REC'D NMOCD
11/20/2020

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
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. 30-015-47448

5. Indicate Type of Lease STATE ☐ 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: Poker Lake Unit 21 Lincoln Fee SWD

1. Type of Well: Oil Well ☐ Gas Well ☑ Other

8. Well Number 001

2. Name of Operator: XTO Permian Operating, LLC.

9. OGRID Number: 373075

3. Address of Operator: 6401 Holiday Hill Road, Bldg 5 Midland, Texas 79707

10. Pool name or Wildcat: SWD; Devonian

4. Well Location
Unit Letter O : 370 feet from the South line and 1355 feet from the East line
Section 21 Township 25S Range 30E 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	☐	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.

In compliance with Order SWD-2385, XTO ran the required CBL on the 7" liner after performing a standard cement operation with 244bbls 35/65 Poz H cement where no returns were found at the top of the liner. During the last 50bbls of displacement, flow from the well increased indicating a potential influx. Due to the influx, XTO decided to set the liner top packer in order to safely secure the well but hindered the ability to perform a remedial top-side squeeze job. Upon running the CBL, the TOC was discovered to be at 11,430' or ~159' below the 9-5/8" casing shoe (609' below the liner top packer). A copy of the CBL is attached. XTO pressure tested the liner hanger and casing to 2750psi for 30 minutes, obtaining a successful test. Currently, there are no determinable impacts to the liner integrity found during the pressure test on the liner and the liner hanger as well as no flow or communication detected at surface. The cement on the 9-5/8" casing string was circulated with 769bbls/1300sx returned to surface. At this time, XTO would like to request continued approval of the disposal permit without immediate remediation of the 7" liner cement.

Upon notification to NMOCD, NMOCD requests the following mitigations to which XTO will comply for approval to drill ahead and compliance with Order SWD-2385:
1. MIT to be conducted annually;
2. Monitor pressure on the annulus for the life of the well and maintain records of these measurements. Provide a summary of the pressures to OCD every six months, beginning with the first month of disposal. This summary is be submitted attached to a Form C-103.
3. Report immediately to the OCD (by verbal notice and e-mail) any pressure changes that would indicate issues with the mechanical integrity of the well.
4. With notice of the pressure issue, the operator will investigate and provide a plan for corrective action to the OCD for approval.

A copy of the email communication with NMOCD is attached.

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 Supervisor DATE 11/20/2020

Type or print name Stephanie Rabadue E-mail address: stephanie_rabadue@xtoener PHONE: 432-620-6714

For State Use Only

APPROVED BY: TITLE Staff Manager DATE 12/9/2020

Conditions of Approval (if any):

Rabadue, Stephanie

From: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Sent: Wednesday, November 18, 2020 10:01 AM
To: Rabadue, Stephanie
Cc: Cordero, Gilbert, EMNRD; Lamkin, Baylen, EMNRD; Bratcher, Mike, EMNRD; Powell, Brandon, EMNRD; Hall, James
Subject: RE: ASAP Request: Poker Lake Unit 21 Lincoln Fee SWD #1 [API: 30-015-47448, Order: SWD-2385]

Categories: External Sender

Stephanie:

Good morning and thank you for notifying OCD on the results of the liner CBL. We understand the cost and the schedule problems associated with a rig on standby especially in the middle of a pandemic. District and the UIC have reviewed the recommendations and have come to the following requirements:

1. Continue with the drilling of the well but notify Gilbert Cordero when drilling has started again. It is agreed that remedial cementing on the liner would not be beneficial at this point.

2. Conduct a second CBL log of the liner prior to the installation of the tubing and packer system. Please utilize a CBL that provides a higher quality of assessment such as ultrasonic tool with 360 degree radial coverage. This can be provided when completed.

3. Please submit a C-103 (Subsequent) sundry that includes the following items:

   A brief summary of the liner cementing along with the results of the CBL.
   A statement detailing the following requirements that OCD :

   a. MIT to be conducted annually;
   b. Monitor pressure on the annulus for the life of the well and maintain records of these measurements. Provide a summary of the pressures to OCD every six months, beginning with the first month of disposal. This summary is be submitted attached to a Form C-103.
   c. Report immediately to the OCD (by verbal notice and e-mail) any pressure changes that would indicate issues with the mechanical integrity of the well.
   d. With notice of the pressure issue, the operator will investigate and provide a plan for corrective action to the OCD for approval.

You may include this e-mail chain as part of your submittal. Please contact me with any questions regarding this e-mail or the proposed requirements. Stay safe. PRG

From: Rabadue, Stephanie <Stephanie_Rabadue@xtoenergy.com>
Sent: Wednesday, November 18, 2020 8:03 AM
To: Cordero, Gilbert, EMNRD <Gilbert.Cordero@state.nm.us>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Lamkin, Baylen, EMNRD <Baylen.Lamkin@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Subject: [EXT] RE: ASAP Request: Poker Lake Unit 21 Lincoln Fee SWD #1 [API: 30-015-47448, Order: SWD-2385]

Good morning, Phillip and Baylen!

I hate to be a bother but our rig is currently sitting idle waiting on a determination. Any information or assistance you can provide is appreciated so we can get them off of standby and back to work.

If you need additional information, please don't hesitate to let me know!

Thank you and take care!

Stephanie Rabadue
ExxonMobil Unconventionals, XTO Energy
Permian Business Unit, Supervisor New Mexico Regulatory
Phone: 432-620-6714
stephanie_rabadue@xtoenergy.com

From: Rabadue, Stephanie
Sent: Tuesday, November 17, 2020 2:19 PM
To: 'Cordero, Gilbert, EMNRD' <Gilbert.Cordero@state.nm.us>; 'Bratcher, Mike, EMNRD' <mike.bratcher@state.nm.us>; 'Lamkin, Baylen, EMNRD' <Baylen.Lamkin@state.nm.us>; 'phillip.goetze@state.nm.us' <phillip.goetze@state.nm.us>
Cc: Hall, James <James_Hall@xtoenergy.com>
Subject: ASAP Request: Poker Lake Unit 21 Lincoln Fee SWD #1 [API: 30-015-47448, Order: SWD-2385]

Good afternoon, Phillip and Baylen!

In compliance with Order SWD-2385, XTO ran the required CBL on the 7" liner after performing a standard cement operation with 244bbls 35/65 Poz H cement where no returns were found at the top of the liner. During the last 50bbls of displacement, flow from the well increased indicating a potential influx. Due to the influx, XTO decided to set the liner top packer in order to safely secure the well but hindered the ability to perform a remedial top-side squeeze job. Upon running the CBL, the TOC was discovered to be at 11,430' or ~159' below the 9-5/8" casing shoe (609' below the liner top packer). A copy of the CBL is attached.

XTO pressure tested the liner hanger and casing to 2750psi for 30 minutes, obtaining a successful test. Currently, there are no determinable impacts to the liner integrity found during the pressure test on the liner and the liner hanger as well as no flow or communication detected at surface. The cement on the 9-5/8" casing string was circulated with 769bbls/1300sx returned to surface. At this time, XTO would like to request continued approval of the disposal permit without immediate remediation of the 7" liner cement.

In lieu of remediation, XTO would request to perform the following mitigations:

1. MIT conducted annually instead of every 5-Years
2. Monitor pressure on the annulus for the life of the well. Report any pressure changes to the NMOCD and remediate in a timely manner
3. Report pressures to NMOCD every 6-months, beginning with the first month of disposal

Drilling has not ensued beyond the liner at this time. Request for permission to drill ahead with the mitigations above is additionally requested. The rig is sitting idle on stand-by awaiting guidance from NMOCD.

If you need additional information, please don't hesitate to let me know! I'm happy to help in any way I can!

Thank you, take care, and happy Tuesday!

Stephanie Rabadue
ExxonMobil Unconventionals, XTO Energy
Permian Business Unit, Supervisor New Mexico Regulatory
6401 Holiday Hill Road, Bldg 5
Midland, TX 79707
Phone: 432-620-6714
stephanie_rabadue@xtoenergy.com

PLU Lincoln 21 Fee SWD #1

Devonian SWD

County: Eddy
SHL: 370' FSL, 1355' FEL
Sec 21, T 25S, R 30E

BHL: 370' FSL, 1355' FEL
Sec 21, T 25S, R 30E
AREA: State, Water Basin

AFE # 1905388
XTO ID # 1986791001

API # 3001547448
Elevation GL 3253', KB 3286' (33' AGL)
Rig: Nabors X34 (RKB 33')

Geology		Casing & Cement	Wellhead	Hole Size	General Notes
TVD	*Formation*		(Tech Data Sheet)		
				24"	
1,071'	Rustler				
		18-5/8" 87.5# J-55 BTC	**1105' MD**		
1,622'	Top Salt			17-1/2"	
3,635'	Base Salt				
		13-3/8" 68# HCL-80 BTC	**3764' MD**		
				12-1/4"	
3,826'	Delaware		Composite DV Tool **3858' MD**		
6,313'	Brushy Canyon				
7,495'	Lower Brushy Canyon				
7,600'	Bone Spring				
8,560'	1st BS Ss				
			10807' MD		
9,395'	2nd BS Ss				
10,534'	3rd BS Ss				
10,922'	Wolfcamp				
		9-5/8" 53.5# HCP-110 BTC	**11271' MD**		
				8-1/2"	
12,864'	Cisco				
13,376'	Strawn	67bbls of 14.4ppg Lead			
13,570'	Atoka	177bbls of 14.4ppg Tail			
14,268'	Morrow				
15,641'	Barnett				
15,958'	Mississippian Lm				
16,300'	Woodford				
16,427'	Devonian				
		7" 32# P-110 GB CD	**16460' MD**		
17,136'	Fusselman				
				6"	
17,486'	TVD at BHL	**Open hole completion**			
			17,486' MD		
17,506'	Montoya Lm		**17,486' TVD**		