

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 type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. 9. API Well No. <div style="color: red; font-weight: bold;">30-015-53615</div>		
2. Name of Operator 3a. Address 3b. Phone No. (include area code)		10. Field and Pool, or Exploratory 11. Sec., T. R. M. or Blk. and Survey or Area 12. County or Parish 13. State		
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		14. Distance in miles and direction from nearest town or post office* 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 16. No of acres in lease 17. Spacing Unit dedicated to this well 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. in file 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration		
24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 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). </td> <td style="width: 50%; vertical-align: top;"> 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. </td> </tr> </table>			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.
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Approved by (Signature) Title		Name (Printed/Typed) Office		

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|---|---|

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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.

(Continued on page 2)

*(Instructions on page 2)



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.

CONFIDENTIAL

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53615	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 333864	Property Name KYLE FEDERAL 24-28-34 WD	
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁶ Well Number 6H ⁹ Elevation 2991'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	T24S	R28E		719	SOUTH	1152	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	T24S	R28E		330	NORTH	330	WEST	EDDY

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<p>¹⁶</p>				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Jennifer Van Curen</u> 8/2/18 Signature Date</p> <p>JENNIFER VAN CUREN Printed Name</p> <p>E-mail Address</p>							
<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 13, 2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number DAVID W. MYERS 11403</p>											
<table border="1"> <tr> <td>1</td> <td>07/02/18</td> <td>JCS</td> </tr> <tr> <td>REV.</td> <td>DATE</td> <td>BY</td> </tr> </table>				1	07/02/18	JCS	REV.	DATE	BY		
1	07/02/18	JCS									
REV.	DATE	BY									

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: _____ **OGRID:** _____ **Date:** ____/____/____

II. Type: ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D

IV. Central Delivery Point Name: _____ [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date

VI. Separation Equipment: ☐ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☐ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☐ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☐ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: <i>Nicole Lee</i>
Printed Name:
Title:
E-mail Address:
Date:
Phone:
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

APPENDIX

Section 1 - Parts VI, VII, and VIII

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- All central tank battery equipment is designed to efficiently capture the remaining gas from the liquid phase.
- Valves and meters are designed to service without flow interruption or venting of gas.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

◆ **19.15.27.8 (A) – Venting and Flaring Of Natural Gas**

- Marathon Oil Permian's field operations are designed with the goal of minimizing flaring and preventing venting of natural gas. If capturing the gas is not possible then the gas is combusted/flared using properly sized flares or combustors in accordance with state air permit rules.

◆ **19.15.27.8 (B) – Venting and Flaring During Drilling Operations**

- A properly-sized flare stack will be located at a minimum 100' from the nearest surface hole location on the pad.
- All natural gas produced during drilling operations will be flared. Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.

◆ **19.15.27.8 (C) – Venting and Flaring During Completion or Recompletion Operations**

- During all phases of flowback, wells will flow through a sand separator, or other appropriate flowback separation equipment, and the well stream will be directed to a central tank battery (CTB) through properly sized flowlines.
- The CTB will have properly sized separation equipment for maximum anticipated flow rates.
- Multiple stages of separation will be used to separate gas from liquids. All gas will be routed to a sales outlet. Fluids will be routed to tanks equipped with a closed loop system that will recover any residual gas from the tanks and route such gas to a sales outlet.

◆ **19.15.27.8 (D) – Venting and Flaring During Production Operations**

- During production, the well stream will be routed to the CTB where multiple stages of separation will separate gas from liquids. All gas will be routed to a sales outlet. Fluids will be routed to tanks equipped with a closed loop system that will recover any residual gas from the tanks and route such gas to a sales outlet, minimizing tank emissions.
- Flares are equipped with auto-ignition systems and continuous pilot operations.
- Automatic gauging equipment is installed on all tanks.

◆ **19.15.27.8 (E) – Performance Standards**

- Production equipment will be designed to handle maximum anticipated rates and pressure.
- Automatic gauging equipment is installed on all tanks to minimize venting.
- All flared gas will be combusted in a flare stack that is properly sized and designed to ensure proper combustion.
- Flares are equipped with continuous pilots and auto-ignitors along with remote monitoring of the pilot status.
- Weekly AVOs and monthly LDAR inspections will be performed on all wells and facilities that produce more than 60 MCFD.
- Gas/H₂S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

◆ 19.15.27.8 (F) – Measurement or Estimation of Vented and Flared Natural Gas

- All high pressure flared gas is measured by equipment conforming to API 14.10.
- No meter bypasses are installed.
- When metering is not practical due to low pressure/low rate, the vented or flared volume will be estimated through flare flow curves with the assistance of air emissions consultants, as necessary.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

- Marathon Oil Permian will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- All natural gas is routed into the gas gathering system and directed to one of Marathon Oil Permian's multiple gas sales outlets.
- All venting events will be recorded and all start-up, shutdown, maintenance logs will be kept for control equipment.
- All control equipment will be maintained to provide highest run-time possible.
- All procedures are drafted to keep venting and flaring to the absolute minimum.

MARATHON OIL PERMIAN LLC

DRILLING AND OPERATIONS PLAN

WELL NAME / NUMBER: KYLE FEDERAL 24 28 34 WD 6H
STATE: NEW MEXICO **COUNTY:** EDDY

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	TWSP	Range	Section	Aliquot/Lot/Trac	Latitude (NAD 83)	Longitude (NAD 83)	County	State	Lease Type	Lease Number	Elevation (ft SS)	MD (RKB)	TVD (RKB)
SHL	719	S	1152	W	24S	28E	34	SWSW	32.16848616	-104.0800952	EDDY	NM	FED	NMNM013074	2991	0	0
KOP	75	S	330	W	24S	28E	34	SWSW	32.16671015	-104.082751	EDDY	NM	FED	NMNM013074	-7084	10163	10075
FTP	330	S	330	W	24S	28E	34	SWSW	32.16741099	-104.0827519	EDDY	NM	FED	NMNM013074	-7987	11200	10648
BHL	330	N	330	W	24S	28E	34	NWNW	32.18035895	-104.082767	EDDY	NM	FED	NMNM013074	-7987	15430	10648

• GEOLOGIC FORMATIONS

Formation	TVD (ft)	MD (ft)	Lithologies	Mineral Resources
Rustler	440	440	Anhydrite/Dolomite	BRINE
Salado	686	686	Anhydrite/Dolomite/Salt	BRINE
Castile	954	954	Salt	BRINE
Base of Salt	2470	2484	Limestone/Sandstone	BRINE
Lamar	2609	2625	Sand/Shales	BRINE
Bell Canyon	2664	2681	Sandstone/Shale	OIL
Cherry Canyon	3501	3531	Sands/Shale	OIL
Brushy Canyon	4729	4778	Sands/Carbonates	OIL
Bone Spring/Bone Lime	6328	6402	Sand/Carbonate	OIL
Bone Spring 1 st	7240	7317	Sand/Carbonate	OIL
Bone Spring 2 nd	8048	8136	Sand/Carbonate	OIL
Bone Spring 3 rd	9170	9268	Sand/Carbonate	OIL
Wolfcamp	9541	9629	Sand/Shale/Carbonate	OIL
Wolfcamp A	9677	9765	Sand/Shale Carbonate	OIL
Wolfcamp B	9874	9962	Sand/Shale/Carbonate	OIL
Wolfcamp C	10099	10184	Sand/Shale/Carbonate	OIL
Wolfcamp D	10476	10605	Sand/Shale/Carbonate	OIL

DEEPEST EXPECTED FRESH WATER: 275' TVD
ANTICIPATED BOTTOM HOLE PRESSURE: 7,198 psi
ANTICIPATED BOTTOM HOLE TEMPERATURE: 195°F
ANTICIPATED ABNORMAL PRESSURE: N
ANTICIPATED ABNORMAL TEMPERATURE: N

• CASING PROGRAM

String Type	Hole Size	Csg Size	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Weight (lbs/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
Surface	17 1/2	13 3/8	0	510	0	510	54.5	J55	STC	5.52	2.5	2.5
Intermediate I	12 1/4	9 5/8	0	2620	0	2604	40	J55	LTC	1.74	1.15	2.19
Intermediate II	8 3/4	7	0	9700	0	9613	29	P110	BTC	2.21	1.18	1.9
Production Liner	6 1/8	4 1/2	9400	15430	9313	10648	13.5	P110	BTC	1.33	1.56	1.88

Minimum safety factors: Burst 1.125 Collapse 1.125 Tension 1.8 Wet/1.6 Dry

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

• **CEMENT PROGRAM:**

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity (sks)	Yield (ft3/sks)	Density (ppg)	Slurry Volume (ft3)	Excess (%)	Cement Type	Additives
Surface	Lead	--	0	0	0	1.75	13.5	0	100	Class C	
Surface	Tail	--	0	510	458	1.33	14.8	625	100	Class C	0.02 Gal/Sk Defoamer + 0.5% Extender + 1% Accelerator
Intermediate I	Lead	--	0	1600	507	1.75	12.8	877	75	Class C	0.02 Gal/Sk Defoamer + 0.5% Extender + 1% Accelerator
Intermediate I	Tail	--	1600	2620	360	1.33	14.8	479	50	Class C	0.3 % Retarder
Intermediate II	Lead	--	2320	8700	604	2.7	11	1631	70	Class C	0.85% retarder + 10% extender + 0.02 gal/sk defoamer + 2.0% Extender + 0.15% Viscosifier
Intermediate II	Tail	--	8700	9700	179	1.09	15.6	195	30	Class H	3% extender + 0.15% Dispersant + 0.03 gal/sk retarder
Production Liner	Tail	--	9400	15430	605	1.22	14.5	738	30	Class H	0.1% retarder + 3.5% extender + 0.3% fluid loss + 0.1% Dispersant

Stage tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Stage tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Pilot hole depth: N/A TVD/MD

KOP: N/A TVD/MD

Plug top	Plug Bottom	Excess (%)	Quantity (sx)	Density (ppg)	Yield (ft3/sx)	Water gal/sk	Slurry Description and Cement Type

Attach plugging procedure for pilot hole.

N/A

• **PRESSURE CONTROL EQUIPMENT**

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12 ¼"	13 5/8	10000	Annular	x	50% of working pressure
			Blind Ram	x	10000
			Pipe Ram		
			Double Ram	x	
			Other*		
8 ¾"	13 5/8	10000	Annular	x	50% of working pressure
			Blind Ram	x	10000
			Pipe Ram		
			Double Ram	x	
			Other*		
6 1/8"	13 5/8	10000	Annular	x	50% of working pressure
			Blind Ram	x	10000
			Pipe Ram		
			Double Ram	x	
			Other*		

*Specify if additional ram is utilized.

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

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock, full opening safety valve / inside BOP and choke lines and choke manifold. See attached schematics.

Y	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or 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. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.	
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	N	Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. See attached schematic.	

- **MUD PROGRAM:**

Top Depth	Bottom Depth	Mud Type	Min. Weight (ppg)	Max. Weight (ppg)	Additional Characteristics
<u>0</u>	<u>510</u>	<u>Water Based Mud</u>	<u>8.4</u>	<u>8.8</u>	
<u>510</u>	<u>2620</u>	<u>Brine</u>	<u>9.9</u>	<u>10.2</u>	
<u>2620</u>	<u>9700</u>	<u>Cut Brine</u>	<u>8.8</u>	<u>9.4</u>	
<u>9700</u>	<u>15430</u>	<u>Oil Based mud</u>	<u>11.5</u>	<u>13.0</u>	

Losses or gains in the mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times.

- **AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT**

- A Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. **If Hydrogen Sulfide is encountered , measured amounts and formations will be reported to the BLM**

- **LOGGING / CORING AND TESTING PROGRAM:**

- Mud Logger: None.
- DST's: None.
- Open Hole Logs: GR while drilling from Intermediate casing shoe to TD.

- **POTENTIAL HAZARDS:**

- H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
- No losses are anticipated at this time.
- All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well.
- Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

- **ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS**

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 30 days.

Batch Drilling Plan

- Marathon Oil Permian LLC. respectfully requests the option to “batch” drill sections of a well with intentions of returning to the well for later completion.
- When it is determined that the use of a “batch” drilling process to increase overall efficiency and reduce rig time on location, the following steps will be utilized to ensure compliant well control before releasing drilling rig during the batch process.
- Succeeding a successful cement job, fluid levels will be monitored in both the annulus and casing string to be verified static.
- A mandrel hanger packoff will be ran and installed in the multi-bowl wellhead isolating and creating a barrier on the annulus. This packoff will be tested to 5,000 PSI validating the seals.
- At this point the well is secure and the drilling adapter will be removed from the wellhead.
- A 13-5/8” 5M temporary abandonment cap will be installed on the wellhead by stud and nut flange. The seals of the TA cap will then be pressure tested to 5,000 PSI.
- The drilling rig will skid to the next well on the pad to continue the batch drilling process.
- When returning to the well with the TA cap, the TA cap will be removed and the BOP will be nipped up on the wellhead.
- A BOP test will then be conducted according to Onshore Order #2 and drilling operations will resume on the subject well.

Request for Surface Rig

- Marathon Oil Permian LLC. Requests the option to contract a surface rig to drill, set surface casing and cement on the subject well. If the timing between rigs is such that Marathon Oil Permian LLC. would not be able to preset the surface section, the primary drilling rig will drill the well in its entirety per the APD.

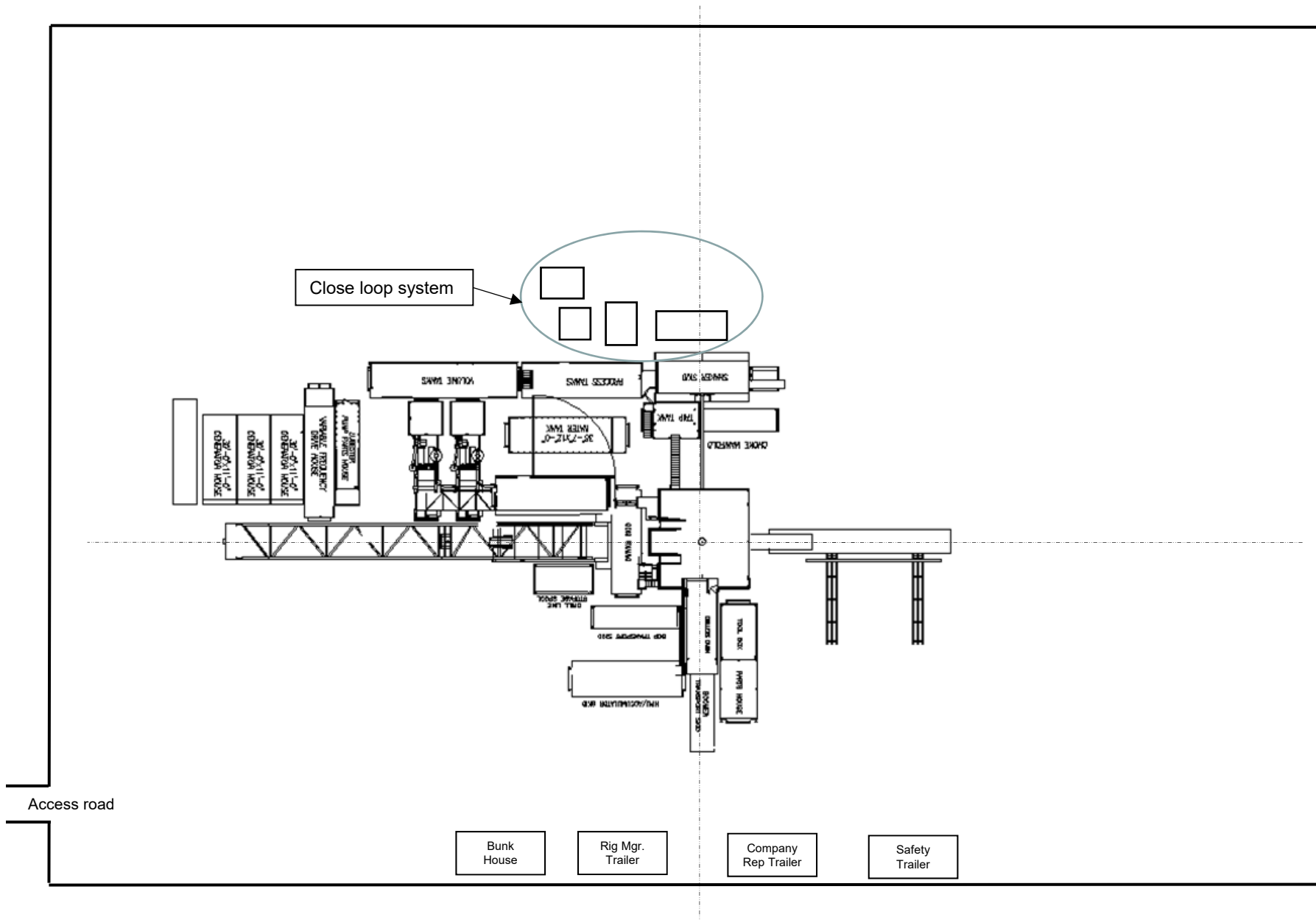
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MARATHON OIL - FLEX III PAD (Closed Loop System)



Released to Imaging: 3/22/2023 2:18:21 PM



US State Plane 1927 (Exact solution)
NAD 1927 (NADCON CONUS)
Clarke 1866
New Mexico East 3001
Mean Sea Level

RKB Elevation: Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))

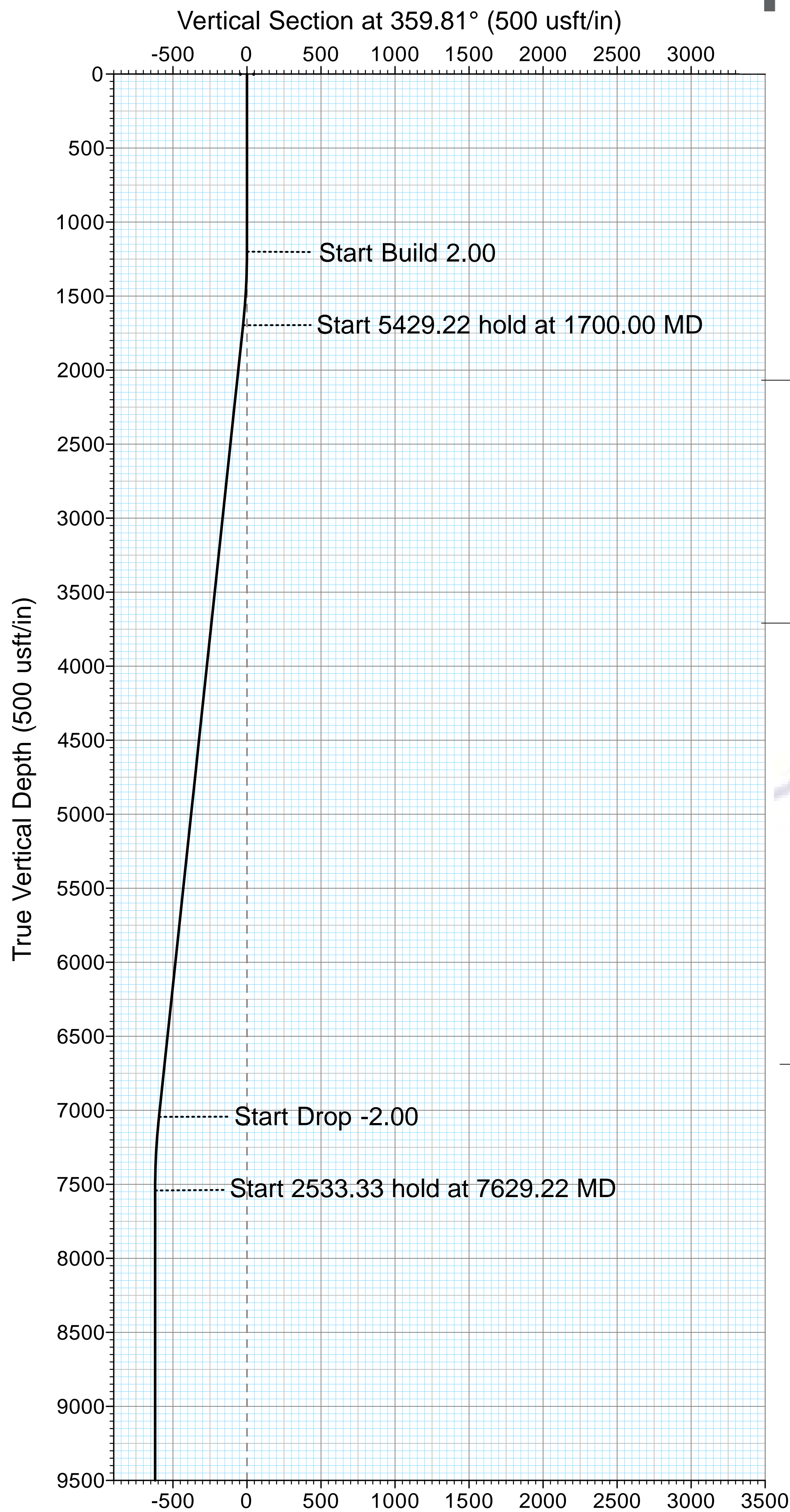
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
-0.08	-60.16	425064.20	578510.69	32.168364	-104.079604	

SECTION DETAILS

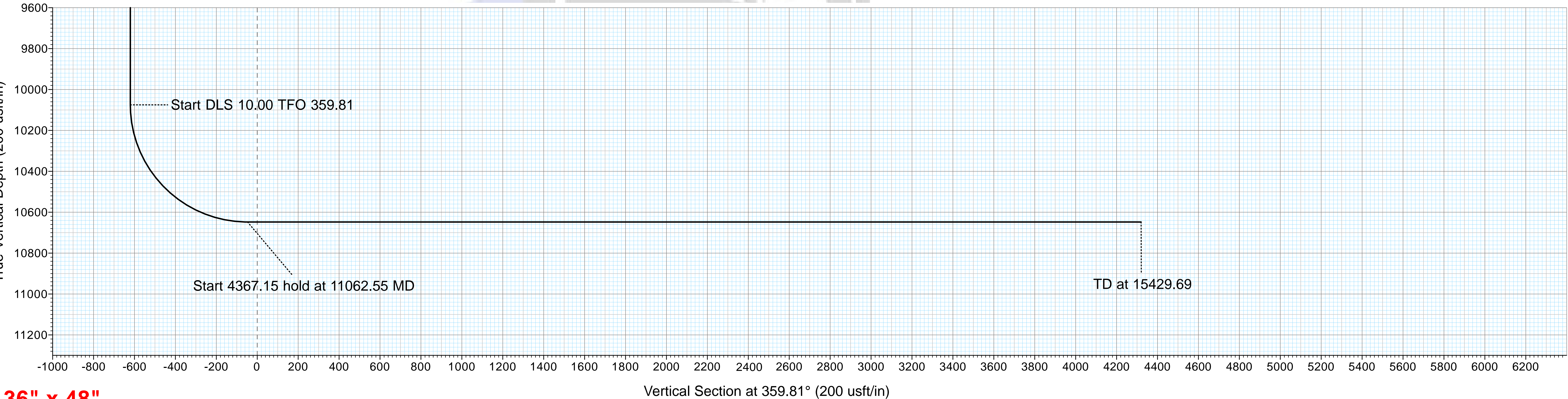
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
1	0.00	0.00	0.00	0.00	-0.08	-60.16	0.00	0.00
2	1200.00	0.00	0.00	1200.00	-0.08	-60.16	0.00	0.00
3	1700.00	10.00	232.77	1697.47	-26.41	-94.82	2.00	-26.21
4	7129.22	10.00	232.77	7044.21	-596.75	-845.50	0.00	-594.06
5	7629.22	0.00	0.00	7541.67	-623.08	-880.16	2.00	-620.28
6	10162.55	0.00	0.00	10075.00	-623.08	-880.16	0.00	-620.28
7	11062.55	90.00	359.81	10647.96	-50.13	-882.09	10.00	-47.33
8	15429.69	90.00	359.81	10648.00	4316.99	-896.81	0.00	4319.82

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

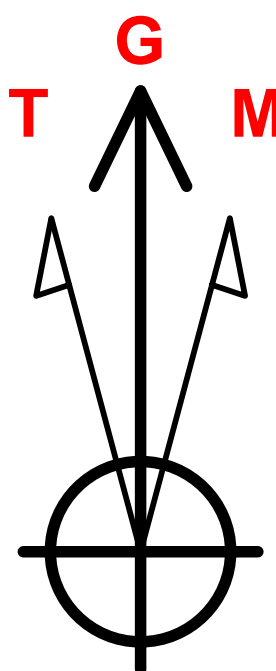
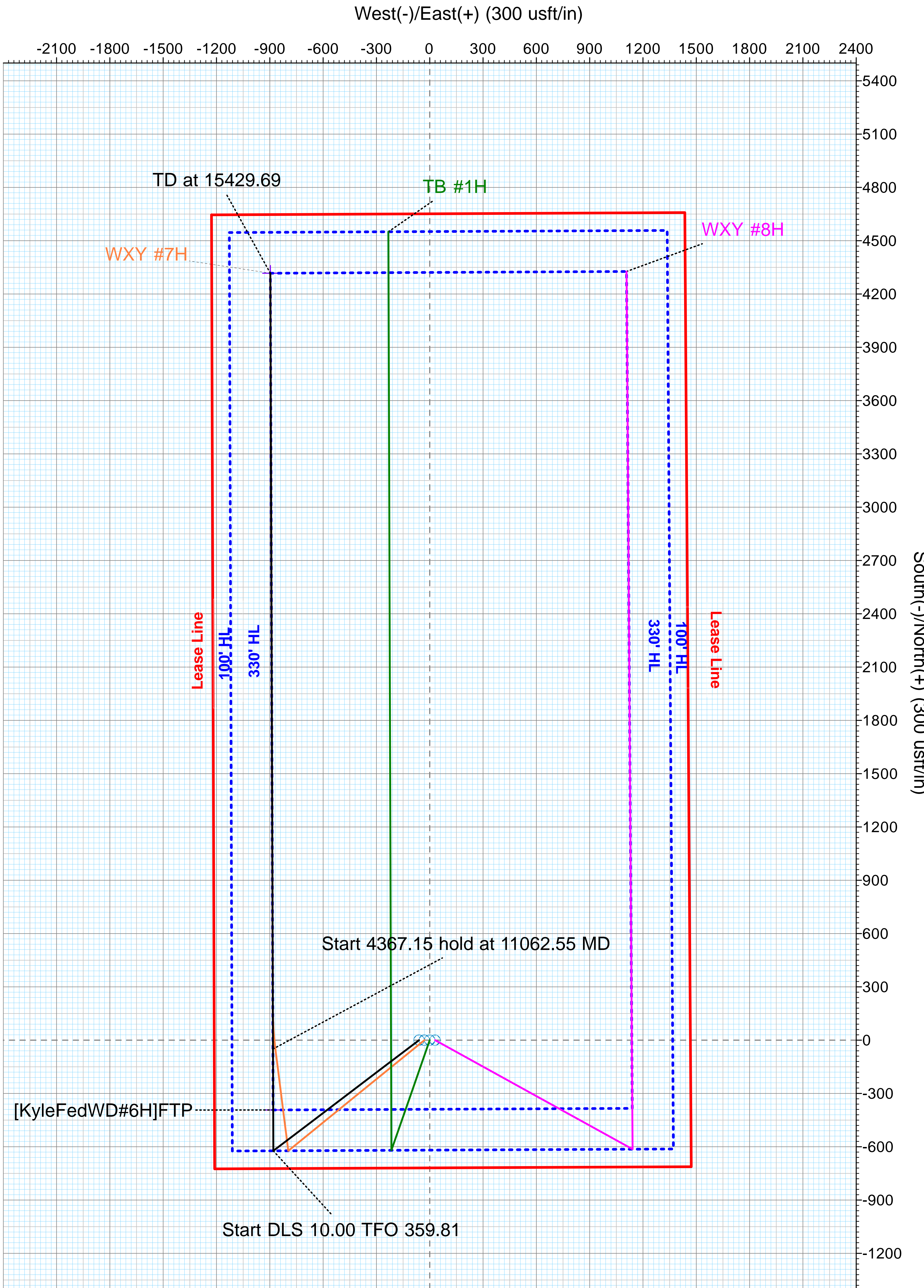
Name	TVD	+N/-S	+E/-W	Northing	Easting
[KyleFedWD#6H]FTP	0.00	-393.11	-881.26	424671.17	577689.59
[KyleFedWD#6H]LTP/BHL	10648.00	4316.99	-896.81	429381.27	577674.04



Target Line: 10648' TVD @ 0° VS: 90° INC



36" x 48"



Azimuths to Grid North
True North: -0.14°
Magnetic North: 7.05°

Magnetic Field
Strength: 47968.7snT
Dip Angle: 59.92°
Date: 7/12/2018
Model: HDGM

Azimuth Corrections

Total Magnetic Corr. (M to G): 7.05°

Declination (M to T): 7.18° East



Professional Directional Planning Report



Marathon Oil

Database:	WellPlanner1	Local Co-ordinate Reference:	Site Kyle Federal 24-28-34 (1-6-7-8)
Company:	Marathon Oil	TVD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Project:	Eddy County, NM	MD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Project	Eddy County, NM		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Kyle Federal 24-28-34 (1-6-7-8)				
Site Position:		Northing:	425,064.28 usft	Latitude:	32.168364
From:	Map	Easting:	578,570.85 usft	Longitude:	-104.079410
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.14 °

Well	WD #6H					
Well Position	+N/-S	-0.08 usft	Northing:	425,064.20 usft	Latitude:	32.168364
	+E/-W	-60.16 usft	Easting:	578,510.69 usft	Longitude:	-104.079605
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	2,991.00 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	7/12/2018	7.18	59.92	47,968.70

Design	Prelim Plan A				
Audit Notes:					
Version:		Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.00	-0.08	-60.16	359.81	

Plan Survey Tool Program		Date	7/23/2018		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	1,850.00	Prelim Plan A (OH)	MWD+IFR1	
				OWSG MWD + IFR1	
2	1,850.00	5,400.00	Prelim Plan A (OH)	MWD+IFR1	
				OWSG MWD + IFR1	
3	5,400.00	10,000.00	Prelim Plan A (OH)	MWD+IFR1	
				OWSG MWD + IFR1	
4	10,000.00	15,429.69	Prelim Plan A (OH)	MWD+IFR1	
				OWSG MWD + IFR1	



Professional Directional Planning Report



Marathon Oil

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Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

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
0.00	0.00	0.00	0.00	-0.08	-60.16	0.00	0.00	0.00	0.00	
1,200.00	0.00	0.00	1,200.00	-0.08	-60.16	0.00	0.00	0.00	0.00	
1,700.00	10.00	232.77	1,697.47	-26.41	-94.82	2.00	2.00	0.00	232.77	
7,129.22	10.00	232.77	7,044.21	-596.75	-845.50	0.00	0.00	0.00	0.00	
7,629.22	0.00	0.00	7,541.67	-623.08	-880.16	2.00	-2.00	0.00	180.00	
10,162.55	0.00	0.00	10,075.00	-623.08	-880.16	0.00	0.00	0.00	0.00	
11,062.55	90.00	359.81	10,647.96	-50.13	-882.09	10.00	10.00	-0.02	359.81	
15,429.69	90.00	359.81	10,648.00	4,316.99	-896.81	0.00	0.00	0.00	0.00	[KyleFedWD#6H]LTP,



Marathon Oil

Professional Directional Planning Report



Database:	WellPlanner1	Local Co-ordinate Reference:	Site Kyle Federal 24-28-34 (1-6-7-8)
Company:	Marathon Oil	TVD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Project:	Eddy County, NM	MD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	-0.08	-60.16	0.00	0.00	0.00	0.00
[KyleFedWD#6H]FTP									
100.00	0.00	0.00	100.00	-0.08	-60.16	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	-0.08	-60.16	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	-0.08	-60.16	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	-0.08	-60.16	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	-0.08	-60.16	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	-0.08	-60.16	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	-0.08	-60.16	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	-0.08	-60.16	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	-0.08	-60.16	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	-0.08	-60.16	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	-0.08	-60.16	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	-0.08	-60.16	0.00	0.00	0.00	0.00
1,300.00	2.00	232.77	1,299.98	-1.14	-61.55	-1.05	2.00	2.00	0.00
1,400.00	4.00	232.77	1,399.84	-4.30	-65.72	-4.20	2.00	2.00	0.00
1,500.00	6.00	232.77	1,499.45	-9.57	-72.66	-9.45	2.00	2.00	0.00
1,600.00	8.00	232.77	1,598.70	-16.95	-82.36	-16.79	2.00	2.00	0.00
1,700.00	10.00	232.77	1,697.47	-26.41	-94.82	-26.21	2.00	2.00	0.00
1,800.00	10.00	232.77	1,795.95	-36.91	-108.64	-36.67	0.00	0.00	0.00
1,900.00	10.00	232.77	1,894.43	-47.42	-122.47	-47.13	0.00	0.00	0.00
2,000.00	10.00	232.77	1,992.91	-57.92	-136.30	-57.59	0.00	0.00	0.00
2,100.00	10.00	232.77	2,091.39	-68.43	-150.12	-68.05	0.00	0.00	0.00
2,200.00	10.00	232.77	2,189.87	-78.93	-163.95	-78.51	0.00	0.00	0.00
2,300.00	10.00	232.77	2,288.35	-89.44	-177.78	-88.97	0.00	0.00	0.00
2,400.00	10.00	232.77	2,386.83	-99.94	-191.60	-99.43	0.00	0.00	0.00
2,500.00	10.00	232.77	2,485.31	-110.45	-205.43	-109.89	0.00	0.00	0.00
2,600.00	10.00	232.77	2,583.79	-120.95	-219.26	-120.35	0.00	0.00	0.00
2,700.00	10.00	232.77	2,682.27	-131.46	-233.08	-130.81	0.00	0.00	0.00
2,800.00	10.00	232.77	2,780.75	-141.96	-246.91	-141.26	0.00	0.00	0.00
2,900.00	10.00	232.77	2,879.23	-152.47	-260.74	-151.72	0.00	0.00	0.00
3,000.00	10.00	232.77	2,977.72	-162.97	-274.56	-162.18	0.00	0.00	0.00
3,100.00	10.00	232.77	3,076.20	-173.48	-288.39	-172.64	0.00	0.00	0.00
3,200.00	10.00	232.77	3,174.68	-183.98	-302.22	-183.10	0.00	0.00	0.00
3,300.00	10.00	232.77	3,273.16	-194.49	-316.04	-193.56	0.00	0.00	0.00
3,400.00	10.00	232.77	3,371.64	-204.99	-329.87	-204.02	0.00	0.00	0.00
3,500.00	10.00	232.77	3,470.12	-215.50	-343.70	-214.48	0.00	0.00	0.00
3,600.00	10.00	232.77	3,568.60	-226.00	-357.52	-224.94	0.00	0.00	0.00
3,700.00	10.00	232.77	3,667.08	-236.51	-371.35	-235.40	0.00	0.00	0.00
3,800.00	10.00	232.77	3,765.56	-247.01	-385.18	-245.86	0.00	0.00	0.00
3,900.00	10.00	232.77	3,864.04	-257.52	-399.01	-256.31	0.00	0.00	0.00
4,000.00	10.00	232.77	3,962.52	-268.02	-412.83	-266.77	0.00	0.00	0.00
4,100.00	10.00	232.77	4,061.00	-278.53	-426.66	-277.23	0.00	0.00	0.00
4,200.00	10.00	232.77	4,159.48	-289.04	-440.49	-287.69	0.00	0.00	0.00
4,300.00	10.00	232.77	4,257.97	-299.54	-454.31	-298.15	0.00	0.00	0.00
4,400.00	10.00	232.77	4,356.45	-310.05	-468.14	-308.61	0.00	0.00	0.00
4,500.00	10.00	232.77	4,454.93	-320.55	-481.97	-319.07	0.00	0.00	0.00
4,600.00	10.00	232.77	4,553.41	-331.06	-495.79	-329.53	0.00	0.00	0.00
4,700.00	10.00	232.77	4,651.89	-341.56	-509.62	-339.99	0.00	0.00	0.00
4,800.00	10.00	232.77	4,750.37	-352.07	-523.45	-350.45	0.00	0.00	0.00
4,900.00	10.00	232.77	4,848.85	-362.57	-537.27	-360.91	0.00	0.00	0.00
5,000.00	10.00	232.77	4,947.33	-373.08	-551.10	-371.37	0.00	0.00	0.00



Marathon Oil

Professional Directional Planning Report



Database:	WellPlanner1	Local Co-ordinate Reference:	Site Kyle Federal 24-28-34 (1-6-7-8)
Company:	Marathon Oil	TVD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Project:	Eddy County, NM	MD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

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)
5,100.00	10.00	232.77	5,045.81	-383.58	-564.93	-381.82	0.00	0.00	0.00
5,200.00	10.00	232.77	5,144.29	-394.09	-578.75	-392.28	0.00	0.00	0.00
5,300.00	10.00	232.77	5,242.77	-404.59	-592.58	-402.74	0.00	0.00	0.00
5,400.00	10.00	232.77	5,341.25	-415.10	-606.41	-413.20	0.00	0.00	0.00
5,500.00	10.00	232.77	5,439.73	-425.60	-620.23	-423.66	0.00	0.00	0.00
5,600.00	10.00	232.77	5,538.22	-436.11	-634.06	-434.12	0.00	0.00	0.00
5,700.00	10.00	232.77	5,636.70	-446.61	-647.89	-444.58	0.00	0.00	0.00
5,800.00	10.00	232.77	5,735.18	-457.12	-661.72	-455.04	0.00	0.00	0.00
5,900.00	10.00	232.77	5,833.66	-467.62	-675.54	-465.50	0.00	0.00	0.00
6,000.00	10.00	232.77	5,932.14	-478.13	-689.37	-475.96	0.00	0.00	0.00
6,100.00	10.00	232.77	6,030.62	-488.63	-703.20	-486.42	0.00	0.00	0.00
6,200.00	10.00	232.77	6,129.10	-499.14	-717.02	-496.87	0.00	0.00	0.00
6,300.00	10.00	232.77	6,227.58	-509.64	-730.85	-507.33	0.00	0.00	0.00
6,400.00	10.00	232.77	6,326.06	-520.15	-744.68	-517.79	0.00	0.00	0.00
6,500.00	10.00	232.77	6,424.54	-530.65	-758.50	-528.25	0.00	0.00	0.00
6,600.00	10.00	232.77	6,523.02	-541.16	-772.33	-538.71	0.00	0.00	0.00
6,700.00	10.00	232.77	6,621.50	-551.66	-786.16	-549.17	0.00	0.00	0.00
6,800.00	10.00	232.77	6,719.99	-562.17	-799.98	-559.63	0.00	0.00	0.00
6,900.00	10.00	232.77	6,818.47	-572.67	-813.81	-570.09	0.00	0.00	0.00
7,000.00	10.00	232.77	6,916.95	-583.18	-827.64	-580.55	0.00	0.00	0.00
7,100.00	10.00	232.77	7,015.43	-593.68	-841.46	-591.01	0.00	0.00	0.00
7,129.22	10.00	232.77	7,044.21	-596.75	-845.50	-594.06	0.00	0.00	0.00
7,200.00	8.58	232.77	7,114.05	-603.66	-854.60	-600.95	2.00	-2.00	0.00
7,300.00	6.58	232.77	7,213.17	-611.65	-865.11	-608.90	2.00	-2.00	0.00
7,400.00	4.58	232.77	7,312.69	-617.54	-872.86	-614.76	2.00	-2.00	0.00
7,500.00	2.58	232.77	7,412.49	-621.32	-877.84	-618.52	2.00	-2.00	0.00
7,600.00	0.58	232.77	7,512.45	-622.99	-880.04	-620.19	2.00	-2.00	0.00
7,629.22	0.00	0.00	7,541.67	-623.08	-880.16	-620.28	2.00	-2.00	0.00
7,700.00	0.00	0.00	7,612.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
7,800.00	0.00	0.00	7,712.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
7,900.00	0.00	0.00	7,812.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,000.00	0.00	0.00	7,912.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,100.00	0.00	0.00	8,012.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,200.00	0.00	0.00	8,112.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,300.00	0.00	0.00	8,212.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,400.00	0.00	0.00	8,312.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,500.00	0.00	0.00	8,412.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,600.00	0.00	0.00	8,512.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,700.00	0.00	0.00	8,612.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,800.00	0.00	0.00	8,712.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
8,900.00	0.00	0.00	8,812.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,000.00	0.00	0.00	8,912.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,100.00	0.00	0.00	9,012.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,200.00	0.00	0.00	9,112.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,300.00	0.00	0.00	9,212.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,400.00	0.00	0.00	9,312.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,500.00	0.00	0.00	9,412.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,600.00	0.00	0.00	9,512.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,700.00	0.00	0.00	9,612.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,800.00	0.00	0.00	9,712.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
9,900.00	0.00	0.00	9,812.45	-623.08	-880.16	-620.28	0.00	0.00	0.00
10,000.00	0.00	0.00	9,912.45	-623.08	-880.16	-620.28	0.00	0.00	0.00



Marathon Oil

Professional Directional Planning Report



Database:	WellPlanner1	Local Co-ordinate Reference:	Site Kyle Federal 24-28-34 (1-6-7-8)
Company:	Marathon Oil	TVD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Project:	Eddy County, NM	MD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

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)	
10,100.00	0.00	0.00	10,012.45	-623.08	-880.16	-620.28	0.00	0.00	0.00	
10,162.55	0.00	0.00	10,075.00	-623.08	-880.16	-620.28	0.00	0.00	0.00	
10,200.00	3.74	359.81	10,112.42	-621.86	-880.16	-619.05	10.00	10.00	0.00	
10,250.00	8.74	359.81	10,162.11	-616.42	-880.18	-613.62	10.00	10.00	0.00	
10,300.00	13.74	359.81	10,211.13	-606.67	-880.22	-603.87	10.00	10.00	0.00	
10,350.00	18.74	359.81	10,259.12	-592.69	-880.26	-589.89	10.00	10.00	0.00	
10,400.00	23.74	359.81	10,305.71	-574.58	-880.32	-571.78	10.00	10.00	0.00	
10,450.00	28.74	359.81	10,350.54	-552.47	-880.40	-549.67	10.00	10.00	0.00	
10,500.00	33.74	359.81	10,393.28	-526.55	-880.49	-523.75	10.00	10.00	0.00	
10,550.00	38.74	359.81	10,433.59	-497.00	-880.58	-494.19	10.00	10.00	0.00	
10,600.00	43.74	359.81	10,471.17	-464.04	-880.70	-461.24	10.00	10.00	0.00	
10,650.00	48.74	359.81	10,505.74	-427.94	-880.82	-425.14	10.00	10.00	0.00	
10,700.00	53.74	359.81	10,537.03	-388.96	-880.95	-386.16	10.00	10.00	0.00	
10,750.00	58.74	359.81	10,564.80	-347.40	-881.09	-344.60	10.00	10.00	0.00	
10,800.00	63.74	359.81	10,588.85	-303.58	-881.24	-300.78	10.00	10.00	0.00	
10,850.00	68.74	359.81	10,608.98	-257.83	-881.39	-255.03	10.00	10.00	0.00	
10,900.00	73.74	359.81	10,625.05	-210.50	-881.55	-207.70	10.00	10.00	0.00	
10,950.00	78.74	359.81	10,636.94	-161.95	-881.71	-159.15	10.00	10.00	0.00	
11,000.00	83.74	359.81	10,644.55	-112.55	-881.88	-109.75	10.00	10.00	0.00	
11,050.00	88.74	359.81	10,647.82	-62.68	-882.05	-59.87	10.00	10.00	0.00	
11,062.55	90.00	359.81	10,647.96	-50.13	-882.09	-47.33	10.00	10.00	0.00	
11,100.00	90.00	359.81	10,647.96	-12.68	-882.22	-9.87	0.00	0.00	0.00	
11,200.00	90.00	359.81	10,647.96	87.32	-882.55	90.13	0.00	0.00	0.00	
11,300.00	90.00	359.81	10,647.96	187.32	-882.89	190.13	0.00	0.00	0.00	
11,400.00	90.00	359.81	10,647.96	287.32	-883.23	290.13	0.00	0.00	0.00	
11,500.00	90.00	359.81	10,647.96	387.32	-883.57	390.13	0.00	0.00	0.00	
11,600.00	90.00	359.81	10,647.96	487.32	-883.90	490.13	0.00	0.00	0.00	
11,700.00	90.00	359.81	10,647.96	587.32	-884.24	590.13	0.00	0.00	0.00	
11,800.00	90.00	359.81	10,647.97	687.32	-884.58	690.13	0.00	0.00	0.00	
11,900.00	90.00	359.81	10,647.97	787.32	-884.91	790.13	0.00	0.00	0.00	
12,000.00	90.00	359.81	10,647.97	887.32	-885.25	890.13	0.00	0.00	0.00	
12,100.00	90.00	359.81	10,647.97	987.32	-885.59	990.13	0.00	0.00	0.00	
12,200.00	90.00	359.81	10,647.97	1,087.32	-885.92	1,090.13	0.00	0.00	0.00	
12,300.00	90.00	359.81	10,647.97	1,187.32	-886.26	1,190.13	0.00	0.00	0.00	
12,400.00	90.00	359.81	10,647.97	1,287.32	-886.60	1,290.13	0.00	0.00	0.00	
12,500.00	90.00	359.81	10,647.97	1,387.32	-886.94	1,390.13	0.00	0.00	0.00	
12,600.00	90.00	359.81	10,647.97	1,487.31	-887.27	1,490.13	0.00	0.00	0.00	
12,700.00	90.00	359.81	10,647.97	1,587.31	-887.61	1,590.13	0.00	0.00	0.00	
12,800.00	90.00	359.81	10,647.97	1,687.31	-887.95	1,690.13	0.00	0.00	0.00	
12,900.00	90.00	359.81	10,647.98	1,787.31	-888.28	1,790.13	0.00	0.00	0.00	
13,000.00	90.00	359.81	10,647.98	1,887.31	-888.62	1,890.13	0.00	0.00	0.00	
13,100.00	90.00	359.81	10,647.98	1,987.31	-888.96	1,990.13	0.00	0.00	0.00	
13,200.00	90.00	359.81	10,647.98	2,087.31	-889.30	2,090.13	0.00	0.00	0.00	
13,300.00	90.00	359.81	10,647.98	2,187.31	-889.63	2,190.13	0.00	0.00	0.00	
13,400.00	90.00	359.81	10,647.98	2,287.31	-889.97	2,290.13	0.00	0.00	0.00	
13,500.00	90.00	359.81	10,647.98	2,387.31	-890.31	2,390.13	0.00	0.00	0.00	
13,600.00	90.00	359.81	10,647.98	2,487.31	-890.64	2,490.13	0.00	0.00	0.00	
13,700.00	90.00	359.81	10,647.98	2,587.31	-890.98	2,590.13	0.00	0.00	0.00	
13,800.00	90.00	359.81	10,647.98	2,687.31	-891.32	2,690.13	0.00	0.00	0.00	
13,900.00	90.00	359.81	10,647.99	2,787.31	-891.65	2,790.13	0.00	0.00	0.00	
14,000.00	90.00	359.81	10,647.99	2,887.31	-891.99	2,890.13	0.00	0.00	0.00	
14,100.00	90.00	359.81	10,647.99	2,987.31	-892.33	2,990.13	0.00	0.00	0.00	



Professional Directional Planning Report



Database:	WellPlanner1	Local Co-ordinate Reference:	Site Kyle Federal 24-28-34 (1-6-7-8)
Company:	Marathon Oil	TVD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Project:	Eddy County, NM	MD Reference:	Well @ 3018.00usft (GL: 2991' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (1-6-7-8)	North Reference:	Grid
Well:	WD #6H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

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)
14,200.00	90.00	359.81	10,647.99	3,087.31	-892.67	3,090.13	0.00	0.00	0.00
14,300.00	90.00	359.81	10,647.99	3,187.30	-893.00	3,190.13	0.00	0.00	0.00
14,400.00	90.00	359.81	10,647.99	3,287.30	-893.34	3,290.13	0.00	0.00	0.00
14,500.00	90.00	359.81	10,647.99	3,387.30	-893.68	3,390.13	0.00	0.00	0.00
14,600.00	90.00	359.81	10,647.99	3,487.30	-894.01	3,490.13	0.00	0.00	0.00
14,700.00	90.00	359.81	10,647.99	3,587.30	-894.35	3,590.13	0.00	0.00	0.00
14,800.00	90.00	359.81	10,647.99	3,687.30	-894.69	3,690.13	0.00	0.00	0.00
14,900.00	90.00	359.81	10,648.00	3,787.30	-895.02	3,790.13	0.00	0.00	0.00
15,000.00	90.00	359.81	10,648.00	3,887.30	-895.36	3,890.13	0.00	0.00	0.00
15,100.00	90.00	359.81	10,648.00	3,987.30	-895.70	3,990.13	0.00	0.00	0.00
15,200.00	90.00	359.81	10,648.00	4,087.30	-896.04	4,090.13	0.00	0.00	0.00
15,300.00	90.00	359.81	10,648.00	4,187.30	-896.37	4,190.13	0.00	0.00	0.00
15,400.00	90.00	359.81	10,648.00	4,287.30	-896.71	4,290.13	0.00	0.00	0.00
15,429.69	90.00	359.81	10,648.00	4,316.99	-896.81	4,319.82	0.00	0.00	0.00
[KyleFedWD#6H]LTP/BHL									

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Marathon Oil
LEASE NO.:	NMNM013074
LOCATION:	Section 34, T.24 S., R 28 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Kyle Fed 24 28 34 TB 6H
SURFACE HOLE FOOTAGE:	719'/S & 1152'/W
BOTTOM HOLE FOOTAGE:	330'/N & 330'/W

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input type="radio"/> Medium	<input checked="" type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> 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 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 **450** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8**

hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
- 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.**
- ❖ In High Cave/Karst 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 **200 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.

- hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
- 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.**
- ❖ In High Cave/Karst 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:
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 - 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.

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.

ZS011922

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.

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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.
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 - 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

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- 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).
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- 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.
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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.

ZS011922



MARATHON OIL COMPANY

KYLE FEDERAL 24-28-34

**WD Well # 6H
WXY Well # 7H
TB Well # 1H
WXY Well # 8H**

**SHL: 719' FSL & 1152' FWL of Lot M, Section 34, T-24S, R-28E
BHL: 330' FNL & 330' FWL of Lot D, Section 34, T-24S, R-28E**

EDDY County, New Mexico

Rig: PRECISION 582

7/13/2018

EMERGENCY MEDICAL PROCEDURES

DO NOT PANIC

REMAIN CALM-THINK

1. HOLD YOUR BREATH. (DO NOT INHALE, STOP BREATHING)
2. PUT ON BREATHING APPARATUS. (NOTE: DO NOT ATTEMPT RESCUE UNTIL YOU HAVE PUT ON BREATHING APPARATUS.)
3. REMOVE VICTIM (S) TO FRESH AIR AS QUICKLY AS POSSIBLE.
4. BE SURE YOU HAVE MOVED VICTIM OUT OF CONTAMINATED AREA BEFORE REMOVING YOUR RESPIRATOR.
5. APPLY MOUTH-TO-MOUTH ARTIFICIAL RESPIRATION, WHICH IS MORE EFFECTIVE, WHILE SOMEONE ELSE GETS THE OXYGEN RESUSCITATOR. RENDER OXYGEN RESUSCITATION ONLY IF PORPERLY TRAINED IN ITS USE.
6. PROVIDE FOR PROMPT TRANSPORTATION TO HOSPITAL AND CONTUNUE GIVING ARTIFICIAL RESPIRATION IF NEEDED.
7. HOSPITAL (S) OR MEDICAL FACILITIES NEED TO BE INFORMED BEFOREHAND, OF THE POSSIBILITY OF H2S GAS POISONING, NO MATTER HOW REMOTE THE POSSIBLITY IS.

Lea Regional Medical Center	(575)492-5000
5419 N Lovington Hwy, Hobbs, NM 88240	
AMBULANCE	911
FIRE DEPARTMENT- HOBBS, NM	(575) 397-9308
POLICE - HOBBS, NM	(575) 397-9265

8. NOTIFY EMERGENCY-ROOM PERSONEL THAT THE VICTIM (S) HAVE POSSIBLY BEEN EXPOSED TO H2S GAS POISONING.

TOTAL SAFETY INC
1420 East Greene St.
Carlsbad, NM 88220

THIS H2S DRILLING OPERATIONS PLAN WAS
PREPARED BY: Sean Chamblee
Strategic Account Manager
Cell: 713-703-6295

TOTAL SAFETY INC
1420 East Greene St
Carlsbad, NM 88220
Phone: 432-561-5049

H2S DRILLING OPERATIONS PLAN INDEX

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 - A. Oil Company Address and Legal Description of Well Site
 - B. Directions to Well Site
 - C. Purpose of Plan
- II. LOCATION LAYOUT
 - A. Location Map
 - B. General & Specific Area Maps
- III. SAFETY EQUIPMENT
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 - B. Type of Equipment and Storage Locations
 - C. Maximum Number of People on Location at any one time
 - D. Safety Equipment Layout Diagram
- IV. OPERATING PROCEDURES
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 - B. Gas Monitoring Equipment
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 - D. Metallurgical Considerations
 - E. Mud Program and Treating
 - F. Well Control Equipment
- V. OPERATING CONDITIONS
 - A. Definition of Warning Flags
 - B. Circulating Out Kick (Wait and Weight Method)
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- E. Characteristics of H₂S
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INTRODUCTION

H2S DRILLING OPERATIONS PLAN

This Drilling Operations Plan was written specifically for:

**MARATHON OIL COMPANY
3122 NATIONAL PARKS HIGHWAY
CALRSBAD, NM 88220**

Action Plan for Accidental Release of H2S

KYLE FEDERAL 24-28-34

**WD Well # 6H
WXY Well # 7H
TB Well # 1H
WXY Well # 8H**

EDDY COUNTY, NM

Information, provisions and practices, as set forth in this plan, may be subject to revision and/or updating.

7-13-2018

MARATHON OIL COMPANY
3122 NATIONAL PARKS HIGHWAY
CARLSBAD, NM 88220

KYLE FEDERAL 24-28-34

WD Well # 6H
WXY Well # 7H
TB Well # 1H
WXY Well # 8H

EDDY COUNTY, NM

Directions:

FROM THE MARATHON OFFICE AT 4111 TIDWELL, CARLSBAD, NM HEAD SOUTH ON TIDWELL RD TOWARD US HWY 285 N FOR 0.2 MILES. TURN LEFT ONTO US HWY 285 S, HEADING SOUTH, FOR 16.1 MILES A CALICHE ROAD WITH A CATTLE GUARD ENTRANCE. TURN RIGHT ONTO CALICHE ROAD, HEADING WEST, FOR 0.5 MILES TO A "Y" INTERSECTION. TURN RIGHT AT THE "Y", HEADING WEST, FOR 0.3 MILES TO THE PROPOSED LEAD ROAD FOR THE MAMMOTH FED COM 26-34-1KYLE FEDERAL 24-28-34 WD#6H-WXY#7H-TB#1H-WXY#8H WELL PAD LOCATION. TURN RIGHT ONTO SAID PROPOSED LEASE ROAD, HEADING NORTH, FOR 0.1 MILES, ENTERING THE SOUTHWEST CORNER OF SAID WELL PAD LOCATION.

GPS Coordinates: 32.16848616, -104.0800952
EDDY COUNTY, NEW MEXICO

PURPOSE OF PLAN: The purpose of this plan is to safeguard the lives of the public, contract personnel and company personnel in the event of equipment failure or disasters during drilling or completion operations in formations that may contain Hydrogen Sulfide Gas, H₂S.

As a precautionary measure, this Drilling Plan has been prepared to assure the safety of all concerned, should a disaster occur. However, the Oil Company Representative may have specified materials and practices for the drilling or completion of this well, which supersede the minimum requirements as outlined in this plan.

Definitions: For the purpose of this plan the following definitions are to be referred to:

Controlled Release – Any release that is planned and occurs during normal operations. A controlled release is managed per the procedures outlined in this section.

Uncontrolled Release – Any release that is unplanned and not immediately contained utilizing established shut-in procedures. An uncontrolled release is normally associated with a loss of well control.

SCBA – (Self Contained Breathing Apparatus) – A full-face mask respirator with a supplied positive pressure air source.

Donned SCBA – When it is required per this plan to “**don**” a SCBA, personnel will be 100% masked up and be on supplied breathing air.

SCBA On Person – When it is required per this plan to have SCBA “on person”, personnel will be required to wear the SCBA equipment - but not be masked up.

“Qualified Buddy” – Person who has been fit tested and is trained and is familiar with the requirements of donning an SCBA. This person will provide immediate assistance to another person who may be utilizing an SCBA or SkaPack in an IDLH atmosphere in the event of an emergency situation.

In Scope Personnel – Rig Personnel who will be working or otherwise present in potential H₂S release areas, including the rig floor, cellar, pits, and shaker areas. This would not include 3rd party contractors who do not have a function, besides evacuating the rig, during an emergency condition such as during a well control event or H₂S / LEL alarm. All qualified personnel that have a function to shut a well in during an emergency will be considered In-Scope per this plan

Out of Scope Personnel –. All personnel that are not in scope will be Out of Scope per the definition of this plan

H₂S Office – Onsite office trailer space or vehicle that will be designated as the H₂S office

Marathon H2S Plan Custodian – Marathon HES Advisor, Supervisor or Technician that has been specifically assigned per the authorization page of this plan to maintain this document.

WELL LOCATION PLAT

KYLE FEDERAL 24-28-34
SEC. 34 TWP. 24-S RGE. 28-E

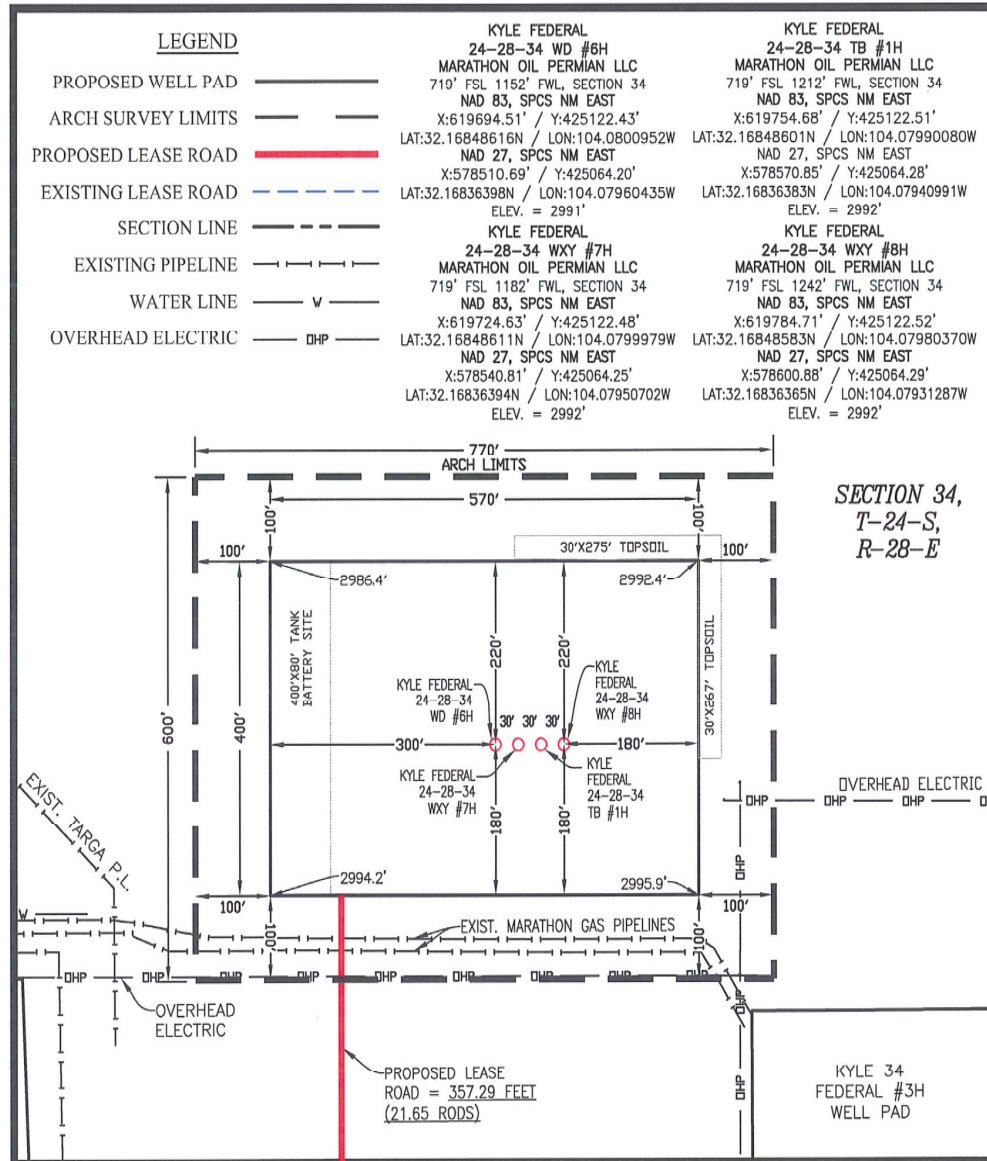
SURVEY: N.M.P.M.

COUNTY: EDDY

OPERATOR: MARATHON OIL PERMIAN L.L.C.

U.S.G.S. TOPOGRAPHIC MAP: MALAGA, N.M.

100' 0' 100' 200'
SCALE: 1" = 200'



NOTE:
THIS IS NOT A BOUNDARY SURVEY.
APPARENT PROPERTY CORNERS AND
PROPERTY LINES ARE SHOWN FOR
INFORMATION ONLY. BOUNDARY DATA
SHOWN IS FROM STATE OF NEW MEXICO
OIL CONSERVATION DIVISION FORM C-102
INCLUDED IN THIS SUBMITTAL.

150' 0' 150' 300'
SCALE: 1" = 300'

PRELIMINARY

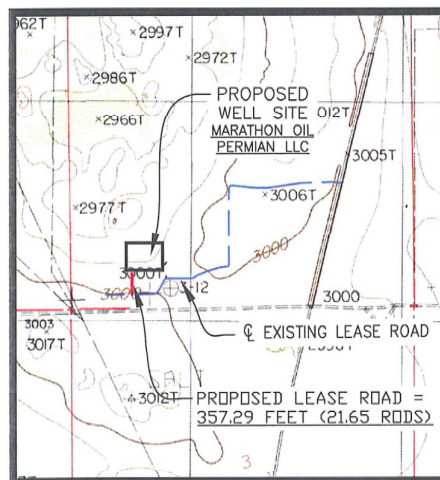
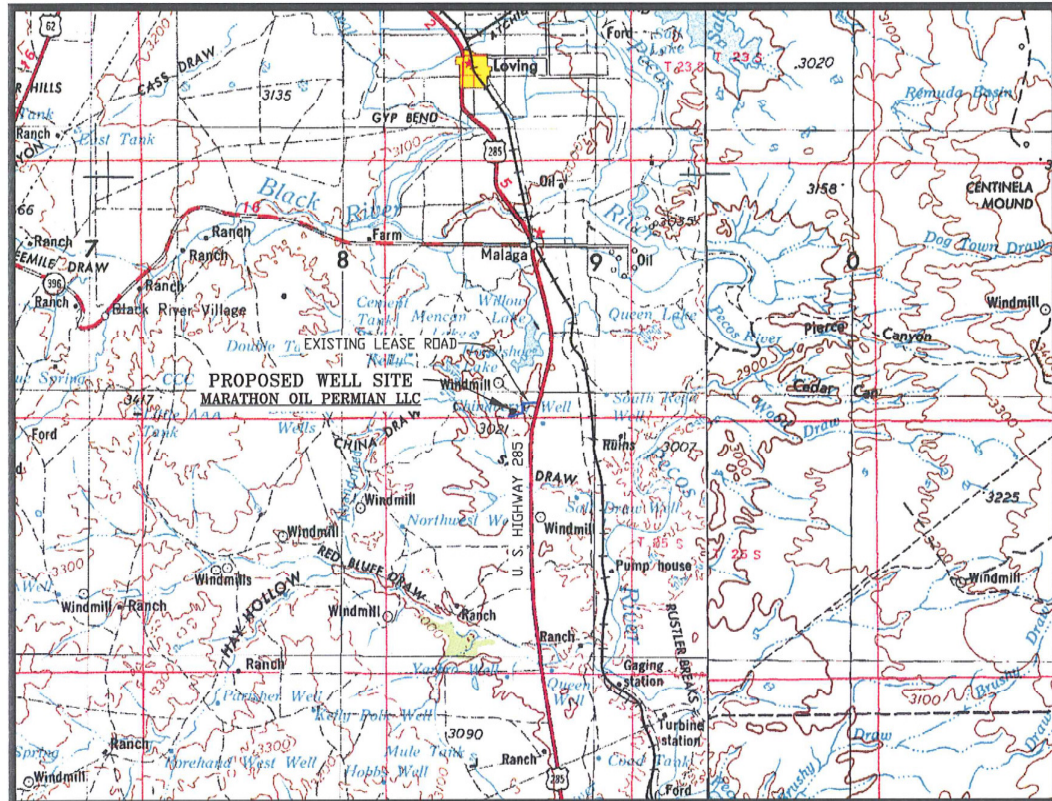
THIS DOCUMENT IS NOT TO BE USED FOR
CONSTRUCTION, BIDDING, RECORDATION,
CONVEYANCE, SALE OR THE BASIS FOR THE
ISSUANCE OF A PERMIT.

SHEET 4 OF 5

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-6900 OFFICE
JOB No. R3752_002

VICINITY AND EXISTING ROADS MAP

KYLE FEDERAL 24-28-34
 SEC. 34 TWP. 24-S RGE. 28-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 OPERATOR: MARATHON OIL PERMIAN LLC
 U.S.G.S. TOPOGRAPHIC MAP: MALAGA, N.M.



SCALE: 1" = 20,000'
 CONTOUR INTERVAL = 100'

DIRECTIONS TO LOCATION:

FROM THE MARATHON OFFICE AT 4111 TIDWELL, CARLSBAD, NEW MEXICO, HEAD SOUTH ON TIDWELL ROAD TOWARD U. S. HIGHWAY 285 NORTH FOR 0.2 MILES. TURN LEFT ONTO U. S. HIGHWAY 285 SOUTH, HEADING SOUTH, FOR 16.1 MILES TO A CALICHE ROAD WITH A CATTLE GUARD ENTRANCE. TURN RIGHT ONTO CALICHE ROAD, HEADING WEST, FOR 0.5 MILES TO A "Y" INTERSECTION. TURN RIGHT AT THE "Y", HEADING WEST, FOR 0.3 MILES TO THE PROPOSED LEASE ROAD FOR THE KYLE FEDERAL 24-28-34 WD#6H-WXY#7H-TB#1H-WXY#8H WELL PAD LOCATION. TURN RIGHT ONTO SAID PROPOSED LEASE ROAD, HEADING NORTH FOR 0.1 MILES ENTERING THE SOUTHWEST CORNER OF SAID WELL PAD LOCATION.

SHEET 5 OF 5

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3752_002

SAFETY EQUIPMENT

All H2S related Safety Equipment must be installed, tested and Operational at a depth of 500 feet above, or 3 days prior to penetrating the first zone expected to contain H2S.

SAFETY EQUIPMENT PROVIDED BY TOTAL SAFETY INC.

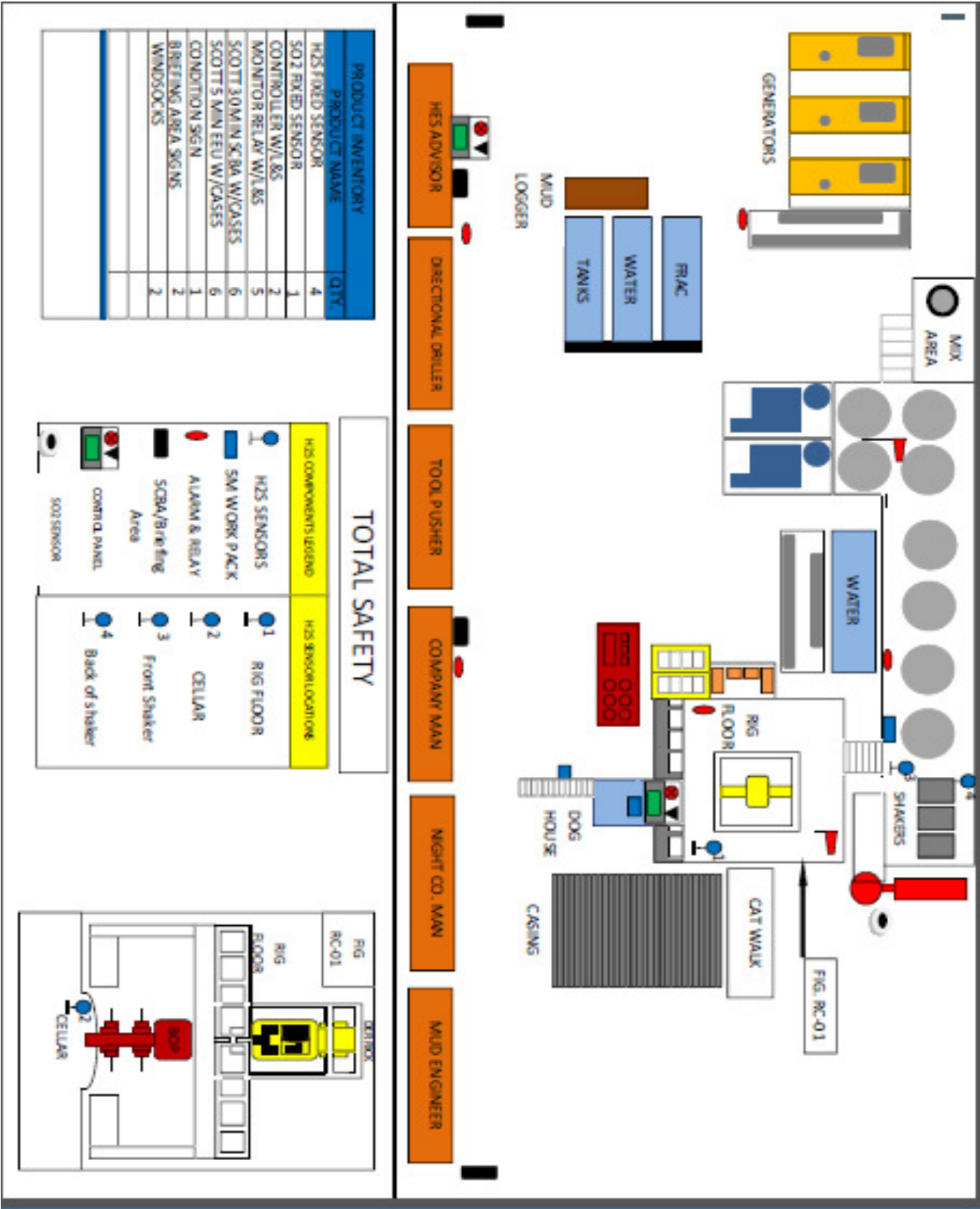
<u>QTY</u>	<u>EQUIPMENT</u>
6 each	30-minute self-contained breathing apparatus
6 each	ELSA Escape Packs
1 Lot	Sufficient low-pressure airline hose with quick connects
1	6 Channel fixed H2S monitor
4	H2S Sensors (Loc determined at rig up – General: Cellar, Shale Shaker, floor/driller area)
4	Explosion proof Alarm Station (1-Drill Floor, 1- Pits/Shakers, 1- Generators, 1 Quarters area)
10	Personal H2S Monitors
1	Gastec pump type gas detector
Set	Various range of H2s & SO2 detector tubes
2 each	Windsocks w/frames and poles
1 Set	H2S and briefing area signs
1 Set	Well condition signs and flags
1	Flare Gun & Flares

TYPE OF EQUIPMENT AND STORAGE LOCATIONS

1. There will be six 30-minute self-contained breathing apparatus on location. They will be positioned as follows: Two at Briefing Area #1 Two at Briefing Area #2, Two at rig dog house. SCBA Facepieces will be equipped with voice amplifiers for effective means of communication when using protective breathing apparatus.
2. There will be six Escape-type packs on location. One for the Derrickman. One on the Shaker. One at the bottom of rig dog house stairway and spares.
3. A Gastec, pump type, gas detector with low and high range detector tubes for H2S and SO2 will be located in the doghouse
4. Two Briefing Areas will be designated at opposite ends of the location.
5. The Briefing Area most upwind is designated as the Safety Briefing Area #1. In an emergency, personnel must assemble at this upwind area for instructions from their supervisor.
6. The H2S 'Safety' trailer provided by Total Safety, Inc. will contain a cascade system of at least 5 each -300 C.F. air cylinders that will provide a continuous air supply to air lines located on the rig. Note: This trailer will **Only** be provided if H2S conditions require the use of the Air Trailer. (If Required)
7. Two windsocks will be installed so as to be visible from all parts of the location.
8. A well condition warning sign will be displayed at the location entrance to advise of current operating conditions. The condition signs must be at least 200' from the entrance but not more than 500' away.
9. A list of emergency telephone numbers will be kept on rig floor, tool pusher's trailer, the Oil Company's trailer and in the "safety" trailer (if Provided).
10. The primary means of communication will be cell phones.

11. A barricade will be available to block the entrance to location should an emergency occur. In most cases the use of a vehicle is used to block the entrance.
12. A 6-channel H₂S monitor will be located in the doghouse. The 3 sensors will be installed: one on the shale shaker, one at the Cellar, one at the rig floor.
13. An undulating high and low pitch siren and light will be installed on the derrick "A" leg.
14. If H₂S concentration reach 10 ppm an explosion-proof bug blower (fan) will be installed under the rig floor to disperse possible accumulations of H₂S.
15. Any time it is necessary to flare gas containing H₂S, a Sulfur Dioxide monitor or Detector tubes will be used to determine SO₂ concentrations.
16. A flare gun with flares will also be provided in the event it is necessary to ignite the well from a safe distance.

SAFETY EQUIPMENT LAYOUT



BLOWOUT PREVENTION MEASURES DURING DRILLING

1. Blowout Prevention Requirements:

All BOP equipment shall meet the American Petroleum Institute specifications as to materials acceptable for H₂S service and tested accordingly (or to BLM specifications).

2. Drilling String Requirements:

All drill string components are to be of material that meets the American Petroleum Institute's specifications for H₂S service. All drill string components should be inspected to IADC critical service specifications prior to running in well.

GAS MONITORING EQUIPMENT

1. A continuous H₂S detection system, consisting of three H₂S detectors and an audible/visual warning system will be in operating during all phases of this H₂S Drilling Operations Plan. The detection system will be adjusted and calibrated such that an H₂S exposure of 10 ppm or higher (at any sensor) will trigger the audible and visual portion (wailing or yelping siren) of the warning system (i.e. H₂S continually present at or above threshold levels) a trained operator or H₂S supervisor will monitor the H₂S detection system.

2. When approaching or completing H₂S formations, crewmembers may attach personnel H₂S monitors to their person.

3. Hand held H₂S sampling gas detectors will be used to check areas not covered by automatic monitoring equipment.

CREW TRAINING AND PROTECTION

1. All personnel working at the well site will be properly trained in accordance with the general training requirements outlined in the API Recommended Practices for Safe Drilling of Wells Containing H₂S. The training will cover, but will not be limited to, the following:

- a. General information of H₂S AND SO₂ GAS
- b. Hazards of these gases
- c. Safety equipment on location
- d. Proper use and care of personal protective equipment
- e. Operational procedures in dealing with H₂S gas
- f. Evacuation procedures
- g. First aid, reviving an H₂S victim, toxicity, etc.
- h. Designated Safe Briefing Areas
- i. Buddy System
- j. Regulations
- k. Review of Drilling Operations Plan

2. Initial training shall be completed when drilling reaches, a depth of 500' above or 3 days prior to penetrating (whichever comes first) the first zone containing or expected to contain H₂S. It must also include a review of the site specific Drilling Operations Plan and, if applicable, the Public Protections Plan.

3. Weekly H₂S and well control drills for all personnel on each working crew shall be conducted.

4. All training sessions and drills shall be recorded on the driller's log or its equivalent.

5. Safety Equipment:

As outlined in the Safety Equipment index, H₂S safety protection equipment will be available to/or assigned each person on location.

6. One person (by job title) shall be designated and identified to all on-site personnel as the person primarily responsible for the overall operation of the on-site safety and training programs. This will be the PIC

METALLURGICAL CONSIDERATIONS

1. Steel drill pipe used in H₂S environments should have yield strength of 95,000psi or less because of potential embrittlement problems. Must conform to the current National Association of Corrosion Engineers (NACE) Standard MR-0175-90, Material Requirement, Sulfide Stress Cracking Resistant Metallica Material for Oil Field Equipment. Drill stem joints near the top of the drill string are normally under the highest stress levels during drilling and do not have the protection of elevated down hole temperatures. These factors should be considered in design of the drill string. Precautions should be taken to minimize drill string stress caused by conditions such as excessive dogleg severity, improper torque, whip, abrasive wear or tool joints and joint imbalance. American Petroleum Institute, Bulletin RR 7G, will be used as a guideline for drill string precautions.
2. Corrosion inhibitors may be applied to the drill pipe or to the mud system as an additional safeguard.
3. Blowout preventors should meet or exceed the recommendations for H₂S service as set forth in the latest edition of API RI 53.

MUD PROGRAM AND TREATING

1. It is of utmost importance that the mud be closely monitored for detection of H₂S and reliability of the H₂S treating chemicals.
2. Identification and analysis of sulfides in the mud and mud filtrates will be carried out per operators prescribed procedures.
3. The mud system will be pre-treated with Zinc Carbonate, Ironite Sponge or similar chemicals of H₂S control prior to drilling into the H₂S bearing formation. Sufficient quantities of corrosion inhibitor should be on location to treat the drill string during Drill Stem Test Operations. Additionally, Aqua Ammonia should be on hand to treat the drill string for crew protection, should H₂S be encountered while tripping string following drill stem testing

WELL CONTROL EQUIPMENT

1. Flare System
 - a. A flare system shall be designed and installed to safely gather and burn H₂S Bearing gas.
 1. Flare lines shall be located as far from the operating site as feasible and in a manner to compensate for wind changes.
 2. The flare line mouth shall be located not less then 150' from wellbore.
 3. Flare lines shall be straight unless targeted with running tees.
 4. Flare Gun & Flares to ignite the well
2. Remote Controlled Choke
 - a. A remote controlled choke shall be installed for all H₂S drilling and where feasible for completion operations. A remote controlled valve may be used in lieu of this requirement for completions operations.
3. Mud-gas separators and rotating heads shall be installed and operable for all exploratory wells.

OPERATING CONDITIONS

A Well Condition Sign and Flag will be posted on all access roads to the location. The sign shall be legible and large enough to be read by all persons entering the well site and be placed a minimum of 200' but no more than 500' from the well site which allows vehicles to turn around at a safe distance prior to reaching the site.

DEFINITION OF WARNING FLAGS

1. Condition:
GREEN-NORMAL OPERATIONS
Any operation where the possibility of encountering H₂S exists but no H₂S has been detected.
2. Condition:
YELLOW-POTENTIAL DANGER, CAUTION
Any operation where the possibility of encountering H₂S exists and in all situations where concentrations of H₂S are detected in the air below the threshold level (10ppm)
 - a. Cause of condition:
 - *Circulating up drill breaks
 - *Trip gas after trip
 - *Circulating out gas on choke
 - *Poisonous gas present, but below threshold concentrations
 - *Drill stem test
 - b. Safety Action:
 - *Check safety equipment and keep it with you
 - *Be alert for a change in condition
 - *Follow instructions
3. Condition:
RED-EXTREME DANGER
Presence of H₂S at or greater than 10ppm. Breathing apparatus must be worn.
 - a. Safety action:

*MASK UP. All personal will have protective breathing equipment with them. All nonessential personnel will move to the Safe Briefing Area and

stay there until instructed to do otherwise. All essential Qualified Personnel, using the "Buddy System" (those necessary to maintain control of the well) will don breathing apparatus to perform operations related to well control.

The decision to ignite the well is the responsibility of the operator's on-site representative and should be made only as a last resort, when it is clear that:

- *human life is endangered
- *there is no hope of controlling the well under prevailing conditions

Order evacuation of local people within the danger zone. Request help from local authorities, State Police, Sheriff's Dept. and Service Representative.

CIRCULATING OUT KICK (WAIT AND WEIGHT METHOD)

If it is suspected that H₂S is present with the gas whenever a kick is taken, the wait and weight method of eliminating gas and raising the mud will be followed.

1. Wait and Weight Method:

a. The wait and Weight Method is:

- *increase density of mud in pits to 'kill' weight mud.
- *open choke and bring pump to initial circulating pressure by holding casing pressure at original valve until pump is up to predetermined speed.
- *when initial circulating pressure is obtained on drill pipe, zero pump stroke counter and record time.
- *reduce drill pipe pressure from initial circulating pressure to final circulating pressure by using pump strokes and/or time according to graph
- *when 'kill' weight mud is at the bit, hold final circulating pressure until kill weight mud is to surface.

b. If a kick has occurred, the standard blowout procedure will be followed and the wait and weight method will be used to kill the well. When the well has been put on the choke and circulation has been established, the following safety procedure must be established.

- *determine when gas is anticipated to reach surface.
- *all non-essential personnel must be moved to safe briefing area

- *all remaining personnel will check out and keep with them their protective breathing apparatus.
- *mud men will see that the proper amount of H₂S scavenging chemical is in the mud and record times checked
- *make sure ignition flare is burning and valves are open to designated flare stacks

CORING OPERATIONS IN H₂S BEARING ZONES

1. Personal protective breathing apparatus will be worn from 10 to 15 stands in advance of retrieving the core barrel. Cores to be transported should be sealed and marked to the presence of H₂S.
 - a. Yellow Caution Flag will be flown at the well condition sign.
 - b. The "NO SMOKING" rule will be enforced

DRILL STEM TESTING OF H₂S ZONES

1. The DST subsurface equipment will be suitable for H₂S service as recommended by the API
2. Drill stem testing of H₂S zone will be conducted in daylight hours
3. All non-essential personnel will be moved to an established safe area or off location
4. The "NO SMOKING" rule will be enforced
5. DST fluids will be circulated through a remote controlled choke and a separator to permit flaring of gas. A continuous pilot light will be used.
6. A yellow or red flag will be flown at entrance to location depending on present gas condition
7. If warranted, the use of Aqua Ammonia for neutralizing the toxicity of H₂S from drill string
 - a. During drill stem tests adequate Filming Amine for H₂S corrosion and Aqua Ammonia for neutralizing H₂S should be on location.
8. On completion of DST, if H₂S contaminated formation fluids or gases are present in drill string, floor workers will be masked up before test valve is removed from drill string and continue "mask on" conditions until such time that readings in the work area do not exceed 10ppm of H₂S gas.

EMERGENCY PROCEDURES

SOUNDING ALARM

In case of an alarm the crews will muster up at the designated area. Total Safety will be dispatched with (2) HES Techs who are to go in under protective breathing air and check the alarm readings and sniff ambient air for the presence of H2S.

By no means are the Co. Rep or HES Advisor to go in under air with the HES Tech. If there is another method in place where the Rig Manager is to go in with the Tech we need to ensure that the rig company has cleared them and that they are properly trained.

1. The fact is to be instilled in the minds of all rig personnel that the sounding alarm means only one thing: H2S IS PRESENT. Everyone is to proceed to his assigned station and the contingency plan is put into effect.

DRILLING CREW ACTIONS

1. All personnel will don their protective breathing apparatus. The driller will take necessary precautions as indicated in operating procedures.
2. The Buddy system will be implemented. All personnel will act upon directions from the operator's on-site representative.
3. If there are non-essential personnel on location, they will move off location.
4. Entrance to the location will be patrolled, and the proper well condition flag will be displayed at the entrance to the location.

RESPONSIBILITIES OF PERSONNEL

In order to assure the proper execution of this plan, it is essential that one person be responsible for and in complete charge of implementing these procedures. The responsibility will be as follows:

1. The operator's on-site representative or his assistant
2. Contract Tool Pusher

STEPS TO BE TAKEN

In the event of an accidental release of a potentially hazardous volume of H₂S, the following steps will be taken:

1. Contact by the quickest means of communications: the main offices of Oil Company & Contractor as listed on the preceding page.
2. An assigned crewmember will blockade the entrance to the location. No unauthorized personnel will be allowed entry into the location.
3. The operator's on-site representative will remain on location and attempt to regain control of the well.
4. The drilling company's rig superintendent will begin evacuation of those persons in immediate danger. He will begin by telephoning residents in the danger zone. In the event of no contact by telephoning, the tool pusher will proceed at once to each dwelling for a person-to-person contact. In the event the tool pusher cannot leave the location, he will assign a responsible crewmember to proceed in the evacuation off local residents. Upon arrival, the Sheriff's Department and TOTAL SAFETY personnel will aid in further evacuation.

LEAK IGNITION

Leak Ignition procedure: (used to ignite a leak in the event it becomes necessary to protect the public)

1. Two men, the operator's on-site representative and the contractor's rig superintendent or TOTAL SAFETY's representative(s), wearing self-contained pressure demand air masks must determine the perimeter of the flammable area. This should be done with one man using an H₂S detector and the other one using a flammable gas detector. The flammable perimeter should be established at 30% to 40% of the lower flammable limits.

2. After the flammable perimeter has been established and all employees and citizens have been removed from the area, the ignition team should move to the up-wind area of the leak perimeter and fire a flare into the area if the leak isn't ignited on the first attempt, move in 20 to 30 feet and fire again. Continue moving in and firing until the leak is ignited or the flammable gas detector indicates the ignition team is moving into the hazardous area. If trouble is incurred in igniting the leak by firing toward the leak, try firing 40 degrees to 90 degrees to each side of the area where you have been firing. If still no ignition is accomplished ignite the copper line burner and push it into the leak area. This should accomplish ignition. If ignition is not possible due to the makeup of the gas, the toxic leak perimeter must be established and maintained to insure evacuation is completed and continue until the emergency is secure.
3. The following equipment and man-power will be required to support the ignition team:
 - a. one flare gun with flares
 - b. four pressure demand air packs
 - c. two nylon ropes tied to the ignition team
 - d. two men in a clear area equipped with air packs
 - e. portable propane bottle with copper line
4. The person with the final authority to ignite the well.

GENERAL EQUIPMENT

1. Two areas on the location will be designated as Briefing Areas. The one that is upwind from the well will be designated as the "Safe Briefing Area"
2. In the case of an emergency, personnel will assemble in the upwind area as per prior instructions from the operator's representative.
3. The H2S "Safety" trailer provided by TOTAL SAFETY will contain 10 air cylinders, a resuscitator, one 30-minute air pack and will have a windsock.
4. Two other windsocks will be installed.
5. A condition warning sign will be displayed at the location entrance.
6. A list of emergency telephone numbers will be kept on the rig floor, tool pusher's trailer and the Oil Company's trailer.
7. Two barricades will be available to block the entrance to location.
8. An undulating high and low pitch siren will be installed.

9. A telephone line or mobile phone will be available at the well site for incoming and outgoing communications.

CRITICAL OPERATIONS

These guidelines will be implemented during H2S alarms on drilling locations with the intent of minimizing catastrophic damage of “**critical tasks**” **ONLY** and exposure of field personnel (e.g. cement in the stack).

We will wait on Total Safety (or H2S Safety Company) for all other alarm events that aren't defined as “critical”.

- 1.) H2S alarm sounds, crews secure well, and muster based off of wind direction. MOC Operation, MOC Safety, and H2S service company notification will be made and representative from the H2S Service Company is in route to location.
- 2.) Two qualified in scope personnel will don SCBA, utilizing the "buddy system", and respond to area of H2S alarm location to verify the presence of H2S utilizing hand held four gas analyzer or other approved and provided method.
- 3.) If no H2S is found, the “all clear” will be authorized by the Marathon Oil Drilling Superintendent and HES to resume operations. H2S service company will still be required to respond.

Note: Personnel will return to muster area awaiting H2S service company and additional equipment if H2S is verified.

Note: Personnel will be trained annually on H2S and the elements of this guideline. The MOC HES Advisor and Co Man will receive hands on training from a H2S service company field tech, on how to properly identify the location of the alarming sensor, and the proper method for checking the alarmed area.

APPENDICES

EMERGENCY & MEDICAL FACILITIES:**Marathon Oil Corporation Emergency Numbers**

Brent Evans	Drilling Manager	blevans@marathonoil.com	832 967-8474
Mark Bly	Drilling Superintendent	permiansuper@marathonoil.com	281-840-0467
Chad Butler	Drilling Superintendent	permiansuper@marathonoil.com	281-840-0467
Jacob Beaty	Drilling Engineer	jabeaty@marathonoil.com	713-296-1915
Noah Adams	HES Professional	njadams@marathonoil.com	713-591-4068
Nick Rogers	Lead HES Advisor	permianndches@marathonoil.com	281-659-3734
Scott Doughty	Lead HES Advisor	permianndches@marathonoil.com	281-659-3734
H&P 480	Company Man	Hp480@marathonoil.com	281-768-9946
H&P 498	Company Man	Hp498@marathonoil.com	281-745-0771
H&P 441	Company Man	Hp441@marathonoil.com	
Precision 582	Company Man	prec582@marathonoil.com	
Precision 594	Company Man	Prec594@marathonoil.com	
H&P 480	HES Advisor	Hp480hes@marathonoil.com	
H&P 498	HES Advisor	Hp498hes@marathonoil.com	
H&P 441	HES Advisor	Hp441hes@marathonoil.com	
Precision 582	HES Advisor	prec582@marathonoil.com	
Precision 594	HES Advisor	Prec594hes@marathonoil.com	

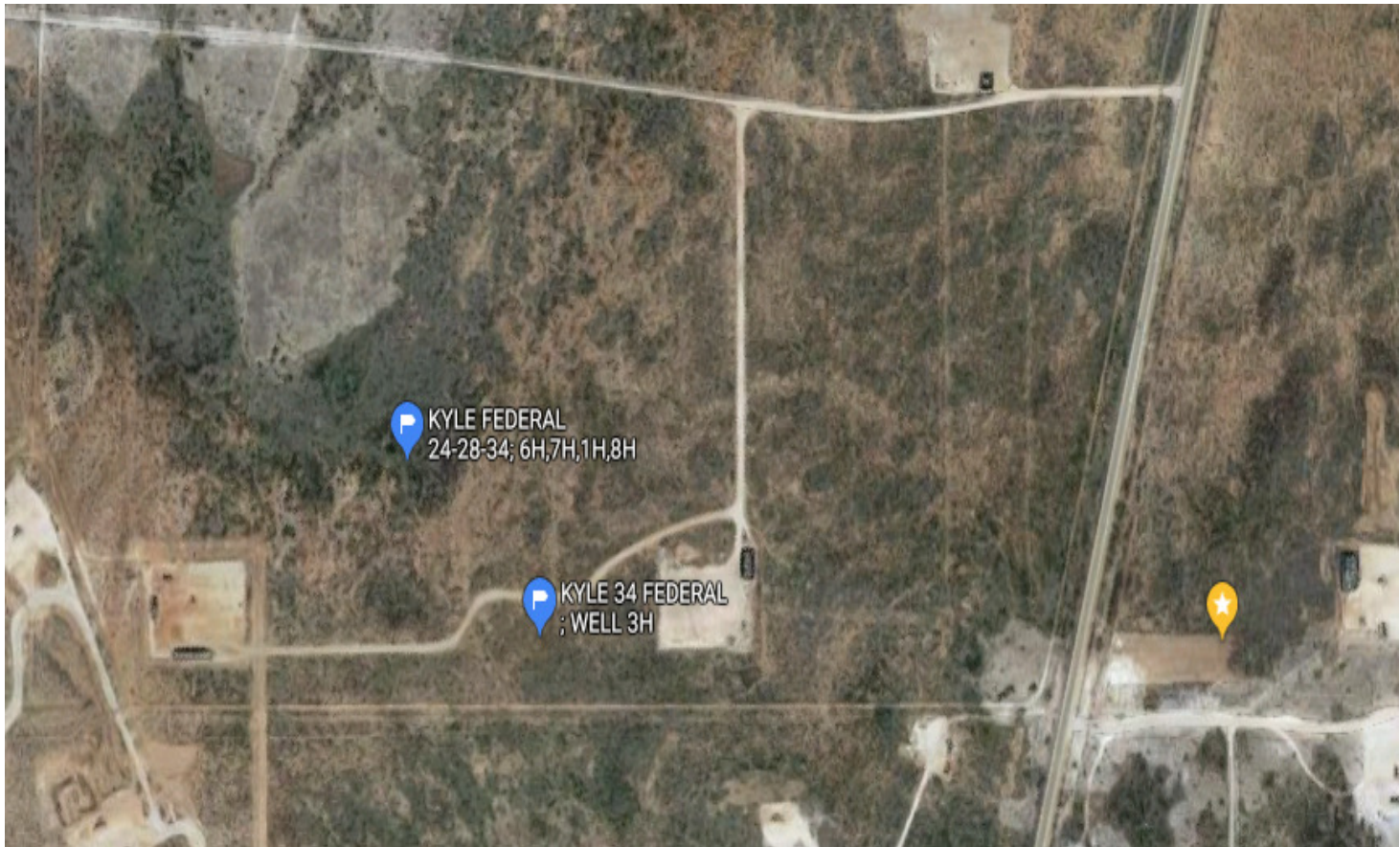
Emergency Services Area Numbers: Or Call 911

Sheriff (Eddy County, NM)	575-887-7551	New Mexico Poison Control	800-222-1222
Sheriff (Lea County, NM)	575-396-3611	Border Patrol (Las Cruces, NM)	575-528-6600
New Mexico State Police	575-392-5580/5588	Energy Minerals & Natural Resources Dept.	575-748-1283
Carlsbad Medical Center	575-887-4100	Environmental Health Dept.	505-476-8600
Lea Regional Medical Center	575-492-5000	OSHA (Santa Fe, NM)	505-827-2855
Police (Carlsbad, NM)	575-885-2111		
Police (Hobbs, NM)	575-392-9265		
Fire (Carlsbad, NM)	575-885-3124		
Fire (Hobbs, NM)	575-397-9308		
Ambulance Service	911	TOTAL SAFETY H2S – SAFETY SERVICES	432-561-5049

1. For Life Flight, 1st dial “911” They will determine nearest helicopter and confirm the need for helicopter.

RESIDENTS AND LANDOWNERS

THERE ARE NO RESIDENCE WITHIN 1 MILE RADIUS OF WELL LOCATION.



ADDITIONAL INFORMATION

A. HYDROGEN SULFIDE ESSAY

A deadly enemy of those people employed in the petroleum industry, this gas can paralyze or kill quickly. At least part of the answer lies in education in the hazards, symptoms, characteristics, safe practices, treatment, and the proper use of personal protective equipment.

B. HYDROGEN SULFIDE HAZARDS

The principal hazard to personnel is asphyxiation or poisoning by inhalation. Hydrogen Sulfide is a colorless, flammable gas having an offensive odor and a sweetish taste. It is highly toxic and doubly hazardous because it is heavier than air (specific gravity = 1.19). Its offensive odor, like that of a rotten egg, has been used as an indicator by many old timers in the oil field, but is not a reliable warning of the presence of gas in a dangerous concentration because people differ greatly in their ability to detect smells. Where high concentrations are encountered, the olfactory nerves are rapidly paralyzed, diluting the sense of smell as a warning indicator. A concentration of a few hundredths of one percent higher than that causing irritation can cause asphyxia and death—in other words there is a very narrow margin between consciousness and unconsciousness, and between unconsciousness and death.

Where high concentrations cause respiratory paralysis, spontaneous breathing does not return unless artificial respiration is applied. Although breathing is paralyzed the heart may continue beating for ten minutes after the attack.

C. PHYSIOLOGICAL SYSTEMS

ACUTE: results in almost instantaneous asphyxia, with seeming respiratory paralysis acute poisoning, or strangulation, may occur after even a few seconds inhalation of high concentration and results in panting respiration, pallor, cramps, paralysis and almost immediate loss of consciousness with extreme rapidity from respiratory and cardiac paralysis. One breath of a sufficiently high concentration may have this result.

SUBACUTE: RESULTS IN IRRITATION, PRINCIPALLY OF THE EYES, PERSISTENT COUGH, TIGHTENING OR BURNING IN THE CHEST AND SKIN IRRITATION FOLLOWED BY DEPRESSION OF

THE CENTRAL NERVOUS SYSTEM. The eye irritation ranges in severity from mild conjunctivitis to swelling and bulging of the conjunctiva photophobia (abnormal intolerance of light) and temporary blindness.

D. TREATMENT

1. Victim should be removed to fresh air immediately by rescuers wearing respiratory protective equipment. Protect yourself while rescuing.
2. If the victim is not breathing, begin immediately to apply artificial respiration. (See other chart for the chances for life after breathing has stopped.) If a resuscitator is available let another employee get it and prepare for use.
3. Treat for shock, keep victim warm and comfortable
4. Call a doctor, in all cases, victims of poisoning should be attended by a physician.

E. CHARACTERISTICS OF H₂S

1. Extremely Toxic (refer to chart for toxicity of Hydrogen Sulfide).
2. Heavier than air. Specific gravity= 1.19.
3. Colorless, has odor of rotten eggs.
4. Burns with a blue flame and produces sulfur Dioxide (SO₂) gas, which is very irritating to eyes and lungs. The SO₂ is also toxic and can cause serious injury.
5. H₂S is almost as toxic as hydrogen cyanide.
6. H₂S forms explosive mixture, with air between 4.3% and 46% by volume.
7. Between 5 and 6 times as toxic as carbon monoxide.
8. Produces irritation to eyes, throat, and respiratory tract.
9. Threshold Limit Value (TLV) maximum of eight hours exposure without protective respiratory equipment-10ppm.

F. SAFE PRACTICES

If you are faced with an H₂S problem in your operations, the following safe practices are recommended:

1. Be absolutely sure all concerned are familiar with the hazards concerning H₂S and how to avoid it.
2. All employees should know how to operate and maintain respiration equipment.
3. Be able to give and demonstrate artificial respiration.
4. Post areas where there is poisonous gas with suitable warning signs.
5. Be sure all new employees are thoroughly schooled before they are sent to the field-tomorrow may be too late.
6. Teach men to avoid gas whenever possible-work on the windward side, have fresh air mask available.
7. Never let bad judgment guide you-wear respiratory equipment when gauging tanks, etc. Never try to hold your breath in order to enter a contaminated atmosphere.
8. In areas of high concentration, a two-man operation is preferred.
9. Never enter a tank, cellar or other enclosed place where gas can accumulate without proper respiratory protective equipment and a safety belt secured to a lifeline held by another person outside.
10. Always check out danger areas first with H₂S detectors before allowing anyone to enter. DO NOT TRY TO DETERMINE THE PRESENCE OF GAS BY its ODOR.
11. Wear proper respiratory equipment for the job at hand. Never take a chance with equipment with which you are unfamiliar. If in doubt, consult your supervisor.
12. Carry out practice drills every month with emergency and maintenance breathing air equipment. Telling or showing a group how to operate equipment is not enough-make them show you.
13. Maximum care should be taken to prevent the escape of fumes into the air of working places by leaks, etc.
14. Communication such as radio and telephones should be provided for those people employed where H₂S may be present.

TOXICITY OF HYDROGEN SULFIDE TO MEN

H2S Per Cent (PPM)**	0 - 2 Minutes	0 - 15 Minutes	15 - 30 Minutes	30 Minutes to 1 hour	1 - 4 Hours	4 - 8 Hours	4 - 48 Hours
0.005 (50)				Mild Conjunctiv- ities; respiratory tract irritation			
0.010 (100)				Throat			
0.010 (100)		Coughing; irritation of eyes; loss of sense of smell	Disturbed respiration; pain in eyes; sleepiness		Salivation & mucous dis- charge; sharp pain in eyes; coughing	Increased symptoms*	Hemorrhage & death*
0.015 (150)					Difficult breathing; blurred vision; light & shy	Serious irritating effects	Hemorrhage & death*
0.020 (200)		Loss of sense of smell	Throat & eye irritation	Throat & eye irritation	Difficult breathing; blurred vision; light & shy	Serious irritating effects	Hemorrhage & death*
0.025 (250)					Hemorrhage & death		
0.035 (350)	Irritation of eyes; loss of sense of smell	Irritation of eyes	Painful secretion of tears; weariness	Light & shy; nasal catarrh; pain in eyes; difficult breathing			
0.035 (350)		Irritation of eyes; loss of sense of smell	Difficult respiration coughing; irritation of eyes	Increased irritation of eyes and nasal tract; dull pain head; weariness; light shy	Dizziness weak- ness; increased irritation; death	Death*	
0.050 (500)	Coughing collapse & unconscious- ness	Respiratory disturbances; irritation of eyes; collapse	Serious eye irritation; palpitation of heart; few cases of death*	Severe pain in eyes and head dizziness; trem- bling of extre- mities; great weakness & death*			
0.060 (600)	Collapse *	Collapse*					
0.070 (700)	unconscious-	unconscious-					
0.808 (800)	ness; death*	ness; death*					
0.100 (1000)							
0.150 (1500)							

*Data secured from experiments of dogs which have susceptibility similar to men. **PPM - parts per million

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 199600

CONDITIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 199600
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Will require a name change complying with OCD policy prior to putting the well into production.	3/22/2023
kpickford	Notify OCD 24 hours prior to casing & cement	3/22/2023
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	3/22/2023
kpickford	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	3/22/2023
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	3/22/2023
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	3/22/2023