

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

Hobbs

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.

Aug 2, 2019

5. Lease Serial No.
NMNM87274

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
SEVERUS 31-5 FEDERAL COM 12H

2. Name of Operator
XTO ENERGY INC
Contact: KELLY KARDOS
E-Mail: kelly_kardos@xtoenergy.com

9. API Well No.
30-025-46224

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

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

10. Field and Pool or Exploratory Area
WILDCAT BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T20S R34E Mer NMP SWSW 190FSL 897FWL

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 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 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 revise the casing from a 3-string design to a 4-string design per the attached procedure....

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #474006 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 07/26/2019 ()

Name (Printed/Typed) KELLY KARDOS Title REGULATORY COORDINATOR

Signature (Electronic Submission) Date 07/18/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE APPROVAL

Approved By _____ Title _____ Date JUL 26 2019

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 BUREAU OF LAND MANAGEMENT
ROBELL 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 any statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

XTO Energy Inc.
Severus 31-5 Fed Com 12H
Projected TD: 18275' MD / 10588' TVD
SHL: 190' FSL & 897' FWL , Section 30, T20S, R34E
BHL: 200' FSL & 540' FWL , Section 31, T20S, R34E
Eddy County, NM

1. Geologic Name of Surface Formation

A. Quaternary

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

Formation	Well Depth (TVD)	Water/Oil/Gas
Rustler	1527'	Water
Top of Salt	1863'	Water
Base of Salt	3147'	Water
Capitan Reef	3665'	Water
Delaware	5693'	Water
Bone Spring	8676'	Water/Oil/Gas
1st Bone Spring Ss	9671'	Water/Oil/Gas
2nd Bone Spring Ss	10492'	Water/Oil/Gas
Target/Land Curve	10588'	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 16 inch casing @ 1630' (233' above the salt) and circulating cement back to surface. The salt will be isolated by setting 11-3/4 inch casing at 3170' and circulating cement to surface. 8-5/8 inch intermediate casing will be set at 5793'. A 7-7/8 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 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
20"	0' - 1630'	16"	75	STC	J-55	New	2.77	1.87	5.81
14-3/4"	0' - 3170'	11-3/4"	47	STC	J-55	New	1.90	2.07	4.28
10-5/8"	0' - 5793'	8-5/8"	32	STC	J-55	New	1.41	1.54	2.01
7-7/8"	0' - 18275'	5-1/2"	17	LTC	P-110	New	1.33	2.16	2.39

- XTO requests to utilize centralizers only in the curve above the KOP and only a minimum of one every other joint.
- 16" Collapse analyzed using 75% evacuation. Casing to be filled while running.
- 11-3/4" & 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 2M Annular & Casing will be limited to 70% burst of the casing or 1500 psi, whichever is less

WELLHEAD:

Temporary Wellhead

- 16" SOW bottom x 16-3/4" 3M top flange.

Permanent Wellhead = GE RSH Multibowl System

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

B. Tubing Head: 13-5/8" 5M bottom flange x 7" 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 BLM Onshore Order 2
- Wellhead manufacturer representative will not be present for BOP test plug installation

5m system will be used.

4. Cement Program

Surface Casing: 16", 75 New J-55, STC casing to be set at +/- 1630'

Lead: 1320 sxs Class C + Salt (mixed at 12.8 ppg, 1.88 ft³/sx, 11.45 gal/sx water)

Tail: 190 sxs Class C (mixed at 14.8 ppg, 1.33 ft³/sx, 6.39 gal/sx water)

Compressives: 12-hr = 1000 psi 24 hr = 2000 psi

1st Intermediate Casing: 11-3/4", 47 New J-55, STC casing to be set at +/- 3170'

Lead: 1320 sxs Class C + Poz + Fluid Loss FL-25 + Retarder R-3 + Salt + Bentonite (mixed at 12.8 ppg, 1.88 ft³/sx, 9.93 gal/sx water)

Tail: 190 sxs Class C + Retarder R-3 (mixed at 14.8 ppg, 1.33 ft³/sx, 6.30 gal/sx water)

Compressives: 12-hr = 1000 psi 24 hr = 2000 psi

2nd Intermediate Casing: 8-5/8", 32 New J-55, STC casing to be set at +/- 5793'

ECP/DV Tool to be set at 3270'

1st Stage

Lead 1: 680 sxs Class C + Glass Beads + IntegraSeal + Bonding Agent BA-90 + Foam Preventer FP-6L + Sodium Metasilicate A-2 + Anti Settling ASA-301 + Retarder R-21 + Extender LW-5E (mixed at 9.5 ppg, 3.8 ft³/sx, 18.7 gal/sx water)

Lead 2: 310 sxs Class C + Poz + IntegraSeal Cello + IntegraSeal Kol + Salt + Sodium Metasilicate A-2 + Retarder R-21 + Fluid Loss FL-52 + Bentonite (mixed at 11.5 ppg, 2.68 ft³/sx, 15.46 gal/sx water)

Tail: 150 sxs Class C + Foam Preventer FP-6L + Retarder R-21 + Fluid Loss FL-52 (mixed at 14.8 ppg, 1.33 ft³/sx, 6.39 gal/sx water)

Compressives: 12-hr = 1000 psi 24 hr = 2000 psi

2nd Stage

Lead: 610 sxs Class C + Poz + IntegraSeal Cello + IntegraSeal Kol + Salt + Retarder R-3 + Sodium Metasilicate A-2 + Fluid Loss FL-52 + Bentonite (mixed at 12.8 ppg, 1.88 ft³/sx, 9.61 gal/sx water)

Tail: 150 sxs Class C + Fluid Loss FL-52 (mixed at 14.8 ppg, 1.33 ft³/sx, 6.39 gal/sx water)

Compressives: 12-hr = 1000 psi 24 hr = 2000 psi

Production Casing: 5-1/2", 17 New P-110, LTC casing to be set at +/- 18275'

Lead 1: 10 sxs Class C + Glass Beads + IntegraSeal Kol + Bonding Agent BA-90 + Foam Preventer FP-6L + Sodium Metasilicate A-2 + Anti Settling ASA-301 + Retarder R-21 + Bentonite (mixed at 9.5 ppg, 3.8 ft³/sx, 18.7 gal/sx water)

Lead 2: 340 sxs Class C + Poz + IntegraSeal Cello + IntegraSeal Kol + Foam Preventer FP-6L + Salt + Sodium Metasilicate A-2 + Bentonite (mixed at 11.5 ppg, 2.72 ft³/sx, 15.9 gal/sx water)

Tail: 1220 sxs Class C + IntegraSeal Kol + Foam Preventer FP-6L + Salt + Fluid Loss FL-52 + Dispersant CS-32 + Retarder R-21 + Bonding Agent BA-90 (mixed at 13.2 ppg, 1.61 ft³/sx, 9.36 gal/sx water)

Compressives: 12-hr = 9 psi 24 hr = 1800 psi

5. Pressure Control Equipment

The blow out preventer equipment (BOP) on surface casing/temp. wellhead will consist of a 20" minimum 2M Hydril. MASP should not exceed 951 psi.

Once the permanent WH is installed on the 11-3/4" casing, the blow out preventer equipment (BOP) will consist of a 13-5/8" minimum 5M Hydril and a 13-5/8" minimum 3M 2-Ram BOP. MASP should not exceed 2791 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" 3M bradenhead and flange, the BOP test will be limited to 2000 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 3M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

5M system tested to 5M rating will be used.
For multibowl
See COAs

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' - 1630'	20"	FW/Native	8.3-9.5	35-50	NC
1630' - 3170'	14-3/4"	Brine	9.5-10.2	30-35	NC
3170' to 5793'	10-5/8"	FW	8.3-9.8	30-32	NC
5793' to 18275'	7-7/8"	FW / Cut Brine / Polymer	8.2-9.3	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 16" surface casing with brine solution. A 9.5ppg-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.

For Production hole, XTO requests the option of using OBM if hole conditions dictate
OBM properties: 8.2-9.2#, 28-45 Viscosity, and API fluid loss <22

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

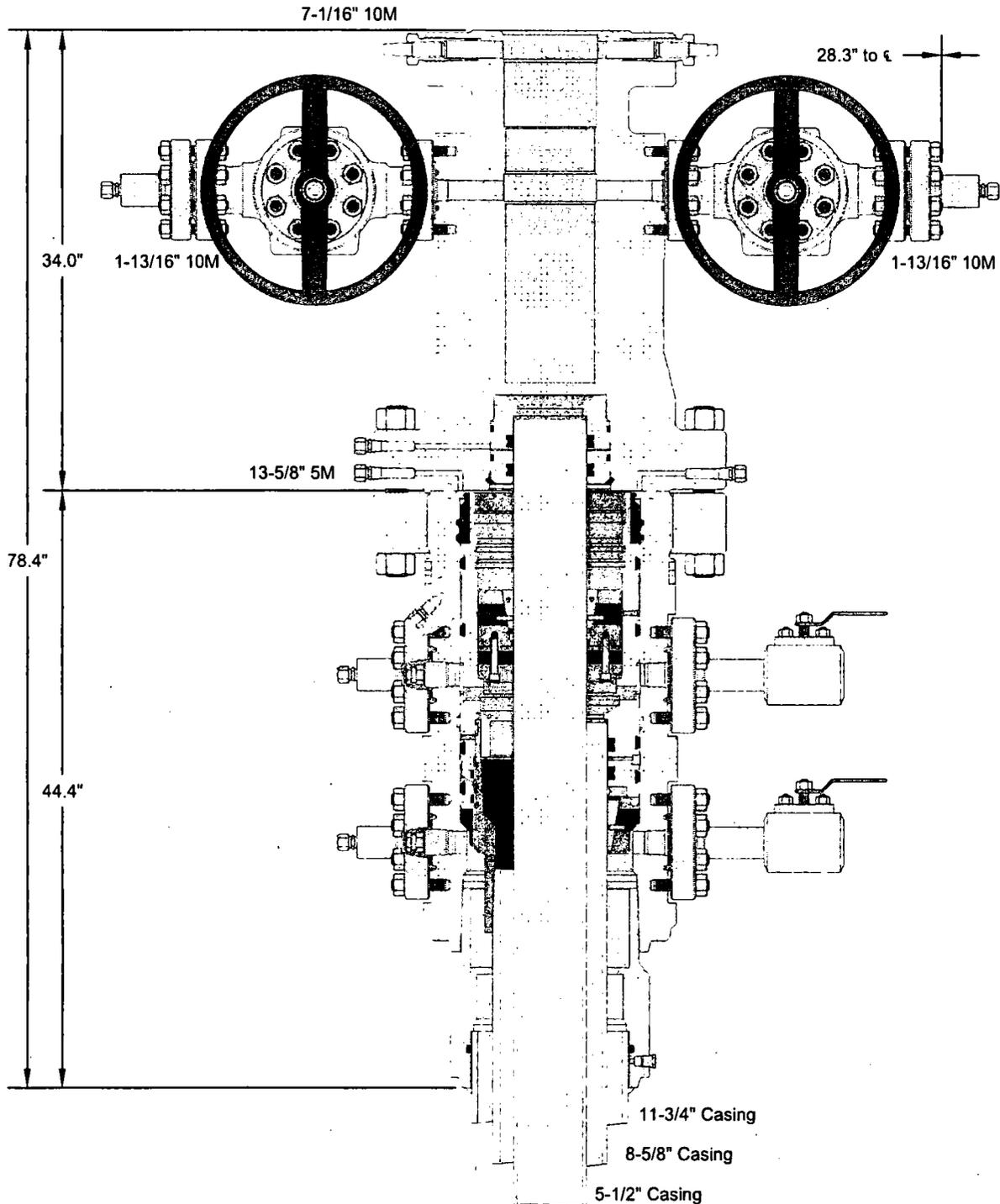
None Anticipated. BHT of 145 to 165 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. 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 5120 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



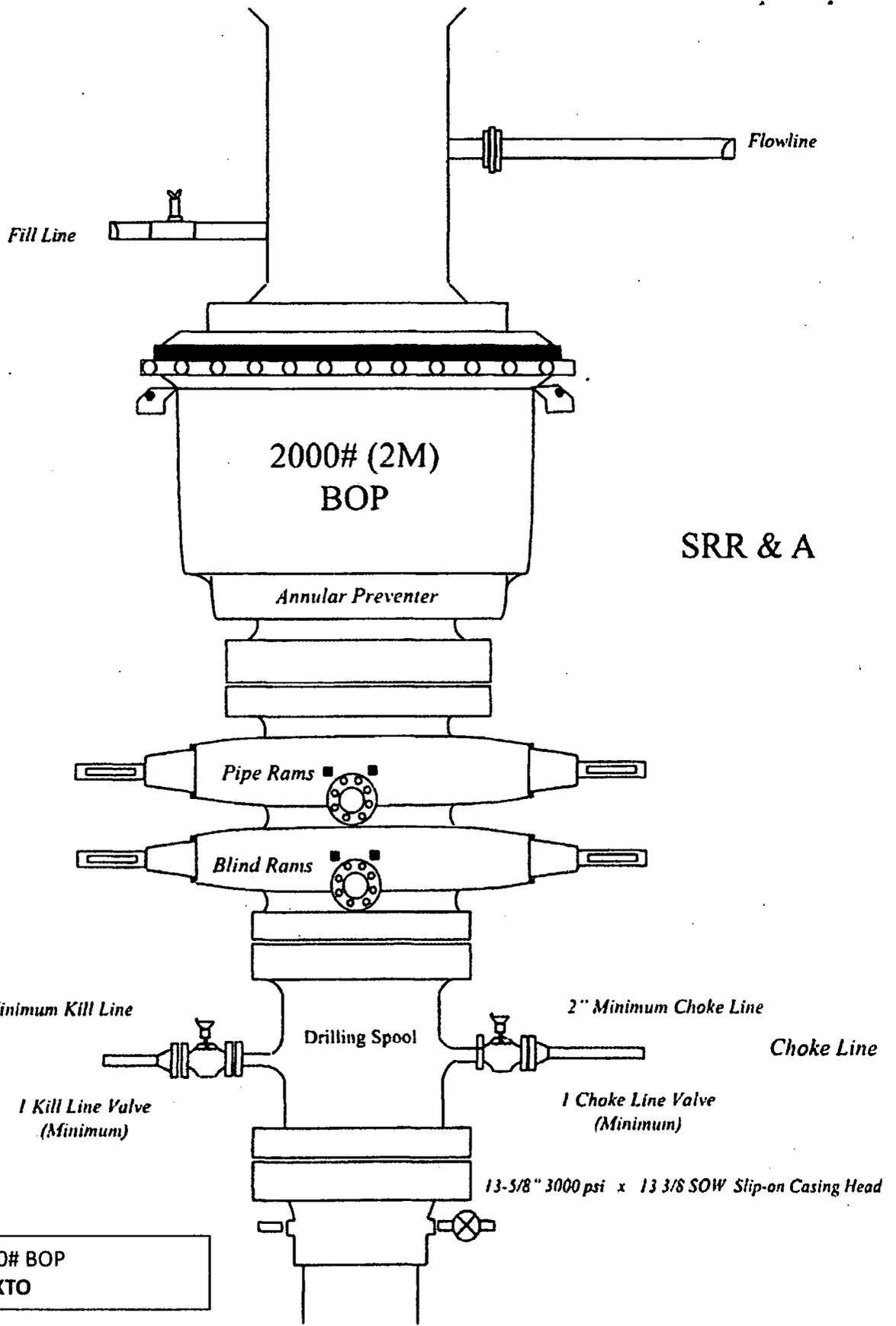
ALL DIMENSIONS ARE APPROXIMATE

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.

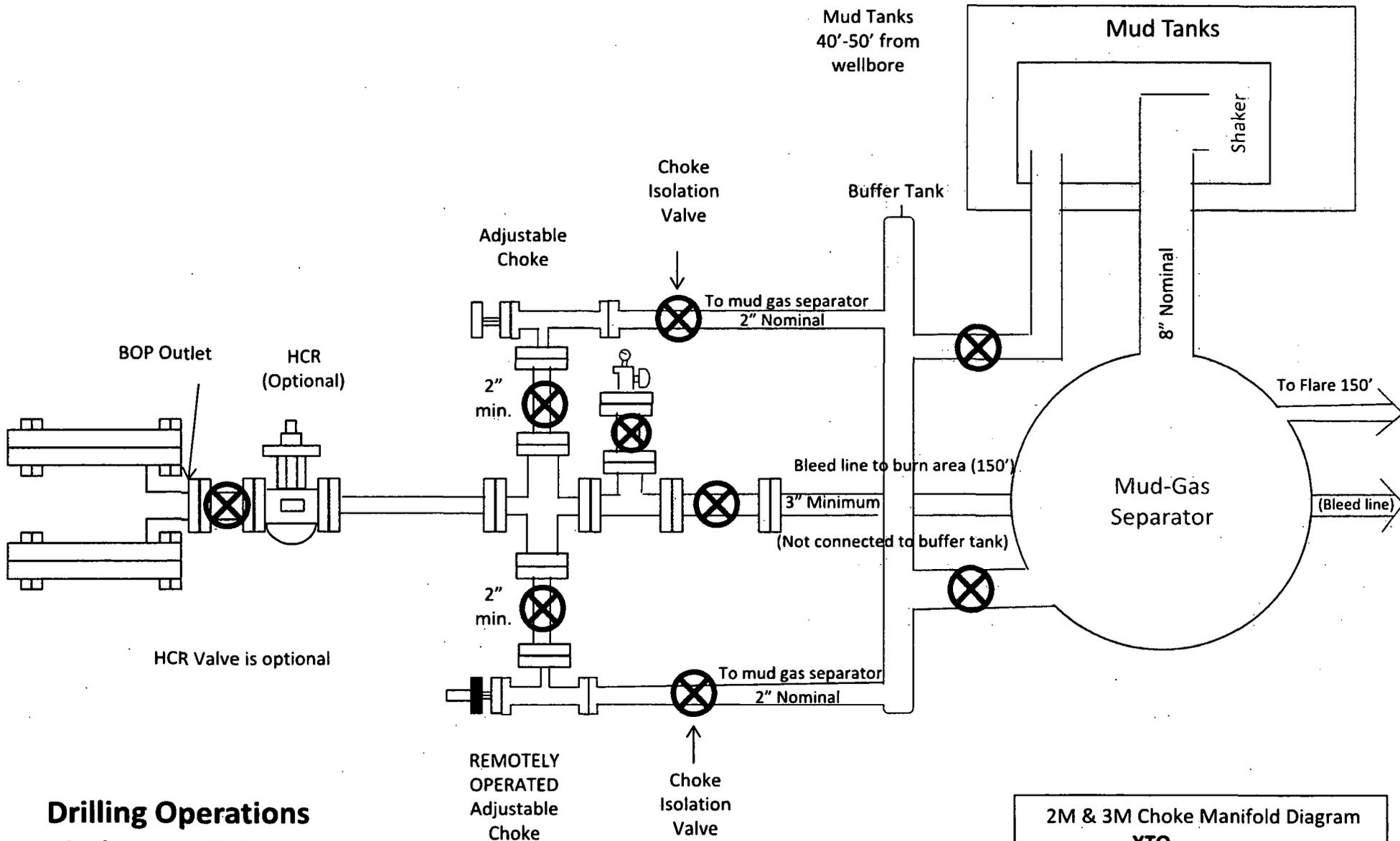
11-3/4" x 8-5/8" x 5-1/2" 10M RSH-2 Wellhead
Assembly, With T-EBS-F Tubing Head

DRAWN	VJK	31OCT16
APPRV	KN	31OCT16
FOR REFERENCE ONLY		
DRAWING NO.		10012358



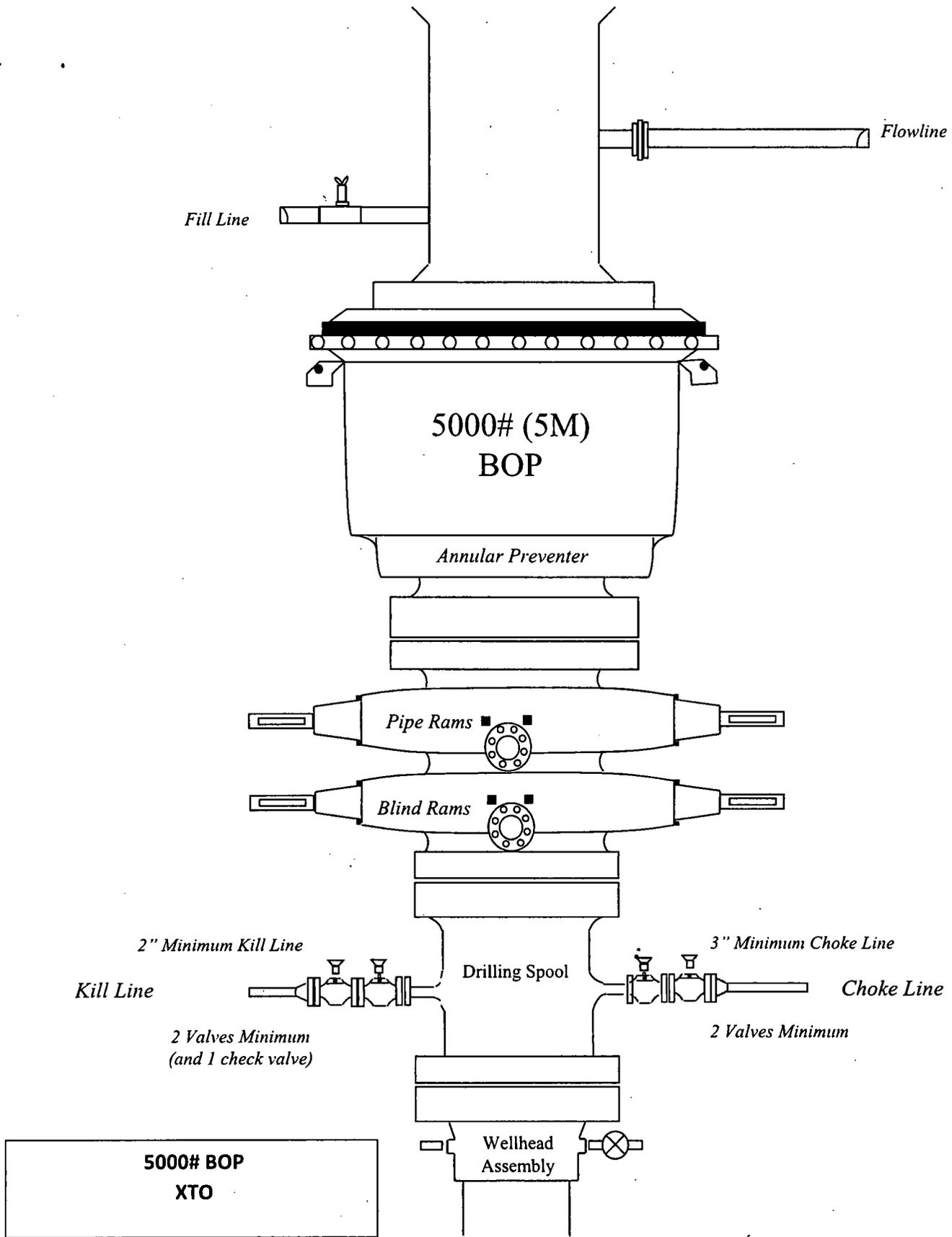
SRR & A

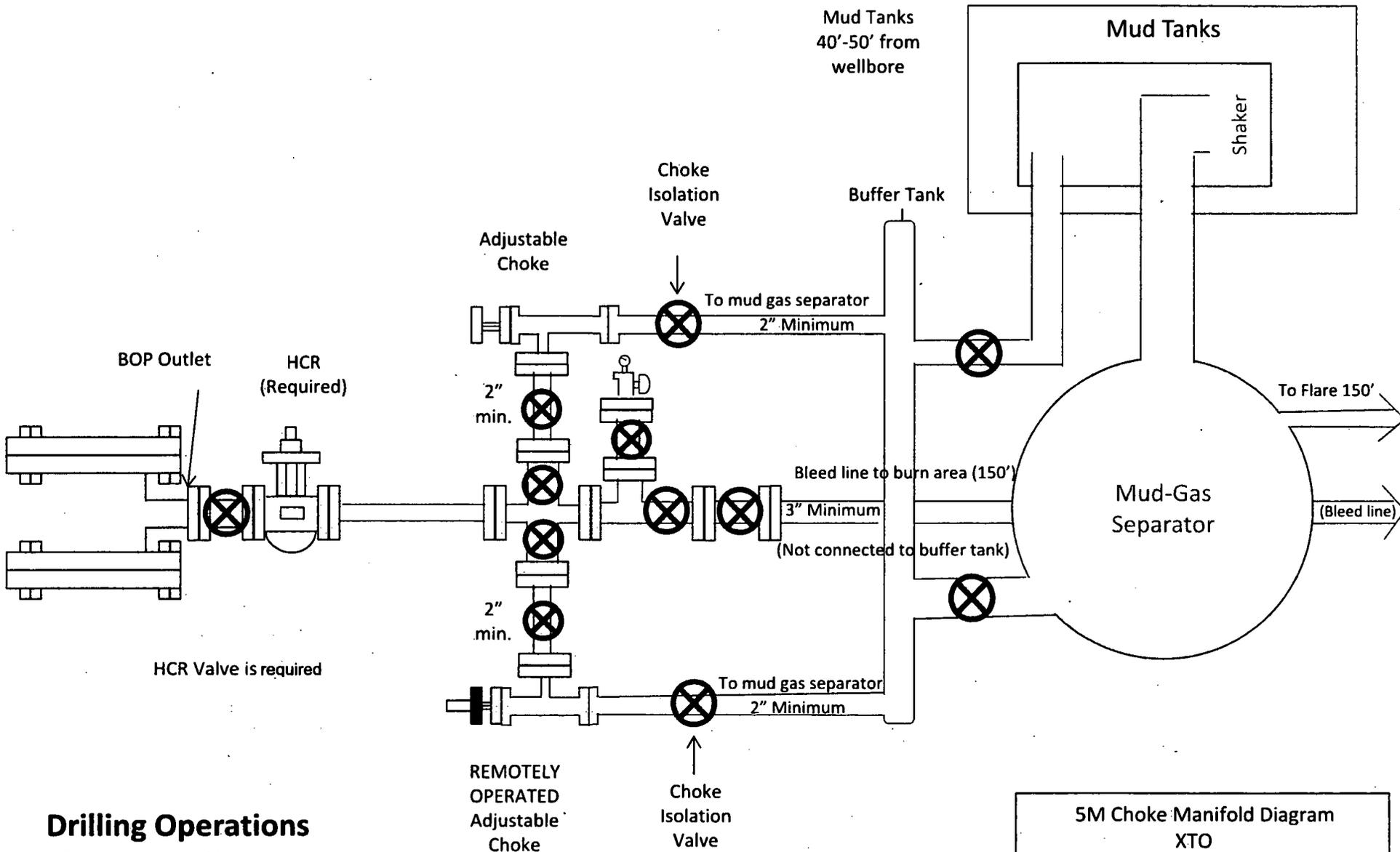
2000# BOP
XTO



2M & 3M Choke Manifold Diagram
XTO

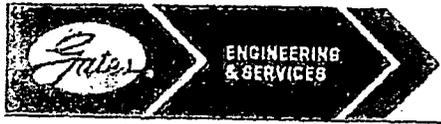
**Drilling Operations
Choke Manifold
2M & 3M Service**





**Drilling Operations
Choke Manifold
5M Service**

**5M Choke Manifold Diagram
XTO**



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

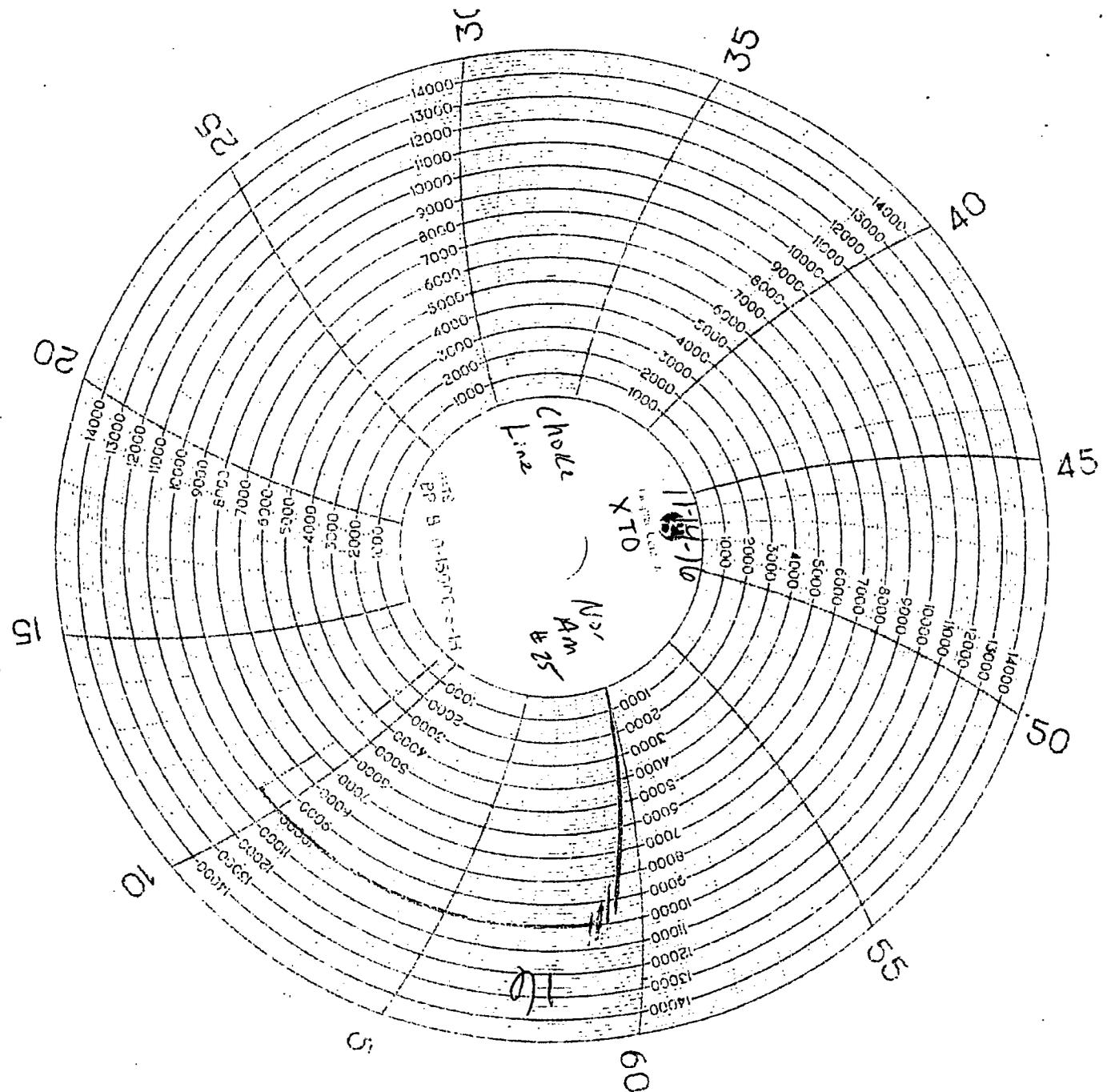
PHONE: 361-887-9807
 FAX: 361-887-0812
 EMAIL: crpe&s@gates.com
 WEB: www.gates.com

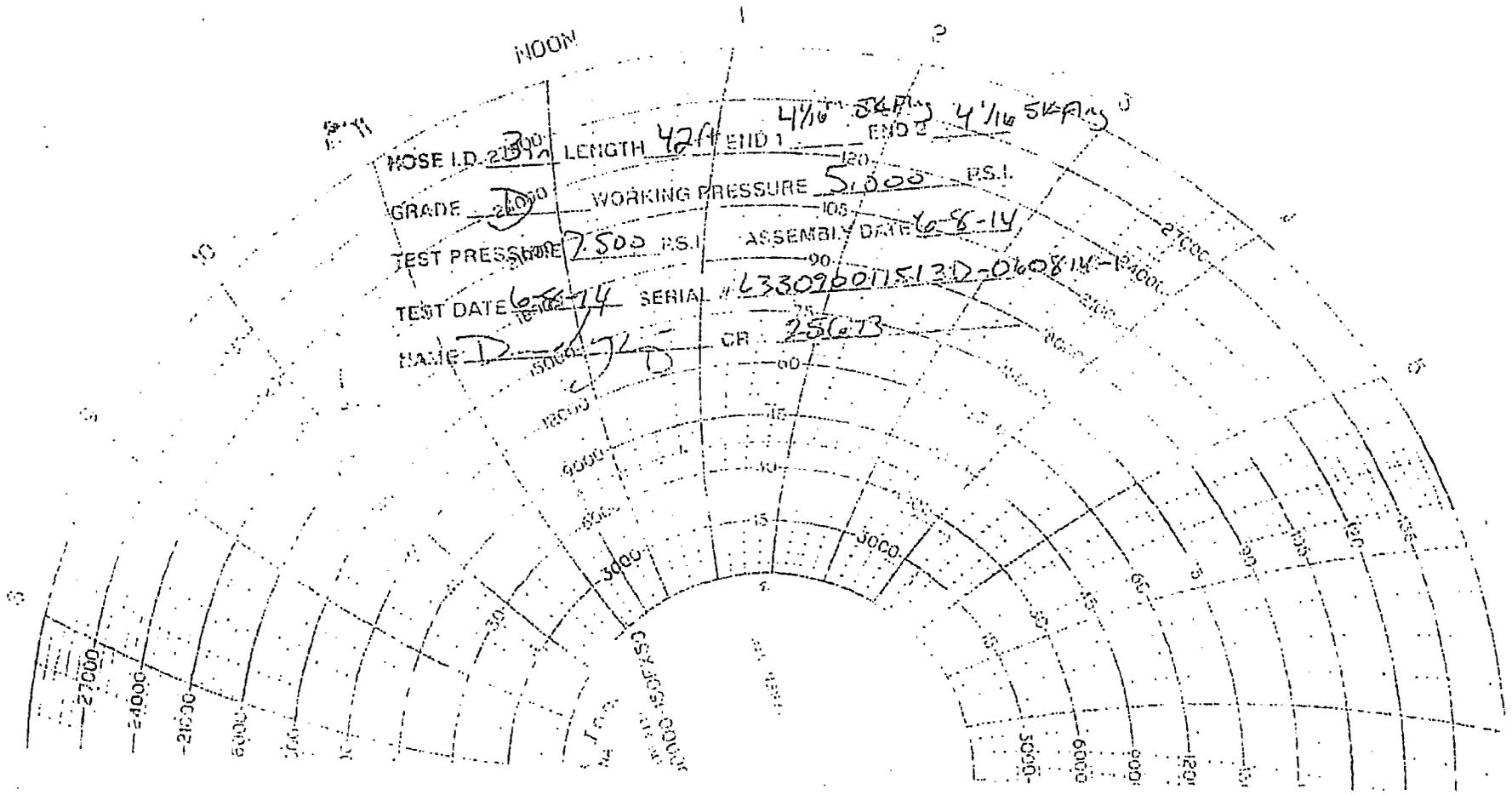
GRADE D PRESSURE TEST CERTIFICATE

Customer :	AUSTIN DISTRIBUTING	Test Date:	6/5/2014
Customer Ref. :	PENDING	Hose Serial No.:	D-060814-1
Invoice No. :	201709	Created By:	NORMA
Product Description:	FD3.0-12.0R41/16.5KFLGE/E LE		
End Fitting 1 :	4 1/16 in.5K FLG	End Fitting 2 :	4 1/16 in.5K FLG
Gates Part No. :	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>





HOSE I.D. 2 3/4

LENGTH 42 ft

END 1

4 1/16 S&A

END 2

4 1/16 S&A

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 # 633096011513D-060814-1400

NAME D-725

CR 25673

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Energy, Inc.
LEASE NO.:	NMNM-087274
WELL NAME & NO.:	Severus 31-5 Federal Com 12H
SURFACE HOLE FOOTAGE:	0190' FSL & 897' FWL
BOTTOM HOLE FOOTAGE:	0200' FSL & 0540' FWL Sec. 31, T. 20 S., R 34 E.
LOCATION:	Section 30, T. 20 S., R 34 E., NMPM
COUNTY:	Lea County, New Mexico

Operator to submitundry to remove "COM" from wellname.

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)

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated 500 feet prior to drilling into the Yates 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 Potash Areas:

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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

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.

R-111-P Potash

Capitan Reef

Possibility of water flows in the Artesia Group, Salado, and Capitan Reef.

Possibility of lost circulation in the Rustler, Red Beds, Artesia Group, Capitan Reef, and Delaware.

1. The 16 inch surface casing shall be set at approximately 1630 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.

The 11-3/4" 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 11-3/4 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 potash.**

Formation below the 11-3/4" 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.

Special Capitan Reef requirements:

If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:

- **Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.**
- **Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.**

The 8-5/8" 2nd 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 8-5/8 inch intermediate casing is:

Operator has proposed DV tool at depth of 3270', 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 circulation on the next stage.**

b. Second stage above DV tool:

- 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 and Capitan Reef.**

Formation below the 8-5/8" 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 on horizontal leg, must be type for horizontal service 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 **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 3752'). Operator shall provide method of verification. **Excess calculates to 14% - Additional cement may be required.**

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.

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 11-3/4" 1st intermediate casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 11-3/4" 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 8-5/8" 2nd 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.**

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 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.****
 - 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.

D. DRILL STEM TEST

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

E. 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.

JAM 072619

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Energy, Inc.
LEASE NO.:	NMNM-087274
WELL NAME & NO.:	Severus 31-5 Federal Com 12H
SURFACE HOLE FOOTAGE:	0190' FSL & 897' FWL
BOTTOM HOLE FOOTAGE:	0200' FSL & 0540' FWL Sec. 31, T. 20 S., R 34 E.
LOCATION:	Section 30, T. 20 S., R 34 E., NMPM
COUNTY:	Lea County, New Mexico

~~Operator to submit sundry to remove "CCAI" from well name.~~

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)

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated 500 feet prior to drilling into the Yates 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 Potash Areas:

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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

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.

R-111-P Potash

Capitan Reef

Possibility of water flows in the Artesia Group, Salado, and Capitan Reef.

Possibility of lost circulation in the Rustler, Red Beds, Artesia Group, Capitan Reef, and Delaware.

1. The 16 inch surface casing shall be set at approximately 1630 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.

The 11-3/4" 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 11-3/4 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 potash.**

Formation below the 11-3/4" 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.

Special Capitan Reef requirements:

If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:

- **Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.**
- **Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.**

The 8-5/8" 2nd 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 8-5/8 inch intermediate casing is:

Operator has proposed DV tool at depth of 3270', 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 circulation on the next stage.**

b. Second stage above DV tool:

- 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 and Capitan Reef.**

Formation below the 8-5/8" 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 **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 3752'). Operator shall provide method of verification. **Excess calculates to 14% - Additional cement may be required.**
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.

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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).
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