RECEIVED

Form 3160-3 (June 2015)

MAR 0 4 2020

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

UNITED STATES

DEPARTMENT OF THE INCOME.

BUREAU OF LAND MANAGEMENT

5. Lease Serial No. NMNM138865

APPLICATION FOR PERMIT TO DRILL OR REENTER	,	6. If Indian, Allotee or Tribe Name
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							\wedge	
1a. Type of work:	ENTER					7. If Unit or CA A	greement,	Name and No.
1b. Type of Well: Oil Well Gas Well Other						8. Lease Name and	I Wall Ma	
1c. Type of Completion: Hydraulic Fracturing Sing	gle Zone	one Multiple Zone				BOROS FEDERA		
			•			244	16	
						3(-=	263	297
2. Name of Operator MATADOR PRODUCTION COMPANY				İ		9. API-Well No.	//-	46851
3a. Address 3	3b. Phor	ne No. (in	clude area co	ode	<i>y</i> (10. Field and Pool,		
5400 LBJ Freeway, Suite 1500 Dallas TX 75240	(972)37	1-5200			Ş	WOLFCAMP / PL	URPLE S	AGE; WOLFCA
4. Location of Well (Report location clearly and in accordance wi	ith any S	State requi	rements.*)	-		11. Sec., T. R. M. o		
At surface NENE / 400 FNL / 631 FEL / LAT 32.0490466	6 / LON	IG -103.7	594562	Ι,		SEC 15 (T26S)	R31E / N	MP
At proposed prod. zone SESE / 240 FSL / 660 FEL / LAT	32.0214	4874 / LC	ONG -103.7	595	5138			
14. Distance in miles and direction from nearest town or post office	e*					12. County or Paris	sh	13. State NM
100 toot	16. No o	of acres in	lease-	1	17. Spaçii	ng,Unit dedicated to	this well	
location to nearest	1240		[[]	H	640	/		
(Also to nearest drig. unit line, if any)		\			<u> </u>			
18. Distance from proposed location*	19. Prop	Proposed Depth			/20,/BLM/	BIA Bond No. in file	е	
to nearest well, drilling, completed, applied for, on this lease, ft.	13736 f	eet./238	92 feet	H	FED: NN	1B001079		
2.	1 1		date work wi	l s	tart*	23. Estimated dura	tion	
3219 feet	12/01/2	<u> </u>	11	<u> </u>		60 days		
	\24. A	ttachme	ıts/					
The following, completed in accordance with the requirements of (as applicable)	Onshore	Oil and C	Gas Order No	1,	, and the H	Iydraulic Fracturing	rule per 4	3 CFR 3162.3-3
1. Well plat certified by a registered surveyor.		4. E	ond to cover	the	operation	s unless covered by a	n existing	bond on file (see
2. A Drilling Plan.	\searrow	1	tem 20 above	} .	•	-	_	,
 A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office); 	Lands,				ication. specific information and/or plans as may be requested by the			
3070 must be med with the appropriate Potest Service Office).	•		BLM.	Spi	ecure mior	mation and/or plans a	is may be i	equesieu by the
25. Signature			ted/Typed)				Date	
(Electronic Submission)	La	ra Thom	pson / Ph: (50	5)254-11	15	05/14/2	2019
Title Assistant Project Manager							•	
Approved by (Signature)			ted/Typed)				Date	
(Electronic Submission)		Cody Layton / Ph: (575		5)2	34-5959		02/27/2	2020
Title Assistant Field Manager Lands & Minerals		Office CARLSBAD						
Application approval does not warrant or certify that the applicant	holds le	gal or equ	iitable title to	the	ose rights	in the subject lease v	which wou	ild entitle the
applicant to conduct operations thereon. Conditions of approval, if any, are attached.								
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, ma	ke it a a	rime for a	iny nercon ke	01.	analy and	willfully to make to	any dana	rtment or agency
of the United States any false, fictitious or fraudulent statements or							ану исра	unent of agency
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APPROVED WITH CONDITIONS

APPROVAL Date: 02/27/2020

(Continued on page 2)

*(Instructions on page 2)

Ruf 3-16-20

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:
LEASE NO.:
WELL NAME & NO.:
BOROS FEDERAL 244H

SURFACE HOLE FOOTAGE:
BOTTOM HOLE FOOTAGE
LOCATION:
COUNTY:
MATADOR PRODUCTION COMPANY
NMNM138865
BOROS FEDERAL 244H

400'/N & 631'/E
240'/S & 660'/E
Section 15, T.26 S., R.31 E., NMP
Eddy County, New Mexico

COA

H2S	○ Yes	© No	
Potash	• None	Secretary	← R-111-P
Cave/Karst Potential	↑ Low	Medium	← High
Cave/Karst Potential			
Variance	○ None	Flex Hose	○ Other
Wellhead	○ Conventional	← Multibowl	Both
Other	□ 4 String Area	Capitan Reef	WIPP
Other	□Fluid Filled	Cement Squeeze	☐ Pilot Hole
Special Requirements	□ Water Disposal	FICOM	□ Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 1431 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

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- completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8** hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The 9-5/8 inch intermediate casing shall be set at approximately 4180 feet. The minimum required fill of cement behind the Choose an item. inch intermediate casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include

the lead cement slurry due to cave/karst or potash.

- ❖ In <u>Medium Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 7-5/8 inch 2^{nd} intermediate casing is:

Option 1 (Single Stage):

• Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
- 4. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back **200 feet** into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 2nd intermediate casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling

below the surface casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Lea County
 Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
 393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

NMK02202020

PECOS DISTRICT **SURFACE USE CONDITIONS OF APPROVAL**

Environmental Assessment DOI-BLM-NM-P020-2020-0098-EA

Matador Production Company, **Boros Fed Com Slots 1-4** Oil Wells Project in **Eddy County, New Mexico**

BLM Lease Number: NMNM-140693

Project Features	Legal Location Range 31 East,	within Section 15, Township 26 South, MPM
Well Number	Surface Hole	
Boros Fed Com Slot 1		
021H	400 FNL, and	100 FSL
101H	430 FNL, and	514 FWL
105H	430 FNL and	24 FWL
111H	430 FNL and	94 FWL
121H	400 FNL and 3	94 FWL
131H	430 FNL and	704 FWL
201H	430 FNL and 4	84 FWL
215H	400 FNL and	14 FWL
221H	400 FNL and 4	84 FWL
225H	430 FNL and	34 FWL
241H	400 FNL and	04 FWL
Boros Fed Com Slot 2		
022H	400 FNL and	,960 FWL
102H	430 FNL and	,850 FWL
106H	430 FNL and	,960 FWL
112H	430 FNL and	,930 FWL
122H	400 FNL and	,930 FWL
132H	430 FNL and 2	2,040 FWL
202Н	430 FNL and	,820 FWL

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216H	400 FNL and 1	,850 FWL
222H	400 FNL and 1	,820 FWL
226H	430 FNL and 2	,070 FWL
242H	400 FNL and 2	,040 FWL
Boros Fed Com Slot 3		and the second s
023H	400 FNL and 2	Programme and the second secon
103H	430 FNL and 2	,403 FEL
107H	430 FNL and 2	,293 FEL
113H	430 FNL and 2	,323 FEL
123H	400 FNL and 2	,324 FEL
133H	430 FNL and 2	,213 FEL
Project Features	Legal Location (Range 31 East, I	vithin Section 15, Township 26 South, MPM
203H	430 FNL and 2,4	34 FEL
217Н	400 FNL and 2,4	04 FEL
223H	400 FNL and 2,4	34 FEL
227Н	430 FNL and 2,1	83 FEL
243H	400 FNL and 2,2	14 FEL
Boros Fed Com Slot 4		
024H	400 FNL and 711	FEL
104H	430 FNL and 820	FEL
108H	430 FNL and 710	FEL
114H	430 FNL and 740	FEL
124H	400 FNL and 741	FEL
134H	430 FNL and 630	FEL
204Н	430 FNL and 851	FEL
218H	400 FNL and 821	FEL
224H	400 FML and 85	I FEL
228H	430 FNL and 600	FEL
244H	400 FNL and 631	FEL
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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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General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Wildlife: Phantom Banks Heronry SMA
Watershed
Cave/Karst
VRM
☐ Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
☐ Production (Post Drilling)
Well Structures & Facilities
Pipelines
Electric Lines
☐ Interim Reclamation
Final Ahandonment & Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

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V. SPECIAL REQUIREMENT(S)

Wildlife: Phantom Banks Heronry SMA

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Watershed:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

VRM IV:

• Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2013).

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.

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- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche no blasting.
- The entire perimeter of the well pad will be bernned to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will vacuumed off of the pad and hauled offsite and disposed at a proper disposal facility.

Tank Battery Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche

 no blasting.
- All tank battery locations and facilities will be lined and bermed.
- The liner should be at least 20 mil in thickness and installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures.
- Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

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Buried Pipeline/Cable Construction:

 Rerouting of the buried line(s) may be required if a subsurface void is encountered during construction to minimize the potential subsidence/collapse of the feature(s) as well as the possibility of leaks/spills entering the karst drainage system.

Powerline Construction:

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- Special restoration stipulations or realignment may be required if subsurface voids are encountered.

Surface Flowlines Installation:

• Flowlines will be routed around sinkholes and other karst features to minimize the possibility of leaks/spills from entering the karst drainage system.

Leak Detection System:

- A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present.
- A leak detection plan will be submitted to BLM that incorporates an automatic shut off system (see below) to minimize the effects of an undesirable event that could negatively sensitive cave/karst resources.
- Well heads, pipelines (surface and buried), storage tanks, and all supporting equipment should be monitored regularly after installation to promptly identify and fix leaks.

Automatic Shut-off Systems:

 Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and groundwater concerns:

Closed Loop System:

- A closed loop system using steel tanks will be utilized during drilling no pits
- All fluids and cuttings will be hauled off-site and disposed of properly at an authorized site

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Rotary Drilling with Fresh Water:

• Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

• The kick off point for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

- ALL lost circulation zones between surface and the base of the cave occurrence zone will be logged and reported in the drilling report.
- If a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, regardless of the type of drilling machinery used, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with actions to resolve the problem.

Abandonment Cementing:

- Additional plugging conditions of approval may be required upon well abandonment in high and medium karst potential occurrence zones.
- The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

- The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice.
- If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be

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redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

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Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

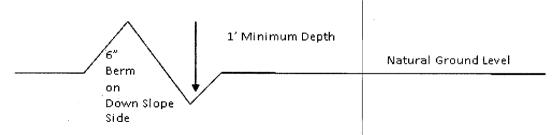
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



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All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

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Construction Steps

- 1. Salvage topsoil
- 3. Redistribute topsoil
- 2. Construct road
 - 4. Revegetate slopes

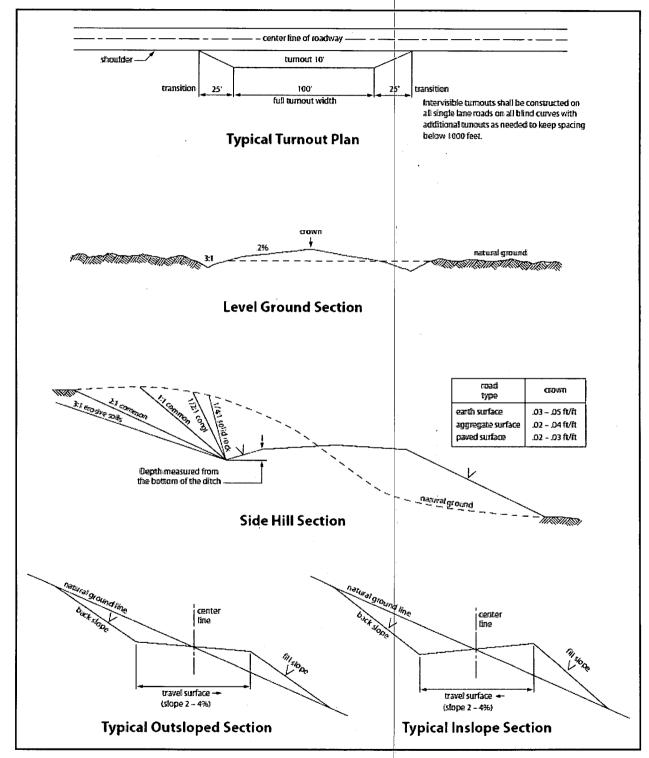


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

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Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Special restoration stipulations or realignment may be required at such intersections, if any.
- A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating values and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

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- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
- 5. All construction and maintenance activity will be confined to the authorized right-of-way.
- 6. The pipeline will be buried with a minimum cover of top of the pipe and ground level.

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7. The maximum allowable disturbance for construction in this right-of-way will be <u>30</u> feet:
• Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed <u>20</u> feet. The trench is included in this area. (Blading is defined as the complete removal of brush and ground vegetation.)
• Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)
• The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (Compressing can be caused by vehicle tires, placement of equipment, etc.)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

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	ler will reseed all disturbed are ling requirements, using the fol		_	, ·
	() seed mixture 1	() seed mi	xture 3
	(X) seed mixture 2	() seed mi	xture 4
	() seed mixture 2/LPC		()	Aplomado Falcon Mixture
holder to blea	e-ground structures not subject nd with the natural color of the ites "Standard Environmental C	lar	idscape.	-
right-of-way BLM serial n thereon will l	and at all road crossings. At a number, and the product being t	mi tran pic	nimum, si sported.	of origin and completion of the gns will state the holder's name, All signs and information ner, and will be maintained in a
maintenance holder before ensure that the	as determined necessary by the emaintenance begins. The hole he pipeline route is not used as epipeline, the Authorized Office	e A der a ro	uthorized will take badway. A	for purposes other than routine Officer in consultation with the whatever steps are necessary to As determined necessary during the holder to construct temporary
or any persor immediately in the immed the Authorize Officer to descientific val- decision as to	n working on the holder's behal reported to the Authorized Off iate area of such discovery unt	f, control il was de	on public or. The holy ritten autiliscovery went the lo	der shall suspend all operations horization to proceed is issued by will be made by the Authorized oss of significant cultural or cost of evaluation and any
OR				
If the entire p	project is covered under the Per surces only):	mi	an Basin I	Programmatic Agreement

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The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 17 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

- 17. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."
- 18. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
- 19. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

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- 20. <u>Escape Ramps</u> The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:
 - a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
 - b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 et seq. (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (see 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the

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activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

- 4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;
 - b. Activities of other parties including, but not limited to:
 - (1) Land clearing
 - (2) Earth-disturbing and earth-moving work
 - (3) Blasting
 - (4) Vandalism and sabotage;
 - c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

- 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.
- 6. All construction and maintenance activity shall be confined to the authorized right-of-way width of <u>30</u> feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

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- 7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.
- 8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.
- 9. The pipeline shall be buried with a minimum of 6 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized

Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 16 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

- 16. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."
- 17. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
- 18. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by

the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

19. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

C. ELECTRIC LINES

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.
- No further construction will be done until clearance has been issued by the Authorized Officer.
- Special restoration stipulations or realignment may be required.

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the

Page 23 of 28

release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

- 4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
- 5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

- 6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.
- 8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.
- 9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends

Page 24 of 28

service to an active, adjoining facility or facilities.

10. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 11 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

- 11. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."
- 12. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or

Page 25 of 28

scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

13. Special Stipulations:

For reclamation remove poles, lines, transformer, etc. and dispose of properly. Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

Page 26 of 28

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Page 27 of 28

Approval Date: 02/27/2020

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	, 5	lb/acre
Sand dropseed (Sporobolus cryptan Sand love grass (Eragrostis trichode Plains bristlegrass (Setaria macrosta	s)	1.0 1.0 2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

Page 28 of 28

Approval Date: 02/27/2020



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Cator Certification Data Report 03/02/2020

Operator Certification

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 this 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.

NAME: Lara Thompson Signed on: 05/08/2019

Title: Assistant Project Manager

Street Address: 5647 Jefferson Street NE

City: Albuquerque State: NM Zip: 87109

Phone: (505)254-1115

Email address: Lara.Thompson@swca.com

Field Representative

Representative Name:		
Street Address:		
City:	State:	Zip:

Phone:

Email address:



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

03/02/2020

APD ID: 10400041715

Submission Date: 05/14/2019

Highlighted data

Operator Name: MATADOR PRODUCTION COMPANY

reflects the most recent changes

Well Name: BOROS FEDERAL

Well Number: 244

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID:

10400041715

Tie to previous NOS?

Submission Date: 05/14/2019

BLM Office: CARLSBAD

User: Lara Thompson

Title: Assistant Project Manager

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM138865

Lease Acres: 1240

Reservation:

Surface access agreement in place?

Allotted?

Federal or Indian agreement:

Agreement number:

Agreement in place? NO

Agreement name:

Keep application confidential? YES

Permitting Agent? YES

APD Operator: MATADOR PRODUCTION COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: MATADOR PRODUCTION COMPANY

Operator Address: 5400 LBJ Freeway, Suite 1500

Operator PO Box:

Operator City: Dallas

State: TX

Operator Phone: (972)371-5200

Operator Internet Address: amonroe@matadorresources.com

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? EXISTING

Master SUPO name: Boros Federal Well Project

Zip: 75240

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BOROS FEDERAL

Well Number: 244

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: WOLFCAMP

Pool Name: PURPLE SAGE;

WOLFCAMP

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Page 1 of 3

Well Name: BOROS FEDERAL

Well Number: 244

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area? N Use Existing Well Pad? YES

New surface disturbance? N

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: SLOT Number: 11

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill Well Type: OIL WELL

Describe Well Type:

Well sub-Type: APPRAISAL

Describe sub-type:

Distance to town:

Distance to nearest well: 30 FT

Distance to lease line: 400 FT

Reservoir well spacing assigned acres Measurement: 640 Acres

Well plat:

Matador_BorosFed_244H_1.2.20_20200102121602.pdf

Well work start Date: 12/01/2019

Duration: 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

Reference Datum:

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL	400	FNL	631	FEL	268	31E	15	Aliquot	32.04904	-	EDD	NEW	NEW	F	NMNM	321	0	0	
Leg								NENE	66	103.7594	Y	MEXI	MEXI		138865	9			
#1										562		СО	co				,		
KOP	400	FNL	631	FEL	26S	31E	15	Aliquot	32.04904	-	ΕDÞ	NEW	NEW	F	NMNM	-	131	131	
Leg								NENE	66	103.7594	Y	MEXI	MEXI		138865	994	85	63	
#1										562		co	co	!		4			
PPP	330	FNL	659	FEL	26S	31E	15	Aliquot	32.04923	_	EDD	NEW	NEW	F	NMNM	-	140	137	
Leg								NENE	86	103.7595	Y	MEXI	MEXI		138865	105	86	36	
#1-1										468		СО	СО			17			

Well Name: BOROS FEDERAL

Well Number: 244

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	_atitude	ongitude	County	State	Meridian	ease Type	ease Number	Elevation	MD	TVD	Will this well produce from this lease?
EXIT Leg #1	330				26S	-		Aliquot	32.02173 48	- 103.7595 141	EDD	NEW		F	NMNM 138865	- 105 17	238 02	137 36	
BHL Leg #1	240	FSL	660	FEL	26S	31E		Aliquot SESE	32.02148 74	- 103.7595 138	EDD Y	NEW MEXI CO		F	NMNM 138865	- 105 17	238 92	137 36	

District J
1625 N. French Dr., Hobbs, NM 83240
Phone: (575) 933-6161 Fax: (575) 393-0720
District III
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District IIII
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

API Number

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code
98220
Purple Sage; Wolfcamp

Purple Sage; Well Number

Property Code

Property Code

Property Name
BOROS FEDERAL

OGRID No.

Poperator Name
MATADOR PRODUCTION COMPANY

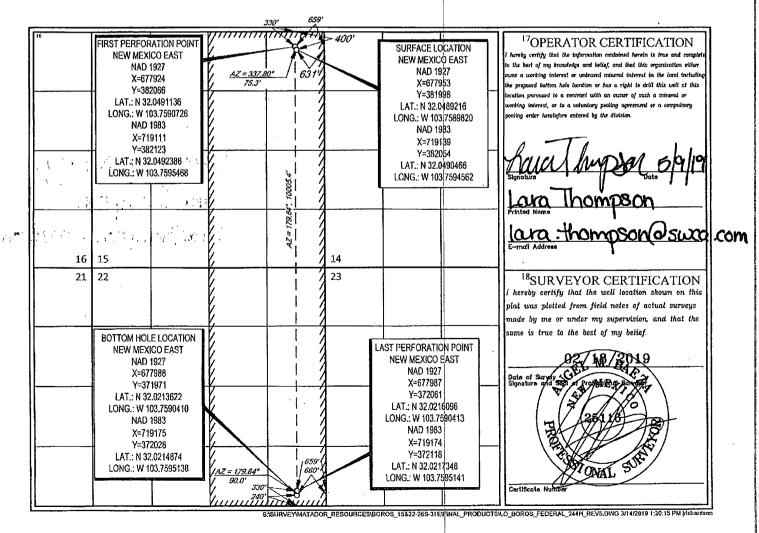
3219'

10 Surface Location East/West line UL or lot no. Feet from the Section Township Lot Idu North/South line Feet from the County 631' 26-S 31-E 400' NORTH **EDDY** A 15 EAST

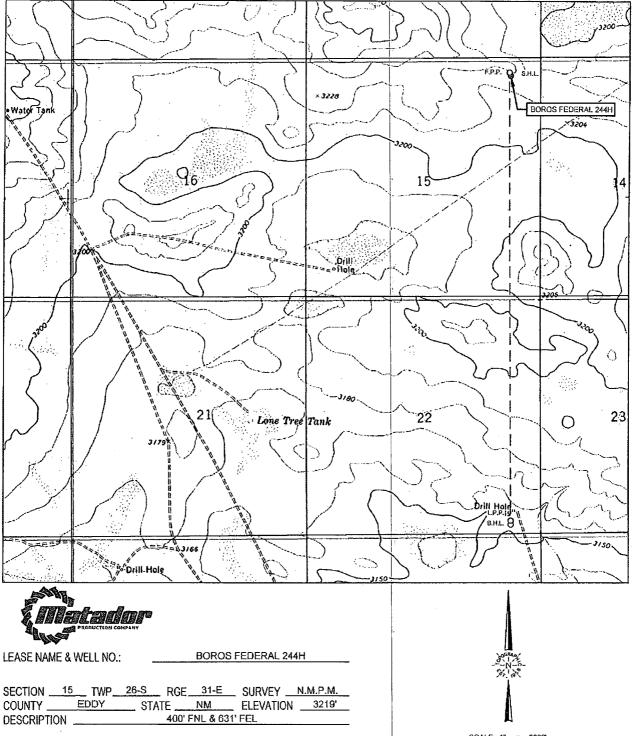
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section 22	Township 26-S	Range 31-E	Lat Idn	Feet from the 240'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County EDDY
¹² Dedicated Acres 640	¹³ Joint or l	nfill ¹⁴ Co	ensolidation Cod	le ¹⁵ Order	r 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.



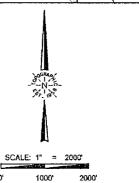
LOCATION & ELEVATION VERIFICATION MAP



THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

LATITUDE N 32.0490466 LONGITUDE W 103.7594562

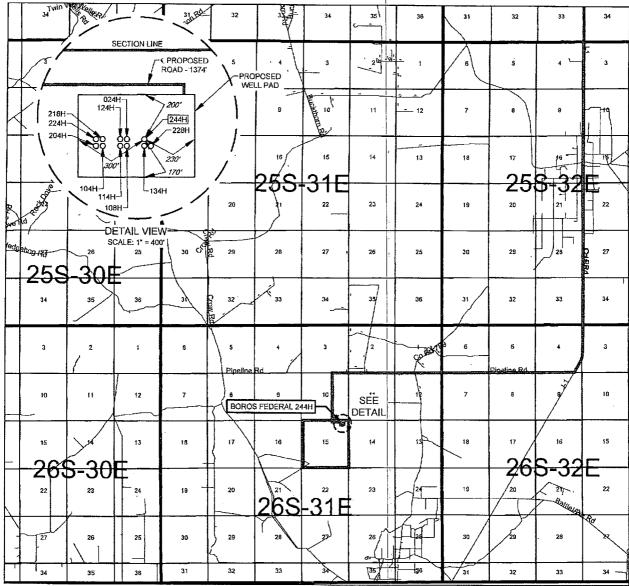
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.





1400 EVERMAN PARKWAY, SIe. 146 - FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 - FAX (817) 744-7554
2903 NORTH BIG SPRING - MIDLAND, TEXAS 79705
TELEPHONE: (432) 662-1633 OR (809) 767-1653 - FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

VICINITY MAP





LEASE NAME & WE	ELL NO.:	 BOROS F	EDERAL 2	44H
SECTION15 COUNTY		 31-E STATE _		N.M.P.M.
DESCRIPTION		NL & 631'		

DISTANCE & DIRECTION

FROM INT, OF NM128, & J-1/ORLA RD., GO SOUTH ON J-1/ORLA RD. ±13.2 MILES, THENCE WEST (RIGHT) ON PIPELINE RD ±5.2 MILES, THENCE SOUTH (LEFT) ON PROPOSED RD. ±1.0 MILES, THENCE EAST (LEFT) ON PROPOSED RD. ±1374 FEET, TO A POINT ±269 FEET NORTHEAST OF THE LOCATION.

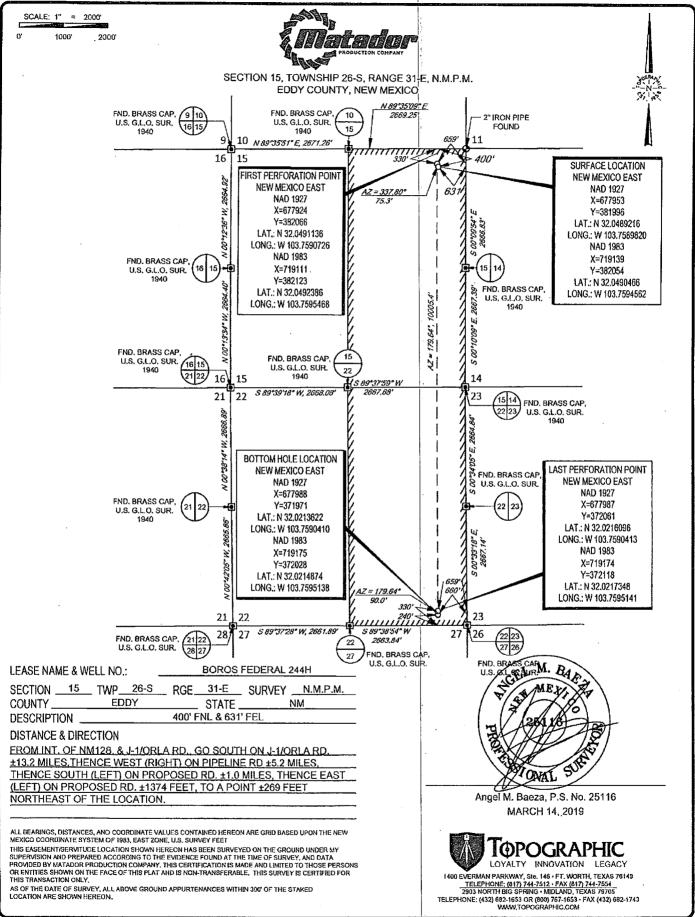
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY, THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.





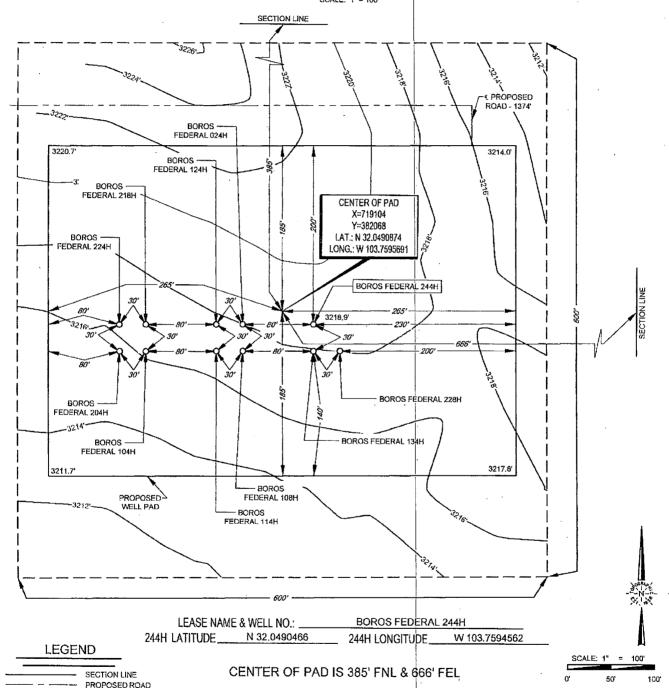
1400 EVERMAN PARKWAY, Ste. 146 - FT. WORTH, TEXAS 76140 TELEPHONE: (817) 744-7512 - FAX (817) 744-7534 2903 NORTH BIG SPRING - MIDLAND, TEXAS 79795 TELEPHONE: (432) 682-1653 OR (800) 787-1653 - FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM





SECTION 15, TOWNSHIP 26-S, RANGE 3/1-E, N.M.P.M. EDDY COUNTY, NEW MEXICO

DETAIL VIEW SCALE: 1" = 100'



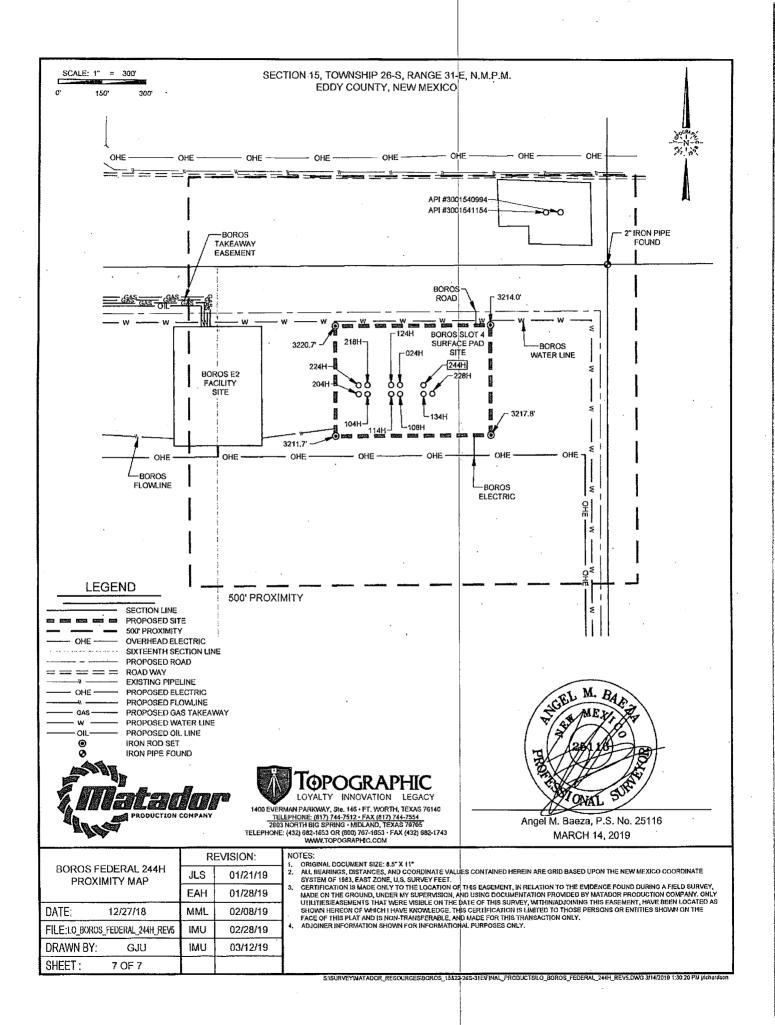
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY, THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR RENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

1400 EVERMAN PARKWAY, Sta. 146 · FT. WORTH, TEXAS 76140 TELEPHONE: (817) 744-7512 · FAX (817) 744-7554 2903 NORTH BIG SPRING - NIDLAND, TEXAS 78705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 · FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM

TOPOGRAPHIC LOYALTY INNOVATION LEGACY

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



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U.S. Department of the Interior **BUREAU OF LAND MANAGEMENT**

Drilling Plan Data Report 03/02/2020

APD ID: 10400041715

Submission Date: 05/14/2019

Highlighted data reflects the most

recent changes

Well Name: BOROS FEDERAL

Well Number: 244

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Operator Name: MATADOR PRODUCTION COMPANY

Formation	Farmation Name		True Vertical				Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	
453223	RUSTLER	1813	1406	1406	4	NONE	N
453224	TOP SALT	319	1494	1494		NONE	N
453219	BASE OF SALT	-2312	4125	4125		NONE	N
453225	BELL CANYON	-2342	4155	4155		NATURAL GAS, OIL	N
453226	CHERRY CANYON	-3355	5168	5168		NATURAL GAS, OIL	N
453227	BRUSHY CANYON	-4589	6402	6402	<u></u>	NATURAL GAS, OIL	N
453220	BONE SPRING LIME	-6319	8132	8132	:	NATURAL GAS, OIL	N
453221	BONE SPRING 1ST	-7391	9204	9204		NATURAL GAS, OIL	N
453228	BONE SPRING 2ND	-7736	9549	9549		NATURAL GAS, OIL	N
453222	BONE SPRING 3RD	-8438	10251	10251		NATURAL GAS, OIL	N
453229	WOLFCAMP	-9562	11375	11375		NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 18000

Equipment: A 18,000' 10,000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and one annular preventer will be utilized below surface casing to TD. See attachments for BOP and choke manifold diagrams. An accumulator complying with Onshore Order#2 requirements for the pressure rating of the BOP stack will be present. A rotating head will also be installed as needed.

Requesting Variance? YES

Variance request: Matador requests a variance to have the option of running a multi-bowl wellhead assembly for setting the Intermediate 1, Intermediate 2, and Production Strings. The BOPs will not be tested again unless any flanges are separated or if the time between the setting of the intermediate casing and reaching within 500' from the top of the Wolfcamp formation exceeds 30 days per the CFO Drilling COAs. Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to

Well Name: BOROS FEDERAL Well Number: 244

be anchored. If the specific hose is not available, then one of equal or higher rating will be used. Matador requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event that this well is batch drilled, the well bore will be secured with a blind flange of like pressure. When the rig returns to this well and BOPs are installed, the operator will perform a full BOP test. Matador requests a variance to drill this well using a 5M annular preventer with a 10M BOP ram stack. The "Well Control Plan For 10M MASP Section of Wellbore" is attached.

Testing Procedure: BOP will be inspected and operated as required in Onshore Order#2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. A third party company will test the BOPs. After setting surface casing, a minimum 10M BOPE system will be installed. Test pressures will be 250 psi low and 10,000 psi high with the annular preventer being tested to 250 psi low and 5000 psi high before drilling below surface shoe. In the event that the rig drills multiple wells on the pad and any seal subject to test pressures are broken, a full BOP test will be performed when the rig returns and the 10M BOPE system is re-installed.

Choke Diagram Attachment:

Boros_Federal__244H_10M_Choke_Manifold_Arrangement_20190508175046.pdf

BOP Diagram Attachment:

Boros_Federal__244H_10M_BOP_20190508175125.pdf Boros_Federal__244H_Co_Flex_Certs_20190508175237.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length-MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1431	0	1431			1431	J-55	54.5	BUTT		1.12 5	BUOY	1.8	BUOY	1.8
	INTERMED IATE	8.75	7.625	NEW	API	Υ	0	3880	0	3880			3880	P- 110	29.7	BUTT	1.12 5	1.12 5	BUOY	1.8	BUOY	1.8
1	INTERMED IATE	12.2 5	9.625	NEW	API	N	0	4180	0	4180			4180	J-55	40	витт	1.12 5	1.12 5	BUOY	1.8	BUOY	1.8
4	PRODUCTI ON	6.75	5.5	NEW	API	Υ	0	12900	0	12900			1290	P- 110		OTHER - DWC/C-IS MS	l	1.12 5	BUOY	1.8	BUOY	1.8
1	INTERMED IATE	8.75	7.625	NEW	API	Υ	3880	13000	3880	13000			9120	P- 110	29.7	OTHER -	l_	1.12 5	BUOY	1.8	BUOY	1.8
	PRODUCTI ON	6.75	5.5	NEW	API	Υ	12900	23892	12900	13736			1099	2 P- 110			l .	1.12 5	BUOY	1.8	BUOY	1.8

Casing Attachments

Operator Name: MATADOR PRODUCTION COMPANY		
Well Name: BOROS FEDERAL	Well Number: 244	
Casing Attachments		
Casing ID: 1 String Type:SURFACE Inspection Document:		
inspection bocument.		
Spec Document:	,	
Tapered String Spec:	•	
Casing Design Assumptions and Worksheet(s):		
Boros_Federal244H_BLM_Casing_Design_Assur	motions 4 string 20190509095053	pdf
	3	
Casing ID: 2 String Type:INTERMEDIATE		
Inspection Document:		
Spec Document:		
Toward Otto October		
Tapered String Spec:	2010050000107 - 46	
Boros_Federal244H_BLM_Tapered_String_Spec Casing Design Assumptions and Worksheet(s):	:_20190509094847.pdf	
Boros_Federal244H_BLM_Casing_Design_Assur	mptions_4_string_20190509095101.	pdf
Casing ID: 3 String Type:INTERMEDIATE		
Inspection Document:		
•		
Spec Document:	, i	
Tapered String Spec:		
Casing Design Assumptions and Worksheet(s):		
Boros_Federal244H_BLM_Casing_Design_Assur	mptions_4_string 20190509095108.	pdf

Operator Name: MATADOR PRODUCTION COMPANY Well Name: BOROS FEDERAL Well Number: 244 **Casing Attachments** Casing ID: 4 String Type: PRODUCTION **Inspection Document: Spec Document: Tapered String Spec:** Boros_Federal__244H_Casing_Specs_5.5in_20lb_VAM_DWCC_IS_MS_20190509095003.PDF Casing Design Assumptions and Worksheet(s): Boros_Federal__244H_BLM_Casing_Design_Assumptions_4_string_20190509095116.pdf Casing ID: 5 String Type: INTERMEDIATE **Inspection Document: Spec Document: Tapered String Spec:** Boros_Federal__244H_Casing_Specs_7.625in_29.7lb_VAM_HTF_NR 20190509094935.pdf Casing Design Assumptions and Worksheet(s): Boros Federal 244H BLM Casing Design Assumptions 4 string 20190509095128.pdf Casing ID: 6 String Type: PRODUCTION **Inspection Document: Spec Document: Tapered String Spec:** Boros_Federal__244H_Casing_Specs_5.5in_20lb_VAM_EDGE_SF_20190509095033.pdf Casing Design Assumptions and Worksheet(s): Boros_Federal__244H_BLM_Casing_Design_Assumptions_4_string_20190509095136.pdf

Section 4 - Cement

Well Name: BOROS FEDERAL Well Number: 244

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1131	670	1.75	13.5	1174	50	С	5% NaCl + LCM
SURFACE	Tail		1131	1431	250	1.38	14.8	348	50	С	5% NaCl + LCM
INTERMEDIATE	Lead	-	0	3344	760	1.87	12.9	1421	50	С	Bentonite + 1% CaCL2 + 8% NaCl + LCM
INTERMEDIATE	Tail		3344	4180	320	1.35	14.8	427	50	С	5% NaCl + LCM
INTERMEDIATE	Lead		3880	1200 0	480	2.12	11.5	1016	25	TXI	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Tail	2	1200 0	1300 0	100	1.41	13.2	146	25	TXI	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Lead		3880	1200 0	480	2.12	11.5	1016	25	TXI	Fluid Loss + Dispersant + Retarder + LCM
INTERMEDIATE	Tail		1200 0	1300 0	100	1.41	13.2	146	25	TXI	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Lead		1250 0	2389 2	880	1.19	14.2	1056	10	Н	Fluid Loss + Dispersant + Retarder + LCM

PRODUCTION	Lead	1250	2389	880	1.19	14.2	1056	10	Н	Fluid Loss + Dispersant
		0	2							+ Retarder + LCM

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: All necessary mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions.

Describe the mud monitoring system utilized: An electronic Pason mud monitoring system complying with Onshore Order 2 will be used.

Circulating Medium Table

Well Name: BOROS FEDERAL Well Number: 244

Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Weight (lbs/gal)	sity (lbs/cu ft)	Gel Strength (lbs/100 sqft)		Viscosity (CP)	nity (ppm)	Filtration (cc)	Additional Characteristics
Тор	Bott	Muo	Min	Max	Density	Gel S	표	Visc	Salinity	Filtr	Additi
1300 0	1373 6	OIL-BASED MUD	12	13							
0	1431	SPUD MUD	8.4	8.8							÷
1431	4180	SALT SATURATED	10	10.4							
4180	1300 0	OTHER : FW/Cut Brine	8.4	9.4							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

A 2-person mud logging program will be used from Intermediate 2 Casing shoe to TD. No electric logs are planned at this time. GR will be collected through the MWD tools from Intermediate casing to TD. CBL with CCL will be run as far as gravity will let it fall to top of curve.

List of open and cased hole logs run in the well:

CBL.GR

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 9286

Anticipated Surface Pressure: 6264.08

Anticipated Bottom Hole Temperature(F): 215

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? NO

Hydrogen sulfide drilling operations plan:

Well Name: BOROS FEDERAL Well Number: 244

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Boros_Federal__244_Directional_AC_Report_v1_20190508173644.pdf

Boros_Federal__244H_Directional_Well_Plan_v1_20190508173651.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Boros_Federal__244H_10M_Well_Control_Plan_20190508173741.pdf

H2S_Plan_20190508173804.pdf

Boros_Federal__244H_4_String_Wellhead Diagram 20190508173909.pdf

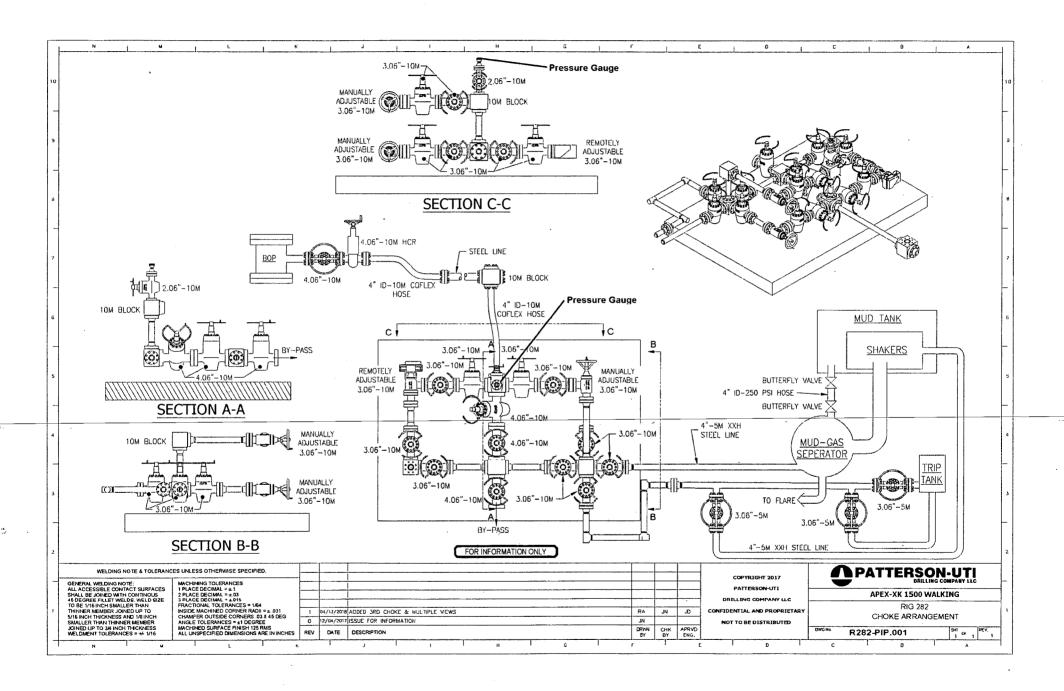
Boros_Federal__244H_Closed_Loop_System_20190508173912.pdf

Gas_Capture_Plan__Boros_Federal__024H__104H__108H___114H___124H___134H___204H___218H___224H___228H__

__244H_20190513071909.docx

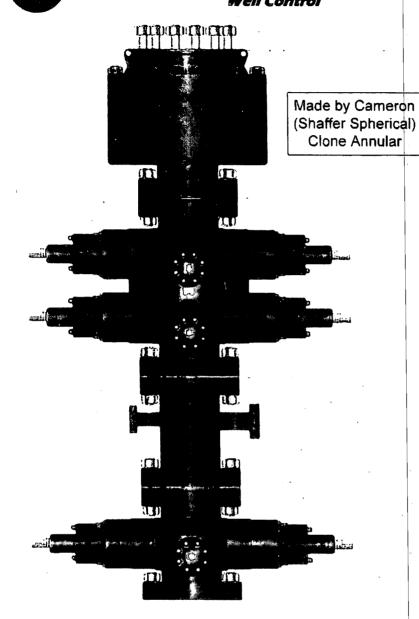
Boros_Federal__244H_BLM_Drill_Plan_20200102122332.pdf

Other Variance attachment:



PATTERSON-UTI Well Control





PATTERSON-UTI # PS2-628

STYLE: New Shaffer Spherical

BORE 13 5/8" PRESSURE 5,000

HEIGHT: 48 ½" WEIGHT: 13,800 lbs

PATTERSON-UTI # PC2-128

STYLE: New Cameron Type U

BORE 13 5/8" PRESSURE 10,000

RAMS: TOP 5" Pipe BTM Blinds

HEIGHT: 66 5/8" WEIGHT: 24,000 lbs

Length 40" Outlets 4" 10M

DSA 4" 10M x 2" 10M

PATTERSON-UTI # PC2-228

STYLE: New Cameron Type U

BORE 13 5/8" PRESSURE 10,000

RAMS: 5" Pipe

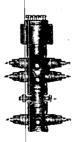
HEIGHT: 41 5/8" WEIGHT: 13,000 lbs

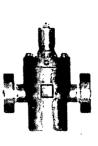
WING VALVES

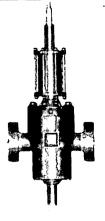












2" Check Valve

2" Manual Valve

2" Manual Valve

4" Manual Valve

4" Hydraulic Valve



Internal Hydrostatic Test Graph

December 8, 2014

Customer: Patterson

Pick Ticket #: 284918

Hose Specifications

Verification

 Type of Fitting
 Coupling Method

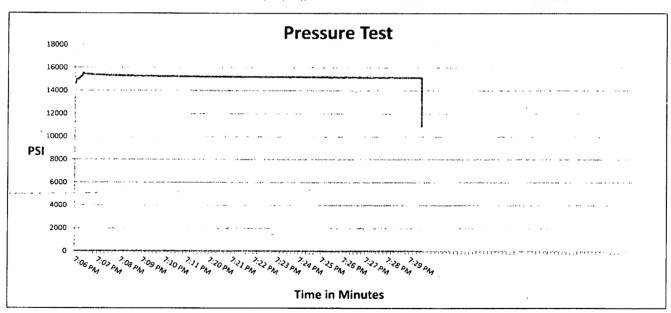
 4-1/16 10K
 Swage

 Die Size
 Final O.D.

 5.37"
 5.37"

 Hose Assembly Serial #
 Hose Assembly Serial #

 10490
 284918-2



Test Pressure 15000 PSI Time Held at Test Pressure
15 2/4 Minutes

Actual Burst Pressure

Peak Pressure 15732 PSI

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

Tested By: / Tyler Hi

Approved By: Ryan Adams



Midwest Hose & Specialty, Inc.

Inter	rnal Hydrosta	tic Test Certificate		
General Inform	nation	Hose Specific	cations	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill	
MWH Sales Representative	AMY WHITE	Certification	API 7K	
Date Assembled	12/8/2014	Hose Grade	MUD	
Location Assembled	окс	Hose Working Pressure	10000	
Sales Order #	236404	Hose Lot # and Date Code	10490-01/13	
Customer Purchase Order#	260471	Hose I.D. (Inches)	3"	
Assembly Serial # (Pick Ticket #)	287918-2	Hose O.D. (Inches)	5.30"	
Hose Assembly Length	10'	Armor (yes/no)	YES	
	Fitt	ings		
End A		End B		
Stem (Part and Revision #)	R3.0X64WB	Stem (Part and Revision #)	R3.0X64WB	
Stem (Heat#)	91996	Stem (Heat #)	91996	
Ferrule (Part and Revision #)	RF3.0	Ferrule (Part and Revision #)	RF3.0	
Ferrule (Heat #)	37DA5631	Ferrule (Heat #)	37DA5631	
Connection (Part #)	4 1/16 10K	Connection (Part #)	4 1/16 10K	
Connection (Heat #)		Connection'(Fleat#)		
Dies Used	5.37	Dies Used	5.37	
	Hydrostatic Tes	st Requirements		
Test Pressure (psi)	15,000	Hose assembly was tested v	vith ambient water	
Test Pressure Hold Time (minutes)	15 1/2	temperatu	re.	
Date Tested	Tested	d By A	pproved By	
12/8/2014	Tyla	40 K	an Alama	



Midwest Hose & Specialty, Inc.

	Cer	tificate of Conformity	
Customer: PA	TTERSON B&E	Customer P.O.# 260471	
Sales Order # 236	6404	Date Assembled: 12/8/2014	1
		Specifications	
Hose Assembly	Type: Choke 8	k Kill	
Assembly Seri	ial # 287918	-2 Hose Lot # and Date Code	10490-01/13
Hose Working Press	sure (psi) 10000	Test Pressure (psi)	15000

We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.

Supplier:

Midwest Hose & Specialty, Inc.

3312 S I-35 Service Rd

Oklahoma City, OK 73129

Comments:

Approved By	Date	_
Far Alaus	12/9/2014	



Internal Hydrostatic Test Graph

December 9, 2014

Customer: Patterson

Pick Ticket #: 284918

10490

Hose Specifications

<u>Verification</u>

 Type of Fitting
 Coupling Method

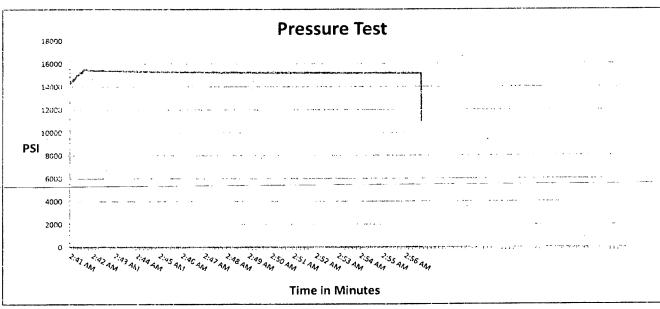
 4-1/16 10K
 Swage

 Die Size
 Final O.D.

 5.37"
 5.40"

 Hose Serial #
 Hose Assembly Serial #

284918-1



Test Pressure 15000 PSI Time Held at Test Pressure 15 2/4 Minutes **Actual Burst Pressure**

Peak Pressure 15893 PSI

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

Tested By: Tyler Hill

Approved By: Ryan Adams



Internal Hydrostatic Test Certificate

General Infor	mation	Hose Spe	cifications
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K
Date Assembled	12/8/2014	Hose Grade	MUD
Location Assembled	ОКС	Hose Working Pressure	10000
Sales Order #	236404	Hose Lot # and Date Code	10490-01/13
Customer Purchase Order #	260471	Hose I.D. (Inches)	3"
Assembly Serial # (Pick Ticket #)	287918-1	Hose O.D. (Inches)	5.30"
Hose Assembly Length	20'	Armor (yes/no)	YES
	Fitt	ings	
End A		Enc	d B
Stem (Part and Revision #)	R3.0X64WB	Stem (Part and Revision #)	R3.0X64WB
Stem (Heat #)	A141420	Stem (Heat #)	A141420
Ferrule (Part and Revision #)	RF3.0	Ferrule (Part and Revision	#) RF3.0
Ferrule (Heat #)	37DA5631	Ferrule (Heat #)	37DA5631
Connection (Part#)	4 1/16 10K	Connection (Part #)	4 1/16 10K
Connection (Heat #)	V3579	Connection (Heat #)	V3579
Dies Used	5.37	Dies Used	5.3
	Hydrostatic Tes	t Requirements	
Test Pressure (psi)	15,000	Hose assembly was test	ted with ambient water
Test Pressure Hold Time (minutes)	15 1/2	tempe	rature.



12/9/2014

	Certificate o	f Confor	mity	
Customer: PATTERSON E	3&E	Customer	P.O.# 260471	
Sales Order # 236404		Date Asser	nbled: 12/8/2014	
	Specifi	cations		
Hose Assembly Type:	Choke & Kill	·		
Assembly Serial #	287918-1	Hose Lot	# and Date Code	10490-01/13
Hose Working Pressure (psi)	10000	Test	Pressure (psi)	15000
•				
Ve hereby certify that the abov o the requirements of the purcl	e material supplied for hase order and current	the referen industry sta	ed purchase order ndards.	to be true according
o the requirements of the purch upplier: Aidwest Hose & Specialty, Inc.	e material supplied for hase order and current	the referen industry sta	ced purchase order ndards.	to be true according
o the requirements of the purch upplier: Midwest Hose & Specialty, Inc. 1312 S I-35 Service Rd	e material supplied for hase order and current	the referen industry sta	ed purchase order ndards.	to be true according
o the requirements of the purch upplier: Aidwest Hose & Specialty, Inc.	e material supplied for hase order and current	the referen industry sta	ced purchase order ndards.	to be true according



Internal Hydrostatic Test Graph.

December 9, 2014

Customer: Patterson

Pick Ticket #: 284918

Hose Specifications

Verification

 Type of Fitting
 Coupling Method

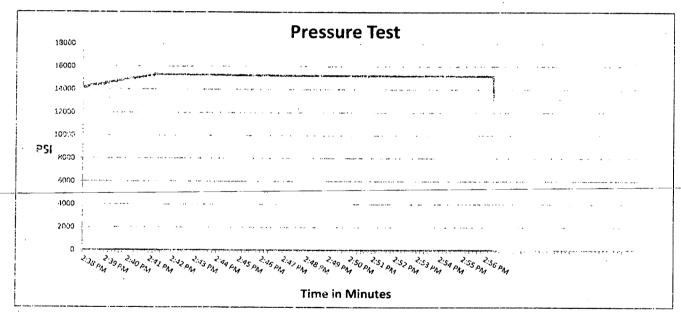
 4 1/16 10K
 Swage

 Die Size
 Final O.D.

 5.37"
 5.37"

 Hose Serial #
 Hose Assembly Serial #

 10490
 284918-3



Test Pressure 15000 PSI Time Held at Test Pressure
16 3/4 Minutes

Actual Burst Pressure

Peak Pressure 15410 PSI

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

Tested By: Ther Hill

Approved By: Ryan Agams



ERSON B&E WHITE /2014	Hose Assembly Certification Hose Grade	Hose Specific	Choke & Kill API 7K
	Certification		API 7K
/2014	 		
			MUD
	Hose Working	Pressure	10000
04			10490-01/13
71			3"
18-3	Hose O.D. (Inche	rs)	5.23"
	Armor (yes/no)		YES
Fitt	ings		
		End B	
(64WB	Stem (Part and Re	vision #)	R3.0X64WB
420	Stem (Heat #)		A141420
)	Ferrule (Part a	nd Revision #)	RF3.0
5631	Ferrule (Heat #)		37DA5631
6 10K	Connection (Par	t#)	4 1/16 10K
	Connection (Hea	ot #)	
5.37	Dies Used		5.3
Irostatic Tes	t Requireme	ents	
10	Hose assem	bly was tested v	vith ambient water
4	1	temperatu	re.
	71 18-3 Fitt (64WB 420) .5631 6 10K 5.37 Brostatic Tes	Hose I.D. (Inches 18-3 Hose O.D. (Inches Armor (yes/no) Fittings (64WB Stem (Part and Red 420 Stem (Heat #) Ferrule (Part and Stem (Part and Red 55631 Ferrule (Heat #) Connection (Part and Connection (Part an	Hose I.D. (Inches) Hose O.D. (Inches) Armor (yes/no) Fittings End B K64WB Stem (Part and Revision #) Ferrule (Part and Revision #) Ferrule (Heat #) Connection (Part #) Connection (Heat #) 5.37 Dies Used Hose assembly was tested w



Midwest Hose & Specialty, Inc.

	& Specia	iny, ilic.		
	Certificate of	Confor	nity	
Customer: PATTERSON B	&E	Customer P	.O.# 260471	
Sales Order # 236404	,	Date Assem	bled: 12/8/2014	
	Specific	ations		
Hose Assembly Type:	Choke & Kill			
Assembly Serial #	287918-3	Hose Lot	# and Date Code	10490-01/13
Hose Working Pressure (psi)	10000	Test F	ressure (psi)	15000
We hereby certify that the above to the requirements of the purch Supplier: Midwest Hose & Specialty, Inc. 3312 S I-35 Service Rd Oklahoma City, OK 73129		-	1	to be true according
Comments:				
Approved B	v		Date	
	lana	* <i>UHILP</i>	12/9/201	14
Ö				

Issued on: 12 Janv. 2017 by T. DELBOSCO

VRCC 16-1177 Rev02 for Houston Field Service

DATA ARE INFORMATIVE ONLY. BASED ON SI_PD-101836 P&B



OD	Weight	Wall Th.	Grade	API Drift	Connection
7 5/8 in.	29.70 lb/ft	0.375 in.	P110 EC	6.750 in.	VAM® HTF NR

PIPE PROPE	RTIES
Nominal OD	7.625 in.
Nominal ID	6.875 in.
Nominal Cross Section Area	8.541 sqin.
Grade Type	Enhanced API
Min. Yield Strength	125 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	135 ksi
Tensile Yield Strength	1 068 klb
Internal Yield Pressure	10 760 psi
Collapse pressure	7 360 psi

CONNECTION PRO	PERTIES
Connection Type	Premium Integral Flush
Connection OD (nom)	7.701 in.
Connection ID (nom)	6.782 in.
Make-Up Loss	4.657 in,
Critical Cross Section	4.971 sqin.
Tension Efficiency	58 % of pipe
Compression Efficiency	72.7 % of pipe
Compression Efficiency with Sealability	34.8 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	100 % of pipe

CONNECTION PERFORMANCES		
Tensile Yield Strength	619 klb	
Compression Resistance	778 klb	
Compression with Sealability	372 klb	
Internal Yield Pressure	10 760 psi	
External Pressure Resistance	7 360 psi	
Max. Bending	44 °/100ft	
Max. Bending with Sealability	17 °/100ft	

S
9 600 ft.lb
11 300 ft.lb
13 000 ft.lb
58 500 ft.lb
73 000 ft.lb

VAM® HTF™ (High Torque Flush) is a flush OD integral connection providing maximum clearance along with torque strength for challenging applications such as extended reach and slim hole wells, drilling liner / casing, liner rotation to acheive better cementation in highly deviated and critical High Pressure / High Temperature wells.

Looking ahea on the outcoming testing industry standards, VAM® decided to create an upgraded design and launch on the market the VAM® HTF-NR as the new standard version of VAM® extreme high torque flush connection. The VAM® HTF-NR has extensive tests as per API RP 5C5:2015 CAL II which include the gas sealability having load points with bending, internal pressure and high temperature at 135°C.

Do you need help on this product? - Remember no one knows VAM® like VAM®

canada@vamfieldservice.com usa@vamfieldservice.com mexico@vamfieldservice.com brazil@vamfieldservice.com uk@vamfieldservice.com dubai@vamfieldservice.com nigeria@vamfieldservice.com angola@vamfieldservice.com china@vamfieldservice.com baku@vamfieldservice.com singapore@vamfieldservice.com australia@vamfieldservice.com

Over 180 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

Other Connection Data Sheets are available at www.vamservices.com

Vallourec Group



Tapered String Specification Sheet

Boros Federal #244H

SHL: 400' FNL & 631' FEL Section 15 BHL: 240' FSL & 660' FEL Section 22

Township/Range: 26S 31E

Elevation Above Sea Level: 3,219'

String	Hole Size (in)	Set MD (ft)	Set TVD (ft)	Casing Size (in)	Wt. (lb/ft)	Grade	Joint	Collapse	Burst	Tension
Surface	17.5	0 - 1431	0 - 1431	13.375	54.5	J-55	витт	1.125	1.125	1.8
Intermediate 1	12.25	0 - 4180	0 - 4180	9.625	40	J-55	BUTT	1.125	1.125	1.8
Intermediate 2 Top	8.75	0 - 3880	0 - 3880	7.625	29.7	P-110	BUTT	1.125	1.125	1.8
Intermediate 2 Bottom	8.75	3880 - 13000	3880 - 13000	7.625	29.7	P-110	VAM HTF-NR	1.125	1.125	1.8
Production Top	6.75	0 - 12900	0 - 12900	5.5	20	P-110	DWC/C-IS MS	1.125	1.125	1.8
Production Bottom	6.75	12900 - 23892	12900 - 13736	5.5	20	P-110	VAM EDGE SF	1.125	1.125	1.8

Technical Specifications

Connection Type:

Size(O.D.):

Weight (Wall):

Grade:

DWC/C-IS MS Casing

5-1/2 in

20.00 lb/ft (0.361 in)

VST P110 EC

standard

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VST P110 EC	Grade
125,000	Minimum Yield Strength (psi)
135,000	Minimum Ultimate Strength (psi)

Pipe Dimensions

5.500	Nominal Pipe Body O.D. (in)
4.778	Nominal Pipe Body I.D.(in)
0.361	Nominal Wall Thickness (in)
20.00	Nominal Weight (lbs/ft)
19.83	Plain End Weight (lbs/ft)
5.828	Nominal Pipe Body Area (sq in)

Pipe Body Performance Properties

729,000	Minimum Pipe Body Yield Strength (lbs
12,090	Minimum Collapse Pressure (psi)
14,360	Minimum Internal Yield Pressure (psi)
13,100	Hydrostatic Test Pressure (psi)

Connection Dimensions

6.115	Connection O.D. (in)
4.778	Connection I.D. (in)
4.653	Connection Drift Diameter (in)
4.13	Make-up Loss (in)
5.828	Critical Area (sq in)
100.0	Joint Efficiency (%)

Connection Performance Properties

	Connection Performance P	roperties
729,000	Joint Strength (lbs)	
26,040	Reference String Length (ft)	1.4 Design Factor
728,000	API Joint Strength (lbs)	i
729,000	Compression Rating (lbs)	
12,090	API Collapse Pressure Ratin	g (psi)
14,360	API Internal Pressure Resista	ance (psi)
104.2	Maximum Uniaxial Bend Rati	ng [degrees/100 ft]

Appoximated Field End Torque Values

10,100	wimimum Final Torque (11-108)
18,600	Maximum Final Torque (ft-lbs)
21,100	Connection Yield Torque (ft-lbs)

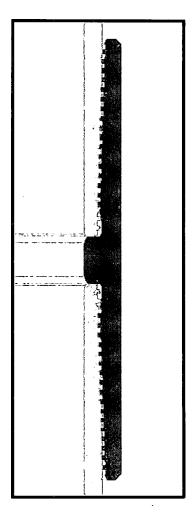


VAM USA

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For detailed information on performance properties, refer to DWC Connection Data Notes on following page(s).

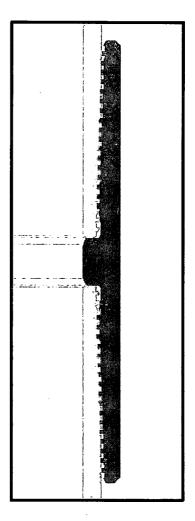
Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

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- 1. DWC connections are available with a seal ring (SR) option.
- 2. All standard DWC/C connections are interchangeable for a give pipe OD. DWC connections are interchangeable with DWC/C-SR connections of the same OD and wall.
- 3. Connection performance properties are based on nominal pipe body and connection dimensions.
- 4. DWC connection internal and external pressure resistance is calculated using the API rating for buttress connections. API Internal pressure resistance is calculated from formulas 31, 32, and 35 in the API Bulletin 5C3.
- 5. DWC joint strength is the minimum pipe body yield strength multiplied by the connection critical area.
- 6. API joint strength is for reference only. It is calculated from formulas 42 and 43 in the API Bulletin 5C3.
- 7. Bending efficiency is equal to the compression efficiency.
- 8. The torque values listed are recommended. The actual torque required may be affected by field conditions such as temperature, thread compound, speed of make-up, weather conditions, etc.
- 9. Connection yield torque is not to be exceeded.
- 10. Reference string length is calculated by dividing the joint strength by both the nominal weight in air and a design factor (DF) of 1.4. These values are offered for reference only and do not include load factors such as bending, buoyancy, temperature, load dynamics, etc.
- DWC connections will accommodate API standard drift diameters.





Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

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Issued on: 25 Jan. 2019



TOWNS BOBESTS

Connection Data Sheet

OD 5 1/2 in. Weight 20.00 lb/ft Wall Th. 0.361 in.

Grade P110EC API Drift 4.653 in. Connection VAM® EDGE SF

PIPE PROD	PERVIES
Nominal OD	5.500 in.
Nominal ID	4.778 in.
Nominal Cross Section Area	5.828 sqin.
Grade Type	Extended Collapse
Minimum wall	87.5 %RBW
Min. Yield Strength	125 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	135 ksi
Tensile Yield Strength	729 klb
Internal Yield Pressure	14,360 psi
Collapse pressure	12,090 psi

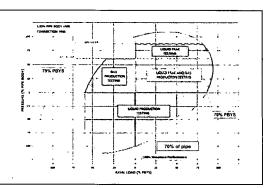
	GONNEGUION PRO	Pervies
Connection Ty	pe	Premium Integral Semi-Flush
Connection Of	(nom)	5.765 in.
Connection ID	(nom)	4.706 in.
Make-Up Loss		5.236 in.
Critical Cross	Section	4.611 in.
Tension Efficie	ncy	79 % of pipe
Compression E	fficiency	79 % of pipe
Internal Press	re Efficiency with Water	100 % of pipe
Internal Press	re Efficiency with Gas	70 % of pipe
External Press	ure Efficiency	70 % of pipe

CONNECTION PERFORMANCES				
Tensile Yield Strength	576 klb			
Compression Resistance, Sealability	576 klb			
Compression Resistance, Structural	576 klb			
Internal Yield Pressure with Water	14,360 psi			
Internal Yield Pressure with Gas	10,050 psi			
External Pressure, Sealability	8,460 psi			
External Pressure, Structural	12,090 psi			
Max. Bending with Sealability	40 °/100ft			

	TORQUE VALUES	
Min. Make-up	torque	16,950 ft.lbs
Opti. Make-up	torque	17,950 ft.lbs
Max. Make-up	torque	18,950 ft.lbs
Max. Torque v	vith Sealability	29,500 ft.lbs
Max. Torsiona	l Value	32,500 ft.lbs

The solution for High Torque, High Tension Shale play needs

VAM® EDGE SF™ is a gas-tight expanded box premium connection with increased tension and torque capacity, making it ideal for production casing in the Shale plays. The tapered two-step design technology means that it stabs deep with very low risk of cross-threading. VAM® EDGE SF™'s high tension rating plus extremely high torque capacity make it ideal to run a full string length as production casing in Shale wells with extended horizontal sections.



Do you need help on this product? - Remember no one knows VAM® like VAM

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china@vamfieldservice.com baku@vamfieldservice.com singapore@vamfieldservice.com australia@vamfieldservice.com

Over 140 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

Other Connection Data Sheets are available at www.vamservices.com

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an
 internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore
pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DFc=1.125

Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an
 internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DFb=1.125

Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
gradient in which the casing will be run (0.43 psi/ft), which is a
more conservative backup force than pore
pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DFc=1.125

Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

 Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.52 psi/ft), which is a
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DFc=1.125

Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an
 internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
gradient in which the casing will be run (0.43 psi/ft), which is a
more conservative backup force than pore
pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst
 pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick
 with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that
 (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft),
 which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DFc=1.125

Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DFb=1.125

• Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DF_c=1.125

• Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DF_C=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing
 will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

• Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: 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.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DFb=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Intermediate #2 Casing

Collapse: DFc=1.125

Partial Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered. Internal force equal to gas gradient over half of setting depth and mud gradient with which the next hole section will be run below that (0.65 psi/ft).

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud
 gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore
 pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 100 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.65 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
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Tensile: DFt=1.8

 Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.65 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud
 gradient in which the casing will be run above that (0.65 psi/ft) and an internal force equal to mud gradient
 of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.65 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (12.5 ppg).

Hydrogen Sulfide Drilling Operations Plan Matador Resources

1 H2S safety instructions to the following:

- Characteristics of H2S
- Physical effects and hazards
- Principal and operation of H2S detectors, warning system and briefing areas
- Evacuation procedures, routes and first aid
- Proper use of safety equipment & life support systems
- Essential personnel meeting medical evaluation criteria will receive additional training on the proper use of 30min pressure demand air packs

2 H2S Detection and Alarm Systems:

- H2S sensor/detectors to be located on the drilling rig floor, in the base of the sub structure / cellar area, on the mud pits in the shale shaker area. Additional H2S detectors may be placed as deemed necessary
- An audio alarm system will be installed on the derrick floor and in the doghouse

3 Windsocks and / Wind Streamers:

- Windsocks at mud pit area should be high enough to be visible
- Windsock on the rig floor and / top of doghouse should be high enough to be visible

4 Condition Flags and Signs:

- Warning sign on access road to location
- Flags to be displayed on sign at entrance to location
 - o Green Flag Normal Safe Operation Condition
 - Yellow Flag Potential Pressure and Danger
 - o Red Flag Danger (H2S present in dangerous concentrations) Only H2S trained personnel admitted on location

5 Well Control Equipment:

See Exhibit E-1

6 Communication:

- While working under masks chalkboards will be used for communications
- Hand signals will be used where chalk board is inappropriate
- Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

7 <u>Drilling Stem Testing:</u>

No DST cores are planned at this time

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- 8 Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubulars good and other mechanical equipment
- 9 If H2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H2S scavengers if necessary
- 11 Emergency Contacts
 - See exhibit E-6

HYDROGEN SULFIDE CONTINGENCY PLAN Drilling, Testing, & Completion

MRC ENERGY CO.

Reviewers	Operations Manag	ger
	Operations Supt.	
	Staff RES	ĺ
	Field Supt.	
	Blake HermesEngineering	ĺ

H2S Contingency Plan #0165

Revision# 0

This H2S Contingency Plan is subject to updating

Effective date: July 8, 2015

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INTRODUCTION

The H2S equipment will be rigged up 2 days prior to reaching a potential H2S containing zone. Drilling into any potential H2S zone shall not commence until the on-site MRC Drilling Supervisor has confirmed this plan in place.

The onsite Drilling Foreman will give Total Safety one week (7 days) notice to prepare for rig up of H2S equipment)

To be effective, the plan requires the cooperation and effort of each person participating in the drilling of an H₂S well. Each person must know his/her responsibilities and all emergency and safety procedures. He/she should thoroughly understand and be able to use with accuracy, all safety equipment while performing his/her normal duties, if the circumstance should arise. He/she should therefore familiarize himself/herself with the location of all safety equipment and check to see that it is properly stored, easily accessible at all times, and routinely maintained.

It is the intention of MRC ENERGY CO. and the Drilling Contractor to make every effort to provide adequate safeguards against harm to persons on the rig and in the immediate vicinity from the effects of hydrogen sulfide, which may be released into the atmosphere under emergency conditions. However, the initiative rests with the individual in utilizing the safeguards provided. The ideas and suggestions of the individuals involved in the drilling of this well are highly welcomed and act as a fundamental tool for providing the safest working conditions possible.

The drilling representative is required to enforce these procedures. They are set up for your safety and the safety of all others.

II. PURPOSE

It is MRC Energy Co.'s intent to provide a safe working place, not only for its employees, but also for other contractors who are aiding in the drilling of this well. The safety of the general public is of utmost concern. All precautions will be taken to keep a safe working environment and protect the public.

MRC ENERGY CO.'S

There is a possibility of encountering toxic hydrogen sulfide gas. Safety procedures must be adhered to in order to protect all personnel connected with the operations as well as people living within the area.

The MRC Energy Co. representative will enforce all aspects of the H2S Contingency Plan. This job will become easier by a careful study of the following pages and training and informing all personnel that will be working on the responsibilities.

A. OPERATING PROCEDURES

DEFINITIONS:

For purpose of this plan, on-site personnel shall be referred to as "In Scope Personnel" or "Out of Scope Personnel", per the following definitions:

In Scope Personnel – Personnel who will be working or otherwise present in potential H2S release areas, including the rig floor, cellar, pits, and shaker areas.

Out of Scope Personnel – Personnel who will not be working or Otherwise present in potential H2S areas. Such personnel include rig Site visitor, delivery and camp services personnel.

GENERAL:

Before this H₂S contingency plan becomes operational, all regularly assigned In Scope Personnel (primarily the MRC, drilling contractor, and certain service personnel,) shall be thoroughly trained in the use of breathing equipment, emergency procedures, and responsibilities. Total Safety Technician or a designee assigned by the MRC Drilling Foreman shall keep a list of all personnel who have been through the on-site H₂S training program at the drill site.

All In Scope Personnel shall be given H2S training and the steps to be taken during H2S conditions under which the well may be drilled. General information will be explained about toxic gases, as well as the physiological effects of $\rm H_2S$ and the various classified operating conditions. In addition, the reader will be informed his/her general responsibility concerning safety equipment and emergency procedures.

The Total Safety H₂S Safety Technician or MRC on-site RSE Technician shall make available the H2S Contingency Plan for all personnel to review.

Without exception, all personnel that arrive on location must proceed directly to and sign-in with the on-site MRC RSE Technician. In Scope Personnel will be required to complete an on-site H2S training and respirator fit testing before starting work, or produce evidence that they have received equivalent training. Out of Scope Personnel will be required to complete a site H2S awareness and general safety briefing. This briefing will consist of a H2S hazard overview, alarm review and required response to alarms.

B. PROCEDURES TO BE INITIATED PRIOR TO H2S CONTINGENCY PLAN COMPLIANCE:

A list of emergency phone numbers and contacts will be on location and posted at the following locations:

- 1. MRC ENERGY CO.'S Representative's Office
- 2. Drilling Contractor's, Toolpusher Office
- 3. Living Quarters Area

All safety equipment and H₂S related hardware must be set up as required by MRC Energy Co. with regard to location of briefing areas, breathing equipment, etc. All safety equipment must be inspected periodically (at least weekly) with particular attention to resuscitators and breathing equipment.

In Scope Personnel working in the well site area will be assigned breathing apparatus. Operator and drilling contractor personnel required to work in the following areas will be provided with Self Contained Breathing Apparatus:

- 1. Rig Floor
- 2. Mud Pits
- 3. Derrick
- 4. Shale Shaker
- 5. Cellar

The Total Safety H₂S Safety Technician will be responsible for rigging up all H₂S continuous monitoring-type detectors. The Total Safety Technician will monitor and bump test the detector units periodically (at least at least once a week to test alarm function during drilling conditions. In the event H₂S is detected, or when drilling in a zone confirmed to contain H₂S, the units shall be bump tested at least once every 24 hours. A bump test/calibration log will be kept on location. All results will be reported to the MRC on-site Drilling Foreman.

All Total Safety H2S equipment will be maintained and inspected by a Total Safety Technician on at least a Weekly basis.

C. DRILLING BELOW CONTINGENCY PLAN DEPTH

H2S response drills will be held at least once per week if possible or as often as necessary to acquaint the crews and service company personnel of their responsibilities and the proper procedures to shut-in a well. Initial drills will be performed until crews demonstrate competency donning and working under mask. After the MRC Energy Co.'s representative is satisfied with initial blowout drill procedures, a drill will be conducted weekly with each crew, as necessary. The H2S Safety Technician or designee will conduct safety talks and maintain the safety equipment, consult and carry out the instructions of the drilling supervisor. All personnel allowed in the well work area during drilling or testing operations will be instructed in the use of breathing equipment until supervisory personnel are satisfied that they are capable of using it.

After familiarization, each person must perform a drill with breathing equipment. The drill should include getting the breathing equipment, donning the breathing apparatus, and performing expected duties for a short period. A record shall be kept of all personnel drilled and the date of the drill. H2S training records will be kept on location for all personnel.

Rig crews and service company personnel shall be made aware of the location of spare air bottles, resuscitation equipment, portable fire extinguishers, H₂S monitors and detectors. Knowledge of the location of the H₂S monitors and detectors are vital in determining as our gas location and the severity of the emergency conditions.

After any device has initially detected H2S, all areas of poor ventilation shall be inspected periodically by means of a portable H2S detector instrument. The buddy system will be utilized. (When an alarm sounds, personnel will don an SCBA, shut the well in, and proceed to SBA for roll call. The H2S Technician or designee will mask up, with a buddy and will verify source of H2S and report back to the on-site MRC Foreman.)

D. PROCEDURES PROGRAM

1. Drill Site

- a. The drilling rig will be located to allow prevailing winds to blow across the reserve pit.
- b. A Safe Briefing Area will be provided with a breathing air cascade trailer and or 30-minute SCBA's at the Primary Area. Personnel will assemble at the most up-wind station under alarm conditions, or when so ordered by the MRC Energy Co. representative, the Contractor representative, or

the Total Safety H₂S Safety Technician. Windsocks or streamers will be anchored to various strategic places on a pole about 10 feet high, so it is in easy view from the rig floor at all times.

- c. Warning signs will be posted on the perimeters. "No Smoking" signs will be posted by MRC Energy Co.as well.
- d. One multi-channel automatic H₂S monitor will be provided by Total Safety and the detector heads will be at the shale shaker, bell nipple, mud pits, rig floor, and quarter's area. The monitor will be located inside HSE or Company man trailer. Should the alarm be shut off to silence the sirens, the blinker light must continue to warn of H₂S presence. The Total Safety H2S Safety Technician or designee will continuously monitor the detectors and will reactivate the alarm if H₂S concentrations increase to a dangerous level.
- e. A method of escape will be open at all times.
- f. If available, land line telephone service will be provided or cell phones provided. (Primary communications provided)
- g. A rig communication system will be provided, as needed.
- h. A gas trap, choke manifold, and degasser will be installed.
- i. A kill line, securely anchored and of ample strength, will be laid to the well-head from a safe location. This line is to be used only in an emergency.

General

- a. The MRC Energy Co. representative and/or the Contractor's Toolpusher will be available at all times. The drilling supervisor, while on duty, will have complete charge of the rig and location operations and will take whatever action is deemed necessary to insure personnel safety, to protect the well, and to prevent damage.
 - b. A Mud Engineer will be on location at all times when drilling takes place at the depth H₂S may be expected. The mud engineer will be able to verify the presence or absence of H2S.

III. CONDITIONS AND EMERGENCY PROCEDURES A. DEFINITION OF OPERATIONAL "CONDITIONS"

CONDITION I

"POSSIBLE DANGER"

Warning Flags

Green

Alarms

No Alarm. Less than 10 ppm

Characterized By:

Drilling operations in zones that may contain hydrogen sulfide. This condition remains in effect unless H₂S is detected and it becomes necessary to go to Condition II.

General Action:

a. Be alert for a condition change

b. Check all safety equipment for availability and proper functioning.

c. Perform all drills for familiarization and proficiency.

CONDITION II

"MODERATE DANGER"

Warning Flags

Yellow

Alarms:

Actuates at 10 ppm. Continuous flashing

light.

Characterized By:

Drilling operations in zones containing hydrogen sulfide. This condition will remain in effect until adding chemicals to the mud system neutralizes the hydrogen sulfide or it becomes necessary to go to

Condition III.

General Action:

a. Be alert for a condition change

b. WHEN DRILLING AHEAD Driller and designated crewmember
will don 30 min SCBA, shut-in the
well and immediately proceed to the
Safe Briefing Area.

WHEN TRIPPING – Driller and two designated crewmembers will don 30 min SCBA, shut in the well and immediately proceed to the Safe Briefing Area. The Derrickman will

don a 5-minute escape pack, descend to the rig floor, don a 30-min SCBA (if necessary) and immediately proceed to the Safe Briefing Area.

- c. All In Scope Personnel will proceed directly to the appropriate Safe Briefing Area.
- d. Remain in safe briefing area, take roll call and wait for instructions
- e. Contact the Total H2S Technician if not on location.
- f. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering an H₂S contaminated area to provide assistance to anyone who may be injured or overcome by toxic gases.
- g. All Out of Scope Personnel will report to the appropriate Safe Briefing Area.

CONDITION III

"EXTREME DANGER"

Warning Flags

Red

Alarms

Actuate at 15 ppm. Continuous Sirens and Flashing Lights

Characterized by:

Critical well operations which pose an immediate threat of H₂S exposure to on-site personnel and a potential threat to the public.

General Action:

a. WHEN DRILLING AHEAD Driller and designated crewmember
will don 30 min SCBA, shut-in the
well and immediately proceed to the
Safe Briefing Area.

WHEN TRIPPING – Driller and two designated crewmembers will don 30

min SCBA, shut in the well and immediately proceed to the Safe Briefing Area. The Derrickman will don a 5-minute escape pack, descend to the rig floor, don a 30-min SCBA (if necessary) and immediately proceed to the Safe Briefing Area.

- b. All In Scope Personnel should don SCBA if nearby and immediately proceed to Safe Briefing Area. If SCBA in not nearby at time of alarm, DO NOT GO TOWARDS RIG AREA, but proceed directly to the Safe Briefing Area
- c. All out of Scope Personnel shall evacuate the location.
- d. Remain in the Safe Briefing Area, take roll call and wait for instructions.
- e. Contact the Total H2S Technician if not on location.
- f. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering an H₂S contaminated area to provide assistance to anyone who may be injured or overcome by toxic gases. Use the buddy system.
- g. Remain in safe briefing area, take roll call and wait for instructions.
- h. A cascade breathing air systems shall be mobilized and utilized to conduct any additional on rig work required to correct the H2S release condition.
- i. If well is ignited do not assume area is safe. SO2 is hazardous and not all H2S will burn.

H₂S EMERGENCY PROCEDURES; IN SCOPE PERSONNEL

A. Day To Day Drilling Operations

- 1. Upon discovering a release of H₂S gas in the ambient air by warning alarms or in any other way **Do Not Panic**.
- 2. Hold your breath donning the nearest Self Contained Breathing Apparatus and rapidly move up or across-wind away from the areas where H₂S sensing devices are in place, to the closest available safe briefing area. Continue to use breathing apparatus until it has been determined that the exposure of H₂S gas in the ambient air no longer exists. **Do Not Panic!**
- 3. Utilize the "Buddy System", i.e.; select and pair up each person participating in the drilling of an H₂S well prior to an emergency situation.
- 4. Help anyone who is overcome or affected by the H₂S gas by taking him/her up-wind out of the contaminated area. (This should be done utilizing an SCBA and with a buddy.)
- 5. Take necessary steps to confirm the release of the H₂S gas into the ambient air.
 - When an H2S alarm activates, two designated personnel using the buddy system, while wearing their self contained breathing apparatus, will determine by the read-out on the fixed monitor which sensing device has detected the release of the H₂S gas.
 - They will utilize the hand-held sniffer type device at the particular sensing point disclosed on the fixed monitor to corroborate the fact that H₂S gas has actually been released. This will rule out the possibility of a false alarm. This will be done with a buddy and under mask after reporting to the Safe Briefing Area for roll call and instructions by on-site MRC Foreman.
- 6. Refer to the Emergency Phone Numbers and call emergency personnel.
- 7. Take the necessary steps to suppress the release of H₂S gas into the ambient air. Comply with the MRC Energy Co. Representative to physically suppress the release of H₂S gas at the actual release point.

8. Check all of MRC Energy Co.'s monitoring devices and increase gasmonitoring activities with the portable hand-operated H₂S and gas detector units.

Do Not Panic!

The MRC Energy Co. representative will assess the situation and with assistance of the Contractor's Representative and Total Safety's H₂S Safety Technician or on site designee, will assign duties to each person to bring the situation under control.

B. RESPONSIBILITIES OF WELL-SITE PERSONNEL

In the event of a release of potentially hazardous amounts of H₂S, all personnel will immediately don their protective breathing apparatus, the well will be shut in and personnel will proceed upwind to the nearest designated safe briefing area for roll call and instructions by MRC Foreman. Consideration will be given to evacuating Out of Scope Personnel, as situation warrants.

1. MRC ENERGY CO.'S Well-site Representatives

- a. If MRC Energy Co.'s well-site representative is incapacitated or not on location, this responsibility will fall to the Toolpusher/Driller.
- b. Immediately upon assessing the situation, set this plan into Action by initiating the proper procedures to contain the gas and notify the appropriate people and agencies.
- c. Ensure that the alarm area indicated by the fixed H₂S Monitor is checked and verified with a portable H₂S detector. (Safety Technician if on location or MRC assigned designee with a buddy utilizing SCBA's)
- d. Consult Pusher/driller of remedial actions as needed.
- e. Ensure that non-essential personnel proceed to the safe briefing area.
- f. Ensure location entrance barricades are positioned. Keep the number of persons on location to a minimum during hazardous operations.

- g. Consult each contractor, Service Company and all others allowed to enter the site, that H2S gas may be encountered and the potential hazards that may exist.
- h. Authorize the evacuation of local residents if H_2S threatens Their safety.
 - i. Non essential personnel should be evacuated from location if Situation warrants.

2. Toolpusher

- a. Toolpusher/Driller will assume responsibilities of MRC Energy Co.'s well-site representative if that person is incapacitated or not on location.
- b. Ensure that the alarm area indicated by the fixed H₂S monitor is checked and verified with a portable H₂S gas detector. (Alarm area indicated by the monitor will be Checked by the H2S Technician and a buddy, under mask.) This will be done after checking in and roll call at the Upwind Safe Briefing Area.
- c. Confer with MRC Energy Co.'s well-site representative or superintendent and direct remedial action to suppress the H₂S and control the well.
- d. Ensure that personnel at the safe briefing area are instructed on emergency actions required.
- e. Ensure that personnel at the drill floor area are instructed on emergency actions required.
- f. Ensure that all personnel observe the appropriate safety and emergency procedures.
- g. Ensure that all persons are accounted for and provided emergency assistance as necessary.

3. Mud Engineer

- a. Run a sulfide check on the flowline mud.
- b. Take steps to determine the source of the H₂S and suppress it. Lime and H₂S scavenger shall be added to the mud as necessary.

4. Total H₂S Safety Technician, if on location, or MRC Designee

- a. H2S Safety Technician or designee don nearest SCBA and report to Safe Briefing Area for roll call, take a buddy masked up and check monitor and verify with a portable H₂S detector the alarm area indicated by the fixed H₂S monitor. Advise the Toolpusher/Driller and MRC Energy Co.'s well-site representative of findings. Record all findings.
- b. If H₂S is flared, check for sulfur dioxide (SO₂) near the flare as necessary. Take hourly readings at different perimeters, log readings and record on location.
- c. Ensure that personnel at the safe briefing area are instructed on emergency actions required.
- d. Ensure that the appropriate warning flags are displayed.
- e. Ensure that all personnel are in S.C.B.A. as necessary.
- f. Ensure that all persons are accounted for and provide emergency assistance as necessary.
- g. Be prepared to evacuate rig if order is issued.

5. General Personnel & Visitors

a. All In Scope Personnel, if not specifically designated to shut the well in or control the well, shall proceed to the (upwind) safe briefing area. All Out of Scope Personnel shall immediately proceed to the appropriate (upwind) safe briefing area or evacuate the site as conditions warrant.

- b. During any emergency, use the "buddy" system to prevent anyone from entering or being left in a gas area alone, even wearing breathing apparatus.
- c. Provide assistance to anyone who may be injured or overcome by toxic gases. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering a potentially H₂S contaminated area.
- d. Remain in safe briefing area and wait for instructions.

C. INSTRUCTIONS FOR IGNITING THE WELL

1. The Toolpusher/Driller will confer with MRC Energy Co.'s well-site representative who will secure the approval of the "Texas Wells Delivery Manager, prior to igniting the well, if at all possible.

The Toolpusher/Driller will be responsible for igniting the well in the event of severe well control problems. This decision should be made only as a last resort in situations where it is clear that:

- a. Human life and property are endangered, or
- b. There is no hope of controlling the well under current conditions.
- 2. Once the decision has been made, the following procedures should be followed:
 - a. Two people wearing self-contained breathing apparatus will be needed for the actual lighting of the well. They must first establish the flammable perimeter by using an explosimeter. This should be established at 30% to 40% of the lower flammable limits.
 - b. After the flammable perimeter has been established and everyone removed from the area, the ignition team should select a site upwind of the well from which to ignite the well. This site should offer the maximum protection and have a clear path for retreat from the area.

- c. The ignition team should have safety belts and lifeline attached and manned before attempting ignition. If the leak is not ignited on the first attempt, move in 20 to 30 feet and fire again. Continue to monitor with the explosimeter and NEVER fire from an area with over 75% of the Lower Explosive Limit (LEL). If having trouble igniting the well, try firing 40 degrees to 90 degrees on either side of the well.
- d. If ignition is not possible due to the makeup of the gas, the toxic perimeter must be established and evacuation continued until the well is contained.
- e. All personnel must act only as directed by the person in charge of the operations.

NOTE: After the well is ignited, burning hydrogen sulfide (H₂S) will convert to sulfur dioxide (SO₂), which is also a highly toxic gas.

DO NOT ASSUME THE AREA IS SAFE AFTER THE WELL IS IGNITED

D. CORING PROCEDURES

Only essential personnel shall be on the rig floor. Ten (10) stands prior to retrieving core barrel; all personnel on drill floor and in derrick shall confirm self-Contained breathing apparatus available and ready for use.

A Total H2S Technician will don a SCBA with a buddy assigned from the rig crew, and continuously monitor for H2S at each connection. Any levels detected will require operations to be shut down and all involved personnel to don SCBAs. Precautions will remain in place until barrel is laid down.

All involved personnel will don SCBAs when removing the inner barrel from the outer barrel. SCBAs can be removed once the absence of H2S in confirmed by the Total H2S Technician.

Cores will be appropriately marked and sealed for transportation.

Normal Operations

1. Responsibilities of well-site personnel

a. Well-site Representative

- 1. Notify H₂S Technician of expected date to reach Contingency Plan implementation depth (Two (2) days prior to reaching suspected H₂S bearing zone) or prior to starting well work.
- 2. Ensure H₂S Safety Technician completes rig-up procedures prior to effective depth.
- 3. Restrict the number of personnel at the drilling rig or well site to a minimum while drilling, starting well work, testing or coring.
- 4. Ensure weekly H₂\$ drills/training are performed, if possible.

B. Toolpusher

- 1. Ensure that necessary H₂S safety equipment is provided on the rig, and that it is properly inspected and maintained.
- 2. Ensure that all personnel that work in the well area, are thoroughly trained in the use of H₂S safety equipment and periodic drills are held to maintain an adequate level of proficiency.

C. In Scope Personnel

- 1. Remain clean-shaven. Beards and long sideburns do not allow a proper facepiece seal.
- 2. Receive H₂S safety training on location, or confirm prior training by certification that is one year within date.
- 3. Familiarize yourself with the rig's Contingency Plan.
- 4. Inspect and practice putting on your breathing apparatus.

- 5. Know the location of the "safe briefing areas".
- 6. Keep yourself "wind conscious". Be prepared to quickly move upwind and away in the event of any emergency involving release of H₂S.

D. Total Safety H₂S Safety Technician or MRC Designee

- 1. Conduct training as necessary to ensure all personnel working in well area are familiar with the contingency procedures and the operation of emergency equipment.
- 2. Check all H₂S safety equipment to ensure that it is ready for emergency use:
 - Check pressure weekly for each shift on breathing apparatus (both 30-minute and hippacks) to make sure they are charged to full volume.
 - Check pressure on cascade air bottles, if on location, to see that they are capable of recharging breathing apparatus.
 - Check oxygen resuscitator, if on location, to ensure that it is charged to full volume.
 - Check H₂S detectors weekly for each shift (fixed and portable), and explosimeter, to ensure they are working properly.
- 3. Provide a weekly report to MRC Energy Co.'s well-site representative documenting:
 - Calibrations performed on H₂S detectors.
 - Proper location and working order of H₂S safety equipment.
 - Attendance of all personnel, trained or retrained, and their company.
 - Weekly drills, if held and a list of personnel participating and summary of actions.

OUT OF SCOPE PERSONNEL

MRC Energy Co. policy will not require Out of Scope Personnel to be clean shaven, have processed medical questionnaires, fit testing, or have certified H2S Training.

SAFETY EQUIPMENT

All respirators will be designed, selected, used and maintained in conformance with ANSI Z88.2, American National Standard for respiratory protection.

Personal protective equipment must be provided and used. Those who are expected to use respiratory equipment in case of an emergency will be carefully instructed in the proper use and told why the equipment is being used. Careful attention will be given to the minute details in order to avoid possible misuse of the equipment during periods of extreme stress.

Self-contained breathing apparatus provides complete respiratory and eye protection in any concentration of toxic gases and under any condition of oxygen deficiency. The wearer is independent of the surrounding atmosphere because he/she is breathing with a system admitting no outside air. It consists of a full face mask, breathing tube, pressure demand regulator, air supply cylinder, and harness. Pure breathing air from the supply cylinder flows to the mask automatically through the pressure demand regulator which reduces the pressure to a breathing level. Upon inhalation, air flows into the mask at a rate precisely regulated to the user's demand. Upon exhalation, the flow to the mask stops and the exhaled breath passes through a valve in the face piece to the surrounding atmosphere. The apparatus includes an alarm & gauge which warns the wearer to leave the contaminated area for a new cylinder of air or cylinder refill.

The derrickman is provided with a full face piece unit attached to a 5- minute escape cylinder. He will also have his own self-contained 30-minute unit breathing apparatus located on the drilling floor. He will use the 5-minute unit to exit the derrick to the floor, donning the 30-minute unit located on the floor, if needed.

All respiratory protective equipment, when not in use, should be stored in a clean, cool, dry place, and out of direct sunlight to retard the deterioration of rubber parts. After each use, the mask assembly will be scrubbed with soap and water, rinsed thoroughly, and dried. Air cylinders can be recharged to a full condition from a cascade system.

Personnel in each crew will be trained in the proper techniques of bottle filling.

The primary piece of equipment to be utilized, should anyone be overcome by hydrogen sulfide, is the oxygen resuscitator, if on location.

When asphyxiation occurs, the victim must be moved to fresh air and immediately given artificial respiration. In order to assure readiness, the bottles of oxygen will be checked at regular intervals and an extra tank kept on hand.

Hand-operated pump-type detectors incorporating detector tubes will give more accurate readings of hydrogen sulfide. The pump-type draws air to be tested through the detector tube containing lead acetate-silica gel granules. Presence of hydrogen sulfide in the air sample is shown by the development of a dark brown stain on the granules, which is the

MRC ENERGY CO.'S

scale reading of the concentration of hydrogen sulfide. By changing the type of detector tube used, this detector may also be used for sulfur dioxide (SO₂) detection when hydrogen sulfide (H₂S) is being burned in the flare area.

Provisions must be made for the storage of all safety equipment as is evident from the foregoing discussion. All equipment must be stored in an available location so that anyone engaged in normal work situations is no more than "one breath away' from a mask.

V – TOXICITY OF VARIOUS GASES

Lethal	Chemical	Specific		
Common Name ppm ⁴	Formula	Gravity ¹	PEL (OSHA) ²	STEL ³
Hydrogen Cyanide 300	HCN	0.94	10	150
Hydrogen Sulfide 600	H₂S	1.18		ak- 50ppm
Note: The ACGIH(7) red 15ppm.	commends a TW	A(6) value of 10 _l	opm as the TLV(5) fo	r H2S and an STEL of
Sulfur Dioxide	SO ₂	2.21	2	5 ppm
Chlorine	CL ₂	2.45	1	
Carbon Monoxide 1000	СО	0.97	35	200/1 Hour
Carbon Dioxide 10%	CO ₂	1.52	5000	5%
Methane	CH₄	0.55	90000	

 $^{^{1}}$ Air = 1.0

TLV – Threshold Limit Value; a concentration recommended by the American Conference of Governmental Industrial Hygienists (ACGIH)

TWA – Time Weighted Average; the average concentration of contaminant one can be exposed to over a given eight-hour period.

ACGIH – (American Conference of Governmental Industrial Hygienists) is an organization comprised of Occupational Health Professionals believed by many to be the top experts in the field of Industrial Hygiene. They are recognized as an expert rexource by OSHA. The ACGIH releases a biannual publication "Threshold Limit Values and Biological Indices" that many safety professionals consider to be the authoritative document on airborne contaminants.

Reference: API RP-49, September 1974 - Reissued August 1978

² Permissible - Concentration at which is believed that all workers may repeatedly be exposed, day after day, without adverse effect.

³ **STEL -** Short Term Exposure Limit. A 15-minute time weighted average.

⁴ Lethal - Concentration that will cause death with short-term exposure.

VI. PROPERTIES OF GASES

A. <u>CARBON DIOXIDE</u>

- 1. Carbon Dioxide (CO₂) is usually considered inert and is commonly used to extinguish fires. It is 1.52 times heavier than air and will concentrate in low areas of still air. Humans cannot breathe air containing more than 10% CO₂ without losing conscience or becoming disorientation in a few minutes. Continued exposure to CO₂ after being affected will cause convulsions, coma, and respiratory failure.
- 2. The threshold limit of CO₂ is 5000 ppm. Short-term exposure to 50,000 ppm (5%) is reasonable. This gas is colorless, odorless, and can be tolerated in relatively high concentrations.

B. HYDROGEN SULFIDE

- 1. Hydrogen Sulfide (H₂S) is a colorless, transparent, flammable gas. It is heavier than air and, hence, may accumulate in low places.
- 2. Although the slightest presence of H_2S in the air is normally detectable by its characteristic "rotten egg" odor, it is dangerous to rely on the odor as a means of detecting excessive concentrations because the sense of smell is rapidly lost, allowing lethal concentrations to be accumulated without warning. The following table indicates the poisonous nature of H_2S .

CC	ONCENT	RATION	EFFECTS
% H ₂ S	PPM	GR/100 SCF1	
0.001	10	.65	Safe for 8 hours without respirator. Obvious and unpleasant odor.
0.0015	15	0.975	Safe for 15 minutes of exposure without respirator.
0.01	100	6.48	Kills smell in 3-15 minutes; may sting eyes and throat.
0.02	200	12.96	Kills smell quickly; stings eyes and throat.
0.05	500	32.96	Dizziness; breathing ceases in a few minutes; need prompt artificial respiration.
0.07	700	45.92	Rapid Unconsciousness; death will result if not rescued promptly.
0.1	1000	64.80	Instant unconsciousness, followed by death within minutes.

¹ Grains per 100 Cubic Feet

VII. Treatment Procedures for Hydrogen Sulfide Poisoning

- A. Remove the victim to fresh air.
- B. If breathing has ceased or is labored, begin resuscitation immediately.

Note: This is the quickest and preferred method of clearing victim's lungs of contaminated air; however, under disaster conditions, it may not be practical to move the victim to fresh air. In such instances, where those rendering first aid must continue to wear masks, a resuscitator should be used.

- C. Apply resuscitator to help purge H₂S from the blood stream.
- D. Keep the victim at rest and prevent chilling.
- E. Get victim under physician's care as soon as possible.

C. <u>SULPHUR DIOXIDE</u>

- 1. Sulfur Dioxide (SO₂) is a colorless, non-flammable, transparent gas.
- 2. SO₂ is produced during the burning of H₂S. Although SO₂ is heavier than air, it can be picked up by a breeze and carried downwind at elevated temperatures. Since SO₂ is extremely irritating to the eyes and mucous membranes of the upper respiratory tract, it has exceptionally good warning powers in this respect. The following table indicates the toxic nature of SO₂:

CONCEN	TRATION	EFFECTS
% SO ₂	PPM	
0.0005	3 to 5	Pungent odor, normally a person can detect SO ₂ in this range.
0.0012	12	Throat irritation, coughing, constriction of the chest, tearing and smarting of eyes.
0.015	150	So irritating that it can only be endured for a few minutes.
.05	500	Causes a sense of suffocation, event with the first breath.

VIII. BREATHING AIR EQUIPMENT DRILLS FOR ON & OFF DUTY PERSONNEL

An H₂S Drill and Training Session must be given once a week to ALL on-duty personnel with off duty personnel. On-duty and Off-duty personnel will reverse roles on alternate drills.

An H2S drill and training session must be given once a week to all off-duty personnel in coincidence with on-duty personnel reversing roles on alternate drills.

The purpose of this drill is to instruct the crews in the operation and use of breathing air and H₂S related emergency equipment and to allow the personnel to become acquainted with using the equipment under working conditions. The crews should be trained to put on the breathing air equipment within one minute when required or requested to do so.

The following procedure should be used for weekly drills. The MRC supervisor must be satisfied that the crews are proficient with the equipment.

- 1. All personnel should be informed that a drill will be held.
- 2. The Total H2S Safety Technician or a designee assigned by the MRC Drilling Foreman should initiate the drill by signaling as he/she would if H2S was detected.
- 3. Personnel should don their breathing apparatus.
- 4. Once the breathing air equipment is on, the H2S Technician should check all personnel to insure proper operation.

A training and information session will be conducted after each drill to answer any H₂S related questions and to cover any gaps identified from one of the following topics:

- · Condition II, and III alerts and steps to be taken by all personnel.
- The importance of wind direction when dealing with H₂S.
- Proper use and storage of all types of breathing equipment.
- Proper use and storage of oxygen resuscitators.
- Proper use and storage of H₂S detectors (Mini Checks or equivalent).
- The "buddy system" and the procedure for rescuing a person overcome by H_2S .
- · Responsibilities and duties.
- · Location of H₂S safety equipment.
- Other parts of the "H₂S Contingency Plan" that should be reviewed.

NOTE: A record of attendance must be kept for weekly drills and training sessions.

IX. HYDROGEN SULFIDE TRAINING CURRICULUM

(FOR EMPLOYERS, VISITORS, AND CONTRACTORS)

EACH PERSON WILL BE INFORMED ON THE RESTRICTIONS OF HAVING BEARDS AND CONTACT LENS. THEY WILL ALSO BE INFORMED OF THE AVAILABILITY OF SPECTACLE KITS.

AFTER THE H2S EQUIPMENT IS RIGGED UP, ALL IN \$COPE PERSONNEL WILL BE H2S TRAINED AND PUT THROUGH A DRILL. ANY DEFICIENCIES WILL BE CORRECTED.

Training Completion cards are good for one year and will indicate date of completion or expiration. Personnel previously trained on another facility and visiting, must attend a "supplemental briefing" on H2S equipment and procedures before beginning duty. Visitors who remain on the location more than 24 hours must receive full H2S training given all crew members. A "supplemental briefing" will include but not be limited to: Location of respirators, familiarization with safe briefing areas, alarms with instruction on responsibilities in the event of a release and hazards of H2S and (SO2, if applicable). A training and drill log will be kept.

Topics for full H2S training shall include the following equipment if on location, but not be limited to the following:

1. Brief Introduction on H2S

- A. Slide or Computer presentation (If Available)
- B. H2S material will be distributed
- C. Re-emphasize the properties, toxicity, and hazards of H2S
- D. Source of SO2 (if applicable)

2. **H2S Detection**

- A. Description of H2S sensors
- B. Description of warning system (how it works & it's location)
- C. Actual location of H2S sensors
- D. Instruction on use of pump type detector (Gastec)
- E. Use of card detectors, ampoules, or dosimeters
- F. Use of combustible gas detector
- G. Other personnel detectors used
- H. Alarm conditions I & II,
- I. SO2 alarms (if applicable)

3. **H2S Protection**

- A. Types of breathing apparatus provided (30-minute SCBA & 5-minute SCBA (with voice diaphragms for communication if supplied)
- B. Principle of how breathing apparatus works
- C. Demonstration on how to use breathing apparatus
- D. Location of breathing apparatus

4. Cascade System

- A. Description of cascade system
- B. How system works
- C. Cascade location of rig with reference to briefing areas
- D. How to use cascade system (with 5-minute hose work line units & refill, if supplied)
- E. Importance of wind direction and actual location of Windsocks
- F. Purpose of compressor/function (if one is on site)

5. **H2S Rescue and First Aid**

- A. Importance of wind direction
- B. Safe briefing area
- C. Buddy system
- D. H2S symptoms
- E. Methods of rescue

6. Hands on Training

- A. Donning/familiarization of SCBA 30-minue unit
- B. Donning/familiarization of SKADA 5- MIN. Packs
- C. Familiarization of cascades
- D. Use of O2 resuscitator
- E. Alarm conditions upwind briefing areas, etc...
- F. Duties and responsibilities of all personnel
- G. Procedures for evacuation
- H. Search and Rescue teams

7. **Certification**

Testing on material covered

TOTAL SAFETY US INC., FIT TEST

X. EMPLOYEE INFORMATION Employee Name: ______ Date: _____ Date of Employee Medical Evaluation: Medical Status (circle): Unrestricted Limitations on Use Use Not Authorized **RESPIRATOR INFORMATIOIN** Respirator Type (Dustmask, SCBA, etc): Size: (circle): XS S M L XL FIT TEST INFORMATION Type of Fit Test Performed: Quantitative Porta Count Fit Factor:_____ Fittester 3000 Fit Factor: **Qualitative** Irritant Smoke Passed / Failed Isoamyl Acetate (Banana Oil) Passed / Failed Saccharin Passed / Failed **Bitrex** Passed / Failed I hereby certify that this fittest was conducted in accordance with the OSHA Fit Testing Protocols found in Appendix A of 1910.134. Fit Tester Name (Print): Date:_____ Signature:

XI. H₂S SAFETY SERVICES

HYDROGEN SULFIDE SAFETY PACKAGE – Contained on location in Total Safety H2S Equipment Trailer, unless otherwise noted:

RESPIRATORY SAFETY SYSTEMS

QTY DESCRIPTION

- 30-Minute Pressure Demand SCBA
 (4-Primary Safe Briefing Area, 4-Secondary Safe Briefing Area, 4-floor with one of these for derrick man)
- Hose Line 5-minute Work Unit w/Escape Cylinder (1 in derrick, 6 on drill floor, 1 in mud pit wt area, 1 in shaker area)

The following shall be part of the package if requested by the MRC Foremen (at least one trailer with cascade system is required to be located in the MRC Magnolia asset for use as needed)

- 1 Breathing air cascade of 10 bottles w/regulator
- 2 Refill lines to refill 30-minute units on location
- 6-Man manifold that can be rigged up to work area on floor, if needed
- 6 25 foot hose lines
- 2 50 foot hose lines
- 100 Feet of hose line to rig cascade up to 12 man manifold on floor
- 12 30-minute Self Contained Breathing apparatus

DETECTION AND ALARM SAFETY SYSTEM

- H2S Fixed Monitor w/8Channels (Loc determined at rig up) suggested.
 (Mud pit area, shaker area, bell nipple area, floor/driller area, & outside quarters)
- 5 H2S Sensors
- Explosion Proof Alarms (Light and Siren)
 (1 on floor, 1 in work area, 1 in trailer area where quarters are located)
- 2 Personal H2S monitors
- 1 Portable Tri-Gas Hand Held Meter (O2, LEL, H2S)
- 1 Sensidyne/Gastech Manual Pump Type Detector
- 8 Boxes H2S Tubes Various Ranges
- 2 Boxes SO2 Tubes Various Ranges
- 1 Calibration Gas
- 1 Set Paper Work for Records: Training, Cal, Inspection, other

ADDITIONAL SAFETY RELATED EQUIPMENT

QTY DESCRIPTION

- Windsocks with Pole and Bracket
- 1 Set Well Condition Sign w/Green, Yellow, Red Flags
- 1 Primary Safe Briefing Area Sign
- 1 Secondary Safe Briefing Area Sign
- 6 Operating Condition Signs for Work Areas & Living Quarters

TRAILER WITH BREATHING AIR CASCADE WILL ALSO INCLUDE THE FOLLOWING:

This equipment will be part of the H2S equipment stored in the trailer, when on location

- 1 First aid kit
- 1 Fire Blanket
- 1 Eye wash station
- 2 Safety Harness w/150' safety line

XII. EMERGENCY PHONE NUMBERS (Updated March 18, 2009)

EMERGENCY PHONE NUMBERS

MRC Energy Co. Emergency Phone #

MRC Energy Co. Permian Operations Phone-----

MRC Energy Co. Production

113 Daw Rd

Mansfield LA 71052

Title	Names	Phone	e	Cell
Operations Manager				
Operation Supt.				
Operations				
Supervisor				
Operations				
Supervisor				
Office Supervisor				
HSE				
Scheduler Planner				

Hydrogen Sulfide Safety Consultants

Try drogen Suniac Salety	Consultants	
Total Safety W. Bender Blvd. Hobbs, NM	575-392-2973	After Hours 24 Hour Call Center Through Office Number
Tommy Throckmorton Operations Manager	575-392-2973	940-268-9614
Rodney Jourdan Sales Contact	575-392-2973	432-349-3928

MRC Energy Co. MEDICAL RESPONSE PLAN AND IT'S MEDICAL PROTOCOLS WILL BE FOLLOWED

MEDICAL COORDINATOR # -----

Emergency Numbers & Directions

Hospitals (911)

Artesia General Hospital 702 N. 13 th St. Artesia, NM 88210	Main Phone Number	575-748-3333
Nor-Lea General Hospital 1600 N. Main Ave. Lovington, NM 88260	Main Phone Number	575-396-6611
Lea Regional Medical Center 5419 N. Lovington Hwy Hobbs, NM 88240	Main Phone Number	575-492-5260
Carlsbad General Hospital 2430 W. Pierce St. Carlsbad, NM	Main Phone Number	575-887-4100
Lovelace Regional Hospital 117 E. 19 th St Roswell, NM 88201	Main Phone Number	575-627-7000
Winkler Co. Memorial Hospital 821 Jeffee Dr. Kermit, Texas 79745	Main Phone Number	432-586-8299
Reeves County Hospital 2323 Texas St. Pecos, Texas 79772	Main Phone Number	432-447-3551

State Police (911)

State A Office 1/14/		
Texas DPS Loving co.	O.C. N. I	122 277 244
225 N.Pecos	Office Number	432-377-2411
Mentone, Texas 79754		
Texas DPS Winkler Co.		
100 E Winkler	Office Number	432-586-3465
Kermit, Texas 79745		
Texas DPS Pecos Co.		
148 N I-20 Frontage RD	Office Number	432-447-3532
Pecos, Texas 79772		
New Mexico State Police		
3300 W. Main St	Office Number	575-748-9718
Artesia, NM		
New Mexico State Police		
304 N. Canyon St	Office Number	575-885-3137
Carlsbad, NM 88220		
New Mexico State Police		
5100 Jack Gomez Blvd.	Office Number	575-392-5588
Hobbs, NM 88240		

Local Law Enforcement (911) (Sheriff)

Reeves Co. Sheriff		
500 N. Oak ST	Office Number	432-445-4901
Pecos, Texas 79722		
Winkler Co. Sheriff		
1300 Bellaire St.	Office Number	432-586-3461
Kermit, Texas 79745		
Loving Co. Sheriff		
Courthouse	Office Number	432-377-2411
Mentone, Texas		·
Lea Co. Sheriff		
1417 S. Commercial St.	Office Number	
Lovington, NM 88260		
Eddy Co. Sheriff		
305 N 7th St.	Office Number	575-766-9888
Artesia, NM 88210		
Eddy Co. Sheriff		
305 N 7th St.	Office Number	575-746-9888
Carlsbad, NM 88220		

MRC ENERGY CO.'S

Federal & State Agencies

OSHA Lubbock Area Office 1205 Texas Av. Room 806 Lubbock, Texas 79401	Main Number	806-472-7681 EXT 7685
New Mexico Environment Department 400 N Pennsylvania Roswell, NM 88201	Joe Fresquez	575-623-3935
Texas Railroad Commission Midland, Texas	Main Number	844-773-0305
BLM Carlsbad, NM Field Office 620 E. Green ST Carlsbad, NM 88220	Main Number	575-234-5972
BLM Hobbs Field Station 414 W. Taylor Rd. Hobbs, NM 88240	Main Number	575-393-3612
BLM Roswell District Office 2909 W. Second St. Roswell, NM 88201	Main Number	575-627-0272
TECQ Texas Commission on Environmental Quality	Main Number	800-832-8224
New Mexico OCD		
U.S. Environmental Protection Agency Region 6 Texas/New Mexico	Main Number	214-655-2222
National Response Center Toxic Chemicals & Oil Spills	Main Number	800-424-8802
	1	

Rig Company

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XIII. EVACUATION OF THE GENERAL PUBLIC

The procedure to be used in alerting nearby persons in the event of any occurrence that could pose a threat to life or property will be arranged and completed with public officials in detail, prior to drilling into the hydrogen sulfide formations.

In the event of an actual emergency, the following steps will be immediately taken:

- 1. The MRC Energy Co.'s representative will dispatch sufficient personnel to immediately warn each resident and transients down-wind within radius of exposure from the well site. Then warn all residence in the radius of exposure. Additional evacuation zones may be necessary as the situation warrants.
- 2. The MRC Energy Co.'s representative will immediately notify proper authorities, including the Sheriff's Office, Highway Patrol, and any other public officials as described above and will enlist their assistance in warning residents and transients in the calculated radius of exposure.
- 3. The MRC Energy Co.'s representative will dispatch sufficient personnel to divert traffic in the vicinity away from the potentially dangerous area. A guard to the entrance of the well site will be posted to monitor essential and non essential traffic.

4. General:

- A. The area included within the radius of exposure is considered to be the zone of maximum potential hazard from a hydrogen sulfide gas escape. Immediate evacuation of public areas, in accordance with the provisions of this contingency plan, is imperative. When it is determined that conditions exist which create an additional area (beyond the initial zone of maximum potential hazard) vulnerable to possible hazard, public areas in the additional hazardous area will be evacuated in accordance with the contingency plan.
- B. In the event of a disaster, after the public areas have been evacuated and traffic stopped, it is expected that local civil authorities will have arrived and within a few hours will have assumed direction of and control of the public, including all public areas. MRC Energy Co. will cooperate with these authorities to the fullest extent and will exert every effort by careful advice to such authorities to prevent panic or rumors.
- C. MRC Energy Co. will dispatch appropriate management personnel at the disaster site as soon as possible. The company's personnel

- will cooperate with and provide such information to civil authorities as they might require.
- D. One of the products of the combustion of hydrogen sulfide is sulfur dioxide (SO₂). Under certain conditions this gas may be equally as dangerous as H₂S. A pump type detector device, which determines the percent of SO₂ in air through concentrations in ppm, will be available. Although normal air movement is sufficient to dissipate this material to safe levels, the SO₂ detector should be utilized to check concentrations in the proximity of the well once every hour, or as necessary and the situation warrants. Also, if any low areas are suspected of having high concentrations, personnel should be made aware of these areas, and steps should be taken to determine whether or not these low areas are hazardous.

Exhibit E-6: H2S Contingency Plan Emergency Contacts Matador Resources Company

Company Office			
Matador Resources Company	(972)-371-5200		
Key Personnel			
Name	Title	Office	Mobile
Billy Goodwin	Vice President Drilling	972-371-5210	817-522-2928
Gary Martin	Drilling Superintendent		601-669-1774
Dee Smith	Drilling Superintendent	972-371-5447	972-822-1010
Blake Hermes	Drilling Engineer	972-371-5485	713-876-8558
	Construction Superintendent	·	
	Construction Superintendent		
<u>Artesia</u>			
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	e	575-746-2122	
New Mexico Oil Conservation Division	n	575-748-1283	
<u>Carlsbad</u>			
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	
New Mexico Oil Conservation Division	n	575-887-6544	
Santa Fe			
New Mexico Emergency Response Co		505-476-9600	
New Mexico Emergency Response Co		505-827-9126	
New Mexico State Emergency Opera	tions Center	505-476-9635	
<u>National</u>			
National Emegency Response Center	(Washington, D.C.)	800-424-8802	
Medical			
Flight for Life- 4000 24th St.; Lubbock	c, TX	806-743-9911	
Aerocare- R3, Box 49F; Lubbock, TX		806-747-8923	
Med Flight Air Amb- 2301 Yale Blvd S		505-842-4433	
SB Air Med Service- 2505 Clark Carr L	.oop S.E.; Albuquerque, NIVI	505-842-4949	L
Other		200 356 0600	o= 301 034 0004
Boots & Coots IWC		800-256-9688	or 281-931-8884
Cudd Pressure Control		432-699-0139	or 432-563-3356
Haliburton		575-746-2757	
B.J. Services		575-746-3569	

Boros Federal #244H

SHL: 400' FNL & 631' FEL Section 15 BHL: 240' FSL & 660' FEL Section 22

Township/Range: 26S 31E

Elevation Above Sea Level: 3,219

Drilling Operation Plan

Proposed Drilling Depth: 23892' MD / 13736' TVD

Type of well: Horizontal well, no pilot hole

Permitted Well Type: Oil

Geologic Name of Surface Formation: Quaternary Deposits

KOP Lat/Long (NAD83): 32.0500069664 N / -103.7592197365 W TD Lat/Long (NAD83): 32.0214874433 N / -103.7595141722 W

1. Estimated Tops

Formation	MD (ft)	TVD (ft)	Thickness	(ft).	Lithology	Resource
Rustler	1,406	1,406		88	Anhydrite	Barren
Top of Salt	1,494	1,494	1,8	397	Salt	Barren
Base of Salt	4,125	4,125		30	Salt	Barren
Bell Canyon	4,155	4,155	1,0	013	Sandstone	Oil/Natural Gas
Cherry Canyon	5,168	5,168	1,2	234	Sandstone	Oil/Natural Gas
Brushy Canyon	6,402	6,402	1,7	730	Sandstone	Oil/Natural Gas
Bone Spring Lime	8,132	8,132	1,0	072	Limestone	Oil/Natural Gas
1st Bone Spring Sand	9,204	9,204		345	Sandstone	Oil/Natural Gas
2nd Bone Spring Carbonate	9,549	9,549		222	Carbonate	Oil/Natural Gas
2nd Bone Spring Sand	9,771	9,771		480	Sandstone	Oil/Natural Gas
3rd Bone Spring Carbonate	10,251	10,251		729	Carbonate	Oil/Natural Gas
3rd Bone Spring Sand	10,980	10,980		395	Sandstone	Oil/Natural Gas
Wolfcamp	11,375	11,375		-	Shale	Oil/Natural Gas
KOP	13,185	13,163		-	Shale	Oil/Natural Gas
TD	23,892	13,736		-	Shale	Oil/Natural Gas

2. Notable Zones

Wolfcamp is the goal. All perforations will be within the setback requirements as prescribed or permitted by the New Mexico Oil Conservation Division. OSE estimated ground water depth at this location is 230'

3. Pressure Control

Equipment

A 18,000' 10,000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and one annular preventer will be utilized below surface casing to TD. See attachments for BOP and choke manifold diagrams.

An accumulator complying with Onshore Order #2 requirements for the pressure rating of the BOP stack will be present. A rotating head will also be installed as needed.

Testing Procedure

BOP will be inspected and operated as required in Onshore Order #2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position.

A third party company will test the BOPs.

After setting surface casing, a minimum 10M BOPE system will be installed. Test pressures will be 250 psi low and 10,000 psi high with the annular preventer being tested to 250 psi low and 5000 psi high before drilling below surface shoe. In the event that the rig drills multiple wells on the pad and any seal subject to test pressures are broken, a full BOP test will be performed when the rig returns and the 10M BOPE system is re-installed.

Variance Request

Matador requests a variance to have the option of running a multi-bowl wellhead assembly for setting the Intermediate 1, Intermediate 2, and Production Strings. The BOPs will not be tested again unless any flanges are separated or if the time between the setting of the intermediate casing and reaching within 500' from the top of the Wolfcamp formation exceeds 30 days per the CFO Drilling COAs.

Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. If the specific hose is not available, then one of equal or higher rating will be used.

Matador requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event that this well is batch drilled, the wellbore will be secured with a blind flange of like pressure. When the rig returns to this well and BOPs are installed, the operator will perform a full BOP test.

Matador requests a variance to drill this well using a 5M annular preventer with a 10M BOP ram stack. The "Well Control Plan For 10M MASP Section of Wellbore" is attached.

4. Casing & Cement

All casing will be API and new. See attached casing assumption worksheet.

String	Hole Size (in)	Set MD (ft)	Set TVD (ft)	Casing Size (in)	Wt. (lb/ft)	Grade	Joint	Collapse	Burst	Tension
Surface	17.5	0 - 1431	0 - 1431	13.375	54.5	J-55	BUTT	1.125	1.125	1.8
Intermediate 1	12.25	0 - 4180	0 - 4180	9.625	40	J-55	BUTT	1.125	1.125	1.8
Intermediate 2 Top	8.75	0 - 3880	0 - 3880	7.625	29.7	P-110	BUTT	1.125	1.125	1.8
Intermediate 2 Bottom	8.75	3880 - 13000	3880 - 13000	7.625	29.7	P-110	VAM HTF- NR	1.125	1.125	1.8
Production Top	6.75	0 - 12900	0 - 12900	5.5	20	P-110	DWC/C-IS MS	1.125	1.125	1.8
Production Bottom	6.75	12900 - 23892	12900 - 13736	5.5	20	P-110	VAM EDGE SF	1.125	1.125	1.8

⁻ All casing strings will be tested in accordance with Onshore Order #2 - III.B.1.h

Variance Request

⁻ Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed

Matador requests a variance to run 7-5/8" BTC casing inside 9-5/8" BTC casing which will be less than the 0.422" stand off regulation. Matador has met with Christopher Walls and Mustafa Haque as well as other BLM representatives and determined that this would be acceptable as long as the 7-5/8" flush casing was run throughout the entire 300' cement tie back section between 9-5/8" and 7-5/8" casing.

Matador request a variance to wave the centralizer requirement for the 7-5/8" flush casing in the last 800' of 8-3/4" hole and the 5-1/2" SF/Flush casing in the 6-3/4" hole.

String	Туре	Sacks	Yield	Cu. Ft.	Weight	Percent Excess	Top of Cement	Class	Blend
Surface Intermediate 1	Lead	670	1.747	1174	13.5	50%	0	С	5% NaCl + LCM
	Tail	250	1.379	348	14.8	50%	1131	С	5% NaCI + LCM
	Lead	760	1.873	1421	12.9	50%	0	С	Bentonite + 1% CaCL2 + 8% NaCl + LCM
	Tail	320	1.351	427	14.8	50%	3344	С	5% NaCI + LCM
Intermediate 2	Lead	480	2.123	1016	11.5	25%	3880	TXI	Fluid Loss + Dispersant + Retarder + LCM
	Tail	100	1.413	146	13.2	25%	12000	TXI	Fluid Loss + Dispersant + Retarder + LCM
Production	Tail	880	1.193	1056	14.2	10%	12500		Fluid Loss + Dispersant + Retarder + LCM

5. Mud Program

An electronic Pason mud monitoring system complying with Onshore Order 2 will be used. All necessary mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions.

Hole Section	Hole Size (in)	Mud Type	Interval MD (ft)	Density (lb/gal)	Viscosity	Fluid Loss
Surface	17.5	Spud Mud	0 - 1431	8.4 - 8.8	28-30	NC
Intermediate 1	12.25	Brine Water	1431 - 4180	10 - 10.4	28-30	NC
Intermediate 2	8.75.	FW/Cut Brine	4180 - 13000	8.4 - 9.4	28-30	NC
Production	6.75	OBM	13000 - 23892	12 - 13	30-35	<20

6. Cores, Test, & Logs

No core or drill stem test is planned.

A 2-person mud logging program will be used from Intermediate 2 Casing shoe to TD.

No electric logs are planned at this time. GR will be collected through the MWD tools from Intermediate casing to TD. CBL with CCL will be run as far as gravity will let it fall to top of curve.

7. Down Hole Conditions

No abnormal pressure or temperature is expected. Maximum anticipated surface pressure is 6264 psi. Expected bottom hole temperature is 215° F.

In accordance with Onshore Order 6, Matador does not anticipate that there will be enough H2S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of a "H2S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have a H2S safety package on all wells, attached is a "H2S Drilling Operations Plan". Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of the equipment being used.



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

SUPO Data Report

APD ID: 10400041715

Submission Date: 05/14/2019

Highlighted data reflects the most

Operator Name: MATADOR PRODUCTION COMPANY

recent changes

Well Name: BOROS FEDERAL

Well Number: 244

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

BorosFed_Existing_Roads_Screenshot_20190508172431.JPG

Existing Road Purpose: ACCESS

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Boros244OneMileRadius_Plat_20190508172514.pdf

Well Name: BOROS FEDERAL Well Number: 244

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: This surface use plan is in support of Matador's Boros Federal Well development plan. Matador will operate 44 oil wells arranged across 4 well pads, 2 facility sites (W2 and E2) a frac pond, flow lines, power lines, access roads, a recycling facility site and treated water pits. See attached SUPO for further detail.

BO_BOROS_E2_FACILITY_SITE_S_20190508172627.pdf BO_BOROS_W2_FACILITY_SITE_S_20190508172636.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: GW WELL

Water source use type:

Production Facilities map:

SURFACE CASING

INTERMEDIATE/PRODUCTION

CASING

Source latitude:

Source longitude:

Source datum:

Water source permit type:

WATER WELL

Water source transport method:

TRUCKING

Source land ownership: OTHER

Describe land ownership:

Source transportation land ownership: FEDERAL

Water source volume (barrels): 20000

Source volume (acre-feet): 2.577862

Source volume (gal): 840000

Water source type: RECYCLED

Water source use type:

OTHER

Describe use type: Completion

Source latitude:

Source longitude:

Source datum:

Water source permit type:

OTHER

Water source transport method:

PIPELINE

Well Name: BOROS FEDERAL

Well Number: 244

Source land ownership: FEDERAL

Source transportation land ownership: FEDERAL

Water source volume (barrels): 300000

Source volume (gal): 12600000

Source volume (acre-feet): 38.66793

Water source and transportation map:

PossibleFreshwaterWells_BorosFederal_20190508172712.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: NO

Construction Materials description:

Construction Materials source location attachment:

Well Name: BOROS FEDERAL Well Number: 244

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: drill cuttings, mud, salts, other chemicals, trash, human waste

Amount of waste: 1000

barrels

Waste disposal frequency: Daily

Safe containment description: Drill cuttings, mud, salts and other chemicals will be placed in steel tanks. Trash will be

placed in portable trash cage. Human waste will be disposed of in chemical toilets.

Safe containment attachment:

Waste disposal type: OTHER

Disposal location ownership: OTHER

Disposal type description: municipal/state

Disposal location description: Steel tanks to BLM approved disposal site; trash cage to Carlsbad landfill; chemical toilets to

Carlsbad wastewater treatment plant.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location Cuttings will be stored in steel pits before being trucked to authorized disposal facility.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Well Name: BOROS FEDERAL Well Number: 244

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

Boros_Federal_Slot _4 Location Layout 20190508172831.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: No New Surface Disturbance Multiple Well Pad Name: SLOT 4

Multiple Well Pad Number: 11

Recontouring attachment:

Drainage/Erosion control construction: crowned and ditched

Drainage/Erosion control reclamation: harrowed on the contour

Well pad proposed disturbance

(acres): 0

Road proposed disturbance (acres): 0

Powerline proposed disturbance

(acres): 0

Pipeline proposed disturbance

Total proposed disturbance: 0

(acres): 0

Other proposed disturbance (acres): 0

Well pad interim reclamation (acres):

Road interim reclamation (acres):

Powerline interim reclamation (acres):

Pipeline interim reclamation (acres):

Other interim reclamation (acres):

Total interim reclamation:

Well pad long term disturbance

(acres):

Road long term disturbance (acres):

Powerline long term disturbance

(acres): 0

Pipeline long term disturbance

Other long term disturbance (acres):

Total long term disturbance:

Disturbance Comments:

Reconstruction method: Interim reclamation will consist of shrinking well pads and facility sites by roughly a third. Disturbed areas will be recontoured. Stored soil and brush will be respread and harrowed. Reseeding will be conducted per BLM requirements.

Topsoil redistribution: Stockpiled topsoil will be retained along edges of pads, to be used to cover pads, facility site and other disturbances when wells are plugged. Once last well is plugged pads and roads will be reclaimed within 6 months.

Noxious weeds will be controlled

Soil treatment: none

Existing Vegetation at the well pad:

Existing Vegetation at the well pad attachment:

Operator Name: MATADOR	PRODUCTION COMPAN	NY	
Well Name: BOROS FEDER	AL	Well Numb	er: 244
Existing Vegetation Commu	nity at the road:		
Existing Vegetation Commu	nity at the road attachm	ent:	
Existing Vegetation Commu	nity at the pipeline:		
Existing Vegetation Commu	nity at the pipeline attac	chment:	
Existing Vegetation Commu	nity at other disturbanc	es:	
Existing Vegetation Commu	nity at other disturbance	es attachment:	
Non native seed used? NO			
Non native seed description	:		
Seedling transplant descript	ion:		
Will seedlings be transplant	ed for this project? NO		,
Seedling transplant descript	tion attachment:		
Will seed be harvested for u	se in site reclamation?	NO	
Seed harvest description:			
Seed harvest description att	achment:		
$\mathcal{L}_{\mathcal{A}} = \mathcal{L}_{\mathcal{A}}$			
Sood Managaman	4		
Seed Managemen	.1		
Seed Table			
Spad S	IImman/	Total pounds/	Acre:
	ummary		
Seed Type Seed reclamation attachmen	Pounds/Acre		
Operator Contact/		al Contact Info	
	responsible Offici		
First Name:		Last Name:	
Phone:		Email:	
Seedbed prep:			
Seed BMP:		i	
Seed method:		•	

Existing invasive species? NO

Well Name: BOROS FEDERAL

Well Number: 244

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: to BLM standards

Weed treatment plan attachment:

Monitoring plan description: to BLM standards

Monitoring plan attachment:

Success standards: to BLM satisfaction

Pit closure description: no pit

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

Well Name: BOROS FEDERAL Well Number: 244

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

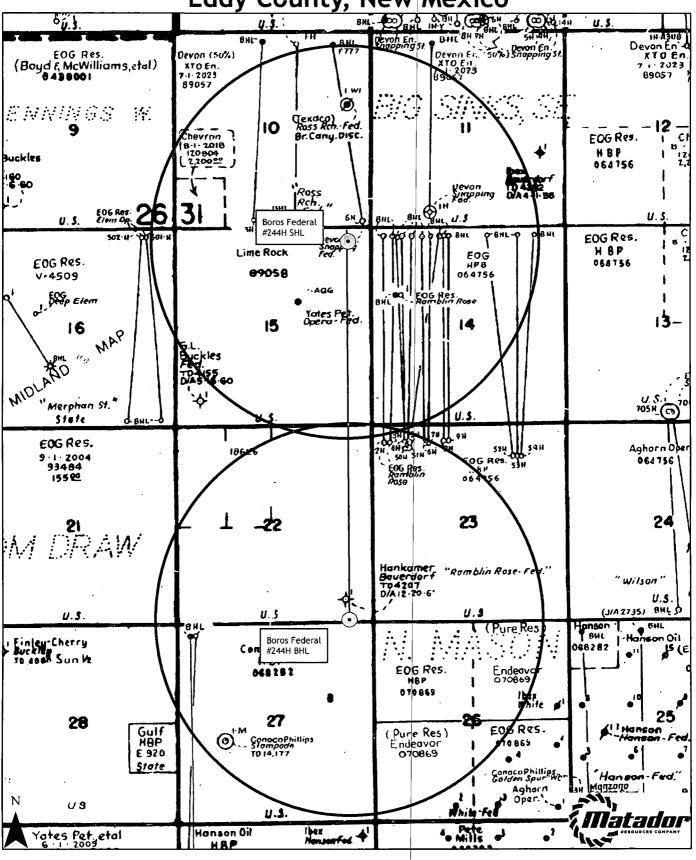
Previous Onsite information: Jesse B. conducted onsite on 1/23/19

Other SUPO Attachment

MasterSUPO_BorosFederalWellProject_Plats_20190514105159.pdf



Eddy County, New Mexico



Map Prepared by: agreen Date: March 18, 2019 filename: OneMileRadius_Plat Sources: IHS Energy; Midland Map Company; Environmental Systems Research Institute [ESRI];

