

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMLC061705B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
891000303X

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached

2. Name of Operator

XTO PERMIAN OPERATING LLC

Contact: KELLY KARDOS

E-Mail: kelly_kardos@xtoenergy.com

9. API Well No.
Multiple--See Attached

3a. Address

6401 HOLIDAY HILL ROAD BLDG 5
MIDLAND, TX 79707

3b. Phone No. (include area code)

Ph: 432-620-4374

10. Field and Pool or Exploratory Area
PURPLE SAGE-WOLFCAMP (GAS)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

11. County or Parish, State

EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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

****MULTIPLE WELLS****

XTO Permian Operating, LLC requests a variance for the below mentioned wells 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. Based on discussions with the BLM on February 27th 2020 and the supporting documentation attached, XTO requests 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 prior to drilling the production hole.

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

Electronic Submission #516522 verified by the BLM Well Information System
For XTO PERMIAN OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 05/27/2020 (20PP2992SE)

Name (Printed/Typed) KELLY KARDOS

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 05/26/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JENNIFER SANCHEZ

Title PETROLEUM ENGINEER

Date 05/27/2020

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Accepted 05/28/2020 - KMS NMOCD

Additional data for EC transaction #516522 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM71016X	NMLC061705B	POKER LAKE UNIT 17 TWR 106H	30-015-46655-00-X1	Sec 20 T24S R31E NWNE 40FNL 1613FEL 32.209969 N Lat, 103.796509 W Lon
NMNM71016X	NMLC061705B	POKER LAKE UNIT 17 TWR 126H	30-015-46712-00-X1	Sec 20 T24S R31E NWNE 30FNL 1613FEL 32.210068 N Lat, 103.796509 W Lon

32. Additional remarks, continued

Poker Lake Unit 17 TWR 106H 30-015-46655
Poker Lake Unit 17 TWR 126H 30-015-46712

Revisions to Operator-Submitted EC Data for Sundry Notice #516522

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMLC061705B	NMLC061705B
Agreement:	NMNM71016X	891000303X (NMNM71016X)
Operator:	XTO PERMIAN OPERATING LLC 6401 HOLIDAY HILL RD BLDG 5 MIDLAND, TX 79707 Ph: 432-620-4374	XTO PERMIAN OPERATING LLC 6401 HOLIDAY HILL ROAD BLDG 5 MIDLAND, TX 79707 Ph: 432.683 2277
Admin Contact:	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com Ph: 432-620-4374	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com Ph: 432-620-4374
Tech Contact:	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com Ph: 432-620-4374	KELLY KARDOS REGULATORY COORDINATOR E-Mail: kelly_kardos@xtoenergy.com Ph: 432-620-4374
Location: State: County:	NM EDDY	NM EDDY
Field/Pool:	PURPLE SAGE WOLFCAMP GAS	PURPLE SAGE-WOLFCAMP (GAS)
Well/Facility:	POKER LAKE UNIT 17 TWR 106H Sec 20 T24S R31E Mer NMP NWNE 65FNL 1613FEL	POKER LAKE UNIT 17 TWR 106H Sec 20 T24S R31E NWNE 40FNL 1613FEL 32.209969 N Lat, 103.796509 W Lon POKER LAKE UNIT 17 TWR 126H Sec 20 T24S R31E NWNE 30FNL 1613FEL 32.210068 N Lat, 103.796509 W Lon

BOP Break Testing Variance

- Shell testing is not approved for any portion of the hole with a MASP of 5000 psi or greater.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOP Break Testing operations.
- A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.

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 ^{ac} psig (MPa)	Pressure Test—High Pressure ^{ac}	
		Change Out of Component, Elastomer, or Ring Gasket	No Change Out of Component, Elastomer, or Ring Gasket
Annular preventer ^b	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 ^{bd}	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 ^e	250 to 350 (1.72 to 2.41)	RWP of ram preventers or wellhead system, whichever is lower	ITP
Choke manifold—downstream of chokes ^e	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	

^a 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.

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

^c 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.

^d 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.

^e 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.

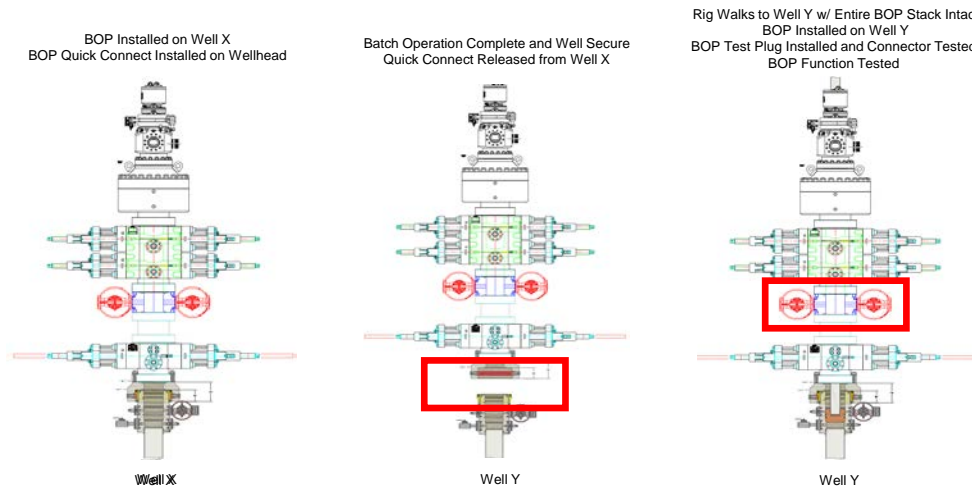
XTO Energy feels break testing and our current procedures meet the intent of OOGO No. 2 and often exceed it. There has been no evidence that break testing results in more components failing than seen on full BOP tests. XTO Energy's internal standards requires complete BOPE tests more often than that 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.

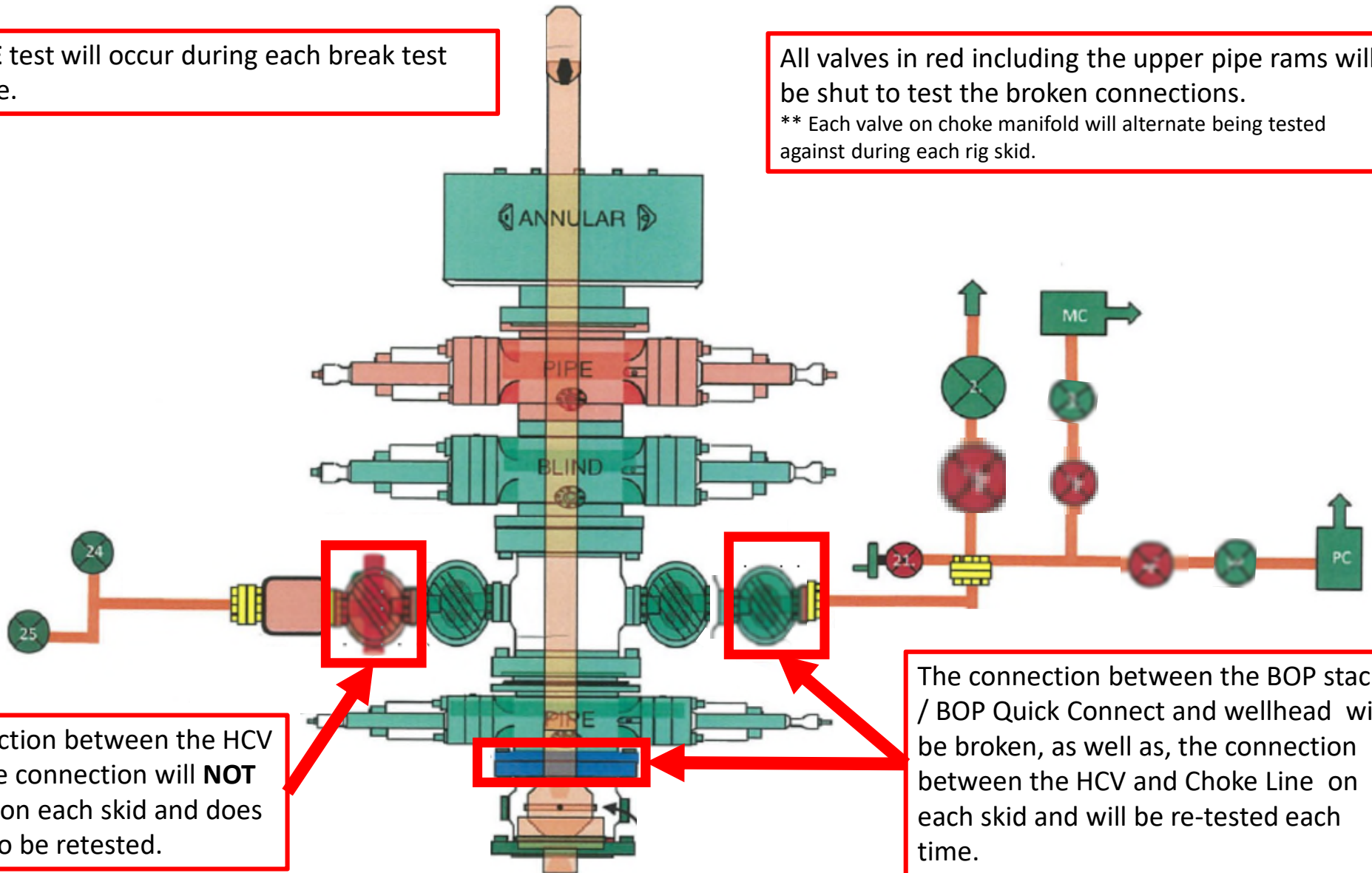
The BOP will be secured by a hydraulic carrier or cradle. The BLM will be contacted if a Well Control event occurs prior to the commencement of a BOPE Break Testing operation.

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.