

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

| | | |
|---|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMNM0001244A |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 7. If Unit or CA Agreement, Name and No. BELL LAKE / NMNM 068292X |
| 2. Name of Operator KAISER FRANCIS OIL COMPANY [12361] | | 8. Lease Name and Well No. BELL LAKE UNIT NORTH [316707] 418H |
| 3a. Address 6733 S. Yale Ave., Tulsa, OK 74121 | 3b. Phone No. (include area code) (918) 491-0000 | 9. API Well No. |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE / 2150 FNL / 840 FEL / LAT 32.3349984 / LONG -103.4863304 At proposed prod. zone SESE / 100 FSL / 530 FEL / LAT 32.3121487 / LONG -103.4852983 | | 10. Field and Pool, or Exploratory [98265] OJO CHISO/WOLFCAMP, SOUTHWEST |
| 14. Distance in miles and direction from nearest town or post office* 20 miles | | 12. County or Parish LEA |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 490 feet | | 13. State NM |
| 16. No of acres in lease | | 17. Spacing Unit dedicated to this well 480.0 |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 30 feet | | 20. BLM/BIA Bond No. in file FED: WYB000055 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3422 feet | | 22. Approximate date work will start* 07/01/2020 |
| | | 23. Estimated duration 40 days |
| 24. Attachments | | |

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

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

| | | |
|--|---|--------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) STORMI DAVIS / Ph: (918) 491-0000 | Date 02/25/2020 |
| Title Regulatory Analyst | | |
| Approved by (Signature) (Electronic Submission) | Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959 | Date 01/21/2021 |
| Title Assistant Field Manager Lands & Minerals | | |
| Office Carlsbad Field Office | | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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

GCP Rec 03/15/2021

SL

(Continued on page 2)



APPROVED WITH CONDITIONS

Approval Date: 01/21/2021

*(Instructions on page 2)

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|--|
| OPERATOR'S NAME: | KAISER FRANCIS OIL COMPANY |
| LEASE NO.: | NMNM0001244A |
| WELL NAME & NO.: | BELL LAKE UNIT NORTH 418H |
| SURFACE HOLE FOOTAGE: | 2150'/N & 840'/E |
| BOTTOM HOLE FOOTAGE | 100'/S & 530'/E |
| LOCATION: | Section 5, T.23 S., R.34 E., NMPM |
| COUNTY: | Lea County, New Mexico |

COA

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

A. HYDROGEN SULFIDE

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

B. CASING

1. The **10-3/4** inch surface casing shall be set at approximately **1510 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**

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 7-5/8 inch intermediate casing shall be set at **10826 feet**. The minimum required fill of cement behind the 7-5/8 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.**
- **Excess cement calculates to less than 25% ; More cement may be needed.**

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.

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 **3000 (3M) psi**.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M) 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.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - e. The results of the test shall be reported to the appropriate BLM office.
 - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to

the test at full stack pressure.

- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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

RI12212020



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

Application Data Report

01/22/2021

APD ID: 10400054487

Submission Date: 02/25/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400054487

Tie to previous NOS? N

Submission Date: 02/25/2020

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: NMNM0001244A

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? YES

Federal or Indian agreement: FEDERAL

Agreement number: NMNM068292X

Agreement name: BELL LAKE

Keep application confidential? Y

Permitting Agent? YES

APD Operator: KAISER FRANCIS OIL COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: KAISER FRANCIS OIL COMPANY

Operator Address: 6733 S. Yale Ave.

Zip: 74121

Operator PO Box: PO Box 21468

Operator City: Tulsa

State: OK

Operator Phone: (918)491-0000

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

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:** 418H**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:****Number:** 18**Well Class:** HORIZONTAL**NORTH BELL LAKE UNIT****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:** 490 FT**Reservoir well spacing assigned acres Measurement:** 480 Acres**Well plat:** BLUN_418H_C102_20200828133843.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:** 7681**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 | 215 0 | FNL | 840 | FEL | 23S | 34E | 5 | Aliquot SENE | 32.33499 84 | - 103.4863 304 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 000058 7 | 342 2 | 0 | 0 | N |
| KOP Leg #1 | 215 0 | FNL | 840 | FEL | 23S | 34E | 5 | Aliquot SENE | 32.33499 84 | - 103.4863 304 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 000058 7 | - 747 5 | 109 26 | 108 97 | N |
| PPP Leg #1-1 | 0 | FNL | 400 | FEL | 23S | 34E | 8 | Aliquot NENE | 32.32639 01 | - 103.4849 287 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 000003 9 | - 804 8 | 144 26 | 114 70 | Y |

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H

| 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 #1-2 | 264 0 | FSL | 350 | FEL | 23S | 34E | 5 | Aliquot NESE | 32.33364 42 | - 103.4847 413 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 000124 4A | - 804 7 | 117 86 | 114 69 | Y |
| PPP Leg #1-3 | 260 0 | FSL | 350 | FEL | 23S | 34E | 5 | Aliquot NESE | 32.33353 39 | - 103.4847 438 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 000124 4A | - 804 8 | 118 26 | 114 70 | Y |
| PPP Leg #1-4 | 264 0 | FSL | 450 | FEL | 23S | 34E | 8 | Aliquot NESE | 32.31913 56 | - 103.4851 194 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | - 804 8 | 170 66 | 114 70 | Y |
| EXIT Leg #1 | 100 | FSL | 530 | FEL | 23S | 34E | 8 | Aliquot SESE | 32.31214 87 | - 103.4852 983 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | - 804 8 | 196 08 | 114 70 | Y |
| BHL Leg #1 | 100 | FSL | 530 | FEL | 23S | 34E | 8 | Aliquot SESE | 32.31214 87 | - 103.4852 983 | LEA | NEW MEXI CO | NEW MEXI CO | S | STATE | - 804 8 | 196 08 | 114 70 | Y |



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

Drilling Plan Data Report

01/22/2021

APD ID: 10400054487

Submission Date: 02/25/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|--------------|------------------|-----------|---------------------|----------------|-----------------|-------------------|---------------------|
| 669463 | --- | 3422 | 0 | 0 | OTHER : Surface | NONE | N |
| 669464 | RUSTLER | 2222 | 1200 | 1200 | SANDSTONE | NONE | N |
| 669465 | SALADO | 1822 | 1600 | 1600 | SALT | NONE | N |
| 669466 | TOP SALT | 1622 | 1800 | 1800 | SALT | NONE | N |
| 669467 | BASE OF SALT | -1278 | 4700 | 4700 | SALT | NONE | N |
| 669468 | LAMAR | -1528 | 4950 | 4950 | SANDSTONE | NATURAL GAS, OIL | N |
| 669469 | BELL CANYON | -1728 | 5150 | 5150 | SANDSTONE | NATURAL GAS, OIL | N |
| 669470 | CHERRY CANYON | -2753 | 6175 | 6175 | SANDSTONE | NATURAL GAS, OIL | N |
| 669471 | BRUSHY CANYON | -4078 | 7500 | 7500 | SANDSTONE | NATURAL GAS, OIL | N |
| 669472 | BONE SPRING | -5078 | 8500 | 8500 | LIMESTONE | NATURAL GAS, OIL | N |
| 669473 | AVALON SAND | -5173 | 8595 | 8595 | SANDSTONE | NATURAL GAS, OIL | N |
| 669474 | BONE SPRING 1ST | -6078 | 9500 | 9500 | SANDSTONE | NATURAL GAS, OIL | N |
| 669481 | BONE SPRING 2ND | -6573 | 9995 | 9995 | SANDSTONE | NATURAL GAS, OIL | N |
| 669488 | BONE SPRING LIME | -7078 | 10500 | 10500 | LIMESTONE | NATURAL GAS, OIL | N |
| 669489 | BONE SPRING 3RD | -7488 | 10910 | 10910 | SANDSTONE | NATURAL GAS, OIL | N |
| 669490 | WOLFCAMP | -7848 | 11270 | 11270 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H**Pressure Rating (PSI):** 5M**Rating Depth:** 13000

Equipment: A 10M BOP Stack with a 5M annular 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_418H_Choke_Manifold_20200225111319.pdf

BOP Diagram Attachment:

Annular_BOP_Variance_Request_20200220110832.pdf

Cactus_Flex_Hose_16C_Certification_20200203142843.pdf

BLUN_418H_Wellhead_20200225111418.pdf

BOP_stack_10M_5k_annular_20200828134156.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 | 14.75 | 10.75 | NEW | API | N | 0 | 1550 | 0 | 1550 | 3422 | 1872 | 1550 | J-55 | 40.5 | ST&C | 2.7 | 5.3 | DRY | 8.2 | DRY | 12.3 |
| 2 | INTERMEDIATE | 9.875 | 7.625 | NEW | API | N | 0 | 10826 | 0 | 10797 | | -7375 | 10826 | HCP-110 | 29.7 | LT&C | 1.3 | 1.9 | DRY | 2.4 | DRY | 2.9 |
| 3 | PRODUCTION | 6.75 | 5.5 | NEW | API | N | 0 | 19608 | 0 | 11470 | | -8048 | 19608 | P-110 | 20 | OTHER - USS Eagle SFH | 1.8 | 2 | DRY | 2.7 | DRY | 3.2 |

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H**Casing Attachments**

Casing ID: 1 **String Type:** SURFACE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**BLUN_418H_Casing_Assumptions_20200828134347.pdf

Casing ID: 2 **String Type:** INTERMEDIATE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**BLUN_418H_Casing_Assumptions_20200828134315.pdf

Casing ID: 3 **String Type:** PRODUCTION**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**

5.5_x_20_P110_HP_USS_EAGLE_SFH_Performance_Sheet_20200220111126.pdf

BLUN_418H_Casing_Assumptions_20200828134326.pdf

Section 4 - Cement

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|-------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|--------------|
| SURFACE | Lead | | 0 | 1550 | 750 | 1.7 | 13.5 | 1297 | 50 | ExtendaCem | Poly E Flake |

| | | | | | | | | | | | |
|--------------|------|--|------|-----------|-----|------|------|------|----|----------|----------|
| INTERMEDIATE | Lead | | 0 | 1082 6 | 819 | 2.73 | 11 | 2237 | 25 | NeoCem | Extender |
| INTERMEDIATE | Tail | | 0 | 1082 4 | 559 | 1.2 | 15.6 | 669 | 25 | Halcem | none |
| PRODUCTION | Lead | | 9000 | 1960 8 | 875 | 1.22 | 14.5 | 1070 | 15 | VersaCem | Halad |

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 |
|-----------|--------------|-----------------------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 1079 7 | 1147 0 | OIL-BASED MUD | 10 | 12 | | | | | | | |
| 1550 | 1079 7 | OTHER : Diesel- Brine Emulsion | 8.7 | 8.9 | | | | | | | |
| 0 | 1550 | OTHER : Fresh Water | 8.4 | 9 | | | | | | | |

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H

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: 7157**Anticipated Surface Pressure:** 4633**Anticipated Bottom Hole Temperature(F):** 199**Anticipated abnormal pressures, temperatures, or potential geologic hazards?** NO**Describe:****Contingency Plans geohazards description:****Contingency Plans geohazards attachment:****Hydrogen Sulfide drilling operations plan required?** YES**Hydrogen sulfide drilling operations plan:**

BLUN_H2S_Plan_20200114113955.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

BLUN_418H_Directional_Plan_20200225111910.pdf

Other proposed operations facets description:

Gas Capture Plan attached

Other proposed operations facets attachment:

BLUN_Pad_18_Gas_Capture_Plan_20200218173046.pdf

Other Variance attachment:

Annular_BOP_Variance_Request_20200220112452.pdf

Cactus_Flex_Hose_16C_Certification_20200203143842.pdf

BLUN_418H_Wellhead_20200225111926.pdf

**KAISER-FRANCIS OIL COMPANY
HYDROGEN SULFIDE (H₂S) 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 H₂S, but due to the sensitive location, the following is submitted as requested.

TABLE OF CONTENTS

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| Emergency Response Activation and General Responsibilities | 3 |
| Individual Responsibilities During An H ₂ S Release | 4 |
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| Characteristics Of H ₂ S And SO ₂ | 8 |
| Training | 8 |
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EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES**Activation of the Emergency Action Plan**

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

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

General Responsibilities

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

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

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

INDIVIDUAL RESPONSIBILITIES DURING AN H₂S RELEASE

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

All Personnel:

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

Rig Manager/Tool Pusher:

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

Two People Responsible for Shut-in and Rescue:

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

All Other Personnel:

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

Kaiser-Francis Oil Company Representative:

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

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:

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

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

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

INSTRUCTIONS FOR IGNITION:

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

CONTACTING AUTHORITIES

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

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

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

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

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

PROTECTION OF THE GENERAL PUBLIC/ROE:

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

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

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

Calculation for the 100 ppm ROE:

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

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

Calculation for the 500 ppm ROE:

$$X + [(0.4546)(\text{concentration})(Q)] (.06258)$$

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

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

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

ROE for 500 PPM $X = [(0.4546)(.0150)(200)] (0.6258)$
X=1.2'

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

PUBLIC EVACUATION PLAN:

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

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

CHARACTERISTICS OF H₂S AND SO₂

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

TRAINING:

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

PUBLIC RELATIONS

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

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

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



TITAN
Directional Drilling

SECTION DETAILS

S5-T23S-R34E SL
2150'FNL 840'FEL
S5-T23S-R34E FTP
2600'FSL 350'FEL
S8-T23S-R34E PBHL
100'FSL 530'FEL

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

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

| | | | | | |
|-----------------------|-------------------------------|--------------|-----------------|-------------------|-------------------|
| Site | BLUN Pad 18, Centered on 217H | | | | |
| Site Position: | | Northing: | 486,548.74 usft | Latitude: | 32° 20' 5.103 N |
| From: | Map | Easting: | 802,944.04 usft | Longitude: | 103° 29' 10.789 W |
| Position Uncertainty: | 0.00 usft | Slot Radius: | 13-3/16 " | Grid Convergence: | 0.45 ° |

| | | | | | | |
|----------------------|------------------------------------|-----------|---------------------|-----------------|---------------|-------------------|
| Well | Bell Lake Unit North 418H - Slot E | | | | | |
| Well Position | +N/-S | 0.00 usft | Northing: | 486,638.78 usft | Latitude: | 32° 20' 5.994 N |
| | +E/-W | 0.00 usft | Easting: | 802,943.28 usft | Longitude: | 103° 29' 10.789 W |
| Position Uncertainty | | 0.00 usft | Wellhead Elevation: | usft | Ground Level: | 3,421.80 usft |

| | | | | | |
|------------------|-------------------|--------------------|----------------------------|--------------------------|--------------------------------|
| Wellbore | #418H OH | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2020 | 11/05/20 | 6.59 | 60.04 | 47,631.73584379 |

| | | | | | |
|--------------------------|------------------------------------|-------------------------|-------------------------|--------------------------|--|
| Design | Plan #1 | | | | |
| Audit Notes: | | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.00 | |
| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) | |
| | 0.00 | 0.00 | 0.00 | 177.35 | |

| | | | | | | | | | |
|--------------------------------------|----------------------------|------------------------|--------------------------------------|-------------------------|-------------------------|--|--|---------------------------------------|--------------------------------------|
| Planned Survey | | | | | | | | | |
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Buidl Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rustler | | | | | | | | | |
| 1,260.00 | 0.00 | 0.00 | 1,260.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 3/4" | | | | | | | | | |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,500.00 | 1.50 | 85.00 | 1,499.99 | 0.11 | 1.30 | -0.05 | 1.50 | 1.50 | 0.00 |
| 1,600.00 | 3.00 | 85.00 | 1,599.91 | 0.46 | 5.21 | -0.21 | 1.50 | 1.50 | 0.00 |
| 1,600.09 | 3.00 | 85.00 | 1,600.00 | 0.46 | 5.22 | -0.22 | 0.00 | 0.00 | 0.00 |
| Salado | | | | | | | | | |
| 1,700.00 | 4.50 | 85.00 | 1,699.69 | 1.03 | 11.73 | -0.48 | 1.50 | 1.50 | 0.00 |
| 1,800.00 | 6.00 | 85.00 | 1,799.27 | 1.82 | 20.85 | -0.86 | 1.50 | 1.50 | 0.00 |
| 1,800.73 | 6.01 | 85.00 | 1,800.00 | 1.83 | 20.92 | -0.86 | 1.50 | 1.50 | 0.00 |
| Top of Salt | | | | | | | | | |
| 1,866.67 | 7.00 | 85.00 | 1,865.51 | 2.48 | 28.36 | -1.17 | 1.50 | 1.50 | 0.00 |
| 1,900.00 | 7.00 | 85.00 | 1,898.59 | 2.84 | 32.41 | -1.34 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 2,000.00 | 7.00 | 85.00 | 1,997.85 | 3.90 | 44.55 | -1.84 | 0.00 | 0.00 | 0.00 |
| 2,100.00 | 7.00 | 85.00 | 2,097.10 | 4.96 | 56.69 | -2.34 | 0.00 | 0.00 | 0.00 |
| 2,200.00 | 7.00 | 85.00 | 2,196.36 | 6.02 | 68.83 | -2.84 | 0.00 | 0.00 | 0.00 |
| 2,300.00 | 7.00 | 85.00 | 2,295.61 | 7.09 | 80.97 | -3.34 | 0.00 | 0.00 | 0.00 |
| 2,400.00 | 7.00 | 85.00 | 2,394.86 | 8.15 | 93.11 | -3.84 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 7.00 | 85.00 | 2,494.12 | 9.21 | 105.25 | -4.34 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 7.00 | 85.00 | 2,593.37 | 10.28 | 117.39 | -4.84 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 7.00 | 85.00 | 2,692.63 | 11.34 | 129.53 | -5.34 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 7.00 | 85.00 | 2,791.88 | 12.40 | 141.67 | -5.84 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 7.00 | 85.00 | 2,891.14 | 13.46 | 153.82 | -6.34 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 7.00 | 85.00 | 2,990.39 | 14.53 | 165.96 | -6.84 | 0.00 | 0.00 | 0.00 |
| 3,100.00 | 7.00 | 85.00 | 3,089.65 | 15.59 | 178.10 | -7.34 | 0.00 | 0.00 | 0.00 |
| 3,200.00 | 7.00 | 85.00 | 3,188.90 | 16.65 | 190.24 | -7.84 | 0.00 | 0.00 | 0.00 |
| 3,300.00 | 7.00 | 85.00 | 3,288.16 | 17.71 | 202.38 | -8.34 | 0.00 | 0.00 | 0.00 |
| 3,400.00 | 7.00 | 85.00 | 3,387.41 | 18.78 | 214.52 | -8.84 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 7.00 | 85.00 | 3,486.67 | 19.84 | 226.66 | -9.34 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 7.00 | 85.00 | 3,585.92 | 20.90 | 238.80 | -9.84 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 7.00 | 85.00 | 3,685.17 | 21.96 | 250.94 | -10.34 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 7.00 | 85.00 | 3,784.43 | 23.03 | 263.08 | -10.84 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 7.00 | 85.00 | 3,883.68 | 24.09 | 275.22 | -11.34 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 7.00 | 85.00 | 3,982.94 | 25.15 | 287.36 | -11.84 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 7.00 | 85.00 | 4,082.19 | 26.21 | 299.50 | -12.34 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 7.00 | 85.00 | 4,181.45 | 27.28 | 311.64 | -12.84 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 7.00 | 85.00 | 4,280.70 | 28.34 | 323.78 | -13.34 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 7.00 | 85.00 | 4,379.96 | 29.40 | 335.92 | -13.84 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 7.00 | 85.00 | 4,479.21 | 30.47 | 348.06 | -14.34 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 7.00 | 85.00 | 4,578.47 | 31.53 | 360.20 | -14.84 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 7.00 | 85.00 | 4,677.72 | 32.59 | 372.34 | -15.34 | 0.00 | 0.00 | 0.00 |
| 4,722.45 | 7.00 | 85.00 | 4,700.00 | 32.83 | 375.07 | -15.45 | 0.00 | 0.00 | 0.00 |
| Base of Salt | | | | | | | | | |
| 4,800.00 | 7.00 | 85.00 | 4,776.98 | 33.65 | 384.49 | -15.84 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 7.00 | 85.00 | 4,876.23 | 34.72 | 396.63 | -16.34 | 0.00 | 0.00 | 0.00 |
| 4,974.32 | 7.00 | 85.00 | 4,950.00 | 35.51 | 405.65 | -16.71 | 0.00 | 0.00 | 0.00 |
| Lamar | | | | | | | | | |
| 5,000.00 | 7.00 | 85.00 | 4,975.48 | 35.78 | 408.77 | -16.84 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 7.00 | 85.00 | 5,074.74 | 36.84 | 420.91 | -17.34 | 0.00 | 0.00 | 0.00 |
| 5,175.83 | 7.00 | 85.00 | 5,150.00 | 37.65 | 430.11 | -17.72 | 0.00 | 0.00 | 0.00 |
| Bell Canyon | | | | | | | | | |
| 5,200.00 | 7.00 | 85.00 | 5,173.99 | 37.90 | 433.05 | -17.84 | 0.00 | 0.00 | 0.00 |
| 5,300.00 | 7.00 | 85.00 | 5,273.25 | 38.97 | 445.19 | -18.34 | 0.00 | 0.00 | 0.00 |
| 5,400.00 | 7.00 | 85.00 | 5,372.50 | 40.03 | 457.33 | -18.84 | 0.00 | 0.00 | 0.00 |
| 5,420.59 | 7.00 | 85.00 | 5,392.94 | 40.25 | 459.83 | -18.95 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 6.21 | 85.00 | 5,471.82 | 41.04 | 468.92 | -19.32 | 1.00 | -1.00 | 0.00 |
| 5,600.00 | 5.21 | 85.00 | 5,571.33 | 41.91 | 478.83 | -19.73 | 1.00 | -1.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 5,700.00 | 4.21 | 85.00 | 5,670.99 | 42.63 | 487.00 | -20.07 | 1.00 | -1.00 | 0.00 |
| 5,800.00 | 3.21 | 85.00 | 5,770.78 | 43.19 | 493.44 | -20.33 | 1.00 | -1.00 | 0.00 |
| 5,900.00 | 2.21 | 85.00 | 5,870.66 | 43.60 | 498.14 | -20.53 | 1.00 | -1.00 | 0.00 |
| 6,000.00 | 1.21 | 85.00 | 5,970.62 | 43.86 | 501.11 | -20.65 | 1.00 | -1.00 | 0.00 |
| 6,100.00 | 0.21 | 85.00 | 6,070.61 | 43.97 | 502.34 | -20.70 | 1.00 | -1.00 | 0.00 |
| 6,120.59 | 0.00 | 0.00 | 6,091.20 | 43.97 | 502.37 | -20.70 | 1.00 | -1.00 | 0.00 |
| 6,200.00 | 0.00 | 0.00 | 6,170.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,204.39 | 0.00 | 0.00 | 6,175.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| Cherry Canyon | | | | | | | | | |
| 6,300.00 | 0.00 | 0.00 | 6,270.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 0.00 | 0.00 | 6,370.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 0.00 | 0.00 | 6,470.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 0.00 | 0.00 | 6,570.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 0.00 | 0.00 | 6,670.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 0.00 | 0.00 | 6,770.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 0.00 | 0.00 | 6,870.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 0.00 | 0.00 | 6,970.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 0.00 | 0.00 | 7,070.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 0.00 | 0.00 | 7,170.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 0.00 | 0.00 | 7,270.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 0.00 | 0.00 | 7,370.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 0.00 | 0.00 | 7,470.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,529.39 | 0.00 | 0.00 | 7,500.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| Brushy Canyon | | | | | | | | | |
| 7,600.00 | 0.00 | 0.00 | 7,570.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 0.00 | 0.00 | 7,670.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 0.00 | 0.00 | 7,770.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | 0.00 | 0.00 | 7,870.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 0.00 | 0.00 | 7,970.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 0.00 | 0.00 | 8,070.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | 0.00 | 0.00 | 8,170.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,300.00 | 0.00 | 0.00 | 8,270.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,400.00 | 0.00 | 0.00 | 8,370.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,500.00 | 0.00 | 0.00 | 8,470.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,529.39 | 0.00 | 0.00 | 8,500.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| Bone Spring | | | | | | | | | |
| 8,600.00 | 0.00 | 0.00 | 8,570.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,624.39 | 0.00 | 0.00 | 8,595.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| Avalon | | | | | | | | | |
| 8,700.00 | 0.00 | 0.00 | 8,670.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,800.00 | 0.00 | 0.00 | 8,770.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 8,900.00 | 0.00 | 0.00 | 8,870.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,000.00 | 0.00 | 0.00 | 8,970.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,100.00 | 0.00 | 0.00 | 9,070.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 9,200.00 | 0.00 | 0.00 | 9,170.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,300.00 | 0.00 | 0.00 | 9,270.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,400.00 | 0.00 | 0.00 | 9,370.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 0.00 | 0.00 | 9,470.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,529.39 | 0.00 | 0.00 | 9,500.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 1st Bone Spring | | | | | | | | | |
| 9,600.00 | 0.00 | 0.00 | 9,570.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,700.00 | 0.00 | 0.00 | 9,670.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,800.00 | 0.00 | 0.00 | 9,770.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 9,900.00 | 0.00 | 0.00 | 9,870.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,000.00 | 0.00 | 0.00 | 9,970.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,024.39 | 0.00 | 0.00 | 9,995.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 2nd Bone Spring | | | | | | | | | |
| 10,100.00 | 0.00 | 0.00 | 10,070.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,200.00 | 0.00 | 0.00 | 10,170.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,300.00 | 0.00 | 0.00 | 10,270.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,400.00 | 0.00 | 0.00 | 10,370.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 0.00 | 0.00 | 10,470.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,529.39 | 0.00 | 0.00 | 10,500.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 3rd Bone Spring Lime | | | | | | | | | |
| 10,600.00 | 0.00 | 0.00 | 10,570.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,700.00 | 0.00 | 0.00 | 10,670.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,800.00 | 0.00 | 0.00 | 10,770.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,826.39 | 0.00 | 0.00 | 10,797.00 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 7 5/8" | | | | | | | | | |
| 10,900.00 | 0.00 | 0.00 | 10,870.61 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,926.43 | 0.00 | 0.00 | 10,897.04 | 43.97 | 502.37 | -20.70 | 0.00 | 0.00 | 0.00 |
| 10,939.39 | 1.30 | 180.81 | 10,910.00 | 43.83 | 502.37 | -20.55 | 10.00 | 10.00 | 0.00 |
| 3rd Bone Spring | | | | | | | | | |
| 10,950.00 | 2.36 | 180.81 | 10,920.60 | 43.49 | 502.37 | -20.22 | 10.00 | 10.00 | 0.00 |
| 11,000.00 | 7.36 | 180.81 | 10,970.41 | 39.26 | 502.31 | -15.99 | 10.00 | 10.00 | 0.00 |
| 11,050.00 | 12.36 | 180.81 | 11,019.65 | 30.70 | 502.19 | -7.45 | 10.00 | 10.00 | 0.00 |
| 11,100.00 | 17.36 | 180.81 | 11,067.97 | 17.89 | 502.01 | 5.34 | 10.00 | 10.00 | 0.00 |
| 11,150.00 | 22.36 | 180.81 | 11,114.98 | 0.91 | 501.77 | 22.29 | 10.00 | 10.00 | 0.00 |
| 11,200.00 | 27.36 | 180.81 | 11,160.33 | -20.10 | 501.47 | 43.26 | 10.00 | 10.00 | 0.00 |
| 11,250.00 | 32.36 | 180.81 | 11,203.68 | -44.98 | 501.12 | 68.10 | 10.00 | 10.00 | 0.00 |
| 11,300.00 | 37.36 | 180.81 | 11,244.70 | -73.55 | 500.72 | 96.61 | 10.00 | 10.00 | 0.00 |
| 11,332.55 | 40.61 | 180.81 | 11,270.00 | -94.02 | 500.43 | 117.05 | 10.00 | 10.00 | 0.00 |
| Wolfcamp | | | | | | | | | |
| 11,350.00 | 42.36 | 180.81 | 11,283.07 | -105.58 | 500.27 | 128.59 | 10.00 | 10.00 | 0.00 |
| 11,400.00 | 47.36 | 180.81 | 11,318.50 | -140.83 | 499.77 | 163.78 | 10.00 | 10.00 | 0.00 |
| 11,450.00 | 52.36 | 180.81 | 11,350.73 | -179.03 | 499.23 | 201.92 | 10.00 | 10.00 | 0.00 |
| 11,500.00 | 57.36 | 180.81 | 11,379.50 | -219.90 | 498.65 | 242.72 | 10.00 | 10.00 | 0.00 |
| 11,550.00 | 62.36 | 180.81 | 11,404.60 | -263.12 | 498.04 | 285.87 | 10.00 | 10.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 11,600.00 | 67.36 | 180.81 | 11,425.84 | -308.37 | 497.41 | 331.03 | 10.00 | 10.00 | 0.00 |
| 11,650.00 | 72.36 | 180.81 | 11,443.05 | -355.29 | 496.74 | 377.87 | 10.00 | 10.00 | 0.00 |
| 11,700.00 | 77.36 | 180.81 | 11,456.11 | -403.53 | 496.06 | 426.03 | 10.00 | 10.00 | 0.00 |
| 11,750.00 | 82.36 | 180.81 | 11,464.91 | -452.73 | 495.37 | 475.15 | 10.00 | 10.00 | 0.00 |
| 11,800.00 | 87.36 | 180.81 | 11,469.39 | -502.51 | 494.67 | 524.84 | 10.00 | 10.00 | 0.00 |
| 11,826.43 | 90.00 | 180.81 | 11,470.00 | -528.93 | 494.30 | 551.21 | 10.00 | 10.00 | 0.00 |
| 11,900.00 | 90.00 | 180.81 | 11,470.00 | -602.49 | 493.26 | 624.65 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 90.00 | 180.81 | 11,470.00 | -702.48 | 491.85 | 724.47 | 0.00 | 0.00 | 0.00 |
| 12,100.00 | 90.00 | 180.81 | 11,470.00 | -802.47 | 490.44 | 824.28 | 0.00 | 0.00 | 0.00 |
| 12,200.00 | 90.00 | 180.81 | 11,470.00 | -902.46 | 489.03 | 924.10 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 90.00 | 180.81 | 11,470.00 | -1,002.45 | 487.62 | 1,023.92 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 90.00 | 180.81 | 11,470.00 | -1,102.44 | 486.21 | 1,123.74 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 90.00 | 180.81 | 11,470.00 | -1,202.43 | 484.80 | 1,223.56 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 90.00 | 180.81 | 11,470.00 | -1,302.42 | 483.39 | 1,323.37 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 90.00 | 180.81 | 11,470.00 | -1,402.41 | 481.98 | 1,423.19 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 90.00 | 180.81 | 11,470.00 | -1,502.40 | 480.57 | 1,523.01 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 90.00 | 180.81 | 11,470.00 | -1,602.39 | 479.16 | 1,622.83 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 90.00 | 180.81 | 11,470.00 | -1,702.38 | 477.75 | 1,722.65 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 90.00 | 180.81 | 11,470.00 | -1,802.37 | 476.34 | 1,822.46 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 90.00 | 180.81 | 11,470.00 | -1,902.36 | 474.93 | 1,922.28 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 90.00 | 180.81 | 11,470.00 | -2,002.35 | 473.52 | 2,022.10 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 90.00 | 180.81 | 11,470.00 | -2,102.34 | 472.11 | 2,121.92 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 90.00 | 180.81 | 11,470.00 | -2,202.33 | 470.71 | 2,221.74 | 0.00 | 0.00 | 0.00 |
| 13,600.00 | 90.00 | 180.81 | 11,470.00 | -2,302.32 | 469.30 | 2,321.55 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 90.00 | 180.81 | 11,470.00 | -2,402.31 | 467.89 | 2,421.37 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 90.00 | 180.81 | 11,470.00 | -2,502.30 | 466.48 | 2,521.19 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 90.00 | 180.81 | 11,470.00 | -2,602.29 | 465.07 | 2,621.01 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 90.00 | 180.81 | 11,470.00 | -2,702.28 | 463.66 | 2,720.83 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 90.00 | 180.81 | 11,470.00 | -2,802.27 | 462.25 | 2,820.64 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 90.00 | 180.81 | 11,470.00 | -2,902.26 | 460.84 | 2,920.46 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 90.00 | 180.81 | 11,470.00 | -3,002.25 | 459.43 | 3,020.28 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 90.00 | 180.81 | 11,470.00 | -3,102.24 | 458.02 | 3,120.10 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 90.00 | 180.81 | 11,470.00 | -3,202.23 | 456.61 | 3,219.92 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 90.00 | 180.81 | 11,470.00 | -3,302.22 | 455.20 | 3,319.73 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 90.00 | 180.81 | 11,470.00 | -3,402.21 | 453.79 | 3,419.55 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 90.00 | 180.81 | 11,470.00 | -3,502.20 | 452.38 | 3,519.37 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 90.00 | 180.81 | 11,470.00 | -3,602.19 | 450.97 | 3,619.19 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 90.00 | 180.81 | 11,470.00 | -3,702.18 | 449.56 | 3,719.01 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 90.00 | 180.81 | 11,470.00 | -3,802.17 | 448.15 | 3,818.82 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 90.00 | 180.81 | 11,470.00 | -3,902.16 | 446.74 | 3,918.64 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 90.00 | 180.81 | 11,470.00 | -4,002.15 | 445.33 | 4,018.46 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 90.00 | 180.81 | 11,470.00 | -4,102.14 | 443.92 | 4,118.28 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 90.00 | 180.81 | 11,470.00 | -4,202.13 | 442.51 | 4,218.10 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 90.00 | 180.81 | 11,470.00 | -4,302.12 | 441.10 | 4,317.91 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 15,700.00 | 90.00 | 180.81 | 11,470.00 | -4,402.11 | 439.69 | 4,417.73 | 0.00 | 0.00 | 0.00 |
| 15,800.00 | 90.00 | 180.81 | 11,470.00 | -4,502.10 | 438.28 | 4,517.55 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 90.00 | 180.81 | 11,470.00 | -4,602.09 | 436.87 | 4,617.37 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 90.00 | 180.81 | 11,470.00 | -4,702.08 | 435.46 | 4,717.19 | 0.00 | 0.00 | 0.00 |
| 16,100.00 | 90.00 | 180.81 | 11,470.00 | -4,802.07 | 434.05 | 4,817.00 | 0.00 | 0.00 | 0.00 |
| 16,200.00 | 90.00 | 180.81 | 11,470.00 | -4,902.06 | 432.64 | 4,916.82 | 0.00 | 0.00 | 0.00 |
| 16,300.00 | 90.00 | 180.81 | 11,470.00 | -5,002.05 | 431.24 | 5,016.64 | 0.00 | 0.00 | 0.00 |
| 16,400.00 | 90.00 | 180.81 | 11,470.00 | -5,102.04 | 429.83 | 5,116.46 | 0.00 | 0.00 | 0.00 |
| 16,500.00 | 90.00 | 180.81 | 11,470.00 | -5,202.03 | 428.42 | 5,216.28 | 0.00 | 0.00 | 0.00 |
| 16,600.00 | 90.00 | 180.81 | 11,470.00 | -5,302.02 | 427.01 | 5,316.09 | 0.00 | 0.00 | 0.00 |
| 16,700.00 | 90.00 | 180.81 | 11,470.00 | -5,402.01 | 425.60 | 5,415.91 | 0.00 | 0.00 | 0.00 |
| 16,800.00 | 90.00 | 180.81 | 11,470.00 | -5,502.00 | 424.19 | 5,515.73 | 0.00 | 0.00 | 0.00 |
| 16,900.00 | 90.00 | 180.81 | 11,470.00 | -5,601.99 | 422.78 | 5,615.55 | 0.00 | 0.00 | 0.00 |
| 17,000.00 | 90.00 | 180.81 | 11,470.00 | -5,701.98 | 421.37 | 5,715.37 | 0.00 | 0.00 | 0.00 |
| 17,100.00 | 90.00 | 180.81 | 11,470.00 | -5,801.97 | 419.96 | 5,815.18 | 0.00 | 0.00 | 0.00 |
| 17,200.00 | 90.00 | 180.81 | 11,470.00 | -5,901.96 | 418.55 | 5,915.00 | 0.00 | 0.00 | 0.00 |
| 17,300.00 | 90.00 | 180.81 | 11,470.00 | -6,001.95 | 417.14 | 6,014.82 | 0.00 | 0.00 | 0.00 |
| 17,400.00 | 90.00 | 180.81 | 11,470.00 | -6,101.94 | 415.73 | 6,114.64 | 0.00 | 0.00 | 0.00 |
| 17,500.00 | 90.00 | 180.81 | 11,470.00 | -6,201.93 | 414.32 | 6,214.46 | 0.00 | 0.00 | 0.00 |
| 17,600.00 | 90.00 | 180.81 | 11,470.00 | -6,301.92 | 412.91 | 6,314.27 | 0.00 | 0.00 | 0.00 |
| 17,700.00 | 90.00 | 180.81 | 11,470.00 | -6,401.91 | 411.50 | 6,414.09 | 0.00 | 0.00 | 0.00 |
| 17,800.00 | 90.00 | 180.81 | 11,470.00 | -6,501.90 | 410.09 | 6,513.91 | 0.00 | 0.00 | 0.00 |
| 17,900.00 | 90.00 | 180.81 | 11,470.00 | -6,601.89 | 408.68 | 6,613.73 | 0.00 | 0.00 | 0.00 |
| 18,000.00 | 90.00 | 180.81 | 11,470.00 | -6,701.88 | 407.27 | 6,713.55 | 0.00 | 0.00 | 0.00 |
| 18,100.00 | 90.00 | 180.81 | 11,470.00 | -6,801.87 | 405.86 | 6,813.36 | 0.00 | 0.00 | 0.00 |
| 18,200.00 | 90.00 | 180.81 | 11,470.00 | -6,901.86 | 404.45 | 6,913.18 | 0.00 | 0.00 | 0.00 |
| 18,300.00 | 90.00 | 180.81 | 11,470.00 | -7,001.85 | 403.04 | 7,013.00 | 0.00 | 0.00 | 0.00 |
| 18,400.00 | 90.00 | 180.81 | 11,470.00 | -7,101.84 | 401.63 | 7,112.82 | 0.00 | 0.00 | 0.00 |
| 18,500.00 | 90.00 | 180.81 | 11,470.00 | -7,201.83 | 400.22 | 7,212.64 | 0.00 | 0.00 | 0.00 |
| 18,600.00 | 90.00 | 180.81 | 11,470.00 | -7,301.82 | 398.81 | 7,312.45 | 0.00 | 0.00 | 0.00 |
| 18,700.00 | 90.00 | 180.81 | 11,470.00 | -7,401.81 | 397.40 | 7,412.27 | 0.00 | 0.00 | 0.00 |
| 18,800.00 | 90.00 | 180.81 | 11,470.00 | -7,501.80 | 395.99 | 7,512.09 | 0.00 | 0.00 | 0.00 |
| 18,900.00 | 90.00 | 180.81 | 11,470.00 | -7,601.79 | 394.58 | 7,611.91 | 0.00 | 0.00 | 0.00 |
| 19,000.00 | 90.00 | 180.81 | 11,470.00 | -7,701.78 | 393.17 | 7,711.73 | 0.00 | 0.00 | 0.00 |
| 19,100.00 | 90.00 | 180.81 | 11,470.00 | -7,801.77 | 391.77 | 7,811.54 | 0.00 | 0.00 | 0.00 |
| 19,200.00 | 90.00 | 180.81 | 11,470.00 | -7,901.76 | 390.36 | 7,911.36 | 0.00 | 0.00 | 0.00 |
| 19,300.00 | 90.00 | 180.81 | 11,470.00 | -8,001.75 | 388.95 | 8,011.18 | 0.00 | 0.00 | 0.00 |
| 19,400.00 | 90.00 | 180.81 | 11,470.00 | -8,101.74 | 387.54 | 8,111.00 | 0.00 | 0.00 | 0.00 |
| 19,500.00 | 90.00 | 180.81 | 11,470.00 | -8,201.73 | 386.13 | 8,210.82 | 0.00 | 0.00 | 0.00 |
| 19,608.67 | 90.00 | 180.81 | 11,470.00 | -8,310.39 | 384.59 | 8,319.29 | 0.00 | 0.00 | 0.00 |

Titan Directional Drilling

Survey Report

| | | | |
|------------------|----------------------------|-------------------------------------|---|
| Company: | Kaiser-Francis Oil Company | Local Co-ordinate Reference: | Well Bell Lake Unit North 418H - Slot E |
| Project: | Permian NM E'83 | TVD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Site: | BLUN Pad 18 | MD Reference: | est.GL+KB @ 3448.00usft (planning) |
| Well: | Bell Lake Unit North 418H | North Reference: | Grid |
| Wellbore: | #418H OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #1 | Database: | EDM 5k-14 |

Casing Points

| Measured Depth (usft) | Vertical Depth (usft) | Name | Casing Diameter (") | Hole Diameter (") |
|-----------------------|-----------------------|---------|---------------------|-------------------|
| 1,260.00 | 1,260.00 | 10 3/4" | 10-3/4 | 13-1/2 |
| 10,826.39 | 10,797.00 | 7 5/8" | 7-5/8 | 9-7/8 |

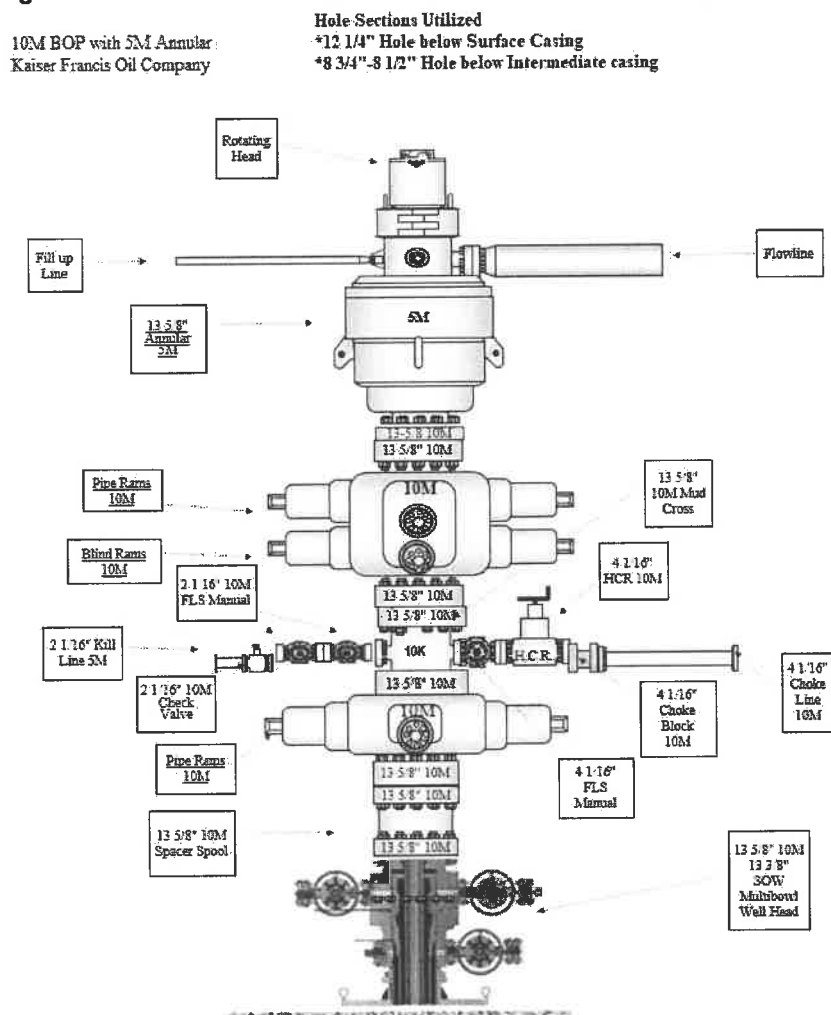
Formations

| Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|-----------------------|-----------------------|----------------------|-----------|---------|-------------------|
| 1,200.00 | 1,200.00 | Rustler | | | |
| 1,600.09 | 1,600.00 | Salado | | | |
| 1,800.73 | 1,800.00 | Top of Salt | | | |
| 4,722.45 | 4,700.00 | Base of Salt | | | |
| 4,974.32 | 4,950.00 | Lamar | | | |
| 5,175.83 | 5,150.00 | Bell Canyon | | | |
| 6,204.39 | 6,175.00 | Cherry Canyon | | | |
| 7,529.39 | 7,500.00 | Brushy Canyon | | | |
| 8,529.39 | 8,500.00 | Bone Spring | | | |
| 8,624.39 | 8,595.00 | Avalon | | | |
| 9,529.39 | 9,500.00 | 1st Bone Spring | | | |
| 10,024.39 | 9,995.00 | 2nd Bone Spring | | | |
| 10,529.39 | 10,500.00 | 3rd Bone Spring Lime | | | |
| 10,939.39 | 10,910.00 | 3rd Bone Spring | | | |
| 11,332.55 | 11,270.00 | Wolfcamp | | | |

Kaiser Francis Oil Co. 10K Annular Variance Request

Kaiser Francis Oil Co. request a variance to use a 5K psi annular BOP with a 10K BOP stack. Attached are Kaiser Francis Oil Co. minimum processes required to assure a proper shut-in while drilling, tripping, open hole, and moving BHA through the BOPs. A minimum of one well control drill will be performed weekly per tour, to regulate compliance with well control procedures and plans. Drills will be determined by operations, and will variate on drills conducted. Drills will consist of but are not limited to pit, trip, open hole, and choke drills. This well control plan will be available for review to all rig personnel. A copy of well control plan will be located in the Kaiser Francis Oil Co. representative's office on location, and on the rig floor during drilling operations. All BOP equipment will be tested per Onshore O&G Order No. 2 with the exception of the 5K annular which will be tested to 70% of it rated working pressure.

A. BOP Diagram



Kaiser Francis Oil Co. 10K Annular Variance Request

B. Component and Preventer Compatibility Table

| Component | OD | Preventer | RWP |
|---------------------------|---------------|---|------------------|
| Drill Pipe | 4 1/2" | Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5 | 10M |
| Heavyweight Drill Pipe | 4 1/2" | Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5 | 10M |
| Drill Collars & MWD Tools | 6 1/4"-4 3/4" | Annular Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5 | 5M 10M 10M |
| Mud Motor | 8"-4 3/4" | Annular Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5 | 5M 10M 10M |
| Production Casing | 5 1/2" | Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5 | 10M |
| Surface Casing | 10-3/4" | Annular | 5M |
| Intermediate Casing | 7-5/8" | Annular | 5M |
| All | 0 – 13 5/8" | Annular | 5M |
| Open Hole | | Blind Rams | 10M |

C. Well Control Procedures

- I. General Procedures While Drilling:
 - a. Sound alarm – alert crew
 - b. Space out drill string
 - c. Shut down pumps and stop rotary
 - d. Open HCR
 - e. Shut well in, utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and KFOC, Inc. company representative
 - i. Call KFOC, Inc. engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
- II. General Procedures While Tripping:
 - a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string
 - d. Open HCR

**Kaiser Francis Oil Co.
10K Annular Variance Request**

- e. Shut well in, utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and KFOC company representative
 - i. Call KFOC engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
- III. General Procedures While Running Casing:
- a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string
 - d. Open HCR
 - e. Shut well in, utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and KFOC company representative
 - i. Call KFOC engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
- IV. General Procedures With No Pipe in Hole (Open Hole):
- a. Sound alarm – alert crew
 - b. Open HCR
 - c. Shut well in with blind rams
 - d. Close choke
 - e. Confirm shut in
 - f. Notify rig manager and KFOC company representative
 - g. Call KFOC engineer
 - h. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - j. Regroup, identify forward plan
- V. General Procedures While Pulling BHA Through BOP Stack:
- 1. Prior to pulling last joint of drill pipe through stack A.
 - Perform flow check and if flowing:
 - a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string with tool joint just beneath upper pipe ram

**Kaiser Francis Oil Co.
10K Annular Variance Request**

- d. Open HCR
 - e. Shut well in utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and KFOC company representative
 - i. Call KFOC engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
2. With BHA in the BOP stack and compatible ram preventer and pipe combo immediately available.
- a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string with tool joint just beneath upper pipe ram
 - d. Open HCR
 - e. Shut well in utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and KFOC company representative
 - i. Call KFOC engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
3. With BHA in the BOP stack and no compatible ram preventer and pipe combo immediately available
- a. Sound alarm – alert crew
 - b. If possible to pick up high enough, pull string clear of the stack and follow Open Hole scenario (III)
 - c. If impossible to pick up high enough to pull the string clear of the stack:
 - i. Stab crossover, make up one joint/stand of drill pipe and full opening safety valve and close
 - ii. Space out drill string with tool joint just beneath the upper pipe ram
 - iii. Open HCR
 - iv. Shut in utilizing upper VBRs
 - v. Close choke
 - vi. Confirm shut in
 - vii. Notify rig manager and Mesquite SWD, Inc. company representative
 - viii. Read and record:
 - 1. Shut in drill pipe pressure and shut in casing pressure
 - 2. Pit gain
 - 3. Time

**Kaiser Francis Oil Co.
10K Annular Variance Request**

d. Regroup and identify forward plan

**** If annular is used to shut in well and pressure build to or is expected to get to 50% of RWP, confirm space-out and swap to upper VBRs for shut in.**



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

SUPO Data Report

01/22/2021

APD ID: 10400054487

Submission Date: 02/25/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

BLUN_418H_Existing_Roads_20200225111952.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_Pad_18_Access_Road_20200218173132.pdf

New road type: RESOURCE

Length: 1080

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:** 418H**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_418H_1_Mile_Wells_20200225112022.pdf

BLUN_418H_1_Mile_Wells_Map_20200225112025.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:** 418H**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
SURFACE CASING**Describe use type:** ROAD/PAD CONSTRUCTION ANI**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:** 418H**Water source and transportation map:**

BLUN_Pad_18_Water_Source_Map_20200218173253.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: 418H

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: 418H

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_418H_Wellsite_Layout_20200225112129.pdf

BLUN_Pad_18_Drilling_Layout_20200828134023.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: 18

Recontouring attachment:

BLUN_Pad_18_IR_20200828134056.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: 418H

| | | |
|--|---|---|
| Well pad proposed disturbance (acres): 5.96 | Well pad interim reclamation (acres): 0.91 | Well pad long term disturbance (acres): 5.05 |
| Road proposed disturbance (acres): 0.74 | Road interim reclamation (acres): 0 | Road long term disturbance (acres): 0.74 |
| Powerline proposed disturbance (acres): 0 | Powerline interim reclamation (acres): 0 | Powerline long term disturbance (acres): 0 |
| Pipeline proposed disturbance (acres): 0 | Pipeline interim reclamation (acres): 0 | Pipeline long term disturbance (acres): 0 |
| Other proposed disturbance (acres): 0 | Other interim reclamation (acres): 0 | Other long term disturbance (acres): 0 |
| Total proposed disturbance: 6.7 | Total interim reclamation: 0.91 | Total long term disturbance: 5.79 |

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:** 418H**Seed harvest description:****Seed harvest description attachment:****Seed Management****Seed Table****Seed Summary****Total pounds/Acre:**

| Seed Type | 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:** 418H**Disturbance type:** WELL PAD**Describe:****Surface Owner:** PRIVATE OWNERSHIP**Other surface owner description:****BIA Local Office:****BOR Local Office:****COE Local Office:****DOD Local Office:****NPS Local Office:****State Local Office:****Military Local Office:****USFWS Local Office:****Other Local Office:****USFS Region:****USFS Forest/Grassland:****USFS Ranger District:****Fee Owner:** Limestone Basin Properties Ranch LLC **Fee Owner Address:** 3300 N A St Bldg 1 Ste 220**Phone:** (432)695-6353**Email:****Surface use plan certification:** NO**Surface use plan certification document:****Surface access agreement or bond:** AGREEMENT**Surface Access Agreement Need description:** Surface Use and Compensation Agreement exists between Limestone Basin Properties and Kaiser-Francis Oil Company**Surface Access Bond BLM or Forest Service:****BLM Surface Access Bond number:****USFS Surface access bond number:****Disturbance type:** NEW ACCESS ROAD**Describe:****Surface Owner:** PRIVATE OWNERSHIP**Other surface owner description:****BIA Local Office:**

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H**BOR Local Office:****COE Local Office:****DOD Local Office:****NPS Local Office:****State Local Office:****Military Local Office:****USFWS Local Office:****Other Local Office:****USFS Region:****USFS Forest/Grassland:****USFS Ranger District:****Fee Owner:** Limestone Basin Properties Ranch LLC **Fee Owner Address:** 3300 N A St Bldg 1 Ste 220**Phone:** (432)695-6353**Email:****Surface use plan certification:** NO**Surface use plan certification document:****Surface access agreement or bond:** AGREEMENT**Surface Access Agreement Need description:** Surface Use and Compensation Agreement exists between Limestone Basin Properties Ranch LLC and Kaiser-Francis Oil Company.**Surface Access Bond BLM or Forest Service:****BLM Surface Access Bond number:****USFS Surface access bond number:**

Section 12 - Other Information

Right of Way needed? N**Use APD as ROW?****ROW Type(s):****ROW Applications****SUPO Additional Information:**

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

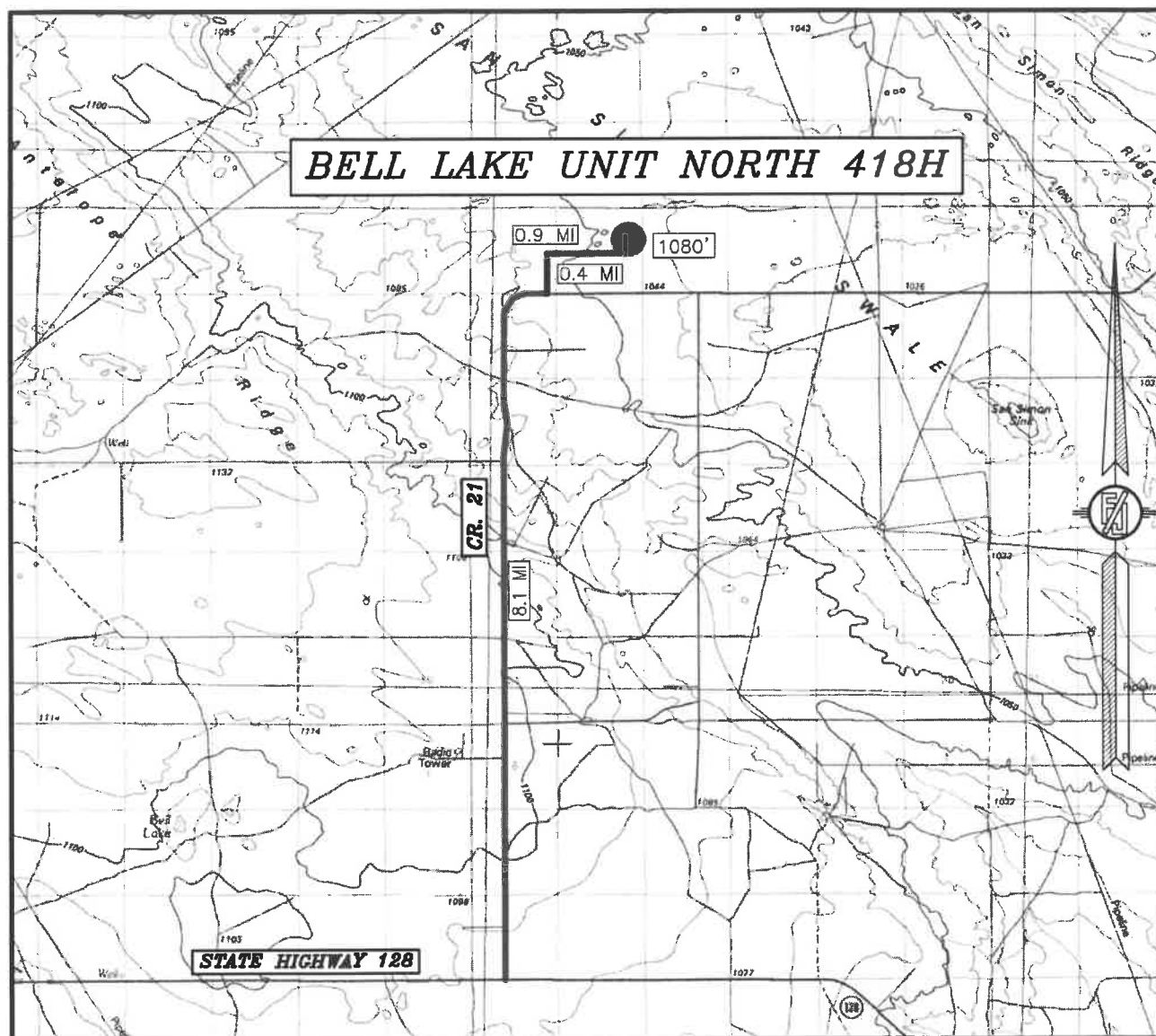
Well Number: 418H

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

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR. 21 (DELAWARE BASIN ROAD) GO NORTH ON CR. 21 APPROX. 8.1 MILES AT END OF CURVE GOING EAST TO THE SECOND CALICHE LEASE ROAD ON LEFT (NORTH)(KAISER FRANCIS SIGNS) TURN LEFT GO NORTH 0.4 OF A MILE TO PIPELINE CORRIDOR, FOLLOW PIPELINE CORRIDOR EAST APPROX. 0.9 OF A MILE TO BEGIN ROAD SURVEY. FOLLOW ROAD SURVEY NORTH APPROX. 1080' TO THE NORTHWEST PAD CORNER FOR THIS LOCATION.

KAISER-FRANCIS OIL CO.
BELL LAKE UNIT NORTH 418H
LOCATED 2150 FT. FROM THE NORTH LINE
AND 840 FT. FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

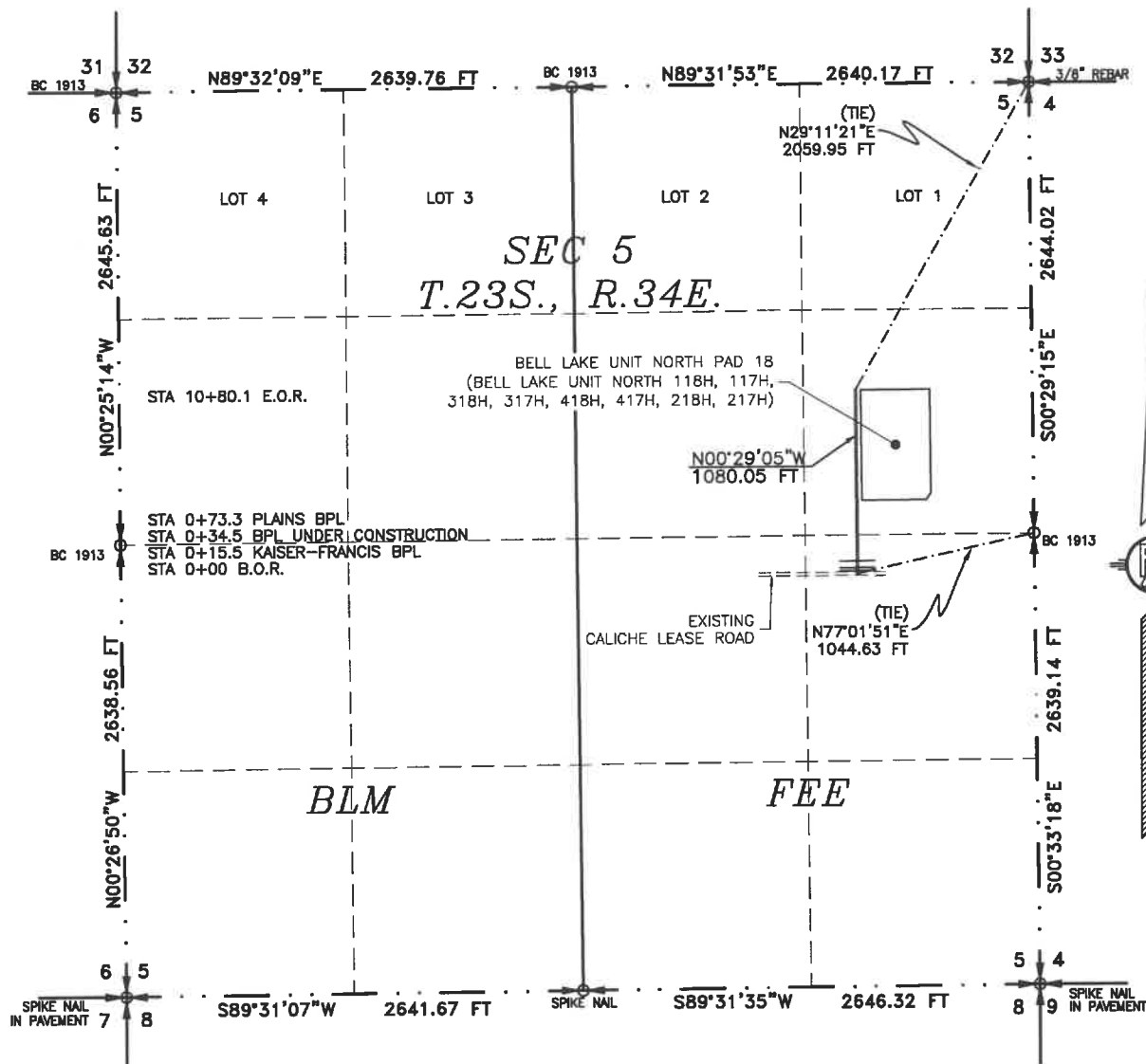
DECEMBER 19, 2019

SURVEY NO. 7681

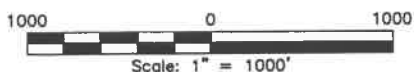
MADRON SURVEYING, INC. 301 SOUTH CANAL
(575) 234-3341

CARLSBAD, NEW MEXICO

ACCESS ROAD PLAT
ACCESS ROAD TO THE BELL LAKE UNIT NORTH PAD 18
(BELL LAKE UNIT NORTH 118H, 117H, 318H, 317H, 418H, 417H, 218H, 217H)
KAISER-FRANCIS OIL CO.
CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
DECEMBER 19, 2019



SEE NEXT SHEET (2-2) FOR DESCRIPTION



GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 1-2

MADRON SURVEYING, INC.

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 24 DAY OF JANUARY 2020

FILIMON F. JARAMILLO
 FILIMON F. JARAMILLO, P.E.S. 12797
 301 SOUTH CANAL
 (575) 234-3341

MADRON SURVEYING, INC.
 301 SOUTH CANAL
 CARLSBAD, NEW MEXICO 88220
 Phone (575) 234-3341

SURVEY NO. 7678

CARLSBAD, NEW MEXICO

ACCESS ROAD PLAT

ACCESS ROAD TO THE BELL LAKE UNIT NORTH PAD 18
(BELL LAKE UNIT NORTH 118H, 117H, 318H, 317H, 418H, 417H, 218H, 217H)

KAISER-FRANCIS OIL CO.

CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
DECEMBER 19, 2019

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 SE/4 OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE EAST QUARTER CORNER OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N77°01'51"E, A DISTANCE OF 1044.63 FEET;

THENCE N00°29'05"W A DISTANCE OF 1080.05 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N29°11'21"E, A DISTANCE OF 2059.95 FEET;

SAID STRIP OF LAND BEING 1080.05 FEET OR 65.46 RODS IN LENGTH, CONTAINING 0.744 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

| | | | |
|-----------|-------------|------------|-------------|
| NE/4 SE/4 | 225.84 L.F. | 13.69 RODS | 0.156 ACRES |
| SE/4 NE/4 | 854.21 L.F. | 51.77 RODS | 0.588 ACRES |

GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING, INC.

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 24 DAY OF JANUARY 2020



MADRON SURVEYING, INC.
 301 SOUTH CANAL
 CARLSBAD, NEW MEXICO 88220
 Phone (575) 234-3341

SURVEY NO. 7678

301 SOUTH CANAL
 (575) 234-3341

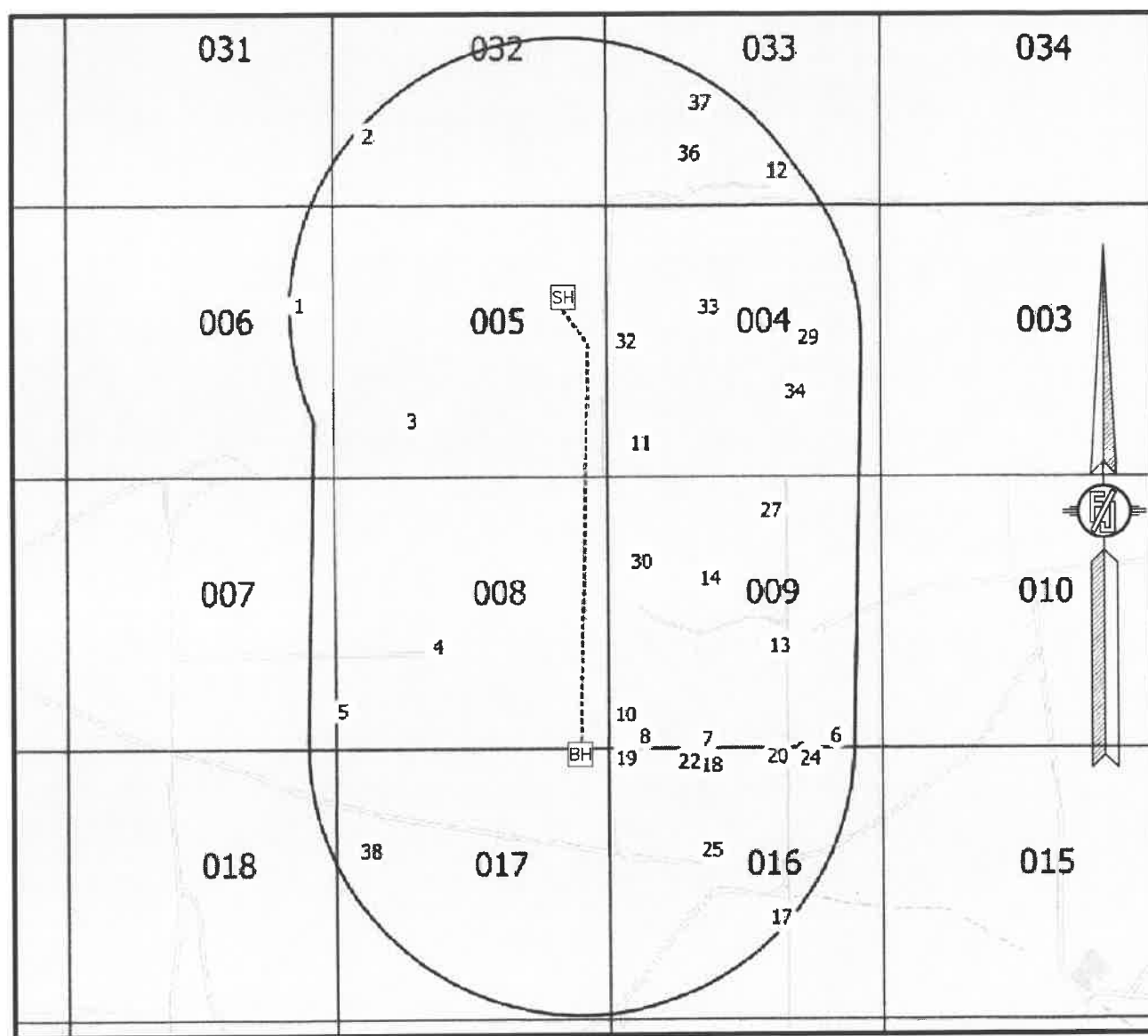
CARLSBAD, NEW MEXICO

1-Mile Wells

BLN 418H

| ID | API | wellname | ustr | ogrid | ogrid_name | dir | status | elov | depth | meas | tot | apr_date | latitude | longitude | pool_id | pool_id_ji |
|----|--------------|-----------------------------------|--------------|--------|--------------------------|-----|--------|------|-------|-------|-----|------------|-------------|---------------|---|------------|
| 1 | 30-025-33077 | NORTH BELL LAKE FEDERAL #003 | H-06-235-34E | 12361 | KAISER-FRANCIS OIL CO | V | V | 3456 | 17340 | 17340 | | 8/25/1995 | 32.3356552 | -103.5028305 | [71840] BELL LAKE, DEVONIAN, NORTH (GAS); [96385] BELL LAKE, ELLENBURGER, NORTH (GAS) | WLF |
| 2 | 30-025-35118 | BELL LAKE UNIT #001 | L-37-225-34E | 12361 | KAISER-FRANCIS OIL CO | V | V | 3431 | 13407 | 13407 | | 8/9/2000 | 32.3464626 | -103.4955428 | [96665] OJO CHISO, MRW, WIGAS; [97630] BELL LAKE, DELW, NE; [97724] WC-025 G-06 S223432L, WLF | |
| 3 | 30-025-35118 | NORTH BELL LAKE FEDERAL #002 | N-05-235-34E | 12361 | KAISER-FRANCIS OIL CO | V | V | 3443 | 17710 | 17710 | | 9/21/1994 | 32.3284563 | -103.4958344 | [77680] GRAMA RIDGE, MRWIGAS; [96385] BELL LAKE, ELLENBURGER, NIGAS; [97430] BELL LAKE, DELW, NE | |
| 4 | 30-025-34677 | NORTH BELL LAKE UNIT #015 | K-08-235-34E | 12361 | KAISER-FRANCIS OIL CO | V | V | 3445 | 13589 | 13589 | | 6/6/1974 | 32.3173599 | -103.4942551 | [71920] BELL LAKE, MORROW, NORTH (GAS); [96100] SWD, DELAWARE | |
| 5 | 30-025-44387 | LEVATHAN STATE SWD #001 | M-08-235-34E | 12361 | KAISER-FRANCIS OIL CO | V | V | 3470 | 0 | 0 | | 1/24/2018 | 32.3139656 | -103.5002005 | [97869] SWD, DEVONIAN-SILURIAN | |
| 6 | 30-025-42651 | ANTELOPE 9 B3PA STATE #001H | P-09-235-34E | 14744 | MEWBOURNE OIL CO | H | H | 3409 | 15980 | 11299 | | 6/24/2015 | 32.31254448 | -103.4693776 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 7 | 30-025-42650 | ANTELOPE 9 B2NC STATE COM #001H | N-09-235-34E | 14744 | MEWBOURNE OIL CO | H | H | 3423 | 14880 | 10343 | | 6/24/2015 | 32.31241933 | -103.4736778 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 8 | 30-025-42366 | ANTELOPE 9 B2MD STATE COM #001H | M-09-235-34E | 14744 | MEWBOURNE OIL CO | H | H | 3426 | 14940 | 10335 | | 1/15/2015 | 32.31254302 | -103.4812784 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 9 | 30-025-42366 | ANTELOPE 9 B2MD STATE COM #001H | M-09-235-34E | 14744 | MEWBOURNE OIL CO | H | H | 3423 | 285 | 285 | | 6/22/2012 | 32.3137245 | -103.4824829 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 10 | 30-025-40638 | SABLE BSA STATE #001 | N-04-235-34E | 20905 | DEVON SFS OPERATING INC | V | V | 3419 | 13335 | 13335 | | 4/9/1999 | 32.3283934 | -103.4814301 | [96838] DRY AND ABANDONED | |
| 11 | 30-025-34605 | PRE-ONGARD 4 FEDERAL #002 | O-33-235-34E | 214263 | PRE-ONGARD WELL OPERATOR | V | V | 0 | 0 | 0 | | 1/1/1900 | 32.3475051 | -103.4728851 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 12 | 30-025-24636 | PRE-ONGARD WELL #001 | J-09-235-34E | 214263 | PRE-ONGARD WELL OPERATOR | V | V | 0 | 0 | 0 | | 1/1/1900 | 32.3173561 | -103.473561 | [96838] DRY AND ABANDONED | |
| 13 | 30-025-27805 | PRE-ONGARD WELL #001 | F-09-235-34E | 214263 | PRE-ONGARD WELL OPERATOR | V | V | 0 | 0 | 0 | | 1/1/1900 | 32.3209801 | -103.477715 | [96838] DRY AND ABANDONED | |
| 14 | 30-025-29099 | PRE-ONGARD WELL #001 | J-16-235-34E | 229137 | COG OPERATING LLC | V | V | 3425 | 8830 | 8830 | | 12/3/2012 | 32.31147 | -103.4778622 | [96100] SWD, DELAWARE; [96838] DRY AND ABANDONED | |
| 15 | 30-025-34258 | GETTYSBURG 16 STATE SWD #001 | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3420 | 17526 | 10452 | | 12/3/2012 | 32.3110046 | -103.4771347 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 16 | 30-025-40874 | GETTYSBURG STATE COM #002H | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3669 | 15695 | 8568 | | 6/25/2013 | 32.31147 | -103.4789745 | [96322] BELL LAKE, DELAWARE, EAST | |
| 17 | 30-025-41236 | VETO STATE COM #002H | D-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3430 | 17416 | 10420 | | 6/19/2014 | 32.3113899 | -103.4824753 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 18 | 30-025-41928 | GETTYSBURG STATE COM #001H | B-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3415 | 17613 | 10485 | | 1/14/2013 | 32.31147 | -103.4730606 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 19 | 30-025-40916 | GETTYSBURG STATE COM #003H | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3425 | 18965 | 11494 | | 1/14/2013 | 32.311207 | -103.4786894 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 20 | 30-025-44232 | GETTYSBURG STATE COM #013H | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3425 | 18730 | 0 | | 11/30/2017 | 32.311207 | -103.47851 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 21 | 30-025-44230 | GETTYSBURG STATE COM #013H | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3425 | 18700 | 11554 | | 11/30/2017 | 32.311207 | -103.478597 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 22 | 30-025-44231 | GETTYSBURG STATE COM #014H | C-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3415 | 0 | 0 | | 3/17/2017 | 32.311851 | -103.4715001 | [2207] ANTELOPE RIDGE, BONE SPRING, NW | |
| 23 | 30-025-43702 | ANTELOPE 9 B30B STATE COM #001H | O-09-235-34E | 14744 | MEWBOURNE OIL CO | H | H | 3412 | 18742 | 11433 | | 11/7/2017 | 32.311336 | -103.470898 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 24 | 30-025-44159 | GETTYSBURG STATE COM #011H | A-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3412 | 18830 | 11593 | | 11/7/2017 | 32.311335 | -103.470995 | [2209] ANTELOPE RIDGE, BONE SPRING, WEST | |
| 25 | 30-025-44160 | GETTYSBURG STATE COM #012H | B-16-235-34E | 229137 | COG OPERATING LLC | H | H | 3426 | 20 | 20 | | 12/18/2000 | 32.306469 | -103.4771271 | [96838] DRY AND ABANDONED | |
| 26 | 30-025-35306 | JEN AMB STATE #001 | F-16-235-34E | 25575 | EOG Y RESOURCES, INC. | V | V | 3402 | 14654 | 14654 | | 6/17/2003 | 32.3246078 | -103.4733582 | [97328] BELL LAKE, DEVONIAN, NE (GAS) | |
| 27 | 30-025-36302 | RIO BLANCO 9 STATE #001 | B-09-235-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3398 | 17964 | 10355 | | 5/4/2018 | 32.338558 | -103.4708602 | [97921] WC-025 G-06 S223421L, BONE SPRING | |
| 28 | 30-025-44962 | RIO BLANCO 4 33 FEDERAL COM #00SH | G-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3398 | 17850 | 10336 | | 5/4/2018 | 32.338557 | -103.4709573 | [97921] WC-025 G-06 S223421L, BONE SPRING | |
| 29 | 30-025-44830 | RIO BLANCO 4 33 FEDERAL COM #03SH | E-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3419 | 13450 | 13435 | | 2/27/1999 | 32.311888 | -103.4814324 | [2207] ANTELOPE RIDGE, BONE SPRING, NW; [70860] ANTELOPE RIDGE, ATOKA (GAS); [70450] ANTELOPE RIDGE, STRAWN | |
| 30 | 30-025-34577 | CABALLO 9 STATE #001 | E-09-235-34E | 6137 | DEVON ENERGY PROD CO, LP | D | D | 3415 | 18232 | 10348 | | 5/16/2018 | 32.3336805 | -103.4820895 | [97921] WC-025 G-06 S223421L, BONE SPRING | |
| 31 | 30-025-44829 | RIO BLANCO 4 33 FEDERAL COM #03BH | E-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3415 | 18232 | 10348 | | 5/16/2018 | 32.3336805 | -103.4820895 | [97921] WC-025 G-06 S223421L, BONE SPRING | |
| 32 | 30-025-43245 | RIO BLANCO 4 33 FEDERAL COM #002H | E-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3416 | 17201 | 9856 | | 5/10/2016 | 32.3336803 | -103.4824781 | [28430] GRAMA RIDGE, BONE SPRING | |
| 33 | 30-025-43246 | RIO BLANCO 4 33 FEDERAL COM #003H | E-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3416 | 17772 | 10309 | | 5/10/2016 | 32.3336802 | -103.4823162 | [28430] GRAMA RIDGE, BONE SPRING | |
| 34 | 30-025-43244 | RIO BLANCO 4 33 FEDERAL COM #001H | F-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | H | H | 3415 | 16025 | 8750 | | 5/10/2016 | 32.3336803 | -103.48264 | [28430] GRAMA RIDGE, BONE SPRING | |
| 35 | 30-025-34515 | RIO BLANCA 4 FEDERAL COM #001 | F-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3404 | 14597 | 14597 | | 10/2/1998 | 32.3356988 | -103.4771652 | [70440] ANTELOPE RIDGE, MRW (GAS); [71920] BELL LAKE, MRW, NIGAS; [97328] BELL LAKE, DEV, NE (GAS) | |
| 36 | 30-025-36425 | RIO BLANCO 4 FEDERAL COM #003 | J-04-235-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3400 | 14653 | 14653 | | 8/26/2003 | 32.3309593 | -103.47718094 | [96101] SWD, DEVONIAN; [97328] BELL LAKE, DEVONIAN, NE (GAS) | |
| 37 | 30-025-36359 | RIO BLANCO 33 FEDERAL #001 | N-33-225-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3407 | 14682 | 14682 | | 6/5/2003 | 32.3456928 | -103.4783325 | [70360] ANTELOPE RIDGE, ATOKA (GAS); [97328] BELL LAKE, DEVONIAN, NE (GAS) | |
| 38 | 30-025-37860 | RIO BLANCO 33 FEDERAL #003 | K-33-225-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3406 | 8506 | 8600 | | 5/4/2006 | 32.346586 | -103.4776459 | [97630] BELL LAKE, DELAWARE, NORTHEAST | |
| 39 | 30-025-35033 | PALOMA BLANCO 17 FEDERAL #001 | E-17-235-34E | 6137 | DEVON ENERGY PROD CO, LP | V | V | 3470 | 13797 | 13797 | | 3/27/2000 | 32.3064728 | -103.4950046 | [3150] BELL LAKE, BONE SPRING, N; [5166] BELL LAKE, DELW, N; [71920] BELL LAKE, MRW, NIGAS | |

1-MILE MAP



NOT TO SCALE

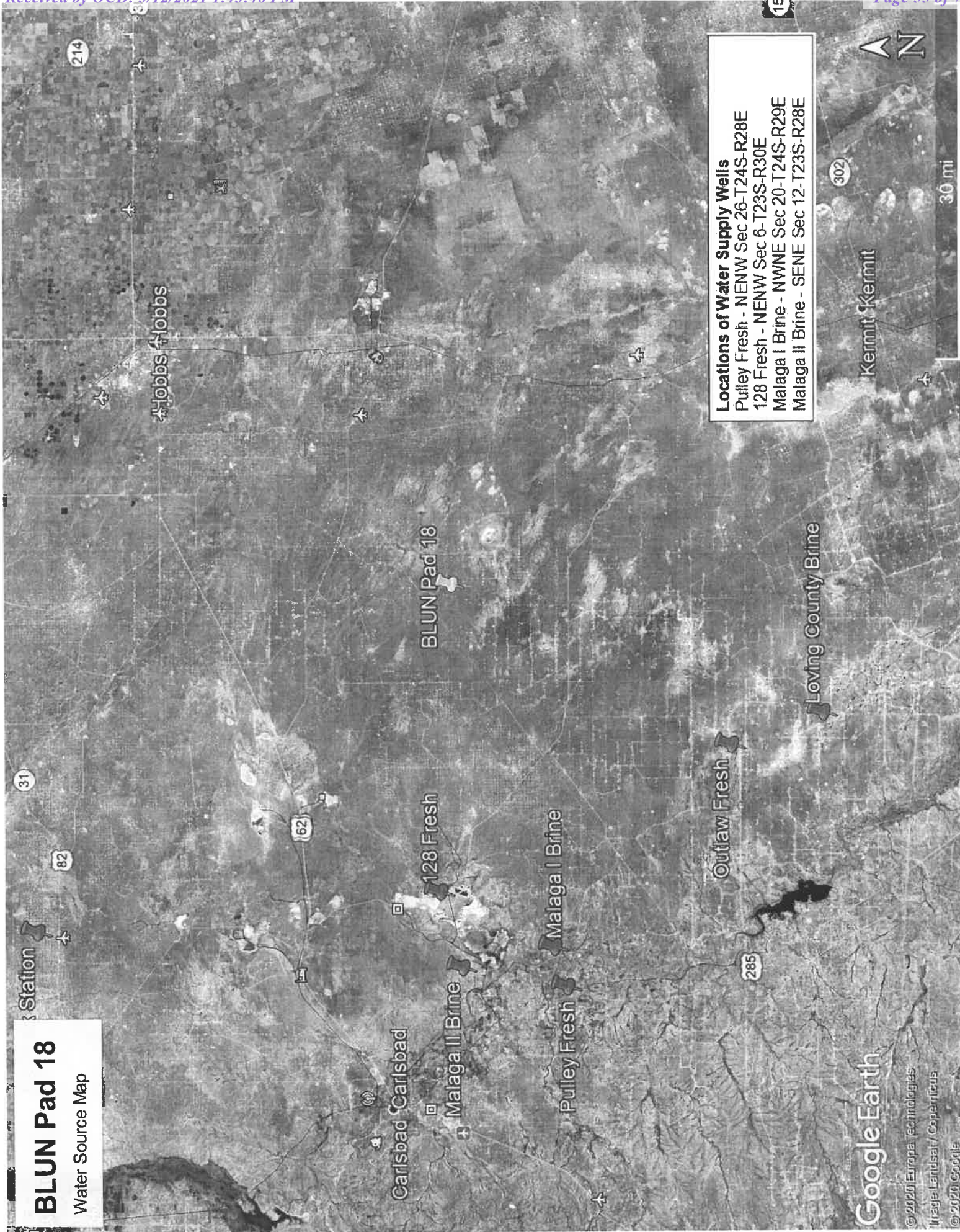
- [SH] SURFACE LOCATION
 [BH] BOTTOM OF HOLE
 (XX) WELLS WITHIN 1 MILE
 - - - - - WELL PATH
 ——— 1-MILE BOUNDARY

KAISER-FRANCIS OIL CO.
BELL LAKE UNIT NORTH 418H
 LOCATED 2150 FT. FROM THE NORTH LINE
 AND 840 FT. FROM THE EAST LINE OF
 SECTION 5, TOWNSHIP 23 SOUTH,
 RANGE 34 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 19, 2019

SURVEY NO. 7681

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO



SITE MAP

- NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD88.



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR. 21 (DELAWARE BASIN ROAD) GO NORTH ON CR. 21 APPROX. 8.1 MILES AT END OF CURVE GOING EAST TO THE SECOND CALICHE LEASE ROAD ON LEFT (NORTH)(KAISER FRANCIS SIGNS) TURN LEFT GO NORTH 0.4 OF A MILE TO PIPELINE CORRIDOR, FOLLOW PIPELINE CORRIDOR EAST APPROX. 0.8 OF A MILE TO BEGIN ROAD SURVEY, FOLLOW ROAD SURVEY NORTH APPROX. 1080' TO THE NORTHWEST PAD CORNER FOR THIS LOCATION.

I, FILIMON F. JARAMILLO, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY WAS MADE TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I MEET THE MINIMUM STANDARDS FOR SUCH SURVEYING.

KAISER-FRANCIS OIL CO.
BELL LAKE UNIT NORTH 418H
LOCATED 2150 FT. FROM THE NORTH LINE
AND 840 FT. FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

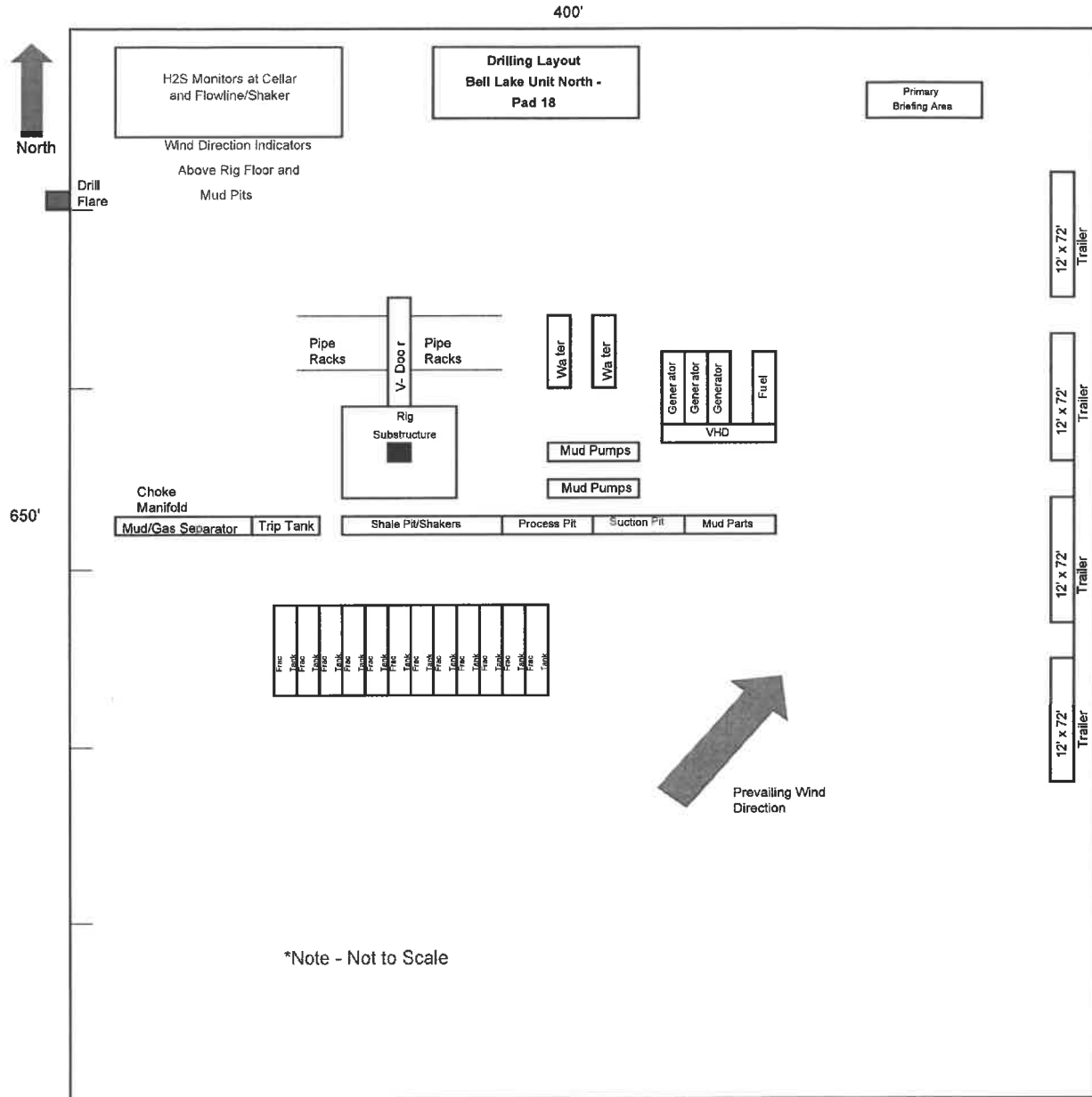
DECEMBER 19, 2019

SURVEY NO. 7681

MADRON SURVEYING, INC.

301 SOUTH CANAL
(575) 234-3341

CARLSBAD, NEW MEXICO



SECTION 5, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
INTERIM SITE BUILD PLAN

A - BELL LAKE UNIT NORTH 118H
B - BELL LAKE UNIT NORTH 117H
C - BELL LAKE UNIT NORTH 318H
D - BELL LAKE UNIT NORTH 317H
E - BELL LAKE UNIT NORTH 418H
F - BELL LAKE UNIT NORTH 417H
G - BELL LAKE UNIT NORTH 218H
H - BELL LAKE UNIT NORTH 217H

PROPOSED 1080 LF
ACCESS ROAD

100'

400'

BLUN PAD 18

A
B
C
D
E
F
G
H



DENOTES INTERIM PAD
RECLAMATION AREA
0.907± ACRES



015 75 150 300
SCALE 1" = 150'

KAISER-FRANCIS OIL CO.
BELL LAKE UNIT NORTH PAD 18
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 19, 2019

SURVEY NO. 7678

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO



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

PWD Data Report

01/22/2021

APD ID: 10400054487

Submission Date: 02/25/2020

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

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:

Describe 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:** 418H**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:****Describe 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:** 418H**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: 418H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



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

Bond Info Data Report

01/22/2021

APD ID: 10400054487

Submission Date: 02/25/2020

Highlighted data
reflects the most
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT NORTH

Well Number: 418H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

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 30-025-48560 | | ² Pool Code 98265 | ³ Pool Name Ojo Chiso; Wolfcamp, Southwest |
| ⁴ Property Code 316707 | ⁵ Property Name BELL LAKE UNIT NORTH | | ⁶ Well Number 418H |
| ⁷ OGRID No. 12361 | ⁸ Operator Name KAISER-FRANCIS OIL CO. | | ⁹ Elevation 3421.8 |

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 | 5 | 23 S | 34 E | | 2150 | NORTH | 840 | EAST | LEA |

¹² 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 | 8 | 23 S | 34 E | | 100 | SOUTH | 530 | EAST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹³ Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 480 | | | R-14602A |

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.

NW CORNER SEC. 5
LAT. = 32.3409038°N
LONG. = 103.5007079°W

NWSP EAST (FT)
N = 488752.37
E = 798485.80

W/4 CORNER SEC. 5
LAT. = 32.3336332°N
LONG. = 103.5007116°W

NWSP EAST (FT)
N = 486107.27
E = 798505.21

SW CORNER SEC. 5
LAT. = 32.3263820°N
LONG. = 103.5007113°W

NWSP EAST (FT)
N = 483469.26
E = 798525.81

FIRST TAP POINT
2600' FSL 350' FEL
LAT. = 32.3335339°N
LONG. = 103.4847438°W

NWSP EAST (FT)
N = 486109.85
E = 803437.57

W/4 CORNER SEC. 8
LAT. = 32.3191330°N
LONG. = 103.5006991°W

NWSP EAST (FT)
N = 480832.11
E = 798550.10

SW CORNER SEC. 8
LAT. = 32.3118789°N
LONG. = 103.5006807°W

NWSP EAST (FT)
N = 478192.36
E = 798576.29

N89°32'09"E 2639.76 FT 2640.17 FT

N/4 CORNER SEC. 5
LAT. = 32.3409059°N
LONG. = 108.4921626°W

NWSP EAST (FT)
N = 488773.75
E = 801125.01

BELL LAKE UNIT NORTH #18H
ELEV. = 3421.8'
LAT. = 32.3549984°N (NAD83)
LONG. = 103.4863304°W

NWSP EAST (FT)
N = 486638.78
E = 802943.28

S/4 CORNER SEC. 5
LAT. = 32.3263863°N
LONG. = 103.4921612°W

NWSP EAST (FT)
N = 483491.46
E = 801166.92

S89°31'07"W 2641.67 FT S89°31'35"W 2646.32 FT

S00°48'28"W 7783.51 FT

BOTTOM OF HOLE
LAT. = 32.3121487°N
LONG. = 103.4852983°W

NWSP EAST (FT)
N = 478328.49
E = 803327.87

SE CORNER SEC. 5
LAT. = 32.3409079°N
LONG. = 103.4836160°W

NWSP EAST (FT)
N = 488795.34
E = 803764.63

E/4 CORNER SEC. 5
LAT. = 32.3336418°N
LONG. = 103.4836111°W

NWSP EAST (FT)
N = 486151.88
E = 803787.12

SE CORNER SEC. 5
LAT. = 32.3263890°N
LONG. = 103.4835961°W

NWSP EAST (FT)
N = 483513.32
E = 803812.68

E/4 CORNER SEC. 8
LAT. = 32.3191266°N
LONG. = 103.4835919°W

NWSP EAST (FT)
N = 480871.27
E = 803834.91

SE CORNER SEC. 8
LAT. = 32.3118734°N
LONG. = 103.4835828°W

NWSP EAST (FT)
N = 478232.54
E = 803858.67

2645.63 FT

2638.56 FT

2637.73 FT

2640.34 FT

2640.06 FT

2644.02 FT

2639.14 FT

2642.82 FT

2639.28 FT

2630.57 FT

N89°33'51"W 2641.73 FT

S89°33'51"W 2641.73 FT

2640.17 FT

2642.82 FT

2639.28 FT

2630.57 FT

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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, recomple to new zone, re-frac) activity.

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

Well(s)/Production Facility – Name of facility

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

| Well Name | API | Well Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments |
|---------------------------|-----|-----------------------|----------|----------------|------------------|----------|
| Bell Lake Unit North 117H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 217H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 317H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 417H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 118H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 218H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 318H | | 5-23S-34E | | 2000 | 0 | |
| Bell Lake Unit North 418H | | 5-23S-34E | | 2000 | 0 | |

Gathering System and Pipeline Notification

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

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H**Pressure Rating (PSI):** 5M**Rating Depth:** 13000

Equipment: A 10M BOP Stack with a 5M annular 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_418H_Choke_Manifold_20200225111319.pdf

BOP Diagram Attachment:

Annular_BOP_Variance_Request_20200220110832.pdf

Cactus_Flex_Hose_16C_Certification_20200203142843.pdf

BLUN_418H_Wellhead_20200225111418.pdf

BOP_stack_10M_5k_annular_20200828134156.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 | 14.75 | 10.75 | NEW | API | N | 0 | 1550 | 0 | 1550 | 3422 | 1872 | 1550 | J-55 | 40.5 | ST&C | 2.7 | 5.3 | DRY | 8.2 | DRY | 12.3 |
| 2 | INTERMEDIATE | 9.875 | 7.625 | NEW | API | N | 0 | 10826 | 0 | 10797 | | -7375 | 10826 | HCP-110 | 29.7 | LT&C | 1.3 | 1.9 | DRY | 2.4 | DRY | 2.9 |
| 3 | PRODUCTION | 6.75 | 5.5 | NEW | API | N | 0 | 19608 | 0 | 11470 | | -8048 | 19608 | P-110 | 20 | OTHER - USS Eagle SFH | 1.8 | 2 | DRY | 2.7 | DRY | 3.2 |

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H**Casing Attachments**

Casing ID: 1 **String Type:** SURFACE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**BLUN_418H_Casing_Assumptions_20200828134347.pdf

Casing ID: 2 **String Type:** INTERMEDIATE**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**BLUN_418H_Casing_Assumptions_20200828134315.pdf

Casing ID: 3 **String Type:** PRODUCTION**Inspection Document:****Spec Document:****Tapered String Spec:****Casing Design Assumptions and Worksheet(s):**

5.5_x_20_P110_HP_USS_EAGLE_SFH_Performance_Sheet_20200220111126.pdf

BLUN_418H_Casing_Assumptions_20200828134326.pdf

Section 4 - Cement

Operator Name: KAISER FRANCIS OIL COMPANY**Well Name:** BELL LAKE UNIT NORTH**Well Number:** 418H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|-------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|--------------|
| SURFACE | Lead | | 0 | 1550 | 750 | 1.7 | 13.5 | 1297 | 50 | ExtendaCem | Poly E Flake |

| | | | | | | | | | | | |
|--------------|------|--|------|-----------|-----|------|------|------|----|----------|----------|
| INTERMEDIATE | Lead | | 0 | 1082 6 | 819 | 2.73 | 11 | 2237 | 25 | NeoCem | Extender |
| INTERMEDIATE | Tail | | 0 | 1082 4 | 559 | 1.2 | 15.6 | 669 | 25 | Halcem | none |
| PRODUCTION | Lead | | 9000 | 1960 8 | 875 | 1.22 | 14.5 | 1070 | 15 | VersaCem | Halad |

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 |
|-----------|--------------|-----------------------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 1079 7 | 1147 0 | OIL-BASED MUD | 10 | 12 | | | | | | | |
| 1550 | 1079 7 | OTHER : Diesel- Brine Emulsion | 8.7 | 8.9 | | | | | | | |
| 0 | 1550 | OTHER : Fresh Water | 8.4 | 9 | | | | | | | |

Date: 3/12/2021

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 418H
Sec. 5-23S-34E
Lea Co., NM

A handwritten signature in blue ink, appearing to read "C. Van Valkenburg", is written over the printed name.

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

District I

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

CONDITIONS

Action 20669

CONDITIONS OF APPROVAL

| | | | | | | | | | |
|-----------|-----------------------|----------------|----------------|--------|-------|----------------|-------|--------------|-------------|
| Operator: | KAISER-FRANCIS OIL CO | P.O. Box 21468 | Tulsa, OK74121 | OGRID: | 12361 | Action Number: | 20669 | Action Type: | 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 |