

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 240185

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address KAISER-FRANCIS OIL CO 6733 S Yale Ave Tulsa, OK, OK 74136 | | 2. OGRID Number 12361 |
| 4. Property Code 316706 | | 3. API Number 30-025-44019 |
| 5. Property Name BELL LAKE UNIT SOUTH | | 6. Well No. 119H |

7. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot L | Section 1 | Township 24S | Range 33E | Lot Idn L | Feet From 2225 | N/S Line S | Feet From 559 | E/W Line W | County Lea |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot D | Section 36 | Township 23S | Range 33E | Lot Idn D | Feet From 330 | N/S Line N | Feet From 350 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

9. Pool Information

| | |
|------------------------------|------|
| BELL LAKE;BONE SPRING, NORTH | 5150 |
|------------------------------|------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3633 |
| 16. Multiple N | 17. Proposed Depth 17041 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 2/15/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1250 | 1060 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 1200 | 0 |
| Prod | 8.75 | 5.5 | 20 | 17041 | 2000 | 4700 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| | | | |
|------------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| Double Ram | 10000 | 5000 | Cameron |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Kristin L Gray | Approved By: Paul Kautz |
| Title: | Title: Geologist |
| Email Address: kristing@kfoc.net | Approved Date: 9/18/2017 Expiration Date: 9/18/2019 |
| Date: 9/18/2017 Phone: 918-491-4209 | Conditions of Approval Attached |

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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|----------------------------|-------------------------------|
| API Number | Pool Code | Pool Name |
| | 5150 | Bell Lake Bone Springs, North |
| Property Code | Property Name | Well Number |
| 316706 | BELL LAKE UNIT SOUTH | 119H |
| OGRID No. | Operator Name | Elevation |
| 12361 | KAISER-FRANCIS OIL COMPANY | 3633' |

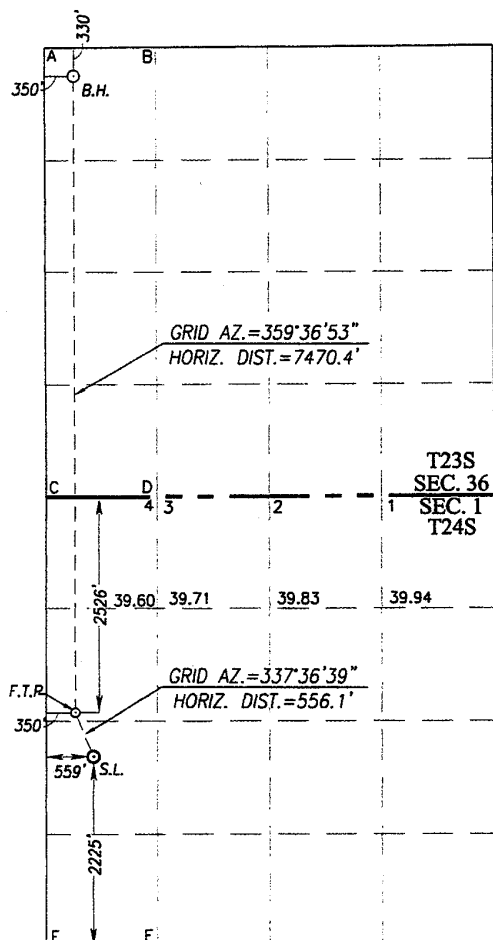
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 1 | 24-S | 33-E | | 2225 | SOUTH | 559 | 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 |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| D | 36 | 23-S | 33-E | | 330 | NORTH | 350 | WEST | LEA |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |
| 160 | | | | | | | | | |

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



SCALE: 1"=2000'

BOTTOM HOLE LOCATION
NAD 83 NME
Y= 461952.0 N
X= 788568.4 E
LAT.=32.267448° N
LONG.=103.533464° W

BOTTOM HOLE LOCATION
NAD 27 NME
Y= 461892.8 N
X= 747384.7 E
LAT.=32.267324° N
LONG.=103.532985° W

CORNER COORDINATES TABLE

NAD 27 NME
A - Y= 462219.8 N, X= 747032.5 E
B - Y= 462230.8 N, X= 748351.1 E
C - Y= 456947.4 N, X= 747071.8 E
D - Y= 456955.5 N, X= 748391.2 E
E - Y= 451683.5 N, X= 747099.7 E
F - Y= 451688.5 N, X= 748422.0 E

CORNER COORDINATES TABLE

NAD 83 NME
A - Y= 462279.1 N, X= 788216.1 E
B - Y= 462290.0 N, X= 789534.8 E
C - Y= 457006.5 N, X= 788255.6 E
D - Y= 457014.5 N, X= 789575.0 E
E - Y= 451742.4 N, X= 788283.7 E
F - Y= 451747.4 N, X= 789606.0 E

FIRST TAKE POINT

NAD 83 NME
Y= 454483.2 N
X= 788618.6 E
LAT.=32.246918° N
LONG.=103.533482° W

FIRST TAKE POINT

NAD 27 NME
Y= 454424.2 N
X= 747434.7 E
LAT.=32.246794° N
LONG.=103.533003° W

GEODETIC COORDINATES

NAD 83 NME
SURFACE LOCATION
Y= 453969.1 N
X= 788830.4 E
LAT.=32.245501° N
LONG.=103.532809° W

GEODETIC COORDINATES

NAD 27 NME
SURFACE LOCATION
Y= 453910.1 N
X= 747646.5 E
LAT.=32.245377° N
LONG.=103.532331° W

OPERATOR CERTIFICATION

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

C. Van Valkenburg
Signature Date 8/9/17

Charlotte Van Valkenburg
Printed Name

Charlotv@kfoc.net
E-mail 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 supervision, and that the same is true and correct to the best of my belief.

APRIL 11, 2017

Date of Survey
Signature & Seal of Professional Surveyor:

Ronald J. Eidson
NEW MEXICO
3239
Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239
ACK. REL. W.O.: 17.11.0770 JWSC W.O.: 17.11.0770

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Energy, Minerals and Natural Resources
Oil Conservation Division
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Form APD Comments

Permit 240185

PERMIT COMMENTS

| | | |
|---|---------------------------------------|-------------------------------------|
| Operator Name and Address: KAISER-FRANCIS OIL CO [12361] 6733 S Yale Ave Tulsa, OK, OK 74136 | | API Number: 30-025-44019 |
| | | Well: BELL LAKE UNIT SOUTH #119H |
| Created By | Comment | Comment Date |
| pkautz | out of compliance with inactive wells | 8/10/2017 |

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Form APD Conditions

Permit 240185

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

| | |
|---|-------------------------------------|
| Operator Name and Address: KAISER-FRANCIS OIL CO [12361] 6733 S Yale Ave Tulsa, OK, OK 74136 | API Number: 30-025-44019 |
| | Well: BELL LAKE UNIT SOUTH #119H |

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | Operator shall notify appropriate District office when setting conductor pipe. |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |
| pkautz | If an APD expires and if site construction has occurred, site remediation is required. |
| pkautz | Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |
| pkautz | Gas Capture Plan - Operator to Submit Gas Capture Plan form prior spud |