

| | | |
|--|---|---|
| Well Name: POKER LAKE UNIT 20-8 BD | Well Location: T25S / R30E / SEC 20 / NWSE / 32.113248 / -103.89969 | County or Parish/State: EDDY / NM |
| Well Number: 126H | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMLC064894A | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3001553248 | Well Status: Drilling Well | Operator: XTO PERMIAN OPERATING LLC |

Notice of Intent

Sundry ID: 2738587

Type of Submission: Notice of Intent

Type of Action: Drilling Operations

Date Sundry Submitted: 06/28/2023

Time Sundry Submitted: 05:13

Date proposed operation will begin: 06/16/2023

Procedure Description: Due to stuck Intermediate casing XTO had to set the Intermediate casing more shallow than expected. Intermediate casing was set at 10909' as approved by On-Call Petroleum Engineer Dr Olabode Thomas Ajibola , please see attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Poker_Lake_Unit_20_8_BD_126H_BLM_Appvl_email_20230628171224.pdf

Poker_Lake_Unit_20_8_BD_126H__Attachment_20230628171037.pdf

Well Number: 126H

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMLC064894A

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001553248

Well Status: Drilling Well

Operator: XTO PERMIAN OPERATING LLC

Conditions of Approval

Specialist Review

Sec_20_25S_30E_NMP_Sundry_2738587_Poker_Lake_Unit_20_8_BD_126H_Eddy_NMLC064894A_XTO_COAs_20230629093536.pdf

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: JESSICA DOOLING

Signed on: JUN 28, 2023 05:10 PM

Name: XTO PERMIAN OPERATING LLC

Title: Lead Regulatory Coordinator

Street Address: 6401 HOLIDAY HILL ROAD BLDG 5

City: MIDLAND

State: TX

Phone: (970) 769-6048

Email address: JESSICA.DOOLING@EXXONMOBIL.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: AJIBOLA OLABODE

BLM POC Title: Engineer

BLM POC Phone: 5752342231

BLM POC Email Address: OAJIBOLAEIT@BLM.GOV

Disposition: Approved

Disposition Date: 06/29/2023

Signature: Olabode Thomas Ajibola

Dooling, Jessica

From: Ajibola E-I-T, Olabode T <oajibolaeit@blm.gov>
Sent: Friday, June 16, 2023 5:37 AM
To: Ernst, Nellie B
Cc: Dooling, Jessica
Subject: Re: [EXTERNAL] Request to Set Intermediate Casing Off Bottom - Poker Lake Unit 20-8 Brushy Draw 126H

Categories: External Sender

External Email - Think Before You Click

Dear Jessica,

Your prior verbal approval still stand. Sundry the new intermediate casing setting depth as you are initially directed.

Regards,

Dr. Olabode Thomas Ajibola E.I.T., Ph.D., M. Juris in Law

Petroleum Engineer

Office: (575) 234-2231

Cell: (575) 361 -2893

E-mail: oajibolaeit@blm.gov

Bureau of Land Management (BLM)

Department of The Interior

620 East Greene Street

Carlsbad, NM 88220

From: Ernst, Nellie B <nellie.b.ernst@exxonmobil.com>
Sent: Friday, June 16, 2023 2:53 AM
To: Ajibola E-I-T, Olabode T <oajibolaeit@blm.gov>
Cc: Dooling, Jessica <jessica.dooling@exxonmobil.com>
Subject: Re: [EXTERNAL] Request to Set Intermediate Casing Off Bottom - Poker Lake Unit 20-8 Brushy Draw 126H

Hi Olabode,

I was just notified by the rig that after the initial verbal approval to set the casing at 10,538' MD they were able to finally work through the tight spot until getting stuck again at ~10,909' MD. Do we still have approval to set casing off bottom? Same plan forward as before will pump excess cement to isolate open formations below.

XTO will still submit a casing setting depth sundry just with a different depth than originally mentioned in the previous email/conversation.

Thanks,

Nellie Ernst

Drilling Engineer

ExxonMobil, XTO Energy – Permian
6401 Holiday Hill Road, Building 5
Midland, TX 79707
Mobile: +1 (432) 999-3552
Email: nellie.b.ernst@exxonmobil.com

On Jun 15, 2023, at 7:55 PM, Ajibola E-I-T, Olabode T <oajibolaeit@blm.gov> wrote:

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Dear Jessica,

This is to acknowledge the receipt of your follow-up email. In addition, this email further confirm my verbal approval to set the intermediate casing, as you proposed as remediation, at the stuck casing string depth.

I will be looking forward to receiving your casing setting depth change sundry for the well.

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Cc: Dooling, Jessica <jessica.dooling@exxonmobil.com>

Subject: [EXTERNAL] Request to Set Intermediate Casing Off Bottom - Poker Lake Unit 20-8 Brushy Draw 126H

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Good evening,

As discussed over the phone, XTO is requesting approval to set our intermediate casing on PLU 20-8 BD 126H (API# 30-015-53248) off bottom. Current plan is to cement the stuck casing this evening, is it possible to get email approval with sundry to follow?

Summary: While running our intermediate casing to bottom we became stuck at 10,358' MD on the PLU 20-8 BD 126H. Attempted to free casing string but was unsuccessful. XTO proposes to set casing at current depth of 10,358' MD in the 3rd Bone Spring Shale and pump higher percentage of excess cement to isolate the formations open below the shoe. Approved intermediate casing depth in sundry is +/- 11,218'.

Please let me know if you need any additional information or have any questions.

Thanks,

Nellie Ernst

Drilling Engineer

ExxonMobil, XTO Energy – Permian

6401 Holiday Hill Road, Building 5

Midland, TX 79707

Mobile: +1 (432) 999-3552

Email: nellie.b.ernst@exxonmobil.com

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Email: nellie.b.ernst@exxonmobil.com

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|-----------------------------|------------------------------|
| OPERATOR'S NAME: | XTO Permian Operating LLC |
| WELL NAME & NO.: | Poker Lake Unit 20-8 BD 126H |
| LOCATION: | Sec 20-25S-30E-NMP |
| COUNTY: | Eddy County, New Mexico |

Changes approved through engineering via Sundry 2738587 on 06/29/2023. Any previous COAs not addressed within the updated COAs still apply.

COA

| | | | |
|----------------------|---|--|--|
| H2S | <input checked="" type="radio"/> Yes | <input type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Cave/Karst Potential | <input type="radio"/> Critical | | |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input type="checkbox"/> Fluid Filled | <input type="checkbox"/> Cement Squeeze | <input type="checkbox"/> Pilot Hole |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input type="checkbox"/> COM | <input checked="" type="checkbox"/> Unit |

| | | |
|---------------|--------------------------------------|--------------------------|
| Break Testing | <input checked="" type="radio"/> Yes | <input type="radio"/> No |
|---------------|--------------------------------------|--------------------------|

All Previous COAs Still Apply.

A. CASING

1. The **9-5/8** inch surface casing shall be set at approximately 942 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) 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.
2. The minimum required fill of cement behind the **7-5/8** inch intermediate casing, which was approved to be set at approximately **10,909** feet is:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. 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.
Excess cement calculates to 7%, additional cement might be required.

B. 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. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **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 OOGO2.III.A.2.i must be followed.

C. 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.

BOPE Break Testing Variance (Note: For 5M BOPE or less)

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- 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 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.
- 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 Onshore Oil and Gas Order No. 2.

OTA06292023

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

CONDITIONS
 Action 234662

CONDITIONS

| | |
|---|--|
| Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707 | OGRID: 5380 |
| | Action Number: 234662 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|-------------|----------------------------|----------------|
| ward.rikala | Original COA's still apply | 10/24/2023 |