

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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

Form C-101
August 1, 2011
Permit 228980

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address XTO ENERGY, INC 9193 S. Jamaica St. Englewood, CO 80155		2. OGRID Number 5380
4. Property Code 317520		3. API Number 30-025-43694
5. Property Name CHISTERA 32 STATE		6. Well No. 001H

7. Surface Location

UL - Lot	C	Section	32	Township	20S	Range	33E	Lot Idn	C	Feet From	200	N/S Line	N	Feet From	2280	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	N	Section	32	Township	20S	Range	33E	Lot Idn	N	Feet From	200	N/S Line	S	Feet From	2180	E/W Line	W	County	Lea
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9. Pool Information

HAT MESA;BONE SPRING	30213
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3609
16. Multiple N	17. Proposed Depth 15764	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 6/6/2017
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1400	1190	0
Int1	12.25	9.625	36	3225	1150	0
Prod	8.75	5.5	17	15764	2370	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Janice Farnsworth	Approved By: Paul Kautz
Title: Regulatory Compliance Tech	Title: Geologist
Email Address: Janice_Farnsworth@xtoenergy.com	Approved Date: 3/16/2017 Expiration Date: 3/16/2019
Date: 3/11/2017 Phone: 303-397-3676	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 228980

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43694	2. Pool Code 30213	3. Pool Name HAT MESA;BONE SPRING
4. Property Code 317520	5. Property Name CHISTERA 32 STATE	6. Well No. 001H
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 3609

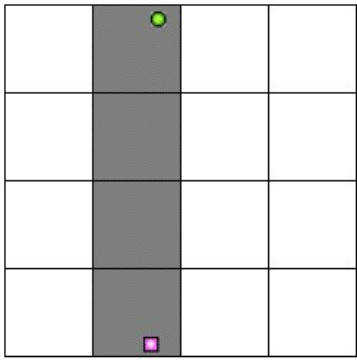
10. Surface Location

UL - Lot C	Section 32	Township 20S	Range 33E	Lot Idn C	Feet From 200	N/S Line N	Feet From 2280	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 32	Township 20S	Range 33E	Lot Idn N	Feet From 200	N/S Line S	Feet From 2180	E/W Line W	County Lea
12. Dedicated Acres 160.00	13. Joint or Infill		14. Consolidation Code				15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> E-Signed By: Janice Farnsworth Title: Regulatory Compliance Tech Date: 3/11/2017 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: Ronald Eidson Date of Survey: 8/25/2014 Certificate Number: 3239
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Form APD Comments

Permit 228980

PERMIT COMMENTS

Operator Name and Address: XTO ENERGY, INC [5380] 9193 S. Jamaica St. Englewood, CO 80155		API Number: 30-025-43694
		Well: CHISTERA 32 STATE #001H
Created By	Comment	Comment Date
srabadue	Intrepid Potash Company was notified of XTO's intention to submit a drilling permit on this well 02/16/2017 via certified mail: 7013 1710 0001 7955 6728 Bureau of Land Management was notified of XTO's intention to submit a drilling permit on this well 02/15/2017 via certified mail: 7013 1710 0001 7955 6742 These wells are on a BLM/Intrepid approved Potash drill island. Attachments were also emailed to Paul Kautz.	3/11/2017

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Form APD Conditions

Permit 228980

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: XTO ENERGY, INC [5380] 9193 S. Jamaica St. Englewood, CO 80155	API Number: 30-025-43694
	Well: CHISTERA 32 STATE #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Potash Area Three String Casing Program - In accordance with R-111-P all strings shall be cemented to surface. Salt Protection String - If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or other survey and additional cementing shall be done until the cement is brought to the surface.
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of spudding a well.
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Oil Based mud may not be used while drilling through the Capitan Reef.
pkautz	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations