

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NMOCD**  
**Artesia**

FORM 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.*

5. Lease Serial No.  
NMNM030453

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM71016X

8. Well Name and No.  
POKER LAKE UNIT 13 DTD 104H

9. API Well No.  
30-015-45838

10. Field and Pool or Exploratory Area  
PURPLE SAGE; WOLFCAMP

11. County or Parish, State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
XTO PERMIAN OPERATING LLC  
Contact: KELLY KARDOS  
E-Mail: kelly\_kardos@xtoenergy.com

3a. Address  
6401 HOLIDAY HILL RD BLDG 5  
MIDLAND, TX 79707

3b. Phone No. (include area code)  
Ph: 432-620-4374

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 24 T24S R30E Mer NMP NENW 619FNL 2275FWL

**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 Change to Original A. PD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 Permian Operating, LLC requests permission to change the drilling program per the attached procedure....

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 23 2019

RECEIVED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

*Must use IOM system see COAs*

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

Electronic Submission #480555 verified by the BLM Well Information System  
For XTO PERMIAN OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by JENNIFER SANCHEZ on 08/27/2019 ()

Name (Printed/Typed) KELLY KARDOS Title REGULATORY COORDINATOR

Signature (Electronic Submission) Date 08/27/2019

APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By AUG 27 2019 Title Date

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 were the basis of the application thereon.

Title 18 U.S.C. ~~ROSWELL FIELD OFFICE~~ 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)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

*RK 10-29-19*

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

XTO Energy Inc.  
PLU 13 Dog Town Draw 104H  
Projected TD: 21904' MD / 11787' TVD  
SHL: 619' FNL & 2275' FWL , Section 24, T24S, R30E  
BHL: 200' FSL & 2475' FWL , Section 25, T24S, R30E  
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	527'	Water
Top of Salt	899'	Water
Base of Salt	3997'	Water
Delaware	4162'	Water
Bone Spring	7992'	Water/Oil/Gas
1st Bone Spring Ss	8967'	Water/Oil/Gas
2nd Bone Spring Ss	9807'	Water/Oil/Gas
3rd Bone Spring Ss	10957'	Water/Oil/Gas
Wolfcamp Shale	11357'	Water/Oil/Gas
Target/Land Curve	11787'	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 18-5/8 inch casing @ 700' (199' above the salt) and circulating cement back to surface. The salt will be isolated by setting 13-3/8 inch casing at 4072' and circulating cement to surface. A 12-1/4 inch vertical hole will be drilled to 10252' and 9-5/8 inch casing ran and cemented 200' into the 13-3/8 inch casing. An 8-3/4 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 9-5/8 inch casing shoe.

**3. Casing Design**

*See COAS*

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
24"	0' - 700'	18-5/8"	87.5	BTC	J-55	New	1.84	1.99	22.32
17-1/2"	0' - 4072'	13-3/8"	68	BTC	HCL-80	New	1.97	2.17	5.58
12-1/4"	0' - 10252'	9-5/8"	40	BTC	HCL-80	New	1.13	1.50	2.23
8-3/4-8-1/2"	0' - 21904'	5-1/2"	20	BTC	P-110	New	1.18	1.51	2.06

XTO requests to utilize centralizers after KOP and only a minimum of one every other joint.

13-3/8" Collapse analyzed using 50% evacuation based on regional experience.

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, Choke & Casing will be limited to 70% burst of the casing or 1500 psi, whichever is less

**WELLHEAD:**

Temporary Wellhead

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

Permanent Wellhead - GE RSH Multibowl System

A. Starting Head (RSH System): 13-3/8" 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 9-5/8" casing per Onshore Order 2.
- Wellhead manufacturer representative may not be present for BOP test plug installation.

#### 4. Cement Program

Surface Casing: 18-5/8", 87.5 New J-55, BTC casing to be set at +/- 700'

Lead: 530 sxs EconoCem-HLTRRC (mixed at 12.8 ppg, 1.87 ft3/sx, 10.13 gal/sx water)  
Tail: 550 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

Top of Cement: Surface

1st Intermediate Casing: 13-3/8", 68 New HCL-80, BTC casing to be set at +/- 4072'

Lead: 2400 sxs Halcem-C + 2% CaCl (mixed at 12.8 ppg, 1.88 ft3/sx, 9.61 gal/sx water)

Tail: 830 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

Top of Cement: Surface

2nd Intermediate Casing (Stage 2): 9-5/8", 40 New HCL-80, BTC casing to be set at +/- 10252'

ECP/DV Tool to be set at 4122'

1st Stage

Lead: 1100 sxs Halcem-C + 2% CaCl (mixed at 12.8 ppg, 1.87 ft3/sx, 9.61 gal/sx water)

Tail: 380 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 Stage

Lead: 1700 sxs Halcem-C + 2% CaCl (mixed at 12.8 ppg, 1.88 ft3/sx, 9.61 gal/sx water)

Tail: 470 sxs Halcem-C + 2% CaCl (mixed at 14.8 ppg, 1.33 ft3/sx, 6.39 gal/sx water)  
Compressives:

Top of Cement: 200' inside previous casing shoe

Production Casing: 5-1/2", 20 New P-110, BTC casing to be set at +/- 21904'

Lead: 120 sxs Halcem-C + 2% CaCl (mixed at 11.5 ppg, 1.88 ft3/sx, 9.61 gal/sx water)

Tail: 2540 sxs VersaCem (mixed at 13.2 ppg, 1.33 ft3/sx, 8.38 gal/sx water)  
Compressives: 12-hr = 1375 psi 24 hr = 2285 psi

Top of Cement: 300' inside previous casing shoe

#### 5. Pressure Control Equipment

The blow out preventer equipment (BOP) on surface casing temporary wellhead will consist of a 21-1/4" minimum 2M Hydril. MASP should not exceed 1222 psi.

Once the permanent wellhead is installed 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 4762 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 nipping up on the 13-5/8" 5M bradenhead and flange, the BOP test will be limited to 5000 psi. When the 13-3/8" and 9-5/8" casing is set, the packoff seals 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

10m system  
needed to string to  
10 m rating  
see COA's

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 700'	24"	FW/Native	8.4-8.8	35-40	NC
700' to 4072'	17-1/2"	Brine/Gel Sweeps	9.8-10.2	30-32	NC
4072' to 10252'	12-1/4"	FW / Cut Brine	8.8-9.2	29-32	NC - 20
10252' to 21904'	8-3/4-8-1/2"	FW / Cut Brine / Polymer/ OBM	11.7-12.5	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. Drill out from under 16" surface casing with brine solution. A 9.8ppg-10.2 ppg 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 1st intermediate casing.

Open hole logging will not be done on this well.

## 9. Abnormal Pressures and Temperatures / Potential Hazards

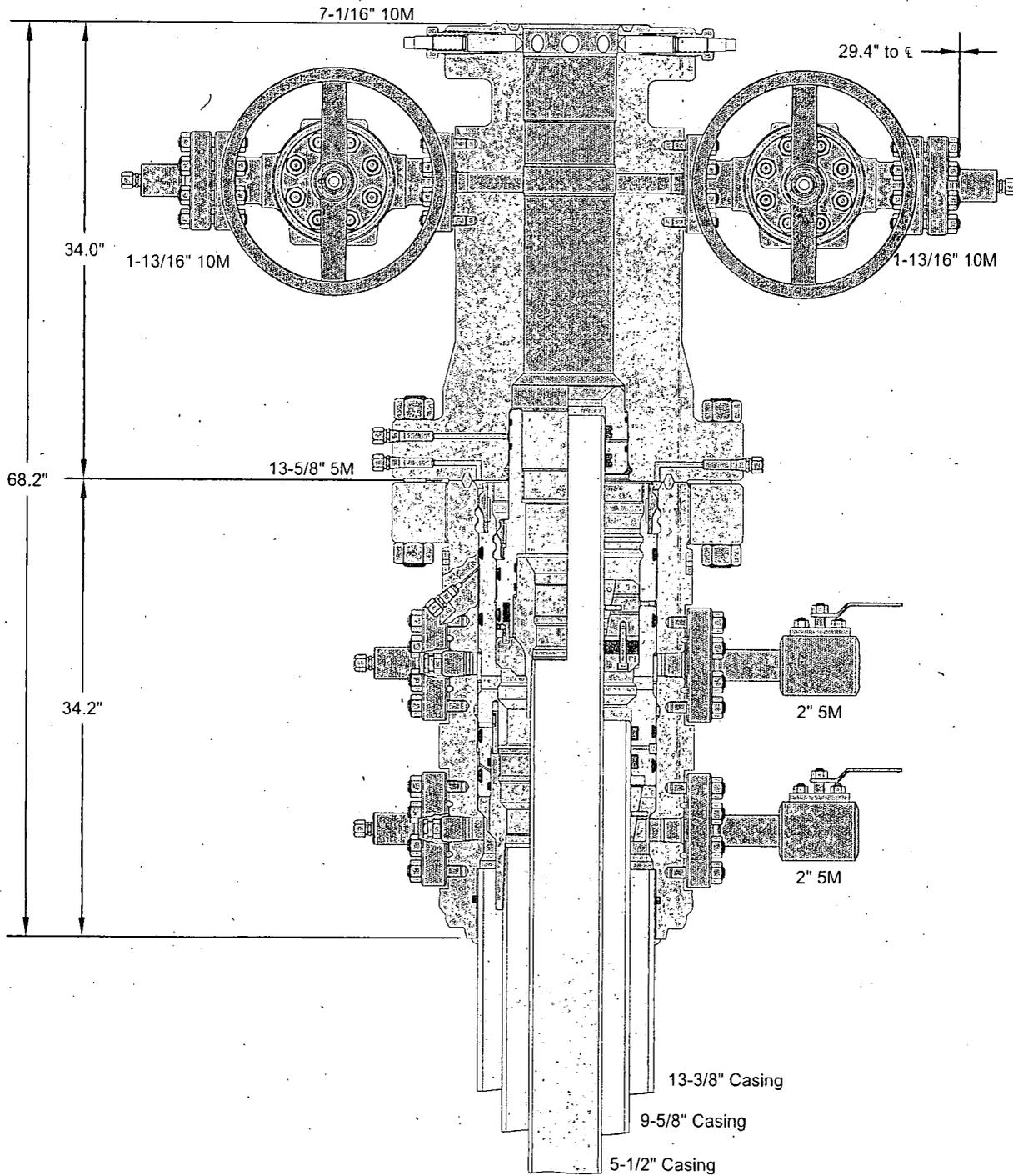
None Anticipated. BHT of 155 to 175 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. 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 7355 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.



GE Oil & Gas



ALL DIMENSIONS ARE APPROXIMATE

This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of GE Oil & Gas Pressure Control LP.

XTO ENERGY, INC.

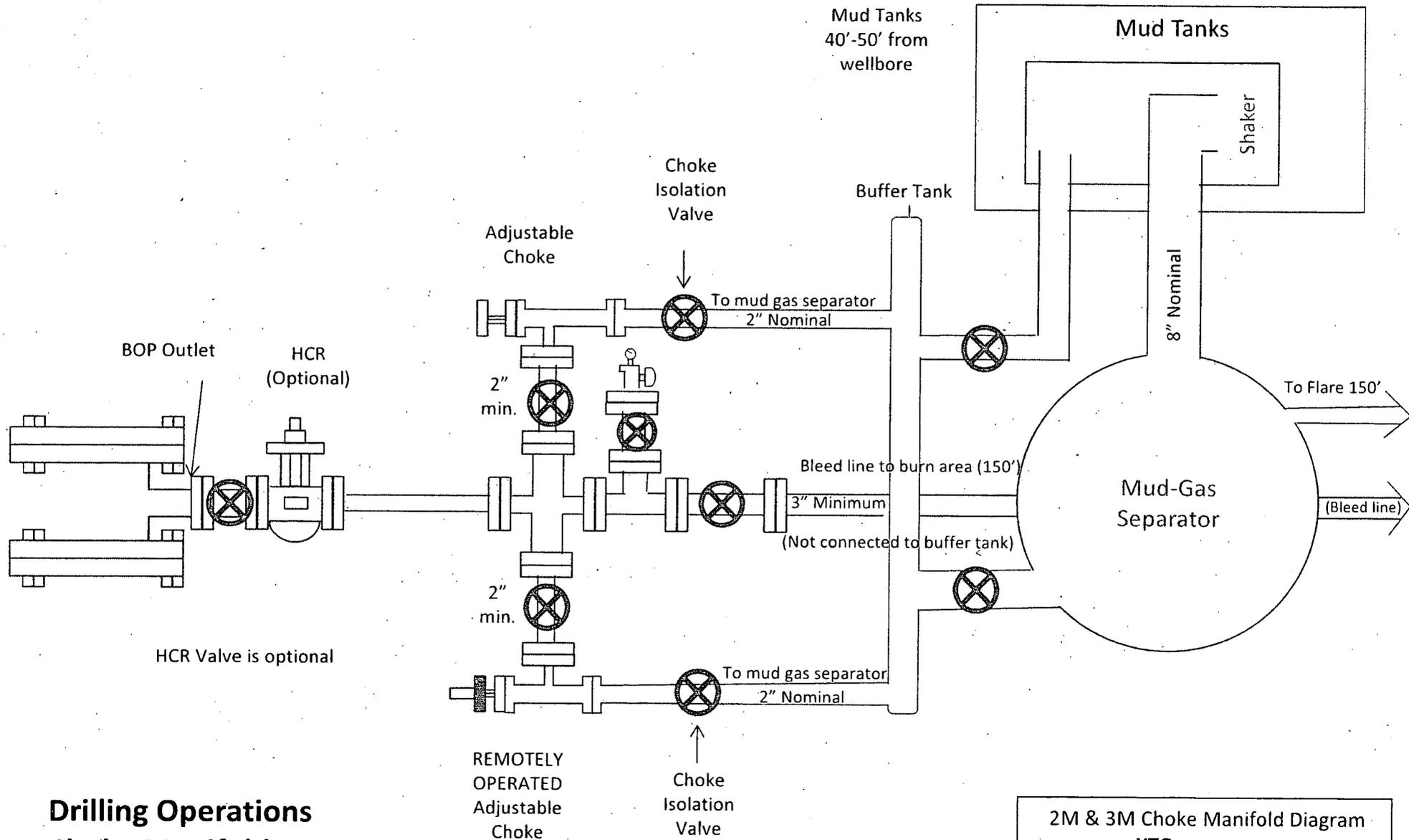
13-3/8" x 9-5/8" x 5-1/2" 10M RSH-2 Wellhead  
Assembly, With T-EBS-F Tubing Head

DRAWN VJK 16FEB17

APPRV KN 16FEB17

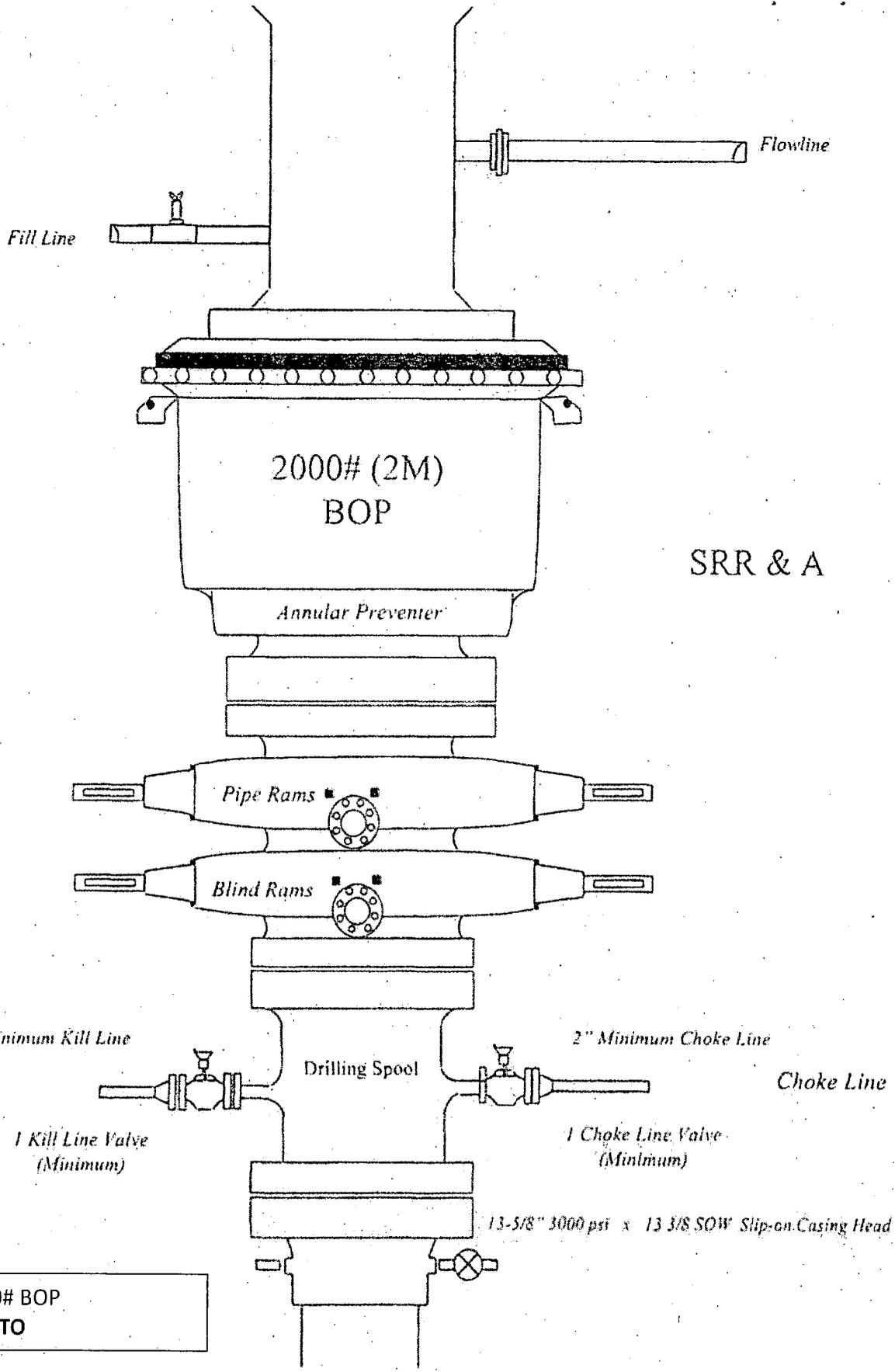
FOR REFERENCE ONLY

DRAWING NO. 10012842



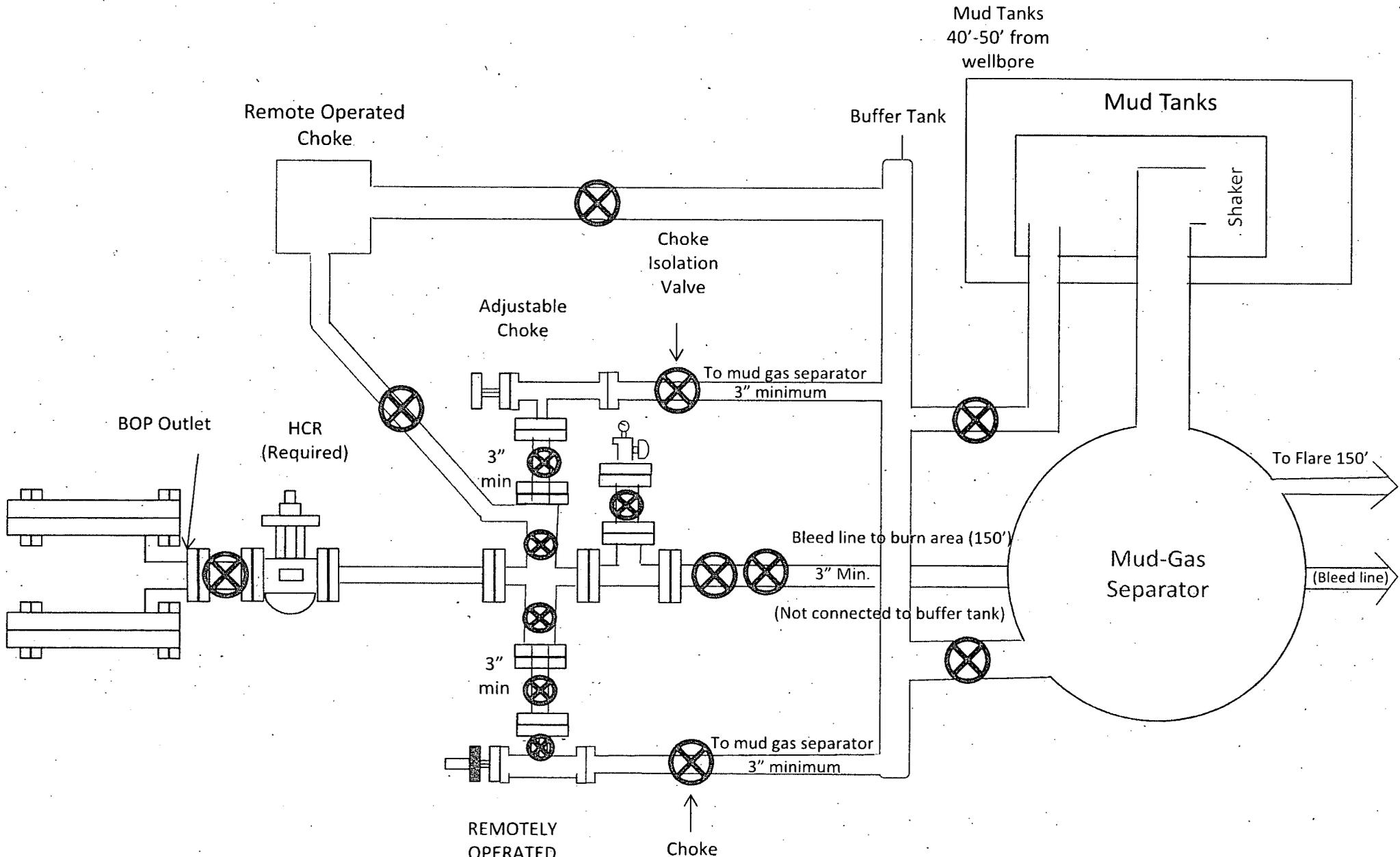
**Drilling Operations  
Choke Manifold  
2M & 3M Service**

**2M & 3M Choke Manifold Diagram  
XTO**



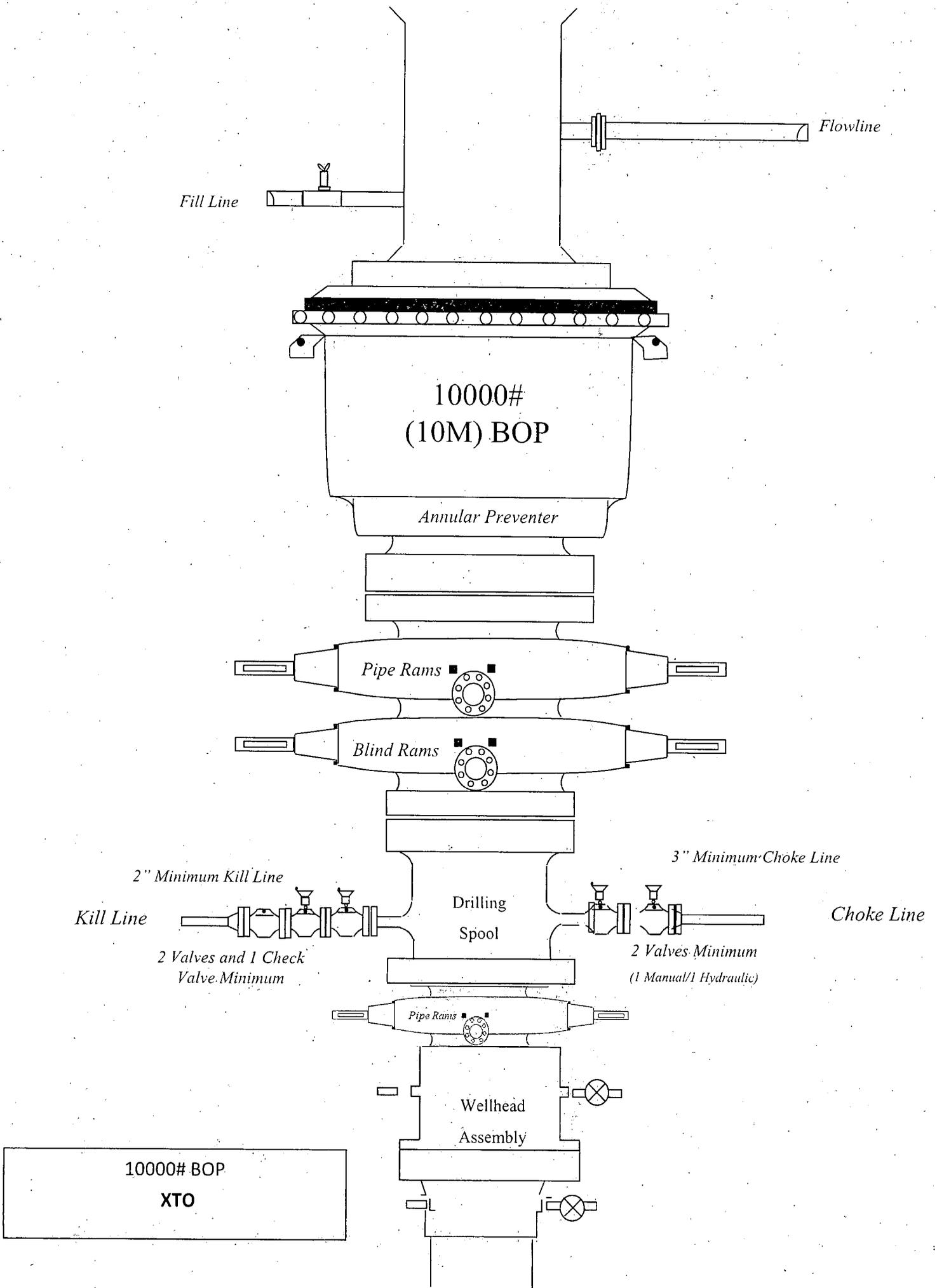
SRR & A

2000# BOP  
XTO



**Drilling Operations  
Choke Manifold  
10M Service**

10M Choke Manifold Diagram  
XTO



## 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.

<b>8-1/2" Production Hole Section 10M psi Requirement</b>					
<b>Component</b>	<b>OD</b>	<b>Primary Preventer</b>	<b>RWP</b>	<b>Alternate Preventer(s)</b>	<b>RWP</b>
Drillpipe	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
HWDP	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 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	-	-

## 2. Well Control Procedures

Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. At least one well control drill will be performed weekly per crew to demonstrate compliance with the procedure and well control plan. The well control drill will be recorded in the daily drilling log. The type of drill will be determined by the ongoing operations, but reasonable attempts will be made to vary the type of drill conducted (pit, trip, open hole, choke, etc.). This well control plan will be available for review by rig personnel in the XTO Energy/Permian Operating drilling supervisor's office on location and on the rig floor. All BOP equipment will be tested as per Onshore O&G Order No. 2 with the exception of the 5000 psi annular which will be tested to 70% of its RWP.

### General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
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 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.

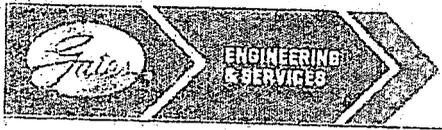
### General Procedure With No Pipe In Hole (Open Hole)

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

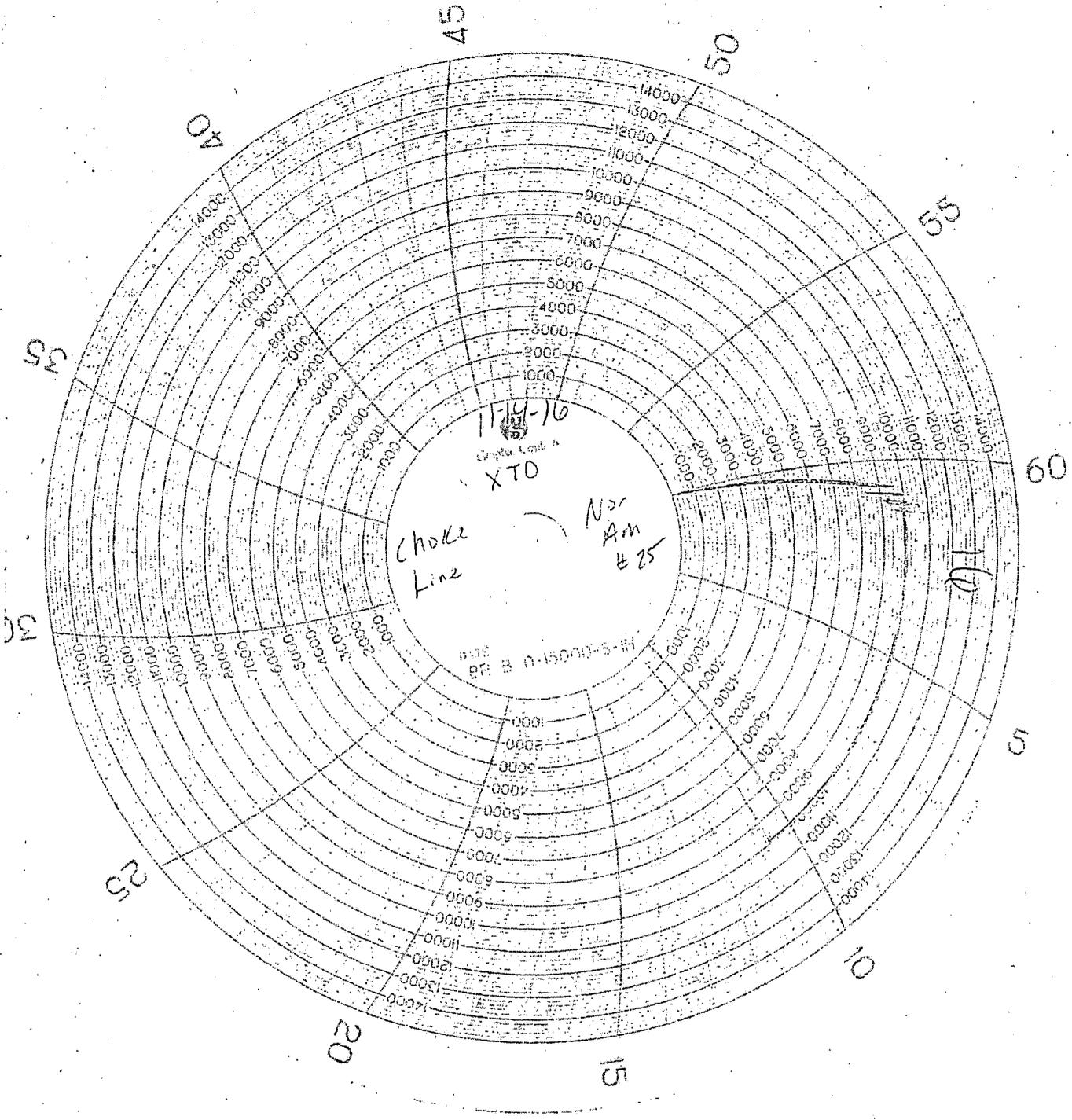
PHONE: 361-887-9807  
 FAX: 361-887-0812  
 EMAIL: crpe&s@gates.com  
 WEB: www.gates.com

**GRADE D PRESSURE TEST CERTIFICATE**

Customer :	AUSTIN DISTRIBUTING	Test Date:	6/8/2014
Customer Ref. :	PENDING	Hose Serial No.:	D-060814-1
Invoice No. :	201709	Created By:	NORHA
Product Description:	FD3.042.0R41/16.SKFLGE/E LE		
End Fitting 1 :	4 1/16 in.SK FLG	End Fitting 2 :	4 1/16 in.SK FLG
Gates Part No. :	4774-6001	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>



NOON

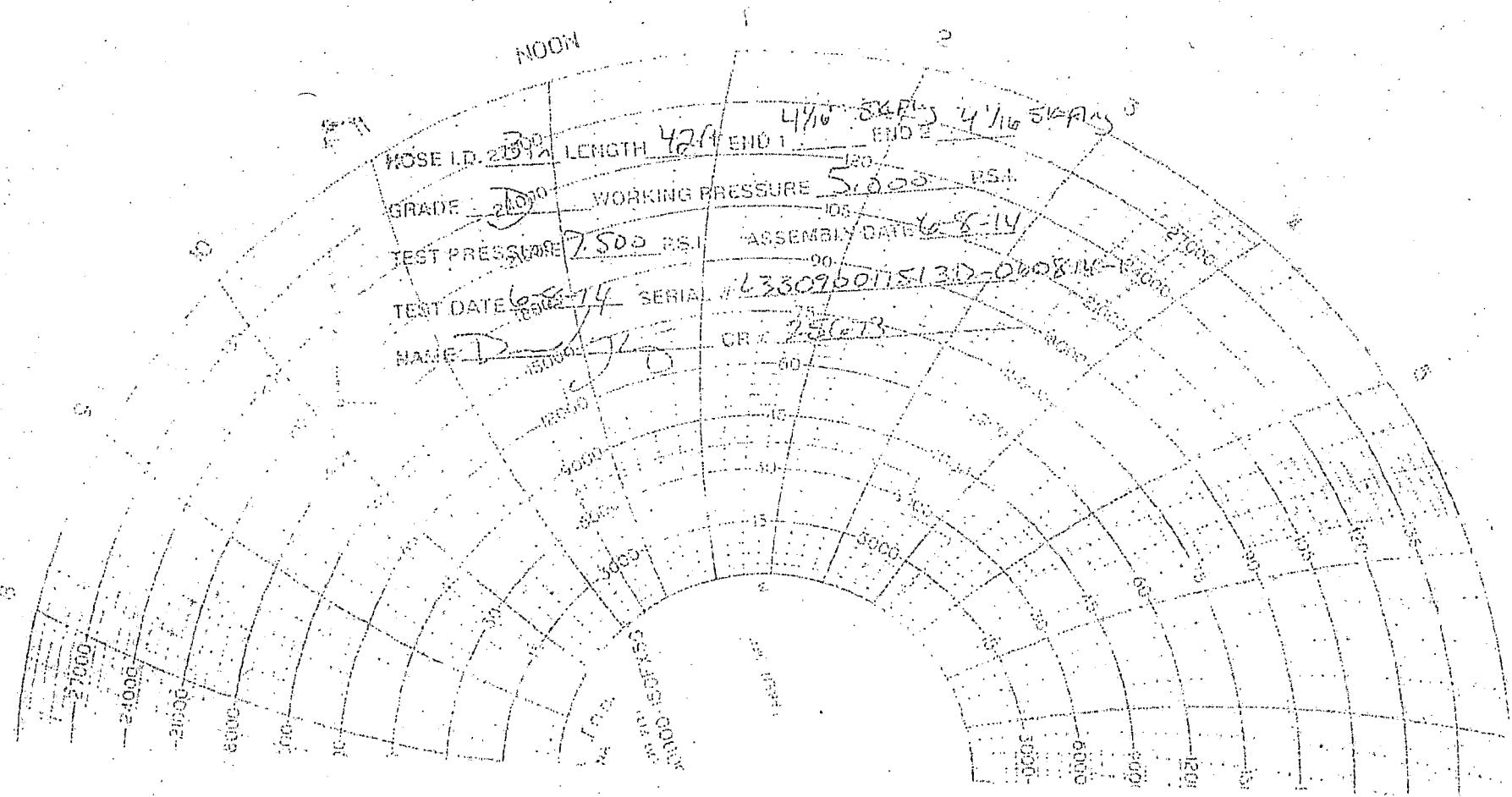
HOSE I.D. 2 1/2" LENGTH 42ft END 1 4 1/2" SAE END 2 4 1/2" SAE 3

GRADE D WORKING PRESSURE 5,000 P.S.I.

TEST PRESSURE 7,500 P.S.I. ASSEMBLY DATE 6-8-14

TEST DATE 6-8-14 SERIAL # 633095011513D-060814-124000

NAME D. J. CR # 25673



CS-1500'S COOLING

# PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	XTO Permian Operating, LLC
<b>LEASE NO.:</b>	NMNM-0030453
<b>WELL NAME &amp; NO.:</b>	Poker Lake Unit 13 DTD 104H
<b>SURFACE HOLE FOOTAGE:</b>	0619' FNL & 2275' FWL
<b>BOTTOM HOLE FOOTAGE</b>	0200' FSL & 2475' FWL Sec. 25, T. 24 S., R 30 E.
<b>LOCATION:</b>	Section 24, T. 24 S., R 30 E., NMPM
<b>COUNTY:</b>	Eddy County, New Mexico

## 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. **Hydrogen Sulfide (H<sub>2</sub>S) monitors shall be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, 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. The operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other wells.
4. 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.
5. 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.

**9-5/8" 2<sup>nd</sup> Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.**

3. The minimum required fill of cement behind the 9-5/8 inch 2<sup>nd</sup> intermediate casing, which shall be set at approximately 4125 feet, is:

**Operator has proposed DV tool at depth of 4175', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.**

- a. First stage to DV tool:

Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.

- b. Second stage above DV tool:

Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

**Formation below the 9-5/8" 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 and the mud weight for the bottom of the hole. Report results to BLM office.**

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

4. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Cement should tie-back at least 200 feet into previous casing string. 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.

## C. 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 53.
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. These documents shall be posted in the company man's trailer and on the rig floor.** 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 **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" 1<sup>st</sup> intermediate casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8" 1<sup>st</sup> intermediate casing shoe shall be 10,000 (10M) 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" intermediate casing integrity test 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.

10M 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.

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

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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