

**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 282816

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

|                                                                                                |                                           |                               |
|------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>XTO ENERGY, INC<br>6401 Holiday Hill Road<br>Midland, TX 79707 |                                           | 2. OGRID Number<br>5380       |
|                                                                                                |                                           | 3. API Number<br>30-015-47117 |
| 4. Property Code<br>317788                                                                     | 5. Property Name<br>REMUDA SOUTH 25 STATE | 6. Well No.<br>701H           |

**7. Surface Location**

|               |               |                 |              |              |                   |               |                  |               |                |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>E | Section<br>25 | Township<br>23S | Range<br>29E | Lot Idn<br>E | Feet From<br>2354 | N/S Line<br>N | Feet From<br>630 | E/W Line<br>W | County<br>Eddy |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                  |               |                  |               |                |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>M | Section<br>36 | Township<br>23S | Range<br>29E | Lot Idn<br>M | Feet From<br>200 | N/S Line<br>S | Feet From<br>330 | E/W Line<br>W | County<br>Eddy |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

**9. Pool Information**

|                                     |       |
|-------------------------------------|-------|
| FORTY NINER RIDGE BONE SPRING, WEST | 96526 |
|-------------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3065 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>16739 | 18. Formation<br>Bone Spring           | 19. Contractor          | 20. Spud Date<br>6/26/2020         |
| 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 | 20        | 16          | 75               | 401           | 590             | 0             |
| Int1 | 14.75     | 11.75       | 47               | 3128          | 1940            | 0             |
| Int2 | 10.625    | 8.625       | 32               | 7533          | 1080            | 3228          |
| Prod | 7.875     | 5.5         | 20               | 16739         | 2550            | 7033          |

**Casing/Cement Program: Additional Comments**

DV Tool may be set @ 3228'. The surface fresh water sands will be protected by setting 16" inch casing @ 401' (25' above the salt) and circulating cement back to surface. The salt will be isolated by setting 11-3/4" inch casing at 3128' and circulating cement to surface. The second intermediate will isolate from the salt down to the next casing seat by setting 8-5/8" inch casing at 7533' and cementing 200' into the 11-3/4 inch casing. A 7-7/8" inch curve and lateral hole will be drilled to MD/TD and 5-1/2 inch casing will be set at TD and cemented back up to the 2nd intermediate (estimated TOC 7033 feet ) per Potash regulations.

**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.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. |                             | <b>OIL CONSERVATION DIVISION</b> |  |
| Signature:                                                                                                                                                                                                                                                                                         |                             |                                  |  |
| Printed Name: Electronically filed by Deeann Kemp                                                                                                                                                                                                                                                  | Approved By: Raymond Podany |                                  |  |
| Title: Regulatory                                                                                                                                                                                                                                                                                  | Title: Geologist            |                                  |  |
| Email Address: DeeAnn_Kemp@xtoenergy.com                                                                                                                                                                                                                                                           | Approved Date: 5/27/2020    | Expiration Date: 5/27/2022       |  |
| Date: 5/27/2020                                                                                                                                                                                                                                                                                    | Phone: 432-620-6724         | Conditions of Approval Attached  |  |

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                    |                                                     |                                                               |
|------------------------------------|-----------------------------------------------------|---------------------------------------------------------------|
| <sup>1</sup> API Number<br>30-015- | <sup>2</sup> Pool Code<br>96526                     | <sup>3</sup> Pool Name<br>Forty-Niner Ridge; Bone Spring West |
| <sup>4</sup> Property Code         | <sup>5</sup> Property Name<br>REMUDA SOUTH 25 STATE | <sup>6</sup> Well Number<br>701H                              |
| <sup>7</sup> OGRID No.<br>005380   | <sup>8</sup> Operator Name<br>XTO ENERGY, INC.      | <sup>9</sup> Elevation<br>3,065'                              |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E             | 25      | 23 S     | 29 E  |         | 2,354         | NORTH            | 630           | WEST           | EDDY   |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M             | 36      | 23 S     | 29 E  |         | 200           | SOUTH            | 330           | WEST           | EDDY   |

|                                      |                               |                                  |                         |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>240 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>SHL (NAD83 NME)</b><br>Y = 464,624.2<br>X = 661,447.1<br>LAT. = 32.276728 °N<br>LONG. = 103.944698 °W<br><b>FTP (NAD83 NME)</b><br>Y = 463,991.0<br>X = 661,146.8<br>LAT. = 32.274991 °N<br>LONG. = 103.945676 °W<br><b>CORNER COORDINATES (NAD83 NME)</b><br>A - Y = 464,320.4 N , X = 660,816.8 E<br>B - Y = 464,319.7 N , X = 662,143.0 E<br>C - Y = 461,665.9 N , X = 660,817.1 E<br>D - Y = 461,666.6 N , X = 662,145.6 E<br>E - Y = 459,002.1 N , X = 660,832.0 E<br>F - Y = 459,004.0 N , X = 662,159.8 E<br>G - Y = 456,341.5 N , X = 660,848.3 E<br>H - Y = 456,344.3 N , X = 662,174.7 E | <b>LTP (NAD83 NME)</b><br>Y = 456,672.2<br>X = 661,176.2<br>LAT. = 32.254872 °N<br>LONG. = 103.945667 °W<br><b>BHL (NAD83 NME)</b><br>Y = 456,542.2<br>X = 661,177.0<br>LAT. = 32.254515 °N<br>LONG. = 103.945666 °W | <b><sup>17</sup> OPERATOR CERTIFICATION</b><br>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 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.<br><br>05/04/2020<br>Signature Date<br>Cassie Evans<br>Printed Name<br>cassie_evans@xtoenergy.com<br>E-mail Address |
|  | <b>SHL (NAD27 NME)</b><br>Y = 464,564.3<br>X = 620,264.3<br>LAT. = 32.276605 °N<br>LONG. = 103.944206 °W<br><b>FTP (NAD27 NME)</b><br>Y = 463,931.2<br>X = 619,964.0<br>LAT. = 32.274867 °N<br>LONG. = 103.945185 °W<br><b>CORNER COORDINATES (NAD27 NME)</b><br>A - Y = 464,260.5 N , X = 619,634.0 E<br>B - Y = 464,259.9 N , X = 620,960.2 E<br>C - Y = 461,606.0 N , X = 619,634.3 E<br>D - Y = 461,606.7 N , X = 620,962.7 E<br>E - Y = 458,942.4 N , X = 619,649.0 E<br>F - Y = 458,944.3 N , X = 620,976.8 E<br>G - Y = 456,281.8 N , X = 619,665.2 E<br>H - Y = 456,284.6 N , X = 620,991.6 E | <b>LTP (NAD27 NME)</b><br>Y = 456,612.5<br>X = 619,993.2<br>LAT. = 32.254748 °N<br>LONG. = 103.945176 °W<br><b>BHL (NAD27 NME)</b><br>Y = 456,482.5<br>X = 619,994.0<br>LAT. = 32.254391 °N<br>LONG. = 103.945175 °W | <b><sup>18</sup> SURVEYOR CERTIFICATION</b><br>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.<br>04-15-2020<br>Date of Survey<br><br>MARK DILLON HARP 23786<br>Professional Surveyor<br>Certificate Number AR 2019103426                                                                                                                                                                                                                                                                                    |

Intent ☐ As Drilled ☐

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

## Kick Off Point (KOP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

## First Take Point (FTP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

## Last Take Point (LTP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

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**Santa Fe, NM 87505**

## GAS CAPTURE PLAN

Date: 5/27/2020

☒ Original

Operator & OGRID No.: [5380] XTO ENERGY, INC

☐ 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 |
|-----------------------------|--------------|-----------------------|-------------|----------------|------------------|----------|
| REMUDA SOUTH 25 STATE #701H | 30-015-47117 | E-25-23S-29E          | 2354N 0630W | 2500           | 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 LUCID ENERGY DELAWARE, LLC and will be connected to LUCID ENERGY DELAWARE, LLC High/Low Pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to High/Low Pressure gathering system. XTO ENERGY, INC provides (periodically) to LUCID ENERGY DELAWARE, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO ENERGY, INC and LUCID ENERGY DELAWARE, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at LUCID ENERGY DELAWARE, LLC Processing Plant located in Sec. 13, Twn. 24S, Rng. 33E, Eddy 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 LUCID ENERGY DELAWARE, LLC system at that time. Based on current information, it is XTO ENERGY, INC'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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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 282816

**PERMIT COMMENTS**

|                                                                                                     |                                      |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|
| Operator Name and Address:<br>XTO ENERGY, INC [5380]<br>6401 Holiday Hill Road<br>Midland, TX 79707 | API Number:<br>30-015-47117          |
|                                                                                                     | Well:<br>REMUDA SOUTH 25 STATE #701H |

| Created By | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Comment Date |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| cevens     | Approval to utilize a spudder rig to pre-set surface casing per the attached Description of Operations. Batch drill this well if necessary. In doing so, XTO will set each casing string and ensure that the well is cemented properly and the well is static. With floats holding, no pressure on the csg annulus, and the installation of a 10K TA cap as per GE recommendations, XTO will contact the BLM to skid the rig to drill the remaining wells on the pad. Once surface and intermediate strings are all completed, XTO will begin drilling the production hole on each of the wells. ONLY test broken pressu | 5/27/2020    |

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**Santa Fe, NM 87505**

Form APD Conditions  
  
Permit 282816

PERMIT CONDITIONS OF APPROVAL

|                                                                                                     |                                                                                     |                                      |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------|
| Operator Name and Address:<br>XTO ENERGY, INC [5380]<br>6401 Holiday Hill Road<br>Midland, TX 79707 |                                                                                     | API Number:<br>30-015-47117          |
|                                                                                                     |                                                                                     | Well:<br>REMUDA SOUTH 25 STATE #701H |
| OCD Reviewer                                                                                        | Condition                                                                           |                                      |
| ksimmons                                                                                            | Will require a directional survey with the C-104                                    |                                      |
| ksimmons                                                                                            | Cement is required to circulate on both surface and intermediate1 strings of casing |                                      |



## **XTO Permian Operating, LLC**

**Eddy Co., NM  
Remuda South 25 State  
701H**

**Wellbore #1**

**Plan: Design #1**

## **Standard Planning Report**

**20 May, 2020**





# Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

|                    |                                      |                      |                |
|--------------------|--------------------------------------|----------------------|----------------|
| <b>Project</b>     | Eddy Co., NM                         |                      |                |
| <b>Map System:</b> | US State Plane 1927 (Exact solution) | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | NAD 1927 (NADCON CONUS)              |                      |                |
| <b>Map Zone:</b>   | New Mexico East 3001                 |                      |                |

|                              |                       |                          |                      |
|------------------------------|-----------------------|--------------------------|----------------------|
| <b>Site</b>                  | Remuda South 25 State |                          |                      |
| <b>Site Position:</b>        |                       | <b>Northing:</b>         | 464,564.400 usft     |
| <b>From:</b>                 | Map                   | <b>Easting:</b>          | 621,554.200 usft     |
| <b>Position Uncertainty:</b> | 0.00 ft               | <b>Slot Radius:</b>      | 13-3/16 "            |
|                              |                       | <b>Latitude:</b>         | 32° 16' 35.730724 N  |
|                              |                       | <b>Longitude:</b>        | 103° 56' 24.116704 W |
|                              |                       | <b>Grid Convergence:</b> | 0.21 °               |

|                             |              |              |                            |
|-----------------------------|--------------|--------------|----------------------------|
| <b>Well</b>                 | 701H         |              |                            |
| <b>Well Position</b>        | <b>+N/-S</b> | -0.10 ft     | <b>Northing:</b>           |
|                             | <b>+E/-W</b> | -1,289.90 ft | <b>Easting:</b>            |
| <b>Position Uncertainty</b> |              | 2.00 ft      | <b>Wellhead Elevation:</b> |
|                             |              |              | <b>Latitude:</b>           |
|                             |              |              | <b>Longitude:</b>          |
|                             |              |              | <b>Ground Level:</b>       |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Wellbore #1       |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | HDGM_FILE         | 5/20/2020          | 6.87                   | 59.98                | 47,840.70000000            |

|                          |                              |                   |                      |                      |
|--------------------------|------------------------------|-------------------|----------------------|----------------------|
| <b>Design</b>            | Design #1                    |                   |                      |                      |
| <b>Audit Notes:</b>      |                              |                   |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                | PLAN              | <b>Tie On Depth:</b> | 0.00                 |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b>    | <b>Direction (°)</b> |
|                          | 0.00                         | 0.00              | 0.00                 | 181.92               |

|                                 |                      |                          |                         |                                           |
|---------------------------------|----------------------|--------------------------|-------------------------|-------------------------------------------|
| <b>Plan Survey Tool Program</b> | <b>Date</b>          | 5/20/2020                |                         |                                           |
| <b>Depth From (ft)</b>          | <b>Depth To (ft)</b> | <b>Survey (Wellbore)</b> | <b>Tool Name</b>        | <b>Remarks</b>                            |
| 1                               | 0.00                 | 8,368.05                 | Design #1 (Wellbore #1) | MWD+HRGM<br>OWSG MWD + HRGM               |
| 2                               | 8,368.05             | 16,738.74                | Design #1 (Wellbore #1) | MWD+IFR1+MS<br>OWSG MWD + IFR1 + Multi-St |



# Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

| Plan Sections       |                 |             |                     |            |            |                       |                      |                     |         |                    |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|--------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target             |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 3,228.00            | 0.00            | 0.00        | 3,228.00            | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 3,927.99            | 10.50           | 263.72      | 3,924.07            | -7.00      | -63.57     | 1.50                  | 1.50                 | 0.00                | 263.72  |                    |
| 4,883.84            | 10.50           | 263.72      | 4,863.93            | -26.07     | -236.72    | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 5,583.83            | 0.00            | 0.00        | 5,560.00            | -33.07     | -300.29    | 1.50                  | -1.50                | 0.00                | 180.00  |                    |
| 8,362.87            | 0.00            | 0.00        | 8,339.04            | -33.07     | -300.29    | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 9,261.34            | 89.85           | 179.79      | 8,912.00            | -604.49    | -298.16    | 10.00                 | 10.00                | 20.01               | 179.79  |                    |
| 16,738.74           | 89.85           | 179.79      | 8,932.00            | -8,081.82  | -270.30    | 0.00                  | 0.00                 | 0.00                | 0.00    | RS 25 S 701H - BHL |



## Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 100.00              | 0.00            | 0.00        | 100.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 200.00              | 0.00            | 0.00        | 200.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 300.00              | 0.00            | 0.00        | 300.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 400.00              | 0.00            | 0.00        | 400.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 500.00              | 0.00            | 0.00        | 500.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 600.00              | 0.00            | 0.00        | 600.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 700.00              | 0.00            | 0.00        | 700.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 800.00              | 0.00            | 0.00        | 800.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 900.00              | 0.00            | 0.00        | 900.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,000.00            | 0.00            | 0.00        | 1,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,100.00            | 0.00            | 0.00        | 1,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,200.00            | 0.00            | 0.00        | 1,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,300.00            | 0.00            | 0.00        | 1,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,400.00            | 0.00            | 0.00        | 1,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,500.00            | 0.00            | 0.00        | 1,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,600.00            | 0.00            | 0.00        | 1,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,700.00            | 0.00            | 0.00        | 1,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,800.00            | 0.00            | 0.00        | 1,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,900.00            | 0.00            | 0.00        | 1,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,000.00            | 0.00            | 0.00        | 2,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,100.00            | 0.00            | 0.00        | 2,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,200.00            | 0.00            | 0.00        | 2,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,300.00            | 0.00            | 0.00        | 2,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,400.00            | 0.00            | 0.00        | 2,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,500.00            | 0.00            | 0.00        | 2,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,600.00            | 0.00            | 0.00        | 2,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,700.00            | 0.00            | 0.00        | 2,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,800.00            | 0.00            | 0.00        | 2,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,900.00            | 0.00            | 0.00        | 2,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,000.00            | 0.00            | 0.00        | 3,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,100.00            | 0.00            | 0.00        | 3,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,200.00            | 0.00            | 0.00        | 3,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,228.00            | 0.00            | 0.00        | 3,228.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,300.00            | 1.08            | 263.72      | 3,300.00            | -0.07      | -0.67      | 0.10                  | 1.50                  | 1.50                 | 0.00                |
| 3,400.00            | 2.58            | 263.72      | 3,399.94            | -0.42      | -3.85      | 0.55                  | 1.50                  | 1.50                 | 0.00                |
| 3,500.00            | 4.08            | 263.72      | 3,499.77            | -1.06      | -9.62      | 1.38                  | 1.50                  | 1.50                 | 0.00                |
| 3,600.00            | 5.58            | 263.72      | 3,599.41            | -1.98      | -17.99     | 2.58                  | 1.50                  | 1.50                 | 0.00                |
| 3,700.00            | 7.08            | 263.72      | 3,698.80            | -3.19      | -28.95     | 4.15                  | 1.50                  | 1.50                 | 0.00                |
| 3,800.00            | 8.58            | 263.72      | 3,797.86            | -4.68      | -42.49     | 6.10                  | 1.50                  | 1.50                 | 0.00                |
| 3,900.00            | 10.08           | 263.72      | 3,896.54            | -6.45      | -58.61     | 8.41                  | 1.50                  | 1.50                 | 0.00                |
| 3,927.99            | 10.50           | 263.72      | 3,924.07            | -7.00      | -63.57     | 9.12                  | 1.50                  | 1.50                 | 0.00                |
| 4,000.00            | 10.50           | 263.72      | 3,994.88            | -8.44      | -76.62     | 10.99                 | 0.00                  | 0.00                 | 0.00                |
| 4,100.00            | 10.50           | 263.72      | 4,093.21            | -10.43     | -94.73     | 13.59                 | 0.00                  | 0.00                 | 0.00                |
| 4,200.00            | 10.50           | 263.72      | 4,191.53            | -12.43     | -112.85    | 16.19                 | 0.00                  | 0.00                 | 0.00                |
| 4,300.00            | 10.50           | 263.72      | 4,289.86            | -14.42     | -130.96    | 18.79                 | 0.00                  | 0.00                 | 0.00                |
| 4,400.00            | 10.50           | 263.72      | 4,388.19            | -16.42     | -149.07    | 21.39                 | 0.00                  | 0.00                 | 0.00                |
| 4,500.00            | 10.50           | 263.72      | 4,486.51            | -18.41     | -167.19    | 23.99                 | 0.00                  | 0.00                 | 0.00                |
| 4,600.00            | 10.50           | 263.72      | 4,584.84            | -20.41     | -185.30    | 26.59                 | 0.00                  | 0.00                 | 0.00                |
| 4,700.00            | 10.50           | 263.72      | 4,683.16            | -22.40     | -203.41    | 29.19                 | 0.00                  | 0.00                 | 0.00                |
| 4,800.00            | 10.50           | 263.72      | 4,781.49            | -24.40     | -221.53    | 31.79                 | 0.00                  | 0.00                 | 0.00                |
| 4,883.84            | 10.50           | 263.72      | 4,863.93            | -26.07     | -236.72    | 33.97                 | 0.00                  | 0.00                 | 0.00                |
| 4,900.00            | 10.26           | 263.72      | 4,879.82            | -26.39     | -239.61    | 34.38                 | 1.50                  | -1.50                | 0.00                |
| 5,000.00            | 8.76            | 263.72      | 4,978.44            | -28.20     | -256.03    | 36.74                 | 1.50                  | -1.50                | 0.00                |



## Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 5,100.00            | 7.26            | 263.72      | 5,077.46            | -29.72     | -269.87    | 38.72                 | 1.50                  | -1.50                | 0.00                |
| 5,200.00            | 5.76            | 263.72      | 5,176.82            | -30.96     | -281.14    | 40.34                 | 1.50                  | -1.50                | 0.00                |
| 5,300.00            | 4.26            | 263.72      | 5,276.43            | -31.92     | -289.81    | 41.59                 | 1.50                  | -1.50                | 0.00                |
| 5,400.00            | 2.76            | 263.72      | 5,376.24            | -32.59     | -295.89    | 42.46                 | 1.50                  | -1.50                | 0.00                |
| 5,500.00            | 1.26            | 263.72      | 5,476.18            | -32.97     | -299.38    | 42.96                 | 1.50                  | -1.50                | 0.00                |
| 5,583.83            | 0.00            | 0.00        | 5,560.00            | -33.07     | -300.29    | 43.09                 | 1.50                  | -1.50                | 0.00                |
| 5,600.00            | 0.00            | 0.00        | 5,576.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 5,700.00            | 0.00            | 0.00        | 5,676.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 5,800.00            | 0.00            | 0.00        | 5,776.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 5,900.00            | 0.00            | 0.00        | 5,876.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,000.00            | 0.00            | 0.00        | 5,976.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,100.00            | 0.00            | 0.00        | 6,076.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,200.00            | 0.00            | 0.00        | 6,176.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,300.00            | 0.00            | 0.00        | 6,276.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,400.00            | 0.00            | 0.00        | 6,376.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,500.00            | 0.00            | 0.00        | 6,476.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,600.00            | 0.00            | 0.00        | 6,576.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,700.00            | 0.00            | 0.00        | 6,676.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,800.00            | 0.00            | 0.00        | 6,776.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 6,900.00            | 0.00            | 0.00        | 6,876.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,000.00            | 0.00            | 0.00        | 6,976.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,100.00            | 0.00            | 0.00        | 7,076.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,200.00            | 0.00            | 0.00        | 7,176.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,300.00            | 0.00            | 0.00        | 7,276.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,400.00            | 0.00            | 0.00        | 7,376.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,500.00            | 0.00            | 0.00        | 7,476.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,600.00            | 0.00            | 0.00        | 7,576.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,700.00            | 0.00            | 0.00        | 7,676.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,800.00            | 0.00            | 0.00        | 7,776.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 7,900.00            | 0.00            | 0.00        | 7,876.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,000.00            | 0.00            | 0.00        | 7,976.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,100.00            | 0.00            | 0.00        | 8,076.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,200.00            | 0.00            | 0.00        | 8,176.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,300.00            | 0.00            | 0.00        | 8,276.17            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,362.87            | 0.00            | 0.00        | 8,339.04            | -33.07     | -300.29    | 43.09                 | 0.00                  | 0.00                 | 0.00                |
| 8,400.00            | 3.71            | 179.79      | 8,376.15            | -34.27     | -300.29    | 44.29                 | 10.00                 | 10.00                | 0.00                |
| 8,450.00            | 8.71            | 179.79      | 8,425.84            | -39.68     | -300.27    | 49.70                 | 10.00                 | 10.00                | 0.00                |
| 8,500.00            | 13.71           | 179.79      | 8,474.87            | -49.40     | -300.23    | 59.41                 | 10.00                 | 10.00                | 0.00                |
| 8,550.00            | 18.71           | 179.79      | 8,522.86            | -63.36     | -300.18    | 73.36                 | 10.00                 | 10.00                | 0.00                |
| 8,600.00            | 23.71           | 179.79      | 8,569.46            | -81.44     | -300.11    | 91.43                 | 10.00                 | 10.00                | 0.00                |
| 8,650.00            | 28.71           | 179.79      | 8,614.30            | -103.52    | -300.03    | 113.49                | 10.00                 | 10.00                | 0.00                |
| 8,700.00            | 33.71           | 179.79      | 8,657.05            | -129.43    | -299.93    | 139.38                | 10.00                 | 10.00                | 0.00                |
| 8,750.00            | 38.71           | 179.79      | 8,697.38            | -158.96    | -299.82    | 168.89                | 10.00                 | 10.00                | 0.00                |
| 8,800.00            | 43.71           | 179.79      | 8,734.98            | -191.89    | -299.70    | 201.80                | 10.00                 | 10.00                | 0.00                |
| 8,850.00            | 48.71           | 179.79      | 8,769.57            | -227.97    | -299.56    | 237.86                | 10.00                 | 10.00                | 0.00                |
| 8,900.00            | 53.71           | 179.79      | 8,800.88            | -266.93    | -299.42    | 276.79                | 10.00                 | 10.00                | 0.00                |
| 8,950.00            | 58.71           | 179.79      | 8,828.68            | -308.48    | -299.26    | 318.31                | 10.00                 | 10.00                | 0.00                |
| 9,000.00            | 63.71           | 179.79      | 8,852.75            | -352.28    | -299.10    | 362.08                | 10.00                 | 10.00                | 0.00                |
| 9,050.00            | 68.71           | 179.79      | 8,872.91            | -398.02    | -298.93    | 407.79                | 10.00                 | 10.00                | 0.00                |
| 9,100.00            | 73.71           | 179.79      | 8,889.01            | -445.34    | -298.75    | 455.08                | 10.00                 | 10.00                | 0.00                |
| 9,150.00            | 78.71           | 179.79      | 8,900.92            | -493.89    | -298.57    | 503.59                | 10.00                 | 10.00                | 0.00                |
| 9,200.00            | 83.71           | 179.79      | 8,908.55            | -543.28    | -298.39    | 552.95                | 10.00                 | 10.00                | 0.00                |
| 9,250.00            | 88.71           | 179.79      | 8,911.85            | -593.16    | -298.20    | 602.79                | 10.00                 | 10.00                | 0.00                |
| 9,261.34            | 89.85           | 179.79      | 8,912.00            | -604.49    | -298.16    | 614.12                | 10.00                 | 10.00                | 0.00                |



## Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 9,300.00            | 89.85           | 179.79      | 8,912.10            | -643.16    | -298.02    | 652.76                | 0.00                  | 0.00                 | 0.00                |
| 9,400.00            | 89.85           | 179.79      | 8,912.37            | -743.15    | -297.64    | 752.69                | 0.00                  | 0.00                 | 0.00                |
| 9,500.00            | 89.85           | 179.79      | 8,912.63            | -843.15    | -297.27    | 852.62                | 0.00                  | 0.00                 | 0.00                |
| 9,600.00            | 89.85           | 179.79      | 8,912.90            | -943.15    | -296.90    | 952.55                | 0.00                  | 0.00                 | 0.00                |
| 9,700.00            | 89.85           | 179.79      | 8,913.17            | -1,043.15  | -296.53    | 1,052.48              | 0.00                  | 0.00                 | 0.00                |
| 9,800.00            | 89.85           | 179.79      | 8,913.44            | -1,143.15  | -296.15    | 1,152.41              | 0.00                  | 0.00                 | 0.00                |
| 9,900.00            | 89.85           | 179.79      | 8,913.70            | -1,243.15  | -295.78    | 1,252.34              | 0.00                  | 0.00                 | 0.00                |
| 10,000.00           | 89.85           | 179.79      | 8,913.97            | -1,343.15  | -295.41    | 1,352.27              | 0.00                  | 0.00                 | 0.00                |
| 10,100.00           | 89.85           | 179.79      | 8,914.24            | -1,443.15  | -295.04    | 1,452.20              | 0.00                  | 0.00                 | 0.00                |
| 10,200.00           | 89.85           | 179.79      | 8,914.51            | -1,543.15  | -294.66    | 1,552.13              | 0.00                  | 0.00                 | 0.00                |
| 10,300.00           | 89.85           | 179.79      | 8,914.77            | -1,643.14  | -294.29    | 1,652.06              | 0.00                  | 0.00                 | 0.00                |
| 10,400.00           | 89.85           | 179.79      | 8,915.04            | -1,743.14  | -293.92    | 1,751.99              | 0.00                  | 0.00                 | 0.00                |
| 10,500.00           | 89.85           | 179.79      | 8,915.31            | -1,843.14  | -293.55    | 1,851.93              | 0.00                  | 0.00                 | 0.00                |
| 10,600.00           | 89.85           | 179.79      | 8,915.58            | -1,943.14  | -293.17    | 1,951.86              | 0.00                  | 0.00                 | 0.00                |
| 10,700.00           | 89.85           | 179.79      | 8,915.84            | -2,043.14  | -292.80    | 2,051.79              | 0.00                  | 0.00                 | 0.00                |
| 10,800.00           | 89.85           | 179.79      | 8,916.11            | -2,143.14  | -292.43    | 2,151.72              | 0.00                  | 0.00                 | 0.00                |
| 10,900.00           | 89.85           | 179.79      | 8,916.38            | -2,243.14  | -292.06    | 2,251.65              | 0.00                  | 0.00                 | 0.00                |
| 11,000.00           | 89.85           | 179.79      | 8,916.65            | -2,343.14  | -291.68    | 2,351.58              | 0.00                  | 0.00                 | 0.00                |
| 11,100.00           | 89.85           | 179.79      | 8,916.91            | -2,443.14  | -291.31    | 2,451.51              | 0.00                  | 0.00                 | 0.00                |
| 11,200.00           | 89.85           | 179.79      | 8,917.18            | -2,543.14  | -290.94    | 2,551.44              | 0.00                  | 0.00                 | 0.00                |
| 11,300.00           | 89.85           | 179.79      | 8,917.45            | -2,643.13  | -290.56    | 2,651.37              | 0.00                  | 0.00                 | 0.00                |
| 11,400.00           | 89.85           | 179.79      | 8,917.72            | -2,743.13  | -290.19    | 2,751.30              | 0.00                  | 0.00                 | 0.00                |
| 11,500.00           | 89.85           | 179.79      | 8,917.99            | -2,843.13  | -289.82    | 2,851.23              | 0.00                  | 0.00                 | 0.00                |
| 11,600.00           | 89.85           | 179.79      | 8,918.25            | -2,943.13  | -289.45    | 2,951.16              | 0.00                  | 0.00                 | 0.00                |
| 11,700.00           | 89.85           | 179.79      | 8,918.52            | -3,043.13  | -289.07    | 3,051.09              | 0.00                  | 0.00                 | 0.00                |
| 11,800.00           | 89.85           | 179.79      | 8,918.79            | -3,143.13  | -288.70    | 3,151.02              | 0.00                  | 0.00                 | 0.00                |
| 11,900.00           | 89.85           | 179.79      | 8,919.06            | -3,243.13  | -288.33    | 3,250.95              | 0.00                  | 0.00                 | 0.00                |
| 12,000.00           | 89.85           | 179.79      | 8,919.32            | -3,343.13  | -287.96    | 3,350.88              | 0.00                  | 0.00                 | 0.00                |
| 12,100.00           | 89.85           | 179.79      | 8,919.59            | -3,443.13  | -287.58    | 3,450.81              | 0.00                  | 0.00                 | 0.00                |
| 12,200.00           | 89.85           | 179.79      | 8,919.86            | -3,543.13  | -287.21    | 3,550.75              | 0.00                  | 0.00                 | 0.00                |
| 12,300.00           | 89.85           | 179.79      | 8,920.13            | -3,643.12  | -286.84    | 3,650.68              | 0.00                  | 0.00                 | 0.00                |
| 12,400.00           | 89.85           | 179.79      | 8,920.39            | -3,743.12  | -286.47    | 3,750.61              | 0.00                  | 0.00                 | 0.00                |
| 12,500.00           | 89.85           | 179.79      | 8,920.66            | -3,843.12  | -286.09    | 3,850.54              | 0.00                  | 0.00                 | 0.00                |
| 12,600.00           | 89.85           | 179.79      | 8,920.93            | -3,943.12  | -285.72    | 3,950.47              | 0.00                  | 0.00                 | 0.00                |
| 12,700.00           | 89.85           | 179.79      | 8,921.20            | -4,043.12  | -285.35    | 4,050.40              | 0.00                  | 0.00                 | 0.00                |
| 12,800.00           | 89.85           | 179.79      | 8,921.46            | -4,143.12  | -284.98    | 4,150.33              | 0.00                  | 0.00                 | 0.00                |
| 12,900.00           | 89.85           | 179.79      | 8,921.73            | -4,243.12  | -284.60    | 4,250.26              | 0.00                  | 0.00                 | 0.00                |
| 13,000.00           | 89.85           | 179.79      | 8,922.00            | -4,343.12  | -284.23    | 4,350.19              | 0.00                  | 0.00                 | 0.00                |
| 13,100.00           | 89.85           | 179.79      | 8,922.27            | -4,443.12  | -283.86    | 4,450.12              | 0.00                  | 0.00                 | 0.00                |
| 13,200.00           | 89.85           | 179.79      | 8,922.53            | -4,543.11  | -283.49    | 4,550.05              | 0.00                  | 0.00                 | 0.00                |
| 13,300.00           | 89.85           | 179.79      | 8,922.80            | -4,643.11  | -283.11    | 4,649.98              | 0.00                  | 0.00                 | 0.00                |
| 13,400.00           | 89.85           | 179.79      | 8,923.07            | -4,743.11  | -282.74    | 4,749.91              | 0.00                  | 0.00                 | 0.00                |
| 13,500.00           | 89.85           | 179.79      | 8,923.34            | -4,843.11  | -282.37    | 4,849.84              | 0.00                  | 0.00                 | 0.00                |
| 13,600.00           | 89.85           | 179.79      | 8,923.60            | -4,943.11  | -282.00    | 4,949.77              | 0.00                  | 0.00                 | 0.00                |
| 13,700.00           | 89.85           | 179.79      | 8,923.87            | -5,043.11  | -281.62    | 5,049.70              | 0.00                  | 0.00                 | 0.00                |
| 13,800.00           | 89.85           | 179.79      | 8,924.14            | -5,143.11  | -281.25    | 5,149.64              | 0.00                  | 0.00                 | 0.00                |
| 13,900.00           | 89.85           | 179.79      | 8,924.41            | -5,243.11  | -280.88    | 5,249.57              | 0.00                  | 0.00                 | 0.00                |
| 14,000.00           | 89.85           | 179.79      | 8,924.67            | -5,343.11  | -280.50    | 5,349.50              | 0.00                  | 0.00                 | 0.00                |
| 14,100.00           | 89.85           | 179.79      | 8,924.94            | -5,443.11  | -280.13    | 5,449.43              | 0.00                  | 0.00                 | 0.00                |
| 14,200.00           | 89.85           | 179.79      | 8,925.21            | -5,543.10  | -279.76    | 5,549.36              | 0.00                  | 0.00                 | 0.00                |
| 14,300.00           | 89.85           | 179.79      | 8,925.48            | -5,643.10  | -279.39    | 5,649.29              | 0.00                  | 0.00                 | 0.00                |
| 14,400.00           | 89.85           | 179.79      | 8,925.74            | -5,743.10  | -279.01    | 5,749.22              | 0.00                  | 0.00                 | 0.00                |
| 14,500.00           | 89.85           | 179.79      | 8,926.01            | -5,843.10  | -278.64    | 5,849.15              | 0.00                  | 0.00                 | 0.00                |
| 14,600.00           | 89.85           | 179.79      | 8,926.28            | -5,943.10  | -278.27    | 5,949.08              | 0.00                  | 0.00                 | 0.00                |



# Nabors Drilling Solutions

## Planning Report



|                  |                            |                                     |                                |
|------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>Database:</b> | RyanUSA_32Bit              | <b>Local Co-ordinate Reference:</b> | Well 701H                      |
| <b>Company:</b>  | XTO Permian Operating, LLC | <b>TVD Reference:</b>               | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Project:</b>  | Eddy Co., NM               | <b>MD Reference:</b>                | RT=32 @ 3097.00ft (Nabors X09) |
| <b>Site:</b>     | Remuda South 25 State      | <b>North Reference:</b>             | Grid                           |
| <b>Well:</b>     | 701H                       | <b>Survey Calculation Method:</b>   | Minimum Curvature              |
| <b>Wellbore:</b> | Wellbore #1                |                                     |                                |
| <b>Design:</b>   | Design #1                  |                                     |                                |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 14,700.00           | 89.85           | 179.79      | 8,926.55            | -6,043.10  | -277.90    | 6,049.01              | 0.00                  | 0.00                 | 0.00                |
| 14,800.00           | 89.85           | 179.79      | 8,926.81            | -6,143.10  | -277.52    | 6,148.94              | 0.00                  | 0.00                 | 0.00                |
| 14,900.00           | 89.85           | 179.79      | 8,927.08            | -6,243.10  | -277.15    | 6,248.87              | 0.00                  | 0.00                 | 0.00                |
| 15,000.00           | 89.85           | 179.79      | 8,927.35            | -6,343.10  | -276.78    | 6,348.80              | 0.00                  | 0.00                 | 0.00                |
| 15,100.00           | 89.85           | 179.79      | 8,927.62            | -6,443.09  | -276.41    | 6,448.73              | 0.00                  | 0.00                 | 0.00                |
| 15,200.00           | 89.85           | 179.79      | 8,927.88            | -6,543.09  | -276.03    | 6,548.66              | 0.00                  | 0.00                 | 0.00                |
| 15,300.00           | 89.85           | 179.79      | 8,928.15            | -6,643.09  | -275.66    | 6,648.59              | 0.00                  | 0.00                 | 0.00                |
| 15,400.00           | 89.85           | 179.79      | 8,928.42            | -6,743.09  | -275.29    | 6,748.53              | 0.00                  | 0.00                 | 0.00                |
| 15,500.00           | 89.85           | 179.79      | 8,928.69            | -6,843.09  | -274.92    | 6,848.46              | 0.00                  | 0.00                 | 0.00                |
| 15,600.00           | 89.85           | 179.79      | 8,928.95            | -6,943.09  | -274.54    | 6,948.39              | 0.00                  | 0.00                 | 0.00                |
| 15,700.00           | 89.85           | 179.79      | 8,929.22            | -7,043.09  | -274.17    | 7,048.32              | 0.00                  | 0.00                 | 0.00                |
| 15,800.00           | 89.85           | 179.79      | 8,929.49            | -7,143.09  | -273.80    | 7,148.25              | 0.00                  | 0.00                 | 0.00                |
| 15,900.00           | 89.85           | 179.79      | 8,929.76            | -7,243.09  | -273.43    | 7,248.18              | 0.00                  | 0.00                 | 0.00                |
| 16,000.00           | 89.85           | 179.79      | 8,930.02            | -7,343.09  | -273.05    | 7,348.11              | 0.00                  | 0.00                 | 0.00                |
| 16,100.00           | 89.85           | 179.79      | 8,930.29            | -7,443.08  | -272.68    | 7,448.04              | 0.00                  | 0.00                 | 0.00                |
| 16,200.00           | 89.85           | 179.79      | 8,930.56            | -7,543.08  | -272.31    | 7,547.97              | 0.00                  | 0.00                 | 0.00                |
| 16,300.00           | 89.85           | 179.79      | 8,930.83            | -7,643.08  | -271.94    | 7,647.90              | 0.00                  | 0.00                 | 0.00                |
| 16,400.00           | 89.85           | 179.79      | 8,931.09            | -7,743.08  | -271.56    | 7,747.83              | 0.00                  | 0.00                 | 0.00                |
| 16,500.00           | 89.85           | 179.79      | 8,931.36            | -7,843.08  | -271.19    | 7,847.76              | 0.00                  | 0.00                 | 0.00                |
| 16,600.00           | 89.85           | 179.79      | 8,931.63            | -7,943.08  | -270.82    | 7,947.69              | 0.00                  | 0.00                 | 0.00                |
| 16,700.00           | 89.85           | 179.79      | 8,931.90            | -8,043.08  | -270.44    | 8,047.62              | 0.00                  | 0.00                 | 0.00                |
| 16,738.74           | 89.85           | 179.79      | 8,932.00            | -8,081.82  | -270.30    | 8,086.34              | 0.00                  | 0.00                 | 0.00                |

| Design Targets                                                                              |               |              |          |            |            |                 |                |                                          |           |
|---------------------------------------------------------------------------------------------|---------------|--------------|----------|------------|------------|-----------------|----------------|------------------------------------------|-----------|
| Target Name                                                                                 | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude                                 | Longitude |
| RS 25 S 701H - FTP<br>- hit/miss target<br>- Shape                                          | 0.00          | 0.00         | 8,912.00 | -633.10    | -300.30    | 463,931.200     | 619,964.000    | 32° 16' 29.521839 N 103° 56' 42.665929 W |           |
| - plan misses target center by 2.25ft at 9289.94ft MD (8912.07 TVD, -633.09 N, -298.05 E)   |               |              |          |            |            |                 |                |                                          |           |
| RS 25 S 701H - LTP<br>- hit/miss target<br>- Shape                                          | 0.00          | 0.00         | 8,931.00 | -7,951.82  | -271.10    | 456,612.500     | 619,993.200    | 32° 15' 17.094274 N 103° 56' 42.634115 W |           |
| - plan misses target center by 0.72ft at 16608.73ft MD (8931.65 TVD, -7951.81 N, -270.78 E) |               |              |          |            |            |                 |                |                                          |           |
| RS 25 S 701H - BHL<br>- hit/miss target<br>- Shape                                          | 0.00          | 0.00         | 8,932.00 | -8,081.82  | -270.30    | 456,482.500     | 619,994.000    | 32° 15' 15.807752 N 103° 56' 42.630272 W |           |
| - plan hits target center                                                                   |               |              |          |            |            |                 |                |                                          |           |
| - Point                                                                                     |               |              |          |            |            |                 |                |                                          |           |

**Subject:** Request for a Variance Allowing break Testing of the Blowout Preventer Equipment (BOPE)

XTO Energy requests a variance to ONLY test broken pressure seals on the BOPE and function test BOP when skidding a drilling rig between multiple wells on a pad.

**Background**

Onshore Oil and Gas Order (OOGO) No. 2, Drilling Operations, Sections III.A.2.i.iv.B states that the BOP test must be performed whenever any seal subject to test pressure is broken. The current interpretation of the Bureau of Land Management (BLM) requires a complete BOP test and not just a test of the affected component. OOGO No. 2, Section I.D.2 states, "Some situation may exist either on a well-by-well basis or field-wide basis whereby it is commonly accepted practice to vary a particular minimum standard(s) established in this order. This situation can be resolved by requesting a variance...". XTO Energy feels the break testing the BOPE is such a situation. Therefore, as per OOGO No. 2, Section IV., XTO Energy submits this request for the variance.

**Supporting Documentation**

OOGO No. 2 became effective on December 19, 1988 and has remained the standard for regulating BLM onshore drilling operations for over 30 years. During this time there have been significant changes in drilling technology. BLM continues to use the variance request process to allow for the use of modern technology and acceptable engineering practices that have arisen since OOGO No. 2 was originally released. The XTO Energy drilling rig fleet has many modern upgrades that allow the intact BOP stack to be moved between well slots on a multi-well pad, as well as, wellhead designs that incorporate quick connects facilitating release of the BOP from the wellhead without breaking any BOP stack components apart. These technologies have been used extensively offshore, and other regulators, API, and many operators around the world have endorsed break testing as safe and reliable.



Figure 1: Winch System attached to BOP Stack



Figure 2: BOP Winch System

American Petroleum Institute (API) standards, specification and recommended practices are considered the industry standard and are consistently utilized and referenced by the industry. OOGO No. 2 recognizes API recommended Practices (RP) 53 in its original development. API Standard 53, *Well Control Equipment Systems for Drilling Wells* (Fifth Edition, December 2018, Annex C, Table C.4) recognizes break testing as an acceptable practice. Specifically, API Standard 53, Section 5.3.7.1 states “A pressure test of the pressure containing component shall be performed following the disconnection or repair, limited to the affected component.” See Table C.4 below for reference.

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API STANDARD 53

Table C.4—Initial Pressure Testing, Surface BOP Stacks

| Component to be Pressure Tested                                                  | Pressure Test—Low Pressure <sup>ac</sup><br>psig (MPa) | Pressure Test—High Pressure <sup>ac</sup>                                  |                                                       |
|----------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------|
|                                                                                  |                                                        | Change Out of Component, Elastomer, or Ring Gasket                         | No Change Out of Component, Elastomer, or Ring Gasket |
| Annular preventer <sup>b</sup>                                                   | 250 to 350 (1.72 to 2.41)                              | RWP of annular preventer                                                   | MASP or 70% annular RWP, whichever is lower.          |
| Fixed pipe, variable bore, blind, and BSR preventers <sup>bd</sup>               | 250 to 350 (1.72 to 2.41)                              | RWP of ram preventer or wellhead system, whichever is lower                | ITP                                                   |
| Choke and kill line and BOP side outlet valves below ram preventers (both sides) | 250 to 350 (1.72 to 2.41)                              | RWP of side outlet valve or wellhead system, whichever is lower            | ITP                                                   |
| Choke manifold—upstream of chokes <sup>e</sup>                                   | 250 to 350 (1.72 to 2.41)                              | RWP of ram preventers or wellhead system, whichever is lower               | ITP                                                   |
| Choke manifold—downstream of chokes <sup>e</sup>                                 | 250 to 350 (1.72 to 2.41)                              | RWP of valve(s), line(s), or MASP for the well program, whichever is lower |                                                       |
| Kelly, kelly valves, drill pipe safety valves, IBOPs                             | 250 to 350 (1.72 to 2.41)                              | MASP for the well program                                                  |                                                       |

<sup>a</sup> Pressure test evaluation periods shall be a minimum of five minutes.

No visible leaks.

The pressure shall remain stable during the evaluation period. The pressure shall not decrease below the intended test pressure.

<sup>b</sup> Annular(s) and VBR(s) shall be pressure tested on the largest and smallest OD drill pipe to be used in well program.

<sup>c</sup> For pad drilling operations, moving from one wellhead to another within the 21 days, pressure testing is required for pressure-containing and pressure-controlling connections when the integrity of a pressure seal is broken.

<sup>d</sup> For surface offshore operations, the ram BOPs shall be pressure tested with the ram locks engaged and the closing and locking pressure vented during the initial test. For land operations, the ram BOPs shall be pressure tested with the ram locks engaged and the closing and locking pressure vented at commissioning and annually.

<sup>e</sup> Adjustable chokes are not required to be full sealing devices. Pressure testing against a closed choke is not required.

The Bureau of Safety and Environmental Enforcement (BSEE), Department of Interior, has also utilized the API standards, specification and best practices in the development of its offshore oil and gas regulations and incorporates them by reference within its regulations.

Break testing has been approved by the BLM in the past with other operators based on the detailed information provided in this document.

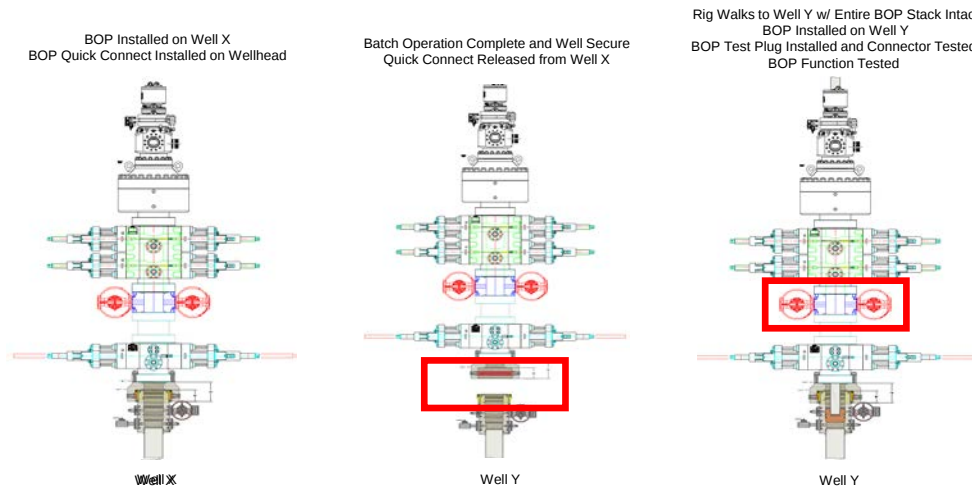
XTO Energy feels break testing and our current procedures meet the intent of OOGO No. 2 and often exceed it. There has been no evidence that break testing results in more components failing than seen on full BOP tests. XTO Energy's internal standards requires complete BOPE tests more often than that of OOGO No. 2 (Every 21 days). In addition to function testing the annular, pipe rams and blind rams after each BOP nipple up, XTO Energy performs a choke drill with the rig crew prior to drilling out every casing shoe. This is additional training for the rig crew that exceeds the requirements of the OOGO No.2.

### **Procedures**

1. XTO Energy will use this document for our break testing plan for New Mexico Delaware basin. The summary below will be referenced in the APD or Sundry Notice and receive approval prior to implementing this variance.
2. XTO Energy will perform BOP break testing on multi-wells pads where multiple intermediate sections can be drilled and cased within the 21-day BOP test window.
  - a. A full BOP test will be conducted on the first well on the pad.
  - b. The first intermediate hole section drilled on the pad will be the deepest. All of the remaining hole sections will be the same depth or shallower.
    - i. Our Lower WC targets set the intermediate casing shoe no deeper than the Wolfcamp B.
    - ii. Our Upper WC targets set the intermediate casing shoe shallower than the Wolfcamp B.
  - c. A Full BOP test will be required if the intermediate hole section being drilled has a MASP over 5M.
  - d. A full BOP test will be required prior to drilling any production hole.
3. After performing a complete BOP test on the first well, the intermediate hole section will be drilled and cased, two breaks would be made on the BOP equipment.
  - a. Between the HCV valve and choke line connection
  - b. Between the BOP quick connect and the wellhead
4. The BOP is then lifted and removed from the wellhead by a hydraulic system.
5. After skidding to the next well, the BOP is moved to the wellhead by the same hydraulic system and installed.
6. The connections mentioned in 3a and 3b will then be reconnected.
7. Install test plug into the wellhead using test joint or drill pipe.
8. A shell test is performed against the upper pipe rams testing the two breaks.
9. The shell test will consist of a 250 psi low test and a high test to the value submitted in the APD or Sundry (e.g. 5,000 psi or 10,000psi).
10. Function test will be performed on the following components: lower pipe rams, blind rams, and annular.

11. For a multi-well pad the same two breaks on the BOP would be made and on the next wells and steps 4 through 10 would be repeated.
12. A second break test would only be done if the intermediate hole section being drilled could not be completed within the 21 day BOP test window.

*Note: Picture below highlights BOP components that will be tested during batch operations*



### Summary

A variance is requested to **ONLY** test broken pressure seals on the BOP equipment when moving from wellhead to wellhead which is in compliance with API Standard 53. API Standard 53 states, that for pad drilling operation, moving from one wellhead to another within 21 days, pressure testing is required for pressure-containing and pressure-controlling connections when the integrity of a pressure seal is broken.

The BOP will be secured by a hydraulic carrier or cradle. The BLM will be contacted if a Well Control event occurs prior to the commencement of a BOPE Break Testing operation.

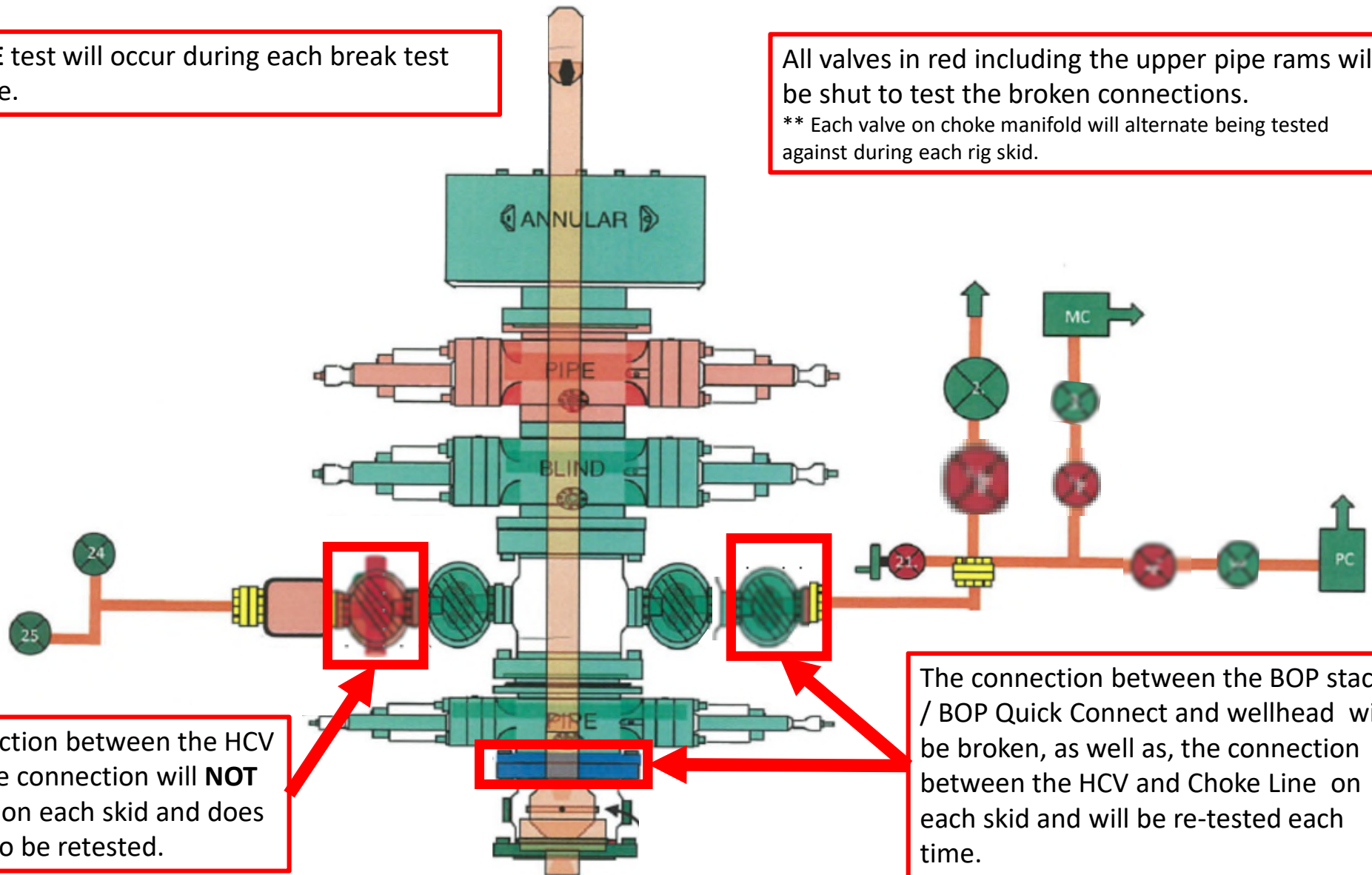
Based on discussions with the BLM on February 27th 2020 and the supporting documentation submitted to the BLM, we will request permission to **ONLY** retest broken pressure seals if the following conditions are met:

1. After a full BOP test is conducted on the first well on the pad.
2. The first intermediate hole section drilled on the pad will be the deepest. All of the remaining hole sections will be the same depth or shallower.
3. Full BOP test will be required if the intermediate hole section being drilled has a MASP over 5M.
4. Full BOP test will be required prior to drilling the production hole.

Only **ONE** test will occur during each break test procedure.

All valves in red including the upper pipe rams will be shut to test the broken connections.

\*\* Each valve on choke manifold will alternate being tested against during each rig skid.



The connection between the HCV and kill line connection will **NOT** be broken on each skid and does not need to be retested.

The connection between the BOP stack / BOP Quick Connect and wellhead will be broken, as well as, the connection between the HCV and Choke Line on each skid and will be re-tested each time.

XTO respectfully requests approval to utilize a spudder rig to pre-set surface casing.

Description of Operations:

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
  - a. After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
  - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and tested as soon as the surface casing is cut off and WOC time has been reached.
3. A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wing valves.
  - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling Operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
  - a. The larger rig will move back onto the location within 180 days from the point at which the wells are secured and the spudder rig is moved off location.
  - b. The BLM will be notified 24 hours before the larger rig moves back on the pre-set locations
7. XTO will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, XTO will secure the wellhead area by placing a guard rail around the cellar area.