Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

SUNDRY Do not use thi abandoned wel	UREAU OF LAND MAN. NOTICES AND REPORTS S form for proposals to the second state of the	ORTS ON Wood of the community of the com	e-enter a proposa	Artes		6. If Indian 7. If Unit (89100	erial No. 063136A n, Allottee or or CA/Agree 0303X me and No.	Tribe Name ment, Name and/or No.
Name of Operator XTO PERMIAN OPERATING	Contact: LLC E-Mail: kelly_kar	KELLY KAR dos@xtoenergy				9. API We 30-01	II No. 5-45485-0	0-X1
3a. Address 6401 HOLIDAY HILL ROAD E MIDLAND, TX 79707	LDG 5	3b. Phone No Ph: 432-62	o. (include 20-4374	area code)				xploratory Area WOLFCAMP (GAS)
4. Location of Well <i>(Footage, Sec., T</i> Sec 28 T25S R31E SENE 231 32.102200 N Lat, 103.776573	OFNL 630FEL	on)				1	or Parish, S	
12. CHECK THE AF	PPROPRIATE BOX(ES) TO INDICA	TE NAT	TURE OF	NOTICE,	REPORT	OR OTH	ER DATA
TYPE OF SUBMISSION		·		TYPE OF	ACTION			-7
☑ Notice of Intent ☐ Subsequent Report	☐ Acidize ☐ Alter Casing ☐ Casing Repair	□ Nev	draulic Fr w Constru	ction	□ Reclam	plete		□ Water Shut-Off □ Well Integrity ☑ Other Change to Original
☐ Final Abandonment Notice	☐ Change Plans ☐ Convert to Injection	n 🗖 Plu	g and Abag Back		☐ Water I			PD
13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the won following completion of the involved testing has been completed. Final Ab- determined that the site is ready for fi XTO Permian Operating, LLC- original APD: Change from a 3-string casing	ally or recomplete horizontally k will be performed or provic operations. If the operation is pandonment Notices must be final inspection. , respectfully requests p	y, give subsurface the Bond No. o results in a multip iled only after all permission to r	e locations in file with the complete requirement	and measure BLM/BIA. ion or recon nts, includin	ed and true von Required sumpletion in a regreclamation	ertical depths bsequent repo new interval, n, have been	of all pertino orts must be a Form 3160 completed an	ent markers and zones. filed within 30 days 0-4 must be filed once
Attachments: Drilling Program Multibowl Diagram/BOP/CK/F	н					CHED I NS OF	FOR	RECEIVED OVAL
14. I hereby certify that the foregoing is Con Name (Printed/Typed) KELLY KA Signature (Electronic S	Electronic Submission For XTO PERM Imitted to AFMSS for pro	#470455 verifie MAN OPERATI cessing by PR	d by the NG LLC, SCILLA I Title	BLM Well sent to the PEREZ on REGULA 06/25/20	TONTOC	ONDINAT	SEVED	
	THIS SPACE F	OR FEDERA	AL OR					
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conduction of the co	itable title to those rights in t	es not warrant of the shoject lease	Title			AU OF LAN OSWELL F		· 1 .

Title 18 U.S.C. Section 1001 and Title 3 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 *

** Ruf 10-29-19

District 1
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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

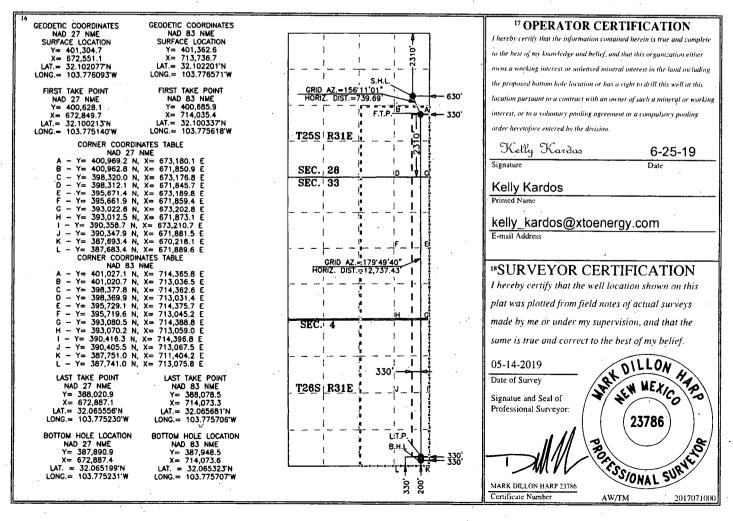
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

	30-015- 4		98220	² Pool Code							
	JU-013- H		30220		IFUR	PLE SAGE, WOL	FUAIVIP				
⁴ Property	⁴ Property Code			•	⁵ Property 1	Name		6 W	⁶ Well Number		
				P	OKER LAKE	UNIT 28 BS	•		128H		
7 OGRID No.					⁸ Operator	Name		9	9 Elevation		
373075				XTO	PERMIAN OPI	ERATING, LLC.		l	3,338'		
					¹⁰ Surface 1	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
Н	28	25 S	31 E		2,310	NORTH	630	EAST	EDDY		
			¹¹ Bott	om Hole	Location I	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		
P	. 4	26 S	31 E	:	200	SOUTH	330	EAST	EDDY		
¹² Dedicated Acre	es 13 Joint o	r Infill · 14 Co	nsolidation Co	ode 15 Orde	г No.			<u> </u>			
800											

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.



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30-0) 15-454	185									4
Ope	rator Na		ating, LL	C		Property N Poker Lal		28 BS	<u>.</u>		Well Number
			`. \			. ,	•				
		•	•					:	•		
ick (Off Point	(KOP)			•						,
UL H	Section 28	Township 25S	Range 31E	Lot	Feet 2310	From N North		1	From E/\ East	V Count	•
Latiti	ude 102201	l .		<u> </u>	Longitu	776571	······································			NAD NAC	D83
					1.			•		<u> </u>	
irst	Take Poir	nt (FTP)							•		
UL	Section 28	Township 25S	Range 31E	Lot	Feet 2310	From N South		et .	From E/\ East	V Count Eddy	•
Latiti	ide 100337	7			Longitu	.775618				NAD NAE	
									•		
UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E		unty	
UL P	Section 4	· · · · · · · · · · · · · · · · · · ·	Range 30E	Lot	Feet 330	From N/S South	Feet 330	From E East		unty dy	
UL P Latiti	Section 4	Township 26S		Lot	330 Longitu	From N/S South			,Ed	unty dy	
UL P Latiti	Section 4	Township 26S		Lot	330 Longitu	From N/S South			,Ed	unty dy	
UL P Latitu 32.0	Section 4 ude 065681	Township 26S	30E		330 Longitu -103	From N/S South	330		,Ed	unty dy	
UL P Latitu 32.0	Section 4 Jude 065681	Township 26S	30E		330 Longitu -103	From N/S South de 775706	330		,Ed	unty dy	
UL P Latitu 32.0	Section 4 Jude 065681	Township 26S	30E		330 Longitu -103	From N/S South de 775706	330		,Ed	unty dy	
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UL P Latitu 32.0	Section 4 065681 5 well the	Township 26S	30E	e Hori	330 Longitu -103	From N/S South de .775706	330 N	East	NA NA	unty dy D AD83	l for Horizontal
UL P Latitu 32.1 S this s this	Section 4 Jude 065681 Section 4 Jude 16 16 16 16 16 16 16 16 16 16 16 16 16	Township 26S defining v infill well?	30E	e Hori	330 Longitu -103	From N/S South de .775706	330 N	East	NA NA	unty dy D AD83	

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

XTO Energy Inc.
Poker Lake Unit 28 BS 128H
Projected TD: 24805' MD / 11710' TVD
SHL: 2310' FNL & 630' FEL , Section 28, T25S, R31E
BHL: 200' FSL & 330' FEL , Section 4, T26S, R31E
Eddy County, NM

1. Geologic Name of Surface Formation

Quaternary

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

Formation	Well Depth (TVD)	Water/Oil/Gas		
Rustler	949'	Water		
Top of Salt	1312'	Water		
Base of Salt	4048'	Water		
Delaware	4262'	Water		
Bone Spring	8204'	Water/Oil/Gas		
3rd Bone Spring Lime	10284'	Water/Oil/Gas		
Wolfcamp	11572'	Water/Oil/Gas		
Wolfcamp Y	11692'	Water/Oil/Gas		
Target/Land Curve	11710'	Water/Oil/Gas		

*** Hydrocarbons @ Brushy Canyon

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 18-5/8 inch casing @ 1130' (182' above the salt) and circulating cement back to surface. The salt will be isolated by setting 13-3/8 inch casing at 4150' and circulating cement to surface. 9-5/8 inch intermediate casing will be set at 10430' and cemented into the 13-3/8 inch casing shoe. An 8-3/4 inch curve and lateral hole will be drilled to TD, where 5-1/2 inch casing will be set and cemented back up to the 9-5/8 inch casing shoe.

3. Casing Design

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
24"	0' – 1130'	18-5/8"	87.5	STC	J-55	New	1:75	1.59	7.63
17-1/2"	0' – 4150'	13-3/8"	68	STC	J-55	New	1.31	1.49	2.39
12-1/4"	0' – 10430'	9-5/8"	40	LTC	HCL-80	New	1.39	1.58	2.01
8-3/4"	0' - 2,4805'	5-1/2"	20	втс	P-110	New	1.33	1.65	1.93

- XTO requests to not utilize centralizers in the curve and lateral
- · 18-5/8" Collapse analyzed using 75% evacuation. Casing to be filled while running.
- \cdot 13-3/8" & 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
- Test on 2M Annular & Casing will be limited to 70% burst of the casing or 1500 psi, whichver is less

Wellhead:

Temporary Wellhead

18-5/8" SOW bottom x 21-1/4" 2M top flange.

<u>Permanent Wellhead – GE RSH Multibowl System</u>

- A. Starting Head: 13-5/8" 10M top flange x 13-3/8" SOW bottom
- B. Tubing Head: 13-5/8" 10M bottom flange x 7" 15M top flange

Wellhead will be installed by manufacturer's representatives.

Manufacturer will monitor welding process to ensure appropriate temperature of seal.

Operator will test the 9-5/8" casing per BLM Onshore Order 2

Wellhead manufacturer representative will not be present for BOP test plug installation

^{***} Groundwater depth 40' (per NM State Engineers Office).

4. Cement Program

Surface Casing: 18-5/8", 87.5 New J-55, STC casing to be set at +/- 1130'

Lead: 2860 sxs EconoCem-HLTRRC (mixed at 12.9 ppg, 1.87 ft3/sx, 10.13 gal/sx water)

Tail: 300 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

1st Intermediate Casing: 13-3/8", 68 New J-55, STC casing to be set at +/- 4150"

Lead: 2860 sxs EconoCem-HLTRRC (mixed at 12.9 ppg, 1.87 ft3/sx, 10.13 gal/sx water)
Tail: 300 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

2nd Intermediate Casing: 9-5/8", 40 New HCL-80, LTC casing to be set at +/- 10430'

Lead: 1890 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

Production Casing: 5-1/2", 20 New P-110, BTC casing to be set at +/- 24805'

Tail: 2910 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) on surface casing/temp, wellhead will consist of a 21-1/4" minimum 2M Hydril. MASP should not exceed 1288 psi.

Once the permanent WH is installed on the 13-3/8 casing, the blow out preventer equipment (BOP) will consist of a 13-5/8" minimum 5M Hydril and a 13-5/8" minimum 5M 3-Ram BOP. MASP should not exceed 4122 psi. In any instance where 10M BOP is required by BLM, XTO requests a variance to utilize 5M annular with 10M ram preventers (a common BOP configuration, which allows use of 10M rams in unlikely event that pressures exceed 5M). Also a variance is requested to test the 5M annular to 70% of working pressure at 3500 psi.

All BOP testing will be done by an independent service company. When nippling up on the 13-5/8" 5M bradenhead and flange, the BOP test will be limited to 5000 psi. Since a multibowl system will be used, subsequent BOP pressure tests will be performed as necessary based on required testing schedule (i.e., at least every 30 days). 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' - 1130'	24"	FW/Native	8.4-8.8	35-40	NC	
1130' - 4150'	17-1/2"	Brine	9.8-10.2	30-32	NC	
4150' to 10430'	0' to 10430' 12-1/4"		8.7-10.0	30-32	NC	
10430' to 24805' 8-3/4"		FW / Cut Brine / Polymer	10.7 - 11	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 18-5/8" 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 quad combo.

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 155 to 175 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 6698 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.

Schlumberger

XTO Energy PLU 28 BS 128H Rev3 JP 03May19 Proposal Geodetic Report



(Def Plan)

Report Date Client: Field: Structure / Slot

PLU 28 B\$ 128H

Borehole UWI / API#

Version / Patch:

Survey Name: Tort / AHD / DDI / ERD Ratio

Coordinate Reference System Location Lat / Long: Location Grid N/E Y/X: CRS Grid Convergence Angle: Grid Scale Factor: May 03, 2019,- 09:25 AM XTO Energy NM Eddy County (NAD 27) XTO Energy PLU 28 Big Sinks 128H / New Slot PLU 28 BS 128H

Unknown / Unknown XTO Energy PLU 28 BS 128H Rev3 JP 03May19 April 26, 2019

104.282 * / 13683.958 ft / 6.480 / 1.169 NAD27 New Mexico State Plane, Eastern Zone, US Feet N 32° 6' 7.47676", W 103° 46' 33.93584" N 401304.700 ftUS, E 672551.000 ftUS

0.2961 ° 0.99994319 2.10.760.0

Survey / DLS Computation: Vertical Section Azimuth: Vertical Section Origin; TVD Reference Datu TVD Reference Elevation: Seabed / Ground Elevation:

Magnetic Declination: Total Gravity Field Streng Gravity Model: Total Magnetic Field Str Magnetic Dip Angle:

Magnetic Declination Model: North Reference: Grid Convergence Used: Total Corr Mag North->Grid North: Local Coord Referenced To: Minimum Curvature / Lubinski 179.830 ° (Grid North) 0.000 ft, 0.000 ft

3370,000 ft above MSL 3338.000 ft above MSL 6.687

998.4234mgn (9.80665 Based) GARM

47808.144 nT 59.728 ° May 03, 2019 HDGM 2019 Grid North 0.2961 9 6.3913° Well Head

MD Azim Grid TVD VSEC EW DLS Northing Comments Easting | Control | Cont (ftUS) 401304.70 401304.70 (°) 0.00 (ft) 0.00 (ft) 0.00 (ft) 0.00 (ft) 0.00 (°/100ft) N/A Build 1.5° DLS 4100.00 4566.11 6550.96 4100.00 4564.95 6535.05 0.00 0.00 2.84 27.04 0.00 28.27 268.73 0.00 1.50 0.00 1.50 0.00 0.00 95.58 95.58 95.58 95.58 Hold 6.99 401301.94 Drop 1.5° DLS Hold KOP, Build 8° 401278.46 401275.70 -26.24 7017.07 0.00 7000 00 29.88 -29.00 297.00 11010.88 0.00 95.58 10993.81 29.88 -29.00 297.00 0.00 DLS Landing Point PLU 28 BS 401275,70 672847.98 N 32 6 7.17 W 103 46 30,49 12139.61 90.30 179.83 11710.00 749.81 -748.93 299 10 8.00 400555.82 672850,08 N 32 6 0.05 W 103 46 30,50 24805.40 90.30 179.83 11644.00 13415.43 -13414.49 387891.00 672887.00 N 32 3 54.72 W 103 46 30.84 128H - BHL

Survey Type:

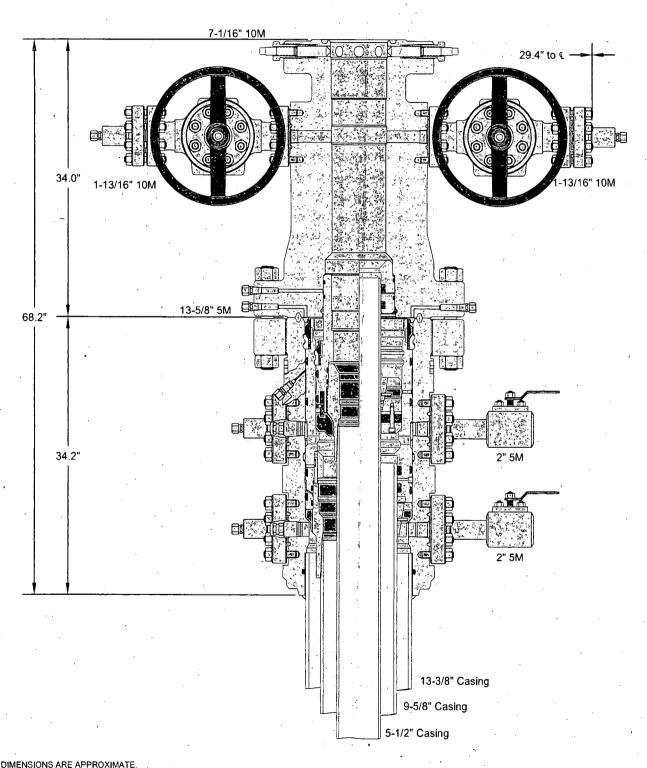
Def Plan

Survey Error Model: Survey Program:

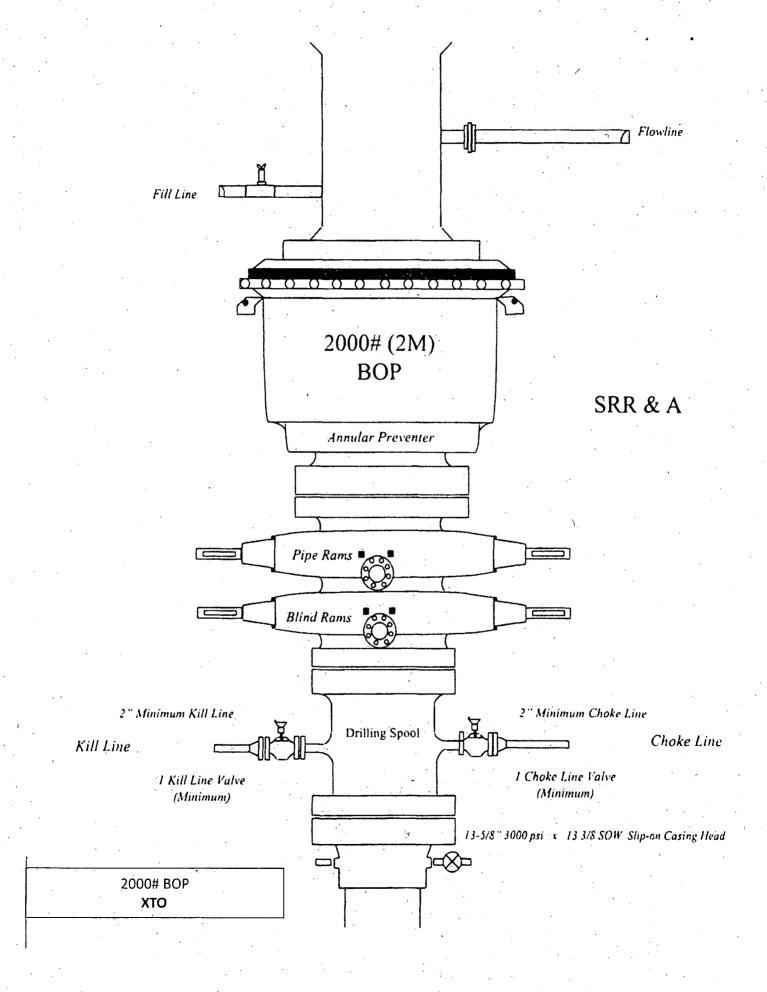
ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma

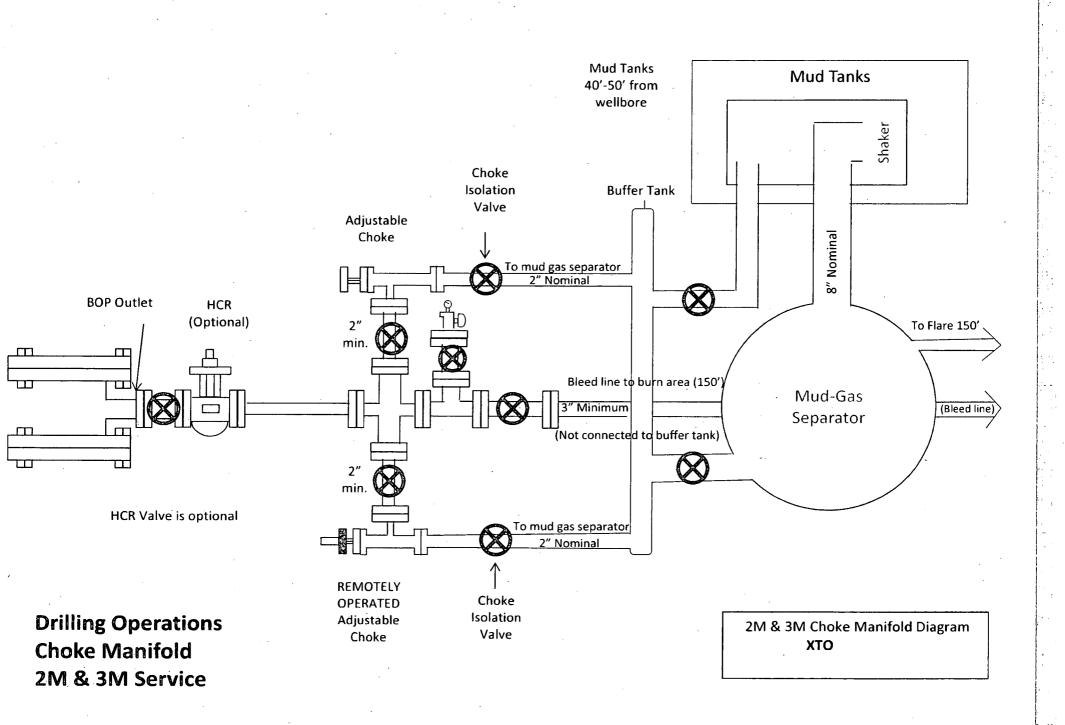
 Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size Casi (in)	ng Diameter (in)	Expected Max Inclination (deg)	Survey Tool Type	Borehole / Survey
	1	0.000	32.000	1/100.000	30.000	30.000		NAL_MWD_1.0_DEG-Depth Only `	PLU 28 BS 128H / XTO Energy PLU 28 BS 128H Rev3 JP
	1	32.000	24805.402	1/100.000	30.000	30.000		NAL_MWD_1.0_DEG	03May19 PLU 28 BS 128H / XTO Energy PLU 28 BS 128H Rev3 JP

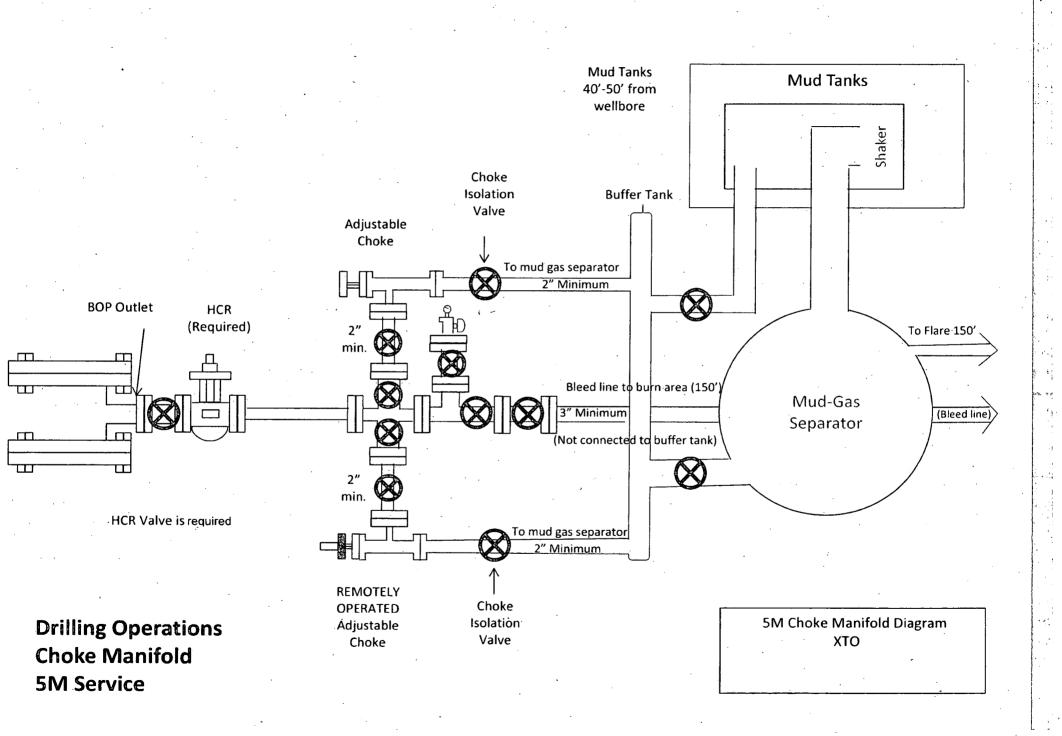


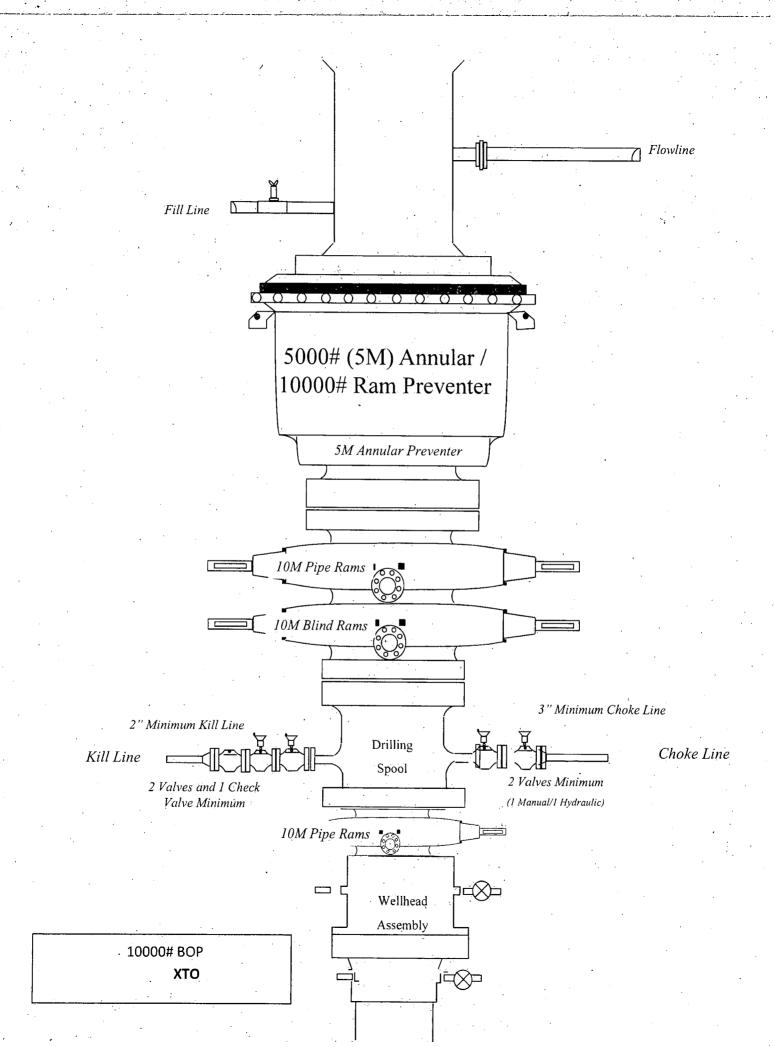


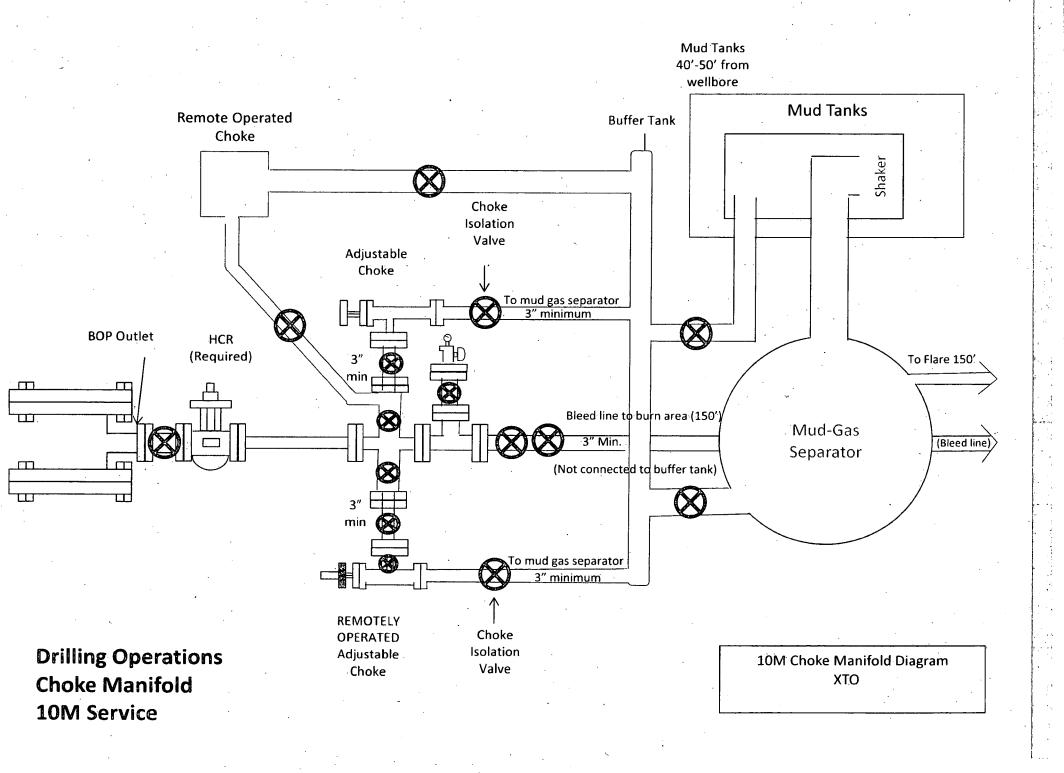
This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing. 13-3/8" x 9-5/8" x 5-1/2" 10M RSH-2 Wellhead Assembly, With T-EBS-F Tubing Head Assembly, With T-EBS-F Tubing Head Assembly and is considered confidential. Unless otherwise approved in writing. XTO ENERGY, INC. DRAWN VJK 16FEB17 APPRV KN 16FEB17 FOR REFERENCE ONLY DRAWING NO. 10012842











10,000 PSI Annular BOP Variance Request

XTO Energy/XTO Permian Op. request a variance to use a 5000 psi annular BOP with a 10,000 psi BOP stack. The component and compatibility tables along with the general well control plans demonstrate how the 5000 psi annular BOP will be protected from pressures that exceed its rated working pressure (RWP). The pressure at which the control of the wellbore is transferred from the annular preventer to another available preventer will not exceed 3500 psi (70% of the RWP of the 5000 psi annular BOPL).

1. Component and Preventer Compatibility Tables

The tables below outline the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

8-1/2" Production Hole Section 10M psi Requirement											
Component	OD	Primary Preventer	RWP	Alternate Preventer(s)	RWP						
Drilipipe	5.000" or	Annular	5M	Upper 3.5"-5.5" VBR	10M						
	4.500"			Lower 3.5"-5.5" VBR	10M						
HWDP	5.000" or	Annular	5M	Upper 3.5"-5.5" VBR	10M						
	4.500"			Lower 3.5"-5.5" VBR	10M						
Jars	6.500"	Annular	5M	-	-						
DCs and MWD tools	6.500"-8.000"	Annular	5M		-						
Mud Motor	6.750"-8.000"	Annular	5M								
Production Casing	5-1/2"	Annular	5M	-	-						
Open-Hole	-	Blind Rams	10M		† -						

9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Tripping

- 1. Sound alarm (alert crew)
- 2. Stab full-opening safety valve & close
- 3. Space out drill string
- 4. Shut-in well (uppermost applicable BOP, typically annular preventer, first. HCR & choke will already be in the closed position.)
- 5. Confirm shut-in
- 6. Notify toolpusher/company representative
- 7. Read and record the following:
 - a. SIDPP & SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or is anticipated during the kill to reach 70% of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Running Production Casing

- 1. Sound alarm (alert crew)
- 2. Stab crossover and full-opening safety valve and close
- 3. Space out string
- 4. Shut-in well (uppermost applicable BOP, typically annular preventer, first. HCR & choke will already be in the closed position.)
- 5. Confirm shut-in
- 6. Notify toolpusher/company representative
- 7. Read and record the following:
 - a. SIDPP & SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure With No Pipe In Hole (Open Hole)

- 1. Sound alarm (alert crew)
- 2. Shut-in with blind rams (HCR & choke will already be in the closed position)
- 3. Confirm shut-in
- 4. Notify toolpusher/company representative
- 5. Read and record the following:
 - a. SICP
 - b. Pit gain
 - c. Time
- 6. Regroup and identify forward plan

General Procedures While Pulling BHA Through Stack

- 1. PRIOR to pulling last joint of drillpipe through stack:
 - a. Perform flow check. If flowing, continue to (b).
 - b. Sound alarm (alert crew)
 - c. Stab full-opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper variable bore rams
 - e. Shut-in using upper variable bore rams (HCR & choke will already be in the closed position)
 - f. Confirm shut-in
 - g. Notify toolpusher/company representative
 - h. Read and record the following:
 - i. SIDPP & SICP
 - ii. Pit gain
 - iii. Time
 - i. Regroup and identify forward plan
- 2. With BHA in the stack and compatible ram preventer and pipe combination immediately available:
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full-opening safety valve and close
 - c. Space out drill string with upset just beneath the upper variable bore rams
 - d. Shut-in using upper variable bore rams (HCR & choke will already be in the closed position)
 - e. Confirm shut-in
 - f. Notify toolpusher/company representative
 - g. Read and record the following:
 - i. SIDPP & SICP

- ii. Pit gain
- iii. Time
- h. Regroup and identify forward plan
- 3. With BHA in the stack and NO compatible ram preventer and pipe combination immediately available:
 - a. Sound alarm (alert crew)
 - b. If possible, pull string clear of the stack and follow "Open Hole" procedure.
 - c. If impossible to pull string clear of the stack:
 - d. Stab crossover, make up one joint/stand of drillpipe and full-opening safety valve and close
 - e. Space out drill string with tooljoint just beneath the upper variable bore ram
 - f. Shut-in using upper variable bore ram (HCR & choke will already be in the closed position)
 - g. Confirm shut-in
 - h. Notify toolpusher/company representative
 - i. Read and record the following:
 - i. SIDPP & SICP
 - ii. Pit gain
 - iii. Time
 - j. Regroup and identify forward plan



GATES E & S NORTH AMERICA, INC.

DU-TEX

134 44TH STREET

CORPUS CHRISTI, TEXAS 78405

PHONE: 361-887-9807

FAX: 361-887-0812

EMAIL: crpe&s@gates.com

WEB: www.gates.com

GRADE D PRESSURE TEST CERTIFICATE

Customer :

Customer Ref. :

Invoice No. :

AUSTIN DISTRIBUTING

PÉNDING

201709

Test Date:

Hose Serial No.:

Created By:

6/8/2014

D-06081-1-1

NORMA

Product Description:

FD3.042.0R41/16.5KFLGE/E LE

End Fitting 1:

Gales Part No. :

Werking Pressure :

4 1/16 m.5K FLG

4774-6001

5,000 PS!

End Filling 2:

Assembly Code:

Test Pressure:

4 1/16 in.5K FLG

L33090011513D-060814-1

7,500 PSI

Gates E & S North America, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the 15 minute hydrostatic test per API Spec 7K/Q1, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 7,500 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.5 times the working pressure per Table 9.

Quality:

Calc.:

Signature:

QUALITY

6/8/20147

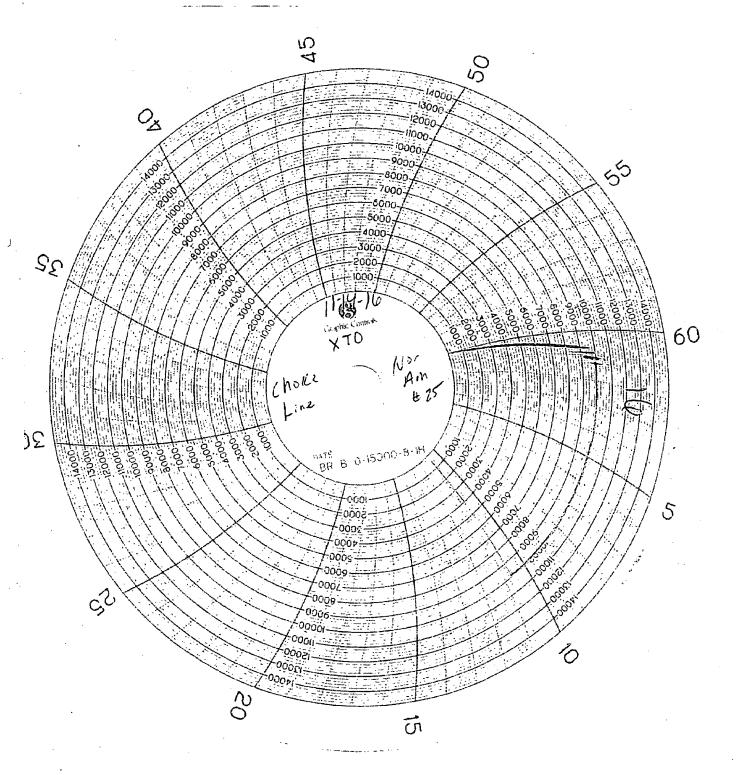
Technical Supervisor:

Date:

Signature:

PRODUCTION

Form PTC - 01 Rev.0 2



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | XTO Permian Operating, LLC

LEASE NO.: | NMLC-063136A

WELL NAME & NO.: Poker Lake Unit 28 BS 128H SURFACE HOLE FOOTAGE: 2310' FNL & 0630' FEL

BOTTOM HOLE FOOTAGE | 0200' FSL & 0330' FEL Sec. 04, T. 26 S., R 31 E.

LOCATION: Section 28, T. 25 S., R 31 E., NMPM

COUNTY: Eddy County, New Mexico

The original COAs still stand with the following drilling modifications:

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

Unit Wells

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the Delaware formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.

- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst
Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Red beds, Rustler, and Delaware.
Abnormal pressures may be encountered upon penetrating the 3rd Bone Spring Sandstone and all subsequent formations.

- 1. The 18-5/8 inch surface casing shall be set at approximately 1130 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

13-3/8" 1st Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

- 2. The minimum required fill of cement behind the 13-3/8 inch 1st intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.

If cement does not circulate to surface on the 13-3/8" 1st intermediate casing, the cement on the 9-5/8" 2nd casing must come to surface.

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.
- 4. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 13-3/8 1st intermediate casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8 1st intermediate casing shoe shall be 5000 (5M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Operator shall perform the 9-5/8" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.)

5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup or J-packer**.

- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

· E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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