Form 3160-3
(June 2015)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee 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. **[316707]**

2. Name of Operator **[12361]**

9. API Well No. **30-025-48495**

3a. Address

3b. Phone No. *(include area code)*

10. Field and Pool, or Exploratory **[98259]**

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

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

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

12. County or Parish

13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

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

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	Name *(Printed/Typed)*	Date
Title		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GCP Rec 02/04/2021

APPROVED WITH CONDITIONS

02/11/2021

SL

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 11/30/2020

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 wen, 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 directionany 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 wen 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 win 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 conects this information to anow 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 Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Approval Date: 11/30/2020

Additional Operator Remarks

Location of Well

0. SHL: SENE / 1860 FNL / 430 FEL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.335792 / LONG: -103.5188956 (TVD: 0 feet, MD: 0 feet)

PPP: NESE / 2600 FSL / 480 FEL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3335388 / LONG: -103.5190583 (TVD: 10422 feet, MD: 10997 feet)

PPP: NESE / 2640 FSL / 480 FEL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3335322 / LONG: -103.5190572 (TVD: 10422 feet, MD: 10957 feet)

PPP: NENE / 0 FNL / 480 FEL / TWSP: 23S / RANGE: 33E / SECTION: 12 / LAT: 32.3263853 / LONG: -103.5191167 (TVD: 10422 feet, MD: 13597 feet)

BHL: SESE / 330 FSL / 530 FEL / TWSP: 23S / RANGE: 33E / SECTION: 12 / LAT: 32.3127903 / LONG: -103.5192276 (TVD: 10422 feet, MD: 18546 feet)

BLM Point of Contact

Name: Gavin Mickwee
Title: Land Law Examiner
Phone: (575) 234-5972
Email: gmickwee@blm.gov

Review and Appeal Rights

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

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Kaiser-Francis Oil Company
LEASE NO.:	NMNM006837 NMNM0001244A NMNM0000587
COUNTY:	Lea

Wells:

Bell Lake Unit North, Pad 2

Bell Lake Unit North 104H
Surface Hole Location: 1690' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 103H
Surface Hole Location: 1720' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 304H
Surface Hole Location: 1750' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 303H
Surface Hole Location: 1780' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 404H
Surface Hole Location: 1810' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 2290' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 403H
Surface Hole Location: 1840' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 2110' FWL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 204H
Surface Hole Location: 1870' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 2290' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 203H
Surface Hole Location: 1900' FNL & 2220' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 2110' FWL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North, Pad 4

Bell Lake Unit North 106H
Surface Hole Location: 1680' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 105H
Surface Hole Location: 1710' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 306H
Surface Hole Location: 1740' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.

Approval Date: 11/30/2020

Bottom Hole Location: TBD

Bell Lake Unit North 305H
Surface Hole Location: 1770' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: TBD

Bell Lake Unit North 406H
Surface Hole Location: 1800' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 530' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 405H
Surface Hole Location: 1830' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 1410' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 206H
Surface Hole Location: 1860' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 530' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North 205H
Surface Hole Location: 1890' FNL & 430' FEL, Section 1, T. 23 S., R. 33 E.
Bottom Hole Location: 330' FSL & 1410' FEL, Section 12, T. 23 S, R 33 E.

Bell Lake Unit North, Pad 6
Bell Lake Unit North 108H
Surface Hole Location: 1960.6' FNL & 991.8' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 107H
Surface Hole Location: 1985.8' FNL & 1008.1' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 308H
Surface Hole Location: 2011' FNL & 1024.4' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 307H
Surface Hole Location: 2036' FNL & 1040.7' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 408H
Surface Hole Location: 2086.6' FNL & 1057' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 1230' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 407H
Surface Hole Location: 2005' FNL & 2205' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 350' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 208H
Surface Hole Location: 2111.8' FNL & 1089.5' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 1230' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 207H
Surface Hole Location: 2137' FNL & 1105.8' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 350' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North, Pad 7
Bell Lake Unit North 126H
Surface Hole Location: 2230' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 125H
Surface Hole Location: 2260' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 326H
Surface Hole Location: 2290' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD
Bell Lake Unit North 325H
Surface Hole Location: 2320' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 426H
Surface Hole Location: 2350' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FNL & 1230' FWL, Section 31, T. 22 S, R 34 E.

Bell Lake Unit North 425H
Surface Hole Location: 2380' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FNL & 350' FWL, Section 31, T. 22 S, R 34 E.

Bell Lake Unit North 226H
Surface Hole Location: 2410' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FNL & 1230' FWL, Section 31, T. 22 S, R 34 E.

Bell Lake Unit North 225H
Surface Hole Location: 2440' FNL & 550' FWL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FNL & 350' FWL, Section 31, T. 22 S, R 34 E.

Bell Lake Unit North, Pad 8
Bell Lake Unit North 110H
Surface Hole Location: 1855' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 109H
Surface Hole Location: 1885' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 310H
Surface Hole Location: 1915' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 309H
Surface Hole Location: 1945' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 410H
Surface Hole Location: 1975' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 2290' FEL, Section 7, T. 23 S, R 34 E.

Approval Date: 11/30/2020

Bell Lake Unit North 409H
Surface Hole Location: 2005' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FSL & 2110' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 210H
Surface Hole Location: 2035' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 2290' FEL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 209H
Surface Hole Location: 2065' FNL & 1985' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 2110' FWL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North, Pad 10
Bell Lake Unit North 111H
Surface Hole Location: 1975' FNL & 1545' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 311
Surface Hole Location: 2005' FNL & 1545' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 411H
Surface Hole Location: 2035' FNL & 1545' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 1410' FEL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North 211H
Surface Hole Location: 2065' FNL & 1545' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 100' FSL & 1410' FEL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North, Pad 12
Bell Lake Unit North 113H
Surface Hole Location: 1620' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 112H
Surface Hole Location: 1650' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 313H
Surface Hole Location: 1680' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 312H
Surface Hole Location: 1710' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 413H
Surface Hole Location: 1740' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FSL & 350' FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 412H
Surface Hole Location: 1770' FNL & 175' FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330' FSL & 530' FEL, Section 7, T. 23 S, R 34 E.

Approval Date: 11/30/2020

Bell Lake Unit North 213H
Surface Hole Location: 1800’ FNL & 175’ FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330’ FSL & 350’ FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 212H
Surface Hole Location: 1830’ FNL & 175’ FEL, Section 6, T. 23 S., R. 34 E.
Bottom Hole Location: 330’ FSL & 530’ FEL, Section 7, T. 23 S, R 34 E.

Bell Lake Unit North, Pad 14
Bell Lake Unit North 214H
Surface Hole Location: 2240’ FNL & 1045’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 330’ FSL & 1230’ FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 414H
Surface Hole Location: 2240’ FNL & 1075’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 330’ FSL & 1230’ FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 314H
Surface Hole Location: 2240’ FNL & 1105’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 114H
Surface Hole Location: 2240’ FNL & 1135’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North, Pad 16
Bell Lake Unit North 116H
Surface Hole Location: 1848’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 115H
Surface Hole Location: 1878’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 316H
Surface Hole Location: 1908’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 315H
Surface Hole Location: 1938’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 416H
Surface Hole Location: 1968’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 2290’ FEL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 415H
Surface Hole Location: 1998’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 2110’ FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 216H
Surface Hole Location: 2028’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 2290’ FEL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 215H
Surface Hole Location: 2058’ FNL & 2230’ FWL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 2110’ FWL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North, Pad 18
Bell Lake Unit North 118H
Surface Hole Location: 2030’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 117H
Surface Hole Location: 2060’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 318H
Surface Hole Location: 2090’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 317H
Surface Hole Location: 2120’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: TBD

Bell Lake Unit North 418H
Surface Hole Location: 2150’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 530’ FEL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 417H
Surface Hole Location: 2180’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 1410’ FEL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 218H
Surface Hole Location: 2210’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 530’ FEL, Section 8, T. 23 S, R 34 E.

Bell Lake Unit North 217H
Surface Hole Location: 2240’ FNL & 840’ FEL, Section 5, T. 23 S., R. 34 E.
Bottom Hole Location: 100’ FSL & 1410’ FEL, Section 8, T. 23 S, R 34 E.

Approval Date: 11/30/2020

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.

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

OR

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

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

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

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

Approval Date: 11/30/2020

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

IV. NOXIOUS WEEDS

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

SPECIAL REQUIREMENT(S)

Watershed:
The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The topsoil 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.

TANK BATTERY:
Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Range:

Livestock Watering Requirement
Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Lesser Prairie Chicken:
Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:
Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am

restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

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

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

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 2008).

V. 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.

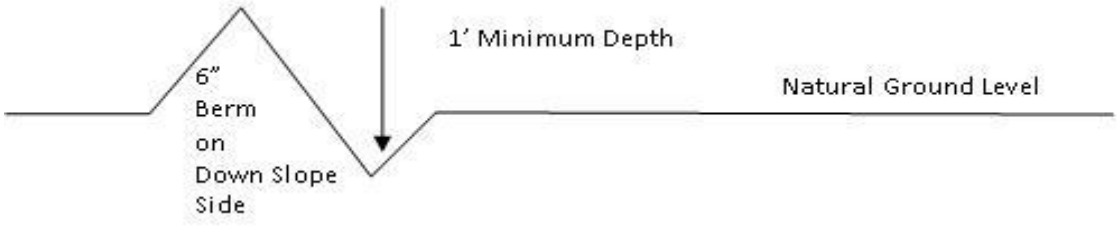
Ditching
Ditching shall be required on both sides of the road.

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.

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

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

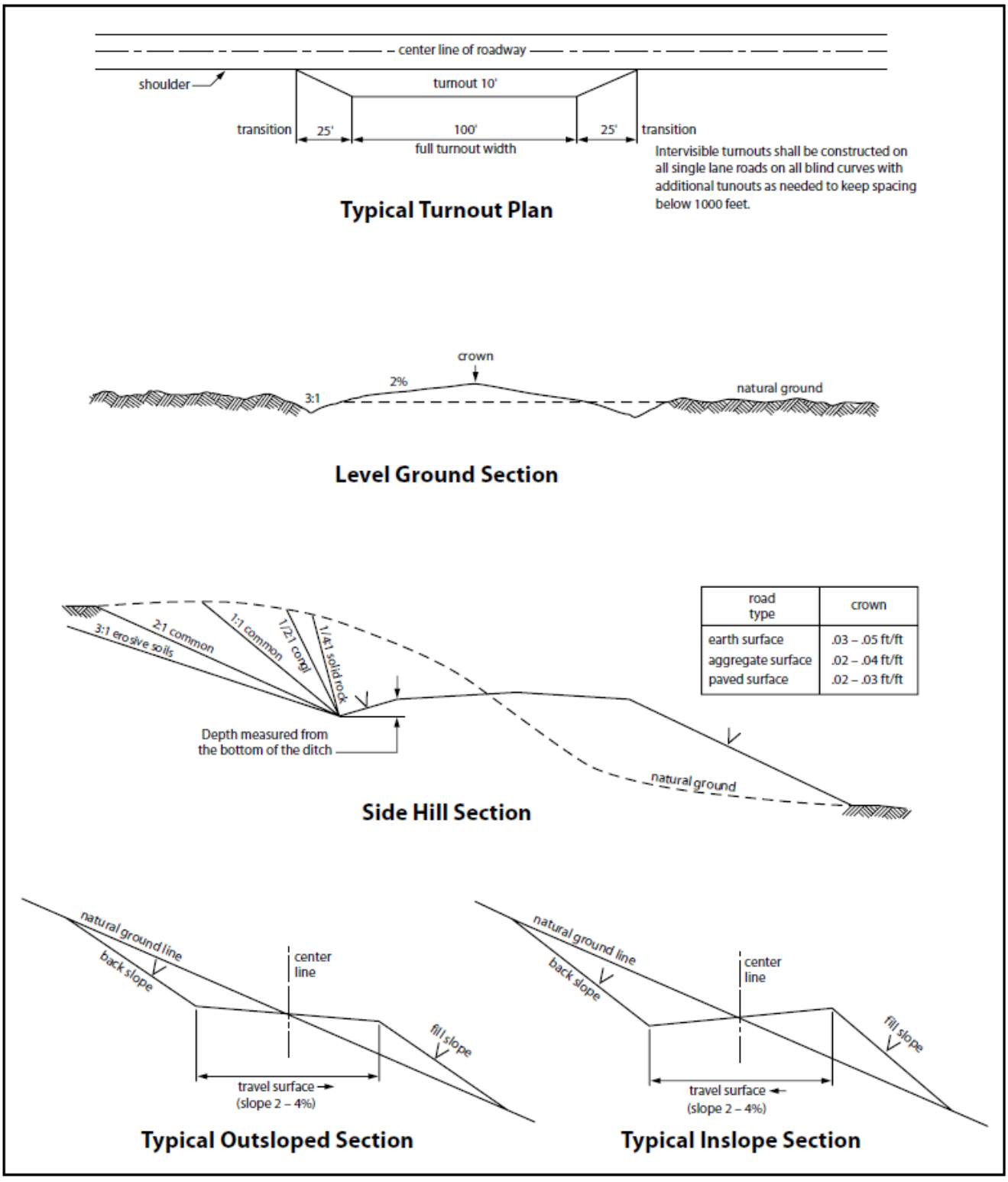


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

Approval Date: 11/30/2020

VI. 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).

VII. 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).

VIII. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

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

Seed Mixture 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 (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

Approval Date: 11/30/2020

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**KAISER FRANCIS OIL COMPANY**
LEASE NO.:	**NMLC0066438**
WELL NAME & NO.:	**BELL LAKE UNIT NORTH 206H**
SURFACE HOLE FOOTAGE:	1860'/N & 430'/E
BOTTOM HOLE FOOTAGE	330'/S & 530'/E
LOCATION:	Section 1, T.23 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

COA

H2S	○ Yes	◉ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☐ COM	☑ 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

1. The **13-3/8** inch surface casing shall be set at approximately **1360 feet** (a minimum of 25 feet (Lea 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**

Approval Date: 11/30/2020

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 **5072 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.**

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.
- **Excess cement calculates to less than 25% ; More cement may be needed.**

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. **BOP Requirements**

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 **2000 (2M)** 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

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 **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
c. Manufacturer representative shall install the test plug for the initial BOP test.
d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Unit Wells

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months. (This is not necessary for secondary recovery unit wells)

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.

Approval Date: 11/30/2020

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 intergrity 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 intergrity 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.

RI11252020

Approval Date: 11/30/2020

AFMSS

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

Operator Certification Data Report

11/30/2020

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

Application Data Report
11/30/2020

APD ID: 10400053599
Submission Date: 01/27/2020
Operator Name: KAISER FRANCIS OIL COMPANY
Well Name: BELL LAKE UNIT NORTH
Well Number: 206H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

APD ID: 10400053599
Tie to previous NOS? N
Submission Date: 01/27/2020
BLM Office: CARLSBAD
User: Stormi Davis
Title: Regulatory Analyst
Federal/Indian APD: FED
Is the first lease penetrated for production Federal or Indian? FED
Lease number: NMLC0066438
Lease Acres: 479.85
Surface access agreement in place?
Allotted?
Reservation:
Agreement in place? YES
Federal or Indian agreement: FEDERAL
Agreement number: NMNM068292X
Agreement name: BELL LAKE
Keep application confidential? Y
Permitting Agent? YES
APD Operator: KAISER FRANCIS OIL COMPANY
Operator letter of designation:

Operator Info

Operator Organization Name: KAISER FRANCIS OIL COMPANY
Operator Address: 6733 S. Yale Ave.
Zip: 74121
Operator PO Box: PO Box 21468
Operator City: Tulsa
State: OK
Operator Phone: (918)491-0000
Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO
Master Development Plan name:
Well in Master SUPO? NO
Master SUPO name:
Well in Master Drilling Plan? NO
Master Drilling Plan name:
Well Name: BELL LAKE UNIT NORTH
Well Number: 206H
Well API Number:
Field/Pool or Exploratory? Field and Pool
Field Name: OJO CHISO
Pool Name: WOLFCAMP, SOUTHWEST
Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

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

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

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** NORTH BELL LAKE UNIT **Number:** 4

Well Class: HORIZONTAL **Number of Legs:** 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town: 20 Miles **Distance to nearest well:** 30 FT **Distance to lease line:** 430 FT

Reservoir well spacing assigned acres Measurement: 480 Acres

Well plat: BLUN_206H_C102_20200123105846.pdf

Pay.gov_20200123153740.pdf

Well work start Date: 07/01/2020 **Duration:** 40 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number: 7631A **Reference Datum:** GROUND LEVEL

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL Leg #1	1860	FNL	430	FEL	23S	33E	1	Aliquot SENE	32.335792	-103.5188956	LEA	NEW MEXICO	NEW MEXICO	F	NMLC0068387	3497	0	0	N
KOP Leg #1	1860	FNL	430	FEL	23S	33E	1	Aliquot SENE	32.335792	-103.5188956	LEA	NEW MEXICO	NEW MEXICO	F	NMLC0068387	-6352	9849	9849	N

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
PPP Leg #1-1	0	FNL	480	FEL	23S	33E	12	Aliquot NENE	32.3263853	-103.5191167	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-6925	13597	10422	Y
PPP Leg #1-2	2640	FSL	480	FEL	23S	33E	1	Aliquot NESE	32.3335322	-103.5190572	LEA	NEW MEXICO	NEW MEXICO	F	NMLC0066438	-6925	10957	10422	Y
PPP Leg #1-3	2600	FSL	480	FEL	23S	33E	1	Aliquot NESE	32.3335388	-103.5190583	LEA	NEW MEXICO	NEW MEXICO	F	NMLC0066438	-6925	10997	10422	Y
EXIT Leg #1	330	FSL	530	FEL	23S	33E	12	Aliquot SESE	32.3127903	-103.5192276	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-6925	18546	10422	Y
BHL Leg #1	330	FSL	530	FEL	23S	33E	12	Aliquot SESE	32.3127903	-103.5192276	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-6925	18546	10422	Y

Gmail Melanie Wilson <nmogrservices@gmail.com>

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

2 messages

notification@pay.gov <notification@pay.gov> Thu, Jan 23, 2020 at 9:08 AM
To: nmogrservices@gmail.com

An official email of the United States government

Pay.gov

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

Application Name: BLM Oil and Gas Online Payment
Pay.gov Tracking ID: 26N1J69M
Agency Tracking ID: 75935417216
Transaction Type: Sale
Transaction Date: 01/23/2020 11:08:56 AM EST
Account Holder Name: George B Kaiser
Transaction Amount: $10,230.00
Card Type: Visa
Card Number: **********0061

Company: Kaiser-Francis Oil Company
APD IDs: 10400053554
Lease Numbers: NMLC0066438
Well Numbers: 406H
Note: You will need your Pay.gov Tracking ID to complete your APD transaction in AFMSS II. Please ensure you write this number down upon completion of payment.

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.

Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service

notification@pay.gov <notification@pay.gov> Thu, Jan 23, 2020 at 3:36 PM
To: nmogrservices@gmail.com

An official email of the United States government

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

Application Name: BLM Oil and Gas Online Payment
Pay.gov Tracking ID: 26N1RIJG
Agency Tracking ID: 75935648317
Transaction Type: Sale
Transaction Date: 01/23/2020 05:35:59 PM EST
Account Holder Name: George B Kaiser
Transaction Amount: $10,230.00
Card Type: Visa
Card Number: **********0061

Company: Kaiser-Francis Oil Company
APD IDs: 10400053599
Lease Numbers: NMLC0066438
Well Numbers: 206H
Note: You will need your Pay.gov Tracking ID to complete your APD transaction in AFMSS II. Please ensure you write this number down upon completion of payment.

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.

[Quoted text hidden]

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

Drilling Plan Data Report
11/30/2020

APD ID: 10400053599
Submission Date: 01/27/2020
Operator Name: KAISER FRANCIS OIL COMPANY
Well Name: BELL LAKE UNIT NORTH
Well Number: 206H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
641539	---	3497	0	0	OTHER : Surface	NONE	N
641540	RUSTLER	2275	1222	1222	SANDSTONE	NONE	N
641541	SALADO	2005	1492	1492	SALT	NONE	N
641542	TOP SALT	1675	1822	1822	SALT	NONE	N
641543	BASE OF SALT	-1275	4772	4772	SALT	NONE	N
641544	LAMAR	-1575	5072	5072	SANDSTONE	NATURAL GAS, OIL	N
641545	BELL CANYON	-1875	5372	5372	SANDSTONE	NATURAL GAS, OIL	N
641546	CHERRY CANYON	-3075	6572	6572	SANDSTONE	NATURAL GAS, OIL	N
641547	BRUSHY CANYON	-4725	8222	8222	SANDSTONE	NATURAL GAS, OIL	N
641548	BONE SPRING	-4950	8447	8447	LIMESTONE	NATURAL GAS, OIL	N
641549	AVALON SAND	-5265	8762	8762	SANDSTONE	NATURAL GAS, OIL	N
641550	BONE SPRING 1ST	-6200	9697	9697	SANDSTONE	NATURAL GAS, OIL	N
641557	BONE SPRING 2ND	-6725	10222	10222	SANDSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Pressure Rating (PSI): 5M **Rating Depth:** 13000

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

Requesting Variance? YES

Variance request: Flex Hose Variance MultiBowl Wellhead

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

Choke Diagram Attachment:

BLUN_206H_Choke_Manifold_20200123122206.pdf

BOP Diagram Attachment:

BLUN_206H_Wellhead_20200123122237.pdf

BLUN_206H_BOP_20200123122238.pdf

BLUN_206H_Flex_Hose_20200123122255.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	1272	0	1272	3497	2225	1272	J-55	54.5	BUTT	1.9	4.16	DRY	13.1	DRY	12.3
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5072	0	5072		-1575	5072	HCP-110	40	LT&C	1.8	3.4	DRY	6.2	DRY	6.2
3	PRODUCTION	8.75	5.5	NEW	API	N	0	18546	0	10422		-6925	18546	P-110	20	OTHER - GBCD	2.3	2.6	DRY	3.2	DRY	3.1

Casing Attachments

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Casing_Assumptions_20200123122823.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Casing_Assumptions_20200123122719.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Prod_Csg_Specs_20200123122758.pdf

BLUN_206H_Casing_Assumptions_20200123122803.pdf

Section 4 - Cement

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1272	695	1.7	13.5	1214	75	HALCEM	4% Bentonite
SURFACE	Tail		0	1272	248	1.3	14.8	331	75	Halcem	0.125 #/sk Poly Flake
INTERMEDIATE	Lead		0	5072	785	2.08	12.5	1640	50	EconoCem	3#/sk Kol Seal
INTERMEDIATE	Tail		0	5072	536	1.33	14.8	714	50	Halcem	none
PRODUCTION	Lead		4000	18546	397	3.48	10.5	1384	10	NeoCem	2#/sk Kol Seal
PRODUCTION	Tail		4000	18546	1863	1.2	14.5	2278	10	Versacem	none

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

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

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

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
5072	10422	OIL-BASED MUD	8.7	8.9							
1272	5072	OTHER : Diesel-Brine Emulsion	8.7	8.9							
0	1272	OTHER : Fresh Water	8.4	9							

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Section 6 - Test, Logging, Coring

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

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

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

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

Coring operation description for the well:

None planned

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4823 **Anticipated Surface Pressure:** 2530

Anticipated Bottom Hole Temperature(F): 165

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

BLUN_H2S_Plan_20200114113955.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

BLUN_206H___Directional_Plan_20200826125846.pdf

Other proposed operations facets description:

Gas Capture Plan attached

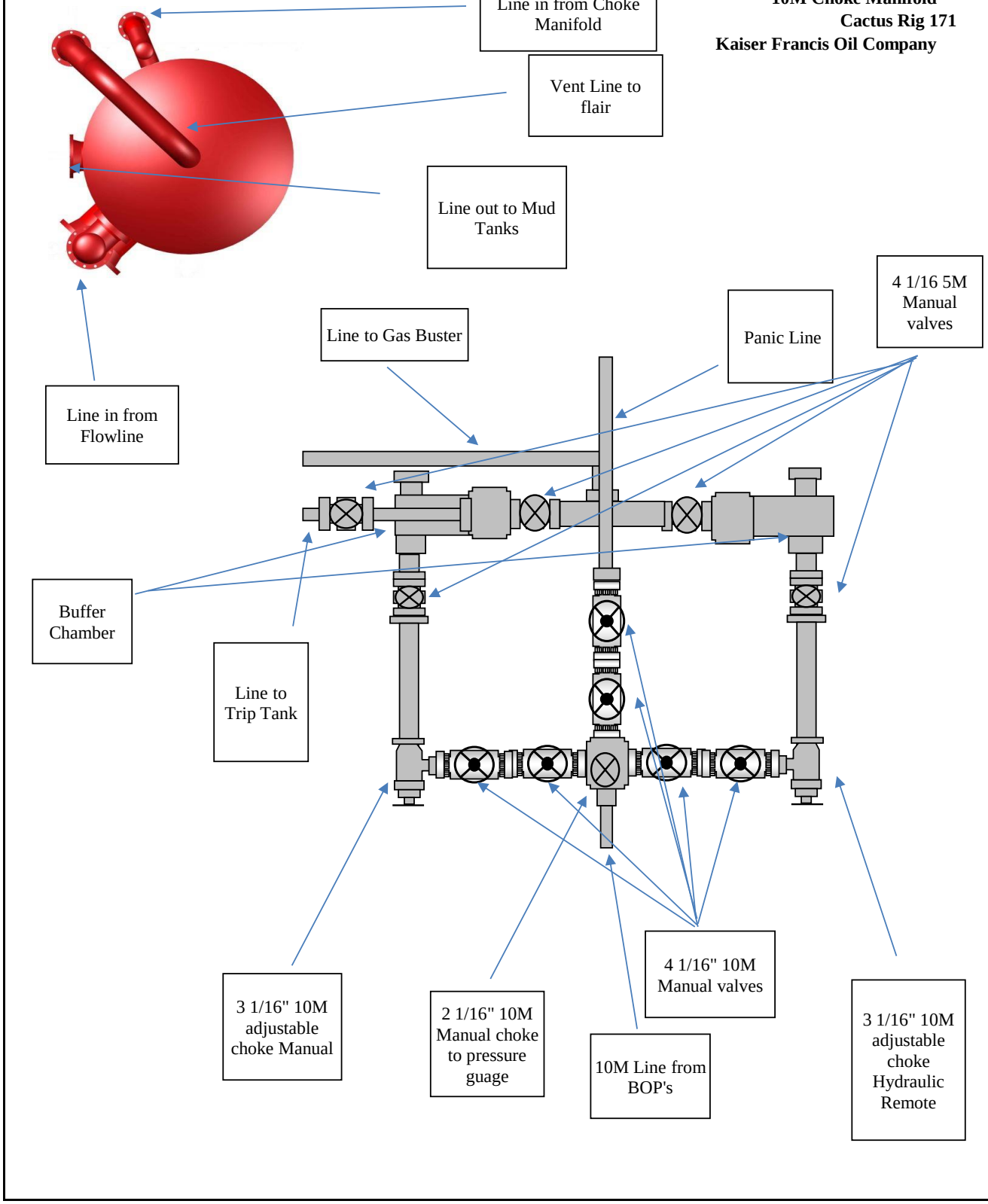
Other proposed operations facets attachment:

BLUN_Pad_4_Gas_Capture_Plan_20200122104430.pdf

Other Variance attachment:

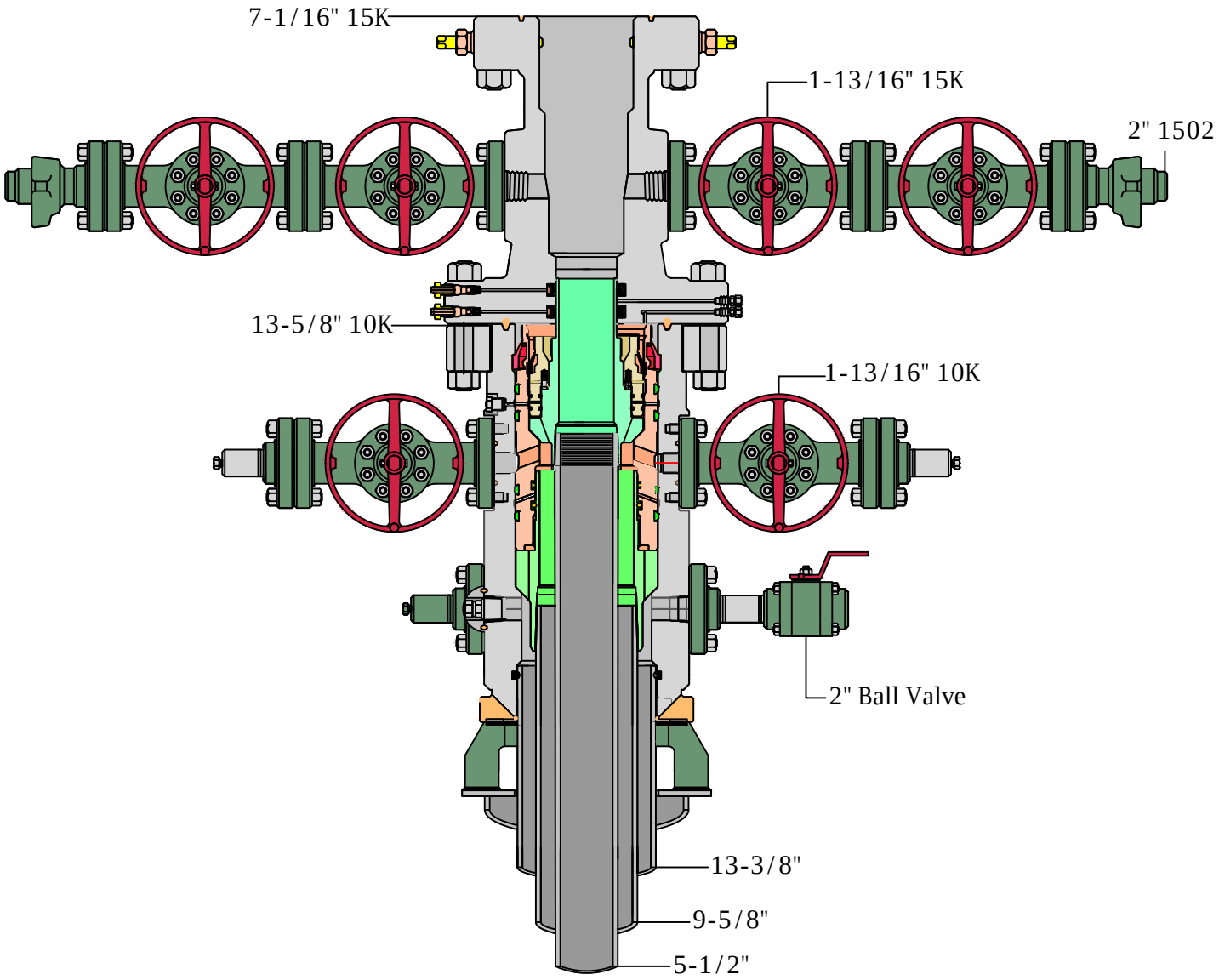
BLUN_206H_Wellhead_20200123152255.pdf
BLUN_206H_Flex_Hose_20200123152459.pdf

10M Choke Manifold
Cactus Rig 171
Kaiser Francis Oil Company



CAMERON
A Schlumberger Company

13-5/8" 10K MN-DS

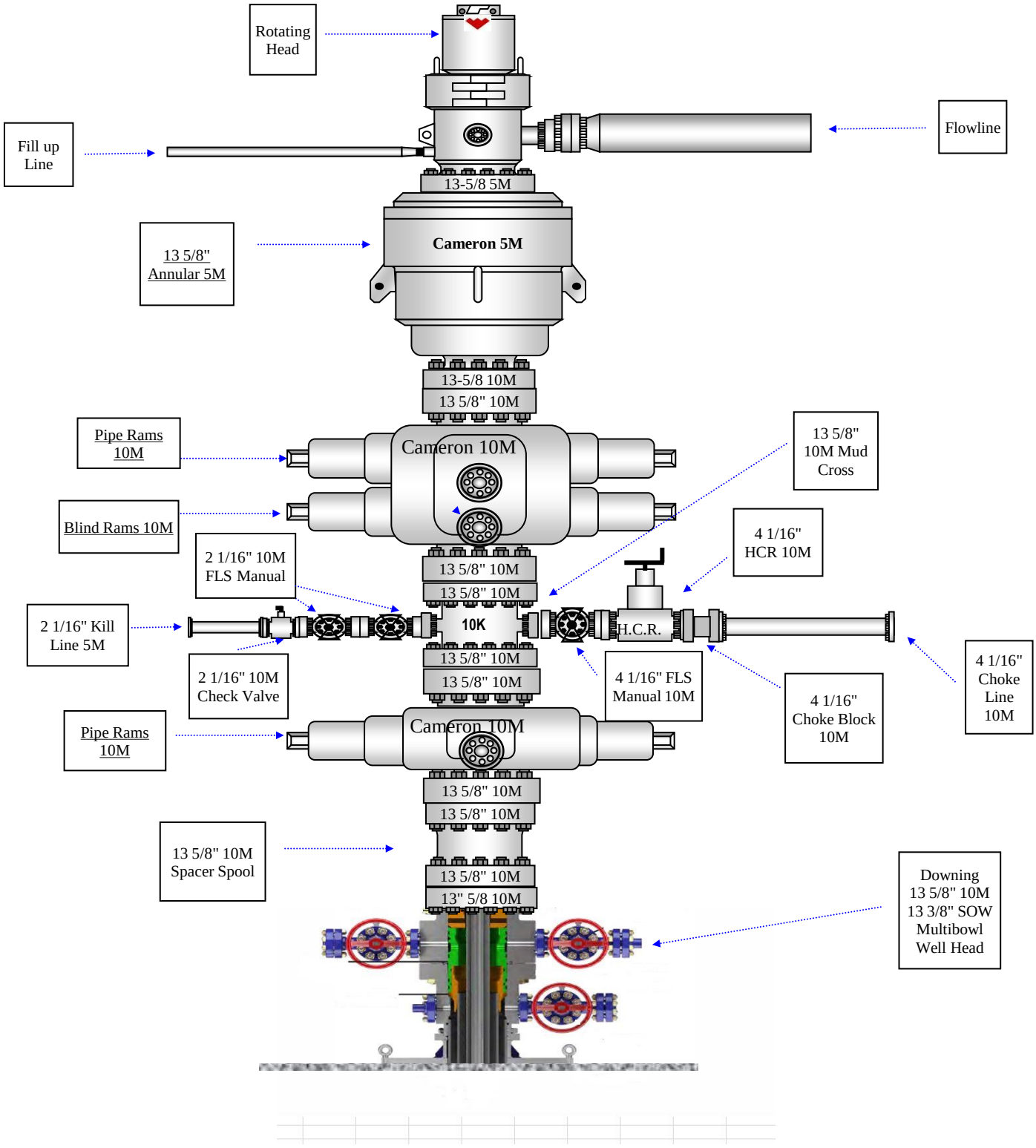


RKI

Drawing #:	Date:	Drawing by:
1537083-C	12-11-17	Brandon

Cactus Rig 171
10M BOP with 5M Annular
Kaiser Francis Oil Company

Hole Sections Utilized
***12 1/4" Hole below Surface Casing**
***8 3/4"-8 1/2" Hole below Intermediate casing**



CACTUS DRILLING LTR FASTENER

CACTUS DRILLING
11722 W. HWY 80 E.
ODESSA, TX 79765

DATE: OCTOBER 7, 2019

COPPER STATE RUBBER/SPECIALTIES COMPANY
FILE: CSR-32367 / SPECO-83336

INSPECT, BORESCOPE, AND RECERTIFY CUSTOMER'S CHOKE AND KILL HOSE, API SPEC 16C MONOGRAMMED, FIRE RESISTANT, 10,000 PSI MAWP X 15,000 PSI TEST, COMPLETE WITH 4-1/16" 10,000 PSI API FLANGE ENDS (FIXED X SWIVEL).
1 EA: 3" ID X 35 FT. (S/N: 33974A)

TAB 1

I. **API** CERTIFICATE OF REGISTRATION ISO 9001:2015
CERTIFICATE NO.: 3042
II. **API** CERTIFICATE OF ACCREDITATION FOR Q1
REGISTRATION NO.: Q1-3217
III. **API** CERTIFICATE OF ACREDITATION FOR API 16C
LICENSE NO.: 16C-0383

KAISER-FRANCIS OIL COMPANY
HYDROGEN SULFIDE (H_2S) CONTINGENCY PLAN
FOR DRILLING/COMPLETION WORKOVER/FACILITY

Bell Lake Unit North
SECTION 1 -T23S-R33E
SECTION 6 -T23S-R34E
SECTION 5 -T23S-R34E

LEA COUNTY, NM

This well/facility is not expected to have H_2S, but due to the sensitive location, the following is submitted as requested.

TABLE OF CONTENTS

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

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

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

General Responsibilities

In the event of an H_2S emergency, the following plan will be initiated.

1) All personnel will immediately evacuate to an up-wind and if possible up-hill “safe area”.

2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).

3) Always use the “buddy system”.

4) Isolate the well/problem if possible.

5) Account for all personnel

6) Display the proper colors, warning all unsuspecting personnel of the danger at hand

7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

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

INDIVIDUAL RESPONSIBILITIES DURING AN H_2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H_2S siren and lights.

All Personnel:

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

Rig Manager/Tool Pusher:

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

Two People Responsible for Shut-in and Rescue:

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

All Other Personnel:

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

Kaiser-Francis Oil Company Representative:

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

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:
Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

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

1) Human life and/or property are in danger.

2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTIONS FOR IGNITION:

1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a "D"-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.

2) One of the people will be a qualified safety person who will test the atmosphere for H_2S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.

3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500' range to ignite the gas.

4) Prior to ignition, make a final check for combustible gases.

5) Following ignition, continue with the emergency actions & procedures as before.

CONTACTING AUTHORITIES

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

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

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

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

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

PROTECTION OF THE GENERAL PUBLIC/ROE:

In the event of a release with a concentration greater than 100 ppm H_2S, the ROE (Radius of Exposure) calculations will be done to determine if the following conditions have been met:

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

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

Calculation for the 100 ppm ROE:

X = [(1.589)(concentration)(Q)] (0.6258)

(H2S concentrations in decimal form)
10,000 ppm +=1.+
1,000 ppm +=.1+
100 ppm +=.01+
10 ppm +=.001+

Calculation for the 500 ppm ROE:

X+[(0.4546)(concentration)(Q)] (.06258)

EXAMPLE: If a well/facility has been determined to have 150 ppm H_2S in the gas mixture and the well/facility is producing at a gas rate of 200 MCFPD then:

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

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

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

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

1) Notification of the emergency response agencies of the hazardous condition and Implement evacuation procedures.

2) A trained person in H_2S safety, shall monitor with detection equipment the H_2S Concentration, wind and area of exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. **(All monitoring equipment will be UL approved, for use in class I groups A,B,C & D, Division I, hazardous locations. All monitors will have a minimum capability of measuring H_2S, oxygen, and flammable values.)**

3) Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.

4) The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

CHARACTERISTICS OF H_2S AND SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

TRAINING:

All responders must have training in the detection of H_2S measures for protection against the gas, equipment used for protection and emergency response. Weekly drills by all crews will be conducted and recorded in the IADC daily log. Additionally, responders must be equipped with H_2S monitors at all times.

PUBLIC RELATIONS

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

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

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

KAISER-FRANCIS OIL COMPANY

Kaiser Francis

Bell Lake Unit North 206H
Bell Lake Unit North 206H
Bell Lake Unit North 206H
Bell Lake Unit North 206H

Plan: 191213 Bell Lake Unit North 206H

Morcor Standard Plan

13 December, 2019

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Project Bell Lake Unit North 206H

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Bell Lake Unit North 206H

Site Position:		**Northing:**	486,849.49 usft	**Latitude:**	32° 20' 8.851 N
From:	Map	**Easting:**	792,882.67 usft	**Longitude:**	103° 31' 8.024 W
Position Uncertainty:	1.0 usft	**Slot Radius:**	17-1/2 "	**Grid Convergence:**	0.44 °

Well Bell Lake Unit North 206H

Well Position	**+N/-S**	0.0 usft	**Northing:**	486,849.49 usft	**Latitude:**	32° 20' 8.851 N
	+E/-W	0.0 usft	**Easting:**	792,882.67 usft	**Longitude:**	103° 31' 8.024 W
Position Uncertainty		1.0 usft	**Wellhead Elevation:**	usft	**Ground Level:**	3,496.7 usft

Wellbore Bell Lake Unit North 206H

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	12/13/2019	6.51	60.08	47,838

Design 191213 Bell Lake Unit North 206H

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	180.27

Survey Tool Program **Date** 12/13/2019

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
0.0	18,546.2	191213 Bell Lake Unit North 206H (Bell La	MWD	MWD - Standard

Morcor Engineering

Morcor Standard Plan

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Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
0.0	0.00	0.00	0.0	-3,518.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
100.0	0.00	0.00	100.0	-3,418.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
120.0	0.00	0.00	120.0	-3,398.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
20" Conductor										
200.0	0.00	0.00	200.0	-3,318.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
300.0	0.00	0.00	300.0	-3,218.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
400.0	0.00	0.00	400.0	-3,118.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
500.0	0.00	0.00	500.0	-3,018.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
600.0	0.00	0.00	600.0	-2,918.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
700.0	0.00	0.00	700.0	-2,818.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
800.0	0.00	0.00	800.0	-2,718.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
900.0	0.00	0.00	900.0	-2,618.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,000.0	0.00	0.00	1,000.0	-2,518.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,100.0	0.00	0.00	1,100.0	-2,418.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,200.0	0.00	0.00	1,200.0	-2,318.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,222.0	0.00	0.00	1,222.0	-2,296.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Rustler										
1,272.0	0.00	0.00	1,272.0	-2,246.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
13 3/8" Surface casing										
1,300.0	0.00	0.00	1,300.0	-2,218.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,400.0	0.00	0.00	1,400.0	-2,118.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,497.0	0.00	0.00	1,497.0	-2,021.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Salado										
1,500.0	0.00	0.00	1,500.0	-2,018.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,600.0	0.00	0.00	1,600.0	-1,918.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,700.0	0.00	0.00	1,700.0	-1,818.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1,800.0	0.00	0.00	1,800.0	-1,718.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00

Morcor Engineering

Morcor Standard Plan

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Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
1,822.0	0.00	0.00	1,822.0	-1,696.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Top Salt										
1,900.0	0.00	0.00	1,900.0	-1,618.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,000.0	0.00	0.00	2,000.0	-1,518.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,100.0	0.00	0.00	2,100.0	-1,418.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,200.0	0.00	0.00	2,200.0	-1,318.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,300.0	0.00	0.00	2,300.0	-1,218.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,400.0	0.00	0.00	2,400.0	-1,118.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,500.0	0.00	0.00	2,500.0	-1,018.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,600.0	0.00	0.00	2,600.0	-918.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,700.0	0.00	0.00	2,700.0	-818.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,800.0	0.00	0.00	2,800.0	-718.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
2,900.0	0.00	0.00	2,900.0	-618.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,000.0	0.00	0.00	3,000.0	-518.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,100.0	0.00	0.00	3,100.0	-418.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,200.0	0.00	0.00	3,200.0	-318.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,300.0	0.00	0.00	3,300.0	-218.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,400.0	0.00	0.00	3,400.0	-118.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,500.0	0.00	0.00	3,500.0	-18.7	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,600.0	0.00	0.00	3,600.0	81.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,700.0	0.00	0.00	3,700.0	181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,800.0	0.00	0.00	3,800.0	281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
3,900.0	0.00	0.00	3,900.0	381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,000.0	0.00	0.00	4,000.0	481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,100.0	0.00	0.00	4,100.0	581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,200.0	0.00	0.00	4,200.0	681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,300.0	0.00	0.00	4,300.0	781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00

Morcor Engineering

Morcor Standard Plan

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Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
4,400.0	0.00	0.00	4,400.0	881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,500.0	0.00	0.00	4,500.0	981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,600.0	0.00	0.00	4,600.0	1,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,700.0	0.00	0.00	4,700.0	1,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,772.0	0.00	0.00	4,772.0	1,253.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Base of Salt										
4,800.0	0.00	0.00	4,800.0	1,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
4,900.0	0.00	0.00	4,900.0	1,381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,000.0	0.00	0.00	5,000.0	1,481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,072.0	0.00	0.00	5,072.0	1,553.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Lamar - 9 5/8" Intermediate Casing										
5,100.0	0.00	0.00	5,100.0	1,581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,200.0	0.00	0.00	5,200.0	1,681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,300.0	0.00	0.00	5,300.0	1,781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,372.0	0.00	0.00	5,372.0	1,853.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Bell Canyon										
5,400.0	0.00	0.00	5,400.0	1,881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,500.0	0.00	0.00	5,500.0	1,981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,600.0	0.00	0.00	5,600.0	2,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,700.0	0.00	0.00	5,700.0	2,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,800.0	0.00	0.00	5,800.0	2,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
5,900.0	0.00	0.00	5,900.0	2,381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,000.0	0.00	0.00	6,000.0	2,481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,100.0	0.00	0.00	6,100.0	2,581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,200.0	0.00	0.00	6,200.0	2,681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,300.0	0.00	0.00	6,300.0	2,781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,400.0	0.00	0.00	6,400.0	2,881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00

Morcor Engineering

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Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
6,500.0	0.00	0.00	6,500.0	2,981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,572.0	0.00	0.00	6,572.0	3,053.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Cherry Canyon										
6,600.0	0.00	0.00	6,600.0	3,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,700.0	0.00	0.00	6,700.0	3,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,800.0	0.00	0.00	6,800.0	3,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
6,900.0	0.00	0.00	6,900.0	3,381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,000.0	0.00	0.00	7,000.0	3,481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,100.0	0.00	0.00	7,100.0	3,581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,200.0	0.00	0.00	7,200.0	3,681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,300.0	0.00	0.00	7,300.0	3,781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,400.0	0.00	0.00	7,400.0	3,881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,500.0	0.00	0.00	7,500.0	3,981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,600.0	0.00	0.00	7,600.0	4,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,700.0	0.00	0.00	7,700.0	4,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,800.0	0.00	0.00	7,800.0	4,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
7,900.0	0.00	0.00	7,900.0	4,381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,000.0	0.00	0.00	8,000.0	4,481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,100.0	0.00	0.00	8,100.0	4,581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,200.0	0.00	0.00	8,200.0	4,681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,222.0	0.00	0.00	8,222.0	4,703.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Brushy Canyon										
8,300.0	0.00	0.00	8,300.0	4,781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,400.0	0.00	0.00	8,400.0	4,881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,447.0	0.00	0.00	8,447.0	4,928.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Bone Spring										
8,500.0	0.00	0.00	8,500.0	4,981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00

Morcor Engineering

Morcor Standard Plan

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Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
8,600.0	0.00	0.00	8,600.0	5,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,700.0	0.00	0.00	8,700.0	5,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,762.0	0.00	0.00	8,762.0	5,243.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Avalon										
8,800.0	0.00	0.00	8,800.0	5,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
8,900.0	0.00	0.00	8,900.0	5,381.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,000.0	0.00	0.00	9,000.0	5,481.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,100.0	0.00	0.00	9,100.0	5,581.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,200.0	0.00	0.00	9,200.0	5,681.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,300.0	0.00	0.00	9,300.0	5,781.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,400.0	0.00	0.00	9,400.0	5,881.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,500.0	0.00	0.00	9,500.0	5,981.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,600.0	0.00	0.00	9,600.0	6,081.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,697.0	0.00	0.00	9,697.0	6,178.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
1st BS Sand										
9,700.0	0.00	0.00	9,700.0	6,181.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,800.0	0.00	0.00	9,800.0	6,281.3	0.0	0.0	792,882.67	486,849.49	0.00	0.00
9,848.9	0.00	0.00	9,848.9	6,330.2	0.0	0.0	792,882.67	486,849.49	0.00	0.00
Start Build 10.00										
9,900.0	5.11	183.63	9,899.9	6,381.2	-2.3	-0.1	792,882.53	486,847.22	2.27	10.00
10,000.0	15.11	183.63	9,998.3	6,479.6	-19.8	-1.3	792,881.42	486,829.73	19.77	10.00
10,100.0	25.10	183.63	10,092.0	6,573.3	-54.0	-3.4	792,879.25	486,795.46	54.04	10.00
10,200.0	35.10	183.63	10,178.4	6,659.7	-104.0	-6.6	792,876.08	486,745.47	104.05	10.00
10,255.2	40.62	183.63	10,222.0	6,703.3	-137.8	-8.7	792,873.94	486,711.69	137.84	10.00
2nd BS Sand										
10,300.0	45.10	183.63	10,254.8	6,736.1	-168.2	-10.7	792,872.01	486,681.27	168.27	10.00
10,400.0	55.10	183.63	10,318.9	6,800.2	-244.7	-15.5	792,867.16	486,604.81	244.75	10.00

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
10,500.0	65.09	183.63	10,368.7	6,850.0	-331.1	-21.0	792,861.69	486,518.41	331.18	10.00
10,600.0	75.09	183.63	10,402.7	6,884.0	-424.8	-26.9	792,855.75	486,424.69	424.92	10.00
10,700.0	85.09	183.63	10,419.9	6,901.2	-523.0	-33.1	792,849.53	486,326.51	523.13	10.00
10,749.2	90.00	183.63	10,422.0	6,903.3	-572.0	-36.2	792,846.42	486,277.50	572.15	10.00
Start DLS 1.48 TFO -90.05										
10,800.0	90.00	182.88	10,422.0	6,903.3	-622.7	-39.1	792,843.54	486,226.75	622.92	1.48
10,900.0	90.00	181.40	10,422.0	6,903.3	-722.7	-42.9	792,839.81	486,126.82	722.86	1.48
10,997.5	90.00	179.96	10,422.0	6,903.3	-820.1	-44.0	792,838.65	486,029.37	820.32	1.48
Start 7548.8 hold at 10997.5 MD										
11,000.0	90.00	179.96	10,422.0	6,903.3	-822.7	-44.0	792,838.65	486,026.83	822.86	0.00
11,100.0	90.00	179.96	10,422.0	6,903.3	-922.7	-44.0	792,838.72	485,926.83	922.86	0.00
11,200.0	90.00	179.96	10,422.0	6,903.3	-1,022.7	-43.9	792,838.79	485,826.83	1,022.85	0.00
11,300.0	90.00	179.96	10,422.0	6,903.3	-1,122.7	-43.8	792,838.85	485,726.83	1,122.85	0.00
11,400.0	90.00	179.96	10,422.0	6,903.3	-1,222.7	-43.7	792,838.92	485,626.83	1,222.85	0.00
11,500.0	90.00	179.96	10,422.0	6,903.3	-1,322.7	-43.7	792,838.99	485,526.83	1,322.85	0.00
11,600.0	90.00	179.96	10,422.0	6,903.3	-1,422.7	-43.6	792,839.06	485,426.83	1,422.85	0.00
11,700.0	90.00	179.96	10,422.0	6,903.3	-1,522.7	-43.5	792,839.12	485,326.83	1,522.85	0.00
11,800.0	90.00	179.96	10,422.0	6,903.3	-1,622.7	-43.5	792,839.19	485,226.83	1,622.85	0.00
11,900.0	90.00	179.96	10,422.0	6,903.3	-1,722.7	-43.4	792,839.26	485,126.83	1,722.84	0.00
12,000.0	90.00	179.96	10,422.0	6,903.3	-1,822.7	-43.3	792,839.32	485,026.83	1,822.84	0.00
12,100.0	90.00	179.96	10,422.0	6,903.3	-1,922.7	-43.3	792,839.39	484,926.83	1,922.84	0.00
12,200.0	90.00	179.96	10,422.0	6,903.3	-2,022.7	-43.2	792,839.46	484,826.83	2,022.84	0.00
12,300.0	90.00	179.96	10,422.0	6,903.3	-2,122.7	-43.1	792,839.53	484,726.83	2,122.84	0.00
12,400.0	90.00	179.96	10,422.0	6,903.3	-2,222.7	-43.1	792,839.59	484,626.83	2,222.84	0.00
12,500.0	90.00	179.96	10,422.0	6,903.3	-2,322.7	-43.0	792,839.66	484,526.83	2,322.84	0.00
12,600.0	90.00	179.96	10,422.0	6,903.3	-2,422.7	-42.9	792,839.73	484,426.83	2,422.83	0.00
12,700.0	90.00	179.96	10,422.0	6,903.3	-2,522.7	-42.9	792,839.80	484,326.83	2,522.83	0.00

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
12,800.0	90.00	179.96	10,422.0	6,903.3	-2,622.7	-42.8	792,839.86	484,226.83	2,622.83	0.00
12,900.0	90.00	179.96	10,422.0	6,903.3	-2,722.7	-42.7	792,839.93	484,126.83	2,722.83	0.00
13,000.0	90.00	179.96	10,422.0	6,903.3	-2,822.7	-42.7	792,840.00	484,026.83	2,822.83	0.00
13,100.0	90.00	179.96	10,422.0	6,903.3	-2,922.7	-42.6	792,840.06	483,926.83	2,922.83	0.00
13,200.0	90.00	179.96	10,422.0	6,903.3	-3,022.7	-42.5	792,840.13	483,826.83	3,022.83	0.00
13,300.0	90.00	179.96	10,422.0	6,903.3	-3,122.7	-42.5	792,840.20	483,726.83	3,122.82	0.00
13,400.0	90.00	179.96	10,422.0	6,903.3	-3,222.7	-42.4	792,840.27	483,626.83	3,222.82	0.00
13,500.0	90.00	179.96	10,422.0	6,903.3	-3,322.7	-42.3	792,840.33	483,526.83	3,322.82	0.00
13,600.0	90.00	179.96	10,422.0	6,903.3	-3,422.7	-42.3	792,840.40	483,426.83	3,422.82	0.00
13,700.0	90.00	179.96	10,422.0	6,903.3	-3,522.7	-42.2	792,840.47	483,326.83	3,522.82	0.00
13,800.0	90.00	179.96	10,422.0	6,903.3	-3,622.7	-42.1	792,840.54	483,226.83	3,622.82	0.00
13,900.0	90.00	179.96	10,422.0	6,903.3	-3,722.7	-42.1	792,840.60	483,126.83	3,722.82	0.00
14,000.0	90.00	179.96	10,422.0	6,903.3	-3,822.7	-42.0	792,840.67	483,026.83	3,822.81	0.00
14,100.0	90.00	179.96	10,422.0	6,903.3	-3,922.7	-41.9	792,840.74	482,926.83	3,922.81	0.00
14,200.0	90.00	179.96	10,422.0	6,903.3	-4,022.7	-41.9	792,840.81	482,826.83	4,022.81	0.00
14,300.0	90.00	179.96	10,422.0	6,903.3	-4,122.7	-41.8	792,840.87	482,726.83	4,122.81	0.00
14,400.0	90.00	179.96	10,422.0	6,903.3	-4,222.7	-41.7	792,840.94	482,626.83	4,222.81	0.00
14,500.0	90.00	179.96	10,422.0	6,903.3	-4,322.7	-41.7	792,841.01	482,526.83	4,322.81	0.00
14,600.0	90.00	179.96	10,422.0	6,903.3	-4,422.7	-41.6	792,841.07	482,426.83	4,422.81	0.00
14,700.0	90.00	179.96	10,422.0	6,903.3	-4,522.7	-41.5	792,841.14	482,326.83	4,522.80	0.00
14,800.0	90.00	179.96	10,422.0	6,903.3	-4,622.7	-41.5	792,841.21	482,226.83	4,622.80	0.00
14,900.0	90.00	179.96	10,422.0	6,903.3	-4,722.7	-41.4	792,841.28	482,126.83	4,722.80	0.00
15,000.0	90.00	179.96	10,422.0	6,903.3	-4,822.7	-41.3	792,841.34	482,026.83	4,822.80	0.00
15,100.0	90.00	179.96	10,422.0	6,903.3	-4,922.7	-41.3	792,841.41	481,926.83	4,922.80	0.00
15,200.0	90.00	179.96	10,422.0	6,903.3	-5,022.7	-41.2	792,841.48	481,826.83	5,022.80	0.00
15,300.0	90.00	179.96	10,422.0	6,903.3	-5,122.7	-41.1	792,841.55	481,726.83	5,122.80	0.00
15,400.0	90.00	179.96	10,422.0	6,903.3	-5,222.7	-41.1	792,841.61	481,626.83	5,222.79	0.00

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
15,500.0	90.00	179.96	10,422.0	6,903.3	-5,322.7	-41.0	792,841.68	481,526.83	5,322.79	0.00
15,600.0	90.00	179.96	10,422.0	6,903.3	-5,422.7	-40.9	792,841.75	481,426.83	5,422.79	0.00
15,700.0	90.00	179.96	10,422.0	6,903.3	-5,522.7	-40.9	792,841.81	481,326.83	5,522.79	0.00
15,800.0	90.00	179.96	10,422.0	6,903.3	-5,622.7	-40.8	792,841.88	481,226.83	5,622.79	0.00
15,900.0	90.00	179.96	10,422.0	6,903.3	-5,722.7	-40.7	792,841.95	481,126.83	5,722.79	0.00
16,000.0	90.00	179.96	10,422.0	6,903.3	-5,822.7	-40.7	792,842.02	481,026.83	5,822.79	0.00
16,100.0	90.00	179.96	10,422.0	6,903.3	-5,922.7	-40.6	792,842.08	480,926.83	5,922.78	0.00
16,200.0	90.00	179.96	10,422.0	6,903.3	-6,022.7	-40.5	792,842.15	480,826.83	6,022.78	0.00
16,300.0	90.00	179.96	10,422.0	6,903.3	-6,122.7	-40.5	792,842.22	480,726.83	6,122.78	0.00
16,400.0	90.00	179.96	10,422.0	6,903.3	-6,222.7	-40.4	792,842.29	480,626.83	6,222.78	0.00
16,500.0	90.00	179.96	10,422.0	6,903.3	-6,322.7	-40.3	792,842.35	480,526.83	6,322.78	0.00
16,600.0	90.00	179.96	10,422.0	6,903.3	-6,422.7	-40.2	792,842.42	480,426.83	6,422.78	0.00
16,700.0	90.00	179.96	10,422.0	6,903.3	-6,522.7	-40.2	792,842.49	480,326.83	6,522.78	0.00
16,800.0	90.00	179.96	10,422.0	6,903.3	-6,622.7	-40.1	792,842.55	480,226.83	6,622.77	0.00
16,900.0	90.00	179.96	10,422.0	6,903.3	-6,722.7	-40.0	792,842.62	480,126.83	6,722.77	0.00
17,000.0	90.00	179.96	10,422.0	6,903.3	-6,822.7	-40.0	792,842.69	480,026.83	6,822.77	0.00
17,100.0	90.00	179.96	10,422.0	6,903.3	-6,922.7	-39.9	792,842.76	479,926.83	6,922.77	0.00
17,200.0	90.00	179.96	10,422.0	6,903.3	-7,022.7	-39.8	792,842.82	479,826.83	7,022.77	0.00
17,300.0	90.00	179.96	10,422.0	6,903.3	-7,122.7	-39.8	792,842.89	479,726.83	7,122.77	0.00
17,400.0	90.00	179.96	10,422.0	6,903.3	-7,222.7	-39.7	792,842.96	479,626.83	7,222.77	0.00
17,500.0	90.00	179.96	10,422.0	6,903.3	-7,322.7	-39.6	792,843.03	479,526.83	7,322.77	0.00
17,600.0	90.00	179.96	10,422.0	6,903.3	-7,422.7	-39.6	792,843.09	479,426.83	7,422.76	0.00
17,700.0	90.00	179.96	10,422.0	6,903.3	-7,522.7	-39.5	792,843.16	479,326.83	7,522.76	0.00
17,800.0	90.00	179.96	10,422.0	6,903.3	-7,622.7	-39.4	792,843.23	479,226.83	7,622.76	0.00
17,900.0	90.00	179.96	10,422.0	6,903.3	-7,722.7	-39.4	792,843.30	479,126.83	7,722.76	0.00
18,000.0	90.00	179.96	10,422.0	6,903.3	-7,822.7	-39.3	792,843.36	479,026.83	7,822.76	0.00
18,100.0	90.00	179.96	10,422.0	6,903.3	-7,922.7	-39.2	792,843.43	478,926.83	7,922.76	0.00

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	Easting (usft)	Northing (usft)	V. Sec (usft)	DLeg (°/100usft)
18,200.0	90.00	179.96	10,422.0	6,903.3	-8,022.7	-39.2	792,843.50	478,826.83	8,022.76	0.00
18,300.0	90.00	179.96	10,422.0	6,903.3	-8,122.7	-39.1	792,843.56	478,726.83	8,122.75	0.00
18,400.0	90.00	179.96	10,422.0	6,903.3	-8,222.7	-39.0	792,843.63	478,626.83	8,222.75	0.00
18,500.0	90.00	179.96	10,422.0	6,903.3	-8,322.7	-39.0	792,843.70	478,526.83	8,322.75	0.00
18,546.2	90.00	179.96	10,422.0	6,903.3	-8,368.9	-38.9	792,843.73	478,480.63	8,368.95	0.00

TD at 18546.2 - 5 1/2" Production Casing

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
120.0	120.0	20" Conductor	20	26
1,272.0	1,272.0	13 3/8" Surface casing	13-3/8	17-1/2
5,072.0	5,072.0	9 5/8" Intermediate Casing	9-5/8	12-1/4
18,546.2	10,422.0	5 1/2" Production Casing	5-1/2	8-3/4

Morcor Engineering

Morcor Standard Plan

Company:	Kaiser Francis	**Local Co-ordinate Reference:**	Well Bell Lake Unit North 206H
Project:	Bell Lake Unit North 206H	**TVD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Site:	Bell Lake Unit North 206H	**MD Reference:**	WELL @ 3518.7usft (Original Well Elev)
Well:	Bell Lake Unit North 206H	**North Reference:**	Grid
Wellbore:	Bell Lake Unit North 206H	**Survey Calculation Method:**	Minimum Curvature
Design:	191213 Bell Lake Unit North 206H	**Database:**	EDM 5000.1 Single User Db

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
8,447.0	8,447.0	Bone Spring		0.00	
5,072.0	5,072.0	Lamar		0.00	
1,497.0	1,497.0	Salado		0.00	
5,372.0	5,372.0	Bell Canyon		0.00	
4,772.0	4,772.0	Base of Salt		0.00	
1,222.0	1,222.0	Rustler		0.00	
10,255.2	10,222.0	2nd BS Sand		0.00	
1,822.0	1,822.0	Top Salt		0.00	
8,762.0	8,762.0	Avalon		0.00	
6,572.0	6,572.0	Cherry Canyon		0.00	
8,222.0	8,222.0	Brushy Canyon		0.00	
9,697.0	9,697.0	1st BS Sand		0.00	

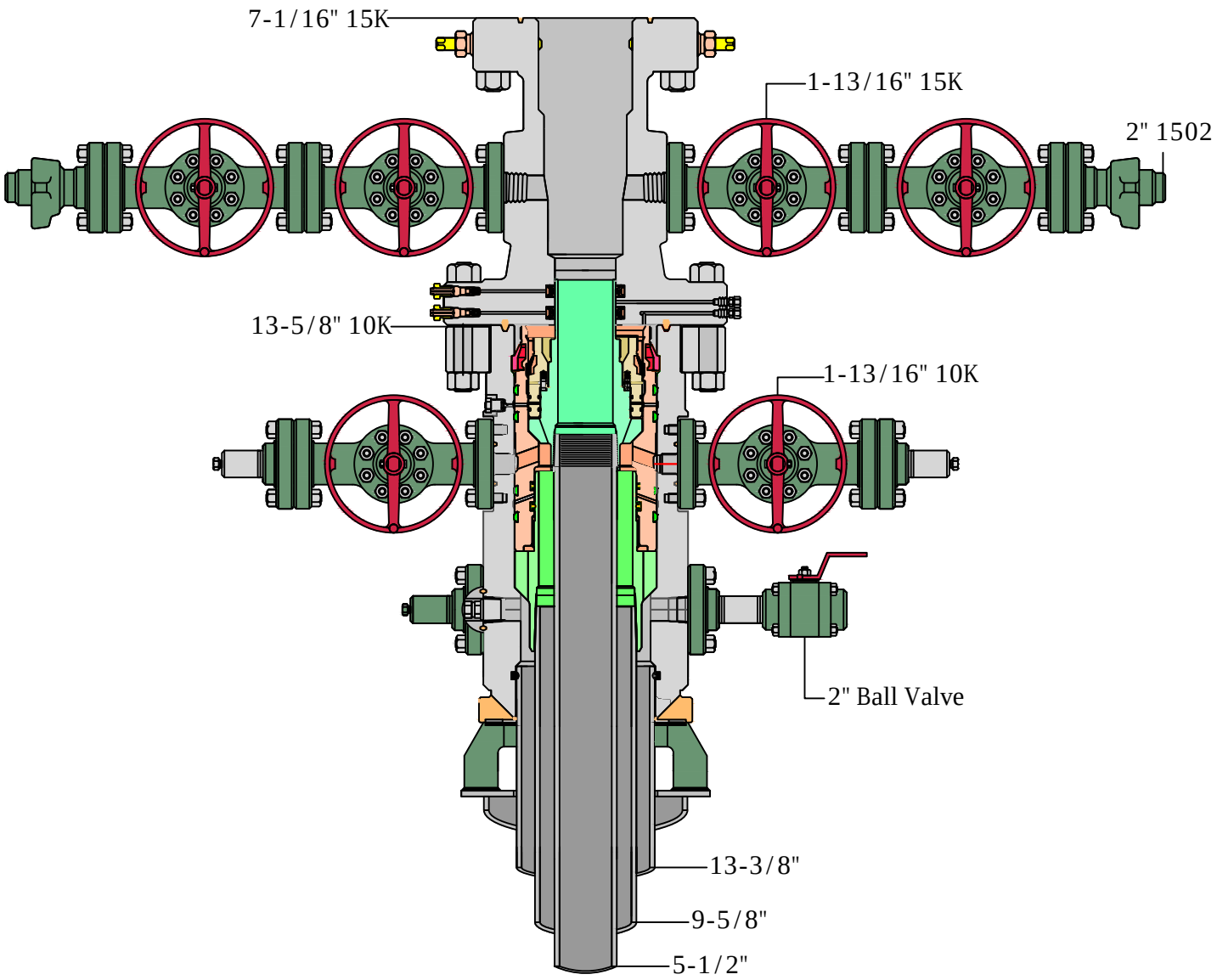
Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
9,848.9	9,848.9	0.0	0.0	Start Build 10.00
10,749.2	10,422.0	-572.0	-36.2	Start DLS 1.48 TFO -90.05
10,997.5	10,422.0	-820.1	-44.0	Start 7548.8 hold at 10997.5 MD
18,546.2	10,422.0	-8,368.9	-38.9	TD at 18546.2

Checked By: _____ Approved By: _____ Date: _____

CAMERON
A Schlumberger Company

13-5/8" 10K MN-DS



RKI

Drawing #:	Date:	Drawing by:
1537083-C	12-11-17	Brandon

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

SUPO Data Report
11/30/2020

APD ID: 10400053599
Submission Date: 01/27/2020
Operator Name: KAISER FRANCIS OIL COMPANY
Well Name: BELL LAKE UNIT NORTH
Well Number: 206H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

BLUN_206H_Existing_Roads_20200123152544.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

BLUN_206H_Access_Road_20200123152602.pdf

New road type: RESOURCE

Length: 1969 Feet **Width (ft.):** 30

Max slope (%): 2 **Max grade (%):** 2

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 20

New road access erosion control: Road construction requirements and regular maintenance would alleviate potential impacts to the access road from water erosion damage.

New road access plan or profile prepared? N

New road access plan attachment:

Access road engineering design? N

Access road engineering design attachment:

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Turnout? N

Access surfacing type: OTHER

Access topsoil source: BOTH

Access surfacing type description: Native caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description: BLM's caliche pit in SWSW Section 22-T24-R34E or NENE Section 20-T23S-R33E.

Onsite topsoil removal process: The top 6 inches of topsoil is pushed off and stockpiled along the side of the location. An approximate 160 X 160 area is used within the proposed well site to remove caliche. Subsoil is removed and stockpiled within the pad site to build the location and road. Then subsoil is pushed back in the hole and caliche is spread accordingly across proposed access road.

Access other construction information:

Access miscellaneous information:

Number of access turnouts: **Access turnout map:**

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: Proposed access road will be crowned and ditched and constructed of 6 inch rolled and compacted caliche. Water will be diverted where necessary to avoid ponding, maintain good drainage, and to be consistent with local drainage patterns.

Road Drainage Control Structures (DCS) description: The ditches will be 3' wide with 3:1 slopes

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

BLUN_206H_1_Mile_Wells_20200123152645.pdf

BLUN_206H_1_Mile_Wells_Map_20200123152645.pdf

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

Submit or defer a Proposed Production Facilities plan? DEFER

Estimated Production Facilities description: Production facilities are planned for the south side of pad. Plan for initial wells: 2-1000 bbl water tanks and 5 -1000 bbl oil tanks, a temporary 6X20 horizontal 3-phase sep, a 48 X 10 3-phase sep, a 8 X 20 heater treater and a 48X 10 2-phase sep

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: OTHER

Describe type: Brine Water

Water source use type: INTERMEDIATE/PRODUCTION CASING

Source latitude:

Source longitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Water source transport method: TRUCKING

Source land ownership: PRIVATE

Source transportation land ownership: OTHER

Describe transportation land ownership: Source tra is a mixture of Federal, State and County.

Water source volume (barrels): 20000

Source volume (acre-feet): 2.57786193

Source volume (gal): 840000

Water source type: OTHER

Describe type: FRESH WATER

Water source use type: STIMULATION

OTHER

Describe use type: ROAD/PAD CONSTRUCTION AN

SURFACE CASING

Source latitude:

Source longitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Water source transport method: TRUCKING

Source land ownership: PRIVATE

Source transportation land ownership: OTHER

Describe transportation land ownership: Source tra is a mixture of Federal, State and County.

Water source volume (barrels): 250000

Source volume (acre-feet): 32.223274

Source volume (gal): 10500000

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Water source and transportation map:

BLUN_Pad_4_Water_Source_Map_20200122104724.pdf

Water source comments: Source transportation land ownership is a mixture of Federal, State and County.

New water well? N

New Water Well Info

Well latitude: **Well Longitude:** **Well datum:**

Well target aquifer:

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

Aquifer comments:

Aquifer documentation:

Well depth (ft): **Well casing type:**

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

New water well casing? **Used casing source:**

Drilling method: **Drill material:**

Grout material: **Grout depth:**

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

Well Production type: **Completion Method:**

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: On site caliche will be used for construction if sufficient. In the event insufficient quantities of caliche are available onsite, caliche will be trucked in from BLM's caliche pit in SWSW Section 22-T24-R34E or NENE Section 20-T23S-R33E.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drilling fluids and cuttings

Amount of waste: 3900 barrels

Waste disposal frequency : Weekly

Safe containment description: All drilling fluids will be stored safely and disposed of properly

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Safe containmant attachment:

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

Disposal location description: Cuttings will be hauled to R360's facility located in Section 27-T20S-R32E on US 62/180 at Halfway, NM

Waste type: SEWAGE

Waste content description: Human waste and grey water

Amount of waste: 1000 gallons

Waste disposal frequency : Weekly

Safe containment description: Waste material will be stored safely and disposed of properly

Safe containmant attachment:

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

Disposal location description: Trucked to an approved disposal facility (Carlsbad sewer plant SENW Section 10-T22S-R27E)

Waste type: GARBAGE

Waste content description: Miscellaneous trash

Amount of waste: 500 pounds

Waste disposal frequency : Weekly

Safe containment description: Trash produced during drilling and completion operations will be collected in a trash container and disposed of properly
Safe containmant attachment:

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

Disposal location description: Trucked to an approved disposal facility (Sandpoint Landfill (solid materials dump) NW/4 Section 11-T21S-R28E)

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

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

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

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

Reserve pit liner

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? Y

Description of cuttings location Cuttings will be stored in roll off bins and hauled to R360 located in Section 27-T20S-R32E on US 62/180 near Halfway.

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

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

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

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

BLUN_206H_Wellsite_Layout_20200123152839.pdf

BLUN_206H_Drilling_Layout_Pad_4_20200826125505.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance **Multiple Well Pad Name:** NORTH BELL LAKE UNIT

Multiple Well Pad Number: 4

Recontouring attachment:

BLUN_Pad_4_IR_Plat_20200826134840.pdf

Drainage/Erosion control construction: During construction proper erosion control methods will be used to control erosion, runoff and siltation of the surrounding area.

Drainage/Erosion control reclamation: Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Well pad proposed disturbance (acres): 5.96
Road proposed disturbance (acres): 1.36
Powerline proposed disturbance (acres): 0
Pipeline proposed disturbance (acres): 0
Other proposed disturbance (acres): 0

Total proposed disturbance: 7.32

Well pad interim reclamation (acres): 0.91
Road interim reclamation (acres): 0
Powerline interim reclamation (acres): 0
Pipeline interim reclamation (acres): 0
Other interim reclamation (acres): 0

Total interim reclamation: 0.91

Well pad long term disturbance (acres): 5.05
Road long term disturbance (acres): 1.36
Powerline long term disturbance (acres): 0
Pipeline long term disturbance (acres): 0
Other long term disturbance (acres): 0

Total long term disturbance: 6.41

Disturbance Comments:

Reconstruction method: The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.
Topsoil redistribution: Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations
Soil treatment: To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.
Existing Vegetation at the well pad: The historic climax plant community is a grassland dominated by black grama, dropseeds, and blue stems with sand sage and shinnery oak distributed evenly throughout. Current landscape displays mesquite, shinnery oak, yucca, desert sage, fourwing saltbush, snakeweed, and bunch grasses
Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Refer to "Existing Vegetation at the well pad'

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: Refer to "Existing Vegetation at the well pad'

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: None

Existing Vegetation Community at other disturbances attachment:

Non native seed used? N

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? N

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? N

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed Summary	
Seed Type	**Pounds/Acre**

Total pounds/Acre:

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: **Last Name:**

Phone: **Email:**

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? N

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: No invasive species present. Standard regular maintenance to maintain a clear location and road.

Weed treatment plan attachment:

Monitoring plan description: Identify areas supporting weeds prior to construction; prevent the introduction and spread of weeds from construction equipment during construction; and contain weed seeds and propagules by preventing segregated topsoil from being spread to adjacent areas. No invasive species present. Standard regular maintenance to maintain a clear location and road.

Monitoring plan attachment:

Success standards: To maintain all disturbed areas as per Gold Book standards

Pit closure description: N/A

Pit closure attachment:

Section 11 - Surface Ownership

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Disturbance type: WELL PAD

Describe:

Surface Owner: STATE GOVERNMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office: NM STATE LAND OFFICE, 602 N CANAL ST B, CARLSBAD, NM 88220

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: STATE GOVERNMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office: NM STATE LAND OFFICE, 602 N CANAL STE B, CARLSBAD NM 88220

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Section 12 - Other Information

Right of Way needed? N **Use APD as ROW?**

ROW Type(s):

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? Y

Previous Onsite information: Onsite conducted 10/24/2019 by Nik MacPhee (BLM), Eric Hansen (Kaiser-Francis) and Frank Jaramillo (Madron Surveying).

Other SUPO Attachment

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

PWD Data Report
11/30/2020

APD ID: 10400053599 **Submission Date:** 01/27/2020

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Well Type: OIL WELL **Well Work Type:** Drill

Section 1 - General

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

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Lined pit Monitor description:

Lined pit Monitor attachment:

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

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): **PWD surface owner:**

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

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

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

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

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

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

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD discharge volume (bbl/day):

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

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

Bond Info Data Report
11/30/2020

APD ID: 10400053599
Submission Date: 01/27/2020
Operator Name: KAISER FRANCIS OIL COMPANY
Well Name: BELL LAKE UNIT NORTH
Well Number: 206H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Bond Information

Federal/Indian APD: FED

BLM Bond number: WYB000055

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

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
30-025-	98259	Ojo Chiso; Bone Spring, Southwest

[4] Property Code	[5] Property Name	[6] Well Number
	BELL LAKE UNIT NORTH	206H

[7] OGRID No.	[8] Operator Name	[9] Elevation
12361	KAISER-FRANCIS OIL CO.	3496.7

[10] Surface Location

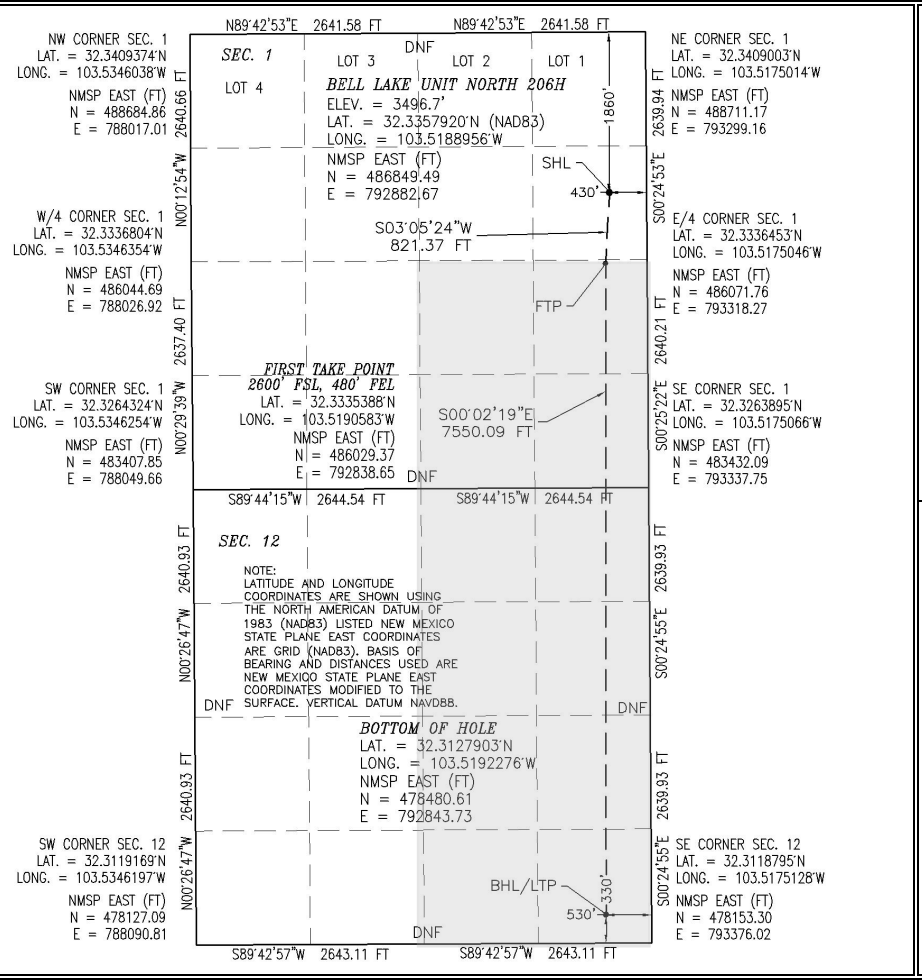
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	23 S	33 E		1860	NORTH	430	EAST	LEA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	23 S	33 E		330	SOUTH	530	EAST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
480			R-14527A

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.



[17] OPERATOR CERTIFICATION

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

Stormi Davis 1/23/20
Signature Date

Stormi Davis
Printed Name

ssdavis104@gmail.com
E-mail Address

[18] SURVEYOR CERTIFICATION

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

OCTOBER 28, 2019
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number: FIDEL F. JARAMILLO, PLS 12797
SURVEY NO. 7631A

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: **01/10/2020**

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

☐ Amended - Reason for Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Bell Lake Unit North 205H		1-23S-33E		2000	0	
Bell Lake Unit North 206H		1-23S-33E		2000	0	
Bell Lake Unit North 305H		1-23S-33E		2000	0	
Bell Lake Unit North 306H		1-23S-33E		2000	0	
Bell Lake Unit North 405H		1-23S-33E		2000	0	
Bell Lake Unit North 406H		1-23S-33E		2000	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa low/high pressure gathering system located in _Lea_ County, New Mexico. It will require _11,000' of pipeline to connect the facility to low/high pressure gathering system. Kaiser-Francis Oil Company provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Kaiser-Francis Oil Company and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Targa Processing Plant located in Sec._36_, Twn.__19S_, Rng._36E, __Lea__ County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

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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
30-025-48495	98259	Ojo Chiso; Bone Spring, Southwest

[4] Property Code	[5] Property Name	[6] Well Number
316707	BELL LAKE UNIT NORTH	206H

[7] OGRID No.	[8] Operator Name	[9] Elevation
12361	KAISER-FRANCIS OIL CO.	3496.7

[10] Surface Location

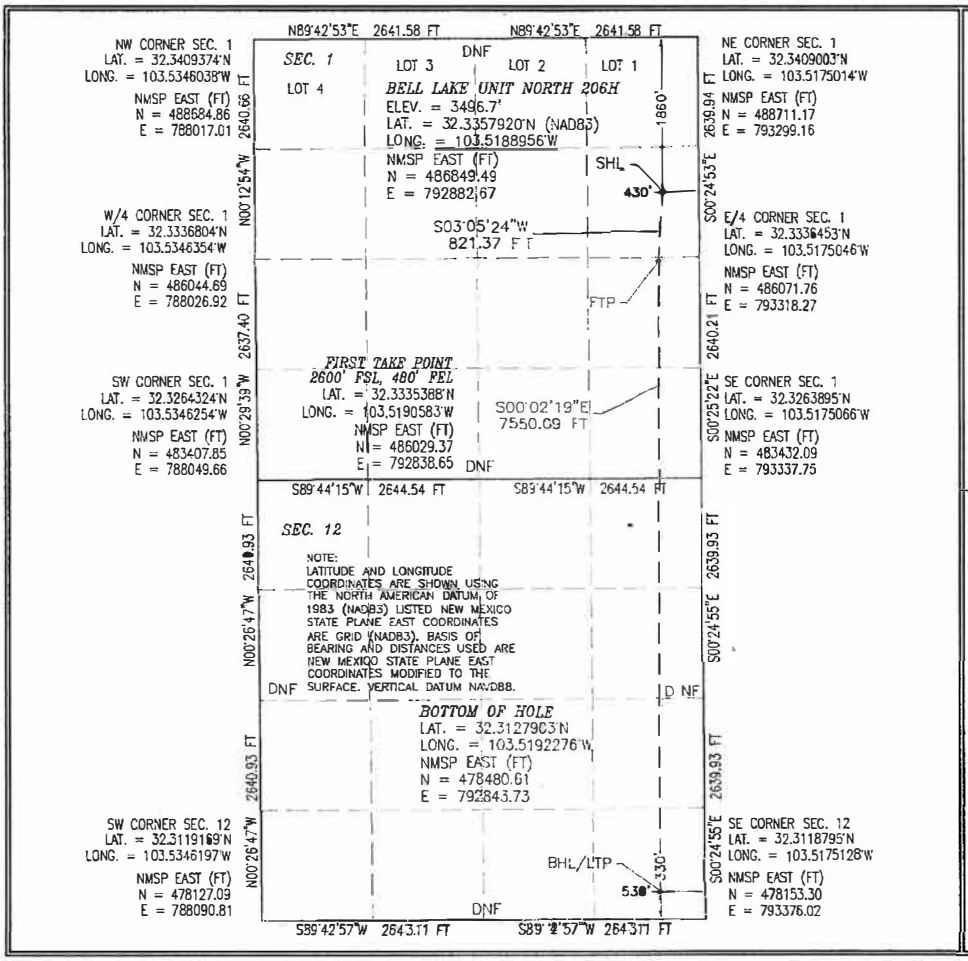
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	23 S	33 E		1860	NORTH	430	EAST	LEA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	23 S	33 E		330	SOUTH	530	EAST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
480			R-14527A

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.



[17] OPERATOR CERTIFICATION

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

Stormi Davis 1/23/20
Signature Date

Stormi Davis
Printed Name

ssdavis104@gmail.com
E-mail Address

[18] SURVEYOR CERTIFICATION

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

OCTOBER 28, 2019
Date of Survey

Signature and Seal of Professional Surveyor:
Certificate Number: GERALD F. JARAMILLO, PLS 12797
SURVEY NO. 7631A

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: **01/10/2020**

☒ Original

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

☐ Amended - Reason for Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Bell Lake Unit North 205H		1-23S-33E		2000	0	
Bell Lake Unit North 206H		1-23S-33E	**30-025-48495**	2000	0	
Bell Lake Unit North 305H		1-23S-33E		2000	0	
Bell Lake Unit North 306H		1-23S-33E		2000	0	
Bell Lake Unit North 405H		1-23S-33E		2000	0	
Bell Lake Unit North 406H		1-23S-33E		2000	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa low/high pressure gathering system located in _Lea_ County, New Mexico. It will require _11,000' of pipeline to connect the facility to low/high pressure gathering system. Kaiser-Francis Oil Company provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Kaiser-Francis Oil Company and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Targa Processing Plant located in Sec._36_, Twn.__19S_, Rng._36E, __Lea__ County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Pressure Rating (PSI): 5M **Rating Depth:** 13000

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

Requesting Variance? YES

Variance request: Flex Hose Variance MultiBowl Wellhead

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

Choke Diagram Attachment:

BLUN_206H_Choke_Manifold_20200123122206.pdf

BOP Diagram Attachment:

BLUN_206H_Wellhead_20200123122237.pdf

BLUN_206H_BOP_20200123122238.pdf

BLUN_206H_Flex_Hose_20200123122255.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	1272	0	1272	3497	2225	1272	J-55	54.5	BUTT	1.9	4.16	DRY	13.1	DRY	12.3
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5072	0	5072		-1575	5072	HCP-110	40	LT&C	1.8	3.4	DRY	6.2	DRY	6.2
3	PRODUCTION	8.75	5.5	NEW	API	N	0	18546	0	10422		-6925	18546	P-110	20	OTHER - GBCD	2.3	2.6	DRY	3.2	DRY	3.1

Casing Attachments

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Casing_Assumptions_20200123122823.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Casing_Assumptions_20200123122719.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

BLUN_206H_Prod_Csg_Specs_20200123122758.pdf

BLUN_206H_Casing_Assumptions_20200123122803.pdf

Section 4 - Cement

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH **Well Number:** 206H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1272	695	1.7	13.5	1214	75	HALCEM	4% Bentonite
SURFACE	Tail		0	1272	248	1.3	14.8	331	75	Halcem	0.125 #/sk Poly Flake
INTERMEDIATE	Lead		0	5072	785	2.08	12.5	1640	50	EconoCem	3#/sk Kol Seal
INTERMEDIATE	Tail		0	5072	536	1.33	14.8	714	50	Halcem	none
PRODUCTION	Lead		4000	18546	397	3.48	10.5	1384	10	NeoCem	2#/sk Kol Seal
PRODUCTION	Tail		4000	18546	1863	1.2	14.5	2278	10	Versacem	none

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

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

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

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
5072	10422	OIL-BASED MUD	8.7	8.9							
1272	5072	OTHER : Diesel-Brine Emulsion	8.7	8.9							
0	1272	OTHER : Fresh Water	8.4	9							

Date: 2/3/2021

To: NMOCD

From: Charlotte Van Valkenburg

Re: Closed-Loop System

It is the intention of Kaiser-Francis Oil Company to use a closed-loop system during drilling of the following well:

Bell Lake Unit North 206H
Sec. 1-23S-33E
Lea Co., NM

C. Van Valkenburg

Charlotte Van Valkenburg
Mgr., Regulatory Compliance
Kaiser-Francis Oil Company

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 16846

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
KAISER-FRANCIS OIL CO P.O. Box 21468 Tulsa, OK74121	12361	16846	FORM 3160-3

OCD Reviewer	Condition
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string