

Form 3160-3  
(June 2015)

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 type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |                                       | 5. Lease Serial No.                           |
| 1b. Type of Well: <input 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 type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |                                       | 7. If Unit or CA Agreement, Name and No.      |
| 2. Name of Operator   |                                       | 8. Lease Name and Well No.                    |
| 3a. Address   |                                       | 9. API Well No.<br><b>30-025-52575</b>        |
| 3b. Phone No. (include area code)   |                                       | 10. Field and Pool, or Exploratory            |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface<br>At proposed prod. zone            |                                       | 11. Sec., T. R. M. or Blk. and Survey or Area |
| 14. Distance in miles and direction from nearest town or post office*   |                                       | 12. County or Parish                          |
|   |                                       | 13. State                                     |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)                             | 16. No of acres in lease              | 17. Spacing Unit dedicated to this well       |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  | 19. Proposed Depth                    | 20. BLM/BIA Bond No. in file                  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)   | 22. Approximate date work will start* | 23. Estimated duration                        |
| 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)

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be requested by the BLM.</li> </ul> |
|---|---|

|                         |                      |      |
|-------------------------|----------------------|------|
| 25. Signature           | Name (Printed/Typed) | Date |
| Title                   |                      |      |
|                         |                      |      |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title                   |                      |      |
| 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.



(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: NENE / 230 FNL / 680 FEL / TWSP: 26S / RANGE: 36E / SECTION: 3 / LAT: 32.0789411 / LONG: -103.2467046 ( TVD: 0 feet, MD: 0 feet )

PPP: NENE / 100 FNL / 800 FEL / TWSP: 26S / RANGE: 36E / SECTION: 3 / LAT: 32.0792988 / LONG: -103.2470919 ( TVD: 11188 feet, MD: 11483 feet )

BHL: SESE / 50 FSL / 800 FEL / TWSP: 26S / RANGE: 36E / SECTION: 10 / LAT: 32.0506783 / LONG: -103.24709 ( TVD: 11188 feet, MD: 21895 feet )

### BLM Point of Contact

Name: MARIAH HUGHES

Title: Land Law Examiner

Phone: (575) 234-5972

Email: mhughes@blm.gov

### **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.

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

|  |   |  |
|--|---|--|
| <sup>1</sup> API Number<br><b>30-025-52575</b> | <sup>2</sup> Pool Code<br><b>98150</b>                        | <sup>3</sup> Pool Name<br><b>WC-025 G-08 S263620C; LOWER BONE SPRING</b> |
| <sup>4</sup> Property Code<br><b>325012</b>    | <sup>5</sup> Property Name<br><b>PIMENTO 26 36 03 FED COM</b> |  |
| <sup>7</sup> OGRID No.<br><b>372224</b>        | <sup>8</sup> Operator Name<br><b>AMEREDEV OPERATING, LLC.</b> | <sup>6</sup> Well Number<br><b>097H</b>                                  |
| <sup>9</sup> Elevation<br><b>3000'</b>         |   |  |

<sup>10</sup>Surface Location

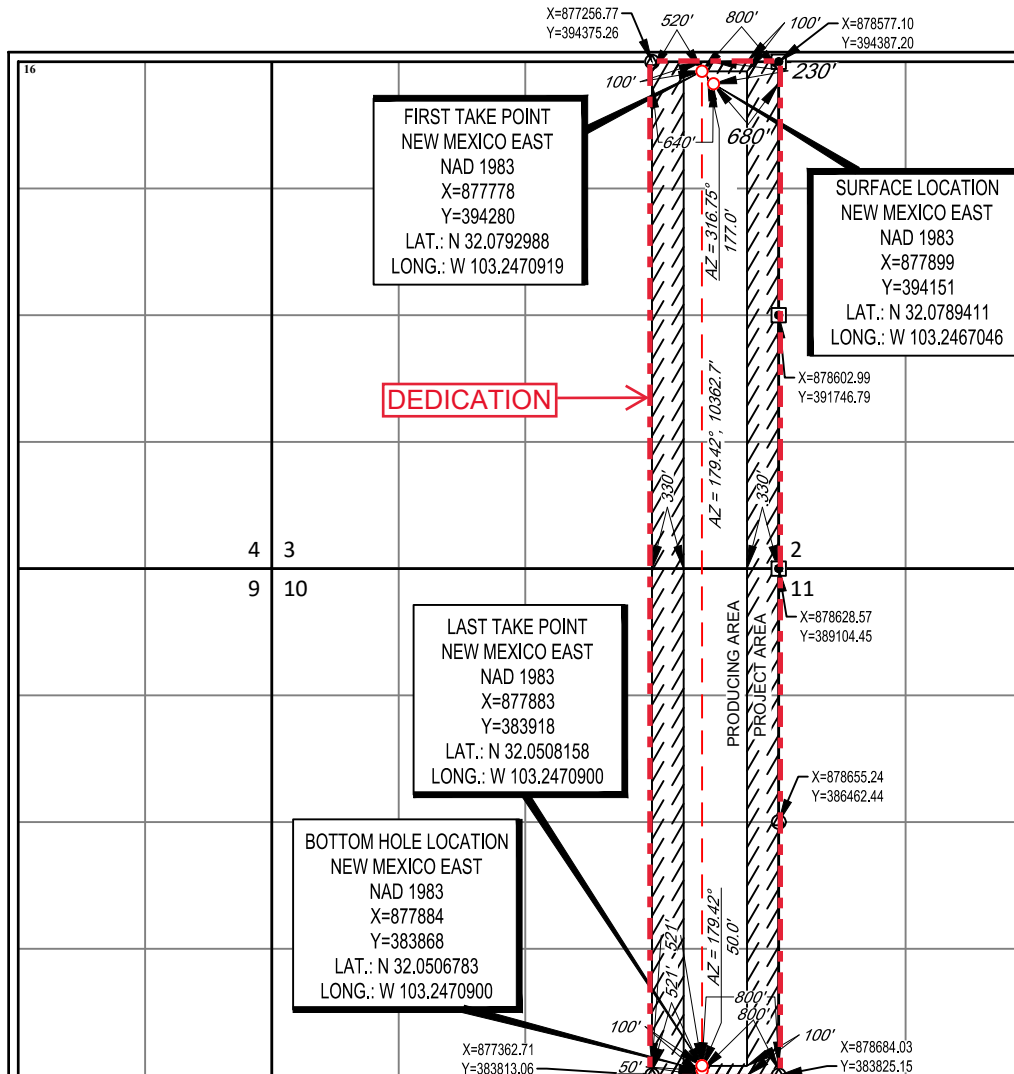
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A             | 3       | 26-S     | 36-E  | -       | 230'          | NORTH            | 680'          | EAST           | LEA    |

<sup>11</sup>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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P             | 10      | 26-S     | 36-E  | -       | 50'           | SOUTH            | 800'          | EAST           | LEA    |

|   |                               |  |                         |
|---|-------------------------------|--|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>320</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code<br><b>C</b> | <sup>15</sup> 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.



<sup>17</sup>OPERATOR CERTIFICATION

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

*Floyd Hammond* 08/04/2022

Signature Date

Floyd Hammond

Printed Name

fhammond@ameredev.com

E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

06/25/2022

Date of Survey Signature and Seal of Professional Surveyor



Certificate Number

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Submit Electronically  
 Via E-permitting

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

**NATURAL GAS MANAGEMENT PLAN**

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

**Section 1 – Plan Description**  
**Effective May 25, 2021**

**I. Operator:** Ameredev II, LLC **OGRID:** 372224 **Date:** 02/20/2024

**II. Type:**  Original  Amendment due to  19.15.27.9.D(6)(a) NMAC  19.15.27.9.D(6)(b) NMAC  Other.

If Other, please describe: \_\_\_\_\_

**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name                      | API    | ULSTR | Footages             | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|--------------------------------|--------|-------|----------------------|-----------------------|-----------------------|----------------------------------|
| Pimento 26 36 03 Fed Com #097H | 30025- |       | 200' FSL & 856' FWL  | 1,089                 | 8,076                 | 2,756                            |
| Pimento 26 36 03 Fed Com #108H | 30025- |       | 200' FSL & 1910' FWL | 1,089                 | 8,076                 | 2,756                            |
| Pimento 26 36 03 Fed Com #117H | 30025- |       | 200' FSL & 2006' FEL | 1,089                 | 8,076                 | 2,756                            |
| Pimento 26 36 03 Fed Com #128H | 30025- |       | 200' FSL & 660' FEL  | 1,089                 | 8,076                 | 2,756                            |
|                                |        |       |                      |                       |                       |                                  |
|                                |        |       |                      |                       |                       |                                  |

**IV. Central Delivery Point Name:** \_\_\_\_\_ [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name                      | API    | Spud Date  | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|--------------------------------|--------|------------|-----------------|------------------------------|------------------------|-----------------------|
| Pimento 26 36 03 Fed Com #097H | 30025- | 10/01/2024 | 10/15/2024      | 11/15/2024                   | 12/01/2024             | 12/04/2024            |
| Pimento 26 36 03 Fed Com #108H | 30025- | 10/01/2024 | 10/15/2024      | 11/15/2024                   | 12/01/2024             | 12/04/2024            |
| Pimento 26 36 03 Fed Com #117H | 30025- | 10/01/2024 | 10/15/2024      | 11/15/2024                   | 12/01/2024             | 12/04/2024            |
| Pimento 26 36 03 Fed Com #128H | 30025- | 10/01/2024 | 10/15/2024      | 11/15/2024                   | 12/01/2024             | 12/04/2024            |
|                                |        |            |                 |                              |                        |                       |
|                                |        |            |                 |                              |                        |                       |

**VI. Separation Equipment:**  Attach a complete description of how Operator will size separation equipment to optimize gas capture.

**VII. Operational Practices:**  Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:**  Attach a complete description of Operator’s best management practices to minimize venting during active and planned maintenance.

**Section 2 – Enhanced Plan**

**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

**IX. Anticipated Natural Gas Production:**

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
|      |     |  |  |
|      |     |  |  |

**X. Natural Gas Gathering System (NGGS):**

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
|          |        |                 |                                  |   |
|          |        |                 |                                  |   |

**XI. Map.**  Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system  will  will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** Operator  does  does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator’s plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:**  Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.



### Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

**If Operator checks this box, Operator will select one of the following:**

**Well Shut-In.**  Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.**  Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

### Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

|                                |
|--------------------------------|
| Signature: <i>Cesca Yu</i>     |
| Printed Name: Cesca Yu         |
| Title: Engineer                |
| E-mail Address: cyu@amerev.com |
| Date: 02/20/2024               |
| Phone: 512-775-1417            |

**OIL CONSERVATION DIVISION**  
**(Only applicable when submitted as a standalone form)**

|                         |
|-------------------------|
| Approved By:            |
| Title:                  |
| Approval Date:          |
| Conditions of Approval: |

## Natural Gas Management Plan

### **VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture.**

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- All central tank battery equipment is designed to efficiently capture the remaining gas from the liquid phase.
- Valves and meters are designed to service without flow interruption or venting of gas.

### **VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F 19.15.27.8 NMAC.**

#### **19.15.27.8 (A)**

Ameredev's field operations are designed with the goal of minimizing flaring and preventing venting of natural gas. If capturing the gas is not possible then the gas is combusted/flared using properly sized flares or combustors in accordance with state air permit rules.

#### **19.15.27.8 (B) Venting and Flaring during drilling operations**

- A properly-sized flare stack will be located at a minimum 100' from the nearest surface hole location on the pad.
- All natural gas produced during drilling operations will be flared. Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.

#### **19.15.27.8 (C) Venting and Flaring during completions or recompletions operations.**

- During all phases of flowback, wells will flow through a sand separator, or other appropriate flowback separation equipment, and the well stream will be directed to a central tank battery (CTB) through properly sized flowlines
- The CTB will have properly sized separation equipment for maximum anticipated flowrates
- Multiple stages of separation will be used to separate gas from liquids. All gas will be routed to a sales outlet. Fluids will be routed to tanks equipped with a closed loop system that will recover any residual gas from the tanks and route such gas to a sales outlet.

#### **19.15.27.8 (D) Venting and Flaring during production operations.**

- During production, the well stream will be routed to the CTB where multiple stages of separation will separate gas from liquids. All gas will be routed to a sales outlet. Fluids will be routed to tanks with a closed

loop system that will recover any residual gas from the tanks and route such gas to a sales outlet, minimizing tank emissions.

- Flares are equipped with auto-ignition systems and continuous pilot operations.
- Automatic gauging equipment is installed on all tanks.

#### **19.15.27.8 (E) Performance Standards**

- Production equipment will be designed to handle maximum anticipated rates and pressure.
- Automatic gauging equipment is installed on all tanks to minimize venting
- All flared gas will be combusted in a flare stack that is properly sized and designed to ensure proper combustion.
- Flares are equipped with continuous pilots and auto-ignitors along with remote monitoring of the pilot status
- Weekly AVOs and monthly LDAR inspections will be performed on all wells and facilities that produce more than 60 Mcfd.
- Gas/H<sub>2</sub>S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

#### **19.15.27.8 (F) Measurement or estimation of vented and flared natural gas**

- All high pressure flared gas is measured by equipment conforming to API 14.10.
- No meter bypasses are installed.
- When metering is not practical due to low pressure/low rate, the vented or flared volume will be estimated through flare flow curves with the assistance of air emissions consultants, as necessary.

#### **VIII. Best Management Practices: Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.**

- Ameredev will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance
- All natural gas is routed into the gas gathering system and directed to one of Ameredev's multiple gas sales outlets.
- All venting events will be recorded and all start-up, shutdown, maintenance logs will be kept for control equipment
- All control equipment will be maintained to provide highest run-time possible
- All procedures are drafted to keep venting and flaring to the absolute minimum



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

# Drilling Plan Data Report

02/20/2024

APD ID: 10400087869

Submission Date: 09/06/2022

Highlighted data reflects the most recent changes

Operator Name: AMEREDEV OPERATING LLC

Well Name: PIMENTO 26 36 03 FED COM

Well Number: 097H

Well Type: OIL WELL

Well Work Type: Drill

Show Final Text

## Section 1 - Geologic Formations

| Formation ID | Formation Name    | Elevation | True Vertical | Measured Depth | Lithologies | Mineral Resources | Producing Formatio |
|--------------|-------------------|-----------|---------------|----------------|-------------|-------------------|--------------------|
| 12953378     | RUSTLER ANHYDRITE | 3000      | 1536          | 1536           | ANHYDRITE   | NONE              | N                  |
| 12953379     | SALADO            | 896       | 2104          | 2104           | SALT        | NONE              | N                  |
| 12953376     | TANSILL           | -233      | 3233          | 3233           | LIMESTONE   | NONE              | N                  |
| 12953377     | CAPITAN REEF      | -844      | 3844          | 3844           | LIMESTONE   | USEABLE WATER     | N                  |
| 12953381     | LAMAR             | -2225     | 5225          | 5225           | LIMESTONE   | NONE              | N                  |
| 12953382     | BELL CANYON       | -2278     | 5278          | 5278           | SANDSTONE   | NATURAL GAS, OIL  | N                  |
| 12953383     | BRUSHY CANYON     | -3528     | 6528          | 6528           | SANDSTONE   | NATURAL GAS, OIL  | N                  |
| 12953380     | BONE SPRING LIME  | -4422     | 7422          | 7422           | LIMESTONE   | NONE              | N                  |
| 12953384     | BONE SPRING 1ST   | -6268     | 9268          | 9268           | SANDSTONE   | NATURAL GAS, OIL  | N                  |
| 12953385     | BONE SPRING 2ND   | -6744     | 9744          | 9744           | SANDSTONE   | NATURAL GAS, OIL  | N                  |
| 12953386     | BONE SPRING 3RD   | -7391     | 10391         | 10391          | LIMESTONE   | NATURAL GAS, OIL  | N                  |
| 12953387     | BONE SPRING 3RD   | -8038     | 11038         | 11038          | SANDSTONE   | NATURAL GAS, OIL  | Y                  |

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 15000

**Equipment:** 10M BOPE SYSTEM WILL BE USED AFTER THE SURFACE CASING IS SET. A KELLY COCK WILL BE KEPT IN THE DRILL STRING AT ALL TIMES. A FULL OPENING DRILL PIPE STABBING VALVE WITH PROPER DRILL PIPE CONNECTIONS WILL BE ON THE RIG FLOOR AT ALL TIMES.

**Requesting Variance?** YES

**Variance request:** Co-Flex Choke Line, 5M Annular Preventer

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Testing Procedure:** See attachment

**Choke Diagram Attachment:**

10M\_Choke\_Manifold\_REV\_20220906094139.pdf

**BOP Diagram Attachment:**

Pressure\_Control\_Plan\_Single\_Well\_MB4\_3String\_Big\_Hole\_BLM\_20220906094200.pdf

5M\_BOP\_System\_20220906094200.pdf

3\_String\_MB\_Ameredev\_Wellhead\_Drawing\_7.0625in\_Spool\_net\_20220906094212.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          | 1661          | 0           | 1661           | 3000        | 1339           | 1661                        | J-55   | 68     | OTHER - BTC           | 5.53        | 1        | DRY           | 8.1      | DRY          | 9.47    |
| 2         | INTERMEDIATE | 9.875     | 7.625    | NEW       | API      | N              | 0          | 10516         | 0           | 10516          | 2905        | -7516          | 10516                       | HCL-80 | 29.7   | OTHER - BTC           | 1.3         | 1.3      | DRY           | 2.04     | DRY          | 3.01    |
| 3         | PRODUCTION   | 6.75      | 5.5      | NEW       | API      | N              | 0          | 21895         | 0           | 11188          | 2905        | -8188          | 21895                       | P-110  | 23     | OTHER - USS Eagle SFH | 1.84        | 1.98     | DRY           | 1.51     | DRY          | 1.68    |

**Casing Attachments**

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

13.375\_68\_J55\_SEAH\_20220906094810.pdf

Pimento\_26\_36\_03\_Fed\_Com\_097H\_WBS\_and\_CDA\_20220906094817.pdf

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Casing Attachments**

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

7.625\_29.70\_L80HC\_BORUSAN\_20220906094533.pdf

Pimento\_26\_36\_03\_Fed\_Com\_097H\_WBS\_and\_CDA\_20220906094541.pdf

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Pimento\_26\_36\_03\_Fed\_Com\_097H\_WBS\_and\_CDA\_20220906094716.pdf

5.5\_23\_RYS110\_EAGLE\_SFH\_20220906094723.pdf

**Section 4 - Cement**

| String Type  | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives   |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|---|
| SURFACE      | Lead      |                  | 0      | 1274      | 1157         | 1.76  | 13.5    | 2037  | 100     | Class C     | Bentonite, Accelerator, Kolseal, Defoamer, Celloflake |
| SURFACE      | Tail      |                  | 1274   | 1660      | 200          | 1.34  | 14.8    | 268   | 100     | Class C     | None  |
| INTERMEDIATE | Lead      | 3233             | 0      | 2702      | 618          | 3.5   | 9       | 2164  | 50      | Class C     | Bentonite, Salt, Kolseal, Defoamer, Celloflake        |

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

| String Type  | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives  |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|--|
| INTERMEDIATE | Tail      |                  | 2702   | 3233      | 200          | 1.33  | 14.8    | 266   | 25      | Class C     | None   |
| INTERMEDIATE | Lead      | 3233             | 3233   | 9295      | 935          | 2.47  | 11.9    | 2310  | 50      | Class H     | Bentonite, Retarder, Kolseal, Defoamer, Celloflake, Anti-Settling Expansion Additive |
| INTERMEDIATE | Tail      |                  | 9295   | 10516     | 200          | 1.31  | 14.2    | 262   | 25      | Class H     | Salt, Bentonite, Retarder, Dispersant, Fluid Loss                                    |
| PRODUCTION   | Lead      |                  | 0      | 21895     | 1704         | 1.34  | 14.2    | 2284  | 25      | Class H     | Salt, Bentonite, Fluid Loss, Dispersant, Retarder, Defoamer                          |

### 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:** All necessary supplies (e.g. bentonite, cedar bark) for fluid control will be on site.

**Describe the mud monitoring system utilized:** An electronic pit volume totalizer (PVT) will be utilized on the circulating system to monitor pit volume, flow rate, pump pressure, and pump rate.

### 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 |
|-----------|--------------|-------------------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 0         | 1661         | WATER-BASED MUD               | 8.4                  | 8.6                  |                     |                             |    |                |                |                 |                            |
| 1661      | 10516        | OTHER : Diesel Brine Emulsion | 7.5                  | 9.4                  |                     |                             |    |                |                |                 |                            |



**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

| 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 |
|-----------|--------------|------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 1051<br>6 | 1118<br>8    | OIL-BASED<br>MUD | 10.5                 | 12.5                 |                     |                             |    |                |                |                 |                            |

### Section 6 - Test, Logging, Coring

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

A directional survey, measurement while drilling and a mudlog/geologic lithology log will all be run from surface to TD.

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

MEASUREMENT WHILE DRILLING, MUD LOG/GEOLOGICAL LITHOLOGY LOG, DIRECTIONAL SURVEY,

**Coring operation description for the well:**

No coring will be done on this well.

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 6109

**Anticipated Surface Pressure:** 3647

**Anticipated Bottom Hole Temperature(F):** 165

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

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations**

H2S\_Plan\_20230403\_20230516151511.pdf

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

## Section 8 - Other Information

**Proposed horizontal/directional/multi-lateral plan submission:**

Pimento\_Fed\_Com\_26\_36\_03\_097H\_Prelim1\_20220906095541.pdf

**Other proposed operations facets description:**

SKID PROCEDURE ATTACHED

**Other proposed operations facets attachment:**

Rig\_Skid\_Procedure\_20230516151536.pdf

**Other Variance attachment:**

Requested\_Exceptions\_\_3\_String\_Revised\_01312019\_20220906095619.pdf

R616\_\_CoC\_for\_hoses\_12\_18\_17\_20220906095621.pdf

# Wellbore Schematic

**Well:** Pimento 26 36 03 Fed Com 097H  
**SHL:** SEC. 3, T. 26-S, R. 36-E, 230' FNL, 680' FEL  
**BHL:** SEC. 10, T. 26-S, R. 36-E, 50' FSL, 800' FEL  
 Lea, NM  
**Wellhead:** A - 13-5/8" 10M x 13-5/8" SOW  
 B - 13-5/8" 10M x 13-5/8" 10M  
 C - 13-5/8" 10M x 13-5/8" 10M  
 Tubing Spool - 7-1/16" 15M x 13-3/8" 10M  
**Xmas Tree:** 2-9/16" 10M  
**Tubing:** 2-7/8" L-80 6.5# 8rd EUE

**Co. Well ID:** xxxxxx  
**AFE No.:** xxxx-xxx  
**API No.:** xxxxxxxxxxxx  
**GL:** 3000  
**Field:** Delaware  
**Objective:** Third Bone Spring  
**TVD:** 11188  
**MD:** 21895  
**Rig:** TBD **KB 27'**  
**E-Mail:** [DrillingCR@amerdev.com](mailto:DrillingCR@amerdev.com)

| Hole Size   | Formation Tops                            | Logs                  | Cement      | Mud Weight                    |
|---|---|-----------------------|-------------|-------------------------------|
| 17.5"   | Rustler 1,536'                            | 1,357 Sacks<br>TOC 0' | 100% Excess | 8.4-8.6 ppg<br>WBM            |
|   | <b>13.375" 68# J-55 BTC</b> 1,661'        |                       |             |                               |
| 12.25"  | Salado 2,104'                             | 818 Sacks<br>TOC 0'   | 50% Excess  | 7.5-9.4 Diesel Brine Emulsion |
|   | DV Tool with ACP 3,233'                   |                       |             |                               |
|   | Tansill 3,233'                            |                       |             |                               |
|   | Capitan Reef 3,844'                       |                       |             |                               |
|   | Lamar 5,225'                              |                       |             |                               |
|   | Bell Canyon 5,278'                        |                       |             |                               |
| <b>No Casing</b> 5,350'                               |   |                       |             |                               |
| 9.875"  | Brushy Canyon 6,528'                      | 1,135 Sacks<br>TOC 0' | 50% Excess  | 7.5-9.4 Diesel Brine Emulsion |
|   | Bone Spring Lime 7,422'                   |                       |             |                               |
|   | First Bone Spring 9,268'                  |                       |             |                               |
|   | Second Bone Spring 9,744'                 |                       |             |                               |
|   | Third Bone Spring Upper 10,391'           |                       |             |                               |
| <b>7.625" 29.7# L-80HC BTC</b> 10,516'                |   |                       |             |                               |
| 6.75"   | Third Bone Spring 11,038'                 | 1,704 Sacks<br>TOC 0' | 25% Excess  | 10.5-12.5 ppg OBM             |
|   | <b>5.5" 23# P-110 USS-Eagle SFH</b> 21895 |                       |             |                               |
| <b>12° Build @ 10699 thru 11483</b>                   |   |                       |             |                               |
| <b>Target Third Bone Spring 11188 TVD // 21895 MD</b> |   |                       |             |                               |

### Casing Design and Safety Factor Check

| <b>Casing Specifications</b> |                |              |           |               |              |                 |
|------------------------------|----------------|--------------|-----------|---------------|--------------|-----------------|
| <b>Segment</b>               | <b>Hole ID</b> | <b>Depth</b> | <b>OD</b> | <b>Weight</b> | <b>Grade</b> | <b>Coupling</b> |
| Surface                      | 17.5           | 1,661'       | 13.375    | 68            | J-55         | BTC             |
| Intermediate                 | 9.875          | 10,516'      | 7.625     | 29.7          | HCL-80       | BTC             |
| Prod Segment A               | 6.75           | 10699        | 5.5       | 23            | P-110        | SFH             |
| Prod Segment B               | 6.75           | 21895        | 5.5       | 23            | P-110        | SFH             |

| <b>Check Surface Casing</b>         |                 |                 |            |            |
|-------------------------------------|-----------------|-----------------|------------|------------|
| OD Cplg                             | Body            | Joint           | Collapse   | Burst      |
| <i>inches</i>                       | <i>1000 lbs</i> | <i>1000 lbs</i> | <i>psi</i> | <i>psi</i> |
| 14.375                              | 1,069           | 915             | 4,100      | 3,450      |
| <b>Safety Factors</b>               |                 |                 |            |            |
| 1.56                                | 9.47            | 8.10            | 5.53       | 0.67       |
| <b>Check Intermediate Casing</b>    |                 |                 |            |            |
| OD Cplg                             | Body            | Joint           | Collapse   | Burst      |
| <i>inches</i>                       | <i>1000 lbs</i> | <i>1000 lbs</i> | <i>psi</i> | <i>psi</i> |
| 7.625                               | 940             | 558             | 6700       | 9460       |
| <b>Safety Factors</b>               |                 |                 |            |            |
| 1.13                                | 3.01            | 2.04            | 1.30       | 1.30       |
| <b>Check Prod Casing, Segment A</b> |                 |                 |            |            |
| OD Cplg                             | Body            | Joint           | Collapse   | Burst      |
| <i>inches</i>                       | <i>1000 lbs</i> | <i>1000 lbs</i> | <i>psi</i> | <i>psi</i> |
| 5.777                               | 728             | 655             | 12780      | 14360      |
| <b>Safety Factors</b>               |                 |                 |            |            |
| 0.49                                | 1.68            | 1.51            | 1.84       | 1.98       |
| <b>Check Prod Casing, Segment B</b> |                 |                 |            |            |
| OD Cplg                             | Body            | Joint           | Collapse   | Burst      |
| <i>inches</i>                       | <i>1000 lbs</i> | <i>1000 lbs</i> | <i>psi</i> | <i>psi</i> |
| 5.777                               | 728             | 655             | 12780      | 14360      |
| <b>Safety Factors</b>               |                 |                 |            |            |
| 0.49                                | 2.83            | 2.54            | 0.90       | 1.98       |

# PERFORMANCE DATA

API BTC

13.375 in

68.00 lbs/ft

J-55

## Technical Data Sheet

### Tubular Parameters

|                     |        |                 |                              |           |     |
|---------------------|--------|-----------------|------------------------------|-----------|-----|
| Size                | 13.375 | in              | Minimum Yield                | 55,000    | psi |
| Nominal Weight      | 68.00  | lbs/ft          | Minimum Tensile              | 75,000    | psi |
| Grade               | J-55   |                 | Yield Load                   | 1,069,000 | lbs |
| PE Weight           | 66.10  | lbs/ft          | Tensile Load                 | 1,458,000 | lbs |
| Wall Thickness      | 0.480  | in              | Min. Internal Yield Pressure | 3,500     | psi |
| Nominal ID          | 12.415 | in              | Collapse Pressure            | 1,950     | psi |
| Drift Diameter      | 12.259 | in              |                              |           |     |
| Nom. Pipe Body Area | 19.445 | in <sup>2</sup> |                              |           |     |

### Connection Parameters

|                              |        |     |
|------------------------------|--------|-----|
| Connection OD                | 14.375 | in  |
| Coupling Length              | 10.625 | in  |
| Threads Per Inch             | 5.000  | in  |
| Standoff Thread Turns        | 1.000  |     |
| Make-Up Loss                 | 4.513  | in  |
| Yield Load In Tension        | ---    | lbs |
| Min. Internal Yield Pressure | 3,500  | psi |

Printed on: February-13-2015

**NOTE:**

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.





## API 5CT Casing Performance Data Sheet

Manufactured to specifications of API 5CT 9th edition and bears the API monogram.  
Designed for enhanced performance through increased collapse resistance.

|       |       |
|-------|-------|
| Grade | L80HC |
|-------|-------|

### Pipe Body Mechanical Properties

|                          |            |
|--------------------------|------------|
| Minimum Yield Strength   | 80,000 psi |
| Maximum Yield Strength   | 95,000 psi |
| Minimum Tensile Strength | 95,000 psi |
| Maximum Hardness         | 23.0 HRC   |

### Sizes

|                        |             |
|------------------------|-------------|
| OD                     | 7 5/8 in    |
| Nominal Wall Thickness | 0.375 in    |
| Nominal Weight, T&C    | 29.70 lb/ft |
| Nominal Weight, PE     | 29.06 lb/ft |
| Nominal ID             | 6.875 in    |
| Standard Drift         | 6.750 in    |
| Alternate Drift        | N/A         |

### Minimum Performance

|   |             |
|---|-------------|
| Collapse Pressure                                     | 5,780 psi   |
| Internal Pressure Yield                               | 6,880 psi   |
| Pipe body Tension Yield                               | 683,000 lbs |
| Internal pressure leak resistance STC/LTC connections | 6,880 psi   |
| Internal pressure leak resistance BTC connections     | 6,880 psi   |

### Inspection and Testing

|        |   |
|--------|---|
| Visual | OD Longitudinal and independent 3rd party SEA   |
| NDT    | Independent 3rd party full body EMI after hydrotest<br>Calibration notch sensitivity: 10% of specified wall thickness |

### Color code

|           |                                      |
|-----------|--------------------------------------|
| Pipe ends | One red, one brown and one blue band |
| Couplings | Red with one brown band              |



# U. S. Steel Tubular Products

11/14/2018 9:02:57 AM

## 5.500" 23.00lbs/ft (0.415" Wall) USS RYS110 USS-EAGLE SFH™



| MECHANICAL PROPERTIES             | Pipe    | USS-EAGLE SFH™ |            |
|-----------------------------------|---------|----------------|------------|
| Minimum Yield Strength            | 110,000 | --             | psi        |
| Maximum Yield Strength            | 125,000 | --             | psi        |
| Minimum Tensile Strength          | 120,000 | --             | psi        |
| DIMENSIONS                        | Pipe    | USS-EAGLE SFH™ |            |
| Outside Diameter                  | 5.500   | 5.830          | in.        |
| Wall Thickness                    | 0.415   | --             | in.        |
| Inside Diameter                   | 4.670   | 4.585          | in.        |
| Standard Drift                    | 4.545   | 4.545          | in.        |
| Alternate Drift                   | --      | 4.545          | in.        |
| Nominal Linear Weight, T&C        | 23.00   | --             | lbs/ft     |
| Plain End Weight                  | 22.56   | --             | lbs/ft     |
| SECTION AREA                      | Pipe    | USS-EAGLE SFH™ |            |
| Critical Area                     | 6.630   | 5.507          | sq. in.    |
| Joint Efficiency                  | --      | 83.1           | %          |
| PERFORMANCE                       | Pipe    | USS-EAGLE SFH™ |            |
| Minimum Collapse Pressure         | 14,540  | 14,540         | psi        |
| External Pressure Leak Resistance | --      | 10,000         | psi        |
| Minimum Internal Yield Pressure   | 14,520  | 14,520         | psi        |
| Minimum Pipe Body Yield Strength  | 729,000 | --             | lbs        |
| Joint Strength                    | --      | 606,000        | lbs        |
| Compression Rating                | --      | 606,000        | lbs        |
| Reference Length                  | --      | 17,909         | ft         |
| Maximum Uniaxial Bend Rating      | --      | 76.2           | deg/100 ft |
| MAKE-UP DATA                      | Pipe    | USS-EAGLE SFH™ |            |
| Make-Up Loss                      | --      | 6.65           | in.        |
| Minimum Make-Up Torque            | --      | 16,600         | ft-lbs     |
| Maximum Make-Up Torque            | --      | 19,800         | ft-lbs     |
| Maximum Operating Torque          | --      | 28,000         | ft-lbs     |

### Legal Notice

All material contained in this publication is for general information only. This material should not therefore be used or relied upon for any specific application without independent competent professional examination and verification of accuracy, suitability and applicability. Anyone making use of this material does so at their own risk and assumes any and all liability resulting from such use. U. S. Steel disclaims any and all expressed or implied warranties of fitness for any general or particular application.

U. S. Steel Tubular Products  
460 Wildwood Forest Drive, Suite 300S  
Spring, Texas 77380

1-877-893-9461  
connections@uss.com  
www.usstubular.com



American Resource Development LLC.

# **Ameredeve Operating**

**Lea County, NM (N83-NME)**

**Juniper\_Pimento**

**PIMENTO FED COM 26-36-03 097H**

**OWB**

**Plan: PRELIM1**

## **Standard Planning Report - Geographic**

**09 August, 2022**





American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

|                    |                           |                      |                |
|--------------------|---------------------------|----------------------|----------------|
| <b>Project</b>     | Lea County, NM (N83-NME)  |                      |                |
| <b>Map System:</b> | US State Plane 1983       | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983 |                      |                |
| <b>Map Zone:</b>   | New Mexico Eastern Zone   |                      |                |

|                              |                 |                     |                 |                   |             |
|------------------------------|-----------------|---------------------|-----------------|-------------------|-------------|
| <b>Site</b>                  | Juniper_Pimento |                     |                 |                   |             |
| <b>Site Position:</b>        |                 | <b>Northing:</b>    | 394,110.00 usft | <b>Latitude:</b>  | 32.078948   |
| <b>From:</b>                 | Map             | <b>Easting:</b>     | 873,548.00 usft | <b>Longitude:</b> | -103.260753 |
| <b>Position Uncertainty:</b> | 0.0 usft        | <b>Slot Radius:</b> | 13-3/16 "       |                   |             |

|                             |                               |          |                            |                 |                      |              |
|-----------------------------|-------------------------------|----------|----------------------------|-----------------|----------------------|--------------|
| <b>Well</b>                 | PIMENTO FED COM 26-36-03 097H |          |                            |                 |                      |              |
| <b>Well Position</b>        | <b>+N/-S</b>                  | 0.0 usft | <b>Northing:</b>           | 394,151.00 usft | <b>Latitude:</b>     | 32.078941    |
|                             | <b>+E/-W</b>                  | 0.0 usft | <b>Easting:</b>            | 877,899.00 usft | <b>Longitude:</b>    | -103.246706  |
| <b>Position Uncertainty</b> | 0.0 usft                      |          | <b>Wellhead Elevation:</b> | usft            | <b>Ground Level:</b> | 3,000.0 usft |
| <b>Grid Convergence:</b>    | 0.58 °                        |          |                            |                 |                      |              |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | OWB               |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2020          | 8/9/2022           | 6.25                   | 59.78                | 47,323.46109172            |

|                          |                                |                     |                      |                      |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|
| <b>Design</b>            | PRELIM1                        |                     |                      |                      |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                  | PLAN                | <b>Tie On Depth:</b> | 0.0                  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (°)</b> |
|                          | 0.0                            | 0.0                 | 0.0                  | 179.42               |

|                                 |                        |                          |                  |                     |
|---------------------------------|------------------------|--------------------------|------------------|---------------------|
| <b>Plan Survey Tool Program</b> | <b>Date</b>            | 8/9/2022                 |                  |                     |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b> | <b>Tool Name</b> | <b>Remarks</b>      |
| 1                               | 0.0                    | 21,895.2 PRELIM1 (OWB)   | MWD              | OWSG MWD - Standard |

| <b>Plan Sections</b>  |                 |             |                       |              |              |                         |                        |                       |         |              |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|--------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target       |
| 0.0                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.00                    | 0.00                   | 0.00                  | 0.00    |              |
| 2,000.0               | 0.00            | 0.00        | 2,000.0               | 0.0          | 0.0          | 0.00                    | 0.00                   | 0.00                  | 0.00    |              |
| 2,205.8               | 4.12            | 348.87      | 2,205.6               | 7.2          | -1.4         | 2.00                    | 2.00                   | 0.00                  | 348.87  |              |
| 10,699.0              | 4.12            | 348.87      | 10,676.9              | 605.3        | -119.1       | 0.00                    | 0.00                   | 0.00                  | 0.00    |              |
| 11,482.7              | 90.00           | 179.42      | 11,188.0              | 129.0        | -121.0       | 12.00                   | 10.96                  | -21.62                | -169.42 | FTP (P 097H) |
| 21,845.2              | 90.00           | 179.42      | 11,188.0              | -10,233.0    | -15.5        | 0.00                    | 0.00                   | 0.00                  | 0.00    | LTP (P 097H) |
| 21,895.2              | 90.00           | 179.42      | 11,188.0              | -10,283.0    | -15.0        | 0.00                    | 0.00                   | 0.00                  | 0.00    | BHL (P 097H) |



American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey                        |                 |             |                       |              |              |                     |                    |           |             |  |
|---------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)                 | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 0.0                                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 100.0                                 | 0.00            | 0.00        | 100.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 200.0                                 | 0.00            | 0.00        | 200.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 300.0                                 | 0.00            | 0.00        | 300.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 400.0                                 | 0.00            | 0.00        | 400.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 500.0                                 | 0.00            | 0.00        | 500.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 600.0                                 | 0.00            | 0.00        | 600.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 700.0                                 | 0.00            | 0.00        | 700.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 800.0                                 | 0.00            | 0.00        | 800.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 900.0                                 | 0.00            | 0.00        | 900.0                 | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,000.0                               | 0.00            | 0.00        | 1,000.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,100.0                               | 0.00            | 0.00        | 1,100.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,200.0                               | 0.00            | 0.00        | 1,200.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,300.0                               | 0.00            | 0.00        | 1,300.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,400.0                               | 0.00            | 0.00        | 1,400.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,500.0                               | 0.00            | 0.00        | 1,500.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,536.0                               | 0.00            | 0.00        | 1,536.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| <b>Rustler</b>                        |                 |             |                       |              |              |                     |                    |           |             |  |
| 1,600.0                               | 0.00            | 0.00        | 1,600.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,700.0                               | 0.00            | 0.00        | 1,700.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,800.0                               | 0.00            | 0.00        | 1,800.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 1,900.0                               | 0.00            | 0.00        | 1,900.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| 2,000.0                               | 0.00            | 0.00        | 2,000.0               | 0.0          | 0.0          | 394,151.00          | 877,899.00         | 32.078941 | -103.246706 |  |
| <b>Start Build 2.00</b>               |                 |             |                       |              |              |                     |                    |           |             |  |
| 2,100.0                               | 2.00            | 348.87      | 2,100.0               | 1.7          | -0.3         | 394,152.71          | 877,898.66         | 32.078946 | -103.246707 |  |
| 2,104.5                               | 2.09            | 348.87      | 2,104.5               | 1.9          | -0.4         | 394,152.87          | 877,898.63         | 32.078946 | -103.246707 |  |
| <b>Salado</b>                         |                 |             |                       |              |              |                     |                    |           |             |  |
| 2,205.8                               | 4.12            | 348.87      | 2,205.6               | 7.2          | -1.4         | 394,158.25          | 877,897.57         | 32.078961 | -103.246710 |  |
| <b>Start 8493.2 hold at 2205.8 MD</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 2,300.0                               | 4.12            | 348.87      | 2,299.6               | 13.9         | -2.7         | 394,164.88          | 877,896.27         | 32.078979 | -103.246714 |  |
| 2,400.0                               | 4.12            | 348.87      | 2,399.3               | 20.9         | -4.1         | 394,171.92          | 877,894.88         | 32.078999 | -103.246719 |  |
| 2,500.0                               | 4.12            | 348.87      | 2,499.1               | 28.0         | -5.5         | 394,178.97          | 877,893.50         | 32.079018 | -103.246723 |  |
| 2,600.0                               | 4.12            | 348.87      | 2,598.8               | 35.0         | -6.9         | 394,186.01          | 877,892.11         | 32.079037 | -103.246727 |  |
| 2,700.0                               | 4.12            | 348.87      | 2,698.5               | 42.1         | -8.3         | 394,193.05          | 877,890.72         | 32.079057 | -103.246731 |  |
| 2,800.0                               | 4.12            | 348.87      | 2,798.3               | 49.1         | -9.7         | 394,200.09          | 877,889.34         | 32.079076 | -103.246736 |  |
| 2,900.0                               | 4.12            | 348.87      | 2,898.0               | 56.1         | -11.0        | 394,207.13          | 877,887.95         | 32.079096 | -103.246740 |  |
| 3,000.0                               | 4.12            | 348.87      | 2,997.8               | 63.2         | -12.4        | 394,214.17          | 877,886.57         | 32.079115 | -103.246744 |  |
| 3,029.3                               | 4.12            | 348.87      | 3,027.0               | 65.2         | -12.8        | 394,216.24          | 877,886.16         | 32.079121 | -103.246745 |  |
| <b>Dewey Lake</b>                     |                 |             |                       |              |              |                     |                    |           |             |  |
| 3,100.0                               | 4.12            | 348.87      | 3,097.5               | 70.2         | -13.8        | 394,221.22          | 877,885.18         | 32.079134 | -103.246748 |  |
| 3,200.0                               | 4.12            | 348.87      | 3,197.3               | 77.3         | -15.2        | 394,228.26          | 877,883.80         | 32.079154 | -103.246753 |  |
| 3,236.3                               | 4.12            | 348.87      | 3,233.5               | 79.8         | -15.7        | 394,230.82          | 877,883.29         | 32.079161 | -103.246754 |  |
| <b>Tansill</b>                        |                 |             |                       |              |              |                     |                    |           |             |  |
| 3,300.0                               | 4.12            | 348.87      | 3,297.0               | 84.3         | -16.6        | 394,235.30          | 877,882.41         | 32.079173 | -103.246757 |  |
| 3,400.0                               | 4.12            | 348.87      | 3,396.7               | 91.3         | -18.0        | 394,242.34          | 877,881.03         | 32.079193 | -103.246761 |  |
| 3,500.0                               | 4.12            | 348.87      | 3,496.5               | 98.4         | -19.4        | 394,249.38          | 877,879.64         | 32.079212 | -103.246765 |  |
| 3,600.0                               | 4.12            | 348.87      | 3,596.2               | 105.4        | -20.7        | 394,256.42          | 877,878.25         | 32.079231 | -103.246770 |  |
| 3,700.0                               | 4.12            | 348.87      | 3,696.0               | 112.5        | -22.1        | 394,263.47          | 877,876.87         | 32.079251 | -103.246774 |  |
| 3,800.0                               | 4.12            | 348.87      | 3,795.7               | 119.5        | -23.5        | 394,270.51          | 877,875.48         | 32.079270 | -103.246778 |  |
| 3,848.3                               | 4.12            | 348.87      | 3,843.8               | 122.9        | -24.2        | 394,273.91          | 877,874.81         | 32.079280 | -103.246780 |  |
| <b>Capitan</b>                        |                 |             |                       |              |              |                     |                    |           |             |  |
| 3,900.0                               | 4.12            | 348.87      | 3,895.5               | 126.6        | -24.9        | 394,277.55          | 877,874.10         | 32.079290 | -103.246782 |  |
| 4,000.0                               | 4.12            | 348.87      | 3,995.2               | 133.6        | -26.3        | 394,284.59          | 877,872.71         | 32.079309 | -103.246787 |  |
| 4,100.0                               | 4.12            | 348.87      | 4,094.9               | 140.6        | -27.7        | 394,291.63          | 877,871.33         | 32.079328 | -103.246791 |  |



American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey                      |                 |             |                       |              |              |                     |                    |           |             |  |
|-------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)               | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 4,200.0                             | 4.12            | 348.87      | 4,194.7               | 147.7        | -29.1        | 394,298.68          | 877,869.94         | 32.079348 | -103.246795 |  |
| 4,300.0                             | 4.12            | 348.87      | 4,294.4               | 154.7        | -30.4        | 394,305.72          | 877,868.55         | 32.079367 | -103.246799 |  |
| 4,400.0                             | 4.12            | 348.87      | 4,394.2               | 161.8        | -31.8        | 394,312.76          | 877,867.17         | 32.079387 | -103.246804 |  |
| 4,500.0                             | 4.12            | 348.87      | 4,493.9               | 168.8        | -33.2        | 394,319.80          | 877,865.78         | 32.079406 | -103.246808 |  |
| 4,600.0                             | 4.12            | 348.87      | 4,593.6               | 175.8        | -34.6        | 394,326.84          | 877,864.40         | 32.079425 | -103.246812 |  |
| 4,700.0                             | 4.12            | 348.87      | 4,693.4               | 182.9        | -36.0        | 394,333.88          | 877,863.01         | 32.079445 | -103.246816 |  |
| 4,800.0                             | 4.12            | 348.87      | 4,793.1               | 189.9        | -37.4        | 394,340.93          | 877,861.63         | 32.079464 | -103.246821 |  |
| 4,900.0                             | 4.12            | 348.87      | 4,892.9               | 197.0        | -38.8        | 394,347.97          | 877,860.24         | 32.079484 | -103.246825 |  |
| 5,000.0                             | 4.12            | 348.87      | 4,992.6               | 204.0        | -40.1        | 394,355.01          | 877,858.85         | 32.079503 | -103.246829 |  |
| 5,100.0                             | 4.12            | 348.87      | 5,092.4               | 211.1        | -41.5        | 394,362.05          | 877,857.47         | 32.079522 | -103.246833 |  |
| 5,200.0                             | 4.12            | 348.87      | 5,192.1               | 218.1        | -42.9        | 394,369.09          | 877,856.08         | 32.079542 | -103.246838 |  |
| 5,233.4                             | 4.12            | 348.87      | 5,225.4               | 220.4        | -43.4        | 394,371.45          | 877,855.62         | 32.079548 | -103.246839 |  |
| <b>Lamar</b>                        |                 |             |                       |              |              |                     |                    |           |             |  |
| 5,286.2                             | 4.12            | 348.87      | 5,278.1               | 224.2        | -44.1        | 394,375.16          | 877,854.89         | 32.079558 | -103.246841 |  |
| <b>Bell Canyon</b>                  |                 |             |                       |              |              |                     |                    |           |             |  |
| 5,300.0                             | 4.12            | 348.87      | 5,291.8               | 225.1        | -44.3        | 394,376.13          | 877,854.70         | 32.079561 | -103.246842 |  |
| 5,400.0                             | 4.12            | 348.87      | 5,391.6               | 232.2        | -45.7        | 394,383.18          | 877,853.31         | 32.079580 | -103.246846 |  |
| 5,492.0                             | 4.12            | 348.87      | 5,483.3               | 238.7        | -47.0        | 394,389.65          | 877,852.04         | 32.079598 | -103.246850 |  |
| <b>NMM 136234 Exit at 5492.0 MD</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 5,500.0                             | 4.12            | 348.87      | 5,491.3               | 239.2        | -47.1        | 394,390.22          | 877,851.93         | 32.079600 | -103.246850 |  |
| 5,600.0                             | 4.12            | 348.87      | 5,591.1               | 246.3        | -48.5        | 394,397.26          | 877,850.54         | 32.079619 | -103.246855 |  |
| 5,700.0                             | 4.12            | 348.87      | 5,690.8               | 253.3        | -49.8        | 394,404.30          | 877,849.15         | 32.079639 | -103.246859 |  |
| 5,800.0                             | 4.12            | 348.87      | 5,790.6               | 260.3        | -51.2        | 394,411.34          | 877,847.77         | 32.079658 | -103.246863 |  |
| 5,900.0                             | 4.12            | 348.87      | 5,890.3               | 267.4        | -52.6        | 394,418.39          | 877,846.38         | 32.079677 | -103.246867 |  |
| 6,000.0                             | 4.12            | 348.87      | 5,990.0               | 274.4        | -54.0        | 394,425.43          | 877,845.00         | 32.079697 | -103.246872 |  |
| 6,100.0                             | 4.12            | 348.87      | 6,089.8               | 281.5        | -55.4        | 394,432.47          | 877,843.61         | 32.079716 | -103.246876 |  |
| 6,200.0                             | 4.12            | 348.87      | 6,189.5               | 288.5        | -56.8        | 394,439.51          | 877,842.23         | 32.079736 | -103.246880 |  |
| 6,300.0                             | 4.12            | 348.87      | 6,289.3               | 295.6        | -58.2        | 394,446.55          | 877,840.84         | 32.079755 | -103.246884 |  |
| 6,400.0                             | 4.12            | 348.87      | 6,389.0               | 302.6        | -59.5        | 394,453.59          | 877,839.45         | 32.079774 | -103.246888 |  |
| 6,500.0                             | 4.12            | 348.87      | 6,488.7               | 309.6        | -60.9        | 394,460.64          | 877,838.07         | 32.079794 | -103.246893 |  |
| 6,539.7                             | 4.12            | 348.87      | 6,528.3               | 312.4        | -61.5        | 394,463.43          | 877,837.52         | 32.079801 | -103.246894 |  |
| <b>Brushy Canyon</b>                |                 |             |                       |              |              |                     |                    |           |             |  |
| 6,600.0                             | 4.12            | 348.87      | 6,588.5               | 316.7        | -62.3        | 394,467.68          | 877,836.68         | 32.079813 | -103.246897 |  |
| 6,700.0                             | 4.12            | 348.87      | 6,688.2               | 323.7        | -63.7        | 394,474.72          | 877,835.30         | 32.079833 | -103.246901 |  |
| 6,800.0                             | 4.12            | 348.87      | 6,788.0               | 330.8        | -65.1        | 394,481.76          | 877,833.91         | 32.079852 | -103.246905 |  |
| 6,900.0                             | 4.12            | 348.87      | 6,887.7               | 337.8        | -66.5        | 394,488.80          | 877,832.53         | 32.079871 | -103.246910 |  |
| 7,000.0                             | 4.12            | 348.87      | 6,987.5               | 344.8        | -67.9        | 394,495.84          | 877,831.14         | 32.079891 | -103.246914 |  |
| 7,100.0                             | 4.12            | 348.87      | 7,087.2               | 351.9        | -69.2        | 394,502.89          | 877,829.75         | 32.079910 | -103.246918 |  |
| 7,200.0                             | 4.12            | 348.87      | 7,186.9               | 358.9        | -70.6        | 394,509.93          | 877,828.37         | 32.079930 | -103.246922 |  |
| 7,300.0                             | 4.12            | 348.87      | 7,286.7               | 366.0        | -72.0        | 394,516.97          | 877,826.98         | 32.079949 | -103.246927 |  |
| 7,400.0                             | 4.12            | 348.87      | 7,386.4               | 373.0        | -73.4        | 394,524.01          | 877,825.60         | 32.079968 | -103.246931 |  |
| 7,435.8                             | 4.12            | 348.87      | 7,422.2               | 375.5        | -73.9        | 394,526.53          | 877,825.10         | 32.079975 | -103.246932 |  |
| <b>Bone Spring Lime</b>             |                 |             |                       |              |              |                     |                    |           |             |  |
| 7,500.0                             | 4.12            | 348.87      | 7,486.2               | 380.1        | -74.8        | 394,531.05          | 877,824.21         | 32.079988 | -103.246935 |  |
| 7,600.0                             | 4.12            | 348.87      | 7,585.9               | 387.1        | -76.2        | 394,538.10          | 877,822.83         | 32.080007 | -103.246939 |  |
| 7,700.0                             | 4.12            | 348.87      | 7,685.7               | 394.1        | -77.6        | 394,545.14          | 877,821.44         | 32.080026 | -103.246944 |  |
| 7,800.0                             | 4.12            | 348.87      | 7,785.4               | 401.2        | -78.9        | 394,552.18          | 877,820.05         | 32.080046 | -103.246948 |  |
| 7,900.0                             | 4.12            | 348.87      | 7,885.1               | 408.2        | -80.3        | 394,559.22          | 877,818.67         | 32.080065 | -103.246952 |  |
| 8,000.0                             | 4.12            | 348.87      | 7,984.9               | 415.3        | -81.7        | 394,566.26          | 877,817.28         | 32.080085 | -103.246956 |  |
| 8,100.0                             | 4.12            | 348.87      | 8,084.6               | 422.3        | -83.1        | 394,573.30          | 877,815.90         | 32.080104 | -103.246961 |  |
| 8,200.0                             | 4.12            | 348.87      | 8,184.4               | 429.3        | -84.5        | 394,580.35          | 877,814.51         | 32.080123 | -103.246965 |  |
| 8,300.0                             | 4.12            | 348.87      | 8,284.1               | 436.4        | -85.9        | 394,587.39          | 877,813.13         | 32.080143 | -103.246969 |  |
| 8,400.0                             | 4.12            | 348.87      | 8,383.9               | 443.4        | -87.3        | 394,594.43          | 877,811.74         | 32.080162 | -103.246973 |  |
| 8,500.0                             | 4.12            | 348.87      | 8,483.6               | 450.5        | -88.6        | 394,601.47          | 877,810.35         | 32.080182 | -103.246978 |  |



American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey                     |                 |             |                       |              |              |                     |                    |           |             |  |
|------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)              | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 8,600.0                            | 4.12            | 348.87      | 8,583.3               | 457.5        | -90.0        | 394,608.51          | 877,808.97         | 32.080201 | -103.246982 |  |
| 8,700.0                            | 4.12            | 348.87      | 8,683.1               | 464.6        | -91.4        | 394,615.55          | 877,807.58         | 32.080220 | -103.246986 |  |
| 8,800.0                            | 4.12            | 348.87      | 8,782.8               | 471.6        | -92.8        | 394,622.60          | 877,806.20         | 32.080240 | -103.246990 |  |
| 8,900.0                            | 4.12            | 348.87      | 8,882.6               | 478.6        | -94.2        | 394,629.64          | 877,804.81         | 32.080259 | -103.246995 |  |
| 9,000.0                            | 4.12            | 348.87      | 8,982.3               | 485.7        | -95.6        | 394,636.68          | 877,803.43         | 32.080279 | -103.246999 |  |
| 9,100.0                            | 4.12            | 348.87      | 9,082.0               | 492.7        | -97.0        | 394,643.72          | 877,802.04         | 32.080298 | -103.247003 |  |
| 9,200.0                            | 4.12            | 348.87      | 9,181.8               | 499.8        | -98.3        | 394,650.76          | 877,800.65         | 32.080317 | -103.247007 |  |
| 9,286.0                            | 4.12            | 348.87      | 9,267.5               | 505.8        | -99.5        | 394,656.82          | 877,799.46         | 32.080334 | -103.247011 |  |
| <b>First Bone Spring</b>           |                 |             |                       |              |              |                     |                    |           |             |  |
| 9,300.0                            | 4.12            | 348.87      | 9,281.5               | 506.8        | -99.7        | 394,657.81          | 877,799.27         | 32.080337 | -103.247012 |  |
| 9,400.0                            | 4.12            | 348.87      | 9,381.3               | 513.8        | -101.1       | 394,664.85          | 877,797.88         | 32.080356 | -103.247016 |  |
| 9,500.0                            | 4.12            | 348.87      | 9,481.0               | 520.9        | -102.5       | 394,671.89          | 877,796.50         | 32.080376 | -103.247020 |  |
| 9,600.0                            | 4.12            | 348.87      | 9,580.8               | 527.9        | -103.9       | 394,678.93          | 877,795.11         | 32.080395 | -103.247024 |  |
| 9,700.0                            | 4.12            | 348.87      | 9,680.5               | 535.0        | -105.3       | 394,685.97          | 877,793.73         | 32.080414 | -103.247029 |  |
| 9,763.8                            | 4.12            | 348.87      | 9,744.2               | 539.5        | -106.2       | 394,690.47          | 877,792.84         | 32.080427 | -103.247031 |  |
| <b>Second Bone Spring</b>          |                 |             |                       |              |              |                     |                    |           |             |  |
| 9,800.0                            | 4.12            | 348.87      | 9,780.2               | 542.0        | -106.7       | 394,693.01          | 877,792.34         | 32.080434 | -103.247033 |  |
| 9,900.0                            | 4.12            | 348.87      | 9,880.0               | 549.1        | -108.0       | 394,700.06          | 877,790.96         | 32.080453 | -103.247037 |  |
| 10,000.0                           | 4.12            | 348.87      | 9,979.7               | 556.1        | -109.4       | 394,707.10          | 877,789.57         | 32.080473 | -103.247041 |  |
| 10,100.0                           | 4.12            | 348.87      | 10,079.5              | 563.1        | -110.8       | 394,714.14          | 877,788.18         | 32.080492 | -103.247046 |  |
| 10,200.0                           | 4.12            | 348.87      | 10,179.2              | 570.2        | -112.2       | 394,721.18          | 877,786.80         | 32.080511 | -103.247050 |  |
| 10,300.0                           | 4.12            | 348.87      | 10,279.0              | 577.2        | -113.6       | 394,728.22          | 877,785.41         | 32.080531 | -103.247054 |  |
| 10,400.0                           | 4.12            | 348.87      | 10,378.7              | 584.3        | -115.0       | 394,735.26          | 877,784.03         | 32.080550 | -103.247058 |  |
| 10,412.4                           | 4.12            | 348.87      | 10,391.1              | 585.1        | -115.1       | 394,736.14          | 877,783.85         | 32.080553 | -103.247059 |  |
| <b>Third Bone Spring Upper</b>     |                 |             |                       |              |              |                     |                    |           |             |  |
| 10,500.0                           | 4.12            | 348.87      | 10,478.4              | 591.3        | -116.4       | 394,742.31          | 877,782.64         | 32.080569 | -103.247062 |  |
| 10,600.0                           | 4.12            | 348.87      | 10,578.2              | 598.3        | -117.7       | 394,749.35          | 877,781.26         | 32.080589 | -103.247067 |  |
| 10,699.0                           | 4.12            | 348.87      | 10,676.9              | 605.3        | -119.1       | 394,756.32          | 877,779.88         | 32.080608 | -103.247071 |  |
| <b>Start DLS 12.00 TFO -169.42</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 10,700.0                           | 3.99            | 348.54      | 10,677.9              | 605.4        | -119.1       | 394,756.39          | 877,779.87         | 32.080608 | -103.247071 |  |
| 10,725.0                           | 1.19            | 320.12      | 10,702.9              | 606.4        | -119.5       | 394,757.44          | 877,779.53         | 32.080611 | -103.247072 |  |
| 10,750.0                           | 2.21            | 199.37      | 10,727.9              | 606.2        | -119.8       | 394,757.19          | 877,779.20         | 32.080610 | -103.247073 |  |
| 10,775.0                           | 5.13            | 187.85      | 10,752.8              | 604.6        | -120.1       | 394,755.62          | 877,778.89         | 32.080606 | -103.247074 |  |
| 10,800.0                           | 8.11            | 184.72      | 10,777.7              | 601.8        | -120.4       | 394,752.76          | 877,778.59         | 32.080598 | -103.247075 |  |
| 10,825.0                           | 11.10           | 183.27      | 10,802.3              | 597.6        | -120.7       | 394,748.59          | 877,778.31         | 32.080587 | -103.247076 |  |
| 10,850.0                           | 14.10           | 182.42      | 10,826.7              | 592.1        | -121.0       | 394,743.15          | 877,778.04         | 32.080572 | -103.247077 |  |
| 10,875.0                           | 17.09           | 181.87      | 10,850.8              | 585.4        | -121.2       | 394,736.43          | 877,777.80         | 32.080553 | -103.247078 |  |
| 10,900.0                           | 20.09           | 181.48      | 10,874.5              | 577.5        | -121.4       | 394,728.47          | 877,777.56         | 32.080532 | -103.247079 |  |
| 10,925.0                           | 23.09           | 181.19      | 10,897.7              | 568.3        | -121.6       | 394,719.27          | 877,777.35         | 32.080506 | -103.247080 |  |
| 10,950.0                           | 26.09           | 180.96      | 10,920.4              | 557.9        | -121.8       | 394,708.87          | 877,777.16         | 32.080478 | -103.247081 |  |
| 10,975.0                           | 29.09           | 180.77      | 10,942.6              | 546.3        | -122.0       | 394,697.30          | 877,776.98         | 32.080446 | -103.247082 |  |
| 11,000.0                           | 32.09           | 180.62      | 10,964.1              | 533.6        | -122.2       | 394,684.58          | 877,776.83         | 32.080411 | -103.247083 |  |
| 11,025.0                           | 35.08           | 180.49      | 10,984.9              | 519.8        | -122.3       | 394,670.75          | 877,776.70         | 32.080373 | -103.247084 |  |
| 11,050.0                           | 38.08           | 180.38      | 11,005.0              | 504.9        | -122.4       | 394,655.85          | 877,776.58         | 32.080332 | -103.247085 |  |
| 11,075.0                           | 41.08           | 180.28      | 11,024.3              | 488.9        | -122.5       | 394,639.92          | 877,776.49         | 32.080288 | -103.247086 |  |
| 11,093.8                           | 43.34           | 180.22      | 11,038.2              | 476.3        | -122.6       | 394,627.29          | 877,776.44         | 32.080254 | -103.247086 |  |
| <b>Third Bone Spring</b>           |                 |             |                       |              |              |                     |                    |           |             |  |
| 11,100.0                           | 44.08           | 180.20      | 11,042.7              | 472.0        | -122.6       | 394,623.01          | 877,776.42         | 32.080242 | -103.247086 |  |
| 11,125.0                           | 47.08           | 180.12      | 11,060.2              | 454.2        | -122.6       | 394,605.16          | 877,776.37         | 32.080193 | -103.247087 |  |
| 11,150.0                           | 50.08           | 180.05      | 11,076.7              | 435.4        | -122.7       | 394,586.41          | 877,776.35         | 32.080141 | -103.247088 |  |
| 11,175.0                           | 53.08           | 179.98      | 11,092.3              | 415.8        | -122.7       | 394,566.82          | 877,776.34         | 32.080087 | -103.247089 |  |
| 11,200.0                           | 56.08           | 179.92      | 11,106.7              | 395.5        | -122.6       | 394,546.45          | 877,776.36         | 32.080031 | -103.247089 |  |
| 11,225.0                           | 59.08           | 179.87      | 11,120.1              | 374.4        | -122.6       | 394,525.35          | 877,776.40         | 32.079973 | -103.247090 |  |
| 11,250.0                           | 62.08           | 179.82      | 11,132.4              | 352.6        | -122.5       | 394,503.58          | 877,776.46         | 32.079914 | -103.247090 |  |



American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredeve Operating           | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey   |                 |             |                       |              |              |                     |                    |           |             |  |
|--|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)                                  | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 11,275.0   | 65.08           | 179.77      | 11,143.5              | 330.2        | -122.5       | 394,481.19          | 877,776.54         | 32.079852 | -103.247091 |  |
| 11,300.0   | 68.08           | 179.72      | 11,153.5              | 307.3        | -122.4       | 394,458.25          | 877,776.64         | 32.079789 | -103.247091 |  |
| 11,325.0   | 71.08           | 179.68      | 11,162.2              | 283.8        | -122.2       | 394,434.83          | 877,776.76         | 32.079725 | -103.247091 |  |
| 11,350.0   | 74.08           | 179.63      | 11,169.7              | 260.0        | -122.1       | 394,410.98          | 877,776.91         | 32.079659 | -103.247092 |  |
| 11,373.0   | 76.84           | 179.59      | 11,175.5              | 237.7        | -121.9       | 394,388.74          | 877,777.06         | 32.079598 | -103.247092 |  |
| <b>NMMN 136234 Entry at 11373.0 MD</b>                 |                 |             |                       |              |              |                     |                    |           |             |  |
| 11,375.0   | 77.08           | 179.59      | 11,175.9              | 235.8        | -121.9       | 394,386.77          | 877,777.07         | 32.079592 | -103.247092 |  |
| 11,400.0   | 80.08           | 179.55      | 11,180.9              | 211.3        | -121.7       | 394,362.27          | 877,777.26         | 32.079525 | -103.247092 |  |
| 11,425.0   | 83.08           | 179.51      | 11,184.5              | 186.5        | -121.5       | 394,337.54          | 877,777.46         | 32.079457 | -103.247092 |  |
| 11,450.0   | 86.08           | 179.47      | 11,186.9              | 161.7        | -121.3       | 394,312.66          | 877,777.68         | 32.079389 | -103.247092 |  |
| 11,475.0   | 89.08           | 179.43      | 11,187.9              | 136.7        | -121.1       | 394,287.68          | 877,777.92         | 32.079320 | -103.247093 |  |
| 11,482.7   | 90.00           | 179.42      | 11,188.0              | 129.0        | -121.0       | 394,280.00          | 877,778.00         | 32.079299 | -103.247093 |  |
| <b>Start 10362.1 hold at 11482.7 MD - FTP (P 097H)</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 11,500.0   | 90.00           | 179.42      | 11,188.0              | 111.7        | -120.8       | 394,262.69          | 877,778.18         | 32.079251 | -103.247093 |  |
| 11,600.0   | 90.00           | 179.42      | 11,188.0              | 11.7         | -119.8       | 394,162.69          | 877,779.19         | 32.078977 | -103.247092 |  |
| 11,700.0   | 90.00           | 179.42      | 11,188.0              | -88.3        | -118.8       | 394,062.70          | 877,780.21         | 32.078702 | -103.247092 |  |
| 11,800.0   | 90.00           | 179.42      | 11,188.0              | -188.3       | -117.8       | 393,962.70          | 877,781.23         | 32.078427 | -103.247092 |  |
| 11,900.0   | 90.00           | 179.42      | 11,188.0              | -288.3       | -116.8       | 393,862.71          | 877,782.25         | 32.078152 | -103.247092 |  |
| 12,000.0   | 90.00           | 179.42      | 11,188.0              | -388.3       | -115.7       | 393,762.71          | 877,783.27         | 32.077877 | -103.247092 |  |
| 12,100.0   | 90.00           | 179.42      | 11,188.0              | -488.3       | -114.7       | 393,662.72          | 877,784.28         | 32.077602 | -103.247092 |  |
| 12,200.0   | 90.00           | 179.42      | 11,188.0              | -588.3       | -113.7       | 393,562.72          | 877,785.30         | 32.077327 | -103.247092 |  |
| 12,300.0   | 90.00           | 179.42      | 11,188.0              | -688.3       | -112.7       | 393,462.73          | 877,786.32         | 32.077052 | -103.247092 |  |
| 12,400.0   | 90.00           | 179.42      | 11,188.0              | -788.3       | -111.7       | 393,362.73          | 877,787.34         | 32.076778 | -103.247092 |  |
| 12,500.0   | 90.00           | 179.42      | 11,188.0              | -888.3       | -110.6       | 393,262.74          | 877,788.36         | 32.076503 | -103.247092 |  |
| 12,600.0   | 90.00           | 179.42      | 11,188.0              | -988.3       | -109.6       | 393,162.74          | 877,789.37         | 32.076228 | -103.247092 |  |
| 12,700.0   | 90.00           | 179.42      | 11,188.0              | -1,088.3     | -108.6       | 393,062.75          | 877,790.39         | 32.075953 | -103.247092 |  |
| 12,800.0   | 90.00           | 179.42      | 11,188.0              | -1,188.2     | -107.6       | 392,962.75          | 877,791.41         | 32.075678 | -103.247092 |  |
| 12,900.0   | 90.00           | 179.42      | 11,188.0              | -1,288.2     | -106.6       | 392,862.76          | 877,792.43         | 32.075403 | -103.247092 |  |
| 13,000.0   | 90.00           | 179.42      | 11,188.0              | -1,388.2     | -105.6       | 392,762.76          | 877,793.45         | 32.075128 | -103.247092 |  |
| 13,100.0   | 90.00           | 179.42      | 11,188.0              | -1,488.2     | -104.5       | 392,662.77          | 877,794.46         | 32.074854 | -103.247092 |  |
| 13,200.0   | 90.00           | 179.42      | 11,188.0              | -1,588.2     | -103.5       | 392,562.77          | 877,795.48         | 32.074579 | -103.247092 |  |
| 13,300.0   | 90.00           | 179.42      | 11,188.0              | -1,688.2     | -102.5       | 392,462.78          | 877,796.50         | 32.074304 | -103.247092 |  |
| 13,400.0   | 90.00           | 179.42      | 11,188.0              | -1,788.2     | -101.5       | 392,362.78          | 877,797.52         | 32.074029 | -103.247092 |  |
| 13,500.0   | 90.00           | 179.42      | 11,188.0              | -1,888.2     | -100.5       | 392,262.79          | 877,798.54         | 32.073754 | -103.247092 |  |
| 13,600.0   | 90.00           | 179.42      | 11,188.0              | -1,988.2     | -99.4        | 392,162.79          | 877,799.55         | 32.073479 | -103.247092 |  |
| 13,700.0   | 90.00           | 179.42      | 11,188.0              | -2,088.2     | -98.4        | 392,062.80          | 877,800.57         | 32.073204 | -103.247092 |  |
| 13,800.0   | 90.00           | 179.42      | 11,188.0              | -2,188.2     | -97.4        | 391,962.80          | 877,801.59         | 32.072930 | -103.247092 |  |
| 13,900.0   | 90.00           | 179.42      | 11,188.0              | -2,288.2     | -96.4        | 391,862.81          | 877,802.61         | 32.072655 | -103.247092 |  |
| 14,000.0   | 90.00           | 179.42      | 11,188.0              | -2,388.2     | -95.4        | 391,762.81          | 877,803.63         | 32.072380 | -103.247092 |  |
| 14,100.0   | 90.00           | 179.42      | 11,188.0              | -2,488.2     | -94.4        | 391,662.82          | 877,804.64         | 32.072105 | -103.247092 |  |
| 14,200.0   | 90.00           | 179.42      | 11,188.0              | -2,588.2     | -93.3        | 391,562.83          | 877,805.66         | 32.071830 | -103.247092 |  |
| 14,300.0   | 90.00           | 179.42      | 11,188.0              | -2,688.2     | -92.3        | 391,462.83          | 877,806.68         | 32.071555 | -103.247091 |  |
| 14,400.0   | 90.00           | 179.42      | 11,188.0              | -2,788.2     | -91.3        | 391,362.84          | 877,807.70         | 32.071280 | -103.247091 |  |
| 14,500.0   | 90.00           | 179.42      | 11,188.0              | -2,888.2     | -90.3        | 391,262.84          | 877,808.72         | 32.071006 | -103.247091 |  |
| 14,600.0   | 90.00           | 179.42      | 11,188.0              | -2,988.2     | -89.3        | 391,162.85          | 877,809.73         | 32.070731 | -103.247091 |  |
| 14,700.0   | 90.00           | 179.42      | 11,188.0              | -3,088.1     | -88.2        | 391,062.85          | 877,810.75         | 32.070456 | -103.247091 |  |
| 14,800.0   | 90.00           | 179.42      | 11,188.0              | -3,188.1     | -87.2        | 390,962.86          | 877,811.77         | 32.070181 | -103.247091 |  |
| 14,900.0   | 90.00           | 179.42      | 11,188.0              | -3,288.1     | -86.2        | 390,862.86          | 877,812.79         | 32.069906 | -103.247091 |  |
| 15,000.0   | 90.00           | 179.42      | 11,188.0              | -3,388.1     | -85.2        | 390,762.87          | 877,813.81         | 32.069631 | -103.247091 |  |
| 15,100.0   | 90.00           | 179.42      | 11,188.0              | -3,488.1     | -84.2        | 390,662.87          | 877,814.82         | 32.069356 | -103.247091 |  |
| 15,200.0   | 90.00           | 179.42      | 11,188.0              | -3,588.1     | -83.2        | 390,562.88          | 877,815.84         | 32.069081 | -103.247091 |  |
| 15,300.0   | 90.00           | 179.42      | 11,188.0              | -3,688.1     | -82.1        | 390,462.88          | 877,816.86         | 32.068807 | -103.247091 |  |
| 15,400.0   | 90.00           | 179.42      | 11,188.0              | -3,788.1     | -81.1        | 390,362.89          | 877,817.88         | 32.068532 | -103.247091 |  |
| 15,500.0   | 90.00           | 179.42      | 11,188.0              | -3,888.1     | -80.1        | 390,262.89          | 877,818.90         | 32.068257 | -103.247091 |  |





American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredeve Operating           | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey                        |                 |             |                       |              |              |                     |                    |           |             |  |
|---------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)                 | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 15,600.0                              | 90.00           | 179.42      | 11,188.0              | -3,988.1     | -79.1        | 390,162.90          | 877,819.91         | 32.067982 | -103.247091 |  |
| 15,700.0                              | 90.00           | 179.42      | 11,188.0              | -4,088.1     | -78.1        | 390,062.90          | 877,820.93         | 32.067707 | -103.247091 |  |
| 15,800.0                              | 90.00           | 179.42      | 11,188.0              | -4,188.1     | -77.0        | 389,962.91          | 877,821.95         | 32.067432 | -103.247091 |  |
| 15,900.0                              | 90.00           | 179.42      | 11,188.0              | -4,288.1     | -76.0        | 389,862.91          | 877,822.97         | 32.067157 | -103.247091 |  |
| 16,000.0                              | 90.00           | 179.42      | 11,188.0              | -4,388.1     | -75.0        | 389,762.92          | 877,823.99         | 32.066883 | -103.247091 |  |
| 16,100.0                              | 90.00           | 179.42      | 11,188.0              | -4,488.1     | -74.0        | 389,662.92          | 877,825.00         | 32.066608 | -103.247091 |  |
| 16,200.0                              | 90.00           | 179.42      | 11,188.0              | -4,588.1     | -73.0        | 389,562.93          | 877,826.02         | 32.066333 | -103.247091 |  |
| 16,300.0                              | 90.00           | 179.42      | 11,188.0              | -4,688.1     | -72.0        | 389,462.93          | 877,827.04         | 32.066058 | -103.247091 |  |
| 16,400.0                              | 90.00           | 179.42      | 11,188.0              | -4,788.1     | -70.9        | 389,362.94          | 877,828.06         | 32.065783 | -103.247091 |  |
| 16,500.0                              | 90.00           | 179.42      | 11,188.0              | -4,888.1     | -69.9        | 389,262.94          | 877,829.08         | 32.065508 | -103.247091 |  |
| 16,600.0                              | 90.00           | 179.42      | 11,188.0              | -4,988.0     | -68.9        | 389,162.95          | 877,830.09         | 32.065233 | -103.247091 |  |
| 16,700.0                              | 90.00           | 179.42      | 11,188.0              | -5,088.0     | -67.9        | 389,062.95          | 877,831.11         | 32.064959 | -103.247091 |  |
| 16,800.0                              | 90.00           | 179.42      | 11,188.0              | -5,188.0     | -66.9        | 388,962.96          | 877,832.13         | 32.064684 | -103.247091 |  |
| 16,900.0                              | 90.00           | 179.42      | 11,188.0              | -5,288.0     | -65.9        | 388,862.96          | 877,833.15         | 32.064409 | -103.247091 |  |
| 17,000.0                              | 90.00           | 179.42      | 11,188.0              | -5,388.0     | -64.8        | 388,762.97          | 877,834.17         | 32.064134 | -103.247091 |  |
| 17,100.0                              | 90.00           | 179.42      | 11,188.0              | -5,488.0     | -63.8        | 388,662.98          | 877,835.18         | 32.063859 | -103.247090 |  |
| 17,200.0                              | 90.00           | 179.42      | 11,188.0              | -5,588.0     | -62.8        | 388,562.98          | 877,836.20         | 32.063584 | -103.247090 |  |
| 17,300.0                              | 90.00           | 179.42      | 11,188.0              | -5,688.0     | -61.8        | 388,462.99          | 877,837.22         | 32.063309 | -103.247090 |  |
| 17,400.0                              | 90.00           | 179.42      | 11,188.0              | -5,788.0     | -60.8        | 388,362.99          | 877,838.24         | 32.063035 | -103.247090 |  |
| 17,500.0                              | 90.00           | 179.42      | 11,188.0              | -5,888.0     | -59.7        | 388,263.00          | 877,839.26         | 32.062760 | -103.247090 |  |
| 17,600.0                              | 90.00           | 179.42      | 11,188.0              | -5,988.0     | -58.7        | 388,163.00          | 877,840.27         | 32.062485 | -103.247090 |  |
| 17,700.0                              | 90.00           | 179.42      | 11,188.0              | -6,088.0     | -57.7        | 388,063.01          | 877,841.29         | 32.062210 | -103.247090 |  |
| 17,800.0                              | 90.00           | 179.42      | 11,188.0              | -6,188.0     | -56.7        | 387,963.01          | 877,842.31         | 32.061935 | -103.247090 |  |
| 17,900.0                              | 90.00           | 179.42      | 11,188.0              | -6,288.0     | -55.7        | 387,863.02          | 877,843.33         | 32.061660 | -103.247090 |  |
| 18,000.0                              | 90.00           | 179.42      | 11,188.0              | -6,388.0     | -54.7        | 387,763.02          | 877,844.35         | 32.061385 | -103.247090 |  |
| 18,100.0                              | 90.00           | 179.42      | 11,188.0              | -6,488.0     | -53.6        | 387,663.03          | 877,845.36         | 32.061111 | -103.247090 |  |
| 18,200.0                              | 90.00           | 179.42      | 11,188.0              | -6,588.0     | -52.6        | 387,563.03          | 877,846.38         | 32.060836 | -103.247090 |  |
| 18,300.0                              | 90.00           | 179.42      | 11,188.0              | -6,688.0     | -51.6        | 387,463.04          | 877,847.40         | 32.060561 | -103.247090 |  |
| 18,400.0                              | 90.00           | 179.42      | 11,188.0              | -6,788.0     | -50.6        | 387,363.04          | 877,848.42         | 32.060286 | -103.247090 |  |
| 18,500.0                              | 90.00           | 179.42      | 11,188.0              | -6,888.0     | -49.6        | 387,263.05          | 877,849.44         | 32.060011 | -103.247090 |  |
| 18,600.0                              | 90.00           | 179.42      | 11,188.0              | -6,987.9     | -48.5        | 387,163.05          | 877,850.45         | 32.059736 | -103.247090 |  |
| 18,700.0                              | 90.00           | 179.42      | 11,188.0              | -7,087.9     | -47.5        | 387,063.06          | 877,851.47         | 32.059461 | -103.247090 |  |
| 18,800.0                              | 90.00           | 179.42      | 11,188.0              | -7,187.9     | -46.5        | 386,963.06          | 877,852.49         | 32.059186 | -103.247090 |  |
| 18,900.0                              | 90.00           | 179.42      | 11,188.0              | -7,287.9     | -45.5        | 386,863.07          | 877,853.51         | 32.058912 | -103.247090 |  |
| 19,000.0                              | 90.00           | 179.42      | 11,188.0              | -7,387.9     | -44.5        | 386,763.07          | 877,854.53         | 32.058637 | -103.247090 |  |
| 19,100.0                              | 90.00           | 179.42      | 11,188.0              | -7,487.9     | -43.5        | 386,663.08          | 877,855.54         | 32.058362 | -103.247090 |  |
| 19,200.0                              | 90.00           | 179.42      | 11,188.0              | -7,587.9     | -42.4        | 386,563.08          | 877,856.56         | 32.058087 | -103.247090 |  |
| 19,300.0                              | 90.00           | 179.42      | 11,188.0              | -7,687.9     | -41.4        | 386,463.09          | 877,857.58         | 32.057812 | -103.247090 |  |
| 19,400.0                              | 90.00           | 179.42      | 11,188.0              | -7,787.9     | -40.4        | 386,363.09          | 877,858.60         | 32.057537 | -103.247090 |  |
| 19,500.0                              | 90.00           | 179.42      | 11,188.0              | -7,887.9     | -39.4        | 386,263.10          | 877,859.62         | 32.057262 | -103.247090 |  |
| 19,600.0                              | 90.00           | 179.42      | 11,188.0              | -7,987.9     | -38.4        | 386,163.10          | 877,860.63         | 32.056988 | -103.247090 |  |
| 19,700.0                              | 90.00           | 179.42      | 11,188.0              | -8,087.9     | -37.3        | 386,063.11          | 877,861.65         | 32.056713 | -103.247089 |  |
| 19,800.0                              | 90.00           | 179.42      | 11,188.0              | -8,187.9     | -36.3        | 385,963.12          | 877,862.67         | 32.056438 | -103.247089 |  |
| 19,900.0                              | 90.00           | 179.42      | 11,188.0              | -8,287.9     | -35.3        | 385,863.12          | 877,863.69         | 32.056163 | -103.247089 |  |
| 20,000.0                              | 90.00           | 179.42      | 11,188.0              | -8,387.9     | -34.3        | 385,763.13          | 877,864.71         | 32.055888 | -103.247089 |  |
| 20,100.0                              | 90.00           | 179.42      | 11,188.0              | -8,487.9     | -33.3        | 385,663.13          | 877,865.72         | 32.055613 | -103.247089 |  |
| 20,200.0                              | 90.00           | 179.42      | 11,188.0              | -8,587.9     | -32.3        | 385,563.14          | 877,866.74         | 32.055338 | -103.247089 |  |
| 20,300.0                              | 90.00           | 179.42      | 11,188.0              | -8,687.9     | -31.2        | 385,463.14          | 877,867.76         | 32.055064 | -103.247089 |  |
| 20,400.0                              | 90.00           | 179.42      | 11,188.0              | -8,787.9     | -30.2        | 385,363.15          | 877,868.78         | 32.054789 | -103.247089 |  |
| 20,500.0                              | 90.00           | 179.42      | 11,188.0              | -8,887.8     | -29.2        | 385,263.15          | 877,869.80         | 32.054514 | -103.247089 |  |
| 20,600.0                              | 90.00           | 179.42      | 11,188.0              | -8,987.8     | -28.2        | 385,163.16          | 877,870.81         | 32.054239 | -103.247089 |  |
| 20,610.0                              | 90.00           | 179.42      | 11,188.0              | -8,997.8     | -28.1        | 385,153.20          | 877,870.92         | 32.054212 | -103.247089 |  |
| <b>NMNM 136234 Exit at 20610.0 MD</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 20,700.0                              | 90.00           | 179.42      | 11,188.0              | -9,087.8     | -27.2        | 385,063.16          | 877,871.83         | 32.053964 | -103.247089 |  |



Planning Report - Geographic

American Resource Development LLC

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Planned Survey                       |                 |             |                       |              |              |                     |                    |           |             |  |
|--------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|---------------------|--------------------|-----------|-------------|--|
| Measured Depth (usft)                | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Map Northing (usft) | Map Easting (usft) | Latitude  | Longitude   |  |
| 20,800.0                             | 90.00           | 179.42      | 11,188.0              | -9,187.8     | -26.1        | 384,963.17          | 877,872.85         | 32.053689 | -103.247089 |  |
| 20,900.0                             | 90.00           | 179.42      | 11,188.0              | -9,287.8     | -25.1        | 384,863.17          | 877,873.87         | 32.053414 | -103.247089 |  |
| 21,000.0                             | 90.00           | 179.42      | 11,188.0              | -9,387.8     | -24.1        | 384,763.18          | 877,874.89         | 32.053139 | -103.247089 |  |
| 21,100.0                             | 90.00           | 179.42      | 11,188.0              | -9,487.8     | -23.1        | 384,663.18          | 877,875.90         | 32.052865 | -103.247089 |  |
| 21,200.0                             | 90.00           | 179.42      | 11,188.0              | -9,587.8     | -22.1        | 384,563.19          | 877,876.92         | 32.052590 | -103.247089 |  |
| 21,300.0                             | 90.00           | 179.42      | 11,188.0              | -9,687.8     | -21.1        | 384,463.19          | 877,877.94         | 32.052315 | -103.247089 |  |
| 21,400.0                             | 90.00           | 179.42      | 11,188.0              | -9,787.8     | -20.0        | 384,363.20          | 877,878.96         | 32.052040 | -103.247089 |  |
| 21,500.0                             | 90.00           | 179.42      | 11,188.0              | -9,887.8     | -19.0        | 384,263.20          | 877,879.98         | 32.051765 | -103.247089 |  |
| 21,600.0                             | 90.00           | 179.42      | 11,188.0              | -9,987.8     | -18.0        | 384,163.21          | 877,880.99         | 32.051490 | -103.247089 |  |
| 21,700.0                             | 90.00           | 179.42      | 11,188.0              | -10,087.8    | -17.0        | 384,063.21          | 877,882.01         | 32.051215 | -103.247089 |  |
| 21,800.0                             | 90.00           | 179.42      | 11,188.0              | -10,187.8    | -16.0        | 383,963.22          | 877,883.03         | 32.050941 | -103.247089 |  |
| 21,844.8                             | 90.00           | 179.42      | 11,188.0              | -10,232.5    | -15.5        | 383,918.45          | 877,883.49         | 32.050818 | -103.247089 |  |
| <b>Start 50.5 hold at 21844.8 MD</b> |                 |             |                       |              |              |                     |                    |           |             |  |
| 21,845.2                             | 90.00           | 179.42      | 11,188.0              | -10,233.0    | -15.5        | 383,918.00          | 877,883.49         | 32.050816 | -103.247089 |  |
| <b>LTP (P 097H)</b>                  |                 |             |                       |              |              |                     |                    |           |             |  |
| 21,895.2                             | 90.00           | 179.42      | 11,188.0              | -10,283.0    | -15.0        | 383,868.00          | 877,884.00         | 32.050679 | -103.247089 |  |
| <b>TD at 21895.2 - BHL (P 097H)</b>  |                 |             |                       |              |              |                     |                    |           |             |  |

| Design Targets   |               |              |            |              |              |                 |                |           |             |  |
|--|---------------|--------------|------------|--------------|--------------|-----------------|----------------|-----------|-------------|--|
| Target Name<br>- hit/miss target<br>- Shape  | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude  | Longitude   |  |
| BHL (P 097H)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 11,188.0   | -10,283.0    | -15.0        | 383,868.00      | 877,884.00     | 32.050679 | -103.247089 |  |
| FTP (P 097H)<br>- plan hits target center<br>- Point   | 0.00          | 0.00         | 11,188.0   | 129.0        | -121.0       | 394,280.00      | 877,778.00     | 32.079299 | -103.247093 |  |
| LTP (P 097H)<br>- plan misses target center by 0.5usft at 21845.2usft MD (11188.0 TVD, -10233.0 N, -15.5 E)<br>- Point | 0.00          | 0.00         | 11,188.0   | -10,233.0    | -16.0        | 383,918.00      | 877,883.00     | 32.050816 | -103.247090 |  |



American Resource Development LLC

Planning Report - Geographic

|                  |                               |                                     |                                    |
|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | AUS-COMPASS - EDM_15 - 32bit  | <b>Local Co-ordinate Reference:</b> | Well PIMENTO FED COM 26-36-03 097H |
| <b>Company:</b>  | Ameredev Operating            | <b>TVD Reference:</b>               | KB=27 @ 3027.0usft                 |
| <b>Project:</b>  | Lea County, NM (N83-NME)      | <b>MD Reference:</b>                | KB=27 @ 3027.0usft                 |
| <b>Site:</b>     | Juniper_Pimento               | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | PIMENTO FED COM 26-36-03 097H | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | OWB                           |                                     |                                    |
| <b>Design:</b>   | PRELIM1                       |                                     |                                    |

| Formations            |                       |                         |           |         |                   |  |
|-----------------------|-----------------------|-------------------------|-----------|---------|-------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name                    | Lithology | Dip (°) | Dip Direction (°) |  |
| 1,536.0               | 1,536.0               | Rustler                 |           | 0.00    |                   |  |
| 2,104.5               | 2,104.5               | Salado                  |           | 0.00    |                   |  |
| 3,029.3               | 3,027.0               | Dewey Lake              |           |         |                   |  |
| 3,236.3               | 3,233.5               | Tansill                 |           |         |                   |  |
| 3,848.3               | 3,843.8               | Capitan                 |           |         |                   |  |
| 5,233.4               | 5,225.4               | Lamar                   |           |         |                   |  |
| 5,286.2               | 5,278.1               | Bell Canyon             |           |         |                   |  |
| 6,539.7               | 6,528.3               | Brushy Canyon           |           |         |                   |  |
| 7,435.8               | 7,422.2               | Bone Spring Lime        |           |         |                   |  |
| 9,286.0               | 9,267.5               | First Bone Spring       |           |         |                   |  |
| 9,763.8               | 9,744.2               | Second Bone Spring      |           |         |                   |  |
| 10,412.4              | 10,391.1              | Third Bone Spring Upper |           |         |                   |  |
| 11,093.8              | 11,038.2              | Third Bone Spring       |           |         |                   |  |

| Plan Annotations      |                       |                   |              |                                  |  |
|-----------------------|-----------------------|-------------------|--------------|----------------------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates |              | Comment                          |  |
|                       |                       | +N/-S (usft)      | +E/-W (usft) |                                  |  |
| 2,000.0               | 2,000.0               | 0.0               | 0.0          | Start Build 2.00                 |  |
| 2,205.8               | 2,205.6               | 7.2               | -1.4         | Start 8493.2 hold at 2205.8 MD   |  |
| 5,492.0               | 5,483.3               | 238.7             | -47.0        | NMNM 136234 Exit at 5492.0 MD    |  |
| 10,699.0              | 10,676.9              | 605.3             | -119.1       | Start DLS 12.00 TFO -169.42      |  |
| 11,373.0              | 11,175.5              | 237.7             | -121.9       | NMNM 136234 Entry at 11373.0 MD  |  |
| 11,482.7              | 11,188.0              | 129.0             | -121.0       | Start 10362.1 hold at 11482.7 MD |  |
| 20,610.0              | 11,188.0              | -8,997.8          | -28.1        | NMNM 136234 Exit at 20610.0 MD   |  |
| 21,844.8              | 11,188.0              | -10,232.5         | -15.5        | Start 50.5 hold at 21844.8 MD    |  |
| 21,895.2              | 11,188.0              | -10,283.0         | -15.0        | TD at 21895.2                    |  |



**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

**Environmental Assessment DOI-BLM-NM-P020-2024-0232-EA**

**Pimento and Juniper MW  
Ameredev Operating, LLC  
NMNM136233**

**TABLE OF CONTENTS**

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

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
  - Watershed
  - Lesser Prairie-Chicken Timing Stipulations
- Construction**
  - Notification
  - Topsoil
  - Closed Loop System
  - Federal Mineral Material Pits
  - Well Pads
  - Roads
- Road Section Diagram**
- Production (Post Drilling)**
  - Well Structures & Facilities
  - Pipelines
  - Electric Lines
- Interim Reclamation**
- Final Abandonment & Reclamation**

## **I. GENERAL PROVISIONS**

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

## **II. PERMIT EXPIRATION**

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

## **III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES**

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

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See information below discussing NAGPRA.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

#### **IV. NOXIOUS WEEDS**

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

## V. SPECIAL REQUIREMENT(S)

### **Watershed:**

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

### **Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:**

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

### **Timing Limitation Exceptions:**

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

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

## **VI. CONSTRUCTION**

### **A. NOTIFICATION**

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

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

### **B. TOPSOIL**

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

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

### **C. CLOSED LOOP SYSTEM**

Tanks are required for drilling operations: No Pits.

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

### **D. FEDERAL MINERAL MATERIALS PIT**

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

### **E. WELL PAD SURFACING**

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

#### **F. EXCLOSURE FENCING (CELLARS & PITS)**

##### **Exclosure Fencing**

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

#### **G. ON LEASE ACCESS ROADS**

##### **Road Width**

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

##### **Surfacing**

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

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

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

##### **Crowning**

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

##### **Ditching**

Ditching shall be required on both sides of the road.

### Turnouts

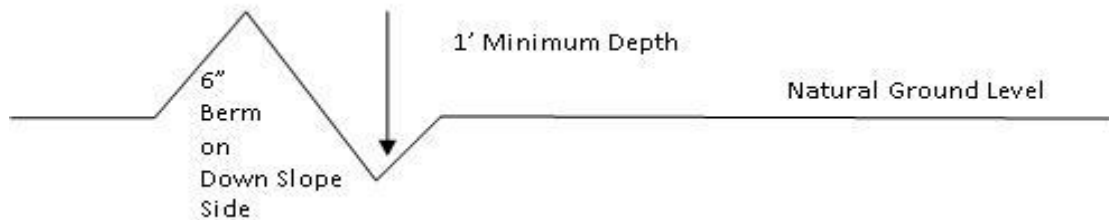
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

### Drainage

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

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

#### Cross Section of a Typical Lead-off Ditch



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

#### Formula for Spacing Interval of Lead-off Ditches

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

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

### Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

### Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

**Public Access**

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



**Construction Steps**

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

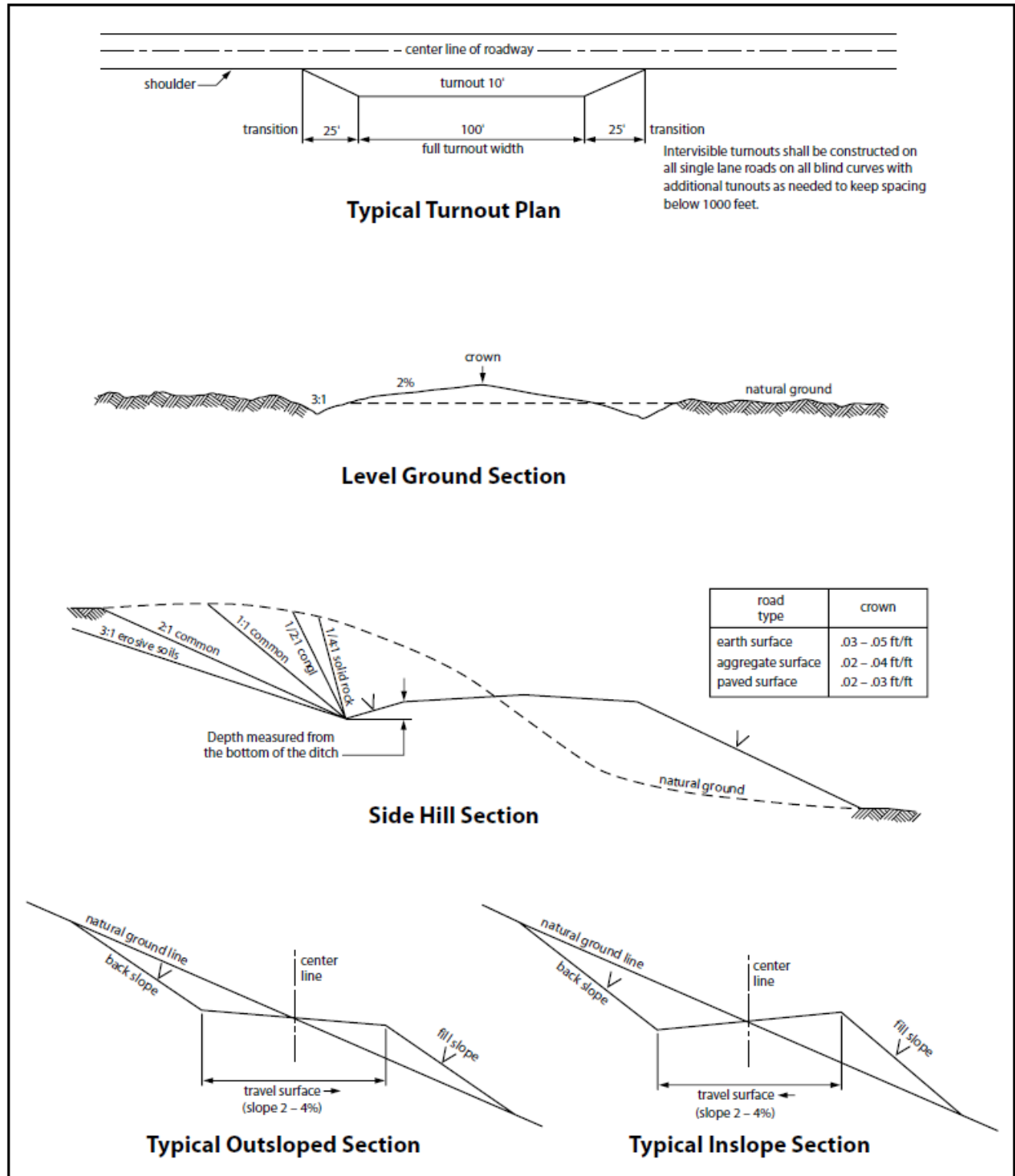


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## VII. PRODUCTION (POST DRILLING)

### A. WELL STRUCTURES & FACILITIES

#### **Placement of Production Facilities**

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

#### **Exclosure Netting (Open-top Tanks)**

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

#### **Chemical and Fuel Secondary Containment and Exclosure Screening**

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

#### **Open-Vent Exhaust Stack Exclosures**

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

#### **Containment Structures**

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

### **Painting Requirement**

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

## **B. PIPELINES**

### **STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES**

**A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.**

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

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.
4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

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

c. Acts of God.

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

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

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

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of 30 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

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

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 6 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

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

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

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

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

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

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

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 16 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

16. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting,

excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

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

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

### BURIED PIPELINE STIPULATIONS

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

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

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

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



3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
  
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
  
5. All construction and maintenance activity will be confined to the authorized right-of-way.
  
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
  
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
  - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
  - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
  - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
  
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
  
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the

owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

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

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- seed mixture 1
- seed mixture 2
- seed mixture 2/LPC
- seed mixture 3
- seed mixture 4
- Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

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

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

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



OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 17 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

17. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

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

20. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

## C. ELECTRIC LINES

### STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

**A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.**

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

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without

liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

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

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

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

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 11 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

11. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered

inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

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

13. Special Stipulations:

For reclamation remove poles, lines, transformer, etc. and dispose of properly.  
Fill in any holes from the poles removed.

## **VIII. INTERIM RECLAMATION**

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

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

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

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

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

## **IX. FINAL ABANDONMENT & RECLAMATION**

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

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

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

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

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

**Seed Mixture for LPC #2 Sand/Shinnery Sites**

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

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

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

| <u>Species</u>      | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A         |
| Sand Bluestem       | 5lbs/A         |
| Little Bluestem     | 3lbs/A         |
| Big Bluestem        | 6lbs/A         |
| Plains Coreopsis    | 2lbs/A         |
| Sand Dropseed       | 1lbs/A         |

\*Pounds of pure live seed:

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

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

|                             |                               |
|-----------------------------|-------------------------------|
| <b>OPERATOR'S NAME:</b>     | Ameredev Operating LLC        |
| <b>WELL NAME &amp; NO.:</b> | Pimento 26 36 03 Fed Com 097H |
| <b>LOCATION:</b>            | Sec 3-26S-36E-NMP             |
| <b>COUNTY:</b>              | Lea County, New Mexico        |

COA

|                      |  |  |   |  |
|----------------------|--|--|---|--|
| <b>H2S</b>           | <input type="radio"/> Yes                  | <input checked="" type="radio"/> No        |   |  |
| <b>Potash / WIPP</b> | <input checked="" type="radio"/> None      | <input type="radio"/> Secretary            | <input type="radio"/> R-111-P           | <input type="checkbox"/> WIPP                    |
| <b>Cave / Karst</b>  | <input checked="" type="radio"/> Low       | <input type="radio"/> Medium               | <input type="radio"/> High              | <input type="radio"/> Critical                   |
| <b>Wellhead</b>      | <input type="radio"/> Conventional         | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both              | <input type="radio"/> Diverter                   |
| <b>Cementing</b>     | <input type="checkbox"/> Primary Squeeze   | <input type="checkbox"/> Cont. Squeeze     | <input type="checkbox"/> EchoMeter      | <input type="checkbox"/> DV Tool                 |
| <b>Special Req</b>   | <input type="checkbox"/> Break Testing     | <input type="checkbox"/> Water Disposal    | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit                    |
| <b>Variance</b>      | <input checked="" type="radio"/> Flex Hose | <input type="checkbox"/> Casing Clearance  | <input type="checkbox"/> Pilot Hole     | <input checked="" type="checkbox"/> Capitan Reef |
| <b>Variance</b>      | <input type="checkbox"/> Four-String       | <input type="checkbox"/> Offline Cementing | <input type="checkbox"/> Fluid Filled   | <input type="checkbox"/> Open Annulus            |

### A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

### B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately 1661 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.



2. The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
  - Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef.**
  - ❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
  - ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
    - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
    - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least **50 feet** on top of Capitan Reef top **or 200 feet** into the previous casing, whichever is greater. If cement does not circulate see B.1.a, c-d above.

### C. PRESSURE CONTROL



1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
  - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

#### **D. SPECIAL REQUIREMENT (S)**

##### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 2.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

## **GENERAL REQUIREMENTS**

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

- a. Spudding well (minimum of 24 hours)

- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

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

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - Notify the BLM when moving in and removing the Spudder Rig.
    - Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2<sup>nd</sup> Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

**B. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be

anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
  - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
  - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
  - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The

- operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
  - e. The results of the test shall be reported to the appropriate BLM office.
  - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
  - h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

#### C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

#### D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.



## H<sub>2</sub>S Drilling Operation Plan

1. **All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:**
  - a. Characteristics of H<sub>2</sub>S
  - b. Physical effects and hazards
  - c. Principal and operation of H<sub>2</sub>S detectors, warning system and briefing areas
  - d. Evacuation procedure, routes and first aid
  - e. Proper use of safety equipment and life support systems
  - f. Essential personnel meeting Medical Evaluation criteria will receive additional training on the proper use of 30 minute pressure demand air packs.
  
2. **Briefing Area:**
  - a. Two perpendicular areas will be designated by signs and readily accessible.
  - b. Upon location entry there will be a designated area to establish all safety compliance criteria (1.) has been met.
  
3. **H<sub>2</sub>S Detection and Alarm Systems:**
  - a. H<sub>2</sub>S sensors/detectors shall be located on the drilling rig floor, in the base of the sub structure/cellar area, and on the mud pits in the shale shaker area. Additional H<sub>2</sub>S detectors may be placed as deemed necessary. All detectors will be set to initiate visual alarm at 10 ppm and visual with audible at 14 ppm and all equipment will be calibrated every 30 days or as needed.
  - b. An audio alarm will be installed on the derrick floor and in the top doghouse.
  
4. **Protective Equipment for Essential Personnel:**
  - a. **Breathing Apparatus:**
    - i. Rescue Packs (SCBA) - 1 Unit shall be placed at each briefing area.
    - ii. Two (SCBA) Units will be stored in safety trailer on location.
    - iii. Work/Escapes packs - 1 Unit will be available on rig floor in doghouse for emergency evacuation for driller.
  - b. **Auxiliary Rescue Equipment:**
    - i. Stretcher
    - ii. 2 - OSHA full body harnesses
    - iii. 100 ft. 5/8" OSHA approved rope
    - iv. 1 - 20# class ABC fire extinguisher
  
5. **Windsock and/or Wind Streamers:**
  - a. Windsock at mud pit area should be high enough to be visible.
  - b. Windsock on the rig floor should be high enough to be visible.
  
6. **Communication:**
  - a. While working under mask scripting boards will be used for communication where applicable.
  - b. Hand signals will be used when script boards are not applicable.



## H<sub>2</sub>S Drilling Operation Plan

- c. Two way radios will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at Drilling Foreman's Office.
  
7. **Drill Stem Testing:** - No Planned DST at this time.
  
8. **Mud program:**
  - a. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.
  
9. **Metallurgy:**
  - a. All drill strings, casing, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service.
  - b. Drilling Contractor supervisor will be required to be familiar with the effect H<sub>2</sub>S has on tubular goods and other mechanical equipment provided through contractor.





## H<sub>2</sub>S Contingency Plan

### Emergency Procedures

In the event of a release of H<sub>2</sub>S, the first responder(s) must:

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H<sub>2</sub>S monitors and air packs in order to control the release.
- Use the “buddy system” to ensure no injuries occur during the response.
- Take precautions to avoid personal injury during this operation.
- Contact Operator and/or local officials the aid in operation. See list of phone numbers attached.
- Have received training in the:
  - Detection of H<sub>2</sub>S and
  - Measures for protection against the gas,
  - Equipment used for protection and emergency response.

### Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

### Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

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

### Contacting Authorities

Ameredev Operating LLC personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including direction to site. The following call list of essential and potential responders has been prepared for use during a release. Ameredev Operating LLC’s response must be in coordination with the State of New Mexico’s “Hazardous Materials Emergency Response Plan” (HMER)





## H<sub>2</sub>S Contingency Plan

| <b>Ameredev Operating LLC – Emergency Phone 737-300-4799</b> |                         |              |              |
|--|-------------------------|--------------|--------------|
| Key Personnel:   |                         |              |              |
| Name   | Title                   | Office       | Mobile       |
| Floyd Hammond  | Chief Operating officer | 737-300-4724 | 512-783-6810 |
| Shane McNeely  | Operations Engineer     | 737-300-4729 | 432-413-8593 |
| Dayeed Khan  | Construction Manager    | 737-300-4733 | 281-928-4692 |

| <b><u>Artesia</u></b>  |              |
|--|--------------|
| Ambulance  | 911          |
| State Police   | 575-748-9718 |
| City Police  | 575-746-5000 |
| Sheriff's Office   | 575-887-7551 |
| Fire Department  | 575-746-5051 |
| Artesia General Hospital   | 575-748-3333 |
| New Mexico Oil Conservation Division   | 575-626-0830 |
| <b><u>Carlsbad</u></b>   |              |
| Ambulance  | 911          |
| State Police   | 575-885-3138 |
| City Police  | 575-885-2111 |
| Sheriff's Office   | 575-887-7551 |
| Fire Department  | 575-885-3125 |
| Carlsbad Medical Center  | 575-887-4100 |
| Hobbs Hospital   | 575-492-5000 |
| BLM Hobbs Field Office   | 575-689-5981 |
| BLM Carlsbad Field Office  | 575-361-2822 |
| New Mexico Oil Conservation Division   | 575-626-0830 |
| <b><u>Santa Fe</u></b>   |              |
| Department of Homeland Security and Emergency Management (Santa Fe)          | 505-476-9600 |
| New Mexico State Emergency Operations Center                                 | 505-476-9635 |
| <b><u>National</u></b>   |              |
| National Emergency Response Center (Washington, D.C.)                        | 800-424-8802 |
| <b><u>Medical</u></b>  |              |
| Aerocare - R3, Box 49F; Lubbock, TX  | 800-627-2376 |
| Med Flight Air Amb - 2301 Yale Blvd S.E., #D3; Albuquerque, NM               | 505-842-4433 |
| Lifeguard Air Emergency Services- 2505 Clark Carr Loop S.E.; Albuquerque, NM | 505-243-2343 |



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

# SUPO Data Report

02/20/2024

APD ID: 10400087869

Submission Date: 09/06/2022

Highlighted data reflects the most recent changes

Operator Name: AMEREDEV OPERATING LLC

Well Name: PIMENTO 26 36 03 FED COM

Well Number: 097H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

## Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

EP\_NORTH\_ROAD\_EASEMENT\_SEC\_3\_REV3\_S\_20230516151617.pdf

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_ACCESS\_MAP\_20230516151628.pdf

Existing Road Purpose: ACCESS

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

## Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_ACCESS\_MAP\_20230516151654.pdf

EP\_NORTH\_ROAD\_EASEMENT\_SEC\_3\_REV3\_S\_20230516151701.pdf

New road type: RESOURCE

Length: 5182 Feet

Width (ft.): 30

Max slope (%): 2

Max grade (%): 2

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 20

New road access erosion control: Crowned and Ditched

New road access plan or profile prepared? N

New road access plan

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Access road engineering design?** N

**Access road engineering design**

**Turnout?** N

**Access surfacing type:** OTHER

**Access topsoil source:** ONSITE

**Access surfacing type description:** Caliche

**Access onsite topsoil source depth:** 6

**Offsite topsoil source description:**

**Onsite topsoil removal process:** Grader

**Access other construction information:** NM One Call (811) will be notified before construction start.

**Access miscellaneous information:**

**Number of access turnouts:**

**Access turnout map:**

**Drainage Control**

**New road drainage crossing:** OTHER

**Drainage Control comments:** Crowned and Ditched

**Road Drainage Control Structures (DCS) description:** None

**Road Drainage Control Structures (DCS) attachment:**

**Access Additional Attachments**

**Section 3 - Location of Existing Wells**

**Existing Wells Map?** YES

**Attach Well map:**

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_\_ONE\_MILE\_WELLS\_20230516151745.pdf

**Section 4 - Location of Existing and/or Proposed Production Facilities**

**Submit or defer a Proposed Production Facilities plan?** SUBMIT

**Production Facilities description:** Produced oil and water from the proposed well will be transported from a satellite battery on the JUN/PIM #4S pad, shared by wells on the JUN/PIM #4S and #5S pads, to an existing production facility named Firethorn CTB, southwest of the well pad. The Firethorn CTB is a 525'x500' pad located in the NWNE of Section 04-T26S-R36E. Produced gas is also collected at the satellite and tied directly into an existing adjacent gas sales line. A 4" buried Shawcor FP301 flowline (750 psi maximum) will run from each wellhead on the JUN/PIM #5S pad to the satellite battery Pimento #4S Satellite, carrying oil, gas, and water. The satellite battery consists of a 3-phase separator for each well flowing into location, along with a 2-phase scrubber. Gas is sold directly off the scrubber to an existing adjacent sales line and oil and water flow from the 3-phase separator into separate gathering lines to the Firethorn CTB. A 12" buried HDPE SDR 11

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

gathering line (100 psi maximum) will carry crude oil from the satellite to the CTB. A 12" buried HDPE SDR 11 gathering line (160 psi maximum) will carry produced water from the satellite to the CTB. These gathering lines run approximately 7,967' to the CTB. A 12" buried HDPE SDR 11 gathering line (100 psi maximum) will carry gas from the satellite to an existing gas sales line that runs in the flowline easement adjacent to the well pads. No flares independent of the proposed CTB location will be necessary for this project. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1.5 times the capacity of the largest tank and away from cut or fill areas. All electrical lines will be primary 12,740 volt to properly run expected production equipment. Approximately 8,190' of overhead electrical lines will be run within a 30' ROW south of the well pads from the anticipated tie-in point at the JUN/PIM #5S pad on section 3 west through section 3 and into section 4, where they tie in with existing overhead lines. This distance is a maximum approximation and may vary based on lease road corridors, varying elevations and terrain in the area. A plat of the proposed electrical lines/easement is attached.

**Production Facilities map:**

EP\_PIMENTO\_SOUTH\_ELECTRIC\_S\_20230516152135.pdf

EP\_SOUTH\_ELECTRIC\_TO\_FT\_5S\_7S\_9S\_JUN\_PIM\_1S\_SEC\_4\_S\_20230516152309.pdf

EP\_TO\_FIR\_MULTI\_USE\_EASEMENT\_T26S\_R36E\_SEC\_4\_REV1\_S\_20230516152319.pdf

EP\_HYDROCARBON\_HP\_GLL\_FL\_SEC3\_S\_20230516151943.pdf

BO\_FIRETHORN\_FED\_COM\_BATTERY\_SITE\_REV2\_S\_20230516151943.pdf

EP\_MULTILINE\_EASEMENT\_OIL\_LPGAS\_WATER\_SEC3\_S\_20230516152031.pdf

EP\_MULTILINE\_EASEMENT\_OIL\_LPGAS\_WATER\_SEC4\_S\_20230516152041.pdf

**Section 5 - Location and Types of Water Supply**

**Water Source Table**

**Water source type:** GW WELL

**Water source use type:** DUST CONTROL  
SURFACE CASING  
INTERMEDIATE/PRODUCTION CASING  
STIMULATION

**Source latitude:** **Source longitude:**

**Source datum:**

**Water source permit type:** PRIVATE CONTRACT

**Water source transport method:** PIPELINE  
TRUCKING

**Source land ownership:** PRIVATE

**Source transportation land ownership:** FEDERAL

**Water source volume (barrels):** 20000

**Source volume (acre-feet):** 2.57786193

**Source volume (gal):** 840000

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Water source and transportation**

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_WATER\_WELL\_LIST\_20220906100216.pdf

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_WATER\_WELL\_MAP\_20230516152533.pdf

**Water source comments:** Water will be trucked or surface piped from existing water wells on private land. See attached list of available wells.

**New water well?** N

**New Water Well Info**

**Well latitude:**

**Well Longitude:**

**Well datum:**

**Well target aquifer:**

**Est. depth to top of aquifer(ft):**

**Est thickness of aquifer:**

**Aquifer comments:**

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

**Well casing outside diameter (in.):**

**Well casing inside diameter (in.):**

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

**Casing top depth (ft.):**

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

**Additional information attachment:**

**Section 6 - Construction Materials**

**Using any construction materials:** YES

**Construction Materials description:** NM One Call (811) will be notified before construction start. Top 6" of soil and brush will be stockpiled east of the pad. Closed loop drilling system will be used. Caliche will be hauled from an existing caliche pit on private (Dinwiddie Cattle Company) land in W2 08-25S-36E or an existing caliche pit on private (Dinwiddie Cattle Company) land in E2 17-25S-36E.

**Construction Materials source location**

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_WELLSITE\_20230516152600.pdf

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_CALICHE\_MAP\_20230516152600.pdf

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Section 7 - Methods for Handling**

**Waste type:** DRILLING

**Waste content description:** Drill cuttings, mud, salts, and other chemicals

**Amount of waste:** 2000 gallons

**Waste disposal frequency :** Daily

**Safe containment description:** Steel Tanks on pad

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY    **Disposal location ownership:** COMMERCIAL FACILITY

**Disposal type description:**

**Disposal location description:** R360's State approved (NM-01-0006) disposal site at Halfway, NM

**Reserve Pit**

**Reserve Pit being used?** NO

**Temporary disposal of produced water into reserve pit?** NO

**Reserve pit length (ft.)**                      **Reserve pit width (ft.)**

**Reserve pit depth (ft.)**    **Reserve pit volume (cu. yd.)**

**Is at least 50% of the reserve pit in cut?**

**Reserve pit liner**

**Reserve pit liner specifications and installation description**

**Cuttings Area**

**Cuttings Area being used?** NO

**Are you storing cuttings on location?** Y

**Description of cuttings location** Steel tanks on pad

**Cuttings area length (ft.)**    **Cuttings area width (ft.)**

**Cuttings area depth (ft.)**    **Cuttings area volume (cu. yd.)**

**Is at least 50% of the cuttings area in cut?**

**WCuttings area liner**

**Cuttings area liner specifications and installation description**

Operator Name: AMEREDEV OPERATING LLC

Well Name: PIMENTO 26 36 03 FED COM

Well Number: 097H

Section 8 - Ancillary

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities

Comments:

Section 9 - Well Site

Well Site Layout Diagram:

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_\_WELLSITE\_20230516152629.pdf

CD\_PIMENTO\_FED\_COM\_5S\_PAD\_SITE\_20230516152637.pdf

BO\_PIMENTO\_FED\_COM\_5S\_PAD\_SITE\_S\_20230516152637.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: JUN/PIM

Multiple Well Pad Number: 5S

Recontouring

PIMENTO\_26\_36\_03\_FED\_COM\_097H\_\_\_WELLSITE\_20230516152658.pdf

Drainage/Erosion control construction: Crowned and ditched

Drainage/Erosion control reclamation: Harrowed on the contour

|   |   |  |
|---|---|--|
| <b>Well pad proposed disturbance (acres):</b> 4.59  | <b>Well pad interim reclamation (acres):</b> 0.37 | <b>Well pad long term disturbance (acres):</b> 4.22  |
| <b>Road proposed disturbance (acres):</b> 3.57      | <b>Road interim reclamation (acres):</b> 0        | <b>Road long term disturbance (acres):</b> 3.57      |
| <b>Powerline proposed disturbance (acres):</b> 5.64 | <b>Powerline interim reclamation (acres):</b> 0   | <b>Powerline long term disturbance (acres):</b> 5.64 |
| <b>Pipeline proposed disturbance (acres):</b> 5.49  | <b>Pipeline interim reclamation (acres):</b> 0    | <b>Pipeline long term disturbance (acres):</b> 5.49  |
| <b>Other proposed disturbance (acres):</b> 0        | <b>Other interim reclamation (acres):</b> 0       | <b>Other long term disturbance (acres):</b> 0        |

|  |  |   |
|--|--|---|
| <b>Total proposed disturbance:</b> 19.29 | <b>Total interim reclamation:</b> 0.37 | <b>Total long term disturbance:</b> 18.92 |
|--|--|---|

Disturbance Comments:

Reconstruction method: If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on location has been completed or plugged. Ameredev will gain written permission from the BLM if more time is needed. Interim reclamation will consist of shrinking the pad 8% (.37 acre) by removing caliche and reclaiming a 40' wide swath on the east side of the pad. This will leave 4.22 acres for producing five wells, with tractor-trailer turn around. Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with the surface owner's requirements. All topsoil for the battery will be reseeded in place for the life of the battery.

|  |                          |
|--|--------------------------|
| <b>Operator Name:</b> AMEREDEV OPERATING LLC | <b>Well Number:</b> 097H |
| <b>Well Name:</b> PIMENTO 26 36 03 FED COM   |                          |

**Topsoil redistribution:** Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. New road will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled.

**Soil treatment:** None

**Existing Vegetation at the well pad:** Sparse low brush and intermittent grasses

**Existing Vegetation at the well pad**

**Existing Vegetation Community at the road:** Sparse low brush and intermittent grasses

**Existing Vegetation Community at the road**

**Existing Vegetation Community at the pipeline:** Sparse low brush and intermittent grasses

**Existing Vegetation Community at the pipeline**

**Existing Vegetation Community at other disturbances:** Sparse low brush and intermittent grasses

**Existing Vegetation Community at other disturbances**

**Non native seed used?** N

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?** N

**Seedling transplant description**

**Will seed be harvested for use in site reclamation?** N

**Seed harvest description:**

**Seed harvest description attachment:**

[Seed](#)

[Seed Table](#)

| Seed Summary |             |
|--------------|-------------|
| Seed Type    | Pounds/Acre |

**Total pounds/Acre:**

**Seed reclamation**

[Operator Contact/Responsible Official](#)



**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**First Name:** PATRICK

**Last Name:** KELLEY

**Phone:** (404)402-9980

**Email:** PKELLEY@AMEREDEV.COM

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Existing invasive species?** N

**Existing invasive species treatment description:**

**Existing invasive species treatment**

**Weed treatment plan description:** To BLM standards

**Weed treatment plan**

**Monitoring plan description:** To BLM standards

**Monitoring plan**

**Success standards:** To BLM satisfaction

**Pit closure description:** No pit

**Pit closure attachment:**

### Section 11 - Surface Ownership

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** PRIVATE OWNERSHIP

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Surface use plan certification:** NO

**Surface use plan certification document:**

**Surface access agreement or bond:** AGREEMENT

**Surface Access Agreement Need description:** AMEREDEV AND THE PRIVATE SURFACE OWNER HAVE A SURFACE USE AGREEMENT (SUA) IN PLACE.

**Surface Access Bond BLM or Forest Service:**

**BLM Surface Access Bond number:**

**USFS Surface access bond number:**

**Disturbance type:** PIPELINE

**Describe:**

**Surface Owner:** PRIVATE OWNERSHIP

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Surface use plan certification:** NO

**Surface use plan certification document:**

**Surface access agreement or bond:** AGREEMENT

**Surface Access Agreement Need description:** AMEREDEV AND THE PRIVATE SURFACE OWNER HAVE A SURFACE USE AGREEMENT (SUA) IN PLACE.

**Surface Access Bond BLM or Forest Service:**

**BLM Surface Access Bond number:**

**USFS Surface access bond number:**

**Disturbance type:** NEW ACCESS ROAD

**Describe:**

**Surface Owner:** PRIVATE OWNERSHIP

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Surface use plan certification:** NO

**Surface use plan certification document:**

**Surface access agreement or bond:** AGREEMENT

**Surface Access Agreement Need description:** AMEREDEV AND THE PRIVATE SURFACE OWNER HAVE A SURFACE USE AGREEMENT (SUA) IN PLACE.

**Surface Access Bond BLM or Forest Service:**

**BLM Surface Access Bond number:**

**USFS Surface access bond number:**

**Disturbance type:** OTHER

**Describe:** POWER LINE

**Surface Owner:** PRIVATE OWNERSHIP

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Surface use plan certification:** NO

**Surface use plan certification document:**

**Surface access agreement or bond:** AGREEMENT

**Surface Access Agreement Need description:** AMEREDEV AND THE PRIVATE SURFACE OWNER HAVE A SURFACE USE AGREEMENT (SUA) IN PLACE.

**Surface Access Bond BLM or Forest Service:**

**BLM Surface Access Bond number:**

**USFS Surface access bond number:**

**Section 12 - Other**

**Right of Way needed?** N

**Use APD as ROW?**

**ROW Type(s):**

**ROW**

**SUPO Additional Information:**

**Use a previously conducted onsite?** N

**Previous Onsite information:**

**Other SUPO**

Pimento\_26\_36\_03\_Fed\_Com\_097H\_SUPO\_REV\_20230516152928.pdf





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

# PWD Data Report

02/20/2024

**APD ID:** 10400087869

**Submission Date:** 09/06/2022

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Well Type:** OIL WELL

**Well Work Type:** Drill

## Section 1 - General

Would you like to address long-term produced water disposal? NO

## Section 2 - Lined

Would you like to utilize Lined Pit PWD options? N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Lined pit PWD on or off channel:**

**Lined pit PWD discharge volume (bbl/day):**

**Lined pit**

**Pit liner description:**

**Pit liner manufacturers**

**Precipitated solids disposal:**

**Decribe precipitated solids disposal:**

**Precipitated solids disposal**

**Lined pit precipitated solids disposal schedule:**

**Lined pit precipitated solids disposal schedule**

**Lined pit reclamation description:**

**Lined pit reclamation**

**Leak detection system description:**

**Leak detection system**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Lined pit Monitor description:**

**Lined pit Monitor**

**Lined pit: do you have a reclamation bond for the pit?**

**Is the reclamation bond a rider under the BLM bond?**

**Lined pit bond number:**

**Lined pit bond amount:**

**Additional bond information**

**Section 3 - Unlined**

**Would you like to utilize Unlined Pit PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD disturbance (acres):**

**PWD surface owner:**

**Unlined pit PWD on or off channel:**

**Unlined pit PWD discharge volume (bbl/day):**

**Unlined pit**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal**

**Unlined pit precipitated solids disposal schedule:**

**Unlined pit precipitated solids disposal schedule**

**Unlined pit reclamation description:**

**Unlined pit reclamation**

**Unlined pit Monitor description:**

**Unlined pit Monitor**

**Do you propose to put the produced water to beneficial use?**

**Beneficial use user**

**Estimated depth of the shallowest aquifer (feet):**

**Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?**

**TDS lab results:**

**Geologic and hydrologic**

**State**

**Unlined Produced Water Pit Estimated**

**Unlined pit: do you have a reclamation bond for the pit?**



**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Is the reclamation bond a rider under the BLM bond?**

**Unlined pit bond number:**

**Unlined pit bond amount:**

**Additional bond information**

**Section 4 -**

**Would you like to utilize Injection PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Injection PWD discharge volume (bbl/day):**

**Injection well mineral owner:**

**Injection well type:**

**Injection well number:**

**Injection well name:**

**Assigned injection well API number?**

**Injection well API number:**

**Injection well new surface disturbance (acres):**

**Minerals protection information:**

**Mineral protection**

**Underground Injection Control (UIC) Permit?**

**UIC Permit**

**Section 5 - Surface**

**Would you like to utilize Surface Discharge PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Surface discharge PWD discharge volume (bbl/day):**

**Surface Discharge NPDES Permit?**

**Surface Discharge NPDES Permit attachment:**

**Surface Discharge site facilities information:**

**Surface discharge site facilities map:**

**Section 6 -**

**Would you like to utilize Other PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Other PWD discharge volume (bbl/day):**

**Operator Name:** AMEREDEV OPERATING LLC

**Well Name:** PIMENTO 26 36 03 FED COM

**Well Number:** 097H

**Other PWD type description:**

**Other PWD type**

**Have other regulatory requirements been met?**

**Other regulatory requirements**

# Wellbore Schematic

**Well:** Pimento 26 36 03 Fed Com 097H  
**SHL:** SEC. 3, T. 26-S, R. 36-E, 230' FNL, 680' FEL  
**BHL:** SEC. 10, T. 26-S, R. 36-E, 50' FSL, 800' FEL  
 Lea, NM  
**Wellhead:** A - 13-5/8" 10M x 13-5/8" SOW  
 B - 13-5/8" 10M x 13-5/8" 10M  
 C - 13-5/8" 10M x 13-5/8" 10M  
 Tubing Spool - 7-1/16" 15M x 13-3/8" 10M  
**Xmas Tree:** 2-9/16" 10M  
**Tubing:** 2-7/8" L-80 6.5# 8rd EUE

**Co. Well ID:** xxxxxx  
**AFE No.:** xxxx-xxx  
**API No.:** xxxxxxxxxxxx  
**GL:** 3000  
**Field:** Delaware  
**Objective:** Third Bone Spring  
**TVD:** 11188  
**MD:** 21895  
**Rig:** TBD **KB 27'**  
**E-Mail:** [DrillingCR@amerdev.com](mailto:DrillingCR@amerdev.com)

| Hole Size   | Formation Tops                         | Logs                  | Cement      | Mud Weight                    |
|---|--|-----------------------|-------------|-------------------------------|
| 17.5"   | Rustler 1,536'                         | 1,357 Sacks<br>TOC 0' | 100% Excess | 8.4-8.6 ppg<br>WBM            |
|   | <b>13.375" 68# J-55 BTC</b> 1,661'     |                       |             |                               |
| 12.25"  | Salado 2,104'                          | 818 Sacks<br>TOC 0'   | 50% Excess  | 7.5-9.4 Diesel Brine Emulsion |
|   | DV Tool with ACP 3,233'                |                       |             |                               |
|   | Tansill 3,233'                         |                       |             |                               |
|   | Capitan Reef 3,844'                    |                       |             |                               |
|   | Lamar 5,225'                           |                       |             |                               |
|   | Bell Canyon 5,278'                     |                       |             |                               |
| 9.875"  | <b>No Casing</b> 5,350'                | 1,135 Sacks<br>TOC 0' | 50% Excess  | 7.5-9.4 Diesel Brine Emulsion |
|   | Brushy Canyon 6,528'                   |                       |             |                               |
|   | Bone Spring Lime 7,422'                |                       |             |                               |
|   | First Bone Spring 9,268'               |                       |             |                               |
|   | Second Bone Spring 9,744'              |                       |             |                               |
|   | Third Bone Spring Upper 10,391'        |                       |             |                               |
| 6.75"   | <b>7.625" 29.7# L-80HC BTC</b> 10,516' | 1,704 Sacks<br>TOC 0' | 25% Excess  | 10.5-12.5 ppg OBM             |
|   | Third Bone Spring 11,038'              |                       |             |                               |
| <b>12° Build @ 10699 thru 11483</b><br><b>5.5" 23# P-110 USS-Eagle SFH</b> 21895<br><b>Target Third Bone Spring 11188 TVD // 21895 MD</b> |  |                       |             |                               |



# 5M Annular Preventer Variance Request and Well Control Procedures

Note: A copy of the Well Control Plan must be available at multiple locations on the rig for review by rig personnel, as well as review by the BLM PET/PE, and a copy must be maintained on the rig floor.

## Dual Isolation Design for 5M Annular Exception

Ameredev will utilize 13-5/8" 10M (5M Annular) BOPE System consisting of:

- 13-5/8" 5M Annular
- 13-5/8" 10M Upper Pipe Rams
  - 3-1/2" – 5-1/2" Variable Bore Ram
- 13-5/8" 10M Blind Rams
- 13-5/8" 10M Drilling Spool /w 2 - 4" 10M Outlets Double 10M Isolation Valves
- 13-5/8" 10M Lower Blind Rams
  - 3-1/2" – 5-1/2" Variable Bore Ram

All drilling components and casing associated to exposure > 5000 psi BHP requiring a 10M system will have a double isolation (secondary barrier) below the 5M Annular that would provide a barrier to flow. The mud system will always be primary barrier, it will be maintained by adjusting values based on tourly mud tests and monitoring a PVT System to maintain static wellbore conditions, displacement procedures will be followed and recorded on daily drilling reports during tripping operations. Surge and swab pressure values will be calculated and maintained and static flow check will be monitored at previous casing shoe and verified static well conditions prior to tripping out of hole and again prior to pulling last joint of drill pipe through BOPE. The below table, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

| Drill Components  | Size          | Primary Barrier | Secondary Barrier | Third Barrier   |
|---|---------------|-----------------|-------------------|-----------------|
| Drillpipe   | 3-1/2"-5-1/2" | Drilling Fluid  | Upper Pipe Rams   | Lower Pipe Rams |
| HWDP Drillpipe  | 3-1/2"-5-1/2" | Drilling Fluid  | Upper Pipe Rams   | Lower Pipe Rams |
| Drill Collars   | 3-1/2"-5-1/2" | Drilling Fluid  | Upper Pipe Rams   | Lower Pipe Rams |
| Production Casing   | 3-1/2"-5-1/2" | Drilling Fluid  | Upper Pipe Rams   | Lower Pipe Rams |
| Open Hole   | 13-5/8        | Drilling Fluid  | Blind Rams        |                 |
| All Drilling Components in 10M Environment will have OD that will allow full Operational RATED WORKING PRESSURE for system design. Kill line with minimum 2" ID will be available outside substructure with 10M Check Valve for OOH Kill Operations |               |                 |                   |                 |

## Well Control Procedures

Proper well control procedures are dependent to differentiating well conditions, to cover the basic well control operations there are will be standard drilling ahead, tripping pipe, tripping BHA, running casing, and pipe out of the hole/open hole scenarios that will be defined by procedures below. Initial Shut In Pressure can be taken against the Uppermost BOPE component the 5M Annular, pressure control can be transferred from the lesser 5M Annular to the 10M Upper Pipe Rams if needed. Shut In Pressures may be equal to or less than the Rated Working Pressure but at no time will the pressure on the annular preventer exceed the Rated Working Pressure of the annular. The annular will be tested to 5,000 psi. This will be the Rated Working Pressure of the annular preventer. All scenarios will be written such as shut in will be performed by closing the 10,000 psi Upper Pipe Rams for faster Accumulator pressure recovery to allow safer reaction to controlling wellbore pressure.

### Shutting In While Drilling

1. Sound alarm signaling well control event to Rig Crew
2. Space out drill string to allow FOSV installation
3. Shut down pumps
4. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves  
Open to working pressure gauge
5. Install open, full open safety valve and close valve, Close Chokes
6. Verify well is shut-in and flow has stopped
7. Notify supervisory personnel
8. Record data (SIDP, SICP, Pit Gain, and Time)
9. Hold pre-job safety meeting and discuss kill procedure

### Shutting In While Tripping

1. Sound alarm signaling well control event to Rig Crew
2. Space out drill string to allow FOSV installation
3. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves  
Open to working pressure gauge
4. Install open, full open safety valve and close valve, Close Chokes
5. Verify well is shut-in and flow has stopped
6. Notify supervisory personnel
7. Record data (SIDP, SICP, Pit Gain, and Time)
8. Hold pre-job safety meeting and discuss kill procedure

### **Shutting In While Running Casing**

1. Sound alarm signaling well control event to Rig Crew
2. Space out casing to allow circulating swedge installation
3. Shut in Upper Pipe Rams and open HCR against Open Chokes and Valves  
Open to working pressure gauge
4. Install circulating swedge, Close high pressure, low torque valves, Close  
Chokes
5. Verify well is shut-in and flow has stopped
6. Notify supervisory personnel
7. Record data (SIDP, SICP, Pit Gain, and Time)
8. Hold Pre-job safety meeting and discuss kill procedure

### **Shutting in while out of hole**

1. Sound alarm signaling well control event to Rig Crew
2. Shut-in well: close blind rams and open HCR against Open Chokes and Valves  
Open to working pressure gauge
3. Close Chokes, Verify well is shut-in and monitor pressures
4. Notify supervisory personnel
5. Record data (SIDP, SICP, Pit Gain, and Time)
6. Hold Pre-job safety meeting and discuss kill procedure

### **Shutting in prior to pulling BHA through stack**

Prior to pulling last joint of drill pipe thru the stack space out and check flow  
If flowing see steps below.

1. Sound alarm signaling well control event to Rig Crew
2. Shut in upper pipe ram and open HCR against Open Chokes and Valves Open  
to working pressure gauge
3. Install open, full open safety valve and close valve, Close Chokes
4. Verify well is shut-in and flow has stopped
5. Notify supervisory personnel
6. Record data (SIDP, SICP, Pit Gain, and Time)
7. Hold pre-job safety meeting and discuss kill procedure

**Shutting in while BHA is in the stack and ram preventer and combo immediately available**

1. Sound alarm signaling well control event to Rig Crew
2. Space out BHA with upset just beneath the compatible pipe ram
3. Shut in upper compatible pipe ram and open HCR against Open Chokes and Valves Open to working pressure gauge
4. Install open, full open safety valve and close valve, Close Chokes
5. Verify well is shut-in and flow has stopped
6. Notify supervisory personnel
7. Record data (SIDP, SICP, Pit Gain, and Time)
8. Hold pre-job safety meeting and discuss kill procedure

\*FOSV will be on rig floor in open position with operating handle for each type of connection utilized and tested to 10,000 psi

**Shutting in while BHA is in the stack and no ram preventer or combo immediately available**

1. Sound alarm signaling well control event to Rig Crew
2. If possible pick up high enough, to pull string clear and follow "Open Hole" scenario

If not possible to pick up high enough:

3. Stab Crossover, make up one joint/stand of drill pipe, and install open, full open safety valve (Leave Open)
4. Space out drill string with upset just beneath the compatible pipe ram.
5. Shut in upper compatible pipe ram and open HCR against Open Chokes and Valves Open to working pressure gauge
6. Close FOSV, Close Chokes, Verify well is shut-in and flow has stopped
7. Notify supervisory personnel
8. Record data (SIDP, SICP, Pit Gain, and Time)
9. Hold pre-job safety meeting and discuss kill procedure



## Pressure Control Plan

### Pressure Control Equipment

- Following setting of 13-3/8" Surface Casing Ameredev will install 13-5/8 MB4 Multi Bowl Casing Head by welding on a 13-5/8 SOW x 13-5/8" 5M in combination with 13-5/8 5M x 13-5/8 10M B-Sec to Land Intm #1 and a 13-5/8 10M x 13-5/8 10M shouldered to land C-Sec to Land Intm #2 (Installation procedure witnessed and verified by a manufacturer's representative).
- Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Ameredev will install a 5M System Blowout Preventer (BOPE) with a 5M Annular Preventer and related equipment (BOPE). Full testing will be performed utilizing a full isolation test plug and limited to 5,000 psi MOP of MB4 Multi Bowl Casing Head. Pressure will be held for 10 min or until provisions of test are met on all valves and rams. The 5M Annular Preventer will be tested to 50% of approved working pressure (2,500 psi). Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Setting of 9-5/8" (7-5/8" as applicable) Intermediate will be done by landing a wellhead hanger in the 13-5/8" 5M Bowl, Cementing and setting Well Head Packing seals and testing same. (Installation procedure witnessed and verified by a manufacturer's representative) Casing will be tested to 1500 psi or .22 psi/ft whichever is greater for 30 minutes with <10% leak off, but will not exceed 70% of the burst rating per Onshore Order No. 2.
- Full testing will be performed utilizing a full isolation test plug to 10,000 psi MOP of MB4 Multi Bowl B-Section. Pressure will be held for 10 min or until provisions of test are met on all valves and rams. The 5M Annular Preventer will be tested to 100% of approved working pressure (5,000 psi).
- Before drilling >20ft of new formation under the 9-5/8" (7-5/8" as applicable) Casing Shoe a pressure integrity test of the Casing Shoe will be performed to minimum of the MWE anticipated to control formation pressure to the next casing depth.
- Following setting of 5-1/2" Production Casing and adequate WOC time Ameredev will break 10M System Blowout Preventer (BOP) from 10M DOL-2 Casing Head, install annulus casing slips and test same (Installation procedure witnessed and verified by a manufacturer's representative) and install 11" 10M x 5-1/8" 15M Tubing Head (Installation procedure witnessed and verified by a manufacturer's representative). Ameredev will test head to 70% casing design and install Dry Hole cap with needle valve and pressure gauge to monitor well awaiting completion.





## Pressure Control Plan

- Slow pump speeds will be taken daily by each crew and recorded on Daily Drilling Report after mudding up.
- A choke manifold and accumulator with floor and remote operating stations will be functional and in place after installation of BOPE, as well as full functioning mud gas separator.
- Weekly BOPE pit level drills will be conducted by each crew and recorded on Daily Drilling Report.
- BOP will be fully operated when out of hole and will be documented on the daily drilling log.
- All B.O.P.s and associated equipment will be tested in accordance with Onshore Order #2
- All B.O.P. testing will be done by an independent service company.
- The B.O.P. will be tested within 21 days of the original test if drilling takes more time than planned.
- Ameredev requests a variance to connect the B.O.P. choke outlet to the choke manifold using a co-flex hose with a 10,000 psi working pressure that has been tested to 15,000psi and is built to API Spec 16C. Once the flex line is installed it will be tied down with safety clamps. (certifications will be sent to Carlsbad BLM Office prior to install)
- Ameredev requests a variance to install a 5M Annular Preventer on the 10M System to drill the Production Hole below the 9-5/8" (7-5/8" as applicable) Intermediate Section. 5M Annular will be tested to 100% working pressure (5,000 psi). A full well control procedure will be included to isolate well bore.

**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**

CONDITIONS

Action 316194

**CONDITIONS**

|  |   |
|--|---|
| Operator:<br>AMEREDEV OPERATING, LLC<br>2901 Via Fortuna<br>Austin, TX 78746 | OGRID:<br>372224  |
|  | Action Number:<br>316194  |
|  | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

**CONDITIONS**

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| pkautz     | Will require a File As Drilled C-102 and a Directional Survey with the C-104   | 2/27/2024      |
| 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 | 2/27/2024      |
| pkautz     | 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                  | 2/27/2024      |
| pkautz     | Cement is required to circulate on both surface and intermediate1 strings of casing  | 2/27/2024      |
| pkautz     | If cement does not circulate on any string, a CBL is required for that string of casing  | 2/27/2024      |