Phone: (575) 393-6161 Fax: (575) 393-0720 EnergyMin						erals and Natural Resources					Form C-101 Revised July 18, 2013		
811 S. First St., Ar Phone: (575) 748- <u>District II1</u> 1000 Rio Brazos R	811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170					Oil Conservation Division AMENDED Rep 1220 South St. Francis Dr.							
Phone: (505) 334-6 District <u>1V</u> 1220 S. St. Francis Phone. (505) 476-3	s Dr., Santa Fe,	NM 87505			:	Santa	Fe, NM 87	505					
AP	PLICA	TION I	<sup>1</sup> Operator Na:	me and Add	ress	L, RE	-ENTER	, DEEP	<u>EN, P</u>		CK, OF OGRID Numbe 2775		
		1111 B	Lime Rock Re agby Street, Suite			s 77002			20	$\overline{\nabla}$	API Number		
4 Pr	roperty Code 39343					roperty Nan Terry		-				Well No. #2	
			1		<sup>7</sup> Su	irface	Locatio	n		L		,	
UL - Loi C	Section	Township 18S	Range 26E		ot Idn	Feet Fr	rom !	NS Line		From	E/W Line- W	County Eddy	
	1		1	<sup>-</sup> 8 Pr	oposed		m Hole I	I				Eudy	
UL - Lot C	Section	Township 18S	Range 26E		ot Idn	Feet Fr 330	· ·	S/S Line N		From 00	E/W Line W	County Eddy	
			-		9 Po	ol In	formatio	n		4			
Atoka; Glorici	ta-Yeso											3250	
7 Wo	rk Τνρε		<sup>10</sup> Well Type	A		al We	ll Inform		12 Lease Tvn		13	Ground Level Elevation	
	N		<u> </u>			R	Х Р			3315.6			
	tultiole N	4:	<sup>15</sup> Proposed Depth 550' MD / 4571' T	VD		<sup>16</sup> Formatio Yeso					<sup>18</sup> Spud Date After 2/1/2016		
Depth to Grou	nd Water:	10	0 Ft. Dista	nce from	nearest fresh	water we	er well: 0.127 Miles Distance from nearest surface water: 1.8				ace water: 1.84 Miles		
X We will	be using a	closed-loop	system in lieu of 19	•		sing a	and Cem	ent Prog	<u>gram</u>				
Туре		le Size	Casing Size	C	Casing Weigh	nt/ft	Setting Depth			Sacks of Cement		Estimated TOC	
Conductor		26*	20"		91.5			80	_	80		Surface	
Surface Production		11" -7/8"	8-5/8"	1		·		125 571	_	· 300 · 850		Surface	
				i 1g/Ce	· · · · ·	ogran	n: Additi		mme			Guilde	
			1	•		out P	revention	8		<del>, -</del>		]	
	Туре			Working	, Pressure			Test Press	ure	;		Manufacturer	
	XLT 11'	ı		50	000			2000			N	lational Varco	
of my knowled	ge and belie fy that I ha	f. ve complied	en above is true an with 19.15.14.9 (A		_	/or	<u></u>	OIL C	ONSE	RVATI	ON DIV	ISION	
Signature:		1. Jul	^			ľ	Approved By:	D	d	2			
Printed Name			/			1	ritle / 157	P.S	yeu	1507			
Title: Operat	ions Engin	eer				^	Approved Date	1/13/	r 2014	e Expir	ation Date:	1/13/2018	
E-mail Addres	s: emech	uskv@limen	ockresources com					•					

Conditions of Approval Attached

.

Date: 12/30/2015

Phone: 713-360-5714

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District\_J 1625 N. French Dr., Hobbs, NM 58240 Phone: (575) 303-6161 Fax: (575) 303-6720 District.H 511 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM \$7410 Phone: (505) 334-6173 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (305) 476-3460 Fax: (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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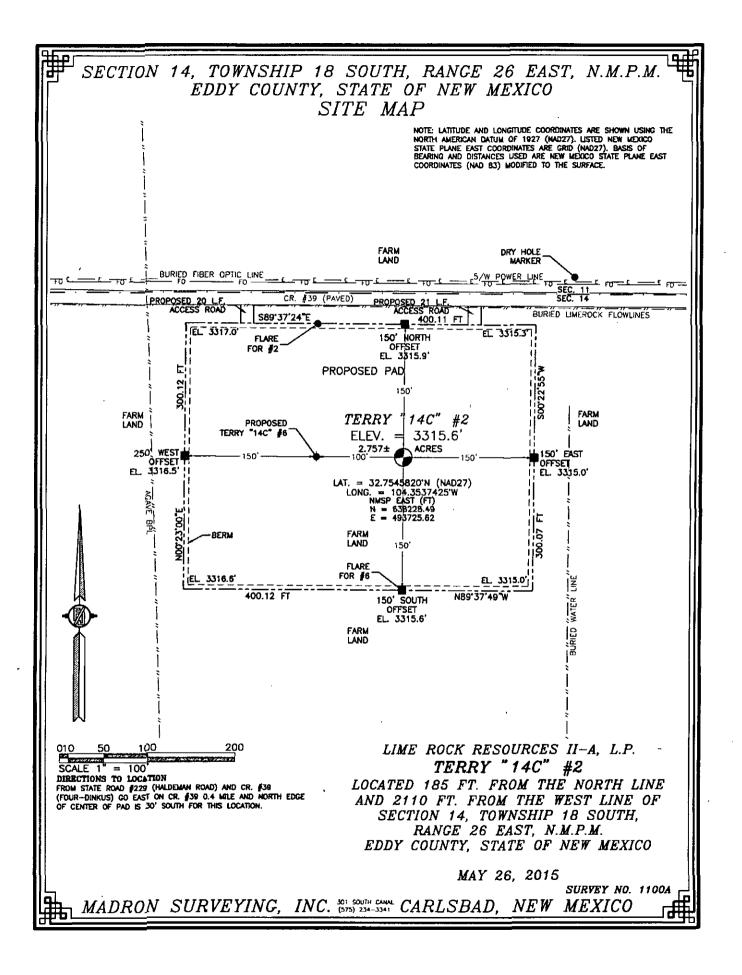
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

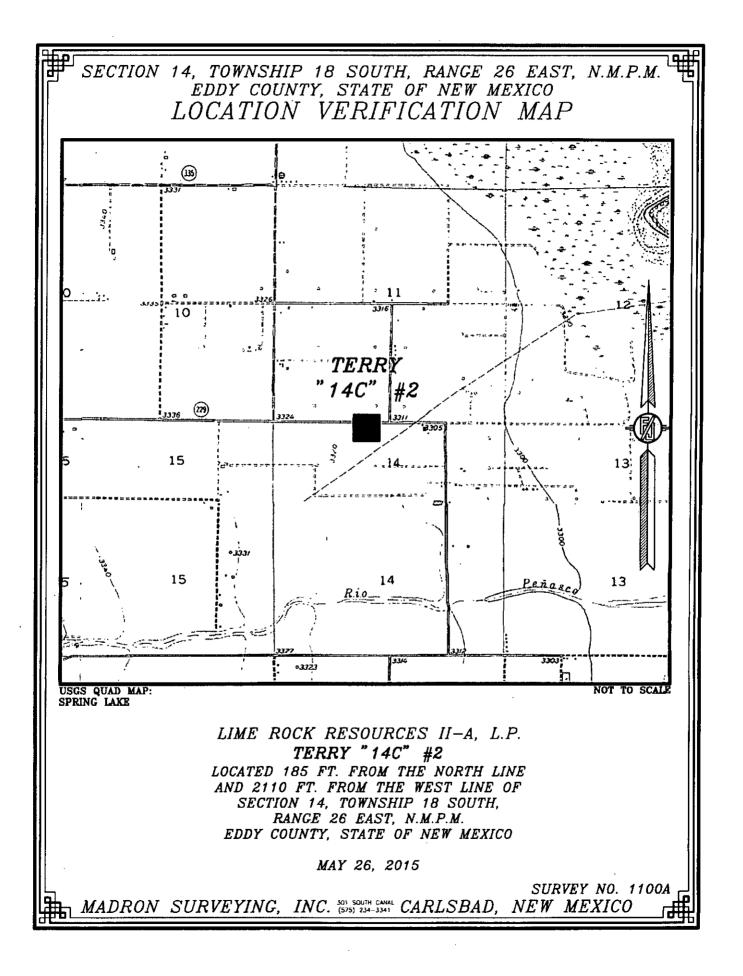
AMENDED REPORT

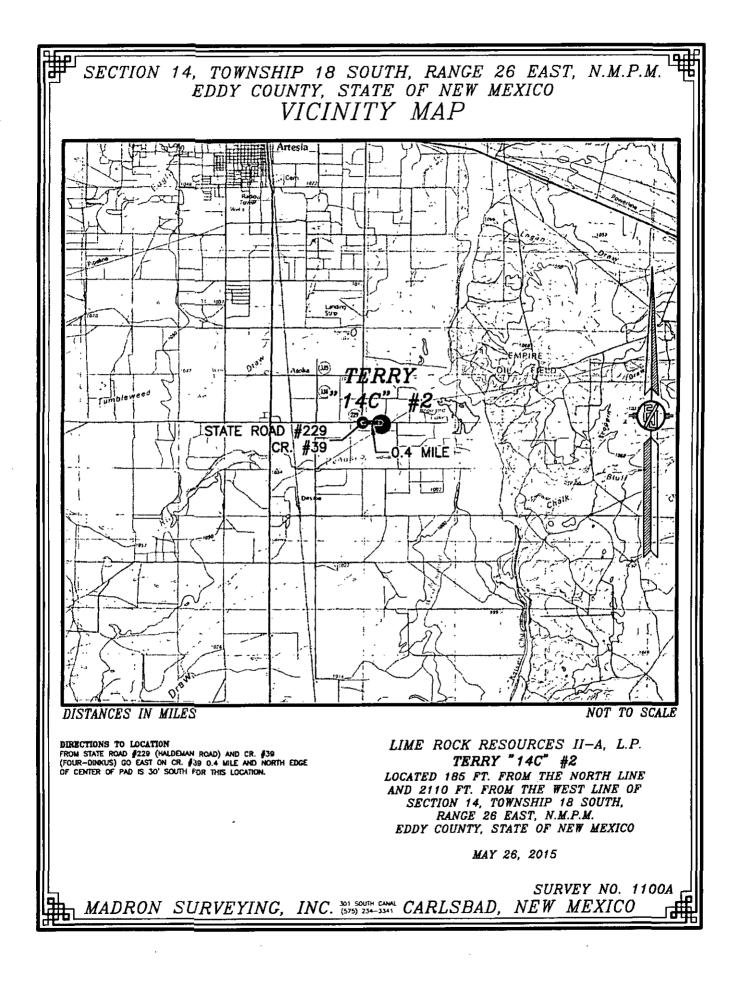
			ELL LC			REAGE DEDI	CATION PL	AT		
30.0	S- S	1048	6.	325C	$\delta A$	toka - Gle	prieta -	Yeso		
20 ACL	Care				* Property .				* Well Number	
54545					TERRY	14C			2	
OGRID No.					* Operator	Name			' Elevation	
277558 LIME ROCK RES						JRCES II-A, L.I		3315.6		
			-		" Surface	Location		······································		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
С	14	18 S	18 S 26 E 185 NORTH 2110 WE					WEST	EDDY	
			" B	ottom He	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
С	14	18 S	26 E		330	NORTH	2300	WEST	EDDY	
<sup>12</sup> Dedicated Acro	s <sup>13</sup> Joint	or Infill   " (	Consolidation	n Cođe		· · · · · · · · · · · · · · · · · · ·	<sup>15</sup> Order No.		<b>_</b>	
40					,					
<sup>12</sup> Dedicated Acro				n Cođe	330	NORTH		WEST	EI	

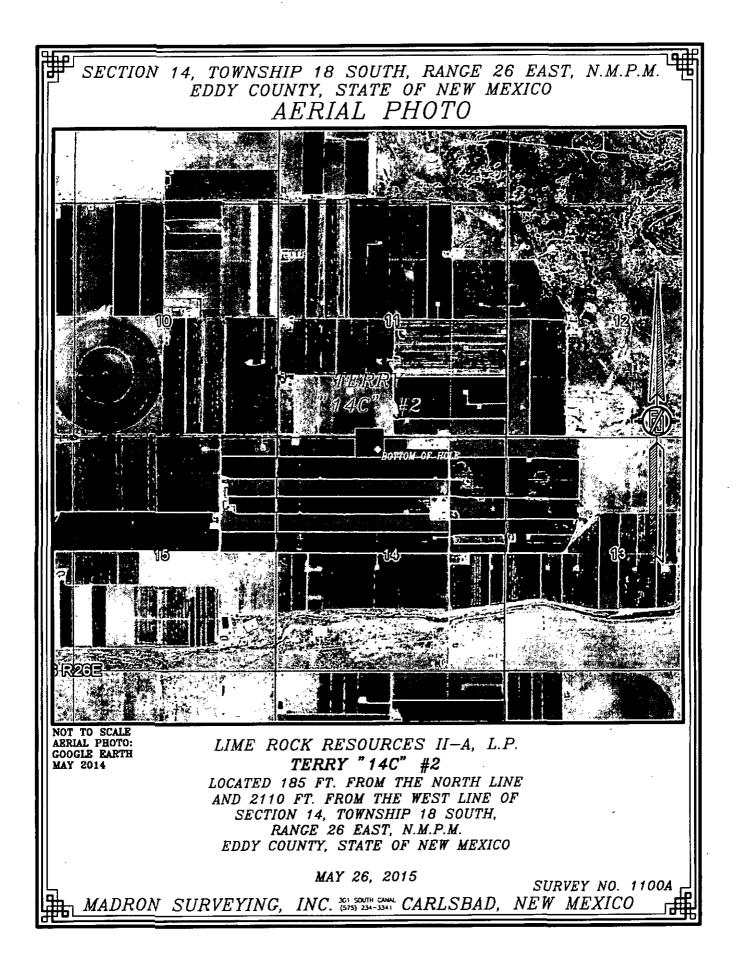
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

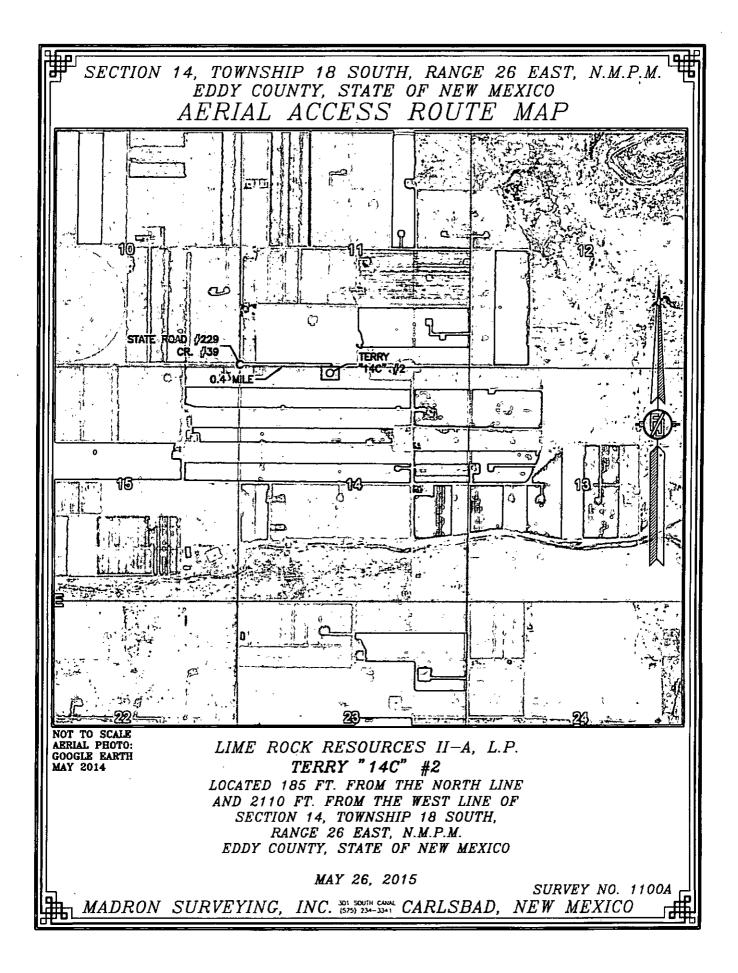
		0 FT	" OPERATOR CERTIFICATION
	IN/4 CORNER SEC. 14 NE COR	NER SEC. 14	I hereby certify that the information contained herein is true and complete to the
		32.7550409'N	best of my knowledge and belief, and that this organization either owns a
	NW CODNED SEC 14 SURFACE TO BOTTOM	04.3434626'W	working interest or unlessed mineral interest in the land including the proposed
z	LAT. = 32.7551234'N LOCATION OF HOLE	= 63839497	bottom hole location or has a right to drill this well at this location pursuant to
N00.	LONC. = 104.3606067'W	= 496885.97	a contract with an owner of such a mineral or working interest, or to a
12	INMSP FAST (FD)	81.	infuntary product agreement or a compulsory pooling only: hereinforce entered
ι G	E = 491615.44 ELEV. = 3315.6 LAT. = 32.7541808'N	34	by the division.
×		[	Eling and when 12/30/15
2659,83	NMSP EAST (FT) N = 638082.49	2651.16	Unit in the second of the second seco
6	N = 638228.49 E = 493916.12 E = 493725.62	1-	Sename Date
ב ו		6 1	<u>Ekiep Auclusky</u> 12/30/15 Signature Eric Mc(lusky
		-1	FIBACU IVABIC
			emc ( when a lime tack resources, com
		i i	E-mail Address
	W/4 CORNER SEC. 14 E/4 COR	NER SEC. 14	
		SCALED	<b>*SURVEYOR CERTIFICATION</b>
			I hereby certify that the well location shown on this plat was
Ż	NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH, AMERICAN DATUM OF 1927	S	plotted from field notes of actual surveys made by me or under
N00.	(HAD27). LISTED NEW MEXICO STATE PLANE EAST	8	my supervision, and that the same is true and correct to the
2,4		00'18'3	best of my period
43 W	EAST (NAD83) COORDINATES MODIFIED TO THE SURFACE.	34 <sup>-</sup> E	
	<b></b>		
2659		265	Date of Survey (12797)
1.83			AR AND IN
1	SW CORNER SEC. 14 S/4 CORNER SEC. 14 SE COR	NER SEC. 14	And And And
-	LAT, = 32.7405050'N   LAT, = 32.7404628'N LAT, = 3	32.7404702 N	Signalur and Sale Manuscignation Sor
		04.3433680'W	
		SP EAST (FT)	Certificate Number: FILIMON F. JARAMILLO, PLS 12797
	E = 491635.08 E = 494252.58 E	= 496914.57	
	N89'39'07"W 2618.23 FT S89'56'57"W 2662.69 FT	г	SURVEY NO. 1100A

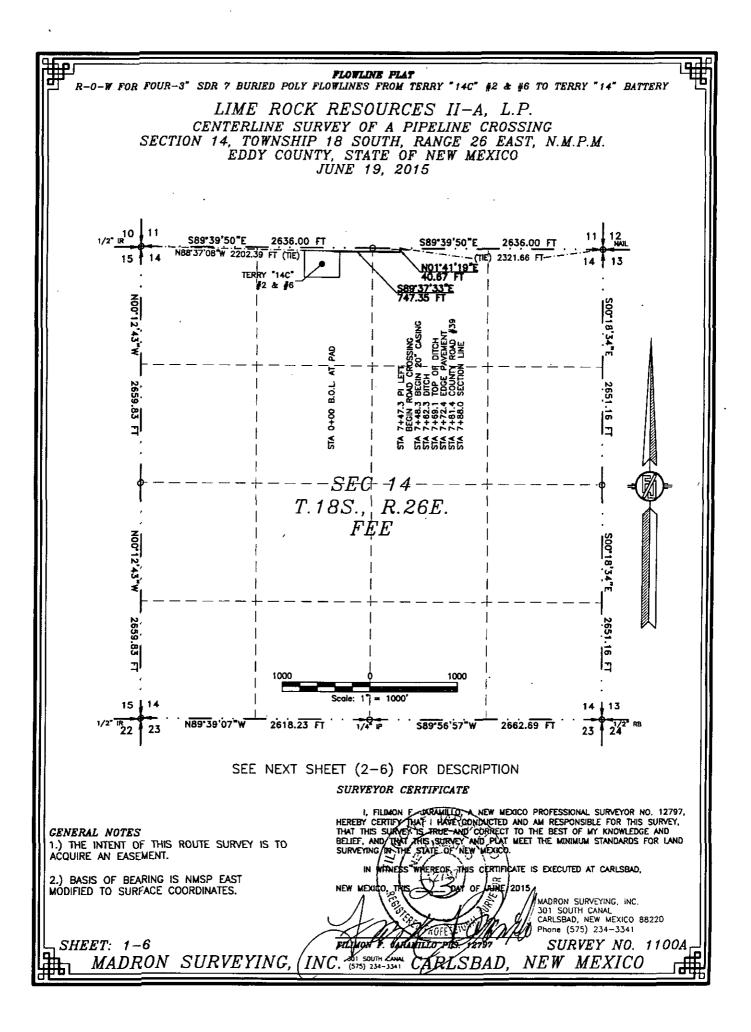








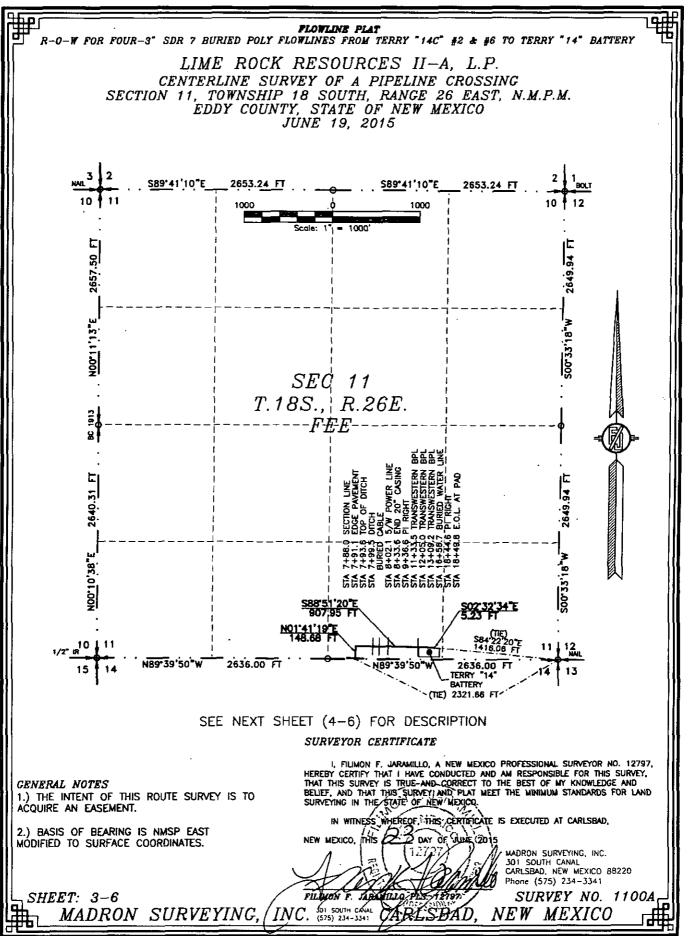




R-0-W FOR FOUR-S" SDR 7 BURIED POLY FLO	FLOWLINE PLAT DWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY
CENTERLINE SURV SECTION 14, TOWNSHIP EDDY COUNTY	RESOURCES II—A, L.P. Vey of a pipeline crossing 18 south, range 26 east, n.M.P.M. 7, state of new mexico UNE 19, 2015
A STRIP OF LAND 30 FEET WIDE CROSSING FEE L	DESCRIPTION AND IN SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, ND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED
N.M.P.M., WHENCE THE NORTHWEST CORNER OF SA BEARS N88"37'08"W, A DISTANCE OF 2202.39 FEE THENCE S89"37'33"E A DISTANCE OF 747.35 FEET THENCE N01"41'19"E A DISTANCE OF 40.67 FEET	F SAID SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, AID SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. T: TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE HIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S89'39'50"E, A
SAID STRIP OF LAND BEING 788.02 FEET OR 47.7 BEING ALLOCATED BY FORTIES AS FOLLOWS:	6 RODS IN LENGTH, CONTAINING 0.543 ACRES MORE OR LESS AND
NE/4 NW/4 434.23 L.F. 26.32 RODS NW/4 NE/4 353.79 L.F. 21.44 RODS	0.299 ACRES 0.244 ACRES
	SURVEYOR CERTIFICATE I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797,
<i>GENERAL NOTES</i> 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.	HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE-AND CORRECT-TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW THEXES.
2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.	NEW MEXICO, THIS TOT OF AUNE 2015 MUMORON SURVEYING, INC. Sol SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341
SHEET: 2-6 MADRON SURVEYING, (INC	FILLWON F. JAPOULLO C.S. AND SURVEY NO. 1100A C. 501 SOUTH CANAL CARLSBAD, NEW MEXICO

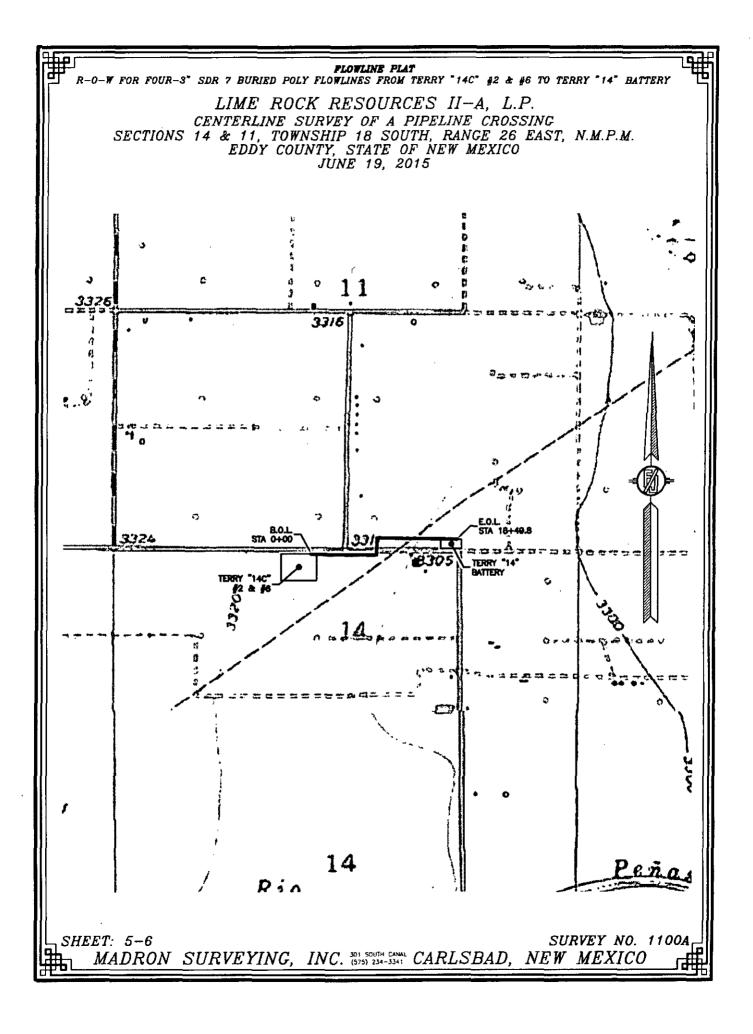
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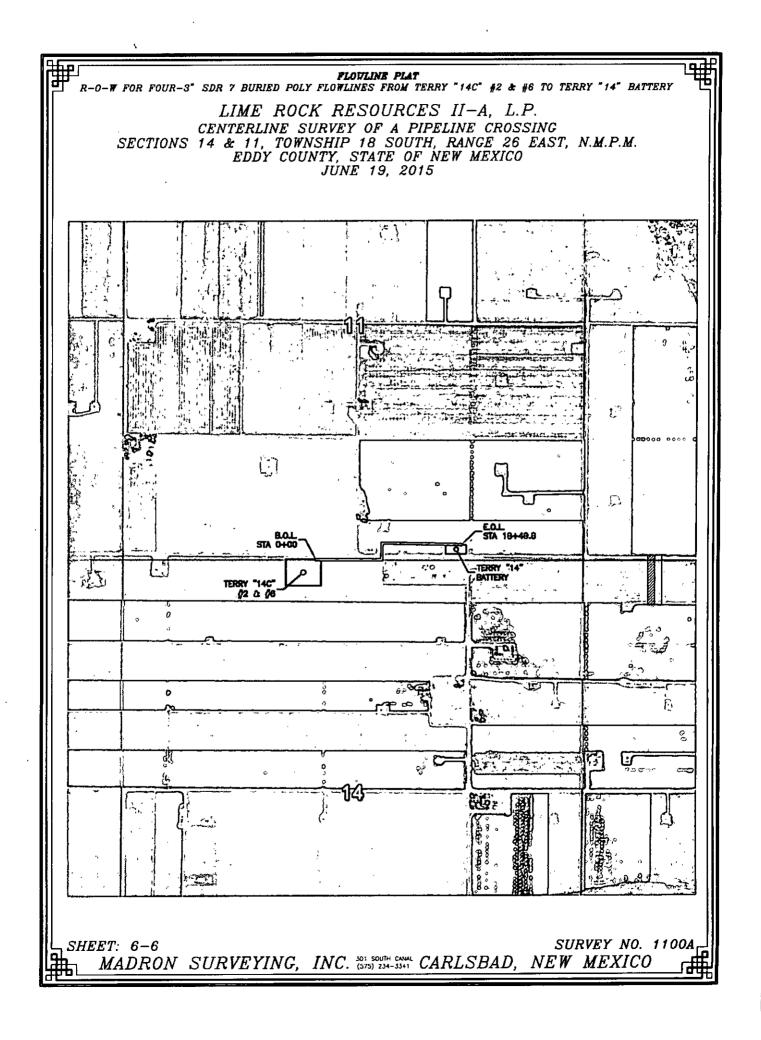
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	FLOWLINE PLAT	
	R-0-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY LIME ROCK RESOURCES II-A, L.P. CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO JUNE 19, 2015	j,
	<i>DESCRIPTION</i> A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:	
	BEGINNING AT A POINT WITHIN THE SW/4 SE/4 OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S89'39'50"E, A DISTANCE OF 2321.66 FEET; THENCE NO1'41'19"E A DISTANCE OF 148.68 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S88'51'20"E A DISTANCE OF 907.95 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S02'32'34"E A DISTANCE OF 5.23 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S84'22'20"E, A DISTANCE OF 1416.06 FEET;	
	SAID STRIP OF LAND BEING 1061.86 FEET OR 64.36 RODS IN LENGTH, CONTAINING 0.731 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:	
	SW/4 SE/4 1061.86 L.F. 64.36 RODS 0.731 ACRES	.
	SURVEYOR CERTIFICATE	
11	I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12 GENERAL NOTES I.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.	ey,
	2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.	
	SHEET: 4-6 MADRON SURVEYING, INC. 10 MADRON SURVEYING, INC. 10 10 10 10 10 10 10 10 10 10	

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### Lime Rock Resources II-A, L.P. Drilling Plan

Terry 14 C #2 185' FNL 2210' FWL (C) 14-18S-26E Eddy County, NM

- 1. The elevation of the unprepared ground is 3315.6 feet above sea level.
- 2. The geologic name of the surface formation is Quaternary Alluvium.
- 3. A rotary rig will be utilized to drill the well to 4571' and run casing. This equipment will be rigged
- down and the well will be completed with a workover rig.
- 4. Well will be drilled to a total proposed depth of 4550' MD./ 4571' TVD. inside a 30' X 30' square target inside of 40 acre spacing regulatory quarter-quarter setback distances. The KOP for directional drilling will be at 500'. See directional plan for detail.
- 5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	NA	NA
Queen	244	244
Grayburg	686	686
Premier	NA	NA
San Andres	955	959
Glorieta	2303	2324
Yeso	2421	2442
Tubb	3850	3871
TD	4550	4571

7. Proposed Casing and Cement program is as follows:

 Estimated depths at which anticipated oil, gas, or other mineral bearing formations are expected to be encountered:

	MD	TVD
Yates	NA	NA
7 Rivers	NA	NA
Queen	244	244
Grayburg	686	686
Premier	NA	NA
San Andres	955	959
Glorieta	2303	2324
Yeso	2421	2442
Tubb	3850	3871
TD	4550	4571

Туре	Hole	Casing	Wt	Grade	Thread	Depth	Sx	Density	Yield	Components
Conductor	26"	20"	91.5	В	Welded	80	80			Ready Mix
Surface	11"	8-5/8"	24	J-55	ST&C	425	300	14.8	1.35	CI C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl2
Intermediate							·			
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4571	200	12.8	1.903	(35.65) Poz/CI C Cmt + 5% NaCl + 0.25 lbs/sk Cello Flake + 5 lbs/sk LCM-1 +0 2% R-3 + 6% Gel
							650	14.8	1.33	Cl H w/ 0.6% R-3, 0.125% Cello Flake, 2% Gel

### 8. Proposed Mud Program is as follows

Depth	0-425	425-4400	4400-4571
Mud Type	Fresh Water Mud	Brine	Brine, Salt Gel, & Starch
Properties			•
MW	8.4-9.2	9.8-10.1	9.9-10.1
рН	9.0-10.5	10.0-12.0	10.0-12.0
WL	NC	NC	20-30
Vis	28-34	28-29	32-34
MC	NC	NC	<2
Solids	NC	<2%	<3%
Pump Rate	300-500 gpm	375-425 gpm	400-425 gpm
Special		Use Poymers sticks and MF-55 Hi-Vis Sweeps as necessary	Hi Vis Sweeps, add acid and starch as req. Raise Vis to 35 for log.

# 9. Pressure Control Equipment: See Attached Description and diagram of Pressure Control Equipment.

### 10. Testing, Logging and Coring Program

**Testing Program:** No drill stem tests are anticipated **Electric Logging Program:** SGR-DLL-CDL-CNL Quad Combo from 4550 to surf. Csg. SGR-CNL to Surf. **Coring Program:** No full or sidewall cores are anticipated.

### 11. Potential Hazards:

No abnormal temperatures or pressures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2002 psi based on 0.44 x TD. The estimated BHT is 125 degrees F.

### 12. Duration of Operations:

Anticipated spud date will be soon after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. An additional 14 days will be needed it complete the well and to construct surface facilities.

# Hydrogen Sulfide Drilling Plan Summary

A. All personnel shall receive proper H2S training in accordance with Onshore Order 6 III.C.3.a.

B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.

C. Required Emergency Equipment:

- Well control equipment
  - a. Flare line 150' from wellhead to be ignited by flare gun.
  - b. Choke manifold with a remotely operated choke.
  - c. Mud/gas separator
- Protective equipment for essential personnel.

Breathing apparatus:

a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.

b. Work/Escape packs —4 packs shall be stored on the rig floor and contain sufficiently long air hoses as to not to restrict work activity.

c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

Visual warning systems:

a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.

b. A colored condition flag will be on display, reflecting the current condition at the site at the time.

c. Two wind socks will be placed in strategic locations, visible from all angles.

Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

### Metallurgy:

a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

b. All elastomers used for packing and seals shall be H2S trim.

### Communication:

Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

# **H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS**

Company Offices - Lime Rock Houston Office

Lime Rock Houston Office Answering Service (After Hours) Artesia, NM Office Roswell, NM 713-292-9510 713-292-9555 575-748-9724 575-623-8424

### **KEY PERSONNEL**

Name	Title	Location	Office #	Cell #	Home #
Steve Hunter	Production Manager	Houston	713-292-9516	832-330-7313	Same as Cell
Spencer Cox	Operations Engineer	Houston	713-292-9528	432-254-5140	Same as Cell
Eric McClusky	Operations Engineer	Houston	713-360-5714	832-491-3079	405-821-0534
Jerry Smith	Assistant Production Supervisor	Artesia	575-748-9724	505-918-0556	575-746-2478
Michael Barrett	Production Supervisor	Roswell	575-623-8424	505-353-2644	575-623-4707
Gary McCelland	Well Site Supervisor	Rotates on Site	NA	903-503-8997	NA
Dave Williamson	Well Site Supervisor	Rotates on Site	NA	575-308-9980	NA

	Agency Call List	
City	Agency or Office	Telephone #
Artesia	Ambulance	911
Artesia	State Police	575-746-2703
Artesia	Sherriff's Office	575-746-9888
Artesia	City Police	575-746-2703
Artesia	Fire Department	575-746-2701
Artesia	Local Emergency Planning Committee	575-746-2122
Artesia	New Mexico OCD District II	575-748-1283
Carlsbad	Ambulance	911
Carlsbad	State Police	575-885-3137
Carlsbad	Sherriff's Office	575-887-7551
Carlsbad	City Police	575-885-2111
Carlsbad	Fire Department	575-885-2111
Carlsbad	Local Emergency Planning Committee	575-887-3798
Carlsbad	US DOI Bureau of Land Management	575-887-6544
State Wide	New Mexico Emergency Response Commisssion ("NMERC")	505-476-9600
State Wide	NMERC 24 Hour Number	505-827-9126
State Wide	New Mexico State Emergency Operations Center	505-476-9635
National	National Emergency Response Center (Washington D.C.)	800-424-8802

-931-8884 -563-3356
-563-3356
Same
Same
Same
-441-1370
Same
Same
Same
North 13th Street

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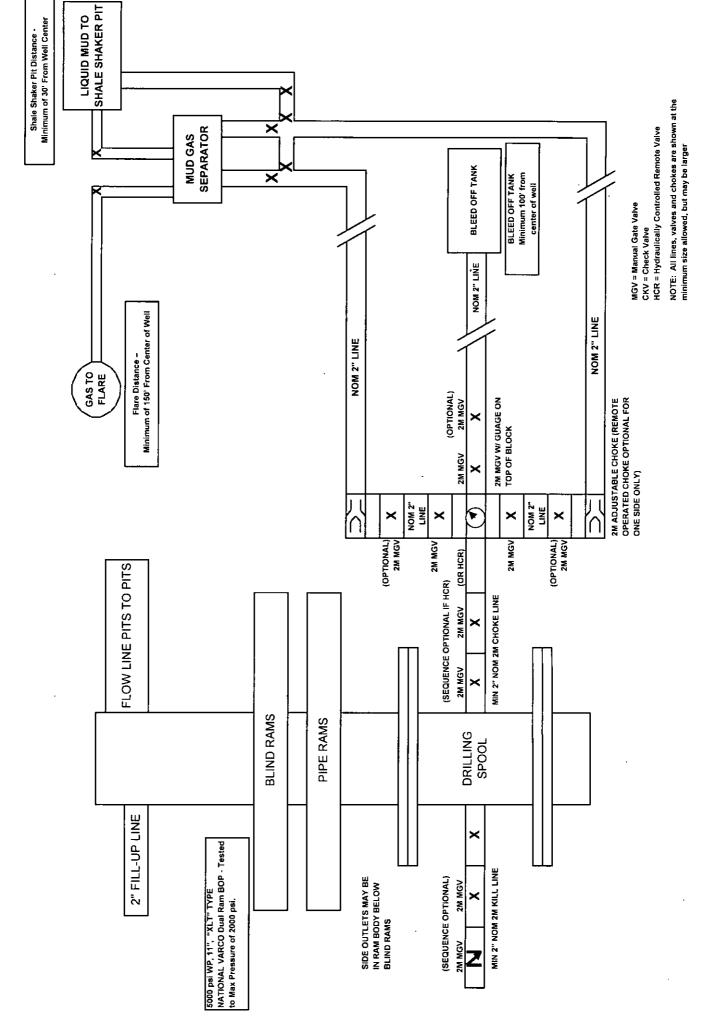
### **Pressure Control Equipment**

The blowout preventer equipment (BOP) will consist of a 5000 psi rated, "XLT" type, National VARCO double ram preventer that will be tested to a maximum pressure of 2000 psi. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. The 2M BOP will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. All casing strings will be tested as per Onshore Order #2. This also includes a thirty day (30) test, should the rig still be operating on the same well in thirty days.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.

The BOP equipment will consist of the following:

- Double ram with blind rams (top) and pipe rams (bottom),
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 2" minimum diameter, kill side will be at least 2 inch diameter),
- Kill line (2 inch minimum),
- A minimum of 2 choke line valves (2 inch minimum),
- 2 inch diameter choke line,
- 2 kill valves, one of which will be a check valve (2 inch minimum),
- 2 chokes, one of which will be capable of remote operation,
- Pressure gauge on choke manifold,
- Upper Kelly cock valve with handle available,
- Safety valve and subs to fit all drill string connections in use,
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped,
- A Fill-up line above the uppermost preventer.



# **2M BOP SCHEMATIC**

# Lime Rock Resources II-A, L.P.

# Terry 14 C #2

# Unit C, S14-T18S-R26E, Eddy County, NM

# Design: Closed Loop System with roll-off steel bins (pits)

CRI/HOBBS will supply (2) bins (100 bbl) volume, rails and transportation relating to the Close Loop System. Specification of the Closed Loop System is attached.

Contacts: Gary Wallace (432) 638-4076 Cell (575) 393-1079 Office

### Scomi Oil Tool: Supervisor – Armando Soto (432) 553-7979 Hobbs, NM

Monitoring 24 Hour service Equipment:

Centrifuges – Derrick Brand Rig Shakers – Brandt Brand D-watering Unit Air pumps on location for immediate remediation process Layout of Close Loop System with bins, centrifuges and shakers attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recovery, Inc.). The disposal site permit is DFP = #R9166.

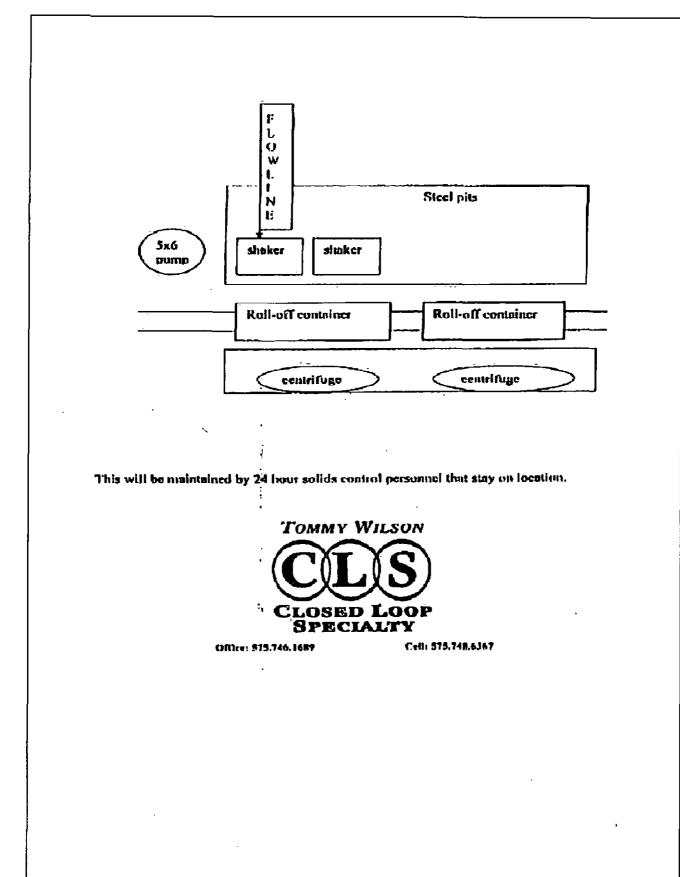
2- (250 bbl) tanks to hold fluid 2-CRI bins with track system 2-500 bbl frac tanks with fresh water 2-500 bbl frac tanks for brine water

### **Operations:**

Closed Loop System equipment will be inspected daily by each tour and any necessary maintenance performed. leak in system will be repaired and/or contained immediately. OCD will be notified within 48 hours of any spill. Remediation process will start immediately.

### Closure:

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI equipment to DFP #R9166.



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