Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

Expires: January 31, 2018

Lease Serial No. Multiple--See Attached

		ND REPORTS OF		
Do not use this	form for pro	posals to drill or	to re-enter an ppc	00

If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals! If Unit or CA/Agreement, Name and/or No. Multiple—See Attached SUBMIT IN TRIPLICATE - Other instructions on page 2 DEC $1~2~2\overline{018}$ 1. Type of Well 8. Well Name and No RECEIVED MINIS 1 FED COM WCA 12H ☑ Oil Well ☐ Gas Well ☐ Other JENNIFER ELROD API Well No. Name of Operator Contact: CHISHOLM ENERGY OPERATING LLEGMail: jelrod@chisholmenergy.com 30-025-44852-00-X1 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) Ph: 817-953-3728 HAT MESA 801 CHERRY STREET SUITE 1200 UNIT 20 FORT WORTH, TX 76102 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Sec 1 T21S R32E 150FNL 1240FWL LEA COUNTY, NM 32.521942 N Lat, 103.632889 W Lon 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ■ Water Shut-Off □ Acidize □ Production (Start/Resume) Deepen Notice of Intent ☐ Alter Casing ☐ Hydraulic Fracturing ☐ Reclamation Well Integrity □ Subsequent Report □ Casing Repair ■ New Construction □ Recomplete Change to Original A ☐ Final Abandonment Notice □ Change Plans □ Plug and Abandon □ Temporarily Abandon PD □ Convert to Injection ☐ Plug Back ■ Water Disposal 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection. CHANGE LANDING POINT/ FIRST TAKE POINT LOCATION FROM: 330 FNL & 460 FWL TO: 330 FNL & 890 FWL CHANGE BOTTOM HOLE/LAST TAKE POINT LOCATION FROM: 330 FSL & 460 FWL TO: 330 FSL & 890 FWL ALSO ATTACHED IS A REQUEST TO BEGIN DRILLING OPERATIONS WITH A SPUDDER RIG DRILL AND SET CASING. PLEASE SEE ATTACHMENT. BOPE will be tested as approved in original APD. I hereby certify that the foregoing is true and correct. Electronic Submission #445462 verified by the BLM Well Information System
For CHISHOLM ENERGY OPERATING LLC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 11/28/2018 (19PP0446SE) Name (Printed/Typed) JENNIFER ELROD SENIOR REGULATORY TECH (Electronic Submission) 11/28/2018 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By CHRISTOPHER WALLS TitlePETROLEUM ENGINEER Date 12/04/2018 Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease

(Instructions on page 2)
** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office Hobbs

which would entitle the applicant to conduct operations thereon.

Additional data for EC transaction #445462 that would not fit on the form

5. Lease Serial No., continued

NMNM060777 NMNM62924

32. Additional remarks, continued

BOP Testing Procedure
Nipple up the rig's BOP. Use 3rd party testers to perform the following:

1. Test the pipe rams, blind rams, floor valves (IBOP and/or upper Kelly valve), choke lines and manifold to 250 psi/5000 psi with a test plug and test pump.

2. Test the Hydril Annular to 250 psi/2500 psi with the same as above.

Our procedure is to nipple up BOP's to the surface casing and test surface casing. BOP's will also be tested on intermediate casing after the spudder rig moves off and when the new rig moves on prior to completing drilling operations.

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-8161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (576) 748-1283 Fax: (575) 748-9720 DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV 1226 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3482

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 1,

Submit one copy to appropriate District

OIL CONSERVATION DIVISION

1226 South St. Francis Dr. Santa Fe. New Mexico 87505

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-44852	Pool Code 98282	Pool Name WC-025 G-08 S213201D; WOLFCAMP		
Property Code		perty Name Well Numi 1 FED COM WCA 12H	Well Number 12H	
ogrid no. 372137	-	rator Name Elevation 8GY OPERATING, LLC 3702'	ı·	

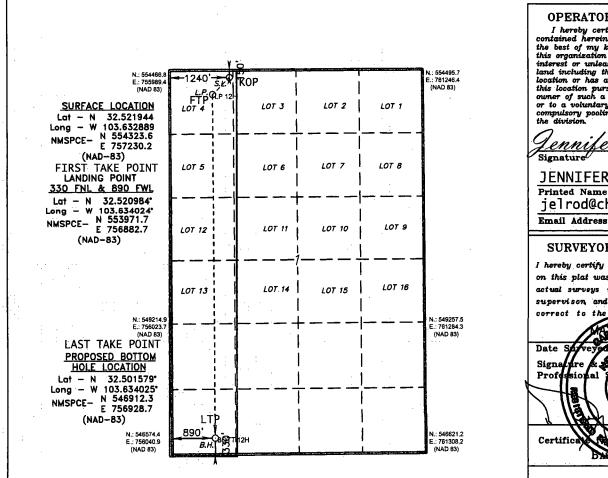
Surface Location

U	L or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
	LOT 4	1	21 S	32 E		150	NORTH	1240	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
М	1	21 S	32 E		330	SOUTH	890	WEST	LEA
Dedicated Acres Joint or Infill Consolidation Code					der No.	*			
238.85									

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jennifer Elrod 11/15/18
Signature

Pare

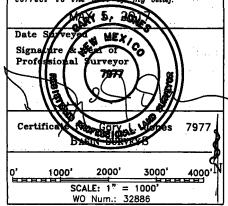
JENNIFER ELROD

jelrod@chisholmenergy.com

Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the my belief.



Chisholm Energy Holdings, LLC

APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: Chisholm Energy Operating LLC BLM LEASE: NMNM60777 / MINIS 1 FED COM WCA 12H

1. SUMMARY OF REQUEST:

Chisholm Energy respectfully request approval for the following operations for the surface and intermediate holes in the drill plan:

1. Utilize a spudder rig to pre-set surface and intermediate casing for time savings to avoid operations continuing into the Lesser Prairie-Chicken Time Stipulations.

2. DESCRIPTION OF OPERATIONS:

- 1. Spudder rig will move in to drill the surface and intermediate holes and pre-set surface and intermediate casing on the well.
 - a. After drilling the surface and intermediate hole sections, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs, and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
 - c. The spudder rig will utilize saturated brine mud to drill the intermediate hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
- 2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC time has been reached. A mandrel hanger (speed head) will be used to set the intermediate casing in the wellhead.
- 3. A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wing valves.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
- 4. Spudder rig operations are expected to take 7 10 days per well.
- 5. The BLM and other appropriate regulatory agencies will be contacted and notified 24 hours prior to commencing spudder rig operations.

- 6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nippled up and tested on the wellhead before drilling operations resume on the well.
 - a. The larger rig will move back onto the location within 60 days from the point at which the well is secured and the spudder rig is moved off location.
 - The BLM and other appropriate regulatory agencies will be contacted/notified 24 hours before the larger rig moves back on the pre-set locations.
- 7. Chisholm will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
- 8. Once the rig is removed, Chisholm will secure the wellhead area by placing a guard rail around the cellar area.

