Form 3160-3
(March 2012)

ATS-13-1164

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

SECRETARY'S POTASH

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMLC0069705 (BHL) NM02447 SH

6. If Indian, Allotee or Tribe Name
see pg 1 of 8 pt drilling plan for lease info

7. If Unit or CA Agreement, Name and No.
Big Eddy Unit 68294X

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Big Eddy Unit DI2 #2H <40250>

2. Name of Operator BOPCO, L.P. <260737>

9. API Well No.
30-015-41861

3a. Address
PO Box 2760
Midland, TX 79702

3b. Phone No. *(include area code)*
432-683-2277

10. Field and Pool, or Exploratory
WC William Sink (Bone Spring) <97650>

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

At surface NENE, UL A, 660' FNL & 1215' FEL, Lat:32.622281, Long:103.8519

At proposed prod. zone 2000'FNL&2290'FEL Sec 33 T19S-R31E, Lat:32.618544,Lon:103.872542

11. Sec., T. R. M. or Blk. and Survey or Area
Section 34, T19S-R31E

14. Distance in miles and direction from nearest town or post office*
26 miles northeast of Carlsbad, NM

12. County or Parish
Eddy County

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
660'
561' from unit line

16. No. of acres in lease
560
1360

17. Spacing Unit dedicated to this well
200

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
40'
Big Eddy Unit DI2 #1H

19. Proposed Depth
9,114 TVD/15,303MD

20. BLM/BIA Bond No. on file
COB 000050

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3,465'

22. Approximate date work will start*
10/01/2013

23. Estimated duration
35 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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 required by the BLM.

25. Signature Courtney Lockhart
Name *(Printed/Typed)* Courtney Lockhart
Date 08/30/2013

Title
Regulatory Analyst

Approved by *(Signature)* /s/Aden L. Seidlitz
Name *(Printed/Typed)*
Date NOV 27 2013

Title STATE DIRECTOR
Office NM STATE 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.

APPROVAL FOR TWO YEARS

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

(Continued on page 2)

Capitan Controlled Water Basin

(Instructions on page 2)

RECEIVED
DEC 12 2013
NMOCD ARTESIA

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

OPERATOR'S CERTIFICATION

APPLICATION FOR PERMIT TO DRILL
BIG EDDY UNIT DI 2 #2H
660' FNL, 1215' FEL, Sec. 34, T19S, R31E, Eddy County, NM

In reference to the above captioned well, I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 30th day of August, 2013.

If you have any questions regarding the accuracy of the plan provided herein, please do not hesitate to contact me at (432) 683-2277.

Sincerely,

Courtney Lockhart

Courtney Lockhart
Regulatory Analyst

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised July 16, 2010

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015- 41861	97650	WC WILLIAMS SINK (BONE SPRING)

Property Code	Property Name	Well Number
~~305860~~ 40250	BIG EDDY UNIT DI 2	2H

OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3465'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	19 S	31 E		660	NORTH	1215	EAST	EDDY

Bottom Hole Location If Different From Surface

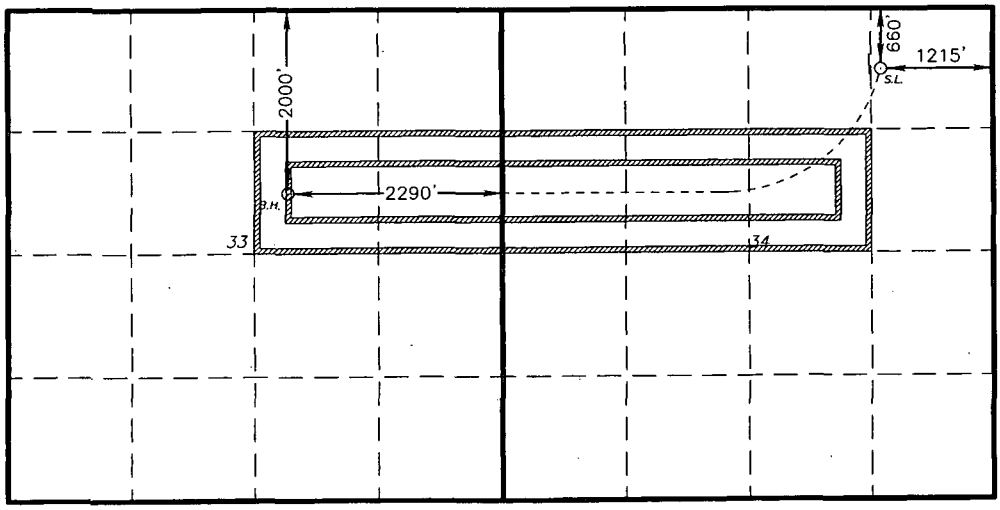
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	33	19 S	31 E		2000	NORTH	2290	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
200			

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

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°37'06.76"
Long - W 103°52'21.15"
NMSPCE- N 589045.600
E 641876.060
(NAD-27)

SURFACE LOCATION
Lat - N 32°37'20.21"
Long - W 103°51'06.84"
NMSPCE- N 689337.248
E 549305.199
(NAD-27)



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Courtney Lockhart 8-30-13
Signature Date

Courtney Lockhart
Printed Name

cjlockhart@basspet.com
Email Address

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

AUGUST 1, 2013
Date Surveyed

Signature & Seal of Professional Surveyor

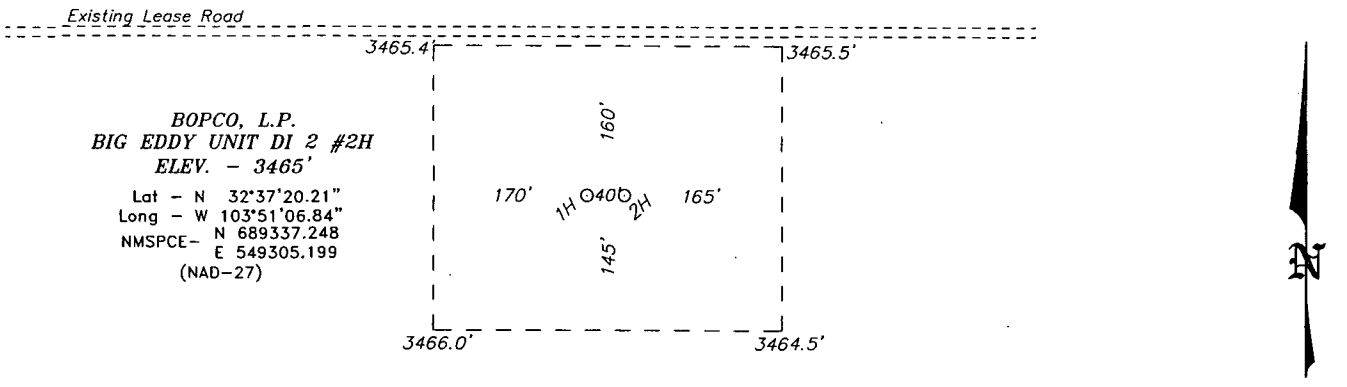
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 29136

SECTION 34, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.,

EDDY COUNTY, WELL PAD LAYOUT **NEW MEXICO.**



200 0 200 400 FEET

SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF LUSK AND SHUGART, GO WEST ON SHUGART FOR 2.8 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTH 0.5 MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

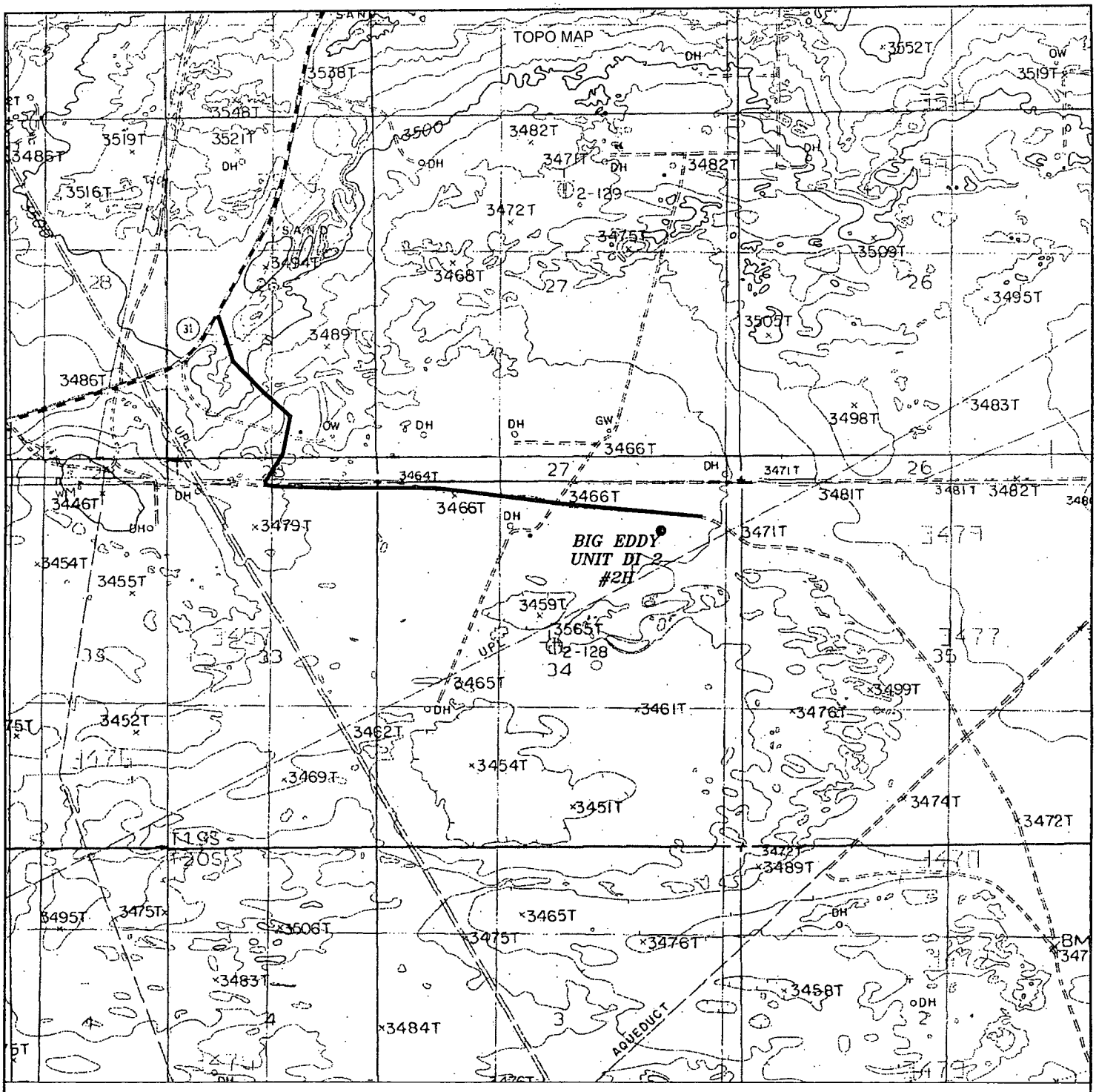
W.O. Number: 29136	Drawn By: K. GOAD
Date: 08-16-2013	Disk: KJG - 29136WELL

BOPCO, L.P.

REF: BIG EDDY UNIT DI 2 #2H / WELL PAD TOPO

THE BIG EDDY UNIT DI 2 #2H LOCATED 660' FROM THE NORTH LINE AND 1215' FROM THE EAST LINE OF SECTION 34, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 08-13-2013 | Sheet 1 of 6 Sheets



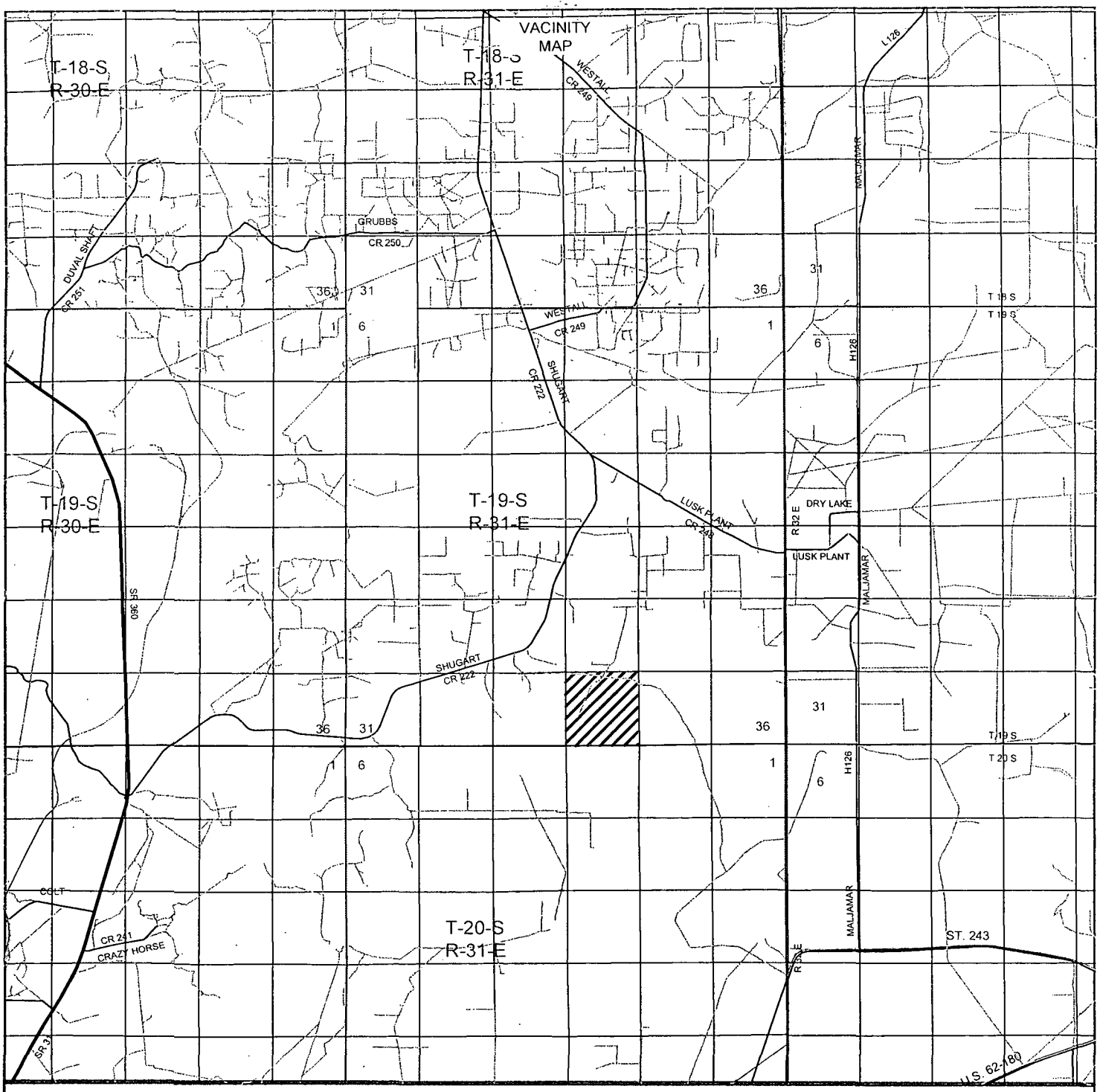
BIG EDDY UNIT DI 2 #2H
Located 660' FNL and 1215' FEL
Section 34, Township 19 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.

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

W.O. Number: KJG - 29136
Survey Date: 08-13-2013
Scale: 1" = 2000'
Date: 08-16-2013

N

BOPCO, L.P.



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Located 660' FNL and 1215' FEL
Section 34, Township 19 South, Range 31 East,
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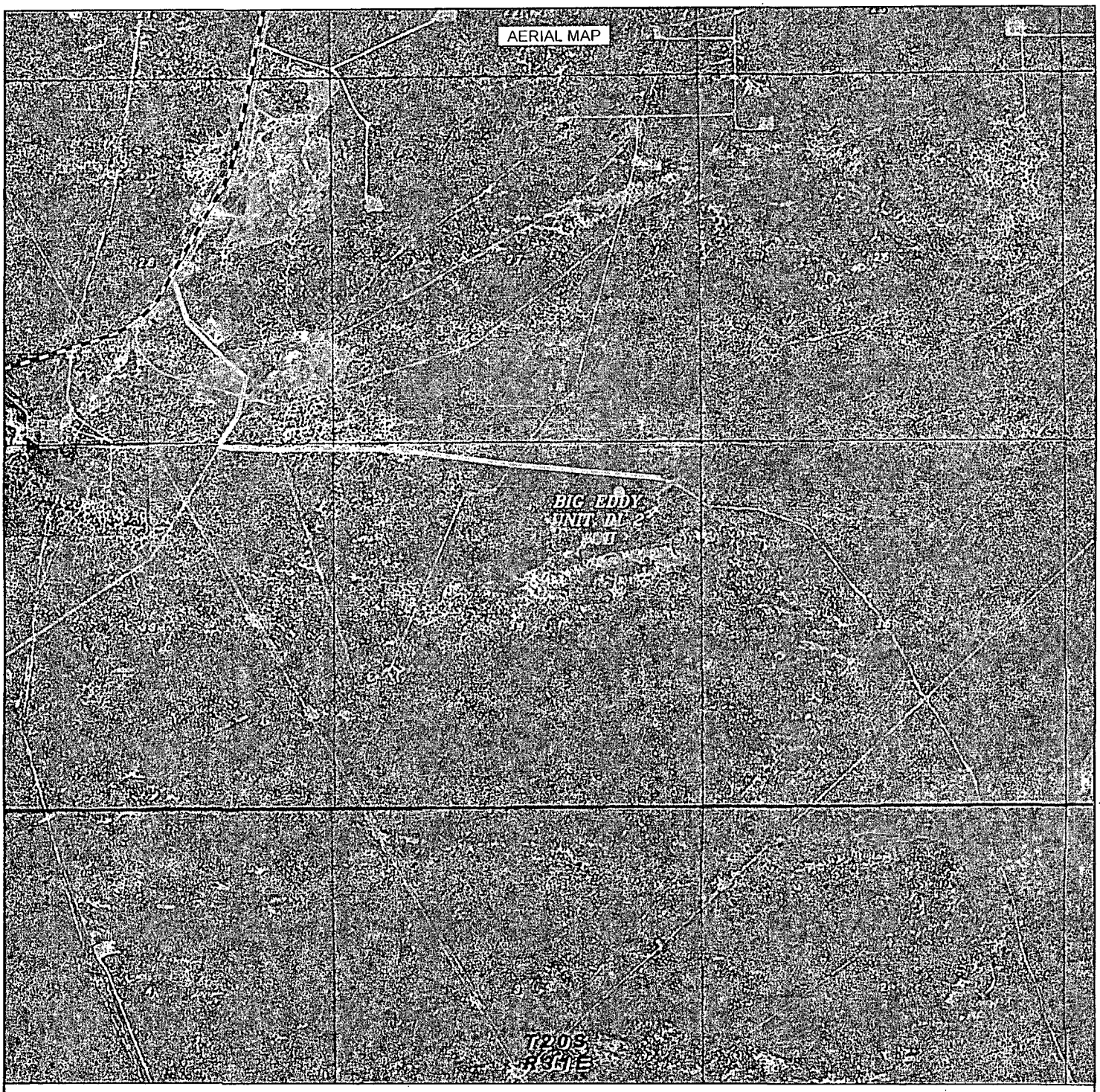
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: KJG - 29136
Survey Date: 08-13-2013
Scale: 1" = 2 Miles
Date: 08-16-2013

N

BOPCO, L.P.



BIG EDDY UNIT DI 2 #2H

Located 660' FNL and 1215' FEL

Section 34, Township 19 South, Range 31 East,

N.M.P.M., Eddy County, New Mexico.

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basinsurveys.com

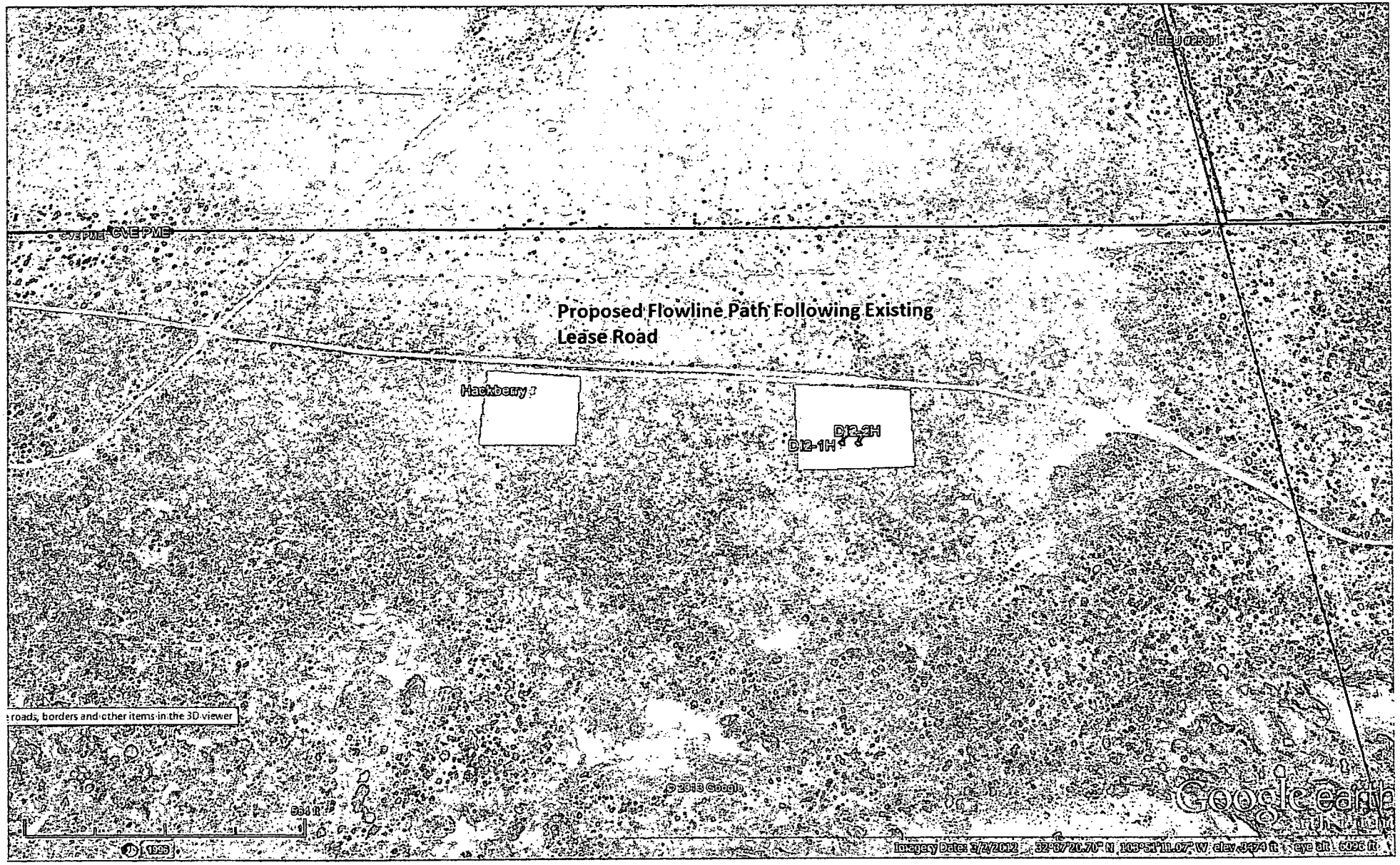
W.O. Number: KJG - 29136

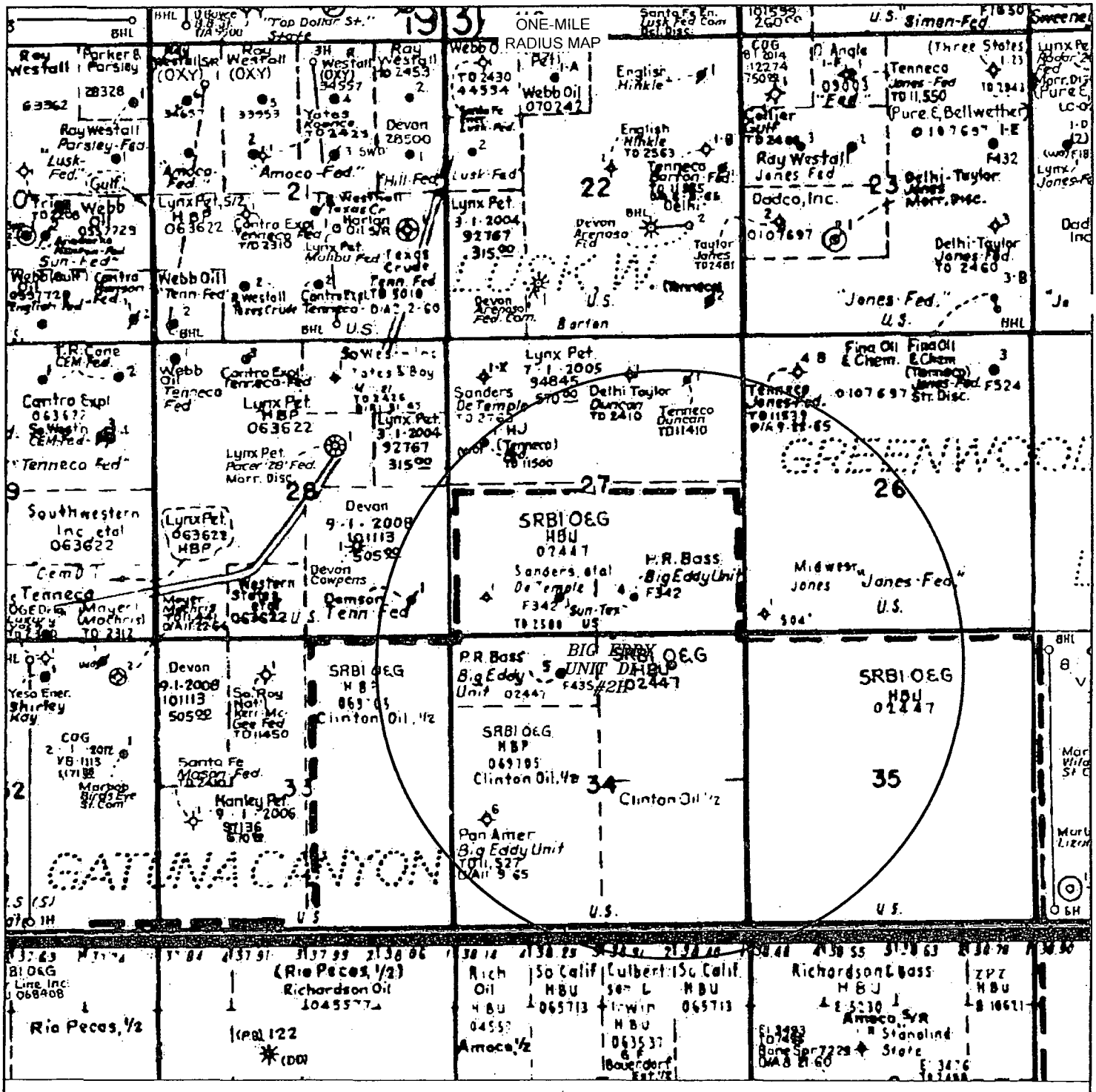
Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

N

BOPCO, L.P.


Proposed Flowline Path Following Existing Lease Road
Hackberry 2
D12-1H
D12-2H
roads, borders and other items in the 3D viewer
© 2013 Google
Imagery Date: 3/2/2012 32°07'20.70" N 103°51'11.07" W elev 3474 ft eye alt 6026 ft



BIG EDDY UNIT DI 2 #2H
Located 660' FNL and 1215' FEL
Section 34, Township 19 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.

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(575) 392-2206 – Fax
basinsurveys.com

W.O. Number: KJG – 29136

Scale: None

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

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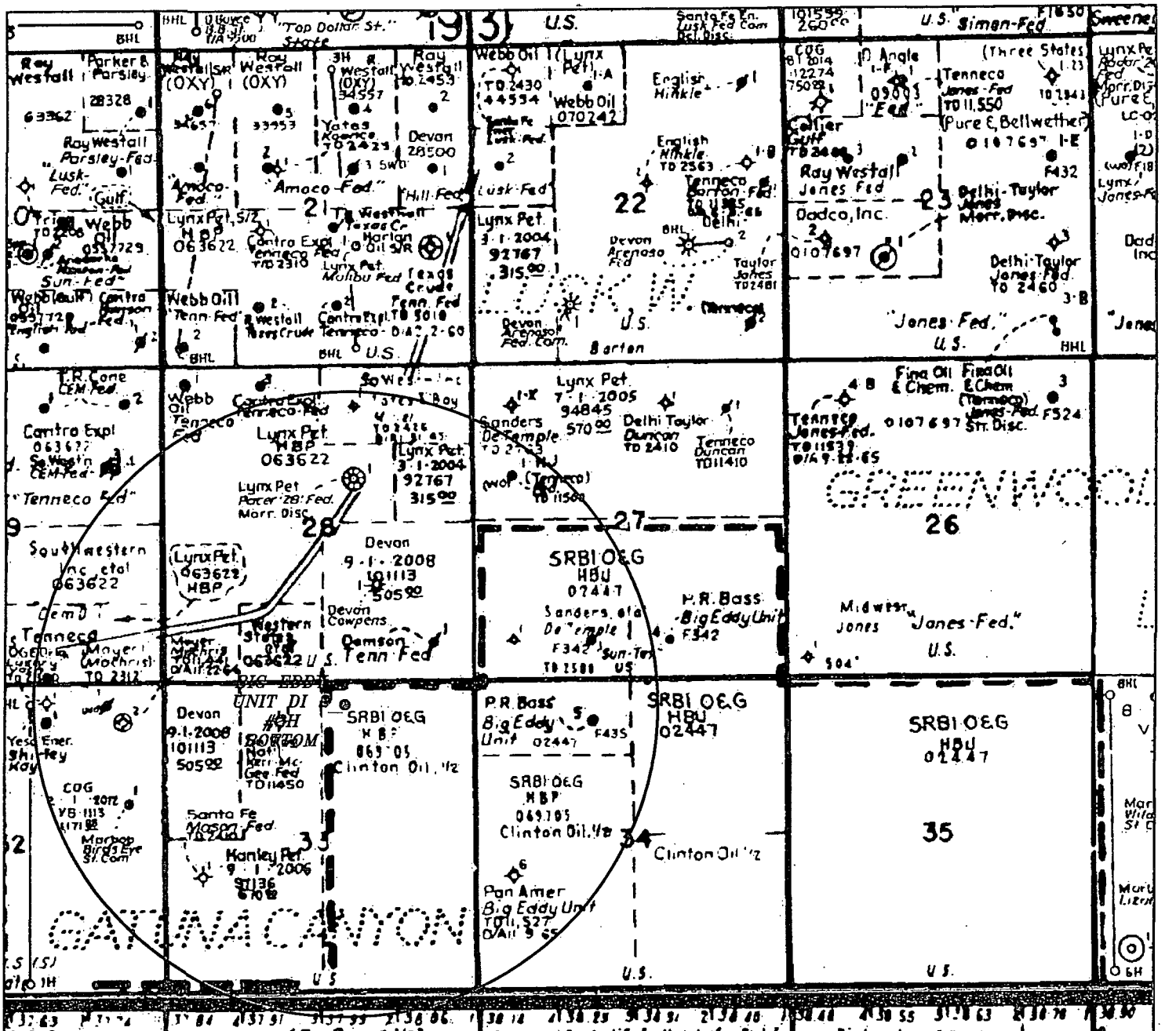
BOPCO, L.P.



BIG EDDY UNIT DI 2 #2H
Located 660' FNL and 1255' FEL
Section 34, Township 19 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.

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(575) 392-2206 – Fax
basinsurveys.com

W.O. Number: KJG – 29136

Scale: None

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

N

BOPCO, L.P.

5 6

Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 1,067' and cement circulated to surface.

A Capitan Reef string will be set at an approximate depth of 2,713', cement will be circulated to surface.

The end of the 7" casing will be set at approximately 9,434' MD, 9,079' TVD (in curve) and cemented in two stages, utilizing a DV Tool set at approximately 5,000'. Cement will be circulated to 50' above the Capitan reef.

Drilling procedure, BOP diagram, and anticipated tops are attached.

This well is located outside the R-111 Potash area and inside the Secretary's Potash area.

The surface location is nonstandard and located inside the Big Eddy Unit.

The bottom hole location is standard and located inside the Big Eddy Unit.

Surface Lease Numbers – NMNM ~~0069705~~ 02447

Bottom Hole Lease Numbers – NMLC 0069705

BOPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, L.P., 201 Main Street, Ft. Worth, TX, 76102. Bond No. COB000050 (Nationwide)

EIGHT POINT DRILLING PROGRAM
BOPCO, L.P.

NAME OF WELL: Big Eddy Unit DI 2 #2H
LEGAL DESCRIPTION - SURFACE: 660' FNL, 1215' FEL, Section 34, T19S, R31E, Eddy County, NM.
BHL: 2000' FNL, 2290' FEL, Section 33, T19S, R31E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3,494' (estimated)
GL 3,465'

Formation Description	Est. Top (KB TVD)	Est. Top (MD)	Est. Top (Sub Sea)	Bearing
T/Fresh Water	125'	125'	+ 3,369'	Fresh Water
Rustler Anhydrite	881'	881'	+ 2,613'	Barren
T/Salt	1,077'	1,077'	+ 2,417'	Barren
B/Salt	2,264'	2,264'	+ 1,230'	Barren
T/Yates	2,457'	2,457'	+ 1,037'	Oil/Gas
T/Reef	2,763'	2,763'	+ 731'	Water
T/Delaware Mnt. Group	4,492'	4,497'	- 998'	Oil/Gas
Bone Spring	7,022'	7,036'	- 3,528'	Oil/Gas
Est KOP	8,231'	8,251'	- 4,737'	Oil/Gas
1st Bone Spring Sand	8,360'	8,381'	- 4,866'	Oil/Gas
2nd Bone Spring A Sand	9,035'	9,304'	- 5,601'	Oil/Gas
2nd Bone Spring B Sand	9,197'	9,840'	- 5,703'	Oil/Gas
Target #1	9,261'	10,497'	- 5,767'	Oil/Gas
TD Horizontal Hole	9,114'	15,303'	- 5,620'	Oil/Gas

POINT 3: CASING PROGRAM
*** Depending on availability**

Casing Description	Interval (MD)	Hole Size	Purpose	Material Status
20"	0' – 120'	30"	Conductor	New
16", 84 ppf, J-55, BT&C	0' – 1,067'	18-1/8"	Surface	New
13-3/8", 68 ppf, HCL-80 Ultra Flush Joint	0' – 2,713'	14-3/4"	1st Intermediate	New
9-5/8", 40 ppf, J-55, LT&C*	0' – 4300'	12-1/4"	2nd Intermediate	New
7", 26 ppf, HCP-110, Buttress or 8rd LTC*	0' – 9,434'	8-3/4"	Production	New

See COA

Completion System				
4-1/2", 11.6 ppf, HCP-110, 8rd, LT&C, BTC	9,384' – 15,303'	6-1/8"	Completion System	New

CASING DESIGN SAFETY FACTORS:

Type	Tension	Collapse	Burst
16", 84 ppf, J-55, BT&C	17.21	2.71	1.92
13-3/8", 68 ppf, HCL-80 Ultra Flush Joint	4.64	1.61	3.32
9-5/8", 40 ppf, J-55, LT&C	4.04	1.21	1.57
7", 26 ppf, HCP-110, 8rd*	3.40	1.25	1.96
Completion System			
4-1/2", 11.6 ppf, HCP-110 8rd. LT&C	3.01	1.65	2.07
4-1/2", 11.6 ppf, HCP-110 BTC	3.96	1.76	2.07

*** Depending on availability.**

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (16")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure a that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING - (13-3/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (10.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative

fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

First Intermediate Casing - (9-5/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

Production CASING - (7")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

Completion System - (4-1/2")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.125 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM A, B, C or D)

BOPCO, L.P. will be utilizing a standard wellhead for this well.
The BOPE when rigged up on the 16"' surface casing head (18-1/8" hole) will consist of 20" hydril and diverter system per diagram B (2,000 psi WP). The hydril when installed on surface casing will be tested to 1,000 psi.

After running the 13-3/8" casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed, used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 9-5/8" intermediate casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the 9-5/8" intermediate casing spool (8-3/4" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 7" intermediate casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the 9-5/8" intermediate casing spool (8-3/4" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

These tests will be performed:

a) Upon installation
b) After any component changes
c) Thirty days after a previous test
d) As required by well conditions
e) Anytime a seal is broken within the system

A function test to insure that the preventers are operating correctly will be performed on each trip.

BOPCO, L.P. would like to request a variance to use an armored, 3", 5000 psi WP flex hose for the choke line in the drilling of the well if the rig is equip with hose. (See specification for hose that might be used, attached with APD exhibits). This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5000 psi, and has 5000 psi flanges on each end. This well is to be drilled to 15,303' MD (9,114' TVD) and max surface pressure should be +/- 2260 psi as prescribed in Onshore Order #2 shown as max BHP minus 0.22 psi/ft. Thus, 3000 psi BOPE is all that is needed for this well. **Please refer to diagrams A, B, or C for choke manifold and closed loop system layout. If an armored flex hose is utilized, the company man will have all of the proper certified paper work for that hose available on location.**

POINT 5: MUD PROGRAM

Depth (MD)	Mud Type	Density (ppg)	FV (sec/qt)	PV	YP	FL (cc)	PH
0' - 1,067'	FW Spud Mud	8.5 – 9.2	38-70	NC	NC	NC	10.0
1,067' - 2,713'	Brine Water	9.8 – 10.2	28-30	NC	NC	NC	9.5 – 10.5
2,713' – 9,434'	FW/Gel	8.7 – 9.0	28-36	NC	NC	NC	9.5 – 10.0
9,434' – 15,303'	FW/Gel/Starch	8.7 – 9.0	28-36	<20			9.5- 10.0

NOTE: May increase vis for logging purposes only.

MUD MONITORING SYSTEM

1. BOPCO L.P. plans to drill the proposed well with water and does not expect to mud up. In the event of abnormal pressures that require mudding up, BOPCO L.P will record slow pump rates on the daily drilling report on a daily basis.

2. Visual mud monitoring equipment will be installed to detect volume changes.

3. Pit volume totalizers are installed on rig before spud.

4. BOPCO L.P. has the drilling mud checked every 24 hrs., and the daily mud check will be posted in the company man's trailer.

5. BOPCO L.P will be using a 3M system so trip tanks will not be required per Onshore Order #2.

6. Gas detections systems will be installed on exploratory wells per Onshore Order #2. Please refer to section G under point 6 in the 8pt drilling program for H2S safety information.

7. Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times (sack or bulk barite will not be on location until 500' above the top of the Wolfcamp).

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING
None anticipated.

B) LOGGING See COA

Run #1: GR with MWD during drilling of build and horizontal portions of 8-3/4" and 6-1/8" hole, also possible PEX\BHC in vertical portion of hole.

Run #2: Shuttle log w/GR, PE, Density, Neutron, Resistivity, CMI in lateral leg open hole as necessary.

Mud Logger: Rigged up at surface.

C) CONVENTIONAL CORING
None anticipated

D) CEMENT

Interval (MD)	Amt. (sx)	Fill Ht. (ft)	Type	Water (gal/sx)	Density (ppg)	Vol. (cu. ft)
SURFACE: Lead: 0' – 767' 16 "	350	767	Class C +2% CACL + 4% Bentonite + 0.25 LB/SK Cello Flake + 3 lb/sk LCM-1	8.69	13.50	1.75
Tail: 767' – 1,067'	220	300	Class C + 2% CACL + 0.25 LB/SK CF	6.35	14.80	1.35
INTERMEDIATE: Lead: 0' – 2,213' 13 3/8"	430	2,213'	EconoCem HLC +5% salt	9.32	12.90	1.85
Tail: 2,213' – 2,713'	220	500	HalCem C	6.34	14.80	1.33
INTERMEDIATE 2 Stage:1 9 5/8						
Lead: 2,763' – 4,517' External Casing Packer and DV Tool @ 2,763'	510	1,754'	HalCem C 4% bentonite + 0.6% Halad(R)-9	8.69	13.5	1.74
Stage 2:						
Lead: 0' – 2,463'	500	2,463'	EconoCem HLC + NaCL	9.83	12.90	1.85
Tail: 2,463' – 2,763'	120	300	HalCem C	6.34	14.80	1.33
PRODUCTION Stage:1 7 "						
Lead: 5,000' – 8,251'	280	3,251'	VariCem H + 0.55% Halad(R) -344	14.87	11.0	2.64
Tail: 8,251' – 9,434' Top DV tool @ 5,000'	150	1,183'	Tuned Light + 0.125 pps Poly-E-Flake	11.41	12.0	2.03
Stage: 2						

Lead: 2,713' – 5,000'	220	2,287'	Tuned Light + 0.125 pps Poly-E-Flake	11.70	11.0	2.35

Cement excesses will be as follows:

Surface – 100% excess with cement circulated to surface.

1st Intermediate – 30% excess above fluid caliper with cement circulated to surface

2nd Intermediate – 50% excess above fluid caliper in stage 1. 50% excess above fluid caliper for stage 2 with cement circulated to surface.

3rd Intermediate/Production – 50% excess above fluid caliper with cemented circulated 50' above the Capitan reef. Cement volumes will be adjusted proportionately for depth changes of the multi stage tool.

E) SKID RIG OPERATIONS

BOPCO, L.P. plans to drill this well in conjunction with the BEU DI 2 #1H utilizing rig skidding operations. BOPCO, L.P. requests a variance to the approved APD for Item #2 under VII. Drilling, Section A. Drilling Operations Requirements, which states the rig shall not be moved off of the hole until production casing is set. The request is to allow the rig to skid in between wellbores and drill both wells sequentially.

The Latshaw Rig #18 will be used to drill the same hole interval on all of the wells in sequence by skidding between the wells. Once a hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations. The wellhead will be nippled up and tested as soon as casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings except the second intermediate and lateral well sections in which the tubing head will be utilized. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while rig is not over the well. The BOP stack will be nippled up and tested on the wellhead before drilling operations resume on each casing string. The rig will skid between the wells until each well has been drilled to TD.

F) DIRECTIONAL DRILLING

BOPCO, L.P. plans to drill out the 9-5/8" intermediate casing with a 8-3/4" bit to a TVD of approximately 8,251' at which point a directional hole will be kicked off and drilled at an azimuth of 213.60 degrees, building angle at 6 deg/100' to 70 degrees at a TVD of 9,045' (MD 9,334'). This angle and azimuth will be maintained for 100' to a measured depth of 9,434' (TVD 9,079'). At this point, 7" casing will be set and cemented to 50' above the Capitan reef. A 6-1/8" open hole lateral will then be drilled out from the 7" casing building angle at 6 deg/100' and azimuth to 91.76 degrees, 270.02 azimuth at 10,497' MD (TVD 9,261). This angle and azimuth will be held to a total depth of 15,303' MD (9,114' TVD).

G) COMPLETIONS SYSTEM

A 4-1/2" completion system with open hole packers will be run in the producing lateral to a depth of 15,303'. The top of the Completion System will be set at approximately 9,384'. Cement will not be required for this system.

H) H_2S SAFTEY EQUIPMENT

H2S monitors shall be installed prior to drilling out the surface shoe. If H2S is encountered in quantities greater than 10 PPM, the well will be shut in and H2S equipment will be installed, including a flare line that will be extended pursuant to Onshore Oil and Gas Order #6.

I) CLOSED LOOP AND CHOKE MANIFLOLD

Please see diagram A, B, C, or D depending on configuration.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware and Bone Spring sections. A BHP of 4335 psi (max) or MWE of 9.0 ppg is expected. Lost circulation may exist in the Delaware and Bone Spring sections from 4,492'-9,263' TVD.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

30 days drilling operations

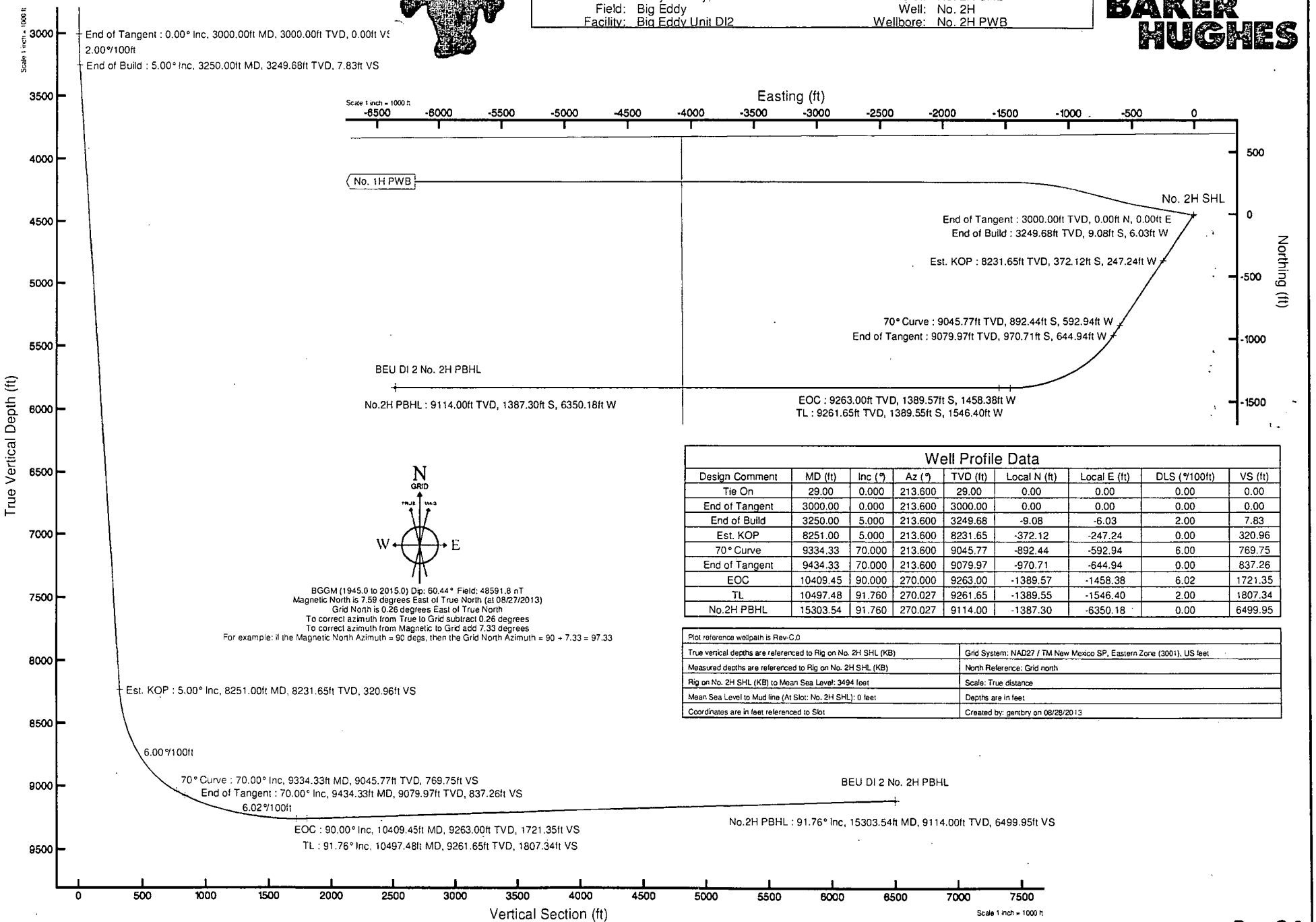
14 days completion operations

Todd Carpenter

BOPCO, L.P.

Location: Eddy County, NM
Field: Big Eddy
Facility: Big Eddy Unit DI2
Slot: No. 2H SHL
Well: No. 2H
Wellbore: No. 2H PWB

BAKER HUGHES



Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	29.00	0.000	213.600	29.00	0.00	0.00	0.00	0.00
End of Tangent	3000.00	0.000	213.600	3000.00	0.00	0.00	0.00	0.00
End of Build	3250.00	5.000	213.600	3249.68	-9.08	-6.03	2.00	7.83
Est. KOP	8251.00	5.000	213.600	8231.65	-372.12	-247.24	0.00	320.96
70° Curve	9334.33	70.000	213.600	9045.77	-892.44	-592.94	6.00	769.75
End of Tangent	9434.33	70.000	213.600	9079.97	-970.71	-644.94	0.00	837.26
EOC	10409.45	90.000	270.000	9263.00	-1389.57	-1458.38	6.02	1721.35
TL	10497.48	91.760	270.027	9261.65	-1389.55	-1546.40	2.00	1807.34
No.2H PBHL	15303.54	91.760	270.027	9114.00	-1387.30	-6350.18	0.00	6499.95

Plot reference wellpath is Rev-C.0	
True vertical depths are referenced to Rig on No. 2H SHL (KB)	Grid System: NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No. 2H SHL (KB)	North Reference: Grid north
Rig on No. 2H SHL (KB) to Mean Sea Level: 3494 feet	Scale: True distance
Mean Sea Level to Mud line (At Slot: No. 2H SHL): 0 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: gentbry on 08/28/2013

Rev-C.0

Planned Wellpath Report

Rev-C.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

REPORT SETUP INFORMATION			
Projection System	**NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet**	Software System	**WellArchitect® 3.0.0**
North Reference	**Grid**	User	**Gentbry**
Scale	**0.999934**	Report Generated	**08/28/2013** at **9:25:10 AM**
Convergence at slot	**0.26° East**	Database/Source file	**WA Midland/No._2H_PWB.xml**

WELLPATH LOCATION	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	**East[ft]**	**Easting[US ft]**	**Northing[US ft]**	**Latitude**	**Longitude**
Slot Location	8.53	-344.96	648225.81	590432.80	**32°37'20.210"N**	**103°51'06.840"W**
Facility Reference Pt			**648570.75**	**590424.27**	32°37'20.110"N	103°51'02.807"W
Field Reference Pt			**610823.03**	**524402.80**	32°26'28.262"N	103°58'26.774"W

WELLPATH DATUM			
Calculation method	**Minimum curvature**	Rig on No. 2H SHL (KB) to Facility Vertical Datum	**3494.00ft**
Horizontal Reference Pt	**Slot**	Rig on No. 2H SHL (KB) to Mean Sea Level	**3494.00ft**
Vertical Reference Pt	**Rig on No. 2H SHL (KB)**	Rig on No. 2H SHL (KB) to Mud Line at Slot (No. 2H SHL)	**3494.00ft**
MD Reference Pt	**Rig on No. 2H SHL (KB)**	Section Origin	**N 0.00, E 0.00 ft**
Field Vertical Reference	**Mean Sea Level**	Section Azimuth	**257.68°**

Planned Wellpath Report

Rev-C.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

WELLPATH DATA (174 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	213.600	0.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
29.00	0.000	213.600	29.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	Tie On
125.00†	0.000	213.600	125.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	T/Fresh Water
129.00†	0.000	213.600	129.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
229.00†	0.000	213.600	229.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
329.00†	0.000	213.600	329.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
429.00†	0.000	213.600	429.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
529.00†	0.000	213.600	529.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
629.00†	0.000	213.600	629.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
729.00†	0.000	213.600	729.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
829.00†	0.000	213.600	829.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
881.00†	0.000	213.600	881.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	Rustler Anhydrite
929.00†	0.000	213.600	929.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1029.00†	0.000	213.600	1029.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1077.00†	0.000	213.600	1077.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	T/Salt
1129.00†	0.000	213.600	1129.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1229.00†	0.000	213.600	1229.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1329.00†	0.000	213.600	1329.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1429.00†	0.000	213.600	1429.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1529.00†	0.000	213.600	1529.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1629.00†	0.000	213.600	1629.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1729.00†	0.000	213.600	1729.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1829.00†	0.000	213.600	1829.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
1929.00†	0.000	213.600	1929.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2029.00†	0.000	213.600	2029.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2129.00†	0.000	213.600	2129.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2229.00†	0.000	213.600	2229.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2264.00†	0.000	213.600	2264.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	B/Salt
2329.00†	0.000	213.600	2329.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2429.00†	0.000	213.600	2429.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2457.00†	0.000	213.600	2457.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	T/Yates
2529.00†	0.000	213.600	2529.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2629.00†	0.000	213.600	2629.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2729.00†	0.000	213.600	2729.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2763.00†	0.000	213.600	2763.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	T/Reef
2829.00†	0.000	213.600	2829.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
2929.00†	0.000	213.600	2929.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	
3000.00	0.000	213.600	3000.00	0.00	0.00	0.00	648225.81	590432.80	32°37'20.210"N	103°51'06.840"W	0.00	End of Tangent
3029.00†	0.580	213.600	3029.00	0.11	-0.12	-0.08	648225.73	590432.68	32°37'20.209"N	103°51'06.841"W	2.00	
3129.00†	2.580	213.600	3128.96	2.09	-2.42	-1.61	648224.20	590430.38	32°37'20.186"N	103°51'06.859"W	2.00	
3229.00†	4.580	213.600	3228.76	6.57	-7.62	-5.06	648220.75	590425.18	32°37'20.135"N	103°51'06.900"W	2.00	
3250.00	5.000	213.600	3249.68	7.83	-9.08	-6.03	648219.78	590423.72	32°37'20.120"N	103°51'06.911"W	2.00	End of Build
3329.00†	5.000	213.600	3328.38	12.78	-14.81	-9.84	648215.97	590417.99	32°37'20.064"N	103°51'06.956"W	0.00	
3429.00†	5.000	213.600	3428.00	19.04	-22.07	-14.67	648211.15	590410.73	32°37'19.992"N	103°51'07.013"W	0.00	
3529.00†	5.000	213.600	3527.62	25.30	-29.33	-19.49	648206.32	590403.47	32°37'19.921"N	103°51'07.069"W	0.00	

Planned Wellpath Report

Rev-C.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

WELLPATH DATA (174 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
3629.00†	5.000	213.600	3627.24	31.56	-36.59	-24.31	648201.50	590396.21	32°37'19.849"N	103°51'07.126"W	0.00	
3729.00†	5.000	213.600	3726.86	37.82	-43.85	-29.14	648196.68	590388.95	32°37'19.777"N	103°51'07.183"W	0.00	
3829.00†	5.000	213.600	3826.48	44.09	-51.11	-33.96	648191.86	590381.69	32°37'19.706"N	103°51'07.240"W	0.00	
3929.00†	5.000	213.600	3926.10	50.35	-58.37	-38.78	648187.03	590374.43	32°37'19.634"N	103°51'07.297"W	0.00	
4029.00†	5.000	213.600	4025.72	56.61	-65.63	-43.60	648182.21	590367.18	32°37'19.563"N	103°51'07.353"W	0.00	
4129.00†	5.000	213.600	4125.34	62.87	-72.89	-48.43	648177.39	590359.92	32°37'19.491"N	103°51'07.410"W	0.00	
4229.00†	5.000	213.600	4224.96	69.13	-80.15	-53.25	648172.56	590352.66	32°37'19.419"N	103°51'07.467"W	0.00	
4329.00†	5.000	213.600	4324.58	75.39	-87.41	-58.07	648167.74	590345.40	32°37'19.348"N	103°51'07.524"W	0.00	
4429.00†	5.000	213.600	4424.20	81.65	-94.67	-62.90	648162.92	590338.14	32°37'19.276"N	103°51'07.580"W	0.00	
4497.06†	5.000	213.600	4492.00	85.91	-99.61	-66.18	648159.64	590333.20	32°37'19.227"N	103°51'07.619"W	0.00	T/Delaware Mnt. Group
4529.00†	5.000	213.600	4523.82	87.91	-101.93	-67.72	648158.10	590330.88	32°37'19.204"N	103°51'07.637"W	0.00	
4629.00†	5.000	213.600	4623.44	94.18	-109.19	-72.54	648153.27	590323.62	32°37'19.133"N	103°51'07.694"W	0.00	
4729.00†	5.000	213.600	4723.05	100.44	-116.45	-77.37	648148.45	590316.36	32°37'19.061"N	103°51'07.751"W	0.00	
4829.00†	5.000	213.600	4822.67	106.70	-123.71	-82.19	648143.63	590309.10	32°37'18.990"N	103°51'07.807"W	0.00	
4929.00†	5.000	213.600	4922.29	112.96	-130.97	-87.01	648138.80	590301.85	32°37'18.918"N	103°51'07.864"W	0.00	
5029.00†	5.000	213.600	5021.91	119.22	-138.22	-91.84	648133.98	590294.59	32°37'18.846"N	103°51'07.921"W	0.00	
5129.00†	5.000	213.600	5121.53	125.48	-145.48	-96.66	648129.16	590287.33	32°37'18.775"N	103°51'07.978"W	0.00	
5229.00†	5.000	213.600	5221.15	131.74	-152.74	-101.48	648124.34	590280.07	32°37'18.703"N	103°51'08.035"W	0.00	
5329.00†	5.000	213.600	5320.77	138.01	-160.00	-106.31	648119.51	590272.81	32°37'18.632"N	103°51'08.091"W	0.00	
5429.00†	5.000	213.600	5420.39	144.27	-167.26	-111.13	648114.69	590265.55	32°37'18.560"N	103°51'08.148"W	0.00	
5529.00†	5.000	213.600	5520.01	150.53	-174.52	-115.95	648109.87	590258.29	32°37'18.488"N	103°51'08.205"W	0.00	
5629.00†	5.000	213.600	5619.63	156.79	-181.78	-120.77	648105.05	590251.03	32°37'18.417"N	103°51'08.262"W	0.00	
5729.00†	5.000	213.600	5719.25	163.05	-189.04	-125.60	648100.22	590243.77	32°37'18.345"N	103°51'08.318"W	0.00	
5829.00†	5.000	213.600	5818.87	169.31	-196.30	-130.42	648095.40	590236.52	32°37'18.274"N	103°51'08.375"W	0.00	
5929.00†	5.000	213.600	5918.49	175.57	-203.56	-135.24	648090.58	590229.26	32°37'18.202"N	103°51'08.432"W	0.00	
6029.00†	5.000	213.600	6018.11	181.84	-210.82	-140.07	648085.75	590222.00	32°37'18.130"N	103°51'08.489"W	0.00	
6129.00†	5.000	213.600	6117.73	188.10	-218.08	-144.89	648080.93	590214.74	32°37'18.059"N	103°51'08.546"W	0.00	
6229.00†	5.000	213.600	6217.35	194.36	-225.34	-149.71	648076.11	590207.48	32°37'17.987"N	103°51'08.602"W	0.00	
6329.00†	5.000	213.600	6316.97	200.62	-232.60	-154.54	648071.29	590200.22	32°37'17.915"N	103°51'08.659"W	0.00	
6429.00†	5.000	213.600	6416.59	206.88	-239.86	-159.36	648066.46	590192.96	32°37'17.844"N	103°51'08.716"W	0.00	
6529.00†	5.000	213.600	6516.21	213.14	-247.12	-164.18	648061.64	590185.70	32°37'17.772"N	103°51'08.773"W	0.00	
6629.00†	5.000	213.600	6615.82	219.40	-254.37	-169.01	648056.82	590178.44	32°37'17.701"N	103°51'08.829"W	0.00	
6729.00†	5.000	213.600	6715.44	225.66	-261.63	-173.83	648051.99	590171.19	32°37'17.629"N	103°51'08.886"W	0.00	
6829.00†	5.000	213.600	6815.06	231.93	-268.89	-178.65	648047.17	590163.93	32°37'17.557"N	103°51'08.943"W	0.00	
6929.00†	5.000	213.600	6914.68	238.19	-276.15	-183.48	648042.35	590156.67	32°37'17.486"N	103°51'09.000"W	0.00	
7029.00†	5.000	213.600	7014.30	244.45	-283.41	-188.30	648037.53	590149.41	32°37'17.414"N	103°51'09.056"W	0.00	
7036.73†	5.000	213.600	7022.00	244.93	-283.97	-188.67	648037.15	590148.85	32°37'17.409"N	103°51'09.061"W	0.00	Bone Spring
7129.00†	5.000	213.600	7113.92	250.71	-290.67	-193.12	648032.70	590142.15	32°37'17.343"N	103°51'09.113"W	0.00	
7229.00†	5.000	213.600	7213.54	256.97	-297.93	-197.94	648027.88	590134.89	32°37'17.271"N	103°51'09.170"W	0.00	
7329.00†	5.000	213.600	7313.16	263.23	-305.19	-202.77	648023.06	590127.63	32°37'17.199"N	103°51'09.227"W	0.00	
7429.00†	5.000	213.600	7412.78	269.49	-312.45	-207.59	648018.23	590120.37	32°37'17.128"N	103°51'09.284"W	0.00	
7529.00†	5.000	213.600	7512.40	275.76	-319.71	-212.41	648013.41	590113.11	32°37'17.056"N	103°51'09.340"W	0.00	
7629.00†	5.000	213.600	7612.02	282.02	-326.97	-217.24	648008.59	590105.86	32°37'16.984"N	103°51'09.397"W	0.00	
7729.00†	5.000	213.600	7711.64	288.28	-334.23	-222.06	648003.77	590098.60	32°37'16.913"N	103°51'09.454"W	0.00	
7829.00†	5.000	213.600	7811.26	294.54	-341.49	-226.88	647998.94	590091.34	32°37'16.841"N	103°51'09.511"W	0.00	

Planned Wellpath Report

Rev-C.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	Big Eddy	Wellbore	No. 2H PWB
Facility	Big Eddy Unit DI2		

WELLPATH DATA (174 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
7929.00†	5.000	213.600	7910.88	300.80	-348.75	-231.71	647994.12	590084.08	32°37'16.770"N	103°51'09.567"W	0.00	
8029.00†	5.000	213.600	8010.50	307.06	-356.01	-236.53	647989.30	590076.82	32°37'16.698"N	103°51'09.624"W	0.00	
8129.00†	5.000	213.600	8110.12	313.32	-363.27	-241.35	647984.48	590069.56	32°37'16.626"N	103°51'09.681"W	0.00	
8229.00†	5.000	213.600	8209.74	319.59	-370.52	-246.18	647979.65	590062.30	32°37'16.555"N	103°51'09.738"W	0.00	
8251.00	5.000	213.600	8231.65	320.96	-372.12	-247.24	647978.59	590060.70	32°37'16.539"N	103°51'09.750"W	0.00	Est. KOP
8329.00†	9.680	213.600	8308.99	328.12	-380.42	-252.75	647973.08	590052.41	32°37'16.457"N	103°51'09.815"W	6.00	
8381.01†	12.801	213.600	8360.00	335.40	-388.86	-258.36	647967.47	590043.96	32°37'16.374"N	103°51'09.881"W	6.00	1st Bone Spring Sand
8429.00†	15.680	213.600	8406.51	343.88	-398.69	-264.89	647960.94	590034.13	32°37'16.277"N	103°51'09.958"W	6.00	
8529.00†	21.680	213.600	8501.20	366.88	-425.36	-282.61	647943.22	590007.47	32°37'16.014"N	103°51'10.167"W	6.00	
8629.00†	27.680	213.600	8592.02	396.86	-460.12	-305.70	647920.13	589972.71	32°37'15.671"N	103°51'10.438"W	6.00	
8729.00†	33.680	213.600	8677.98	433.50	-502.60	-333.93	647891.91	589930.23	32°37'15.252"N	103°51'10.771"W	6.00	
8829.00†	39.680	213.600	8758.15	476.40	-552.33	-366.97	647858.87	589880.51	32°37'14.761"N	103°51'11.160"W	6.00	
8929.00†	45.680	213.600	8831.63	525.08	-608.77	-404.47	647821.37	589824.07	32°37'14.204"N	103°51'11.601"W	6.00	
9029.00†	51.680	213.600	8897.62	579.01	-671.30	-446.01	647779.83	589761.55	32°37'13.588"N	103°51'12.090"W	6.00	
9129.00†	57.680	213.600	8955.41	637.60	-739.23	-491.14	647734.70	589693.62	32°37'12.918"N	103°51'12.621"W	6.00	
9229.00†	63.680	213.600	9004.36	700.21	-811.82	-539.37	647686.48	589621.04	32°37'12.201"N	103°51'13.189"W	6.00	
9304.16†	68.190	213.600	9035.00	749.50	-868.97	-577.34	647648.51	589563.90	32°37'11.638"N	103°51'13.636"W	6.00	2nd Bone Spring A Sand
9329.00†	69.680	213.600	9043.93	766.15	-888.27	-590.17	647635.69	589544.59	32°37'11.447"N	103°51'13.787"W	6.00	
9334.33	70.000	213.600	9045.77	769.75	-892.44	-592.94	647632.92	589540.42	32°37'11.406"N	103°51'13.819"W	6.00	70° Curve
9429.00†	70.000	213.600	9078.14	833.66	-966.53	-642.16	647583.69	589466.33	32°37'10.675"N	103°51'14.399"W	0.00	
9434.33	70.000	213.600	9079.97	837.26	-970.71	-644.94	647580.92	589462.16	32°37'10.634"N	103°51'14.432"W	0.00	End of Tangent
9529.00†	71.357	219.462	9111.31	904.50	-1042.44	-698.10	647527.76	589390.43	32°37'09.927"N	103°51'15.057"W	6.02	
9629.00†	72.984	225.547	9141.96	982.29	-1112.57	-762.40	647463.46	589320.31	32°37'09.236"N	103°51'15.812"W	6.02	
9729.00†	74.789	231.521	9169.73	1066.16	-1176.13	-834.37	647391.50	589256.75	32°37'08.610"N	103°51'16.657"W	6.02	
9829.00†	76.749	237.390	9194.33	1155.20	-1232.43	-913.20	647312.67	589200.45	32°37'08.056"N	103°51'17.582"W	6.02	
9840.73†	76.988	238.072	9197.00	1165.94	-1238.53	-922.87	647303.01	589194.35	32°37'07.996"N	103°51'17.695"W	6.02	2nd Bone Spring B Sand
9929.00†	78.840	243.162	9215.49	1248.43	-1280.85	-998.05	647227.83	589152.04	32°37'07.581"N	103°51'18.576"W	6.02	
10029.00†	81.040	248.850	9232.97	1344.81	-1320.85	-1087.97	647137.92	589112.04	32°37'07.189"N	103°51'19.629"W	6.02	
10129.00†	83.326	254.468	9246.58	1443.29	-1352.00	-1181.96	647043.93	589080.89	32°37'06.885"N	103°51'20.730"W	6.02	
10229.00†	85.675	260.033	9256.17	1542.78	-1373.95	-1279.01	646946.89	589058.95	32°37'06.672"N	103°51'21.866"W	6.02	
10329.00†	88.064	265.563	9261.64	1642.18	-1386.46	-1378.02	646847.88	589046.44	32°37'06.553"N	103°51'23.024"W	6.02	
10409.45	90.000	270.000	9263.00	1721.35	-1389.57	-1458.38	646767.53	589043.33	32°37'06.526"N	103°51'23.964"W	6.02	EOC
10429.00†	90.391	270.006	9262.93	1740.45	-1389.57	-1477.93	646747.98	589043.33	32°37'06.527"N	103°51'24.192"W	2.00	
10497.48	91.760	270.027	9261.65	1807.34	-1389.55	-1546.40	646679.52	589043.35	32°37'06.530"N	103°51'24.993"W	2.00	TL
10529.00†	91.760	270.027	9260.68	1838.11	-1389.53	-1577.90	646648.02	589043.36	32°37'06.531"N	103°51'25.361"W	0.00	
10629.00†	91.760	270.027	9257.61	1935.75	-1389.48	-1677.85	646548.07	589043.41	32°37'06.536"N	103°51'26.529"W	0.00	
10729.00†	91.760	270.027	9254.54	2033.39	-1389.44	-1777.80	646448.13	589043.46	32°37'06.541"N	103°51'27.698"W	0.00	
10829.00†	91.760	270.027	9251.46	2131.03	-1389.39	-1877.76	646348.18	589043.50	32°37'06.546"N	103°51'28.867"W	0.00	
10929.00†	91.760	270.027	9248.39	2228.67	-1389.34	-1977.71	646248.24	589043.55	32°37'06.551"N	103°51'30.035"W	0.00	
11029.00†	91.760	270.027	9245.32	2326.31	-1389.30	-2077.66	646148.29	589043.60	32°37'06.556"N	103°51'31.204"W	0.00	
11129.00†	91.760	270.027	9242.25	2423.95	-1389.25	-2177.62	646048.34	589043.64	32°37'06.561"N	103°51'32.372"W	0.00	
11229.00†	91.760	270.027	9239.17	2521.59	-1389.20	-2277.57	645948.40	589043.69	32°37'06.565"N	103°51'33.541"W	0.00	
11329.00†	91.760	270.027	9236.10	2619.23	-1389.16	-2377.52	645848.45	589043.74	32°37'06.570"N	103°51'34.709"W	0.00	
11429.00†	91.760	270.027	9233.03	2716.87	-1389.11	-2477.47	645748.51	589043.79	32°37'06.575"N	103°51'35.878"W	0.00	
11529.00†	91.760	270.027	9229.96	2814.51	-1389.06	-2577.43	645648.56	589043.83	32°37'06.580"N	103°51'37.046"W	0.00	

Planned Wellpath Report

Rev-C.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	Big Eddy	Wellbore	No. 2H PWB
Facility	Big Eddy Unit DI2		

WELLPATH DATA (174 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
11629.00†	91.760	270.027	9226.89	2912.15	-1389.02	-2677.38	645548.61	589043.88	32°37'06.585"N	103°51'38.215"W	0.00	
11729.00†	91.760	270.027	9223.81	3009.79	-1388.97	-2777.33	645448.67	589043.93	32°37'06.590"N	103°51'39.384"W	0.00	
11829.00†	91.760	270.027	9220.74	3107.43	-1388.92	-2877.29	645348.72	589043.97	32°37'06.595"N	103°51'40.552"W	0.00	
11929.00†	91.760	270.027	9217.67	3205.07	-1388.88	-2977.24	645248.78	589044.02	32°37'06.600"N	103°51'41.721"W	0.00	
12029.00†	91.760	270.027	9214.60	3302.71	-1388.83	-3077.19	645148.83	589044.07	32°37'06.604"N	103°51'42.889"W	0.00	
12129.00†	91.760	270.027	9211.53	3400.35	-1388.78	-3177.14	645048.88	589044.11	32°37'06.609"N	103°51'44.058"W	0.00	
12229.00†	91.760	270.027	9208.45	3497.99	-1388.74	-3277.10	644948.94	589044.16	32°37'06.614"N	103°51'45.226"W	0.00	
12329.00†	91.760	270.027	9205.38	3595.63	-1388.69	-3377.05	644848.99	589044.21	32°37'06.619"N	103°51'46.395"W	0.00	
12429.00†	91.760	270.027	9202.31	3693.26	-1388.64	-3477.00	644749.05	589044.25	32°37'06.624"N	103°51'47.563"W	0.00	
12529.00†	91.760	270.027	9199.24	3790.90	-1388.59	-3576.95	644649.10	589044.30	32°37'06.629"N	103°51'48.732"W	0.00	
12601.82†	91.760	270.027	9197.00	3862.00	-1388.56	-3649.74	644576.32	589044.33	32°37'06.632"N	103°51'49.583"W	0.00	2nd Bone Spring B Sand
12629.00†	91.760	270.027	9196.16	3888.54	-1388.55	-3676.91	644549.15	589044.35	32°37'06.633"N	103°51'49.901"W	0.00	
12729.00†	91.760	270.027	9193.09	3986.18	-1388.50	-3776.86	644449.21	589044.39	32°37'06.638"N	103°51'51.069"W	0.00	
12829.00†	91.760	270.027	9190.02	4083.82	-1388.45	-3876.81	644349.26	589044.44	32°37'06.643"N	103°51'52.238"W	0.00	
12929.00†	91.760	270.027	9186.95	4181.46	-1388.41	-3976.77	644249.32	589044.49	32°37'06.648"N	103°51'53.406"W	0.00	
13029.00†	91.760	270.027	9183.88	4279.10	-1388.36	-4076.72	644149.37	589044.53	32°37'06.653"N	103°51'54.575"W	0.00	
13129.00†	91.760	270.027	9180.80	4376.74	-1388.31	-4176.67	644049.42	589044.58	32°37'06.658"N	103°51'55.743"W	0.00	
13229.00†	91.760	270.027	9177.73	4474.38	-1388.27	-4276.62	643949.48	589044.63	32°37'06.662"N	103°51'56.912"W	0.00	
13329.00†	91.760	270.027	9174.66	4572.02	-1388.22	-4376.58	643849.53	589044.68	32°37'06.667"N	103°51'58.080"W	0.00	
13429.00†	91.760	270.027	9171.59	4669.66	-1388.17	-4476.53	643749.59	589044.72	32°37'06.672"N	103°51'59.249"W	0.00	
13529.00†	91.760	270.027	9168.52	4767.30	-1388.13	-4576.48	643649.64	589044.77	32°37'06.677"N	103°52'00.418"W	0.00	
13629.00†	91.760	270.027	9165.44	4864.94	-1388.08	-4676.44	643549.69	589044.82	32°37'06.682"N	103°52'01.586"W	0.00	
13729.00†	91.760	270.027	9162.37	4962.58	-1388.03	-4776.39	643449.75	589044.86	32°37'06.686"N	103°52'02.755"W	0.00	
13829.00†	91.760	270.027	9159.30	5060.22	-1387.99	-4876.34	643349.80	589044.91	32°37'06.691"N	103°52'03.923"W	0.00	
13929.00†	91.760	270.027	9156.23	5157.86	-1387.94	-4976.29	643249.86	589044.96	32°37'06.696"N	103°52'05.092"W	0.00	
14029.00†	91.760	270.027	9153.16	5255.50	-1387.89	-5076.25	643149.91	589045.00	32°37'06.701"N	103°52'06.260"W	0.00	
14129.00†	91.760	270.027	9150.08	5353.14	-1387.85	-5176.20	643049.96	589045.05	32°37'06.706"N	103°52'07.429"W	0.00	
14229.00†	91.760	270.027	9147.01	5450.78	-1387.80	-5276.15	642950.02	589045.10	32°37'06.710"N	103°52'08.597"W	0.00	
14329.00†	91.760	270.027	9143.94	5548.42	-1387.75	-5376.10	642850.07	589045.14	32°37'06.715"N	103°52'09.766"W	0.00	
14429.00†	91.760	270.027	9140.87	5646.06	-1387.71	-5476.06	642750.13	589045.19	32°37'06.720"N	103°52'10.934"W	0.00	
14529.00†	91.760	270.027	9137.79	5743.70	-1387.66	-5576.01	642650.18	589045.24	32°37'06.725"N	103°52'12.103"W	0.00	
14629.00†	91.760	270.027	9134.72	5841.34	-1387.61	-5675.96	642550.23	589045.28	32°37'06.729"N	103°52'13.272"W	0.00	
14729.00†	91.760	270.027	9131.65	5938.98	-1387.56	-5775.92	642450.29	589045.33	32°37'06.734"N	103°52'14.440"W	0.00	
14829.00†	91.760	270.027	9128.58	6036.62	-1387.52	-5875.87	642350.34	589045.38	32°37'06.739"N	103°52'15.609"W	0.00	
14929.00†	91.760	270.027	9125.51	6134.26	-1387.47	-5975.82	642250.40	589045.42	32°37'06.744"N	103°52'16.777"W	0.00	
15029.00†	91.760	270.027	9122.43	6231.90	-1387.42	-6075.77	642150.45	589045.47	32°37'06.749"N	103°52'17.946"W	0.00	
15129.00†	91.760	270.027	9119.36	6329.54	-1387.38	-6175.73	642050.50	589045.52	32°37'06.753"N	103°52'19.114"W	0.00	
15229.00†	91.760	270.027	9116.29	6427.18	-1387.33	-6275.68	641950.56	589045.57	32°37'06.758"N	103°52'20.283"W	0.00	
15303.54	91.760	270.027	9114.00	6499.95	-1387.30	-6350.18	641876.06	589045.60	32°37'06.762"N	103°52'21.154"W	0.00	No.2H PBHL

Planned Wellpath Report

Rev-C.0

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	Shape
1) BEU DI 2 No. 2H PBHL	15303.54	9114.00	-1387.30	-6350.18	**641876.06**	**589045.60**	32°37'06.762"N	103°52'21.154"W	point

SURVEY PROGRAM - Ref Wellbore: No. 2H PWB Ref Wellpath: Rev-C.0

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
29.00	15303.54	NaviTrak (Standard)		No. 2H PWB

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION

Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

REPORT SETUP INFORMATION

Projection System	**NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet**	Software System	**WellArchitect® 3.0.0**
North Reference	**Grid**	User	**Gentbry**
Scale	**0.999934**	Report Generated	**08/28/2013** at **9:27:39 AM**
Convergence at slot	**0.26° East**	Database/Source file	**WA Midland/No._2H_PWB_CR.xml**

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	**East[ft]**	**Easting[US ft]**	**Northing[US ft]**	**Latitude**	**Longitude**
Slot Location	8.53	-344.96	648225.81	590432.80	**32°37'20.210"N**	**103°51'06.840"W**
Facility Reference Pt			**648570.75**	**590424.27**	32°37'20.110"N	103°51'02.807"W
Field Reference Pt			**610823.03**	**524402.80**	32°26'28.262"N	103°58'26.774"W

WELLPATH DATUM

Calculation method	**Minimum Curvature**	Rig on No. 2H SHL (KB) to Facility Vertical Datum	**3494.00ft**
Horizontal Reference Pt	**Slot**	Rig on No. 2H SHL (KB) to Mean Sea Level	**3494.00ft**
Vertical Reference Pt	**Rig on No. 2H SHL (KB)**	Rig on No. 2H SHL (KB) to Mud Line at Slot (No. 2H SHL)	**3494.00ft**
MD Reference Pt	**Rig on No. 2H SHL (KB)**		
Field Vertical Reference	**Mean Sea Level**		

POSITIONAL UNCERTAINTY CALCULATION SETTINGS

Ellipse Confidence Limit	**3.00 Std Dev**	Ellipse Start MD	**29.00ft**	Surface Position Uncertainty	**included**
Declination	**7.59° East of TN**	Dip Angle	**60.44°**	Mag Field Strength	**48592 nT**
Slot Surface Uncertainty @1SD		Horizontal	**0.100ft**	Vertical	**0.100ft**
Facility Surface Uncertainty @1SD		Horizontal	**3.300ft**	Vertical	**1.100ft**

ANTI-COLLISION RULE

Rule Name	**R-type Stop Drilling, Closest Approach w/Hole&Csg Limit:1.0, StdDev:3.00 w/Surface Uncert R=(D-HnC)/PU**	Rule Based On	**Ratio**
Plane of Rule	**Closest Approach**	Threshold Value	**1.00**
Subtract Casing & Hole Size	**yes**	Apply Cone of Safety	**no**

SURVEY PROGRAM - Ref Wellbore: No. 2H PWB Ref Wellpath: Rev-C.0

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
29.00	15303.54	NaviTrak (Standard)		No. 2H PWB

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

CALCULATION RANGE & CUTOFF

From: **29.00ft MD**	To: **15303.54ft MD**	C-C Cutoff: **(none)**

OFFSET WELL CLEARANCE SUMMARY (1 Offset Wellpath selected) Ratios are calculated in Closest Approach plane

Offset Facility	Offset Slot	Offset Well	Offset Wellbore	Offset Wellpath	C-C Clearance Distance			ACR Separation Ratio			
					Ref MD [ft]	Min C-C Clear Dist [ft]	Diverging from MD [ft]	Ref MD of Min Ratio [ft]	Min Ratio	Min Ratio Dvrg from [ft]	ACR Status
Big Eddy Unit DI2	No. 1H SHL	No. 1H	No. 1H PWB	Rev-B.0	29.00	30.79	15303.54	3067.58	1.43	15303.54	PASS

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	Big Eddy	Wellbore	No. 2H PWB
Facility	Big Eddy Unit DI2		

CLEARANCE DATA - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

Facility: Big Eddy Unit DI2 Slot: No. 1H SHL Well: No. 1H Threshold Value=1.00 † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
29.00	29.00	0.00	0.00	30.00	29.00	-0.14	-30.79	269.74	30.79	51.18	0.60	PASS
129.00†	129.00	0.00	0.00	130.00	129.00	-0.14	-30.79	269.74	30.79	32.78	0.94	PASS
229.00†	229.00	0.00	0.00	230.00	229.00	-0.14	-30.79	269.74	30.79	19.73	1.56	PASS
329.00†	329.00	0.00	0.00	330.00	329.00	-0.14	-30.79	269.74	30.79	13.74	2.24	PASS
429.00†	429.00	0.00	0.00	430.00	429.00	-0.14	-30.79	269.74	30.79	10.47	2.94	PASS
529.00†	529.00	0.00	0.00	530.00	529.00	-0.14	-30.79	269.74	30.79	8.44	3.65	PASS
629.00†	629.00	0.00	0.00	630.00	629.00	-0.14	-30.79	269.74	30.79	7.07	4.36	PASS
729.00†	729.00	0.00	0.00	730.00	729.00	-0.14	-30.79	269.74	30.79	6.07	5.07	PASS
829.00†	829.00	0.00	0.00	830.00	829.00	-0.14	-30.79	269.74	30.79	5.32	5.78	PASS
929.00†	929.00	0.00	0.00	930.00	929.00	-0.14	-30.79	269.74	30.79	4.74	6.50	PASS
1029.00†	1029.00	0.00	0.00	1030.00	1029.00	-0.14	-30.79	269.74	30.79	4.27	7.21	PASS
1129.00†	1129.00	0.00	0.00	1130.00	1129.00	-0.14	-30.79	269.74	30.79	3.88	7.93	PASS
1229.00†	1229.00	0.00	0.00	1230.00	1229.00	-0.14	-30.79	269.74	30.79	3.56	8.65	PASS
1329.00†	1329.00	0.00	0.00	1330.00	1329.00	-0.14	-30.79	269.74	30.79	3.29	9.36	PASS
1429.00†	1429.00	0.00	0.00	1430.00	1429.00	-0.14	-30.79	269.74	30.79	3.05	10.08	PASS
1529.00†	1529.00	0.00	0.00	1530.00	1529.00	-0.14	-30.79	269.74	30.79	2.85	10.80	PASS
1629.00†	1629.00	0.00	0.00	1630.00	1629.00	-0.14	-30.79	269.74	30.79	2.67	11.52	PASS
1729.00†	1729.00	0.00	0.00	1730.00	1729.00	-0.14	-30.79	269.74	30.79	2.52	12.23	PASS
1829.00†	1829.00	0.00	0.00	1830.00	1829.00	-0.14	-30.79	269.74	30.79	2.38	12.95	PASS
1929.00†	1929.00	0.00	0.00	1930.00	1929.00	-0.14	-30.79	269.74	30.79	2.25	13.67	PASS
2029.00†	2029.00	0.00	0.00	2030.00	2029.00	-0.14	-30.79	269.74	30.79	2.14	14.39	PASS
2129.00†	2129.00	0.00	0.00	2130.00	2129.00	-0.14	-30.79	269.74	30.79	2.04	15.11	PASS
2229.00†	2229.00	0.00	0.00	2230.00	2229.00	-0.14	-30.79	269.74	30.79	1.95	15.82	PASS
2329.00†	2329.00	0.00	0.00	2330.00	2329.00	-0.14	-30.79	269.74	30.79	1.86	16.54	PASS
2429.00†	2429.00	0.00	0.00	2430.00	2429.00	-0.14	-30.79	269.74	30.79	1.78	17.26	PASS
2529.00†	2529.00	0.00	0.00	2530.00	2529.00	-0.14	-30.79	269.74	30.79	1.71	17.98	PASS
2629.00†	2629.00	0.00	0.00	2630.00	2629.00	-0.14	-30.79	269.74	30.79	1.65	18.70	PASS
2729.00†	2729.00	0.00	0.00	2730.00	2729.00	-0.14	-30.79	269.74	30.79	1.59	19.42	PASS
2829.00†	2829.00	0.00	0.00	2830.00	2829.00	-0.14	-30.79	269.74	30.79	1.53	20.13	PASS
2929.00†	2929.00	0.00	0.00	2930.00	2929.00	-0.14	-30.79	269.74	30.79	1.48	20.85	PASS
3000.00	3000.00	0.00	0.00	3000.99	2999.99	-0.14	-30.79	269.74	30.79	1.44	21.36	PASS
3029.00†	3029.00	-0.12	-0.08	3029.69	3028.70	-0.11	-30.94	270.02	30.86	1.43	21.57	PASS
3067.58†	3067.57	-0.66	-0.44	3067.85	3066.84	0.00	-31.58	271.22	31.16	1.43	21.86	PASS
3129.00†	3128.96	-2.42	-1.61	3128.56	3127.50	0.36	-33.63	274.96	32.18	1.44	22.32	PASS
3229.00†	3228.76	-7.62	-5.06	3227.16	3225.91	1.42	-39.65	284.65	35.87	1.55	23.15	PASS
3250.00	3249.68	-9.08	-6.03	3247.81	3246.50	1.72	-41.34	287.01	37.06	1.59	23.30	PASS
3329.00†	3328.38	-14.81	-9.84	3326.43	3324.81	2.91	-48.09	294.87	42.30	1.77	23.87	PASS
3429.00†	3428.00	-22.07	-14.67	3425.97	3423.98	4.42	-56.63	302.26	49.79	2.02	24.60	PASS
3529.00†	3527.62	-29.33	-19.49	3525.51	3523.14	5.92	-65.17	307.66	57.88	2.28	25.35	PASS
3629.00†	3627.24	-36.59	-24.31	3625.06	3622.31	7.43	-73.72	311.70	66.36	2.54	26.11	PASS
3729.00†	3726.86	-43.85	-29.14	3724.60	3721.47	8.94	-82.26	314.82	75.09	2.79	26.87	PASS
3829.00†	3826.48	-51.11	-33.96	3824.15	3820.64	10.44	-90.81	317.28	83.99	3.04	27.64	PASS
3929.00†	3926.10	-58.37	-38.78	3923.69	3919.81	11.95	-99.35	319.26	93.02	3.27	28.42	PASS
4029.00†	4025.72	-65.63	-43.60	4023.24	4018.97	13.46	-107.89	320.89	102.14	3.50	29.20	PASS
4129.00†	4125.34	-72.89	-48.43	4122.78	4118.14	14.96	-116.44	322.26	111.33	3.71	29.98	PASS

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No. 2H SHL**
Area	**Eddy County, NM**	Well	**No. 2H**
Field	**Big Eddy**	Wellbore	**No. 2H PWB**
Facility	**Big Eddy Unit DI2**		

CLEARANCE DATA - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

Facility: Big Eddy Unit DI2 **Slot: No. 1H SHL** **Well: No. 1H** **Threshold Value=1.00** † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
4229.00†	4224.96	-80.15	-53.25	4222.33	4217.30	16.47	-124.98	323.41	120.58	3.92	30.77	PASS
4329.00†	4324.58	-87.41	-58.07	4321.87	4316.47	17.98	-133.53	324.40	129.86	4.11	31.56	PASS
4429.00†	4424.20	-94.67	-62.90	4421.42	4415.63	19.48	-142.07	325.26	139.18	4.30	32.36	PASS
4529.00†	4523.82	-101.93	-67.72	4520.96	4514.80	20.99	-150.61	326.00	148.53	4.48	33.16	PASS
4629.00†	4623.44	-109.19	-72.54	4620.50	4613.97	22.50	-159.16	326.67	157.90	4.65	33.96	PASS
4729.00†	4723.05	-116.45	-77.37	4720.05	4713.13	24.00	-167.70	327.25	167.29	4.81	34.77	PASS
4829.00†	4822.67	-123.71	-82.19	4819.59	4812.30	25.51	-176.25	327.78	176.69	4.97	35.58	PASS
4929.00†	4922.29	-130.97	-87.01	4919.14	4911.46	27.01	-184.79	328.25	186.11	5.11	36.39	PASS
5029.00†	5021.91	-138.22	-91.84	5018.68	5010.63	28.52	-193.34	328.67	195.53	5.26	37.20	PASS
5129.00†	5121.53	-145.48	-96.66	5118.23	5109.79	30.03	-201.88	329.06	204.97	5.39	38.02	PASS
5229.00†	5221.15	-152.74	-101.48	5217.77	5208.96	31.53	-210.42	329.41	214.42	5.52	38.84	PASS
5329.00†	5320.77	-160.00	-106.31	5317.32	5308.13	33.04	-218.97	329.73	223.87	5.65	39.66	PASS
5429.00†	5420.39	-167.26	-111.13	5416.86	5407.29	34.55	-227.51	330.03	233.33	5.76	40.48	PASS
5529.00†	5520.01	-174.52	-115.95	5516.40	5506.46	36.05	-236.06	330.30	242.80	5.88	41.30	PASS
5629.00†	5619.63	-181.78	-120.77	5615.95	5605.62	37.56	-244.60	330.55	252.27	5.99	42.13	PASS
5729.00†	5719.25	-189.04	-125.60	5715.49	5704.79	39.07	-253.14	330.79	261.74	6.09	42.95	PASS
5829.00†	5818.87	-196.30	-130.42	5815.04	5803.95	40.57	-261.69	331.01	271.22	6.20	43.78	PASS
5929.00†	5918.49	-203.56	-135.24	5914.58	5903.12	42.08	-270.23	331.21	280.71	6.29	44.61	PASS
6029.00†	6018.11	-210.82	-140.07	6014.13	6002.29	43.59	-278.78	331.40	290.19	6.39	45.44	PASS
6129.00†	6117.73	-218.08	-144.89	6113.67	6101.45	45.09	-287.32	331.58	299.68	6.48	46.27	PASS
6229.00†	6217.35	-225.34	-149.71	6213.22	6200.62	46.60	-295.86	331.75	309.18	6.56	47.10	PASS
6329.00†	6316.97	-232.60	-154.54	6312.76	6299.78	48.11	-304.41	331.90	318.67	6.65	47.94	PASS
6429.00†	6416.59	-239.86	-159.36	6412.31	6398.95	49.61	-312.95	332.05	328.17	6.73	48.77	PASS
6529.00†	6516.21	-247.12	-164.18	6511.85	6498.11	51.12	-321.50	332.19	337.67	6.81	49.61	PASS
6629.00†	6615.82	-254.37	-169.01	6611.39	6597.28	52.63	-330.04	332.32	347.17	6.88	50.44	PASS
6729.00†	6715.44	-261.63	-173.83	6710.94	6696.45	54.13	-338.58	332.45	356.67	6.96	51.28	PASS
6829.00†	6815.06	-268.89	-178.65	6810.48	6795.61	55.64	-347.13	332.57	366.17	7.03	52.12	PASS
6929.00†	6914.68	-276.15	-183.48	6910.03	6894.78	57.15	-355.67	332.68	375.68	7.09	52.96	PASS
7029.00†	7014.30	-283.41	-188.30	7009.57	6993.94	58.65	-364.22	332.78	385.19	7.16	53.80	PASS
7129.00†	7113.92	-290.67	-193.12	7109.12	7093.11	60.16	-372.76	332.89	394.70	7.22	54.64	PASS
7229.00†	7213.54	-297.93	-197.94	7208.66	7192.27	61.67	-381.30	332.98	404.21	7.29	55.48	PASS
7329.00†	7313.16	-305.19	-202.77	7308.21	7291.44	63.17	-389.85	333.08	413.72	7.35	56.32	PASS
7429.00†	7412.78	-312.45	-207.59	7407.75	7390.61	64.68	-398.39	333.16	423.23	7.40	57.16	PASS
7529.00†	7512.40	-319.71	-212.41	7507.29	7489.77	66.19	-406.94	333.25	432.74	7.46	58.01	PASS
7629.00†	7612.02	-326.97	-217.24	7606.84	7588.94	67.69	-415.48	333.33	442.26	7.51	58.85	PASS
7729.00†	7711.64	-334.23	-222.06	7706.38	7688.10	69.20	-424.02	333.41	451.77	7.57	59.70	PASS
7829.00†	7811.26	-341.49	-226.88	7805.93	7787.27	70.70	-432.57	333.48	461.29	7.62	60.54	PASS
7929.00†	7910.88	-348.75	-231.71	7905.47	7886.44	72.21	-441.11	333.55	470.80	7.67	61.39	PASS
8029.00†	8010.50	-356.01	-236.53	8005.02	7985.60	73.72	-449.66	333.62	480.32	7.72	62.23	PASS
8129.00†	8110.12	-363.27	-241.35	8104.56	8084.77	75.22	-458.20	333.69	489.84	7.77	63.08	PASS
8229.00†	8209.74	-370.52	-246.18	8204.11	8183.93	76.73	-466.75	333.75	499.35	7.81	63.93	PASS
8251.00	8231.65	-372.12	-247.24	8226.01	8205.75	77.06	-468.62	333.76	501.45	7.82	64.11	PASS
8329.00†	8308.99	-380.42	-252.75	8303.40	8282.85	78.23	-475.27	334.12	510.45	7.88	64.81	PASS
8429.00†	8406.51	-398.69	-264.89	8396.65	8375.74	79.67	-483.36	335.45	526.79	8.00	65.82	PASS
8529.00†	8501.20	-425.36	-282.61	8467.03	8445.44	81.67	-492.81	337.48	551.70	8.26	66.79	PASS

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	Big Eddy	Wellbore	No. 2H PWB
Facility	Big Eddy Unit DI2		

CLEARANCE DATA - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

Facility: Big Eddy Unit DI2 Slot: No. 1H SHL Well: No. 1H Threshold Value=1.00 † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
8629.00†	8592.02	-460.12	-305.70	8534.56	8511.47	84.86	-506.51	339.77	586.36	8.65	67.82	PASS
8729.00†	8677.98	-502.60	-333.93	8598.47	8572.90	89.01	-523.59	342.23	630.09	9.14	68.97	PASS
8829.00†	8758.15	-552.33	-366.97	8658.17	8629.11	93.86	-543.09	344.75	682.08	9.72	70.14	PASS
8929.00†	8831.63	-608.77	-404.47	8713.25	8679.76	99.16	-564.05	347.30	741.42	10.40	71.32	PASS
9029.00†	8897.62	-671.30	-446.01	8763.47	8724.79	104.67	-585.59	349.80	807.14	11.13	72.52	PASS
9129.00†	8955.41	-739.23	-491.14	8808.70	8764.29	110.16	-606.91	352.24	878.28	11.92	73.70	PASS
9229.00†	9004.36	-811.82	-539.37	8848.88	8798.48	115.45	-627.35	354.58	953.91	12.74	74.85	PASS
9329.00†	9043.93	-888.27	-590.17	8884.02	8827.62	120.39	-646.35	356.81	1033.12	13.60	75.97	PASS
9334.33	9045.77	-892.44	-592.94	8885.76	8829.04	120.64	-647.31	356.93	1037.43	13.65	76.03	PASS
9429.00†	9078.14	-966.53	-642.16	8916.45	8853.86	125.20	-664.78	358.81	1114.77	14.47	77.02	PASS
9434.33	9079.97	-970.71	-644.94	8918.19	8855.24	125.47	-665.79	358.91	1119.17	14.52	77.08	PASS
9529.00†	9111.31	-1042.44	-698.10	8950.41	8880.63	130.50	-685.00	0.64	1195.48	15.30	78.16	PASS
9629.00†	9141.96	-1112.57	-762.40	8987.78	8909.21	136.62	-708.29	2.48	1271.83	16.00	79.51	PASS
9729.00†	9169.73	-1176.13	-834.37	9028.90	8939.31	143.64	-734.93	4.31	1343.42	16.58	81.01	PASS
9829.00†	9194.33	-1232.43	-913.20	9074.16	8971.49	151.88	-766.10	6.07	1409.82	17.04	82.76	PASS
9929.00†	9215.49	-1280.85	-998.05	9123.95	9004.88	161.35	-801.83	7.75	1470.65	17.36	84.70	PASS
10029.00†	9232.97	-1320.85	-1087.97	9178.72	9039.29	172.29	-842.97	9.32	1525.46	17.54	86.96	PASS
10129.00†	9246.58	-1352.00	-1181.96	9238.89	9074.25	184.93	-890.32	10.75	1573.82	17.58	89.53	PASS
10229.00†	9256.17	-1373.95	-1279.01	9314.78	9113.79	201.61	-952.85	11.70	1615.25	17.38	92.91	PASS
10329.00†	9261.64	-1386.46	-1378.02	9581.19	9213.76	246.42	-1194.75	6.40	1643.83	15.61	105.29	PASS
10409.45	9263.00	-1389.57	-1458.38	9837.07	9248.87	262.16	-1446.95	0.40	1651.83	13.97	118.23	PASS
10429.00†	9262.93	-1389.57	-1477.93	9867.96	9248.96	262.22	-1477.83	0.00	1651.85	13.78	119.87	PASS
10497.48	9261.65	-1389.55	-1546.40	9936.06	9247.87	262.23	-1545.93	0.02	1651.83	13.35	123.73	PASS
10529.00†	9260.68	-1389.53	-1577.90	9967.57	9247.15	262.23	-1577.41	0.02	1651.82	13.16	125.54	PASS
10629.00†	9257.61	-1389.48	-1677.85	10067.57	9244.89	262.24	-1677.38	0.02	1651.77	12.57	131.39	PASS
10729.00†	9254.54	-1389.44	-1777.80	10167.57	9242.63	262.25	-1777.35	0.02	1651.73	12.02	137.38	PASS
10829.00†	9251.46	-1389.39	-1877.76	10267.56	9240.37	262.26	-1877.32	0.02	1651.69	11.51	143.49	PASS
10929.00†	9248.39	-1389.34	-1977.71	10367.56	9238.11	262.27	-1977.29	0.01	1651.65	11.04	149.62	PASS
11029.00†	9245.32	-1389.30	-2077.66	10467.56	9235.85	262.28	-2077.27	0.01	1651.61	10.59	156.01	PASS
11129.00†	9242.25	-1389.25	-2177.62	10567.55	9233.59	262.29	-2177.24	0.01	1651.57	10.17	162.40	PASS
11229.00†	9239.17	-1389.20	-2277.57	10667.55	9231.33	262.30	-2277.21	0.01	1651.53	9.78	168.86	PASS
11329.00†	9236.10	-1389.16	-2377.52	10767.55	9229.07	262.31	-2377.18	0.01	1651.49	9.42	175.39	PASS
11429.00†	9233.03	-1389.11	-2477.47	10867.54	9226.81	262.33	-2477.15	0.01	1651.45	9.08	181.98	PASS
11529.00†	9229.96	-1389.06	-2577.43	10967.54	9224.55	262.34	-2577.12	0.01	1651.41	8.76	188.61	PASS
11629.00†	9226.89	-1389.02	-2677.38	11067.54	9222.29	262.35	-2677.09	0.01	1651.37	8.46	195.30	PASS
11729.00†	9223.81	-1388.97	-2777.33	11167.53	9220.03	262.36	-2777.06	0.01	1651.33	8.17	202.03	PASS
11829.00†	9220.74	-1388.92	-2877.29	11267.53	9217.77	262.37	-2877.03	0.01	1651.29	7.91	208.79	PASS
11929.00†	9217.67	-1388.88	-2977.24	11367.53	9215.51	262.38	-2977.01	0.01	1651.26	7.66	215.59	PASS
12029.00†	9214.60	-1388.83	-3077.19	11467.52	9213.25	262.39	-3076.98	0.01	1651.22	7.42	222.42	PASS
12129.00†	9211.53	-1388.78	-3177.14	11567.52	9210.99	262.40	-3176.95	0.01	1651.18	7.20	229.28	PASS
12229.00†	9208.45	-1388.74	-3277.10	11667.52	9208.73	262.41	-3276.92	0.01	1651.15	6.99	236.16	PASS
12329.00†	9205.38	-1388.69	-3377.05	11767.51	9206.47	262.42	-3376.89	0.01	1651.11	6.79	243.07	PASS
12429.00†	9202.31	-1388.64	-3477.00	11867.51	9204.21	262.43	-3476.86	0.01	1651.08	6.60	250.00	PASS
12529.00†	9199.24	-1388.59	-3576.95	11967.51	9201.95	262.44	-3576.83	0.00	1651.04	6.43	256.95	PASS
12629.00†	9196.16	-1388.55	-3676.91	12067.50	9199.69	262.45	-3676.80	0.00	1651.01	6.26	263.92	PASS

Clearance Report

Rev-C.0

Closest Approach

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	Big Eddy	Wellbore	No. 2H PWB
Facility	Big Eddy Unit DI2		

CLEARANCE DATA - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

Facility: Big Eddy Unit DI2 Slot: No. 1H SHL Well: No. 1H Threshold Value=1.00 † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
12729.00†	9193.09	-1388.50	-3776.86	12167.50	9197.43	262.46	-3776.77	0.00	1650.97	6.09	270.91	PASS
12829.00†	9190.02	-1388.45	-3876.81	12267.50	9195.17	262.48	-3876.75	0.00	1650.94	5.94	277.91	PASS
12929.00†	9186.95	-1388.41	-3976.77	12367.49	9192.91	262.49	-3976.72	0.00	1650.90	5.79	284.92	PASS
13029.00†	9183.88	-1388.36	-4076.72	12467.49	9190.65	262.50	-4076.69	0.00	1650.87	5.65	291.95	PASS
13129.00†	9180.80	-1388.31	-4176.67	12567.49	9188.39	262.51	-4176.66	0.00	1650.84	5.52	298.99	PASS
13229.00†	9177.73	-1388.27	-4276.62	12667.48	9186.13	262.52	-4276.63	360.00	1650.81	5.39	306.05	PASS
13329.00†	9174.66	-1388.22	-4376.58	12767.48	9183.87	262.53	-4376.60	360.00	1650.77	5.27	313.11	PASS
13429.00†	9171.59	-1388.17	-4476.53	12867.48	9181.61	262.54	-4476.57	360.00	1650.74	5.16	320.19	PASS
13529.00†	9168.52	-1388.13	-4576.48	12967.47	9179.35	262.55	-4576.54	360.00	1650.71	5.04	327.27	PASS
13629.00†	9165.44	-1388.08	-4676.44	13067.47	9177.09	262.56	-4676.52	360.00	1650.68	4.94	334.36	PASS
13729.00†	9162.37	-1388.03	-4776.39	13167.47	9174.83	262.57	-4776.49	360.00	1650.65	4.83	341.46	PASS
13829.00†	9159.30	-1387.99	-4876.34	13267.46	9172.57	262.58	-4876.46	360.00	1650.62	4.74	348.57	PASS
13929.00†	9156.23	-1387.94	-4976.29	13367.46	9170.31	262.59	-4976.43	360.00	1650.59	4.64	355.69	PASS
14029.00†	9153.16	-1387.89	-5076.25	13467.46	9168.05	262.60	-5076.40	360.00	1650.56	4.55	362.81	PASS
14129.00†	9150.08	-1387.85	-5176.20	13567.45	9165.79	262.61	-5176.37	359.99	1650.53	4.46	369.94	PASS
14229.00†	9147.01	-1387.80	-5276.15	13667.45	9163.53	262.63	-5276.34	359.99	1650.51	4.38	377.07	PASS
14329.00†	9143.94	-1387.75	-5376.10	13767.45	9161.27	262.64	-5376.31	359.99	1650.48	4.30	384.21	PASS
14429.00†	9140.87	-1387.71	-5476.06	13867.44	9159.01	262.65	-5476.28	359.99	1650.45	4.22	391.36	PASS
14529.00†	9137.79	-1387.66	-5576.01	13967.44	9156.75	262.66	-5576.26	359.99	1650.42	4.14	398.51	PASS
14629.00†	9134.72	-1387.61	-5675.96	14067.44	9154.49	262.67	-5676.24	359.99	1650.40	4.07	405.67	PASS
14729.00†	9131.65	-1387.56	-5775.92	14167.43	9152.23	262.68	-5776.22	359.99	1650.37	4.00	412.83	PASS
14829.00†	9128.58	-1387.52	-5875.87	14267.43	9149.97	262.69	-5876.19	359.99	1650.35	3.93	419.99	PASS
14929.00†	9125.51	-1387.47	-5975.82	14367.43	9147.71	262.70	-5976.16	359.99	1650.32	3.86	427.16	PASS
15029.00†	9122.43	-1387.42	-6075.77	14467.42	9145.45	262.71	-6076.13	359.99	1650.30	3.80	434.33	PASS
15129.00†	9119.36	-1387.38	-6175.73	14567.42	9143.19	262.72	-6176.10	359.99	1650.27	3.74	441.51	PASS
15229.00†	9116.29	-1387.33	-6275.68	14667.42	9140.93	262.73	-6276.07	359.99	1650.25	3.68	448.69	PASS
15303.54	9114.00	-1387.30	-6350.18	14741.95	9139.24	262.74	-6350.59	359.99	1650.23	3.63	454.04	PASS

POSITIONAL UNCERTAINTY - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

Slot Surface Uncertainty @1SD	Horizontal	0.100ft	Vertical	0.100ft
Facility Surface Uncertainty @1SD	Horizontal	3.300ft	Vertical	1.100ft

SURVEY PROGRAM - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

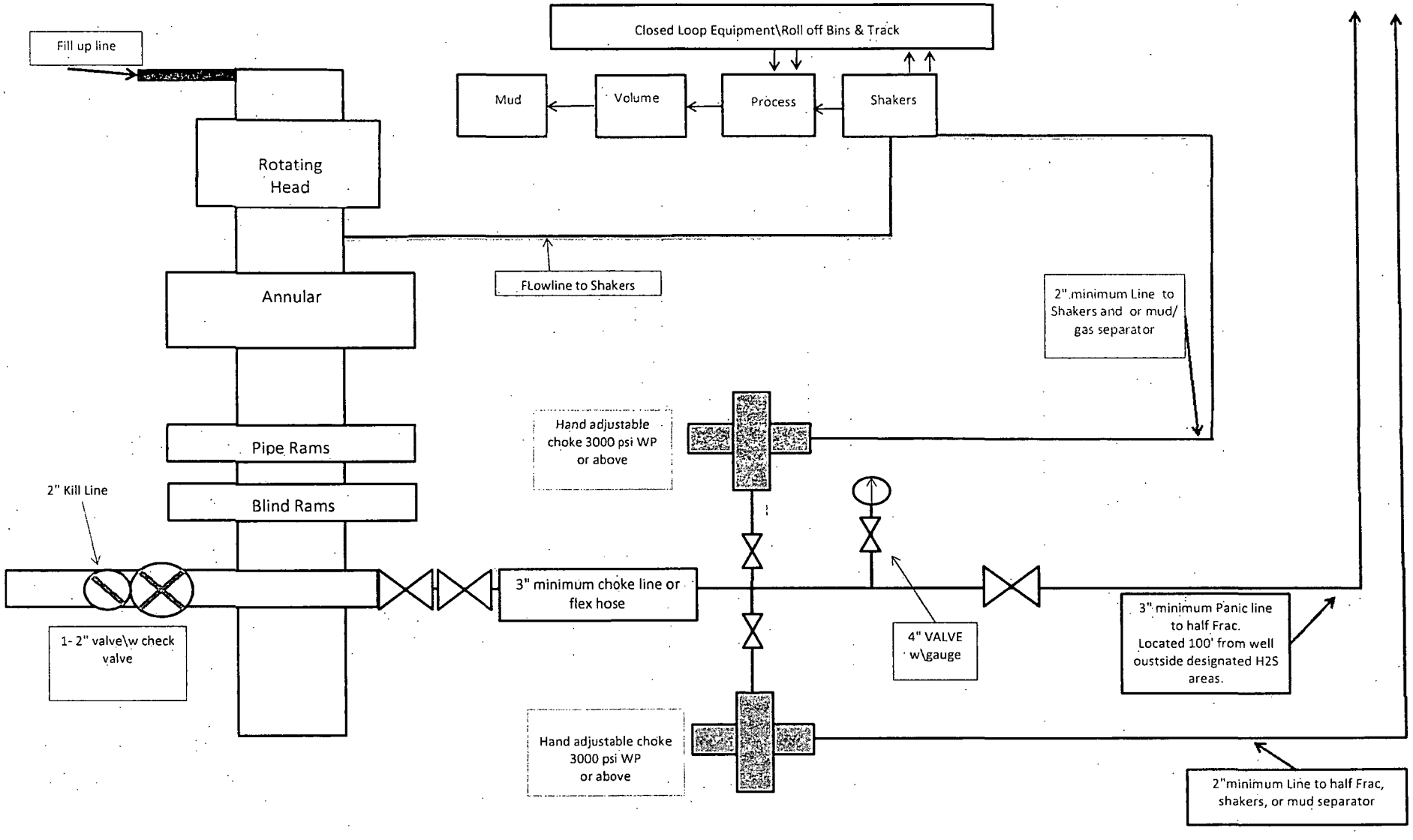
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
29.00	14752.76	NaviTrak (Standard)		No. 1H PWB

OFFSET WELLPATH MD REFERENCE - Offset Wellbore: No. 1H PWB Offset Wellpath: Rev-B.0

MD Reference: **Rig on No. 1H SHL (KB)**

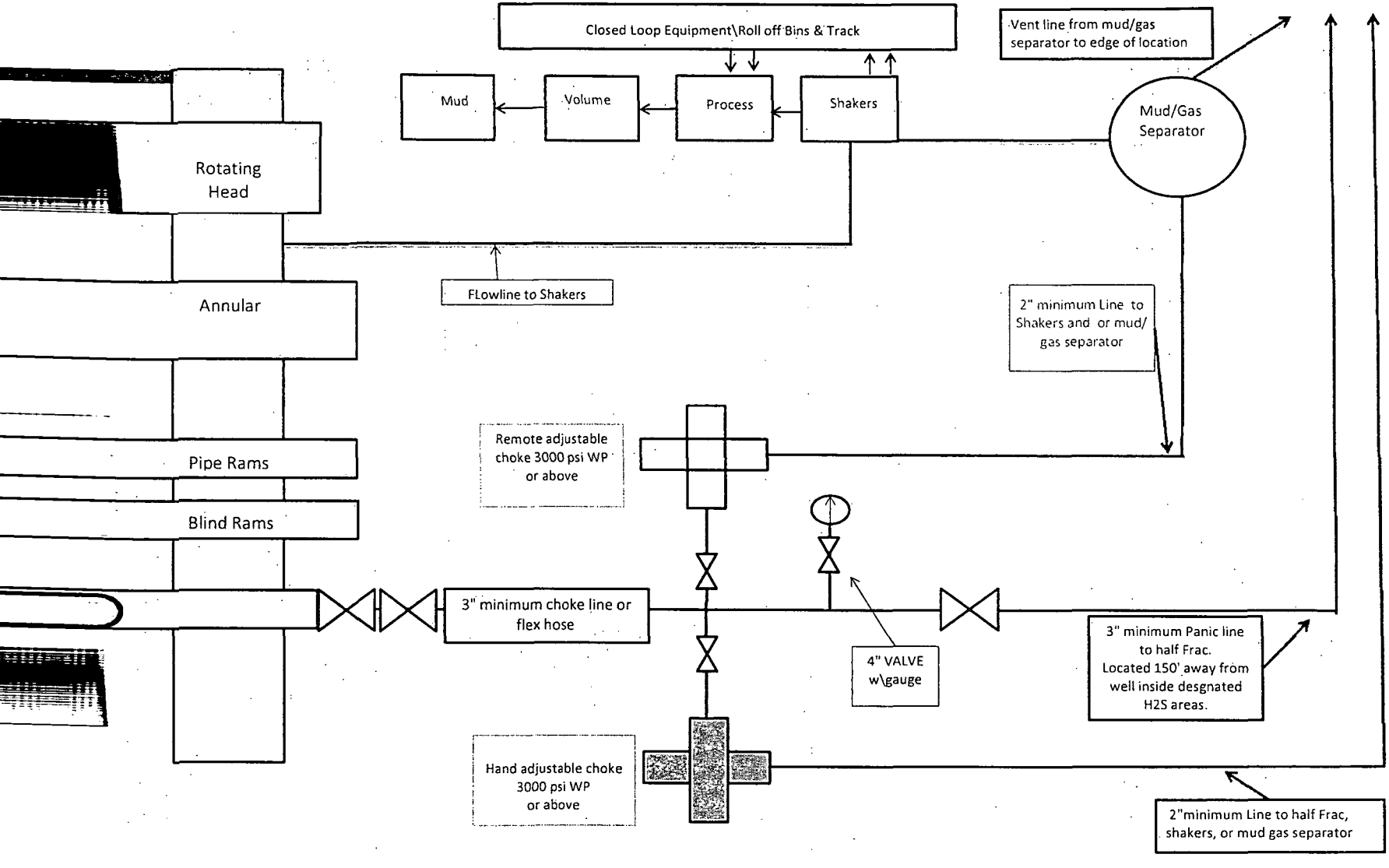
Offset TVD & local coordinates use Reference Wellpath settings (See WELLPATH DATUM on page 1 of this report)

Ellipse Start MD



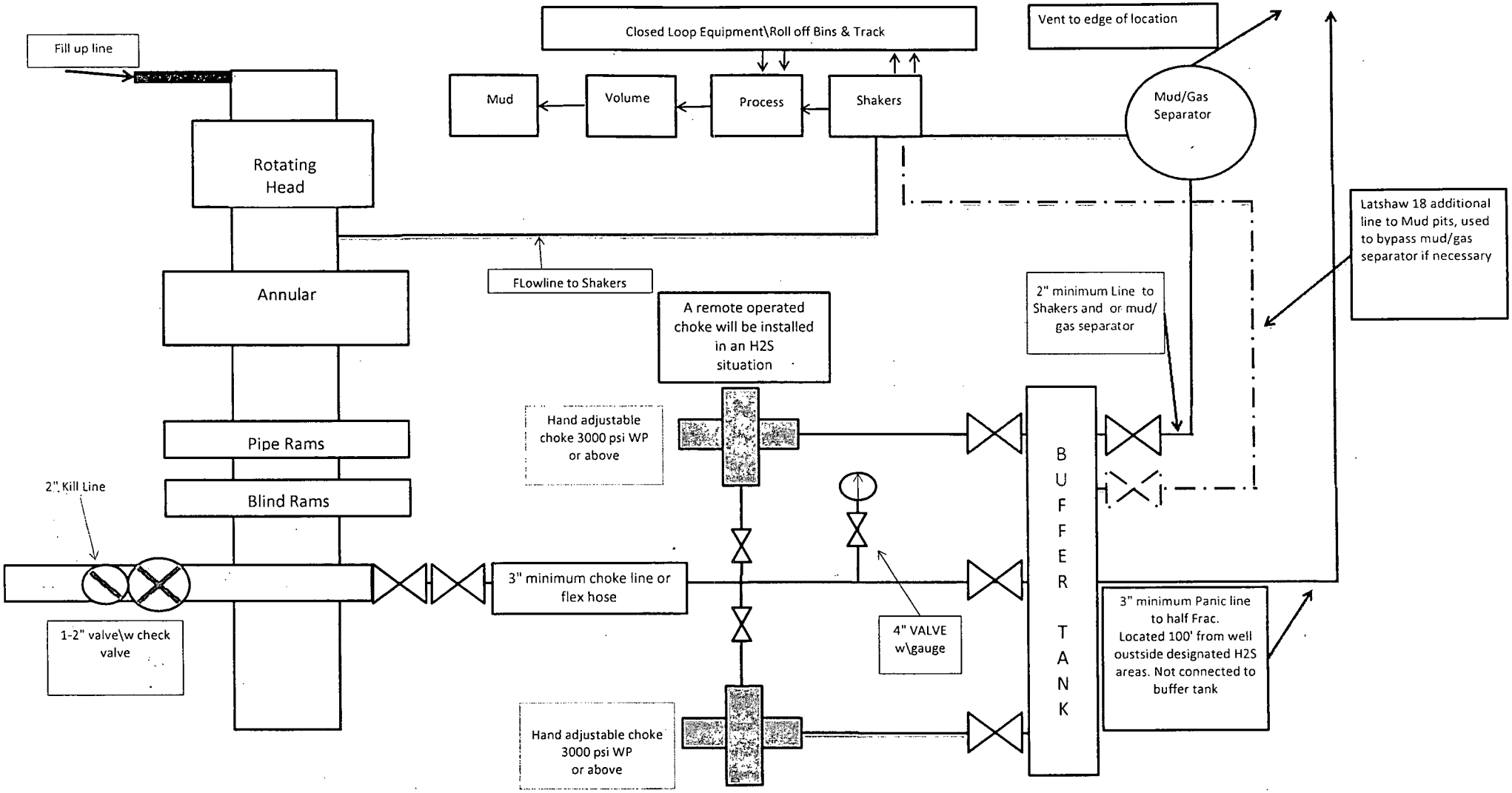
13-5/8" X 3-M BOPE (2 Rams and Rotating Head) & Closed Loop System Equipment Schematic
Diagram A

Note: all valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.



13-5/8" X 3-M BOPE (2 Rams and Rotating Head) & Closed Loop System Equipment Schematic
H2S contingency
Diagram B

Note: all valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.



Latshaw 4 closed loop system, with Latshaw 18 addition "clouded."

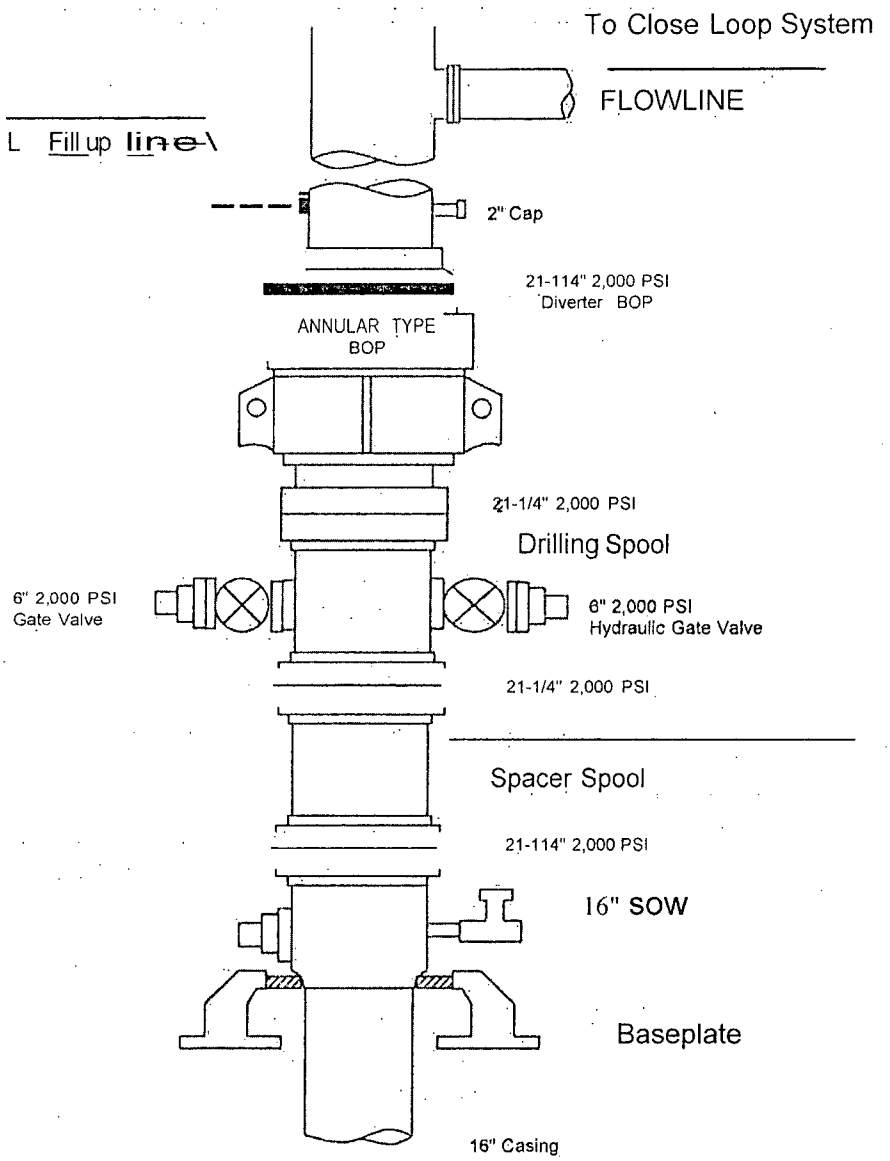
Latshaw 13-5/8" X 3-M BOPE (2 Rams and Rotating Head) & Closed Loop System Equipment Schematic Diagram C

Note: all valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.

BOPCO, L. P

20" 2,000 PSI Diverter

Diagram D



Note: Actual lengths of casing heads may vary. Always measure items prior to installing in order to ensure proper spacing.

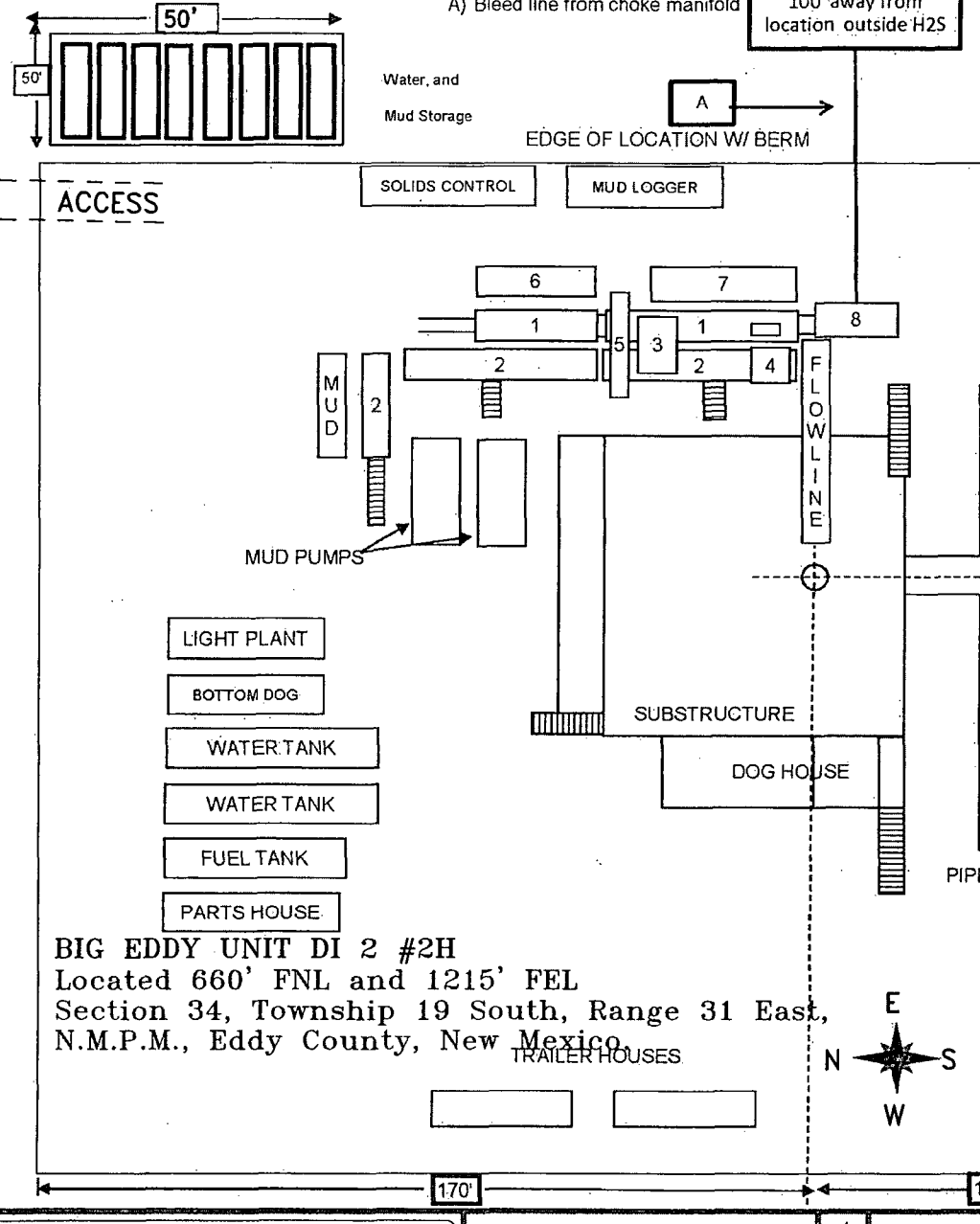
RIG LAYOUT

Exhibit "D"

RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

Solids Control Equipment Legend

1) Roll Off Bin
2) Steel Tank
3) Mud Cleaner
4) Shaker
5) Centrifuge
6) Dewatering Unit
7) Catch Tank
8) Choke Manifold
A) Bleed line from choke manifold



BIG EDDY UNIT DI 2 #2H
Located 660' FNL and 1215' FEL
Section 34, Township 19 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.

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

W.O. Number: KJG - 29136
Survey Date: 08-13-2013
Date: 08-16-2013

N

BOPCO, L.P.

Sheet 6 of 6 Sheets

MIDWEST

HOSE AND SPECIALTY INC.

INTERNAL HYDROSTATIC TEST REPORT		
Customer: LATSHAW DRILLING		**P.O. Number:** RIG#4
HOSE SPECIFICATIONS		
Type: CHOKE LINE		**Length:** 30'
I.D. 3" *INCHES*		**O.D.** 6" *INCHES*
WORKING PRESSURE 5,000 *PSI*	**TEST PRESSURE** 10,000 *PSI*	**BURST PRESSURE** *PSI*
COUPLINGS		
Type of End Fitting 4 1/16 5K FLANGE		
Type of Coupling: SWEDGED	**MANUFACTURED BY** MIDWEST HOSE & SPECIALTY	
PROCEDURE		
Hose assembly pressure tested with water at ambient temperature.		
TIME HELD AT TEST PRESSURE 1 *MIN.*	**ACTUAL BURST PRESSURE:** 0 *PSI*	
COMMENTS: SO#81610 Hose is covered with stainless steel armour cover and wraped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes		
Date: 3/2/2011	**Tested By:** BOBBY FINK	**Approved:** MENDI JACKSON

Midwest Hose & Specialty, Inc.

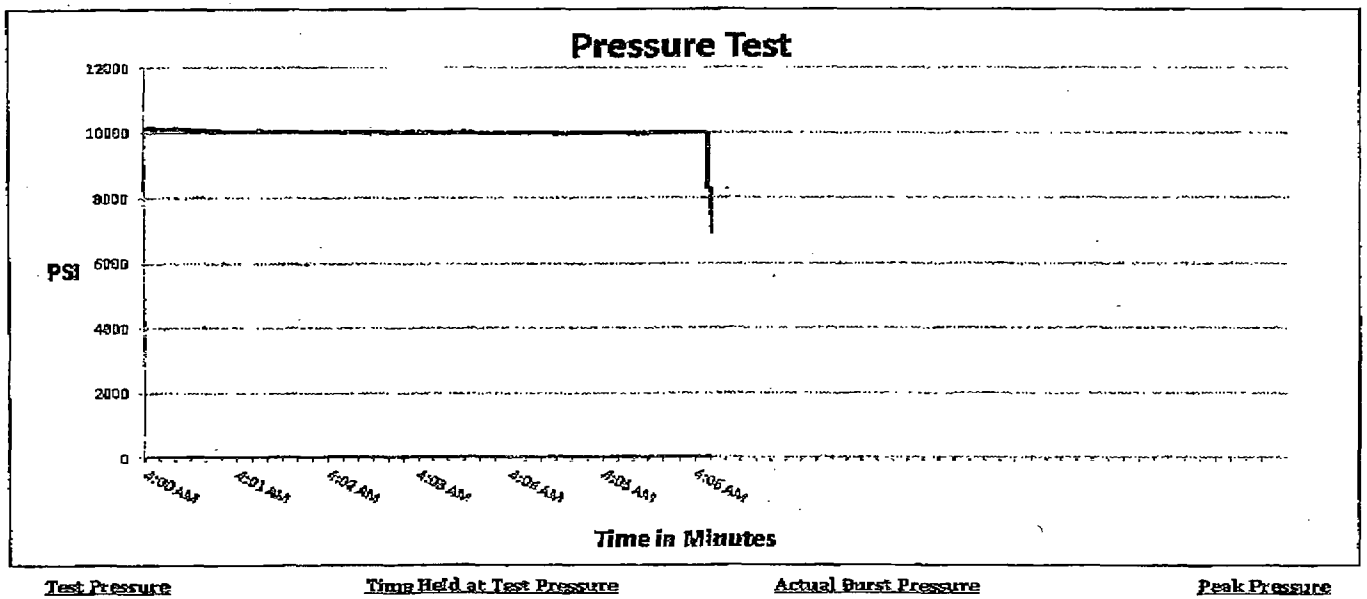
Internal Hydrostatic Test Graph

April 4, 2012

Customer: Latshaw

Pick Ticket #: 81610

Hose Specifications		Verification	
Hose Type	**Length**	**Type of Fitting**	**Coupling Method**
D	30'	41/16 5K	Swage
I.D.	**O.D.**	**Die Size**	**Final O.D.**
3"	4 15/32	5.12"	5.16"
Working Pressure	**Burst Pressure**	**Hose Serial #**	**Hose Assembly Serial #**
5000 PSI	Standard Safety Multiplier Applies	6884	81610



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
10000 PSI	6 1/4 Minutes		10195 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Donnie Mclemore*

Approved By: *Bobby Fink*

TABLE OF CONTENTS

H_2S CONTINGENCY PLAN SECTION

Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H_2S).

Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H_2S into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan:

Suspected Problem Zones:

Implementation: This plan, with all details, is to be fully implemented 500' above or three days prior to drilling into the first known sour zone

Emergency Response and Public Protection Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and Procedure: This section outlines the safety and emergency equipment that will be required for the drilling of this well.

Training Provisions: This section outlines the training provisions that must be adhered to 500 feet above or three days prior to drilling into the first known sour zone.

Emergency call lists: Included are the telephone numbers of all persons that would need to be contacted should an H_2S emergency occur.

Briefing: This section deals with the briefing of all persons involved with the drilling of this well.

Public Safety: Public Safety Personnel will be made aware of the drilling of this well.

EMERGENCY PROCEDURES AND PUBLIC PROTECTION SECTION

I. In the event of any evidence of H_2S levels above 10 ppm, take the following steps immediately:

A. Secure breathing apparatus.

B. Order non-essential personnel out of the danger zone.

C. Take steps to determine if the H_2S level can be corrected or suppressed, and if so, proceed with normal operations.

II. If uncontrollable conditions occur, proceed with the following:

A. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel and the New Mexico Oil & Gas of the situation.

B. Isolate area and prevent entry by unauthorized persons into the 100 ppm ROE.

C. Remove all personnel to the Safe Briefing Area.

D. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation. Phone number list attached.

E. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.

III. Responsibility:

A. The Company Approved Supervisor shall be responsible for the total implementation of the plan.

B. The Company Approved Supervisor shall be in complete command during any emergency.

C. The Company Approved Supervisor shall designate a back up Supervisor in the event that he/she is not available.

EMERGENCY PROCEDURE IMPLEMENTATION

I. Drilling or Tripping

A. All Personnel

1. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
2. Check status of other personnel (buddy system).
3. Secure breathing apparatus.
4. Wait for orders from supervisor.

B. Drilling Foreman

1. Report to the upwind Safe Briefing Area.
2. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
3. Determine the concentration of H_2S.
4. Assess the situation and take appropriate control measures.

C. Tool Pusher

1. Report to the upwind Safe Briefing Area.
2. Don breathing apparatus and return to the point of release with the Drilling Foreman or the Driller (buddy system).
3. Determine the concentration.
4. Assess the situation and take appropriate control measures.

D. Driller

1. Check the status of other personnel (in a rescue attempt, always use the buddy system).
2. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.

3. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.

E. Derrick Man and Floor Hands

1. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

F. Mud Engineer

1. Report to the upwind Safe Briefing Area.

2. When instructed, begin check of mud for pH level and H_2S level.

G. On-site Safety Personnel

1. Don Breathing Apparatus.

2. Check status of all personnel.

3. Wait for instructions from Drilling Foreman or Tool Pusher.

II. Taking a Kick

A. All personnel report to the upwind Safe Briefing Area.

B. Follow standard BOP procedures.

III. Open Hole Logging

A. All unnecessary personnel should leave the rig floor.

B. Drilling Foreman and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

IV. Running Casing or Plugging

A. Follow "Drilling or Tripping" procedures.

B. Assure that all personnel have access to protective equipment.

SIMULATED BLOWOUT CONTROL DRILLS

All drills will be initiated by activating alarm devices (air horn). Use one long blast on the air horn for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher at least one time per week for each of the following conditions, with each crew:

Drill # 1 Bottom Drilling

Drill # 2 Tripping Drill Pipe

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:		
Reaction Time to Shut-In:	minutes,	seconds.
Total Time to Complete Assignment:	minutes,	seconds.

I. Drill Overviews

A. Drill No. 1- Bottom Drilling

1. Sound the alarm immediately.
2. Stop the rotary and hoist kelly joint above the rotary table.
3. Stop the circulatory pump.
4. Close the drill pipe rams.
5. Record casing and drill pipe shut-in pressures and pit volume increases.

B. Drill No. 2 – Tripping Drill Pipe

1. Sound the alarm immediately.
2. Position the upper tool joint just above the rotary table and set the slips.

3. Install a full opening valve or inside blowout preventor tool in order to close the drill pipe.

4. Close the drill pipe rams.

5. Record the shut-in annular pressure.

II. Crew Assignments

A. Drill No. 1 – Bottom Drilling

1. Driller

   a) Stop the rotary and hoist kelly joint above the rotary table.

   b) Stop the circulatory pump.

   c) Check flow.

   d) If flowing, sound the alarm immediately.

   e) Record the shut-in drill pipe pressure.

   f) Determine the mud weight increase needed or other courses of action.

2. Derrickman

   a) Open choke line valve at BOP.

   b) Signal Floor Man # 1 at accumulator that choke line is open.

   c) Close choke and upstream valve after pipe tams have been closed.

   d) Read the shut-in annular pressure and report readings to Driller.

3. Floor Man # 1

   a) Close the pipe rams after receiving the signal from the Derrickman.

   b) Report to Driller for further instructions.

4. Floor Man # 2

   a) Notify the Tool Pusher and Operator Representative of the H_2S alarms.

   b) Check for open fires and, if safe to do so, extinguish them.

   c) Stop all welding operations.

   d) Turn-off all non-explosion proof lights and instruments.

   e) Report to Driller for further instructions.

5. Tool Pusher

   a) Report to the rig floor.

   b) Have a meeting with all crews.

   c) Compile and summarize all information.

   d) Calculate the proper kill weight.

   e) Ensure that proper well procedures are put into action.

6. Operator Representative

   a) Notify the Drilling Superintendent.

   b) Determine if an emergency exists and if so, activate the contingency plan.

B. Drill No. 2 – Tripping Pipe

1. Driller

   a) Sound the alarm immediately when mud volume increase has been detected.

   b) Position the upper tool joint just above the rotary table and set slips.

   c) Install a full opening valve or inside blowout preventor tool to close the drill pipe.

   d) Check flow.

e) Record all data reported by the crew.

f) Determine the course of action.

2. Derrickman

a) Come down out of derrick.

b) Notify Tool Pusher and Operator Representative.

c) Check for open fires and, if safe to do so, extinguish them.

d) Stop all welding operations.

e) Report to Driller for further instructions.

3. Floor Man # 1

a) Pick up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 2).

b) Tighten valve with back-up tongs.

c) Close pipe rams after signal from Floor Man # 2.

d) Read accumulator pressure and check for possible high pressure fluid leaks in valves or piping.

e) Report to Driller for further instructions.

4. Floor Man # 2

a) Pick-up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 1).

b) Position back-up tongs on drill pipe.

c) Open choke line valve at BOP.

d) Signal Floor Man # 1 at accumulator that choke line is open.

e) Close choke and upstream valve after pipe rams have been closed.

f) Check for leaks on BOP stack and choke manifold.

g) Read annular pressure.

h) Report readings to the Driller.

5. Tool Pusher

a) Report to the rig floor.

b) Have a meeting with all of the crews.

c) Compile and summarize all information.

d) See that proper well kill procedures are put into action.

6. Operator Representative

a) Notify Drilling Superintendent

b) Determine if an emergency exists, and if so, activate the contingency plan.

IGNITION PROCEDURES

Responsibility:

The decision to ignite the well is the responsibility of the DRILLING FOREMAN in concurrence with the STATE POLICE. The State Police shall be the Incident Command on the scene of any major release. Intentional ignition must be coordinated with the NMOCD and local officials. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.

2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Foreman is responsible for igniting the well.

2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.

3. Ignite from upwind and do not approach any closer than is warranted.

4. Select the ignition site best suited for protection and which offers an easy escape route.

5. Before igniting, check for the presence of combustible gases.

6. After igniting, continue emergency actions and procedures as before.

7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

NOTE: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide (SO_2), which is also highly toxic. Do not assume the area is safe after the well is ignited.

TRAINING REQUIREMENTS

When working in an area where Hydrogen Sulfide (H_2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel at the well site, whether regularly assigned, contracted, or employed on an unscheduled basis, have had adequate training by a qualified instructor in the following:

1. Hazards and Characteristics of Hydrogen Sulfide and Sulfur Dioxide.
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H_2S detection, emergency alarm and sensor location.
5. Emergency rescue.
6. First aid and artificial resuscitation.
7. The effects of Hydrogen Sulfide on metals.
8. Location safety.

In addition, Supervisory Personnel will be trained in the following areas:

1. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well as well as blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Contingency Plan and the Public Protection Plan.

Service company personnel and visiting personnel must be notified if the zone contains H_2S, and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

EMERGENCY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located in a known H_2S areas, H_2S equipment will be rigged up after setting surface casing. For wells located inside known H_2S areas, the flare pit will be located 150' from the location and for wells located outside known H_2S areas, the flare pit will be located 100' away from the location. (See page 6 of Survey plat package and diagram B or C.)

It is not anticipated that any H_2S is in the area, however in the event that H_2S is encountered, the attached H_2S Contingency Plan will be implemented. (Please refer to diagrams B or C for choke manifold and closed loop system layout.) See H_2S location layout diagram for location of all H_2S equipment on location.

All H_2S safety equipment and systems will be installed, tested and be operational when drilling reaches a depth of 500' above, or three days prior to penetrating a known formation containing H_2S.

Lease Entrance Sign:

Caution signs should be located at all roads providing direct access to the location. Signs shall have a yellow background with black lettering and contain the words "CAUTION" and "POISON GAS" that is legible from a distance of at least 50 feet.

LEASE NAME
CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION

Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location)

Hydrogen Sulfide Detector and Alarms:

- H_2S monitors with alarms will be located on the rig floor, at the cellar, and at the mud pits. These monitors will be set to alarm at 10 PPM with a red light and to alarm at 15 PPM with a red light and audible alarm.

Well Condition Flags:

The Well Condition flags should be located at all roads providing direct access to the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions
YELLOW – Potential Danger
RED – Danger, H_2S Gas Present

Respiratory Equipment:

- Fresh air breathing equipment should be placed at the company supervision trailer and the safe briefing areas and should include the following:
  - A minimum of two SCBA's at each briefing area and the supervisor company supervision trailer.
  - Enough air line units to operate safely, anytime the H_2S concentration reaches the IDLH level (100 PPM).
  - Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

Mud Program:

The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

Metallurgy:

All drill strings, casing, tubing, wellhead; blowout preventer, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.

Well Control Equipment:

- Flare Line (See page 6 of survey plat package for flare line reference).
- Choke manifold (See diagram B or C and refer to H2S location diagram for location of important H2S safety items).
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing units.
- Auxiliary equipment may include, if applicable, annular preventer & rotating head.

Communication Equipment:

- Proper communication equipment such as cell phones or 2 – way radios should be available for communication between the company man's trailer, rig floor and tool pusher's trailer.

Well Testing:

- There will be no drill stem testing.

Evacuation Plan:

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

Designated Areas:

Parking and Visitor area:

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- A smoking area will be designated at a pre-determined safe distance from the wellhead and any other possible flammable areas.

Safe Briefing Areas:

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.

- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

NOTE:

- Additional equipment will be available at Indian Fire and Safety in Hobbs, NM or at Total Safety in Hobbs, NM.

EVACUATION PLAN

General Plan

The direct lines of action to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foremen, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the Area Map.

2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.

3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.

4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, Company approved safety personnel will determine when the area is safe for re-entry.

See Emergency Action Plan

Contacting Authorities

BOPCO L.P. 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 including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H_2S CONTINGENCY PLAN EMERGENCY CONTACTS

BOPCO L.P. Midland Office 432-683-2277

Key Personnel

Name	Title	Cell Phone Number
Stephen Martinez	Drilling & Completions Manager	432-556-0262
Charles Warne	Engineer	432-312-4431
Chris Giese	Engineer	432-661-7328
Leo Bojorquez	Area Drilling Superintendent	702-280-4424
Brian Braun	Engineer	210-683-9849
Chris Volek	Engineer	785-979-2643

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National Emergency Response Center (Washington, DC)	800-424-8802

Other

Wild Well Control	432-550-6202 (Permian Basin)
Cudd PressureControl	432-580-3544 or 432-570-5300 (Permian Basin)
Flight For Life – 4000 24th St. Lubbock, Texas	806-743-9911
Aerocare – R3, Box 49F, Lubbock, Texas	806-747-8923
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuq., NM	505-842-4433
S B Air Med Service – 2505 Clark Carr Loop SE, Albuq., NM	505-842-4949
Indian Fire and Safety – 3317 NW Cnty Rd, Hobbs, NM	575-393-3093
Total Safety – 3229 Industrial Dr., Hobbs, NM	575-392-2973

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity = 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in Table I. Physical effects at various Hydrogen Sulfide exposure levels are shown in Table II.

Table I - TOXICITY OF VARIOUS GASES

Common Name	Chemical Formula	Specific Gravity (SC=1)	Threshold Limit (1)	Hazardous Limit (2)	Lethal Concentration (3)
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/HR	300 PPM
Hydrogen Sulfide	H2S	1.18	10 PPM	250 PPM/HR	600 PPM
Sulfur Dioxide	SO2	2.21	5 PPM	--	1000 PPM
Chlorine	CL2	2.45	1 PPM	4 PPM/HR	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/HR	1000 PPM
Carbon Dioxide	CO2	1.52	5000 PPM	5%	10%
Methane	CH4	0.55	90,000 PPM	Combustible in air	Above 5%

1) **Threshold Limit – Concentration at which it is believed that all worker may be repeatedly exposed day after day without adverse effects.**

2) **Hazardous Limit – Concentration that will cause death with short-term exposure.**

3) **Lethal Concentration – Concentration that will cause death with short-term exposure.**

Table II – PHYSICAL EFFECTS OF HYDROGEN SULFIDE

Percent (%)	PPM	Concentration Grains 100 STD. FT3*	Physical Effects
0.001	< 10	00.65	Obvious & unpleasant odor.
0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kills smell in 3-15 minutes. May sting eyes & throat.
0.020	200	12.96	Kills smell shortly; stings eyes & throat.
0.050	500	32.96	Dizziness; Breathing ceases in a few minutes. Needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; Death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; Followed by death within minutes.

- At 15.00 PSIA and 60° F.

USE OF SELF-CONTAINED BREATHING APPARATUS

1. Anyone who uses an SCBA shall: Be approved by a physician or licensed health care practitioner; Pass a fit test; Be trained in donning and doffing, proper use, including how to ensure a proper face seal, conducting an inspection of the SCBA, and conduct proper maintenance.

2. Such items as facial hair (beard or sideburns) and eyeglasses will not allow a proper face mask seal.

3. Anyone reasonably expected to wear SCBA's shall have these items removed before entering a toxic atmosphere.

4. A special mask with a mount for prescription glasses must be obtained for anyone who must wear eyeglasses in order to see while using an SCBA.

5. SCBA's should be worn in H_2S concentrations above 10 PPM.

RESCUE & FIRST AID FOR H_2S POISONING

DO NOT PANIC – REMAIN CALM – THINK

1. Hold your breath – do not inhale first.

2. Put on SCBA.

3. Remove victim(s) to fresh air as quickly as possible. Go upwind from source or at right angle to the wind. Do not go downwind.

4. Briefly apply chest pressure – using arm lift method of artificial respiration to clean victim's lungs and to avoid inhaling any toxic gas directly from victim's lungs.

5. Provide artificial respiration if needed.

6. Provide for prompt transportation to the hospital and continue giving artificial respiration if needed.

7. Inform hospital/medical facilities of the possibility of H2S gas poisoning before they treat.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration and CPR, as well as first aid for eyes and skin contact with liquid H_2S.

Proposed H2S Safety Schematic

1) Location of windsocks.

2) Location of H2S alarms

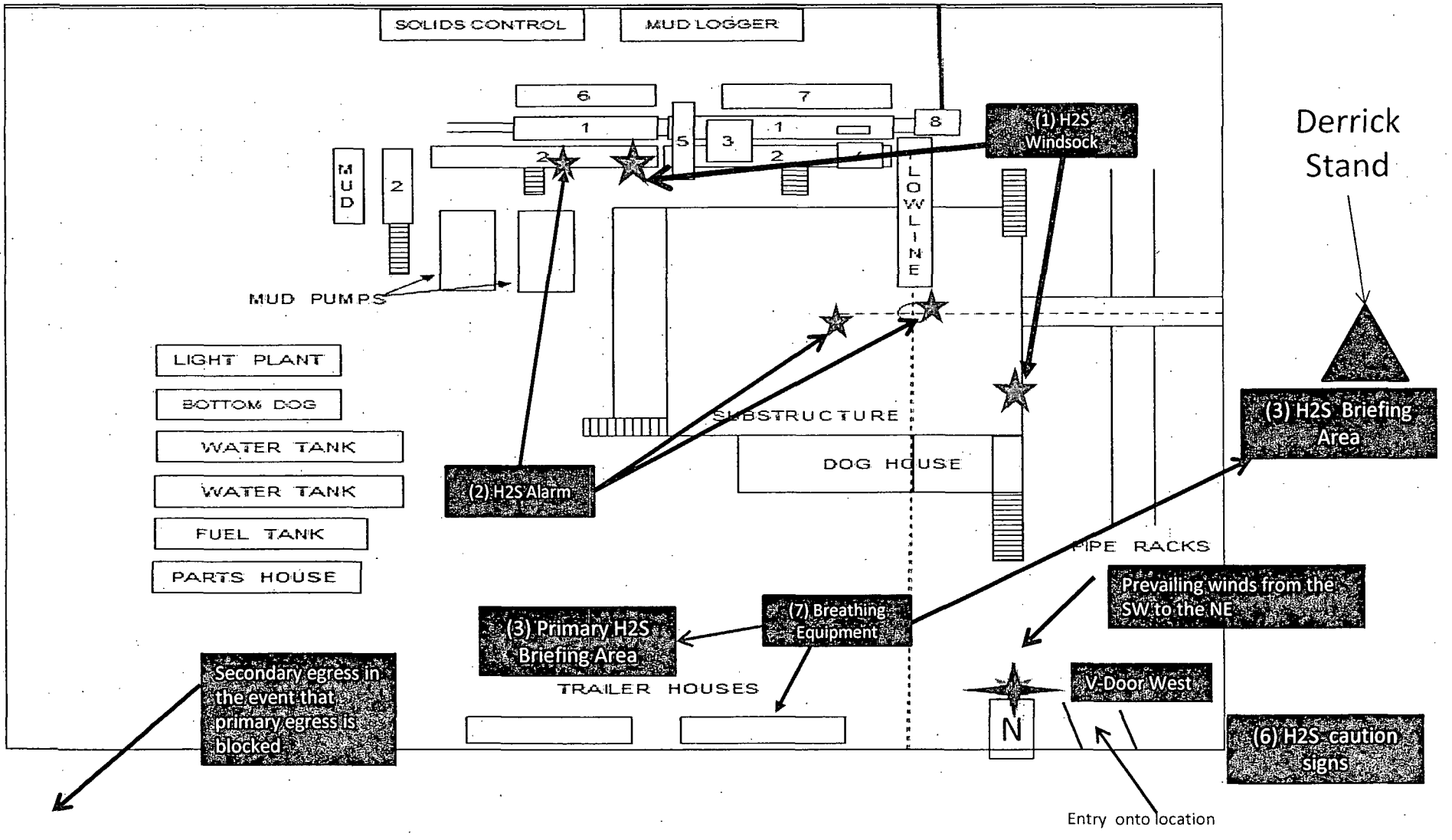
3) Location of briefing areas.

4) Terrain of surrounding area (Please refer to page 2 of survey plat package also see point 11 of multi-surface use plan)

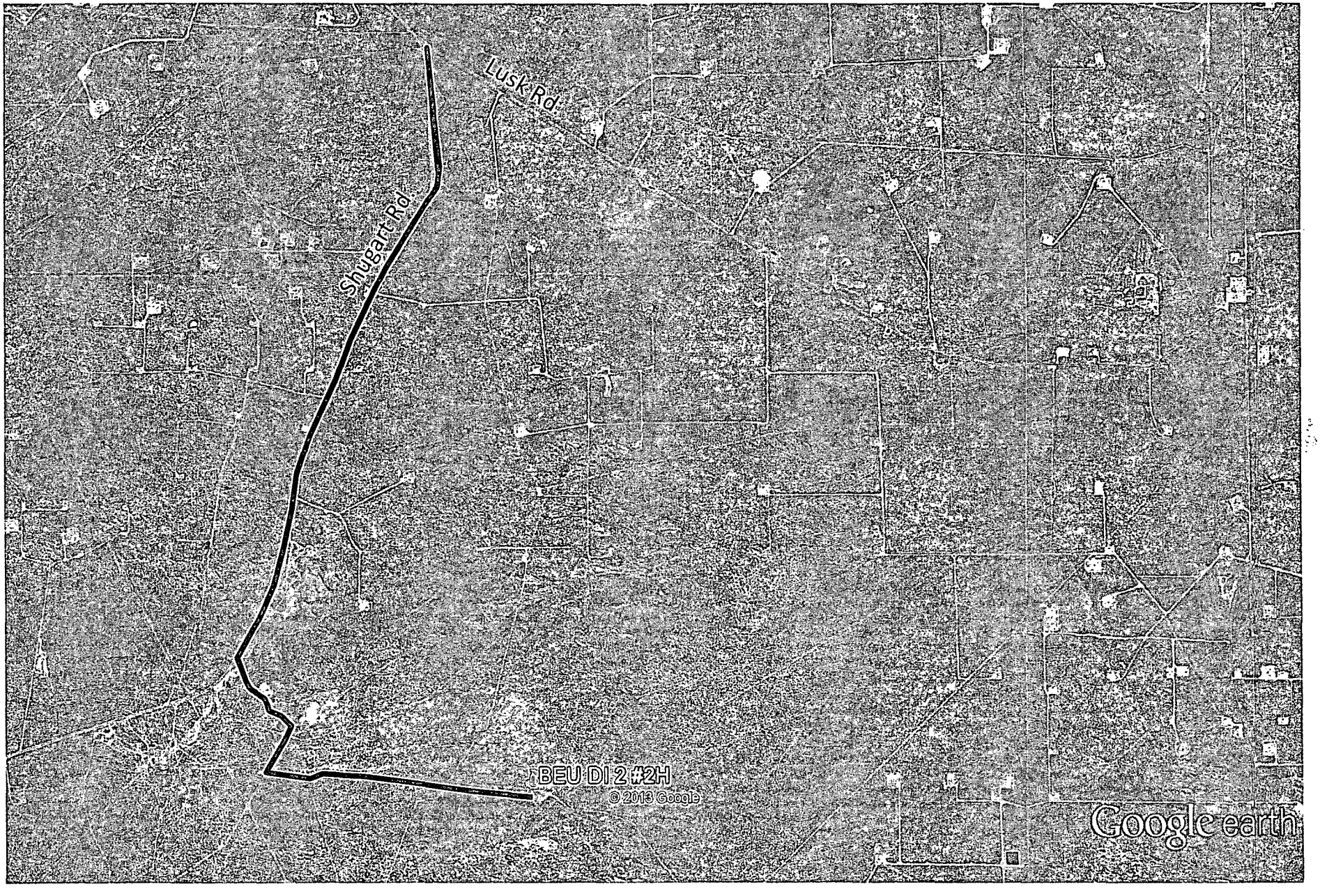
5) Location of flare line(s) and pit(s) (Please refer to diagram 2 choke manifold diagram and or page six of survey plat packet)

6) Location of caution and/or danger signs.

(7) Location of Breathing Equipment



Access Road Diagram



Location On-Site Notes

Location on-site conducted by Cecil Watkins-BOPCO L.P., Randy Amanda Lynch-BLM, and Robert Gomez-Basin Survey on 8/8/2013. The Big Eddy Unit DI 2 #2H was moved to a new surface footage call of 660' FNL & 1215' FEL of Sec 34-T19S-R31E in order to clear the Hackberry SWD. This well will be a dual pad with BEU DI 2 #1H. Location layout is as follows: v-door will face the west, frac tank pad will be on south/southeast corner, access road will enter location from the north side and topsoil will be stockpiled to the south side of location.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: BIG EDDY UNIT DI 2 #2H
LEGAL DESCRIPTION - SURFACE: 660' FNL, 1215' FEL, Section 34, T19S, R31E, Eddy County, NM.
BHL: 2000' FNL, 2290' FEL, Section 33, T19S, R31E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Form C-102 (Survey Plat).

B) Existing Roads:

From the junction of Lusk and Shugart, go west on Shugart for 2.8 miles to lease road. On lease road go south 0.5 miles to proposed lease road.

C) Existing Road Maintenance or Improvement Plan:

Existing roads will be maintained and kept in the same or better condition than before operations began. See the Well Pad Layout and Topo Map of the survey plat (Sheet 1 and 2 of plat package).

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

No new lease road will be built. (See the Well Pad Layout of the survey plat (Sheet 1 of plat package).

B) Width

14' wide.

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

D) Turnout Ditches

As required by BLM stipulations.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

The following wells are located within a one-mile radius of the location site. See the One-Mile Radius Map (Sheet 5 of the plat package).

Existing wells.....3 (Three)
Water wells.....0 (Zero)

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

A) The BEU Hackberry 34 Federal Battery is within one mile.

B) New Facilities in the Event of Production:

New production facilities will be built at BEU Hackberry 34 Federal Battery. A new separator / treater will be set at BEU Hackberry 34 Federal Battery. There should not be a need for any pad expansion to accommodate the new facilities. A new flowline 2-7/8" or 3-1/2" in diameter is to be run above ground, approx. +/- 0.1 mile in length. The steel flowline is expected to carry oil, water, and gas. Power will be run to this location following existing lease roads and will be within 15'-30' of the edge of the lease road. In the event that the power is not accessible or is insufficient, power will be supplied by a generator until adequate power can be supplied from the utility company.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

See Point 10

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

A) Location and Type of Water Supply

Fresh water will be hauled from Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from commercial facilities.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

On-site caliche will be used. If this is not sufficient, caliche will be hauled from a BLM approved pit.

B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See the Well Pad Layout and Aerial Map of the survey plat (Sheet 1 and 4 of plat package).

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the roll off bins and disposed at R360 Environmental Solutions located in Lea County, NM.

B) Drilling Fluids

Drilling fluids will be contained in the steel pits, frac tanks and disposed at licensed disposal sites.

C) Produced Fluids

Water production will be contained in the steel pits.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

The "Rig Layout Schematic" (Sheet 6 of plat package) shows the dimensions of the well pad, closed loop system, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary. **The top soil will be stockpiled on the south side of the location.**

B) Locations of Access Road

See the Well Pad Layout, Topo Map, and Vicinity Map of the survey plat (Sheet 1, 2, and 3 of plat package).

C) Lining of the Pits

No reserve pits - closed loop system.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup - Not applicable. Closed loop drilling fluid system will be used

B) Restoration Plans - Production Developed

BOPCO, L.P. has no plans for interim reclamation to allow for additional wells to be drilled on this pad

C) Restoration Plans - No Production Developed

BOPCO, L.P. has no plans for interim reclamation to allow for additional wells to be drilled on this pad

POINT 11: OTHER INFORMATION

A) On-Site

Location on-site conducted by Cecil Watkins-BOPCO L.P., Randy Amanda Lynch-BLM, and Robert Gomez-Basin Survey on 8/8/2013. The Big Eddy Unit DI 2 #2H was moved to a new surface footage call of 660' FNL & 1215' FEL of Sec 34-T19S-R31E in order to clear the Hackberry SWD. This well will be a dual pad with BEU DI 2 #1H. Location layout is as follows: v-door will face the west, frac tank pad will be on south/southeast corner, access road will enter location from the north side and topsoil will be stockpiled to the south side of location.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There are no water wells located within a 1 mile radius of the proposed location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

No independent archeological survey has been done. This well location is located in the area covered by Memorandum of Agreement – Permian Basin. A Payment of $1,507.00 fee for this project is included in this application. Any location or construction conflicts will be resolved before construction begins. Please see diagram 4 for flowline route.

J) Surface Ownership

The well site is on federally owned land. There will be no new access roads required for this location.

K) Well signs will be posted at the drilling site.

L) Open Pits

No open pits will be used for drilling or production. Any open top tanks will be netted.

M) Terrain

Slightly rolling hills.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use).

DRILLING
Stephen Martinez
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION
Gary Fletcher
3104 East Green Street
Carlsbad, New Mexico 88220
(575) 887-7329

F.D. "Fritz" Schoch
Box 2760
Midland, Texas 79702
(432) 683-2277

CJL

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, LP
LEASE NO.:	LC069705
WELL NAME & NO.:	2H-BIG EDDY UNIT DI
SURFACE HOLE FOOTAGE:	660' FNL & 1215' FEL
BOTTOM HOLE FOOTAGE	2000' FNL & 2290' FEL (Sec. 33)
LOCATION:	Section 34, T. 19 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

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

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

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

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

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

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.

VI. CONSTRUCTION

A. NOTIFICATION

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

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

B. TOPSOIL

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

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

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

G. ON LEASE ACCESS ROADS

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

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

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

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

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

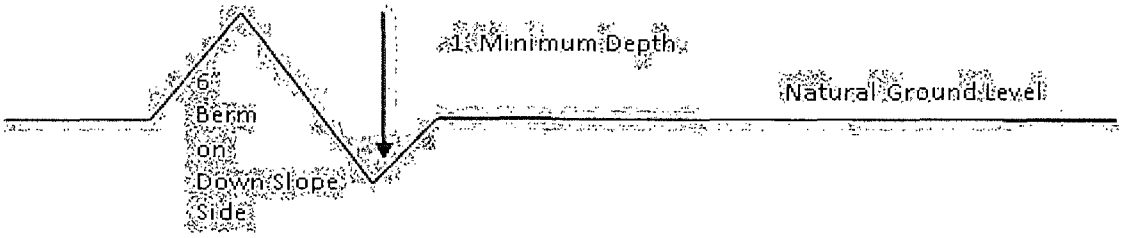
Ditching
Ditching shall be required on both sides of the road.

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

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

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

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

Culvert Installations
Appropriately sized culverts shall be installed at deep waterway channel flow crossings through the road.

Cattleguards
An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings.

Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

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

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

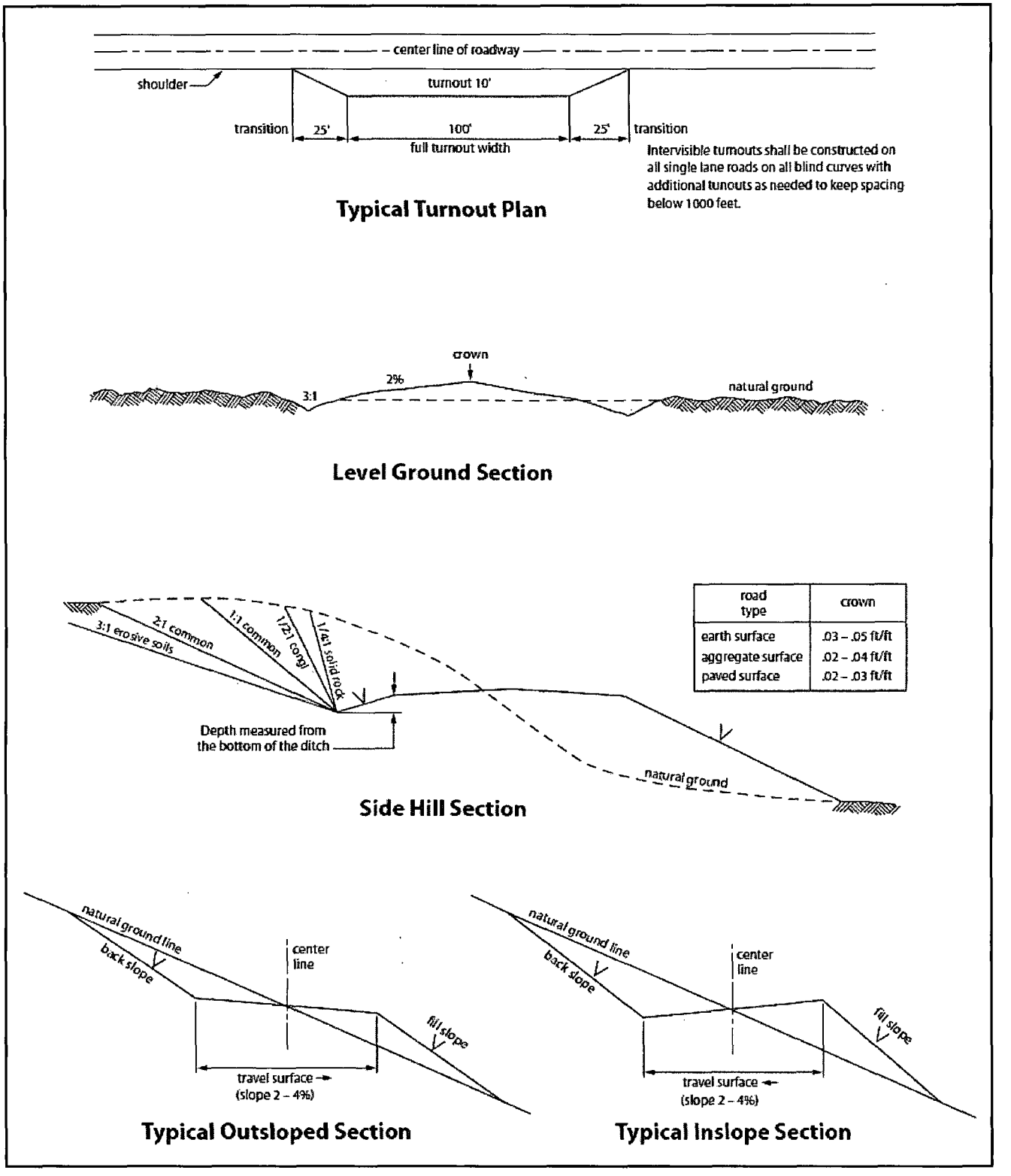


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

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

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

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is encountered in quantities greater than 10 PPM the well shall be shut in and H2S equipment shall be installed and flare line must be extended pursuant to Onshore Oil and Gas Order #6. After detection, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.**

2. Approved for drilling/skidding operation in conjunction with the Big Eddy Unit DI2 #1H.

3. 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 is located, this does not include the dog house or stairway area.

4. **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.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. 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.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Secretary's Potash
Possibility of water flows in the Salado, Castile, and Delaware.
Possibility of lost circulation in the Rustler, Capitan Reef, Delaware, and Bone Spring.

1. The **16** inch surface casing shall be set at approximately **1068** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

    d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **13-3/8** inch 1st intermediate casing is:

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

3. The minimum required fill of cement behind the **9-5/8** inch 2nd intermediate casing, which shall be set at **4300** feet (set casing in the base of the Capitan Reef), is:

Operator has proposed DV tool at depth of 2764', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.

b. Second stage above DV tool:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Capitan Reef and potash. Additional cement may be required – excess calculates to 17%.**

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

4. The minimum required fill of cement behind the **7** inch production casing is:

Operator has proposed DV tool at depth of 5000', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.

b. Second stage above DV tool:

☒ Cement should tie-back at least **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 2736'). Operator shall provide method of verification. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**

5. Cement not required on the **4-1/2"** casing. **Packer system being used.**

6. 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.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

1. **A variance is granted for the use of a diverter on the 16" surface casing.**

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8 inch 1st intermediate casing shoe shall be **3000 (3M)** psi.

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.

b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 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).

c. 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.

d. The results of the test shall be reported to the appropriate BLM office.

e. 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.**

f. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

CRW 111913

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

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

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

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

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

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

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

B. PIPELINES
STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

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

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

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

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

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent

provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
b. Activities of other parties including, but not limited to:
    (1) Land clearing.
    (2) Earth-disturbing and earth-moving work.
    (3) Blasting.
    (4) Vandalism and sabotage.
c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

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

6. All construction and maintenance activity will be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize

suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

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

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

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

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

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

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

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

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

Lesser Prairie-Chicken: Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

C. ELECTRIC LINES (Not Applied for in APD)

IX. INTERIM RECLAMATION

Since it is expected that multiple wells will be drilled from this location in the future, no interim reclamation will be required. However, during the life of the development, all disturbed areas not needed for future wells or active support of production operations should undergo reclamation in order to minimize the environmental impacts of development on other resources and uses.

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

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

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

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

X. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

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

Seed Mixture 2, for Sandy Sites

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

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

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

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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