

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy Minerals and Natural Resources
RECEIVED
MAY 24 2004
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87504

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Primero Operating, Inc, PO Box 1433, Roswell, NM 88202-1433		² OGRID Number 018100
		³ API Number 30 - 005 - 63660
³ Property Code	⁵ Property Name Wapiti	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	10S	29E		990	North	660	West	Chaves

⁸ Proposed Bottom Hole Location If Different

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South
⁹ Proposed Pool 1 Wildcat, San Andres						Cement to cover all oil, gas and water bearing zones.

Race Track, San Andres, EGS

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3894
¹⁶ Multiple No	¹⁷ Proposed Depth 3000	¹⁸ Formation San Andres	¹⁹ Contractor United Drilling	²⁰ Spud Date June 1, 2004

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24	500' 550'	250	Surface
7 7/8"	5 1/2"	15.5	3000'	200 SX	2000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

We propose to drill a 12 1/4" hole to 500'. We will then run 8 5/8" casing and cement with enough cement to circulate to surface. We will then install a Grant rotating head and test to 500 psi. After WOC 18 hrs we will drill a 7 7/8" hole to approximately 3000'. After logging the well it will be completed by running 5 1/2" casing or plugged and abandoned pursuant to NMOCD Rules and Regulations. This hole will be drilled w/ air. See attached BOP diagram.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>[Signature]</i> Printed name: Phelps White Title: President Date: 5/15/04		OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: District Supervisor Approval Date: JUN 09 2004 Expiration Date: JUN 09 2005 Conditions of Approval: Attached <input type="checkbox"/>	
Phone: 505-622-1001			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
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-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Primero Operating, Inc. Telephone: 505.622.1001 e-mail address: pwiv@zianet.com
Address: PO Box 1433, Roswell, NM 88202-1433
Facility or well name: Wapiti #1 API #: U/L or Qtr/Qtr D Sec 17 T 10S R 29E
County: Chaves Latitude N 33 27 01.65 Longitude W 104 00 49.87 NAD: 1927 XX 1983 ☐ Surface Owner Federal ☐ State
Private XX Indian ☐

Pit Type: <input checked="" type="checkbox"/> Drilling XX <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Volume <u> </u> bbl	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u> </u>						
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>180</u>	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td><u>100 feet or more</u></td><td>(0 points) 0</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	<u>100 feet or more</u>	(0 points) 0
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
<u>100 feet or more</u>	(0 points) 0						
Vellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td><u>No</u></td><td>(0 points) 0</td></tr></table>	Yes	(20 points)	<u>No</u>	(0 points) 0		
Yes	(20 points)						
<u>No</u>	(0 points) 0						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td><u>1000 feet or more</u></td><td>(0 points) 0</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	<u>1000 feet or more</u>	(0 points) 0
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
<u>1000 feet or more</u>	(0 points) 0						
Ranking Score (Total Points) 0							

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.
Date: May 26, 2004

Printed Name/Title Phelps White Signature

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved: MAY 26 2004 Signature
Date: Printed Name/Title

Please see attached stipulations and/or requirements:



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

26 May 2004

Primero Operating Inc.
P. O. Box 1433
Roswell, New Mexico 88202-1433

RE:

Permit Stipulations - Wapiti # 1

Unit D SEC-17 T-10S R-29E

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Upon cessation of drilling the freestanding fluid will be removed and disposed of in an OCD approved facility.
5. Pit encapsulations must meet all specific criteria including, but not limited to:
 - A. Site evaluation
 - B. Liner thickness and type must meet requirements as per guidelines.
 - C. Amount of and type of cover
 - D. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
 - E. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
6. The integrity of the bottom liner may not be breached at any time for any reason.
7. The pit will not be used for any additional storage of fluids.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
9. Re-seeding mixture will must be approved or authorized by surface owner.

Please note the C-144 has been altered. This was done under the guidance and authority of Phelps White via telephone call on 5-26-04.

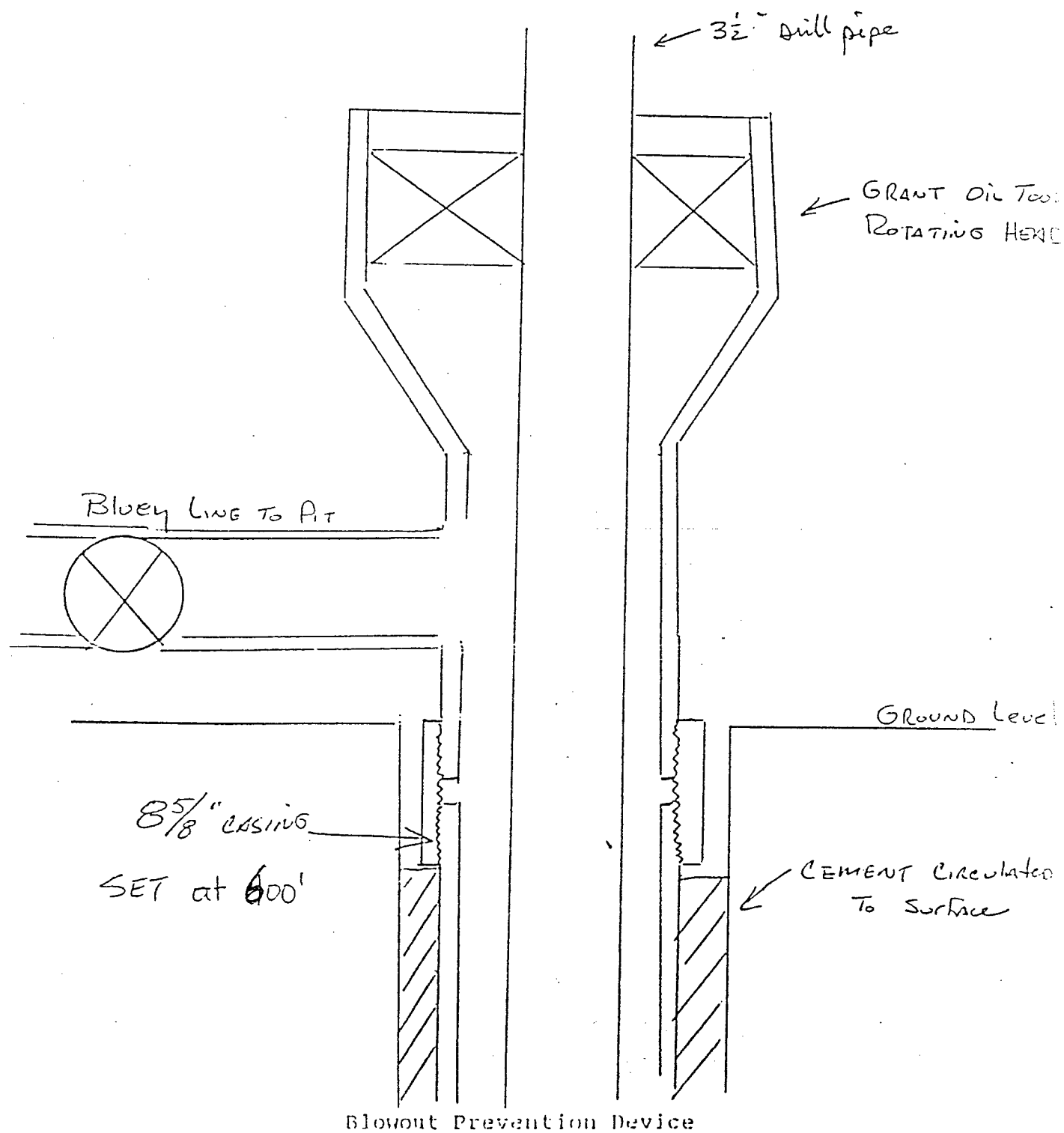
If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

Van Barton

Wapiti #1

990' FNL & 660' FWL
Sec. 17, T10S, R29E
Chaves County, NM



State of New Mexico

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Revised February 10, 1994
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-	Pool Code	Pool Name
Property Code	Property Name WAPITI	Well Number 1
OGRID No. 018100	Operator Name PRIMERO OPERATING	Elevation 3894'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	10-S	29-E		990'	NORTH	660'	WEST	CHAVES

Bottom Hole Location If Different From Surface

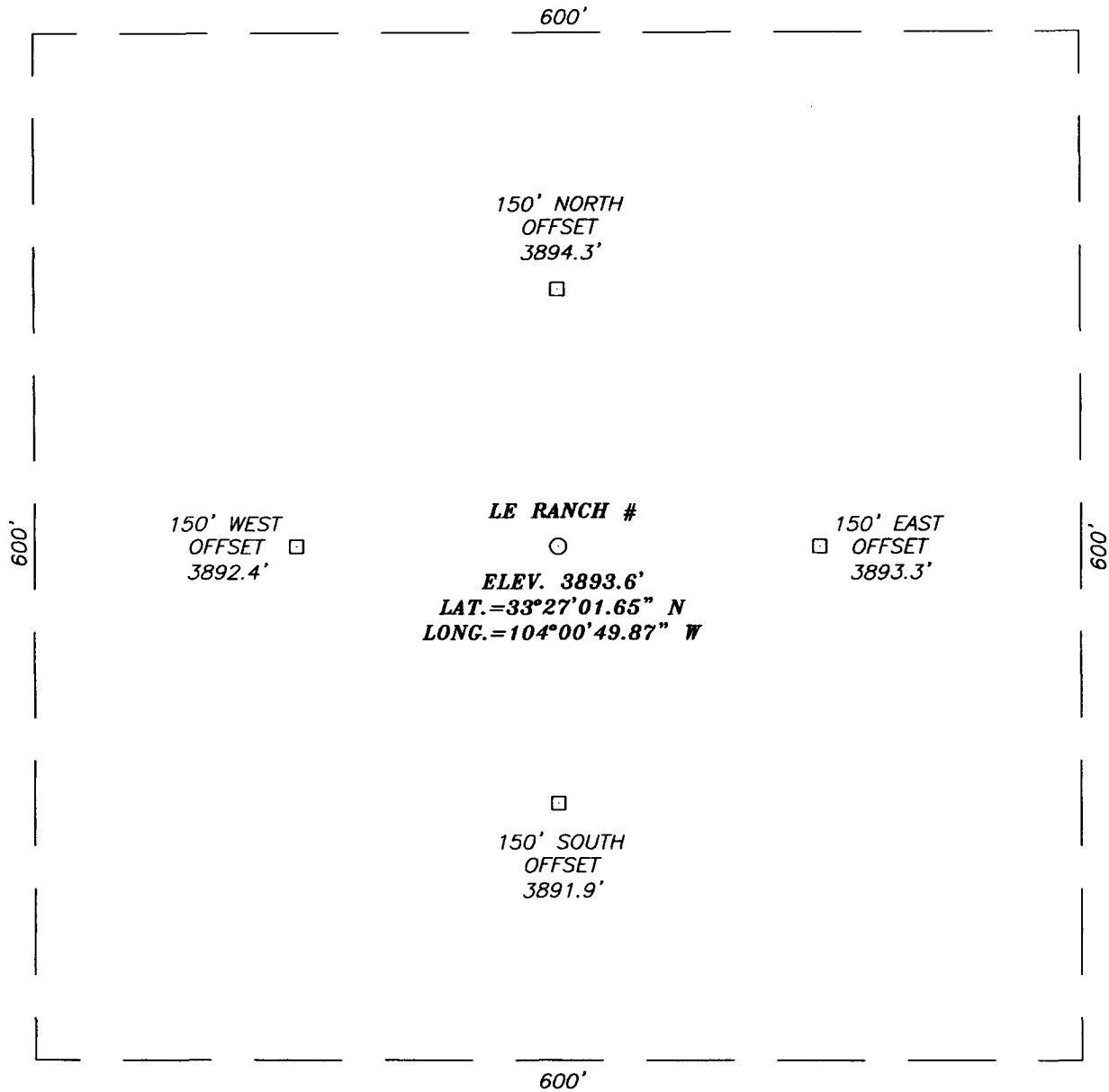
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

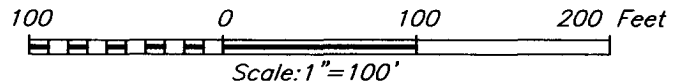
	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=891552.3 N X=597447.3 E</p> <p>LAT.=33°27'01.65" N LONG.=104°00'49.87" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>LeAnn Lawli's</i> Signature</p> <p>LeAnn Lawli's Printed Name</p> <p>Secretary Title</p> <p>5/19/04 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 12, 2004</p>
		<p>Date Surveyed _____ JR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>GARY EIDSON</i> GARY EIDSON 04.11.0565 5/19/04</p>
		<p>Certificate No. GARY EIDSON 12641</p>

SECTION 17, TOWNSHIP 10 SOUTH, RANGE 29 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

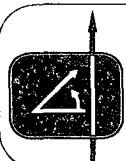
FROM HWY 380 AND MILEPOST 184 GO NORTH ON GOOD CALICHE ROAD FOR 2.3 MILES, TURN RIGHT (EAST) ON A TWO TRACK CALICHE ROAD AND GO 0.5 MILES, LOCATION IS 600'± SOUTH.



PRIMERO OPERATING

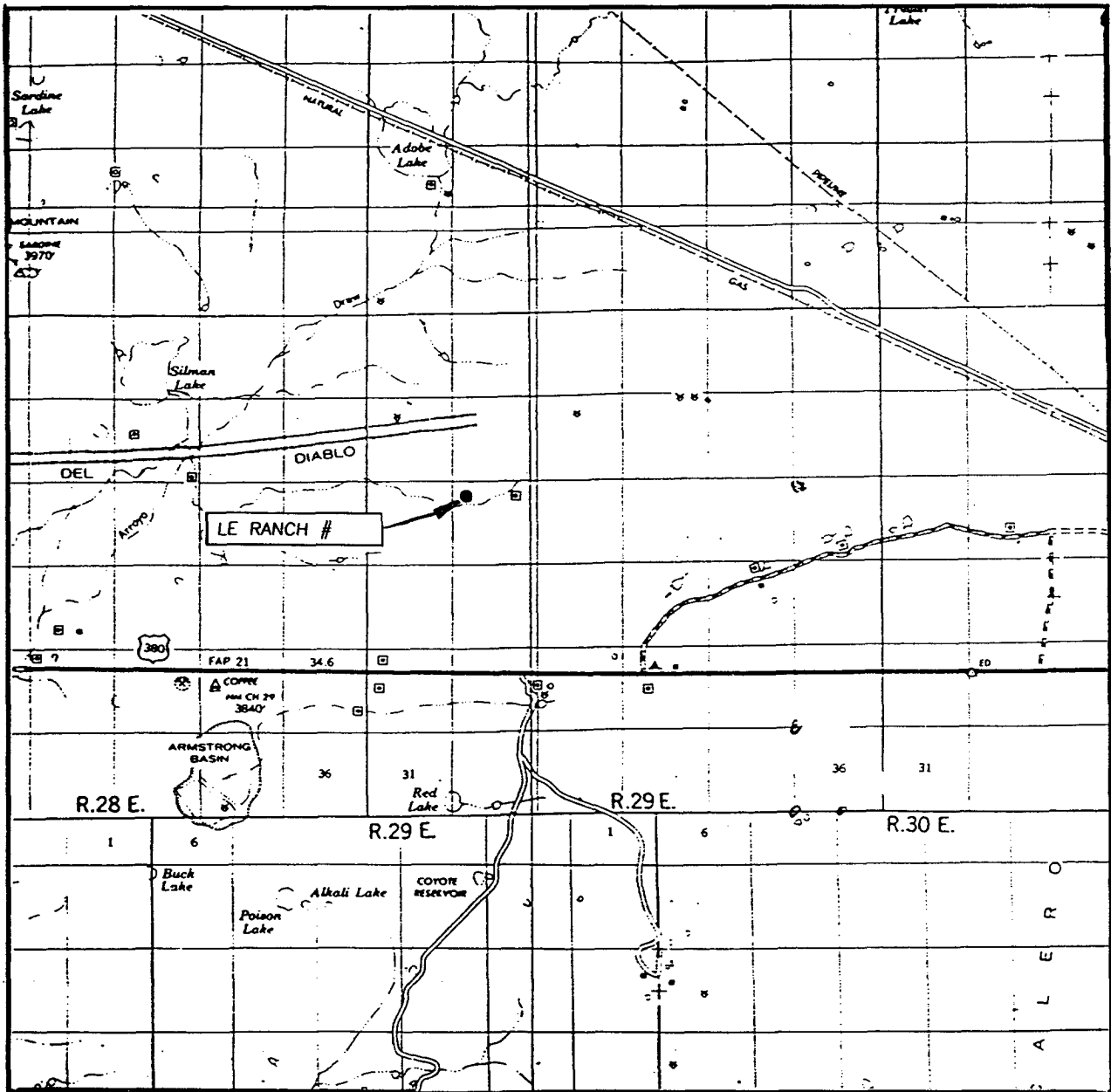
LE RANCH # WELL
 LOCATED 990 FEET FROM THE NORTH LINE
 AND 660 FEET FROM THE WEST LINE OF SECTION 17,
 TOWNSHIP 10 SOUTH, RANGE 29 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 05/12/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0565	Dr By: J. RIVERO Rev 1:N/A
Date: 05/14/04	Disk: CD#10 04110565 Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 10-S RGE. 29-E

SURVEY N.M.P.M.

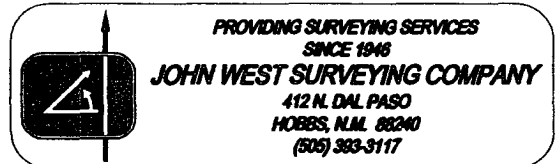
COUNTY CHAVES

DESCRIPTION 990' FNL & 660' FWL

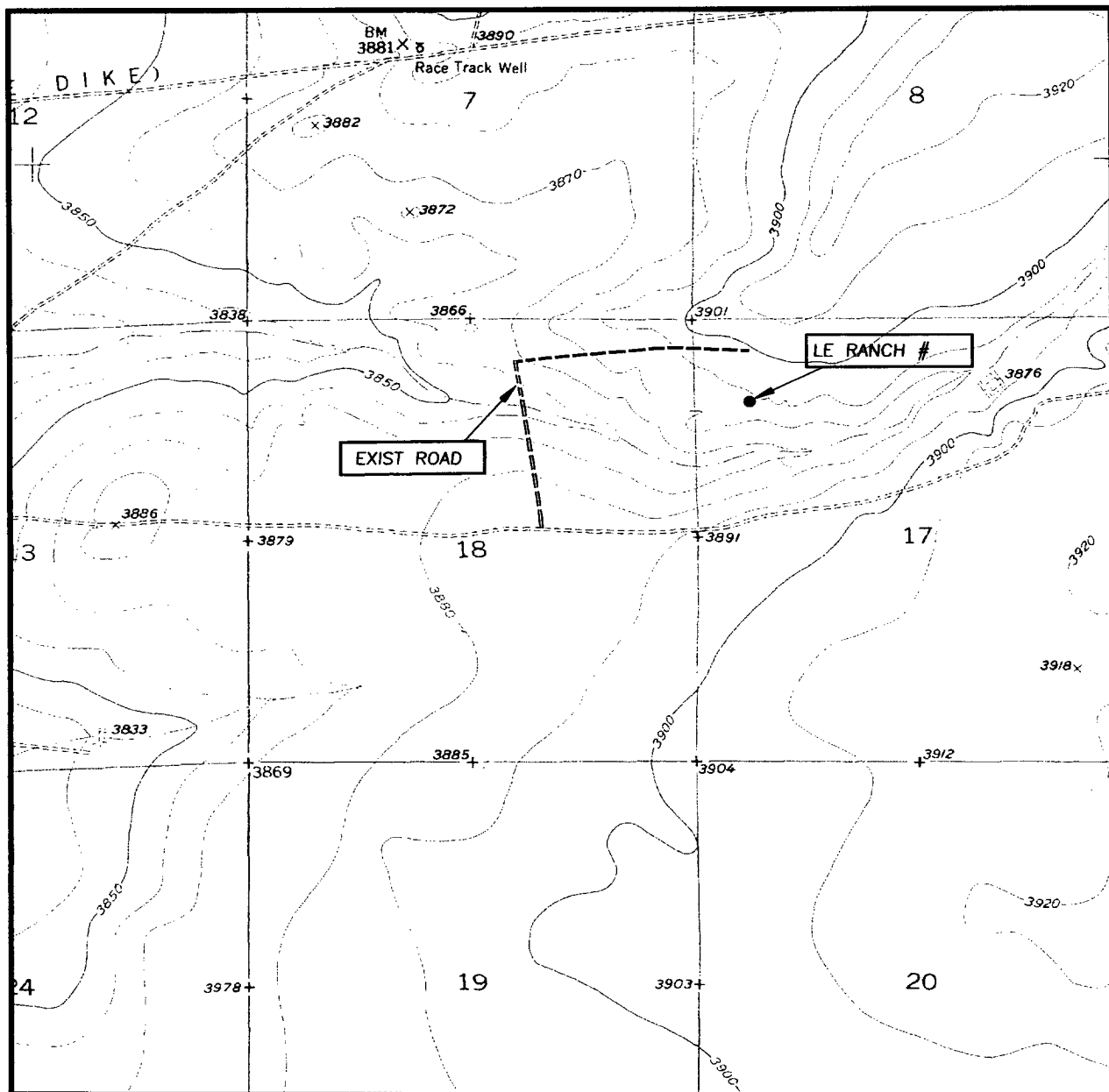
ELEVATION 3894'

PRIMERO OPERATING

LEASE LE RANCH



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
SARDINE MOUNTAIN, N.M. - 10'

SEC. 17 TWP. 10-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY CHAVES

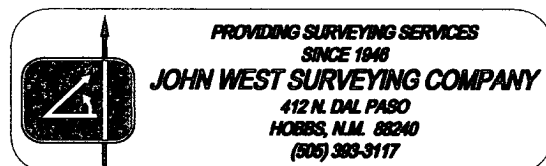
DESCRIPTION 990' FNL & 660' FWL

ELEVATION 3894'

OPERATOR PRIMERO OPERATING

LEASE LE RANCH

U.S.G.S. TOPOGRAPHIC MAP
SARDINE MOUNTAIN, N.M.





Legals:

WAPITI #1 (WILDCAT)
3000' SAN ANDRES WELL
SECTION 17, T-10-S, R-29-E
990' FNL 660' FWL
CHAVES COUNTY, NEW MEXICO

"CONTINGENCY PLAN"



I. H2S CONTINGENCY PLAN SECTION

Scope

This contingency plan establishes guidelines for all company employees and contract employees whose work activities may involve exposure to Hydrogen Sulfide gas (H₂S).

Objective

1. Prevent any and all accidents and prevent the uncontrolled release of H₂S into the atmosphere.
2. Provide proper evacuation procedures to cope with emergencies.
3. Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan

Implementation: This plan, with all details, is to be fully implemented prior to drilling below 1000'.

Emergency Response Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and Procedure: This section outlines the safety and emergency equipment that will be required for the drilling of this well.

Training Provisions: This section outlines the training provisions that must be adhered to prior to drilling below 1000'.

Emergency Call Lists: Included are the telephone numbers of all persons that would need to be contacted should an emergency occur.

Briefing: This section deals with the briefing of all people involved in the drilling operation.

Public Safety: Public Safety Personnel will be made aware of the drilling of this well.

Check Lists: Status Check Lists and Procedural Check Lists have been included to insure adherence to the plan.

General Information: A general information section has been included to supply support information.

Table of Contents

- I. H2S Contingency Plan Section
 - A. Scope
 - B. Objective
 - C. Discussion of Plan
- II. Emergency Procedures Section
 - A. Emergency Procedures
 - B. Emergency Reaction Steps
 - C. Simulated Blowout Control Drills
- III. Ignition Procedures Section
 - A. Responsibility
 - B. Instructions
- IV. Training Program Section
 - A. Training Requirements
- V. Emergency Equipment Section
 - A. Emergency Equipment Requirements
- VI. Check Lists Section
 - A. Status Check List
 - B. Procedural Check List
- VII. Briefing Procedure Section
 - A. Briefing Procedures
- VIII. Evacuation Plan Section
 - A. General Plan
 - B. Emergency Assistance Telephone List
- IX. Maps and Plats Section
 - A. Map showing Well site
 - B. Map showing Public within Radius of Exposure and Evacuation Routes
 - B. Emergency Call List of Residents and Businesses

X. General Information Section

- A. Drilling / Re-entry Permits
- B. 100 ppm Exposure Radius Chart
- C. 500 ppm Exposure Radius Chart
- D. Toxic Effects of Hydrogen Sulfide Poisoning
- E. Use of Self Contained Breathing Apparatus
- F. Rescue-First Aid for Hydrogen Sulfide Poisoning

- XI. BOP Testing
 - A. BOP, Choke Line and Kill Line will be tested as specified by operator
 - XII. Audio System
 - A. Radio communications shall be available at the rig.
 - B. Radio communications shall be available at the rig floor or trailer.
 - C. Radio communications shall be available on vehicles.
 - XIII. Special control equipment
 - A. Hydraulic BOP equipment with remote control on ground.
 - B. Rotating head at surface casing point.
 - XIV. Evacuation Plan
 - A. Evacuation routes should be established prior to spudding each well.
 - B. Should be discussed with all rig personnel.
 - XV. Designated Areas
 - A. Parking and visitor area.
 - 1. All vehicles are to be parked at a pre-determined safe distance from the wellhead.
 - 2. Designated smoking area.
 - B. Safe Briefing Area
 - 1. Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.
 - 2. Personal protective equipment should be stored in both protection centers or if a moveable trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both protection centers should be accessible.
- *Additional equipment will be available at Callaway Safety Equipment Co., Inc., 3229 N. Industrial, Hobbs, New Mexico (505) 392-2973
 - Additional personal Hydrogen Sulfide monitors on location for all hands.
 - Automatic Flare igniter installed on rig.

VI. CHECK LIST SECTION

Status Check List

NOTE: Date each item as they are implemented.

1. Sign at location entrance _____
2. Two (2) windsocks (in required locations) _____
3. Wind streamers (if required) _____
4. 30 minute pressure demand air packs on location
for all rig personnel and mud loggers. _____
5. Air packs, inspected and ready for use. _____
6. Spare bottles for each air pack (if required) _____
7. Cascade system and hose line hook up _____
8. Cascade system for refilling air bottles _____
9. Choke manifold hooked up and tested
(Before drilling out surface casing) _____
10. Remote Hydraulic BOP control (hooked up and
tested before drilling out surface casing) _____
11. BOP Preventer tested (before drilling out
surface casing) _____
12. Mud engineer on location with equipment to test
mud for Hydrogen Sulfide _____
13. Safe Briefing Areas set up _____
14. Condition sign and flags on location and ready _____
15. Hydrogen Sulfide detection system hooked up _____
16. Hydrogen Sulfide alarm system hooked up _____
17. Stretcher on location at Safe Briefing Area _____
18. 1 - 100' length of 5/8" nylon rope on location _____
19. 1 - 20 # or 30 # ABC fire extinguisher in safety
trailer in addition to those on rig _____
20. Combustible gas detector on location and tested _____

21. All rig crews and supervisors trained (as required)
22. Access restricted for unauthorized personnel
23. Drills on H2S and well control procedures
24. All outside service contractors advised of potential Hydrogen Sulfide on well
25. **NO SMOKING** sign posted
26. Hand operated H2S detector with tubes on location
27. 25 mm flare gun with flares
28. Automatic Flare igniter installed on rig

Procedural Check List

Perform the following on each tour:

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to insure that it has not been tampered with.
3. Check pressure on supply air bottles to see that they are capable of recharging.
4. Make sure all of the Hydrogen Sulfide detection systems are operative.

Perform the following each week:

1. Check each piece of breathing equipment to make sure that the demand regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you get air.
2. Blowout preventer skills.
3. Check supply pressure on BOP accumulator stand-by source.
4. Check all work/escape units for operation: demand regulator, escape bottle air volumes, and supply bottle air volume.
5. Check breathing equipment mask assembly to see that straps are loosened and turned back.
6. Check pressure on breathing equipment air bottles to make sure they are charged to full volume.
7. Check breathing equipment air bottles to make sure all demand regulators are working. This requires that the bottles be opened and the mask assembly be put on tight enough so that when you inhale, you get air.
8. Confirm pressure on all supply air bottles.
9. Perform breathing equipment drills with on-site personnel.

Check the following supplies for availability:

- a. Stretcher
 - b. Safety belts and ropes
 - c. Emergency telephone lists
 - d. Spare air bottle
 - e. Spare oxygen bottles (if resuscitator required)
 - f. Hand operated H₂S detectors and tubes
10. Test the Explosimeter to verify batteries are good.

VII. BRIEFING PROCEDURE SECTION

Briefing Procedures

The following scheduled briefings will be held to insure the effective drilling and operation of this project:

Pra-Spud Meeting

Date: Prior to spudding the well.

Attendance: Drilling Supervisor
Drilling Engineer
Drilling Foreman
Rig Pushers
Rig Driller
Mud Engineer
All Safety Personnel
Service Companies

Purpose: Review and discuss the well program, step by step, to insure complete understanding of assignments and responsibilities.

VIII. EVACUATION PLAN SECTION

General Plan

The direct lines of action prepared by CALLAWAY SAFETY EQUIPMENT CO., INC. to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foreman, Tool Pusher, Driller) determine Hydrogen Sulfide gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the Area map.
2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.
3. Company approved safety personnel that have been trained in the use of Hydrogen Sulfide detection equipment and self-contained breathing equipment will be utilized.
4. Law Enforcement personnel (State Police, Sheriff's Department, local Police Department and local Fire Department) will be called to aid in setting up and maintaining roadblocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, "Company" safety personnel will determine when the area is safe for re-entry.

See Emergency Reaction Plan

EMERGENCY ASSISTANCE TELEPHONE LIST**PUBLIC SAFETY**

Roswell P.D.	(505) 624-6770 or 911
Chaves County Sheriff's Department	(505) 624-6500 or 911
New Mexico State Police	(505) 622-7200 or 911
Roswell Fire Department	(505) 624-6800 or 911
New Mexico OCD (Tim Gum)	(505) 748-1283
New Mexico D.O.T.	(505) 827-5100
U.S. Dept. of Labor	(505) 248-5302

PRIMERO OPERATING

Phelps White III	Owner / Drilling Manager	(505) 622-1001 (office)
		(505) 626-7660 (mobile)
		(505) 625-0227 (fax)

UNITED DRILLING RIG #11

Angel	Tool Pusher	(505) 910-2003
Rig Phone		(505) 910-2002

SAFETY CONTRACTOR

Callaway Safety Equipment	(505) 392-2973 (Hobbs)
	(432) 561-5049 (Odessa)

Affected Public Notification List
(within a 65' radius of exposure @ 100 ppm)

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H₂S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, and conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

Evacuee Description: Residents

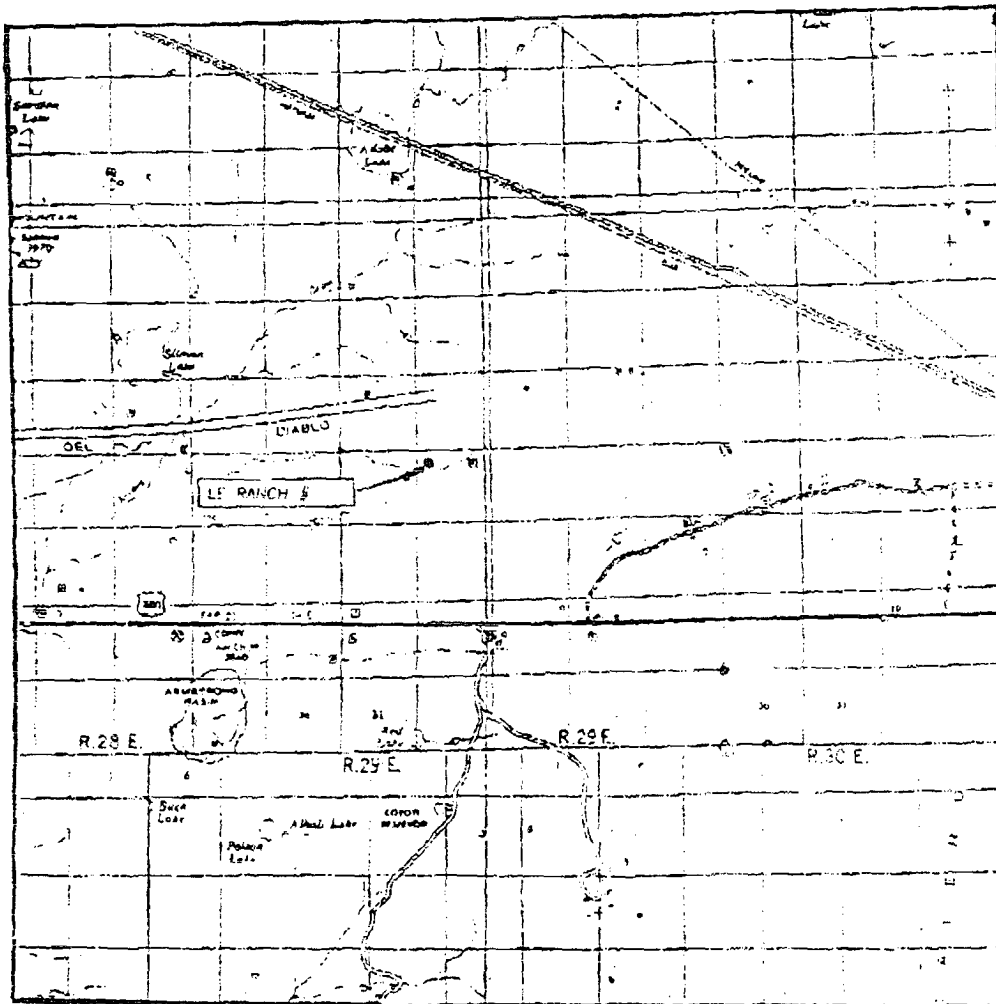
Notification Process: A continuous siren audible to all residents will be activated; signaling evacuation of previously notified and informed residents.

Evacuation Plan: All evacuees will migrate lateral to the wind direction.

The Oil Company will identify all homebound or highly susceptible individuals and make special evacuation preparations, interfacing with the local fire and emergency medical services as necessary.

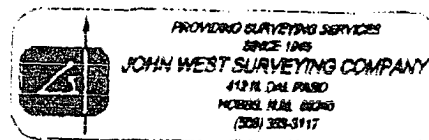
IX. MAPS AND PLATS SECTION

VICINITY MAP



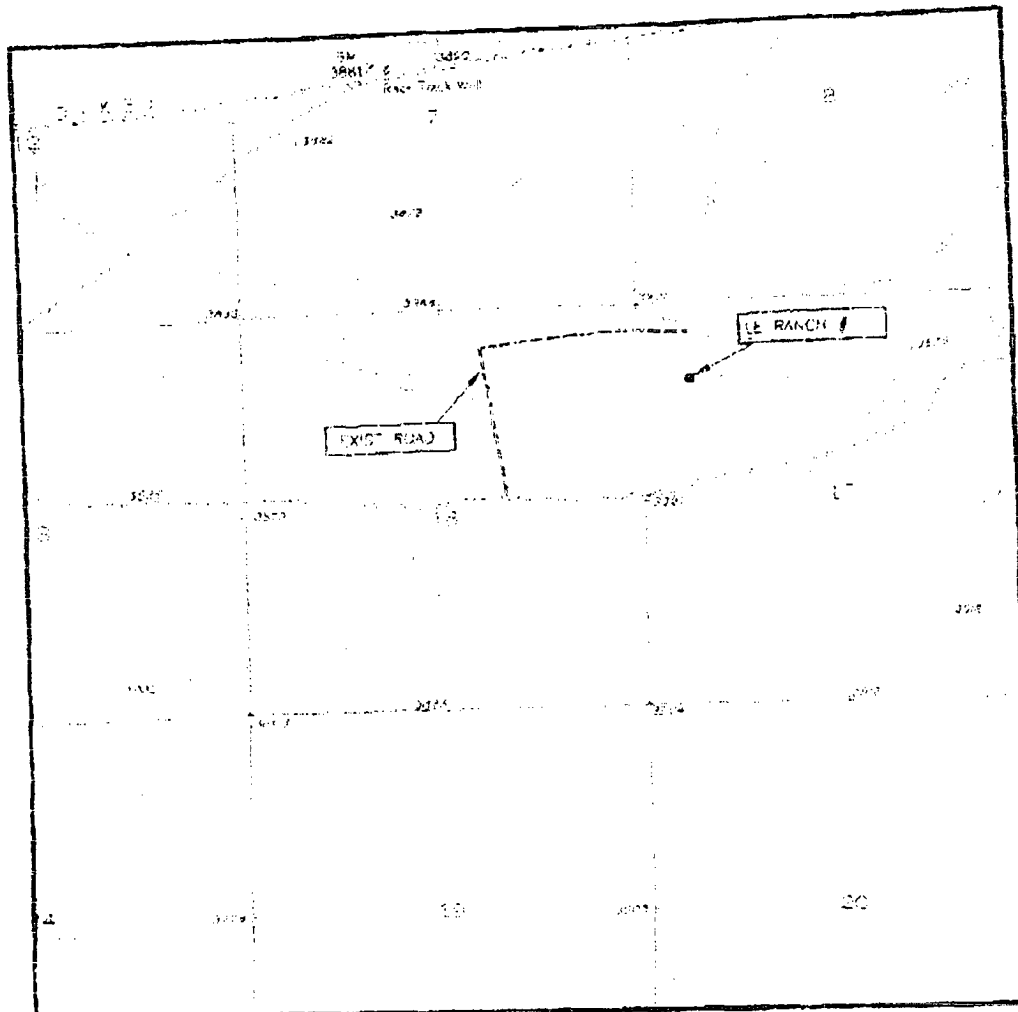
SCALE 1" = 2 MILES

SEC. 17 TWP. 10-S RGE. 29-E
 SURVEY N.M.P.M.
 COUNTY CHAVES
 DESCRIPTION 990' FNL & 560' FNL
 ELEVATION 3894'
 OPERATOR PRIMERO OPERATING
 LEASE LE RANCH



PRIMERO

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
SARDINE MOUNTAIN, N.M. - 10'

SEC. 22 TWP. 12-S. RGE. 29-E.

SURVEY N.M.P.M.

COUNTY CHAVEZ

DESCRIPTION 990' ENL. & 660' EWL

ELEVATION 3894

OPERATOR PRIMERO OPERATING

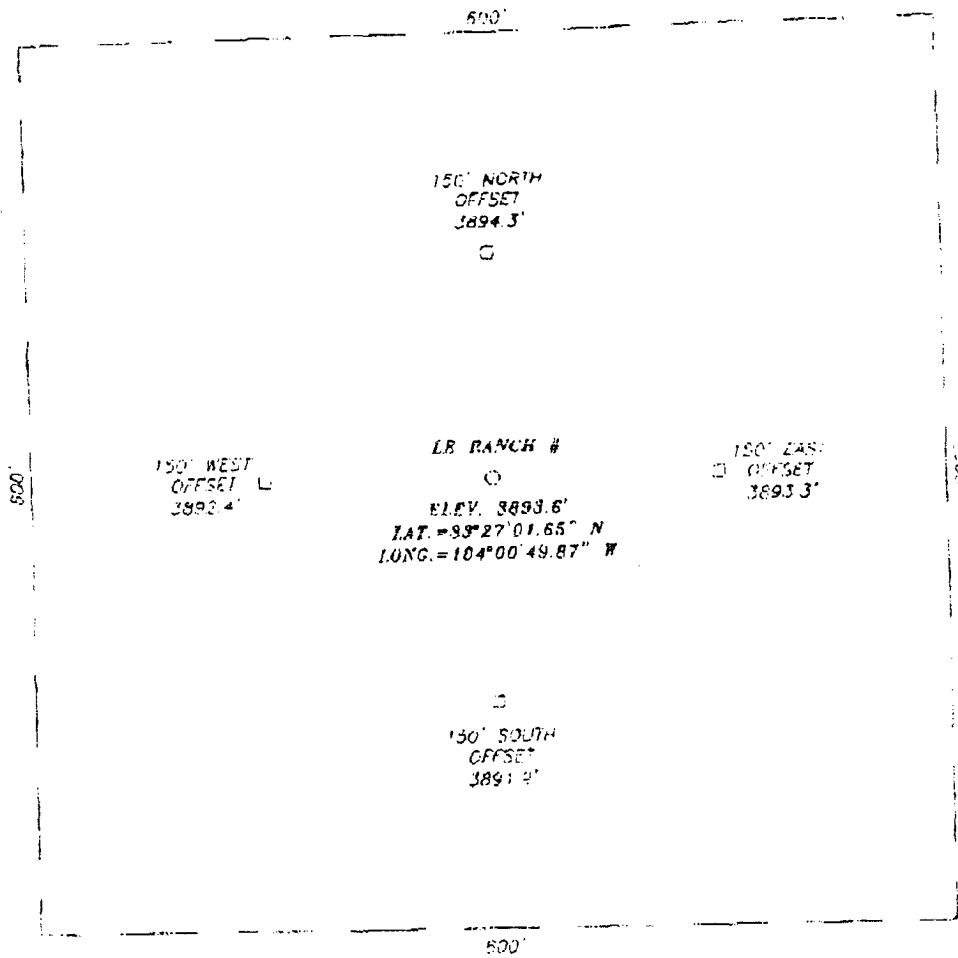
LEASE LE RANCH

U.S.G.S. TOPOGRAPHIC MAP
SARDINE MOUNTAIN, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1941
JOHN WEST SURVEYING COMPANY
414 N. DAL PASO
HOBBES, N.M. 88240
(505) 323-7117

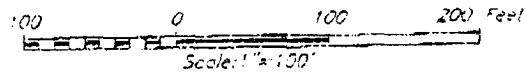
PRIMERO

SECTION 17, TOWNSHIP 10 SOUTH, RANGE 29 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO



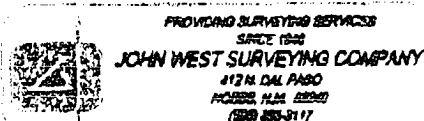
DIRECTIONS TO LOCATION

FROM HWY 380 AND MILEPOST 184 GO NORTH ON
GOOD CANCHE ROAD FOR 2.3 MILES. TURN RIGHT
(EAST) ON A TWO TRACK CANCHE ROAD AND GO
0.5 MILES. LOCATION IS 600'± SOUTH.



PRIMERO OPERATING

LB RANCH # WELL
LOCATED 990 FEET FROM THE NORTH LINE
AND 580 FEET FROM THE WEST LINE OF SECTION 17,
TOWNSHIP 10 SOUTH, RANGE 29 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.



Survey Date: 05/12/04	Sheet: 1 of 1 Sheets
W.O. Number: 04.11.0565	Dr. By: J. RIVERA
Date: 05/14/04	Disk: GDA10
04110565	Scale: 1"=100'

X. GENERAL INFORMATION SECTION

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II
P.O. Drawer 20, Aragon, NM 88211-0020

DISTRICT III
1000 E. Main Street, Aztec, NM 87410

DISTRICT IV
P.O. Box 2086, Santa Fe, N.M. 87504-2086

State of New Mexico
Energy Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2086
Santa Fe, New Mexico 87504-2086

Form C-102
Revised February 16, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Per Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-	Pool Code	Pool Name
Property Code	Property Name WAPIII	Well Number 1
OGED No. 018100	Operator Name PRIMERO OPERATING	Elevation 3894'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	17	10-S	29-E		390'	NORTH	660'	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidating Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>GEODETIC COORDINATES NAD 77 NME Y=891552.3 N X=557447.3 E LAT.=33°27'01.65" N LONG.=104°07'49.87" W</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature LeAnn Lantis Printed Name Secretary Date 5/19/04</p>
	<p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>MAY 12, 2004 Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> 04.11.0585 Certificate No. GARY KIDSON 18041</p>	

Toxic Effects of Hydrogen Sulfide Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 20 ppm, which is .002% by volume. Hydrogen Sulfide is heavier than air (specific gravity - 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen Sulfide is almost as toxic as Hydrogen Cyanide and is between five and six times more toxic than Carbon Monoxide. Toxicity data for Hydrogen Sulfide and various other gases are compared below in Table I. Physical effects at various Hydrogen Sulfide levels are shown in Table II.

Table I
Toxicity of Various Gases

Common Name	Chemical Formula	Specific Gravity	Threshold Limit (A)	Hazardous Limit (B)	Lethal Concentration (C)
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H ₂ S	1.18	10 ppm (D) 20 ppm (E)	250 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21	5 ppm		1000 ppm
Chlorine	Cl ₂	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	CO	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	CO ₂	1.52	5000 ppm	(5 %)	(10 %)
Methane	CH ₄	0.55	90,000 ppm	(9 %)	Combustible Above 5% in air

-
- A. **Threshold Limit** - Concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.
- B. **Hazardous Limit** - Concentration that may cause death.
- C. **Lethal Concentration** - Concentration that will cause death with short-term exposure.
- D. **Threshold Limit (10 ppm)** - 1972 ACGIH (American Conference of Governmental Industrial Hygienists).
- E. **Threshold Limit (20 ppm)** - 1966 ANSI acceptable ceiling concentration for eight-hour exposure (based on 40 hour week) is 20 ppm. OSHA Rules and Regulations (Federal Register, Volume 37, No. 202, Part II, dated 10/18/72)

Table II
Physical Effects of Hydrogen Sulfide

Percent (%)	ppm	Physical Effects
0.001	10	Obvious and unpleasant odor
0.002	20	Safe for 8 hrs. exposure
0.01	100	Kills smell in 3-5 minutes; may sting eyes & throat
0.02	200	Kills smell shortly; stings eyes and throat
0.03	300	IDLH (Immediate Danger to Life and Health) Level
0.05	500	Dizziness; breathing ceases in a few minutes
0.07	700	Unconscious quickly; death will result if not rescued
0.10	1000	Unconscious at once; followed by death within minutes

* **CAUTION:** Hydrogen Sulfide is a colorless and transparent gas and is highly flammable. It is heavier than air and may accumulate in low places.

**Use of Self-Contained Breathing Apparatus
(SCBA)**

- I. Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.
- II. Respirators shall be inspected frequently, at random, to insure that they are properly used, cleaned and maintained.
- III. Anyone who may use respirators shall be trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. **(NOTE: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal).** Anyone that may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.
- IV. Maintenance and care of Respirators
 - A. A program of maintenance and care of respirators shall include the following:
 1. Inspection for defects, including leak checks.
 2. Cleaning and disinfecting.
 3. Repair
 4. Storage
 - B. Inspection: Self Contained Breathing Apparatus (SCBA) for emergency use shall be inspected monthly and records maintained for the following:
 1. Fully charged cylinders.
 2. Regulator and warning device operation.
 3. Condition of face piece and connection.
 4. Elastomer or rubber parts shall be stretched or massaged to keep them pliable and prevent deterioration.
 - C. Routinely used respirators shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
- V. Persons assigned tasks that require the use of Self Contained Breathing Equipment shall be certified physically fit for breathing equipment usage by the local company physician at least annually.
- VI. Respirators should be worn during the following conditions:
 - A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H₂S.
 - B. When breaking out any line where H₂S can reasonably be expected.
 - C. When sampling air in areas to determine if toxic concentrations of H₂S exist.
 - D. When working in areas where over 20 ppm H₂S has been detected.
 - E. At any time there is a doubt as to the H₂S level in the area to be entered.

Rescue-First Aid for Hydrogen Sulfide Poisoning

DO NOT PANIC !!!!

Remain Calm -- THINK

1. Hold your breath (Do not inhale; stop breathing) and go to Briefing Area.
2. Put on breathing apparatus.
3. Remove victim(s) to fresh air as quickly as possible. (Go upwind from the source or at right angles to the wind; **NOT** downwind).
4. Briefly apply chest pressure-arm lift method of artificial respiration to clear the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.
5. Provide for prompt transportation to the hospital and continue giving artificial respiration if needed.
6. Hospital(s) or medical facilities need to be informed, beforehand, of the possibility of H₂S gas poisoning, no matter how remote the possibility.
7. Notify emergency room personnel that the victim(s) have been exposed to H₂S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration, as well as first aid for eyes and skin contact with liquid H₂S. Everyone needs to master these necessary skills.