Application Part I*I*

New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Well Drill Dates & Depths)

(R=POD has been replaced and no longer serves this file, C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

(acre ft per annum)

WR File Nbr	Sub basin	Use	Diversion	County	POD Number	Well Tag	Code	Grant	Source	q 64	q 16	q 4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Depth Well	Depth Water
CP 00182	CP	PLS	0	LE	CP 00182 POD1					3	4	3	05	25S	36E	661231	3558680*				

Record Count: 1

POD Search:

POD Number: CP 00182

Sorted by: File Number

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Twp	Rng	(NAD83 UTM in meters) X	Y
	CP 01170 POD5	2	2	2	19	25S	36E	660687	3555164

Driller License: 1607 **Driller Company:** DURAN DRILLING

Driller Name: DURAN, LUIS (TONY)

Drill Start Date: 10/28/2014 **Drill Finish Date:** 11/04/2014 **Plug Date:**

Log File Date: 02/19/2015 **PCW Rcv Date:** **Source:** Shallow

Pump Type: **Pipe Discharge Size:** **Estimated Yield:** 35 GPM

Casing Size: 8.00 **Depth Well:** 505 feet **Depth Water:** 270 feet

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

BC & D OPERATING P. O. BOX 302 HOBBS NM, 88241	Project: TOMMIE DINWIDDIE FWW #1 Project Number: NONE GIVEN Project Manager: DONNIE HILL Fax To: (575) 942-2005	Reported: 19-Sep-13 15:26

TOMMIE DINWIDDIE FWW #1

H302139-01 (Water)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories									
Inorganic Compounds									
Alkalinity, Bicarbonate	249	5.00	mg/L	1	3082302	AP	09-Sep-13	310.1	
Alkalinity, Carbonate	ND	0.00	mg/L	1	3082302	AP	09-Sep-13	310.1	
Chloride*	80.0	4.00	mg/L	1	3090904	AP	09-Sep-13	4500-Cl-B	
Conductivity	1060	1.00	uS/cm	1	3091004	AP	10-Sep-13	120.1	
pH*	7.50	0.100	pH Units	1	3091003	AP	10-Sep-13	9045	
Sulfate*	234	50.0	mg/L	5	3090903	AP	09-Sep-13	375.4	
TDS*	684	5.00	mg/L	1	3083008	AP	06-Sep-13	160.1	
Alkalinity, Total*	204	4.00	mg/L	1	3082302	AP	09-Sep-13	310.1	
Green Analytical Laboratories									
Total Recoverable Metals by ICP (E200.7)									
Calcium*	69.6	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Magnesium*	48.8	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Potassium*	7.41	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Sodium*	104	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

Water Sample Analysis

Pool	Location Section	Township	Range	Chlorides
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	116085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
DK Drinkard	30	20S	39E	106855
Littman San Andres	8	21S	38E	38695
East Hobbs grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	36E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	36494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124960
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23786
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	36E	38695
Dean Permo Penn	5	16S	37E	44730
Dean Devonian	35	15S	36E	19525
South Denton Wolfcamp	26	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	23288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114665
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
Maljamar Grayburg SA	22	17S	32E	46079
Maljamar Paddock	27	17S	32E	115375
Maljamar Devonian	22	17S	32E	25418

BC&D Operating, Inc

P.O. Box 302 Hobbs, NM 88241
(405) 837-8147

June 6, 2019

Surface Owner / Offset Operators

Re: Notification of Application for Authorization to Inject into the West Jal Deep SWD #6 Well.

Ladies and Gentlemen:

BC&D Operating, Inc is seeking administrative approval to utilize the West Jal Deep SWD #6 (new drill) as a Salt Water Disposal well. As required by the New Mexico Oil Conservation Division Rules, we are notifying you of the following proposed salt water disposal well. This letter is a notice only. No action is required unless you have questions or objections.

Well:	West Jal Deep SWD #6
Proposed Disposal Zone:	Devonian Formation (14,544' – 17,100')
Location:	1,200' FNL & 1,300 FEL, Sec. 8, T25S, R36E, Lea Co., NM
Applicants Name:	BC&D Operating, Inc
Applicants Address:	P.O. Box 302, Hobbs, NM 88241

This application for water disposal well will be filed with the New Mexico Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Conservation Division address is 1220 South St. Francis Dr., Santa Fe NM 87505 and their phone number is (505) 476-3460.

Please call Richard Hill with BC&D Operating, Inc if you have any questions at (405) 837-8147

Sincerely,

Richard Hill

BC&D Operating, Inc

P.O. Box 302 Hobbs, NM 88241
(405) 837-8147

Surface Owner
Intrepid Potash
220 Red Cloud
Carlsbad, NM 88220

Ameredev II, LLC
5707 Southwest Pkwy
Bldg. 1 Ste. 275
Austin, Tx 78735

Franklin Mountain Energy
2401 E. 2nd Ave. Suite 300
Denver, CO 80206

Lilis Energy
1800 Bering Drive
Houston, Tx 77057

U.S – BLM
620 E. Green St.
Carlsbad, NM 88220

NM State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

New Mexico Oil Conservation Division – Hobbs Field Office
1625 N. French Drive
Hobbs, NM 88240

7019 0700 0000 2469 1581

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WEST JAL DEEP SWD #6

PS Form 3800, April 2015 PSN 7530-02-000-9047 — See Reverse for Instructions

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Street and Apt. No., or PO Box No.: 5707 SW Pkwy Bld 1 suite 295
City, State, ZIP+4®: Austin TX 78735

WEST JAL Deep SWD #6

PS Form 3800, April 2015 PSN 7530-02-000-9047 — See Reverse for Instructions

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Street and Apt. No., or PO Box No.: 2401 E. 2nd Ave. suite 300
City, State, ZIP+4®: Denver, CO 80206

WEST JAL Deep SWD #6

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Street and Apt. No., or PO Box No.: 1800 Bering Drive
City, State, ZIP+4®: Houston, TX 77057

WEST JAL SWD Deep #6

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WEST JAL Deep SWD #6

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City, State, ZIP+4®
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WOSTJA1
Deep SWD
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OCD - District 1
Street and Apt. No., or PO Box No.
1625 N. French Dr
City, State, ZIP+4®
Hobbs, NM 88240

WOSTJA1
Deep SWD
#6

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

BC&D Operating

P.O. Box 302 Hobbs, NM 88241
(405) 837-8147

June 6, 2019

BC&D Operating, INC, P.O. BOX 302 Hobbs, NM 88241, has filed a form C-108 (Application for Authorization to inject) with the Oil Conservation Division seeking administrative approval to utilize the West Jal Deep SWD #6 as a Commercial Salt Water Disposal well.

The West Jal Deep SWD #6 is located at 1,200' FNL & 1,300 FEL, Sec. 8, T25S, R36E, Lea County New Mexico. The well will dispose of water produced from oil and gas wells into the Devonian-Silurian Formations from 14,544' – 17,100' at a maximum rate of 40,000 barrel of water per day with a maximum pressure of 2,908 psi.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

Additional information can be obtained by contacting BC&D Operating, Inc at (405) 837-8147.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 09, 2019
and ending with the issue dated
June 09, 2019.

Publisher

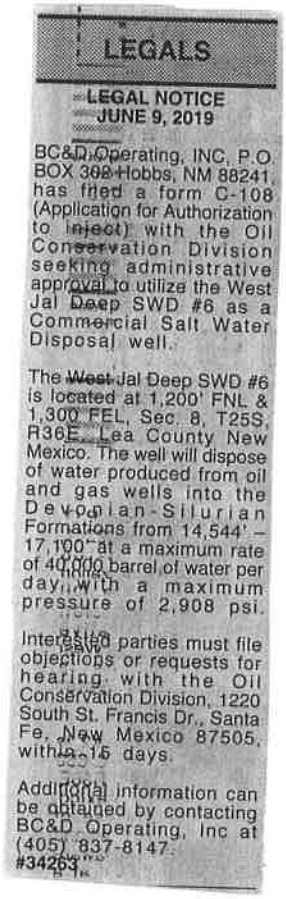
Sworn and subscribed to before me this
9th day of June 2019.

Business Manager

My commission expires
January 29, 2023
(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 1-29-23

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



LEGALS

LEGAL NOTICE
JUNE 9, 2019

BC&D Operating, INC, P.O. BOX 302 Hobbs, NM 88241, has filed a form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to utilize the West Jal Deep SWD #6 as a Commercial Salt Water Disposal well.

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Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

Additional information can be obtained by contacting BC&D Operating, Inc at (405) 837-8147.
#34263

67115835 00229368

RICHARD HILL
BC&D OPERATING
PO BOX 302
HOBBS , NM 88241

API	Well Name	Well Number	Operator Company Name	County	Target Formation	(TD) md	TVD	Well Status	Spud Date	Drill Type	Section	Township	Range
3002521411	C Elliott Federal	1	Texaco E&P	LEA (NM)	Atoka	12,200	12,200	P&A	8/13/1965	V	8	25S	36E
3002512741	Pre-Ongard		Marland Oil Co	LEA (NM)	NA	4,125	4,125	P&A	NA	V	4	25S	36E

No wells within a mile have penitrated proposed injection interval in the area of review.

wellname	api	county	formation	ph	tds_mgL	sodium_mgL	calcium_mgL	iron_mgL	[illegible]	manganese_mgL	chloride_mgL	bicarbonate_mgL	sulfate_mgL	co2_mgL
BELL LAKE UNIT #009	3002520261	LEA	BONE SPRING		204652						130000	512	260	
THISTLE UNIT #071H	3002542425	Lea	BONE SPRING 1ST SAND	5.6	171476.3	55363.2	9140	40.4	1023	1.1	104576.4	244	560	770
BELL LAKE 19 STATE #004H	3002541517	Lea	BONE SPRING 2ND SAND	6.3		76378	6238	11	834	0	131397	159	670	200
BELL LAKE 19 STATE #003H	3002541516	Lea	BONE SPRING 2ND SAND	6.7		59599	7326	11	942	0.69	108190	171	680	230
SALADO DRAW 6 FEDERAL #001H	3002541293	Lea	BONE SPRING 3RD SAND	6.7	95604	31066	3196	10	394	0.5	59071	183	0	100
SALADO DRAW 6 FEDERAL #001H	3002541293	Lea	BONE SPRING 3RD SAND	7			3289	0.3	474.5	0.38		219.6		300
NORTH ELMAR UNIT #057	3002508440	LEA	DELAWARE		259554						163000	61	253	
GOSDEKE #002	3002508407	LEA	DELAWARE		293925						184000	85	210	
PRONGHORN AHO FEDERAL #001	3002526496	LEA	STRAWN	5.5			20.1	0	12.2		35.5	61.1	48.8	
SNAPPING 2 STATE #014H	3001542688	EDDY	WOLFCAMP	7.3	81366.4	26319.4	2687.4	26.1	326.7		50281.2		399.7	100

BC&D Operating

Well: West Jal Deep SWD #6

Casing Assumptions

Section	Hole Size	Csg Size	Drift	From (MD)	To (MD)	From (TVD)	To (TVD)	Tapered String	Weight (lbs)	Grade	Conn.	Collapse	Burst	Body Tension	Joint Tension	Dry/Buoyant	Mud Weight (ppg)
Surface	26.000	20	18.937	0	1250	0	1250	No	94	J-55	BTC	520	2110	1480	1402	Dry	8.4
Intermediate #1	17.500	13.375	12.359	0	5200	0	5200	No	61	HCL-80	BTC	2060	4500	1399	1399	Dry	9.7
Intermediate #2	12.250	9.625	8.679	0	11564	0	11564	No	40	HCL-80	BTC	3870	5750	916	947	Dry	9.8
Intermediate #3	8.500	7	6	11,364	15250	11364	15250	No	32	P110HC	SpCL BTC	11890	12450	1025	1053	Dry	12.5

Safety Factors

Section	Csg Size	Weight (lbs)	Grade	Collapse	Burst	Body Tension	Joint Tension
Surface	20	94	J-55	1.919	3.864	12.596	11.932
Intermediate #1	13.375	61	HCL-80	1.393	1.716	4.410	4.410
Intermediate #2	9.625	40	HCL-80	1.156	1.717	1.980	2.047
Intermediate #3	7	32	P110HC	1.813	1.899	2.100	2.158

Clearance

Hole Size	Conn.	Tube OD	Drift	Conn. OD	Tube Clearance	Conn. Clearance
26.000	BTC	20.000	18.937	21.000	3.000	2.500
17.500	BTC	13.375	12.359	14.375	2.063	1.563
12.250	BTC	9.625	8.679	10.625	1.313	0.813
8.500	SpCL BTC	7.000	6.000	7.375	0.750	0.563

Criteria	
Collapse	1.125
Burst	1.125
Body Tension	2
Joint Tension	2

Engineering Notes:

Please see the the special clearance BTC conn. being used with the 7" casing. It has an coupling OD of 7.375" and will yield a 0.563" clearance inside of open hole. All collapse values assume vacated pipe with a gas gradiat .22 psi/ft.

BC&D Operating

Well: **West Jal Deep SWD #6**

Circulating Medium Table

Section	Hole Size	Top Depth	Bottom Depth	Mud Type	Min Mud Weight (ppg)	Max Mud Weight (ppg)	Gel Strength (lbs/100 sqft)	PH	Viscosity	Salinity (ppm)	Filtration	Additional Characteristics
Surface	26.000	0	1250.00	Fresh Water	8.4	8.4	-	9	28-36	-	N/C	
Intermediate #1	17.500	1250	5400.00	Cut Brine	8.4	9.7	-	9	28-36	-	N/C	Loss Circulation Control
Intermediate #2	12.250	5400	11564.00	Cut Brine	9.6	9.8	-	10-10.5	28-36	-	N/C	Los Circulation Control
Intermediate #3	8.500	11564	15250.00	Oil Base Water	12	12.5	-	-	60	-	N/C	30/70 %
Production	6.000	15250	17100.00	Cut Brine	9	9	-	9	28-36	-	-	

BC&D Operating

West Jal Deep SWD #6

Drilling plan

Surface Hole

- Drill 26" hole to 1,250' and R&C 20" 94# J-55 BTC casing. A lead and a tail slurry will be pumped with top of cement at surface (150% excess on lead and 50% excess on tail). Directional surveys will be take taken for directional control. The mud will be a freshwater system with a weight of 8.4 ppg. A 5M BOPE system will be installed and tested before drilling out the 20" casing shoe. Casing shoe depth will be 25' into the rustler and determined by mud logger.

Intermediate 1

- Drill 17-1/2" hole to 5,200' and R&C 13-3/8" 61# HCL-10 BTC casing. A lead and a tail slurry will be pumped with top of cement at surface (150% excess on lead and 100% excess on tail). Directional surveys will be take taken for directional control. The mud will be a cut brine system with w weight of 8.4 – 8.9 ppg using loss circulation control. Any broken connection will be tested for well control. Casing shoe depth will be 100' past the base of the Capitan Reef and determined by mud logger. Full suite of logs consisting on GR/CNL/CDN will be ran to identify Capitan Reef. A cement bond log will be ran after casing is cemented in place. All information gathered on the Capitan Reef will be shared with NMOCD for future study and analysis.

Intermediate 2

- Drill 12-1/4" hole to 11,564' and R&C 9-5/8" 40# HCL-80 BTC casing. A Two stage cement job will be performed with the DV tool at 5,500'. A lead and a tail cement will be pumped on both stages. Stage 2 cement will be circulated to surface (150% excess on lead and 100% excess on tail). Directional surveys will be take taken for directional control. The mud will be a cut brine system with a weight of 9.6 – 10 ppg using loss circulation control. A 10M BOPE system will be installed and tested before drilling out the shoe. Casing set depth well be identified with mud logger and Gamma. The casing will be set 150' into the Strawn. Cement bond log will be ran after casing is cemented in place.

Intermediate 3

- Drill 8-1/2" hole to 15,250' and R&C 7" 32# HCP-110 BTC drilling liner. One slurry of cement will be pumped with the top of cement covering the liner top (50% excess). Directional surveys will be take taken for directional control. The mud will be a 70/30 oil base mud system with a weight of 12 – 12.5 ppg. Any broken connections will be tested for well control. Casing set depth will be

identified with mud logger ang Gamma. The casing shoe will be 50' past the base of the Woodford shale. Cement bond log will be ran after casing is cemented in place.

Open Hole

- Drill 6" hole to 17,100' and will be left open hole for the injection interval. Directional surveys will be taken for directional control. The mud will be a cut brine system with a weight of 9 – 9.8 ppg using loss circulation control. TD will be defined by mud logger 100' into the Montoya. Full suite of logs will be ran. The Montoya will be plugged back with the cement top no less than a 100' above its top.

BC&D Operating

West Jal Deep SWD #6

Well Control Plan

BOP Equipment

- A BOP consisting of 3 rams with 2 pipe rams, 1 blind ram and one annular preventer. The BOP will be utilized below surface casing to TD. Also present will be an accumulator that meets the requirements of Onshore Order #2 for the pressure rating on the BOP stack. A rotating head will also be installed as needed. BOP will be inspected and operated as recommended in Onshore Order #2. A Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position.

Testing Procedure 10M System

- Pressure tests will be conducted before drilling out from under all casing strings. BOP will be inspected and operated as required by Onshore Order #2. Kelly cock sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. A third-party company will test the BOP's. After setting the surface casing, and before drilling the surface casing shoe, a minimum of 5M BOPE system will be installed. It will be tested to 250 psi low and 5000 psi high. Annular will be tested to 250 psi low and 3500 psi high. After setting intermediate 1 casing, a minimum 5M BOPE system will be installed and tested to 250 psi low and 5000 psi high. Annular will be tested to 250 psi low and 3500 psi high. After setting Intermediate #2, a 10M system will be installed and tested to 250 psi low and 8500 psi high with the annular being tested to 250 psi low and 3500 psi high. The 13-3/8" 10M flange on the wellhead will also be tested to 10,000 psi at this time.

Variance Request

- BC&D Operating requests a variance to have the option of running a speed head for the setting of intermediate 1 and 2 strings. If running speed head with landing mandrel for the 13-3/8" and 9-5/8" casing, then a minimum 5M BOPE system will be installed after surface casing is set. BOP test pressures will be 250 psi low and 5000 psi high. Annular will be tested to 250 psi low and 3500 psi high before drilling below the surface shoe. After 9-5/8" casing is set in the speed head the BOP will then be lifted to install another casing head section for the production casing. BC&D Operating will nipple up the casing head and BOP and a minimum 10M BOPE system will be installed. Pressure tests will be made to 250 psi low and 8500 psi high. BC&D Operating requests a variance to have a 5M Annular on top of a 10M BOP and will be tested to 250 psi low and 3500 psi high. A diagram of the speed head and BOP is attached. BC&D Operating requests

a variance to drill this well using a co-flex line between the BOP and Choke manifold. Certification for the proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. If the specific hose is not available, then one of equal or higher rating will be used.

A. Component and Preventer Compatibility Table

The table below, which cover the drilling and casing of the 10M MASP portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents and that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

8-1/2" Production hole section, 10M requirement

	OD	Preventer	RWP
DrillPipe	5"	Fixer lower 5" Upper 4.5 - 7" VBR	10M
HWDP	5"	Fixed Lower 5" Upper 4.5 - 7" VBR	10M
Jars	5"	Fixed Lower 5" Upper 4.5 - 7" VBR	10M
Drill Collars and MWD tools	6.25" - 6.75"	Upper 4.5 - 7" VBR	10M
Mud Motor	6.75"	Upper 4.5 - 7" VBR	10M
Production Casing	7"	Upper 4.5 - 7" VBR	10M
All	0 - 13-5/8"	Annular	5M
Open hole	-	Blind Rams	10M

6” Production hole section, 10M requirement.

Component	OD	Preventer	RWP
Drill Pipe	4"	Upper 3.5" - 5.5" VBR Lower 3.5 - 5.5" VBR	10M
HWDP	4"	Upper 3.5" - 5.5" VBR Lower 3.5 - 5.5" VBR	10M
Jars	4"	Upper 3.5" - 5.5" VBR Lower 3.5 - 5.5" VBR	10M
Drill Collars and MWD tools	4" - 5"	Upper 4.5 - 5.5" VBR	10M
Mud Motor	4.75" - 5"	Upper 4.5 - 5.5" VBR	10M
Production Casing	NA	Upper 4.5 - 5.5" VBR	10M
All	1" - 13-5/8"	Annular	5M
Open hole	-	Blind Rams	10M

VBR = Variable Bore Ram. Compatible range listed in chart.
HWDP = Heavy Weight Drill Pipe
MWD = Measurement While Drilling

B. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), the pressure at which control is swapped from the annular to another compatible ram is variable, but the operator will document in the submission of their well control plan what their operating pressure limit is for the 5M annular preventer. The operator may choose an operating pressure less than or equal to RWP, but in no case will it exceed the Rated Working Pressure (RWP) of the annular preventer.

General Procedure While Drilling

- Sound alarm (alert crew).
- Space out drill string.
- Shut down pumps (stop pumps and rotary).
- Shut-in well (uppermost applicable BOP, typically annular preventer first. The hydraulic Control Remote (HCR) valve and choke will already be in the closed position).

- Confirm shut-in.
- Notify tool pusher/onsite supervisor.
- Read and record the following:
    - SIDPP and SICP
    - Pit gain
    - Time
- Regroup and identify forward plan.
- If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

General Procedure While Tripping

- Sound alarm (alert crew).
- Stab full opening safety valve and close.
- Space out drill string.
- Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position.
- Confirm shut-in.
- Notify tool pusher/onsite supervisor.
- Read and record the following.
    - SIDPP and SICP
    - Pit gain
    - Time

- Regroup and identify forward plan.
- If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

General Procedure While Running Casing

- Sound alarm (alert crew).
- Stab crossover and full opening safety valve and close.
- Space out string.
- Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position.
- Confirm shut-in.
- Notify tool pusher/onsite supervisor.
- Read and record the following.
  - SIDPP and SICP
  - Pit Gain
  - Time
  - Regroup and identify forward plan.
  - If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to compatible pipe ram.

General Procedure with No Pipe in Hole (Open Hole)

- Sound alarm (alert crew).
- Shut-in with blind rams or BSR. (The HCR and choke will already be in the closed position).
- Confirm shut-in
- Notify tool pusher/company representative.
- Read and record the following.
  - SICP
  - Pit gain
  - Time
- Regroup and identify forward plan.

General Procedures While Pulling BHA thru Stack

- PRIOR to pulling last joint of drill pipe thru the stack.
  - Perform flow check, if flowing:
  - Sound alarm (alert crew).
  - Stab full opening safety valve and close.
  - Space out drill string with tool joint just beneath the upper pipe ram.

- Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position.
- Confirm shut-in.
- Notify tool pusher/onsite supervisor.
- Read and record the following.
  - SIDPP and SICP
  - Pit gain
  - Time
  - Regroup and identify forward plan.

- With BHA in the stack and compatible ram preventer and pipe combo immediately available.
  - Sound alarm (alert crew).
  - Stab crossover and full opening safety valve and close.
  - Space out drill string with upset just beneath the compatible pipe ram.
  - Shut-in using compatible pipe ram. (The HCR and choke will already be in the closed position.)
  - Confirm shut-in.
  - Notify tool pusher/onsite supervisor.

- With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
  - Sound alarm (alert crew).
  - If possible to pick up high enough, pull string clear of the stack and follow “Open Hole” scenario.
  - If impossible to pick up high enough to pull the string clear of the stack.
  - Stab crossover, make up one joint/stand of drill pipe, and full opening safety valve and close.
  - Space out drill string with tool joint just beneath the upper pipe ram.
  - Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position).
  - Confirm shut-in.
  - Notify tool pusher/company representative.
  - Read and record the following:
    - SIDPP and SICP
    - Pit gain
    - Time
  - Regroup and identify forward plan.

BC&D Operating

Hydrogen Sulfide Drilling Operations Plan

1. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on a unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this will:

- The hazards and characteristics of hydrogen sulfide (H2S).
- The proper use and maintenance of personal protective equipment and life support systems.
- The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- The contents and requirements of the H2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500') and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

2. H2S Safety Equipment and systems

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500' above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S. If H2S greater than 100 ppm is encountered in the gas stream, we will shut in the install H2S equipment.

- Well Control Equipment:
  - Flare Line.
  - Choke manifold with remotely operated choke.
  - Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
  -

  - Auxiliary equipment to include: annular preventer, mud-gas, separator, rotating head.
- Protective equipment for essential personnel:
  - Mark II Surviveair 30 minute units located in the dog house and at briefing areas.
- H2S detection and monitoring equipment:
  - 2 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
- Visual warning systems:
  - Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate.
- Mud program:
  - The mud program has been designed to minimize the volume of H2S circulated to the surface.

BC&D Operating, INC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal.

BC&D Operating

Contact Information

In at this time the supervising person determines the release of H2S cannot be contained to the site loction and the general public is in harm's way he will take the necessary steps to protect the workers and the public.

Key Personnel	Title	Office	Mobile
Donnie Hill	Owner/President		575-390-7626
Richard Hill	Drilling	405-837-8147	405-837-8147

Lea County	Contact
Ambulance	911
Nor Lea General Hospital (Hobbs)	575-397-0560
State Police (Hobbs)	575-392-5580
City Police (Hobbs)	575-397-9625
Sheriff's Office (Lovington)	575-396-3611
Fire Marshall (Lovington)	575-391-2983
Volunteer Fire Dept. (Jal)	575-395-2221
Emergency Management (Lovington)	575-391-2983
New Mexico Oil Conservation Division (Hobbls)	575-393-6161
BLM (Hobbs)	575-393-3612
Hobbs Animal Clinic	575-392-5563
Dal Paso Animal Hospital (Hobbs)	575-397-2286
Mountain States Equine (Hobbs)	575-392-7488
Carlsbad	
BLM	575-234-5972
Santa Fe	
New Mexico Emergency Response Commission	505-476-9600
New Mexico Emergency Response Commission (24 hrs)	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National	
National Emergency Response Center (Washington, D.C.)	800-424-8802
Medical	
Flight for Life - 4000 24th Lubbock, Tx	806-743-9911
Aerocare - R3, Box 49F; Lubbock, Tx	806-747-8923
Med Flight Air Amb - 2301 Yale Blvd SD, D3; Albuquerque, NM	505-842-4433
SB Air Med Service - 2505 Clark Carr Loop SE; Albuquerque, NM	505-842-4949
Other	
Boots & Coots IWC	800-256-9688
Cudd Pressure Control	432-699-0139
NM Dept. of Transportation (Roswell)	575-637-7200