Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO. **30-015-44307**

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: **Remuda North 25 State**

1. Type of Well: Oil Well [ ] Gas Well [X] Other

8. Well Number **122H**

2. Name of Operator **XTO Energy, Inc**

9. OGRID Number **005380**

3. Address of Operator **500 W. Illinois St Ste 100 Midland, Texas 79701**

10. Pool name or Wildcat Purple Sage; Wolfcamp

4. Well Location

Unit Letter **L** : **2280** feet from the **South** line and **675** feet from the **West** line

Section **25** Township **23S** Range **29E** NMPM County **Eddy**

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[X]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
CLOSED-LOOP SYSTEM	[ ]						
OTHER:	[ ]			OTHER:	[ ]		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy, Inc would like to change the original casing program on the above referenced well. Please reference the attached sheet with the proposed casing and cementing design.

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 08 2018
RECEIVED

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Stephanie Rabadue TITLE **Regulatory Analyst** DATE **02/05/2018**

Type or print name **Stephanie Rabadue** E-mail address: **stephanie_rabadue@xtoenergy.com** PHONE **432-620-6714**

For State Use Only

APPROVED BY TITLE Staff Mgr DATE 2-6-18

Conditions of Approval (if any):

DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Remuda North 25 State 122H
Projected TD: 18326' MD / 10611' TVD
Eddy County, NM

1. Geologic Name of Surface Formation

A. Quaternary

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

Formation	Well Depth (TVD)	Water/Oil/Gas
Rustler	140'	Water
Top of Salt	339'	Water
Base of Salt	3025'	Water
Delaware	3235'	Water
Bone Spring	6909'	Water/Oil/Gas
1st Bone Spring Ss	8001'	Water/Oil/Gas
2nd Bone Spring Ss	8836'	Water/Oil/Gas
3rd Bone Spring Ss	9920'	Water/Oil/Gas
Wolfcamp A	10404'	Water/Oil/Gas
Target/Land Curve	10611'	Water/Oil/Gas

*** Hydrocarbons @ Brushy Canyon
*** Groundwater depth 40' (per NM State Engineers Office).

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8 inch casing @ 320' (100' into the Rustler) and circulating cement back to surface. The salt will be isolated by setting 9-5/8 inch casing at 7500'. A DV tool will be set @ 3290' (100' below the surface shoe). Cement will be circulated to surface. An 8-3/4 inch curve and 8-1/2 inch lateral hole will be drilled to MD/TD and 5-1/2 inch casing will be set at TD and cemented back to surface.

3. Casing Design

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
17-1/2"	0' – 320'	13-3/8"	54.5	STC	J-55	New	1.21	7.72	29.47
12-1/4"	0' – 7500'	9-5/8"	40	LTC	J-55	New	1.20	1.13	1.73
8-3/4" x 8-1/2"	0' – 18326'	5-1/2"	17	BTC	P-110	New	1.12	1.33	2.39

- XTO requests to utilize centralizers only in the curve after the KOP and only a minimum of one every other joint.
- 9-5/8" Collapse analyzed using 50% evacuation based on regional experience.
- 5-1/2" tension calculated using vertical hanging weight plus the lateral weight multiplied by a friction factor of 0.35

WELLHEAD:

Permanent Wellhead – GE RSH Multibowl System

A. Starting Head: 13-5/8" 5M top flange x 13-3/8" SOW bottom
B. Tubing Head: 13-5/8" 5M bottom flange x 7-1/16" 10M top flange
- Wellhead will be installed by manufacturer's representatives.
- Manufacturer will monitor welding process to ensure appropriate temperature of seal.
- Manufacturer will witness installation of test plug for initial test.
- Operator will test the 9-5/8" casing to 70% of casing burst before drilling out.

4. Cement Program

Surface Casing: 13-3/8", 54.5 New J-55, STC casing to be set at +/- 320'

Tail: 320 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft3/sx, 6.39 gal/sx water)
Compressives: 12-hr = 900 psi 24 hr = 1500 psi

Intermediate Casing: 9-5/8", 40 New J-55, LTC casing to be set at +/- 7500'

First Stage

Lead: 1230 sxs Halcem-C + 2% CaCl (mixed at 12.9 ppg, 1.88 ft3/sx, 9.61 gal/sx water)

Tail: 230 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, 1.33 ft3/sx, 6.39 gal/sx water)
Compressives: 12-hr = 900 psi 24 hr = 1500 psi

a DV tool will be set @ 3290' (~50' below base of salt).

Second Stage

Lead: 270 sxs Halcem-C + 2% CaCl (mixed at 12.9 ppg, ft3/sx, 9.61 gal/sx water)

Tail: 180 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, ft3/sx, 6.39 gal/sx water)
Compressives: 12-hr = 900 psi 24 hr = 1500 psi

Production Casing: 5-1/2", 17 New P-110, BTC casing to be set at +/- 18326'

Lead: 1150 sxs NeoCem (mixed at 10.5 ppg, 2.69 ft3/sx, 12.26 gal/sx water)

Tail: 1660 sxs VersaCem (mixed at 13.2 ppg, 1.61 ft3/sx, 8.38 gal/sx water)
Compressives: 12-hr = 1375 psi 24 hr = 2285 psi

5. Pressure Control Equipment

The blow out preventer equipment (BOP) for this well consists of a 13-5/8" minimum 5M Hydril and a 13-5/8" minimum 5M Double Ram BOP. MASP should not exceed 3294 psi.

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nippling up on the 13-5/8" 5M bradenhead and flange, the BOP test will be limited to 5000 psi. When nippling up on the 9-5/8", the BOP will be tested to a minimum of 5000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 5M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

6. Proposed Mud Circulation System

INTERVAL	Hole Size	Mud Type	MW (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
0' to 320'	17-1/2"	FW/Native	8.4-8.8	35-40	NC
320' to 7500'	12-1/4"	Brine/Gel Sweeps	9.8-10.2	30-32	NC
7500' to 18326'	8-3/4" x 8-1/2"	FW / Cut Brine / Polymer	9.9 - 10.2	29-32	NC - 20

The necessary mud products for weight addition and fluid loss control will be on location at all times.
Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. A 9.8ppg-10.2ppg brine mud will be used while drilling through the salt formation. Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Use available solids controls equipment to help keep mud weight down after mud up. Rig up solids control equipment to operate as a closed loop system.

7. Auxiliary Well Control and Monitoring Equipment

A. A Kelly cock will be in the drill string at all times.
B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
C. H2S monitors will be on location when drilling below the 13-3/8" casing.

8. Logging, Coring and Testing Program

Mud Logger: Mud Logging Unit (2 man) below intermediate casing.

Open hole logging will include Triple Combo.

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 150 to 170 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid. The maximum anticipated bottom hole pressure for this well is 5628 psi.

10. Anticipated Starting Date and Duration of Operations

Road and location construction will begin after Santa Fe and BLM have approved the APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 40 days. If production casing is run, an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.