

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.*REC'D/MIDLAND
RECEIVED
MAR 04 2020

SUBMIT IN TRIPLICATE - Other instructions on page 2

EMNRD-OCD ARTESIA

| | | |
|---|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM99147 |
| 2. Name of Operator XTO ENERGY INCORPORATED Contact: KELLY KARDOS E-Mail: kelly_kardos@xtoenergy.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 6401 HOLIDAY HILL ROAD BLDG 5 MIDLAND, TX 79707 | 3b. Phone No. (include area code) Ph: 432-620-4374 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T25S R29E NWSE 2513FSL 2123FEL 32.144310 N Lat, 104.004913 W Lon | | 8. Well Name and No. CORRAL CANYON 8-32 FEDERAL 105H |
| | | 9. API Well No. 30-015-46489-00-X1 |
| | | 10. Field and Pool or Exploratory Area PURPLE SAGE-WOLFCAMP (GAS) |
| | | 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 recomple 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 recompletion 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.

XTO Energy Inc. requests permission to change the casing & cement design per the attached drilling program.

XTO requests to not utilize centralizers in the curve and lateral.

XTO requests a variance to be able to batch drill this well if necessary. In doing so, XTO will ensure that 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 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.

Carlsbad Field Office
Operator Copy

Same COAs still apply, including pressure control

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

Electronic Submission #501932 verified by the BLM Well Information System

For XTO ENERGY INCORPORATED, sent to the Carlsbad

Committed to AFMS for processing by PRISCILLA PEREZ on 02/04/2020 (20PP1088SE)

Name (Printed/Typed) KELLY KARDOS

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 02/04/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ALLISON MORENCY

Title PETROLEUM ENGINEER

Date 02/20/2020

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
RWP 3-18-20

Revisions to Operator-Submitted EC Data for Sundry Notice #501932

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|--|--|
| Sundry Type: | APDCH NOI | APDCH NOI |
| Lease: | NMNM99147 | NMNM99147 |
| Agreement: | | |
| Operator: | XTO ENERGY INC. 6401 HOLIDAY HILL RD BLDG 5 MIDLAND, TX 79707 Ph: 432-620-4374 | XTO ENERGY INCORPORATED 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: | NM | NM |
| County: | EDDY | EDDY |
| Field/Pool: | PURPLE SAGE; WOLFCAMP | PURPLE SAGE-WOLFCAMP (GAS) |
| Well/Facility: | CORRAL CANYON 8-32 FEDERAL 105H Sec 8 T25S R29E Mer NMP NWSE 2513FSL 2123FEL | CORRAL CANYON 8-32 FEDERAL 105H Sec 8 T25S R29E NWSE 2513FSL 2123FEL 32.144310 N Lat, 104.004913 W Lon |

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

XTO Energy Inc.
Corral Canyon 8-32 FED 105H
Projected TD: 20305' MD / 9936' TVD
SHL: 2513' FSL & 2123' FEL , Section 8, T25S, R29E
BHL: 2440' FSL & 2010' FEL , Section 32, T24S, R29E
Eddy County, NM

1. Geologic Name of Surface Formation

A. Permian

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

| Formation | Well Depth (TVD) | Water/Oil/Gas |
|--------------------|------------------|---------------|
| Rustler | 279' | Water |
| Top of Salt | 680' | Water |
| Base of Salt | 2680' | Water |
| Delaware | 2878' | Water |
| Bone Spring | 6616' | Water/Oil/Gas |
| 1st Bone Spring Ss | 7555' | Water/Oil/Gas |
| 2nd Bone Spring Ss | 8381' | Water/Oil/Gas |
| 3rd Bone Spring Ss | 9443' | Water/Oil/Gas |
| Wolfcamp | 9814' | Water/Oil/Gas |
| Wolfcamp A | 9950' | Water/Oil/Gas |
| Target/Land Curve | 9936' | Water/Oil/Gas |

not in geo-prog

*** 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 16 inch casing @ ' (680' above the salt) and circulating cement back to surface. The salt will be isolated by setting 11-3/4 inch casing at 580' and circulating cement to surface. A 10-5/8 inch vertical hole will be drilled to 9460' and 8-5/8 inch casing ran and cemented 500' into the 11-3/4 inch casing. An 7-7/8 inch curve and lateral hole will be drilled to MD/TD and 5-1/2 casing will be set at TD and cemented back 300' into the 8-5/8 inch casing shoe.

3. Casing Design

| Hole Size | Depth | OD Csg | Weight | Collar | Grade | New/Used | SF Burst | SF Collapse | SF Tension |
|-----------|-------------|---------|--------|--------|--------|----------|----------|-------------|------------|
| 14-3/4" | 0' – 580' | 11-3/4" | 47 | BTC | J-55 | New | 1.31 | 5.01 | 17.50 |
| 10-5/8" | 0' – 9460' | 8-5/8" | 32 | BTC | HCL-80 | New | 1.39 | 1.60 | 2.42 |
| 7-7/8" | 0' – 20305' | 5-1/2" | 20 | BTC | P-110 | New | 1.18 | 1.79 | 2.42 |

XTO requests to not utilize centralizers in the curve and lateral

8-5/8" 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 Casing will be limited to 70% burst of the casing or 1500 psi, whichever is less

WELLHEAD:

Permanent Wellhead – GE RSH Multibowl System

A. Starting Head (RSH System): 11-3/4" SOW bottom x 13-5/8" 5M top flange

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.
- Operator will test the 8-5/8" casing per Onshore Order 2.
- Wellhead manufacturer representative may not be present for BOP test plug installation

XTO requests a variance to be able to 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.

6. Proposed Mud Circulation System

| INTERVAL | Hole Size | Mud Type | MW (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|-----------------|-----------|--------------------------------|-----------|--------------------|-----------------|
| 0' to 580' | 14-3/4" | FW / Native | 8.4-8.8 | 30-40 | NC |
| 580' to 9460' | 10-5/8" | BW/FWM/Direct Emulsion | 8.7-9.8 | 29-32 | NC - 20 |
| 9460' to 20305' | 7-7/8" | FW / Cut Brine / Polymer / OBM | 11.5-12.5 | 32-50 | 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 and set 11 3/4" surface casing, isolating the fresh water aquifer. Drill out from under 11-3/4" surface casing with a brine/oil direct emulsion water-based mud. 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 11-3/4" casing.

8. Logging, Coring and Testing Program

Mud Logger: Mud Logging Unit (2 man) below 1st intermediate casing.

Open hole logging will not be done on this well.

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 140 to 160 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 6200 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.