

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

Form C-101
August 1, 2011
Permit 265941

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

1. Operator Name and Address CROSS TIMBERS ENERGY, LLC 400 West 7th Street Fort Worth, TX 76102		2. OGRID Number 298299
4. Property Code 312507		3. API Number 30-025-46455
5. Property Name BRIDGES STATE		6. Well No. 319

7. Surface Location

UL - Lot C	Section 26	Township 17S	Range 34E	Lot Idn C	Feet From 1127	N/S Line N	Feet From 2661	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 26	Township 17S	Range 34E	Lot Idn C	Feet From 1127	N/S Line N	Feet From 2661	E/W Line E	County Lea
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9. Pool Information

VACUUM:MIDDLE PENN	62300
VACUUM:WOLFCAMP	62340

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 4029
16. Multiple Y	17. Proposed Depth 11141	18. Formation Pennsylvanian	19. Contractor	20. Spud Date 5/1/2019
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	1600	1500	0
Int1	12.25	9.625	40	4800	1500	0
Prod	8.75	5.5	17	11200	1015	0

Casing/Cement Program: Additional Comments

Double Ram and Annular 3K PSI BOPs will be 13 5/8" used while drilling the intermediate hole. Double Ram and Annular 10K PSI BOPs will be used while drilling the production hole. Please note that the referenced surface casing will be set at 400 ft. and the further referenced intermediate 1 will be set at 4800 ft.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	CAMERON
Annular	3000	3000	CAMERON
Double Ram	10000	10000	CAMERON
Annular	10000	3500	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 Eric L Kitinger	Approved By: Paul F Kautz	
Title:	Title: Geologist	
Email Address: ekittinger@mspartners.com	Approved Date: 10/28/2019	Expiration Date: 10/28/2021
Date: 10/23/2019	Phone: 817-334-8302	Conditions of Approval Attached

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Form C-102
August 1, 2011
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X	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: <u>Eric L Kittinger</u> Title: _____ Date: <u>10/23/2019</u>
X	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: <u>JOHN CARNEGIE</u> Date of Survey: <u>3/20/2019</u> Certificate Number: <u>11401</u>

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GAS CAPTURE PLAN

Date: 10/28/2019

☒ Original

Operator & OGRID No.: [298299] CROSS TIMBERS ENERGY, LLC

☐ Amended - Reason for
Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
BRIDGES STATE #319	30-025-46455	C-26-17S-34E	1127N 2661E	150	None	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to DCP OPERATING COMPANY, LP and will be connected to DCP OPERATING COMPANY, LP Low Pressure gathering system located in Lea County, New Mexico. It will require 100' of pipeline to connect the facility to Low Pressure gathering system. CROSS TIMBERS ENERGY, LLC provides (periodically) to DCP OPERATING COMPANY, LP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, CROSS TIMBERS ENERGY, LLC and DCP OPERATING COMPANY, LP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP OPERATING COMPANY, LP Processing Plant located in Sec. 19, Twn. 19S, Rng. 32E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP OPERATING COMPANY, LP system at that time. Based on current information, it is CROSS TIMBERS ENERGY, LLC's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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Form APD Comments

Permit 265941

PERMIT COMMENTS

Operator Name and Address: CROSS TIMBERS ENERGY, LLC [298299] 400 West 7th Street Fort Worth, TX 76102		API Number: 30-025-46455
		Well: BRIDGES STATE #319

Created By	Comment	Comment Date
pkautz	REJECTED - Surface casing required to be set 25 feet below top of Rustler Anhydrite	4/25/2019
pkautz	REJECTED - Surface casing required to be set 25 feet below top of Rustler Anhydrite	4/25/2019

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Form APD Conditions

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CROSS TIMBERS ENERGY, LLC [298299] 400 West 7th Street Fort Worth, TX 76102	API Number: 30-025-46455
	Well: BRIDGES STATE #319

OCD Reviewer	Condition
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	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 5753703186 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	Will require a directional survey with the C-104