

Form 3160-3
(June 2015)

OCD – HOBBS
12/04/2020
RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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. NMNM100594 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 7. If Unit or CA Agreement, Name and No. BELL LAKE / NMNM 068292X |
| 2. Name of Operator KAISER FRANCIS OIL COMPANY [12361] | | 8. Lease Name and Well No. BELL LAKE UNIT SOUTH [316706] 109H |
| 3a. Address 6733 S. Yale Ave., Tulsa, OK 74121 | 3b. Phone No. (include area code) (918) 491-0000 | 9. API Well No. 30-025-48172 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface LOT 2 / 1280 FNL / 2445 FEL / LAT 32.2503198 / LONG -103.508469 At proposed prod. zone SESW / 330 FSL / 2110 FWL / LAT 32.2257327 / LONG -103.510694 | | 10. Field and Pool, or Exploratory [98264] BELL LAKE/BONE SPRING, SOUTH |
| 14. Distance in miles and direction from nearest town or post office* 20 miles | | 12. County or Parish LEA |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1180 feet | | 13. State NM |
| 16. No of acres in lease 17. Spacing Unit dedicated to this well 480.0 | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20 feet | | 20. BLM/BIA Bond No. in file FED: WYB000055 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3607 feet | | 22. Approximate date work will start* 10/01/2020 |
| | | 23. Estimated duration 40 days |
| 24. Attachments | | |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|--|---|
| 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 requested by the BLM. |

| | | |
|--|---|--------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) STORMI DAVIS / Ph: (918) 491-0000 | Date 07/15/2020 |
| Title Regulatory Analyst | | |
| Approved by (Signature) (Electronic Submission) | Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959 | Date 11/23/2020 |
| Title Assistant Field Manager Lands & Minerals Office Carlsbad Field 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.

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.

GCP Rec 12/04/2020

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KZ
12/15/2020

(Continued on page 2)

*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: LOT 2 / 1280 FNL / 2445 FEL / TWSP: 24S / RANGE: 34E / SECTION: 6 / LAT: 32.2503198 / LONG: -103.508469 (TVD: 0 feet, MD: 0 feet)

PPP: NENW / 0 FNL / 2190 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2392901 / LONG: -103.5104382 (TVD: 10200 feet, MD: 13191 feet)

PPP: NESW / 2640 FSL / 2125 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2320361 / LONG: -103.5106473 (TVD: 10200 feet, MD: 15831 feet)

PPP: NESW / 2600 FSL / 2190 FWL / TWSP: 24S / RANGE: 34E / SECTION: 6 / LAT: 32.2464837 / LONG: -103.5104411 (TVD: 10200 feet, MD: 10591 feet)

BHL: SESW / 330 FSL / 2110 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2257327 / LONG: -103.510694 (TVD: 10200 feet, MD: 18141 feet)

BLM Point of Contact

Name: Gavin Mickwee

Title: Land Law Examiner

Phone: (575) 234-5972

Email: gmickwee@blm.gov

CONFIDENTIAL

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

CONFIDENTIAL



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Application Data Report

11/24/2020

APD ID: 10400059014

Submission Date: 07/15/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400059014

Tie to previous NOS? N

Submission Date: 07/15/2020

BLM Office: CARLSBAD

User: Stormi Davis

Title: Regulatory Analyst

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM100594

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? YES

Federal or Indian agreement: FEDERAL

Agreement number: NMNM068292X

Agreement name: BELL LAKE

Keep application confidential? Y

Permitting Agent? YES

APD Operator: KAISER FRANCIS OIL COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: KAISER FRANCIS OIL COMPANY

Operator Address: 6733 S. Yale Ave.

Zip: 74121

Operator PO Box: PO Box 21468

Operator City: Tulsa

State: OK

Operator Phone: (918)491-0000

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: BELL LAKE

Pool Name: BONE SPRING,
SOUTH

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** N **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name:
SOUTH BELL LAKE UNIT

Number: 8

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town: 20 Miles

Distance to nearest well: 20 FT

Distance to lease line: 1180 FT

Reservoir well spacing assigned acres Measurement: 480 Acres

Well plat: BELL_LAKE_UNIT_SOUTH_109H_C102_20200714101437.pdf

BLUS_109H_Pymt_20200714161128.pdf

Well work start Date: 10/01/2020

Duration: 40 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 6741

Reference Datum: GROUND LEVEL

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|-------------|--------|-------------|-------------|------------|--------------|-----------|------|------|---|
| SHL Leg #1 | 1280 | FNL | 2445 | FEL | 24S | 34E | 6 | Lot 2 | 32.2503198 | -103.508469 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | 3607 | 0 | 0 | N |
| KOP Leg #1 | 1280 | FNL | 2445 | FEL | 24S | 34E | 6 | Lot 2 | 32.2503198 | -103.508469 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | -6082 | 9752 | 9689 | N |

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|--------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|--------------|--------|------------|------------|------------|--------------|-----------|-------|-------|---|
| PPP Leg #1-1 | 2600 | FSL | 2190 | FWL | 24S | 34E | 6 | Aliquot NESW | 32.2464837 | -103.5104411 | LEA | NEW MEXICO | NEW MEXICO | S | STATE | -6593 | 10591 | 10200 | Y |
| PPP Leg #1-2 | 2640 | FSL | 2125 | FWL | 24S | 34E | 7 | Aliquot NESW | 32.2320361 | -103.5106473 | LEA | NEW MEXICO | NEW MEXICO | F | FEE | -6593 | 15831 | 10200 | Y |
| PPP Leg #1-3 | 0 | FNL | 2190 | FWL | 24S | 34E | 7 | Aliquot NENW | 32.2392901 | -103.5104382 | LEA | NEW MEXICO | NEW MEXICO | F | NMNM 100594 | -6593 | 13191 | 10200 | Y |
| EXIT Leg #1 | 330 | FSL | 2110 | FWL | 24S | 34E | 7 | Aliquot SESW | 32.2257327 | -103.510694 | LEA | NEW MEXICO | NEW MEXICO | F | FEE | -6593 | 18141 | 10200 | Y |
| BHL Leg #1 | 330 | FSL | 2110 | FWL | 24S | 34E | 7 | Aliquot SESW | 32.2257327 | -103.510694 | LEA | NEW MEXICO | NEW MEXICO | F | FEE | -6593 | 18141 | 10200 | Y |



Melanie Wilson <nmogrservices@gmail.com>

Pay.gov Payment Confirmation: BLM Oil and Gas Online Payment

notification@pay.gov <notification@pay.gov>
To: nmogrservices@gmail.com

Tue, Jul 14, 2020 at 4:08 PM



An official email of the United States government



Your payment has been submitted to Pay.gov and the details are below. If you have any questions regarding this payment, please contact BLM OC CBS Customer Service at (303) 236-6795 or BLM_OC_CBS_Customer_Service@blm.gov.

Application Name: BLM Oil and Gas Online Payment
Pay.gov Tracking ID: 26PEIQ0J
Agency Tracking ID: 76016144888
Transaction Type: Sale
Transaction Date: 07/14/2020 06:08:25 PM EDT
Account Holder Name: George B Kaiser
Transaction Amount: \$10,230.00
Card Type: Visa
Card Number: *****0061

Company: Kaiser-Francis Oil Company
APD IDs: 10400059014
Lease Numbers: NMNM100594
Well Numbers: 109H

Note: You will need your Pay.gov Tracking ID to complete your APD transaction in AFMSS II. Please ensure you write this number down upon completion of payment.

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.

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Drilling Plan Data Report

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

11/24/2020

APD ID: 10400059014

Submission Date: 07/15/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|--------------|-----------------|-----------|---------------------|----------------|-----------------|-------------------|---------------------|
| 785511 | --- | 3607 | 0 | 0 | OTHER : Surface | NONE | N |
| 785512 | RUSTLER | 2254 | 1353 | 1353 | SANDSTONE | NONE | N |
| 785513 | SALADO | 1874 | 1733 | 1733 | SALT | NONE | N |
| 785514 | TOP SALT | 1571 | 2036 | 2036 | SALT | NONE | N |
| 785515 | BASE OF SALT | -1415 | 5022 | 5022 | SALT | NONE | N |
| 785516 | LAMAR | -1615 | 5222 | 5222 | SANDSTONE | NATURAL GAS, OIL | N |
| 785517 | BELL CANYON | -1712 | 5319 | 5319 | SANDSTONE | NATURAL GAS, OIL | N |
| 785518 | CHERRY CANYON | -2562 | 6169 | 6169 | SANDSTONE | NATURAL GAS, OIL | N |
| 785519 | BRUSHY CANYON | -4010 | 7617 | 7617 | SANDSTONE | NATURAL GAS, OIL | N |
| 785520 | BONE SPRING | -5160 | 8767 | 8767 | LIMESTONE | NATURAL GAS, OIL | N |
| 785521 | AVALON SAND | -5332 | 8939 | 8939 | SANDSTONE | NATURAL GAS, OIL | N |
| 785522 | BONE SPRING 1ST | -6302 | 9909 | 9909 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 13000

Equipment: A 5M system will be installed according to Onshore Order #2 consisting of an Annular Preventer, BOP with two rams, a blind ram and safety valves and appropriate handles located on the rig floor. BOP will be equipped with 2 side outlets (choke side shall be a minimum 3 line, and kill side will be a minimum 2 line). Kill line will be installed with (2) valves and a check valve (2 min) of proper pressure rating for the system. Remote kill line (2 min) will be installed and ran to the outer edge of the substructure and be unobstructed. A manual and hydraulic valve (3 min) will be installed on the choke line, 3 chokes will be used with one being remotely controlled. Fill up line will be installed above the uppermost preventer. Pressure gauge of proper pressure rating will be installed on choke manifold. Upper and lower kelly cocks will be utilized with handles readily available in plain sight. A float sub will be available at all times. All connections subject to well pressure will be

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT SOUTH**Well Number:** 109H

flanged, welded, or clamped.

Requesting Variance? YES**Variance request:** Flex Hose Variance

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all of the components installed will be functional and tested.

Choke Diagram Attachment:

BLUS_109H_Choke_Manifold_20200714143402.pdf

BOP Diagram Attachment:

Well_Head_Diagram_20200714083348.pdf

Cactus_Flex_Hose_16C_Certification_20200206080210.pdf

BLUS_109H_BOP_20200714143447.pdf

Section 3 - Casing

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|--------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|---------|--------|--------------|-------------|----------|---------------|----------|--------------|---------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1400 | 0 | 1400 | 3607 | 2207 | 1400 | J-55 | 54.5 | BUTT | 1.7 | 4.2 | DRY | 11.9 | DRY | 11.2 |
| 2 | INTERMEDIATE | 12.25 | 9.625 | NEW | API | N | 0 | 5327 | 0 | 5300 | | -1693 | 5327 | HCP-110 | 40 | LT&C | 1.7 | 3.2 | DRY | 6 | DRY | 5.9 |
| 3 | PRODUCTION | 8.75 | 5.5 | NEW | API | N | 0 | 18141 | 0 | 10200 | | -6593 | 18141 | P-110 | 20 | OTHER - GBCD | 2.4 | 2.7 | DRY | 3.3 | DRY | 3.1 |

Casing Attachments

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUS_109H_Casing_Assumptions_20200715102649.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUS_109H_Casing_Assumptions_20200715102536.pdf

Casing ID: 3 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

GBCD_5.5in_Connection_Spec_Sheet_20200714143700.pdf

BLUS_109H_Casing_Assumptions_20200715102619.pdf

Section 4 - Cement

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|----------------------|
| SURFACE | Lead | | 0 | 1400 | 696 | 1.7 | 13.5 | 1216 | 75 | Halcem | 4% Bentonite |
| SURFACE | Tail | | 0 | 1400 | 365 | 1.3 | 14.8 | 486 | 75 | Halcem | 0.125#/sk Poly Flake |
| INTERMEDIATE | Lead | | 0 | 5327 | 787 | 2.1 | 12.5 | 1644 | 50 | Econocem | 3#/sk Kol Seal |
| INTERMEDIATE | Tail | | 0 | 5327 | 644 | 1.3 | 14.8 | 858 | 50 | Halcem | None |
| PRODUCTION | Lead | | 4000 | 1814 1 | 416 | 3.5 | 10.5 | 1449 | 15 | NeoCem | 2#/sk Kol Seal |
| PRODUCTION | Tail | | 4000 | 1814 1 | 2026 | 1.2 | 14.5 | 2478 | 15 | Versacem | None |

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all time.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | PH | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|-------------------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 5300 | 1020 0 | OIL-BASED MUD | 8.7 | 8.9 | | | | | | | |
| 1400 | 5300 | OTHER : Diesel-Brine Emulsion | 8.7 | 8.9 | | | | | | | |
| 0 | 1400 | OTHER : Fresh Water | 8.4 | 9 | | | | | | | |

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 109H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Top of cement on production casing will be determined by calculation.

List of open and cased hole logs run in the well:

DIRECTIONAL SURVEY, GAMMA RAY LOG, MUD LOG/GEOLOGIC LITHOLOGY LOG, MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

None planned

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4720

Anticipated Surface Pressure: 2475

Anticipated Bottom Hole Temperature(F): 165

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

BLUS_Pad_8_H2S_Contingency_Plan_20200714144720.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

BLUS_109H_Directional_Survey_20200714144736.pdf

Other proposed operations facets description:

Gas Capture Plan attached

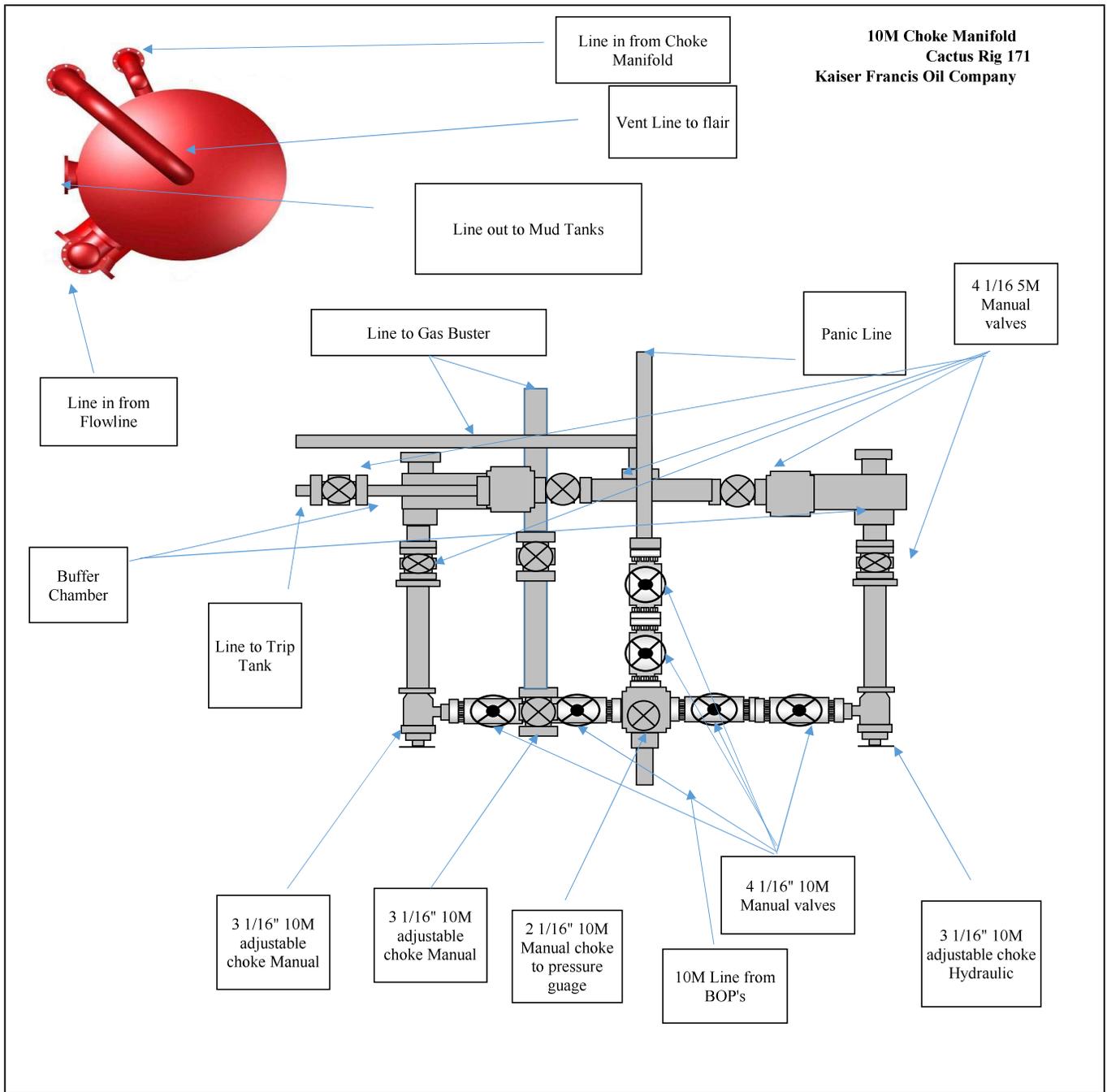
Other proposed operations facets attachment:

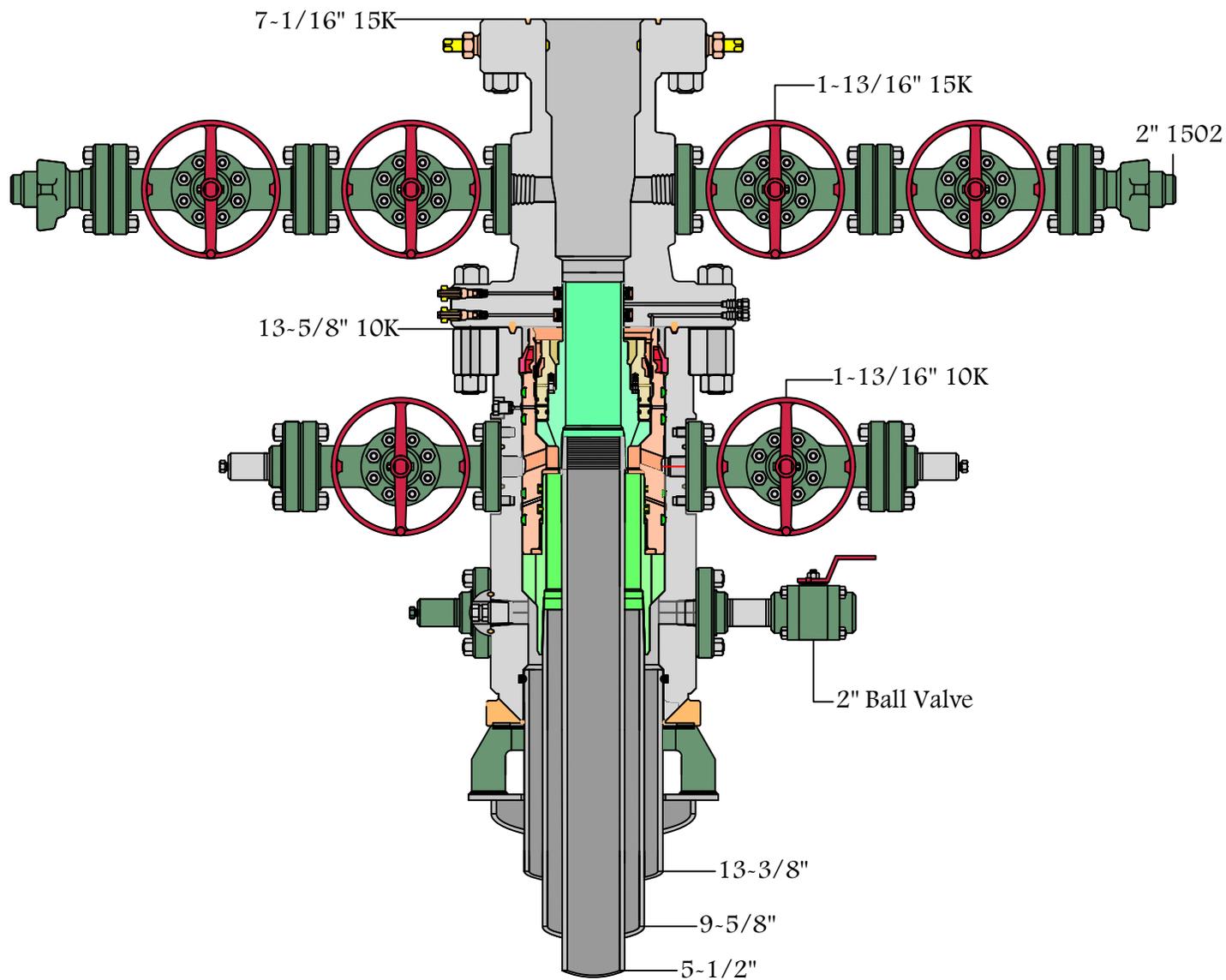
Bell_Lake_Unit_South_Pad_8_Gas_Capture_Plan_20200714144748.pdf

Other Variance attachment:

Cactus_Flex_Hose_16C_Certification_20200206081511.pdf

Well_Head_Diagram_20200714084431.pdf





RKI

BLUS 109H

Casing Assumptions

| Interval | Length | Casing Size | Weight (#/ft) | Grade | Thread | Condition | Hole Size | TVD (ft) |
|--------------|--------|-------------|---------------|---------|--------|-----------|-----------|----------|
| Conductor | 120' | 20" | | | | New | | 120 |
| Surface | 1400 | 13-3/8" | 54.5 | J-55 | BTC | New | 17-1/2" | 1400 |
| Intermediate | 5327 | 9-5/8" | 40 | HCP-110 | LTC | New | 12-1/4" | 5300 |
| Production | 18141 | 5-1/2" | 20 | P110 | GBCD | New | 8-3/4" | 10200 |

| Mud Type | Mud Weight Hole Control | Viscosity | Fluid Loss |
|----------|-------------------------|-----------|------------|
| FW | 8.4 - 9.0 | 32 - 34 | NC |
| DBE | 8.7-8.9 | 28 | NC |
| OBM | 8.7 - 8.9 | 28-29 | NC |

| Anticipated Mud Weight (ppg) | Max Pore Pressure (psi) | Collapse (psi) | Burst (psi) | Body Tensile Strength | Joint Tensile Strength |
|------------------------------|-------------------------|----------------|-------------|-----------------------|------------------------|
| 9 | 655 | 1130 | 2730 | 853000 | 909000 |
| 8.9 | 2453 | 4230 | 7900 | 1260000 | 1266000 |
| 8.9 | 4721 | 11100 | 12640 | 641000 | 667000 |

| Collapse Safety Factor (Min 1.1) | Burst Safety Factor (Min 1.0) | Body Tensile Safety Factor (Min 1.8) | Joint Tensile Safety Factor (Min 1.8) |
|----------------------------------|-------------------------------|--------------------------------------|---------------------------------------|
| 1.7 | 4.2 | 11.2 | 11.9 |
| 1.7 | 3.2 | 5.9 | 6.0 |
| 2.4 | 2.7 | 3.1 | 3.3 |

BLUS 109H

Casing Assumptions

| Interval | Length | Casing Size | Weight (#/ft) | Grade | Thread | Condition | Hole Size | TVD (ft) |
|--------------|--------|-------------|---------------|---------|--------|-----------|-----------|----------|
| Conductor | 120' | 20" | | | | New | | 120 |
| Surface | 1400 | 13-3/8" | 54.5 | J-55 | BTC | New | 17-1/2" | 1400 |
| Intermediate | 5327 | 9-5/8" | 40 | HCP-110 | LTC | New | 12-1/4" | 5300 |
| Production | 18141 | 5-1/2" | 20 | P110 | GBCD | New | 8-3/4" | 10200 |

| Mud Type | Mud Weight Hole Control | Viscosity | Fluid Loss |
|----------|-------------------------|-----------|------------|
| FW | 8.4 - 9.0 | 32 - 34 | NC |
| DBE | 8.7-8.9 | 28 | NC |
| OBM | 8.7 - 8.9 | 28-29 | NC |

| Anticipated Mud Weight (ppg) | Max Pore Pressure (psi) | Collapse (psi) | Burst (psi) | Body Tensile Strength | Joint Tensile Strength |
|------------------------------|-------------------------|----------------|-------------|-----------------------|------------------------|
| 9 | 655 | 1130 | 2730 | 853000 | 909000 |
| 8.9 | 2453 | 4230 | 7900 | 1260000 | 1266000 |
| 8.9 | 4721 | 11100 | 12640 | 641000 | 667000 |

| Collapse Safety Factor (Min 1.1) | Burst Safety Factor (Min 1.0) | Body Tensile Safety Factor (Min 1.8) | Joint Tensile Safety Factor (Min 1.8) |
|----------------------------------|-------------------------------|--------------------------------------|---------------------------------------|
| 1.7 | 4.2 | 11.2 | 11.9 |
| 1.7 | 3.2 | 5.9 | 6.0 |
| 2.4 | 2.7 | 3.1 | 3.3 |

**KAISER-FRANCIS OIL COMPANY
HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN
FOR DRILLING/COMPLETION WORKOVER/FACILITY**

**BELL LAKE UNIT SOUTH Pad 8
SECTION 6 -T24S-R34E
LEA COUNTY, NM**

This well/facility is not expected to have H₂S, but due to the sensitive location, the following is submitted as requested.

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EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections below for further responsibilities:

1. Notify the senior ranking contract representative on site.
2. Notify Kaiser-Francis representative in charge.
3. Notify civil authorities if the Kaiser-Francis Representative cannot be contacted and the situation dictates.
4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

In the event of an H₂S emergency, the following plan will be initiated.

- 1) All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area".
- 2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).
- 3) Always use the "buddy system".
- 4) Isolate the well/problem if possible.
- 5) Account for all personnel
- 6) Display the proper colors, warning all unsuspecting personnel of the danger at hand
- 7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary, the notification of emergency response agencies and residents.

INDIVIDUAL RESPONSIBILITIES DURING AN H₂S RELEASE

The following procedures and responsibilities will be implemented on activation of the H₂S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and/or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contract management and Kaiser-Francis Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible for Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Kaiser-Francis Oil Company Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify company management or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

The decision to ignite a well should be a last resort and one if not both of the following pertain.

- 1) Human life and/or property are in danger.
- 2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTIONS FOR IGNITION:

- 1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a "D"-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.
- 2) One of the people will be a qualified safety person who will test the atmosphere for H₂S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.
- 3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500' range to ignite the gas.
- 4) Prior to ignition, make a final check for combustible gases.
- 5) Following ignition, continue with the emergency actions & procedures as before.

CONTACTING AUTHORITIES

Kaiser-Francis 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. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

EMERGENCY CALL LIST: (Start and continue until ONE of these people have been reached)

| | <u>OFFICE</u> | <u>MOBILE</u> |
|------------------------|---------------|---------------|
| Kaiser-Francis Oil Co. | 918/494-0000 | |
| Bill Wilkinson | 580/668-2335 | 580/221-4637 |
| David Zerger | 918/491-4350 | 918/557-6708 |
| Charles Lock | 918/491-4337 | 918/671-6510 |
| Stuart Blake | 918/491-4347 | 918/510-4126 |
| Robert Sanford | 918/491-4201 | 918/770-2682 |
| Eric Hansen | 918/491-4339 | 918/527-5260 |

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

| | |
|---|------------------------------|
| State Police – Artesia | 575/748-9718 |
| State Police – Hobbs | 575/392-5580 |
| State Police – Carlsbad | 575/885-3138 |
| Lea County Sheriff - Lovington | 575/396-3611 |
| Local Emergency Planning Center – Lea County | 575/396-8607 |
| Local Emergency Planning Center – Eddy County | 575/885-3581 |
| Fire Fighting, Rescue & Ambulance – Carlsbad | 911 or 575/885-3125 |
| Fire Fighting, Rescue & Ambulance – Hobbs | 911 or 575/397-9308 |
| Fire Fighting – Jal Volunteer Fire Department | 911 or 505/395-2221 |
| New Mexico Oil & Gas Commission – Artesia | 575/748-1283 |
| New Mexico Oil & Gas Commission – Hobbs | 575/393-6161 |
| Air Medical Transport Services – Hobbs | 800/550-1025 |
| Med Flight Air Ambulance – Albuquerque | 505/842-4433 |
| Angel MedFlight | 844/553-9033 |
| DXP | 432/580-3770 |
| BJ Services | 575/392-5556 |
| Halliburton | 575/392-6531 800/844-8451 |

PROTECTION OF THE GENERAL PUBLIC/ROE:

In the event of a release with a concentration greater than 100 ppm H₂S, the ROE (Radius of Exposure) calculations will be done to determine if the following conditions have been met:

- Does the 100 ppm ROE include any public area (any place not associated with this site)
- Does the 500 ppm ROE include any public road (any road which the general public may travel)
- Is the 100 ppm ROE equal to or greater than 3000 feet

If any one of these conditions have been met then the Contingency Plan will be implemented. The following shows how to calculate the radius of exposure and an example.

Calculation for the 100 ppm ROE:

$$X = [(1.589)(\text{concentration})(Q)]^{(0.6258)}$$

(H₂S concentrations in decimal form)
 10,000 ppm +=1.+
 1,000 ppm +=.1+

Calculation for the 500 ppm ROE:

$$X+[(0.4546)(\text{concentration})(Q)]^{(0.6258)}$$

100 ppm +=.01+
 10 ppm +=.001+

EXAMPLE: If a well/facility has been determined to have 150 ppm H₂S in the gas mixture and the well/facility is producing at a gas rate of 200 MCFPD then:

ROE for 100 PPM X=[(1.589)(.0150)(200)]^(0.6258)
 X=2.65'

ROE for 500 PPM X=[(.4546)(.0150)(200)]^(0.6258)
 X=1.2'

(These calculations will be forwarded to the appropriate District NMOCD office when applicable.)

PUBLIC EVACUATION PLAN:

(When the supervisor has determined that the General Public will be involved, the following plan will be implemented)

- 1) Notification of the emergency response agencies of the hazardous condition and Implement evacuation procedures.
- 2) A trained person in H₂S safety, shall monitor with detection equipment the H₂S Concentration, wind and area of exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. **(All monitoring equipment will be UL approved, for use in class I groups A,B,C & D, Division I, hazardous locations. All monitors will have a minimum capability of measuring H₂S, oxygen, and flammable values.)**
- 3) Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.
- 4) The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

CHARACTERISTICS OF H₂S AND SO₂

| Common Name | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentration |
|------------------|------------------|------------------|-----------------|-----------------|----------------------|
| Hydrogen Sulfide | H ₂ S | 1.189 Air = 1 | 10 ppm | 100 ppm | 600 ppm |
| Sulfur Dioxide | SO ₂ | 2.21 Air = 1 | 2 ppm | N/A | 1000 ppm |

TRAINING:

All responders must have training in the detection of H₂S measures for protection against the gas, equipment used for protection and emergency response. Weekly drills by all crews will be conducted and recorded in the IADC daily log. Additionally, responders must be equipped with H₂S monitors at all times.

PUBLIC RELATIONS

Kaiser-Francis recognizes that the news media have a legitimate interest in incidents at Kaiser-Francis facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Kaiser-Francis employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

Project: Permian NM E'83
 County: Lea
 Site: BLUS Pad 8
 Well: Bell Lake Unit South 109H
 Wellbore: #109H OH
 Design: Plan #1

West(-)/East(+) (2000 usft/in)
 -1000 0 1000 2000

CASING DETAILS

| TVD | MD | Name |
|---------|---------|---------|
| 1400.00 | 1400.00 | 13 3/8" |
| 5300.00 | 5327.09 | 9 5/8" |



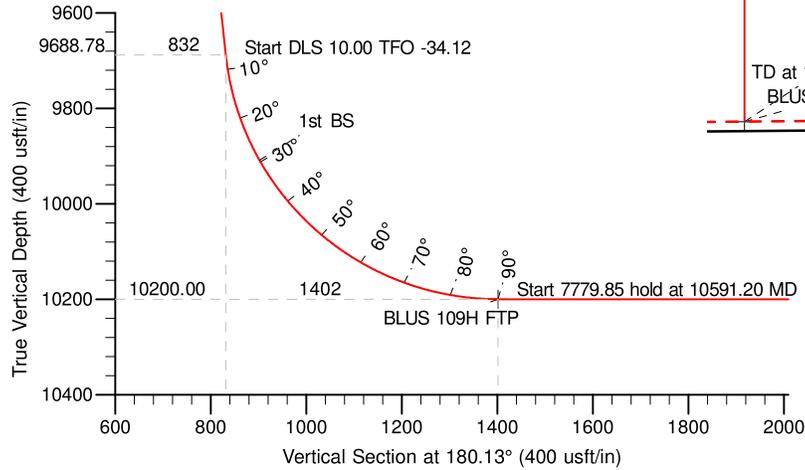
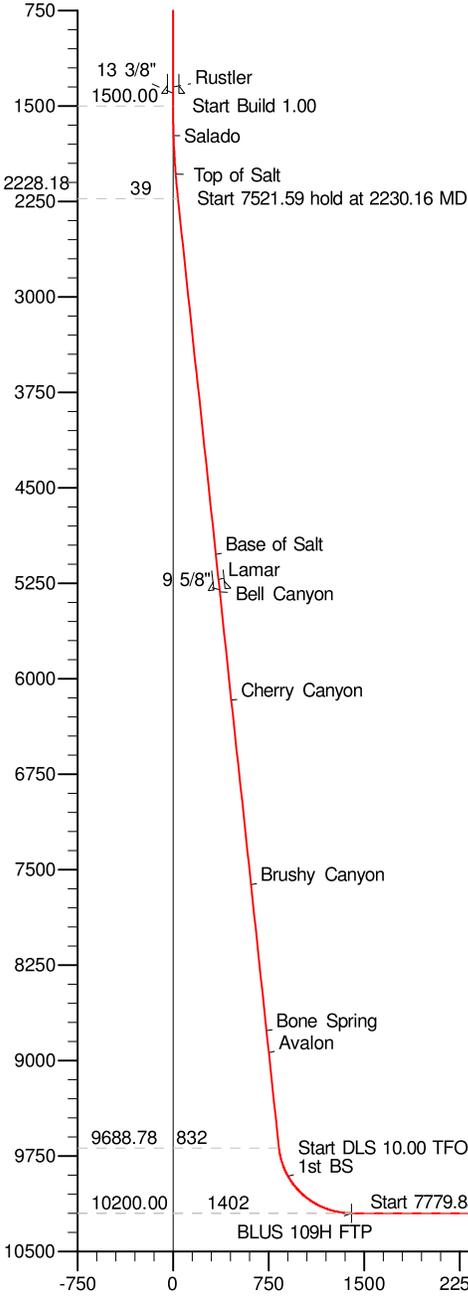
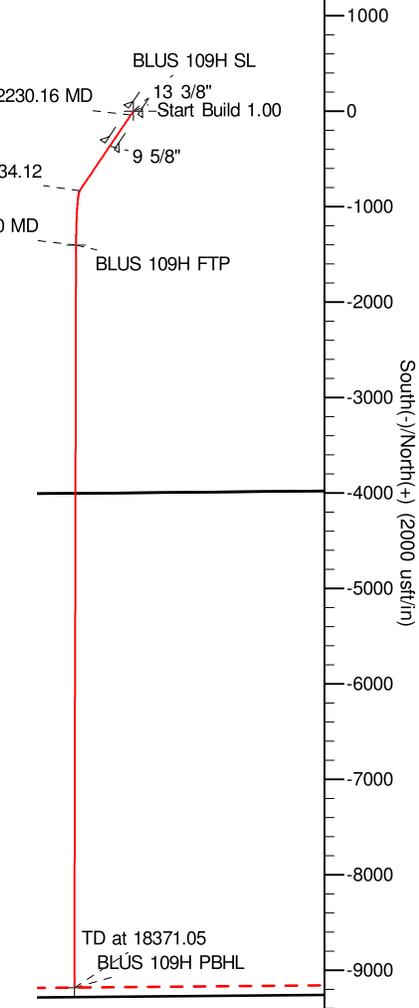
Azimuths to Grid North
 True North: -0.44°
 Magnetic North: 6.14°

Magnetic Field
 Strength: 47568.5snT
 Dip Angle: 59.95°
 Date: 12/08/2020
 Model: IGRF2020

US State Plane 1983
 New Mexico Eastern Zone
 32° 15' 1.151 N
 103° 30' 30.488 W

EST. FORMATION DETAILS

| TVDPath | MDPath | Formation |
|---------|---------|---------------|
| 1353.00 | 1353.00 | Rustler |
| 1733.00 | 1733.06 | Salado |
| 2036.00 | 2036.78 | Top of Salt |
| 5022.00 | 5046.82 | Base of Salt |
| 5222.00 | 5248.45 | Lamar |
| 5319.00 | 5346.24 | Bell Canyon |
| 6169.00 | 6203.19 | Cherry Canyon |
| 7617.00 | 7663.03 | Brushy Canyon |
| 8767.00 | 8822.43 | Bone Spring |
| 8939.00 | 8995.84 | Avalon |
| 9909.00 | 9985.14 | 1st BS |



Vertical Section at 180.13° (1500 usft/in)

DESIGN TARGET DETAILS

| Name | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
|----------------|----------|----------|---------|-----------|-----------|------------------|-------------------|
| BLUS 109H SL | 0.00 | 0.00 | 0.00 | 455779.25 | 796342.29 | 32° 15' 1.151 N | 103° 30' 30.488 W |
| BLUS 109H FTP | 10200.00 | -1400.29 | -599.00 | 454378.98 | 795743.30 | 32° 14' 47.341 N | 103° 30' 37.588 W |
| BLUS 109H PBHL | 10200.00 | -9180.12 | -617.14 | 446599.28 | 795725.16 | 32° 13' 30.362 N | 103° 30' 38.493 W |

SECTION DETAILS

| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | Dleg | TFace | V Sect | Target |
|-----|-----------|-------|--------|----------|----------|---------|-------|--------|---------|----------------|
| 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2 | 1500.00 | 0.00 | 0.00 | 1500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3 | 2230.16 | 7.30 | 214.04 | 2228.18 | -38.50 | -26.01 | 1.00 | 214.04 | 38.56 | |
| 4 | 9751.75 | 7.30 | 214.04 | 9688.78 | -830.62 | -561.13 | 0.00 | 0.00 | 831.89 | |
| 5 | 510591.20 | 90.00 | 180.13 | 10200.00 | -1400.29 | -599.00 | 10.00 | -34.12 | 1401.65 | |
| 6 | 618371.05 | 90.00 | 180.13 | 10200.00 | -9180.12 | -617.14 | 0.00 | 0.00 | 9181.50 | BLUS 109H PBHL |

S6-T24S-R34E SL
 1280'FNL 2445'FEL
 S6-T24S-R34E FTP
 2600'FSL 2190'FWL
 S7-T24S-R34E PBHL
 100'FSL 2110'FWL

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| | | | |
|--------------------|---------------------------|----------------------|-----------------------------|
| Project | Permian NM E'83 | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | Using geodetic scale factor |

| | | | | | |
|------------------------------|------------------------------|---------------------|-----------------|--------------------------|-------------------|
| Site | BLUS Pad 8, Centered on 109H | | | | |
| Site Position: | | Northing: | 455,779.25 usft | Latitude: | 32° 15' 1.151 N |
| From: | Map | Easting: | 796,342.29 usft | Longitude: | 103° 30' 30.488 W |
| Position Uncertainty: | 0.00 usft | Slot Radius: | 13-3/16 " | Grid Convergence: | 0.44 ° |

| | | | | | | |
|-----------------------------|---------------------------|-----------|----------------------------|-----------------|----------------------|-------------------|
| Well | Bell Lake Unit South 109H | | | | | |
| Well Position | +N/-S | 0.00 usft | Northing: | 455,779.25 usft | Latitude: | 32° 15' 1.151 N |
| | +E/-W | 0.00 usft | Easting: | 796,342.29 usft | Longitude: | 103° 30' 30.488 W |
| Position Uncertainty | | 0.00 usft | Wellhead Elevation: | usft | Ground Level: | 3,607.50 usft |

| | | | | | |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| Wellbore | #109H OH | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2020 | 12/08/20 | 6.58 | 59.95 | 47,568.52589271 |

| | | | | | |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|--|
| Design | Plan #1 | | | | |
| Audit Notes: | | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.00 | |
| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) | |
| | 0.00 | 0.00 | 0.00 | 180.13 | |

| 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) | |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,100.00 | 0.00 | 0.00 | 1,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,300.00 | 0.00 | 0.00 | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,353.00 | 0.00 | 0.00 | 1,353.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rustler | | | | | | | | | | |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| 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) |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 3/8" | | | | | | | | | |
| 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,600.00 | 1.00 | 214.04 | 1,599.99 | -0.72 | -0.49 | 0.72 | 1.00 | 1.00 | 0.00 |
| 1,700.00 | 2.00 | 214.04 | 1,699.96 | -2.89 | -1.95 | 2.90 | 1.00 | 1.00 | 0.00 |
| 1,733.06 | 2.33 | 214.04 | 1,733.00 | -3.93 | -2.65 | 3.93 | 1.00 | 1.00 | 0.00 |
| Salado | | | | | | | | | |
| 1,800.00 | 3.00 | 214.04 | 1,799.86 | -6.51 | -4.40 | 6.52 | 1.00 | 1.00 | 0.00 |
| 1,900.00 | 4.00 | 214.04 | 1,899.68 | -11.57 | -7.81 | 11.58 | 1.00 | 1.00 | 0.00 |
| 2,000.00 | 5.00 | 214.04 | 1,999.37 | -18.07 | -12.20 | 18.09 | 1.00 | 1.00 | 0.00 |
| 2,036.78 | 5.37 | 214.04 | 2,036.00 | -20.82 | -14.07 | 20.85 | 1.00 | 1.00 | 0.00 |
| Top of Salt | | | | | | | | | |
| 2,100.00 | 6.00 | 214.04 | 2,098.90 | -26.01 | -17.57 | 26.05 | 1.00 | 1.00 | 0.00 |
| 2,200.00 | 7.00 | 214.04 | 2,198.26 | -35.39 | -23.91 | 35.44 | 1.00 | 1.00 | 0.00 |
| 2,230.16 | 7.30 | 214.04 | 2,228.18 | -38.50 | -26.01 | 38.56 | 1.00 | 1.00 | 0.00 |
| 2,300.00 | 7.30 | 214.04 | 2,297.46 | -45.85 | -30.98 | 45.93 | 0.00 | 0.00 | 0.00 |
| 2,400.00 | 7.30 | 214.04 | 2,396.65 | -56.39 | -38.09 | 56.47 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 7.30 | 214.04 | 2,495.84 | -66.92 | -45.21 | 67.02 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 7.30 | 214.04 | 2,595.03 | -77.45 | -52.32 | 77.57 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 7.30 | 214.04 | 2,694.22 | -87.98 | -59.44 | 88.11 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 7.30 | 214.04 | 2,793.40 | -98.51 | -66.55 | 98.66 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 7.30 | 214.04 | 2,892.59 | -109.04 | -73.66 | 109.21 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 7.30 | 214.04 | 2,991.78 | -119.57 | -80.78 | 119.76 | 0.00 | 0.00 | 0.00 |
| 3,100.00 | 7.30 | 214.04 | 3,090.97 | -130.10 | -87.89 | 130.30 | 0.00 | 0.00 | 0.00 |
| 3,200.00 | 7.30 | 214.04 | 3,190.16 | -140.64 | -95.01 | 140.85 | 0.00 | 0.00 | 0.00 |
| 3,300.00 | 7.30 | 214.04 | 3,289.35 | -151.17 | -102.12 | 151.40 | 0.00 | 0.00 | 0.00 |
| 3,400.00 | 7.30 | 214.04 | 3,388.54 | -161.70 | -109.24 | 161.95 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 7.30 | 214.04 | 3,487.73 | -172.23 | -116.35 | 172.49 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 7.30 | 214.04 | 3,586.92 | -182.76 | -123.47 | 183.04 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 7.30 | 214.04 | 3,686.11 | -193.29 | -130.58 | 193.59 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 7.30 | 214.04 | 3,785.30 | -203.82 | -137.69 | 204.14 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 7.30 | 214.04 | 3,884.48 | -214.36 | -144.81 | 214.68 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 7.30 | 214.04 | 3,983.67 | -224.89 | -151.92 | 225.23 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 7.30 | 214.04 | 4,082.86 | -235.42 | -159.04 | 235.78 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 7.30 | 214.04 | 4,182.05 | -245.95 | -166.15 | 246.33 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 7.30 | 214.04 | 4,281.24 | -256.48 | -173.27 | 256.87 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 7.30 | 214.04 | 4,380.43 | -267.01 | -180.38 | 267.42 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 7.30 | 214.04 | 4,479.62 | -277.54 | -187.50 | 277.97 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 7.30 | 214.04 | 4,578.81 | -288.07 | -194.61 | 288.51 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 7.30 | 214.04 | 4,678.00 | -298.61 | -201.72 | 299.06 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 7.30 | 214.04 | 4,777.19 | -309.14 | -208.84 | 309.61 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 7.30 | 214.04 | 4,876.38 | -319.67 | -215.95 | 320.16 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 7.30 | 214.04 | 4,975.56 | -330.20 | -223.07 | 330.70 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| 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) | |
| 5,046.82 | 7.30 | 214.04 | 5,022.00 | -335.13 | -226.40 | 335.64 | 0.00 | 0.00 | 0.00 | |
| Base of Salt | | | | | | | | | | |
| 5,100.00 | 7.30 | 214.04 | 5,074.75 | -340.73 | -230.18 | 341.25 | 0.00 | 0.00 | 0.00 | |
| 5,200.00 | 7.30 | 214.04 | 5,173.94 | -351.26 | -237.30 | 351.80 | 0.00 | 0.00 | 0.00 | |
| 5,248.45 | 7.30 | 214.04 | 5,222.00 | -356.36 | -240.74 | 356.91 | 0.00 | 0.00 | 0.00 | |
| Lamar | | | | | | | | | | |
| 5,300.00 | 7.30 | 214.04 | 5,273.13 | -361.79 | -244.41 | 362.35 | 0.00 | 0.00 | 0.00 | |
| 5,327.09 | 7.30 | 214.04 | 5,300.00 | -364.65 | -246.34 | 365.20 | 0.00 | 0.00 | 0.00 | |
| 9 5/8" | | | | | | | | | | |
| 5,346.24 | 7.30 | 214.04 | 5,319.00 | -366.66 | -247.70 | 367.22 | 0.00 | 0.00 | 0.00 | |
| Bell Canyon | | | | | | | | | | |
| 5,400.00 | 7.30 | 214.04 | 5,372.32 | -372.32 | -251.53 | 372.89 | 0.00 | 0.00 | 0.00 | |
| 5,500.00 | 7.30 | 214.04 | 5,471.51 | -382.86 | -258.64 | 383.44 | 0.00 | 0.00 | 0.00 | |
| 5,600.00 | 7.30 | 214.04 | 5,570.70 | -393.39 | -265.76 | 393.99 | 0.00 | 0.00 | 0.00 | |
| 5,700.00 | 7.30 | 214.04 | 5,669.89 | -403.92 | -272.87 | 404.54 | 0.00 | 0.00 | 0.00 | |
| 5,800.00 | 7.30 | 214.04 | 5,769.08 | -414.45 | -279.98 | 415.08 | 0.00 | 0.00 | 0.00 | |
| 5,900.00 | 7.30 | 214.04 | 5,868.27 | -424.98 | -287.10 | 425.63 | 0.00 | 0.00 | 0.00 | |
| 6,000.00 | 7.30 | 214.04 | 5,967.46 | -435.51 | -294.21 | 436.18 | 0.00 | 0.00 | 0.00 | |
| 6,100.00 | 7.30 | 214.04 | 6,066.64 | -446.04 | -301.33 | 446.73 | 0.00 | 0.00 | 0.00 | |
| 6,200.00 | 7.30 | 214.04 | 6,165.83 | -456.57 | -308.44 | 457.27 | 0.00 | 0.00 | 0.00 | |
| 6,203.19 | 7.30 | 214.04 | 6,169.00 | -456.91 | -308.67 | 457.61 | 0.00 | 0.00 | 0.00 | |
| Cherry Canyon | | | | | | | | | | |
| 6,300.00 | 7.30 | 214.04 | 6,265.02 | -467.11 | -315.56 | 467.82 | 0.00 | 0.00 | 0.00 | |
| 6,400.00 | 7.30 | 214.04 | 6,364.21 | -477.64 | -322.67 | 478.37 | 0.00 | 0.00 | 0.00 | |
| 6,500.00 | 7.30 | 214.04 | 6,463.40 | -488.17 | -329.79 | 488.91 | 0.00 | 0.00 | 0.00 | |
| 6,600.00 | 7.30 | 214.04 | 6,562.59 | -498.70 | -336.90 | 499.46 | 0.00 | 0.00 | 0.00 | |
| 6,700.00 | 7.30 | 214.04 | 6,661.78 | -509.23 | -344.01 | 510.01 | 0.00 | 0.00 | 0.00 | |
| 6,800.00 | 7.30 | 214.04 | 6,760.97 | -519.76 | -351.13 | 520.56 | 0.00 | 0.00 | 0.00 | |
| 6,900.00 | 7.30 | 214.04 | 6,860.16 | -530.29 | -358.24 | 531.10 | 0.00 | 0.00 | 0.00 | |
| 7,000.00 | 7.30 | 214.04 | 6,959.35 | -540.82 | -365.36 | 541.65 | 0.00 | 0.00 | 0.00 | |
| 7,100.00 | 7.30 | 214.04 | 7,058.54 | -551.36 | -372.47 | 552.20 | 0.00 | 0.00 | 0.00 | |
| 7,200.00 | 7.30 | 214.04 | 7,157.72 | -561.89 | -379.59 | 562.75 | 0.00 | 0.00 | 0.00 | |
| 7,300.00 | 7.30 | 214.04 | 7,256.91 | -572.42 | -386.70 | 573.29 | 0.00 | 0.00 | 0.00 | |
| 7,400.00 | 7.30 | 214.04 | 7,356.10 | -582.95 | -393.82 | 583.84 | 0.00 | 0.00 | 0.00 | |
| 7,500.00 | 7.30 | 214.04 | 7,455.29 | -593.48 | -400.93 | 594.39 | 0.00 | 0.00 | 0.00 | |
| 7,600.00 | 7.30 | 214.04 | 7,554.48 | -604.01 | -408.04 | 604.94 | 0.00 | 0.00 | 0.00 | |
| 7,663.03 | 7.30 | 214.04 | 7,617.00 | -610.65 | -412.53 | 611.58 | 0.00 | 0.00 | 0.00 | |
| Brushy Canyon | | | | | | | | | | |
| 7,700.00 | 7.30 | 214.04 | 7,653.67 | -614.54 | -415.16 | 615.48 | 0.00 | 0.00 | 0.00 | |
| 7,800.00 | 7.30 | 214.04 | 7,752.86 | -625.07 | -422.27 | 626.03 | 0.00 | 0.00 | 0.00 | |
| 7,900.00 | 7.30 | 214.04 | 7,852.05 | -635.61 | -429.39 | 636.58 | 0.00 | 0.00 | 0.00 | |
| 8,000.00 | 7.30 | 214.04 | 7,951.24 | -646.14 | -436.50 | 647.13 | 0.00 | 0.00 | 0.00 | |
| 8,100.00 | 7.30 | 214.04 | 8,050.43 | -656.67 | -443.62 | 657.67 | 0.00 | 0.00 | 0.00 | |
| 8,200.00 | 7.30 | 214.04 | 8,149.62 | -667.20 | -450.73 | 668.22 | 0.00 | 0.00 | 0.00 | |
| 8,300.00 | 7.30 | 214.04 | 8,248.80 | -677.73 | -457.85 | 678.77 | 0.00 | 0.00 | 0.00 | |

Titan Directional Drilling Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| 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) | |
| 8,400.00 | 7.30 | 214.04 | 8,347.99 | -688.26 | -464.96 | 689.32 | 0.00 | 0.00 | 0.00 | |
| 8,500.00 | 7.30 | 214.04 | 8,447.18 | -698.79 | -472.08 | 699.86 | 0.00 | 0.00 | 0.00 | |
| 8,600.00 | 7.30 | 214.04 | 8,546.37 | -709.32 | -479.19 | 710.41 | 0.00 | 0.00 | 0.00 | |
| 8,700.00 | 7.30 | 214.04 | 8,645.56 | -719.86 | -486.30 | 720.96 | 0.00 | 0.00 | 0.00 | |
| 8,800.00 | 7.30 | 214.04 | 8,744.75 | -730.39 | -493.42 | 731.50 | 0.00 | 0.00 | 0.00 | |
| 8,822.43 | 7.30 | 214.04 | 8,767.00 | -732.75 | -495.01 | 733.87 | 0.00 | 0.00 | 0.00 | |
| Bone Spring | | | | | | | | | | |
| 8,900.00 | 7.30 | 214.04 | 8,843.94 | -740.92 | -500.53 | 742.05 | 0.00 | 0.00 | 0.00 | |
| 8,995.84 | 7.30 | 214.04 | 8,939.00 | -751.01 | -507.35 | 752.16 | 0.00 | 0.00 | 0.00 | |
| Avalon | | | | | | | | | | |
| 9,000.00 | 7.30 | 214.04 | 8,943.13 | -751.45 | -507.65 | 752.60 | 0.00 | 0.00 | 0.00 | |
| 9,100.00 | 7.30 | 214.04 | 9,042.32 | -761.98 | -514.76 | 763.15 | 0.00 | 0.00 | 0.00 | |
| 9,200.00 | 7.30 | 214.04 | 9,141.51 | -772.51 | -521.88 | 773.69 | 0.00 | 0.00 | 0.00 | |
| 9,300.00 | 7.30 | 214.04 | 9,240.70 | -783.04 | -528.99 | 784.24 | 0.00 | 0.00 | 0.00 | |
| 9,400.00 | 7.30 | 214.04 | 9,339.88 | -793.57 | -536.11 | 794.79 | 0.00 | 0.00 | 0.00 | |
| 9,500.00 | 7.30 | 214.04 | 9,439.07 | -804.11 | -543.22 | 805.34 | 0.00 | 0.00 | 0.00 | |
| 9,600.00 | 7.30 | 214.04 | 9,538.26 | -814.64 | -550.33 | 815.88 | 0.00 | 0.00 | 0.00 | |
| 9,700.00 | 7.30 | 214.04 | 9,637.45 | -825.17 | -557.45 | 826.43 | 0.00 | 0.00 | 0.00 | |
| 9,751.75 | 7.30 | 214.04 | 9,688.78 | -830.62 | -561.13 | 831.89 | 0.00 | 0.00 | 0.00 | |
| 9,800.00 | 11.61 | 200.49 | 9,736.37 | -837.71 | -564.55 | 838.99 | 10.00 | 8.94 | -28.09 | |
| 9,850.00 | 16.38 | 194.20 | 9,784.87 | -849.27 | -568.04 | 850.56 | 10.00 | 9.54 | -12.56 | |
| 9,900.00 | 21.26 | 190.72 | 9,832.19 | -865.02 | -571.46 | 866.32 | 10.00 | 9.75 | -6.97 | |
| 9,950.00 | 26.18 | 188.49 | 9,877.95 | -884.85 | -574.78 | 886.15 | 10.00 | 9.84 | -4.45 | |
| 9,985.14 | 29.65 | 187.35 | 9,909.00 | -901.14 | -577.04 | 902.45 | 10.00 | 9.88 | -3.26 | |
| 1st BS | | | | | | | | | | |
| 10,000.00 | 31.12 | 186.93 | 9,921.82 | -908.60 | -577.97 | 909.91 | 10.00 | 9.90 | -2.79 | |
| 10,050.00 | 36.08 | 185.76 | 9,963.45 | -936.10 | -581.01 | 937.41 | 10.00 | 9.92 | -2.34 | |
| 10,100.00 | 41.05 | 184.84 | 10,002.53 | -967.12 | -583.88 | 968.45 | 10.00 | 9.93 | -1.84 | |
| 10,150.00 | 46.02 | 184.09 | 10,038.77 | -1,001.45 | -586.55 | 1,002.78 | 10.00 | 9.95 | -1.51 | |
| 10,200.00 | 51.00 | 183.45 | 10,071.88 | -1,038.81 | -589.00 | 1,040.14 | 10.00 | 9.95 | -1.27 | |
| 10,250.00 | 55.98 | 182.90 | 10,101.62 | -1,078.92 | -591.22 | 1,080.26 | 10.00 | 9.96 | -1.11 | |
| 10,300.00 | 60.96 | 182.41 | 10,127.76 | -1,121.48 | -593.19 | 1,122.82 | 10.00 | 9.96 | -0.98 | |
| 10,350.00 | 65.95 | 181.96 | 10,150.10 | -1,166.16 | -594.89 | 1,167.51 | 10.00 | 9.97 | -0.89 | |
| 10,400.00 | 70.93 | 181.55 | 10,168.47 | -1,212.63 | -596.31 | 1,213.98 | 10.00 | 9.97 | -0.83 | |
| 10,450.00 | 75.92 | 181.16 | 10,182.73 | -1,260.52 | -597.44 | 1,261.87 | 10.00 | 9.97 | -0.78 | |
| 10,500.00 | 80.90 | 180.79 | 10,192.78 | -1,309.48 | -598.27 | 1,310.83 | 10.00 | 9.97 | -0.74 | |
| 10,550.00 | 85.89 | 180.43 | 10,198.52 | -1,359.13 | -598.80 | 1,360.48 | 10.00 | 9.97 | -0.72 | |
| 10,591.20 | 90.00 | 180.13 | 10,200.00 | -1,400.29 | -599.00 | 1,401.65 | 10.00 | 9.97 | -0.71 | |
| 10,600.00 | 90.00 | 180.13 | 10,200.00 | -1,409.09 | -599.02 | 1,410.45 | 0.00 | 0.00 | 0.00 | |
| 10,700.00 | 90.00 | 180.13 | 10,200.00 | -1,509.09 | -599.25 | 1,510.45 | 0.00 | 0.00 | 0.00 | |
| 10,800.00 | 90.00 | 180.13 | 10,200.00 | -1,609.09 | -599.49 | 1,610.45 | 0.00 | 0.00 | 0.00 | |
| 10,900.00 | 90.00 | 180.13 | 10,200.00 | -1,709.09 | -599.72 | 1,710.45 | 0.00 | 0.00 | 0.00 | |
| 11,000.00 | 90.00 | 180.13 | 10,200.00 | -1,809.09 | -599.95 | 1,810.45 | 0.00 | 0.00 | 0.00 | |
| 11,100.00 | 90.00 | 180.13 | 10,200.00 | -1,909.09 | -600.19 | 1,910.45 | 0.00 | 0.00 | 0.00 | |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| 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) |
| 11,200.00 | 90.00 | 180.13 | 10,200.00 | -2,009.09 | -600.42 | 2,010.45 | 0.00 | 0.00 | 0.00 |
| 11,300.00 | 90.00 | 180.13 | 10,200.00 | -2,109.09 | -600.65 | 2,110.45 | 0.00 | 0.00 | 0.00 |
| 11,400.00 | 90.00 | 180.13 | 10,200.00 | -2,209.09 | -600.89 | 2,210.45 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 90.00 | 180.13 | 10,200.00 | -2,309.09 | -601.12 | 2,310.45 | 0.00 | 0.00 | 0.00 |
| 11,600.00 | 90.00 | 180.13 | 10,200.00 | -2,409.09 | -601.35 | 2,410.45 | 0.00 | 0.00 | 0.00 |
| 11,700.00 | 90.00 | 180.13 | 10,200.00 | -2,509.09 | -601.58 | 2,510.45 | 0.00 | 0.00 | 0.00 |
| 11,800.00 | 90.00 | 180.13 | 10,200.00 | -2,609.09 | -601.82 | 2,610.45 | 0.00 | 0.00 | 0.00 |
| 11,900.00 | 90.00 | 180.13 | 10,200.00 | -2,709.09 | -602.05 | 2,710.45 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 90.00 | 180.13 | 10,200.00 | -2,809.09 | -602.28 | 2,810.45 | 0.00 | 0.00 | 0.00 |
| 12,100.00 | 90.00 | 180.13 | 10,200.00 | -2,909.09 | -602.52 | 2,910.45 | 0.00 | 0.00 | 0.00 |
| 12,200.00 | 90.00 | 180.13 | 10,200.00 | -3,009.09 | -602.75 | 3,010.45 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 90.00 | 180.13 | 10,200.00 | -3,109.09 | -602.98 | 3,110.45 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 90.00 | 180.13 | 10,200.00 | -3,209.09 | -603.22 | 3,210.45 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 90.00 | 180.13 | 10,200.00 | -3,309.09 | -603.45 | 3,310.45 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 90.00 | 180.13 | 10,200.00 | -3,409.09 | -603.68 | 3,410.45 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 90.00 | 180.13 | 10,200.00 | -3,509.09 | -603.92 | 3,510.45 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 90.00 | 180.13 | 10,200.00 | -3,609.09 | -604.15 | 3,610.45 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 90.00 | 180.13 | 10,200.00 | -3,709.09 | -604.38 | 3,710.45 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 90.00 | 180.13 | 10,200.00 | -3,809.09 | -604.62 | 3,810.45 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 90.00 | 180.13 | 10,200.00 | -3,909.08 | -604.85 | 3,910.45 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 90.00 | 180.13 | 10,200.00 | -4,009.08 | -605.08 | 4,010.45 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 90.00 | 180.13 | 10,200.00 | -4,109.08 | -605.31 | 4,110.45 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 90.00 | 180.13 | 10,200.00 | -4,209.08 | -605.55 | 4,210.45 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 90.00 | 180.13 | 10,200.00 | -4,309.08 | -605.78 | 4,310.45 | 0.00 | 0.00 | 0.00 |
| 13,600.00 | 90.00 | 180.13 | 10,200.00 | -4,409.08 | -606.01 | 4,410.45 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 90.00 | 180.13 | 10,200.00 | -4,509.08 | -606.25 | 4,510.45 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 90.00 | 180.13 | 10,200.00 | -4,609.08 | -606.48 | 4,610.45 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 90.00 | 180.13 | 10,200.00 | -4,709.08 | -606.71 | 4,710.45 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 90.00 | 180.13 | 10,200.00 | -4,809.08 | -606.95 | 4,810.45 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 90.00 | 180.13 | 10,200.00 | -4,909.08 | -607.18 | 4,910.45 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 90.00 | 180.13 | 10,200.00 | -5,009.08 | -607.41 | 5,010.45 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 90.00 | 180.13 | 10,200.00 | -5,109.08 | -607.65 | 5,110.45 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 90.00 | 180.13 | 10,200.00 | -5,209.08 | -607.88 | 5,210.45 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 90.00 | 180.13 | 10,200.00 | -5,309.08 | -608.11 | 5,310.45 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 90.00 | 180.13 | 10,200.00 | -5,409.08 | -608.35 | 5,410.45 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 90.00 | 180.13 | 10,200.00 | -5,509.08 | -608.58 | 5,510.45 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 90.00 | 180.13 | 10,200.00 | -5,609.08 | -608.81 | 5,610.45 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 90.00 | 180.13 | 10,200.00 | -5,709.08 | -609.05 | 5,710.45 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 90.00 | 180.13 | 10,200.00 | -5,809.08 | -609.28 | 5,810.45 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 90.00 | 180.13 | 10,200.00 | -5,909.08 | -609.51 | 5,910.45 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 90.00 | 180.13 | 10,200.00 | -6,009.08 | -609.74 | 6,010.45 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 90.00 | 180.13 | 10,200.00 | -6,109.08 | -609.98 | 6,110.45 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 90.00 | 180.13 | 10,200.00 | -6,209.08 | -610.21 | 6,210.45 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| 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) | |
| 15,500.00 | 90.00 | 180.13 | 10,200.00 | -6,309.08 | -610.44 | 6,310.45 | 0.00 | 0.00 | 0.00 | |
| 15,600.00 | 90.00 | 180.13 | 10,200.00 | -6,409.08 | -610.68 | 6,410.45 | 0.00 | 0.00 | 0.00 | |
| 15,700.00 | 90.00 | 180.13 | 10,200.00 | -6,509.08 | -610.91 | 6,510.45 | 0.00 | 0.00 | 0.00 | |
| 15,800.00 | 90.00 | 180.13 | 10,200.00 | -6,609.08 | -611.14 | 6,610.45 | 0.00 | 0.00 | 0.00 | |
| 15,900.00 | 90.00 | 180.13 | 10,200.00 | -6,709.08 | -611.38 | 6,710.45 | 0.00 | 0.00 | 0.00 | |
| 16,000.00 | 90.00 | 180.13 | 10,200.00 | -6,809.08 | -611.61 | 6,810.45 | 0.00 | 0.00 | 0.00 | |
| 16,100.00 | 90.00 | 180.13 | 10,200.00 | -6,909.08 | -611.84 | 6,910.45 | 0.00 | 0.00 | 0.00 | |
| 16,200.00 | 90.00 | 180.13 | 10,200.00 | -7,009.08 | -612.08 | 7,010.45 | 0.00 | 0.00 | 0.00 | |
| 16,300.00 | 90.00 | 180.13 | 10,200.00 | -7,109.08 | -612.31 | 7,110.45 | 0.00 | 0.00 | 0.00 | |
| 16,400.00 | 90.00 | 180.13 | 10,200.00 | -7,209.08 | -612.54 | 7,210.45 | 0.00 | 0.00 | 0.00 | |
| 16,500.00 | 90.00 | 180.13 | 10,200.00 | -7,309.08 | -612.78 | 7,310.45 | 0.00 | 0.00 | 0.00 | |
| 16,600.00 | 90.00 | 180.13 | 10,200.00 | -7,409.08 | -613.01 | 7,410.45 | 0.00 | 0.00 | 0.00 | |
| 16,700.00 | 90.00 | 180.13 | 10,200.00 | -7,509.08 | -613.24 | 7,510.45 | 0.00 | 0.00 | 0.00 | |
| 16,800.00 | 90.00 | 180.13 | 10,200.00 | -7,609.07 | -613.47 | 7,610.45 | 0.00 | 0.00 | 0.00 | |
| 16,900.00 | 90.00 | 180.13 | 10,200.00 | -7,709.07 | -613.71 | 7,710.45 | 0.00 | 0.00 | 0.00 | |
| 17,000.00 | 90.00 | 180.13 | 10,200.00 | -7,809.07 | -613.94 | 7,810.45 | 0.00 | 0.00 | 0.00 | |
| 17,100.00 | 90.00 | 180.13 | 10,200.00 | -7,909.07 | -614.17 | 7,910.45 | 0.00 | 0.00 | 0.00 | |
| 17,200.00 | 90.00 | 180.13 | 10,200.00 | -8,009.07 | -614.41 | 8,010.45 | 0.00 | 0.00 | 0.00 | |
| 17,300.00 | 90.00 | 180.13 | 10,200.00 | -8,109.07 | -614.64 | 8,110.45 | 0.00 | 0.00 | 0.00 | |
| 17,400.00 | 90.00 | 180.13 | 10,200.00 | -8,209.07 | -614.87 | 8,210.45 | 0.00 | 0.00 | 0.00 | |
| 17,500.00 | 90.00 | 180.13 | 10,200.00 | -8,309.07 | -615.11 | 8,310.45 | 0.00 | 0.00 | 0.00 | |
| 17,600.00 | 90.00 | 180.13 | 10,200.00 | -8,409.07 | -615.34 | 8,410.45 | 0.00 | 0.00 | 0.00 | |
| 17,700.00 | 90.00 | 180.13 | 10,200.00 | -8,509.07 | -615.57 | 8,510.45 | 0.00 | 0.00 | 0.00 | |
| 17,800.00 | 90.00 | 180.13 | 10,200.00 | -8,609.07 | -615.81 | 8,610.45 | 0.00 | 0.00 | 0.00 | |
| 17,900.00 | 90.00 | 180.13 | 10,200.00 | -8,709.07 | -616.04 | 8,710.45 | 0.00 | 0.00 | 0.00 | |
| 18,000.00 | 90.00 | 180.13 | 10,200.00 | -8,809.07 | -616.27 | 8,810.45 | 0.00 | 0.00 | 0.00 | |
| 18,100.00 | 90.00 | 180.13 | 10,200.00 | -8,909.07 | -616.51 | 8,910.45 | 0.00 | 0.00 | 0.00 | |
| 18,200.00 | 90.00 | 180.13 | 10,200.00 | -9,009.07 | -616.74 | 9,010.45 | 0.00 | 0.00 | 0.00 | |
| 18,300.00 | 90.00 | 180.13 | 10,200.00 | -9,109.07 | -616.97 | 9,110.45 | 0.00 | 0.00 | 0.00 | |
| 18,371.05 | 90.00 | 180.13 | 10,200.00 | -9,180.12 | -617.14 | 9,181.50 | 0.00 | 0.00 | 0.00 | |

| Casing Points | | | | | |
|-----------------------|-----------------------|---------|---------------------|-------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name | Casing Diameter (") | Hole Diameter (") | |
| 1,400.00 | 1,400.00 | 13 3/8" | 13-3/8 | 17-1/2 | |
| 5,327.09 | 5,300.00 | 9 5/8" | 9-5/8 | 12-1/4 | |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|------------------------------------|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit South 109H |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Site: | BLUS Pad 8 | MD Reference: | est.GL+KB @ 3632.00usft (Planning) |
| Well: | Bell Lake Unit South 109H | North Reference: | Grid |
| Wellbore: | #109H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

| Formations | | | | | | |
|-----------------------|-----------------------|---------------|-----------|---------|-------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction (°) | |
| 1,353.00 | 1,353.00 | Rustler | | | | |
| 1,733.06 | 1,733.00 | Salado | | | | |
| 2,036.78 | 2,036.00 | Top of Salt | | | | |
| 5,046.82 | 5,022.00 | Base of Salt | | | | |
| 5,248.45 | 5,222.00 | Lamar | | | | |
| 5,346.24 | 5,319.00 | Bell Canyon | | | | |
| 6,203.19 | 6,169.00 | Cherry Canyon | | | | |
| 7,663.03 | 7,617.00 | Brushy Canyon | | | | |
| 8,822.43 | 8,767.00 | Bone Spring | | | | |
| 8,995.84 | 8,939.00 | Avalon | | | | |
| 9,985.14 | 9,909.00 | 1st BS | | | | |

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Original
to Appropriate
District Office

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCD – HOBBS
12/04/2020
RECEIVED

GAS CAPTURE PLAN

Date: 07/02/2018

Original

Operator & OGRID No.: Kaiser-Francis Oil Company, 12361

Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

| Well Name | API | Well Location | Expected MCF/D | Flared or Vented | | Comments |
|----------------------------|-----|---------------|----------------|------------------|---------------------|----------|
| Bell Lake Unit South 109H | | 6-24S-34E | 2000 | 0 | 30-025-48172 | |
| Bell Lake Unit South 209H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 309H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 409H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 1110H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 210H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 310H | | 6-24S-34E | 2000 | 0 | | |
| Bell Lake Unit South 410H | | 6-24S-34E | 2000 | 0 | | |

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa low/high pressure gathering system located in Lea County, New Mexico. It will require 11,000' of pipeline to connect the facility to low/high pressure gathering system. Kaiser-Francis Oil Company provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Kaiser-Francis Oil Company and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Targa Processing Plant located in Sec. 36, Twn. 19S, Rng. 36E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Targa system at that time. Based on current information, it is Kaiser-Francis Oil Company's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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
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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

CONDITIONS

Action 12311

CONDITIONS OF APPROVAL

| | | | | | | | | | |
|-----------|-----------------------|----------------|----------------|--------|-------|----------------|-------|--------------|-------------|
| Operator: | KAISER-FRANCIS OIL CO | P.O. Box 21468 | Tulsa, OK74121 | OGRID: | 12361 | Action Number: | 12311 | Action Type: | FORM 3160-3 |
|-----------|-----------------------|----------------|----------------|--------|-------|----------------|-------|--------------|-------------|

| OCD Reviewer | Condition |
|--------------|--|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 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 |
| pkautz | Oil base muds are not to be used until freshwater 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. |