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

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

618H

2. Name of Operator

9. API Well No. **30-025-53573**

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Title		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title	Office	

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

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

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 06/14/2024

INSTRUCTIONS

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

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

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

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

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

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

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

NOTICES

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

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

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

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

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

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

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Additional Operator Remarks

Location of Well

0. SHL: SESE / 719 FSL / 1165 FEL / TWSP: 23S / RANGE: 34E / SECTION: 8 / LAT: 32.3138504 / LONG: 103.4873572 (TVD: 0 feet, MD: 0 feet)

PPP: SESE / 330 FSL / 339 FEL / TWSP: 23S / RANGE: 34E / SECTION: 8 / LAT: 32.3127809 / LONG: -103.4846817 (TVD: 8870 feet, MD: 9414 feet)

PPP: SESE / 0 FSL / 330 FEL / TWSP: 23S / RANGE: 34E / SECTION: 5 / LAT: 32.326386 / LONG: -103.4846995 (TVD: 8870 feet, MD: 14204 feet)

PPP: SENE / 2639 FSL / 339 FEL / TWSP: 23S / RANGE: 34E / SECTION: 8 / LAT: 32.3191278 / LONG: -103.48469 (TVD: 8870 feet, MD: 11564 feet)

BHL: NESE / 2600 FSL / 339 FEL / TWSP: 23S / RANGE: 34E / SECTION: 5 / LAT: 32.3335325 / LONG: -103.4847089 (TVD: 8870 feet, MD: 16804 feet)

BLM Point of Contact

Name: TENILLE C MOLINA
Title: Land Law Examiner
Phone: (575) 234-2224
Email: TCMOLINA@BLM.GOV

Review and Appeal Rights

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

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	KAISER FRANCIS OIL COMPANY
WELL NAME & NO.:	BELL LAKE UNIT NORTH AVA 018H
SURFACE HOLE FOOTAGE:	719'/S & 1165'/E
BOTTOM HOLE FOOTAGE	2600'/S & 339'/E
LOCATION:	Section 8, T.23 S., R.34 E.
COUNTY:	Lea County, New Mexico

COA

H2S	(•) Yes	( ) No	
Potash	(•) None	( ) Secretary	( ) R-111-P
Cave/Karst Potential	(•) Low	( ) Medium	( ) High
Cave/Karst Potential	( ) Critical		
Variance	( ) None	(•) Flex Hose	( ) Other
Wellhead	( ) Conventional	(•) Multibowl	( ) Both
Wellhead Variance	( ) Diverter		
Other	[ ] 4 String	[ ] Capitan Reef	[ ] WIPP
Other	[ ] Fluid Filled	[ ] Pilot Hole	[ ] Open Annulus
Cementing	[ ] Contingency Cement Squeeze	[ ] EchoMeter	[ ] Primary Cement Squeeze
Special Requirements	[ ] Water Disposal	[ ] COM	[x] Unit
Special Requirements	[ ] Batch Sundry		
Special Requirements Variance	[ ] Break Testing	[ ] Offline Cementing	[ ] Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1,400** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.

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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 **9-5/8** inch intermediate casing shall be set at approximately **5,100 feet TVD.** 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.

3. The **5-1/2** inch production casing shall be set at approximately **16,804** feet. 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 **13-3/8** inch 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. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) psi.**

a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
c. Manufacturer representative shall install the test plug for the initial BOP test.

d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Unit Wells

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

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)

- If well located in Eddy County
  EMAIL or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
  BLM_NM_CFO_DrillingNotifications@BLM.GOV
  (575) 361-2822

- If well located in Lea County
  Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
  (575) 689-5981

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 **43 CFR part 3170 Subpart 3172** 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 intergrity 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 **43 CFR part 3170 Subpart 3172** and **API STD 53 Sec. 5.3**.

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 **43 CFR part 3170 Subpart 3172** 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172**.

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.

KPI 6/8/2024

C-102

Submit Electronically
Via OCD Permitting

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal Type: ☒ Initial Submittal ☐ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name	
	98259	Ojo Chiso; Bone Spring, Southwest	
Property Code	Property Name		Well Number
316707	Bell Lake Unit North		618H
OGRID No.	Operator Name		Ground Level Elevation
12361	Kaiser-Francis Oil Company		3434'

Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	8	23S	34E		719' FSL	1165' FEL	32.3138504	-103.4873572	Lea

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	5	23S	34E		2600' FSL	339' FEL	32.3335325	-103.4847089	Lea

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
480	Infill	30-05-53181		

Order Numbers. R-14527-A Well setbacks are under Common Ownership: ☐Yes ☐No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	8	23S	34E		230' FSL	339' FEL	32.3125060	-103.4846814	Lea

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	8	23S	34E		330' FSL	339' FEL	32.3127809	-103.4846817	Lea

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	5	23S	34E		2500' FSL	339' FEL	32.3332576	-103.4847085	Lea

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
Unitized		3434'

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Signature: Christina Opfer Date: 09/17/2024

Printed Name: Christina Opfer

Email Address: ChristinaO@kfoc.net

SURVEYOR CERTIFICATIONS

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.

08/30/2023

Date of Survey
Signature and Seal of Professional Surveyor

STAN W. LLOYD NEW MEXICO 19642 PROFESSIONAL SURVEYOR 10-20-23

Stan W. Lloyd

Certificate Number

Signature and Seal

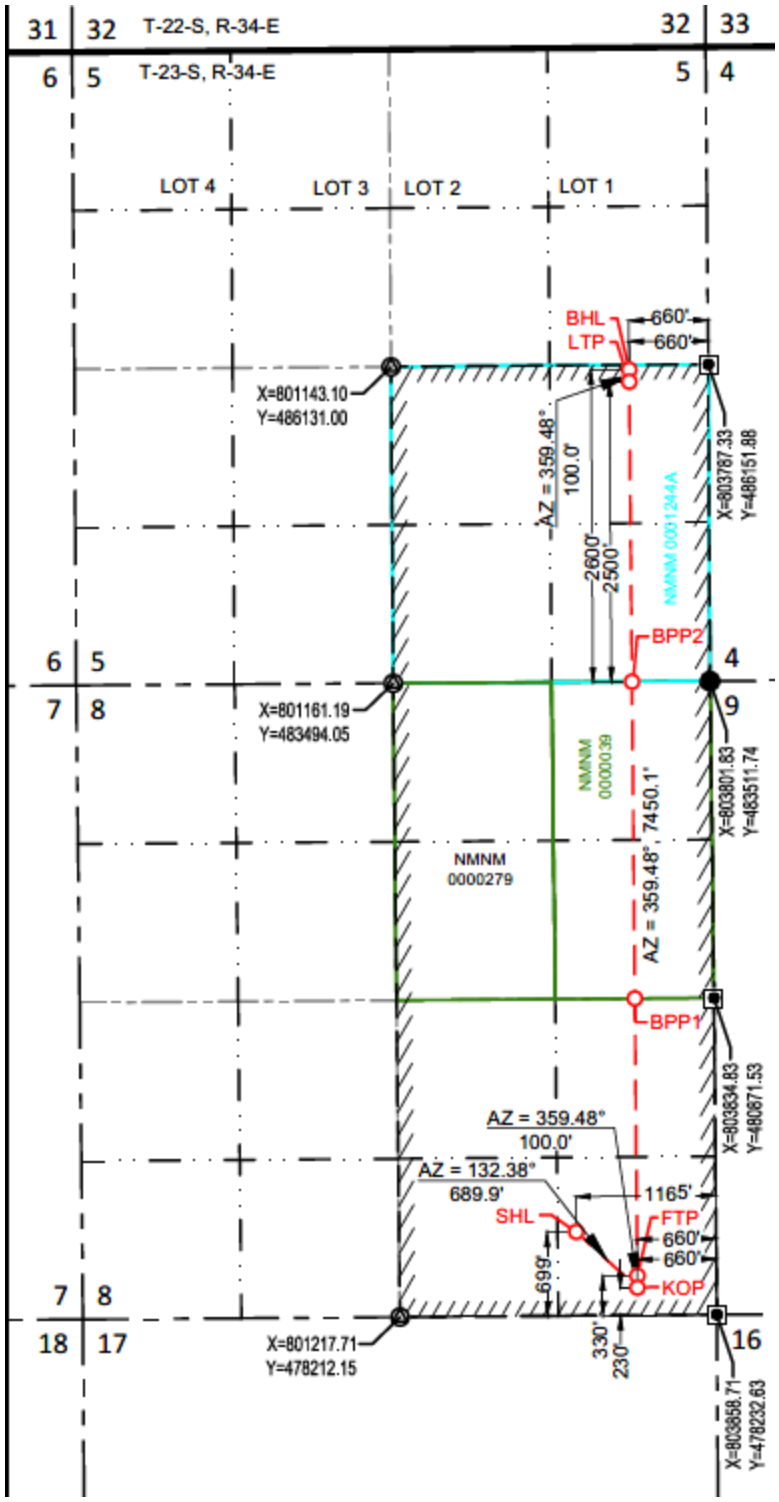
Certificate Number

Note: 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.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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: Kaiser-Francis Oil Company **OGRID:** 12361 **Date:** 4 /30 /2024

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
North Pad U wells listed on next page.						

IV. Central Delivery Point Name: pad site [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
North Pad U anticipated schedule listed on next page.						

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.

III. Wells

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vente	Comments
Bell Lake Unit North 718H		8-23S-34E	659' FSL 1166' FEL	1500	0	
Bell Lake Unit North 818H		8-23S-34E	639' FSL 1166' FEL	1500	0	
Bell Lake Unit North AVA 018H		8-23S-34E	719' FSL 1165' FEL	1500	0	
Bell Lake Unit North AVB 018H		8-23S-34E	699' FSL 1165' FEL	1500	0	
Bell Lake Unit North AVD 018H		8-23S-34E	679' FSL 1166' FEL	1500	0	

V. Anticipated Schedule

Well Name	API	Spud	TD	Completion	Initial Flow Back	First Production
Bell Lake Unit North 718H		2/1/2024	2/26/2024	6/16/2024	7/10/2024	7/11/2024
Bell Lake Unit North 818H		2/27/2024	3/23/2024	6/16/2024	7/10/2024	7/11/2024
Bell Lake Unit North AVA 018H		3/24/2024	4/18/2024	6/16/2024	7/10/2024	7/11/2024
Bell Lake Unit North AVB 018H		4/19/2024	5/14/2024	6/16/2024	7/10/2024	7/11/2024
Bell Lake Unit North AVD 018H		5/15/2024	6/9/2024	6/16/2024	7/10/2024	7/11/2024

Kaiser-Francis Oil Company
Natural Gas Management Plan

Plan Description

VI. Separation Equipment

Separation equipment will be designed for maximum anticipated throughput and pressure to minimize waste.

VII. Operational Practices

A. VENTING AND FLARING OF NATURAL GAS

Kaiser-Francis Oil Company (KFOC) will maximize the recovery of natural gas by minimizing the waste of natural gas through venting and flaring during drilling, completion, and production operations as outlined in 19.15.27.8 NMAC. KFOC will flare rather than vent natural gas except when flaring is technically infeasible or would pose a safety risk and venting is a safer alternative than flaring. KFOC will ensure well(s) are connected to a natural gas gathering system with sufficient capacity to transport natural gas.

B. Venting and flaring during drilling operations

KFOC will combust natural gas brought to the surface during drilling operations. A properly sized flare stack will be located at a minimum of 100 feet from the nearest surface hole location. In case of emergency or malfunction, KFOC will report natural gas volumes, vented or flared.

C. Venting and flaring during completion or recompletion operations

During completion operations, KFOC will flare natural gas brought to the surface and commence operation of a separator once technically feasible. Produced natural gas from separation equipment will be sold. If natural gas does not meet gathering pipeline quality specifications, KFOC will flare for no more than 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner.

D. Venting and flaring during production operations

KFOC will not vent or flare natural gas during production, except for provisions defined by 19.15.27.8.D (1) through (4). KFOC will report natural gas volumes, vented or flared, appropriately.

E. Performance Standards

KFOC will comply with performance standards outlined in 19.15.27.8.E to minimize waste. Separation equipment will be designed for maximum anticipated throughput and pressure to minimize waste. Any permanent storage tank associated with production operations that is

routed to a flare or control device will be equipped with an automatic gauging system that reduces the venting of natural gas. KFOC will combust natural gas in a flare stack that is properly sized and designed to ensure proper combustion efficiency. Flare stacks will be equipped with an automatic ignitor or continuous pilot. KFOC will conduct an AVO inspection on the frequency specified in Subsection D of 19.15.27.8 NMAC. All emergencies will be resolved as quickly and safely as feasible.

F. Measurement or estimation of vented or flared natural gas

KFOC will measure or estimate natural gas that is vented, flared, or beneficially used during drilling, completion, and production operations. Equipment will be installed to measure the volume of natural gas flared from existing piping or a flowline piped from equipment such as high-pressure separators, heater treaters, or vapor recovery units associated with a well or facility, authorized by an APD issued after May 25, 2021, that has an average daily production greater than 60,000 cubic feet of natural gas. Measuring equipment will conform to an industry standard. Where measuring is not feasible, volumes will be estimated.

VIII. Best Management Practices

During active and planned maintenance, venting will be limited to the depressurization of the equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut-in to eliminate venting. During VRU maintenance, gas normally routed to the VRU will be flared.

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:	
Printed Name:	Aaron Daniels
Title:	EHS Manager
E-mail Address:	aaroud@kfoc.net
Date:	5/1/2024
Phone:	918-491-4352

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

Bell Lake Unit North 618H

BLM Permitted Name: Bell Lake Unit North AVA 018H

*BLM sundry submitted for name change 7/1/2024

Location Table

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
SHL Leg #1	719	FSL	1165	FEL	23S	34E	8	Aliquot SESE	32.3138504	103.4873572	LEA	NEW MEXICO	NEW MEXICO	S	STATE	3434	0	0	Y
KOP Leg #1	230	FSL	339	FEL	23S	34E	8	Aliquot SESE	32.312506	-103.4846814	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-4958	8664	8392	Y
PPP Leg #1-1	330	FSL	339	FEL	23S	34E	8	Aliquot SESE	32.3127809	-103.4846817	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-5436	9414	8870	Y

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
PPP Leg #1-2	2639	FSL	339	FEL	23S	34E	8	Aliquot SENE	32.3191278	-103.48469	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 039	-5436	11564	8870	Y
PPP Leg #1-3	0	FSL	330	FEL	23S	34E	5	Aliquot SESE	32.326386	-103.4846995	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 01244A	-5436	14204	8870	Y
EXIT Leg #1	2500	FSL	339	FEL	23S	34E	5	Aliquot NESE	32.3332576	-103.4847085	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 01244A	-5436	16704	8870	Y
BHL Leg #1	2600	FSL	339	FEL	23S	34E	5	Aliquot NESE	32.3335325	-103.4847089	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 01244A	-5436	16804	8870	Y

Section 1- Formation Tops

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
13603017	RUSTLER	3434	1385	1385	ANHYDRITE	NONE	N
13603018	SALADO	1484	1950	1950	LIMESTONE	NONE	N
13603019	TOP SALT	-446	3880	3880	SALT	NONE	N
13603020	BOTTOM SALT	-1156	4590	4590	SALT	NONE	N
13603021	LAMAR	-1466	4900	4900	SHALE	NONE	N
13603022	BELL CANYON	-1646	5080	5080	SANDSTONE	NATURAL GAS, OIL	Y
13603023	CHERRY CANYON	-2606	6040	6040	SANDSTONE	NATURAL GAS, OIL	Y
13603024	BRUSHY CANYON	-3766	7200	7200	SANDSTONE	NATURAL GAS, OIL	Y
13603025	BONE SPRINGS	-5046	8480	8480	SANDSTONE	NATURAL GAS, OIL	Y
13603026	AVALON SAND	-5171	8605	8605	SANDSTONE	NATURAL GAS, OIL	Y
13603027	BONE SPRING 1ST	-6111	9545	9545	SANDSTONE	NATURAL GAS, OIL	Y

Section 2- BOP

Pressure Rating: 5M

Rating Depth: 18,000

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

Requesting Variance: Yes

Variance Request: Flex Hose Variance

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and 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. If the system is upgraded all of the components installed will be functional and tested.

Section 3- Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1400	0	1400	3434	2034	1400	J-55	54.5	BUTT	1.69	4.08	DRY	11.91	DRY	11.18
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5100	0	5100	3465	-1666	5100	P-110	40	BUTT	1.6	2.98	DRY	6.21	DRY	6.18
3	PRODUCTION	8.5	5.5	NEW	API	N	0	16804	0	8870	3465	-5436	16804	HCP-110	20	OTHER - Eagle SFH	3.1	3.38	DRY	3.54	DRY	4.11

Section 4- Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1400	940	1.81	13.2	1701	75	Class C Premium Plus	Class C Premium Plus
INTERMEDIATE	Lead		0	4100	810	2.18	12.4	1766	50	Class C Premium Plus	Gypsum, Calcium Chloride, Poly Flake
INTERMEDIATE	Tail		4100	5100	350	1.33	14.8	466	50	Class C Premium Plus	none
PRODUCTION	Lead		4600	7804	280	3.42	10.5	958	20	Class H Premium	Gypsum, Gel, Poly Flake
PRODUCTION	Tail		7804	16804	1560	1.59	13.2	2480	20	Class H Premium	Gypsum, Gel

Section 5- Circulating Medium

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
5100	16804	WATER-BASED MUD	8.7	9.2							
0	1400	WATER-BASED MUD	8.6	9.2							
1400	5100	SALT SATURATED	9.8	10							

Mud System Type: Closed

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

Mud Monitoring System: PVT/Pason/Vision Monitoring

Section 6- Test, Logging, Coring,

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

List of Logs to be run in the well: Directional Survey, Gamma Ray Log, Mud Log/Geological Lithology, Compensated Neutron Log

No coring is planned.

Section 7- Drilling Conditions

Anticipated Bottom Hole Pressure: 4243 **Anticipated Surface Pressure:** 2291

Anticipated Bottom Hole Temperature(F): 140

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

H2S_Contingency_Plan_NM_Bell_Lake_Unit_PAD_BLUN_U_20231019124302.pdf

H2S Contingency plan attached.

KAISER FRANCIS OIL CO.

LEA COUNTY, N.M. 83
SEC 8-T23S-R34E
BLUN AVA 018H

Wellbore #1

Plan: Plan 1

Standard Planning Report

24 October, 2023

Kaiser-Francis Oil Company

SB Directional

Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Project LEA COUNTY, N.M. 83

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site SEC 8-T23S-R34E

Site Position:		**Northing:**	478,943.00 usft	**Latitude:**	32.31385164
From:	Map	**Easting:**	802,687.00 usft	**Longitude:**	-103.48735681
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "		

Well BLUN AVA 018H

Well Position	**+N/-S**	0.00 usft	**Northing:**	478,943.00 usft	**Latitude:**	32.31385164
	+E/-W	0.00 usft	**Easting:**	802,687.00 usft	**Longitude:**	-103.48735681
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	usft	**Ground Level:**	3,434.00 usft
Grid Convergence:		0.45 °				

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	10/24/2023	6.24	59.91	47,325.17828440

Design Plan 1

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	0.00	0.00	0.00

Plan Survey Tool Program **Date** 10/24/2023

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	16,804.18	Plan 1 (Wellbore #1)	MWD+IGRF	
				OWSG MWD + IGRF or WMM	

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	0.00	0.00	0.00	0.00	0.00	0.00	
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,626.04	39.61	130.09	6,515.15	-305.00	362.27	2.78	2.78	0.00	130.09	
6,846.30	39.61	130.09	6,684.85	-395.44	469.69	0.00	0.00	0.00	0.00	
8,272.34	0.00	359.48	8,000.00	-700.45	831.96	2.78	-2.78	0.00	180.00	
8,664.88	0.00	359.48	8,392.54	-700.45	831.96	0.00	0.00	0.00	0.00	
9,414.88	90.00	359.48	8,870.00	-223.00	827.65	12.00	12.00	0.00	0.00	
16,804.18	90.00	359.48	8,870.00	7,166.00	761.00	0.00	0.00	0.00	0.00	BHL BLUN AVA

SB Directional

Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	2.78	130.09	5,299.96	-1.56	1.85	-1.56	2.78	2.78	0.00

SB Directional

Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,400.00	5.55	130.09	5,399.69	-6.24	7.41	-6.24	2.78	2.78	0.00
5,500.00	8.33	130.09	5,498.94	-14.02	16.66	-14.02	2.78	2.78	0.00
5,600.00	11.11	130.09	5,597.50	-24.90	29.57	-24.90	2.78	2.78	0.00
5,700.00	13.89	130.09	5,695.12	-38.83	46.13	-38.83	2.78	2.78	0.00
5,800.00	16.66	130.09	5,791.58	-55.80	66.28	-55.80	2.78	2.78	0.00
5,900.00	19.44	130.09	5,886.64	-75.76	89.98	-75.76	2.78	2.78	0.00
6,000.00	22.22	130.09	5,980.10	-98.66	117.18	-98.66	2.78	2.78	0.00
6,100.00	25.00	130.09	6,071.72	-124.45	147.81	-124.45	2.78	2.78	0.00
6,200.00	27.77	130.09	6,161.29	-153.07	181.81	-153.07	2.78	2.78	0.00
6,300.00	30.55	130.09	6,248.61	-184.45	219.08	-184.45	2.78	2.78	0.00
6,400.00	33.33	130.09	6,333.46	-218.52	259.55	-218.52	2.78	2.78	0.00
6,500.00	36.11	130.09	6,415.65	-255.20	303.11	-255.20	2.78	2.78	0.00
6,600.00	38.88	130.09	6,494.98	-294.39	349.67	-294.39	2.78	2.78	0.00
6,626.04	39.61	130.09	6,515.15	-305.00	362.27	-305.00	2.78	2.78	0.00
6,700.00	39.61	130.09	6,572.13	-335.37	398.34	-335.37	0.00	0.00	0.00
6,800.00	39.61	130.09	6,649.18	-376.43	447.11	-376.43	0.00	0.00	0.00
6,846.30	39.61	130.09	6,684.85	-395.44	469.69	-395.44	0.00	0.00	0.00
6,900.00	38.12	130.09	6,726.66	-417.14	495.46	-417.14	2.78	-2.78	0.00
7,000.00	35.34	130.09	6,806.80	-455.65	541.20	-455.65	2.78	-2.78	0.00
7,100.00	32.56	130.09	6,889.75	-491.62	583.92	-491.62	2.78	-2.78	0.00
7,200.00	29.78	130.09	6,975.30	-524.95	623.51	-524.95	2.78	-2.78	0.00
7,300.00	27.01	130.09	7,063.26	-555.57	659.88	-555.57	2.78	-2.78	0.00
7,400.00	24.23	130.09	7,153.43	-583.42	692.95	-583.42	2.78	-2.78	0.00
7,500.00	21.45	130.09	7,245.58	-608.41	722.64	-608.41	2.78	-2.78	0.00
7,600.00	18.67	130.09	7,339.50	-630.50	748.88	-630.50	2.78	-2.78	0.00
7,700.00	15.90	130.09	7,434.97	-649.64	771.61	-649.64	2.78	-2.78	0.00
7,800.00	13.12	130.09	7,531.78	-665.77	790.77	-665.77	2.78	-2.78	0.00
7,900.00	10.34	130.09	7,629.68	-678.86	806.32	-678.86	2.78	-2.78	0.00
8,000.00	7.56	130.09	7,728.45	-688.88	818.23	-688.88	2.78	-2.78	0.00
8,100.00	4.79	130.09	7,827.86	-695.81	826.45	-695.81	2.78	-2.78	0.00
8,200.00	2.01	130.09	7,927.68	-699.63	830.99	-699.63	2.78	-2.78	0.00
8,272.34	0.00	359.48	8,000.00	-700.45	831.96	-700.45	2.78	-2.78	0.00
8,300.00	0.00	0.00	8,027.66	-700.45	831.96	-700.45	0.00	0.00	0.00
8,400.00	0.00	0.00	8,127.66	-700.45	831.96	-700.45	0.00	0.00	0.00
8,500.00	0.00	0.00	8,227.66	-700.45	831.96	-700.45	0.00	0.00	0.00
8,600.00	0.00	0.00	8,327.66	-700.45	831.96	-700.45	0.00	0.00	0.00
8,664.88	0.00	359.48	8,392.54	-700.45	831.96	-700.45	0.00	0.00	0.00
8,675.00	1.21	359.48	8,402.66	-700.34	831.96	-700.34	12.00	12.00	0.00
8,700.00	4.21	359.48	8,427.63	-699.15	831.95	-699.15	12.00	12.00	0.00
8,725.00	7.21	359.48	8,452.50	-696.66	831.92	-696.66	12.00	12.00	0.00
8,750.00	10.21	359.48	8,477.21	-692.88	831.89	-692.88	12.00	12.00	0.00
8,775.00	13.21	359.48	8,501.69	-687.80	831.84	-687.80	12.00	12.00	0.00
8,800.00	16.21	359.48	8,525.86	-681.45	831.79	-681.45	12.00	12.00	0.00
8,825.00	19.21	359.48	8,549.68	-673.85	831.72	-673.85	12.00	12.00	0.00
8,850.00	22.21	359.48	8,573.06	-665.01	831.64	-665.01	12.00	12.00	0.00
8,875.00	25.21	359.48	8,595.94	-654.95	831.55	-654.95	12.00	12.00	0.00
8,900.00	28.21	359.48	8,618.27	-643.72	831.45	-643.72	12.00	12.00	0.00
8,925.00	31.21	359.48	8,639.98	-631.33	831.33	-631.33	12.00	12.00	0.00
8,950.00	34.21	359.48	8,661.01	-617.82	831.21	-617.82	12.00	12.00	0.00
8,975.00	37.21	359.48	8,681.31	-603.22	831.08	-603.22	12.00	12.00	0.00
9,000.00	40.21	359.48	8,700.81	-587.59	830.94	-587.59	12.00	12.00	0.00
9,025.00	43.21	359.48	8,719.47	-570.96	830.79	-570.96	12.00	12.00	0.00
9,050.00	46.21	359.48	8,737.24	-553.37	830.63	-553.37	12.00	12.00	0.00
9,075.00	49.21	359.48	8,754.06	-534.88	830.46	-534.88	12.00	12.00	0.00

SB Directional

Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,100.00	52.21	359.48	8,769.88	-515.53	830.29	-515.53	12.00	12.00	0.00
9,125.00	55.21	359.48	8,784.68	-495.38	830.11	-495.38	12.00	12.00	0.00
9,150.00	58.21	359.48	8,798.40	-474.49	829.92	-474.49	12.00	12.00	0.00
9,175.00	61.21	359.48	8,811.00	-452.90	829.72	-452.90	12.00	12.00	0.00
9,200.00	64.21	359.48	8,822.46	-430.69	829.52	-430.69	12.00	12.00	0.00
9,225.00	67.21	359.48	8,832.74	-407.90	829.32	-407.90	12.00	12.00	0.00
9,250.00	70.21	359.48	8,841.82	-384.61	829.11	-384.61	12.00	12.00	0.00
9,275.00	73.21	359.48	8,849.66	-360.88	828.89	-360.88	12.00	12.00	0.00
9,300.00	76.21	359.48	8,856.25	-336.77	828.68	-336.77	12.00	12.00	0.00
9,325.00	79.21	359.48	8,861.57	-312.34	828.46	-312.34	12.00	12.00	0.00
9,350.00	82.21	359.48	8,865.60	-287.67	828.23	-287.67	12.00	12.00	0.00
9,375.00	85.21	359.48	8,868.34	-262.83	828.01	-262.83	12.00	12.00	0.00
9,400.00	88.21	359.48	8,869.77	-237.87	827.78	-237.87	12.00	12.00	0.00
9,414.88	90.00	359.48	8,870.00	-223.00	827.65	-223.00	12.00	12.00	0.00
9,500.00	90.00	359.48	8,870.00	-137.88	826.88	-137.88	0.00	0.00	0.00
9,600.00	90.00	359.48	8,870.00	-37.88	825.98	-37.88	0.00	0.00	0.00
9,700.00	90.00	359.48	8,870.00	62.11	825.08	62.11	0.00	0.00	0.00
9,800.00	90.00	359.48	8,870.00	162.11	824.18	162.11	0.00	0.00	0.00
9,900.00	90.00	359.48	8,870.00	262.11	823.27	262.11	0.00	0.00	0.00
10,000.00	90.00	359.48	8,870.00	362.10	822.37	362.10	0.00	0.00	0.00
10,100.00	90.00	359.48	8,870.00	462.10	821.47	462.10	0.00	0.00	0.00
10,200.00	90.00	359.48	8,870.00	562.09	820.57	562.09	0.00	0.00	0.00
10,300.00	90.00	359.48	8,870.00	662.09	819.67	662.09	0.00	0.00	0.00
10,400.00	90.00	359.48	8,870.00	762.08	818.76	762.08	0.00	0.00	0.00
10,500.00	90.00	359.48	8,870.00	862.08	817.86	862.08	0.00	0.00	0.00
10,600.00	90.00	359.48	8,870.00	962.08	816.96	962.08	0.00	0.00	0.00
10,700.00	90.00	359.48	8,870.00	1,062.07	816.06	1,062.07	0.00	0.00	0.00
10,800.00	90.00	359.48	8,870.00	1,162.07	815.16	1,162.07	0.00	0.00	0.00
10,900.00	90.00	359.48	8,870.00	1,262.06	814.25	1,262.06	0.00	0.00	0.00
11,000.00	90.00	359.48	8,870.00	1,362.06	813.35	1,362.06	0.00	0.00	0.00
11,100.00	90.00	359.48	8,870.00	1,462.06	812.45	1,462.06	0.00	0.00	0.00
11,200.00	90.00	359.48	8,870.00	1,562.05	811.55	1,562.05	0.00	0.00	0.00
11,300.00	90.00	359.48	8,870.00	1,662.05	810.65	1,662.05	0.00	0.00	0.00
11,400.00	90.00	359.48	8,870.00	1,762.04	809.74	1,762.04	0.00	0.00	0.00
11,500.00	90.00	359.48	8,870.00	1,862.04	808.84	1,862.04	0.00	0.00	0.00
11,600.00	90.00	359.48	8,870.00	1,962.04	807.94	1,962.04	0.00	0.00	0.00
11,700.00	90.00	359.48	8,870.00	2,062.03	807.04	2,062.03	0.00	0.00	0.00
11,800.00	90.00	359.48	8,870.00	2,162.03	806.14	2,162.03	0.00	0.00	0.00
11,900.00	90.00	359.48	8,870.00	2,262.02	805.23	2,262.02	0.00	0.00	0.00
12,000.00	90.00	359.48	8,870.00	2,362.02	804.33	2,362.02	0.00	0.00	0.00
12,100.00	90.00	359.48	8,870.00	2,462.02	803.43	2,462.02	0.00	0.00	0.00
12,200.00	90.00	359.48	8,870.00	2,562.01	802.53	2,562.01	0.00	0.00	0.00
12,300.00	90.00	359.48	8,870.00	2,662.01	801.62	2,662.01	0.00	0.00	0.00
12,400.00	90.00	359.48	8,870.00	2,762.00	800.72	2,762.00	0.00	0.00	0.00
12,500.00	90.00	359.48	8,870.00	2,862.00	799.82	2,862.00	0.00	0.00	0.00
12,600.00	90.00	359.48	8,870.00	2,962.00	798.92	2,962.00	0.00	0.00	0.00
12,700.00	90.00	359.48	8,870.00	3,061.99	798.02	3,061.99	0.00	0.00	0.00
12,800.00	90.00	359.48	8,870.00	3,161.99	797.11	3,161.99	0.00	0.00	0.00
12,900.00	90.00	359.48	8,870.00	3,261.98	796.21	3,261.98	0.00	0.00	0.00
13,000.00	90.00	359.48	8,870.00	3,361.98	795.31	3,361.98	0.00	0.00	0.00
13,100.00	90.00	359.48	8,870.00	3,461.98	794.41	3,461.98	0.00	0.00	0.00
13,200.00	90.00	359.48	8,870.00	3,561.97	793.51	3,561.97	0.00	0.00	0.00
13,300.00	90.00	359.48	8,870.00	3,661.97	792.60	3,661.97	0.00	0.00	0.00
13,400.00	90.00	359.48	8,870.00	3,761.96	791.70	3,761.96	0.00	0.00	0.00

SB Directional
Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
13,500.00	90.00	359.48	8,870.00	3,861.96	790.80	3,861.96	0.00	0.00	0.00
13,600.00	90.00	359.48	8,870.00	3,961.95	789.90	3,961.95	0.00	0.00	0.00
13,700.00	90.00	359.48	8,870.00	4,061.95	789.00	4,061.95	0.00	0.00	0.00
13,800.00	90.00	359.48	8,870.00	4,161.95	788.09	4,161.95	0.00	0.00	0.00
13,900.00	90.00	359.48	8,870.00	4,261.94	787.19	4,261.94	0.00	0.00	0.00
14,000.00	90.00	359.48	8,870.00	4,361.94	786.29	4,361.94	0.00	0.00	0.00
14,100.00	90.00	359.48	8,870.00	4,461.93	785.39	4,461.93	0.00	0.00	0.00
14,200.00	90.00	359.48	8,870.00	4,561.93	784.49	4,561.93	0.00	0.00	0.00
14,300.00	90.00	359.48	8,870.00	4,661.93	783.58	4,661.93	0.00	0.00	0.00
14,400.00	90.00	359.48	8,870.00	4,761.92	782.68	4,761.92	0.00	0.00	0.00
14,500.00	90.00	359.48	8,870.00	4,861.92	781.78	4,861.92	0.00	0.00	0.00
14,600.00	90.00	359.48	8,870.00	4,961.91	780.88	4,961.91	0.00	0.00	0.00
14,700.00	90.00	359.48	8,870.00	5,061.91	779.98	5,061.91	0.00	0.00	0.00
14,800.00	90.00	359.48	8,870.00	5,161.91	779.07	5,161.91	0.00	0.00	0.00
14,900.00	90.00	359.48	8,870.00	5,261.90	778.17	5,261.90	0.00	0.00	0.00
15,000.00	90.00	359.48	8,870.00	5,361.90	777.27	5,361.90	0.00	0.00	0.00
15,100.00	90.00	359.48	8,870.00	5,461.89	776.37	5,461.89	0.00	0.00	0.00
15,200.00	90.00	359.48	8,870.00	5,561.89	775.47	5,561.89	0.00	0.00	0.00
15,300.00	90.00	359.48	8,870.00	5,661.89	774.56	5,661.89	0.00	0.00	0.00
15,400.00	90.00	359.48	8,870.00	5,761.88	773.66	5,761.88	0.00	0.00	0.00
15,500.00	90.00	359.48	8,870.00	5,861.88	772.76	5,861.88	0.00	0.00	0.00
15,600.00	90.00	359.48	8,870.00	5,961.87	771.86	5,961.87	0.00	0.00	0.00
15,700.00	90.00	359.48	8,870.00	6,061.87	770.96	6,061.87	0.00	0.00	0.00
15,800.00	90.00	359.48	8,870.00	6,161.87	770.05	6,161.87	0.00	0.00	0.00
15,900.00	90.00	359.48	8,870.00	6,261.86	769.15	6,261.86	0.00	0.00	0.00
16,000.00	90.00	359.48	8,870.00	6,361.86	768.25	6,361.86	0.00	0.00	0.00
16,100.00	90.00	359.48	8,870.00	6,461.85	767.35	6,461.85	0.00	0.00	0.00
16,200.00	90.00	359.48	8,870.00	6,561.85	766.45	6,561.85	0.00	0.00	0.00
16,300.00	90.00	359.48	8,870.00	6,661.84	765.54	6,661.84	0.00	0.00	0.00
16,400.00	90.00	359.48	8,870.00	6,761.84	764.64	6,761.84	0.00	0.00	0.00
16,500.00	90.00	359.48	8,870.00	6,861.84	763.74	6,861.84	0.00	0.00	0.00
16,600.00	90.00	359.48	8,870.00	6,961.83	762.84	6,961.83	0.00	0.00	0.00
16,700.00	90.00	359.48	8,870.00	7,061.83	761.94	7,061.83	0.00	0.00	0.00
16,804.18	90.00	359.48	8,870.00	7,166.00	761.00	7,166.00	0.00	0.00	0.00

SB Directional
Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	**Local Co-ordinate Reference:**	Site SEC 8-T23S-R34E
Company:	KAISER FRANCIS OIL CO.	**TVD Reference:**	GE 1165' + 24' @ 1189.00usft
Project:	LEA COUNTY, N.M. 83	**MD Reference:**	GE 1165' + 24' @ 1189.00usft
Site:	SEC 8-T23S-R34E	**North Reference:**	Grid
Well:	BLUN AVA 018H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BHL BLUN AVA - plan hits target center - Point	0.00	0.00	8,870.00	7,166.00	761.00	486,109.00	803,448.00	32.33353129	-103.48471002
BPP1 BLUN AVA - plan misses target center by 0.74usft at 11563.96usft MD (8870.00 TVD, 1925.99 N, 808.26 E) - Point	0.00	0.00	8,870.00	1,926.00	809.00	480,869.00	803,496.00	32.31912779	-103.48468900
BPP2 BLUN AVA - plan misses target center by 0.56usft at 14205.06usft MD (8870.00 TVD, 4566.99 N, 784.44 E) - Point	0.00	0.00	8,870.00	4,567.00	785.00	483,510.00	803,472.00	32.32638726	-103.48469898
LTP BLUN AVA - plan misses target center by 4.17usft at 16700.00usft MD (8870.00 TVD, 7061.83 N, 761.94 E) - Point	0.00	0.00	8,870.00	7,066.00	762.00	486,009.00	803,449.00	32.33325641	-103.48470935
FTP BLUN AVA - plan misses target center by 66.23usft at 9175.30usft MD (8811.14 TVD, -452.64 N, 829.72 E) - Point	0.00	0.00	8,870.00	-483.00	830.00	478,460.00	803,517.00	32.31250604	-103.48468277

KAISER-FRANCIS OIL COMPANY
HYDROGEN SULFIDE (H_2S) CONTINGENCY PLAN
FOR DRILLING/COMPLETION WORKOVER/FACILITY

BELL LAKE UNIT NORTH PAD U
SECTION 8 -T23S-R34E
LEA COUNTY, NM

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

TABLE OF CONTENTS

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

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

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

General Responsibilities

In the event of an H_2S emergency, the following plan will be initiated.

1) All personnel will immediately evacuate to an up-wind and if possible up-hill “safe area”.

2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).

3) Always use the “buddy system”.

4) Isolate the well/problem if possible.

5) Account for all personnel

6) Display the proper colors, warning all unsuspecting personnel of the danger at hand

7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

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

INDIVIDUAL RESPONSIBILITIES DURING AN H_2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H_2S siren and lights.

All Personnel:

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

Rig Manager/Tool Pusher:

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

Two People Responsible for Shut-in and Rescue:

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

All Other Personnel:

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

Kaiser-Francis Oil Company Representative:

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

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:
Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

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

1) Human life and/or property are in danger.

2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTIONS FOR IGNITION:

1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a “D”-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.

2) One of the people will be a qualified safety person who will test the atmosphere for H_2S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.

3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500’ range to ignite the gas.

4) Prior to ignition, make a final check for combustible gases.

5) Following ignition, continue with the emergency actions & procedures as before.

CONTACTING AUTHORITIES

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

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

	OFFCE	MOBILE
Kaiser-Francis Oil Co.	918/494-0000	
Jeremy Parent	575-964-6256	580-504-2593
David Zerger	918/491-4350	918/557-6708
Aaron Daniels	918-491-4352	918-891-5199
Robert Sanford	918/491-4201	918/770-2682

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

State Police – Artesia	575/748-9718
State Police – Hobbs	575/392-5580
State Police – Carlsbad	575/885-3138
Lea County Sheriff - Lovington	575/396-3611
Local Emergency Planning Center – Lea County	575/396-8607
Local Emergency Planning Center – Eddy County	575/885-3581
Fire Fighting, Rescue & Ambulance – Carlsbad	911 or 575/885-3125
Fire Fighting, Rescue & Ambulance – Hobbs	911 or 575/397-9308
Fire Fighting – Jal Volunteer Fire Department	911 or 505/395-2221
New Mexico Oil & Gas Commission – Artesia	575/748-1283
New Mexico Oil & Gas Commission – Hobbs	575/393-6161
Air Medical Transport Services – Hobbs	800/550-1025
Med Flight Air Ambulance – Albuquerque	505/842-4433
Angel MedFlight	844/553-9033
Cudd	800-990-2833
Wild Well Control	281-784-4700

PROTECTION OF THE GENERAL PUBLIC/ROE:

In the event of a release with a concentration greater than 100 ppm H_2S, the ROE (Radius of Exposure) calculations will be done to determine if the following conditions have been met:

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

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

Calculation for the 100 ppm ROE:

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

Calculation for the 500 ppm ROE:

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

(H2S concentrations in decimal form)
10,000 ppm +=1.+
1,000 ppm +=.1+
100 ppm +=.01+
10 ppm +=.001+

EXAMPLE: If a well/facility has been determined to have 150 ppm H_2S in the gas mixture and the well/facility is producing at a gas rate of 200 MCFPD then:

ROE for 100 PPM X=[(1.589)(.0150)(200)] (0.6258)
X=2.65'

ROE for 500 PPM X=[(.4546)(.0150)(200)] (0.6258)
X=1.2'

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

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

1) Notification of the emergency response agencies of the hazardous condition and Implement evacuation procedures.

2) A trained person in H_2S safety, shall monitor with detection equipment the H_2S Concentration, wind and area of exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. **(All monitoring equipment will be UL approved, for use in class I groups A,B,C & D, Division I, hazardous locations. All monitors will have a minimum capability of measuring H_2S, oxygen, and flammable values.)**

3) Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.

4) The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

CHARACTERISTICS OF H_2S AND SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

TRAINING:

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

PUBLIC RELATIONS

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

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

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

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 384159

CONDITIONS

Operator: KAISER-FRANCIS OIL CO PO Box 21468 Tulsa, OK 741211468	OGRID: 12361
	Action Number: 384159
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/17/2024
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	9/17/2024
pkautz	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	9/17/2024
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	9/17/2024
pkautz	If cement does not circulate on any string, a CBL is required for that string of casing	9/17/2024