

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EMERD-OCD ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

Lease Serial No.
NMNM138865

6. If Indian, Allottee or Tribe Name

- 1a. Type of work: DRILL REENTER
- 1b. Type of Well: Oil Well Gas Well Other
- 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

BOROS FEDERAL
112H

9. API-Well No.

10. Field and Pool, or Exploratory
BONESPRING / JENNINGS; BONE SPRI

2. Name of Operator
MATADOR PRODUCTION COMPANY

3a. Address
5400 LBJ Freeway, Suite 1500 Dallas TX 75240

3b. Phone No. (include area code)
(972)371-5200

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface NENW / 430 FNL / 1930 FWL / LAT 32.0489495 / LONG -103.768428

At proposed prod. zone SESW / 100 FSL / 1650 FWL / LAT 32.0210942 / LONG -103.7692445

11. Sec., T, R, M, of Blk. and Survey or Area
SEC 15 / T26S / R31E / NMP

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
430 feet

16. No of acres in lease
1240

17. Spacing, Unit dedicated to this well
320

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
30 feet

19. Proposed Depth
9341 feet / 19634 feet

20. BLM/BIA Bond No. in file
FED: NMB001079

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3227 feet

22. Approximate date work will start*
12/01/2019

23. Estimated duration
60 days

24. Attachments

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

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 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).

- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature
(Electronic Submission)

Name (Printed/Typed)
Lara Thompson / Ph: (505)254-1115

Date
06/19/2019

Title
Assistant Project Manager

Approved by (Signature)
(Electronic Submission)

Name (Printed/Typed)
Cody Layton / Ph: (575)234-5959

Date
02/27/2020

Title
Assistant Field Manager Lands & Minerals

Office
CARLSBAD

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.

APPROVED WITH CONDITIONS
Approval Date: 02/27/2020

RWP 3-13-20

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

- I. SHL: NENW / 430 FNL / 1930 FWL / TWSP: 26S / RANGE: 31E / SECTION: 15 / LAT: 32.0489495 / LONG: -103.768428 (TVD: 0 feet, MD: 0 feet)
- PPP: NENW / 100 FNL / 1650 FWL / TWSP: 26S / RANGE: 31E / SECTION: 15 / LAT: 32.0498551 / LONG: -103.7693283 (TVD: 9341 feet, MD: 9695 feet)
- BHL: SESW / 100 FSL / 1650 FWL / TWSP: 26S / RANGE: 31E / SECTION: 15 / LAT: 32.0210942 / LONG: -103.7692445 (TVD: 9341 feet, MD: 19634 feet)

BLM Point of Contact

Name: Sophia Cwiklinski
Title: LIE
Phone: 5752345972
Email: scwiklinski@blm.gov

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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.

Geologic Conditions of Approval

The operator proposes to set surface casing at 1,361'. This should be below all BLM identified groundwater zones and will likely be an acceptable set point. However the well is in a dissolution feature, making the top of the Rustler difficult to predict, nearby wells suggest the Rustler may be as deep as 1,600'. BLM recommends that because this is an extremely difficult area, a mud logger should be onsite to pick the top of the Rustler. Because the Magenta Dolomite may or may not be present here setting 25' into the Rustler Formation will be acceptable. If salt is encountered set casing 25' above the salt. The Operator proposes the first intermediate casing string set to a depth of 4,141, this will be in the top of the Bell Canyon, which is an acceptable set point. Ensure GR and CNL logs are run to the surface. Completion Reports in the area indicate surface casing is often set too shallow. BLM recommends witnessing setting surface casing a minimum of 25' into the Rustler, this could be anywhere from 1381' to 1,688'.

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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Matador Production Company
LEASE NO.:	NMNM138885
LOCATION:	Section 15, T.26 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Boros Federal 022H
SURFACE HOLE FOOTAGE:	430'/N & 1960'/W
BOTTOM HOLE FOOTAGE:	100'/S & 1980'/W

WELL NAME & NO.:	Boros Federal 102H
SURFACE HOLE FOOTAGE:	430'/N & 1850'/W
BOTTOM HOLE FOOTAGE:	100'/S & 1650'/W

WELL NAME & NO.:	Boros Federal 112H
SURFACE HOLE FOOTAGE:	430'/N & 1930'/W
BOTTOM HOLE FOOTAGE:	100'/S & 1650'/W

WELL NAME & NO.:	Boros Federal 132H
SURFACE HOLE FOOTAGE:	430'/N & 2040'/W
BOTTOM HOLE FOOTAGE:	100'/S & 1980'/W

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input checked="" type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input type="checkbox"/> COM	<input type="checkbox"/> Unit

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

Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1361** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) 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 **9-5/8** inch intermediate casing shall be set at approximately **4141** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

Option 2:

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 or potash.

❖ In **Medium Cave/Karst 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.

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

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

Option 2:

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 should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **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.

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)
393-3612

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 2nd 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 2nd 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 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. 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. 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 (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.

NMK11032019

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

Environmental Assessment DOI-BLM-NM-P020-2020-0098-EA

**Matador Production Company,
Boros Fed Com Slots 1-4
Oil Wells Project in
Eddy County, New Mexico
BLM Lease Number: NMNM-140693**

Project Features	Legal Location within Section 15, Township 26 South, Range 31 East, NMPM
Well Number	Surface Hole Location
Boros Fed Com Slot 1	
021H	400 FNL, and 100 FSL
101H	430 FNL, and 514 FWL
105H	430 FNL and 624 FWL
111H	430 FNL and 594 FWL
121H	400 FNL and 594 FWL
131H	430 FNL and 704 FWL
201H	430 FNL and 484 FWL
215H	400 FNL and 514 FWL
221H	400 FNL and 484 FWL
225H	430 FNL and 734 FWL
241H	400 FNL and 704 FWL
Boros Fed Com Slot 2	
022H	400 FNL and 1,960 FWL
102H	430 FNL and 1,850 FWL
106H	430 FNL and 1,960 FWL
112H	430 FNL and 1,930 FWL
122H	400 FNL and 1,930 FWL
132H	430 FNL and 2,040 FWL
202H	430 FNL and 1,820 FWL

216H	400 FNL and 1,850 FWL
222H	400 FNL and 1,820 FWL
226H	430 FNL and 2,070 FWL
242H	400 FNL and 2,040 FWL
Boros Fed Com Slot 3	
023H	400 FNL and 2,294 FEL
103H	430 FNL and 2,403 FEL
107H	430 FNL and 2,293 FEL
113H	430 FNL and 2,323 FEL
123H	400 FNL and 2,324 FEL
133H	430 FNL and 2,213 FEL
Project Features	Legal Location within Section 15, Township 26 South, Range 31 East, NMPM
203H	430 FNL and 2,434 FEL
217H	400 FNL and 2,404 FEL
223H	400 FNL and 2,434 FEL
227H	430 FNL and 2,183 FEL
243H	400 FNL and 2,214 FEL
Boros Fed Com Slot 4	
024H	400 FNL and 711 FEL
104H	430 FNL and 820 FEL
108H	430 FNL and 710 FEL
114H	430 FNL and 740 FEL
124H	400 FNL and 741 FEL
134H	430 FNL and 630 FEL
204H	430 FNL and 851 FEL
218H	400 FNL and 821 FEL
224H	400 FML and 851 FEL
228H	430 FNL and 600 FEL
244H	400 FNL and 631 FEL

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**
 - Wildlife: Phantom Banks Heronry SMA**
 - Watershed
 - Cave/Karst
 - VRM
- 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 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)

Wildlife: Phantom Banks Heronry SMA

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

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.

VRM IV:

- Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, Shale Green from the BLM Standard Environmental Color Chart (CC-001: June 2013).

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.

- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- The entire perimeter of the well pad 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 high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- 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.
- 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 access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will be vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- All tank battery locations and facilities will be lined and bermed.
- The liner should be at least 20 mil in thickness and installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures.
- Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

Buried Pipeline/Cable Construction:

- Rerouting of the buried line(s) may be required if a subsurface void is encountered during construction to minimize the potential subsidence/collapse of the feature(s) as well as the possibility of leaks/spills entering the karst drainage system.

Powerline Construction:

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- Special restoration stipulations or realignment may be required if subsurface voids are encountered.

Surface Flowlines Installation:

- Flowlines will be routed around sinkholes and other karst features to minimize the possibility of leaks/spills from entering the karst drainage system.

Leak Detection System:

- A method of detecting leaks is required. The method could incorporate gauges to measure loss, siting valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present.
- A leak detection plan will be submitted to BLM that incorporates an automatic shut off system (see below) to minimize the effects of an undesirable event that could negatively sensitive cave/karst resources.
- Well heads, pipelines (surface and buried), storage tanks, and all supporting equipment should be monitored regularly after installation to promptly identify and fix leaks.

Automatic Shut-off Systems:

- Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and groundwater concerns:

Closed Loop System:

- A closed loop system using steel tanks will be utilized during drilling – no pits
- All fluids and cuttings will be hauled off-site and disposed of properly at an authorized site

Rotary Drilling with Fresh Water:

- Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

- The kick off point for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

- ALL lost circulation zones between surface and the base of the cave occurrence zone will be logged and reported in the drilling report.
- If a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, regardless of the type of drilling machinery used, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

- Additional plugging conditions of approval may be required upon well abandonment in high and medium karst potential occurrence zones.
- The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

- The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice.
- If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

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.

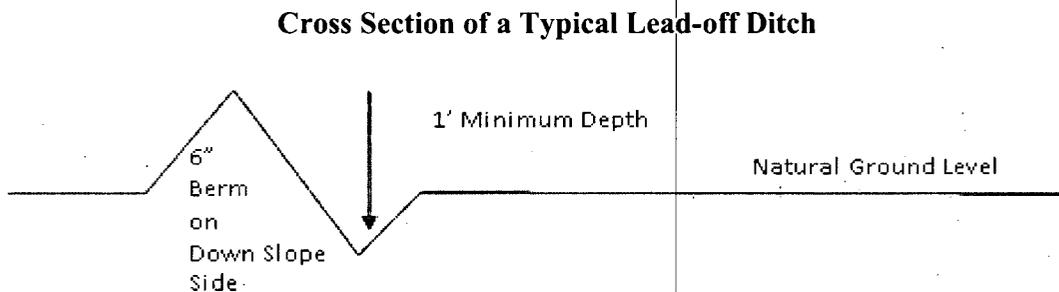
Turnouts

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 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.



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

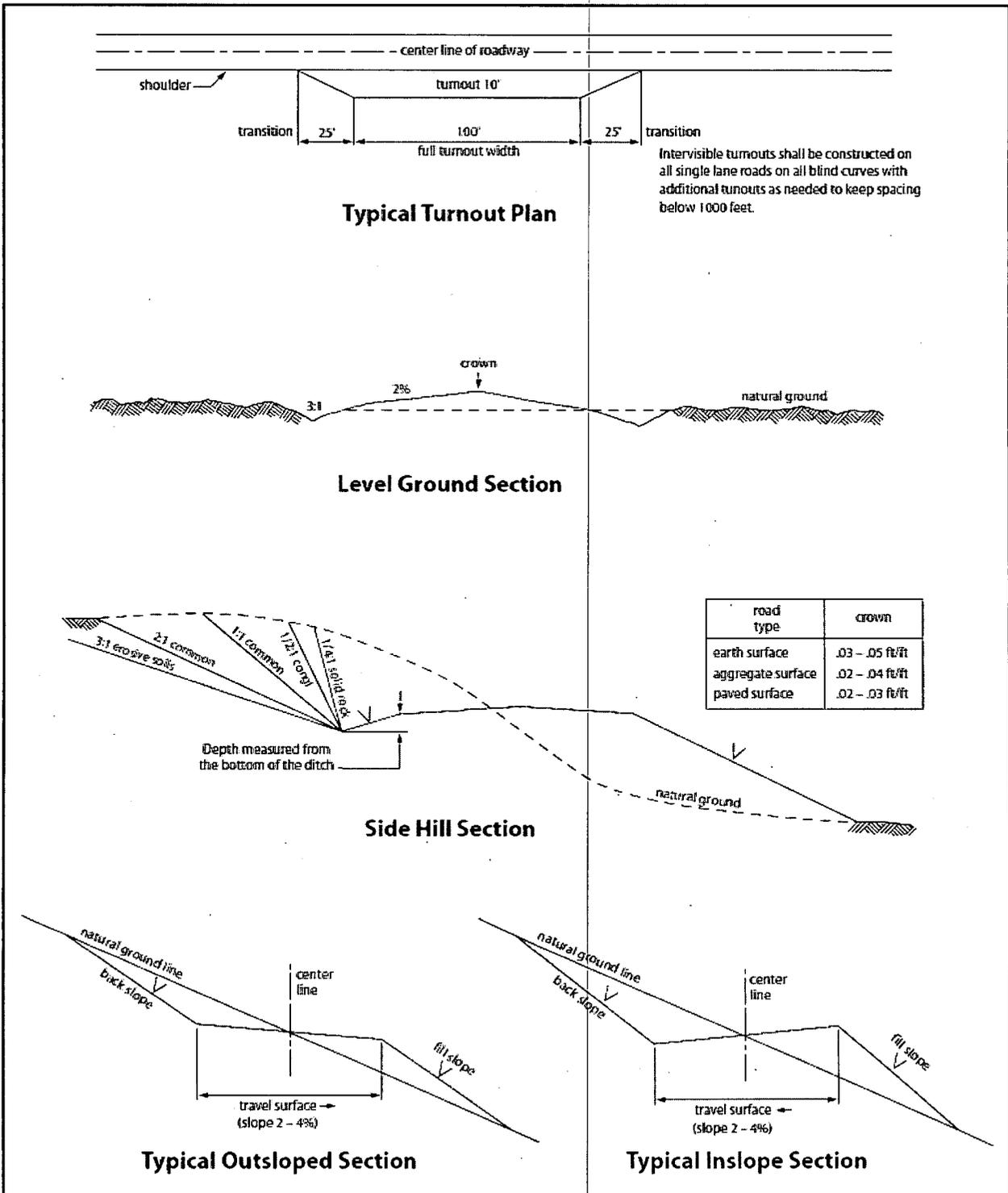


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Special restoration stipulations or realignment may be required at such intersections, if any.
- A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

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 3
 seed mixture 2 seed mixture 4
 seed mixture 2/LPC 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.

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 requirements 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.

C. ELECTRIC LINES

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.
- No further construction will be done until clearance has been issued by the Authorized Officer.
- Special restoration stipulations or realignment may be required.

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 deterrent 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).

Seed Mixture 2, for Sandy 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 no 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
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

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



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

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Lara Thompson

Title: Assistant Project Manager

Street Address: 5647 Jefferson Street NE

City: Albuquerque

State: NM

Phone: (505)254-1115

Email address: Lara.Thompson@swca.com

Signed on: 06/19/2019

Zip: 87109

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:



APD ID: 10400042851

Submission Date: 06/19/2019

Highlighted data reflects the most recent changes

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400042851

Tie to previous NOS?

Submission Date: 06/19/2019

BLM Office: CARLSBAD

User: Lara Thompson

Title: Assistant Project Manager

Federal/Indian APD: FED

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

Lease number: NNMN138865

Lease Acres: 1240

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? YES

APD Operator: MATADOR PRODUCTION COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: MATADOR PRODUCTION COMPANY

Operator Address: 5400 LBJ Freeway, Suite 1500

Zip: 75240

Operator PO Box:

Operator City: Dallas

State: TX

Operator Phone: (972)371-5200

Operator Internet Address: amonroe@matadorresources.com

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? EXISTING

Master SUPO name: Boros Federal Well Project

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BOROS FEDERAL

Well Number: 112H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: BONESPRING

Pool Name: JENNINGS; BONE SPRING, WEST

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

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

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

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: SLOT Number: 11

Well Class: HORIZONTAL

2
Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: APPRAISAL

Describe sub-type:

Distance to town:

Distance to nearest well: 30 FT

Distance to lease line: 430 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: Boros_Federal__112H_signed_20200102143259.pdf

Well work start Date: 12/01/2019

Duration: 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

Reference Datum:

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL Leg #1	430	FNL	1930	FWL	26S	31E	15	Aliquot NENW	32.0489495	-103.768428	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 138865	3227	0	0	
KOP Leg #1	430	FNL	1930	FWL	26S	31E	15	Aliquot NENW	32.0488245	-103.768428	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 138865	-5568	9768	8795	
PPP Leg #1-1	100	FNL	1650	FWL	26S	31E	15	Aliquot NENW	32.0498551	-103.7693283	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 138865	-6114	9695	9341	

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
EXIT Leg #1	100	FSL	1650	FWL	26S	31E	15	Aliquot SESW	32.0210942	-103.7692445	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 138865	-6114	19634	9341	
BHL Leg #1	100	FSL	1650	FWL	26S	31E	15	Aliquot SESW	32.0210942	-103.7692445	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 138865	-6114	19634	9341	

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
		97860		Jennings; Bonespring		
⁴ Property Code		⁵ Property Name			⁶ Well Number	
		BOROS FEDERAL			112H	
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation	
		MATADOR PRODUCTION COMPANY			3227'	

¹⁰Surface Location

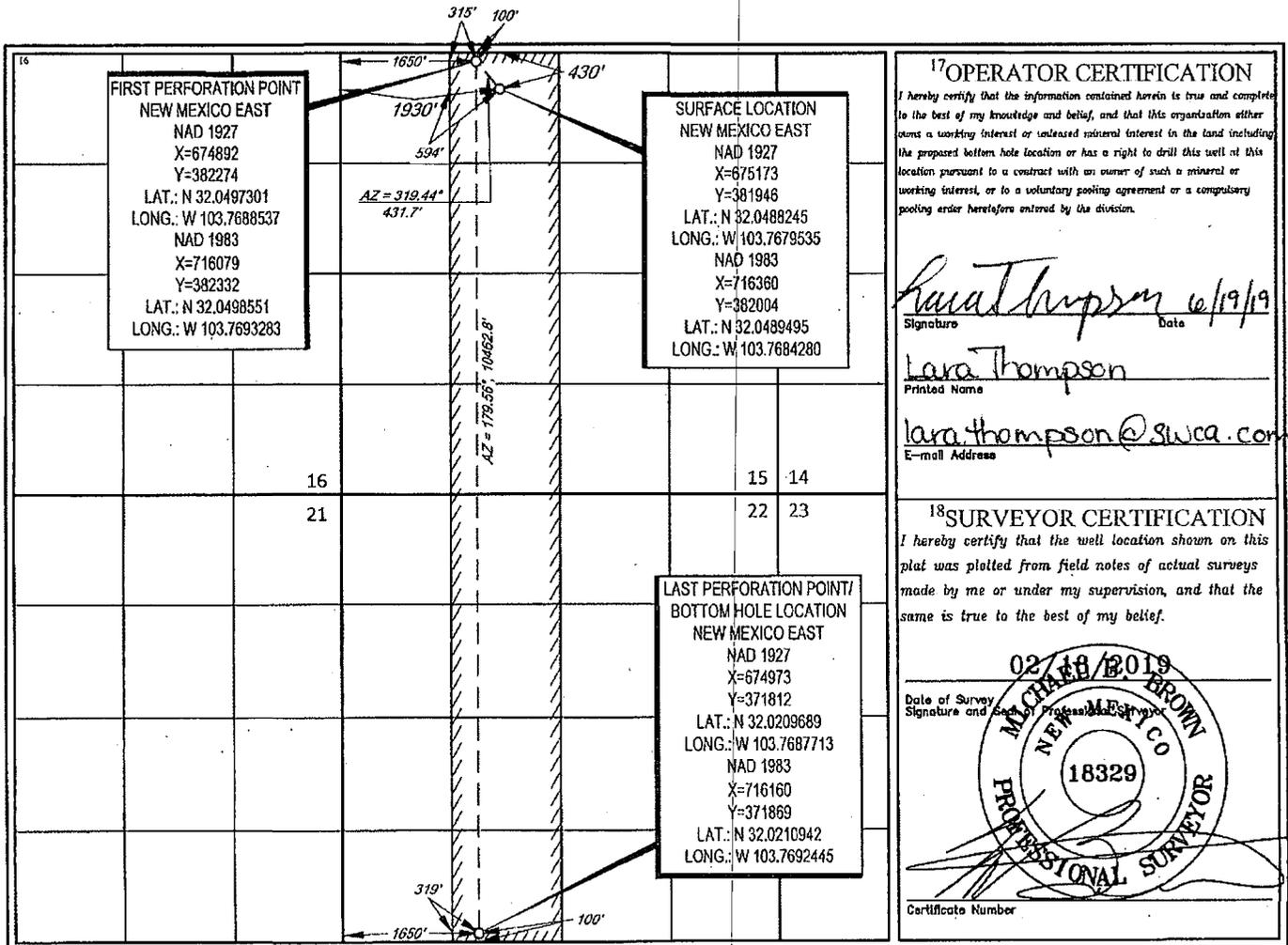
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	15	26-S	31-E	-	430'	NORTH	1930'	WEST	EDDY

¹¹Bottom 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
N	22	26-S	31-E	-	100'	SOUTH	1650'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷OPERATOR CERTIFICATION

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

Lara Thompson 6/19/19
Signature Date

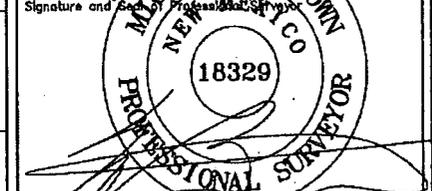
Lara Thompson
Printed Name

lara.thompson@swca.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

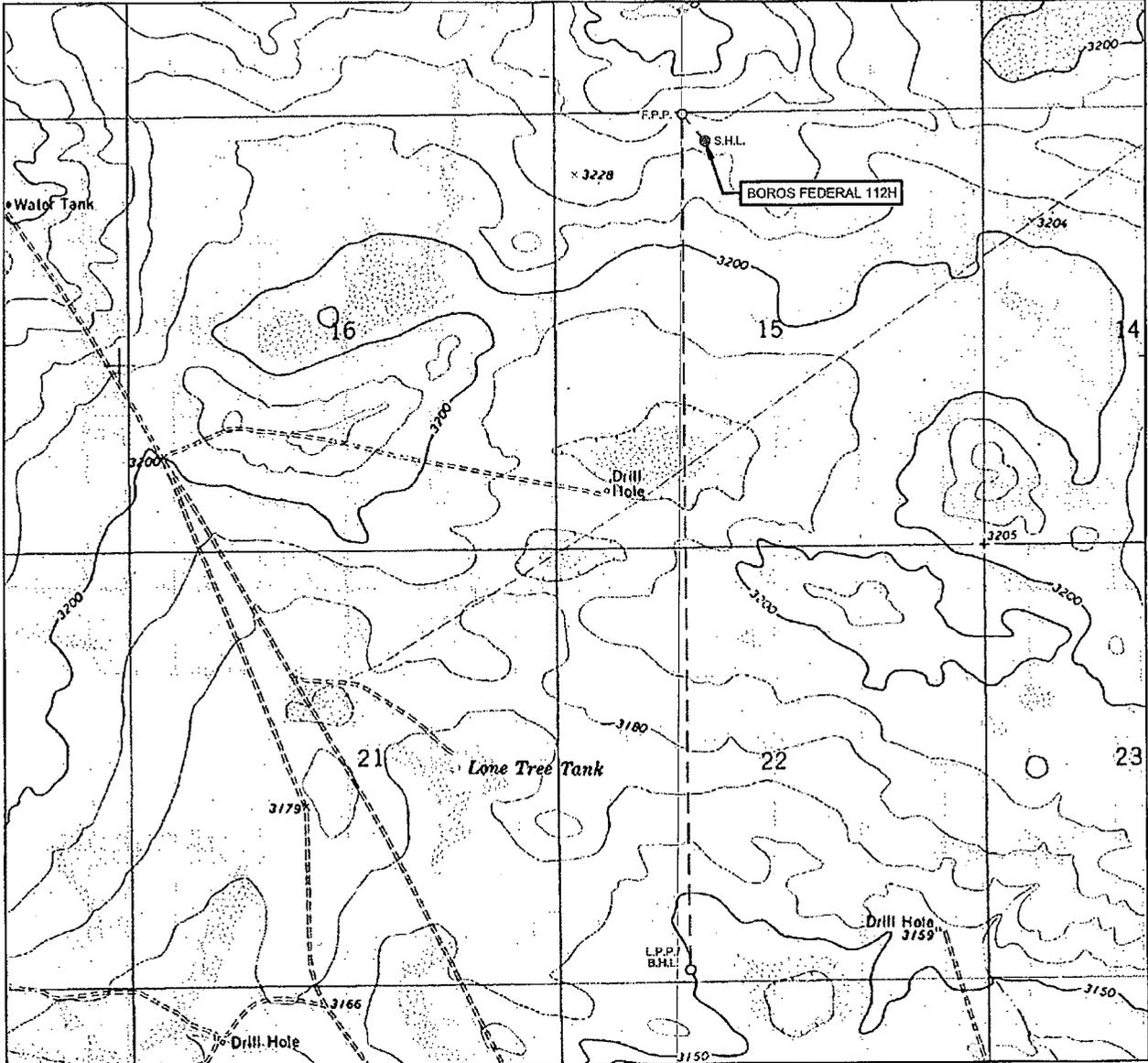
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

02/18/2019
Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

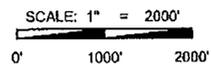
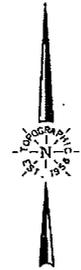
LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: BOROS FEDERAL 112H

SECTION 15 TWP 26-S RGE 31-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3227'
 DESCRIPTION 430' FNL & 1930' FWL

LATITUDE N 32.0489495 LONGITUDE W 103.7684280



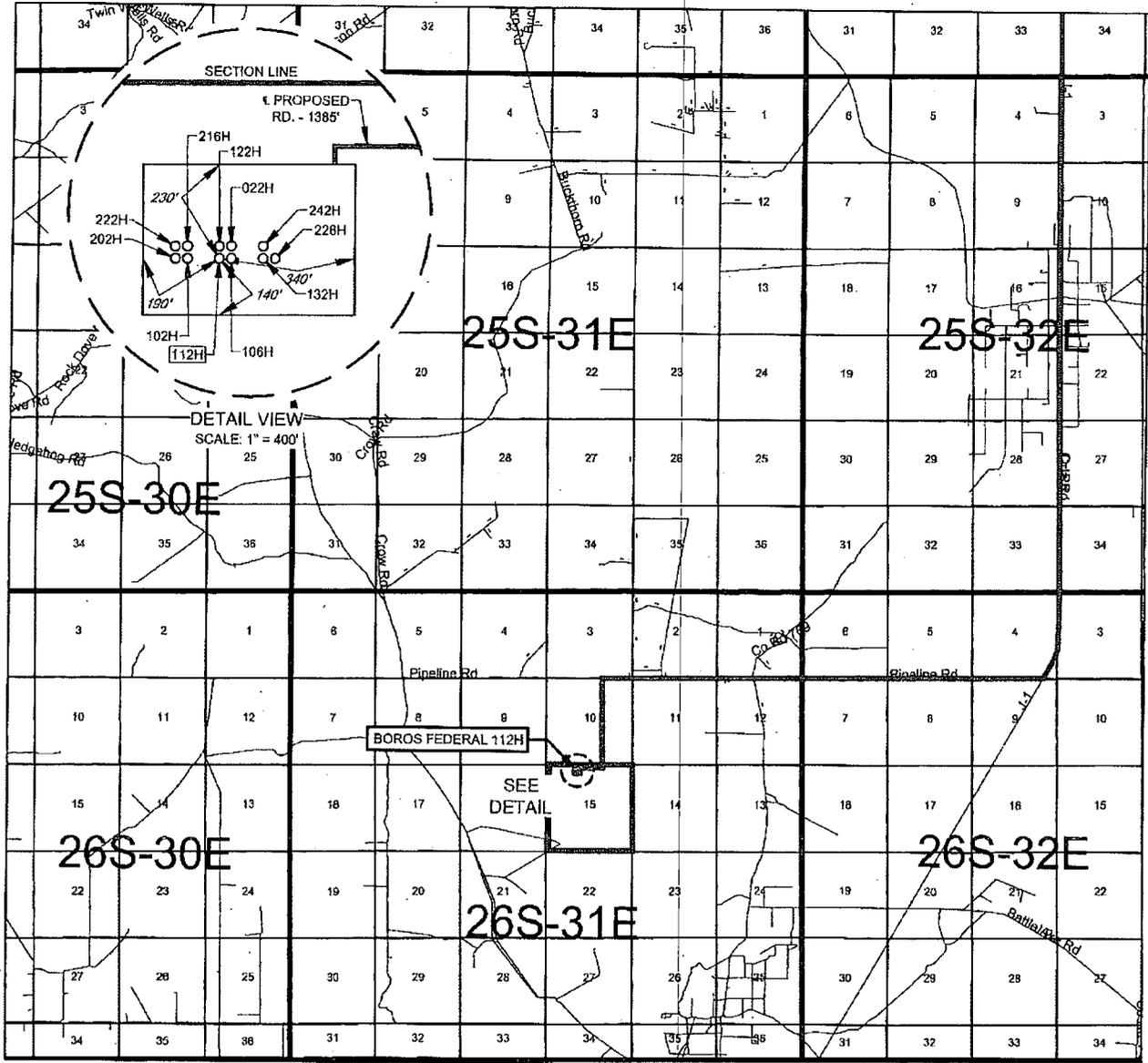
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



1400 EVERMAN PARKWAY, Ste. 148 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554
 2003 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1853 OR (800) 767-1853 • FAX: (432) 682-1743
 WWW.TOPOGRAPHIC.COM

VICINITY MAP



LEASE NAME & WELL NO.: BOROS FEDERAL 112H

SECTION 15 TWP 26-S RGE 31-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 430' FNL & 1930' FWL

DISTANCE & DIRECTION

FROM INT. OF NM128. & J-1/ORLA RD., GO SOUTH ON J-1/ORLA RD.
±13.2 MILES, THENCE WEST (RIGHT) ON PIPELINE RD ±5.2 MILES,
THENCE SOUTH (LEFT) ON PROPOSED RD. ±1.0 MILES, THENCE WEST
(RIGHT) ON PROPOSED RD. ±1385 FEET, TO A POINT ±370 FEET
NORTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



SCALE: 1" = 10000'
 0' 5000' 10000'

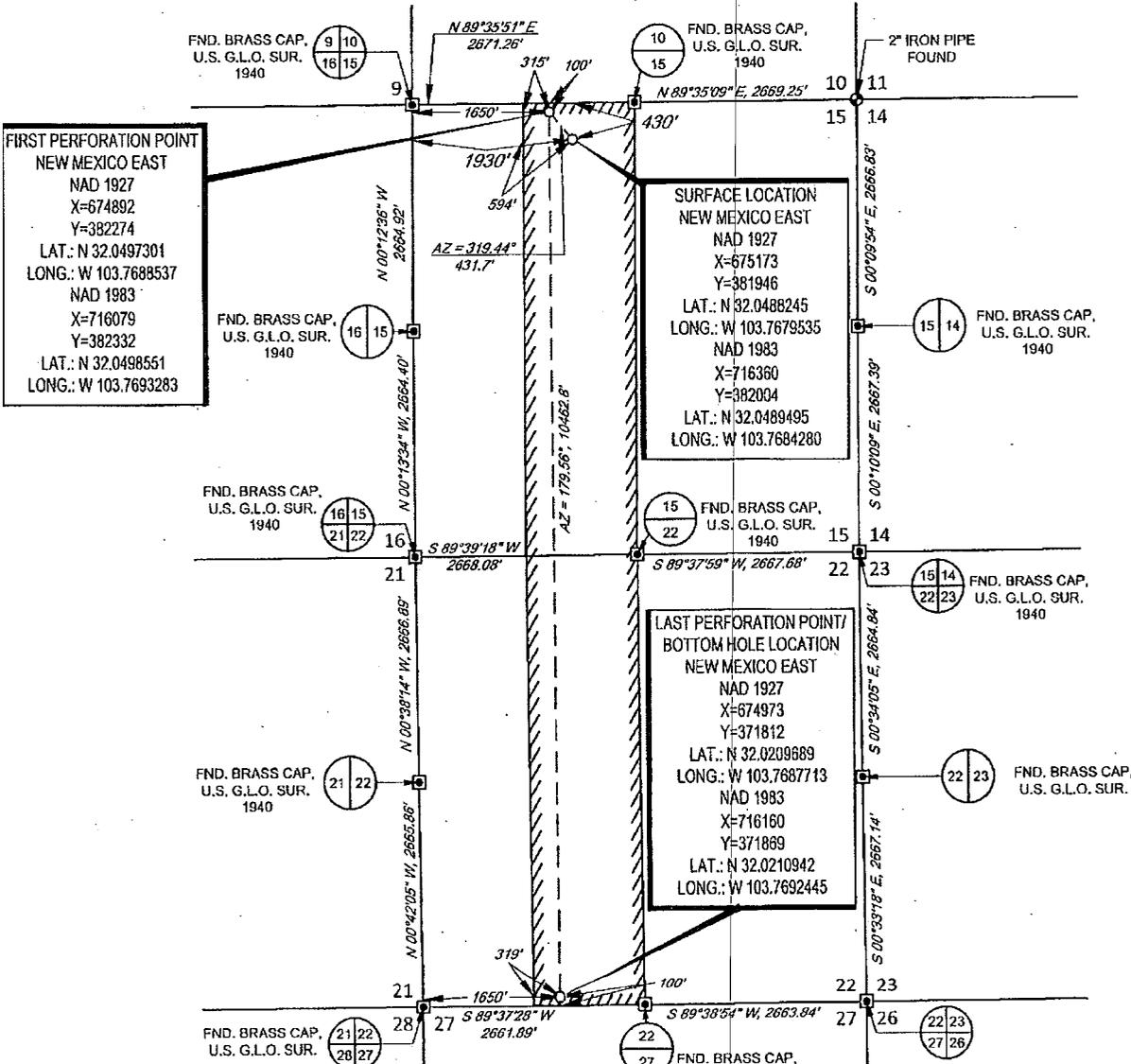


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SCALE: 1" = 2000'
 0' 1000' 2000'



SECTION 15, TOWNSHIP 26-S, RANGE 31-E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



FIRST PERFORATION POINT
 NEW MEXICO EAST
 NAD 1927
 X=674892
 Y=382274
 LAT.: N 32.0497301
 LONG.: W 103.7688537
 NAD 1983
 X=716079
 Y=382332
 LAT.: N 32.0498551
 LONG.: W 103.7693283

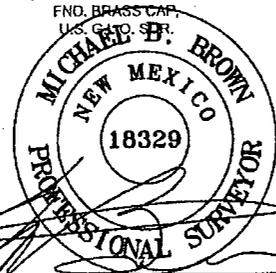
SURFACE LOCATION
 NEW MEXICO EAST
 NAD 1927
 X=675173
 Y=381946
 LAT.: N 32.0488245
 LONG.: W 103.7679535
 NAD 1983
 X=716360
 Y=382004
 LAT.: N 32.0489495
 LONG.: W 103.7684280

**LAST PERFORATION POINT/
 BOTTOM HOLE LOCATION**
 NEW MEXICO EAST
 NAD 1927
 X=674973
 Y=371812
 LAT.: N 32.0209689
 LONG.: W 103.7687713
 NAD 1983
 X=716160
 Y=371889
 LAT.: N 32.0210942
 LONG.: W 103.7692445

LEASE NAME & WELL NO.: BOROS FEDERAL 112H
 SECTION 15 TWP 26-S RGE 31-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 430' FNL & 1930' FWL

DISTANCE & DIRECTION
 FROM INT. OF NM128. & J-1/ORLA RD. GO SOUTH ON J-1/ORLA RD.
±13.2 MILES, THENCE WEST (RIGHT) ON PIPELINE RD ±5.2 MILES,
THENCE SOUTH (LEFT) ON PROPOSED RD. ±1.0 MILES, THENCE WEST
(RIGHT) ON PROPOSED RD. ±1385 FEET, TO A POINT ±370 FEET
NORTHEAST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
 THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
 AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.



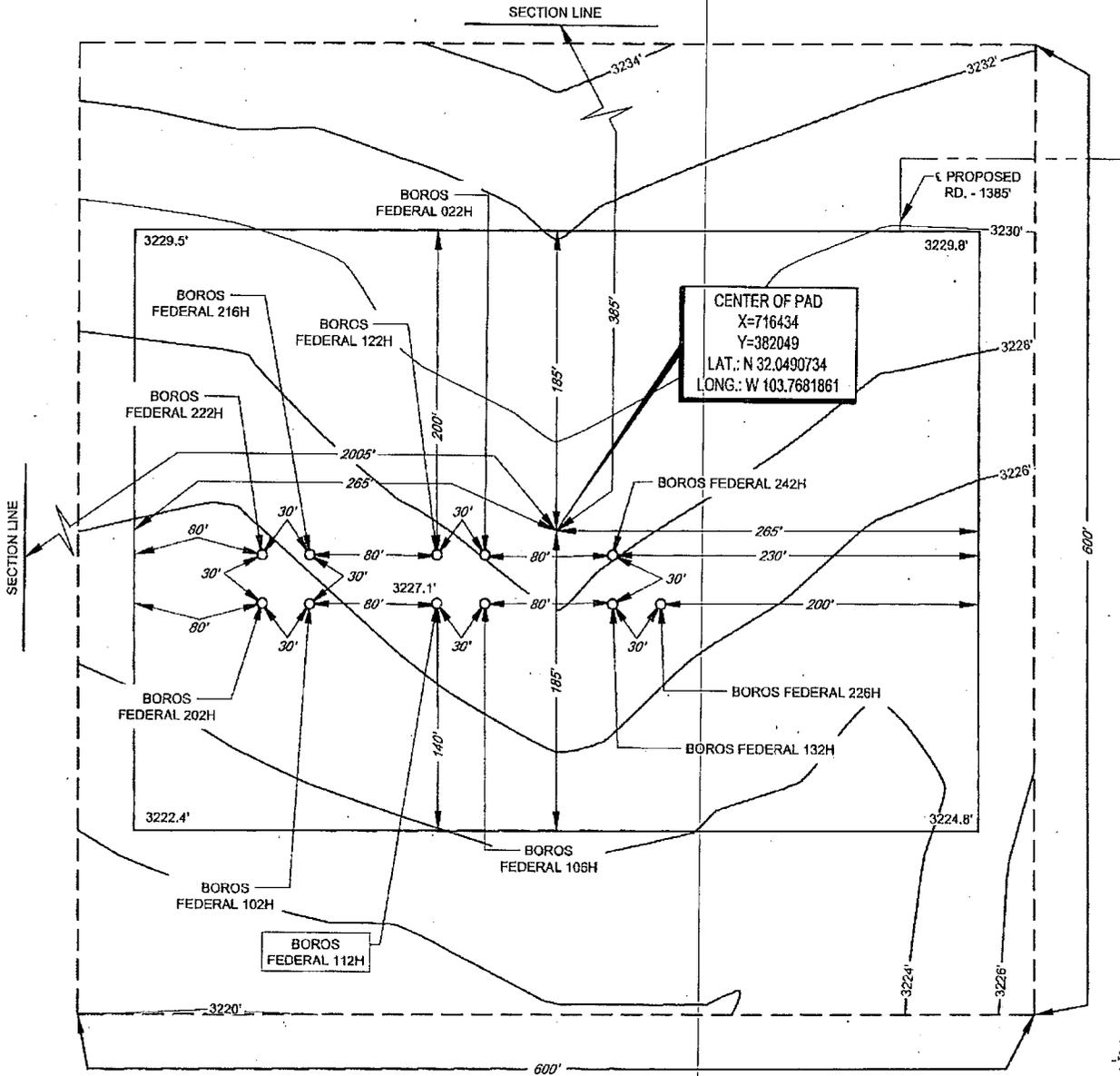
Michael Blake Brown, P.S. No. 18329
 FEBRUARY 21, 2019

TOPOGRAPHIC
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SECTION 15, TOWNSHIP 26-S, RANGE 31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: BOROS FEDERAL 112H
 112H LATITUDE N 32.0489495 112H LONGITUDE W 103.7684280

LEGEND

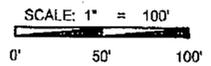
- SECTION LINE
- - - PROPOSED ROAD

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"

CENTER OF PAD IS 385' FNL & 2005' FWL

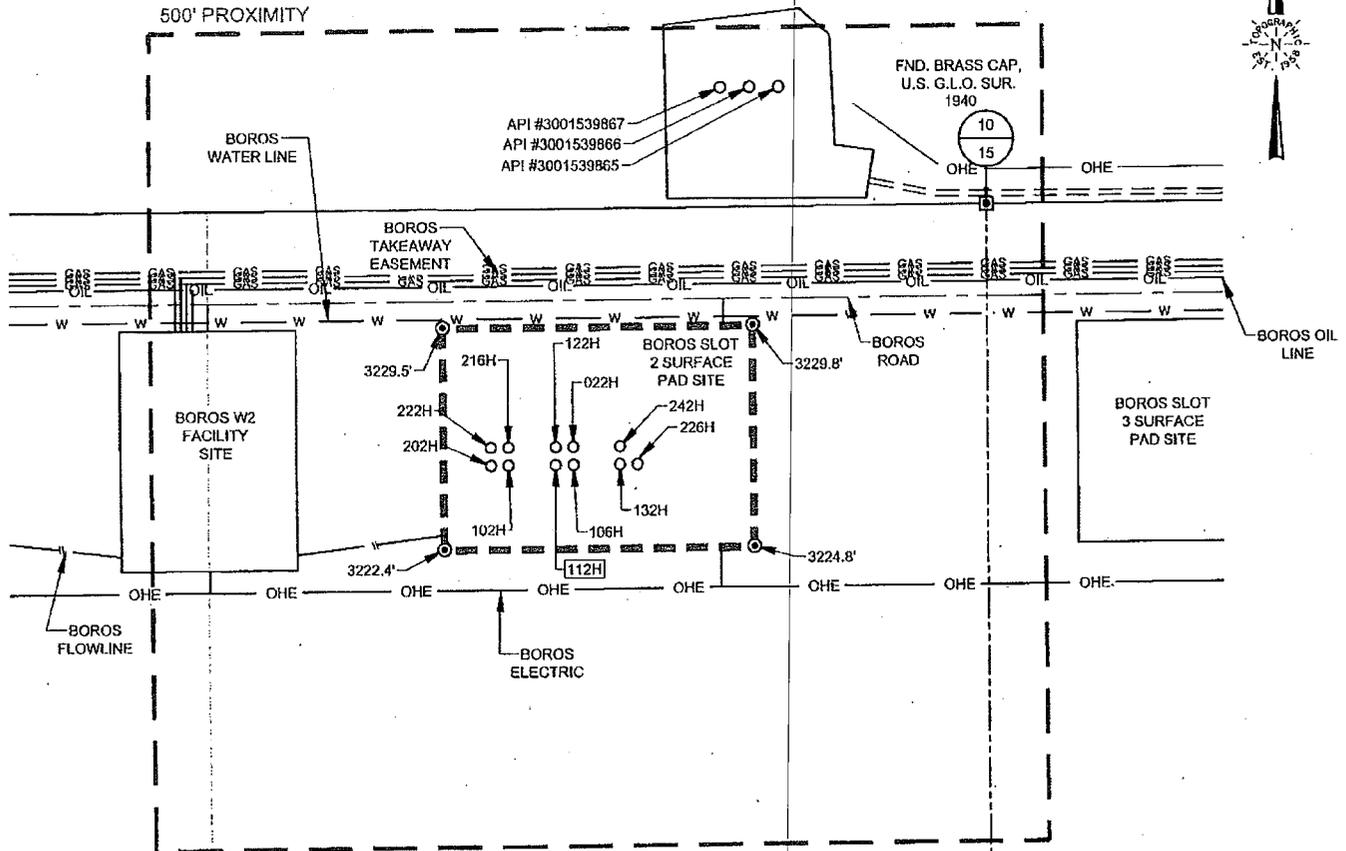


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SCALE: 1" = 300'
 0' 150' 300'

SECTION 15, TOWNSHIP 26-S, RANGE 31-E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



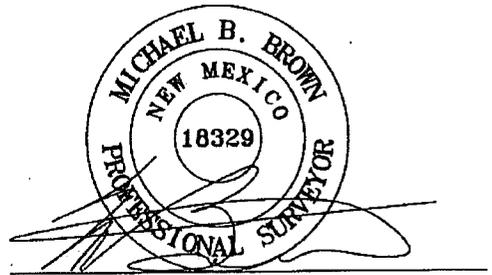
LEGEND

- SECTION LINE
- PROPOSED SITE
- 500' PROXIMITY
- OHE OVERHEAD ELECTRIC
- QUARTER SECTION LINE
- SIXTEENTH SECTION LINE
- PROPOSED ROAD
- ROAD WAY
- PROPOSED ELECTRIC
- PROPOSED FLOWLINE
- PROPOSED GAS TAKEAWAY
- PROPOSED WATER LINE
- PROPOSED OIL LINE
- MONUMENT
- IRON ROD SET



TOPOGRAPHIC
 LOYALTY INNOVATION LEGACY

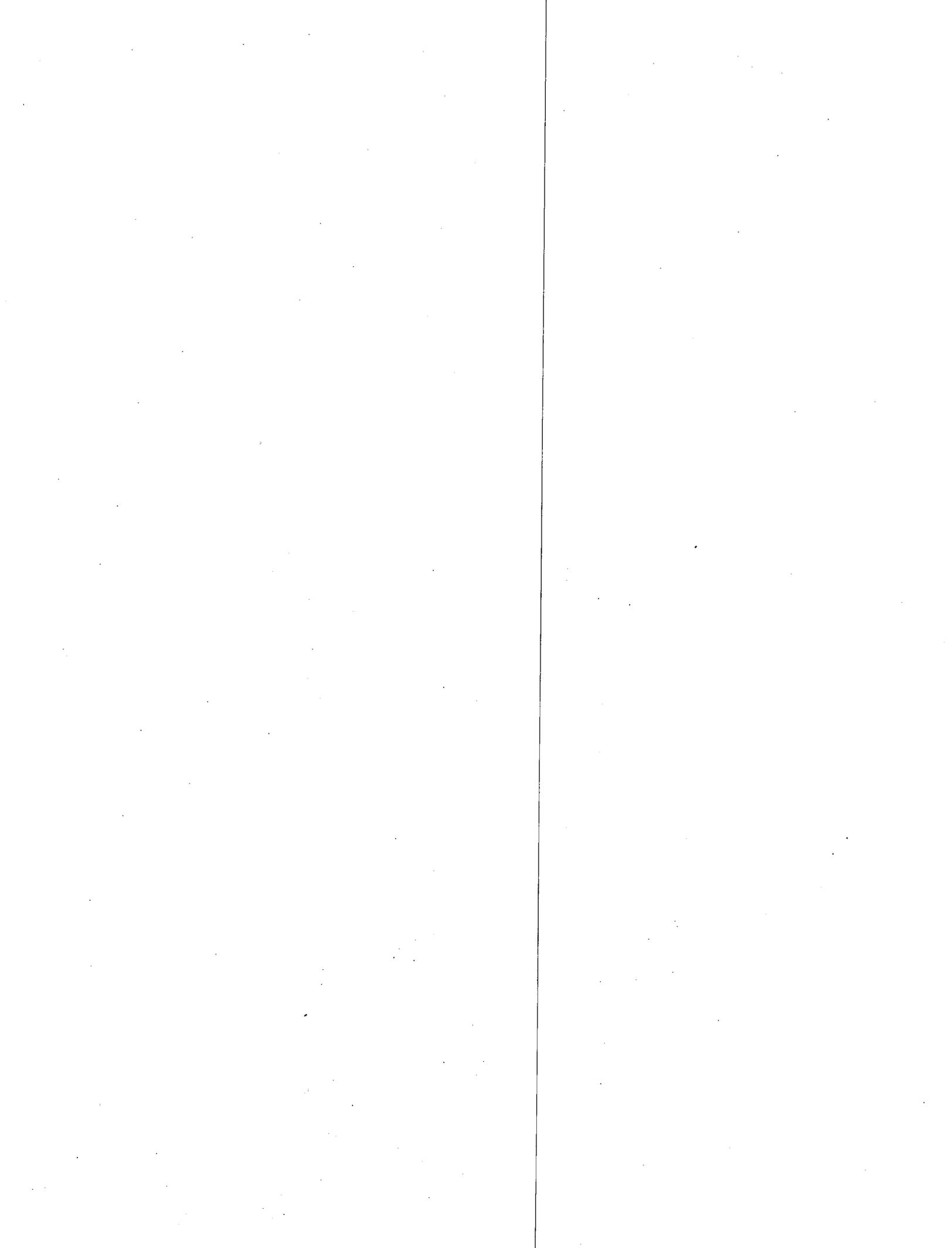
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Michael Blake Brown, P.S. No. 18329
 FEBRUARY 21, 2019

BOROS FEDERAL 112H PROXIMITY MAP	REVISION:	
	JSL	01/16/19
	GJU	01/28/19
	MML	02/07/19
	EAH	02/21/19
DATE:	12/21/18	
FILE:	LO_BOROS_FEDERAL_112H_REV4	
DRAWN BY:	EAH	
SHEET:	7 OF 7	

- NOTES:
- ORIGINAL DOCUMENT SIZE: 8.5" X 11"
 - ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.
 - CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
 - ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.





APD ID: 10400042851

Submission Date: 06/19/2019

Highlighted data reflects the most recent changes

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
479172	RUSTLER	3227	1336	1336	ANHYDRITE	NONE	N
479173	TOP SALT	1731	1495	1495	SALT	NONE	N
479160	CASTILE	-165	3391	3391	SALT	NONE	N
479165	BOTTOM SALT	-847	4073	4073	SALT	NONE	N
479174	BELL CANYON	-890	4116	4116	SANDSTONE	NATURAL GAS, OIL	N
479166	CHERRY CANYON	-1968	5194	5194	SANDSTONE	NATURAL GAS, OIL	N
479167	BRUSHY CANYON	-3153	6379	6379	SANDSTONE	NATURAL GAS, OIL	N
479169	BONE SPRING LIME	-4839	8065	8065	LIMESTONE	NATURAL GAS, OIL	N
479168	BONE SPRING 1ST	-5975	9201	9286	SANDSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 12000

Equipment: A 12,000' 5000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and one annular preventer will be utilized below surface casing to TD. See attachments for BOP and choke manifold diagrams. An accumulator complying with Onshore Order #2 requirements for the pressure rating of the BOP stack will be present. A rotating head will also be installed as needed.

Requesting Variance? YES

Variance request: Matador requests a variance to have the option of running a multi-bowl wellhead assembly for setting the Intermediate 1 and Production Strings. The BOPs will not be tested again unless any flanges are separated or if the time between the setting of the intermediate casing and reaching within 500' from the top of the Wolfcamp formation exceeds 30 days per the CFO Drilling COAs. Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. If the specific hose is not available, then one of equal or higher rating will be used. Matador requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event that this well is batch drilled, the wellbore will be secured with a blind flange of like pressure. When the rig returns to this well and BOPs are installed, the operator will perform a full BOP test.

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

Testing Procedure: BOP will be inspected and operated as required in Onshore Order #2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. A third party company will test the BOPs. After setting surface casing, a minimum 5M BOPE system will be installed. Test pressures will be 250 psi low and 5000 psi high with the annular being tested to 250 psi low and 2500 psi high before drilling below surface shoe. In the event that the rig drills multiple wells on the pad and any seal subject to test pressures are broken, a full BOP test will be performed when the rig returns and the 5M BOPE system is re-installed.

Choke Diagram Attachment:

Boros_Federal_112H_5M_Choke_Manifold_Arrangement_20190617160546.pdf

BOP Diagram Attachment:

Boros_Federal_112H_5M_BOP_20190617160619.pdf

Boros_Federal_112H_Co_Flex_Certs_20190617160715.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	1361	0	1361			1361	J-55	54.5	BUTT	1.125	1.125	BUOY	1.8	BUOY	1.8
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4141	0	4141			4141	J-55	40	BUTT	1.125	1.125	BUOY	1.8	BUOY	1.8
3	PRODUCTION	8.75	5.5	NEW	API	N	0	19634	0	9341			19634	P-110	20	OTHER - DW/C-IS HT Plus	1.125	1.125	BUOY	1.8	BUOY	1.8

Casing Attachments

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Boros_Federal_112H_BLM_Casing_Design_Assumptions_3_string_20190617161315.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Boros_Federal_112H_BLM_Casing_Design_Assumptions_3_string_20190617161330.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Boros_Federal_112H_BLM_Casing_Design_Assumptions_3_string_20190617161346.pdf

Section 4 - Cement

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1061	680	1.72	12.5	1178		C	5% NaCl + LCM
SURFACE	Tail		1061	1361	250	1.38	14.8	347		C	5% NaCl + LCM
INTERMEDIATE	Lead		0	3313	780	2.13	12.6	1657		C	Bentonite + 1% CaCl2 + 8% NaCl + LCM
INTERMEDIATE	Tail		3313	4141	310	1.38	14.8	423		C	5% NaCl + LCM
PRODUCTION	Lead		3941	8295	610	2.22	11.5	1364		H	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Tail		8295	19634	2660	1.35	13.2	3591		H	Fluid Loss + Dispersant + Retarder + LCM

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 mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions.

Describe the mud monitoring system utilized: An electronic Pason mud monitoring system complying with Onshore Order 2 will be used.

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
4141	9341	OTHER : FW/Cut Brine	8.6	9.4							
1361	4141	SALT SATURATED	9.5	10.2							
0	1361	SPUD MUD	8.4	8.8							

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: BOROS FEDERAL

Well Number: 112H

Section 6 - Test, Logging, Coring

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

A 2-person mud logging program will be used from Intermediate 2 Casing shoe to TD.

No electric logs are planned at this time. GR will be collected through the MWD tools from Intermediate casing to TD.

CBL with CCL will be run as far as gravity will let it fall to top of curve.

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

CBL,GR

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4566

Anticipated Surface Pressure: 2510.98

Anticipated Bottom Hole Temperature(F): 164

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

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? NO

Hydrogen sulfide drilling operations plan:

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Boros_Federal__112H_Directional_AC_Report_v1_20190617161845.pdf

Boros_Federal__112H_Directional_Well_Plan_v1_20190617161847.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Boros_Federal_112H_Closed_Loop_System_20190617162139.pdf

Boros_Federal_112H_3_String_Wellhead_Diagram_20190617162137.pdf

H2S_Plan_20190617162145.pdf

Gas_Capture_Plan__Boros_Federal__022H__102H__106H__112H__122H__132H_20190619145020.pdf

Boros_Federal__112H_Drill_Plan_20200102141401.pdf

Other Variance attachment:

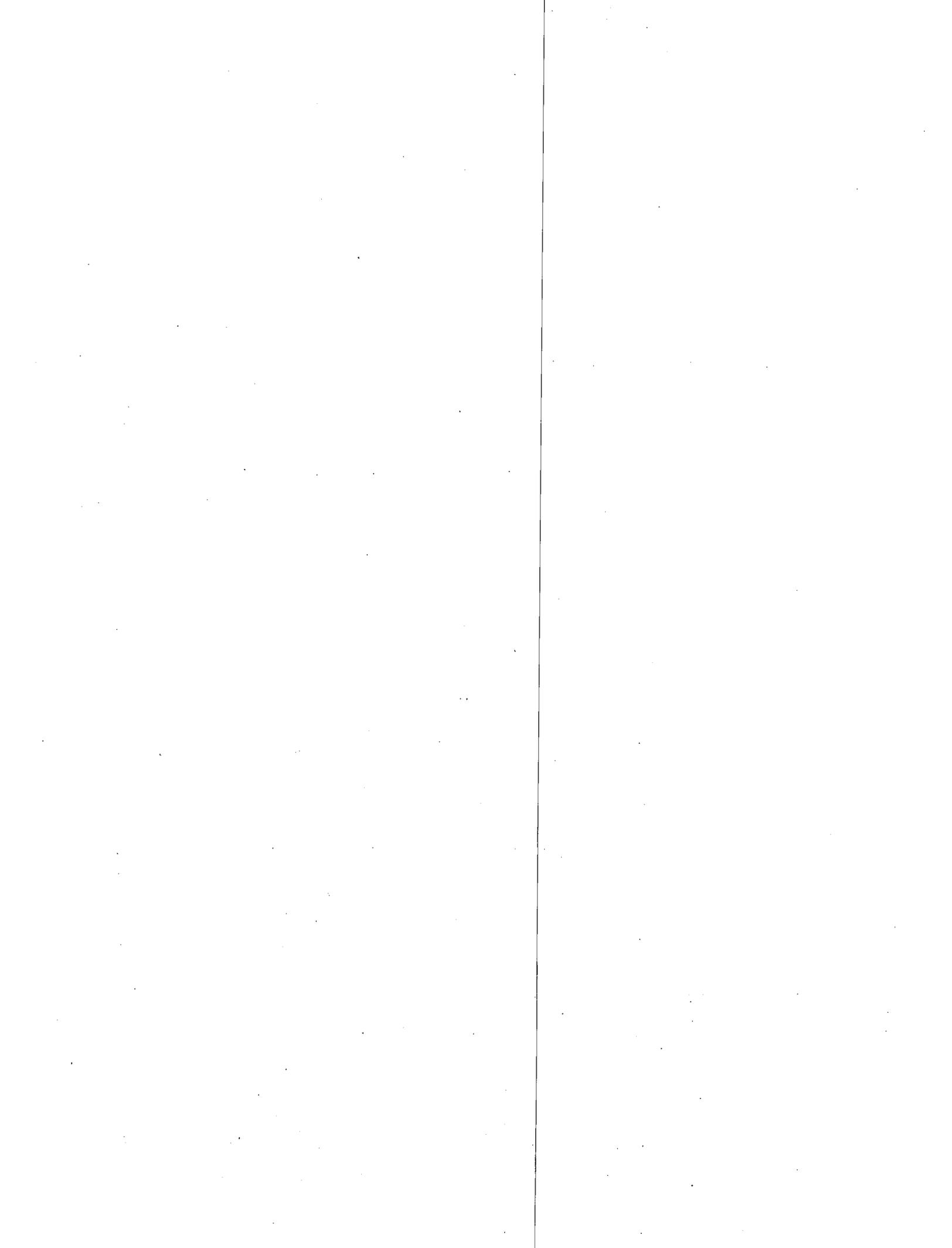
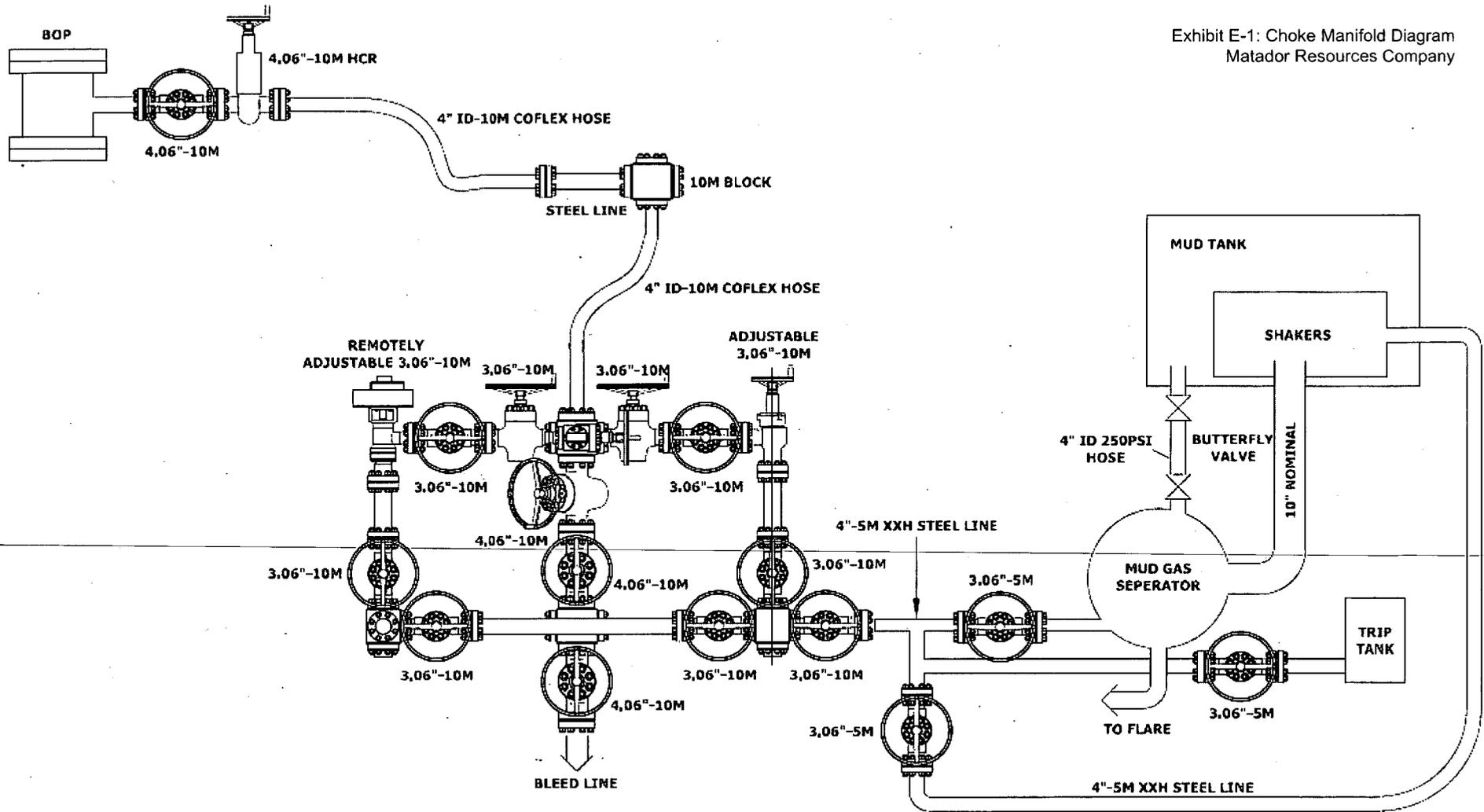


Exhibit E-1: Choke Manifold Diagram
Matador Resources Company



WELDING NOTE & TOLERANCES UNLESS OTHERWISE SPECIFIED,

<p>GENERAL WELDING NOTE: ALL ACCESSIBLE CONTACT SURFACES SHALL BE TO THE FOLLOWING CONDITIONS: 45 DEGREE BEVEL WELDS, WELD SIZE TO BE THE THICKER MEMBER UNLESS OTHERWISE SPECIFIED AND TO THE THINNER MEMBER WHEN THE THICKER MEMBER IS WELDED TO THE THINNER MEMBER. JOINTS TO BE WELDED TO THE THICKER MEMBER UNLESS OTHERWISE SPECIFIED.</p>	<p>MACHINING TOLERANCES 1. BLADE (TYPICAL) ±.01 2. SHAFT (TYPICAL) ±.005 3. SHAFT (TYPICAL) ±.005 4. CHAMFER (TYPICAL) ±.005 5. CHAMFER (TYPICAL) ±.005 6. CHAMFER (TYPICAL) ±.005 7. CHAMFER (TYPICAL) ±.005 8. CHAMFER (TYPICAL) ±.005 9. CHAMFER (TYPICAL) ±.005 10. CHAMFER (TYPICAL) ±.005 11. CHAMFER (TYPICAL) ±.005 12. CHAMFER (TYPICAL) ±.005 13. CHAMFER (TYPICAL) ±.005 14. CHAMFER (TYPICAL) ±.005 15. CHAMFER (TYPICAL) ±.005 16. CHAMFER (TYPICAL) ±.005 17. CHAMFER (TYPICAL) ±.005 18. CHAMFER (TYPICAL) ±.005 19. CHAMFER (TYPICAL) ±.005 20. CHAMFER (TYPICAL) ±.005 21. CHAMFER (TYPICAL) ±.005 22. CHAMFER (TYPICAL) ±.005 23. CHAMFER (TYPICAL) ±.005 24. CHAMFER (TYPICAL) ±.005 25. CHAMFER (TYPICAL) ±.005 26. CHAMFER (TYPICAL) ±.005 27. CHAMFER (TYPICAL) ±.005 28. CHAMFER (TYPICAL) ±.005 29. CHAMFER (TYPICAL) ±.005 30. CHAMFER (TYPICAL) ±.005 31. CHAMFER (TYPICAL) ±.005 32. CHAMFER (TYPICAL) ±.005 33. CHAMFER (TYPICAL) ±.005 34. CHAMFER (TYPICAL) ±.005 35. CHAMFER (TYPICAL) ±.005 36. CHAMFER (TYPICAL) ±.005 37. CHAMFER (TYPICAL) ±.005 38. CHAMFER (TYPICAL) ±.005 39. CHAMFER (TYPICAL) ±.005 40. CHAMFER (TYPICAL) ±.005 41. CHAMFER (TYPICAL) ±.005 42. CHAMFER (TYPICAL) ±.005 43. CHAMFER (TYPICAL) ±.005 44. CHAMFER (TYPICAL) ±.005 45. CHAMFER (TYPICAL) ±.005 46. CHAMFER (TYPICAL) ±.005 47. CHAMFER (TYPICAL) ±.005 48. CHAMFER (TYPICAL) ±.005 49. CHAMFER (TYPICAL) ±.005 50. CHAMFER (TYPICAL) ±.005 51. CHAMFER (TYPICAL) ±.005 52. CHAMFER (TYPICAL) ±.005 53. CHAMFER (TYPICAL) ±.005 54. CHAMFER (TYPICAL) ±.005 55. CHAMFER (TYPICAL) ±.005 56. CHAMFER (TYPICAL) ±.005 57. CHAMFER (TYPICAL) ±.005 58. CHAMFER (TYPICAL) ±.005 59. CHAMFER (TYPICAL) ±.005 60. CHAMFER (TYPICAL) ±.005 61. CHAMFER (TYPICAL) ±.005 62. CHAMFER (TYPICAL) ±.005 63. CHAMFER (TYPICAL) ±.005 64. CHAMFER (TYPICAL) ±.005 65. CHAMFER (TYPICAL) ±.005 66. CHAMFER (TYPICAL) ±.005 67. CHAMFER (TYPICAL) ±.005 68. CHAMFER (TYPICAL) ±.005 69. CHAMFER (TYPICAL) ±.005 70. CHAMFER (TYPICAL) ±.005 71. CHAMFER (TYPICAL) ±.005 72. CHAMFER (TYPICAL) ±.005 73. CHAMFER (TYPICAL) ±.005 74. CHAMFER (TYPICAL) ±.005 75. CHAMFER (TYPICAL) ±.005 76. CHAMFER (TYPICAL) ±.005 77. CHAMFER (TYPICAL) ±.005 78. CHAMFER (TYPICAL) ±.005 79. CHAMFER (TYPICAL) ±.005 80. CHAMFER (TYPICAL) ±.005 81. CHAMFER (TYPICAL) ±.005 82. CHAMFER (TYPICAL) ±.005 83. CHAMFER (TYPICAL) ±.005 84. CHAMFER (TYPICAL) ±.005 85. CHAMFER (TYPICAL) ±.005 86. CHAMFER (TYPICAL) ±.005 87. CHAMFER (TYPICAL) ±.005 88. CHAMFER (TYPICAL) ±.005 89. CHAMFER (TYPICAL) ±.005 90. CHAMFER (TYPICAL) ±.005 91. CHAMFER (TYPICAL) ±.005 92. CHAMFER (TYPICAL) ±.005 93. CHAMFER (TYPICAL) ±.005 94. CHAMFER (TYPICAL) ±.005 95. CHAMFER (TYPICAL) ±.005 96. CHAMFER (TYPICAL) ±.005 97. CHAMFER (TYPICAL) ±.005 98. CHAMFER (TYPICAL) ±.005 99. CHAMFER (TYPICAL) ±.005 100. CHAMFER (TYPICAL) ±.005</p>
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REV	DATE	DESCRIPTION	DRN	CHK	APP	ENJ
02	07-19	ISSUED FOR INFORMATION				
01	06-15	ISSUED FOR INFORMATION				

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DRILLING COMPANY LLC

CHOKE MANIFOLD

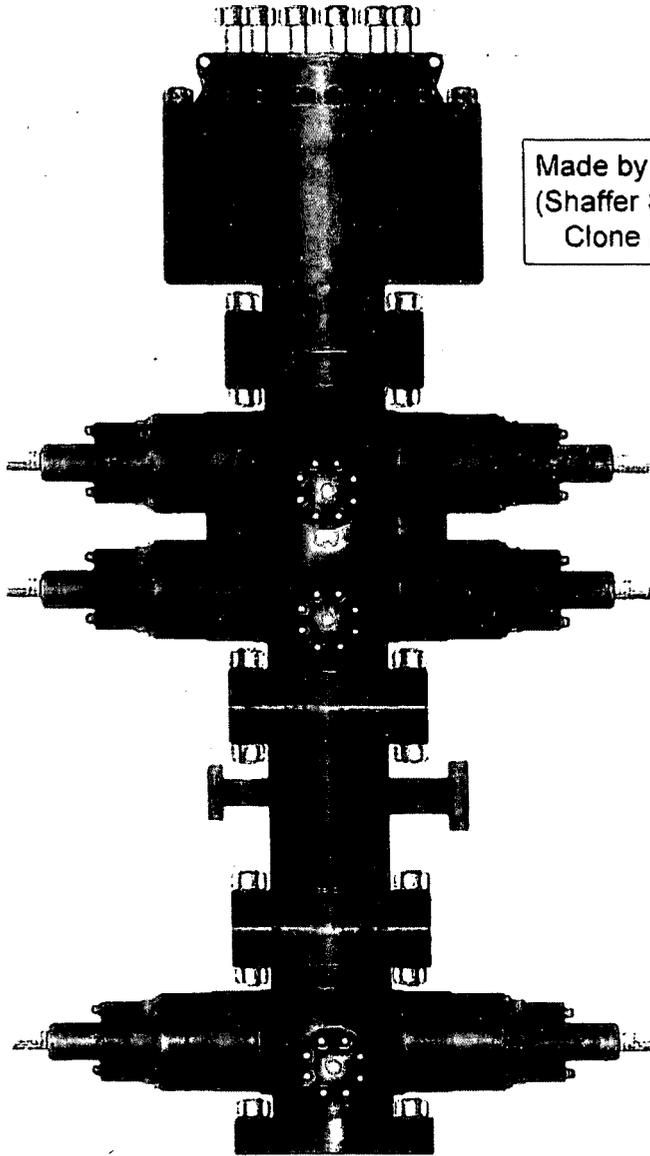
10M CHOKE ARRANGEMENT
RIC 257

DWG NO. R0297-D.001.LAY.09

REV. 02



PATTERSON-UTI
Well Control



Made by Cameron
(Shaffer Spherical)
Clone Annular

PATTERSON-UTI # PS2-628
STYLE: New Shaffer Spherical
BORE 13 5/8" PRESSURE 5,000
HEIGHT: 48 1/2" WEIGHT: 13,800 lbs

PATTERSON-UTI # PC2-128
STYLE: New Cameron Type U
BORE 13 5/8" PRESSURE 10,000
RAMS: TOP 5" Pipe BTM Blinds
HEIGHT: 66 5/8" WEIGHT: 24,000 lbs

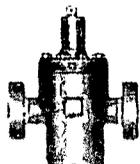
Length 40" Outlets 4" 10M
DSA 4" 10M x 2" 10M

PATTERSON-UTI # PC2-228
STYLE: New Cameron Type U
BORE 13 5/8" PRESSURE 10,000
RAMS: 5" Pipe
HEIGHT: 41 5/8" WEIGHT: 13,000 lbs

WING VALVES



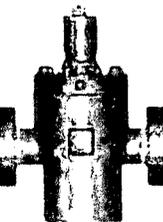
2" Check Valve



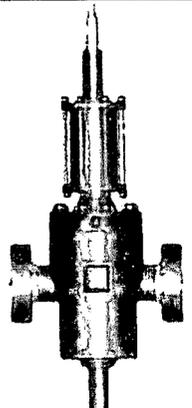
2" Manual Valve



2" Manual Valve



4" Manual Valve



4" Hydraulic Valve



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

December 8, 2014

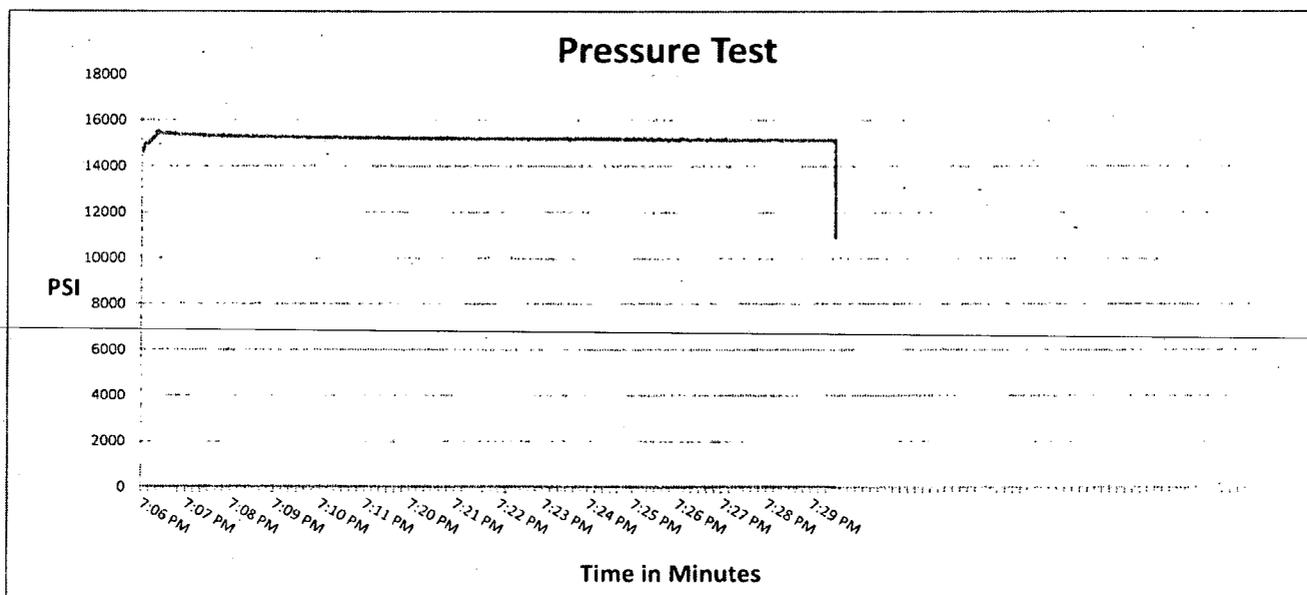
Customer: Patterson

Pick Ticket #: 284918

Hose Specifications

<u>Hose Type</u>	<u>Length</u>	<u>Type of Fitting</u>	<u>Coupling Method</u>
Ck	10'	4-1/16 10K	Swage
<u>I.D.</u>	<u>O.D.</u>	<u>Die Size</u>	<u>Final O.D.</u>
3"	4.79"	5.37"	5.37"
<u>Working Pressure</u>	<u>Burst Pressure</u>	<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
10000 PSI	Standard Safety Multiplier Applies	10490	284918-2

Verification



Test Pressure

15000 PSI

Time Held at Test Pressure

15 2/4 Minutes

Actual Burst Pressure

Peak Pressure

15732 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Tyler Hill

Approved By: Ryan Adams



Midwest Hose
& Specialty, Inc.

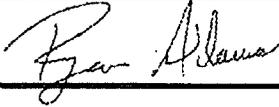
Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K
Date Assembled	12/8/2014	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	236404	Hose Lot # and Date Code	10490-01/13
Customer Purchase Order #	260471	Hose I.D. (Inches)	3"
Assembly Serial # (Pick Ticket #)	287918-2	Hose O.D. (Inches)	5.30"
Hose Assembly Length	10'	Armor (yes/no)	YES
Fittings			
End A		End B	
Stem (Part and Revision #)	R3.0X64WB	Stem (Part and Revision #)	R3.0X64WB
Stem (Heat #)	91996	Stem (Heat #)	91996
Ferrule (Part and Revision #)	RF3.0	Ferrule (Part and Revision #)	RF3.0
Ferrule (Heat #)	37DA5631	Ferrule (Heat #)	37DA5631
Connection (Part #)	4 1/16 10K	Connection (Part #)	4 1/16 10K
Connection (Heat #)		Connection (Heat #)	
Dies Used	5.37	Dies Used	5.37
Hydrostatic Test Requirements			
Test Pressure (psi)	15,000	Hose assembly was tested with ambient water temperature.	
Test Pressure Hold Time (minutes)	15 1/2		
Date Tested	12/8/2014	Tested By	Approved By



Midwest Hose
& Specialty, Inc.

Certificate of Conformity

Customer: PATTERSON B&E		Customer P.O.# 260471	
Sales Order # 236404		Date Assembled: 12/8/2014	
Specifications			
Hose Assembly Type: Choke & Kill			
Assembly Serial # 287918-2		Hose Lot # and Date Code 10490-01/13	
Hose Working Pressure (psi) 10000		Test Pressure (psi) 15000	
<p><i>We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.</i></p>			
<p>Supplier: Midwest Hose & Specialty, Inc. 3312 S I-35 Service Rd Oklahoma City, OK 73129</p>			
<p>Comments:</p>			
Approved By		Date	
		12/9/2014	

December 9, 2014



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Patterson

Pick Ticket #: 284918

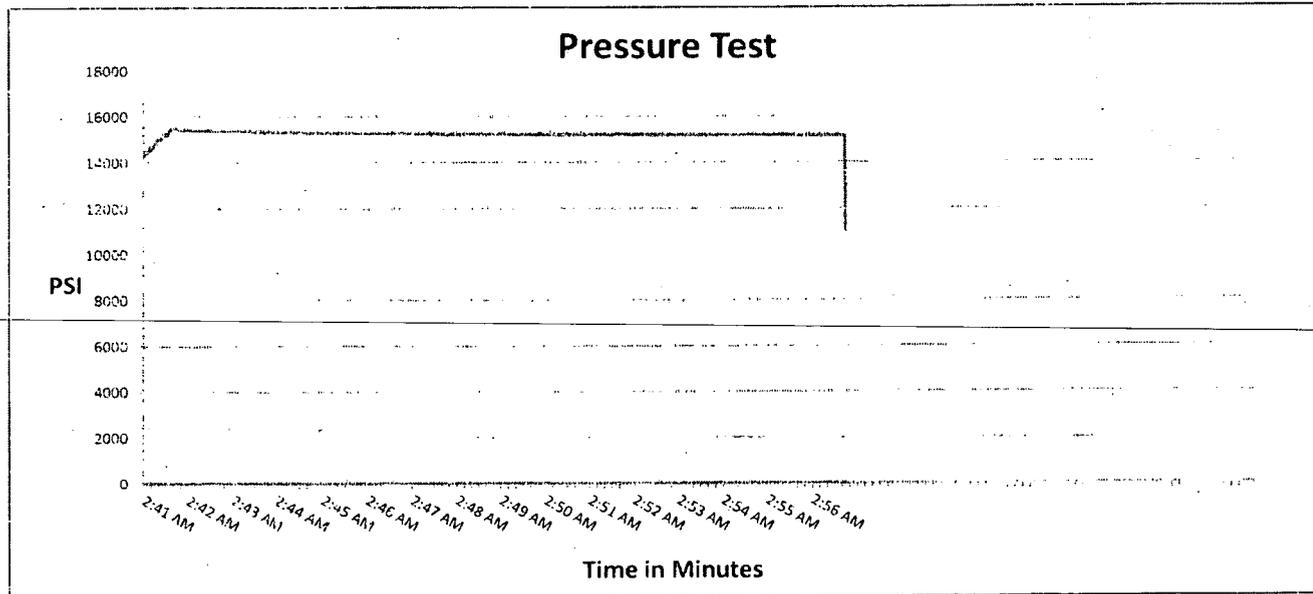
Hose Specifications

<u>Hose Type</u>	<u>Length</u>
Ck	20'
<u>I.D.</u>	<u>O.D.</u>
3"	4.77"
<u>Working Pressure</u>	<u>Burst Pressure</u>
10000 PSI	Standards Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
4-1/16 10K	Swage
<u>Die Size</u>	<u>Final O.D.</u>
5.37"	5.40"
<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
10490	284918-1

R297



Test Pressure
15000 PSI

Time Held at Test Pressure
15 2/4 Minutes

Actual Burst Pressure

Peak Pressure
15893 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Tyler Hill

Tyler Hill

Approved By: Ryan Adams

Ryan Adams



Midwest Hose
& Specialty, Inc.

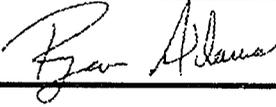
Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K
Date Assembled	12/8/2014	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	236404	Hose Lot # and Date Code	10490-01/13
Customer Purchase Order #	260471	Hose I.D. (Inches)	3"
Assembly Serial # (Pick Ticket #)	287918-1	Hose O.D. (Inches)	5.30"
Hose Assembly Length	20'	Armor (yes/no)	YES
Fittings			
End A		End B	
Stem (Part and Revision #)	R3.0X64WB	Stem (Part and Revision #)	R3.0X64WB
Stem (Heat #)	A141420	Stem (Heat #)	A141420
Ferrule (Part and Revision #)	RF3.0	Ferrule (Part and Revision #)	RF3.0
Ferrule (Heat #)	37DA5631	Ferrule (Heat #)	37DA5631
Connection (Part #)	4 1/16 10K	Connection (Part #)	4 1/16 10K
Connection (Heat #)	V3579	Connection (Heat #)	V3579
Dies Used	5.37	Dies Used	5.37
Hydrostatic Test Requirements			
Test Pressure (psi)	15,000	Hose assembly was tested with ambient water temperature.	
Test Pressure Hold Time (minutes)	15 1/2		
Date Tested	12/9/2014	Tested By	Approved By



Midwest Hose
& Specialty, Inc.

Certificate of Conformity

Customer: PATTERSON B&E		Customer P.O.# 260471	
Sales Order # 236404		Date Assembled: 12/8/2014	
Specifications			
Hose Assembly Type: Choke & Kill			
Assembly Serial # 287918-1		Hose Lot # and Date Code 10490-01/13	
Hose Working Pressure (psi) 10000		Test Pressure (psi) 15000	
<p><i>We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.</i></p>			
<p>Supplier: Midwest Hose & Specialty, Inc. 3312 S I-35 Service Rd Oklahoma City, OK 73129</p>			
<p>Comments:</p>			
Approved By		Date	
		12/9/2014	



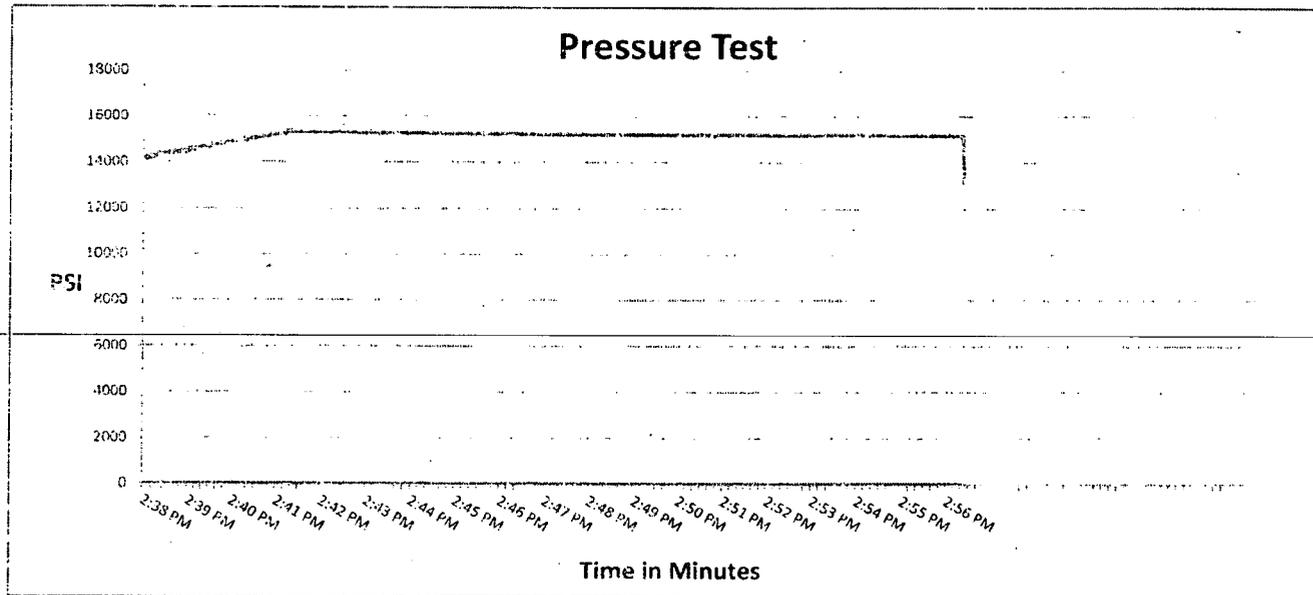
Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Patterson

Pick Ticket #: 284918

<u>Hose Specifications</u>		<u>Verification</u>	
<u>Hose Type</u>	<u>Length</u>	<u>Type of Fitting</u>	<u>Coupling Method</u>
Mud	70'	4 1/16 10K	Swage
<u>I.D.</u>	<u>O.D.</u>	<u>Die Size</u>	<u>Final O.D.</u>
3"	4.79"	5.37"	5.37"
<u>Working Pressure</u>	<u>Burst Pressure</u>	<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
10000 PSI	Standard Safety Multiplier Applies	10490	284918-3



Test Pressure
15000 PSI

Time Held at Test Pressure
16 3/4 Minutes

Actual Burst Pressure

Peak Pressure
15410 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Tyler Hill

Approved By: Ryan Adams



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K
Date Assembled	12/8/2014	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	236404	Hose Lot # and Date Code	10490-01/13
Customer Purchase Order #	260471	Hose I.D. (Inches)	3"
Assembly Serial # (Pick Ticket #)	287918-3	Hose O.D. (Inches)	5.23"
Hose Assembly Length	70'	Armor (yes/no)	YES
Fittings			
End A		End B	
Stem (Part and Revision #)	R3.0X64WB	Stem (Part and Revision #)	R3.0X64WB
Stem (Heat #)	A141420	Stem (Heat #)	A141420
Ferrule (Part and Revision #)	RF3.0	Ferrule (Part and Revision #)	RF3.0
Ferrule (Heat #)	37DA5631	Ferrule (Heat #)	37DA5631
Connection (Part #)	4 1/16 10K	Connection (Part #)	4 1/16 10K
Connection (Heat #)		Connection (Heat #)	
Dies Used	5.37	Dies Used	5.37
Hydrostatic Test Requirements			
Test Pressure (psi)	15,000	Hose assembly was tested with ambient water temperature.	
Test Pressure Hold Time (minutes)	16 3/4		
Date Tested	12/9/2014	Tested By	Approved By



Midwest Hose
& Specialty, Inc.

Certificate of Conformity

<i>Customer:</i> PATTERSON B&E	<i>Customer P.O.#</i> 260471
<i>Sales Order #</i> 236404	<i>Date Assembled:</i> 12/8/2014

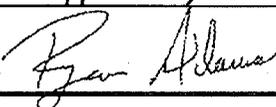
Specifications

<i>Hose Assembly Type:</i> Choke & Kill	
<i>Assembly Serial #</i> 287918-3	<i>Hose Lot # and Date Code</i> 10490-01/13
<i>Hose Working Pressure (psi)</i> 10000	<i>Test Pressure (psi)</i> 15000

We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.

Supplier:
Midwest Hose & Specialty, Inc.
3312 S I-35 Service Rd
Oklahoma City, OK 73129

Comments:

<i>Approved By</i>	<i>Date</i>
	12/9/2014

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #2 Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Production Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #2 Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Production Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Intermediate #2 Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Production Casing

Collapse: $DF_c=1.125$

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft): The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: $DF_b=1.125$

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: $DF_t=1.8$

- Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

Matador Production Company

Rustler Breaks

Boros

Boros Federal #112H

Wellbore #1

Plan: BLM Plan #1

Standard Planning Report

22 May, 2019

Planning Report

Database: EDM 5000.14 Server
Company: Matador Production Company
Project: Rustler Breaks
Site: Boros
Well: Boros Federal #112H
Wellbore: Wellbore #1
Design: BLM Plan #1
Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project	Rustler Breaks		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		Using geodetic scale factor

Site	Boros		
Site Position:		Northing:	381,953.36 usft
From:	Lat/Long	Easting:	676,179.89 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16"
		Latitude:	32° 2' 55.786 N
		Longitude:	103° 45' 52.934 W
		Grid Convergence:	0.30 °

Well	Boros Federal #112H		
Well Position	+N/-S	-7.1 usft	Northing: 381,946.29 usft
	+E/-W	-1,006.9 usft	Easting: 675,173.05 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Latitude: 32° 2' 55.768 N
			Longitude: 103° 46' 4.633 W
			Ground Level: 3,227.0 usft

Wellbore	Wellbore #1		
Magnetics	Model Name	Sample Date	Declination (°)
	IGRF200510	12/31/2009	7.83
			Dip Angle (°) 60.04
			Field Strength (nT) 48,666.39403652

Design	BLM Plan #1		
Audit Notes:			
Version:	1	Phase:	PLAN
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	Tie On Depth: 0.0
	0.0	0.0	+E/-W (usft) 0.0
			Direction (°) 179.58

Plan Survey Tool Program	Date	5/21/2019		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	19,634.3 BLM Plan #1 (Wellbore #1)	MWD	
			OWSG MWD - Standard	

Plan Sections										
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	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,300.0	8.00	333.29	2,297.4	49.8	-25.1	1.00	1.00	0.00	333.29	
4,670.7	8.00	333.29	4,645.0	344.5	-173.4	0.00	0.00	0.00	0.00	
5,204.0	0.00	0.00	5,176.6	377.7	-190.1	1.50	-1.50	0.00	180.00	
8,795.4	0.00	0.00	8,768.0	377.7	-190.1	0.00	0.00	0.00	0.00	VP - Boros Federal
9,695.4	90.00	181.38	9,341.0	-195.0	-203.9	10.00	10.00	0.00	181.38	
13,418.8	90.00	179.58	9,341.0	-3,918.2	-235.0	0.05	0.00	-0.05	-90.01	
19,634.7	90.00	179.58	9,341.0	-10,133.9	-189.4	0.00	0.00	0.00	0.00	BHL - Boros Feder

Planning Report

Database: EDM 5000.14 Server
Company: Matador Production Company
Project: Rustler Breaks
Site: Boros
Well: Boros Federal #112H
Wellbore: Wellbore #1
Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,336.4	0.00	0.00	1,336.4	0.0	0.0	0.0	0.00	0.00	0.00	
Rustler										
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,495.0	0.00	0.00	1,495.0	0.0	0.0	0.0	0.00	0.00	0.00	
Salado (Top Salt)										
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
Start Build 1.00										
1,600.0	1.00	333.29	1,600.0	0.8	-0.4	-0.8	1.00	1.00	0.00	
1,700.0	2.00	333.29	1,700.0	3.1	-1.6	-3.1	1.00	1.00	0.00	
1,800.0	3.00	333.29	1,799.9	7.0	-3.5	-7.0	1.00	1.00	0.00	
1,900.0	4.00	333.29	1,899.7	12.5	-6.3	-12.5	1.00	1.00	0.00	
2,000.0	5.00	333.29	1,999.4	19.5	-9.8	-19.5	1.00	1.00	0.00	
2,100.0	6.00	333.29	2,098.9	28.0	-14.1	-28.1	1.00	1.00	0.00	
2,200.0	7.00	333.29	2,198.3	38.1	-19.2	-38.3	1.00	1.00	0.00	
2,300.0	8.00	333.29	2,297.4	49.8	-25.1	-50.0	1.00	1.00	0.00	
Start 2370.7 hold at 2300.0 MD										
2,400.0	8.00	333.29	2,396.4	62.2	-31.3	-62.5	0.00	0.00	0.00	
2,500.0	8.00	333.29	2,495.5	74.7	-37.6	-74.9	0.00	0.00	0.00	
2,600.0	8.00	333.29	2,594.5	87.1	-43.8	-87.4	0.00	0.00	0.00	
2,700.0	8.00	333.29	2,693.5	99.5	-50.1	-99.9	0.00	0.00	0.00	
2,800.0	8.00	333.29	2,792.5	112.0	-56.3	-112.4	0.00	0.00	0.00	
2,900.0	8.00	333.29	2,891.6	124.4	-62.6	-124.9	0.00	0.00	0.00	
3,000.0	8.00	333.29	2,990.6	136.8	-68.9	-137.3	0.00	0.00	0.00	
3,100.0	8.00	333.29	3,089.6	149.3	-75.1	-149.8	0.00	0.00	0.00	
3,200.0	8.00	333.29	3,188.6	161.7	-81.4	-162.3	0.00	0.00	0.00	
3,300.0	8.00	333.29	3,287.7	174.1	-87.6	-174.8	0.00	0.00	0.00	
3,400.0	8.00	333.29	3,386.7	186.6	-93.9	-187.2	0.00	0.00	0.00	
3,500.0	8.00	333.29	3,485.7	199.0	-100.1	-199.7	0.00	0.00	0.00	
3,600.0	8.00	333.29	3,584.8	211.4	-106.4	-212.2	0.00	0.00	0.00	
3,700.0	8.00	333.29	3,683.8	223.9	-112.6	-224.7	0.00	0.00	0.00	
3,800.0	8.00	333.29	3,782.8	236.3	-118.9	-237.2	0.00	0.00	0.00	
3,900.0	8.00	333.29	3,881.8	248.7	-125.2	-249.6	0.00	0.00	0.00	
4,000.0	8.00	333.29	3,980.9	261.2	-131.4	-262.1	0.00	0.00	0.00	
4,092.5	8.00	333.29	4,072.5	272.7	-137.2	-273.7	0.00	0.00	0.00	
Base Salt										
4,100.0	8.00	333.29	4,079.9	273.6	-137.7	-274.6	0.00	0.00	0.00	
4,136.0	8.00	333.29	4,115.5	278.1	-139.9	-279.1	0.00	0.00	0.00	
Bell Canyon										
4,200.0	8.00	333.29	4,178.9	286.0	-143.9	-287.1	0.00	0.00	0.00	

Planning Report

Database: EDM 5000.14 Server
 Company: Matador Production Company
 Project: Rustler Breaks
 Site: Boros
 Well: Boros Federal #112H
 Wellbore: Wellbore #1
 Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
 TVD Reference: KB @ 3255.5usft
 MD Reference: KB @ 3255.5usft
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
4,300.0	8.00	333.29	4,277.9	298.5	-150.2	-299.5	0.00	0.00	0.00	
4,400.0	8.00	333.29	4,377.0	310.9	-156.4	-312.0	0.00	0.00	0.00	
4,500.0	8.00	333.29	4,476.0	323.3	-162.7	-324.5	0.00	0.00	0.00	
4,600.0	8.00	333.29	4,575.0	335.7	-168.9	-337.0	0.00	0.00	0.00	
4,670.7	8.00	333.29	4,645.0	344.5	-173.4	-345.8	0.00	0.00	0.00	
Start Drop -1.50										
4,700.0	7.56	333.29	4,674.1	348.1	-175.1	-349.4	1.50	-1.50	0.00	
4,800.0	6.06	333.29	4,773.4	358.7	-180.5	-360.0	1.50	-1.50	0.00	
4,900.0	4.56	333.29	4,872.9	366.9	-184.6	-368.3	1.50	-1.50	0.00	
5,000.0	3.06	333.29	4,972.7	372.9	-187.6	-374.2	1.50	-1.50	0.00	
5,100.0	1.56	333.29	5,072.6	376.5	-189.4	-377.9	1.50	-1.50	0.00	
5,200.0	0.06	333.29	5,172.6	377.7	-190.1	-379.1	1.50	-1.50	0.00	
5,204.0	0.00	0.00	5,176.6	377.7	-190.1	-379.1	1.50	-1.50	0.00	
Start 3591.4 hold at 5204.0 MD										
5,221.2	0.00	0.00	5,193.8	377.7	-190.1	-379.1	0.00	0.00	0.00	
Cherry Canyon										
5,300.0	0.00	0.00	5,272.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,400.0	0.00	0.00	5,372.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,472.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,572.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,700.0	0.00	0.00	5,672.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,800.0	0.00	0.00	5,772.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
5,900.0	0.00	0.00	5,872.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,000.0	0.00	0.00	5,972.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,100.0	0.00	0.00	6,072.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,200.0	0.00	0.00	6,172.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,300.0	0.00	0.00	6,272.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,400.0	0.00	0.00	6,372.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,406.4	0.00	0.00	6,379.0	377.7	-190.1	-379.1	0.00	0.00	0.00	
Brushy Canyon										
6,500.0	0.00	0.00	6,472.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,600.0	0.00	0.00	6,572.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,700.0	0.00	0.00	6,672.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,800.0	0.00	0.00	6,772.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
6,900.0	0.00	0.00	6,872.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,000.0	0.00	0.00	6,972.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,100.0	0.00	0.00	7,072.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,200.0	0.00	0.00	7,172.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,300.0	0.00	0.00	7,272.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,400.0	0.00	0.00	7,372.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,500.0	0.00	0.00	7,472.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,519.9	0.00	0.00	7,492.5	377.7	-190.1	-379.1	0.00	0.00	0.00	
L. Brushy Canyon										
7,600.0	0.00	0.00	7,572.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,700.0	0.00	0.00	7,672.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,800.0	0.00	0.00	7,772.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
7,900.0	0.00	0.00	7,872.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
8,000.0	0.00	0.00	7,972.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
8,092.2	0.00	0.00	8,064.8	377.7	-190.1	-379.1	0.00	0.00	0.00	
BSGL										
8,100.0	0.00	0.00	8,072.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
8,200.0	0.00	0.00	8,172.6	377.7	-190.1	-379.1	0.00	0.00	0.00	
8,219.0	0.00	0.00	8,191.6	377.7	-190.1	-379.1	0.00	0.00	0.00	

Planning Report

Database: EDM 5000.14 Server
Company: Matador Production Company
Project: Rustler Breaks
Site: Boros
Well: Boros Federal #112H
Wellbore: Wellbore #1
Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
Avalon-SS									
8,300.0	0.00	0.00	8,272.6	377.7	-190.1	-379.1	0.00	0.00	0.00
8,400.0	0.00	0.00	8,372.6	377.7	-190.1	-379.1	0.00	0.00	0.00
8,500.0	0.00	0.00	8,472.6	377.7	-190.1	-379.1	0.00	0.00	0.00
8,600.0	0.00	0.00	8,572.6	377.7	-190.1	-379.1	0.00	0.00	0.00
8,700.0	0.00	0.00	8,672.6	377.7	-190.1	-379.1	0.00	0.00	0.00
8,795.4	0.00	0.00	8,768.0	377.7	-190.1	-379.1	0.00	0.00	0.00
Start Build 10.00 - VP - Boros Federal #112H									
8,800.0	0.46	181.38	8,772.6	377.7	-190.1	-379.1	10.00	10.00	0.00
8,900.0	10.46	181.38	8,872.0	368.2	-190.3	-369.6	10.00	10.00	0.00
9,000.0	20.46	181.38	8,968.3	341.6	-190.9	-343.0	10.00	10.00	0.00
9,100.0	30.46	181.38	9,058.5	298.7	-192.0	-300.1	10.00	10.00	0.00
9,200.0	40.46	181.38	9,139.8	240.8	-193.4	-242.2	10.00	10.00	0.00
9,286.6	49.12	181.38	9,201.2	179.8	-194.8	-181.2	10.00	10.00	0.00
FBSG									
9,300.0	50.46	181.38	9,209.9	169.6	-195.1	-171.0	10.00	10.00	0.00
9,400.0	60.46	181.38	9,266.5	87.4	-197.1	-88.8	10.00	10.00	0.00
9,500.0	70.46	181.38	9,308.0	-3.5	-199.3	2.0	10.00	10.00	0.00
9,600.0	80.46	181.38	9,333.0	-100.1	-201.6	98.6	10.00	10.00	0.00
9,695.4	90.00	181.38	9,341.0	-195.0	-203.9	193.5	10.00	10.00	0.00
Start DLS 0.05 TFO -90.01									
9,700.0	90.00	181.38	9,341.0	-199.6	-204.0	198.1	0.05	0.00	-0.05
9,800.0	90.00	181.33	9,341.0	-299.6	-206.3	298.1	0.05	0.00	-0.05
9,900.0	90.00	181.28	9,341.0	-399.6	-208.6	398.1	0.05	0.00	-0.05
10,000.0	90.00	181.23	9,341.0	-499.6	-210.8	498.0	0.05	0.00	-0.05
10,100.0	90.00	181.18	9,341.0	-599.5	-212.9	598.0	0.05	0.00	-0.05
10,200.0	90.00	181.14	9,341.0	-699.5	-215.0	697.9	0.05	0.00	-0.05
10,300.0	90.00	181.09	9,341.0	-799.5	-216.9	797.9	0.05	0.00	-0.05
10,400.0	90.00	181.04	9,341.0	-899.5	-218.7	897.9	0.05	0.00	-0.05
10,500.0	90.00	180.99	9,341.0	-999.5	-220.5	997.8	0.05	0.00	-0.05
10,600.0	90.00	180.94	9,341.0	-1,099.5	-222.2	1,097.8	0.05	0.00	-0.05
10,700.0	90.00	180.89	9,341.0	-1,199.4	-223.8	1,197.8	0.05	0.00	-0.05
10,800.0	90.00	180.85	9,341.0	-1,299.4	-225.3	1,297.7	0.05	0.00	-0.05
10,900.0	90.00	180.80	9,341.0	-1,399.4	-226.8	1,397.7	0.05	0.00	-0.05
11,000.0	90.00	180.75	9,341.0	-1,499.4	-228.1	1,497.7	0.05	0.00	-0.05
11,100.0	90.00	180.70	9,341.0	-1,599.4	-229.4	1,597.7	0.05	0.00	-0.05
11,200.0	90.00	180.65	9,341.0	-1,699.4	-230.6	1,697.7	0.05	0.00	-0.05
11,300.0	90.00	180.60	9,341.0	-1,799.4	-231.7	1,797.6	0.05	0.00	-0.05
11,400.0	90.00	180.56	9,341.0	-1,899.4	-232.7	1,897.6	0.05	0.00	-0.05
11,500.0	90.00	180.51	9,341.0	-1,999.4	-233.6	1,997.6	0.05	0.00	-0.05
11,600.0	90.00	180.46	9,341.0	-2,099.4	-234.4	2,097.6	0.05	0.00	-0.05
11,700.0	90.00	180.41	9,341.0	-2,199.4	-235.2	2,197.6	0.05	0.00	-0.05
11,800.0	90.00	180.36	9,341.0	-2,299.4	-235.9	2,297.6	0.05	0.00	-0.05
11,900.0	90.00	180.31	9,341.0	-2,399.4	-236.5	2,397.6	0.05	0.00	-0.05
12,000.0	90.00	180.27	9,341.0	-2,499.4	-237.0	2,497.6	0.05	0.00	-0.05
12,100.0	90.00	180.22	9,341.0	-2,599.4	-237.4	2,597.6	0.05	0.00	-0.05
12,200.0	90.00	180.17	9,341.0	-2,699.4	-237.7	2,697.6	0.05	0.00	-0.05
12,300.0	90.00	180.12	9,341.0	-2,799.4	-238.0	2,797.6	0.05	0.00	-0.05
12,400.0	90.00	180.07	9,341.0	-2,899.4	-238.1	2,897.5	0.05	0.00	-0.05
12,500.0	90.00	180.02	9,341.0	-2,999.4	-238.2	2,997.5	0.05	0.00	-0.05
12,600.0	90.00	179.98	9,341.0	-3,099.4	-238.2	3,097.5	0.05	0.00	-0.05
12,700.0	90.00	179.93	9,341.0	-3,199.4	-238.1	3,197.5	0.05	0.00	-0.05
12,800.0	90.00	179.88	9,341.0	-3,299.4	-238.0	3,297.5	0.05	0.00	-0.05

Planning Report

Database: EDM 5000.14 Server
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Site: Boros
Well: Boros Federal #112H
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Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
12,900.0	90.00	179.83	9,341.0	-3,399.4	-237.7	3,397.5	0.05	0.00	-0.05
13,000.0	90.00	179.78	9,341.0	-3,499.4	-237.4	3,497.5	0.05	0.00	-0.05
13,100.0	90.00	179.73	9,341.0	-3,599.4	-237.0	3,597.5	0.05	0.00	-0.05
13,200.0	90.00	179.69	9,341.0	-3,699.4	-236.4	3,697.5	0.05	0.00	-0.05
13,300.0	90.00	179.64	9,341.0	-3,799.4	-235.9	3,797.5	0.05	0.00	-0.05
13,400.0	90.00	179.59	9,341.0	-3,899.4	-235.2	3,897.5	0.05	0.00	-0.05
13,418.8	90.00	179.58	9,341.0	-3,918.2	-235.0	3,916.4	0.05	0.00	-0.05
Start 6215.9 hold at 13418.8 MD									
13,500.0	90.00	179.58	9,341.0	-3,999.4	-234.4	3,997.5	0.00	0.00	0.00
13,600.0	90.00	179.58	9,341.0	-4,099.4	-233.7	4,097.5	0.00	0.00	0.00
13,700.0	90.00	179.58	9,341.0	-4,199.4	-233.0	4,197.5	0.00	0.00	0.00
13,800.0	90.00	179.58	9,341.0	-4,299.4	-232.2	4,297.5	0.00	0.00	0.00
13,900.0	90.00	179.58	9,341.0	-4,399.4	-231.5	4,397.5	0.00	0.00	0.00
14,000.0	90.00	179.58	9,341.0	-4,499.3	-230.8	4,497.5	0.00	0.00	0.00
14,100.0	90.00	179.58	9,341.0	-4,599.3	-230.0	4,597.5	0.00	0.00	0.00
14,200.0	90.00	179.58	9,341.0	-4,699.3	-229.3	4,697.5	0.00	0.00	0.00
14,300.0	90.00	179.58	9,341.0	-4,799.3	-228.6	4,797.5	0.00	0.00	0.00
14,400.0	90.00	179.58	9,341.0	-4,899.3	-227.8	4,897.5	0.00	0.00	0.00
14,500.0	90.00	179.58	9,341.0	-4,999.3	-227.1	4,997.5	0.00	0.00	0.00
14,600.0	90.00	179.58	9,341.0	-5,099.3	-226.4	5,097.5	0.00	0.00	0.00
14,700.0	90.00	179.58	9,341.0	-5,199.3	-225.6	5,197.5	0.00	0.00	0.00
14,800.0	90.00	179.58	9,341.0	-5,299.3	-224.9	5,297.5	0.00	0.00	0.00
14,900.0	90.00	179.58	9,341.0	-5,399.3	-224.2	5,397.5	0.00	0.00	0.00
15,000.0	90.00	179.58	9,341.0	-5,499.3	-223.4	5,497.5	0.00	0.00	0.00
15,100.0	90.00	179.58	9,341.0	-5,599.3	-222.7	5,597.5	0.00	0.00	0.00
15,200.0	90.00	179.58	9,341.0	-5,699.3	-222.0	5,697.5	0.00	0.00	0.00
15,300.0	90.00	179.58	9,341.0	-5,799.3	-221.2	5,797.5	0.00	0.00	0.00
15,400.0	90.00	179.58	9,341.0	-5,899.3	-220.5	5,897.5	0.00	0.00	0.00
15,500.0	90.00	179.58	9,341.0	-5,999.3	-219.8	5,997.5	0.00	0.00	0.00
15,600.0	90.00	179.58	9,341.0	-6,099.3	-219.0	6,097.5	0.00	0.00	0.00
15,700.0	90.00	179.58	9,341.0	-6,199.3	-218.3	6,197.5	0.00	0.00	0.00
15,800.0	90.00	179.58	9,341.0	-6,299.3	-217.5	6,297.5	0.00	0.00	0.00
15,900.0	90.00	179.58	9,341.0	-6,399.3	-216.8	6,397.5	0.00	0.00	0.00
16,000.0	90.00	179.58	9,341.0	-6,499.3	-216.1	6,497.5	0.00	0.00	0.00
16,100.0	90.00	179.58	9,341.0	-6,599.3	-215.3	6,597.5	0.00	0.00	0.00
16,200.0	90.00	179.58	9,341.0	-6,699.3	-214.6	6,697.5	0.00	0.00	0.00
16,300.0	90.00	179.58	9,341.0	-6,799.3	-213.9	6,797.5	0.00	0.00	0.00
16,400.0	90.00	179.58	9,341.0	-6,899.3	-213.1	6,897.5	0.00	0.00	0.00
16,500.0	90.00	179.58	9,341.0	-6,999.3	-212.4	6,997.5	0.00	0.00	0.00
16,600.0	90.00	179.58	9,341.0	-7,099.3	-211.7	7,097.5	0.00	0.00	0.00
16,700.0	90.00	179.58	9,341.0	-7,199.3	-210.9	7,197.5	0.00	0.00	0.00
16,800.0	90.00	179.58	9,341.0	-7,299.3	-210.2	7,297.5	0.00	0.00	0.00
16,900.0	90.00	179.58	9,341.0	-7,399.3	-209.5	7,397.5	0.00	0.00	0.00
17,000.0	90.00	179.58	9,341.0	-7,499.3	-208.7	7,497.5	0.00	0.00	0.00
17,100.0	90.00	179.58	9,341.0	-7,599.3	-208.0	7,597.5	0.00	0.00	0.00
17,200.0	90.00	179.58	9,341.0	-7,699.3	-207.3	7,697.5	0.00	0.00	0.00
17,300.0	90.00	179.58	9,341.0	-7,799.3	-206.5	7,797.5	0.00	0.00	0.00
17,400.0	90.00	179.58	9,341.0	-7,899.3	-205.8	7,897.5	0.00	0.00	0.00
17,500.0	90.00	179.58	9,341.0	-7,999.3	-205.1	7,997.5	0.00	0.00	0.00
17,600.0	90.00	179.58	9,341.0	-8,099.3	-204.3	8,097.5	0.00	0.00	0.00
17,700.0	90.00	179.58	9,341.0	-8,199.2	-203.6	8,197.5	0.00	0.00	0.00
17,800.0	90.00	179.58	9,341.0	-8,299.2	-202.9	8,297.5	0.00	0.00	0.00
17,900.0	90.00	179.58	9,341.0	-8,399.2	-202.1	8,397.5	0.00	0.00	0.00

Planning Report

Database: EDM 5000.14 Server
Company: Matador Production Company
Project: Rustler Breaks
Site: Boros
Well: Boros Federal #112H
Wellbore: Wellbore #1
Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
18,000.0	90.00	179.58	9,341.0	-8,499.2	-201.4	8,497.5	0.00	0.00	0.00
18,100.0	90.00	179.58	9,341.0	-8,599.2	-200.7	8,597.5	0.00	0.00	0.00
18,200.0	90.00	179.58	9,341.0	-8,699.2	-199.9	8,697.5	0.00	0.00	0.00
18,300.0	90.00	179.58	9,341.0	-8,799.2	-199.2	8,797.5	0.00	0.00	0.00
18,400.0	90.00	179.58	9,341.0	-8,899.2	-198.5	8,897.5	0.00	0.00	0.00
18,500.0	90.00	179.58	9,341.0	-8,999.2	-197.7	8,997.5	0.00	0.00	0.00
18,600.0	90.00	179.58	9,341.0	-9,099.2	-197.0	9,097.5	0.00	0.00	0.00
18,700.0	90.00	179.58	9,341.0	-9,199.2	-196.2	9,197.5	0.00	0.00	0.00
18,800.0	90.00	179.58	9,341.0	-9,299.2	-195.5	9,297.5	0.00	0.00	0.00
18,900.0	90.00	179.58	9,341.0	-9,399.2	-194.8	9,397.5	0.00	0.00	0.00
19,000.0	90.00	179.58	9,341.0	-9,499.2	-194.0	9,497.5	0.00	0.00	0.00
19,100.0	90.00	179.58	9,341.0	-9,599.2	-193.3	9,597.5	0.00	0.00	0.00
19,200.0	90.00	179.58	9,341.0	-9,699.2	-192.6	9,697.5	0.00	0.00	0.00
19,300.0	90.00	179.58	9,341.0	-9,799.2	-191.8	9,797.5	0.00	0.00	0.00
19,400.0	90.00	179.58	9,341.0	-9,899.2	-191.1	9,897.5	0.00	0.00	0.00
19,500.0	90.00	179.58	9,341.0	-9,999.2	-190.4	9,997.5	0.00	0.00	0.00
19,600.0	90.00	179.58	9,341.0	-10,099.2	-189.6	10,097.5	0.00	0.00	0.00
19,634.7	90.00	179.58	9,341.0	-10,133.9	-189.4	10,132.2	0.00	0.00	0.00

TD at 19634.7 - BHL - Boros Federal #112H

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
VP - Boros Federal #1 - hit/miss target - Shape - Point	0.00	0.00	8,768.0	377.7	-190.1	382,324.00	674,983.00	32° 2' 59.516 N	103° 46' 6.818 W
BHL - Boros Federal # - plan hits target center - Point	0.00	0.00	9,341.0	-10,133.9	-189.4	371,812.14	674,983.66	32° 1' 15.488 N	103° 46' 7.449 W

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,336.4	1,336.4	Rustler			
1,495.0	1,495.0	Salado (Top Salt)			
4,092.5	4,072.5	Base Salt			
4,136.0	4,115.5	Bell Canyon			
5,221.2	5,193.8	Cherry Canyon			
6,406.4	6,379.0	Brushy Canyon			
7,519.9	7,492.5	L. Brushy Canyon			
8,092.2	8,064.8	BSGL			
8,219.0	8,191.6	Avalon-SS			
9,286.6	9,201.2	FBSG			

Planning Report

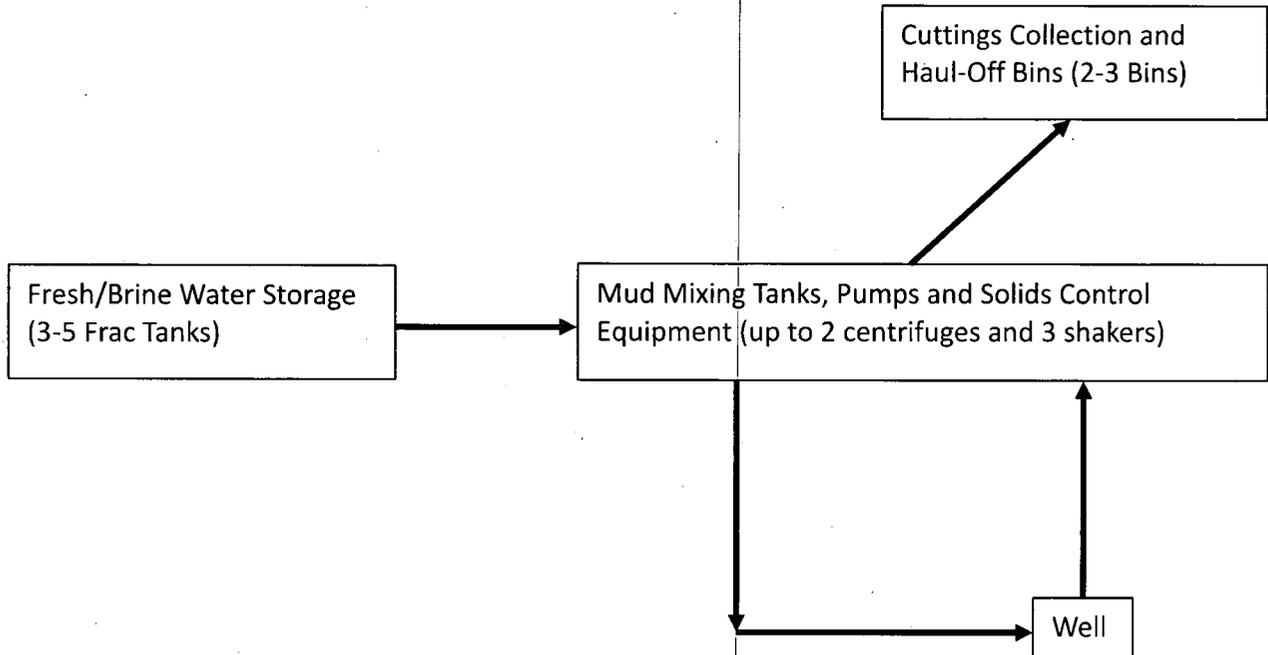
Database: EDM 5000.14 Server
Company: Matador Production Company
Project: Rustler Breaks
Site: Boros
Well: Boros Federal #112H
Wellbore: Wellbore #1
Design: BLM Plan #1

Local Co-ordinate Reference: Well Boros Federal #112H
TVD Reference: KB @ 3255.5usft
MD Reference: KB @ 3255.5usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
1,500.0	1,500.0	0.0	0.0	Start Build 1.00
2,300.0	2,297.4	49.8	-25.1	Start 2370.7 hold at 2300.0 MD
4,670.7	4,645.0	344.5	-173.4	Start Drop -1.50
5,204.0	5,176.6	377.7	-190.1	Start 3591.4 hold at 5204.0 MD
8,795.4	8,768.0	377.7	-190.1	Start Build 10.00
9,695.4	9,341.0	-195.0	-203.9	Start DLS 0.05 TFO -90.01
13,418.8	9,341.0	-3,918.2	-235.0	Start 6215.9 hold at 13418.8 MD
19,634.7	9,341.0	-10,133.9	-189.4	TD at 19634.7

Closed-Loop System

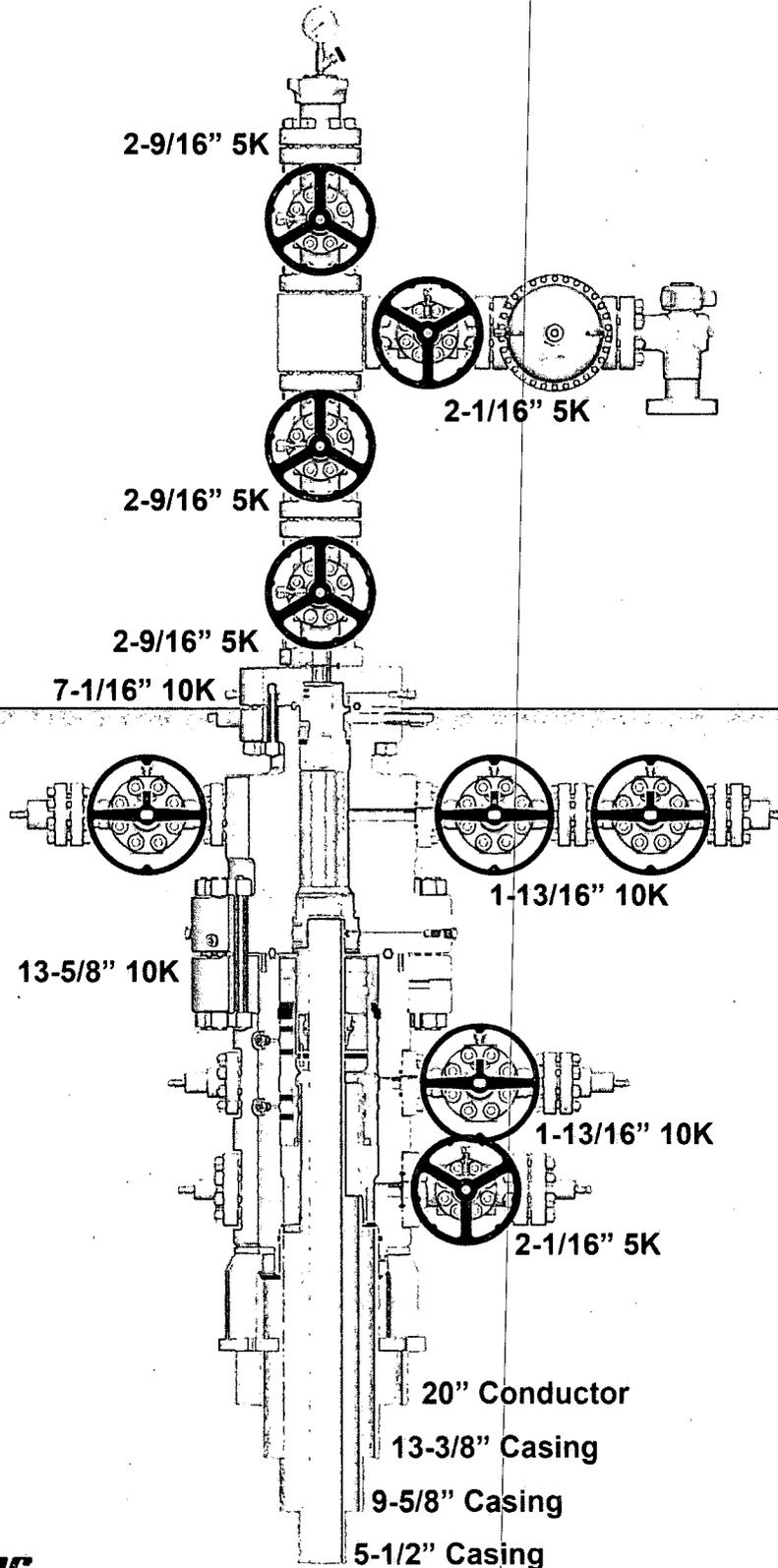


Operating and Maintenance Plan:

During drilling operations, third party service companies will utilize solids control equipment to remove cuttings from the drilling fluids and collect it in haul-off bins. Equipment will be closely monitored at all times while drilling by the derrick man and the service company employees.

Closure Plan:

During drilling operations, third party service companies will haul off drill solids and fluids to an approved disposal facility. At the end of the well, all closed loop equipment will be removed from the location.



Hydrogen Sulfide Drilling
Operations Plan
Matador Resources

1 H2S safety instructions to the following:

- Characteristics of H2S
- Physical effects and hazards
- Principal and operation of H2S detectors, warning system and briefing areas
- Evacuation procedures, routes and first aid
- Proper use of safety equipment & life support systems
- Essential personnel meeting medical evaluation criteria will receive additional training on the proper use of 30min pressure demand air packs

2 H2S Detection and Alarm Systems:

- H2S sensor/detectors to be located on the drilling rig floor, in the base of the sub structure / cellar area, on the mud pits in the shale shaker area. Additional H2S detectors may be placed as deemed necessary
- An audio alarm system will be installed on the derrick floor and in the doghouse

3 Windssocks and / Wind Streamers:

- Windssocks at mud pit area should be high enough to be visible
- Windssock on the rig floor and / top of doghouse should be high enough to be visible

4 Condition Flags and Signs:

- Warning sign on access road to location
- Flags to be displayed on sign at entrance to location
 - Green Flag – Normal Safe Operation Condition
 - Yellow Flag – Potential Pressure and Danger
 - Red Flag – Danger (H2S present in dangerous concentrations) Only H2S trained personnel admitted on location

5 Well Control Equipment:

- See Exhibit E-1

6 Communication:

- While working under masks chalkboards will be used for communications
- Hand signals will be used where chalk board is inappropriate
- Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

7 Drilling Stem Testing:

- No DST cores are planned at this time

8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubulars and other mechanical equipment

9 If H₂S 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 H₂S scavengers if necessary

11 Emergency Contacts

- See exhibit E-6

**HYDROGEN SULFIDE CONTINGENCY PLAN
Drilling, Testing, & Completion**

MRC ENERGY CO.

Reviewers

----- Operations Manager
----- Operations Supt.
----- Staff RES
----- Field Supt.
Blake Hermes---Engineering

H2S Contingency Plan # 0165

Revision# 0

This H2S Contingency Plan is subject to updating

Effective date: July 8, 2015

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INTRODUCTION

The H2S equipment will be rigged up 2 days prior to reaching a potential H2S containing zone. Drilling into any potential H2S zone shall not commence until the on-site MRC Drilling Supervisor has confirmed this plan in place.

The onsite Drilling Foreman will give Total Safety one week (7 days) notice to prepare for rig-up of H2S equipment)

To be effective, the plan requires the cooperation and effort of each person participating in the drilling of an H₂S well. Each person must know his/her responsibilities and all emergency and safety procedures. He/she should thoroughly understand and be able to use with accuracy, all safety equipment while performing his/her normal duties, if the circumstance should arise. He/she should therefore familiarize himself/herself with the location of all safety equipment and check to see that it is properly stored, easily accessible at all times, and routinely maintained.

It is the intention of MRC ENERGY CO. and the Drilling Contractor to make every effort to provide adequate safeguards against harm to persons on the rig and in the immediate vicinity from the effects of hydrogen sulfide, which may be released into the atmosphere under emergency conditions. However, the initiative rests with the individual in utilizing the safeguards provided. The ideas and suggestions of the individuals involved in the drilling of this well are highly welcomed and act as a fundamental tool for providing the safest working conditions possible.

The drilling representative is required to enforce these procedures. They are set up for your safety and the safety of all others.

II. PURPOSE

It is MRC Energy Co.'s intent to provide a safe working place, not only for its employees, but also for other contractors who are aiding in the drilling of this well. The safety of the general public is of utmost concern. All precautions will be taken to keep a safe working environment and protect the public.

MRC ENERGY CO.'S

There is a possibility of encountering toxic hydrogen sulfide gas. Safety procedures must be adhered to in order to protect all personnel connected with the operations as well as people living within the area.

The MRC Energy Co. representative will enforce all aspects of the H2S Contingency Plan. This job will become easier by a careful study of the following pages and training and informing all personnel that will be working on the well, their duties and responsibilities.

A. OPERATING PROCEDURES

DEFINITIONS:

For purpose of this plan, on-site personnel shall be referred to as “In Scope Personnel” or “Out of Scope Personnel”, per the following definitions:

In Scope Personnel – Personnel who will be working or otherwise present in potential H₂S release areas, including the rig floor, cellar, pits, and shaker areas.

Out of Scope Personnel – Personnel who will not be working or otherwise present in potential H₂S areas. Such personnel include rig Site visitor, delivery and camp services personnel.

GENERAL:

Before this H₂S contingency plan becomes operational, all regularly assigned In Scope Personnel (primarily the MRC, drilling contractor, and certain service personnel,) shall be thoroughly trained in the use of breathing equipment, emergency procedures, and responsibilities. Total Safety Technician or a designee assigned by the MRC Drilling Foreman shall keep a list of all personnel who have been through the on-site H₂S training program at the drill site.

All In Scope Personnel shall be given H₂S training and the steps to be taken during H₂S conditions under which the well may be drilled. General information will be explained about toxic gases, as well as the physiological effects of H₂S and the various classified operating conditions. In addition, the reader will be informed his/her general responsibility concerning safety equipment and emergency procedures.

The Total Safety H₂S Safety Technician or MRC on-site RSE Technician shall make available the H₂S Contingency Plan for all personnel to review.

Without exception, all personnel that arrive on location must proceed directly to and sign-in with the on-site MRC RSE Technician. In Scope Personnel will be required to complete an on-site H₂S training and respirator fit testing before starting work, or produce evidence that they have received equivalent training. Out of Scope Personnel will be required to complete a site H₂S awareness and general safety briefing. This briefing will consist of a H₂S hazard overview, alarm review and required response to alarms.

B. PROCEDURES TO BE INITIATED PRIOR TO H2S CONTINGENCY PLAN COMPLIANCE:

A list of emergency phone numbers and contacts will be on location and posted at the following locations:

1. MRC ENERGY CO.'S Representative's Office
2. Drilling Contractor's, Toolpusher Office
3. Living Quarters Area

All safety equipment and H₂S related hardware must be set up as required by MRC Energy Co. with regard to location of briefing areas, breathing equipment, etc. All safety equipment must be inspected periodically (at least weekly) with particular attention to resuscitators and breathing equipment.

In Scope Personnel working in the well site area will be assigned breathing apparatus. Operator and drilling contractor personnel required to work in the following areas will be provided with Self Contained Breathing Apparatus:

1. Rig Floor
2. Mud Pits
3. Derrick
4. Shale Shaker
5. Cellar

The Total Safety H₂S Safety Technician will be responsible for rigging up all H₂S continuous monitoring-type detectors. The Total Safety Technician will monitor and bump test the detector units periodically (at least at least once a week to test alarm function during drilling conditions. In the event H₂S is detected, or when drilling in a zone confirmed to contain H₂S, the units shall be bump tested at least once every 24 hours. A bump test/calibration log will be kept on location. All results will be reported to the MRC on-site Drilling Foreman.

All Total Safety H₂S equipment will be maintained and inspected by a Total Safety Technician on at least a Weekly basis.

C. DRILLING BELOW CONTINGENCY PLAN DEPTH

H2S response drills will be held at least once per week if possible or as often as necessary to acquaint the crews and service company personnel of their responsibilities and the proper procedures to shut-in a well. Initial drills will be performed until crews demonstrate competency donning and working under mask. After the MRC Energy Co.'s representative is satisfied with initial blowout drill procedures, a drill will be conducted weekly with each crew, as necessary. The H2S Safety Technician or designee will conduct safety talks and maintain the safety equipment, consult and carry out the instructions of the drilling supervisor. All personnel allowed in the well work area during drilling or testing operations will be instructed in the use of breathing equipment until supervisory personnel are satisfied that they are capable of using it.

After familiarization, each person must perform a drill with breathing equipment. The drill should include getting the breathing equipment, donning the breathing apparatus, and performing expected duties for a short period. A record shall be kept of all personnel drilled and the date of the drill. H2S training records will be kept on location for all personnel.

Rig crews and service company personnel shall be made aware of the location of spare air bottles, resuscitation equipment, portable fire extinguishers, H₂S monitors and detectors. Knowledge of the location of the H₂S monitors and detectors are vital in determining as our gas location and the severity of the emergency conditions.

After any device has initially detected H₂S, all areas of poor ventilation shall be inspected periodically by means of a portable H₂S detector instrument. The buddy system will be utilized. (When an alarm sounds, personnel will don an SCBA, shut the well in, and proceed to SBA for roll call. The H₂S Technician or designee will mask up, with a buddy and will verify source of H₂S and report back to the on-site MRC Foreman.)

D. PROCEDURES PROGRAM

1. Drill Site

- a. The drilling rig will be located to allow prevailing winds to blow across the reserve pit.
- b. A Safe Briefing Area will be provided with a breathing air cascade trailer and or 30-minute SCBA's at the Primary Area. Personnel will assemble at the most up-wind station under alarm conditions, or when so ordered by the MRC Energy Co. representative, the Contractor representative, or

the Total Safety H₂S Safety Technician. Windsocks or streamers will be anchored to various strategic places on a pole about 10 feet high, so it is in easy view from the rig floor at all times.

- c. Warning signs will be posted on the perimeters. "No Smoking" signs will be posted by MRC Energy Co.as well.
- d. One multi-channel automatic H₂S monitor will be provided by Total Safety and the detector heads will be at the shale shaker, bell nipple, mud pits, rig floor, and quarter's area. The monitor will be located inside HSE or Company man trailer. Should the alarm be shut off to silence the sirens, the blinker light must continue to warn of H₂S presence. The Total Safety H₂S Safety Technician or designee will continuously monitor the detectors and will reactivate the alarm if H₂S concentrations increase to a dangerous level.
- e. A method of escape will be open at all times.
- f. If available, land line telephone service will be provided or cell phones provided. (Primary communications provided)
- g. A rig communication system will be provided, as needed.
- h. A gas trap, choke manifold, and degasser will be installed.
- i. A kill line, securely anchored and of ample strength, will be laid to the well-head from a safe location. This line is to be used only in an emergency.

General

- a. The MRC Energy Co. representative and/or the Contractor's Toolpusher will be available at all times. The drilling supervisor, while on duty, will have complete charge of the rig and location operations and will take whatever action is deemed necessary to insure personnel safety, to protect the well, and to prevent damage.
- b. A Mud Engineer will be on location at all times when drilling takes place at the depth H₂S may be expected. The mud engineer will be able to verify the presence or absence of H₂S.

III. CONDITIONS AND EMERGENCY PROCEDURES
A. DEFINITION OF OPERATIONAL "CONDITIONS"

CONDITION I	"POSSIBLE DANGER"
Warning Flags	Green
Alarms	No Alarm. Less than 10 ppm
Characterized By:	Drilling operations in zones that may contain hydrogen sulfide. This condition remains in effect unless H ₂ S is detected and it becomes necessary to go to Condition II.
General Action:	<ol style="list-style-type: none">Be alert for a condition changeCheck all safety equipment for availability and proper functioning.Perform all drills for familiarization and proficiency.
CONDITION II	"MODERATE DANGER"
Warning Flags	Yellow
Alarms:	Actuates at 10 ppm. Continuous flashing light.
Characterized By:	Drilling operations in zones containing hydrogen sulfide. This condition will remain in effect until adding chemicals to the mud system neutralizes the hydrogen sulfide or it becomes necessary to go to Condition III.
General Action:	<ol style="list-style-type: none">Be alert for a condition changeWHEN DRILLING AHEAD - Driller and designated crewmember will don 30 min SCBA, shut-in the well and immediately proceed to the Safe Briefing Area. WHEN TRIPPING – Driller and two designated crewmembers will don 30 min SCBA, shut in the well and immediately proceed to the Safe Briefing Area. The Derrickman will

don a 5-minute escape pack, descend to the rig floor, don a 30-min SCBA (if necessary) and immediately proceed to the Safe Briefing Area.

- c. All In Scope Personnel will proceed directly to the appropriate Safe Briefing Area.
- d. Remain in safe briefing area, take roll call and wait for instructions
- e. Contact the Total H2S Technician if not on location.
- f. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering an H₂S contaminated area to provide assistance to anyone who may be injured or overcome by toxic gases.
- g. All Out of Scope Personnel will report to the appropriate Safe Briefing Area.

CONDITION III "EXTREME DANGER"

Warning Flags

Red

Alarms

Actuate at 15 ppm. Continuous Sirens and Flashing Lights

Characterized by:

Critical well operations which pose an immediate threat of H₂S exposure to on-site personnel and a potential threat to the public.

General Action:

- a. **WHEN DRILLING AHEAD -** Driller and designated crewmember will don 30 min SCBA, shut-in the well and immediately proceed to the Safe Briefing Area.

WHEN TRIPPING – Driller and two designated crewmembers will don 30

min SCBA, shut in the well and immediately proceed to the Safe Briefing Area. The Derrickman will don a 5-minute escape pack, descend to the rig floor, don a 30-min SCBA (if necessary) and immediately proceed to the Safe Briefing Area.

- b. All In Scope Personnel should don SCBA if nearby and immediately proceed to Safe Briefing Area. If SCBA is not nearby at time of alarm, **DO NOT GO TOWARDS RIG AREA**, but proceed directly to the Safe Briefing Area
- c. All out of Scope Personnel shall evacuate the location.
- d. Remain in the Safe Briefing Area, take roll call and wait for instructions.
- e. Contact the Total H2S Technician if not on location.
- f. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering an H₂S contaminated area to provide assistance to anyone who may be injured or overcome by toxic gases. Use the buddy system.
- g. Remain in safe briefing area, take roll call and wait for instructions.
- h. A cascade breathing air systems shall be mobilized and utilized to conduct any additional on rig work required to correct the H2S release condition.
- i. If well is ignited do not assume area is safe. SO₂ is hazardous and not all H₂S will burn.

H₂S EMERGENCY PROCEDURES; IN SCOPE PERSONNEL

A. Day To Day Drilling Operations

1. Upon discovering a release of H₂S gas in the ambient air by warning alarms or in any other way **Do Not Panic**.
2. Hold your breath donning the nearest Self Contained Breathing Apparatus and rapidly move up or across-wind away from the areas where H₂S sensing devices are in place, to the closest available safe briefing area. Continue to use breathing apparatus until it has been determined that the exposure of H₂S gas in the ambient air no longer exists. **Do Not Panic!**
3. Utilize the "Buddy System", i.e.; select and pair up each person participating in the drilling of an H₂S well prior to an emergency situation.
4. Help anyone who is overcome or affected by the H₂S gas by taking him/her up-wind out of the contaminated area. (This should be done utilizing an SCBA and with a buddy.)
5. Take necessary steps to confirm the release of the H₂S gas into the ambient air.
 - When an H₂S alarm activates, two designated personnel using the buddy system, while wearing their self contained breathing apparatus, will determine by the read-out on the fixed monitor which sensing device has detected the release of the H₂S gas.
 - They will utilize the hand-held sniffer type device at the particular sensing point disclosed on the fixed monitor to corroborate the fact that H₂S gas has actually been released. This will rule out the possibility of a false alarm. This will be done with a buddy and under mask after reporting to the Safe Briefing Area for roll call and instructions by on-site MRC Foreman.
6. Refer to the Emergency Phone Numbers and call emergency personnel.
7. Take the necessary steps to suppress the release of H₂S gas into the ambient air. Comply with the MRC Energy Co. Representative to physically suppress the release of H₂S gas at the actual release point.

8. Check all of MRC Energy Co.'s monitoring devices and increase gas-monitoring activities with the portable hand-operated H₂S and gas detector units.

Do Not Panic!

The MRC Energy Co. representative will assess the situation and with assistance of the Contractor's Representative and Total Safety's H₂S Safety Technician or on site designee, will assign duties to each person to bring the situation under control.

B. RESPONSIBILITIES OF WELL-SITE PERSONNEL

In the event of a release of potentially hazardous amounts of H₂S, all personnel will immediately don their protective breathing apparatus, the well will be shut in and personnel will proceed upwind to the nearest designated safe briefing area for roll call and instructions by MRC Foreman. Consideration will be given to evacuating Out of Scope Personnel, as situation warrants.

1. MRC ENERGY CO.'S Well-site Representatives

- a. If MRC Energy Co.'s well-site representative is incapacitated or not on location, this responsibility will fall to the Toolpusher/Driller.
- b. Immediately upon assessing the situation, set this plan into Action by initiating the proper procedures to contain the gas and notify the appropriate people and agencies.
- c. Ensure that the alarm area indicated by the fixed H₂S Monitor is checked and verified with a portable H₂S detector. (Safety Technician if on location or MRC assigned designee with a buddy utilizing SCBA's)
- d. Consult Pusher/driller of remedial actions as needed.
- e. Ensure that non-essential personnel proceed to the safe briefing area.
- f. Ensure location entrance barricades are positioned. Keep the number of persons on location to a minimum during hazardous operations.

- g. Consult each contractor, Service Company and all others allowed to enter the site, that H₂S gas may be encountered and the potential hazards that may exist.
- h. Authorize the evacuation of local residents if H₂S threatens Their safety.
- i. Non essential personnel should be evacuated from location if Situation warrants.

2. Toolpusher

- a. Toolpusher/Driller will assume responsibilities of MRC Energy Co.'s well-site representative if that person is incapacitated or not on location.
- b. Ensure that the alarm area indicated by the fixed H₂S monitor is checked and verified with a portable H₂S gas detector. (Alarm area indicated by the monitor will be Checked by the H₂S Technician and a buddy, under mask.) This will be done after checking in and roll call at the Upwind Safe Briefing Area.
- c. Confer with MRC Energy Co.'s well-site representative or superintendent and direct remedial action to suppress the H₂S and control the well.
- d. Ensure that personnel at the safe briefing area are instructed on emergency actions required.
- e. Ensure that personnel at the drill floor area are instructed on emergency actions required.
- f. Ensure that all personnel observe the appropriate safety and emergency procedures.
- g. Ensure that all persons are accounted for and provided emergency assistance as necessary.

3. Mud Engineer

- a. Run a sulfide check on the flowline mud.
- b. Take steps to determine the source of the H₂S and suppress it. Lime and H₂S scavenger shall be added to the mud as necessary.

4. Total H₂S Safety Technician, if on location, or MRC Designee

- a. H₂S Safety Technician or designee don nearest SCBA and report to Safe Briefing Area for roll call, take a buddy masked up and check monitor and verify with a portable H₂S detector the alarm area indicated by the fixed H₂S monitor. Advise the Toolpusher/Driller and MRC Energy Co.'s well-site representative of findings. Record all findings.
- b. If H₂S is flared, check for sulfur dioxide (SO₂) near the flare as necessary. Take hourly readings at different perimeters, log readings and record on location.
- c. Ensure that personnel at the safe briefing area are instructed on emergency actions required.
- d. Ensure that the appropriate warning flags are displayed.
- e. Ensure that all personnel are in S.C.B.A. as necessary.
- f. Ensure that all persons are accounted for and provide emergency assistance as necessary.
- g. Be prepared to evacuate rig if order is issued.

5. General Personnel & Visitors

- a. All In Scope Personnel, if not specifically designated to shut the well in or control the well, shall proceed to the (upwind) safe briefing area. All Out of Scope Personnel shall immediately proceed to the appropriate (upwind) safe briefing area or evacuate the site as conditions warrant.

- b. During any emergency, use the "buddy" system to prevent anyone from entering or being left in a gas area alone, even wearing breathing apparatus.
- c. Provide assistance to anyone who may be injured or overcome by toxic gases. Personnel shall ensure that their breathing apparatus is properly fitted and operational before entering a potentially H₂S contaminated area.
- d. Remain in safe briefing area and wait for instructions.

C. INSTRUCTIONS FOR IGNITING THE WELL

- 1. The Toolpusher/Driller will confer with MRC Energy Co.'s well-site representative who will secure the approval of the "Texas Wells Delivery Manager, prior to igniting the well, if at all possible.

The Toolpusher/Driller will be responsible for igniting the well in the event of severe well control problems. This decision should be made only as a last resort in situations where it is clear that:

- a. Human life and property are endangered, or
 - b. There is no hope of controlling the well under current conditions.
- 2. Once the decision has been made, the following procedures should be followed:
 - a. Two people wearing self-contained breathing apparatus will be needed for the actual lighting of the well. They must first establish the flammable perimeter by using an explosimeter. This should be established at 30% to 40% of the lower flammable limits:
 - b. After the flammable perimeter has been established and everyone removed from the area, the ignition team should select a site upwind of the well from which to ignite the well. This site should offer the maximum protection and have a clear path for retreat from the area.

- c. The ignition team should have safety belts and lifeline attached and manned before attempting ignition. If the leak is not ignited on the first attempt, move in 20 to 30 feet and fire again. Continue to monitor with the explosimeter and NEVER fire from an area with over 75% of the Lower Explosive Limit (LEL). If having trouble igniting the well, try firing 40 degrees to 90 degrees on either side of the well.
- d. If ignition is not possible due to the makeup of the gas, the toxic perimeter must be established and evacuation continued until the well is contained.
- e. All personnel must act only as directed by the person in charge of the operations.

NOTE: After the well is ignited, burning hydrogen sulfide (H₂S) will convert to sulfur dioxide (SO₂), which is also a highly toxic gas.

DO NOT ASSUME THE AREA IS SAFE AFTER THE WELL IS IGNITED

D. CORING PROCEDURES

Only essential personnel shall be on the rig floor. Ten (10) stands prior to retrieving core barrel; all personnel on drill floor and in derrick shall confirm self-Contained breathing apparatus available and ready for use.

A Total H₂S Technician will don a SCBA with a buddy assigned from the rig crew, and continuously monitor for H₂S at each connection. Any levels detected will require operations to be shut down and all involved personnel to don SCBAs. Precautions will remain in place until barrel is laid down.

All involved personnel will don SCBAs when removing the inner barrel from the outer barrel. SCBAs can be removed once the absence of H₂S is confirmed by the Total H₂S Technician.

Cores will be appropriately marked and sealed for transportation.

Normal Operations

1. Responsibilities of well-site personnel

a. Well-site Representative

1. Notify H₂S Technician of expected date to reach Contingency Plan implementation depth (Two (2) days prior to reaching suspected H₂S bearing zone) or prior to starting well work.
2. Ensure H₂S Safety Technician completes rig-up procedures prior to reaching Contingency Plan effective depth.
3. Restrict the number of personnel at the drilling rig or well site to a minimum while drilling, starting well work, testing or coring.
4. Ensure weekly H₂S drills/training are performed, if possible.

B. Toolpusher

1. Ensure that necessary H₂S safety equipment is provided on the rig, and that it is properly inspected and maintained.
2. Ensure that all personnel that work in the well area, are thoroughly trained in the use of H₂S safety equipment and periodic drills are held to maintain an adequate level of proficiency.

C. In Scope Personnel

1. Remain clean-shaven. Beards and long sideburns do not allow a proper facepiece seal.
2. Receive H₂S safety training on location, or confirm prior training by certification that is one year within date.
3. Familiarize yourself with the rig's Contingency Plan.
4. Inspect and practice putting on your breathing apparatus.

5. Know the location of the "safe briefing areas".
6. Keep yourself "wind conscious". Be prepared to quickly move upwind and away in the event of any emergency involving release of H₂S.

D. Total Safety H₂S Safety Technician or MRC Designee

1. Conduct training as necessary to ensure all personnel working in well area are familiar with the contingency procedures and the operation of emergency equipment.
2. Check all H₂S safety equipment to ensure that it is ready for emergency use:
 - Check pressure weekly for each shift on breathing apparatus (both 30-minute and hip-packs) to make sure they are charged to full volume.
 - Check pressure on cascade air bottles, if on location, to see that they are capable of recharging breathing apparatus.
 - Check oxygen resuscitator, if on location, to ensure that it is charged to full volume.
 - Check H₂S detectors weekly for each shift (fixed and portable), and explosimeter, to ensure they are working properly.
3. Provide a weekly report to MRC Energy Co.'s well-site representative documenting:
 - Calibrations performed on H₂S detectors.
 - Proper location and working order of H₂S safety equipment.
 - Attendance of all personnel, trained or retrained, and their company.
 - Weekly drills, if held and a list of personnel participating and summary of actions.

OUT OF SCOPE PERSONNEL

MRC Energy Co. policy will not require Out of Scope Personnel to be clean shaven, have processed medical questionnaires, fit testing, or have certified H2S Training.