| ward.rikala | If a bradenhead squeeze is used during the cementing operations, then a CBL is required to verify the integrity of the cement behind the casing. All other original COA's still apply. | 10/13/2023 |