

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM OIL CONSERVATION
ARTESIA DISTRICT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM19246

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
891014168X

8. Well Name and No.
NASH UNIT 44H

9. API Well No.
30-015-42195-00-X1

10. Field and Pool, or Exploratory
NASH DRAW

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO ENERGY INCORPORATED
Contact: STEPHANIE RABADUE
E-Mail: stephanie_rabadue@xtoenergy.com

3a. Address
200 LORAIN SUITE 800
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 432-620-6714

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T23S R30E Lot 1 0500FNL 330FWL

12. CHECK 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"/> Fracture Treat	<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 APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1) Change of drilling plans due to change in completion technique. The 4-1/2" liner completion equipment will change from swell packers to sliding sleeves and the liner will be cemented in place. Liner top to be set at +/- 6670' MD. (SF Burst = 1.43, SF Collapse = 2.67, SF Tension = 2.93)

- Cement: 825 sx Versacem + 0.5% LAP-2 + 0.2% HR-601 + 0.25 pps D-air 5000 mixed at 13.2 ppg, 1.59 cu ft/sx, 8.29 gal wtr/sx. Compressive strengths ? 24 hr 2285 psi; 48 hr 2400 psi. Top of cement is at the liner top, 30% excess.

2) XTO Energy requests a change to the planned BOP equipment used on this well. The original drilling plan submitted with the APD specified a 5,000psi working pressure BOP system. We request to change this to a planned 3,000psi BOP system. Maximum anticipated BHP should not exceed 3260

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 19 2014

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SEE ATTACHED FOR
CONDITIONS OF APPROVAL
Accepted for rec
NMOC

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

Electronic Submission #250889 verified by the BLM Well Information System
For XTO ENERGY INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by ED FERNANDEZ on 08/12/2014 (14EF0088SE)

Name (Printed/Typed) WESTON TURNER Title DRILLING ENGINEER

Signature (Electronic Submission) Date 06/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ Title PETROLEUM ENGINEER

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

APPROVED
AUG 13 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

** BLM REVISED **

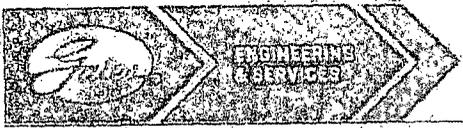
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Additional data for EC transaction #250889 that would not fit on the form

32. Additional remarks, continued

psi.

3)XTO Energy requests a variance from the requirements to use straight hard line as the choke line and instead use a flex hose. Pioneer 33 is outfitted with a Gates E&S flex hose rated to 5,000 psi working pressure (serial# D-060814-1). See attached for test certificate and copy of the pressure test chart.



GATES E & S NORTH AMERICA, INC
 DU-TEX
 134 44TH STREET
 CORPUS CHRISTI, TEXAS 78405

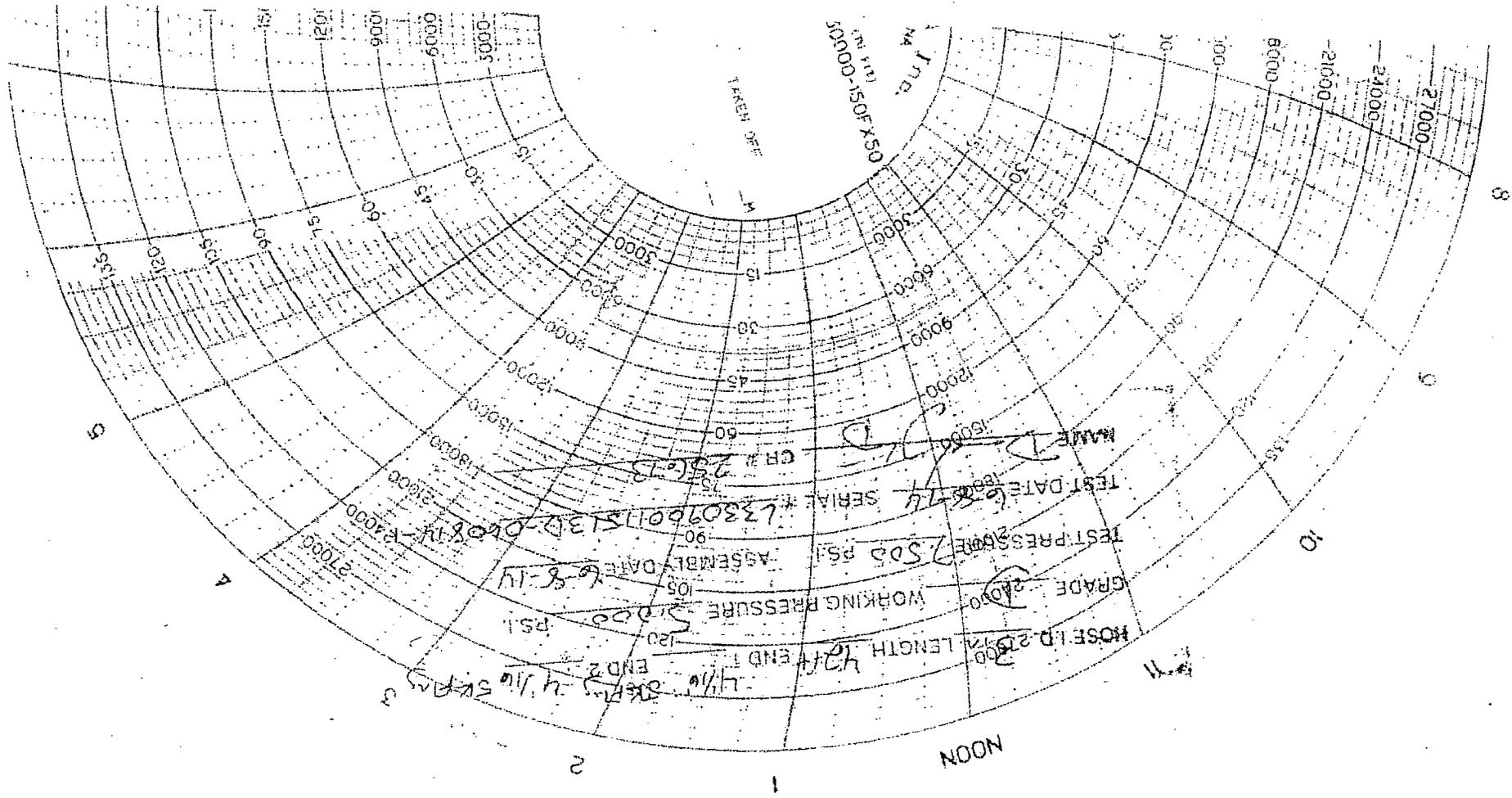
PHONE: 361-887-9807
 FAX: 361-887-0812
 EMAIL: crpe&s@gates.com
 WEB: www.gates.com

GRADE D PRESSURE TEST CERTIFICATE

Customer :	AUSTIN DISTRIBUTING	Test Date:	6/8/2014
Customer Ref. :	PENDING	Hose Serial No.:	D-060814-1
Invoice No. :	201709	Created By:	NORMA
Product Description:	FD3.042.0R41/16.5KFLGE/E LE		
End Fitting 1 :	4 1/16 in. 5K FLG	End Fitting 2 :	4 1/16 in. 5K FLG
Gates Part No. :	4274-600J	Assembly Code :	L33090011513D-060814-1
Working Pressure :	5,000 PSI	Test Pressure :	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:	QUALITY	Technical Supervisor :	PRODUCTION
Date :	6/8/2014	Date :	6/8/2014
Signature :	<i>[Signature]</i>	Signature :	<i>[Signature]</i>



IN. I.D. 1 1/2" X 50 FT. 0005

MA 1 In.

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HOSE I.D. 2 1/2" LENGTH 147' END 1
GRADE 200' PS.I.
TEST PRESSURE 2500 PS.I.
TEST DATE 6-8-74 SERIAL # 633090015137
ASSEMBLY DATE 6-8-74
CR # 2563
NAME D. J. D.

1 1/2" EX. H. 1/16" SW. 3

WORKING PRESSURE 2000 PS.I.
3000
2700
2400
2100
1800
1500
1200
900
600
300
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CONDITIONS OF APPROVAL

Sundry dated 6/25/2014

OPERATOR'S NAME:	XTO Energy, Inc.
LEASE NO.:	NMNM-19246
WELL NAME & NO.:	Nash Unit 44H 3001542195
SURFACE HOLE FOOTAGE:	0550' FNL & 1200' FWL
BOTTOM HOLE FOOTAGE:	0330' FNL & 0600' FWL Sec. 06, T. 23 S., R 30 E.
LOCATION:	Section 18, T. 23 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

Original COA still stand with the following drilling modifications:

1. The 13-3/8 inch surface casing shall be set at approximately 175 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**
 - 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.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing, which shall be set at approximately 3200 feet, 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 and potash.**

Centralizers required through the curve and a minimum of one every other joint.

3. The minimum required fill of cement behind the 7 inch production casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**

Operator must run a CBL from TD of the 7" casing to surface. Submit results to the BLM.

4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back to the top of the liner. Operator shall provide method of verification.
5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
6. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

A. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi.**
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water-basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - 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.
 - 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.

B. DRILL STEM TEST

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

C. 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.

EGF 081214