Submit 1 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

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

NMOCD Rec'd: 9/25/2020

Form C-103
Revised July 18, 2013

WELL API NO. 30-015-46433

5. Indicate Type of Lease STATE ☑ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: REMUDA SOUTH 25 STATE

1. Type of Well: Oil Well ☐ Gas Well ☑ Other

8. Well Number 163H

2. Name of Operator: XTO ENERGY INC

9. OGRID Number: 5380

3. Address of Operator: 6401 HOLIDAY HILL ROAD, BLDG 5, MIDLAND, TX 79707

10. Pool name or Wildcat: PURPLE SAGE; WOLFCAMP

4. Well Location
Unit Letter F : 2355 feet from the NORTH line and 1950 feet from the WEST line
Section 25 Township 23S Range 29E NMPM County EDDY

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3075'

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: OFFLINE CEMENTING VARIANCE ☑		OTHER: ☐	

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 requests the option to cement the production casing string offline per the attached procedure.

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 Kelly Kardos TITLE Regulatory Coordinator DATE 09/25/20

Type or print name Kelly Kardos E-mail address: kelly_kardos@xtoenergy.com PHONE: 432-620-4374

For State Use Only

APPROVED BY: John Garcia TITLE Petroleum Engineer DATE 10/5/2020

Conditions of Approval (if any):

XTO Permian Operating, LLC Offline Cementing Variance Request

XTO requests the option to cement the production casing string offline as a prudent batch drilling efficiency of acreage development.

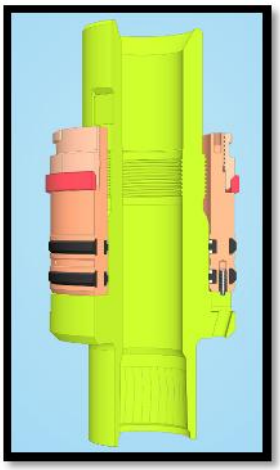
1. Cement Program

No changes to the cement program will take place for offline cementing.

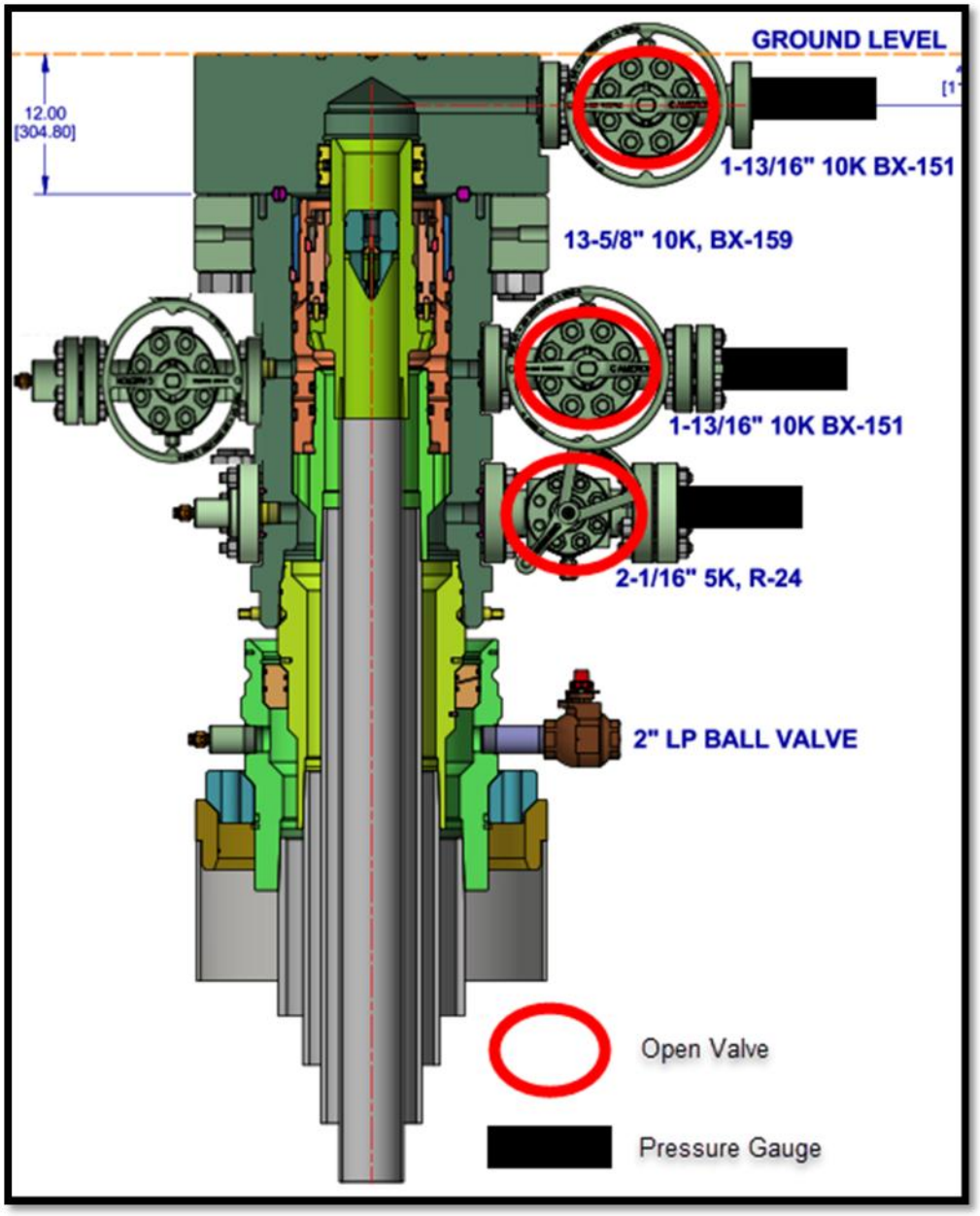
2. Offline Cementing Procedure

The operational sequence will be as follows: If a well control event occurs, the NMOCD will be contacted for approval prior to conducting offline cementing operations.

1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
2. Land casing with mandrel.
3. Fill pipe with kill weight fluid, do not circulate through floats and confirm well is static.
4. Set annular packoff shown below and pressure test to confirm integrity of the seal. Pressure ratings of wellhead components and valves is 10,000 psi. After a satisfactory test is achieved, bleed off all test pressure, remove the test pump, and re-install the fitting.
5. Lay down the landing joint/running tool and install a back-pressure valve (BPV) in the hanger.
6. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange.
    a. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed with cement 500 ft. above the highest formation capable of flow with kill weight mud above, or after it has achieved 50 psi compressive strength if kill weight fluid cannot be verified.



Annular packoff with both external and internal seals

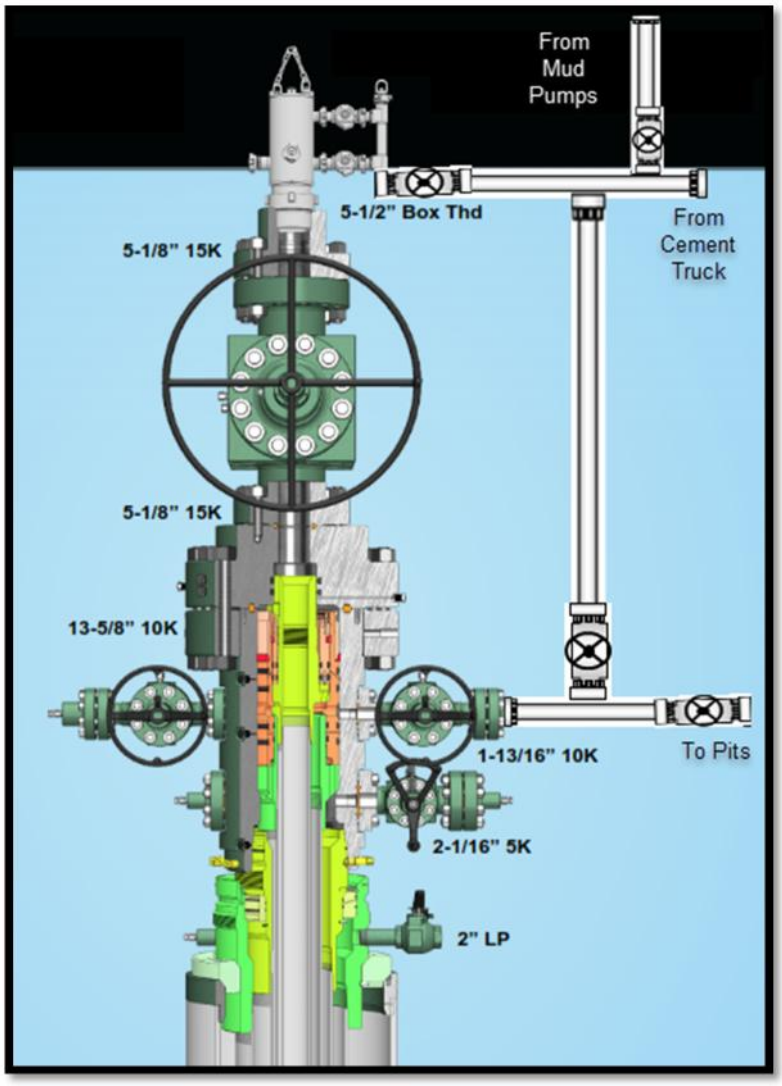


Wellhead diagram during skidding operations with BPV

7. Skid rig to next well on pad.
8. Confirm well is static before removing cap flange. Flange will not be removed and offline cementing operations will not commence until well is under control.
9. Remove the cover and install the flange with gate valve and cement head adapter. Re-test between the upper seal on the 5-1/2” and the lower seal on the cement adapter / in-between the seals of the cement adapter. Proceed to confirm no pressure behind the BPV by unseating the poppet and pull the same. If well is not static, casing outlet valves will provide access to both the casing ID and annulus. Rig or third party pump truck will kill well prior to cementing or nippling up for further remediation.
    a. Well Control Plan:

i. The Drillers Method will be the primary well control method to regain control of the wellbore prior to cementing. If wellbore conditions do not permit the Drillers Method, other methods of well control may be used.
ii. Rig pumps or a 3rd party pump will be tied into the upper casing valve to pump down the casing ID.
iii. A high pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure.
iv. Once influx is circulated out of the hole, kill weight mud will be circulated.
v. Well will be confirmed static.
vi. Once confirmed static, cap flange will be removed to allow for offline cementing operations to commence.

10. Install offline cement tool.
11. Rig up cement equipment.



Wellhead diagram during offline cementing operations

12. Circulate bottoms up with cement truck.
    a. If gas is present on bottoms up, well will be shut in and returns rerouted through gas buster to handle entrained gas.
    b. Max anticipated time before circulating with cement truck is 6 hrs.
13. Perform cement job taking returns from the annulus wellhead valve.
14. Confirm well is static and floats are holding after cement job.
15. Install BPV and remove cement equipment, offline cement tools, and install night cap with pressure gauge for monitoring.