OCD-ARTESIA

Form 3160-3 (April 2004)			FORM APPROV OMB No 1004-0 Expires March 31		
UNITED STATES DEPARTMENT OF THE I			5. Lease Serial No. A U NM 0506 (BHL) (See	:	
BUREAU OF LAND MAN		\	6 If Indian, Allotee or Trib		
APPLICATION FOR PERMIT TO	DRILL OR REENTER		See pg 1 of 8pt DP fo		
la. Type of work: ✓ DRILL REENTE	R NOS RCVD 101	19/11	7 If Unit or CA Agreement, Poker Lake Unit NM		
lb. Type of Well: ✓Oil Well ☐Gas Well ☐Other	Single Zone Multı	ole Zone	8. Lease Name and Well No Poker Lake Unit 401	1 761	402]
2. Name of Operator BOPCO, L. P.	12607	377	9. API Well No.	39918	
3a Address P. O. Box 2760 Midland, TX 79702	3b. Phone No. (include—area code) 432-683-2277		10. Field and Pool, or Explora Poker Lake (Delawa		6386
4. Location of Well (Report location clearly and in accordance with any	y State requirements.*)		11. Sec, T. R. M. or Blk and S	Survey or Area	
At surface SESE,UL P, 335' FSL,570' FEL, La	t:N 32.196369,Long:W103.7755	86	Co. 21 T246 D21F	Man NIMBAR	
At proposed prod. zone 350' FNL, 550'FWL, Sec 21,T24S-R	31E, Lat:N32.208997, Lg:W103	3.789047	Sec 21, T24S-R31E, 1	vier, Nivirivi	
14 Distance in miles and direction from nearest town or post office* 20 miles East of Malaga			12 County or Parish Eddy	13 State NM	
15. Distance from proposed* 335'	16 No of acres in lease	17 Spacin	g Unit dedicated to this well		
location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)	2485.12	400			
18 Distance from proposed location* to nearest well, drilling, completed,	19 Proposed Depth	20. BLM/	BIA Bond No. on file		
applied for, on this lease, ft 200' (PLU 261)	14,145' MD, 8,166' TVD	СОВ	000050		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3502'	22. Approximate date work will sta 08/01/2012	rt*	23. Estimated duration 30 Days	<u> </u>	
	24. Attachments				
The following, completed in accordance with the requirements of Onshor	e Oil and Gas Order No 1, shall be a	ttached to th	is form		
 Well plat certified by a registered surveyor A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). 	ltem 20 above). Lands, the 5. Operator certific	cation specific inf	ormation and/or plans as may be		
25. Signature	Name (Printed/Typed)		Date		1 1
Title Engineering Assistant	Jeremy Braden		/	1-02-1	′/
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)		Date	EB - 6 2	2012
Title CARLSBAD FIELD OFFICE	Office FIELD I	MANAGE			
Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached.	s legal or equitable title to those righ		oject lease which would entitle the		ì
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cr States any false, fictitious or fraudulent statements or representations as t	ome for any person knowingly and voor any matter within its jurisdiction.	willfully to n	nake to any department or agend	y of the United	
*(Instructions on page 2)				7	
- u. d Motor Pacin	•	Γ	RECEIVED) \	

Carlsbad Controlled Water Basin

NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

DISTRICT I 1625 N. French Dr., Hobbs, NM 68240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 68210

DISTRICT III

State of New Mexico Energy, Minerals and Natural Resources Department Form C-102 Revised July 16, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015-39918		Pool Code Pool Name				
		50386	ware)			
Property Code		Property Name				
306402		POKER	LAKE UNIT	401H		
OGRID No.		Elevation				
260737		BOPO	CO, L.P.	3502'		

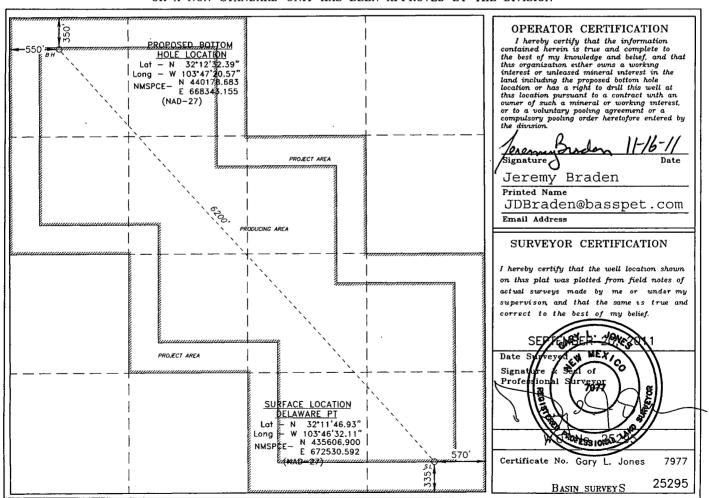
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	21	24 S	31 E		335	SOUTH	570	EAST	EDDY

Bottom Hole Location If Different From Surface

ſ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	D	21	24 S	31 E		350	NORTH	550	WEST	EDDY
-	Dedicated Acres Joint or Infill Consolidation Code Order No.									
	400		можи им — — <mark>.</mark> м и .		4.7			-	M 5644 M 5644 - 11 44	

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



EIGHT POINT DRILLING PROGRAM BOPCO, L.P.

NAME OF WELL: Poker Lake Unit 401H

LEGAL DESCRIPTION - SURFACE: 335' FSL, 570' FEL, Section 21, T24S, R31E, Eddy County, NM. BHL: 350' FNL, 550' FWL, Section 21, T24S, R31E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3524' (estimated)

GL 3502'

ESTIM	ATED		
TOP FR	OM KB	ESTIMATED	
TVD	<u>_MD_</u>	SUB-SEA TOP	BEARING
182'	182'	+ 3,305'	Fresh Water
629'	629'	+ 2,895'	Barren
859'	859'	+ 2,665'	Barren
981'	981'	+ 2,543'	Barren
4,073'	4,073'	- 549'	Barren
4,356'	4,356'	- 832'	Barren
4,411'	4,411'	- 887'	Oil/Gas
6,483'	6,483'	- 2,959'	Oil/Gas
7,618'	7,618'	- 4,094 '	Oil/Gas
7,984'	8,015'	- 4,491'	Oil/Gas
8,191'	8,518'	- 4,667'	Oil/Gas
8,191'	9,024'	- 4,667'	Oil/Gas
8,166'	14,145'	- 4,642'	Oil/Gas
	TOP FR TVD 182' 629' 859' 981' 4,073' 4,356' 4,411' 6,483' 7,618' 7,984' 8,191' 8,191'	182' 182' 629' 859' 859' 981' 4,073' 4,073' 4,356' 4,356' 4,411' 6,483' 6,483' 7,618' 7,984' 8,015' 8,191' 8,518' 8,191' 9,024'	TOP FROM KB ESTIMATED TVD MD SUB-SEA TOP 182' 182' + 3,305' 629' 629' + 2,895' 859' 859' + 2,665' 981' 981' + 2,543' 4,073' - 549' 4,356' 4,356' 4,356' - 832' 4,411' 4,411' - 887' 6,483' 6,483' - 2,959' 7,618' 7,618' - 4,094' 7,984' 8,015' - 4,491' 8,191' 8,518' - 4,667' 8,191' 9,024' - 4,667'

POINT 3: CASING PROGRAM

TYPE	<u>INTERVA</u>	LS (MD)	Hole Size	<u>PURPOSE</u>	CONDITION
20"	0'-	80'	24"	Conductor	Contractor Discretion
13-3/8", 48#, H-40, or 54.5#, J-55	0' -	971'	17-1/2"	Surface	New
8rd, ST&C*					
9-5/8", 40#, N-80, 8rd, LTC	0' -	4,376'	12-1/4"	Intermediate	New
7", 26#, N-80, Buttress or 8rd LTC*	0' -	8,618'	8-3/4"	Production	New
Completion System			•		
4-1/2", 11.6#, HCP-110 8rd. LT&C*	8,568'	14,145'	6-1/8"	Completion Sys	stem New
4-1/2", 11.6#, N-80, 8rd, LT&C*	8,568' –	14,145'	6-1/8"	Completion Sys	stem New

CASING DESIGN SAFETY FACTORS:

CASING DESIGN SALETT LACTORS.			
TYPE	TENSION	COLLAPSE	BURST
13-3/8", 48#, H-40, 8rd, ST&C*	7.99	1.51	3.19
13-3/8", 54.5#, J-55, 8rd, STC*	18.75	2.39	5.04
9-5/8", 40#, N-80, 8rd, LT&C*	4.99	1.21	2.35
7", 26#, N-80, Buttress*	3.30	1.17	1.58
7", 26#, N-80, 8rd, LTC*	2.83	1.15	1.58
Completion System			
4-1/2", 11.6#, HCP-110 8rd. LT&C*	3.40	1.93	2.34
4-1/2", 11.6#, N-80, 8rd, LT&C*	2.72	1.32	1.70
* Depending on availability			



BOPCO, L.P.

Location Eddy County, NM
Field Poker Lake Unit
Facility Poker Lake Unit No 401H

Slot No 401H SHL Well No 401H Wellbore No 401H PWB

No 401H PBHL 8166 00tt TVD, 4572 05tt N, 4187 68tt W

No 401H PBHL 350 FNL 550 FWL Easting (ft)

330' LINE



4800

4400

4000

2800

2400 Northing (ft)

1600

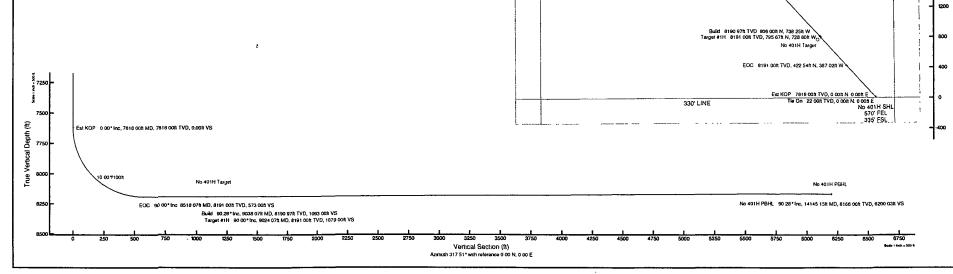
330. LINE

Well Profile Data										
Design Comment	MD (ft)	inc (*)	Az (1)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (*100h)	VS (h)		
Tie On	22 00	0 000	317 512	22 00	0.00	0.00	0 00	0.00		
Est KOP	7618 00	0 000	317 512	7618 00	0 00	0 00	0.00	0.00		
EOC	8518 07	90 000	317 512	8191 00	422.54	-387 02	10 00	573 00		
Target #1H	9024 07	90 000	317 512	8191 00	795 67	728 80	0.00	1079 00		
Build	9038 07	90 280	317.513	8190 97	808 00	738 25	2 00	1093 00		
No 401H PBHL	14145 15	90 280	317 513	8166 00	4572 05	-4187 68	0.00	6200 03		

Plot reference wallpath is Prefirm_1	
True vertical depths are referenced to Rig on No 401H SHL (KB)	Gnd System NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No 401H SHL (KB)	North Reference Grid north
Rig on No 401H SHL (KB) to Mean Sea Level 3524 feet	Scale True distance
Mean Sea Level to Mud line (At Slot No 401H SHL) -3502 lest	Depths are in feet
Coordinates are in feet referenced to Slot	Created by gentbry on 11/10/2011



BGCist (1945.0 to 2012.0) [0] 19 17 Field 48569.2 81 Magnate horbit 75 degrees and 17 fine New Not 1812011) Grid North s 0.50 degrees East of True North To correct annuth from True to Grid softrar 30 degrees To correct annuth from Magnete to Grid and 7 37 degrees For example If the Magnete North Annuth = 90 degrees 1 For example If the Magnete North Annuth = 90 degrees 1





Planned Wellpath Report Prelim_1 Page 1 of 5



REFER	ENCEWELLPATH IDENTIFICATION	4	
Operator	BOPCO, L.P.	Slot	No.401H SHL
Area	Eddy County, NM	Well	No.401H
Field	Poker Lake Unit	Wellbore	No.401H PWB
Facility	Poker Lake Unit No. 401H		

REPORT SERVE	PINFORMATION		
Projection System	NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet	Software System	WellArchitect® 3.0.0
North Reference	Grid	User	Gentbry
Scale	0.999943	Report Generated	11/10/2011 at 1:59:31 PM
Convergence at slot	0.30° East	Database/Source file	WA Midland/No.401H_PWB.xml

WELLPATHILOCAY	PION						
And the second s	Local coordinates		Grid co	ordinates	Geographic coordinates		
	North[ft]	East[ft]	Easting[US ft]	Northing[US ft]	Latitude	Longitude	
Slot Location	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	
Facility Reference Pt			672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	
Field Reference Pt			630272.49	405347.85	32°06'49.387"N	103°54'45.266"W	

AMERICA PATRICIDATRON	Ϋ́I		
Calculation method	Minimum curvature	Rig on No.401H SHL (KB) to Facility Vertical Datum	22.00ft
Horizontal Reference Pt	Slot	Rig on No.401H SHL (KB) to Mean Sea Level	3524.00ft
Vertical Reference Pt	Rig on No.401H SHL (KB)	Rig on No.401H SHL (KB) to Mud Line at Slot (No.401H SHL)	22.00ft
MD Reference Pt	Rig on No.401H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	317.51°



Planned Wellpath Report Prelim_1 Page 2 of 5



REDER	ENCE WELLPATH IDENTIFICATION		
Operator	BOPCO, L.P.	Slot `	No.401H SHL
Area	Eddy County, NM	Well	No.401H
Field	Poker Lake Unit	Wellbore	No.401H PWB
Facility	Poker Lake Unit No. 401H		

WELLP.	ATH DAT	ΓA (156	stations	$\dagger = ir$	iterpo	olated	l/extrapola	ated station	1	ayaa aya gilaaya yaa aanaa daagaa gayaya baayada iida dhaadaa diigada aa daadaa dhaadaa ahaa ahaadaa dhaadaa d		
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	317.512	0.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
22.00	0.000	317.512	22.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	Tie On
122.00†	0.000	317.512	122.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
222.00†	0.000	317.512	222.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
322.00†	0.000	317.512	322.00	0.00	\$0.00	0.00	672530.59	435606.90	32°11'46.933"N	2103°46'32:107"W	0.00	
422.00†	0.000	317.512	422.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
522.00†	0.000	317.512	522.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
622.00†	0.000	317.512	622.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
629.00†	0.000	317.512	629.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W		Rustler
≱ ,722.00†	0.000	4317:512	722.00	0.00	0.00	0.00	¥672530.59	435606.90	/- 32°11'46.933"N	*103°46'32!107"W	÷ 0.00	
822.00†	0.000	317.512	822.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
859.00†	0.000	317.512	859.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	Salado
922.00†	0.000	317.512	922.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
981.00†	0.000	317.512	981.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	Salt
£1022.00†	0.000	317:512	1022.00	Stat 0.00	0.00	0.00	672530.59	435606.90	32°11'46'933"N	103°46'32.107"W	0.00	
1122.00†	0.000	317.512	1122.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1222.00†	0.000	317.512	1222.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1322.00†	0.000	317.512	1322.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1422.00†	0.000	317.512	1422.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
≨1522.00†	0.000	317.512	1522.00	0.00	30.00	0.00	672530.59	435606.90	32°11'46.933."N	103°46'32:107"W	0.00	《體》(法)
1622.00†	0.000	317.512	1622.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1722.00†	0.000	317.512	1722.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1822.00†	0.000	317.512	1822.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
1922.00†	0.000	317.512	1922.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2022.00†	0.000	.317.512	2022.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"Wj	0.00	
2122.00†	0.000	317.512	2122.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2222.00†	0.000	317.512	2222.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2322.00†	0.000	317.512	2322.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2422.00†	0.000	317.512	2422.00	0.00	-	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2522.00†			2522.00	0.00	Co copy	0.00		435606.90	32°11'46.933"N	√103°46'32:107"W;	.0.00	是多为
2622.00†	0.000		2622.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2722.00†	0.000		2722.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2822.00†	0.000	317.512	2822.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
2922.00†	0.000	317.512	2922.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	THE STREET, ST. ST. ST. ST.
3022.00†			3022:00		0.00	- tot -decoration	672530.59	435606.90	32°11'46.933"N	#103°46'32.107"W	0.00	
3122.00†		317.512	3122.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
3222.00†	0.000	317.512	3222.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
3322.00†	0.000	317.512	3322.00	0.00		0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
3422.00†			3422.00		0.00				32°11'46.933"N	103°46'32.107"W	0.00	
					-			435606.90	44 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	103°46'32:107"W		1001252
3622.00†			3622.00	0.00	0.00	***************************************	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
3722.00†			3722.00	0.00	0.00			435606.90		103°46'32.107"W	0.00	
3822.00†			3822.00	0.00	0.00		672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
3922.00†	0.000	317.512	3922.00	0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
4022:00†	0.000	317.512	4022.00	0.00	0.00	0:00	672530.59	435606.90	32°11'46.933"N	*103°46'32:107"W	× 0.00	7.70



Planned Wellpath Report Prelim_1 Page 3 of 5



RIDDAR	ENCE WELLPATH IDENTIFICATION		
Operator	BOPCO, L.P.	Slot	No.401H SHL
Area	Eddy County, NM	Well	No.401H
Field	Poker Lake Unit	Wellbore	No.401H PWB
Facility	Poker Lake Unit No. 401H		

WELLP	PATH DAT	A (15	66 statio	ons) †	= inte	erpola	ted/extraj	olated sta	ation			
MD [ft]	Inclination Azi	imuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
4073.00†	0.000 31			0.00		<u> </u>	672530.59		32°11'46.933"N	103°46'32.107"W	<u> </u>	Base/Salt
4122.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
4222.00†	0.000 31			0.00	0.00	<u> </u>			32°11'46.933"N	103°46'32.107"W	0.00	
4322.00†	0.000 31			0.00	0.00		672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
4356.00†	0:000 31											Lamar
4411.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W		Ramsey
4422.00†	0.000 31			0.00	0.00			435606.90		103°46'32.107"W	0.00	
4522.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	· 0.00	
4622.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
4722.001	×0.000 31									103°46'32.107"W	0.00	
4822.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
4922.00†	0.000 31		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.00	0.00					103°46'32.107"W	0.00	
5022.00†	0.000 31			0.00	0.00		672530.59		32°11'46.933"N	103°46'32.107"W	0.00	
5122.00†	0.000 31			0.00	0.00		672530.59		32°11'46.933"N	103°46'32.107"W	0.00	1
5222.00†	0.000 31			100	A. Latin and A. Company of the Company	a comment to all the deal	Total - Da col - discussed demonstrates - Names	2. Aprillation and design and des	Street Street Carry St. 777, 44-50. Althoughters	103°46'32.107"W		
5322.00†	0.000 31			0.00	0.00			435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
5422.00†	0.000 31			0.00	0.00			435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
5522.00†	0.000 31			0.00	0.00	,		435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
5622.00†	0.000 31		and the second second second second	0.00	0.00			435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
5722.00†	0.000 31	7.512	5722.00	∯ ≱ 0.00	0.00				The second section of the second section of the second	103°46¦32.107"W	0.00	Commence And Addition
5822.00†	0.000 31			0.00	0.00	0.00	672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
5922.00†	0.000 31	7.512	5922.00	0.00	0.00		672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
6022.00†	0.000 31	7.512	6022.00	0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6122.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6222.00†	0.000 31	7.512	6222.00	0.00	0.00	. 0.00:	672530.59	435606.90	/32%11/46.933"N	103°46'32.107"W	0.00	
6322.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6422.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6483.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	Lower Cherry Canyon
6522.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6622.00†	0.000 31			and the second	0.00			The state of the s		103°46'32.107"W	0.00	William Line Andrew
6722.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
6822.00†	0.000 31			0.00	0.00		672530.59	435606.90	32°11'46.933"N	103°46'32.107"W	0.00	
6922.00†	0.000 31			0.00	0.00		672530.59	435606.90		103°46'32.107"W	0.00	<u> </u>
7022.00†	0.000 31		Market Control Michigan	0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	A
7122.00†	0.000 31				0:00	Control of the Contro	The state of the s	The state of the s	32°11'46.933"N	103°46'32.107"W		19. STATES AND STRUCKS STRUCKS BY TO 15 FT AND STRUCKS NOW
7222.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
7322.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
7422.00†	0.000 31			0.00	0.00				32°11'46.933"N	103°46'32.107"W	0.00	
7522.00†					0.00					103°46'32.107"W	0.00	
7618.00												Est KOP
7622.00†	0.400 31			0.01					32°11'46.934"N	103°46'32.107"W	10.00	
7722.00†	10.399 31	-		9.41					32°11'47.002"N	103°46'32.181"W		
7822.00†	20.398 31				26.50					103°46'32.388"W	10.00	
7922.00†	30.398 31									103°46'32.723"W	10.00	
8015:01†	39.698 31	7.512	7984.00	∄132.12	97:43	-89.24	672441.36	435704.32	.32°11'47.902"N	"103°46'33.140"W	10.00	Lower Brushy Canyon



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REDER	ENCE WELLPATH IDENTIFICATION		
Operator	BOPCO, L.P.	Slot *	No.401H SHL
Area	Eddy County, NM	Well	No.401H
Field	Poker Lake Unit	Wellbore	No.401H PWB
Facility	Poker Lake Unit No. 401H		

WELLPA	ATH DA	ΓA (156	station	s) †=	interpol	ated/ext	rapolated	station				
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]		East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
8022.00†		317.512		136.62	100.75	-92.28	672438.32	435707.64	32°11'47.935"N	103°46'33.175"W	10.00	
8122.00†		317.512		207.73	153.18		672390.29		32°11'48.456"N	103°46'33.731"W	10.00	
8222.00†	60.396	317.512	8116.20	289.93	213.80			435820.69	32°11'49.059"N	103°46'34.373"W	10.00	***************************************
8322.00†	70.395	317.512	8157.78	380.74	280.76	-257.16	672273.44	435887.65	32°11'49.725"N	103°46'35.083"W	10.00	
8422.00±	80.394	317.512	8182.97		352:03		672208.17	435958.91		103°46'35.838"W		eVisit it.
8518.07		317.512	8191.00	573.00	422.54	-387.02	672143.59	436029.42	32°11'51.135"N	103°46'36.586"W	10.00	
8522.00†	90.000	317.512	8191.00	576.93	425.44	-389.68		436032.32	32°11'51.163"N	103°46'36.616"W	0.00	
8622.00†	90.000	317.512	8191.00	676.93	499.18	-457.23	672073.39	436106.05	32°11'51.897"N	103°46'37.398"W	0.00	
8722.00†	90.000	317.512	8191.00	776.93	572.93	-524.77	672005.85	436179.79	32°11'52.630"N	103°46'38.179"W	0.00	
8822.00t	90.000	317.512	8191.00	876.93	646.67	-592.31	671938:31	436253.53		+103°46'38.961"W	0.00	5.46
8922.00†	man day of the Control of the Control	317.512	Contract of the contract of	976.93	720.41	200	671870.77	436327.27	32°11'54.096"N	103°46'39.743"W	0.00	
9022.00†	90.000	317.512	8191.00	1076.93	794.15	-727.40	671803.23	436401.00	32°11'54.829"N	103°46'40.524"W	0.00	
9024.07			8191.00 ¹		795.67				The state of the s	103°46'40!540"W		Target #1H
9038.07		317.513	to a second	1093.00	806.00	perceptances, that	671792.38	1 1364.5 - Calabora - 500	32°11'54.947"N	103°46'40.650"W	2.00	
9122:00†			8190.56		867.89		671735:70			£103°46'41\306"W		
9222.00†	Contraction of the Contract of	317.513	age, and to some or there are	1276.93	941.63		671668.16		32°11'56.295"N	103°46'42.087"W	0.00	
9322.00†			8189.58		1015.38	-930.03	3	436622.22	32°11'57.029"N	103°46'42.869"W	0.00	
9422.00†		317.513		1476.93	1089.12	-997.57		436695.95	32°11'57.762"N	103°46'43.650"W	0.00	
9522.00†		317.513		1576.93		-1065.11		436769.69	32°11'58.495"N	103°46'44,432"W	0.00	
9622.00†										103°46'45'214"W		
9722.00†		317.513		1776.93				436917.17	32°11'59.961"N	103°46'45.995"W	0.00	- at 2014.au
9822.00†		317.513		1876.92	1384.08	-1267.74	<u> </u>	436990.90	32°12'00.694"N	103°46'46.777"W	0.00	
9922.00†		317.513		1976.92		-1335.28	671195.39	437064.64	32°12'01.427"N	103°46'47.558"W	0.00	
10022.00†		317.513		2076.92				437138.38	32°12'02.161"N	103°46'48.340"W	0.00	
10122.00†										103°46'49.122".W		
10222.00†				The second second second		-1537.90	670992.78	437285.85	32°12'03.627"N	103°46'49.903"W	0.00	CALLY SALE STREET
10322.00†		317.513		2376.92	1752.79		670925.24	437359.59	32°12'04.360"N	103°46'50.685"W	0.00	
10422.00†		317.513		2476.92	1826.53	*******	670857.70	437433.33	32°12'05.093"N	103°46'51.466"W	0.00	
10522.00†		317.513		2576.92		-1740.53		437507.06	32°12'05.826"N	103°46'52.248"W	0.00	
10622.00†			8183.22		1974.02		670722.62		32°12'06.559"N			
10722.00+	the state of the s	317.513	4 410C. VERNOOS BACOLOGOODINO	2776.91	2047.76	SOUR STREET, SOURCE STREET, ST		437654.54	32°12'07.293"N	103°46'53.811"W	0.00	SOLFOMES ALGEBRAIN
10822.00†	90.280	317.513	8182.25	2876.91	2121.50			437728.28	32°12'08.026"N	103°46'54.593"W	0.00	
10922.00†	90.280	317.513		2976.91		-2010.70		437802.01	32°12'08.759"N	103°46'55.374"W	0.00	
11022.00†	90.280	317.513	8181.27	3076.91	2268.99	-2078.24	670452.47	437875.75	32°12'09.492"N	103°46'56.156"W	0.00	
11122.001	90.280	317.513	8180.78	3176.91	2342.73	-2145.78	670384.93	437949.49	32°12'10.225"N	103°46'56.938"W	0.00	
11222.00†		317.513		3276.91	2416.47		The state of the s	438023.23	32°12'10.958"N	103°46'57.719"W	0.00	I MANAGE AND MARKET BLA
11322.00†	90.280	317.513	8179.80	3376.91	2490.21	-2280.87	670249.86	438096.96	32°12'11.691"N	103°46'58.501"W	0.00	
11422.00†	90.280	317.513	8179.31	3476.91	2563.95	-2348.41	670182.32	438170.70	32°12'12.424"N	103°46'59.283"W	0.00	
11522.00†							670114.78	<u> </u>	32°12'13.158"N		0.00	
11622.00+										103°47'00:846"W		
11722.00†							669979.71	438391.91	32°12'14.624"N	103°47'01.627"W	0.00	A Marie State State State of the State of th
11822.00†							669912.17	438465.65	32°12'15.357"N	103°47'02.409"W	0.00	
11922.00†							669844.63	438539.39	32°12'16.090"N	103°47'03.191"W	0.00	
12022.00†							669777.09			103°47'03.972"W	0.00	
										103°47'04'754"W		
	5.200	- 1 J J J J	JAN J. U.J.	Mind of American				75000.00		111001111011101	inti V.UU	ALL LANGE OF



Planned Wellpath Report Prelim_1 Page 5 of 5



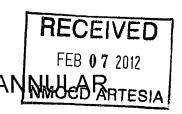
RIDDOR	ENCE WELLPATH IDENTIFICATION		
Operator	BOPCO, L.P.	Slot	No.401H SHL
Area	Eddy County, NM	Well	No.401H
Field	Poker Lake Unit	Wellbore	No.401H PWB
Facility	Poker Lake Unit No. 401H		

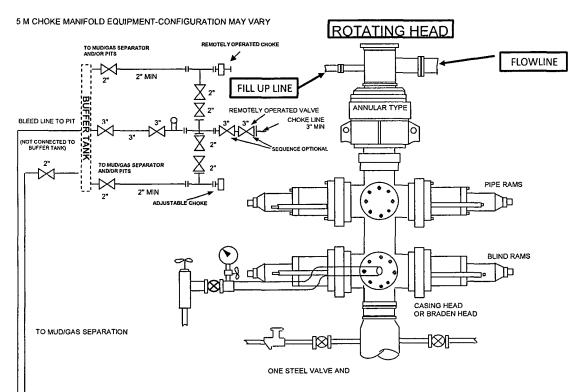
WELLP	ATH DA	TA (15	6 statio	ns) †=	interp	olated/ex	xtrapolate	d station	a di Charle de Martino di Silvani di Albandi di Albando ese	Torre to resident the second section of the s		
	Inclination			Vert Sect		East	Grid East	Grid North	Latitude	Longitude		Comments
[ft]	[°]	[°]	[ft]	[ft]	[ft]	[ft]	[US ft]	[US ft]			[°/100ft]	
12222.00†	90.280	317.513	8175.40	4276.90	3153.89	-2888.74	669642.02	438760.60	32°12'18.289"N	103°47'05.536"W	0.00	
12322.00†	90.280	317.513	8174.91	4376.89	3227.63	-2956.29	669574.48	438834.34	32°12'19.023"N	103°47'06.317"W	0.00	
12422.00†	90.280	317.513	8174.42	4476.89	3301.37	-3023.83	669506.94	438908.07	32°12'19.756"N	103°47'07.099"W	0.00	
12522.00†	90.280	317.513	8173.93	4576.89	3375.11	-3091.37	669439.40	438981.81	32°12'20.489"N	103°47'07.881"W	0.00	
12622.00†	90.280	317.513	8173.45	4676.89	3448.85	-3158.91	669371.86	439055.55	32°12'21.222"N	103°47'08.662,"W	0.00	
12722.00†	90.280	317.513	8172.96	4776.89	3522.59	-3226.45	669304.33	439129.29	32°12'21.955"N	103°47'09.444"W	0.00	
12822.00†	90.280	317.513	8172.47	4876.89	3596.34	-3294.00	669236.79	439203.02	32°12'22.688"N	103°47'10.226"W	0.00	
12922.00†	90.280	317.513	8171.98	4976.89	3670.08	-3361.54	669169.25	439276.76	32°12'23.421"N	103°47'11.007"W	0.00	
13022.00†	90.280	317.513	8171.49	5076.89	3743.82	-3429.08	669101.71	439350.50	32°12'24.154"N	103°47'11.789"W	0.00	
13122.00†	90.280	317.513	8171.00	5176:88	3817.56	-3496.62	669034.17	439424.24	32°12'24:887"N	103°47'12.571"W	0.00	
13222.00†	90.280	317.513	8170.51	5276.88	3891.30	-3564.16	668966.64	439497.97	32°12'25.620"N	103°47'13.353"W	0.00	
13322.00†	90.280	317.513	8170.02	5376.88	3965.04	-3631.71	668899.10	439571.71	32°12'26.354"N	103°47'14.134"W	0.00	
13422.00†	90.280	317.513	8169.54	5476.88	4038.79	-3699.25	668831.56	439645.45	32°12'27.087"N	103°47'14.916"W	0.00	
13522.00†	90.280	317.513	8169.05	5576.88	4112.53	-3766.79	668764.02	439719.19	32°12'27.820"N	103°47'15.698"W	0.00	
13622:00†	90.280	317.513	8168.56	5676.88	4186.27	-3834.33	668696.48	439792.92	32°12'28.553"N	103°47'16.479"W	0.00	
13722.00†	90.280	317.513	8168.07	5776.88	4260.01	-3901.87	668628.95	439866.66	32°12'29.286"N	103°47'17.261"W	0.00	
13822.00†	90.280	317.513	8167.58	5876.88	4333.75	-3969.42	668561.41	439940.40	32°12'30.019"N	103°47'18.043"W	0.00	
13922.00†	90.280	317.513	8167.09	5976.88	4407.49	-4036.96	668493.87	440014.13	32°12'30.752"N	103°47'18.825"W	0.00	
14022.00†	90.280	317.513	8166.60	6076.87	4481.24	-4104.50	668426.33	440087.87	32°12'31.485"N	103°47'19.606"W	0.00	
14122.00†	90.280	317.513	8166.11	6176.87	4554.98	-4172.04	668358.79	440161.61	32%12'32.218"N	103°47'20.388"W	0:00	A Park Control
14145.15	90.280	317.513	8166.00 ²	6200.03	4572.05	-4187.68	668343.15	440178:68	-32°12'32.388"N	-103°47'20.569"W	0.00	No.401H PBHL

TARGETS	ana, and the spine of the experiment of the same and a system a property of the same and a system and a sys			representations are seen with med		Michael (Michael Michael), an Àireann, ann ann an aige an Aireann agus	gympagaga eterrementementellikus elikupa liikupa valilikus yaya filifiket e	mayearransamaranilikana.saarrana na ma araa mayeen n a mirekan	
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	Shape
2) No.401H PBHL	14145.15	8166:00	4572.05	-4187.68	668343:16	440178.68	32°12'32.388"N	103°47'20!569".W	point
1) No.401H Target	9024.07	8191,00	795.67	-728.80	671801384	436402.53	32°11'54:844"N	3103°46'40.540"W	point

SURVEY PROGRAM - Ref Wellbore: No.401H PWB Ref Wellpath: Prelim_1										
Start MD	Start MD End MD Positional Uncertainty Model Log Name/Comment Wellbore									
[ft]	[ft]									
22.00	14145.15	NaviTrak (Standard)		No.401H PWB						

BOPCO, L. P. 13 5/8" X 5-M WP BOPE WITH 5-M WP AN





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate Blowout preventer with lower pipe rams and upper blind rams, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a mininum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with suffficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOPs.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. Chokes must be adjustable. Choke spool may be used between rams.

DIAGRAM 1

TO STEEL MUD TANKS

BLEED LINE TO STEEL 1/2 PIT LOCATED 100' FROM WELL

HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000' 100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, 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 H₂S 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 to aid in operation. See list of phone numbers attached.
- Have received training in the
 - o Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas source

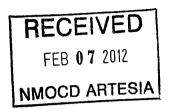
Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H₂S and SO₂

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

Contacting Authorities

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

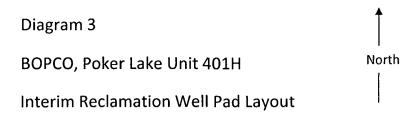


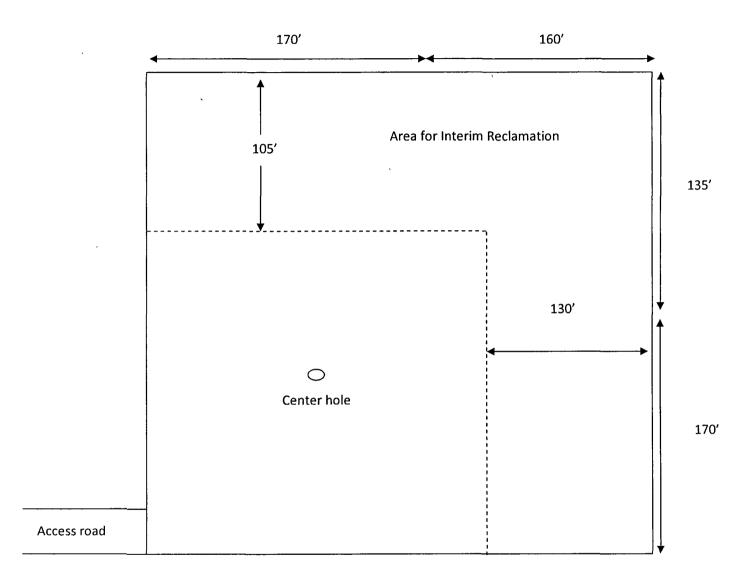
H₂S CONTINGENCY PLAN EMERGENCY CONTACTS

BOPCO L.P. Midland Office

432-683-2277

Key Personnel		
Name	Title	Cell Phone Number
Stephen Martinez	Drilling Supt.	432-556-0262
Buddy Jenkins	Assistant Supt	432-238-3295
Bill Dannels	Engineer	
Pete Lensing	Engineer	432-557-7157
Charles Warne	Engineer	432-894-1392
Ambulance		911
State Police		
City Police		
Fire Department		575-746-2701
Local Emergency Plai	nning Committee	575-746-2122
New Mexico Oil Conservation Division		575-748-1283
Carlsbad		
Ambulance		911
		575-887-7551
Fire Department		575-887-3798
Local Emergency Plan	ining Committee	5/5-88/-6544
US Bureau of Land Ma	anagement	575-887-6544
New Mexico Emergen	cy Response Commission (Santa F	-e) 505-476-9600
		505-827-9126
	ergency Operations Center	505-476-9635
New Mexico State Emergency Operations Center		800-424-8802
Other		
Boots & Coots IWC	90	0-256-9688 or 281-931-8884
Cudd PressureContro		2-580-3544 or 432-570-5300
Halliburton		5-746-2757
B. J. Services		5-746-3569
	24 th St. Lubbock, Texas	
•	,	806-743-9911
Aerocare – R3, Box 49	806-747-8923 505-842-4433	
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuq., NM S B Air Med Service – 2505 Clark Carr Loop SE, Albuq., NM		
J D All INEU Service -	2000 Clark Carr Loop SE, Albuq., I	VIVI





Location On-Site Notes

Location on-site conducted by Cecil Watkins-BOPCO L.P., Randy Rust-BLM, and Robert Gomez-Basin Survey on 09/20/2011. The Poker Lake Unit 401H was moved in Section 21 to a new surface footage call located at 335' FSL & 570' FEL of Sec 21-T24S-R31E to get off pipeline ROW. V-Door will face the east

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, L.P.
LEASE NO.:	NMNM0506A
WELL NAME & NO.:	Poker Lake Unit 401H
SURFACE HOLE FOOTAGE:	335' FSL & 570' FEL
BOTTOM HOLE FOOTAGE	350' FNL & 550' FWL
LOCATION:	Section 21, T. 24 S., R. 31 E., NMPM
.COUNTY:	Eddy County, New Mexico

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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.

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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 and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

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)

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.

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.

Commercial Well Determination

Well is outside Delaware participating area. A commercial well determination will need to be submitted.

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) 234-5972 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 stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 4 inches in depth. The topsoil will be used 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. 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 (20) 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.

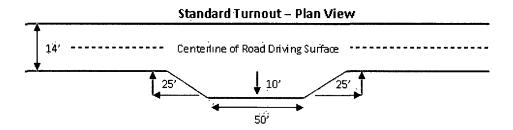
The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing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

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

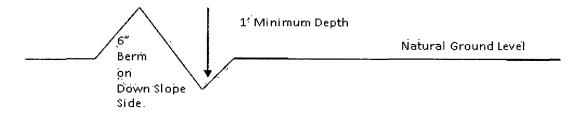


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping 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 foot road with 4% road slope:
$$\frac{400'}{4\%}$$
 + 100' = 200' lead-off ditch interval

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

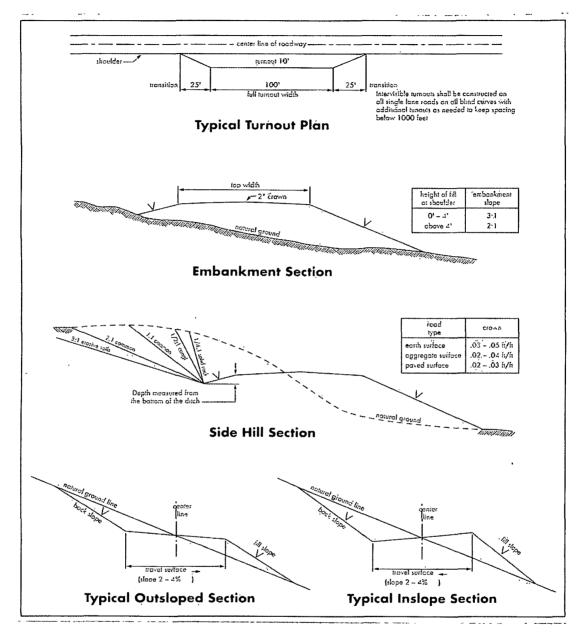
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

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

 $Figure\ 1-Cross\ Sections\ and\ Plans\ For\ Typical\ Road\ Sections$



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Eddy County

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

- 1. Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.
- 2. 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. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. 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.
- 4. 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.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. 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.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Delaware. Possible water flows in the Castile, Salado and Delaware.

- 1. The 13-3/8 inch surface casing shall be set at approximately 971 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If the salt is encountered set the casing 25 feet above the top of the salt.
 - 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 is to include the lead cement slurry.
 - 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 9-5/8 inch intermediate casing is:
 - ☐ Cement to surface. If cement does not circulate see B.1.a, c-d above.

- 3. The minimum required fill of cement behind the 7 inch production casing is:
 - a. First stage to DV tool, cement shall:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool, cement shall:
 - Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.
- 4. Cement not required on the 4-1/2" completion assembly. Packer system being used.
- 5. 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.

C. 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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi. Operator installing a 5M but testing as a 2M system.
 - a. For surface casing only: If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 3000 (3M) psi. Operator installing a 5M but testing as a 3M system.
- 4. 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 when specified), 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. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**. 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 (18 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).
- c. The results of the test shall be reported to the appropriate BLM office.
- d. 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.
- e. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

CRW 020312

VIII. 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.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

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, Munsell Soil Color Chart # 5Y 4/2

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

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 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 agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The 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 the 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 the holder, regardless of fault. Upon failure of the 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 the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of feet.
6. (a) Where a polyline is laid along a <u>County</u> Road, the operator will lay that polyline ten (10) feet out from the center of the ditch to prevent obstructing County Maintenance activities.
7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.
8. The 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 of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
9. The pipeline shall be buried with a minimum of 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 ,

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.

Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State

Interagency Committee.

- 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 and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. 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 cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
- 16. 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.

IX. 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).

X. 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 Sand/Shinnery Sites

The 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 <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will 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). The 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. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will 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:

Species lb/acre

5lbs/A
5lbs/A
3lbs/A
6lbs/A
2lbs/A
1lbs/A
5lbs/A

^{*}Pounds of pure live seed:

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