

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 7-31-15

Well information;

Operator Bridgeway Well Name and Number Prairie Falcon 19-29 # 17

API# 30045-35737, Section 19, Township 31 N/S, Range 14 E/W

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Charl...
NMOCD Approved by Signature

11-25-2015
Date KC

RECEIVED ELECTRONIC REPORT

NOV 18 2015

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

JUL 31 2015

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

Form fields including: 1a. Type of Work: [X] DRILL [] REENTER; 1b. Type of Well: [X] Oil Well [] Gas Well [] Other [X] Single Zone [] Multiple Zone; 2. Name of Operator: BRIDGECREEK RESOURCES CO; 3a. Address: 405 URBAN STREET, SUITE 400 LAKEWOOD, CO 80228; 3b. Phone No.: 303-945-2642; 4. Location of Well: SESE 151FSL 335FEL; 10. Field and Pool, or Exploratory: VERDE GALLUP; 11. Sec., T., R., M., or Blk. and Survey or Area: Sec 19 T31N R14W Mer NMP SME: BIA; 12. County or Parish: SAN JUAN; 13. State: NM; 14. Distance in miles and direction from nearest town or post office*: 13.5 MILES FROM KIRTLAND NM POST OFFICE; 15. Distance from proposed location to nearest property or lease line, ft.: 151 FEET FROM THE SOUTH LINE; 16. No. of Acres in Lease: 8915.98; 17. Spacing Unit dedicated to this well: 20.00; 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.: 148 FEET FROM NEAREST APPLIED FOR WELL; 19. Proposed Depth: 4103 MD 4078 TVD; 20. BLM/BIA Bond No. on file: B008918; 21. Elevations (Show whether DF, KB, RT, GL, etc.): 5602 GL; 22. Approximate date work will start: 09/08/2015; 23. Estimated duration: 10

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall 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 shall 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 authorized officer.

Signature and Title fields: 25. Signature (Electronic Submission): CHRISTINE CAMPBELL; Name (Printed/Typed): CHRISTINE CAMPBELL; Date: 07/31/2015; Title: REGULATORY LEAD; Approved by (Signature): [Signature] Connie Clementson; Name (Printed/Typed): Connie Clementson; Date: NOV 13 2015; Title: Field Manager; Office: TRES RIOS FIELD OFFICE

APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS

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

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

Additional Operator Remarks (see next page)

SEE ATTACHED CONDITIONS OF APPROVAL

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto... Electronic Submission #311084 verified by the BLM Well Information System For BRIDGECREEK RESOURCES COLO LLC, sent to the Durango committed to AFMSS for processing by BARBARA TELECKY on 08/13/2015 (15BDT0365AE)

Venting / Flaring approved for 30 days per NTL-4A

NMOCD

NOV 24 2015

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 893-6161 Fax: (575) 893-0720

DISTRICT II
811 E. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 834-6178 Fax: (505) 834-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.045.35737	² Pool Code 102510	³ Pool Name Verde Gallup
⁴ Property Code 315676	⁵ Property Name PRAIRIE FALCON 19-29	
⁶ GRID No. 310202	⁷ Operator Name BRIDGECREEK RESOURCES (COLORADO), LLC	⁸ Well Number 17
		⁹ Elevation 5602

¹⁰ Surface Location

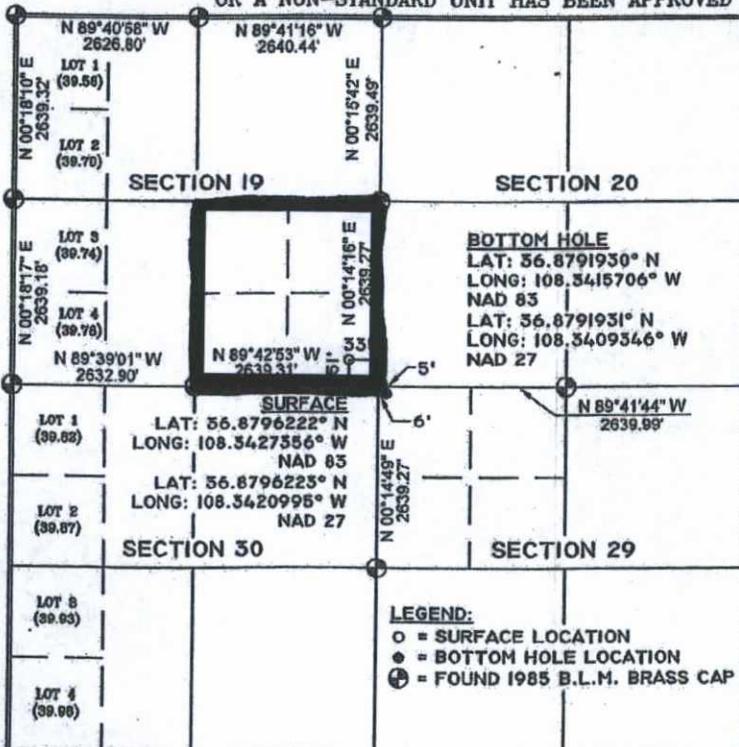
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	31 N	14 W		151	SOUTH	335	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	31 N	14 W		5	NORTH	6	WEST	SAN JUAN

¹² Dedicated Acres 40 SESE Sec. 19	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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



17 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.

11/15/15
Signature: Christine Campbell
Printed Name: Christine Campbell
E-mail Address: ccampbell@bridgecreekresources.com

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

06/24/15
Date of Survey
Signature and Seal: Marshall W. Linden
17078
7-24-15
PROFESSIONAL SURVEYOR
17078
Certificate Number

Attachment I--Drilling Plan

**Attachment to Application for Permit to Drill
Drilling Plan**

Bridgecreek Resources (Colorado), LLC
405 Urban St, Suite 400
Lakewood, CO 80228

PRAIRIE FALCON 19-2917

Surface Location: 151' FSL – 335' FEL
Section 19, T31N, R14W, N.M.P.M.
Latitude = 36.8796222° N
Longitude = 108.3427356°W
Ungraded GL Elev. = 5602'
Graded GL Elev. = 5602'

Proposed Bottom Hole Location: 5' FNL – 6' FWL
Section 29, T31N, R14W, N.M.P.M.
Latitude = 36.87919303° N
Longitude = 108.3415706° W

SAN JUAN COUNTY, NEW MEXICO

Drilling Program written in compliance with Onshore Oil and Gas Order No. 1 (OOI III.D.3, effective May 7, 2007) and Onshore Order No. 2, Dated November 18, 1988

Drilling Plan:

The PRAIRIE FALCON 19-2917 well is intended to be drilled as a slightly deviated well with limited directional guidance to the Graneros formation. After a 16" conductor is preset at a depth of 40' below ground level, the location will be prepared for operations, including all prudent storm water controls. This well will be drilled using a closed-loop mud system without the use of an earthen reserve pit.

The well will be spud with using a 12 1/4" bit and fresh water-based mud to a depth of 1,065' MD. At a minimum, wireline directional surveys will be run at intervals not exceeding 500'. At a depth of +/- 1,065' MD (to be adjusted according to KB of rig selected), 9-5/8" 36#/ft. J-55 STC surface casing will be run and cemented into place. Surface casing will be set at 1,065' MD or 50' into the Top Menefee, whichever is deeper. Top Menefee will be determined by mudlogger. If, for some reason the cement is not circulated to surface, or if cement falls further than 10' from ground level, the 9-5/8" x 12-1/4" annulus will be filled to the surface from the top of cement using 1" tubing.

The surface casing will be drilled out using an 8-3/4" bit, performance BHA and water based mud to a total depth (TD) of 4,102' MD. Upon reaching TD, we will utilize open hole logs to evaluate prospective interval(s) from the Mancos marker to the top of the Greenhorn formation in which to perforate for stimulation. Planned logs to be run include Dipole/GR/DIL/DEN/NEU/ML from TD to surface casing. Optional percussion sidewall cores from surface casing to TD are also included.

Depending on geologic conditions observed through mud logger analysis and results from open hole logs, Bridgecreek may elect to run and cement 5 1/2" 17#/ft. N-80 LTC casing and cement into place.

1. Estimated Tops for Important Geological Formations

Formation	Est/ MD	TVD	Comments
Pictured Cliffs	0'	0'	Aquifer (Water)
Cliffhouse	884'	884'	Aquifer (Water)
Menefee	1,015'	1,015'	Deepest Coal
Point Lookout	1,838'	1,834'	None
Upper Mancos	2,153'	2,146'	None
MRZ	2,590'	2,580'	Possible Pay (Oil/Gas)
EIVado	3,250'	3,234'	Possible Pay (Oil/Gas)
Tocito	3,502'	3,483'	Possible Pay (Oil/Gas)
Juana Lopez	3,670'	3,650'	Possible Pay (Oil/Gas)
Greenhorn	4,029'	4,005'	Possible Pay (Oil/Gas)
Graneros	4,096'	4,071'	None

2. Anticipated Depths of Prospective Oil, Gas and Other Hydrocarbons

Primary objectives are productive zones within the Mancos (Top Mancos is anticipated at approximately 2,146' TVD) through the Greenhorn (Top Greenhorn is anticipated at approximately 4,005' TVD).

3. Minimum Specifications For Pressure Control Equipment Complies with Onshore Order #2.A.1

The working pressure of all BOP shall exceed the anticipated surface pressure to which it may be subjected, assuming a partially evacuated hole with a pressure gradient of 0.22 psi/ft.

Bottom Hole pressure = 4,078' TVD x 0.45 psi/ft = 1,835 psi (based on measured offset bottom hole pressures, see plan point 8 for details).

Maximum Surface Pressure = 1,835 psi - (4,078' TVD x .22 psi/ft)
 = 1,835 psi - 897 psi
 = 938 psi (less than 3000 psi working pressure.)

Therefore 3000 psi BOP system required.

A. Wellhead Equipment 3,000 PSI System (See Exhibit A)

1. 9 5/8" slip-on / welded x 11" 3,000 psi casing head.
2. One (1) 11" x 3,000 psi WP single-ram preventer with one (1) set of pipe rams, complete with hand wheels and extension arms.
3. One (1) 11" 3,000 psi WP drilling spool with side outlets for 2" kill line and minimum 3" choke line
4. One 11" 3,000 psi WP double-ram preventer with one (1) set of blind rams on bottom & one (1) set of pipe rams on top complete with hand wheels and extension arms.

5. One 11" x 3,000 psi WP Hydril GK (or equivalent) annular preventer.
6. Accumulator - Four Station Koomey (or equivalent) 120 gallon closing unit with remote, backup. The accumulator shall have sufficient capacity to open the hydraulically-controlled gate valve and close all rams plus the annular preventer, with a 50% safety factor and retain a minimum of 200 psi above the pre-charge on the closing manifold without the use of the closing unit pumps. The reservoir capacity shall be double the usable accumulator capacity, and the fluid level shall be maintained at the manufacturer's recommendations.
7. The BOP system shall have two (2) independent power sources (electric and air) available for powering the closing unit pumps. Sufficient nitrogen bottles are suitable as a backup power source only, and shall be recharged when the pressure falls below manufacturer's specification.
8. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

All BOP equipment will be hydraulically operated with controls accessible both on the rig floor and on the ground.

B. Auxiliary Equipment To Be Used – Minimum 3,000 PSI System (See Exhibit B)

1. Upper & lower kelly cock valve with handles available.
2. Safety valve and subs to fit drill pipe, on rig floor.
3. Choke manifold for 3,000 psi system with 2 chokes (pressure gauge on manifold).
4. Two (2) kill lines (2" minimum, one remote to end of substructure) both with 2" kill line full open valves, plus a check valve for each line.
5. Minimum 3" choke line.
6. Two choke line gate valves, 3" minimum, with one choke line gate valve being hydraulically operated.
7. Two chokes (1 remote, 1 manual) on choke manifold
8. Fill-up line above the uppermost preventer.
9. Wear Bushing or Bowl Protector in the casing head.
10. Inside BOP or (float sub) available
11. All BOPE connections subjected to well pressure shall be flanged, welded or clamped.
12. Choke line shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

The wellhead BOP equipment will be nipped-up on the 9-5/8" x 11" 3,000 psi casing head prior to drilling out from under surface casing. All ram preventers and related equipment will be tested to 250 psi for 10 minutes then 3,000 psi for 10 minutes. Annular preventers will be tested to 50% of rated working pressure for 10 minutes. Surface casing will be tested to 70% of internal yield pressure. All preventers and surface casing will be tested before drilling out of surface casing. BOP equipment will be tested every 14 days, after any repairs are made to the BOP equipment, and after the BOP equipment is subjected to pressure. Annular preventers will be functionally operated at least once per week. Pipe rams will be activated daily and blind rams shall be activated each trip or at least weekly. The Bureau of Land Management, the Bureau of Indian Affairs and Ute Mountain Ute Tribe will be notified 24 hours in advance of testing of BOPE.

4. Proposed Bit and Casing Program

A. Bit Program

12 1/4" Surface Hole = Surface to 1,065' MD

8 3/4" Production = 1,065' MD to TD (approximately 4,102' MD)

B. Casing Program – all casing strings are new casing

Casing & Hole Size	Weight	Grade	Coupling	Setting Depth (MD)	Comments
16" Conductor				0' - 40-ft BGL	New casing.
9-5/8" (12-1/4")	36 ppf	J-55	ST&C	0' - 1,065' MD	New casing. Cement to surface.
5-1/2" (8-3/4")	17 ppf	N-80	LT&C	0'-4,102' MD	New casing. Cement to surface.

Casing strings below the conductor casing will be tested to .22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield.

Minimum casing design factors used: Collapse - 1.0
 Burst - 1.1
 Jt. Strength - 1.3

Surface casing shall have a minimum of 1 centralizer per joint on the bottom three (3) joints, starting with the shoe joint for a total of (4) minimum centralizers. Centralizers will be placed 10' above the shoe on the shoe joint, on the 1st, 2nd and 3rd casing collars.

The production casing will be centralized using 1 centralizer the first 6 jts and then spaced +/- 1 centralizer / 4 jts through the remainder of the cement column.

5. Proposed Cementing Program

Surface Casing Single Stage Job – (0 - 1,065' MD):

Excess – 100% over gauge hole – 12-1/4" hole and 9-5/8" casing (0.3132 ft3/ft)

Top of Cement - Surface

Yield – 2.21 ft3/sx

Water requirement – 12.6 gal/sx

Total sacks of cement pumped = 310x

Production Casing Single Stage Job – (0 – 4,102' MD):

Excess –25% over gauge hole – 8-3/4" hole and 5-1/2" casing (0.3157 ft3/ft)

Top of Cement – Surface

Yield – 1.21 ft3/sx

Water requirement –5.68 gal/sx

Total sacks of cement pumped = 1,080sx

6. Characteristics for Drilling Fluids (all depths are MD)

Depth (MD)	Hole Size (in)	Type	Fluid Density (ppg)	PV (cP)	YP (lb/100 ft ²)	API (mL)	pH	MBT (ppb)	Salinity (PPM)	Remarks
0 – 1,065'	12-1/4"	FW/Gel	8.4 - 8.8	2 - 8	12	N/C	8.5 - 9.5	< 15	< 500	spud mud
1,065' – 4,102'	8-3/4"	WBM	8.4 - 8.8	8 - 14	7-8	< /= 6	8.5 - 9.5	< 15	< 1,000	LSND

Sufficient weighting material will be on hand to weight mud up to 11.0 PPG, if required.

The formula for weight up with barite is listed below:

$$\text{Sacks of Barite per 100 bbl of mud} = 1470 \times (W2 - W1) \div (35 - W2)$$

Where; W1 = current mud weight

W2 = new mud weight

$$\text{Sacks} = 1470 \times (11.0 - 8.6) / (35 - 11.0) = 147 \times 20 \text{ (2000bbls minimum)} = 2940 \times$$

Pason Pit Volume Totalizer (PVT) equipment will be on each pit to monitor pit levels. A closed-loop mud system will be utilized while drilling. Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations. All necessary spill prevention and remediation materials and procedures will be utilized to control any potential discharges on the surface. A steel tank will be used to collect all of the cuttings. The cuttings will be disposed of onsite in an approved lined cuttings disposal trench, in accordance with the rules and regulations of the BLM and New Mexico Oil Conservation Division.

7. Testing, Logging, Coring and Completion Program

A. Drill-Stem Testing Program: None

B. Logging Program:

The following logs (Dipole/GR/DIL/DEN/NEU/ML) will be run in 8-3/4" hole from TD (~4,102' MD) to the surface casing shoe (~1,065' MD).

Submission of digital logging data shall be in Log ASCII Standard (LAS) file format.

BLM shall be provided with a final survey to establish the location of the bottom hole location. If reduced data are provided, the algorithm, datum, and projection should also be provided.

C. Mud Logging

Geologist & a manned mud-logging unit will be operational @ +/-400' on the main hole to TD. Samples will be caught every 30 feet during drilling, with the exception of possible pay zones, where samples will be caught every 5 feet.

D. Coring: Optional percussion sidewall cores from surface casing to TD.

E. Cement Bond Log: Will be run after the drilling of the well has been completed and as the start of the completion process. The CBL will confirm the quality of the cement bond and the actual TOC. If either of these two data points were not

satisfactory per BLM, State and standard procedure, remedial cement work, if required, will be performed after consultation and approval of a plan from both the BLM and State agencies.

- F. **Drilling and Stimulation:** Drilling is expected to take 7 days. Completion (if the well is deemed productive) is estimated to take 2 days. The duration of flowback/testing operations is 3 days. We are planning a 4 stage nitrogen foam frac for this well. Based on frac modeling work, we anticipate an average frac length away from the wellbore to be ~400 feet in the horizontal direction. Estimated fresh water usage per stage during completion is ~476 bbls. A total of ~1,540 bbls of sand/nitrogen/water mix will be injected during the completion. A total of ~3,700 lb of premium white 40/70 sand and a total of ~70,300 lb of premium white 20/70 sand will be injected during the completion. A hydraulic fracture treatment will be designed for the completion of this well based on open hole log analysis and surface shows. If a hydraulic fracture treatment is warranted, The drill site, as approved, will be sufficient size to accommodate all completion activities.

8. Expected Bottom Hole Pressure and any Anticipated Abnormal Pressures, Temperatures or Other Potential Hazards

- A. Based on offset information the expected bottom-hole pressure at the Graneros is 0.45 psi x 4,078' TVD = 1,835 psi.

Well	TVD (ft)	BHP (PSI)	Pressure Gradient (psi/ft)	EMW (ppg)
Harris Hawk 20-1	3578	1610	0.45	8.7
Prairie Falcon 19-1	3269	1471	0.45	8.7
Estimated BHP	4078	1835	0.45	8.7

- B. Expected bottom-hole temperature @ the Graneros formation is ~110 deg F.
 C. No lost circulation is anticipated.
 D. No zones of potable water are expected to be encountered during the drilling of this well.
 E. No H2S sour gas is known to exist in the formations that we will drill through.
 F. Estimated fresh water usage for drilling operations will start at ~1,000 bbls of fresh water. The mud system will dewater after a well is drilled. We can reuse the same water over and over (re-use of drilling mud on subsequent wells). Accounting for fluid loss to formation and evaporation, we estimated needing to add approximately 250 bbls of new fresh water when the mud is transported to the next well. This assumes no lost circulation events.
 G. Estimated fresh water usage for cementing operations is ~162 bbls for surface casing, and ~351 bbls for production casing. Both of these estimates include using fresh water as the displacement fluid.
 H. Estimated maximum fresh water usage for completion operations is ~3,022 bbls. This includes 25% excess water on hand per stage. This assumes a 4-stage nitrogen foam frac. The water usage for the completion activities will vary depending on the number of stages selected for stimulation and will be provided in the completion report.

9. **Plugging and Abandonment**

No plugging and abandonment of the well would occur until after the well has been drilled, completed, hydraulically stimulated and production tested, unless extenuating circumstances arise. Full authorization will be verbally sought from the Bureau of Land Management and the New Mexico Oil Conservation Division prior to actual plugging operations being initiated with written reports submitted as a followed up.

10. **Other**

A Cultural Resource Inventory and Paleontology reconnaissance has been conducted for the well location and access route. The reports shall be submitted to the Ute Mountain Ute Tribe and the BLM upon their receipt.

Anticipated Commencement Date: Within 30 days of APD approval based on ability to source appropriate rig to complete operations

11. **Protecting Valuable deposits of fluid or solid minerals**

We will run 2 strings of casing (surface and production) and cement to surface both. Surface casing cement will have 100% returns to surface. Production casing will have 25% returns to surface. This extra cement back at surface ensures that the quality of cement downhole is good. A CBL will be run from TD to surface to ensure the cement bond is good quality. We will drill the well with the appropriate mud weight based on anticipated and encountered pressures while drilling. Fresh water, usable water and coal deposits will be protected by surface casing and production casing. Oil and gas bearing zones will be isolated from fresh water and usable water zones by the production casing. Formations will be selected for completion and perforated. This ensures we are targeting only the zones of interest for completion.

- G. The well pad will be leveled to provide space and a level surface for vehicles and equipment. Excavated materials from cuts will be used on fill portions of the well pad to level the pad. The well pad would require a maximum fill of approximately 11 feet at the west and a maximum cut of 10 feet at the east and southeast edge.
- H. The operator will utilize straw wattles around stockpiled soils, and at the base of fill slopes as necessary, to prevent sediment from leaving the construction site. Storm water conveyance diversion channels (eyebrow ditch) will be constructed above the cut slope to divert storm water around the well pad. All stormwater mitigations will be in accordance with BLM Gold Book BMP construction and installation standards and practices.

Other than the oil and gas production and processing facilities, no new construction activities are proposed.

7. METHODS OF FOR HANDLING WASTE

- A. Portable toilets will be provided by Serrano's Portable Toilets (505-632-9497) or similar commercial sanitation service. The waste will be disposed at the Farmington OMI Waste Water Treatment plant located in Farmington, NM. The toilets will be onsite during all operations.
- B. Drilling operations will utilize a closed loop water based mud system. Bridgescreek anticipates that during the flowback stage of the well there will be four (4) 300bbl tanks on location placed outside of the workover rig and rig crew equipment areas, in a designated area that be safe for all other operations on the pad
- C. Drill cuttings (rock fragments generated during drilling) will be produced during drilling of the borehole. The operator will follow Onshore Oil and Gas Order No. 1 regarding the placement, operation and removal of the closed-loop systems. No blow pit will be used.
- D. Drill cuttings will be disposed on-site in a burial trench. The entire area designated to include one or more burial trench will not exceed the dimension of 10 feet wide x 10 feet deep x 215 feet maximum length. The operator will obtain an approved Form C-144 for each burial trench per NMOCD's Pit Rule NMAC 19.15.17 prior to on-site disposal of drill cuttings. The drill cuttings will be temporarily stored in above-ground steel containment until drilling completion. The drill cuttings will be dried and mixed with a bonding agent or clean fill for stabilization. The drill cuttings will not be mixed greater than a 3:1 ratio.
- E. Prior to disposal, cuttings will be tested by taking at a minimum 5-point sample for the analysis of constituents under the regulations listed in the NMAC 19.15.17.13 Closure and Site Reclamation requirements, Ute Mountain Ute (UMU) Tribe's "Standards for Spill Clean-up and Chlorides Reclamation" table, and EPA SW-846 methods. These results will be submitted to the BLM via a 3160-5 Sundry Form to the Tres Rios BLM Field Office.
- F. After drilling operations and during equipment demobilization, the operator will transfer the drill cuttings into the burial trench. The first well will be drilled and completed and a burial trench utilized. The remaining wells on this pad will be drilled at a later date and a subsequent burial trench(s) will be placed end-to-end within the same contiguous burial trench area shown on Attachment F. The boundaries of the trench will be designated by surface and depth markers to avoid the possibility of mixing one with another. The markers will clearly define the edge and the depth of the trench to allow for subsequent excavation without disturbing previously buried cuttings.

RECEIVED
ELECTRONIC REPORT

BRIDGECREEK RESOURCES
(COLORADO), LLC

Bridgescreek Resources

**Prairie Falcon 19
Section 19 T31N, R14W
Prairie Falcon 19-2917**

Wellbore #1

Plan: Design #3

Standard Planning Report

10 July, 2015





Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Prairie Falcon 19-2917
Company:	Bridgecreek Resources	TVD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Project:	Prairie Falcon 19	MD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Site:	Section 19 T31N, R14W	North Reference:	True
Well:	Prairie Falcon 19-2917	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #3		

Project	Prairie Falcon 19		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Western Zone		

Site	Section 19 T31N, R14W				
Site Position:		Northing:	2,139,766.05 usft	Latitude:	36° 52' 45.270 N
From:	Lat/Long	Easting:	2,574,189.84 usft	Longitude:	108° 20' 32.824 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	-0.31 °

Well	Prairie Falcon 19-2917, SHL: 36.8796222 -108.3427356					
Well Position	+N/-S	138.5 usft	Northing:	2,139,904.98 usft	Latitude:	36° 52' 46.640 N
	+E/-W	-83.2 usft	Easting:	2,574,107.35 usft	Longitude:	108° 20' 33.848 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	5,614.0 usft	Ground Level:	5,602.0 usft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	7/9/2015	9.66	63.38	50,342

Design	Design #3			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	114.63

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,623.9	7.86	114.63	1,622.3	-15.0	32.6	1.50	1.50	0.00	114.63	
4,102.9	7.86	114.63	4,078.0	-156.2	340.7	0.00	0.00	0.00	0.00	Prairie Falcon 19-291



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Prairie Falcon 19-2917
Company:	Bridgreek Resources	TVD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Project:	Prairie Falcon 19	MD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Site:	Section 19 T31N, R14W	North Reference:	True
Well:	Prairie Falcon 19-2917	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #3		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
0.1	0.00	0.00	0.1	0.0	0.0	0.0	0.00	0.00	0.00	
SHL: 36.8796222, -108.3427356										
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00	
884.0	0.00	0.00	884.0	0.0	0.0	0.0	0.00	0.00	0.00	
Cliff House										
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,015.0	0.00	0.00	1,015.0	0.0	0.0	0.0	0.00	0.00	0.00	
Menefee										
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
Start Build 1.50										
1,200.0	1.50	114.63	1,200.0	-0.5	1.2	1.3	1.50	1.50	0.00	
1,300.0	3.00	114.63	1,299.9	-2.2	4.8	5.2	1.50	1.50	0.00	
1,400.0	4.50	114.63	1,399.7	-4.9	10.7	11.8	1.50	1.50	0.00	
1,500.0	6.00	114.63	1,499.3	-8.7	19.0	20.9	1.50	1.50	0.00	
1,600.0	7.50	114.63	1,598.6	-13.6	29.7	32.7	1.50	1.50	0.00	
1,623.9	7.86	114.63	1,622.3	-15.0	32.6	35.9	1.50	1.50	0.00	
Start 2479.0 hold at 1623.9 MD										
1,700.0	7.86	114.63	1,697.6	-19.3	42.1	46.3	0.00	0.00	0.00	
1,800.0	7.86	114.63	1,796.7	-25.0	54.5	60.0	0.00	0.00	0.00	
1,837.6	7.86	114.63	1,834.0	-27.1	59.2	65.1	0.00	0.00	0.00	
Point Lookout										
1,900.0	7.86	114.63	1,895.8	-30.7	66.9	73.6	0.00	0.00	0.00	
2,000.0	7.86	114.63	1,994.8	-36.4	79.4	87.3	0.00	0.00	0.00	
2,100.0	7.86	114.63	2,093.9	-42.1	91.8	101.0	0.00	0.00	0.00	
2,152.6	7.86	114.63	2,146.0	-45.1	98.3	108.2	0.00	0.00	0.00	
Upper Mancos										
2,200.0	7.86	114.63	2,192.9	-47.8	104.2	114.6	0.00	0.00	0.00	
2,300.0	7.86	114.63	2,292.0	-53.5	116.6	128.3	0.00	0.00	0.00	
2,400.0	7.86	114.63	2,391.1	-59.2	129.1	142.0	0.00	0.00	0.00	
2,500.0	7.86	114.63	2,490.1	-64.9	141.5	155.7	0.00	0.00	0.00	
2,590.7	7.86	114.63	2,580.0	-70.1	152.8	168.1	0.00	0.00	0.00	
Mancos Res. Spike										
2,600.0	7.86	114.63	2,589.2	-70.6	153.9	169.3	0.00	0.00	0.00	
2,700.0	7.86	114.63	2,688.3	-76.3	166.4	183.0	0.00	0.00	0.00	
2,800.0	7.86	114.63	2,787.3	-82.0	178.8	196.7	0.00	0.00	0.00	
2,900.0	7.86	114.63	2,886.4	-87.7	191.2	210.4	0.00	0.00	0.00	
3,000.0	7.86	114.63	2,985.4	-93.4	203.6	224.0	0.00	0.00	0.00	
3,100.0	7.86	114.63	3,084.5	-99.1	216.1	237.7	0.00	0.00	0.00	
3,200.0	7.86	114.63	3,183.6	-104.8	228.5	251.4	0.00	0.00	0.00	
3,250.9	7.86	114.63	3,234.0	-107.7	234.8	258.3	0.00	0.00	0.00	
El Vado										
3,300.0	7.86	114.63	3,282.6	-110.5	240.9	265.1	0.00	0.00	0.00	



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Prairie Falcon 19-2917
Company:	Bridgreek Resources	TVD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Project:	Prairie Falcon 19	MD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Site:	Section 19 T31N, R14W	North Reference:	True
Well:	Prairie Falcon 19-2917	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #3		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
3,400.0	7.86	114.63	3,381.7	-116.2	253.4	278.7	0.00	0.00	0.00	
3,500.0	7.86	114.63	3,480.7	-121.9	265.8	292.4	0.00	0.00	0.00	
3,502.3	7.86	114.63	3,483.0	-122.0	266.1	292.7	0.00	0.00	0.00	
Tocito										
3,600.0	7.86	114.63	3,579.8	-127.6	278.2	306.1	0.00	0.00	0.00	
3,670.9	7.86	114.63	3,650.0	-131.6	287.0	315.8	0.00	0.00	0.00	
Juana Lopez										
3,700.0	7.86	114.63	3,678.9	-133.3	290.7	319.8	0.00	0.00	0.00	
3,800.0	7.86	114.63	3,777.9	-139.0	303.1	333.4	0.00	0.00	0.00	
3,900.0	7.86	114.63	3,877.0	-144.7	315.5	347.1	0.00	0.00	0.00	
4,000.0	7.86	114.63	3,976.0	-150.4	327.9	360.8	0.00	0.00	0.00	
4,029.2	7.86	114.63	4,005.0	-152.0	331.6	364.8	0.00	0.00	0.00	
Greenhorn										
4,095.9	7.86	114.63	4,071.0	-155.8	339.9	373.9	0.00	0.00	0.00	
Graneros										
4,102.8	7.86	114.63	4,077.9	-156.2	340.7	374.8	0.00	0.00	0.00	
BHL: 36.87919303, -108.3415706										
4,102.9	7.86	114.63	4,078.0	-156.2	340.7	374.8	0.00	0.00	0.00	
TD at 4102.9										

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Prairie Falcon 19-2917 1	0.00	0.00	4,078.0	-156.2	340.7	2,139,746.92	2,574,447.24	36° 52' 45.095 N	108° 20' 29.654 W
- hit/miss target									
- Shape									
- plan hits target center									
- Point									

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
884.0	884.0	Cliff House		0.00		
1,015.0	1,015.0	Menefee		0.00		
1,837.6	1,834.0	Point Lookout		0.00		
2,152.6	2,146.0	Upper Mancos		0.00		
2,590.7	2,580.0	Mancos Res. Spike		0.00		
3,250.9	3,234.0	El Vado		0.00		
3,502.3	3,483.0	Tocito		0.00		
3,670.9	3,650.0	Juana Lopez		0.00		
4,029.2	4,005.0	Greenhorn		0.00		
4,095.9	4,071.0	Graneros		0.00		
4,102.9	4,078.0	TD		0.00		



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Prairie Falcon 19-2917
Company:	Bridgecreek Resources	TVD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Project:	Prairie Falcon 19	MD Reference:	Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)
Site:	Section 19 T31N, R14W	North Reference:	True
Well:	Prairie Falcon 19-2917	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #3		

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
0.1	0.1	0.0	0.0	SHL: 36.8796222, -108.3427356
1,100.0	1,100.0	0.0	0.0	Start Build 1.50
1,623.9	1,622.3	-15.0	32.6	Start 2479.0 hold at 1623.9 MD
4,102.8	4,077.9	-156.2	340.7	BHL: 36.87919303, -108.3415706
4,102.9	4,078.0	-156.2	340.7	TD at 4102.9

Well Name: Prairie Falcon 19-2917
 Surface Location: Section 19 T31N, R14W
 North American Datum 1983 US State Plane 1983 New Mexico Western Zone
 Ground Elevation: 5602.0
 +N/-S 0.0 +E/-W 0.0 Northing 2139904.98 Easting 2574107.35 Latitude 36° 52' 46.640 N Longitude 108° 20' 33.648 W
 PLAN KB Prairie Falcon 19-2917 @ 5614.0usft (PLAN KB)



Azimuths to True North
 Magnetic North: 9.66°
 Magnetic Field
 Strength: 50342.0nT
 Dip Angle: 63.38°
 Date: 7/9/2015
 Model: IGRF2010

Section 19 T31N, R14W
 Prairie Falcon 19-2917
 Design #3
 14:27, July 10 2015

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
Prairie Falcon 19-2917 TGT	4078.0	-156.2	340.7	2139746.92	2574447.236	52° 45.0991988' N	20° 29.654' W	Point

ANNOTATIONS

TVD	MD	Annotation
0.1	0.1	SHL: 36.8796222, -108.3427356
1100.0	1100.0	Start Build 1.50
1622.3	1623.9	Start 2479.0 hold at 1623.9 MD
4077.9	4102.8	BHL: 36.87919303, -108.3415706
4078.0	4102.9	TD at 4102.9

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSecl	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1100.0	0.00	0.00	1100.0	0.0	0.0	0.00	0.00	0.0	
3	1623.9	7.86	114.63	1622.3	-15.0	32.6	1.50	114.63	35.9	
4	4102.9	7.86	114.63	4078.0	-156.2	340.7	0.00	0.00	374.9	Prairie Falcon 19-2917 TGT

FORMATION TOP DETAILS

TVDPath	MDPath	Formation	DipAngle	DipDir
884.0	884.0	Cliff House	0.00	
1015.0	1015.0	Menefee	0.00	
1834.0	1837.6	Point Lookout	0.00	
2146.0	2152.6	Upper Mancos	0.00	
2580.0	2590.7	Mancos Res. Spike	0.00	
3234.0	3250.9	El Vado	0.00	
3483.0	3502.3	Tocito	0.00	
3650.0	3670.9	Juana Lopez	0.00	
4005.0	4029.2	Greenhorn	0.00	
4071.0	4095.9	Graneros	0.00	
4078.0	4102.9	TD	0.00	

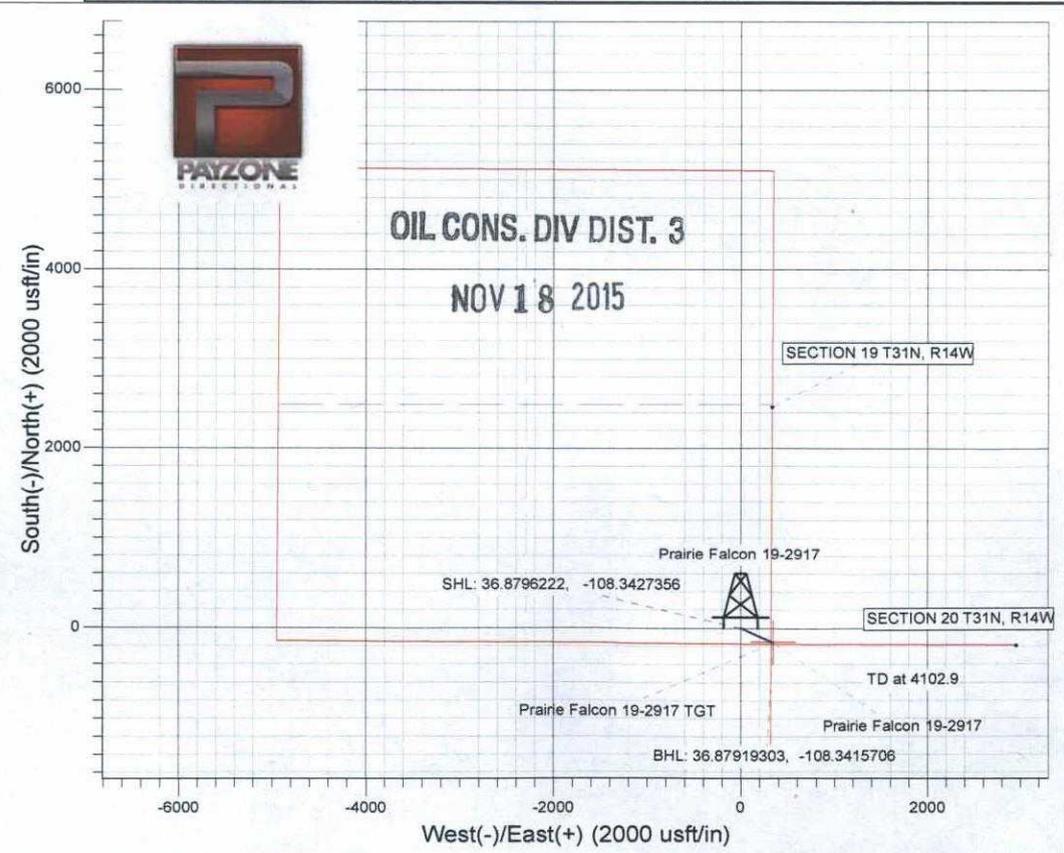
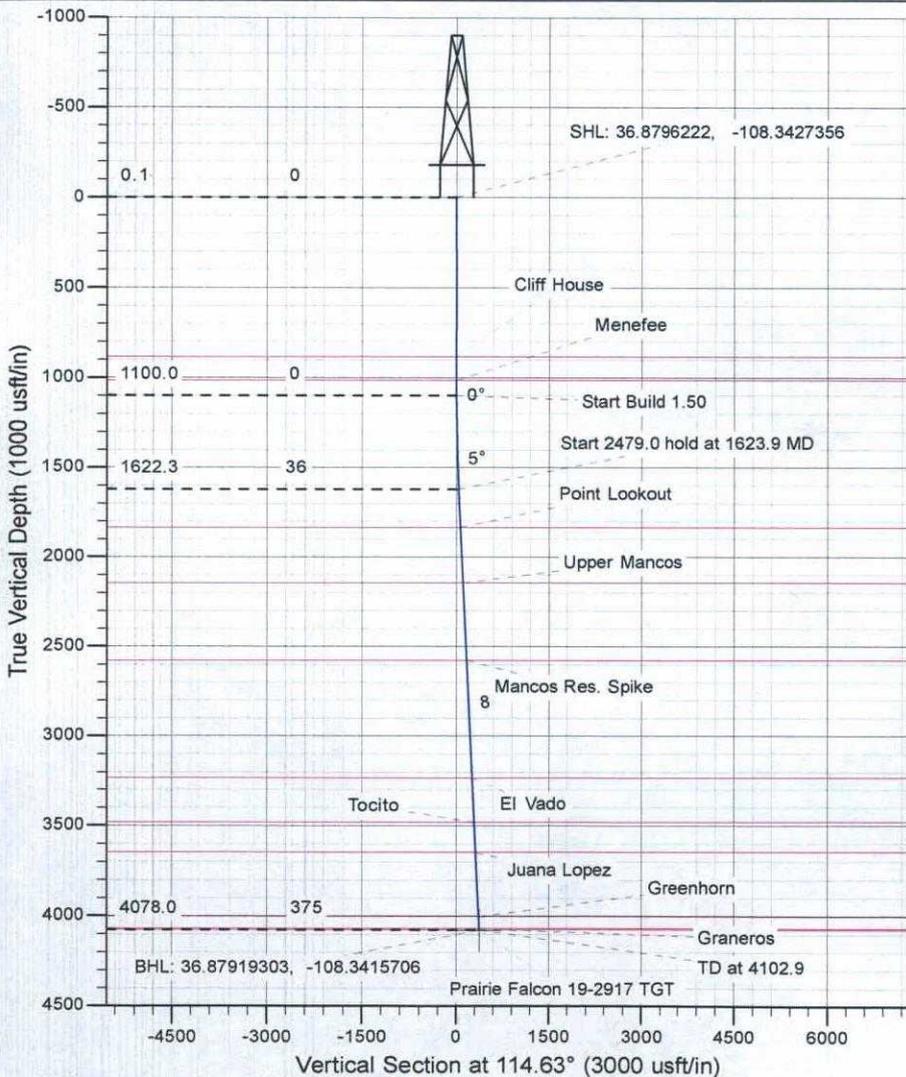


Exhibit A: Blow Out Prevention Equipment

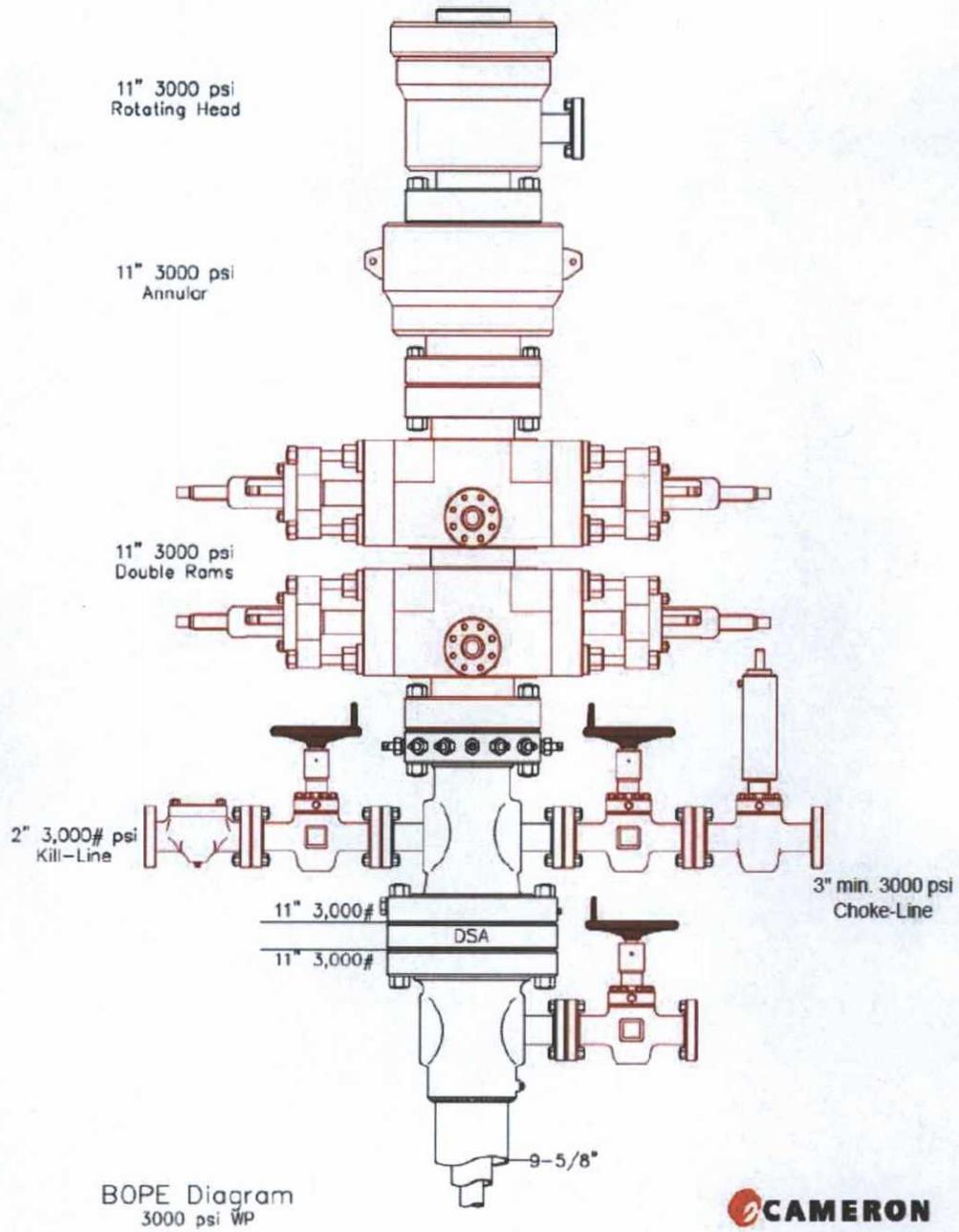


Exhibit B: Choke Manifold

