

Form 3160-3
(June 2015)FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☐ DRILL ☐ REENTER 1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other 1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone		5. Lease Serial No. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. [326326]
2. Name of Operator [372224]		9. API Well No. 30-025-48794
3a. Address	3b. Phone No. (include area code)	10. Field and Pool, or Exploratory [98234]
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area
14. Distance in miles and direction from nearest town or post office*		12. County or Parish 13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
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.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

25. Signature	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		
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 04/16/2021

SL

(Continued on page 2)



Approval Date: 04/16/2021

KZ

 05/04/2021

*(Instructions on page 2)

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 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, NM 87505

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

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48794		² Pool Code 98234	³ Pool Name WC-025 G-09 S263619C; WOLFCAMP
⁴ Property Code 326326	⁵ Property Name HOLLY FED COM 26 36 05		⁶ Well Number 107H
⁷ OGRID No. 372224	⁸ Operator Name AMEREDEV OPERATING, LLC.		⁹ Elevation 3003'

¹⁰Surface Location

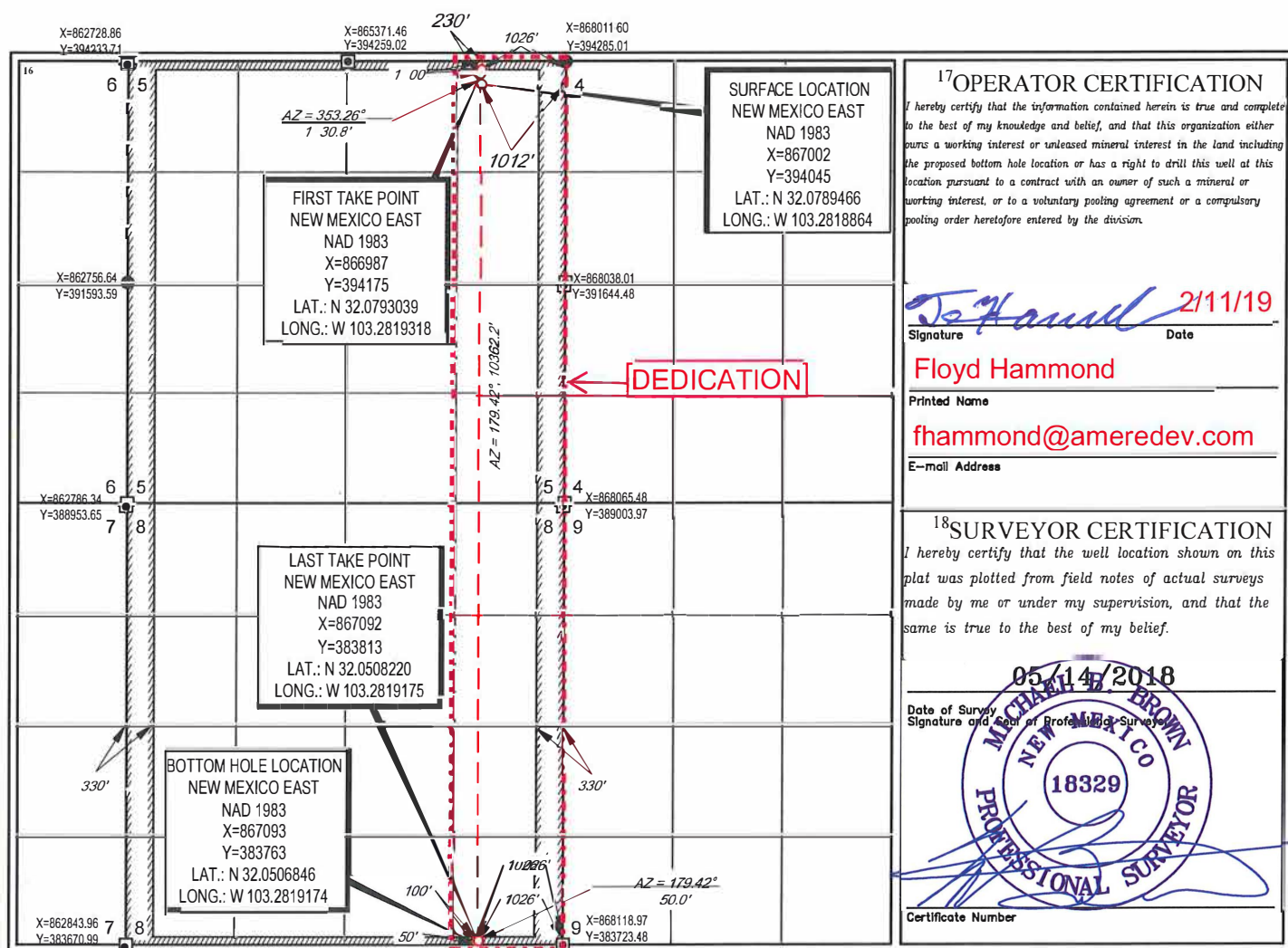
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	5	26-S	36-E	-	230'	NORTH	1012'	EAST	LEA

¹¹Bottom 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
P	8	26-S	36-E	-	50'	SOUTH	1026'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320		C	

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.



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1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 3/18/2020

☒ Original

Operator & OGRID No.: Ameredev Operating LLC (372224)

☐ 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, recomple 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	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flared or Vented	Comments
Holly Fed Com 26 36 05 107H	30-025- 48794	A-05-26S-36E	230' FNL 1012' FEL	1000	<30 days	Flare until well clean, then connect

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete. Gas produced from the above wells is not dedicated to a gas purchaser. The production facility will be (or is currently) connected to multiple low pressure gathering systems located in Lea County, New Mexico, which are operated by DCP Operating Co., ETC Texas Pipeline, and Lucid Energy Delaware (collectively "Gas Transporters"). Ameredev provides (periodically) to one or more Gas Transporters a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Ameredev and the Gas Transporters have periodic conference calls to discuss changes in drilling and completion schedules. Gas from the well(s) will be processed at one or more of Gas Transporters' processing plants located in several different locations. The actual flow of 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 Gas Transporter system at that time. Based on current information, it is Operator's 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
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



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

Drilling Plan Data Report

04/16/2021

APD ID: 10400037348

Submission Date: 02/11/2019

Highlighted data
reflects the most
recent changes

Operator Name: AMEREDEV OPERATING LLC

Well Name: HOLLY FED COM 26 36 05

Well Number: 107H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
395947	RUSTLER ANHYDRITE	3003	1256	1256	ANHYDRITE	NONE	N
395948	SALADO	1307	1696	1696	SALT	NONE	N
395949	TANSILL	-420	3423	3423	LIMESTONE	NONE	N
395950	CAPITAN REEF	-922	3925	3925	LIMESTONE	USEABLE WATER	N
395951	LAMAR	-2100	5103	5103	LIMESTONE	NONE	N
395952	BELL CANYON	-2243	5246	5246	SANDSTONE	NATURAL GAS, OIL	N
395953	BRUSHY CANYON	-4059	7062	7062	SANDSTONE	NATURAL GAS, OIL	N
395954	BONE SPRING LIME	-5060	8063	8063	LIMESTONE	NONE	N
395955	BONE SPRING 1ST	-6497	9500	9500	SANDSTONE	NATURAL GAS, OIL	N
395956	BONE SPRING 2ND	-7032	10035	10035	SANDSTONE	NATURAL GAS, OIL	N
395957	BONE SPRING 3RD	-7600	10603	10603	LIMESTONE	NONE	N
395958	BONE SPRING 3RD	-8191	11194	11194	SANDSTONE	NATURAL GAS, OIL	N
395959	WOLFCAMP	-8466	11469	11469	SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H**Pressure Rating (PSI):** 10M**Rating Depth:** 15000

Equipment: 10M BOPE SYSTEM WILL BE USED AFTER THE SURFACE CASING IS SET. A KELLY COCK WILL BE KEPT IN THE DRILL STRING AT ALL TIMES. A FULL OPENING DRILL PIPE STABBING VALVE WITH PROPER DRILL PIPE CONNECTIONS WILL BE ON THE RIG FLOOR AT ALL TIMES.

Requesting Variance? YES**Variance request:** Co-Flex Choke Line, 5M Annular Preventer**Testing Procedure:** See attachment**Choke Diagram Attachment:**

10M_Choke_Manifold_REV_20200318092908.pdf

BOP Diagram Attachment:

5M_Annular_Preventer_Variance_and_Well_Control_Plan_20200318092920.pdf

5M_BOP_System_20200318092923.pdf

Pressure_Control_Plan_Single_Well_MB4_3String_Big_Hole_BLM_20200318092925.pdf

4_String_MB_Ameredev_Wellhead_Drawing_net_REV_20200318092941.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	1381	0	1381	3003		1381	J-55	68	OTHER - BTC	6.65	0.66	DRY	9.74	DRY	11.39
2	INTERMEDIATE	9.875	7.625	NEW	API	N	0	10728	0	10728			10728	HCL-80	29.7	OTHER - BTC	1.28	1.26	DRY	2.05	DRY	2.95
3	PRODUCTION	6.75	5.5	NEW	API	N	0	22277	0	11569			22277	P-110	23	OTHER - BTC	1.8	1.91	DRY	2.46	DRY	2.74

Casing Attachments

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H**Casing Attachments**

Casing ID: 1 **String Type:** SURFACE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**

13.375_68_J55_SEAH_20200318093130.pdf

Holly_Fed_Com_26_36_05_107H___Wellbore_Diagram_and_CDA_20200318093146.pdf

Casing ID: 2 **String Type:** INTERMEDIATE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**

7.625_29.70_L80HC_BORUSAN_20200318093255.pdf

Holly_Fed_Com_26_36_05_107H___Wellbore_Diagram_and_CDA_20200318093308.pdf

Casing ID: 3 **String Type:** PRODUCTION**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**

5.5_23__P_110_MS2_Anaconda_GT_DATA_SHEET_20200318093418.pdf

Holly_Fed_Com_26_36_05_107H___Wellbore_Diagram_and_CDA_20200318093431.pdf

Operator Name: AMEREDEV OPERATING LLC

Well Name: HOLLY FED COM 26 36 05

Well Number: 107H

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	995	937	1.76	13.5	1649.05	100	Class C	Bentonite, Accelerator, Kolseal, Defoamer, Celloflake
SURFACE	Tail		995	1381	200	1.34	14.8	268	100	Class C	None
INTERMEDIATE	Lead	3423	0	2892	659	3.5	9	2306.15	50	Class C	Bentonite, Salt, Kolseal, Defoamer, Celloflake
INTERMEDIATE	Tail		2892	3423	200	1.33	14.8	266	25	Class C	None
INTERMEDIATE	Lead	3423	3423	9507	2201	2.47	11.9	5436.8	50	Class H	Bentonite, Retarder, Kolseal, Defoamer, Celloflake, Anti-Settling Expansion Additive
INTERMEDIATE	Tail		9507	10728	200	1.31	14.2	262	25	Class H	Salt, Bentonite, Retarder, Dispersant, Fluid Loss
PRODUCTION	Lead		0	22277	1734	1.34	14.2	2323.76	25	Class H	Salt, Bentonite, Fluid Loss, Dispersant, Retarder, Defoamer

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: All necessary supplies (e.g. bentonite, cedar bark) for fluid control will be on site.

Describe the mud monitoring system utilized: An electronic pit volume totalizer (PVT) will be utilized on the circulating system to monitor pit volume, flow rate, pump pressure, and pump rate.

Circulating Medium Table

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1381	WATER-BASED MUD	8.4	8.6							
1381	1072 8	OTHER : Diesel Brine Emulsion	8.5	9.4							
1072 8	1156 9	OIL-BASED MUD	10.5	12.5							

Section 6 - Test, Logging, Coring

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

A directional survey, measurement while drilling and a mudlog/geologic lithology log will all be run from surface to TD.

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

DS,MWD,MUDLOG

Coring operation description for the well:

No coring will be done on this well.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7520

Anticipated Surface Pressure: 4974.82

Anticipated Bottom Hole Temperature(F): 165

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

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

H2S_Plan_20190211164938.pdf

Operator Name: AMEREDEV OPERATING LLC

Well Name: HOLLY FED COM 26 36 05

Well Number: 107H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Hol107_DR_20190211164954.pdf

Hol107_LLR_20190211164955.pdf

5M_Annular_Preventer_Variance_and_Well_Control_Plan_20200318094858.pdf

Pressure_Control_Plan_Single_Well_MB4_3String_Big_Hole_BLM_20200318094900.pdf

Other proposed operations facets description:

4-STRING CONTINGENCY PLAN AND SKID PROCEDURE ATTACHED

Other proposed operations facets attachment:

Wolfcamp_Contingency_PDF_20200318094935.pdf

Rig_Skid_Procedure_20200318094955.pdf

Other Variance attachment:

R616___CoC_for_hoses_12_18_17_20190211165037.pdf

Requested_Exceptions___3_String_Revised_01312019_20190211165037.pdf



Ameredev II, LLC

Contingency Wellbore Schematic

Well: Holly Fed Com 26-36-05 107H
SHL: Sec. 05 26S-36E 230' FNL & 1012' FWL
BHL: Sec. 08 26S-36E 50' FSL & 1026' FEL
 Lea, NM

Wellhead: A - 13-5/8" 10M x 13-5/8" SOW
 B - 13-5/8" 10M x 13-5/8" 10M
 C - 13-5/8" 10M x 13-5/8" 10M
 Tubing Spool - 7-1/16" 15M x 13-3/8" 10M

Xmas Tree: 2-9/16" 10M

Tubing: 2-7/8" L-80 6.5# 8rd EUE

Co. Well ID: XXXXXX
AFE No.: XXXX-XXX
API No.: XXXXXXXXXXXX
GL: 3,003'
Field: Delaware
Objective: Wolfcamp A
TVD: 11,569'
MD: 22,277'
Rig: TBD **KB 27'**
E-Mail: Wellsite2@ameredev.com

Hole Size	Formation Tops	Logs	Cement	Mud Weight
17.5"	Rustler 1,256'	1,137 Sacks	TOC 0'	8.4-8.6 ppg WBM
	13.375" 68# J-55 BTC 1,381'		100% Excess	
12.25"	Salado 1,696'	859 Sacks	TOC 0'	8.5-9.4 Diesel Brine Emulsion
	DV Tool with ACP 3,423'		50% Excess	
	Tansill 3,423'			
	Capitan Reef 3,925'			
	Lamar 5,103'			
	Bell Canyon 5,246'			
	No Casing 5,228'			
9.875"	Brushy Canyon 7,062'			
	Bone Spring Lime 8,063'			
	First Bone Spring 9,500'			
	Second Bone Spring 10,035'			
	Third Bone Spring Upper 10,603'			
	7.625" 29.7# L-80HC BTC 10,728'	2,401 Sacks	TOC 0'	50% Excess
6.75"	Third Bone Spring 11,194'			10.5-12.5 ppg OBM
12° Build @ 10,936' MD thru 12,015' MD	Wolfcamp 11,469'			
	5.5" 23# P110MS2 Anaconda GT 22,277'	1,734 Sacks	TOC 0'	
	Target Wolfcamp A 11569 TVD // 22277 MD		25% Excess	

Casing Design and Safety Factor Check

Casing Specifications						
Segment	Hole ID	Depth	OD	Weight	Grade	Coupling
Surface	17.5	1,381'	13.375	68	J-55	BTC
Intermediate	9.875	10,728'	7.625	40	HCL-80	BTC
Prod Segment A	6.75	10,936'	5.5	20	CYHP-110	BTC
Prod Segment B	6.75	22,277'	5.5	20	CYHP-110	BTC

Check Surface Casing				
OD Cplg	Body	Joint	Collapse	Burst
<i>inches</i>	<i>1000 lbs</i>	<i>1000 lbs</i>	<i>psi</i>	<i>psi</i>
14.375	1,069	915	4,100	3,450
Safety Factors				
1.56	11.39	9.74	6.65	0.66
Check Intermediate Casing				
OD Cplg	Body	Joint	Collapse	Burst
<i>inches</i>	<i>1000 lbs</i>	<i>1000 lbs</i>	<i>psi</i>	<i>psi</i>
7.625	940	558	6700	9460
Safety Factors				
1.13	2.95	2.05	1.28	1.26
Check Prod Casing, Segment A				
OD Cplg	Body	Joint	Collapse	Burst
<i>inches</i>	<i>1000 lbs</i>	<i>1000 lbs</i>	<i>psi</i>	<i>psi</i>
5.777	728	655	12780	14360
Safety Factors				
0.49	2.74	2.46	1.80	1.91
Check Prod Casing, Segment B				
OD Cplg	Body	Joint	Collapse	Burst
<i>inches</i>	<i>1000 lbs</i>	<i>1000 lbs</i>	<i>psi</i>	<i>psi</i>
5.777	728	655	12780	14360
Safety Factors				
0.49	50.00	44.99	1.70	1.91

PERFORMANCE DATA

API BTC

13.375 in

68.00 lbs/ft

J-55

Technical Data Sheet

Tubular Parameters

Size	13.375	in	Minimum Yield	55,000	psi
Nominal Weight	68.00	lbs/ft	Minimum Tensile	75,000	psi
Grade	J-55		Yield Load	1,069,000	lbs
PE Weight	66.10	lbs/ft	Tensile Load	1,458,000	lbs
Wall Thickness	0.480	in	Min. Internal Yield Pressure	3,500	psi
Nominal ID	12.415	in	Collapse Pressure	1,950	psi
Drift Diameter	12.259	in			
Nom. Pipe Body Area	19.445	in ²			

Connection Parameters

Connection OD	14.375	in
Coupling Length	10.625	in
Threads Per Inch	5.000	in
Standoff Thread Turns	1.000	
Make-Up Loss	4.513	in
Yield Load In Tension	---	lbs
Min. Internal Yield Pressure	3,500	psi

Printed on: February-13-2015

NOTE:

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U. S. Steel Tubular Products

6/6/2017 6:18:53 PM

7.625" 29.70lbs/ft (0.375" Wall) P110 HC USS-LIBERTY FJM®



MECHANICAL PROPERTIES	Pipe	USS-LIBERTY FJM®	
Minimum Yield Strength	110,000	--	psi
Maximum Yield Strength	140,000	--	psi
Minimum Tensile Strength	125,000	--	psi
DIMENSIONS	Pipe	USS-LIBERTY FJM®	
Outside Diameter	7.625	7.625	in.
Wall Thickness	0.375	--	in.
Inside Diameter	6.875	6.789	in.
Standard Drift	6.750	6.750	in.
Alternate Drift	--	--	in.
Nominal Linear Weight, T&C	29.70	--	lbs/ft
Plain End Weight	29.06	--	lbs/ft
SECTION AREA	Pipe	USS-LIBERTY FJM®	
Critical Area	8.541	5.074	sq. in.
Joint Efficiency	--	59.4	%
PERFORMANCE	Pipe	USS-LIBERTY FJM®	
Minimum Collapse Pressure	6,700	6,700	psi
Minimum Internal Yield Pressure	9,460	9,460	psi
Minimum Pipe Body Yield Strength	940,000	--	lbs
Joint Strength	--	558,000	lbs
Compression Rating	--	558,000	lbs
Reference Length	--	12,810	ft
Maximum Uniaxial Bend Rating	--	39.3	deg/100 ft
MAKE-UP DATA	Pipe	USS-LIBERTY FJM®	
Make-Up Loss	--	3.92	in.
Minimum Make-Up Torque	--	10,800	ft-lbs
Maximum Make-Up Torque	--	15,250	ft-lbs

1. Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness and Specified Minimum Yield Strength (SMYS).
2. Compressive & Tensile Connection Efficiencies are calculated by dividing the connection critical area by the pipe body area.
3. Uniaxial bending rating shown is structural only, and equal to compression efficiency.
4. USS-LIBERTY FJM™ connections are optimized for each combination of OD and wall thickness and cannot be interchanged.
5. Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).
6. Reference length is calculated by joint strength divided by nominal plain end weight with 1.5 safety factor.
7. Connection external pressure leak resistance has been verified to 100% API pipe body collapse pressure following the guidelines of API 5C5 Cal III.

Legal Notice

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connections@uss.com
www.usstubar.com



U. S. Steel Tubular Products

11/14/2018 9:02:57 AM

5.500" 23.00lbs/ft (0.415" Wall) USS RYS110 USS-EAGLE SFH™


MECHANICAL PROPERTIES	Pipe	USS-EAGLE SFH™	
Minimum Yield Strength	110,000	--	psi
Maximum Yield Strength	125,000	--	psi
Minimum Tensile Strength	120,000	--	psi
DIMENSIONS	Pipe	USS-EAGLE SFH™	
Outside Diameter	5.500	5.830	in.
Wall Thickness	0.415	--	in.
Inside Diameter	4.670	4.585	in.
Standard Drift	4.545	4.545	in.
Alternate Drift	--	4.545	in.
Nominal Linear Weight, T&C	23.00	--	lbs/ft
Plain End Weight	22.56	--	lbs/ft
SECTION AREA	Pipe	USS-EAGLE SFH™	
Critical Area	6.630	5.507	sq. in.
Joint Efficiency	--	83.1	%
PERFORMANCE	Pipe	USS-EAGLE SFH™	
Minimum Collapse Pressure	14,540	14,540	psi
External Pressure Leak Resistance	--	10,000	psi
Minimum Internal Yield Pressure	14,520	14,520	psi
Minimum Pipe Body Yield Strength	729,000	--	lbs
Joint Strength	--	606,000	lbs
Compression Rating	--	606,000	lbs
Reference Length	--	17,909	ft
Maximum Uniaxial Bend Rating	--	76.2	deg/100 ft
MAKE-UP DATA	Pipe	USS-EAGLE SFH™	
Make-Up Loss	--	6.65	in.
Minimum Make-Up Torque	--	16,600	ft-lbs
Maximum Make-Up Torque	--	19,800	ft-lbs
Maximum Operating Torque	--	28,000	ft-lbs

Legal Notice

All material contained in this publication is for general information only. This material should not therefore be used or relied upon for any specific application without independent competent professional examination and verification of accuracy, suitability and applicability. Anyone making use of this material does so at their own risk and assumes any and all liability resulting from such use. U. S. Steel disclaims any and all expressed or implied warranties of fitness for any general or particular application.

U. S. Steel Tubular Products
460 Wildwood Forest Drive, Suite 300S
Spring, Texas 77380

1-877-893-9461
connections@uss.com
www.usstubular.com

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Ameredev Operating LLC
WELL NAME & NO.:	Holly Fed Com 26 36 05 107
LOCATION:	Sec 5 / T26S / R36E / NMP
COUNTY:	Lea, NM

COA

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

A. HYDROGEN SULFIDE

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

B. CASING

1. The 13-3/8 inch surface casing shall be set at approximately 1350 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours

after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
 - a. Cement should tie-back at least **50 feet** on top of Capitan Reef top. If cement does not circulate see B.1.a, c-d above.

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

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
- ❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
- Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.
- ❖ **If alternate four-string casing design is utilized**, freshwater-based mud shall be used across the capitan interval.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least **50 feet** on top of Capitan Reef top. If cement does not circulate see B.1.a, c-d above.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

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

GENERAL REQUIREMENTS

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

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

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

A. CASING

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

B. PRESSURE CONTROL

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

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

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

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Ameredev Operating, LLC.
LEASE NO.:	NMNM137470
LOCATION:	T. 26 S. R. 36 E., Section 5; T. 25 S. R. 26 E., Section 32
COUNTY:	Lea

Wells: Pad 1:

Holly Fed Com 26 36 05 101H:

Surface Hole Location: 230' FNL & 270' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 380' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 111H:

Surface Hole Location: 230' FNL & 290' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 200' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 121H:

Surface Hole Location: 230' FNL & 310' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 380' FWL, T. 26 S., R. 36 E. Section 8

Red Bud Fed Com 25 36 32 101H:

Surface Hole Location: 230' FNL & 210' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FNL & 380' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 111H:

Surface Hole Location: 230' FNL & 230' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FNL & 380' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 121H:

Surface Hole Location: 230' FNL & 250' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FNL & 380' FWL, T. 25 S., R. 36 E. Section 29

Pad 2:

Holly Fed Com 26 36 05 071H:

Surface Hole Location: 230' FNL & 700' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 660' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 081H:

Surface Hole Location: 230' FNL & 720' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 660' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 091H:

Surface Hole Location: 230' FNL & 740' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 660' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 102H:

Surface Hole Location: 230' FNL & 760' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 1026' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 112H:

Surface Hole Location: 230' FNL & 780' FWL, T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 1026' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 122H:

Surface Hole Location: 230' FNL & 800' FWL, T. T. 26 S., R. 36 E. Section 5
Bottom Hole Location: 50' FSL & 1026' FWL, T. 26 S., R. 36 E. Section 8

Pad 3:**Red Bud Fed Com 25 36 32 071H:**

Surface Hole Location: 200' FSL & 790' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 660' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 081H:

Surface Hole Location: 200' FSL & 810' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 660' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 091H:

Surface Hole Location: 200' FSL & 830' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 660' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 102H:

Surface Hole Location: 200' FSL & 850' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1026' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 112H:

Surface Hole Location: 200' FSL & 870' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1026' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 122H:

Surface Hole Location: 200' FSL & 890' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1026' FWL, T. 25 S., R. 36 E. Section 29

Pad 4:**Holly Fed Com 26 36 05 103H:**

Surface Hole Location: 230' FNL & 1710' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 113H:

Surface Hole Location: 230' FNL & 1730' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 123H:

Surface Hole Location: 230' FNL & 1750' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FWL, T. 26 S., R. 36 E. Section 8

Red Bud Fed Com 25 36 32 103H:

Surface Hole Location: 230' FNL & 1650' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FNL & 1672' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 113H:

Surface Hole Location: 230' FNL & 1670' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FNL & 1672' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 123H:

Surface Hole Location: 230' FNL & 1690' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FNL & 1672' FWL, T. 25 S., R. 36 E. Section 29

Pad 5:**Holly Fed Com 26 36 05 073H:**

Surface Hole Location: 230' FNL & 2200' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1980' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 083H:

Surface Hole Location: 230' FNL & 2220' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1980' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 093H:

Surface Hole Location: 230' FNL & 2240' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2440' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 104H:

Surface Hole Location: 230' FNL & 2260' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 114H:

Surface Hole Location: 230' FNL & 2280' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2358' FWL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 124H:

Surface Hole Location: 230' FNL & 2300' FWL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FWL, T. 26 S., R. 36 E. Section 8

Pad 6:

Red Bud Fed Com 25 36 32 073H:

Surface Hole Location: 200' FSL & 2200' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1980' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 083H:

Surface Hole Location: 200' FSL & 2220' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1980' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 093H:

Surface Hole Location: 200' FSL & 2240' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 1980' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 104H:

Surface Hole Location: 200' FSL & 2260' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 2318' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 114H:

Surface Hole Location: 200' FSL & 2280' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 2318' FWL, T. 25 S., R. 36 E. Section 29

Red Bud Fed Com 25 36 32 124H:

Surface Hole Location: 200' FSL & 2300' FWL, T. 25 S., R. 36 E. Section 32

Bottom Hole Location: 50' FNL & 2318' FWL, T. 25 S., R. 36 E. Section 29

Pad 7:

Holly Fed Com 26 36 05 105H:

Surface Hole Location: 230' FNL & 2500' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 115H:

Surface Hole Location: 230' FNL & 2480' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 125H:

Surface Hole Location: 230' FNL & 2460' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FEL, T. 26 S., R. 36 E. Section 8

Red Bud Com 26 36 05 105H:

Surface Hole Location: 230' FNL & 2520' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 2318' FEL, T. 26 S., R. 36 E. Section 8

Pad 8:

Holly Fed Com 26 36 05 075H:

Surface Hole Location: 230' FNL & 1690' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1980' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 085H:

Surface Hole Location: 230' FNL & 1670' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1980' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 095H:

Surface Hole Location: 230' FNL & 1650' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1980' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 106H:

Surface Hole Location: 230' FNL & 1630' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 116H:

Surface Hole Location: 230' FNL & 1610' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 126H:

Surface Hole Location: 230' FNL & 1590' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1672' FEL, T. 26 S., R. 36 E. Section 8

Pad 9:**Holly Fed Com 26 36 05 077H:**

Surface Hole Location: 230' FNL & 912' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 660' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 087H:

Surface Hole Location: 230' FNL & 952' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 660' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 097H:

Surface Hole Location: 230' FNL & 932' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 660' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 107H:

Surface Hole Location: 230' FNL & 1012' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1026' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 117H:

Surface Hole Location: 230' FNL & 992' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1026' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 127H:

Surface Hole Location: 230' FNL & 972' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 1026' FEL, T. 26 S., R. 36 E. Section 8

Pad 10:**Holly Fed Com 26 36 05 108H:**

Surface Hole Location: 230' FNL & 265' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 380' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 118H:

Surface Hole Location: 230' FNL & 245' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 380' FEL, T. 26 S., R. 36 E. Section 8

Holly Fed Com 26 36 05 128H:

Surface Hole Location: 230' FNL & 225' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 380' FEL, T. 26 S., R. 36 E. Section 8

Red Bud Com 26 36 32 108H:

Surface Hole Location: 230' FNL & 325' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 380' FEL, T. 26 S., R. 36 E. Section 29

Red Bud Com 26 36 32 118H:

Surface Hole Location: 230' FNL & 305' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: 50' FSL & 380' FEL, T. 26 S., R. 36 E. Section 29

Red Bud Com 26 36 32 128H:

Surface Hole Location: 230' FNL & 285' FEL, T. 26 S., R. 36 E. Section 5

Bottom Hole Location: To Be Determined

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
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- ☒ **Production (Post Drilling)**
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- ☐ **Interim Reclamation**
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I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

OR

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

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

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

The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

Lesser Prairie Chicken:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Watershed:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected.

and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

TANK BATTERY:

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

BURIED/SURFACE LINE(S):

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

VRM IV:

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

VI. CONSTRUCTION**A. NOTIFICATION**

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

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

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

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

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

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

G. ON LEASE ACCESS ROADS

Road Width

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

Surfacing

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

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

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

Crowning

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

Ditching

Ditching shall be required on both sides of the road.

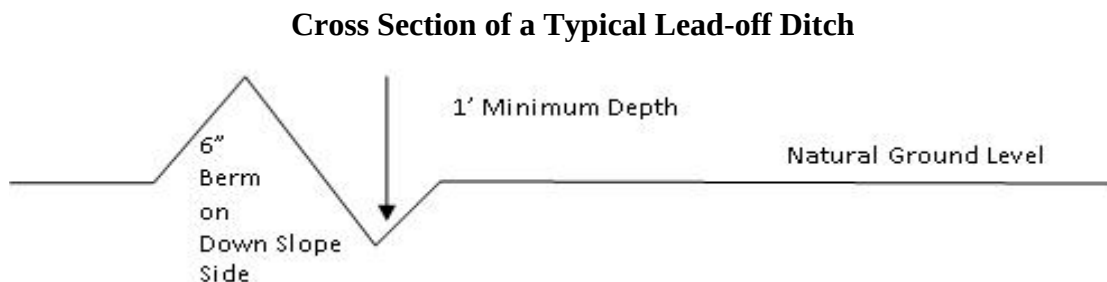
Turnouts

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

Drainage

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

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



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

Formula for Spacing Interval of Lead-off Ditches

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

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

Cattle guards

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

Fence Requirement

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

Public Access

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

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

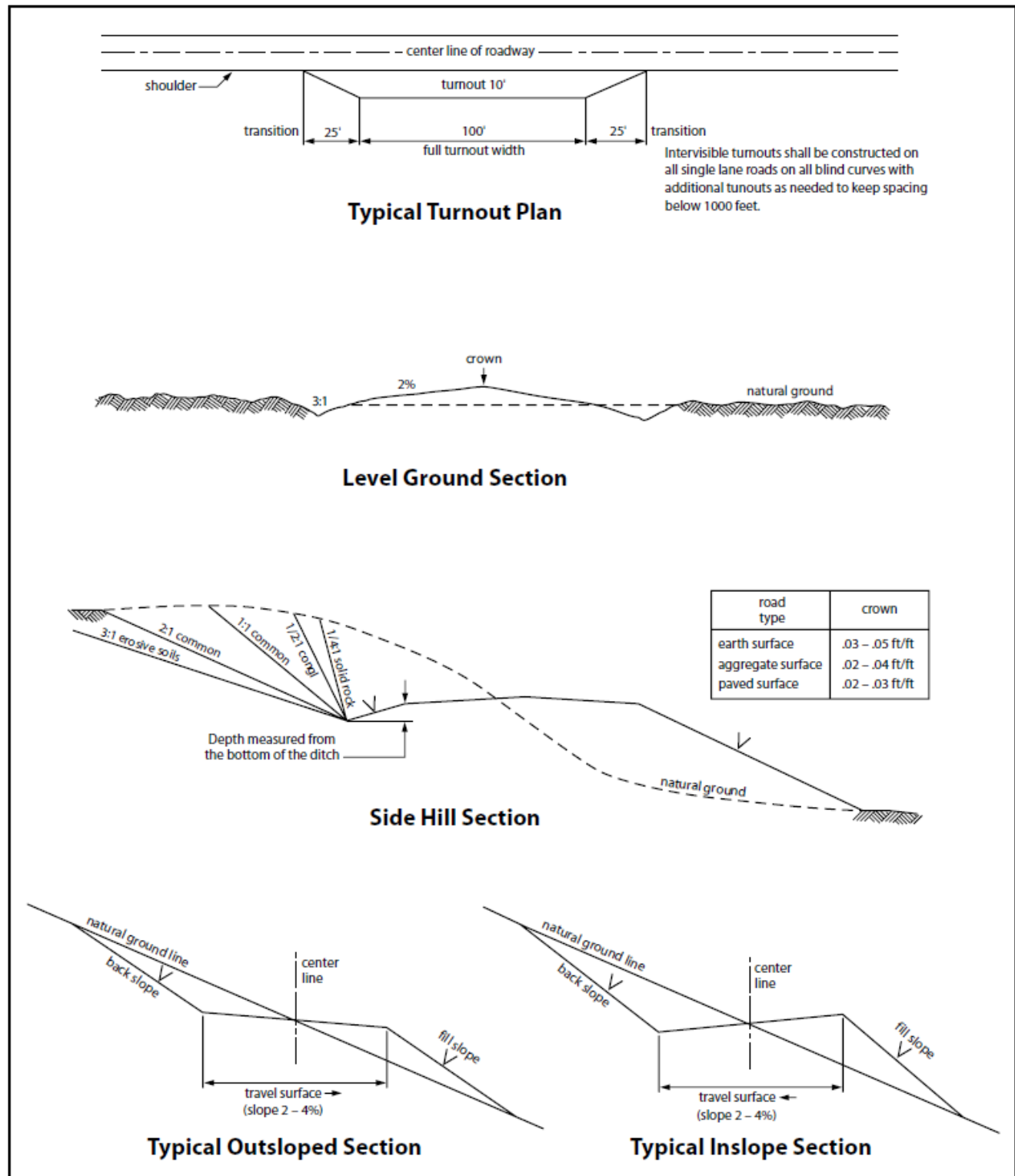


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

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

Exclosure Netting (Open-top Tanks)

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

Chemical and Fuel Secondary Containment and Exclosure Screening

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

Open-Vent Exhaust Stack Exclosures

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

Containment Structures

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

Painting Requirement

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

B. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage

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

BURIED PIPELINE STIPULATIONS

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

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

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

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

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on

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

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless

otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| ☐ seed mixture 1 | ☐ seed mixture 3 |
| ☒ seed mixture 2 | ☐ seed mixture 4 |
| ☐ seed mixture 2/LPC | ☐ Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

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

OR

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

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

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

17. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

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

20. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

21. Special Stipulations:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

VIII. INTERIM RECLAMATION

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

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

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

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

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

IX. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture 2, for Sandy Sites

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

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

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

Species

	<u>lb/acre</u>
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

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



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

SUPO Data Report

04/16/2021

APD ID: 10400037348

Submission Date: 02/11/2019

Highlighted data
reflects the most
recent changes

Operator Name: AMEREDEV OPERATING LLC

Well Name: HOLLY FED COM 26 36 05

Well Number: 107H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

HOLLY_FED_COM_26_36_05_107H__Well_Pad_Access_Map_20190211165100.pdf

Existing Road Purpose: ACCESS

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

HOLLY_FED_COM_26_36_05_107H__1_MI_RADIUS_WELLS_20190211165123.pdf

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H

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

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: A multiple well pad will be located on section 5, and will measure 400'x500'. The top 6" of soil and brush will be stockpiled south of the well pad. Should any type of production facilities be located on the well pad, they will be strategically placed to allow for maximum interim reclamation, re-contouring, and revegetation of the well location. A 4" Poly Flowline will be buried and run approximately 1,978' from the Holly Fed Com 26 36 05 107H to the existing Red Bud/Holly CTB southwest of the well pad.

Production Facilities map:

HOLLY_FED_COM_26_36_05_107H_Facilities_Map_20190211165140.pdf

RB_HOL_FLOWLINE_SEC5_9S_20190211165201.pdf

EXISTING_REDBUD_STATE_COM_BATTERY_SITE_S_20200318095449.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: GW WELL

Water source use type:	SURFACE CASING
	STIMULATION
	DUST CONTROL
	INTERMEDIATE/PRODUCTION CASING

Source latitude:**Source longitude:****Source datum:**

Water source permit type:	PRIVATE CONTRACT
----------------------------------	------------------

Water source transport method:	PIPELINE
	TRUCKING

Source land ownership: PRIVATE**Source transportation land ownership:** FEDERAL**Water source volume (barrels):** 20000**Source volume (acre-feet):** 2.577862**Source volume (gal):** 840000

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H**Water source and transportation map:**

HOLLY_FED_COM_26_36_05_107H___Water_Map_20190211165245.pdf

HOLLY_FED_COM_26_36_05_107H___WATER_WELLS_LIST_20190211165246.pdf

Water source comments: Water will be trucked or surface piped from existing water wells on private land. See attached list of available wells.**New water well?** NO**New Water Well Info****Well latitude:****Well Longitude:****Well datum:****Well target aquifer:****Est. depth to top of aquifer(ft):****Est thickness of aquifer:****Aquifer comments:****Aquifer documentation:****Well depth (ft):****Well casing type:****Well casing outside diameter (in.):****Well casing inside diameter (in.):****New water well casing?****Used casing source:****Drilling method:****Drill material:****Grout material:****Grout depth:****Casing length (ft.):****Casing top depth (ft.):****Well Production type:****Completion Method:****Water well additional information:****State appropriation permit:****Additional information attachment:****Section 6 - Construction Materials****Using any construction materials:** YES**Construction Materials description:** NM One Call (811) will be notified before construction start. Top 6" of soil and brush will be stockpiled south of the pad. Closed loop drilling system will be used. Caliche will be hauled from an existing caliche pit on private (Dinwiddie Cattle Company) land in W2 08-25S-36E or an existing caliche pit on private (Dinwiddie Cattle Company) land in E2 17-25S-36E.**Construction Materials source location attachment:**

HOLLY_FED_COM_26_36_05_107H___Caliche_Map_20190211165311.pdf

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H

Section 7 - Methods for Handling Waste

Waste type: DRILLING**Waste content description:** Drill cuttings, mud, salts, and other chemicals**Amount of waste:** 2000 barrels**Waste disposal frequency :** Daily**Safe containment description:** Steel tanks on pad**Safe containmant attachment:****Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL**Disposal type description:****Disposal location description:** R360's State approved (NM-01-0006) disposal site at Halfway, NM

Reserve Pit

Reserve Pit being used? NO**Temporary disposal of produced water into reserve pit?****Reserve pit length (ft.)** **Reserve pit width (ft.)****Reserve pit depth (ft.)** **Reserve pit volume (cu. yd.)****Is at least 50% of the reserve pit in cut?****Reserve pit liner****Reserve pit liner specifications and installation description**

Cuttings Area

Cuttings Area being used? NO**Are you storing cuttings on location?** YES**Description of cuttings location** Steel tanks on pad**Cuttings area length (ft.)** **Cuttings area width (ft.)****Cuttings area depth (ft.)** **Cuttings area volume (cu. yd.)****Is at least 50% of the cuttings area in cut?****WCuttings area liner****Cuttings area liner specifications and installation description**

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO**Ancillary Facilities attachment:****Comments:**

Section 9 - Well Site Layout

Well Site Layout Diagram:

HOLLY_FED_COM_26_36_05_107H___WELL_SITE_DIAGRAM_REV_20200318100925.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance**Multiple Well Pad Name:** RB/HOL**Multiple Well Pad Number:** 9S**Recontouring attachment:**

HOLLY_FED_COM_26_36_05_107H___WELL_SITE_DIAGRAM_REV_20200318100954.pdf

Drainage/Erosion control construction: Crowned and ditched**Drainage/Erosion control reclamation:** Harrowed on the contour

Well pad proposed disturbance (acres): 4.59	Well pad interim reclamation (acres): 0.79	Well pad long term disturbance (acres): 3.8
Road proposed disturbance (acres): 0	Road interim reclamation (acres): 0	Road long term disturbance (acres): 0
Powerline proposed disturbance (acres): 0	Powerline interim reclamation (acres): 0	Powerline long term disturbance (acres): 0
Pipeline proposed disturbance (acres): 1.36	Pipeline interim reclamation (acres): 0	Pipeline long term disturbance (acres): 1.36
Other proposed disturbance (acres): 0	Other interim reclamation (acres): 0	Other long term disturbance (acres): 0
Total proposed disturbance: 5.95	Total interim reclamation: 0.79	Total long term disturbance: 5.16

Disturbance Comments:

Reconstruction method: Interim reclamation will be completed within 6 months of completing the well. Interim reclamation will consist of shrinking the pad 17% (.79 acre) by removing caliche and reclaiming 40' wide swaths on the south and west sides of the pad. This will leave 3.8 acres for producing six wells, with tractor-trailer turn around. Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Topsoil redistribution: Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. New road will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled.

Soil treatment: None

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H**Existing Vegetation at the well pad:****Existing Vegetation at the well pad attachment:****Existing Vegetation Community at the road:****Existing Vegetation Community at the road attachment:****Existing Vegetation Community at the pipeline:****Existing Vegetation Community at the pipeline attachment:****Existing Vegetation Community at other disturbances:****Existing Vegetation Community at other disturbances attachment:****Non native seed used?** NO**Non native seed description:****Seedling transplant description:****Will seedlings be transplanted for this project?** NO**Seedling transplant description attachment:****Will seed be harvested for use in site reclamation?** NO**Seed harvest description:****Seed harvest description attachment:****Seed Management****Seed Table****Seed Summary****Total pounds/Acre:****Seed Type****Pounds/Acre****Seed reclamation attachment:****Operator Contact/Responsible Official Contact Info****First Name:****Last Name:****Phone:****Email:****Seedbed prep:**

Operator Name: AMEREDEV OPERATING LLC

Well Name: HOLLY FED COM 26 36 05

Well Number: 107H

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: To BLM standards

Weed treatment plan attachment:

Monitoring plan description: To BLM standards

Monitoring plan attachment:

Success standards: To BLM satisfaction

Pit closure description: No pit

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner:

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: AMEREDEV OPERATING LLC**Well Name:** HOLLY FED COM 26 36 05**Well Number:** 107H**Disturbance type:** PIPELINE**Describe:****Surface Owner:****Other surface owner description:****BIA Local Office:****BOR Local Office:****COE Local Office:****DOD Local Office:****NPS Local Office:****State Local Office:****Military Local Office:****USFWS Local Office:****Other Local Office:****USFS Region:****USFS Forest/Grassland:****USFS Ranger District:**

Section 12 - Other Information

Right of Way needed? NO**Use APD as ROW?****ROW Type(s):**

ROW Applications

SUPO Additional Information: SUA signature pages between Ameredev and EOG are attached below.**Use a previously conducted onsite?** YES**Previous Onsite information:** On-site inspection was held with Jeff Robertson (BLM) on 5/23/18. Ameredev made a donation with the MOU fund in lieu of an archaeology report. (NOS #: 10400037349)

Other SUPO Attachment

HOLLY_FED_COM_26_36_05_107H__SURFACE_USE_PLAN_20190211165820.pdf

Pages_from_NMLEA0S003_001_EOG_AMEREDEV_SUA_FULLY_EXECUTED_20200318074030.pdf



Ameredev II, LLC

Contingency Wellbore Schematic

Well: Holly Fed Com 26-36-05 107H
SHL: Sec. 05 26S-36E 230' FNL & 1012' FWL
BHL: Sec. 08 26S-36E 50' FSL & 1026' FEL
 Lea, NM

Wellhead: A - 13-5/8" 10M x 13-5/8" SOW
 B - 13-5/8" 10M x 13-5/8" 10M
 C - 13-5/8" 10M x 13-5/8" 10M
 Tubing Spool - 7-1/16" 15M x 13-3/8" 10M

Xmas Tree: 2-9/16" 10M

Tubing: 2-7/8" L-80 6.5# 8rd EUE

Co. Well ID: XXXXXX
AFE No.: XXXX-XXX
API No.: XXXXXXXXXXXX
GL: 3,003'
Field: Delaware
Objective: Wolfcamp A
TVD: 11,569'
MD: 22,277'
Rig: TBD **KB 27'**
E-Mail: Wellsite2@ameredev.com

Hole Size	Formation Tops	Logs	Cement	Mud Weight
17.5"	Rustler 1,256'	1,137 Sacks	TOC 0'	8.4-8.6 ppg WBM
	13.375" 68# J-55 BTC 1,381'		100% Excess	
12.25"	Salado 1,696'	859 Sacks	TOC 0'	8.5-9.4 Diesel Brine Emulsion
	DV Tool with ACP 3,423'		50% Excess	
	Tansill 3,423'			
	Capitan Reef 3,925'			
	Lamar 5,103'			
	Bell Canyon 5,246'			
	No Casing 5,228'			
9.875"	Brushy Canyon 7,062'			8.5-9.4 Diesel Brine Emulsion
	Bone Spring Lime 8,063'			
	First Bone Spring 9,500'			
	Second Bone Spring 10,035'			
	Third Bone Spring Upper 10,603'			
	7.625" 29.7# L-80HC BTC 10,728'	2,401 Sacks	TOC 0'	
6.75"	Third Bone Spring 11,194'			10.5-12.5 ppg OBM
12° Build @ 10,936' MD thru 12,015' MD	Wolfcamp 11,469'			
	5.5" 23# P110MS2 Anaconda GT 22,277'			
	Target Wolfcamp A 11569 TVD // 22277 MD	1,734 Sacks	TOC 0'	
			25% Excess	



5M Annular Preventer Variance Request and Well Control Procedures

Note: A copy of the Well Control Plan must be available at multiple locations on the rig for review by rig personnel, as well as review by the BLM PET/PE, and a copy must be maintained on the rig floor.

Dual Isolation Design for 5M Annular Exception

Ameredev will utilize 13-5/8” 10M (5M Annular) BOPE System consisting of:

- 13-5/8” 5M Annular
- 13-5/8” 10M Upper Pipe Rams
 - o 3-1/2” – 5-1/2” Variable Bore Ram
- 13-5/8” 10M Blind Rams
- 13-5/8” 10M Drilling Spool /w 2 - 4” 10M Outlets Double 10M Isolation Valves
- 13-5/8” 10M Lower Blind Rams
 - o 3-1/2” – 5-1/2” Variable Bore Ram

All drilling components and casing associated to exposure > 5000 psi BHP requiring a 10M system will have a double isolation (secondary barrier) below the 5M Annular that would provide a barrier to flow. The mud system will always be primary barrier, it will be maintained by adjusting values based on tourly mud tests and monitoring a PVT System to maintain static wellbore conditions, displacement procedures will be followed and recorded on daily drilling reports during tripping operations. Surge and swab pressure values will be calculated and maintained and static flow check will be monitored at previous casing shoe and verified static well conditions prior to tripping out of hole and again prior to pulling last joint of drill pipe through BOPE. The below table, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

Drill Components	Size	Primary Barrier	Secondary Barrier	Third Barrier
Drillpipe	3-1/2”-5-1/2”	Drilling Fluid	Upper Pipe Rams	Lower Pipe Rams
HWDP Drillpipe	3-1/2”-5-1/2”	Drilling Fluid	Upper Pipe Rams	Lower Pipe Rams
Drill Collars	3-1/2”-5-1/2”	Drilling Fluid	Upper Pipe Rams	Lower Pipe Rams
Production Casing	3-1/2”-5-1/2”	Drilling Fluid	Upper Pipe Rams	Lower Pipe Rams
Open Hole	13-5/8	Drilling Fluid	Blind Rams	
All Drilling Components in 10M Environment will have OD that will allow full Operational RATED WORKING PRESSURE for system design. Kill line with minimum 2” ID will be available outside substructure with 10M Check Valve for OOH Kill Operations				

Well Control Procedures

Proper well control procedures are dependent to differentiating well conditions, to cover the basic well control operations there are will be standard drilling ahead, tripping pipe, tripping BHA, running casing, and pipe out of the hole/open hole scenarios that will be defined by procedures below. Initial Shut In Pressure can be taken against the Uppermost BOPE component the 5M Annular, pressure control can be transferred from the lesser 5M Annular to the 10M Upper Pipe Rams if needed. Shut In Pressures may be equal to or less than the Rated Working Pressure but at no time will the pressure on the annular preventer exceed the Rated Working Pressure of the annular. The annular will be tested to 5,000 psi. This will be the Rated Working Pressure of the annular preventer. All scenarios will be written such as shut in will be performed by closing the 10,000 psi Upper Pipe Rams for faster Accumulator pressure recovery to allow safer reaction to controlling wellbore pressure.

Shutting In While Drilling

- 1. Sound alarm signaling well control event to Rig Crew
- 2. Space out drill string to allow FOSV installation
- 3. Shut down pumps
- 4. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves
Open to working pressure gauge
- 5. Install open, full open safety valve and close valve, Close Chokes
- 6. Verify well is shut-in and flow has stopped
- 7. Notify supervisory personnel
- 8. Record data (SIDP, SICP, Pit Gain, and Time)
- 9. Hold pre-job safety meeting and discuss kill procedure

Shutting In While Tripping

- 1. Sound alarm signaling well control event to Rig Crew
- 2. Space out drill string to allow FOSV installation
- 3. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves
Open to working pressure gauge
- 4. Install open, full open safety valve and close valve, Close Chokes
- 5. Verify well is shut-in and flow has stopped
- 6. Notify supervisory personnel
- 7. Record data (SIDP, SICP, Pit Gain, and Time)
- 8. Hold pre-job safety meeting and discuss kill procedure

Shutting In While Running Casing

1. Sound alarm signaling well control event to Rig Crew
2. Space out casing to allow circulating swedge installation
3. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves
Open to working pressure gauge
4. Install circulating swedge, Close high pressure, low torque valves, Close Chokes
5. Verify well is shut-in and flow has stopped
6. Notify supervisory personnel
7. Record data (SIDP, SICP, Pit Gain, and Time)
8. Hold Pre-job safety meeting and discuss kill procedure

Shutting in while out of hole

1. Sound alarm signaling well control event to Rig Crew
2. Shut-in well: close blind rams and open HCR against Open Chokes and Valves
Open to working pressure gauge
3. Close Chokes, Verify well is shut-in and monitor pressures
4. Notify supervisory personnel
5. Record data (SIDP, SICP, Pit Gain, and Time)
6. Hold Pre-job safety meeting and discuss kill procedure

Shutting in prior to pulling BHA through stack

Prior to pulling last joint of drill pipe thru the stack space out and check flow
If flowing see steps below.

1. Sound alarm signaling well control event to Rig Crew
2. Shut in upper pipe ram and open HCR against Open Chokes and Valves Open
to working pressure gauge
3. Install open, full open safety valve and close valve, Close Chokes
4. Verify well is shut-in and flow has stopped
5. Notify supervisory personnel
6. Record data (SIDP, SICP, Pit Gain, and Time)
7. Hold pre-job safety meeting and discuss kill procedure

Shutting in while BHA is in the stack and ram preventer and combo immediately available

1. Sound alarm signaling well control event to Rig Crew
2. Space out BHA with upset just beneath the compatible pipe ram
3. Shut in upper compatible pipe ram and open HCR against Open Chokes and Valves Open to working pressure gauge
4. Install open, full open safety valve and close valve, Close Chokes
5. Verify well is shut-in and flow has stopped
6. Notify supervisory personnel
7. Record data (SIDP, SICP, Pit Gain, and Time)
8. Hold pre-job safety meeting and discuss kill procedure

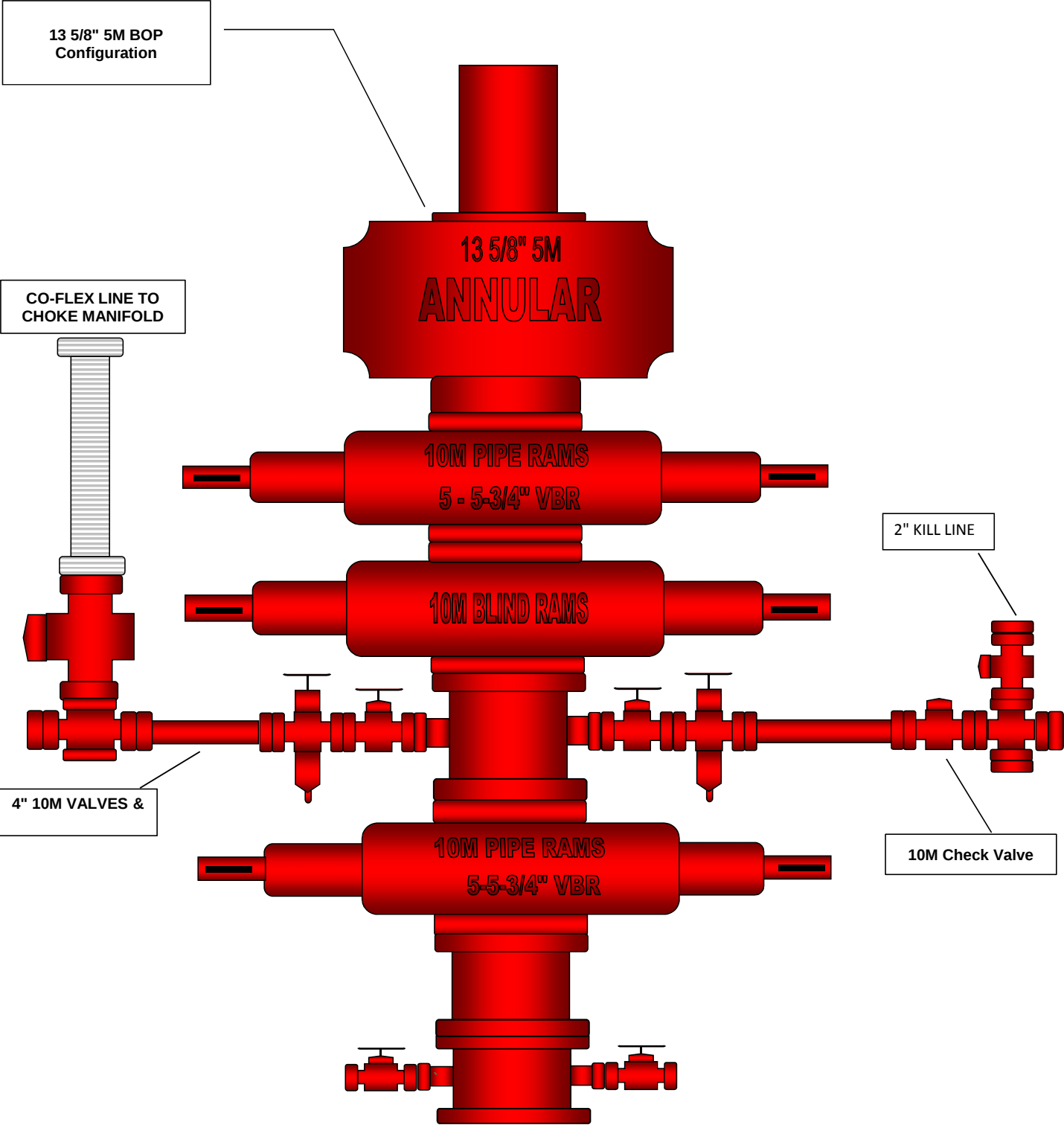
*FOSV will be on rig floor in open position with operating handle for each type of connection utilized and tested to 10,000 psi

Shutting in while BHA is in the stack and no ram preventer or combo immediately available

1. Sound alarm signaling well control event to Rig Crew
2. If possible pick up high enough, to pull string clear and follow "Open Hole" scenario

If not possible to pick up high enough:

3. Stab Crossover, make up one joint/stand of drill pipe, and install open, full open safety valve (Leave Open)
4. Space out drill string with upset just beneath the compatible pipe ram.
5. Shut in upper compatible pipe ram and open HCR against Open Chokes and Valves Open to working pressure gauge
6. Close FOSV, Close Chokes, Verify well is shut-in and flow has stopped
7. Notify supervisory personnel
8. Record data (SIDP, SICP, Pit Gain, and Time)
9. Hold pre-job safety meeting and discuss kill procedure





Pressure Control Plan

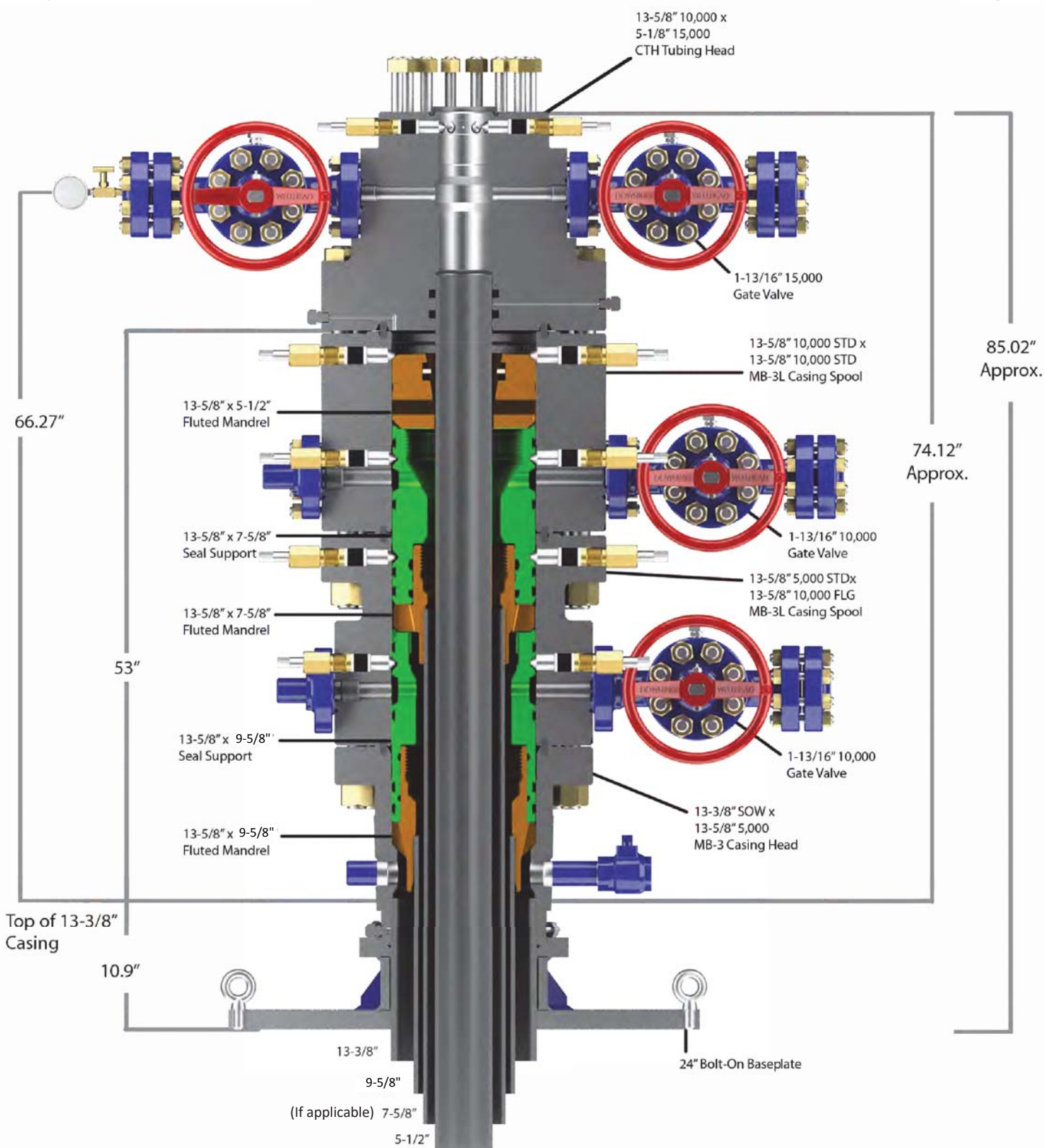
Pressure Control Equipment

- Following setting of 13-3/8" Surface Casing Ameredev will install 13-5/8 MB4 Multi Bowl Casing Head by welding on a 13-5/8 SOW x 13-5/8" 5M in combination with 13-5/8 5M x 13-5/8 10M B-Sec to Land Intm #1 and a 13-5/8 10M x 13-5/8 10M shouldered to land C-Sec to Land Intm #2 (Installation procedure witnessed and verified by a manufacturer's representative).
- Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Ameredev will install a 5M System Blowout Preventer (BOPE) with a 5M Annular Preventer and related equipment (BOPE). Full testing will be performed utilizing a full isolation test plug and limited to 5,000 psi MOP of MB4 Multi Bowl Casing Head. Pressure will be held for 10 min or until provisions of test are met on all valves and rams. The 5M Annular Preventer will be tested to 50% of approved working pressure (2,500 psi). Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Setting of 9-5/8" (7-5/8" as applicable) Intermediate will be done by landing a wellhead hanger in the 13-5/8" 5M Bowl, Cementing and setting Well Head Packing seals and testing same. (Installation procedure witnessed and verified by a manufacturer's representative) Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Full testing will be performed utilizing a full isolation test plug to 10,000 psi MOP of MB4 Multi Bowl B-Section. Pressure will be held for 10 min or until provisions of test are met on all valves and rams. The 5M Annular Preventer will be tested to 100% of approved working pressure (5,000 psi).
- Before drilling >20ft of new formation under the 9-5/8" (7-5/8" as applicable) Casing Shoe a pressure integrity test of the Casing Shoe will be performed to minimum of the MWE anticipated to control formation pressure to the next casing depth.
- Following setting of 5-1/2" Production Casing and adequate WOC time Ameredev will break 10M System Blowout Preventer (BOP) from 10M DOL-2 Casing Head, install annulus casing slips and test same (Installation procedure witnessed and verified by a manufacturer's representative) and install 11" 10M x 5-1/8" 15M Tubing Head (Installation procedure witnessed and verified by a manufacturer's representative). Ameredev will test head to 70% casing design and install Dry Hole cap with needle valve and pressure gauge to monitor well awaiting completion.



Pressure Control Plan

- Slow pump speeds will be taken daily by each crew and recorded on Daily Drilling Report after mudding up.
- A choke manifold and accumulator with floor and remote operating stations will be functional and in place after installation of BOPE, as well as full functioning mud gas separator.
- Weekly BOPE pit level drills will be conducted by each crew and recorded on Daily Drilling Report.
- BOP will be fully operated when out of hole and will be documented on the daily drilling log.
- All B.O.P.s and associated equipment will be tested in accordance with Onshore Order #2
- All B.O.P. testing will be done by an independent service company.
- The B.O.P. will be tested within 21 days of the original test if drilling takes more time than planned.
- Ameredev requests a variance to connect the B.O.P. choke outlet to the choke manifold using a co-flex hose with a 10,000 psi working pressure that has been tested to 15,000psi and is built to API Spec 16C. Once the flex line is installed it will be tied down with safety clamps. (certifications will be sent to Carlsbad BLM Office prior to install)
- Ameredev requests a variance to install a 5M Annular Preventer on the 10M System to drill the Production Hole below the 9-5/8" (7-5/8" as applicable) Intermediate Section. 5M Annular will be tested to 100% working pressure (5,000 psi). A full well control procedure will be included to isolate well bore.

**Quotation****Downing Wellhead Equipment**Oklahoma City,
Oklahoma - USA

Reference Data:

16925 AMEREDEV

Proprietary and Confidential

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TITLE:

AMEREDEV

DRAWN

CHECKED

APPROVED

SIZE

A

DWG. NO.

Scale:

Weight:

REV.

Sheet:

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

CONDITIONS

Action 24405

CONDITIONS OF APPROVAL

Operator:	AMEREDEV OPERATING, LLC	2901 Via Fortuna	OGRID:	372224	Action Number:	24405	Action Type:	FORM 3160-3
	Suite 600	Austin, TX78746						

OCD Reviewer	Condition
pkautz	Will require a File As Drilled C-102 and 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