

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: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. NMNM120905 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. ANDERSON FED COM [326484] 553H 9. API Well No. 30-025-48997
2. Name of Operator ADVANCE ENERGY PARTNERS HAT MESA LLC [372417] 3a. Address 3b. Phone No. (include area code)		10. Field and Pool, or Exploratory RED TANK BONE SPRING [51683] 11. Sec., T. R. M. or Blk. and Survey or Area SEC 2/T22S/R32E/NMP
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface LOT 3 / 180 FNL / 2188 FWL / LAT 32.427546 / LONG -103.646864 At proposed prod. zone SESW / 1220 FSL / 1650 FWL / LAT 32.445911 / LONG -103.648594		12. County or Parish LEA 13. State NM
14. Distance in miles and direction from nearest town or post office* 26 miles		15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 180 feet 16. No of acres in lease 17. Spacing Unit dedicated to this well 200.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 33 feet 19. Proposed Depth 11150 feet / 17860 feet 20. BLM/BIA Bond No. in file FED: NMB001444		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3672 feet 22. Approximate date work will start* 12/01/2020 23. Estimated duration 90 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor.
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 (Electronic Submission)	Name (Printed/Typed) BRIAN WOOD / Ph: (346) 444-9739	Date 10/07/2020
Title President		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 04/30/2021
Title Assistant Field Manager Lands & Minerals		
Office Carlsbad Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 Conditions of approval, if any, are attached.

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

GCP Rec 05/02/2021**SL**

(Continued on page 2)

**Approval Date: 04/30/2021**
KZ
06/09/2021

*(Instructions on page 2)

INSTRUCTIONS

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

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

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

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

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

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

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

NOTICES

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

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

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

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

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

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

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

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

Additional Operator Remarks

Location of Well

0. SHL: LOT 3 / 180 FNL / 2188 FWL / TWSP: 22S / RANGE: 32E / SECTION: 2 / LAT: 32.427546 / LONG: -103.646864 (TVD: 0 feet, MD: 0 feet)

PPP: SESW / 0 FSL / 1650 FWL / TWSP: 21S / RANGE: 32E / SECTION: 35 / LAT: 32.428094 / LONG: -103.648607 (TVD: 11140 feet, MD: 11367 feet)

PPP: SENW / 2640 FNL / 1650 FWL / TWSP: 21S / RANGE: 32E / SECTION: 35 / LAT: 32.435312 / LONG: -103.64859 (TVD: 11150 feet, MD: 14000 feet)

PPP: LOT 3 / 275 FNL / 1812 FWL / TWSP: 22S / RANGE: 32E / SECTION: 2 / LAT: 32.4272858 / LONG: -103.6480822 (TVD: 10977 feet, MD: 11019 feet)

BHL: SESW / 1220 FSL / 1650 FWL / TWSP: 21S / RANGE: 32E / SECTION: 26 / LAT: 32.445911 / LONG: -103.648594 (TVD: 11150 feet, MD: 17860 feet)

BLM Point of Contact

Name: Priscilla Perez

Title: Legal Instruments Examiner

Phone: (575) 234-5934

Email: pperez@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

**Anderson Federal Com Pad B Wells (503H, 555H, 556H,
603H), Pad C Wells (502H, 553H, 554H, 602H), Pad D
Wells (501H, 551H, 552H, 601H) and Access Road
Advance Energy Partners, LLC
Serial Lease Nos. NMNM 106696/NMNM 12968**

Anderson Federal Com 503H

Surface Hole Location: 180 ft. FNL and 2281 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 555H

Surface Hole Location: 180 ft. FNL and 2380 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 556H

Surface Hole Location: 180 ft. FNL and 2314 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 603H

Surface Hole Location: 180 ft. FNL and 2347 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 502H

Surface Hole Location: 180 ft. FNL and 2221 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 553H

Surface Hole Location: 180 ft. FNL and 2188 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 554H

Surface Hole Location: 180 ft. FNL and 2254 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 602H

Surface Hole Location: 180 ft. FNL and 2155 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 501H**Surface Hole Location: 180 ft. FNL and 710 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 990 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 551H****Surface Hole Location: 180 ft. FNL and 677 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 330 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 552H****Surface Hole Location: 180 ft. FNL and 743 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 990 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 601H****Surface Hole Location: 180 ft. FNL and 644 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 330 ft. FWL; Section 26, T. 21 S., R. 32 E****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.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Hydrology
 - Potash Resources
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

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, 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 feet 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.

Hydrology:

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 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.

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.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Potash Resources

Lessees must comply with the 2012 Secretarial Potash Order. The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Anderson Drill Island.

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 (24) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) 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 24' 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

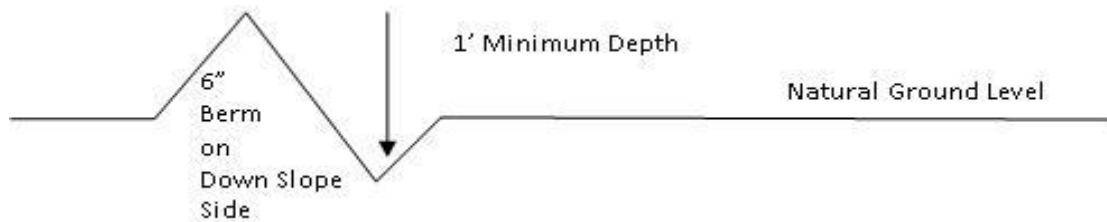
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

Cross Section of a Typical Lead-off Ditch



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

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 30 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.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> 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 and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. 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.

18. 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.

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).

Seed Mixture for LPC Sand/Shinnery 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:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

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

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Advance Energy Partners Hat Mesa LLC
LOCATION:	Section 2, T.22 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	Anderson Fed Com 501H
SURFACE HOLE FOOTAGE:	180'/N & 710'/W
BOTTOM HOLE FOOTAGE:	2540'/S & 990'/W
LEASE NO.:	NM120905

WELL NAME & NO.:	Anderson Fed Com 551H
SURFACE HOLE FOOTAGE:	180'/N & 677'/W
BOTTOM HOLE FOOTAGE:	2540'/S & 330'/W
LEASE NO.:	NM120907

WELL NAME & NO.:	Anderson Fed Com 552H
SURFACE HOLE FOOTAGE:	180'/N & 743'/W
BOTTOM HOLE FOOTAGE:	2540'/S & 990'/W
LEASE NO.:	NM120908

WELL NAME & NO.:	Anderson Fed Com 553H
SURFACE HOLE FOOTAGE:	180'/N & 2188'/W
BOTTOM HOLE FOOTAGE:	1220'/S & 1650'/W
LEASE NO.:	NM120909

WELL NAME & NO.:	Anderson Fed Com 554H
SURFACE HOLE FOOTAGE:	180'/N & 254'/W
BOTTOM HOLE FOOTAGE:	1220'/S & 2310'/W
LEASE NO.:	NM120910

WELL NAME & NO.:	Anderson Fed Com 555H
SURFACE HOLE FOOTAGE:	180'/N & 2380'/E
BOTTOM HOLE FOOTAGE:	1220'/S & 2310'/E
LEASE NO.:	NM120911

WELL NAME & NO.:	Anderson Fed Com 556H
SURFACE HOLE FOOTAGE:	180'/N & 2314'/E
BOTTOM HOLE FOOTAGE:	1220'/S & 1650'/E
LEASE NO.:	NM120912

WELL NAME & NO.:	Anderson Fed Com 601H
SURFACE HOLE FOOTAGE:	180'/N & 644'/W
BOTTOM HOLE FOOTAGE:	2540'/S & 330'/W
LEASE NO.:	NM120913

WELL NAME & NO.:	Anderson Fed Com 602H
SURFACE HOLE FOOTAGE:	180'/N & 2155'/W
BOTTOM HOLE FOOTAGE:	1220'/S & 1650'/W
LEASE NO.:	NM120914

WELL NAME & NO.:	Anderson Fed Com 603H
SURFACE HOLE FOOTAGE:	180'/N & 2347'/E
BOTTOM HOLE FOOTAGE:	1220'/S & 2310'/E
LEASE NO.:	NM120915

COA

H2S	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Potash	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Secretary	<input checked="" type="checkbox"/> R-111-P
Cave/Karst Potential	<input checked="" type="checkbox"/> Low	<input checked="" type="checkbox"/> Medium	<input checked="" type="checkbox"/> High
Cave/Karst Potential	<input checked="" type="checkbox"/> Critical		
Variance	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input checked="" type="checkbox"/> Other
Wellhead	<input checked="" type="checkbox"/> Conventional	<input checked="" type="checkbox"/> Multibowl	<input checked="" type="checkbox"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> 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 **1200 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 **24 hours in the Potash Area** 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:

Option 1 (Single Stage):

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

Option 2:

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

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In Secretary Potash 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.
3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. 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 **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 Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, 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.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 4, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-48997	Pool Code 51683	Pool Name Red Tank; Bone Spring
Property Code 326484	Property Name ANDERSON FED COM	Well Number 553H
OGRID No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA, LLC	Elevation 3672'

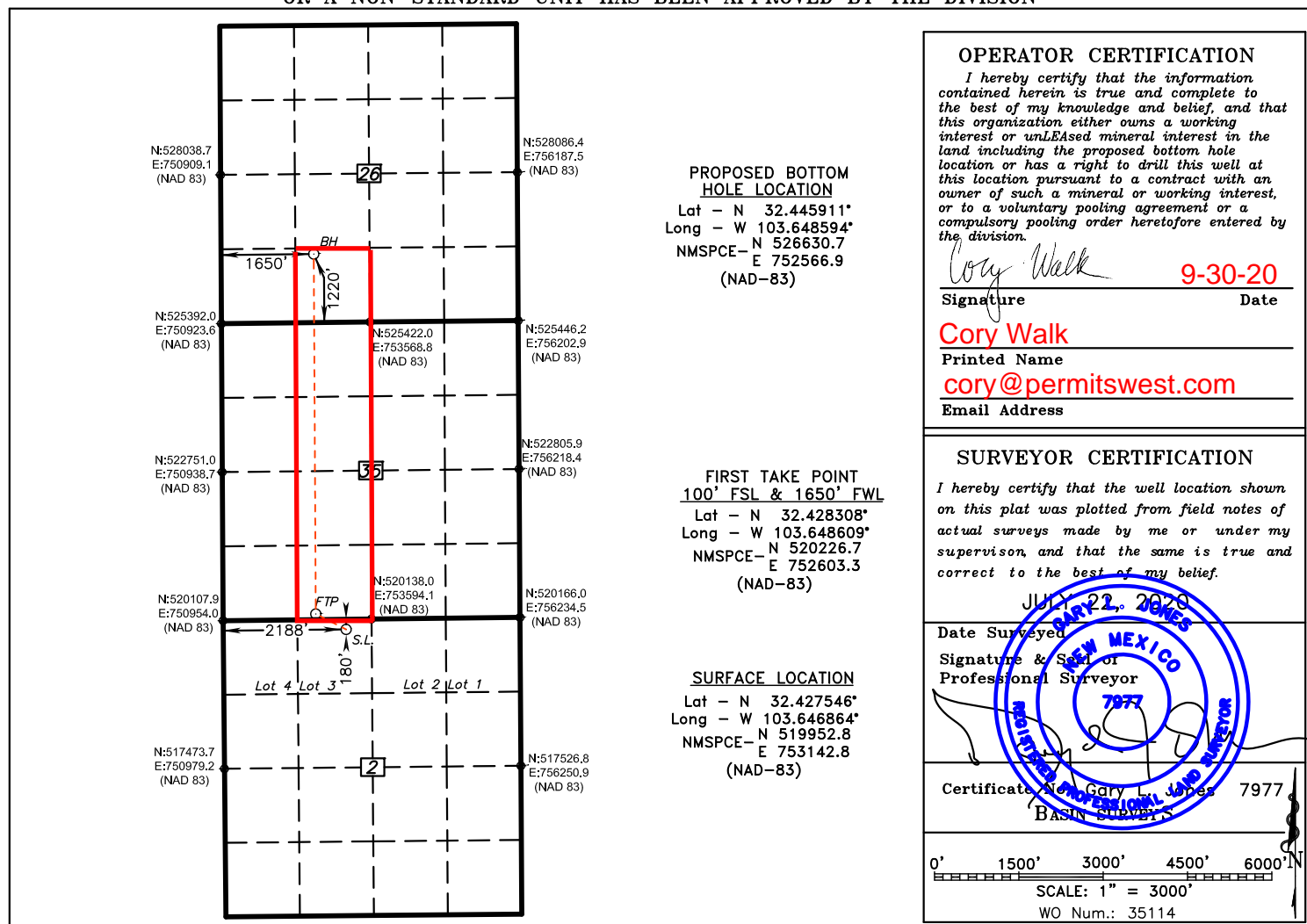
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
LOT 3	2	22 S	32 E		180	NORTH	2188	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
N	26	21 S	32 E		1220	SOUTH	1650	WEST	LEA
Dedicated Acres 200	Joint or Infill	Consolidation Code C	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

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: 9-30-20

☒ Original

Operator & OGRID No.: Advance Energy Partners Hat Mesa, LLC (372417)

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Advance Energy Partners Hat Mesa, LLC 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
Anderson Fed Com 502H	30-025-	C-2-22s-32e	180' FNL & 2221' FWL	425	≈30 days	flare until well clean, then connect
Anderson Fed Com 553H	30-025- 30-025-48997	C-2-22s-32e	180' FNL & 2188' FWL	425	≈30 days	flare until well clean, then connect
Anderson Fed Com 554H	30-025-	C-2-22s-32e	180' FNL & 2254' FWL	425	≈30 days	flare until well clean, then connect
Anderson Fed Com 602H	30-025-	C-2-22s-32e	180' FNL & 2155' FWL	425	≈30 days	flare until well clean, then connect

Gathering System and Pipeline Notification

Well will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. Gas produced from this production facility has not yet been dedicated. One possible outlet is DCP Operating Company, LP (36785). DCP connects existing wells ¼ mile northwest in M-35-21s-32e. Advance Energy Partners Hat Mesa, LLC will provide (periodically) to DCP or other transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Advance Energy Partners Hat Mesa, LLC and DCP or other transporter will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at a DCP or other transporter processing plant at an as yet undetermined location. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP or other transporter system at that time. Based on current information, it is Advance Energy Partners Hat Mesa, LLC's belief the system ultimately can take this gas upon completion of the well.

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

04/23/2021

APD ID: 10400062922

Submission Date: 10/07/2020

Highlighted data
reflects the most
recent changes

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC

Well Name: ANDERSON FED COM

Well Number: 553H

[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
896730	QUATERNARY	3672	0	0	OTHER : Caliche	USEABLE WATER	N
896731	RUSTLER ANHYDRITE	2473	1199	1199	ANHYDRITE	NONE	N
896732	TOP SALT	2270	1402	1402	SALT	NONE	N
896734	BELL CANYON	-1076	4748	4748	LIMESTONE	NATURAL GAS, OIL	N
896733	BASE OF SALT	-1076	4748	4748	CHERT	NONE	N
896735	CHERRY CANYON	-2010	5682	5682	SANDSTONE	NATURAL GAS, OIL	N
896736	LOWER BRUSHY CANYON 8A	-4752	8424	8435	SANDSTONE	NATURAL GAS, OIL	N
896737	AVALON SAND	-5272	8944	8948	SHALE	NATURAL GAS, OIL	N
896738	BONE SPRING 1ST	-6139	9811	9827	SANDSTONE	NATURAL GAS, OIL	N
896739	BONE SPRING 2ND	-6727	10399	10416	SANDSTONE	NATURAL GAS, OIL	N
896787	BONE SPRING 3RD	-7305	10977	11019	OTHER : Carbonate	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 10000

Equipment: See attached 5000 psi Helmerich & Payne BOP Testing BLM manual for equipment and procedures.

Requesting Variance? YES

Variance request: Variance is requested to use a co-flex hose between the BOP and choke instead of a steel line. See attached 3" I. D. x 10K test certificate. If this hose is unavailable, then a hose of equal or higher-pressure rating will be used. Variance is requested to use a speed head (aka, multi-bowl wellhead). Diagram is attached.

Testing Procedure: See attached 5000 psi Helmerich & Payne BOP Testing BLM manual for equipment and procedures.

Choke Diagram Attachment:

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC**Well Name:** ANDERSON FED COM**Well Number:** 553H

BOP_Choke_20201006094841.pdf

BOP Diagram Attachment:

BOP_Choke_20201006094901.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	1224	0	1224	3672	2448	1224	J-55	54.5	BUTT	1.125	1.125	DRY	1.6	DRY	1.6
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4000	0	4000	3691	-328	4000	J-55	40	LT&C	1.125	1.125	DRY	1.6	DRY	1.6
3	INTERMEDIATE	12.25	9.625	NEW	API	N	4000	4915	4000	4915	-309	-1243	915	OTHER	40	LT&C	1.125	1.125	DRY	1.6	DRY	1.6
4	PRODUCTION	8.5	5.5	NEW	NON API	N	0	17860	0	11150	3691	-7478	17860	HCP-110	20	OTHER - CDC-HTQ	1.125	1.125	DRY	1.6	DRY	1.6

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

Casing_Design_Assumptions_20201006095037.pdf

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC**Well Name:** ANDERSON FED COM**Well Number:** 553H**Casing Attachments**

Casing ID: 2 **String Type:** INTERMEDIATE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**Casing_Design_Assumptions_20201006100110.pdf

Casing ID: 3 **String Type:** INTERMEDIATE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**Casing_Design_Assumptions_20201006100139.pdf

Casing ID: 4 **String Type:** PRODUCTION**Inspection Document:****Spec Document:**

5.5in_Casing_Spec_HCP110_CDC_HTQ_20201006100222.pdf

Tapered String Spec:**Casing Design Assumptions and Worksheet(s):**Casing_Design_Assumptions_20201006100235.pdf

Section 4 - Cement

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC**Well Name:** ANDERSON FED COM**Well Number:** 553H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Lead		0	0	0	0	0	0	0	None	None

SURFACE	Lead		0	924	485	1.99	12.8	965	50	Class C	2% Gypsum + 2% SMS + 0.25PPS Pol-E-Flake + 0.005GPS NoFoam V1A
SURFACE	Tail		924	1224	215	1.34	14.8	288	20	Class C	1% CaCl2 + 0.005GPS NoFoam V1A
INTERMEDIATE	Lead	2800	0	2380	440	3.13	11	1377	155	PowerCem	5PPS Plexcrete STE + 8% Gypsum + 1.5% SMS + 0.25% R-1300 + 0.25PPS Pol-E-Flake + 0.005GPS NoFoam V1A
INTERMEDIATE	Tail		2380	2800	100	1.33	14.8	133	0	Class C	0.005GPS NoFoam V1A
INTERMEDIATE	Lead	2800	2800	3932	1380	1.83	12.8	2525	613	DiPoz+C	2% Gel + 5% SALT + 0.25PPS Pol-E-Flake + 0.005GPS NoFoam V1A
INTERMEDIATE	Tail		3932	4915	295	1.33	14.8	392	20	Class C	0.15% C-20 + 0.005GPS NoFoam
PRODUCTION	Lead	2800	0	1068 9	860	3.81	10.6	3277	50	PowerCem	5PPS Plexcrete STE + 11% Gypsum + 3% SMS + 0.1% SuspendaCem 6302 + 0.4% R-1300 + 0.005GPS NoFoam
PRODUCTION	Tail		1068 9	1786 0	1635	1.21	14.5	1978	20	DI Poz+H	5% SALT + 0.2% C-20 + 0.4% C-47B + 0.005GPS NoFoam

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC**Well Name:** ANDERSON FED COM**Well Number:** 553H**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 additives (e. g., barite, bentonite, LCM) to maintain mud properties and meet minimum lost circulation and weight increase needs will be on site at all times. Mud program may change due to hole conditions. Mud system is based on system used by Advance at its nearby (2.9 miles northeast) deeper Dagger State Com 701H (30-025-43565). That well has a TVD of 11924.

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

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1224	OTHER : Fresh water	8.4	10							
1224	4915	OTHER : Brine	10	10.5							
4915	10689	OTHER : Cut Brine	9.2	9.5							
10689	17860	OIL-BASED MUD	9.5	9.8							

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC**Well Name:** ANDERSON FED COM**Well Number:** 553H

Section 6 - Test, Logging, Coring

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

None

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

OTHER,

Other log type(s):

None

Coring operation description for the well:

No core, drill stem test, or open hole log is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5643**Anticipated Surface Pressure:** 3190**Anticipated Bottom Hole Temperature(F):** 233**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:**

Anderson_PadC_H2S_Plan_20201006100756.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Anderson_553H_Horizontal_Plan_20201006100807.pdf

Other proposed operations facets description:

Single bow centralizer will be installed on every fourth joint of the surface and intermediate casing strings.

Single bow centralizers will be installed from 200' above the KOP up to 600' inside the previous casing shoe. Double bows will be installed from 200' above the KOP to 200' past the EOC. Solid bodies will be installed one per joint from 200' past EOC to TD.

Other proposed operations facets attachment:

Anderson_553H_Drill_Plan_20201006100818.pdf

CoFlex_Certs_20201006100828.pdf

Anderson_553H_Anticollision_Report_20201006100834.pdf

Wellhead_Diagram_20201006100841.pdf

Other Variance attachment:

Operator Name: ADVANCE ENERGY PARTNERS HAT MESA LLC

Well Name: ANDERSON FED COM

Well Number: 553H

Casing_Cementing_Variance_Request_20201006100425.pdf

**WELL DETAILS: Anderson Fed Com 553H**

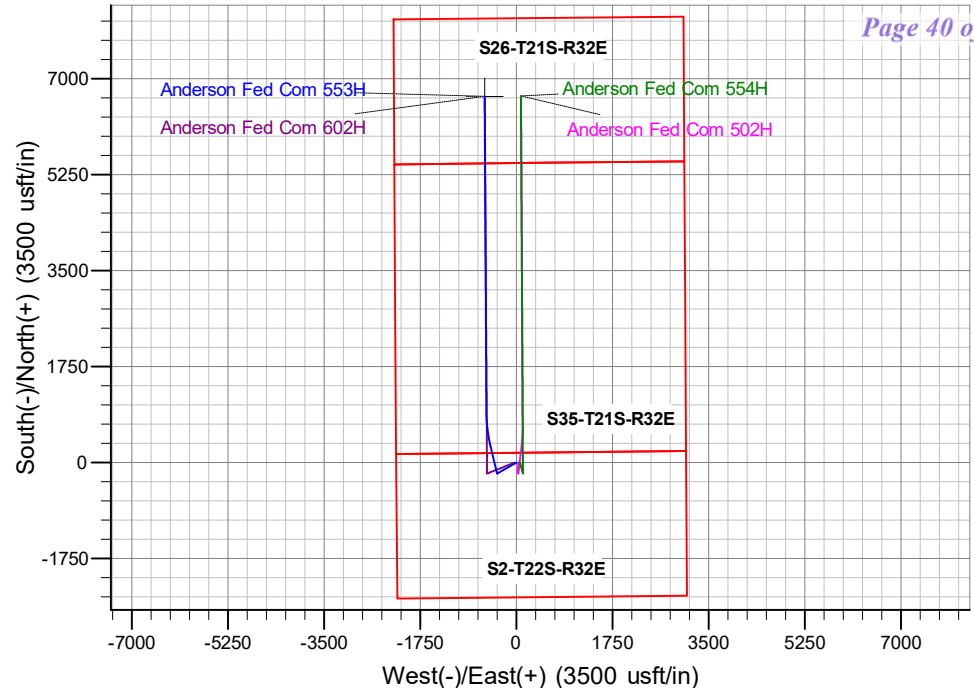
Ground Elev: 3672.0 KB: 3698.5

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.0	0.0	519952.78	753142.98	32° 25' 39.166 N	103° 38' 48.718 W

PROJECT DETAILS: Hat Mesa

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

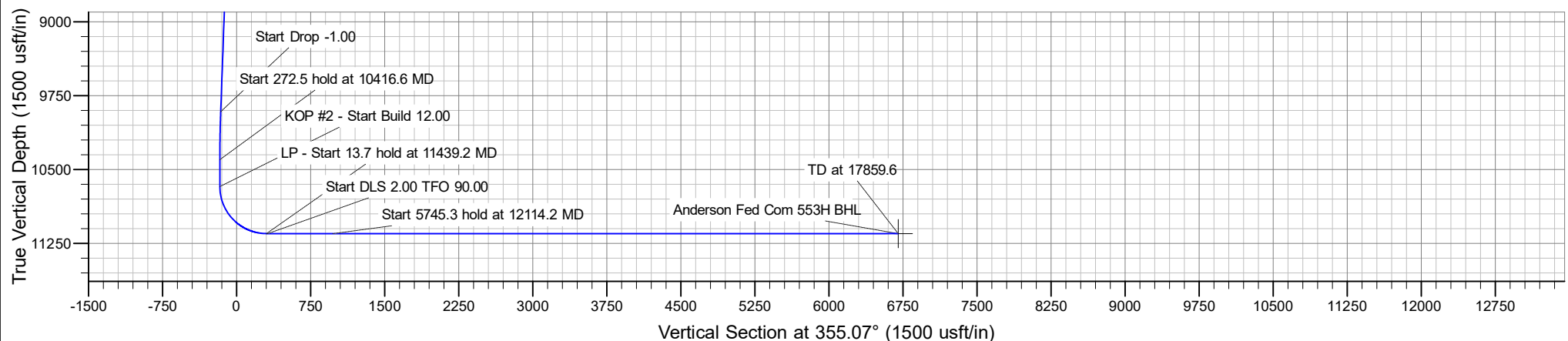
**SECTION DETAILS**

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	5200.0	0.00	0.00	5200.0	0.0	0.0	0.00	0.00	0.0	KOP - Start Build 1.00
3	5689.1	4.89	240.26	5688.5	-10.4	-18.1	1.00	240.26	-8.8	Start 4238.4 hold at 5689.1 MD
4	9927.5	4.89	240.26	9911.5	-189.6	-331.9	0.00	0.00	-160.4	Start Drop -1.00
5	10416.6	0.00	0.00	10400.0	-200.0	-350.0	1.00	180.00	-169.2	Start 272.5 hold at 10416.6 MD
6	10689.2	0.00	0.00	10672.5	-200.0	-350.0	0.00	0.00	-169.2	KOP #2 - Start Build 12.00
7	11439.2	90.00	346.46	11150.0	264.2	-461.8	12.00	346.46	302.9	LP - Start 13.7 hold at 11439.2 MD
8	11452.8	90.00	346.46	11150.0	277.5	-465.0	0.00	0.00	316.4	Start DLS 2.00 TFO 90.00
9	12114.2	90.00	359.69	11150.0	932.6	-544.6	2.00	90.00	976.0	Start 5745.3 hold at 12114.2 MD
10	17859.6	90.00	359.69	11150.0	6677.8	-576.0	0.00	0.00	6702.6	TD at 17859.6



Azimuths to Grid North
 True North: -0.37°
 Magnetic North: 6.29°

Magnetic Field
 Strength: 47722.6nT
 Dip Angle: 60.19°
 Date: 8/17/2020
 Model: IGRF2015





Advance Energy Partners

Hat Mesa

Anderson Fed Com - Pad C

Anderson Fed Com 553H

Anderson Fed Com 553H

Plan: Anderson Fed Com 553H - Prelim 1

Standard Planning Report

20 August, 2020



Planning Report

Database:	EDM 5000.16 Single User Db	Local Co-ordinate Reference:	Well Anderson Fed Com 553H
Company:	Advance Energy Partners	TVD Reference:	WELL @ 3698.5usft (Original Well Elev)
Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Anderson Fed Com 553H		
Design:	Anderson Fed Com 553H - Prelim 1		

Project	Hat Mesa, Lea County, NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Anderson Fed Com - Pad C				
Site Position:		Northing:	519,952.78 usft	Latitude:	32° 25' 39.166 N
From:	Lat/Long	Easting:	753,142.98 usft	Longitude:	103° 38' 48.718 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "		

Well	Anderson Fed Com 553H					
Well Position	+N/-S	0.0 usft	Northing:	519,952.78 usft	Latitude:	32° 25' 39.166 N
	+E/-W	0.0 usft	Easting:	753,142.98 usft	Longitude:	103° 38' 48.718 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	usft	Ground Level:	3,672.0 usft
Grid Convergence:		0.37 °				

Wellbore	Anderson Fed Com 553H				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	8/17/2020	6.66	60.19	47,722.62571064

Design	Anderson Fed Com 553H - Prelim 1				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.0	0.0	0.0	355.07	

Plan Survey Tool Program	Date	8/20/2020			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.0	17,859.6	Anderson Fed Com 553H - Prelim	MWD+HRGM	
				OWSG MWD + HRGM	



Planning Report

Database: EDM 5000.16 Single User Db
Company: Advance Energy Partners
Project: Hat Mesa
Site: Anderson Fed Com - Pad C
Well: Anderson Fed Com 553H
Wellbore: Anderson Fed Com 553H
Design: Anderson Fed Com 553H - Prelim 1

Local Co-ordinate Reference: Well Anderson Fed Com 553H
TVD Reference: WELL @ 3698.5usft (Original Well Elev)
MD Reference: WELL @ 3698.5usft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,689.1	4.89	240.26	5,688.5	-10.4	-18.1	1.00	1.00	0.00	240.26	
9,927.5	4.89	240.26	9,911.5	-189.6	-331.9	0.00	0.00	0.00	0.00	
10,416.6	0.00	0.00	10,400.0	-200.0	-350.0	1.00	-1.00	0.00	180.00	
10,689.2	0.00	0.00	10,672.5	-200.0	-350.0	0.00	0.00	0.00	0.00	
11,439.2	90.00	346.46	11,150.0	264.2	-461.8	12.00	12.00	0.00	346.46	
11,452.8	90.00	346.46	11,150.0	277.5	-465.0	0.00	0.00	0.00	0.00	
12,114.2	90.00	359.69	11,150.0	932.6	-544.6	2.00	0.00	2.00	90.00	
17,859.6	90.00	359.69	11,150.0	6,677.8	-576.0	0.00	0.00	0.00	0.00	Anderson Fed Com 5



Planning Report

Database:	EDM 5000.16 Single User Db	Local Co-ordinate Reference:	Well Anderson Fed Com 553H
Company:	Advance Energy Partners	TVD Reference:	WELL @ 3698.5usft (Original Well Elev)
Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Anderson Fed Com 553H		
Design:	Anderson Fed Com 553H - Prelim 1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP - Start Build 1.00									



Planning Report

Database:	EDM 5000.16 Single User Db	Local Co-ordinate Reference:	Well Anderson Fed Com 553H
Company:	Advance Energy Partners	TVD Reference:	WELL @ 3698.5usft (Original Well Elev)
Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Anderson Fed Com 553H		
Design:	Anderson Fed Com 553H - Prelim 1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,300.0	1.00	240.26	5,300.0	-0.4	-0.8	-0.4	1.00	1.00	0.00
5,400.0	2.00	240.26	5,400.0	-1.7	-3.0	-1.5	1.00	1.00	0.00
5,500.0	3.00	240.26	5,499.9	-3.9	-6.8	-3.3	1.00	1.00	0.00
5,600.0	4.00	240.26	5,599.7	-6.9	-12.1	-5.9	1.00	1.00	0.00
5,689.1	4.89	240.26	5,688.5	-10.4	-18.1	-8.8	1.00	1.00	0.00
Start 4238.4 hold at 5689.1 MD									
5,700.0	4.89	240.26	5,699.4	-10.8	-18.9	-9.1	0.00	0.00	0.00
5,800.0	4.89	240.26	5,799.0	-15.0	-26.3	-12.7	0.00	0.00	0.00
5,900.0	4.89	240.26	5,898.6	-19.3	-33.7	-16.3	0.00	0.00	0.00
6,000.0	4.89	240.26	5,998.3	-23.5	-41.1	-19.9	0.00	0.00	0.00
6,100.0	4.89	240.26	6,097.9	-27.7	-48.5	-23.5	0.00	0.00	0.00
6,200.0	4.89	240.26	6,197.5	-32.0	-55.9	-27.0	0.00	0.00	0.00
6,300.0	4.89	240.26	6,297.2	-36.2	-63.3	-30.6	0.00	0.00	0.00
6,400.0	4.89	240.26	6,396.8	-40.4	-70.7	-34.2	0.00	0.00	0.00
6,500.0	4.89	240.26	6,496.5	-44.7	-78.1	-37.8	0.00	0.00	0.00
6,600.0	4.89	240.26	6,596.1	-48.9	-85.5	-41.4	0.00	0.00	0.00
6,700.0	4.89	240.26	6,695.7	-53.1	-93.0	-44.9	0.00	0.00	0.00
6,800.0	4.89	240.26	6,795.4	-57.3	-100.4	-48.5	0.00	0.00	0.00
6,900.0	4.89	240.26	6,895.0	-61.6	-107.8	-52.1	0.00	0.00	0.00
7,000.0	4.89	240.26	6,994.6	-65.8	-115.2	-55.7	0.00	0.00	0.00
7,100.0	4.89	240.26	7,094.3	-70.0	-122.6	-59.2	0.00	0.00	0.00
7,200.0	4.89	240.26	7,193.9	-74.3	-130.0	-62.8	0.00	0.00	0.00
7,300.0	4.89	240.26	7,293.5	-78.5	-137.4	-66.4	0.00	0.00	0.00
7,400.0	4.89	240.26	7,393.2	-82.7	-144.8	-70.0	0.00	0.00	0.00
7,500.0	4.89	240.26	7,492.8	-87.0	-152.2	-73.6	0.00	0.00	0.00
7,600.0	4.89	240.26	7,592.4	-91.2	-159.6	-77.1	0.00	0.00	0.00
7,700.0	4.89	240.26	7,692.1	-95.4	-167.0	-80.7	0.00	0.00	0.00
7,800.0	4.89	240.26	7,791.7	-99.6	-174.4	-84.3	0.00	0.00	0.00
7,900.0	4.89	240.26	7,891.4	-103.9	-181.8	-87.9	0.00	0.00	0.00
8,000.0	4.89	240.26	7,991.0	-108.1	-189.2	-91.5	0.00	0.00	0.00
8,100.0	4.89	240.26	8,090.6	-112.3	-196.6	-95.0	0.00	0.00	0.00
8,200.0	4.89	240.26	8,190.3	-116.6	-204.0	-98.6	0.00	0.00	0.00
8,300.0	4.89	240.26	8,289.9	-120.8	-211.4	-102.2	0.00	0.00	0.00
8,400.0	4.89	240.26	8,389.5	-125.0	-218.8	-105.8	0.00	0.00	0.00
8,500.0	4.89	240.26	8,489.2	-129.3	-226.2	-109.3	0.00	0.00	0.00
8,600.0	4.89	240.26	8,588.8	-133.5	-233.6	-112.9	0.00	0.00	0.00
8,700.0	4.89	240.26	8,688.4	-137.7	-241.0	-116.5	0.00	0.00	0.00
8,800.0	4.89	240.26	8,788.1	-142.0	-248.4	-120.1	0.00	0.00	0.00
8,900.0	4.89	240.26	8,887.7	-146.2	-255.8	-123.7	0.00	0.00	0.00
9,000.0	4.89	240.26	8,987.3	-150.4	-263.2	-127.2	0.00	0.00	0.00
9,100.0	4.89	240.26	9,087.0	-154.6	-270.6	-130.8	0.00	0.00	0.00
9,200.0	4.89	240.26	9,186.6	-158.9	-278.0	-134.4	0.00	0.00	0.00
9,300.0	4.89	240.26	9,286.3	-163.1	-285.4	-138.0	0.00	0.00	0.00
9,400.0	4.89	240.26	9,385.9	-167.3	-292.8	-141.6	0.00	0.00	0.00
9,500.0	4.89	240.26	9,485.5	-171.6	-300.2	-145.1	0.00	0.00	0.00
9,600.0	4.89	240.26	9,585.2	-175.8	-307.6	-148.7	0.00	0.00	0.00
9,700.0	4.89	240.26	9,684.8	-180.0	-315.0	-152.3	0.00	0.00	0.00
9,800.0	4.89	240.26	9,784.4	-184.3	-322.4	-155.9	0.00	0.00	0.00
9,900.0	4.89	240.26	9,884.1	-188.5	-329.8	-159.4	0.00	0.00	0.00
9,927.5	4.89	240.26	9,911.5	-189.6	-331.9	-160.4	0.00	0.00	0.00
Start Drop -1.00									
10,000.0	4.17	240.26	9,983.7	-192.5	-336.9	-162.8	1.00	-1.00	0.00
10,100.0	3.17	240.26	10,083.5	-195.7	-342.4	-165.5	1.00	-1.00	0.00
10,200.0	2.17	240.26	10,183.4	-198.0	-346.4	-167.5	1.00	-1.00	0.00



Planning Report

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Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Anderson Fed Com 553H		
Design:	Anderson Fed Com 553H - Prelim 1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,300.0	1.17	240.26	10,283.4	-199.4	-349.0	-168.7	1.00	-1.00	0.00
10,400.0	0.17	240.26	10,383.4	-200.0	-350.0	-169.2	1.00	-1.00	0.00
10,416.6	0.00	0.00	10,400.0	-200.0	-350.0	-169.2	1.00	-1.00	0.00
Start 272.5 hold at 10416.6 MD									
10,500.0	0.00	0.00	10,483.4	-200.0	-350.0	-169.2	0.00	0.00	0.00
10,600.0	0.00	0.00	10,583.4	-200.0	-350.0	-169.2	0.00	0.00	0.00
10,689.2	0.00	0.00	10,672.5	-200.0	-350.0	-169.2	0.00	0.00	0.00
KOP #2 - Start Build 12.00									
10,700.0	1.30	346.46	10,683.4	-199.9	-350.0	-169.1	12.00	12.00	0.00
10,800.0	13.30	346.46	10,782.4	-187.5	-353.0	-156.5	12.00	12.00	0.00
10,900.0	25.30	346.46	10,876.6	-155.5	-360.7	-123.9	12.00	12.00	0.00
11,000.0	37.30	346.46	10,961.9	-105.1	-372.9	-72.6	12.00	12.00	0.00
11,100.0	49.30	346.46	11,034.5	-38.5	-388.9	-4.9	12.00	12.00	0.00
11,200.0	61.30	346.46	11,091.3	41.3	-408.1	76.2	12.00	12.00	0.00
11,300.0	73.30	346.46	11,129.9	130.8	-429.7	167.2	12.00	12.00	0.00
11,400.0	85.30	346.46	11,148.4	226.2	-452.6	264.2	12.00	12.00	0.00
11,439.2	90.00	346.46	11,150.0	264.2	-461.8	302.9	12.00	12.00	0.00
LP - Start 13.7 hold at 11439.2 MD									
11,452.8	90.00	346.46	11,150.0	277.5	-465.0	316.4	0.00	0.00	0.00
Start DLS 2.00 TFO 90.00									
11,500.0	90.00	347.40	11,150.0	323.4	-475.7	363.1	2.00	0.00	2.00
11,600.0	90.00	349.40	11,150.0	421.4	-495.8	462.4	2.00	0.00	2.00
11,700.0	90.00	351.40	11,150.0	520.0	-512.4	562.1	2.00	0.00	2.00
11,800.0	90.00	353.40	11,150.0	619.1	-525.7	662.0	2.00	0.00	2.00
11,900.0	90.00	355.40	11,150.0	718.6	-535.4	762.0	2.00	0.00	2.00
12,000.0	90.00	357.40	11,150.0	818.4	-541.7	861.9	2.00	0.00	2.00
12,100.0	90.00	359.40	11,150.0	918.4	-544.5	961.8	2.00	0.00	2.00
12,114.2	90.00	359.69	11,150.0	932.6	-544.6	976.0	2.00	0.00	2.00
Start 5745.3 hold at 12114.2 MD									
12,200.0	90.00	359.69	11,150.0	1,018.4	-545.1	1,061.4	0.00	0.00	0.00
12,300.0	90.00	359.69	11,150.0	1,118.4	-545.6	1,161.1	0.00	0.00	0.00
12,400.0	90.00	359.69	11,150.0	1,218.4	-546.2	1,260.8	0.00	0.00	0.00
12,500.0	90.00	359.69	11,150.0	1,318.4	-546.7	1,360.5	0.00	0.00	0.00
12,600.0	90.00	359.69	11,150.0	1,418.4	-547.2	1,460.1	0.00	0.00	0.00
12,700.0	90.00	359.69	11,150.0	1,518.4	-547.8	1,559.8	0.00	0.00	0.00
12,800.0	90.00	359.69	11,150.0	1,618.4	-548.3	1,659.5	0.00	0.00	0.00
12,900.0	90.00	359.69	11,150.0	1,718.4	-548.9	1,759.2	0.00	0.00	0.00
13,000.0	90.00	359.69	11,150.0	1,818.4	-549.4	1,858.8	0.00	0.00	0.00
13,100.0	90.00	359.69	11,150.0	1,918.4	-550.0	1,958.5	0.00	0.00	0.00
13,200.0	90.00	359.69	11,150.0	2,018.4	-550.5	2,058.2	0.00	0.00	0.00
13,300.0	90.00	359.69	11,150.0	2,118.4	-551.1	2,157.9	0.00	0.00	0.00
13,400.0	90.00	359.69	11,150.0	2,218.3	-551.6	2,257.5	0.00	0.00	0.00
13,500.0	90.00	359.69	11,150.0	2,318.3	-552.2	2,357.2	0.00	0.00	0.00
13,600.0	90.00	359.69	11,150.0	2,418.3	-552.7	2,456.9	0.00	0.00	0.00
13,700.0	90.00	359.69	11,150.0	2,518.3	-553.3	2,556.6	0.00	0.00	0.00
13,800.0	90.00	359.69	11,150.0	2,618.3	-553.8	2,656.2	0.00	0.00	0.00
13,900.0	90.00	359.69	11,150.0	2,718.3	-554.4	2,755.9	0.00	0.00	0.00
14,000.0	90.00	359.69	11,150.0	2,818.3	-554.9	2,855.6	0.00	0.00	0.00
14,100.0	90.00	359.69	11,150.0	2,918.3	-555.4	2,955.3	0.00	0.00	0.00
14,200.0	90.00	359.69	11,150.0	3,018.3	-556.0	3,054.9	0.00	0.00	0.00
14,300.0	90.00	359.69	11,150.0	3,118.3	-556.5	3,154.6	0.00	0.00	0.00
14,400.0	90.00	359.69	11,150.0	3,218.3	-557.1	3,254.3	0.00	0.00	0.00
14,500.0	90.00	359.69	11,150.0	3,318.3	-557.6	3,354.0	0.00	0.00	0.00



Planning Report

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Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
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Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
14,600.0	90.00	359.69	11,150.0	3,418.3	-558.2	3,453.7	0.00	0.00	0.00	
14,700.0	90.00	359.69	11,150.0	3,518.3	-558.7	3,553.3	0.00	0.00	0.00	
14,800.0	90.00	359.69	11,150.0	3,618.3	-559.3	3,653.0	0.00	0.00	0.00	
14,900.0	90.00	359.69	11,150.0	3,718.3	-559.8	3,752.7	0.00	0.00	0.00	
15,000.0	90.00	359.69	11,150.0	3,818.3	-560.4	3,852.4	0.00	0.00	0.00	
15,100.0	90.00	359.69	11,150.0	3,918.3	-560.9	3,952.0	0.00	0.00	0.00	
15,200.0	90.00	359.69	11,150.0	4,018.3	-561.5	4,051.7	0.00	0.00	0.00	
15,300.0	90.00	359.69	11,150.0	4,118.3	-562.0	4,151.4	0.00	0.00	0.00	
15,400.0	90.00	359.69	11,150.0	4,218.3	-562.6	4,251.1	0.00	0.00	0.00	
15,500.0	90.00	359.69	11,150.0	4,318.3	-563.1	4,350.7	0.00	0.00	0.00	
15,600.0	90.00	359.69	11,150.0	4,418.3	-563.7	4,450.4	0.00	0.00	0.00	
15,700.0	90.00	359.69	11,150.0	4,518.3	-564.2	4,550.1	0.00	0.00	0.00	
15,800.0	90.00	359.69	11,150.0	4,618.3	-564.7	4,649.8	0.00	0.00	0.00	
15,900.0	90.00	359.69	11,150.0	4,718.3	-565.3	4,749.4	0.00	0.00	0.00	
16,000.0	90.00	359.69	11,150.0	4,818.3	-565.8	4,849.1	0.00	0.00	0.00	
16,100.0	90.00	359.69	11,150.0	4,918.3	-566.4	4,948.8	0.00	0.00	0.00	
16,200.0	90.00	359.69	11,150.0	5,018.3	-566.9	5,048.5	0.00	0.00	0.00	
16,300.0	90.00	359.69	11,150.0	5,118.3	-567.5	5,148.1	0.00	0.00	0.00	
16,400.0	90.00	359.69	11,150.0	5,218.3	-568.0	5,247.8	0.00	0.00	0.00	
16,500.0	90.00	359.69	11,150.0	5,318.3	-568.6	5,347.5	0.00	0.00	0.00	
16,600.0	90.00	359.69	11,150.0	5,418.3	-569.1	5,447.2	0.00	0.00	0.00	
16,700.0	90.00	359.69	11,150.0	5,518.3	-569.7	5,546.8	0.00	0.00	0.00	
16,800.0	90.00	359.69	11,150.0	5,618.3	-570.2	5,646.5	0.00	0.00	0.00	
16,900.0	90.00	359.69	11,150.0	5,718.3	-570.8	5,746.2	0.00	0.00	0.00	
17,000.0	90.00	359.69	11,150.0	5,818.3	-571.3	5,845.9	0.00	0.00	0.00	
17,100.0	90.00	359.69	11,150.0	5,918.3	-571.9	5,945.5	0.00	0.00	0.00	
17,200.0	90.00	359.69	11,150.0	6,018.3	-572.4	6,045.2	0.00	0.00	0.00	
17,300.0	90.00	359.69	11,150.0	6,118.3	-572.9	6,144.9	0.00	0.00	0.00	
17,400.0	90.00	359.69	11,150.0	6,218.3	-573.5	6,244.6	0.00	0.00	0.00	
17,500.0	90.00	359.69	11,150.0	6,318.3	-574.0	6,344.2	0.00	0.00	0.00	
17,600.0	90.00	359.69	11,150.0	6,418.3	-574.6	6,443.9	0.00	0.00	0.00	
17,700.0	90.00	359.69	11,150.0	6,518.3	-575.1	6,543.6	0.00	0.00	0.00	
17,800.0	90.00	359.69	11,150.0	6,618.3	-575.7	6,643.3	0.00	0.00	0.00	
17,859.6	90.00	359.69	11,150.0	6,677.8	-576.0	6,702.6	0.00	0.00	0.00	
TD at 17859.6 - Anderson Fed Com 553H BHL										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
- hit/miss target										
- Shape										
Anderson Fed Com 553H	0.00	0.00	11,150.0	6,677.8	-576.0	526,630.63	752,566.97	32° 26' 45.280 N	103° 38' 54.938 W	
- plan hits target center										
- Point										

Casing Points										
Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")						
11,439.2	11,150.0	LP	5-1/2	4-25/32						



Planning Report

Database:	EDM 5000.16 Single User Db	Local Co-ordinate Reference:	Well Anderson Fed Com 553H
Company:	Advance Energy Partners	TVD Reference:	WELL @ 3698.5usft (Original Well Elev)
Project:	Hat Mesa	MD Reference:	WELL @ 3698.5usft (Original Well Elev)
Site:	Anderson Fed Com - Pad C	North Reference:	Grid
Well:	Anderson Fed Com 553H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Anderson Fed Com 553H		
Design:	Anderson Fed Com 553H - Prelim 1		

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
5,200.0	5,200.0	0.0	0.0	KOP - Start Build 1.00
5,689.1	5,688.5	-10.4	-18.1	Start 4238.4 hold at 5689.1 MD
9,927.5	9,911.5	-189.6	-331.9	Start Drop -1.00
10,416.6	10,400.0	-200.0	-350.0	Start 272.5 hold at 10416.6 MD
10,689.2	10,672.5	-200.0	-350.0	KOP #2 - Start Build 12.00
11,439.2	11,150.0	264.2	-461.8	LP - Start 13.7 hold at 11439.2 MD
11,452.8	11,150.0	277.5	-465.0	Start DLS 2.00 TFO 90.00
12,114.2	11,150.0	932.6	-544.6	Start 5745.3 hold at 12114.2 MD
17,859.6	11,150.0	6,677.8	-576.0	TD at 17859.6

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

**Anderson Federal Com Pad B Wells (503H, 555H, 556H,
603H), Pad C Wells (502H, 553H, 554H, 602H), Pad D
Wells (501H, 551H, 552H, 601H) and Access Road
Advance Energy Partners, LLC
Serial Lease Nos. NMNM 106696/NMNM 12968**

Anderson Federal Com 503H

Surface Hole Location: 180 ft. FNL and 2281 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 555H

Surface Hole Location: 180 ft. FNL and 2380 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 556H

Surface Hole Location: 180 ft. FNL and 2314 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 603H

Surface Hole Location: 180 ft. FNL and 2347 ft. FEL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FEL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 502H

Surface Hole Location: 180 ft. FNL and 2221 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 553H

Surface Hole Location: 180 ft. FNL and 2188 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 554H

Surface Hole Location: 180 ft. FNL and 2254 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 2310 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 602H

Surface Hole Location: 180 ft. FNL and 2155 ft. FWL; Section 2, T. 22 S., R. 32 E.

Bottom Hole Location: 1220 ft. FSL and 1650 ft. FWL; Section 26, T. 21 S., R. 32 E.

Anderson Federal Com 501H**Surface Hole Location: 180 ft. FNL and 710 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 990 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 551H****Surface Hole Location: 180 ft. FNL and 677 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 330 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 552H****Surface Hole Location: 180 ft. FNL and 743 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 990 ft. FWL; Section 26, T. 21 S., R. 32 E****Anderson Federal Com 601H****Surface Hole Location: 180 ft. FNL and 644 ft. FWL; Section 2, T. 22 S., R. 32 E.****Bottom Hole Location: 2540 ft. FSL and 330 ft. FWL; Section 26, T. 21 S., R. 32 E****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.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Hydrology
 - Potash Resources
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

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, 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 feet 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.

Hydrology:

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 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.

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.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Potash Resources

Lessees must comply with the 2012 Secretarial Potash Order. The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Anderson Drill Island.

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 (24) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) 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 24' 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

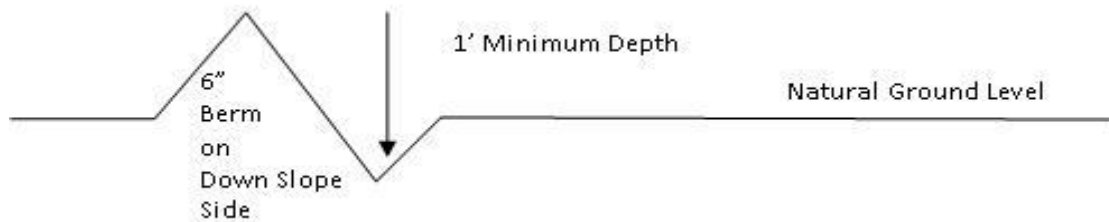
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

Cross Section of a Typical Lead-off Ditch



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

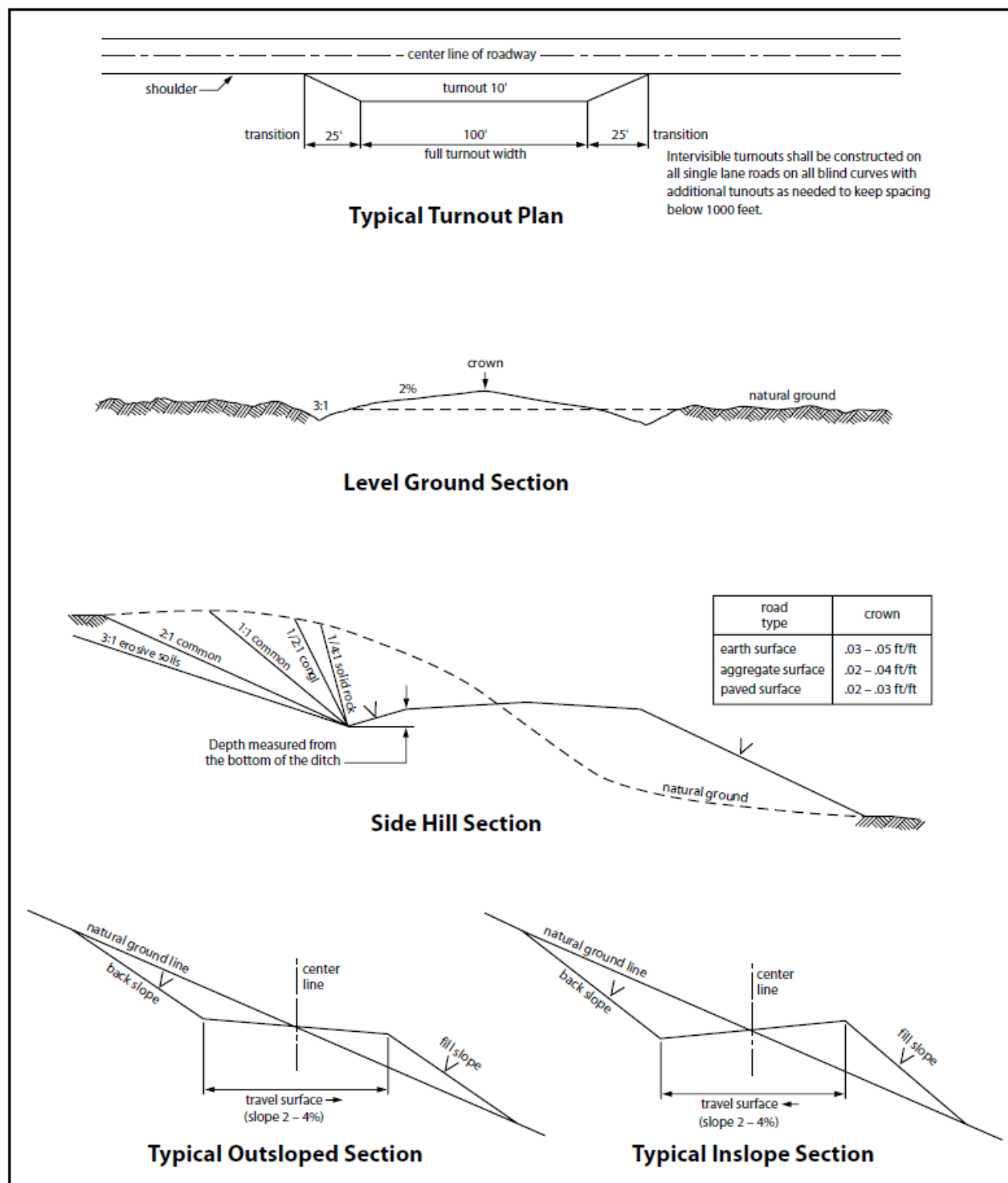


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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

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 30 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.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> 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 and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. 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.

18. 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.

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).

Seed Mixture for LPC Sand/Shinnery 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:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

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

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Advance Energy Partners Hat Mesa LLC
LOCATION:	Section 2, T.22 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	Anderson Fed Com 502H
SURFACE HOLE FOOTAGE:	180'/N & 2221'/W
BOTTOM HOLE FOOTAGE:	1220'/S & 2310'/W
LEASE NO.:	NM120905

WELL NAME & NO.:	Anderson Fed Com 503H
SURFACE HOLE FOOTAGE:	180'/N & 2281'/E
BOTTOM HOLE FOOTAGE:	1220'/S & 1650'/E
LEASE NO.:	NM120906

COA

H2S	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Potash	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Secretary	<input checked="" type="checkbox"/> R-111-P
Cave/Karst Potential	<input checked="" type="checkbox"/> Low	<input checked="" type="checkbox"/> Medium	<input checked="" type="checkbox"/> High
Cave/Karst Potential	<input checked="" type="checkbox"/> Critical		
Variance	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input checked="" type="checkbox"/> Other
Wellhead	<input checked="" type="checkbox"/> Conventional	<input checked="" type="checkbox"/> Multibowl	<input checked="" type="checkbox"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> 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 **1200 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 **24 hours in the Potash Area** 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 shall be set at approximately **4690 feet** is:

Option 1 (Single Stage):

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

Option 2:

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

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In Secretary Potash 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.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. 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 **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 Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, 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



H₂S Drilling Operations Plan

- a. All personnel will be trained in H₂S working conditions as required by Onshore Order 6 before drilling out of the surface casing.
- b. Two briefing areas will be established. Each briefing area will be $\geq 150'$ from the wellhead, perpendicular from one another, and easily entered and exited. See H₂S page 5 for more details.
- c. H₂S Safety Equipment/Systems:
 - i. Well Control Equipment
 - Flare line will be $\geq 150'$ from the wellhead and ignited by a flare gun.
 - Beware of SO₂ created by flaring.
 - Choke manifold will have a remotely operated choke.
 - Mud gas separator
 - ii. Protective Equipment for Personnel
 - Every person on site will wear a personal H₂S and SO₂ monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the waist or chest.
 - One self-contained breathing apparatus (SCBA) 30-minute rescue pack will be at each briefing area. Two 30-minute SCBA packs will be stored in the safety trailer.
 - Four work/escape packs will be on the rig floor. Each pack will have a sufficiently long hose to allow unimpaired work activity.
 - Four emergency escape packs will be in the doghouse for emergency evacuation.
 - Hand signals will be used when wearing protective breathing apparatus.
 - Stokes litter or stretcher
 - Two full OSHA compliant body harnesses
 - A 100' long x 5/8" OSHA compliant rope
 - One 20-pound ABC fire extinguisher

iii. H₂S Detection & Monitoring Equipment

- Every person on site will wear a personal H₂S and SO₂ monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the waist or chest.
- A stationary detector with three sensors will be in the doghouse.
- Sensors will be installed on the rig floor, bell nipple, and at the end of the flow line or where drilling fluids are discharged.
- Visual alarm will be triggered at 10 ppm.
- Audible alarm will be triggered at 10 ppm.
- Calibration will occur at least every 30 days. Gas sample tubes will be kept in the safety trailer.

iv. Visual Warning System

- A color-coded H₂S condition sign will be set at each pad entrance.
- Color-coded condition flag will be installed to indicate current H₂S conditions.
- Two wind socks will be installed that will be visible from all sides.

v. Mud Program

- A water based mud with a pH of ≥ 10 will be maintained to control corrosion, H₂S gas returns to the surface, and minimize sulfide stress cracking and embrittlement.
- Drilling mud containing H₂S gas will be degassed at an optimum location for the rig configuration.
- This gas will be piped into the flare system.
- Enough mud additives will be on location to scavenge and/or neutralize H₂S where formation pressures are unknown.

vi. Metallurgy

- All equipment that has the potential to be exposed to H₂S will be suitable for H₂S service.
- Equipment that will meet these metallurgical standards include the drill string, casing, wellhead, BOP assembly, casing head and spool, rotating head, kill lines, choke, choke manifold and lines, valves, mud-gas separators, DST tools, test units, tubing, flanges, and other related equipment (elastomer packings and seals).

vii. Communication from well site

- Cell phones and/or two-way radios will be used to communicate from the well site.

- d. A remote-controlled choke, mud-gas separator, and a rotating head will be installed before drilling or testing any formation expected to contain H₂S.

Company Personnel to be Notified

Braden Harris, Drilling Manager	Office: (832) 672-4700
	Mobile: (406) 600-3310

Local & County Agencies

Monument Fire Department	911 or (575) 393-4339
Eunice Fire & Ambulance Dept.	(575) 394-3258
Hobbs Fire Marshal	(575) 391-8185
Lea County Sheriff (Lovington)	911 or (575) 396-3611
Lea County Emergency Management (Lovington)	(575) 396-8602
Lea Regional Medical Center Hospital (Hobbs)	(575) 492-5000

State Agencies

NM State Police (Hobbs)	(575) 392-5588
NM Oil Conservation (Hobbs)	(575) 370-3186
NM Oil Conservation (Santa Fe)	(505) 476-3440
NM Dept. of Transportation (Roswell)	(575) 637-7201

Federal Agencies

BLM Carlsbad Field Office	(575) 234-5972
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BLM Hobbs Field Station (575) 393-3612

National Response Center (800) 424-8802

US EPA Region 6 (Dallas) (800) 887-6063

(214) 665-6444

Veterinarians

Dal Paso Animal Hospital (Hobbs) (575) 397-2286

Hobbs Animal Clinic & Pet Care (Hobbs) (575) 392-5563

Great Plains Veterinary Clinic & Hospital (Hobbs) (575) 392-5513

Residents within 2 miles

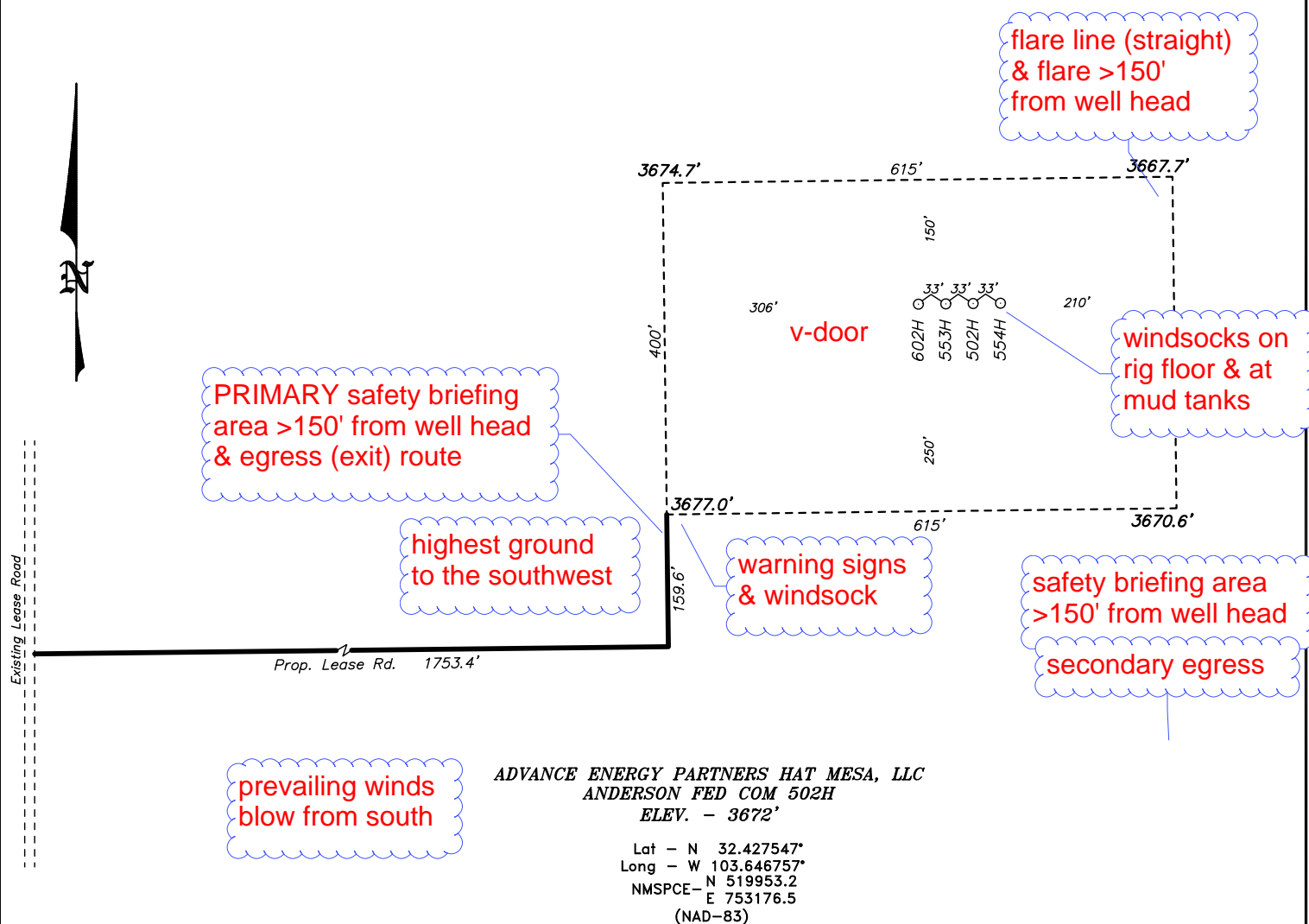
No residents are within 2 miles.

Air Evacuation

Med Flight Air Ambulance (Albuquerque) (800) 842-4431

Lifeguard (Albuquerque) (888) 866-7256

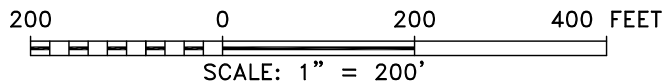
**SECTION 2, TOWNSHIP 22 SOUTH, RANGE 32 EAST. N.M.P.M.,
LEA COUNTY,
NEW MEXICO.**



basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basin-surveys.com

EUNICE, NM IS ±28 MILES TO THE EAST OF LOCATION.



ADVANCE ENERGY PARTNERS HAT MESA, LLC

REF: ANDERSON FED COM 502H / WELL PAD TOPO

THE ANDERSON FED COM 502H LOCATED 180' FROM
THE NORTH LINE AND 2221' FROM THE WEST LINE OF
SECTION 2, TOWNSHIP 22 SOUTH, RANGE 32 EAST.


N.M.P.M., LEA COUNTY, NEW MEXICO.

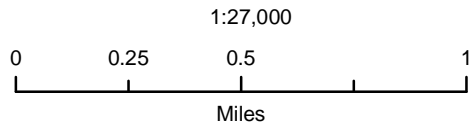
W.O. Number: 35114 | Drawn By: K. GOAD | Date: 07-23-2020 | Survey Date: 07-22-2020 | Sheet 1 of 1 Sheets

Advance Energy Partners Hat Mesa, LLC

Anderson Fed Com Pad C
H₂S Contingency Plan:
Radius Map

Section 02, Township 22S, Range 32E
Lea County, New Mexico

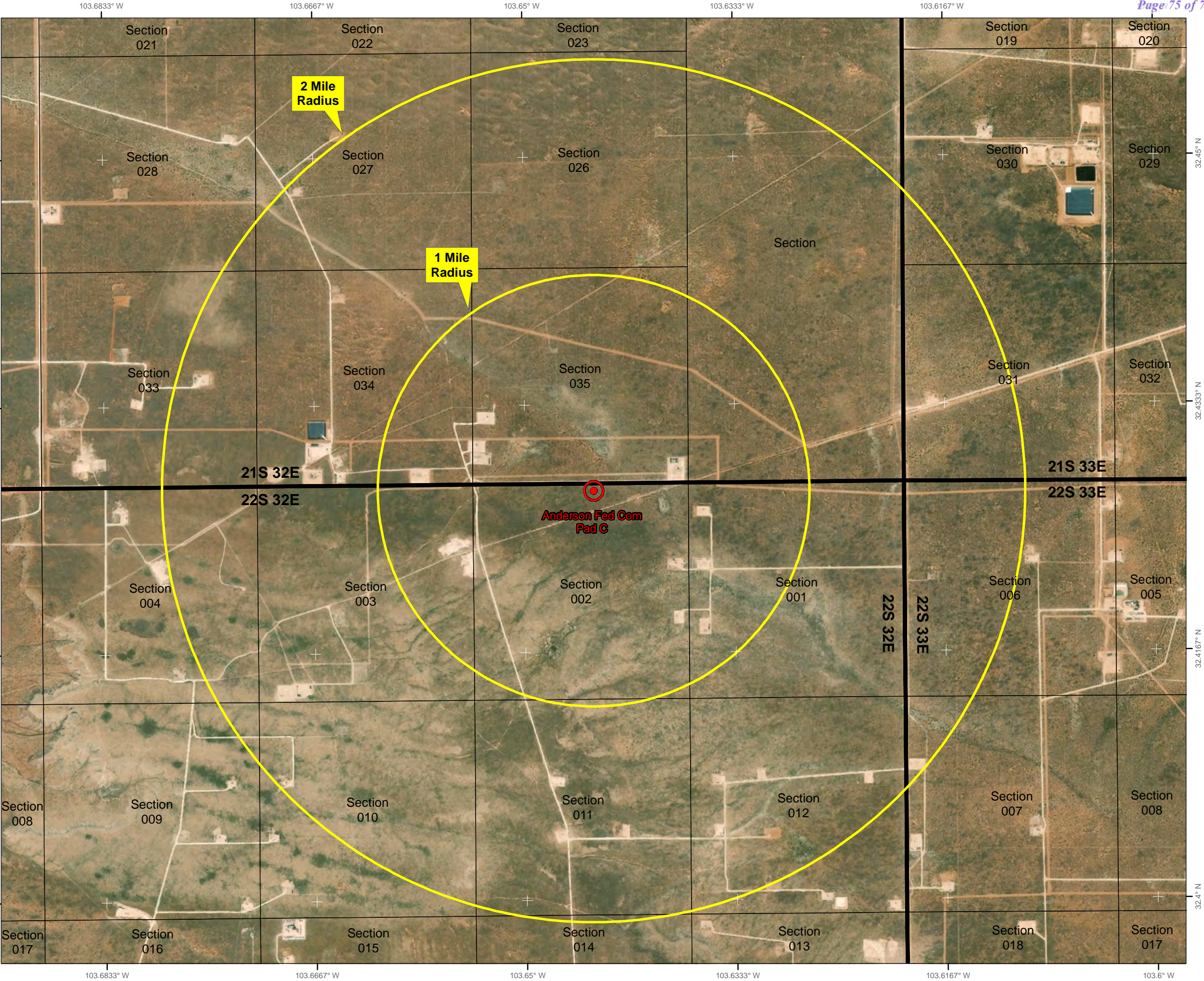
 Surface Hole Location



NAD 1983 New Mexico State Plane East
FIPS 3001 Feet



Prepared by Permits West, Inc., September 4, 2020
for Advance Energy Partners Hat Mesa, LLC





Schematic Closed Loop Drilling Rig*

1. Pipe Rack
2. Drill Rig
3. House Trailers/ Offices
4. Generator/Fuel/Storage
5. Overflow-Frac Tank
6. Skids
7. Roll Offs
8. Hopper or Centrifuge
9. Mud Tanks
10. Loop Drive
11. Generator (only for use with centrifuge)

*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

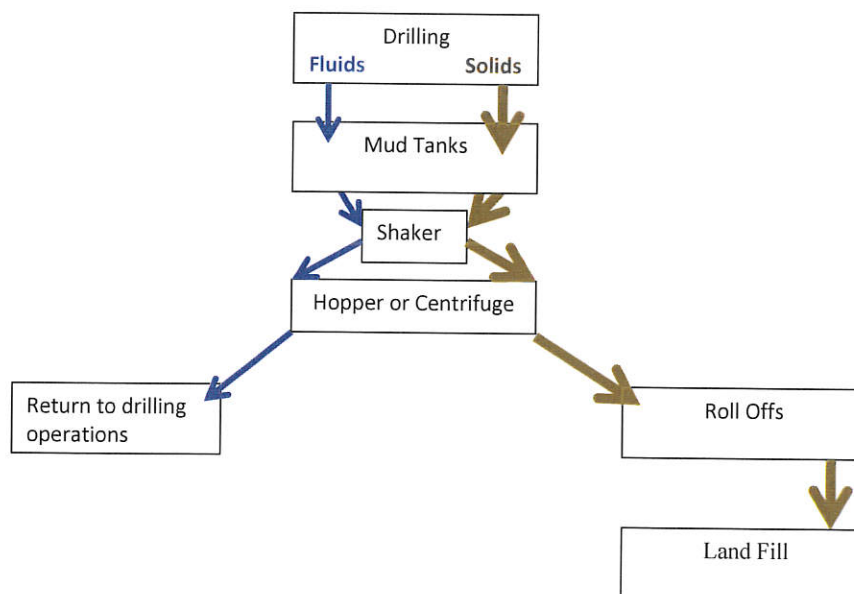


Above: Centrifugal Closed Loop System



Closed Loop Drilling System: Mud tanks to right (1)
 Hopper in air to settle out solids (2)
 Water return pipe (3)
 Shaker between hopper and mud tanks (4)
 Roll offs on skids (5)

Flow Chart for Drilling Fluids and Solids



Photos Courtesy of Gandy Corporation Oil
 Field Service

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

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 26513

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077	OGRID: 372417
	Action Number: 26513
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	6/9/2021
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	6/9/2021