

|                                   |                                                                     |                                   |
|-----------------------------------|---------------------------------------------------------------------|-----------------------------------|
| Well Name: POKER LAKE UNIT 23 DTD | Well Location: T24S / R30E / SEC 14 / SESE / 32.212413 / -103.84473 | County or Parish/State: EDDY / NM |
| Well Number: 544H                 | Type of Well: CONVENTIONAL GAS WELL                                 | Allottee or Tribe Name:           |
| Lease Number: NMNM030452          | Unit or CA Name: POKER LAKE UNIT                                    | Unit or CA Number: NMNM71016X     |
| US Well Number: 3001555954        | Operator: XTO PERMIAN OPERATING LLC                                 |                                   |

Notice of Intent

Sundry ID: 2835557

|                                                |                              |
|------------------------------------------------|------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: APD Change   |
| Date Sundry Submitted: 02/05/2025              | Time Sundry Submitted: 02:59 |
| Date proposed operation will begin: 02/05/2025 |                              |

Procedure Description: XTO requests approval to implement this optional contingency wellbore design in lieu of APD wellbore design, this change will be implemented prior to spud. BLM will be notified of elected design at spud.

NOI Attachments

Procedure Description

BLM\_One\_Page\_SUNDRY\_Permit\_\_PLU\_23\_DTD\_\_544H\_\_MTemp\_V1.5\_\_WCC\_\_3\_Bighole\_20250205145907.pdf

Conditions of Approval

Specialist Review

Poker\_Lake\_Unit\_23\_DTD\_544H\_\_COA\_20250206051358.pdf

Received by OCD: 2/6/2025 10:55:35 AM

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|                                   |                                                                     |                                   |
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| US Well Number: 3001555954        | Operator: XTO PERMIAN OPERATING LLC                                 |                                   |

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: TERRA SEBASTIAN   | Signed on: FEB 05, 2025 02:59 PM |
| Name: XTO PERMIAN OPERATING LLC                  |                                  |
| Title: Regulatory Advisor                        |                                  |
| Street Address: 6401 HOLIDAY HILL ROAD SUITE 200 |                                  |
| City: MIDLAND                                    | State: TX                        |
| Phone: (432) 999-3107                            |                                  |
| Email address: TERRA.B.SEBASTIAN@EXXONMOBIL.COM  |                                  |

Field

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

BLM Point of Contact

|                              |                                         |
|------------------------------|-----------------------------------------|
| BLM POC Name: ZOTA M STEVENS | BLM POC Title: Petroleum Engineer       |
| BLM POC Phone: 5752345998    | BLM POC Email Address: ZSTEVENS@BLM.GOV |
| Disposition: Approved        | Disposition Date: 02/06/2025            |
| Signature: Zota Stevens      |                                         |

|                                                                                                                                                                              |                                                                          |                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------|
| Form 3160-5<br>(June 2019)                                                                                                                                                   | UNITED STATES<br>DEPARTMENT OF THE INTERIOR<br>BUREAU OF LAND MANAGEMENT | FORM APPROVED<br>OMB No. 1004-0137<br>Expires: October 31, 2021 |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><i>Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.</i> |                                                                          | 5. Lease Serial No.                                             |
|                                                                                                                                                                              |                                                                          | 6. If Indian, Allottee or Tribe Name                            |

|                                                                                                                       |                                   |                                             |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------|
| <b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>                                                            |                                   | 7. If Unit of CA/Agreement, Name and/or No. |
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |                                   | 8. Well Name and No.                        |
| 2. Name of Operator                                                                                                   |                                   | 9. API Well No.                             |
| 3a. Address                                                                                                           | 3b. Phone No. (include area code) | 10. Field and Pool or Exploratory Area      |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)                                                  |                                   | 11. Country or Parish, State                |

|                                                                                      |                                               |                                               |                                                    |                                         |
|--------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|----------------------------------------------------|-----------------------------------------|
| 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA |                                               |                                               |                                                    |                                         |
| TYPE OF SUBMISSION                                                                   | TYPE OF ACTION                                |                                               |                                                    |                                         |
| <input type="checkbox"/> Notice of Intent                                            | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
|                                                                                      | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Subsequent Report                                           | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
|                                                                                      | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |                                         |
| <input type="checkbox"/> Final Abandonment Notice                                    | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back            | <input type="checkbox"/> Water Disposal            |                                         |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

|                                                                                   |       |  |
|-----------------------------------------------------------------------------------|-------|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) |       |  |
|                                                                                   | Title |  |
| Signature                                                                         | Date  |  |

|                                                                                                                                                                                                                                                           |        |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------|
| <b>THE SPACE FOR FEDERAL OR STATE OFFICE USE</b>                                                                                                                                                                                                          |        |      |
| Approved by                                                                                                                                                                                                                                               | Title  | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office |      |

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.

(Instructions on page 2)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## Additional Information

### Location of Well

0. SHL: SESE / 645 FSL / 547 FEL / TWSP: 24S / RANGE: 30E / SECTION: 14 / LAT: 32.212413 / LONG: -103.84473 ( TVD: 0 feet, MD: 0 feet )

PPP: NENE / 100 FNL / 1205 FEL / TWSP: 24S / RANGE: 30E / SECTION: 23 / LAT: 32.210362 / LONG: -103.846866 ( TVD: 12140 feet, MD: 12700 feet )

PPP: NENE / 0 FSL / 1180 FEL / TWSP: 24S / RANGE: 30E / SECTION: 26 / LAT: 32.196142 / LONG: -103.846843 ( TVD: 12140 feet, MD: 18000 feet )

BHL: SENE / 2627 FNL / 1191 FEL / TWSP: 24S / RANGE: 30E / SECTION: 35 / LAT: 32.174402 / LONG: -103.846804 ( TVD: 12140 feet, MD: 25061 feet )

CONFIDENTIAL

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

XTO Energy Inc.  
Poker Lake Unit 23 DTD - 544H

**Casing Design**

| Hole Size                                                                                                                                                                                                         | MD          | Casing<br>TVD | OD Csg  | Weight | Grade   | Collar            | New/Used | SF Burst | SF Collapse | SF Tension |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|---------|--------|---------|-------------------|----------|----------|-------------|------------|
| 17.5                                                                                                                                                                                                              | 0' - 1731'  | 1731'         | 13-3/8" | 54.5   | J55     | BTC ERW           | New      | 5.16     | 1.51        | 4.69       |
| 12.25                                                                                                                                                                                                             | 0' - 11370' | 11224'        | 9-5/8"  | 40     | L80-IC  | BTC               | New      | 1.57     | 1.57        | 1.89       |
| 8.75" / 8.5"                                                                                                                                                                                                      | 0' - 25061' | 12140'        | 5-1/2"  | 20     | P110-IC | Tenaris Wedge 441 | New      | 1.18     | 2.34        | 1.70       |
| <b>XTO requests approval to implement this optional contingency wellbore design in lieu of APD wellbore design, this change will be implemented prior to spud. BLM will be notified of elected design at spud</b> |             |               |         |        |         |                   |          |          |             |            |
| XTO will keep casing fluid filled to meet BLM's collapse requirement.                                                                                                                                             |             |               |         |        |         |                   |          |          |             |            |

**Cement Program**

| Primary Cementing                     |                    |           |               |                  |                   |                      |                                                |                                  |
|---------------------------------------|--------------------|-----------|---------------|------------------|-------------------|----------------------|------------------------------------------------|----------------------------------|
| Casing                                | Slurry Type        | No. Sacks | Density (ppg) | Yield (ft3/sack) | TOC (ft)          | Casing Setting Depth | Excess (%)                                     | Slurry Description               |
| Surface 1                             | Lead               | 942       | 12.4          | 2.11             | 0                 | 1731                 | 100%                                           | Surface Class C Lead Cement      |
| Surface 1                             | Tail               | 313       | 14.8          | 1.33             | 1431              | 1731                 | 100%                                           | Surface Class C Tail Cement      |
| Intermediate 1                        | Lead               |           |               |                  |                   |                      |                                                |                                  |
| Intermediate 1                        | Tail               | 1377      | 14.8          | 1.45             | 6649              | 11370                | 35%                                            | Intermediate Class C Tail Cement |
| Production 1                          | Lead               |           |               |                  |                   |                      |                                                |                                  |
| Production 1                          | Tail               | 3236      | 13.2          | 1.44             | 10870             | 25061                | 30%                                            | Production Class C Tail Cement   |
| Remedial Cementing                    |                    |           |               |                  |                   |                      |                                                |                                  |
| Casing                                | Slurry Type        | No. Sacks | Density (ppg) | Yield (ft3/sack) | Cemented Interval | Excess (%)           | Slurry Description                             |                                  |
| Intermediate 1                        | Bradenhead Squeeze | 2154      | 14.8          | 1.45             | 0 - 6649'         | 50%                  | Intermediate Class C Bradenhead Squeeze Cement |                                  |
| *Bradenhead Squeeze 2nd Stage Offline |                    |           |               |                  |                   |                      |                                                |                                  |

\*Bradenhead Squeeze 2nd Stage Offline

**Proposed Mud Circulation System**

| INTERVAL        | Hole Size    | Mud Type            | MW        | Viscosity | Fluid Loss | Comments                                                                                                          |
|-----------------|--------------|---------------------|-----------|-----------|------------|-------------------------------------------------------------------------------------------------------------------|
|                 |              |                     | (ppg)     | (sec/qt)  | (cc)       |                                                                                                                   |
| 0' - 1731'      | 17.5"        | FW/Native           | 8.3 - 8.7 | 35-40     | NC         | Fresh Water or Native Water                                                                                       |
| 1731' - 11370'  | 12.25"       | BDE/OBM or FW/Brine | 9.5 - 10  | 30-32     | NC         | Fluid type will be based upon on well conditions. A fully saturated system will be used across the salt interval. |
| 11370' - 25061' | 8.75" / 8.5" | OBM                 | 9.5 - 12  | 50-60     | NC - 20    |                                                                                                                   |
|                 |              |                     |           |           |            |                                                                                                                   |

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

|                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR'S NAME:</b> XTO<br><b>LEASE NO.:</b> NMNM030452<br><b>LOCATION:</b> Sec. 14, T.24 S, R 30 E<br><b>COUNTY:</b> <span style="border: 1px solid black; padding: 2px;">Eddy County, New Mexico</span> |
| <b>WELL NAME &amp; NO.:</b> Poker Lake Unit 23 DTD 544H<br><b>SURFACE HOLE FOOTAGE:</b> 645'/S & 547'/E<br><b>BOTTOM HOLE FOOTAGE:</b> 2627'/N & 1191'/E                                                      |

Changes approved through engineering via **Sundry 2835557** on **2-6-2025**. Any previous COAs not addressed within the updated COAs still apply.

COA

| H <sub>2</sub> S                           | <input checked="" type="radio"/> No                 |                                                       | <input type="radio"/> Yes                                          |                                                                        |
|--------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------|
| Potash / WIPP                              | <input type="radio"/> None                          | <input checked="" type="radio"/> Secretary            | <input type="radio"/> R-111-Q                                      | <input type="checkbox"/> Open Annulus<br><input type="checkbox"/> WIPP |
| Choose an option (including blank option.) |                                                     |                                                       |                                                                    |                                                                        |
| Cave / Karst                               | <input type="radio"/> Low                           | <input checked="" type="radio"/> Medium               | <input type="radio"/> High                                         | <input type="radio"/> Critical                                         |
| Wellhead                                   | <input type="radio"/> Conventional                  | <input checked="" type="radio"/> Multibowl            | <input type="radio"/> Both                                         | <input type="radio"/> Diverter                                         |
| Cementing                                  | <input checked="" type="checkbox"/> Primary Squeeze | <input type="checkbox"/> Cont. Squeeze                | <input checked="" type="checkbox"/> EchoMeter                      | <input type="checkbox"/> DV Tool                                       |
| Special Req                                | <input type="checkbox"/> Capitan Reef               | <input type="checkbox"/> Water Disposal               | <input type="checkbox"/> COM                                       | <input checked="" type="checkbox"/> Unit                               |
| Waste Prev.                                | <input type="radio"/> Self-Certification            | <input type="radio"/> Waste Min. Plan                 | <input checked="" type="radio"/> APD Submitted prior to 06/10/2024 |                                                                        |
| Additional Language                        | <input checked="" type="checkbox"/> Flex Hose       | <input type="checkbox"/> Casing Clearance             | <input type="checkbox"/> Pilot Hole                                | <input checked="" type="checkbox"/> Break Testing                      |
|                                            | <input checked="" type="checkbox"/> Four-String     | <input checked="" type="checkbox"/> Offline Cementing | <input checked="" type="checkbox"/> Fluid-Filled                   |                                                                        |

### A. HYDROGEN SULFIDE

Hydrogen Sulfide (H<sub>2</sub>S) monitors shall be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet 43 CFR 3176 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

### B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **848** 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.
  - 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 **9-5/8 inch 1<sup>st</sup>** 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.**
3. The minimum required fill of cement behind the **7-5/8 inch 2<sup>nd</sup>** Intermediate casing is: 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 6564'**.
  - b. **Second stage:** Operator will perform bradenhead squeeze and top-out. Cement should tie-back at least **500 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.**
- ❖ 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.

Operator has proposed to pump down **Intermediate 1 X Intermediate 2** 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 Intermediate 1 casing to tieback requirements listed above 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 use a limited flush fluid volume of 1 bbl following backside cementing procedures.

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.



**Operator is approved to use 3 string Contingency Plan. Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.**

### **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. Operator has proposed a multi-bowl wellhead assembly. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 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 43 CFR 3172 must be followed.

### **D. SPECIAL REQUIREMENT (S)**

#### **Unit Wells**

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

#### **Commercial Well Determination**

A commercial well determination shall be submitted after production has been established for at least six months. **(This is not necessary for secondary recovery unit wells)**

**BOPE Break Testing Variance**

- BOPE Break Testing is ONLY permitted for intervals utilizing a 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 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per **43 CFR 3172**.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

**Offline Cementing**

Contact the BLM prior to the commencement of any offline cementing procedure.

## 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)

### Contact Eddy County Petroleum Engineering Inspection Staff:

Email or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220;  
[BLM\\_NM\\_CFO\\_DrillingNotifications@BLM.GOV](mailto:BLM_NM_CFO_DrillingNotifications@BLM.GOV); (575) 361-2822

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
    - i. Notify the BLM when moving in and removing the Spudder Rig.
    - ii. Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - iii. BOP/BOPE test to be conducted per **43 CFR 3172** as soon as 2<sup>nd</sup> 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. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

### 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 of both lead and tail cement, 2) until cement has been in place at least 8 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-Q 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 **43 CFR 3172**.
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:
  - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - ii. 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.
  - iii. Manufacturer representative shall install the test plug for the initial BOP test.
  - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
  - v. 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.
  - i. 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).
  - ii. 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.)

- iii. 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 **43 CFR 3172** 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 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- iv. 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.
- v. The results of the test shall be reported to the appropriate BLM office.
- vi. 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.
- vii. 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.
- viii. 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 **43 CFR 3172**.

### **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.

**Approved by Zota Stevens on 2/6/2025**  
575-234-5998 / [zstevens@blm.gov](mailto:zstevens@blm.gov)

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 429132

CONDITIONS

|                                                                                            |                                                          |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Operator:<br><br>XTO PERMIAN OPERATING LLC.<br>6401 HOLIDAY HILL ROAD<br>MIDLAND, TX 79707 | OGRID:<br><br>373075                                     |
|                                                                                            | Action Number:<br><br>429132                             |
|                                                                                            | Action Type:<br><br>[C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By  | Condition                                                              | Condition Date |
|-------------|------------------------------------------------------------------------|----------------|
| ward.rikala | Any previous COA's not addressed within the updated COA's still apply. | 3/17/2025      |