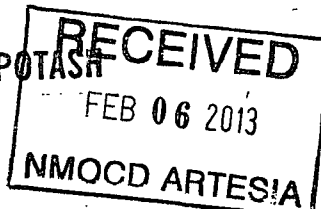


13-150

R-111-POTASH

Form 3160-3
(April 2004)FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 006808
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name JCS 2/7/2013
2. Name of Operator BOPCO, L. P.		7. If Unit or CA Agreement, Name and No. James Ranch Unit NMNM 70965X 39710
3a. Address P. O. Box 2760 Midland, TX 79702		8. Lease Name and Well No. James Ranch Unit 21 Fed SWD 1 <37707>
3b. Phone No. (include area code) 432-683-2277		9. API Well No. 30-015-41074
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SENE, UL G, 1451' FNL, 1861' FEL, Lat:N32.380833, Lng:W103.8831333 At proposed prod. zone		10. Field and Pool, or Exploratory SWD Devonian <96101>
11. Sec., T. R. M. or Blk. and Survey or Area 21, T22S, R30E, Mer, NMP		12. County or Parish Eddy
13. State NM		14. Distance in miles and direction from nearest town or post office* 14 miles NW of Loving
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,451' (lease line) 6,788' (unit line)	16. No. of acres in lease 480	17. Spacing Unit dedicated to this well This is an SWD well, there will be no production
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 40'	19. Proposed Depth 16,801' TVD	20. BLM/BIA Bond No. on file COB 000050
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3,165' GL	22. Approximate date work will start* 12/01/2012	23. Estimated duration 110

24. Attachments

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

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

25. Signature <i>Jeremy Braden</i>	Name (Printed/Typed) Jeremy Braden	Date 10/30/12
Title Engineering Assistant		
Approved by (Signature) <i>Aden L. Seidlitz</i>	Name (Printed/Typed) Aden L. Seidlitz	Date 1-29-13
Title for STATE DIRECTOR	Office 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 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

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 30-015-41074	Pool Code 96101	Pool Name SWD/Devonian
Property Code 306407-397107-39710	Property Name JAMES RANCH UNIT 21 Federal SWD	Well Number 1 SWD
OGRID No. 260737	Operator Name BOPCO, L.P. <i>(per J. Braden 2/8/13)</i>	Elevation 3165'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	21	22 S	30 E		1451	NORTH	1861	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
Dedicated Acres 0	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>OPERATOR CERTIFICATION</p> <p>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> 10-30-12 Signature Date</p> <p>Jeremy Braden Printed Name</p> <p>jdbraden@basspet.com Email Address</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>SEPTEMBER 26, 2012 Date Surveyed</p> <p>NEW MEXICO Professional Surveyor 7977</p> <p>27432 Certificate No.</p> <p>Basin Surveys 27432</p>

BOPCO, LP.

P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX-432-687-0329

October 30, 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
James Ranch Unit 21, SWD 1
1,451, ' FNL, 1,861' FEL, Sec. 21, T22S, R30E, Eddy County, NM

Dear Mr. Peterson,

Federal

In reference to the above captioned well, I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 30th day of October, 2012.

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,

Jeremy Braden
Engineering Tech

20" OD Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 546' and cement circulated to surface.

13-3/8" OD salt/potash protection casing will be set into the Lamar Lime at 3,556'. Cement will be circulated to surface.

9-5/8" OD protection\production casing will be set at approximately 11,000' into the Wolfcamp formation and cemented in two stages with DV tool set at approximately 5,500'. Cement will be circulated to surface. Drilling procedure, BOP diagram, and anticipated tops are attached.

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

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

Surface Lease Numbers- Federal Lease: NMNM 0006808

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).

Fed BOPCO, L.P.

NAME OF WELL: James Ranch Unit 21 SWD #1

LEGAL DESCRIPTION - SURFACE 1,451' FNL, 1,861' FEL, Section 21, T22S, R30E, Eddy County, NM.

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

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

Anticipated Formation Tops: KB 3,191' (estimated)
GL 3,165'

Formation Description	Est from KB (TVD)	Est (MD)	SUB-SEA TOP	BEARING
T/Fresh Water	346'	346'	+ 2,845'	Fresh Water
T/Rustler	191'	191'	+ 3,000'	Barren
T/Salado	556'	556'	+ 2,635'	Barren
T/Lamar	3,536'	3,536'	- 345'	Oil/Gas
Delaware Sand	3,581'	3,581'	- 390'	Oil/Gas
Bone Spring	7,384'	7,384'	- 4,193'	Oil/Gas
Wolfcamp	10,693'	10,693'	- 7,502'	Oil/Gas
Middle Wolfcamp	11,351'	11,351'	- 8,160'	Oil/Gas
Strawn	12,283'	12,283'	- 9,092'	Oil/Gas
Atoka	12,395'	12,395'	- 9,204'	Oil/Gas
Morrow	13,254'	12,254'	- 10,063'	Oil/Gas
Middle Morrow	13,520'	13,520'	- 10,329'	Oil/Gas
Lower Morrow	13,915'	13,915'	- 10,724'	Oil/Gas
Mississippian Lime	14,662'	14,662'	- 11,471'	Oil/Gas
Woodford	15,122'	15,122'	- 11,931'	Oil/Gas
Devonian	15,291'	15,291'	- 12,100'	Disposal Zone\BW
TD	16,801'	16,801'	- 13,610'	Disposal Zone\BW

POINT 3: CASING PROGRAM

TYPE	INTERVAL MD	HOLE SIZE	PURPOSE	INSTALLATION TYPE
20"	0' - 120'	26"		Contractor Design.
16", 84 ppf, J-55, BTC	0' - 546'	18-1/8"	Surface	New
13-3/8", 68 ppf, HCN-80, Ultra FJ	0' - 3,556'	17-1/2"	Potash	New
9-5/8", 53.50 ppf, P-110, LTC*	0' - 11,000'	12-1/4"	Production	New
7-5/8", 39 ppf, P-110 Ultra FJ	10,800' - 14,000'	8-1/2"	Prod. Liner	New
7-5/8", 42.80 ppf, P-110 Ultra FJ	14,000' - 15,321'	8-1/2"	Prod Liner.	New

*9-5/8", 53.50, P-110 will be special drift casing. It will drift up to 8.5".

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
------	---------	----------	-------

16", 84 ppf, J-55, BTC	34.27	5.35	1.95
13-3/8", 68 ppf, HCN-80, Ultra FJ	5.26	1.43	2.56
9-5/8", 53.50 ppf, P-110, LTC*	2.83	1.18	1.78
7-5/8", 39 ppf, P-110 Ultra FJ	8.95	1.18	1.66
7-5/8", 42.80 ppf, P-110 Ultra FJ	22.60	1.38	1.86

***9-5/8", 53.50, P-110* will be special drift casing. It will drift up to 8.5".**

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (16")

- 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 - (13-3/8")

- 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 - (9-5/8")

- Tension A 1.6 design factor utilizing the effects of buoyancy (9.5 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.

Production Liner - (7-5/8")

- Tension A 1.6 design factor utilizing the effects of buoyancy (12.5 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.

810 1 1 141

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 2)

The BOPE when rigged up on the 20" surface casing head (17-1/2" hole) will consist of 20" annular and diverter system per Diagram B (2,000 psi WP). The annular when installed on surface casing will be tested to 1,000 psi. There will be a 6", 5000 psi or better gate valve installed on the drilling spool for fill up. The choke manifold system will be rigged up to the hydraulic gate valve on the drilling spool.

After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed, used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 9-5/8" intermediate casing, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the 9-5/8" intermediate casing spool (8-1/2" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 7-5/8" liner, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the 9-5/8" intermediate casing spool (8-3/4" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

H2S contingency

H2S monitors shall be installed prior to drilling out the surface shoe. If H2S is encountered in quantities greater than 10 PPM, the well will be shut in and H2S equipment will be installed, including a flare line that will be extended pursuant to onshore oil and gas order #6.

These tests will be performed:

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

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

BOPCO, L.P. would like to request a variance to use an armored, 3" or 3.5", 10,000 psi WP flex hose for the choke line in the drilling of the well if the rig is equip with hose. (See specification for hose that might be used, attached with APD exhibits). This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 10,000 psi and has 10,000 psi flanges on each end. This well is to be drilled to 16,801' MD (16,801' TVD) and max surface pressure should be +/- 3356 psi as prescribed in onshore order #2 shown as max BHP minus 0.22 psi/ft.

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

ENDS

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0 - 546'	FW Spud Mud	8.5 - 9.2	70-40	20	12	NC	10.0
546' - 3,556'	Brine Water	9.8 - 10.2	28-32	NC	NC	NC	10.0
3,556' - 9,000'	FW/Gel	8.7 - 9.0	28-32	NC	NC	NC	9.5 - 10.5
9,000' - 11,980'	Cut Brine\Brine Mud	9.0 - 9.5	34-42	10	8	< 25	9.5 - 10.5
11,980' - 16,300'	XCD Brine Mud	11.0 - 12.5	45-48	20	10	< 5	9.5 - 10.5
16,300' - 16,801'	Fresh Water Mud	8.4 - 8.6	28-30	NC	NC	NC	9.5 - 10.5

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

See COA

B) LOGGING

Run #1: GR, Neutron-Density, Resistivity, Dipole Sonic from top of Delaware to TD.
Cased hole GR-Neutron to surface.

Mud Logger: Rigged up at 100'

C) CONVENTIONAL CORING

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT ³ /SX
SURFACE:						
Lead: 0' – 346'	180	346'	Cemex premium Plus C + 4% bentonite	9.15	13.50	1.73
Tail: 346' – 546'	140 CaCl ₂	200'	Cemex Premium Plus C + 4% Bentonite +	6.48	14.80	1.35
INTERMEDIATE:						
Lead: 0' – 3,056'	2220	3056'	Class C + 0.1% HR-601, 3% salt	9.88	12.90	1.83
Tail: 3,056' – 3,556'	565	500'	HalCem C	6.34	14.80	1.33
Production						
Stage 1:						
Lead: 5,500' – 8,000'	615	2500'	Econ Cem + 0.57 Lap-1 + 5#sk Kol-Seal + 8#sk CaCl ₂ + 0.77 HR-800 + 0.47 CFR-3	14.65	11.75	2.60
Tail: 8,000' – 11,000'	1645	3000'	HalCem H + 0.67 Halad 9 + 0.27 HR-80D + 3#sk Kol-Seal	4.86	15.85	1.17
DV Tool @ 5,500'						
Stage 2:						
Lead: 0' – 5,000'	720	5000'	Tuned Light + 1.25 #sk CFR-3 + 0.15 #sk WG-17 + 1 #sk CaCl ₂ + 20 #sk HGS 6000 + 3 #sk Kol-Seal + 1 #sk Cal-Seal 60	13.14	9.80	3.00
Tail: 5,000' – 5,500'	245	500'	HalCem C + 0.4% Halad 9	6.34	14.80	1.33
Production Liner						
Tail: 10,800' – 15,321'	570	4521'	VersaCem H + 0.5% Halad – 344 + 0.30% HR-601	5.05	14.40	1.24

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.

2nd Intermediate – 50% excess above fluid caliper with cement circulated to surface.

Production- Production Liner – 50% above gauge hole or 35% above electric log caliper with cement circulated up into the 9-5/8" intermediate casing.

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

E) **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.**

F) **CLOSED LOOP AND CHOKE MANIFOLD**

Please see diagram 2.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. Lost circulation may exist, but not likely, in the Delaware Section from 3,981' - 7,900' TVD. Once in the Bone Spring, pore pressures will gradually increase to the top of the Wolfcamp. 9-5/8" casing will be set in the Wolfcamp and pore pressures will continue to increase through the Strawn and Atoka sections. A 7-5/8" production liner will be set into the Devonian with mud weights at 12.5 ppg or less. The Devonian BHP is 7200 psi and can be drilled with 8.5 ppg fresh water. Maximum surface pressures in the Devonian if productive could be 7944 psi with 7500 ppm H₂S and 5% CO₂.

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

110 days drilling operations

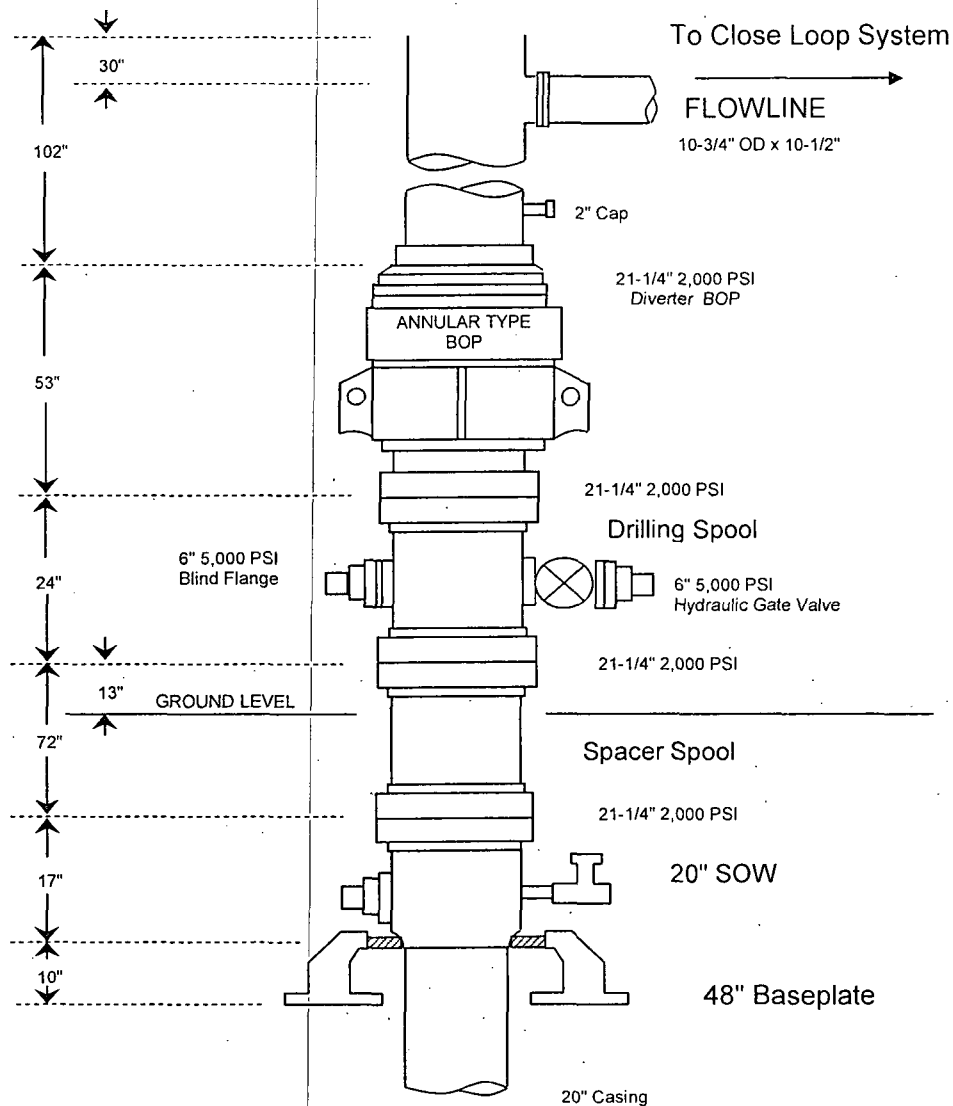
10 days completion operations

JDB

CIOS 11 MAR

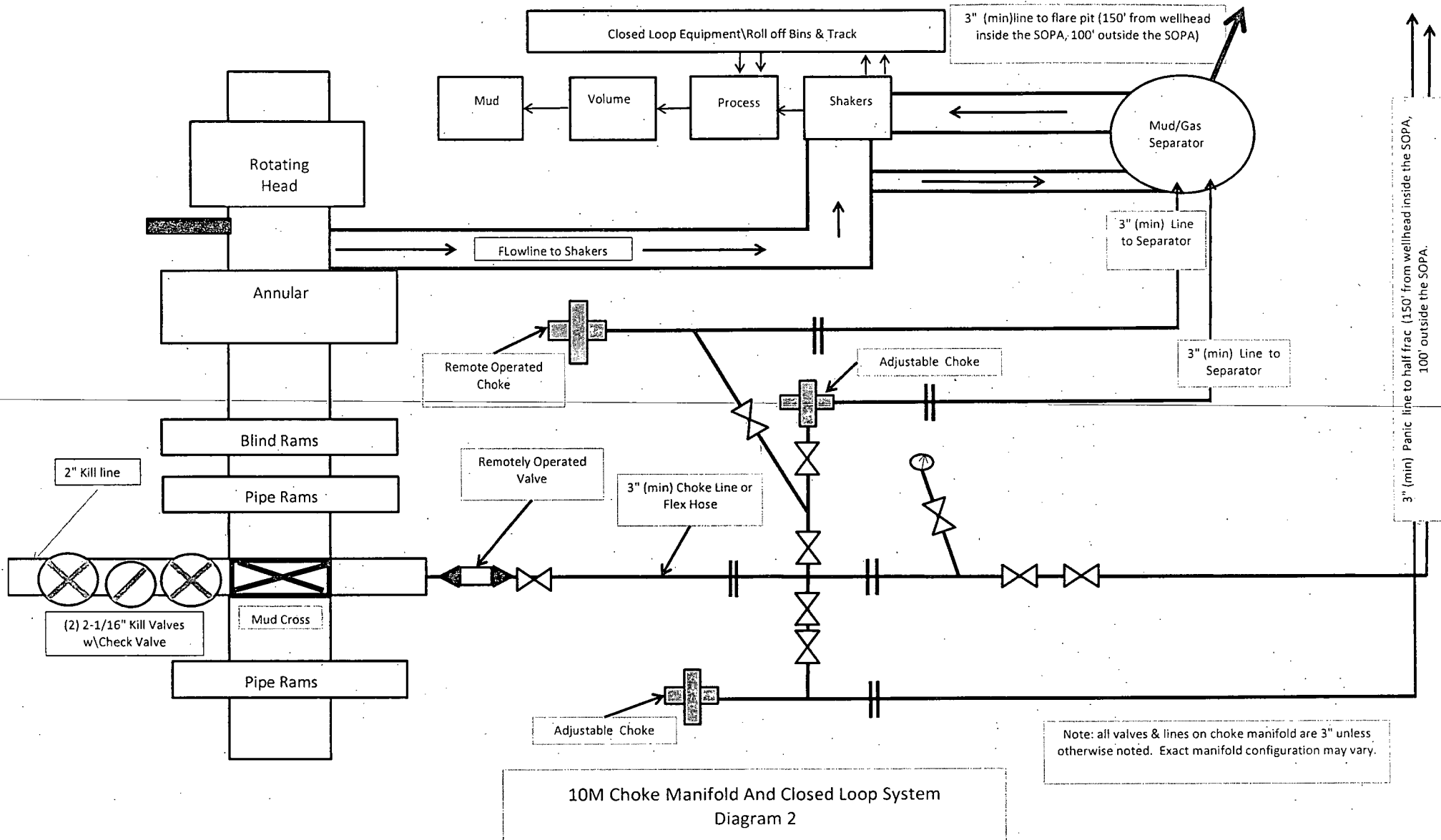
BOPCO, L. P

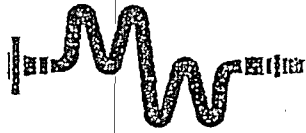
20" 2,000 PSI Diverter



Note: Actual lengths of casing heads may vary. Always measure items prior to installing in order to ensure proper spacing.

DIAGRAM B





Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer: LATSHAW

PO#: RIG# 7

HOSE SPECIFICATIONS

Type: C & K

Length: 40'

I.D. 3 1/2 INCHES

O.D. 5 16/64 - 5 18/64 INCHES

WORKING PRESSURE

10,000 PSI

TEST PRESSURE

15,000 PSI

BURST PRESSURE

PSI

COUPLINGS

Type of Fitting

4 1/16 10K

Type of Coupling

SWAGED

Die Size

5.75

Crimp Specification

5 50/64 - 5 48/64

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE

15

MINUTES

ACTUAL BURST PRESSURE

0

PSI

VERIFICATION

SO#

110479

ASSET#

SERIAL#

7496

COMMENTS:

DATE

12/10/2011

TESTED BY

BOBBY FINK

APPROVED BY

MENDI SMILEY



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Report

June 3, 2011

Customer: Latshaw

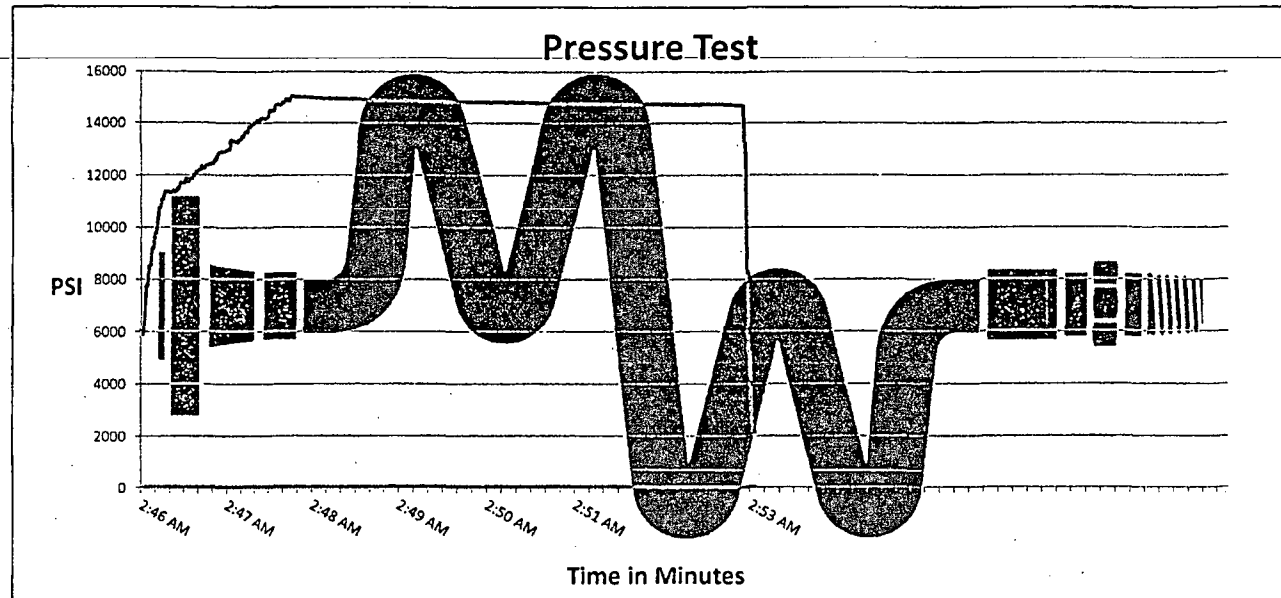
Purchase Order: RIG# 7

Hose Specifications

<u>Hose Type</u>	<u>Length</u>
E	40
<u>I.D.</u>	<u>O.D.</u>
4"	5 1/4"
<u>Working Pressure</u>	<u>Burst Pressure</u>
10000 PSI	Standard Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
4 1/16 10K	Swage
<u>Die Size</u>	<u>Final O.D.</u>
5.75	5 49/64
<u>Serial #</u>	<u>Sales Order</u>
7496	110479



Test Pressure
15000 PSI

Time Held at Test Pressure
2/4 Minutes

Actual Burst Pressure

Peak Pressure
15131 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Donnie Mclemore

Approved By: Kim Thomas

X _____

X _____



Exhibit "D"

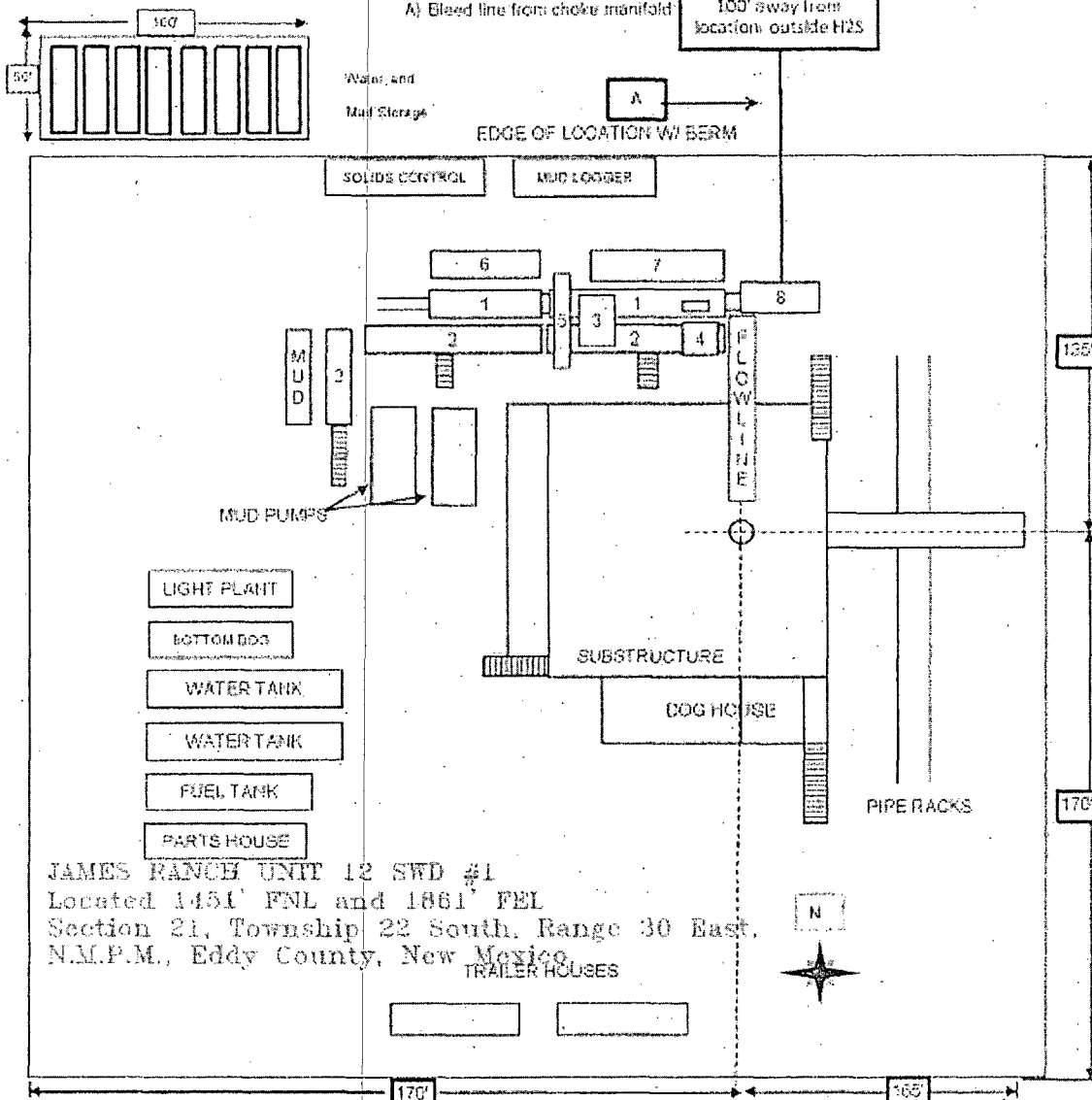
RIG LAYOUT

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 | |

Rare Pit 150' away
from location in H2S
area,
100' away from
location outside H2S



JAMES RANCH UNIT 12 SWD #1
Located 1451' FNL and 1861' FEL
Section 21, Township 22 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico

TRAILER HOUSES

Basin Surveys
located on wellhead
in the oilfield

P.O. Box 1756
1529 W. West County Rd.
Hobbs, New Mexico 88241
(575) 593-7316 - Office
(575) 593-7205 - Fax
basinsurveys.com

W.D. Number: JMS 27432
Survey Date: 09-26-2010
Scale: 1" = 2000'
Date: 10-01-2011

BOPCO, L.P.

Sheet 6 of 6 Sheets

Road

TABLE OF CONTENTS

I. H₂S Contingency Plan

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

II. Emergency Procedures

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

III. Ignition Procedures

- A. Responsibility
- B. Instructions

IV. Training Requirements

V. Emergency Equipment

VI. Evacuation Plan

- A. General Plan
- B. Emergency Phone Lists

VII. General Information

- A. H₂S Toxicity Table
- B. Respirator Use
- C. Emergency Rescue

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 tams 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 (SO_2), 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	H ₂ S	1.18	10 PPM	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	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

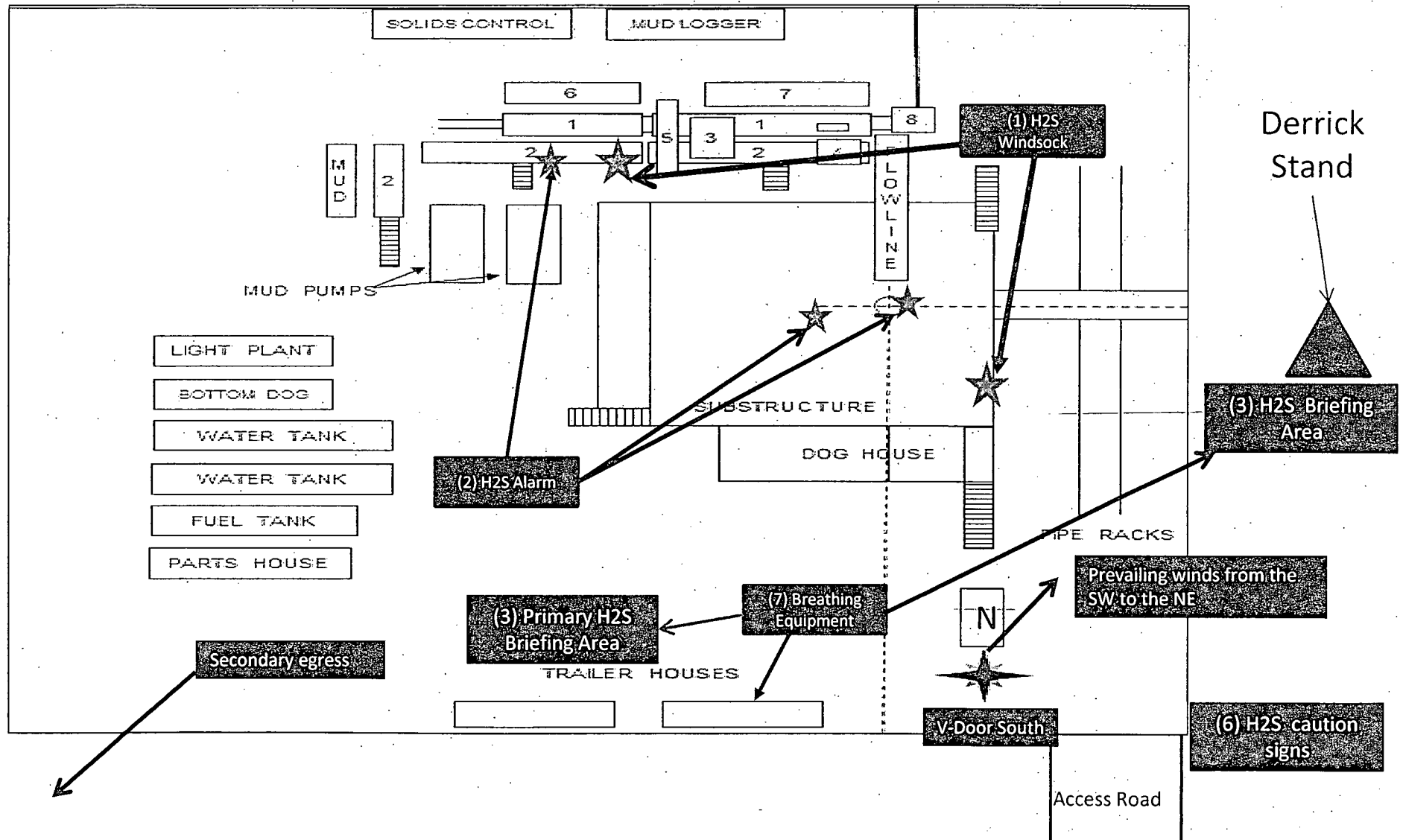
DO NOT PANIC – REMAIN CALM – THINK

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.
- 2) Location of H2S alarms
- 3) Location of briefing areas.
- 4) Terrain of surrounding area (Please refer to page 2 of survey plat package also see point 11 of multi-surface use plan)
- 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)
- 6) Location of caution and/or danger signs.
- (7) Location of Breathing Equipment



Location On-Site Notes

On site meeting conducted on 03/20/2012 by Cecil Watkins – BOPCO L.P., Albert Gomez – Basin Survey, and Cody Layton – BLM. The on-site was to add extensions to the existing James Ranch 12 pad on the east and west sides of the location. Please see attached diagram showing approved extension area.

SUBJECT

DATE

DEPARTMENT

PREPARED BY

ON site meeting w/ Cody Layton -
Blair, Robert Gomez - Blain Surveys
Stephen Martinez, Cecil Watkins, Carlos
Cruz, & Bill FRANKS - BOPCO L.P.

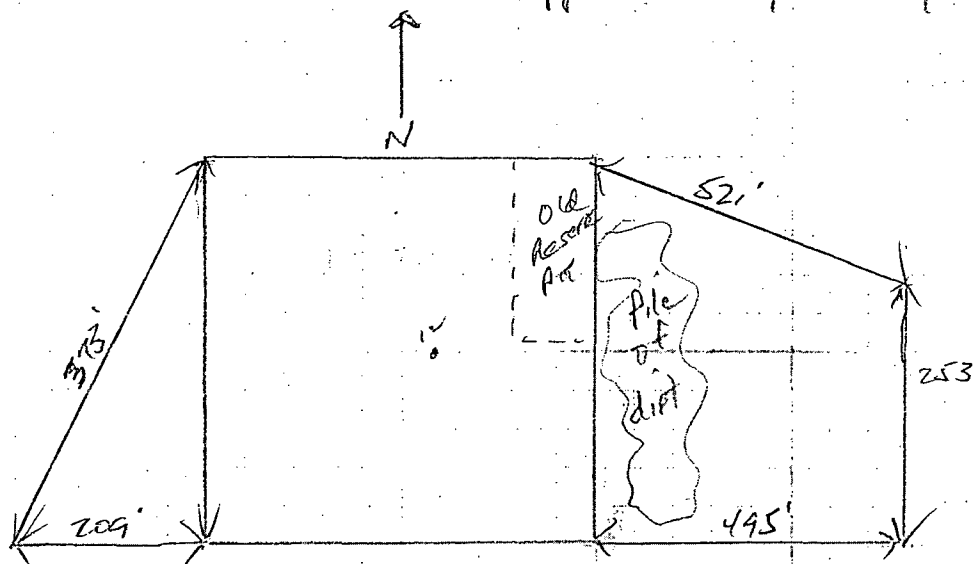
3/20/2012

Dr/G.

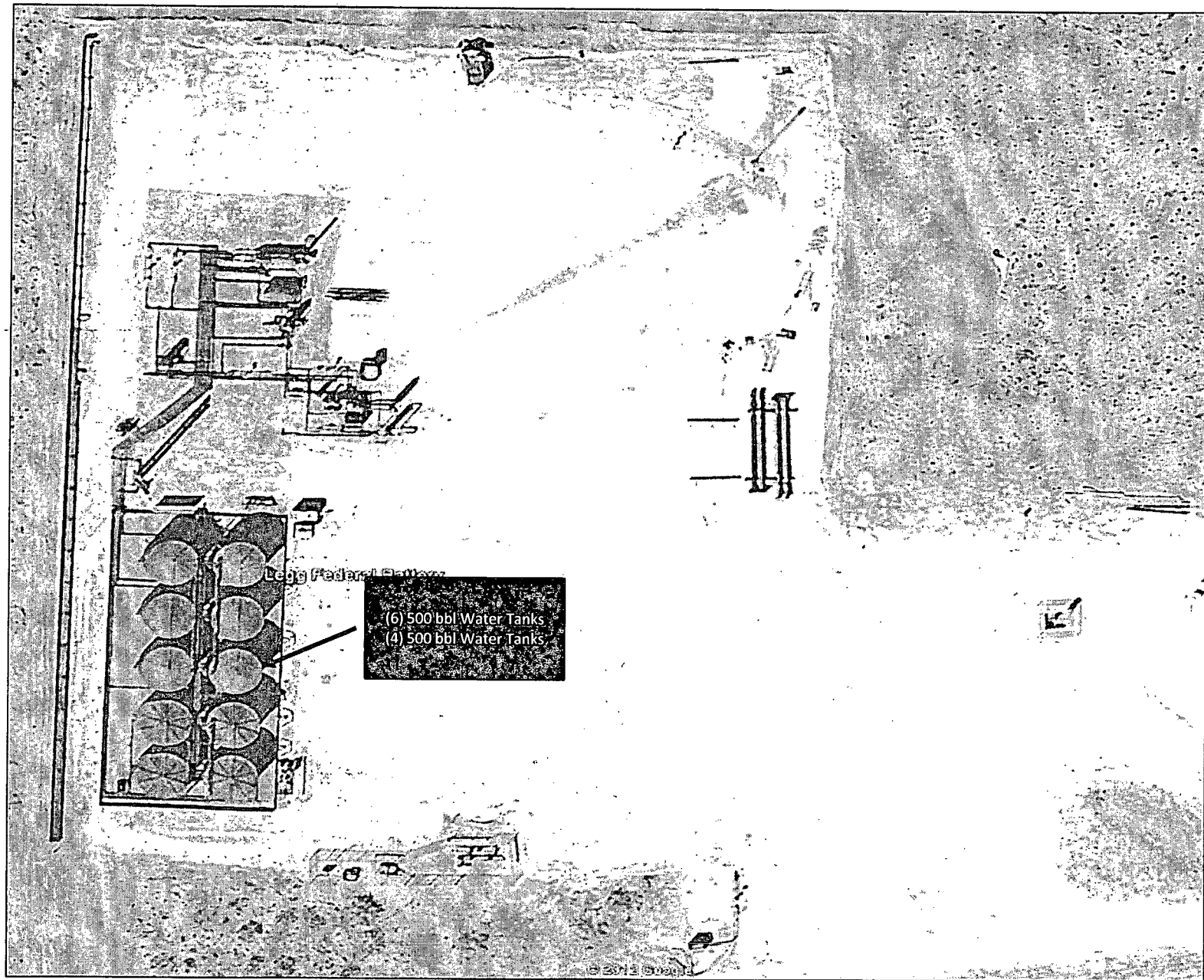
COW

IRW #12H - added additional footage to east
SEC 21, 22S - R30E
1451' ESN and west sides of existing location
1821' FWL

approved by Cody Layton



Legg Federal #1 Facilities



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, LP
LEASE NO.:	NM06808
WELL NAME & NO.:	1-JAMES RANCH UNIT 21 SWD <i>Federal</i>
SURFACE HOLE FOOTAGE:	1451'/N. & 1861'/E.
BOTTOM HOLE FOOTAGE	
LOCATION:	Section 21, T. 22 S., R. 30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

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.

- ☐ General Provisions
- ☐ Permit Expiration
- ☐ Archaeology, Paleontology, and Historical Sites
- ☐ Noxious Weeds
- ☒ Special Requirements
 - Cave/Karst
- ☐ Construction
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ Road Section Diagram
- ☒ Drilling
 - R-111-P Potash
 - High Cave/Karst
 - Logging requirements
 - Waste Material and Fluids
 - Completion NOI sundry
- ☐ Production (Post Drilling)
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☐ Interim Reclamation
- ☐ Final Abandonment & Reclamation