

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 249027

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address KAISER-FRANCIS OIL CO 6733 S Yale Ave Tulsa, OK, OK 74136 | | 2. OGRID Number 12361 |
| 4. Property Code 316706 | | 3. API Number 30-025-44526 |
| 5. Property Name BELL LAKE UNIT SOUTH | | 6. Well No. 220H |

7. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot L | Section 1 | Township 24S | Range 33E | Lot Idn L | Feet From 2233 | N/S Line S | Feet From 583 | E/W Line W | County Lea |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot D | Section 36 | Township 23S | Range 33E | Lot Idn D | Feet From 330 | N/S Line N | Feet From 1230 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

9. Pool Information

| | |
|------------------------------|------|
| BELL LAKE;BONE SPRING, NORTH | 5150 |
|------------------------------|------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3630 |
| 16. Multiple N | 17. Proposed Depth 18872 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 3/20/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1250 | 1000 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 1200 | 0 |
| Prod | 8.75 | 5.5 | 20 | 18872 | 2000 | 4700 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| | | | |
|------------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| Double Ram | 10000 | 5000 | Cameron |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Kristin L Gray | Approved By: Paul Kautz |
| Title: | Title: Geologist |
| Email Address: kristing@kfoc.net | Approved Date: 2/27/2018 Expiration Date: 2/27/2020 |
| Date: 2/27/2018 Phone: 918-491-4209 | Conditions of Approval Attached |

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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 | ² Pool Code 5150 | ³ Pool Name Bell Lake; Bone Spring, North |
| ⁴ Property Code 316706 | ⁵ Property Name BELL LAKE UNIT SOUTH | ⁶ Well Number 220H |
| ⁷ OGRID No. 12361 | ⁸ Operator Name KAISER-FRANCIS OIL COMPANY | ⁹ Elevation 3630.4 |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. L | Section 1 | Township 24 S | Range 33 E | Lot Idn | Feet from the 2233 | North/South line SOUTH | Feet from the 583 | East/West line WEST | County LEA |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. D | Section 36 | Township 23 S | Range 33 E | Lot Idn | Feet from the 330 | North/South line NORTH | Feet from the 1230 | East/West line WEST | County LEA |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160 | 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.

| | | | | |
|--|--|---|--|---|
| <p>NW CORNER SEC. 36 LAT. = 32.2682305°N LONG. = 103.5341166°W NMSP EAST (FT) N = 462219.92 E = 747032.45</p> <p>LAST TAKE POINT 330' FWL, 1230' FWL LAT. = 32.2673270°N LONG. = 103.5301384°W NMSP EAST (FT) N = 461900.38 E = 748264.59</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD27). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST (NAD83). COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD 88.</p> <p>NW CORNER SEC. 1 LAT. = 32.2537378°N LONG. = 103.5341188°W NMSP EAST (FT) N = 456947.61 E = 747071.02</p> <p>FIRST TAKE POINT 2800' FWL, 1240' FWL LAT. = 32.2465881°N LONG. = 103.5301261°W NMSP EAST (FT) N = 454355.85 E = 748324.85</p> <p>SW CORNER SEC. 1 LAT. = 32.2392683°N LONG. = 103.5341534°W NMSP EAST (FT) N = 451683.74 E = 747099.52</p> | | <p>NE CORNER SEC. 36 LAT. = 32.2882439°N LONG. = 103.5170444°W NMSP EAST (FT) N = 462264.46 E = 752309.47</p> <p>NE CORNER SEC. 1 LAT. = 32.2537179°N LONG. = 103.5170468°W NMSP EAST (FT) N = 456980.11 E = 752348.92</p> <p>SE CORNER SEC. 1 LAT. = 32.2392122°N LONG. = 103.5170430°W NMSP EAST (FT) N = 451703.11 E = 752390.23</p> | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 community pooling order heretofore entered by the division.</p> <p><i>Charlotte Van Valkenburg</i> Signature 2/27/18 Date</p> <p>Charlotte Van Valkenburg Printed Name</p> <p>Charlotv@kfoc.net E-mail Address</p> |
| <p>2233' SURFACE LOCATION</p> <p>583' SURFACE LOCATION</p> <p>2233' SURFACE LOCATION</p> <p>583' SURFACE LOCATION</p> | | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 16, 2018 Date of Survey</p> <p><i>FILIMON F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 6045</p> | | |

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Energy, Minerals and Natural Resources
Oil Conservation Division
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Form APD Comments

Permit 249027

PERMIT COMMENTS

| | | |
|---|--|-------------------------------------|
| Operator Name and Address: KAISER-FRANCIS OIL CO [12361] 6733 S Yale Ave Tulsa, OK, OK 74136 | | API Number: 30-025-44526 |
| | | Well: BELL LAKE UNIT SOUTH #220H |

| | | |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions

Permit 249027

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

| | |
|---|-------------------------------------|
| Operator Name and Address: KAISER-FRANCIS OIL CO [12361] 6733 S Yale Ave Tulsa, OK, OK 74136 | API Number: 30-025-44526 |
| | Well: BELL LAKE UNIT SOUTH #220H |

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Will require a administrative order for non-standard location prior to placing the well on production. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |
| pkautz | Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |