

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
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: 06/26/2017

Well information:

Operator: Southland Royalty Well Name and Number Carracas 32-5-24#1

API# 30-039-31362, Section 24, Township 32 N/S, Range 05 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
- Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
- 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.

Charles Bern
NMOCD Approved by Signature

8-18-2017
Date

Lessee - Southland Royalty
 HBL actual
 onsite -

NOC: _____
 APDF: _____
 MP: _____
 SMA: Forest Service
 BOND: N000241
 CA/PK: _____

OIL CONS. DIV DIST. 3

AUG 10 2017

Form 3160-3
 (March 2012)

FORM APPROVED
 OMB No. 1004-0137
 Expires October 31, 2014

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM30586
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee, or Tribe Name
2. Name of Operator SOUTHLAND ROYALTY COMPANY LLC		7. If Unit or CA Agreement, Name and No.
3a. Address 400 West 7th Street Fort Worth TX 76102	3b. Phone No. (include area code) (817)334-7800	8. Lease Name and Well No. CARRACAS 32-5 24-1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSW / 2610 FSL / 897 FWL / LAT 36.96564 / LONG -107.3195 At proposed prod. zone NWSW / 2610 FSL / 897 FWL / LAT 36.96564 / LONG -107.3195		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 9 miles		10. Field and Pool, or Exploratory BASIN DAKOTA / DAKOTA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 897 feet	16. No. of acres in lease 639.16	11. Sec., T. R. M. or Blk. and Survey or Area SEC 24 / T32N / R5W / NMP
18. Distance from proposed location* to nearest well, drilling, completed, 85 feet applied for, on this lease, ft.	19. Proposed Depth 9300 feet / 9300 feet	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7368 feet	22. Approximate date work will start* 09/01/2017	13. State NM
17. Spacing Unit dedicated to this well 320		
20. BLM/BIA Bond No. on file FED: NMB001241		
23. Estimated duration 30 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) Robbie Grigg / Ph: (817)334-7842	Date 06/26/2017
Title Regulatory Analyst		
Approved by (Signature) 	Name (Printed/Typed)	Date 8/3/17
Title AFM		
Office FARMINGTON		

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

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

(Continued on page 2)

*(Instructions on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

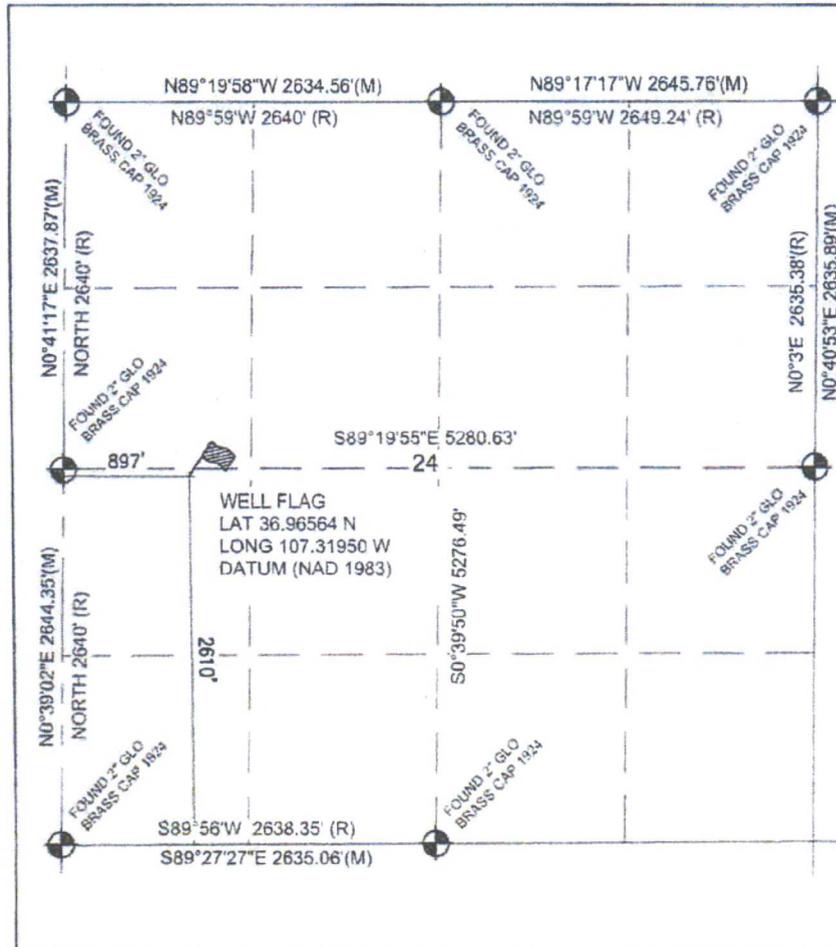
¹ API Number 30-039-31302		² Pool Code 71629		³ Pool Name BASIN DAKOTA	
⁴ Property Code 35034		⁵ Property Name CARRACAS 32-5-24		⁶ Well Number 24-1	
⁷ OGRID No. 162928		⁸ Operator Name SOUTHLAND ROYALTY, LLC		⁹ Elevation 7368'	

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
NWSW L	24	32N	5W		2610'	SOUTH	897'	WEST	RIO ARRIBA

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
NWSW L	24	32N	5W		2610'	SOUTH	897'	WEST	RIO ARRIBA

¹² Dedicated Acres W/2, 320± AC.	¹³ Joint of Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷OPERATOR 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.

Robbie A Grigg 5/16/17
Signature Date
Robbie A Grigg
Printed Name
rgrigg@mspartners.com
E-mail Address

¹⁸SURVEYOR 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.

Survey Date: MAY 15, 2017
Signature and Seal of Professional Surveyor



RICHARD L. MULLIKEN
Certificate Number 16873



Southland Royalty Company LLC

Southland Royalty Company, LLC.

Drilling Plan - Application for Permit to Drill Compliance Program

CARRACAS 32-5 24-1DK

**Surface Location:
2,610' FSL & 897' FWL (NW/SW)
Section 24, T32N, R5W
Rio Arriba, New Mexico
Pool Code – 71629
Projected Total Depth – 9,300'
Lease #NMM30586**

1. The geologic surface formation is San Jose.
2. Estimated tops of geologic markers with potential minerals are as follows:

Formation	Depth - MD	Depth - TVD	Water/Oil/Gas
Ojo Alamo Sand	3,235'	3,235'	Water
Kirkland Shale	3,432'	3,432'	
Fruitland Coal	3,812'	3,812'	Gas
Pictured Cliffs	4,122'	4,122'	Gas
Lewis	4,682'	4,682'	Gas
Cliffhouse	6,151'	6,151'	Gas
Menefee	6,491'	6,491'	Gas
Point Lookout	6,643'	6,643'	Gas
Mancos	7,172'	7,172'	Gas
Greenhorn	8,702'	8,702'	Gas
Graneros	8,757'	8,757'	Gas
Dakota	8,887'	8,887'	Gas
Total Depth	9,300'	9,300'	

As per the New Mexico Water Rights Reporting System there are NO records of fresh water intervals present at this location.

3. A. Pressure Control Equipment and Testing:

Prior to moving in drilling rig, Mo-Te Drilling will drill and set 600' of 13 3/8", 54.5#, J55, STC surface casing and cement to surface. The drilling rig will RU and NU an annular preventer with rotating head to drill the intermediate hole and set 4,200' of 8 5/8", 32#, J55, LTC casing and cement to surface.

The minimum BOPE requirements for this well when drilling below intermediate casing to TD consist of an 11"- 3M WP double ram preventer with choke manifold rated at same working pressure. It will be installed and tested to 3,000 psi after the intermediate casing has been set and cemented and 'B' Section installed and tested. A rotating head will be rigged up on top of the BOP stack as seen in diagram. Kill lines and choke lines will be incorporated into the drilling spool below the ram preventers. Accessories to the BOPE will include a TIW valve and IBOP tested to same 3,000 psi pressure. (See attached BOPE and Choke Manifold Schematics for a diagram of pressure control equipment).

Pipe rams will be operated and checked each 24 hour period, with blind rams operated and checked each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log.

SRC requests a variance to use a flexible choke nipple with flanged ends if that is what the drilling contractor provides. The line will be kept as straight as possible with minimal turns. Anchor requirements, specification sheet and hydrostatic pressure test certification matching hose is service will be posted in the company man's trailer and the rig floor.

B. Minimum Specified Pressure Control Equipment:

- Rotating Head
- Blind Rams
- Pipe Rams
- Drilling Spool with 2 – 3" outlets
- Casing Head 11"- 3K x 8 5/8" Speed Head
- Kill line equipped with 2 – 2" x 3K gate valves and 1 – 2" x 3K check valve
- Choke line equipped with 2 - 3" x 3K gate valves
- Choke manifold equipped with 2 - 3" x 3K gate valves, 4 - 2" x 3K wing outlet valves, and 2 manual chokes

4. Casing Design:

A. Surface casing design is based on 9.0 ppg MW and setting casing at ± 600'.
(Surface casing will be pre-set by Mo-Te Drilling, prior to moving in drilling rig).

Interval	Hole Size	Casing Size	Weight	Grade	Thread	Optimum Torque	ID	Drift
0' – 600'	17 1/2"	13 3/8"	54.5#	J55	STC	5140 Ft/Lbs	12.615"	12.459"

CASING SPECS/SAFETY FACTORS:

Collapse	Burst	Tensile
1,130 / 4.02	2,730 / 7.28	514M / 15.72

Safety Factors were calculated using following design parameters:

- Collapse design based on complete internal evacuation with 9.0 ppg MW in annulus.
- Burst design based on 100 psi FIT (9.0 ppg FWM) after drilling out the shoe, equivalent to 12.0 ppg MW.
- Tension design based on casing string weight in air.

String Weight in 9.0 ppg mud is 28.2 Mlbs.

Inspection: VTI, drift, and clean casing threads on location.

B. Intermediate casing design is based on 10.0 ppg MW and setting casing at ± 4,200'.

Interval	Hole Size	Casing Size	Weight	Grade	Thread	Optimum Torque	ID	Drift
0' – 4,200'	11"	8 5/8"	32#	J55	LTC	4170 Ft/Lbs	7.921"	7.875"*

* Special Drift

CASING SPECS/SAFETY FACTORS:

Collapse	Burst	Tensile
2,530 / 1.16	3,930 / 1.50	417M / 3.10

Safety Factors were calculated using following design parameters:

- Collapse design based on complete internal evacuation with 10.0 ppg MW in annulus.
- Burst design based on 450 psi FIT (10.0 ppg FWM) after drilling out the shoe, equivalent to 12.0 ppg MW.
- Tension design based on casing string weight in air.

String Weight in 10.0 ppg mud is 113.9 Mlbs.

Inspection: VTI, drift, and clean casing threads on location.

C. Production casing design is based on 10.0 ppg MW and setting casing at 9,300'.

Interval	Hole Size	Casing Size	Weight	Grade	Thread	Optimum Torque	ID	Drift
0'- 9,300'	7 7/8"	5 1/2"	17.0#	P110	LTC	4620 Ft/Lbs	4.892"	4.767"

CASING SPECS / SAFETY FACTORS:

Collapse 7480 / 1.55	Burst 10640 / 1.18	Tensile 445M / 2.81
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Safety Factors calculated using following design parameters:

- a) Collapse design based on complete internal evacuation with 10.0 ppg MW in annulus.
- b) Burst design based on maximum fracture pressure of 9000 psi.
- c) Tension design based on casing string weight in air.

String Weight in 10.0 ppg mud is 133.9 Mlbs
 Inspection: VTI, drift, and clean casing threads on location.

5. Float Equipment and Centralizers:

A) Surface Casing:

Mo-Te Drilling will run surface casing with float equipment and centralization to meet Oil and Gas Order Number 2. (Minimum of one centralizer per joint for first three joints).

B) Intermediate Casing:

Run a float shoe with a float collar placed two joints from shoe, Baker Lock connections through the float collar. Run two (2) centralizers on each shoe joint using stop collars above and below each centralizer and then on every third joint back to surface, for a total of thirty eight (38) centralizers.

C) Production Casing:

Run a down jet float shoe with a float collar placed one joint from shoe. Run two (2) Centec S2 centralizers on the shoe joint using stop collars above and below each centralizer and then on every other joint back to 4,200' for a total of sixty five (65) centralizers. Only shoe joint centralizers will use stop collars, remaining centralizers will be allowed to float on the joints.

6. Cement Program:

Cement volumes are estimates and actual volumes pumped may be adjusted on-site depending on well bore conditions.

A) Surface Casing:

Surface casing will be preset prior to moving in the drilling rig. Mo-Te out of Farmington, New Mexico will set and cement 13 3/8" casing at ±600'. Cement will be brought back to the surface.

B) Intermediate Casing:

Cement volumes are based on 8 5/8" casing in an 11" gauge hole using 50% excess to circulate to surface. Mix and pump the following slurry:

Pre-flush: Pump 40 bbls of 11.0 ppg Tuned Spacer III.

Number of Sacks	Weight lbs/gal	Water Volume gal/sx	Yield cf/sx	Stage: Lead/Tail	Slurry Description
735	12.4	9.75	1.909	Lead	EconoCem™ System
185	13.5	5.4	1.32	Tail	ExtendaCem™ System + Additives

Displace cement with 245 bbls of drilling mud.

C) Production Casing:

Cement volumes are based on 5 1/2" casing in a 7 7/8" gauge hole using 30% excess to circulate cement to surface. Mix and pump the following slurry:

Pre-flush: Pump 40 bbls of 11.0 ppg Tuned Spacer III.

Number of Sx	Weight lbs/gal	Water Volume gal/sx	Yield cf/sx	Stage: Lead/Tail	Slurry Description
370	12.4	9.75	1.909	Lead	EconoCem™
890	13.5	5.40	1.32	Tail	ExtendaCem™ + Additives

Displace cement with 204 bbls of inhibited 2% KCL water.

7. Mud Program:

Prior to drilling out surface casing, fill the rig pits with fresh water and be certain that all solids control equipment for closed loop system is in optimum working condition. Have mud engineer and closed loop personnel present at pre-spud meeting with rig crews to make sure that everyone understands how drilling fluids will be handled. A LSND fresh water based system will be utilized to drill to intermediate casing point, set casing and cement, and drill to TD.

Necessary mud products for mud seepage or lost circulation, fluid loss control, weight addition, and sweeps will be on location at all times. Electronic/mechanical mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume, as well as communication systems between rig floor and supervisory personnel.

11" Interval Drilling Fluid Properties						
Depth Interval (ft) MD	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft ²)	API Fluid Loss (mL / 30min)	Funnel Viscosity (Sec. / Qt.)	Total Solids (%)
600' – 2,500'	8.6 – 8.8	3 - 8	15 - 20	N/C	40 - 60	3 - 8
2,500'-4,200'	8.8 – 9.0	3 - 8	15 - 20	N/C - ≤ 20	40 - 60	3 - 8
7.875" Interval Drilling Fluid Properties						
Depth Interval (ft)	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft ²)	API Fluid Loss (ml/30min)	Funnel Viscosity (Sec. / Qt.)	LGS
4,200' – 7,000'	9.0 – 9.2	3 - 9	10 - 13	≤ 20.0 – ≤ 10.0	40 - 50	≤ 7
7,000' – 9,300'	9.2	4-12	10 - 13	≤ 10.0	40 - 50	≤ 6

8. Auxiliary Equipment:

- An upper Kelly cock valve or TIW valve will be in the drill string at all times.
- An FOSV will be on the floor at all times along with operating wrench.

9. Testing, Logging, and Coring Program:

- No drill stem tests are anticipated.
- Sidewall Cores may be taken after log evaluation.
- 2 man mud logging unit will be operative when drilling out of surface casing.
 - Catch 30' samples from BSC to ICP.
 - Catch 10' samples from ICP to TD.
- Run Triple Combo with Dipole Sonic and FMI logs.

10. Anticipated Abnormal Pressure, Temperatures, or Other Hazards:

No abnormal pressures or temperatures are anticipated. Maximum bottom hole pressure is estimated to be 0.45 – 0.50 psi/ft, with bottom hole temperature expected to be 185°. Lost circulation could be encountered but is not expected to be a serious problem and hole seepage will be compensated for with additions of LCM material added to the drilling fluid.

11. Anticipated Starting Date and Duration of Operations:

Location is on an existing pad, with pad extension construction beginning after the APD is approved. Drilling operations should be completed within 30 days of moving in rig. If production casing is run and cemented, an additional 60 days will be needed to complete well and lay flow lines in order to place well on production.

12. Special Instructions:

- ✓ • Closed loop system will be utilized with all solids placed on a drying pad and liquids hauled to an approved disposal site. Solids will be THP tested and disposed of in an approved manner.
- A trash trailer will be provided on the location with the trash picked up and location kept as clean as possible. At conclusion of drilling operations, location will be cleaned up and contents of trash trailer hauled to a commercial sanitary landfill.
- Deviation – Maximum deviation at surface casing point will be 2° with no more than a 1° change per 100'. Total deviation at TD will not be more than 5° with no more than a 1° change per 100'.
- WOC a minimum of 18 hours or until cement gains compressive strength of 500 psi, whichever is greater, before drilling out shoe joint on surface casing. Use minimal WOB and RPM until BHA is buried below shoe joints.
- Check BOP blinds rams on each trip, and pipe rams each day. Strap out of hole for logging and/or casing jobs.

GEOLOGICAL WELL PLAN & AFE REQUEST

OPERATOR: Southland Royalty Company LLC BY: **Paten Morrow**
 WELL NAME: **Caracas 32-5 24-1** DATE: June 14, 2017
 LOCATION: SHL: X= 650299.3 Y= 2171151.8 Estimates only Rio Arriba, NM

PROSPECT: FRUITLAND COAL /Dakota eval EST. SPUD: **July 14, 2017**
 PROPOSED T.D.: 9,287' MD EST. KOP: **8,357'**
 Area: RIO ARIBA Horizontal Inclination: **Varies, see special instructions**
 PROSPECT: FRUITLAND COAL Well type: Vertical

DEVELOPMENT: XX NEW WELL: GAS: XX
 EXPLORATORY: Eng: BRODIE SAVAGE Lnd: GENE CADWELL
PAD REMARK: EXISTING PAD City Limits: None

MUD LOG:

<u>DEPTH ON</u> KOP	<u>DEPTH OFF</u> TD	<u>LOGGING COMPANY</u> TBD	<u>TYPE UNIT</u> 2-man
OPENHOLE/WHILE DRILLING			
Run 1: Resistivity:	PEX	9287	surface-TD
Porosity:	2.65 DEN POR	9287	surface-TD
Other: FMI/DIPOLE SONIC/SIDEWALLCORES		9287	TBD

Remarks:

DIRECTIONAL COMPANY: TBD
 WELLSITE GEOLOGICAL: Mud Logger Consultant Company
 SUPERVISION: TBD
 Geologist: Paten Morrow Office: (817) 334-7705
 Home: N/A
 Cell: (817) 271-0881

Remarks: If unavailable, contact Robert Cepero Office: 817-334-8025
 Home: N/A
 Cell: 432-770-4479

SAMPLES: Caught & Bagged Depth Interval No. of Sets of Samples
 10' samples caught and bagged KOP-TD 1 set of samples

EXPECTED FORMATION TOPS K.B. Elevation (feet): 7387' (Est.: XX Actual:)

<u>Formation</u>	<u>Subsea Depth (feet)</u>	<u>Well Depth TVD(feet)*</u>	
OJO ALAMO	4,152'	3235'	TVD
KIRKLAND	3,955'	3432'	TVD
FRUITLAND COAL	3,575'	3812'	TVD
PICTURED CLIFFS	3,265'	4122'	TVD
LEWIS	2,705'	4682'	TVD
CLIFFHOUSE	1,236'	6151'	TVD
MENEFEE	896'	6491'	TVD
POINT LOOKOUT	744'	6643'	TVD
MANCOS	215'	7172'	TVD
GREENHORN	-1,315'	8702'	TVD
GRANEROS	-1,370'	8757'	TVD
DAKOTA	-1,500'	8887'	TVD

TOTAL DEPTH	-1900	9287'
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* At vertical wellbore

Circulate samples as follows:

Special Instructions: (Poss. Lost Circ.; Hi-Press Zones; Mud Properties, etc)

TOP OF ROTARY TABLE

ROTARY BEAMS

TOP OF ROTATING HEAD

ROTATING HEAD

ANNULAR

11" 3000 PSI
SHAFFER

4 1/2" PIPE RAMS

BLIND RAMS

11" 3000 PSI
TOWNSEND

2" MAN.

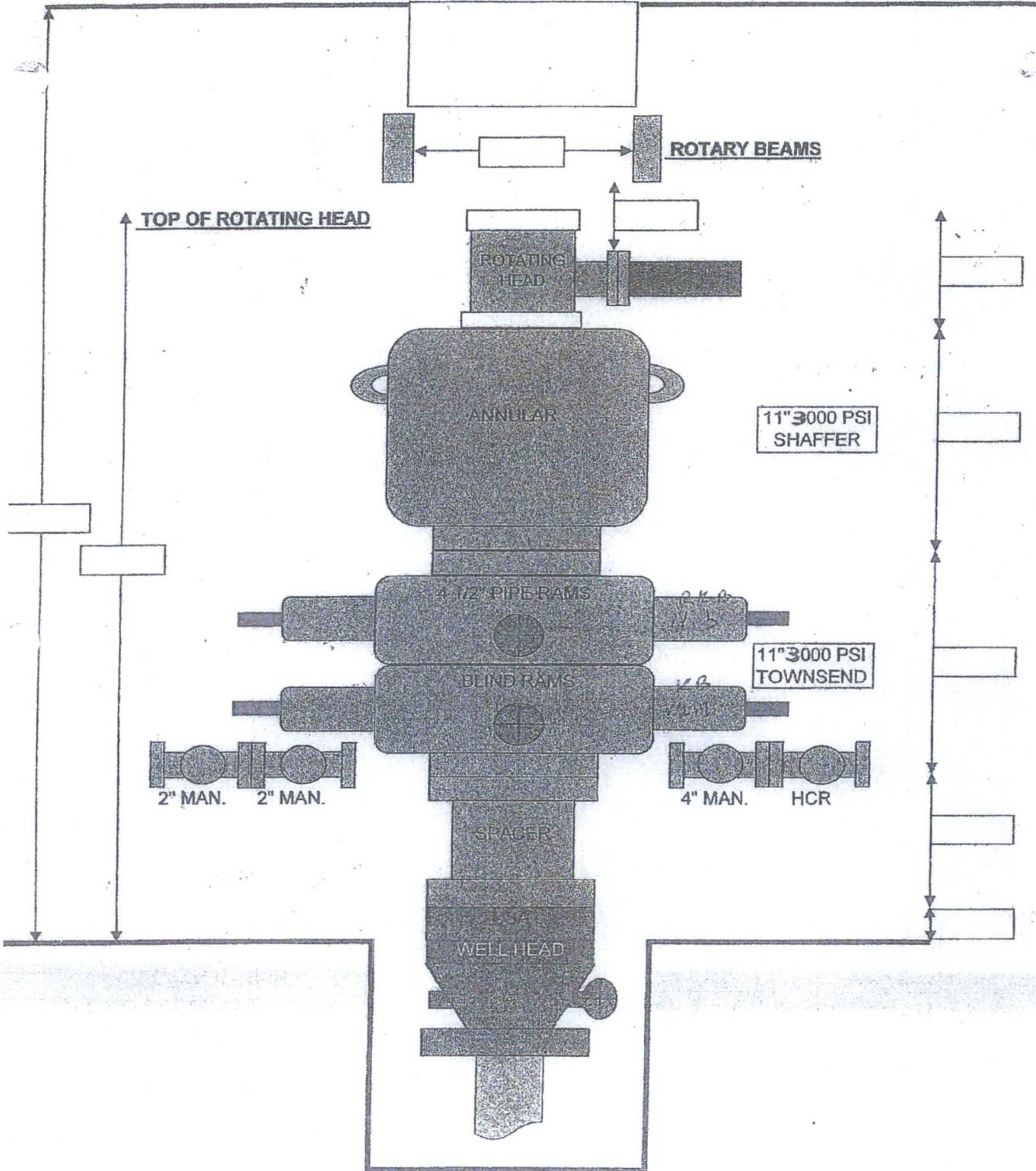
2" MAN.

4" MAN.

HCR

SPACER

WELL HEAD



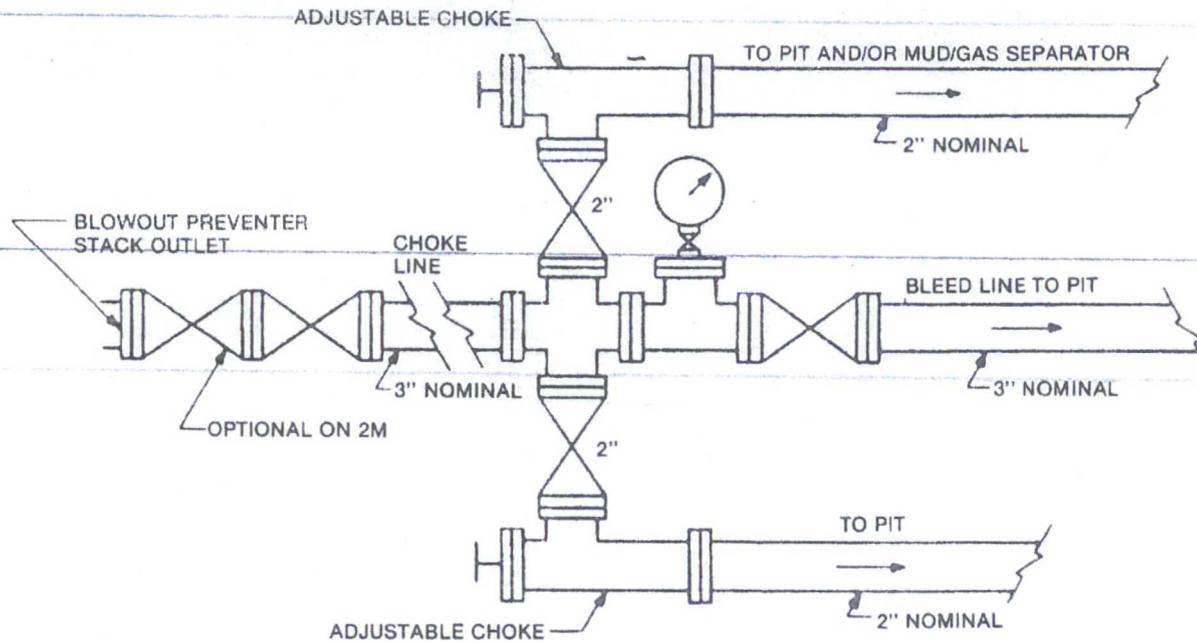


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

SOUTHLAND ROYALTY, LLC
 CARRACAS 32-5 24-1
 2610' FSL & 897' FWL,
 SECTION 24, T32N, R5W, N.M.P.M.,
 RIO ARRIBA COUNTY, NEW MEXICO
 ELEVATION: 7368'
 LAT: 36.96564° N LONG: 107.31950° W (NAD 83)
 NO NEW ACCESS

1. FROM THE INTERSECTION OF HWY 172 AND HWY 151 IN IGNACIO, COLORADO, TRAVEL EAST ON HWY 151 FOR 19.8 MILES.
2. TURN RIGHT (SOUTHERLY) ONTO ROUTE 500, FOR 12.3 MILES.
3. TURN RIGHT (SOUTHERLY) ONTO ROUTE 557 (CABRACAS ROAD), FOR 0.9 MILES
4. TURN RIGHT (WESTERLY) ONTO FR 218A FOR 4.0 MILES.
5. TURN RIGHT (NORTHERLY) ONTO FR 218 FOR 1.3 MILES.
6. TURN LEFT (SOUTHWESTERLY) ONTO FR 218B FOR 1.2 MILES.
7. GO THROUGH WELL PAD, THEN TRAVEL THROUGH LOCKED GATE.
8. TRAVEL 0.5 MILES TO LOCATION STAKED ON EXISTING WELL PAD.
9. WELL FLAG LOCATED AT LATITUDE 36.96564° N, LONGITUDE 107.31950° W (NAD 83).

 <p>SMA SOUTHERLY MOUNTAIN ASSOCIATES</p>	SOUDEY, MILLER & ASSOCIATES 401 West Broadway Avenue Farmington, NM 87401-5907 Phone (505) 325-7535 Toll-Free (800) 519-0098 Fax (505) 326-3045 Serving the Southwest & Rocky Mountains www.soudermiller.com		SRC, LLC	AZTEC, NM	Designed HDN	Drawn MW	Checked RLM	
	SOUTHLAND ROYALTY, LLC CARRACAS 32-5 24-1 DRIVING DIRECTIONS SECTION 24, T32N, R5W, NMPM					Date: MAY 2017		
	RIO ARRIBA COUNTY NEW MEXICO					Scale: Horiz: N/A Vert: N/A		
	<small>THIS DRAWING IS THE PROPERTY OF SMA AND NOT TO BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN PERMISSION OF SMA</small>					Project No: 5125758 Sheet: 6 of 6		