

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM0506A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM71016X

8. Well Name and No.
POKER LAKE UNIT 15 TWR 127H

9. API Well No.
30-015-45202

10. Field and Pool or Exploratory Area
PURPLE SAGE; WOLFCAMP

11. County or Parish, State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO PERMIAN OPERATING LLC
Contact: KELLY KARDOS
E-Mail: kelly_kardos@xtoenergy.com

3a. Address
6401 HOLIDAY HILL RD BLDG 5
MIDLAND, TX 79707

3b. Phone No. (include area code)
Ph: 432-620-4374

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 15 T24S R31E Mer NMP SESE 330FSL 1260FEL

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<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 recomplete 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 performed 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 determined that the site is ready for final inspection.

XTO Permian Operating, LLC requests permission to revise the 9-5/8" string by adding a DV Tool & external packer a minimum of 50' below the last casing string and splitting the single stage cement job into a 2 stage job.

2nd Intermediate Casing (Stage 2): 9-5/8", 40 New HCL-80, LTC casing to be set at +/- 12210' ECP/DV Tool to be set at 4380'

RECEIVED

1st Stage

Lead: 840 sxs Halcem-C + 2% CaCl (mixed at 12.8 ppg, 2.59 ft³/sx, 9.61 gal/sx water)
Tail: 400 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft³/sx, 6.39 gal/sx water)

may need more cement

APR 01 2019

2nd Stage

See COAs!

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #458155 verified by the BLM Well Information System
For XTO PERMIAN OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/15/2019 ()

Name (Printed/Typed) KELLY KARDOS Title REGULATORY COORDINATOR

Signature (Electronic Submission) Date 03/15/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *[Signature]* Title *approved* 3/15/2018 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #458155 that would not fit on the form

32. Additional remarks, continued

Lead: 1590 sxs Halcem-C + 2% CaCl (mixed at 12.8 ppg, 2.68 ft³/sx, 9.61 gal/sx water)
Tail: 470 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, 1.33 ft³/sx, 6.39 gal/sx water)

Production Casing: 5-1/2", 17 New P-110, BTC casing to be set at +/- 23206'

Lead: 80 sxs Halcem-C + 2% CaCl (mixed at 11.5 ppg, 2.09 ft³/sx, 9.61 gal/sx water)
Tail: 2100 sxs VersaCem (mixed at 13.2 ppg, 1.57 ft³/sx, 8.38 gal/sx water)

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Permian Operating, LLC
LEASE NO.:	NMNM-0506A
WELL NAME & NO.:	Poker Lake Unit 15 TWR 127H
SURFACE HOLE FOOTAGE:	0330' FSL & 1260' FEL
BOTTOM HOLE FOOTAGE	0200' FSL & 0990' FEL Sec. 27, T. 24 S., R 31 E.
LOCATION:	Section 15, T. 24 S., R 31 E., NMPM
COUNTY:	County, New Mexico

The original COAs still stand with the following drilling modifications:

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

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.

• DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- Spudding well (minimum of 24 hours)
- Setting and/or Cementing of all casing strings (minimum of 4 hours)
- BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822.

- **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.**

- 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
- 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 is located, this does not include the dog house or stairway area.
- **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.**

- **CASING**

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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.

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.

No pea gravel permitted for remedial or fall back remedial without prior

authorization from the BLM engineer.

Secretary's Potash

Possibility of water flows in the Salado and Castile.

Possibility of lost circulation in the Red Beds, Rustler, and Delaware.

Abnormal pressure may be encountered in the 3rd Bone Spring and all subsequent formations.

- The 18-5/8 inch surface casing shall be set at approximately 890 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface.
 - 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.
 - **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - 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.
 - If cement falls back, remedial cementing will be done prior to drilling out that string.

13-3/8" 1st Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

- The minimum required fill of cement behind the 13-3/8 inch 1st 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 potash.**

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

9-5/8" 2nd Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

- The minimum required fill of cement behind the 9-5/8 inch 2nd intermediate casing is:

Operator has proposed DV tool at depth of 4380', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- First stage to DV tool:

Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. **Excess calculates to 10% - Additional cement may be required**

- Second stage above DV tool:

Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due potash.**

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

- The minimum required fill of cement behind the 5-1/2 inch production casing is:

Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. **Excess calculates to 22% - Additional cement may be required**

- 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.

- **PRESSURE CONTROL**

- 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 53.
- Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 18-5/8" surface casing shoe shall be psi.
- **Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 13-3/8 casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8" casing shoe shall be psi.**
 - Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - 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.
 - Manufacturer representative shall install the test plug for the initial BOP test.
 - Operator shall perform the 8-5/8" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.
 - 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.

Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.)

10M 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.

- The appropriate BLM office shall be notified a minimum of hours in advance for a representative to witness the tests.
 - 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 when specified), 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).
 - The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer.**
 - 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.
 - The results of the test shall be reported to the appropriate BLM office.
 - 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.**
 - 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.
 - 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.

- **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.

- **DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

- **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.

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