

Form 3160-3
(April 2004)

SECRETARY'S POTASH

OCD - Artesia
Operator Copy

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work	<input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	5 Lease Serial No	BHL: NM 068431 SH LC068430
1b Type of Well	<input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	6 If Indian, Allottee or Tribe Name	See pg 1 of 8pt DP for lease info. <i>TES 10/15/2012</i>
2 Name of Operator	BOPCO, L. P.	7 If Unit or CA Agreement, Name and No	Poker Lake Unit NMNM 71016X
3a Address	P. O. Box 2760 Midland, TX 79702	8 Lease Name and Well No	Poker Lake Unit 322H <306402>
3b Phone No. (include area code)	432-683-2277	9 API Well No	30-015-40791
4 Location of Well (Report location clearly and in accordance with any State requirements *)	At surface SENE UL 1130' FSL & 280' FEL, Lat: N 32.242486, Long: W 103.895289	10 Field and Pool, or Exploratory	Wildcat (Delaware)
At proposed prod zone	450' FNL & 550' FWL, Sec 15-T24S-R30E, Lat: N 32.223653, Long: W 103.875292	11 Sec, T R M or Blk and Survey or Area	Wildcat (Delaware) <i>47545</i>
14 Distance in miles and direction from nearest town or post office*	22 miles east of Malaga	12 County or Parish	Eddy
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any)	280' FEL	13 State	NM
16 No of acres in lease	8859-6	17 Spacing Unit dedicated to this well	440
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	1,086'	20 BLM/BIA Bond No on file	COB 000050
21 Elevations (Show whether DF, KDB, RT, GL, etc)	3,336' GL	22 Approximate date work will start*	02/01/2013
23 Estimated duration	30 Days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- | | |
|---|--|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature	Name (Printed/Typed)	Date
<i>Jeremy Braden</i>	Jeremy Braden	7/6/12
Title	Engineering Assistant	

Approved by (Signature)	Name (Printed/Typed)	Date
<i>/s/ Jesse J. Juen</i>		OCT 4 2012

Title	Office
STATE DIRECTOR	NM STATE OFFICE

Application approval 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

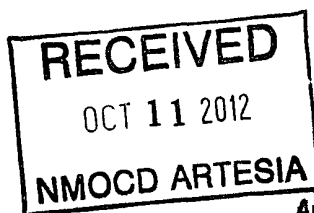
Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC 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)

Carlsbad Controlled Water Basin



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

DISTRICT I
1625 N French Dr., Hobbs, NM 88240

DISTRICT II
1301 W Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-40791	Pool Code 97821 47545	Pool Name NASH DRAW Wilbeat (Delaware)	Well Number 322H
Property Code 3064002	Property Name POKER LAKE UNIT		Elevation 3336'
OGRID No 260737	Operator Name BOPCO, L.P.		

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24 S	30 E		1130'	SOUTH	280'	EAST	EDDY

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
D	15	24 S	30 E		450'	NORTH	550'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
440			

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>SURFACE LOCATION Lat - N 32°14'32.95" Long - W 103°53'43.04" NMSPCE- N 452210.829 E 635433.671 (NAD-27)</p> <p>BOTTOM HOLE LOCATION Lat - N 32°13'25.15" Long - W 103°52'31.05" NMSPCE- N 445385.505 E 641645.730 (NAD-27)</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><i>Jeremy Braden</i> 7-6-12 Signature Date Jeremy Braden Printed Name jdbraden@basspet.com Email Address</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>Date Surveyed Signature & Seal of Professional Surveyor GARY L. JONES 26758</p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26758</p>

BOPCO, L.P.

P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX-432-687-0329

June 29, 2012

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220-6292

Attn: Mr. Don Peterson – Assistant Field Manager, Minerals

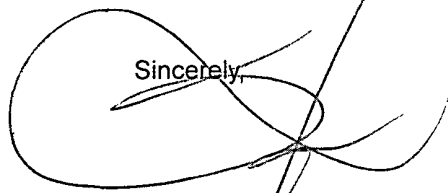
RE. APPLICATION FOR PERMIT TO DRILL
POKER LAKE UNIT #322H
1130' FSL, 280' FEL, SEC. 5, T24S, R30E, EDDY COUNTY, NM

Dear Mr. Peterson,

In reference to the above captioned well, I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist, that the statements made in the attached eight point drilling plan and multi-use surface plan are, to the best of my knowledge, true and correct, and that the work associated with operations proposed herein will be performed by BOPCO, L.P. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

If you have any questions regarding the accuracy of the plan provided herein, please do not hesitate to contact me at (432) 683-2277.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen M. Martinez", is written over the word "Sincerely,". The signature is stylized with a large loop and a long horizontal stroke.

Stephen M. Martinez
Division Drilling Superintendent

Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 948' and cement circulated to surface

7" casing will be set at approximately 7,710' MD, 7,524' TVD (In curve) and cemented in two stages with DV Tool set at approximately 5,000'. Cement will be circulated 500' into the 9-5/8" intermediate casing

Drilling procedure, BOP diagram, and anticipated tops are attached.

This well is located outside the R111 Potash area and Secretary's Potash area

The surface location is nonstandard and located inside the Poker Lake Unit.

The bottom hole location is nonstandard and located inside the Poker Lake Unit.

Surface Lease Numbers- Federal Lease: LC 068431

Bottom Hole Lease Numbers – Federal Lease: LC 068431

BOPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, L.P., 201 Main Street, Ft. Worth, TX, 76102. Bond No. COB000050 (Nationwide).

**EIGHT POINT DRILLING PROGRAM
BOPCO, L.P.**

NAME OF WELL: Poker Lake Unit 322H

LEGAL DESCRIPTION - SURFACE: 1130' FSL, 280' FEL, Section 05, T24S, R30E, Eddy County, NM.
BHL: 450' FNL, 550' FWL, Section 15, T24S, R30E, Eddy County, New Mexico

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3358' (estimated)
GL 3336'

Formation Description	Est from KB (TVD)	Est (MD)	SUB-SEA TOP	BEARING
T/Fresh Water	200'	200'	+ 3,158'	Fresh Water
T/Rustler	608'	608'	+ 2,750'	Barren
T/Salado	958'	958'	+ 2,400'	Barren
B/Salt	3,603'	3,603'	- 245'	Oil/Gas
T/Lamar	3,723'	3,723'	- 365'	Oil/Gas
T/Ramsey	3,768'	3,768'	- 410'	Oil/Gas
Cherry Canyon	4,723'	4,723'	- 1,365'	Oil/Gas
Brushy Canyon	6,016'	6,016'	- 2,658'	Oil/Gas
KOP	7,010'	7,010'	- 3,652'	Oil/Gas
LBC "8A" Sand	7,298'	7,319'	- 3,940'	Oil/Gas
Target #1	7,473'	7,610'	- 4,115'	Oil/Gas
TD Horizontal Hole	7,588'	16,600'	- 4,230'	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVAL MD	HOLE SIZE	PURPOSE	INSTALLATION TYPE
20"	0' - 120'	26"	Conductor	Contractor Discretion
13-3/8", 48#, H-40, or 54.5#, J-55 8rd, ST&C*	0' - 948'	17-1/2"	Surface	New
9-5/8", 40#, N-80, 8rd, LT&C or 9-5/8" 40#, J-55, 8rd, LT&C*	0' - 3,743'	12-1/4"	Intermediate	New
7", 26#, N-80, Buttruss or 8rd LTC*	0' - 7,710'	8-3/4"	Production	New

Completion System				
4-1/2", 11.6#, HCP-110 8rd LT&C, BTC, or Ultra flush	7,760' - 16,600'	6-1/8"	Completion System	New

See COA

* Depending on availability.

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
13-3/8", 48#, H-40, 8rd, ST&C*	8.30	1.57	1.66
13-3/8", 54.5#, J-55, 8rd, STC*	19.37	2.47	2.62
9-5/8", 40#, N-80, 8rd, LT&C*	5.41	1.44	2.75
9-5/8", 40#, J-55, 8rd, LT&C*	4.98	1.18	1.89
7", 26#, N-80, Buttress*	3.08	1.28	1.72
7", 26#, N-80, 8rd, LTC*	3.58	1.33	1.72

Completion System			
4-1/2", 11 6#, HCP-110 8rd. LT&C	3.67	2.12	2.52
4-1/2", 11 6#, HCP-110 BTC	4.83	2.22	2.52
4-1/2", 11 6#, HCP-110 UFJ	3.16	1.79	2.52

* Depending on availability.

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (13-3/8")

Tension	A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg)
Collapse	A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.
Burst	A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING - (9-5/8")

Tension	A 1.6 design factor utilizing the effects of buoyancy (10.2 ppg)
Collapse	A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered. In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.
Burst	A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

Production CASING - (7")

Tension	A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).
Collapse	A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.
Burst	A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient (0.433 psi/ft). Backup on production strings will be formation pore pressure (0.433 psi/ft). The effects of tension on burst will not be utilized.

Completion System - (4-1/2")

Tension	A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg)
Collapse	A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.
Burst	A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient (0.433 psi/ft). Backup on production strings will be formation pore pressure (0.433 psi/ft). The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 1 & 2) **See COA*

The BOPE when rigged up on the 13-3/8" surface casing head (12-1/4" open hole) will consist of 13-5/8" X 5,000 psi dual ram BOP's with mud cross, choke manifold, chokes, and hydril per Diagram 1 (5,000 psi WP). The pipe and blind rams, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 250-300 psig and 2000 psig by independent tester. The hydril when installed on surface casing head will be tested to 1000 psi

The BOPE when rigged up on the 9-5/8" intermediate casing spool (8-3/4" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross, choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kill lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

The BOPE when rigged up on the 7" intermediate casing spool (6-1/8" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kelly lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

These tests will be performed:

- Upon installation
- After any component changes
- Thirty days after a previous test
- As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

** See COA*
BOPCO, L.P. would like to utilize an armored, 3", 5000 psi WP flex hose for the choke line in the drilling of the well. This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5000 psi and has 5000 psi flanges on each end. This well is to be drilled to 16,600' MD (7588' TVD) and max surface pressure should be +/-1882 psi as prescribed in onshore order #2 shown as 0.22 psi/ft. Thus, 2000 psi BOPE (for 12-1/4" hole) and 3000 psi BOPE (for 8-3/4" and 6-1/8" hole) is all that is needed for this well. **Please refer to diagram 2 for choke manifold and closed loop system layout. If an armored flex hose is utilized, the company man will have all of the proper certified paper work for that hose available on location. There is a list of possible flex hose serial numbers that could be used attached with the choke manifold diagram**

Please refer to diagram 2 for choke manifold and closed loop system layout. .

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0 - 948'	FW Spud Mud	8.5 - 9.2	38-70	NC	NC	NC	10.0	
948' - 3,743'	Brine Water	9.8 - 10.2	28-30	NC	NC	NC	9.5 - 10.5	
3,743' - 7,710'	FW/Gel	8.7 - 9.0	28-36	NC	NC	NC	9.5 - 10.0	
7,710'-16,600'	FW/Gel/Starch	8.7 - 9.0	28-36	NC	NC	<100	9.5 - 10.0	

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING
None anticipated.

* B) LOGGING *See COA*

See COA
Run #1: GR with MWD during drilling of build and horizontal portions of 8-3/4" and 6-1/8" hole.

Run #2: Shuttle log w/GR, PE, Density, Neutron, Resistivity in lateral leg open hole.

Mud Logger: Rigged up at 100'

C) CONVENTIONAL CORING

None anticipated

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT/SX
SURFACE: <i>13 3/4</i> Lead. 0' – 648'	524	648	Class C +2% CACL + 4% Bentonite + 0 25 LB/SK Cello Flake + 3 lb/sk LCM-1	8 69	13 50	1.75
Tail. 648' – 948'	345	300	Class C + 2% CACL + 0 25 LB/SK CF	6 35	14.80	1 35
INTERMEDIATE: <i>9 5/8</i> Lead 0' – 3,243'	980	3243	0.25LB/SK Cello Flake + 3 lb/sk LCM-1 EconoCEM HLC + 5% CaCl + 5#/sk Gilsonite	9 32	12 90	1 85
Tail: 3,243' – 3,743'	271	500	HalCem C	6 34	14 80	1 33
Production <i>7 1/2</i> Stage 1 Lead 5,000' – 7,010'	174	2010	Tuned Light + 0 75% + CFR-3 + 1.5#/sk CaCl	12 41	10 20	2 76
Tail: 7,010' – 7,710'	116	700	VersaCem-PBSH2 + 0 4% Halad-9	8 76	13 0	1.65
DV Tool @ 5,000' Stage 2. Lead 3,243' – 4,500'	133	1257	EconCem HLC + 1% Econolite + 5% CaCl + 5#/sk Gilsonite	10 71	12 60	2 04
Tail: 4,500' – 5,000'	100	500	HalCem C	6 34	14.80	1.33

Cement excesses will be as follows:

Surface – 100% excess with cement circulated to surface.

1st Intermediate – 50% excess above fluid caliper with cement circulated to surface

Production – 50% above gauge hole or 35% above electric log caliper with cement circulated 500' up into the 9-5/8" 1st intermediate casing in areas outside the SOPA. Cement will be circulated to surface on areas inside the SOPA.

Cement volumes will be adjusted proportionately for depth changes of the multi stage tool

E) COMPLETIONS SYSTEM

A 4-1/2" completion system with open hole packers will be run in the producing lateral to a depth of 16,600'. The top of the Completion System will be set at approximately 7,760'. Cement will not be required for this system.

F) DIRECTIONAL DRILLING

BOPCO, L.P. plans to drill out the 9-5/8" intermediate casing with a 8-3/4" bit to a TVD of approximately 7,010' at which point a directional hole will be kicked off and drilled at an azimuth of 155.76 degrees, building angle at 12.00 deg/100' to 60 degrees at a TVD of 7,424' (MD 7,510'). This angle and azimuth will be maintained for 200' to a measured depth of 7,710' (7,524' TVD). At this depth 7", 26#, N80, Buttress, or 8rd LTC casing will be installed and cemented in two stages (DV Tool @ approximately 5000') with cement circulated 500' inside the 9-5/8" intermediate casing. A 6-1/8" open hole lateral will then be drilled out from 7" casing at an azimuth of 135.00 degrees, inclination of 90.00 degrees to a measured depth of 16,600', TVD 7,588'. At this depth a 4-1/2" Completion System with packers installed for zone isolation will be run into the producing lateral.

G) H₂S SAFETY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located inside the H₂S area, H₂S equipment will be rigged up after setting surface casing. For the wells located inside the H₂S area the flare pit will be located 150' from the location. For wells located outside the H₂S area flare pit will be located 100' away from the location **(See page 6 of Survey plat package and diagram 2)** There is not any H₂S anticipated in the area, although in the event that H₂S is encountered, the H₂S contingency plan attached will be implemented. **(Please refer to diagram 2 for choke manifold and closed loop system layout.) Please refer to H₂S location diagram for location of important H₂S safety items.**

H) CLOSED LOOP AND CHOKE MANIFOLD

Please see diagram 2.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3551 psi (max) or MWE of 9.0 ppg is expected. Lost circulation may exist in the Delaware Section from 3,723'-7,588' TVD.

POINT 8: OTHER PERTINENT INFORMATION**A) Auxiliary Equipment**

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

30 days drilling operations

14 days completion operations

JDB/KEK

BOPCO, L.P.

Poker Lake Unit 322H
Eddy Co, NM

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0 00	155.76	0 00	0.00	0.00	0 00	0 00	0.00	
2	7010.54	0 00	155.76	7010.54	0.00	0.00	0 00	155.76	0.00	
3	7510.54	60 00	155.76	7424.04	-217.68	98.01	12 00	155.76	226.96	
4	7710.54	60 00	155.76	7524.04	-375.62	169.12	0 00	0.00	391.62	
5	7960.54	90 00	155.76	7588.00	-593.30	267.14	12 00	0.00	618.58	
6	8181.54	90 00	155.76	7588.00	-794.82	357.87	0 00	0.00	828.68	
7	8873.37	90 00	135.00	7588.00	-1361.06	748.75	3.00	-90.00	1510.54	
8	16600.33	90 00	135.00	7588.00	-6825.32	6212.06	0.00	0.00	9229.01	PBHL

FIELD DETAILS

Eddy County, NM (Nad 27)
Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010
System Datum: Mean Sea Level
Local North: Grid North

WELL DETAILS

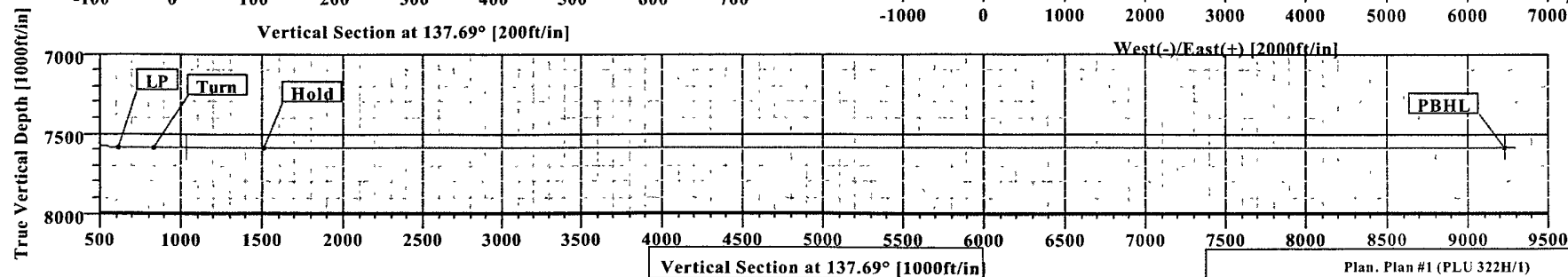
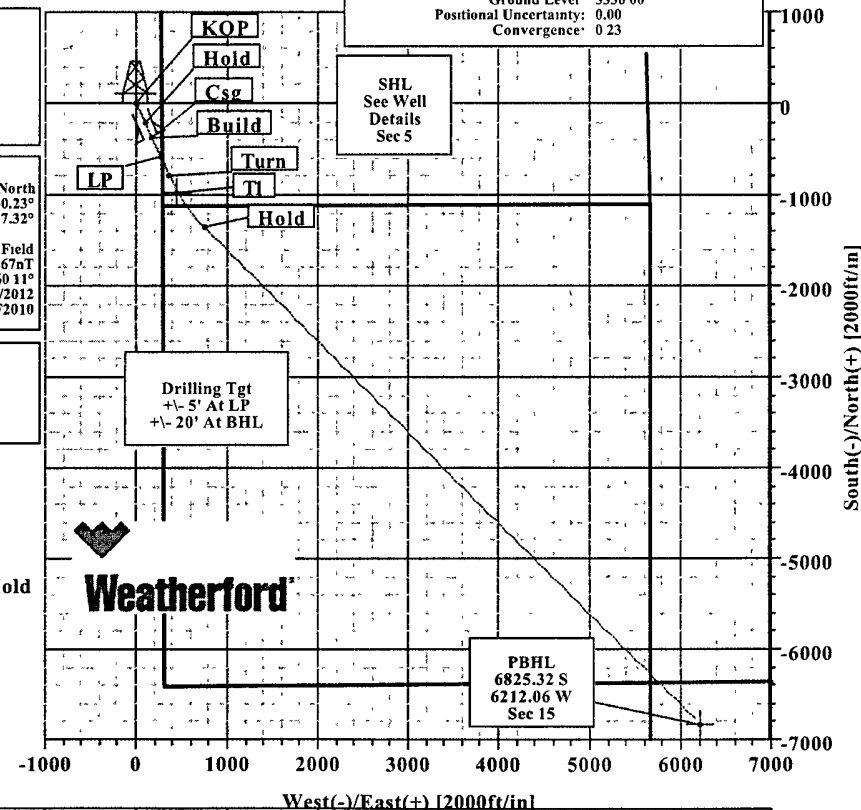
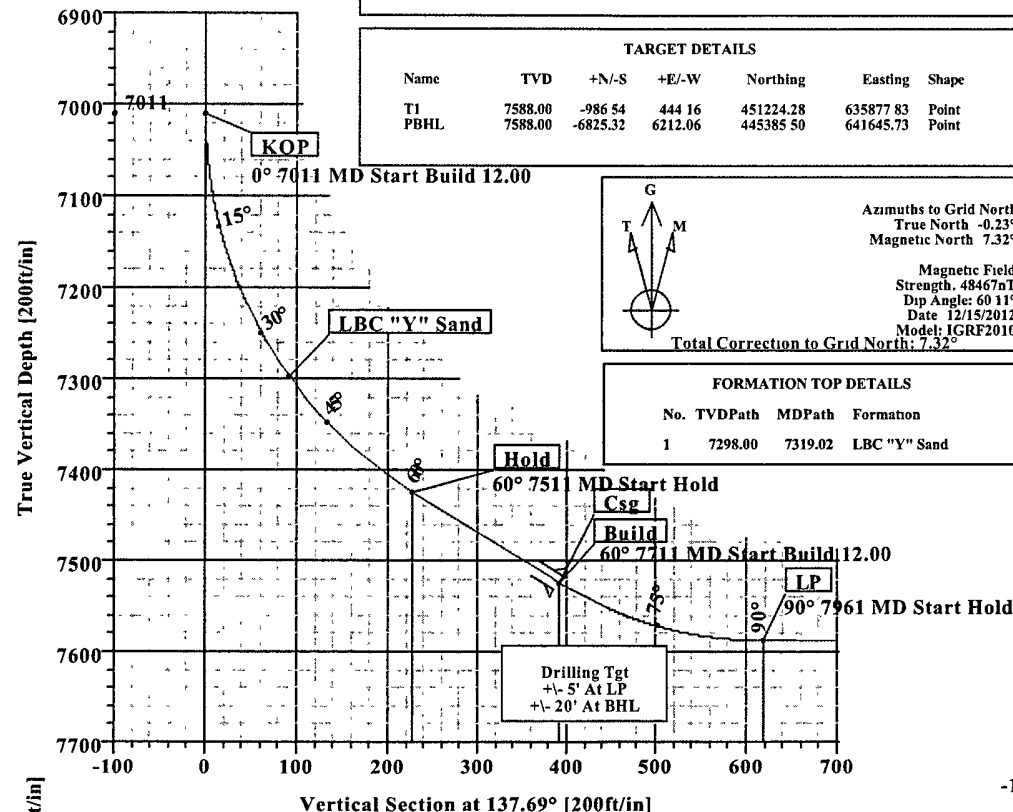
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
PLU 322H	0 00	0.00	452210.82	635433.67	32°14'32.947N	103°53'43.037W	N/A

SITE DETAILS

Poker Lake Unit 322H
Site Centre Northing: 452210.82
Easting: 635433.67
Ground Level: 3336.00
Positional Uncertainty: 0.00
Convergence: 0.23

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
T1	7588.00	-986.54	444.16	451224.28	635877.83	Point
PBHL	7588.00	-6825.32	6212.06	445385.50	641645.73	Point



Plan: Plan #1 (PLU 322H/1)

Created By: Russell W. Joyner

Date: 6/14/2012

Weatherford

WFT Plan Report - X & Y's



Weatherford

Company: BOPCO, L P		Date: 6/14/2012		Time: 11:36:30		Page: 1	
Field: Eddy County, NM (Nad 27)		Co-ordinate(NE) Reference:		Well: PLU 322H, Grid North			
Site: Poker Lake Unit 322H		Vertical (TVD) Reference:		SITE 3358.0			
Well: PLU 322H		Section (VS) Reference:		Well (0.00N,0.00E,137 69Azi)			
Wellpath: 1		Survey Calculation Method:		Minimum Curvature		Db: Sybase	

Plan: Plan #1	Date Composed: 6/14/2012
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy County, NM (Nad 27)	
Map System: US State Plane Coordinate System 1927	Map Zone: New Mexico, Eastern Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Poker Lake Unit 322H	
Site Position:	Northing: 452210 82 ft
From: Map	Easting: 635433 67 ft
Position Uncertainty: 0 00 ft	Latitude: 32 14 32 947 N
Ground Level: 3336 00 ft	Longitude: 103 53 43.037 W
	North Reference: Grid
	Grid Convergence: 0.23 deg

Well: PLU 322H		Slot Name:	
Well Position:	+N/-S 0 00 ft	Northing: 452210 82 ft	Latitude: 32 14 32 947 N
	+E/-W 0 00 ft	Easting: 635433 67 ft	Longitude: 103 53 43 037 W
Position Uncertainty:	0.00 ft		

Wellpath: 1		Drilled From: Surface	
Current Datum: SITE	Height 3358 00 ft	Tie-on Depth:	0.00 ft
Magnetic Data: 12/15/2012		Above System Datum:	Mean Sea Level
Field Strength: 48467 nT		Declination:	7.55 deg
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle:	60 11 deg
	ft	+E/-W	Direction
		ft	deg
0 00	0 00	0 00	137 69

Plan Section Information										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0 00	155.76	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
7010 54	0 00	155 76	7010 54	0 00	0 00	0 00	0 00	0 00	155 76	
7510 54	60 00	155 76	7424 04	-217 68	98 01	12 00	12 00	0 00	155 76	
7710 54	60 00	155 76	7524 04	-375.62	169 12	0 00	0 00	0 00	0 00	
7960 54	90 00	155 76	7588 00	-593.30	267 14	12 00	12 00	0 00	0 00	
8181 54	90 00	155.76	7588 00	-794 82	357 87	0.00	0.00	0.00	0.00	
8873.37	90 00	135.00	7588.00	-1361.06	748.75	3 00	0.00	-3.00	-90.00	
16600 33	90 00	135 00	7588 00	-6825 32	6212 06	0 00	0.00	0 00	0.00	PBHL

Survey										
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7000 00	0 00	155.76	7000 00	0.00	0 00	0.00	0 00	452210 82	635433.67	
7010 54	0.00	155.76	7010 54	0 00	0 00	0.00	0 00	452210.82	635433.67	KOP
7025 00	1.74	155 76	7025.00	-0.20	0 09	0 21	12.00	452210.62	635433 76	
7050 00	4 74	155 76	7049.96	-1.49	0 67	1 55	12 00	452209 33	635434.34	
7075.00	7 74	155.76	7074.80	-3 96	1 78	4 13	12 00	452206.86	635435.45	
7100 00	10 74	155.76	7099.48	-7.62	3 43	7.94	12.00	452203.20	635437.10	
7125 00	13 74	155 76	7123 91	-12 45	5 61	12 98	12.00	452198.37	635439.28	
7150 00	16.74	155 76	7148 03	-18.44	8 30	19 23	12 00	452192 38	635441.97	
7175 00	19 74	155 76	7171 77	-25 57	11.51	26.66	12 00	452185.25	635445.18	
7200 00	22 74	155 76	7195 07	-33 83	15 23	35 27	12 00	452176 99	635448 90	
7225 00	25 74	155.76	7217 86	-43 18	19 44	45 02	12 00	452167 64	635453.11	
7250 00	28 74	155 76	7240 09	-53 62	24 14	55 90	12 00	452157 20	635457 81	
7275 00	31 74	155 76	7261 68	-65 09	29 31	67.87	12 00	452145 73	635462 98	
7300.00	34 74	155 76	7282 59	-77 59	34 93	80 89	12 00	452133 23	635468 60	

Weatherford

WFT Plan Report - X & Y's



Weatherford

Company: BOPCO, L P
Field: Eddy County, NM (Nad 27)
Site: Poker Lake Unit 322H
Well: PLU 322H
Wellpath: 1

Date: 6/14/2012 Time: 11:36:30 Page: 2
Co-ordinate(NE) Reference: Well: PLU 322H, Grid North
Vertical (TVD) Reference: SITE 3358.0
Section (VS) Reference: Well (0 00N,0 00E,137 69Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7319 02	37 02	155 76	7298 00	-87 75	39 51	91 48	12 00	452123 07	635473 18	LBC "Y" Sand
7325 00	37 74	155 76	7302 75	-91 06	41 00	94 94	12.00	452119 76	635474 67	
7350 00	40 74	155 76	7322 12	-105 48	47 49	109 97	12 00	452105 34	635481 16	
7375 00	43 74	155.76	7340 62	-120 80	54 39	125 94	12 00	452090 02	635488 06	
7400 00	46 74	155 76	7358 23	-136 98	61 68	142.81	12 00	452073 84	635495 35	
7425 00	49 74	155 76	7374 88	-153 98	69 33	160 54	12 00	452056 84	635503 00	
7450 00	52 74	155 76	7390 53	-171 75	77 33	179 07	12 00	452039 07	635511 00	
7475 00	55 74	155 76	7405 14	-190 25	85 66	198 35	12 00	452020 57	635519 33	
7500 00	58 74	155 76	7418 67	-209 41	94 29	218.34	12.00	452001 41	635527.96	
7510 54	60 00	155 76	7424.04	-217 68	98 01	226 96	12 00	451993 14	635531 68	Hold
7600 00	60 00	155 76	7468 77	-288.33	129 82	300 61	0.00	451922 49	635563 49	
7700 00	60 00	155 76	7518 77	-367 30	165 38	382 94	0 00	451843 52	635599 05	
7710 54	60 00	155 76	7524.04	-375 62	169 12	391 62	0 00	451835 20	635602 79	Csg
7725 00	61 74	155 76	7531 08	-387 14	174 31	403 63	12 00	451823.68	635607.98	
7750 00	64 74	155 76	7542 33	-407 49	183 47	424.85	12 00	451803 33	635617 14	
7775 00	67 74	155 76	7552 41	-428 35	192.87	446 59	12 00	451782 47	635626.54	
7800 00	70 74	155 76	7561 27	-449 66	202 46	468 82	12 00	451761 16	635636 13	
7825 00	73 74	155 76	7568 90	-471 37	212 24	491 45	12.00	451739 45	635645 91	
7850 00	76 74	155 76	7575 27	-493 41	222 16	514 43	12 00	451717 41	635655 83	
7875 00	79 74	155 76	7580 36	-515 72	232 21	537 69	12 00	451695 10	635665 88	
7900 00	82 74	155 76	7584 17	-538 25	242 35	561 18	12 00	451672 57	635676 02	
7925 00	85 74	155 76	7586 68	-560 93	252 56	584 82	12 00	451649 89	635686 23	
7950 00	88 74	155 76	7587 89	-583 69	262 81	608 56	12 00	451627 13	635696 48	
7960 54	90 00	155 76	7588 00	-593.30	267 14	618 58	12.00	451617 52	635700 81	LP
8000 00	90 00	155 76	7588 00	-629 28	283 34	656 09	0 00	451581 54	635717 01	
8100 00	90 00	155 76	7588.00	-720 47	324 40	751 16	0 00	451490 35	635758.07	
8181 54	90 00	155 76	7588 00	-794 82	357.87	828 68	0 00	451416 00	635791 54	Turn
8200 00	90 00	155 21	7588.00	-811 61	365.53	846 25	3 00	451399 21	635799 20	
8300 00	90 00	152 21	7588.00	-901.26	409.83	942 36	3 00	451309 56	635843 50	
8400 00	90 00	149 21	7588 00	-988.46	458.75	1039 78	3 00	451222 36	635892 42	
8500 00	90 00	146 21	7588 00	-1072.98	512.17	1138 25	3 00	451137 84	635945 84	
8600.00	90 00	143 21	7588 00	-1154 59	569 94	1237 49	3 00	451056 23	636003 61	
8700 00	90 00	140 21	7588 00	-1233 07	631.90	1337 23	3 00	450977 75	636065 57	
8800 00	90 00	137 21	7588 00	-1308 19	697 89	1437.20	3 00	450902 63	636131 56	
8873 37	90 00	135.00	7588 00	-1361 06	748 75	1510 54	3 00	450849 76	636182 42	Hold
8900 00	90 00	135 00	7588 00	-1379 89	767 58	1537 14	0 00	450830 93	636201 25	
9000 00	90 00	135 00	7588 00	-1450 61	838.29	1637 03	0 00	450760 21	636271 96	
9100 00	90 00	135 00	7588 00	-1521 33	908.99	1736 92	0 00	450689 49	636342.66	
9200 00	90 00	135 00	7588 00	-1592 04	979 69	1836 81	0 00	450618 78	636413 36	
9300 00	90 00	135 00	7588 00	-1662 76	1050 40	1936 70	0 00	450548 06	636484 07	
9400 00	90 00	135 00	7588 00	-1733 48	1121 10	2036 59	0.00	450477 34	636554 77	
9500 00	90 00	135 00	7588 00	-1804 19	1191 81	2136 48	0.00	450406 63	636625 48	
9600 00	90 00	135 00	7588 00	-1874 91	1262 51	2236 37	0.00	450335 91	636696 18	
9700 00	90 00	135 00	7588.00	-1945 63	1333 22	2336.26	0 00	450265 19	636766 89	
9800 00	90 00	135 00	7588 00	-2016 34	1403 92	2436 15	0 00	450194 48	636837 59	
9900 00	90 00	135 00	7588 00	-2087.06	1474 63	2536 04	0 00	450123 76	636908 30	
10000 00	90 00	135.00	7588 00	-2157 78	1545 33	2635 93	0 00	450053.04	636979 00	
10100 00	90 00	135 00	7588 00	-2228.49	1616.03	2735 82	0 00	449982 33	637049 70	
10200 00	90 00	135 00	7588.00	-2299.21	1686 74	2835 71	0 00	449911.61	637120 41	
10300 00	90 00	135 00	7588.00	-2369 93	1757 44	2935 60	0 00	449840.89	637191 11	
10400 00	90 00	135 00	7588 00	-2440.65	1828 15	3035 49	0.00	449770 17	637261.82	
10500.00	90 00	135 00	7588 00	-2511 36	1898 85	3135 38	0 00	449699 46	637332 52	

Weatherford

WFT Plan Report - X & Y's



Weatherford

Company: BOPCO, L P
 Field: Eddy County, NM (Nad 27)
 Site: Poker Lake Unit 322H
 Well: PLU 322H
 Wellpath: 1

Date: 6/14/2012 Time: 11:36:30 Page: 3
 Co-ordinate(NE) Reference: Well, PLU 322H, Grid North
 Vertical (TVD) Reference: SITE 3358 0
 Section (VS) Reference: Well (0.00N,0.00E,137.69Az)
 Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
10600.00	90.00	135.00	7588.00	-2582.08	1969.56	3235.27	0.00	449628.74	637403.23	
10700.00	90.00	135.00	7588.00	-2652.80	2040.26	3335.16	0.00	449558.02	637473.93	
10800.00	90.00	135.00	7588.00	-2723.51	2110.97	3435.05	0.00	449487.31	637544.64	
10900.00	90.00	135.00	7588.00	-2794.23	2181.67	3534.94	0.00	449416.59	637615.34	
11000.00	90.00	135.00	7588.00	-2864.95	2252.38	3634.83	0.00	449345.87	637686.05	
11100.00	90.00	135.00	7588.00	-2935.66	2323.08	3734.72	0.00	449275.16	637756.75	
11200.00	90.00	135.00	7588.00	-3006.38	2393.78	3834.61	0.00	449204.44	637827.45	
11300.00	90.00	135.00	7588.00	-3077.10	2464.49	3934.51	0.00	449133.72	637898.16	
11400.00	90.00	135.00	7588.00	-3147.81	2535.19	4034.40	0.00	449063.01	637968.86	
11500.00	90.00	135.00	7588.00	-3218.53	2605.90	4134.29	0.00	448992.29	638039.57	
11600.00	90.00	135.00	7588.00	-3289.25	2676.60	4234.18	0.00	448921.57	638110.27	
11700.00	90.00	135.00	7588.00	-3359.96	2747.31	4334.07	0.00	448850.86	638180.98	
11800.00	90.00	135.00	7588.00	-3430.68	2818.01	4433.96	0.00	448780.14	638251.68	
11900.00	90.00	135.00	7588.00	-3501.40	2888.72	4533.85	0.00	448709.42	638322.39	
12000.00	90.00	135.00	7588.00	-3572.11	2959.42	4633.74	0.00	448638.71	638393.09	
12100.00	90.00	135.00	7588.00	-3642.83	3030.13	4733.63	0.00	448567.99	638463.80	
12200.00	90.00	135.00	7588.00	-3713.55	3100.83	4833.52	0.00	448497.27	638534.50	
12300.00	90.00	135.00	7588.00	-3784.27	3171.53	4933.41	0.00	448426.55	638605.20	
12400.00	90.00	135.00	7588.00	-3854.98	3242.24	5033.30	0.00	448355.84	638675.91	
12500.00	90.00	135.00	7588.00	-3925.70	3312.94	5133.19	0.00	448285.12	638746.61	
12600.00	90.00	135.00	7588.00	-3996.42	3383.65	5233.08	0.00	448214.40	638817.32	
12700.00	90.00	135.00	7588.00	-4067.13	3454.35	5332.97	0.00	448143.69	638888.02	
12800.00	90.00	135.00	7588.00	-4137.85	3525.06	5432.86	0.00	448072.97	638958.73	
12900.00	90.00	135.00	7588.00	-4208.57	3595.76	5532.75	0.00	448002.25	639029.43	
13000.00	90.00	135.00	7588.00	-4279.28	3666.47	5632.64	0.00	447931.54	639100.14	
13100.00	90.00	135.00	7588.00	-4350.00	3737.17	5732.53	0.00	447860.82	639170.84	
13200.00	90.00	135.00	7588.00	-4420.72	3807.88	5832.42	0.00	447790.10	639241.55	
13300.00	90.00	135.00	7588.00	-4491.43	3878.58	5932.31	0.00	447719.39	639312.25	
13400.00	90.00	135.00	7588.00	-4562.15	3949.28	6032.20	0.00	447648.67	639382.95	
13500.00	90.00	135.00	7588.00	-4632.87	4019.99	6132.09	0.00	447577.95	639453.66	
13600.00	90.00	135.00	7588.00	-4703.58	4090.69	6231.98	0.00	447507.24	639524.36	
13700.00	90.00	135.00	7588.00	-4774.30	4161.40	6331.87	0.00	447436.52	639595.07	
13800.00	90.00	135.00	7588.00	-4845.02	4232.10	6431.76	0.00	447365.80	639665.77	
13900.00	90.00	135.00	7588.00	-4915.73	4302.81	6531.65	0.00	447295.09	639736.48	
14000.00	90.00	135.00	7588.00	-4986.45	4373.51	6631.54	0.00	447224.37	639807.18	
14100.00	90.00	135.00	7588.00	-5057.17	4444.22	6731.43	0.00	447153.65	639877.89	
14200.00	90.00	135.00	7588.00	-5127.88	4514.92	6831.32	0.00	447082.94	639948.59	
14300.00	90.00	135.00	7588.00	-5198.60	4585.62	6931.21	0.00	447012.22	640019.29	
14400.00	90.00	135.00	7588.00	-5269.32	4656.33	7031.10	0.00	446941.50	640090.00	
14500.00	90.00	135.00	7588.00	-5340.04	4727.03	7130.99	0.00	446870.78	640160.70	
14600.00	90.00	135.00	7588.00	-5410.75	4797.74	7230.88	0.00	446800.07	640231.41	
14700.00	90.00	135.00	7588.00	-5481.47	4868.44	7330.77	0.00	446729.35	640302.11	
14800.00	90.00	135.00	7588.00	-5552.19	4939.15	7430.66	0.00	446658.63	640372.82	
14900.00	90.00	135.00	7588.00	-5622.90	5009.85	7530.55	0.00	446587.92	640443.52	
15000.00	90.00	135.00	7588.00	-5693.62	5080.56	7630.44	0.00	446517.20	640514.23	
15100.00	90.00	135.00	7588.00	-5764.34	5151.26	7730.33	0.00	446446.48	640584.93	
15200.00	90.00	135.00	7588.00	-5835.05	5221.97	7830.22	0.00	446375.77	640655.64	
15300.00	90.00	135.00	7588.00	-5905.77	5292.67	7930.11	0.00	446305.05	640726.34	
15400.00	90.00	135.00	7588.00	-5976.49	5363.37	8030.00	0.00	446234.33	640797.04	
15500.00	90.00	135.00	7588.00	-6047.20	5434.08	8129.89	0.00	446163.62	640867.75	
15600.00	90.00	135.00	7588.00	-6117.92	5504.78	8229.78	0.00	446092.90	640938.45	
15700.00	90.00	135.00	7588.00	-6188.64	5575.49	8329.67	0.00	446022.18	641009.16	
15800.00	90.00	135.00	7588.00	-6259.35	5646.19	8429.56	0.00	445951.47	641079.86	

Weatherford

WFT Plan Report - X & Y's



Weatherford

Company: BOPCO, L.P Field: Eddy County, NM (Nad 27) Site: Poker Lake Unit 322H Well: PLU 322H Wellpath: 1	Date: 6/14/2012 Co-ordinate(NE) Reference: Well: PLU 322H, Grid North Vertical (TVD) Reference: SITE 3358 0 Section (VS) Reference: Well (0 00N,0 00E,137.69Azi) Survey Calculation Method: Minimum Curvature	Time: 11 36 30 Page: 4 Db: Sybase
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Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
15900 00	90 00	135 00	7588 00	-6330 07	5716 90	8529 46	0 00	445880 75	641150 57	
16000.00	90 00	135 00	7588 00	-6400 79	5787.60	8629 35	0 00	445810 03	641221 27	
16100 00	90 00	135 00	7588 00	-6471 50	5858 31	8729 24	0 00	445739.32	641291.98	
16200 00	90 00	135 00	7588 00	-6542 22	5929 01	8829 13	0 00	445668 60	641362 68	
16300 00	90 00	135 00	7588 00	-6612 94	5999 72	8929 02	0 00	445597 88	641433 39	
16400 00	90.00	135 00	7588 00	-6683 66	6070 42	9028 91	0.00	445527 16	641504 09	
16500 00	90 00	135.00	7588 00	-6754 37	6141 12	9128 80	0 00	445456 45	641574 79	
16600 33	90 00	135 00	7588 00	-6825 32	6212 06	9229 01	0 00	445385 50	641645 73	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec			Longitude Deg Min Sec		
T1			7588 00	-986 54	444 16	451224 28	635877 83	32	14	23 166 N	103	53	37 913 W
PBHL			7588 00	-6825 32	6212 06	445385 50	641645 73	32	13	25 147 N	103	52	31 046 W

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
7710.54	7524 04	0 000	0 000	Csg

Annotation

MD ft	TVD ft	
7010 54	7010.54	KOP
7510 54	7424 04	Hold
7710 54	7524.04	Build
7960 54	7588 00	LP
8181.54	7588 00	Turn
8873 37	7588 00	Hold
16600 32	7588 00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
7319 02	7298 00	LBC "Y" Sand		0 00	0 00

**Weatherford****Weatherford Drilling Services**

GeoDec v5.03

Report Date: June 14, 2012
Job Number: _____
Customer: BOPCO
Well Name: Poker Lake Unit 322H
API Number: _____
Rig Name: _____
Location: Eddy Co, NM
Block: _____
Engineer: RWJ

US State Plane 1927	Geodetic Latitude / Longitude
System: New Mexico East 3001 (NON-EXACT)	System: Latitude / Longitude
Projection: SPC27 Transverse Mercator	Projection: Geodetic Latitude and Longitude
Datum: NAD 1927 (NADCON CONUS)	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866	Ellipsoid: Clarke 1866
North/South 452210.820 USFT	Latitude 32.2424853 DEG
East/West 635433.670 USFT	Longitude -103.8952882 DEG
Grid Convergence: .23°	
Total Correction: +7.32°	

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.24249° N	32° 14 min 32.947 sec
Longitude =	103.89529° W	103° 53 min 43.037 sec

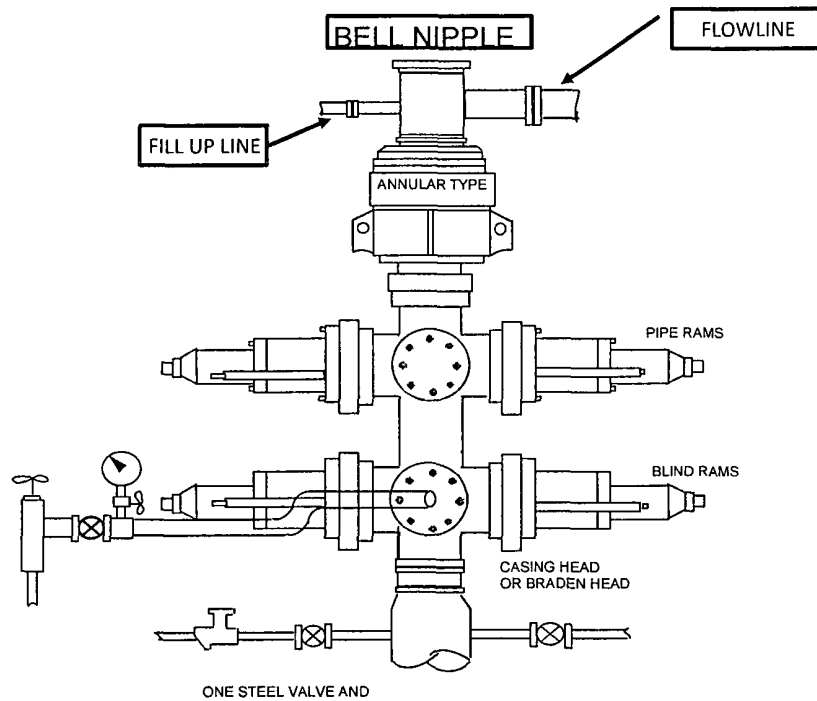
Magnetic Declination =	7.55°	[True North Offset]	
Local Gravity =	.9988 g	Checksum =	6482
Local Field Strength =	48463 nT	Magnetic Vector X =	23940 nT
Magnetic Dip =	60.11°	Magnetic Vector Y =	3175 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z =	42017 nT
Spud Date =	Dec 15, 2012	Magnetic Vector H =	24150 nT

Signed: _____

Date: _____

BOPCO, L. P.

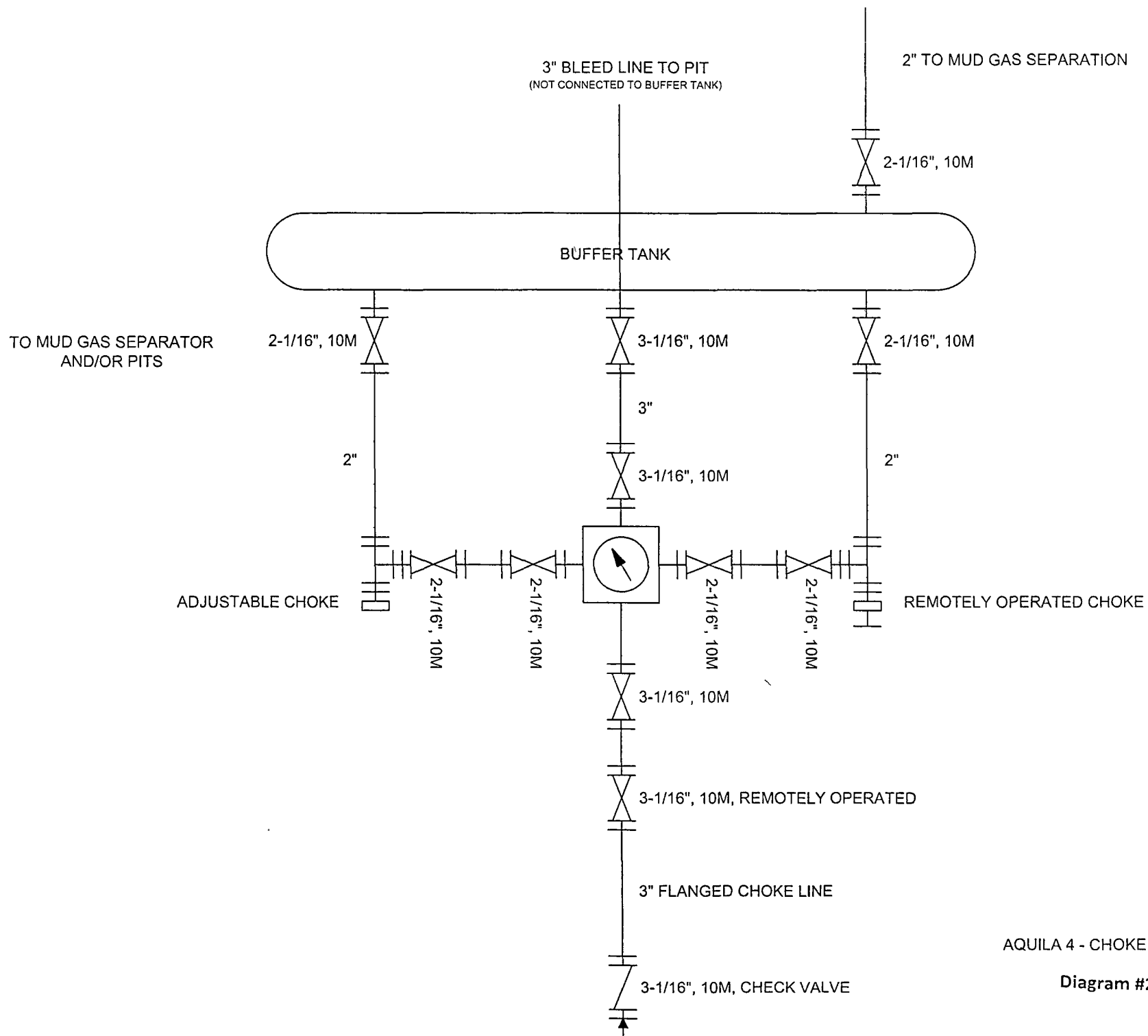
13 5/8" X 5-M WP BOPE WITH 5-M WP ANNULAR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

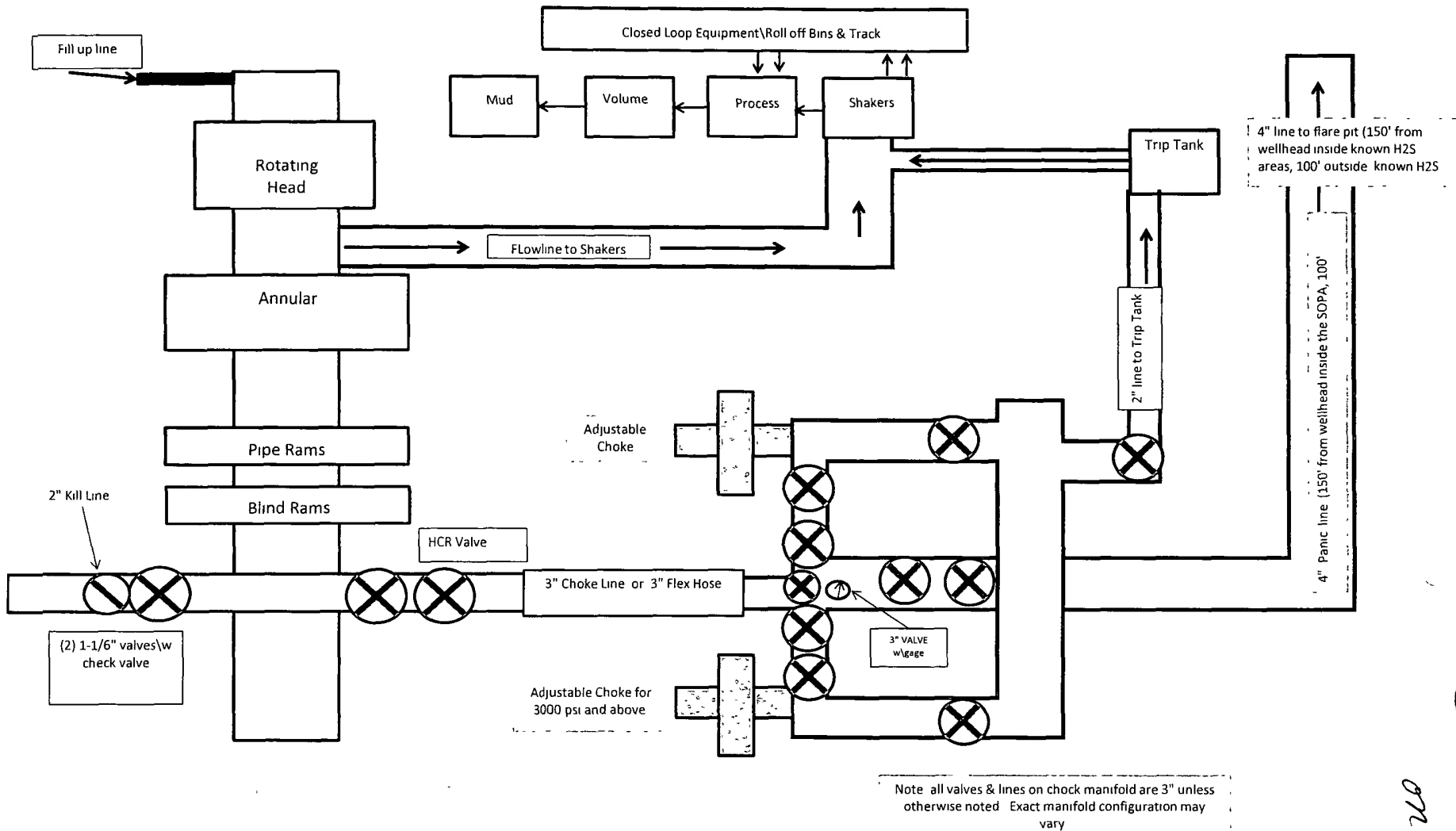
- A One double gate Blowout preventer with lower pipe rams and upper blind rams, all hydraulically controlled
- B Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter
- C All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter
- D The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers
- E All connections to and from preventers to have a pressure rating equivalent to that of the BOPs
- F Manual controls to be installed before drilling cement plug
- G Valve to control flow through drill pipe to be located on rig floor
- H Chokes must be adjustable Choke spool may be used between rams

DIAGRAM 1



AQUILA 4 - CHOKE SCHEMATIC

Diagram #2



**13-5/8" X 5-M BOPE (2 Rams and Rotating Head) &
Closed Loop System Equipment Schematic
Diagram 2**

*See COA
on H2S*



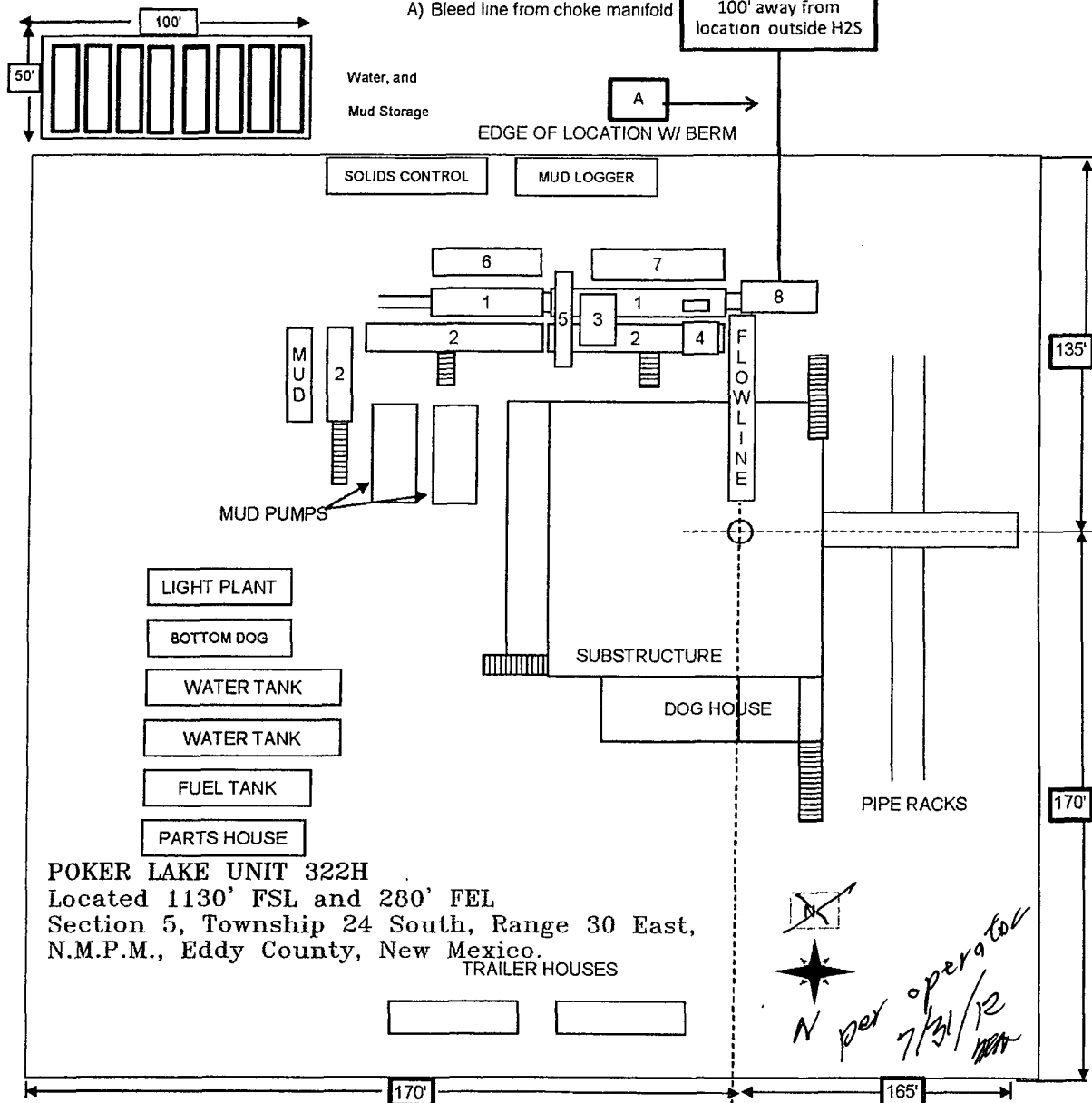
RIG LAYOUT

Exhibit "D"

RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

Solids Control Equipment Legend

- | | |
|-----------------------------------|--------------------|
| 1) Roll Off Bin | 5) Centrifuge |
| 2) Steel Tank | 6) Dewatering Unit |
| 3) Mud Cleaner | 7) Catch Tank |
| 4) Shaker | 8) Choke Manifold |
| A) Bleed line from choke manifold | |



POKER LAKE UNIT 322H

Located 1130' FSL and 280' FEL
Section 5, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

TRAILER HOUSES

Basin Surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number. DAJ 26758

Survey Date. 05-31-2012

Scale: 1" = 2000'

Date 06-07-2012

BOPCO, L.P.

Sheet 6 of 6 Sheets

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- A. Scope
- B. Objective
- C. Discussion of Plan

*See COP
regarding installation
of mud/gas
separator*

II. Emergency Procedures

- A. Emergency Procedures and Public Protection
- B. Emergency Procedures Implementation
- C. Simulated Blowout Control Drills

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H₂S CONTINGENCY PLAN SECTION

Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H₂S)

Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H₂S into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan:

Suspected Problem Zones:

Implementation: This plan, with all details, is to be fully implemented 500' above or three days prior to drilling into the first known sour zone

Emergency Response and Public Protection 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 500 feet above or three days prior to drilling into the first known sour zone.

Emergency call lists: Included are the telephone numbers of all persons that would need to be contacted should an H₂S emergency occur.

Briefing: This section deals with the briefing of all persons involved with the drilling of this well.

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

EMERGENCY PROCEDURES AND PUBLIC PROTECTION SECTION

- I. In the event of any evidence of H₂S levels above 10 ppm, take the following steps immediately:
 - A. Secure breathing apparatus.
 - B. Order non-essential personnel out of the danger zone.
 - C. Take steps to determine if the H₂S level can be corrected or suppressed, and if so, proceed with normal operations.
- II. If uncontrollable conditions occur, proceed with the following:
 - A. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel and the New Mexico Oil & Gas of the situation.
 - B. Isolate area and prevent entry by unauthorized persons into the 100 ppm ROE.
 - C. Remove all personnel to the Safe Briefing Area.
 - D. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation. Phone number list attached.
 - E. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.
- III. Responsibility:
 - A. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
 - B. The Company Approved Supervisor shall be in complete command during any emergency.
 - C. The Company Approved Supervisor shall designate a back up Supervisor in the event that he/she is not available.

EMERGENCY PROCEDURE IMPLEMENTATION

I. Drilling or Tripping

A. All Personnel

1. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
2. Check status of other personnel (buddy system).
3. Secure breathing apparatus.
4. Wait for orders from supervisor.

B. Drilling Foreman

1. Report to the upwind Safe Briefing Area.
2. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
3. Determine the concentration of H₂S.
4. Assess the situation and take appropriate control measures.

C. Tool Pusher

1. Report to the upwind Safe Briefing Area.
2. Don breathing apparatus and return to the point of release with the Drilling Foreman or the Driller (buddy system).
3. Determine the concentration.
4. Assess the situation and take appropriate control measures.

D. Driller

1. Check the status of other personnel (in a rescue attempt, always use the buddy system).
2. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.

3. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.

E. Derrick Man and Floor Hands

1. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

F. Mud Engineer

1. Report to the upwind Safe Briefing Area.
2. When instructed, begin check of mud for pH level and H₂S level.

G. On-site Safety Personnel

1. Don Breathing Apparatus.
2. Check status of all personnel.
3. Wait for instructions from Drilling Foreman or Tool Pusher.

II. Taking a Kick

- A. All personnel report to the upwind Safe Briefing Area.
- B. Follow standard BOP procedures.

III. Open Hole Logging

- A. All unnecessary personnel should leave the rig floor.
- B. Drilling Foreman and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

IV. Running Casing or Plugging

- A. Follow "Drilling or Tripping" procedures.
- B. Assure that all personnel have access to protective equipment.

SIMULATED BLOWOUT CONTROL DRILLS

All drills will be initiated by activating alarm devices (air horn). Use one long blast on the air horn for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher at least one time per week for each of the following conditions, with each crew:

Drill # 1 Bottom Drilling

Drill # 2 Tripping Drill Pipe

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:		
Reaction Time to Shut-In:	minutes,	seconds.
Total Time to Complete Assignment:	minutes,	seconds.

I. Drill Overviews

A. Drill No. 1- Bottom Drilling

1. Sound the alarm immediately.
2. Stop the rotary and hoist kelly joint above the rotary table.
3. Stop the circulatory pump.
4. Close the drill pipe rams.
5. Record casing and drill pipe shut-in pressures and pit volume increases.

B. Drill No. 2 – Tripping Drill Pipe

1. Sound the alarm immediately.
2. Position the upper tool joint just above the rotary table and set the slips.

3. Install a full opening valve or inside blowout preventor tool in order to close the drill pipe.
4. Close the drill pipe rams.
5. Record the shut-in annular pressure.

II. Crew Assignments

A. Drill No. 1 – Bottom Drilling

1. Driller
 - a) Stop the rotary and hoist kelly joint above the rotary table.
 - b) Stop the circulatory pump.
 - c) Check flow.
 - d) If flowing, sound the alarm immediately.
 - e) Record the shut-in drill pipe pressure.
 - f) Determine the mud weight increase needed or other courses of action.
2. Derrickman
 - a) Open choke line valve at BOP.
 - b) Signal Floor Man # 1 at accumulator that choke line is open.
 - c) Close choke and upstream valve after pipe rams have been closed.
 - d) Read the shut-in annular pressure and report readings to Driller.
3. Floor Man # 1
 - a) Close the pipe rams after receiving the signal from the Derrickman.
 - b) Report to Driller for further instructions.

4. Floor Man # 2

- a) Notify the Tool Pusher and Operator Representative of the H₂S alarms.
- b) Check for open fires and, if safe to do so, extinguish them.
- c) Stop all welding operations.
- d) Turn-off all non-explosion proof lights and instruments.
- e) Report to Driller for further instructions.

5. Tool Pusher

- a) Report to the rig floor.
- b) Have a meeting with all crews.
- c) Compile and summarize all information.
- d) Calculate the proper kill weight.
- e) Ensure that proper well procedures are put into action.

6. Operator Representative

- a) Notify the Drilling Superintendent.
- b) Determine if an emergency exists and if so, activate the contingency plan.

B. Drill No. 2 – Tripping Pipe

1. Driller

- a) Sound the alarm immediately when mud volume increase has been detected.
- b) Position the upper tool joint just above the rotary table and set slips.
- c) Install a full opening valve or inside blowout preventor tool to close the drill pipe.
- d) Check flow.

e) Record all data reported by the crew.

f) Determine the course of action.

2. Derrickman

a) Come down out of derrick.

b) Notify Tool Pusher and Operator Representative.

c) Check for open fires and, if safe to do so, extinguish them.

d) Stop all welding operations.

e) Report to Driller for further instructions.

3. Floor Man # 1

a) Pick up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 2).

b) Tighten valve with back-up tongs.

c) Close pipe rams after signal from Floor Man # 2.

d) Read accumulator pressure and check for possible high pressure fluid leaks in valves or piping.

e) Report to Driller for further instructions.

4. Floor Man # 2

a) Pick-up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 1).

b) Position back-up tongs on drill pipe.

c) Open choke line valve at BOP.

d) Signal Floor Man # 1 at accumulator that choke line is open.

e) Close choke and upstream valve after pipe rams have been closed.

f) Check for leaks on BOP stack and choke manifold.

- g) Read annular pressure.
- h) Report readings to the Driller.

5. Tool Pusher

- a) Report to the rig floor.
- b) Have a meeting with all of the crews.
- c) Compile and summarize all information.
- d) See that proper well kill procedures are put into action.

6. Operator Representative

- a) Notify Drilling Superintendent
- b) Determine if an emergency exists, and if so, activate the contingency plan.

IGNITION PROCEDURES

Responsibility:

The decision to ignite the well is the responsibility of the DRILLING FOREMAN in concurrence with the STATE POLICE. The State Police shall be the Incident Command on the scene of any major release. Intentional ignition must be coordinated with the NMOCD and local officials. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.
2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Foreman is responsible for igniting the well.
2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.
3. Ignite from upwind and do not approach any closer than is warranted.
4. Select the ignition site best suited for protection and which offers an easy escape route.
5. Before igniting, check for the presence of combustible gases.
6. After igniting, continue emergency actions and procedures as before.
7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

NOTE: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide (SO₂), which is also highly toxic. Do not assume the area is safe after the well is ignited.

TRAINING REQUIREMENTS

When working in an area where Hydrogen Sulfide (H_2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel at the well site, whether regularly assigned, contracted, or employed on an unscheduled basis, have had adequate training by a qualified instructor in the following:

1. Hazards and Characteristics of Hydrogen Sulfide and Sulfur Dioxide.
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H_2S detection, emergency alarm and sensor location.
5. Emergency rescue.
6. First aid and artificial resuscitation.
7. The effects of Hydrogen Sulfide on metals.
8. Location safety.

In addition, Supervisory Personnel will be trained in the following areas:

1. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well as well as blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Contingency Plan and the Public Protection Plan.

Service company personnel and visiting personnel must be notified if the zone contains H_2S , and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

EMERGENCY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located in a known H₂S areas, H₂S equipment will be rigged up after setting surface casing. For wells located inside known H₂S areas, the flare pit will be located 150' from the location and for wells located outside known H₂S areas, the flare pit will be located 100' away from the location. (See page 6 of Survey plat package and diagram 2.)

It is not anticipated that any H₂S is in the area, however in the event that H₂S is encountered, the attached H₂S Contingency Plan will be implemented. (Please refer to diagram 2 for choke manifold and closed loop system layout.) See H₂S location layout diagram for location of all H₂S equipment on location.

All H₂S safety equipment and systems will be installed, tested and be operational when drilling reaches a depth of 500' above, or three days prior to penetrating a known formation containing H₂S.

Lease Entrance Sign:

Caution signs should be located at all roads providing direct access to the location. Signs shall have a yellow background with black lettering and contain the words "CAUTION" and "POISON GAS" that is legible from a distance of at least 50 feet.

**LEASE NAME
CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION**

Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location)

Hydrogen Sulfide Detector and Alarms:

- H₂S monitors with alarms will be located on the rig floor, at the cellar, and at the mud pits. These monitors will be set to alarm at 10 PPM with a red light and to alarm at 15 PPM with a red light and audible alarm.

Well Condition Flags:

The Well Condition flags should be located at all roads providing direct access to the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions
YELLOW – Potential Danger
RED – Danger, H₂S Gas Present

Respiratory Equipment:

- Fresh air breathing equipment should be placed at the company supervision trailer and the safe briefing areas and should include the following:
 - A minimum of two SCBA's at each briefing area and the supervisor company supervision trailer.
 - Enough air line units to operate safely, anytime the H₂S concentration reaches the IDLH level (100 PPM).
 - Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

Mud Program:

The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

Metallurgy:

All drill strings, casing, tubing, wellhead; blowout preventer, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.

Well Control Equipment:

- Flare Line (See diagram 2).
- Choke manifold (See diagram 2).
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing units.
- Auxiliary equipment may include, if applicable, annular preventer & rotating head.

Communication Equipment:

- Proper communication equipment such as cell phones or 2 – way radios should be available for communication between the company man's trailer, rig floor and tool pusher's trailer.

Well Testing:

- There will be no drill stem testing.

Evacuation Plan:

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

Designated Areas:***Parking and Visitor area:***

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- A smoking area will be designated at a pre-determined safe distance from the wellhead and any other possible flammable areas.

Safe Briefing Areas:

- 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.

- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

NOTE:

- Additional equipment will be available at Indian Fire and Safety in Hobbs, NM or at Total Safety in Hobbs, NM.

EVACUATION PLAN

General Plan

The direct lines of action to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foremen, Tool Pusher or Driller) determine that 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 the proper emergency equipment will be utilized.
4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. 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 approved safety personnel will determine when the area is safe for re-entry.

See Emergency Action Plan

Contacting Authorities

BOPCO L.P. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S CONTINGENCY PLAN EMERGENCY CONTACTS

BOPCO L.P. Midland Office

432-683-2277

Key Personnel

<u>Name</u>	<u>Title</u>	<u>Cell Phone Number</u>
Stephen Martinez	Drilling Supt.	432-556-0262
Buddy Jenkins	Assistant Supt	432-238-3295
Bill Dannels	Engineer	432-638-9463
Pete Lensing	Engineer	432-557-7157
Charles Warne	Engineer	432-894-1392

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National Emergency Response Center (Washington, DC)	800-424-8802

Other

Wild Well Control	432-550-6202 (Permian Basin)
Cudd PressureControl	432-580-3544 or 432-570-5300 (Permian Basin)
Flight For Life – 4000 24 th St. Lubbock, Texas	806-743-9911
Aerocare – R3, Box 49F, Lubbock, Texas	806-747-8923
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuquerque, NM	505-842-4433
S B Air Med Service – 2505 Clark Carr Loop SE, Albuquerque, NM	505-842-4949
Indian Fire and Safety – 3317 NW Cnty Rd, Hobbs, NM	575-393-3093
Total Safety – 3229 Industrial Dr., Hobbs, NM	575-392-2973

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% 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 in Table I. Physical effects at various Hydrogen Sulfide exposure levels are shown in Table II.

Table I - TOXICITY OF VARIOUS GASES

Common Name	Chemical Formula	Specific Gravity (SC=1)	Threshold Limit (1)	Hazardous Limit (2)	Lethal Concentration (3)
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/HR	300 PPM
Hydrogen Sulfide	H₂S	1.18	10 PPM	250 PPM/HR	600 PPM
Sulfur Dioxide	SO₂	2.21	5 PPM	--	1000 PPM
Chlorine	CL₂	2.45	1 PPM	4 PPM/HR	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/HR	1000 PPM
Carbon Dioxide	CO₂	1.52	5000 PPM	5%	10%
Methane	CH₄	0.55	90,000 PPM	Combustible in air	Above 5%

- 1) **Threshold Limit** – Concentration at which it is believed that all worker may be repeatedly exposed day after day without adverse effects.
- 2) **Hazardous Limit** – Concentration that will cause death with short-term exposure.
- 3) **Lethal Concentration** – Concentration that will cause death with short-term exposure.

Table II – PHYSICAL EFFECTS OF HYDROGEN SULFIDE

Percent (%)	PPM	Concentration Grains 100 STD. FT3*	Physical Effects
0.001	< 10	00.65	Obvious & unpleasant odor.
0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kills smell in 3-15 minutes. May sting eyes & throat.
0.020	200	12.96	Kills smell shortly; stings eyes & throat.
0.050	500	32.96	Dizziness; Breathing ceases in a few minutes. Needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; Death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; Followed by death within minutes.

- **At 15.00 PSIA and 60° F.**

USE OF SELF-CONTAINED BREATHING APPARATUS

1. Anyone who uses an SCBA shall: Be approved by a physician or licensed health care practitioner; Pass a fit test; Be trained in donning and doffing, proper use, including how to ensure a proper face seal, conducting an inspection of the SCBA, and conduct proper maintenance.
2. Such items as facial hair (beard or sideburns) and eyeglasses will not allow a proper face mask seal.
3. Anyone reasonably expected to wear SCBA's shall have these items removed before entering a toxic atmosphere.
4. A special mask with a mount for prescription glasses must be obtained for anyone who must wear eyeglasses in order to see while using an SCBA.
5. SCBA's should be worn in H₂S concentrations above 10 PPM.

RESCUE & FIRST AID FOR H₂S POISONING

DO NOT PANIC – REMAIN CALM – THINK

1. Hold your breath – do not inhale first.
2. Put on SCBA.
3. Remove victim(s) to fresh air as quickly as possible. Go upwind from source or at right angle to the wind. Do not go downwind.
4. Briefly apply chest pressure – using arm lift method of artificial respiration to clean victim's lungs and to avoid inhaling any toxic gas directly from victim's lungs.
5. Provide artificial respiration if needed.
6. Provide for prompt transportation to the hospital and continue giving artificial respiration if needed.
7. Inform hospital/medical facilities of the possibility of H₂S gas poisoning before they treat.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration and CPR, as well as first aid for eyes and skin contact with liquid H₂S.

Proposed H2S Safety Schematic

- | | |
|--------------------------------|--|
| 1) Location of windsocks. | 4) Terrain of surrounding area (Please refer to page 2 of survey plat package also see point 11 of multi-surface use plan) |
| 2) Location of H2S alarms | 5) Location of flare line(s) and pit(s) (Please refer to diagram 2 choke manifold diagram and or page six of survey plat packet) |
| 3) Location of briefing areas. | 6) Location of caution and/or danger signs. (7) Location of Breathing Equipment |

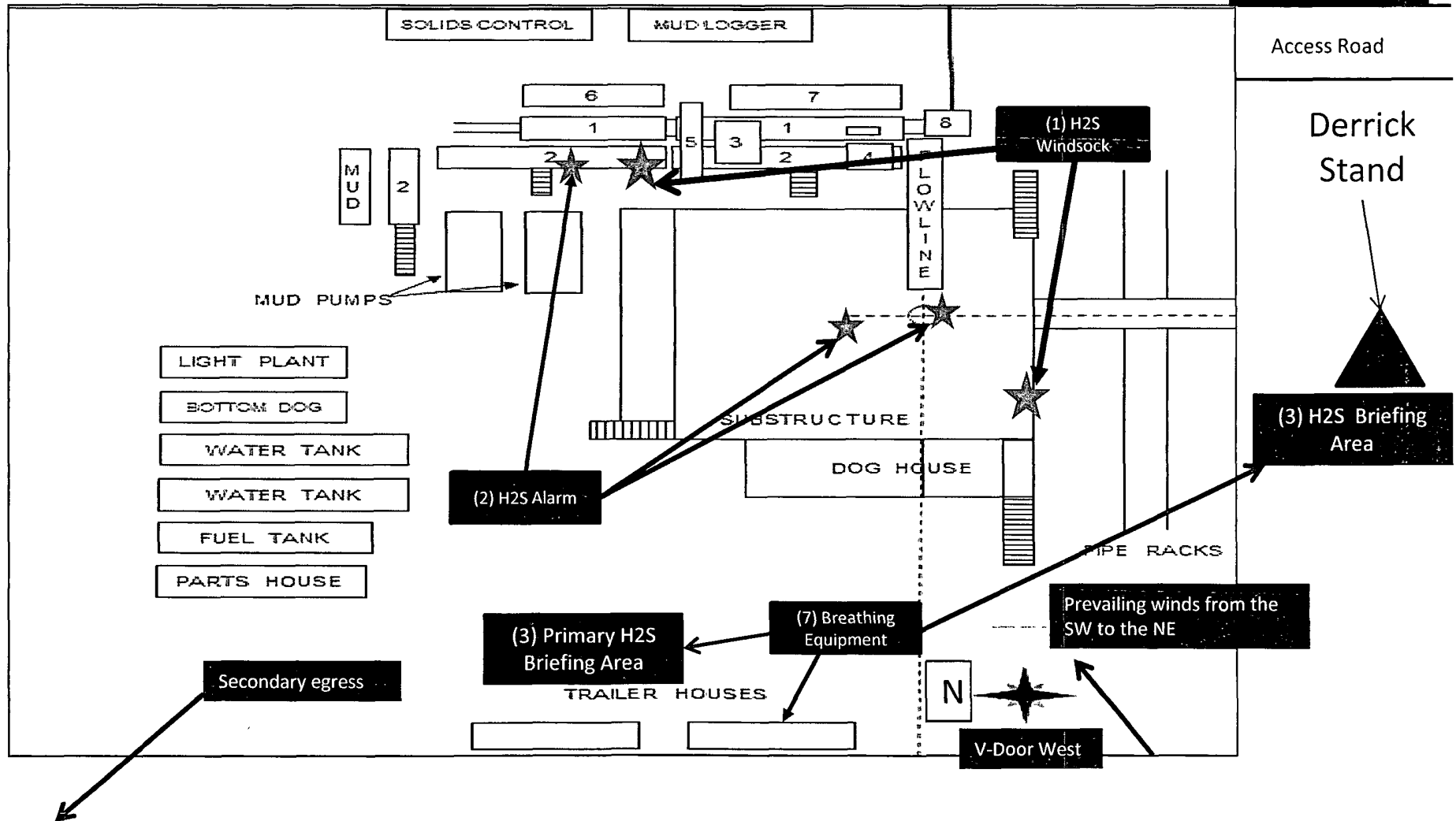
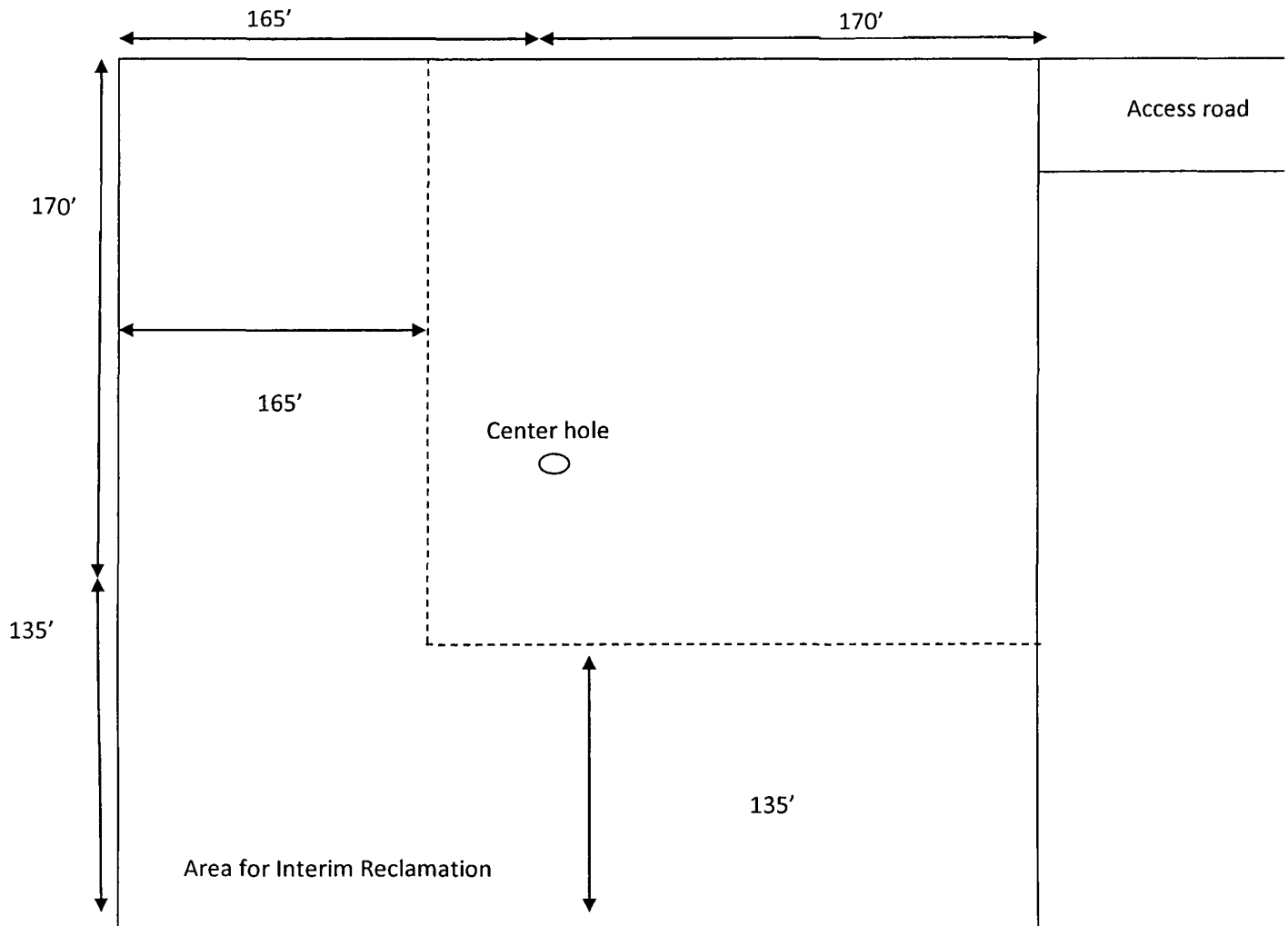
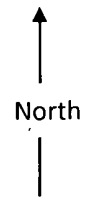


Diagram 3

BOPCO, Poker Lake Unit 322H

Interim Reclamation Well Pad Layout



Location On-Site Notes

Location on-site conducted by Cecil Watkins-BOPCO L.P., Randy Rust-BLM, and Robert Gomez-Basin Survey on 05/29/2012 The Poker Lake Unit 322H was moved 500' North & 50' East to avoid dune complex. A new surface footage call will be located at 1130' FSL & 280' FEL of Sec 5-T24S-R30E V-Door West.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, LP
LEASE NO.:	LC068431
WELL NAME & NO.:	322H-POKER LAKE UNIT
SURFACE HOLE FOOTAGE:	1130'/S. & 280'/E.
BOTTOM HOLE FOOTAGE:	450'/N & 550'/W. (Sec. 15)
LOCATION:	Section 5, T. 24 S., R. 30 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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- ☐ **Archaeology, Paleontology, and Historical Sites**
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- ☒ **Special Requirements**
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 - Ground-level Abandoned Well Marker
 - Commercial Well Determination
- ☐ **Construction**
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 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
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- ☐ **Road Section Diagram**
- ☒ **Drilling**
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- ☐ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**