Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. NMLC0063993 BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. **✓** DRILL REENTER 1a. Type of work: BELL LAKE / NMNM 068292X 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone BELL LAKE UNIT SOUTH 316706 403H 9. API Well No. 30-025-48205 2. Name of Operator [12361] KAISER FRANCIS OIL COMPANY 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory [98264] BELL LAKE/WOLFCAMP, SOUTH 6733 S. Yale Ave., Tulsa, OK 74121 (918) 491-0000 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area SEC 1/T24S/R33E/NMP At surface SENW / 2385 FNL / 2200 FWL / LAT 32.247298 / LONG -103.527498 At proposed prod. zone SESW / 330 FSL / 2110 FWL / LAT 32.225749 / LONG -103.527784 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* LEA NM 22 miles 17. Spacing Unit dedicated to this well 15. Distance from proposed* 16. No of acres in lease 330 feet location to nearest 480.0 property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, 20 feet 12085 feet / 20201 feet FED: WYB000055 applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 3630 feet 10/01/2020 40 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date (Electronic Submission) MELANIE WILSON / Ph: (918) 491-0000 07/05/2020 Title Regulatory Analyst Approved by (Signature) Name (Printed/Typed) Date (Electronic Submission) 12/04/2020 Cody Layton / Ph: (575) 234-5959 Title Office Assistant Field Manager Lands & Minerals Carlsbad Field Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the

applicant to conduct operations thereon.

Conditions of approval, if any, are attached

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.

GCP Rec 12/08/2020

SL





*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Approval Date: 12/04/2020

Approval Date: 12/04/2020



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

Application Data Report 12/04/2020

APD ID: 10400058650

Well Name: BELL LAKE UNIT SOUTH

Submission Date: 07/05/2020

Highlighted data reflects the most recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Number: 403H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400058650 Tie to previous NOS? N

Submission Date: 07/05/2020

BLM Office: CARLSBAD

User: Melanie Wilson

Title: Regulatory Analyst

Federal/Indian APD: FED

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

Lease number: NMLC0063993

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? YES

Federal or Indian agreement: FEDERAL

Agreement number: NMNM068292X

Agreement name: BELL LAKE

Keep application confidential? Y

Permitting Agent? YES

APD Operator: KAISER FRANCIS OIL COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: KAISER FRANCIS OIL COMPANY

Operator Address: 6733 S. Yale Ave.

Operator PO Box: PO Box 21468

Zip: 74121

Operator City: Tulsa

State: OK

Operator Phone: (918)491-0000

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BELL LAKE UNIT SOUTH

Well Number: 403H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: BELL LAKE

Pool Name: WOLFCAMP,

SOUTH

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

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

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? N

New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: SOUTH BELL LAKE UNIT Number: 1

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill Well Type: OIL WELL **Describe Well Type:**

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town: 22 Miles

Distance to nearest well: 20 FT

Distance to lease line: 330 FT

Reservoir well spacing assigned acres Measurement: 480 Acres

Well plat:

BLUS 403H Pymt 20200701110028.pdf

BLUS_403H_C102_20200701110040.pdf

Well work start Date: 10/01/2020

Duration: 40 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 1051

Reference Datum: GROUND LEVEL

| 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 | DVT | Will this well produce from this lease? |
|------------------|----------|--------------|----------|--------------|------|-------|---------|-------------------|---------------|---------------------|--------|-------------------|-------------------|------------|--------------|---------------|-----------|-----------|--|
| SHL Leg #1 | 238 5 | FNL | 220 0 | FW L | 24S | 33E | 1 | Aliquot SENW | 32.24729 8 | - 103.5274 98 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | 363 0 | 0 | 0 | N |
| KOP Leg #1 | 209 8 | FNL | 213 2 | FW L | 24S | 33E | 1 | Aliquot SENW | 32.24796 6 | - 103.5272 43 | LEA | NEW MEXI CO | — | S | STATE | - 788 2 | 115 22 | 115 12 | N |

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

| 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? |
|--------------------|----------|--------------|----------|--------------|------|-------|---------|-------------------|---------------|---------------------|--------|-------------------|-------------------|------------|-----------------|---------------|-----------|-----------|---|
| PPP Leg #1-1 | 260 0 | FSL | 213 0 | FW L | 24S | 33E | 1 | Aliquot NESE | 32.24651 5 | - 103.5277 27 | LEA | NEW MEXI CO | | S | STATE | - 845 5 | 124 16 | 120 85 | Υ |
| PPP Leg #1-2 | 0 | FNL | 211 0 | FW L | 24S | 33E | 12 | Aliquot NENW | 32.23937 5 | - 103.5277 27 | LEA | NEW MEXI CO | ' ' - ' ' | F | NMLC0 063798 | - 845 5 | 150 16 | 120 85 | Y |
| PPP Leg #1-3 | 264 0 | FSL | 211 0 | FW L | 24S | 33E | 12 | Aliquot NESW | 32.23209 8 | - 103.5277 27 | LEA | NEW MEXI CO | | F | NMLC0 063798 | | 176 56 | 120 85 | Y |
| EXIT Leg #1 | 330 | FSL | 211 0 | FW L | 24S | 33E | 12 | Aliquot SESW | 32.22574 9 | - 103.5277 84 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMLC0 063798 | - 845 5 | 202 01 | 120 85 | Y |
| BHL Leg #1 | 330 | FSL | 211 0 | FW L | 24S | 33E | 12 | Aliquot SESW | 32.22574 9 | - 103.5277 84 | LEA | NEW MEXI CO | | F | NMLC0 063798 | - 845 5 | 202 01 | 120 85 | Y |

mjp1692@gmail.com

From: notification@pay.gov

Sent: Wednesday, July 1, 2020 10:59 AM

To: mjp1692@gmail.com

Subject: Pay.gov Payment Confirmation: BLM Oil and Gas Online Payment



An official email of the United States government



Your payment has been submitted to Pay.gov and the details are below. If you have any questions regarding this payment, please contact BLM OC CBS Customer Service at (303) 236-6795 or BLM_OC_CBS_Customer_Service@blm.gov.

Application Name: BLM Oil and Gas Online Payment

Pay.gov Tracking ID: 26PBGUUA Agency Tracking ID: 76012898779

Transaction Type: Sale

Transaction Date: 07/01/2020 12:58:55 PM EDT Account Holder Name: GEORGE B KAISER

Transaction Amount: \$10,230.00

Card Type: Visa

Card Number: *********0061

Company: Kaiser-Francis Oil Company

APD IDs: 10400058650

Lease Numbers: NMLC0063993

Well Numbers: 403H

Note: You will need your Pay.gov Tracking ID to complete your APD transaction in AFMSS II.

Please ensure you write this number down upon completion of payment.

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.



Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service

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

Drilling Plan Data Report

12/04/2020

APD ID: 10400058650

Submission Date: 07/05/2020

Highlighted data reflects the most recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 403H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

| ormation | | | True Vertical | Measured | | | Producing |
|----------|------------------|-----------|---------------|----------|-----------------|-------------------|-----------|
| ID | Formation Name | Elevation | Depth | Depth | Lithologies | Mineral Resources | |
| 776942 | | 3630 | 0 | 0 | OTHER : Surface | NONE | N |
| 776943 | RUSTLER | 2230 | 1400 | 1400 | SANDSTONE | NONE | N |
| 776944 | SALADO | 1830 | 1800 | 1800 | SALT | NONE | N |
| 776945 | TOP SALT | 1480 | 2150 | 2150 | SALT | NONE | N |
| 776946 | BASE OF SALT | -1420 | 5050 | 5050 | SALT | NONE | N |
| 776947 | LAMAR | -1670 | 5300 | 5300 | SANDSTONE | NATURAL GAS, OIL | N |
| 776948 | BELL CANYON | -1820 | 5450 | 5450 | SANDSTONE | NATURAL GAS, OIL | N |
| 776949 | CHERRY CANYON | -2670 | 6300 | 6300 | SANDSTONE | NATURAL GAS, OIL | N |
| 776950 | BRUSHY CANYON | -4100 | 7730 | 7730 | SANDSTONE | NATURAL GAS, OIL | N |
| 776951 | BONE SPRING | -5240 | 8870 | 8870 | LIMESTONE | NATURAL GAS, OIL | N |
| 776952 | AVALON SAND | -5400 | 9030 | 9030 | SANDSTONE | NATURAL GAS, OIL | N |
| 776953 | BONE SPRING 1ST | -6370 | 10000 | 10000 | SANDSTONE | NATURAL GAS, OIL | N |
| 776960 | BONE SPRING 2ND | -6960 | 10590 | 10590 | SANDSTONE | NATURAL GAS, OIL | N |
| 776967 | BONE SPRING LIME | -7420 | 11050 | 11050 | LIMESTONE | NATURAL GAS, OIL | N |
| 777031 | BONE SPRING 3RD | -7930 | 11560 | 11560 | SANDSTONE | NATURAL GAS, OIL | N |
| 777032 | WOLFCAMP | -8255 | 11885 | 11885 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

Pressure Rating (PSI): 5M Rating Depth: 13000

Equipment: A 5M system will be installed according to Onshore Order #2 consisting of an Annular Preventer, BOP with two rams, a blind ram and safety valves and appropriate handles located on the rig floor. BOP will be equipped with 2 side outlets (choke side shall be a minimum 3 line, and kill side will be a minimum 2 line). Kill line will be installed with (2) valves and a check valve (2 min) of proper pressure rating for the system. Remote kill line (2 min) will be installed and ran to the outer edge of the substructure and be unobstructed. A manual and hydraulic valve (3 min) will be installed on the choke line, 3 chokes will be used with one being remotely controlled. Fill up line will be installed above the uppermost preventer. Pressure gauge of proper pressure rating will be installed on choke manifold. Upper and lower kelly cocks will be utilized with handles readily available in plain sight. A float sub will be available at all times. All connections subject to well pressure will be flanged, welded, or clamped.

Requesting Variance? YES

Variance request: Flex Hose Variance MultiBowl Wellhead

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all of the components installed will be functional and tested.

Choke Diagram Attachment:

BLUS 403H Choke Manifold 20200701104440.pdf

BOP Diagram Attachment:

Cactus_Flex_Hose_16C_Certification_20200206080210.pdf
BLUS_403H_Wellhead_20200701104454.pdf
BLUS_403H_BOP_20200701104454.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 | 1425 | 0 | 1425 | 3630 | 2205 | 1425 | J-55 | 54.5 | BUTT | 2.4 | 4.7 | DRY | 5.4 | DRY | 8.1 |
| | INTERMED IATE | 12.2 5 | 10.75 | NEW | API | N | 0 | 5200 | 0 | 5200 | | -1570 | 5200 | L-80 | 45.5 | BUTT | 1.2 | 2.1 | DRY | 4.5 | DRY | 4.4 |
| 3 | INTERMED IATE | 9.87 5 | 7.625 | NEW | API | N | 0 | 11104 | 0 | 11100 | 3630 | -7470 | 11104 | HCP -110 | 29.7 | BUTT | 1.1 | 1.6 | DRY | 2.3 | DRY | 2.9 |
| | PRODUCTI ON | 6.75 | 5.5 | NEW | API | N | 0 | 20201 | 0 | 12085 | | -8455 | 20201 | P- 110 | | OTHER - USS Eagle SFH | 1.7 | 1.9 | DRY | 2.6 | DRY | 3 |

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

| asing Attachments |
|---|
| Casing ID: 1 String Type: SURFACE |
| Inspection Document: |
| Spec Document: |
| Tapered String Spec: |
| Casing Design Assumptions and Worksheet(s): |
| BLUS_403H_Casing_Assumptions_20200705070904.pdf |
| Casing ID: 2 String Type: INTERMEDIATE |
| Inspection Document: |
| Spec Document: |
| Tapered String Spec: |
| Casing Design Assumptions and Worksheet(s): |
| BLUS_403H_Casing_Assumptions_20200705070626.pdf |
| Casing ID: 3 String Type: INTERMEDIATE |
| Inspection Document: |
| Spec Document: |
| Tapered String Spec: |
| |
| Casing Design Assumptions and Worksheet(s): |
| BLUS_403H_Casing_Assumptions_20200705071146.pdf |

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

Casing Attachments

Casing ID: 4

String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUS_403H_Prod_Csg_Specs_20200705070838.pdf

Section 4 - Cement

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|-------------|-----------|---------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|------------|
| SURFACE | Lead | | 0 | 1425 | 258 | 1.7 | 13.5 | 451 | 50 | HalCem | Poly Flake |

| INTERMEDIATE | Lead | 0 | 5201 | 377 | 2.5 | 11.9 | 940 | 25 | EconoCem | N/A |
|--------------|------|------|-----------|------|-----|------|------|----|----------|-------|
| INTERMEDIATE | Tail | 0 | 5201 | 212 | 1.3 | 14.8 | 283 | 25 | HalCem | N/A |
| INTERMEDIATE | Lead | 0 | 1110 4 | 457 | 3.5 | 10.5 | 1610 | 25 | NeoCem | N/A |
| INTERMEDIATE | Tail | 0 | 1110 4 | 1146 | 1.2 | 15.6 | 1370 | 25 | HalCem | N/A |
| PRODUCTION | Lead | 9000 | 2020 1 | 918 | 1.2 | 14.5 | 1123 | 20 | Versacem | Halad |

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

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: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all time.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | РН | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|------------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 1110 | 1208 5 | OIL-BASED MUD | 10 | 12 | | | | | | | |
| 5200 | 1110 0 | WATER-BASED MUD | 8.8 | 9.2 | 1 | | | | | | |
| 1425 | 5200 | OTHER : Brine | 8.8 | 9.2 | | | | | | | |
| 0 | 1425 | OTHER : Fresh Water | 8.4 | 9 | | | | | | | |

Section 6 - Test, Logging, Coring

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

Top of cement on production casing will be determined by calculation.

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

DIRECTIONAL SURVEY, GAMMA RAY LOG, MUD LOG/GEOLOGIC LITHOLOGY LOG, MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

None planned

Well Name: BELL LAKE UNIT SOUTH Well Number: 403H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7541

Anticipated Surface Pressure: 4882

Anticipated Bottom Hole Temperature(F): 199

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

BLUS_Pad_1_H2S_Plan_20200630143559.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

BLUS 403H Directional Plan 20200705072354.pdf

Other proposed operations facets description:

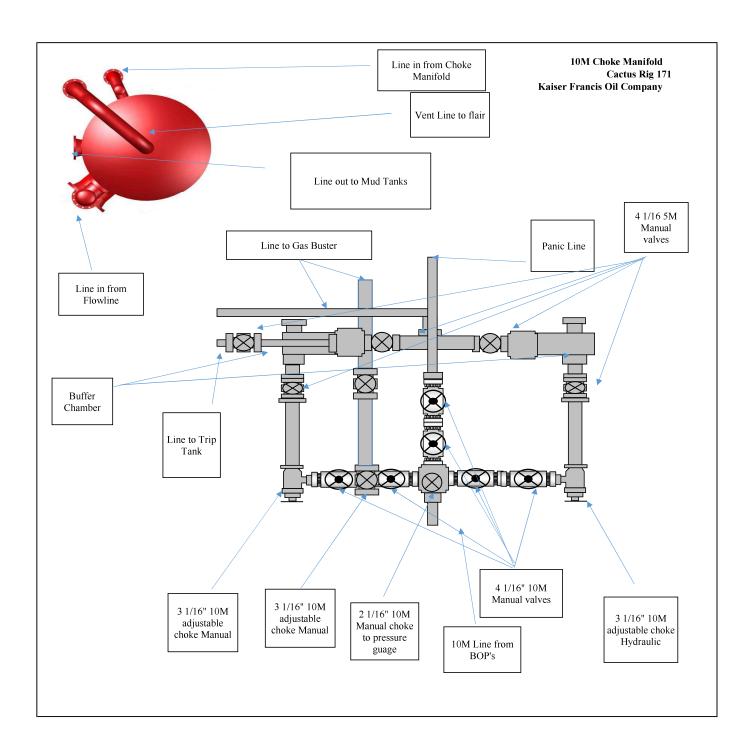
Gas Capture Plan attached

Other proposed operations facets attachment:

BLUS_403H_GCP_20200701104635.pdf

Other Variance attachment:

Cactus_Flex_Hose_16C_Certification_20200206081511.pdf
BLUS_403H_Wellhead_20200701104645.pdf
BLUS_403H_4_string_Variance_Request_20200705072454.pdf



Kaiser-Francis Oil Company Bell Lake Unit South 403H Casing Assumptions

| Interval | Length | Casing Size | Weight (#/ft) | Grade | Thread | Condition | Hole Size | TVD (ft) | Mud | Mud Weight Hole | | | Fluid | Anticipated Mud Weight | | | Burst | Body Tensile | Joint Tensile | Collapse Safety Factor | Burst Safety Factor | Body Tensile Safety Factor | Joint Tensile Safety Factor |
|--------------|--------|----------------|------------------|---------|---------------|-----------|--------------|----------|-------|-----------------------|---------|-----------|-------|---------------------------|-------|-------|-------|-----------------|------------------|------------------------------|---------------------------|-------------------------------------|--------------------------------------|
| Conductor | 120 | 20" | | | | New | | 120 | Type | Control | Depth | Viscosity | Loss | (ppg) | (psi) | (psi) | (psi) | Strength | Strength | (Min 1.1) | (Min 1.0) | (Min 1.8) | (Min 1.8) |
| Surface | 1425 | 13-3/8" | 54.5 | J-55 | втс | New | 17.5 | 1425 | FW | 8.4 - 9.0 | 910.0 | 32 - 34 | NC | 9 | 667 | 1580 | 3130 | 629000 | 420000 | 2.4 | 4.7 | 8.1 | 5.4 |
| Intermediate | 5201 | 10 3/4" | 45.5 | L-80 HC | втс | New | 12.25 | 5200 | Brine | 8.7 - 9.0 | 5140.0 | 34.0 | NC | 9 | 2434 | 2940 | 5210 | 1040000 | 1063000 | 1.2 | 2.1 | 4.4 | 4.5 |
| Intermediate | 11104 | 7-5/8" | 29.7 | HCP110 | втс | New | 9.875 | 11100 | WBM | 8.8-9.2 | 11700.0 | 34.0 | NC | 9.2 | 6091 | 6700 | 9460 | 940000 | 769000 | 1.1 | 1.6 | 2.9 | 2.3 |
| Production | 20201 | 5-1/2" | 20 | P110 HP | USS Eagle SFH | New | 6.75 | 12085 | ОВМ | 10.0-12.0 | 19882' | 45-52 | <10 | 12 | 7541 | 13150 | 14360 | 729000 | 629000 | 1.7 | 1.9 | 3.0 | 2.6 |

Kaiser-Francis Oil Company Bell Lake Unit South 403H Casing Assumptions

| Interval | Length | Casing Size | Weight (#/ft) | Grade | Thread | Condition | Hole Size | TVD (ft) | Mud | Mud Weight Hole | | | Fluid | Anticipated Mud Weight | | | Burst | Body Tensile | Joint Tensile | Collapse Safety Factor | Burst Safety Factor | Body Tensile Safety Factor | Joint Tensile Safety Factor |
|--------------|--------|----------------|------------------|---------|---------------|-----------|--------------|----------|-------|-----------------------|---------|-----------|-------|---------------------------|-------|-------|-------|-----------------|------------------|------------------------------|---------------------------|-------------------------------------|--------------------------------------|
| Conductor | 120 | 20" | | | | New | | 120 | Туре | Control | Depth | Viscosity | Loss | (ppg) | (psi) | (psi) | (psi) | Strength | Strength | (Min 1.1) | (Min 1.0) | (Min 1.8) | (Min 1.8) |
| Surface | 1425 | 13-3/8" | 54.5 | J-55 | втс | New | 17.5 | 1425 | FW | 8.4 - 9.0 | 910.0 | 32 - 34 | NC | 9 | 667 | 1580 | 3130 | 629000 | 420000 | 2.4 | 4.7 | 8.1 | 5.4 |
| Intermediate | 5201 | 10 3/4" | 45.5 | L-80 HC | втс | New | 12.25 | 5200 | Brine | 8.7 - 9.0 | 5140.0 | 34.0 | NC | 9 | 2434 | 2940 | 5210 | 1040000 | 1063000 | 1.2 | 2.1 | 4.4 | 4.5 |
| Intermediate | 11104 | 7-5/8" | 29.7 | HCP110 | втс | New | 9.875 | 11100 | WBM | 8.8-9.2 | 11700.0 | 34.0 | NC | 9.2 | 6091 | 6700 | 9460 | 940000 | 769000 | 1.1 | 1.6 | 29 | 2.3 |
| Production | 20201 | 5-1/2" | 20 | | USS Eagle SFH | New | 6.75 | 12085 | | 10.0-12.0 | | 45-52 | <10 | 12 | 7541 | 13150 | 14360 | 729000 | 629000 | 1.7 | 1.9 | 3.0 | 2.6 |

KAISER-FRANCIS OIL COMPANY HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN FOR DRILLING/COMPLETION WORKOVER/FACILITY

BELL LAKE UNIT SOUTH #203H SECTION 1 -T24S-R33E LEA COUNTY, NM

This well/facility is not expected to have H_2S , but due to the sensitive location, the following is submitted as requested.

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EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections below for further responsibilities:

- 1. Notify the senior ranking contract representative on site.
- 2. Notify Kaiser-Francis representative in charge.
- 3. Notify civil authorities if the Kaiser-Francis Representative cannot be contacted and the situation dictates.
- 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

In the event of an H₂S emergency, the following plan will be initiated.

- 1) All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area".
- 2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).
- 3) Always use the "buddy system".
- 4) Isolate the well/problem if possible.
- 5) Account for all personnel
- 6) Display the proper colors, warning all unsuspecting personnel of the danger at hand
- 7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary, the notification of emergency response agencies and residents.

INDIVIDUAL RESPONSIBILITIES DURING AN H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H₂S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

- 1. Check that all personnel are accounted for and their condition.
- 2. Administer or arrange for first aid treatment, and/or call EMTs as needed.
- 3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
- 4. Notify Contract management and Kaiser-Francis Representative.
- 5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible for Shut-in and Rescue:

- 1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
- 2. Utilize the buddy system to secure well and perform rescue(s).
- 3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Kaiser-Francis Oil Company Representative:

- 1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
- 2. Notify company management or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

The decision to ignite a well should be a last resort and one if not both of the following pertain.

- 1) Human life and/or property are in danger.
- 2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTIONS FOR IGNITION:

- 1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a "D"-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.
- 2) One of the people will be a qualified safety person who will test the atmosphere for H₂S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.
- 3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500' range to ignite the gas.
- 4) Prior to ignition, make a final check for combustible gases.
- 5) Following ignition, continue with the emergency actions & procedures as before.

CONTACTING AUTHORITIES

Kaiser-Francis personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

EMERGENCY CALL LIST: (Start and continue until ONE of these people have been reached)

| Kaiser-Francis Oil Co. | <u>OFFCE</u> 918/494-0000 | <u>MOBILE</u> |
|------------------------|------------------------------|---------------|
| Bill Wilkinson | 580/668-2335 | 580/221-4637 |
| David Zerger | 918/491-4350 | 918/557-6708 |
| Charles Lock | 918/491-4337 | 918/671-6510 |
| Stuart Blake | 918/491-4347 | 918/510-4126 |
| Robert Sanford | 918/491-4201 | 918/770-2682 |
| Matt Warner | 918/491-4379 | 720/556-2313 |

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

| State Police – Artesia | 575/748-9718 |
|---|------------------------------|
| State Police – Hobbs | 575/392-5580 |
| State Police – Carlsbad | 575/885-3138 |
| Lea County Sheriff - Lovington | 575/396-3611 |
| Local Emergency Planning Center – Lea County | 575/396-8607 |
| Local Emergency Planning Center – Eddy County | 575/885-3581 |
| Fire Fighting, Rescue & Ambulance – Carlsbad | 911 or 575/885-3125 |
| Fire Fighting, Rescue & Ambulance – Hobbs | 911 or 575/397-9308 |
| Fire Fighting – Jal Volunteer Fire Department | 911 or 505/395-2221 |
| New Mexico Oil & Gas Commission – Artesia | 575/748-1283 |
| New Mexico Oil & Gas Commission – Hobbs | 575/393-6161 |
| Air Medical Transport Services – Hobbs | 800/550-1025 |
| Med Flight Air Ambulance – Albuquerque | 505/842-4433 |
| Angel MedFlight | 844/553-9033 |
| DXP | 432/580-3770 |
| BJ Services | 575/392-5556 |
| Halliburton | 575/392-6531 800/844-8451 |

PROTECTION OF THE GENERAL PUBLIC/ROE:

In the event of a release with a concentration greater than 100 ppm H₂S, the ROE (Radius of Exposure) calculations will be done to determine if the following conditions have been met:

- Does the 100 ppm ROE include any public area (any place not associated with this site)
- Does the 500 ppm ROE include any public road (any road which the general public may travel)
- Is the 100 ppm ROE equal to or greater than 3000 feet

If any one of these conditions have been met then the Contingency Plan will be implemented. The following shows how to calculate the radius of exposure and an example.

Calculation for the 100 ppm ROE:

(H2S concentrations in decimal form)

10,000 ppm +=1.+

1,000 ppm += 1+

100 ppm +=.01+

10 ppm +=.001+

Calculation for the 500 ppm ROE:

X = [(1.589)(concentration)(Q)] (0.6258)

X+[(0.4546)(concentration)(Q)] (.06258)

EXAMPLE: If a well/facility has been determined to have 150 ppm H₂S in the gas mixture and the well/facility is producing at a gas rate of 200 MCFPD then:

ROE for 100 PPM X=[(1.589)(.0150)(200)] (0.6258)

X=2.65'

ROE for 500 PPM X=[(.4546)(.0150)(200)] (0.6258)

X=1.2'

(These calculations will be forwarded to the appropriate District NMOCD office when applicable.)

PUBLIC EVACUATION PLAN:

(When the supervisor has determined that the General Public will be involved, the following plan will be implemented)

- 1) Notification of the emergency response agencies of the hazardous condition and Implement evacuation procedures.
- 2) A trained person in H₂S safety, shall monitor with detection equipment the H₂S Concentration, wind and area of exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. (All monitoring equipment will be UL approved, for use in class I groups A,B,C & D, Division I, hazardous locations. All monitors will have a minimum capability of measuring H₂S, oxygen, and flammable values.)
- 3) Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.
- 4) The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

CHARACTERISTICS OF H₂S AND SO₂

| Common | Chemical | Specific | Threshold | Hazardous | Lethal |
|----------------|------------------|----------|-----------|-----------|---------------|
| Name | Formula | Gravity | Limit | Limit | Concentration |
| Hydrogen | | 1.189 | | | |
| Sulfide | H ₂ S | Air = 1 | 10 ppm | 100 ppm | 600 ppm |
| | | 2.21 | | | |
| Sulfur Dioxide | SO ₂ | Air = 1 | 2 ppm | N/A | 1000 ppm |

TRAINING:

All responders must have training in the detection of H_2S measures for protection against the gas, equipment used for protection and emergency response. Weekly drills by all crews will be conducted and recorded in the IADC daily log. Additionally, responders must be equipped with H_2S monitors at all times.

PUBLIC RELATIONS

Kaiser-Francis recognizes that the news media have a legitimate interest in incidents at Kaiser-Francis facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Kaiser-Francis employees are instructed <u>NOT</u> to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

Received by OCD: 12/21/2020 5:50:20 PM Project: Permian NM E'83 Kaiser-Francis Oil Company County: Lea **Directional Drilling** Site: BLUS Pad 1 Well: Bell Lake Unit South 403H Wellbore: #403H OH Design: Plan #1 West(-)/East(+) (2000 usft/in) 750-Azimuths to Grid North 1000 2000 т ^G м True North: -0.439 13 3/8 Magnetic North: 6.18 Rustler 1500.00 1000 1500-Start Build 1.00 Magnetic Field 1670.52 Start 9829.27 hold at 1670.55 MD Strength: 47584.1snT Start DLS 10.00 TFO -167.05 7 5/8' Dip Angle: 59.95° Salado Date: 10/01/2020 . 10 3/4" Start 9829.27 hold at 1670.55 MD Top of Salt Model: IGRF2020 2250 Start Build 1.00 BLUS 403H SL US State Plane 1983 Start 7785.03 hold at 12416.44 MD BLUS 403H FTP New Mexico Eastern Zone 32° 14' 50.274 N CASING DETAILS 103° 31' 38.994 W -1000 3000 TVD MD Name 1350.00 1350.00 13 3/8' 5200.00 5201.59 10 3/4" 11100.00 11104.20 -2000 -2000 South(-)/North(+) 3750-EST. FORMATION DETAILS **TVDPath** MDPath Formation 4500 1400.00 1400.00 Rustler 1800.00 1800.08 Salado 2150.00 2150.24 Top of Salt (2000 -4000 O Base of Salt 5050.00 5051.52 Base of Salt 10 3/4" 5300.00 5301.63 Lamar Lamar 5250 5450.00 5451.70 Bell Canyon Bell Canyon usft/in) 6300.00 6302.08 Cherry Canyon 7732 71 Brushy Canyon 7730.00 8870.00 8873.22 Bone Spring -5000 9030.00 9033.29 Avalon 6000 10000.00 10003.72 1 BSS Cherry Canyon 10590.00 10593.98 2 BSS 11050.00 11054.18 3 BSL 11560.00 11564.44 3 BSS -6000 6750 11885.00 11922.55 Wolfcamp 11400-11495.44 -288 Start DLS 10.00 TFO -167.05 Frue Vertical Depth (1500 usft/in) -7000 -3 BSS 7500-11600 Brushy Canyon True Vertical Depth (400 usft/in) 10° 20° TD at 20201.47 BLUS 403H PBHL 8000 8250 11800 Wolfcamp νo°. 100'FSL SECTION OFFSET Bone Spring Avalon ô 9000-12000 285 12085.00 Start 7785.03 hold at 12416.44 MD BLUS 403H FTP 9750 12200 1 BSS -400 800 -200 200 400 Vertical Section at 179.70° (400 usft/in) 10500 2 BSS 7 5/8" \ 3 BSL 11250 -288 11495.44 Start DLS 10.00 TFO -167.05 Wolfcamp Start 7785.03 hold at 12416.44 MD 12000-TD at 20201.47 285 403H PBHL 12085.00 -750 750 1500 2250 3000 3750 4500 5250 6000 6750 7500 9000 9750 8250 DESIGN TARGET DETAILS Vertical Section at 179.70° (1500 usft/in) +E/-W TVD +N/-S Northina Easting Latitude Name Lonaitude BLUS 403H SL 0.00 454635.40 790467.50 32° 14' 50.274 N 03° 31' 38.994 W 0.00 0.00 BLUS 403H FTP 12085.00 -285.51 -68.50 454349.90 790399.00 32° 14' 47.454 N 03° 31' 39.817 W BLUS 403H PBHL 12085.00 -8070.43 -27.38 446565.13 790440.12 32° 13' 30.421 N 03° 31' 40.018 W SECTION DETAILS Sec MD Inc Azi +N/-S +E/-W Dleg **TFace** VSect Target S1-T24S-R33E SL 0.00 0.00 0.00 0.00 0.00 0.00 0.00 2385'FNL 2200'FWL 2 1500.00 0.00 0.00 1500.00 0.00 0.00 0.00 0.00 0.00 S1-T24S-R33E FTP 3 1670.55 1.71 346.76 1670.52 2.47 -0.58 1.00 346.76 -2.47 2600'FSL 2130'FWL 1 71 411499.82 346.76 11495.44 287.22 -67.600.00 0.00 -287.57 S12-T24S-R33E PBHL 512416.44 90.00 179.70 12085.00 -285.51-68.5010.00 -167.05 285.14 BLUS 403H PBHL 100'FSI 2110'FWI -27.38 0.00 8070 17 620201 47 90.00 179 70 12085 00 -8070 43 0.00

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83 BLUS Pad 1 Site:

Well: Bell Lake Unit South 403H

#403H OH Wellbore: Design: Plan #1

Local Co-ordinate Reference:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning) **TVD Reference:** est.GL+KB @ 3655.00usft (Planning) MD Reference:

North Reference:

Minimum Curvature **Survey Calculation Method:**

EDM 5k-14 Database:

Permian NM E'83 **Project**

US State Plane 1983 Map System: North American Datum 1983 Geo Datum:

Map Zone: New Mexico Eastern Zone System Datum: Mean Sea Level

Using geodetic scale factor

Site BLUS Pad 1, Centered on #204

Northing: 454,613.80 usft Site Position: Latitude: 32° 14' 50.065 N 790,411.60 usft 103° 31' 39.647 W From: Мар Easting: Longitude: 0.00 usft 13-3/16 " **Position Uncertainty:** Slot Radius: **Grid Convergence:** 0.43°

Well Bell Lake Unit South 403H **Well Position** +N/-S 0.00 usft Northing: 454,635.40 usft Latitude: 32° 14' 50.274 N +E/-W 0.00 usft Easting: 790,467.50 usft Longitude: 103° 31' 38.994 W 0.00 usft Wellhead Elevation: usft Ground Level: 3,630.00 usft **Position Uncertainty**

#403H OH Wellbore Magnetics **Model Name** Sample Date Declination Dip Angle Field Strength (°) (°) (nT) IGRF2020 10/01/20 6.61 59.95 47,584.05315360

Plan #1 Design **Audit Notes: PROTOTYPE** Version: Phase: Tie On Depth: 0.00 **Vertical Section:** Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 0.00 0.00 0.00 179.70

| Planned Survey | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,100.00 | 0.00 | 0.00 | 1,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,300.00 | 0.00 | 0.00 | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,350.00 | 0.00 | 0.00 | 1,350.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 3/8" | | | | | | | | | |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83
Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH
Design: Plan #1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

e: Grid

Survey Calculation Method:

Database:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning) est.GL+KB @ 3655.00usft (Planning)

Minimum Curvature

EDM 5k-14

| nned Survey | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| | | | | | | | | | |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rustler | | | | | | | | | |
| 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,600.00 | 1.00 | 346.76 | 1,599.99 | 0.85 | -0.20 | -0.85 | 1.00 | 1.00 | 0.00 |
| 1,670.55 | 1.71 | 346.76 | 1,670.52 | 2.47 | -0.58 | -2.47 | 1.00 | 1.00 | 0.00 |
| 1,700.00 | 1.71 | 346.76 | 1,699.96 | 3.32 | -0.78 | -3.33 | 0.00 | 0.00 | 0.00 |
| 1,800.00 | 1.71 | 346.76 | 1,799.92 | 6.22 | -1.46 | -6.23 | 0.00 | 0.00 | 0.00 |
| 1,800.08 | 1.71 | 346.76 | 1,800.00 | 6.22 | -1.46 | -6.23 | 0.00 | 0.00 | 0.00 |
| Salado | | | | | | | | | |
| 1,900.00 | 1.71 | 346.76 | 1,899.87 | 9.12 | -2.15 | -9.13 | 0.00 | 0.00 | 0.00 |
| 2,000.00 | 1.71 | 346.76 | 1,999.83 | 12.01 | -2.83 | -12.03 | 0.00 | 0.00 | 0.00 |
| 2,100.00 | 1.71 | 346.76 | 2,099.78 | 14.91 | -3.51 | -14.93 | 0.00 | 0.00 | 0.00 |
| 2,150.24 | 1.71 | 346.76 | 2,150.00 | 16.37 | -3.85 | -16.39 | 0.00 | 0.00 | 0.00 |
| | 1.7.1 | 340.70 | 2,130.00 | 10.37 | -3.63 | -10.59 | 0.00 | 0.00 | 0.00 |
| Top of Salt 2,200.00 | 1.71 | 346.76 | 2,199.74 | 17.81 | -4.19 | -17.83 | 0.00 | 0.00 | 0.00 |
| 2,300.00 | 1.71 | 346.76 | 2,199.74 | 20.71 | -4.19 -4.87 | -17.03 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 2,400.00 | 1.71 | 346.76 | 2,399.65 | 23.60 | -5.55 | -23.63 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 1.71 | 346.76 | 2,499.61 | 26.50 | -6.24 | -26.53 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 1.71 | 346.76 | 2,599.56 | 29.40 | -6.92 | -29.43 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 1.71 | 346.76 | 2,699.52 | 32.29 | -7.60 | -32.33 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 1.71 | 346.76 | 2,799.47 | 35.19 | -8.28 | -35.23 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 1.71 | 346.76 | 2,899.43 | 38.09 | -8.96 | -38.13 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 1.71 | 346.76 | 2,999.39 | 40.98 | -9.65 | -41.03 | 0.00 | 0.00 | 0.00 |
| 3,100.00 | 1.71 | 346.76 | 3,099.34 | 43.88 | -10.33 | -43.94 | 0.00 | 0.00 | 0.00 |
| 3,200.00 | 1.71 | 346.76 | 3,199.30 | 46.78 | -11.01 | -46.84 | 0.00 | 0.00 | 0.00 |
| 3,300.00 | 1.71 | 346.76 | 3,299.25 | 49.68 | -11.69 | -49.74 | 0.00 | 0.00 | 0.00 |
| 3,400.00 | 1.71 | 346.76 | 3,399.21 | 52.57 | -12.37 | -52.64 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 1.71 | 346.76 | 3,499.16 | 55.47 | -13.05 | -55.54 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 1.71 | 346.76 | 3,599.12 | 58.37 | -13.74 | -58.44 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 1.71 | 346.76 | 3,699.08 | 61.26 | -14.42 | -61.34 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 1.71 | 346.76 | 3,799.03 | 64.16 | -15.10 | -64.24 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 1.71 | 346.76 | 3,898.99 | 67.06 | -15.78 | -67.14 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 1.71 | 346.76 | 3,998.94 | 69.95 | -16.46 | -70.04 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 1.71 | 346.76 | 4,098.90 | 72.85 | -17.15 | -72.94 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 1.71 | 346.76 | 4,198.85 | 75.75 | -17.83 | -75.84 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 1.71 | 346.76 | 4,298.81 | 78.65 | -18.51 | -78.74 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 1.71 | 346.76 | 4,398.77 | 81.54 | -19.19 | -81.64 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 1.71 | 346.76 | 4,498.72 | 84.44 | -19.87 | -84.54 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 1.71 | 346.76 | 4,598.68 | 87.34 | -20.55 | -87.44 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 1.71 | 346.76 | 4,698.63 | 90.23 | -21.24 | -90.34 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 1.71 | 346.76 | 4,798.59 | 93.13 | -21.92 | -93.24 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 1.71 | 346.76 | 4,898.54 | 96.03 | -22.60 | -96.14 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 1.71 | 346.76 | 4,998.50 | 98.92 | -23.28 | -99.05 | 0.00 | 0.00 | 0.00 |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83
Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH
Design: Plan #1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

est.GL+KB @ 3655.00usft (Planning) est.GL+KB @ 3655.00usft (Planning)

Well Bell Lake Unit South 403H

Grid

Survey Calculation Method: Minimum Curvature

Database: EDM 5k-14

| ed Survey | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 5,051.52 | 1.71 | 346.76 | 5,050.00 | 100.42 | -23.63 | -100.54 | 0.00 | 0.00 | 0.00 |
| Base of Sal | lt | | | | | | | | |
| 5,100.00 | 1.71 | 346.76 | 5,098.46 | 101.82 | -23.96 | -101.95 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 1.71 | 346.76 | 5,198.41 | 104.72 | -24.64 | -104.85 | 0.00 | 0.00 | 0.00 |
| 5,201.59 | 1.71 | 346.76 | 5,200.00 | 104.76 | -24.66 | -104.89 | 0.00 | 0.00 | 0.00 |
| 10 3/4" | | | | | | | | | |
| 5,300.00 | 1.71 | 346.76 | 5,298.37 | 107.62 | -25.33 | -107.75 | 0.00 | 0.00 | 0.00 |
| 5,301.63 | 1.71 | 346.76 | 5,300.00 | 107.66 | -25.34 | -107.79 | 0.00 | 0.00 | 0.00 |
| Lamar | | | | | | | | | |
| 5,400.00 | 1.71 | 346.76 | 5,398.32 | 110.51 | -26.01 | -110.65 | 0.00 | 0.00 | 0.00 |
| 5,451.70 | 1.71 | 346.76 | 5,450.00 | 112.01 | -26.36 | -112.15 | 0.00 | 0.00 | 0.00 |
| Bell Canyo | | | · | | | | | | |
| 5,500.00 | | 346.76 | 5,498.28 | 113.41 | -26.69 | -113.55 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 1.71 | 346.76 | 5,598.23 | 116.31 | -27.37 | -116.45 | 0.00 | 0.00 | 0.00 |
| -,555.50 | 1 | 3.33 | _, | | | | 2.23 | 2.23 | 5.55 |
| 5,700.00 | 1.71 | 346.76 | 5,698.19 | 119.20 | -28.05 | -119.35 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 1.71 | 346.76 | 5,798.15 | 122.10 | -28.74 | -122.25 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 1.71 | 346.76 | 5,898.10 | 125.00 | -29.42 | -125.15 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 1.71 | 346.76 | 5,998.06 | 127.89 | -30.10 | -128.05 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 1.71 | 346.76 | 6,098.01 | 130.79 | -30.78 | -130.95 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 1.71 | 346.76 | 6,197.97 | 133.69 | -31.46 | -133.85 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 1.71 | 346.76 | 6,297.92 | 136.59 | -32.14 | -136.75 | 0.00 | 0.00 | 0.00 |
| 6,302.08 | 1.71 | 346.76 | 6,300.00 | 136.65 | -32.16 | -136.81 | 0.00 | 0.00 | 0.00 |
| Cherry Can | iyon | | | | | | | | |
| 6,400.00 | 1.71 | 346.76 | 6,397.88 | 139.48 | -32.83 | -139.65 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 1.71 | 346.76 | 6,497.84 | 142.38 | -33.51 | -142.55 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 1.71 | 346.76 | 6,597.79 | 145.28 | -34.19 | -145.45 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 1.71 | 346.76 | 6,697.75 | 148.17 | -34.87 | -148.35 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 1.71 | 346.76 | 6,797.70 | 151.07 | -35.55 | -151.25 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 1.71 | 346.76 | 6,897.66 | 153.97 | -36.23 | -154.16 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 1.71 | 346.76 | 6,997.61 | 156.86 | -36.92 | -157.06 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 1.71 | 346.76 | 7,097.57 | 159.76 | -37.60 | -159.96 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 1.71 | 346.76 | 7,197.53 | 162.66 | -38.28 | -162.86 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 1.71 | 346.76 | 7,297.48 | 165.56 | -38.96 | -165.76 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | | 346.76 | 7,397.44 | 168.45 | -39.64 | -168.66 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 1.71 | 346.76 | 7,497.39 | 171.35 | -40.33 | -171.56 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 1.71 | 346.76 | 7,597.35 | 174.25 | -41.01 | -174.46 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | | 346.76 | 7,697.30 | 177.14 | -41.69 | -177.36 | 0.00 | 0.00 | 0.00 |
| 7,732.71 | 1.71 | 346.76 | 7,730.00 | 178.09 | -41.91 | -178.31 | 0.00 | 0.00 | 0.00 |
| Brushy Car | | | , 22.23 | | | | | | |
| 7,800.00 | | 346.76 | 7,797.26 | 180.04 | -42.37 | -180.26 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | | 346.76 | 7,897.22 | 182.94 | -43.05 | -183.16 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | | 346.76 | 7,997.17 | 185.83 | -43.73 | -186.06 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 1.71 | 346.76 | 8,097.13 | 188.73 | -44.42 | -188.96 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | | 346.76 | 8,197.08 | 191.63 | -45.10 | -191.86 | 0.00 | 0.00 | 0.00 |
| 8,300.00 | 1.71 | 346.76 | 8,297.04 | 194.53 | -45.78 | -194.76 | 0.00 | 0.00 | 0.00 |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83
Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH
Design: Plan #1

Local Co-ordinate Reference:

Survey Calculation Method:

TVD Reference:
MD Reference:

North Reference: Gri

Database:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning)

est.GL+KB @ 3655.00usft (Planning)

Minimum Curvature

EDM 5k-14

| lanne | d Survey | | | | | | | | | |
|-------|-----------------------------|--------------------|------------------|-----------------------------|------------------|------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| | Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| | 8,400.00 | 1.71 | 346.76 | 8,396.99 | 197.42 | -46.46 | -197.66 | 0.00 | 0.00 | 0.00 |
| | 8,500.00 | 1.71 | 346.76 | 8,496.95 | 200.32 | -47.14 | -200.56 | 0.00 | 0.00 | 0.00 |
| | 8,600.00 | 1.71 | 346.76 | 8,596.91 | 203.22 | -47.83 | -203.46 | 0.00 | 0.00 | 0.00 |
| | 8,700.00 | 1.71 | 346.76 | 8,696.86 | 206.11 | -48.51 | -206.36 | 0.00 | 0.00 | 0.00 |
| | 8,800.00 | 1.71 | 346.76 | 8,796.82 | 209.01 | -49.19 | -209.27 | 0.00 | 0.00 | 0.00 |
| | 8,873.22 | 1.71 | 346.76 | 8,870.00 | 211.13 | -49.69 | -211.39 | 0.00 | 0.00 | 0.00 |
| | Bone Spring | | | | | | | | | |
| | 8,900.00 | 1.71 | 346.76 | 8,896.77 | 211.91 | -49.87 | -212.17 | 0.00 | 0.00 | 0.00 |
| | 9,000.00 | 1.71 | 346.76 | 8,996.73 | 214.80 | -50.55 | -215.07 | 0.00 | 0.00 | 0.00 |
| | 9,033.29 | 1.71 | 346.76 | 9,030.00 | 215.77 | -50.78 | -216.03 | 0.00 | 0.00 | 0.00 |
| | Avalon | | | 2,222.00 | | | | | | |
| | 9,100.00 | 1.71 | 346.76 | 9,096.68 | 217.70 | -51.23 | -217.97 | 0.00 | 0.00 | 0.00 |
| | 9,200.00 | 1.71 | 346.76 | 9,196.64 | 220.60 | -51.92 | -220.87 | 0.00 | 0.00 | 0.00 |
| | 0,200.00 | | | 2,122121 | | • | | | | |
| | 9,300.00 | 1.71 | 346.76 | 9,296.60 | 223.50 | -52.60 | -223.77 | 0.00 | 0.00 | 0.00 |
| | 9,400.00 | 1.71 | 346.76 | 9,396.55 | 226.39 | -53.28 | -226.67 | 0.00 | 0.00 | 0.00 |
| | 9,500.00 | 1.71 | 346.76 | 9,496.51 | 229.29 | -53.96 | -229.57 | 0.00 | 0.00 | 0.00 |
| | 9,600.00 | 1.71 | 346.76 | 9,596.46 | 232.19 | -54.64 | -232.47 | 0.00 | 0.00 | 0.00 |
| | 9,700.00 | 1.71 | 346.76 | 9,696.42 | 235.08 | -55.32 | -235.37 | 0.00 | 0.00 | 0.00 |
| | 9,800.00 | 1.71 | 346.76 | 9,796.37 | 237.98 | -56.01 | -238.27 | 0.00 | 0.00 | 0.00 |
| | 9,900.00 | 1.71 | 346.76 | 9,896.33 | 240.88 | -56.69 | -241.17 | 0.00 | 0.00 | 0.00 |
| | 10,000.00 | 1.71 | 346.76 | 9,996.29 | 243.77 | -57.37 | -244.07 | 0.00 | 0.00 | 0.00 |
| | 10,003.72 | 1.71 | 346.76 | 10,000.00 | 243.88 | -57.40 | -244.18 | 0.00 | 0.00 | 0.00 |
| | 1 BSS | | | | | | | | | |
| | 10,100.00 | 1.71 | 346.76 | 10,096.24 | 246.67 | -58.05 | -246.97 | 0.00 | 0.00 | 0.00 |
| | 10,200.00 | 1.71 | 346.76 | 10,196.20 | 249.57 | -58.73 | -249.87 | 0.00 | 0.00 | 0.00 |
| | 10,300.00 | 1.71 | 346.76 | 10,296.15 | 252.47 | -59.42 | -252.77 | 0.00 | 0.00 | 0.00 |
| | 10,400.00 | 1.71 | 346.76 | 10,396.11 | 255.36 | -60.10 | -255.67 | 0.00 | 0.00 | 0.00 |
| | 10,500.00 | 1.71 | 346.76 | 10,496.06 | 258.26 | -60.78 | -258.57 | 0.00 | 0.00 | 0.00 |
| | 10,593.98 | 1.71 | 346.76 | 10,590.00 | 260.98 | -61.42 | -261.30 | 0.00 | 0.00 | 0.00 |
| | 2 BSS | | | | | | | | | |
| | 10,600.00 | 1.71 | 346.76 | 10.596.02 | 261.16 | -61.46 | -261.47 | 0.00 | 0.00 | 0.00 |
| | 10,800.00 | 1.71 | 346.76 346.76 | 10,596.02 | 261.16 264.05 | -61.46 -62.14 | -261.47 -264.37 | 0.00 | 0.00 | 0.00 |
| | 10,700.00 | 1.71 | 346.76 346.76 | 10,695.98 | 264.05 266.95 | -62.14 -62.82 | -264.37 -267.28 | 0.00 | 0.00 | 0.00 |
| | 10,800.00 | 1.71 | 346.76 346.76 | 10,795.93 | 266.95 269.85 | -62.82 -63.51 | -267.28 -270.18 | 0.00 | 0.00 | 0.00 |
| | 11.000.00 | 1.71 | 346.76 | 10,095.89 | 209.65 | -63.51 -64.19 | -270.18 | 0.00 | 0.00 | 0.00 |
| | 11,000.00 | 1.71 | 540.70 | 10,985.04 | 212.14 | -04.13 | -213.00 | 0.00 | 0.00 | 0.00 |
| | 11,054.18 | 1.71 | 346.76 | 11,050.00 | 274.31 | -64.56 | -274.65 | 0.00 | 0.00 | 0.00 |
| | 3 BSL | | | | | | | | | |
| | 11,100.00 | 1.71 | 346.76 | 11,095.80 | 275.64 | -64.87 | -275.98 | 0.00 | 0.00 | 0.00 |
| | 11,104.20 | 1.71 | 346.76 | 11,100.00 | 275.76 | -64.90 | -276.10 | 0.00 | 0.00 | 0.00 |
| | 7 5/8" | | | | | | _ | | | |
| | 11,200.00 | 1.71 | 346.76 | 11,195.75 | 278.54 | -65.55 | -278.88 | 0.00 | 0.00 | 0.00 |
| | 11,300.00 | 1.71 | 346.76 | 11,295.71 | 281.44 | -66.23 | -281.78 | 0.00 | 0.00 | 0.00 |
| | 11,400.00 | 1.71 | 346.76 | 11,395.67 | 284.33 | -66.92 | -284.68 | 0.00 | 0.00 | 0.00 |
| | 11,499.82 | 1.71 | 346.76 | 11,495.44 | 287.22 | -67.60 | -287.57 | 0.00 | 0.00 | 0.00 |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83 Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH Design: Plan #1

Local Co-ordinate Reference:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning) TVD Reference: MD Reference: est.GL+KB @ 3655.00usft (Planning)

North Reference: **Survey Calculation Method:** Minimum Curvature

EDM 5k-14 Database:

| Measured | | | Vertical | | | Vertical | Dogleg | Build | Turn |
|-----------------|--------------------|----------------|-----------------|-----------------|-----------------|-------------------|---------------------|---------------------|---------------------|
| Depth (usft) | Inclination (°) | Azimuth (°) | Depth (usft) | +N/-S (usft) | +E/-W (usft) | Section (usft) | Rate (°/100usft) | Rate (°/100usft) | Rate (°/100usft) |
| 11,550.00 | 3.38 | 186.18 | 11,545.60 | 286.48 | -67.93 | -286.83 | 10.00 | 3.33 | -319.97 |
| 11,564.44 | 4.82 | 184.24 | 11,560.00 | 285.45 | -68.02 | -285.81 | 10.00 | 9.95 | -13.48 |
| 3 BSS | | | | | | | | | |
| 11,600.00 | 8.36 | 182.30 | 11,595.32 | 281.38 | -68.23 | -281.73 | 10.00 | 9.98 | -5.46 |
| 11,650.00 | 13.36 | 181.31 | 11,644.41 | 271.96 | -68.51 | -272.32 | 10.00 | 9.99 | -1.98 |
| 11,700.00 | 18.36 | 180.85 | 11,692.49 | 258.30 | -68.76 | -258.66 | 10.00 | 10.00 | -0.91 |
| 11,750.00 | 23.36 | 180.58 | 11,739.20 | 240.51 | -68.97 | -240.87 | 10.00 | 10.00 | -0.53 |
| 11,800.00 | 28.36 | 180.41 | 11,784.18 | 218.71 | -69.16 | -219.07 | 10.00 | 10.00 | -0.35 |
| 11,850.00 | 33.36 | 180.28 | 11,827.09 | 193.07 | -69.31 | -193.43 | 10.00 | 10.00 | -0.25 |
| 11,900.00 | 38.36 | 180.18 | 11,867.60 | 163.79 | -69.43 | -164.15 | 10.00 | 10.00 | -0.20 |
| 11,922.55 | 40.61 | 180.14 | 11,885.00 | 149.45 | -69.47 | -149.81 | 10.00 | 10.00 | -0.17 |
| Wolfcamp | | | | | | | | | |
| 11,950.00 | 43.36 | 180.10 | 11,905.40 | 131.09 | -69.50 | -131.45 | 10.00 | 10.00 | -0.15 |
| 12,000.00 | 48.36 | 180.04 | 11,940.21 | 95.22 | -69.55 | -95.59 | 10.00 | 10.00 | -0.13 |
| 12,050.00 | 53.36 | 179.98 | 11,971.76 | 56.46 | -69.55 | -56.82 | 10.00 | 10.00 | -0.11 |
| 12,100.00 | 58.36 | 179.93 | 11,999.82 | 15.09 | -69.52 | -15.45 | 10.00 | 10.00 | -0.10 |
| 12,150.00 | 63.36 | 179.89 | 12,024.16 | -28.57 | -69.45 | 28.21 | 10.00 | 10.00 | -0.09 |
| 12,200.00 | 68.36 | 179.85 | 12,044.61 | -74.18 | -69.35 | 73.82 | 10.00 | 10.00 | -0.08 |
| 12,250.00 | 73.36 | 179.81 | 12,061.00 | -121.40 | -69.21 | 121.04 | 10.00 | 10.00 | -0.07 |
| 12,300.00 | 78.36 | 179.78 | 12,073.21 | -169.87 | -69.03 | 169.51 | 10.00 | 10.00 | -0.07 |
| 12,350.00 | 83.36 | 179.74 | 12,081.15 | -219.22 | -68.83 | 218.85 | 10.00 | 10.00 | -0.07 |
| 12,400.00 | 88.36 | 179.71 | 12,084.76 | -269.07 | -68.59 | 268.71 | 10.00 | 10.00 | -0.07 |
| 12,416.44 | 90.00 | 179.70 | 12,085.00 | -285.51 | -68.50 | 285.14 | 10.00 | 10.00 | -0.07 |
| 12,500.00 | 90.00 | 179.70 | 12,085.00 | -369.07 | -68.06 | 368.71 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 90.00 | 179.70 | 12,085.00 | -469.07 | -67.53 | 468.71 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 90.00 | 179.70 | 12,085.00 | -569.06 | -67.00 | 568.71 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 90.00 | 179.70 | 12,085.00 | -669.06 | -66.48 | 668.71 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 90.00 | 179.70 | 12,085.00 | -769.06 | -65.95 | 768.71 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 90.00 | 179.70 | 12,085.00 | -869.06 | -65.42 | 868.71 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 90.00 | 179.70 | 12,085.00 | -969.06 | -64.89 | 968.71 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 90.00 | 179.70 | 12,085.00 | -1,069.06 | -64.36 | 1,068.71 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 90.00 | 179.70 | 12,085.00 | -1,169.06 | -63.83 | 1,168.71 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 90.00 | 179.70 | 12,085.00 | -1,269.06 | -63.31 | 1,268.71 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 90.00 | 179.70 | 12,085.00 | -1,369.05 | -62.78 | 1,368.71 | 0.00 | 0.00 | 0.00 |
| 13,600.00 | 90.00 | 179.70 | 12,085.00 | -1,469.05 | -62.25 | 1,468.71 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 90.00 | 179.70 | 12,085.00 | -1,569.05 | -61.72 | 1,568.71 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 90.00 | 179.70 | 12,085.00 | -1,669.05 | -61.19 | 1,668.71 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 90.00 | 179.70 | 12,085.00 | -1,769.05 | -60.66 | 1,768.71 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 90.00 | 179.70 | 12,085.00 | -1,869.05 | -60.14 | 1,868.71 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 90.00 | 179.70 | 12,085.00 | -1,969.05 | -59.61 | 1,968.71 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 90.00 | 179.70 | 12,085.00 | -2,069.04 | -59.08 | 2,068.71 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 90.00 | 179.70 | 12,085.00 | -2,169.04 | -58.55 | 2,168.71 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 90.00 | 179.70 | 12,085.00 | -2,269.04 | -58.02 | 2,268.71 | 0.00 | 0.00 | 0.00 |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83 Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH Design: Plan #1

Local Co-ordinate Reference:

Survey Calculation Method:

TVD Reference: MD Reference:

North Reference:

Database:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning) est.GL+KB @ 3655.00usft (Planning)

Minimum Curvature

EDM 5k-14

| Planned Survey | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 14,600.00 | 90.00 | 179.70 | 12,085.00 | -2,469.04 | -56.97 | 2,468.71 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 90.00 | 179.70 | 12,085.00 | -2,569.04 | -56.44 | 2,568.71 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 90.00 | 179.70 | 12,085.00 | -2,669.04 | -55.91 | 2,668.71 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 90.00 | 179.70 | 12,085.00 | -2,769.03 | -55.38 | 2,768.71 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 90.00 | 179.70 | 12,085.00 | -2,869.03 | -54.85 | 2,868.71 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 90.00 | 179.70 | 12,085.00 | -2,969.03 | -54.33 | 2,968.71 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 90.00 | 179.70 | 12,085.00 | -3,069.03 | -53.80 | 3,068.71 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 90.00 | 179.70 | 12,085.00 | -3,169.03 | -53.27 | 3,168.71 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 90.00 | 179.70 | 12,085.00 | -3,269.03 | -52.74 | 3,268.71 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 90.00 | 179.70 | 12,085.00 | -3,369.03 | -52.21 | 3,368.71 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 90.00 | 179.70 | 12,085.00 | -3,469.02 | -51.68 | 3,468.71 | 0.00 | 0.00 | 0.00 |
| 15,700.00 | 90.00 | 179.70 | 12,085.00 | -3,569.02 | -51.16 | 3,568.71 | 0.00 | 0.00 | 0.00 |
| 15,800.00 | 90.00 | 179.70 | 12,085.00 | -3,669.02 | -50.63 | 3,668.71 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 90.00 | 179.70 | 12,085.00 | -3,769.02 | -50.10 | 3,768.71 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 90.00 | 179.70 | 12,085.00 | -3,869.02 | -49.57 | 3,868.71 | 0.00 | 0.00 | 0.00 |
| 16,100.00 | 90.00 | 179.70 | 12,085.00 | -3,969.02 | -49.04 | 3,968.71 | 0.00 | 0.00 | 0.00 |
| 16,200.00 | 90.00 | 179.70 | 12,085.00 | -4,069.02 | -48.51 | 4,068.71 | 0.00 | 0.00 | 0.00 |
| 16,300.00 | 90.00 | 179.70 | 12,085.00 | -4,169.01 | -47.99 | 4,168.71 | 0.00 | 0.00 | 0.00 |
| 16,400.00 | 90.00 | 179.70 | 12,085.00 | -4,269.01 | -47.46 | 4,268.71 | 0.00 | 0.00 | 0.00 |
| 16,500.00 | 90.00 | 179.70 | 12,085.00 | -4,369.01 | -46.93 | 4,368.71 | 0.00 | 0.00 | 0.00 |
| 16,600.00 | 90.00 | 179.70 | 12,085.00 | -4,469.01 | -46.40 | 4,468.71 | 0.00 | 0.00 | 0.00 |
| 16,700.00 | 90.00 | 179.70 | 12,085.00 | -4,569.01 | -45.87 | 4,568.71 | 0.00 | 0.00 | 0.00 |
| 16,800.00 | | 179.70 | 12,085.00 | -4,669.01 | -45.35 | 4,668.71 | 0.00 | 0.00 | 0.00 |
| 16,900.00 | | 179.70 | 12,085.00 | -4,769.01 | -44.82 | 4,768.71 | 0.00 | 0.00 | 0.00 |
| 17,000.00 | | 179.70 | 12,085.00 | -4,869.00 | -44.29 | 4,868.71 | 0.00 | 0.00 | 0.00 |
| 17,100.00 | | 179.70 | 12,085.00 | -4,969.00 | -43.76 | 4,968.71 | 0.00 | 0.00 | 0.00 |
| 17,200.00 | 90.00 | 179.70 | 12,085.00 | -5,069.00 | -43.23 | 5,068.71 | 0.00 | 0.00 | 0.00 |
| 17,300.00 | 90.00 | 179.70 | 12,085.00 | -5,169.00 | -42.70 | 5,168.71 | 0.00 | 0.00 | 0.00 |
| 17,400.00 | 90.00 | 179.70 | 12,085.00 | -5,269.00 | -42.18 | 5,268.71 | 0.00 | 0.00 | 0.00 |
| 17,500.00 | 90.00 | 179.70 | 12,085.00 | -5,369.00 | -41.65 | 5,368.71 | 0.00 | 0.00 | 0.00 |
| 17,600.00 | 90.00 | 179.70 | 12,085.00 | -5,469.00 | -41.12 | 5,468.71 | 0.00 | 0.00 | 0.00 |
| 17,700.00 | 90.00 | 179.70 | 12,085.00 | -5,569.00 | -40.59 | 5,568.71 | 0.00 | 0.00 | 0.00 |
| 17,800.00 | | 179.70 | 12,085.00 | -5,668.99 | -40.06 | 5,668.71 | 0.00 | 0.00 | 0.00 |
| 17,900.00 | | 179.70 | 12,085.00 | -5,768.99 | -39.53 | 5,768.71 | 0.00 | 0.00 | 0.00 |
| 18,000.00 | | 179.70 | 12,085.00 | -5,868.99 | -39.01 | 5,868.71 | 0.00 | 0.00 | 0.00 |
| 18,100.00 | | 179.70 | 12,085.00 | -5,968.99 | -38.48 | 5,968.71 | 0.00 | 0.00 | 0.00 |
| 18,200.00 | 90.00 | 179.70 | 12,085.00 | -6,068.99 | -37.95 | 6,068.71 | 0.00 | 0.00 | 0.00 |
| 18,300.00 | | 179.70 | 12,085.00 | -6,168.99 | -37.42 | 6,168.71 | 0.00 | 0.00 | 0.00 |
| 18,400.00 | | 179.70 | 12,085.00 | -6,268.99 | -36.89 | 6,268.71 | 0.00 | 0.00 | 0.00 |
| 18,500.00 | | 179.70 | 12,085.00 | -6,368.98 | -36.37 | 6,368.71 | 0.00 | 0.00 | 0.00 |
| 18,600.00 | | 179.70 | 12,085.00 | -6,468.98 | -35.84 | 6,468.71 | 0.00 | 0.00 | 0.00 |
| 18,700.00 | | 179.70 | 12,085.00 | -6,568.98 | -35.31 | 6,568.71 | 0.00 | 0.00 | 0.00 |
| 18,800.00 | 90.00 | 179.70 | 12,085.00 | -6,668.98 | -34.78 | 6,668.71 | 0.00 | 0.00 | 0.00 |

Survey Report

Company: Kaiser-Francis Oil Company

Project: Permian NM E'83
Site: BLUS Pad 1

Well: Bell Lake Unit South 403H

Wellbore: #403H OH
Design: Plan #1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Well Bell Lake Unit South 403H est.GL+KB @ 3655.00usft (Planning) est.GL+KB @ 3655.00usft (Planning)

Grid

Survey Calculation Method: Minimum Curvature

Database: EDM 5k-14

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| 18,900.00 | 90.00 | 179.70 | 12,085.00 | -6,768.98 | -34.25 | 6,768.71 | 0.00 | 0.00 | 0.00 |
| 19,000.00 | 90.00 | 179.70 | 12,085.00 | -6,868.98 | -33.72 | 6,868.71 | 0.00 | 0.00 | 0.00 |
| 19,100.00 | 90.00 | 179.70 | 12,085.00 | -6,968.98 | -33.20 | 6,968.71 | 0.00 | 0.00 | 0.00 |
| 19,200.00 | 90.00 | 179.70 | 12,085.00 | -7,068.97 | -32.67 | 7,068.71 | 0.00 | 0.00 | 0.00 |
| 19,300.00 | 90.00 | 179.70 | 12,085.00 | -7,168.97 | -32.14 | 7,168.71 | 0.00 | 0.00 | 0.00 |
| 19,400.00 | 90.00 | 179.70 | 12,085.00 | -7,268.97 | -31.61 | 7,268.71 | 0.00 | 0.00 | 0.00 |
| 19,500.00 | 90.00 | 179.70 | 12,085.00 | -7,368.97 | -31.08 | 7,368.71 | 0.00 | 0.00 | 0.00 |
| 19,600.00 | 90.00 | 179.70 | 12,085.00 | -7,468.97 | -30.55 | 7,468.71 | 0.00 | 0.00 | 0.00 |
| 19,700.00 | 90.00 | 179.70 | 12,085.00 | -7,568.97 | -30.03 | 7,568.71 | 0.00 | 0.00 | 0.00 |
| 19,800.00 | 90.00 | 179.70 | 12,085.00 | -7,668.97 | -29.50 | 7,668.71 | 0.00 | 0.00 | 0.00 |
| 19,900.00 | 90.00 | 179.70 | 12,085.00 | -7,768.96 | -28.97 | 7,768.71 | 0.00 | 0.00 | 0.00 |
| 20,000.00 | 90.00 | 179.70 | 12,085.00 | -7,868.96 | -28.44 | 7,868.71 | 0.00 | 0.00 | 0.00 |
| 20,100.00 | 90.00 | 179.70 | 12,085.00 | -7,968.96 | -27.91 | 7,968.71 | 0.00 | 0.00 | 0.00 |
| 20.201.47 | 90.00 | 179.70 | 12,085.00 | -8,070.43 | -27.38 | 8,070.17 | 0.00 | 0.00 | 0.00 |

| Casing Points | | | | | | | |
|---------------|-----------------------------|-----------------------------|---------|------|---------------------------|-------------------------|--|
| | Measured Depth (usft) | Vertical Depth (usft) | | Name | Casing Diameter (") | Hole Diameter (") | |
| | 1,350.00 | 1,350.00 | 13 3/8" | | 13-3/8 | 17-1/2 | |
| | 5,201.59 | 5,200.00 | 10 3/4" | | 10-3/4 | 12-1/4 | |
| | 11,104.20 | 11,100.00 | 7 5/8" | | 7-5/8 | 9-7/8 | |

| Formations | | | | | | |
|------------|-----------------------------|-----------------------------|---------------|-----------|------------|-------------------------|
| | Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction (°) |
| | 1,400.00 | 1,400.00 | Rustler | | | |
| | 1,800.08 | 1,800.00 | Salado | | | |
| | 2,150.24 | 2,150.00 | Top of Salt | | | |
| | 5,051.52 | 5,050.00 | Base of Salt | | | |
| | 5,301.63 | 5,300.00 | Lamar | | | |
| | 5,451.70 | 5,450.00 | Bell Canyon | | | |
| | 6,302.08 | 6,300.00 | Cherry Canyon | | | |
| | 7,732.71 | 7,730.00 | Brushy Canyon | | | |
| | 8,873.22 | 8,870.00 | Bone Spring | | | |
| | 9,033.29 | 9,030.00 | Avalon | | | |
| | 10,003.72 | 10,000.00 | 1 BSS | | | |
| | 10,593.98 | 10,590.00 | 2 BSS | | | |
| | 11,054.18 | 11,050.00 | 3 BSL | | | |
| | 11,564.44 | 11,560.00 | 3 BSS | | | |
| | 11,922.55 | 11,885.00 | Wolfcamp | | | |

<u>DISTRICT 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

<u>DISTRICT II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 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 | | | | |
|---------------|--------------------|----------------------|-------------|--|--|--|
| 30-025-48205 | BELL LAKE; WOLFCAN | MP, SOUTH | | | | |
| Property Code | Proper | rty Name | Well Number | | | |
| 316706 | BELL LAKE | BELL LAKE UNIT SOUTH | | | | |
| OGRID No. | Opera | tor Name | Elevation | | | |
| 12361 | KAISER-FRANC | IS OIL COMPANY | 3630' | | | |

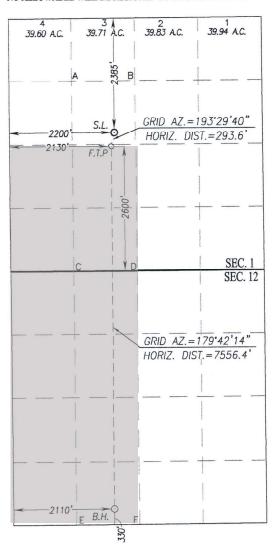
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 1 | 24-S | 33-E | | 2385 | NORTH | 2200 | 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 |
|-----------------|----------|----------|-----------------|---------|-------------------|------------------|---------------|----------------|--------|
| N | 12 | 24-S | 33-E | | 330 | SOUTH | 2110 | WEST | LEA |
| Dedicated Acres | Joint or | Infill (| Consolidation C | ode Ord | Order No. R-14601 | | | | |
| 480 | | | | | 17 14001 | | | | |

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"

GEODETIC COORDINATES GEODETIC COORDINATES NAD 83 NME NAD 27 NME SURFACE LOCATION SURFACE LOCATION Y= 454635.4 N Y= 454576.4 N X= 790467.5 E X= 749283.6 E LAT.=32.247298° N LAT.=32.247175° N LONG. = 103.527498° W LONG.=103.527020° W FIRST TAKE POINT FIRST TAKE POINT NAD 27 NME NAD 83 NME Y= 454290.9 N Y= 454349.9 N X= 749215.1 E X= 790399.0 E LAT.=32.246391° N LAT.=32.246515° N

CORNER COORDINATES TABLE

LONG.=103.527248° W

NAD 27 NME A - Y = 455647.2 N, X =748398.9 E B - Y= 455651.7 N, X= 749719.1 E - Y= 451688.5 N, X= 748422.0 E

- Y= 451693.5 N, X= 749744.3 E 446402.2 N, X= 748468.3 E 446409.2 N, X= 749789.4 E

CORNER COORDINATES TABLE NAD 83 NME

A - Y= 455706.3 N, X= 789582.7 E - Y= 455710.7 N, X= 790902.9 E В - Y= 451747.4 N, X= 789606.0 E - Y= 451752.4 N, X= 790928.3 E - Y= 446460.9 N, X= 789652.5 Y= 446468.0 N, X= 790973.7 E

BOTTOM HOLE LOCATION NAD 83 NME Y= 446795.1 N X= 790438.1 E LAT.=32.225749° N

LONG. = 103.527727° W

BOTTOM HOLE LOCATION NAD 27 NME Y= 446736.3 N X= 749253.8 E LAT. = 32.225625° N LONG.=103.527306° W LONG.=103.527784° 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.

Melanie Wilson 71/2020

Melanie Wilson

Printed Name

mjp1692@gmail.com

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.

Date of Survey
Signature & Seal of Professional Surveyor: NME

Certificate Number S O Gary G. Eidson 12641 Ronald J. Eidson 3239

JWSC W.O.: 17.11.1051

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Date: 05/30/2018

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

| GAS | CAP | TUR | \mathbf{E} 1 | PT.A | N |
|------------|-----|-----|----------------|------|---|
| | | | | | |

| □ Original | Operator & OGRID No.: Kaiser-Francis Oil Company, 12361 |
|-----------------------------------|---|
| ☐ Amended - Reason for Amendment: | |
| | |

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility - Name of facility

The well(s) that will be located at the production facility are shown in the table below.

| Well Name | API | Well Location | Footages | Expected | Flared or | Comments |
|-----------------------------------|---------|--------------------|-----------------------|----------|-----------|----------|
| | | (ULSTR) | | MCF/D | Vented | |
| Bell Lake Unit South 403H 30-0 | 25-4820 | F-1-T24S-R33E 5 | 2385' FNL & 2200' FWL | 2000 | 0 | |
| | | | | | | |

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Targa</u> and will be connected to <u>Targa</u> low/high pressure gathering system located in <u>Lea</u> County, New Mexico. It will require <u>11,000</u>' of pipeline to connect the facility to low/high pressure gathering system. <u>Kaiser-Francis Oil Company</u> provides (periodically) to <u>Targa</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Kaiser-Francis Oil Company</u> and <u>Targa</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Targa</u> Processing Plant located in Sec. <u>36</u>, Twn. <u>19S</u>, Rng. <u>36E</u>, <u>Lea</u> County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Targa</u> system at that time. Based on current information, it is <u>Kaiser-Francis Oil Company's</u> belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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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**

CONDITIONS

Action 12842

CONDITIONS OF APPROVAL

| ſ | Operator: | | | | Action Number: | Action Type: |
|---|-----------------------|----------------|----------------|-------|----------------|--------------|
| | KAISER-FRANCIS OIL CO | P.O. Box 21468 | Tulsa, OK74121 | 12361 | 12842 | FORM 3160-3 |

| OCD | Condition |
|----------|--|
| Reviewer | |
| 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 | Oil base muds are not to be used until freshwater zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system. |