

Form 3160-3
(June 2015)FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☐ DRILL ☐ REENTER		5. Lease Serial No.
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address		9. API Well No. 30-025-54518
3b. Phone No. (include area code)		10. Field and Pool, or Exploratory
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area
14. Distance in miles and direction from nearest town or post office*		12. County or Parish
		13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
24. Attachments		

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

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

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

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

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

(Continued on page 2)

*(Instructions on page 2)



Approval Date: 11/22/2024

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: NWSW / 2582 FSL / 430 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3335278 / LONG: -103.5332425 (TVD: 0 feet, MD: 0 feet)
PPP: SWNW / 2450 FNL / 1320 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3341939 / LONG: -103.5303599 (TVD: 10300 feet, MD: 10667 feet)
PPP: LOT 4 / 0 FNL / 1312 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3409281 / LONG: -103.5303564 (TVD: 10300 feet, MD: 13125 feet)
BHL: NWNW / 25 FNL / 1320 FWL / TWSP: 22S / RANGE: 33E / SECTION: 36 / LAT: 32.3553733 / LONG: -103.5303493 (TVD: 10300 feet, MD: 18378 feet)

BLM Point of Contact

Name: TENILLE C MOLINA
Title: Land Law Examiner
Phone: (575) 234-2224
Email: TCMOLINA@BLM.GOV

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Review and Appeal Rights

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

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**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Kaiser Francis Oil Company
LEASE NO.:	NMLC066438
COUNTY:	Lea County, New Mexico

Wells:

Bell Lake Unit North 719H
 Bell Lake Unit North AVD 019H
 Bell Lake Unit North AVA 019H
 Bell Lake Unit North 819H
 Bell Lake Unit North AVB 019H

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1. GENERAL PROVISIONS

The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the operator, or any person working on the operator's behalf, on the public or federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area (within 100ft) of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer, in conjunction with a BLM Cultural Resource Specialist, to determine appropriate actions to prevent the loss of significant scientific values. The operator shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

Traditional Cultural Properties (TCPs) are protected by NHPA as codified in 36 CFR 800 for possessing traditional, religious, and cultural significance tied to a certain group of individuals. Though there are currently no designated TCPs within the project area or within a mile of the project area, but it is possible for a TCP to be designated after the approval of this project. **If a TCP is designated in the project area after the project's approval, the BLM Authorized Officer will notify the operator of the following conditions and the duration for which these conditions are required.**

1. Temporary halting of all construction, drilling, and production activities to lower noise.
2. Temporary shut-off of all artificial lights at night.

The operator is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA), specifically NAGPRA Subpart B regarding discoveries, to protect human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered during project work. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and a BLM-CFO Authorized Officer will be notified immediately. The BLM will then be required to be notified, in writing, within 24 hours of the discovery. The written notification should include the geographic location by county and state, the contents of the discovery, and the steps taken to protect said discovery. You must also include any potential threats to the discovery and a conformation that all activity within 100ft of the discovery has ceased and work will not resume until written certification is issued. All work on the entire project must halt for a minimum of 3 days and work cannot resume until an Authorized Officer grants permission to do so.

Any paleontological resource discovered by the operator, or any person working on the operator's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. The operator will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

1.2. RANGELAND RESOURCES

1.2.1. Cattleguards

Where a permanent cattleguard is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during

lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

1.2.2. Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

1.2.3. Livestock Watering Requirement

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

1.3. NOXIOUS WEEDS

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

1.3.1 African Rue (*Peganum harmala*)

Spraying: The spraying of African Rue must be completed by a licensed or certified applicator. In order to attempt to kill or remove African Rue the proper mix of chemical is needed. The mix consists of 2% Arsenal (Imazapyr) and 2% Roundup (Glyphosate) along with a nonionic surfactant. Any other chemicals or combinations shall be approved by the BLM Noxious Weeds Coordinator prior to treatment. African Rue shall be sprayed in connection to any dirt working activities or disturbances to the site being sprayed. Spraying of African Rue shall be done on immature plants at initial growth through flowering and mature plants between budding and flowering stages. Spraying shall not be conducted after flowering when plant is fruiting. This will ensure optimal intake of chemical and decrease chances of developing herbicide resistance. After spraying, the operator or necessary parties must contact the Carlsbad Field Office to inspect the effectiveness of the application treatment to the plant species. No ground disturbing activities can take place until the inspection by the authorized officer is complete. The operator may contact the Environmental Protection Department or the BLM Noxious Weed Coordinator at (575) 234-5972 or BLM_NM_CFO_NoxiousWeeds@blm.gov.

Management Practices: In addition to spraying for African Rue, good management practices should be followed. All equipment should be washed off using a power washer in a designated containment area. The containment area shall be bermed to allow for containment of the seed to prevent it from entering any open areas of the nearby landscape. The containment area shall be excavated near or adjacent to the well pad at a depth of three feet and just large enough to get equipment inside it to be washed off. This will allow all seeds to be in a centrally located area that can be treated at a later date if the need arises.

1.4. LIGHT POLLUTION

1.4.1. Downfacing

All permanent lighting will be pointed straight down at the ground in order to prevent light spill beyond the edge of approved surface disturbance.

1.4.2. Shielding

All permanent lighting will use full cutoff luminaires, which are fully shielded (i.e., not emitting direct or indirect light above an imaginary horizontal plane passing through the lowest part of the light source).

1.4.3. Lighting Color

Lighting shall be 3,500 Kelvin or less (Warm White) except during drilling, completion, and workover operations. No bluish-white lighting shall be used in permanent outdoor lighting.

2. SPECIAL REQUIREMENTS

2.1 WILDLIFE

2.1.1 Lesser Prairie Chicken

2.1.1.1 Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

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

2.1.1.2 Timing Limitation Exceptions:

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

2.1.1.3 Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at BLM_NM_CFO_Construction_Reclamation@blm.gov.

3. PRODUCTION (POST DRILLING)

3.1 WELL STRUCTURES & FACILITIES

3.1.1 Placement of Production Facilities

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

3.1.2 Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource

Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

3.1.3. Chemical and Fuel Secondary Containment and Exclosure Screening

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

3.1.4. Open-Vent Exhaust Stack Exclosures

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

3.1.5. Containment Structures

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

4. RECLAMATION

Stipulations required by the Authorized Officer on specific actions may differ from the following general guidelines

4.1 ROAD AND SITE RECLAMATION

Any roads constructed during the life of the well will have the caliche removed or linear burial. If contaminants are indicated then testing will be required for chlorides and applicable contaminate anomalies for final disposal determination (disposed of in a manner approved by the Authorized Officer within Federal, State and Local statutes, regulations, and ordinances) and seeded to the specifications in sections 6.5 and 6.6.

4.2 EROSION CONTROL

Install erosion control berms, windrows, and hummocks. Windrows must be level and constructed perpendicular to down-slope drainage; steeper slopes will require greater windrow density. Topsoil between windrows must be ripped to a depth of at least 12", unless bedrock is encountered. Any large boulders pulled up during ripping must be deep-buried on location. Ripping must be perpendicular to down-slope. The surface must be left rough in order to catch and contain rainfall on-site. Any trenches resulting from erosion cause by run-off shall be addressed immediately.

4.3 INTERIM RECLAMATION

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

Within six (6) months of well completion, operators must work with BLM surface protection specialists (BLM_NM_CFO_Construction_Reclamation@blm.gov) to devise the best strategies to reduce the size of the location. Interim reclamation must allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided in section 6.6.

Upon completion of interim reclamation, the operator shall submit a Sundry Notice, Subsequent Report of Reclamation (Form 3160-5).

4.4 FINAL ABANDONMENT & RECLAMATION

Prior to surface abandonment, the operator shall submit a Notice of Intent Sundry Notice and reclamation plan.

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

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

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding will be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM. After earthwork and seeding is completed, the operator is required to submit a Sundry Notice, Subsequent Report of Reclamation.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM_NM_CFO_Construction_Reclamation@blm.gov).

4.5 SEEDING TECHNIQUES

Seeds shall be hydro-seeded, mechanically drilled, or broadcast, with the broadcast-seeded area raked, ripped or dragged to aid in covering the seed. The seed mixture shall be evenly and uniformly planted over the disturbed area.

4.6 SOIL SPECIFIC SEED MIXTURE

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

Seed land application will be accomplished by mechanical planting using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds tend to drop the bottom of the drill and are planted first; the operator shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory BLM or Soil Conservation

District stand is established as determined by the Authorized Officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding or until several months of precipitation have occurred, enabling a full four months of growth, with one or more seed generations being established.

Seed Mixture 2, for Sandy Site

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

<u>Species</u>	<u>lb/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	KAISER FRANCIS OIL COMPANY
WELL NAME & NO.:	BELL LAKE UNIT NORTH AVD 019H
LOCATION:	Section 1, T.23 S., R.33 E.
COUNTY:	Lea County, New Mexico

COA

H2S	☒ Yes	☐ No	
Potash	☒ None	☐ Secretary	☐ R-111-P
Cave/Karst Potential	☒ Low	☐ Medium	☐ High
Cave/Karst Potential	☐ Critical		
Variance	☐ None	☒ Flex Hose	☐ Other
Wellhead	☐ Conventional	☒ Multibowl	☐ Both
Wellhead Variance	☐ Diverter		
Other	☐ 4 String	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Pilot Hole	☐ Open Annulus
Cementing	☐ Contingency Cement Squeeze	☐ EchoMeter	☐ Primary Cement Squeeze
Special Requirements	☐ Water Disposal	☐ COM	☒ Unit
Special Requirements	☐ Batch Sundry		
Special Requirements Variance	☐ Break Testing	☐ Offline Cementing	☐ Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately **1,250** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature

survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The **9-5/8** inch intermediate casing shall be set at approximately **5,000 feet TVD**. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
 3. The **5-1/2** inch production casing shall be set at approximately **18,378** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - 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. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) 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.

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)

Contact Eddy County Petroleum Engineering Inspection Staff:

Email or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220; BLM_NM_CFO_DrillingNotifications@BLM.GOV; (575) 361-2822

Contact Lea County Petroleum Engineering Inspection Staff:

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - i. Notify the BLM when moving in and removing the Spudder Rig.
 - ii. 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.
 - iii. BOP/BOPE test to be conducted per **43 CFR 3172** 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. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

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 of both lead and tail cement, 2) until cement has been in place at least 8 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-Q 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 **43 CFR 3172**.
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:
 - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - ii. 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.
 - iii. Manufacturer representative shall install the test plug for the initial BOP test.
 - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
 - v. 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.
 - i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - ii. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
 - iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** 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 8

hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- iv. 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.
- v. The results of the test shall be reported to the appropriate BLM office.
- vi. 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.
- vii. 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.
- viii. 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 **43 CFR 3172**.

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.

KPI 9/27/2024

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-54518	Pool Code 98259	Pool Name Ojo Chiso; Bone Spring, Southwest
Property Code 337100	Property Name BELL LAKE UNIT NORTH AVD	Well Number 019H
OGRID No. 12361	Operator Name KAISER-FRANCIS OIL COMPANY	Ground Level Elevation 3531'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL or lot no. L	Section 1	Township 23-S	Range 33-E	Lot Idn -	Feet from the N/S 2582' S	Feet from the E/W 430' W	Latitude N 32.3335278	Longitude W 103.5332425	County LEA
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Bottom Hole Location

UL or lot no. D	Section 36	Township 22-S	Range 33-E	Lot Idn -	Feet from the N/S 25' N	Feet from the E/W 1320' W	Latitude N 32.3553733	Longitude W 103.5303493	County LEA
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Dedicated Acres 479.85	Infill or Defining Well INFILL	Defining Well API 30-025-47562	Overlapping Spacing Unit (Y/N)	Consolidated Code
Order Numbers R-14527-A			Well Setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL or lot no. E	Section 1	Township 23-S	Range 33-E	Lot Idn -	Feet from the N/S 2550' N	Feet from the E/W 1320' W	Latitude N 32.3339190	Longitude W 103.5303611	County LEA
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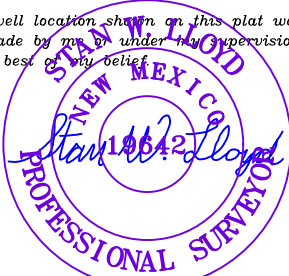
First Take Point (FTP)

UL or lot no. E	Section 1	Township 23-S	Range 33-E	Lot Idn -	Feet from the N/S 2450' N	Feet from the E/W 1320' W	Latitude N 32.3341939	Longitude W 103.5303599	County LEA
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Last Take Point (LTP)

UL or lot no. D	Section 36	Township 22-S	Range 33-E	Lot Idn -	Feet from the N/S 100' N	Feet from the E/W 1320' W	Latitude N 32.3551672	Longitude W 103.5303488	County LEA
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Unitized Area or Area of Uniform Intrest UNITIZED	Spacing Unity Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation 3531'
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OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> Christina Opfer 8/12/2024		SURVEYORS CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  08-12-24	
Signature Christina Opfer		Signature and Seal of Professional Surveyor	
Date 8/12/2024		Date	
Print Name ChristinaO@kfoc.net		Certificate Number	Date of Survey 07/30/2024
E-mail Address			

<u>C-102</u> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
Property Name and Well Number		BELL LAKE UNIT NORTH AVD 019H	

SURFACE LOCATION (SHL)
 NEW MEXICO EAST
 NAD 1983
 X=788458 Y=485992
 LAT.: N 32.3335278
 LONG.: W 103.5332425
 2582' FSL 430' FWL

KICK OFF POINT (KOP)
 NEW MEXICO EAST
 NAD 1983
 X=789346 Y=486141
 LAT.: N 32.3339190
 LONG.: W 103.5303611
 2550' FNL 1320' FWL

FIRST TAKE POINT (FTP)
 NEW MEXICO EAST
 NAD 1983
 X=789346 Y=486241
 LAT.: N 32.3341939
 LONG.: W 103.5303599
 2450' FNL 1320' FWL

BLM PERF. POINT (BPP)
 NEW MEXICO EAST
 NAD 1983
 X=789329 Y=488691
 LAT.: N 32.3409281
 LONG.: W 103.5303564
 0' FNL 1312' FWL

LAST TAKE POINT (LTP)
 NEW MEXICO EAST
 NAD 1983
 X=789329 Y=493872
 LAT.: N 32.3551672
 LONG.: W 103.5303488
 100' FNL 1320' FWL

BOTTOM HOLE LOCATION (BHL)
 NEW MEXICO EAST
 NAD 1983
 X=789292 Y=493947
 LAT.: N 32.3553733
 LONG.: W 103.5303493
 25' FNL 1320' FWL

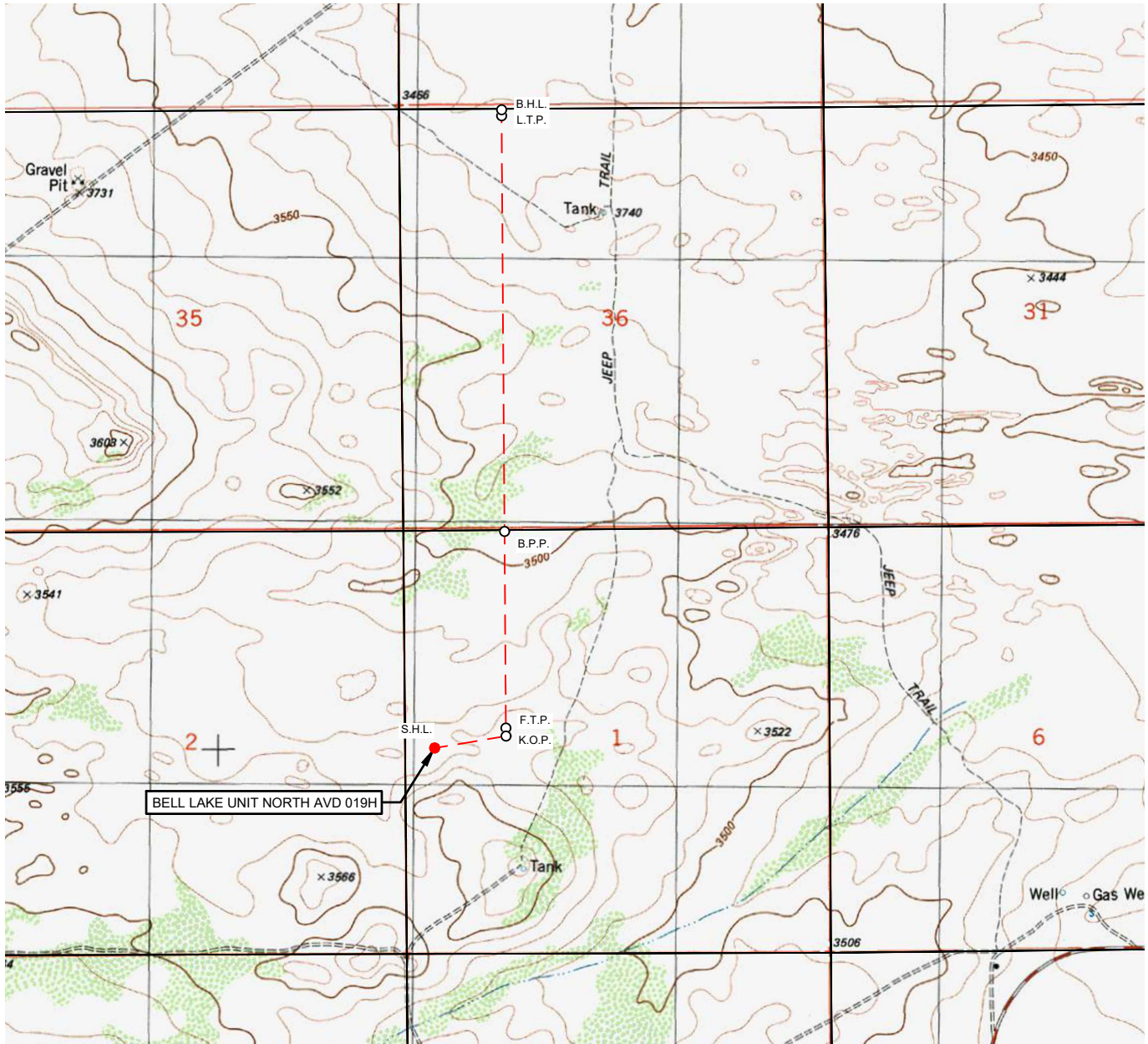
LOT 1 - 39.99 ACRES
LOT 2 - 39.96 ACRES
LOT 3 - 39.94 ACRES
LOT 4 - 39.91 ACRES

SURVEYORS CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
 07/30/2024
 Date of Survey
 Signature and Seal of Professional Surveyor:

STAN W. LLOYD
 NEW MEXICO
 PROFESSIONAL SURVEYOR
 10042

08-12-24

LOCATION & ELEVATION VERIFICATION MAP



KAISER-FRANCIS OIL COMPANY

LEASE NAME & WELL NO.: BELL LAKE UNIT NORTH AVD 019H

SECTION 1 TWP 23-S RGE 33-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3531'
 DESCRIPTION 2582' FSL & 430' FWL

LATITUDE N 32.3335278 LONGITUDE W 103.5332425

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

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

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

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2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705

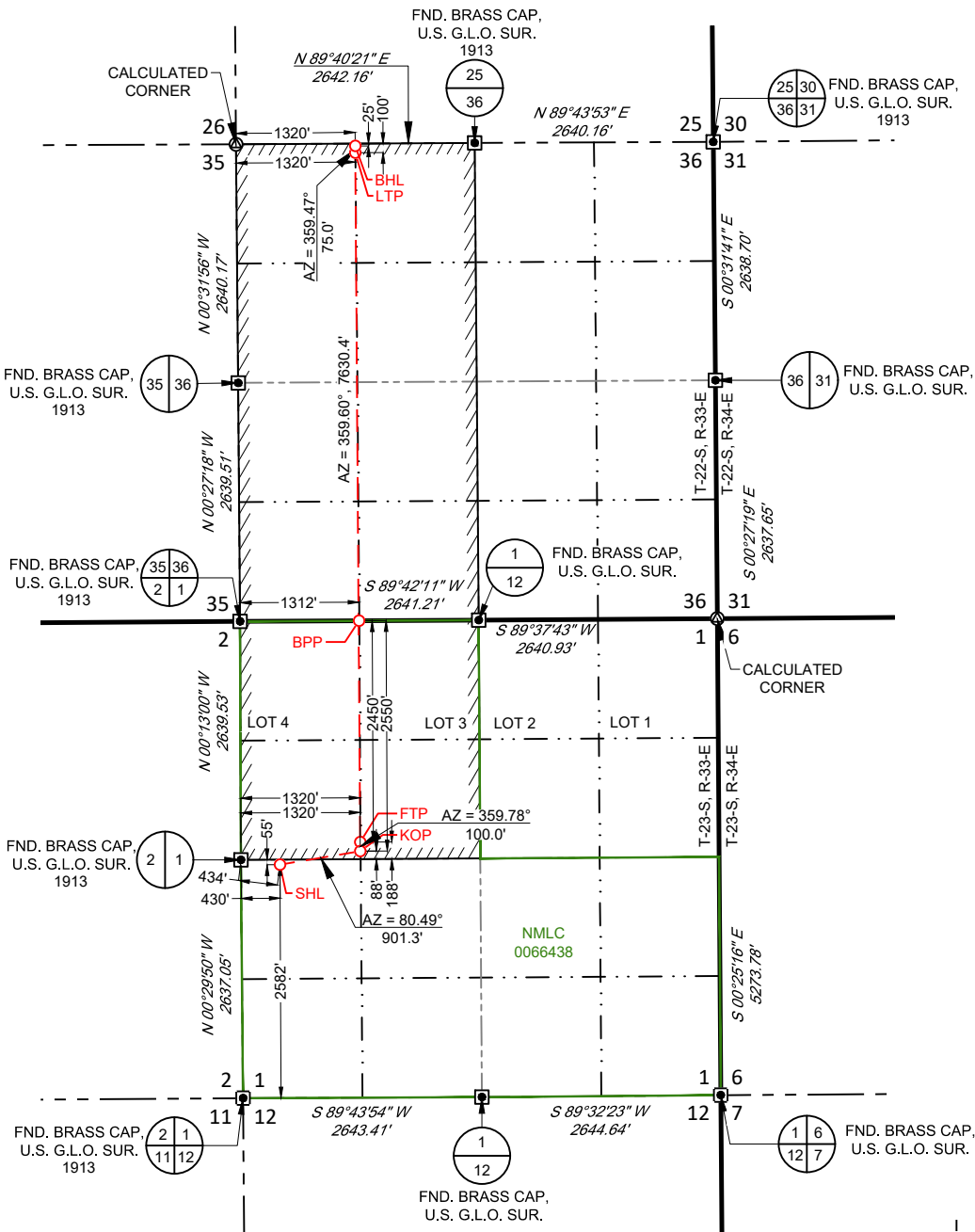
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KAISER-FRANCIS OIL COMPANY

EXHIBIT 2A

SECTION 1, TOWNSHIP 23-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=788458 Y=485992
LAT.: N 32.3335278
LONG.: W 103.5332425
2582' FSL 430' FWL

KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=789346 Y=486141
LAT.: N 32.3339190
LONG.: W 103.5303611
2550' FNL 1320' FWL

BLM PERF. POINT (BPP)

NEW MEXICO EAST
NAD 1983
X=789329 Y=488691
LAT.: N 32.3409281
LONG.: W 103.5303564
0' FNL 1312' FWL

FIRST TAKE POINT (FTP)

NEW MEXICO EAST
NAD 1983
X=789346 Y=486241
LAT.: N 32.3341939
LONG.: W 103.5303599
2450' FNL 1320' FWL

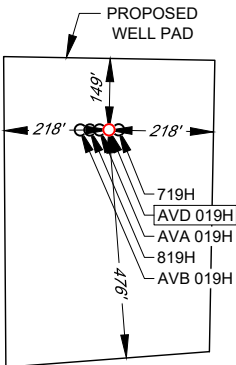
LAST TAKE POINT (LTP)

NEW MEXICO EAST
NAD 1983
X=789292 Y=493872
LAT.: N 32.3551672
LONG.: W 103.5303488
100' FNL 1320' FWL

BOTTOM HOLE LOCATION (BHL)

NEW MEXICO EAST
NAD 1983
X=789292 Y=493947
LAT.: N 32.3553733
LONG.: W 103.5303493
25' FNL 1320' FWL

T-23-S, R-33-E
SECTION 1
LOT 1 - 39.99 ACRES
LOT 2 - 39.96 ACRES
LOT 3 - 39.94 ACRES
LOT 4 - 39.91 ACRES



DETAIL VIEW
SCALE: 1" = 400'

LEASE NAME & WELL NO.: BELL LAKE UNIT NORTH AVD 019H

SECTION 1 TWP 23-S RGE 33-E SURVEY N.M.P.M.
COUNTY LEA STATE NM
DESCRIPTION 2582' FSL & 430' FWL

DISTANCE & DIRECTION
FROM INT. OF NM-128 & COUNTY RD 31 GO NORTHEAST ON COUNTY RD
31 ±11.3 MILES. THENCE EAST (RIGHT) ON A LEASE RD ±1.45 MILES.
THENCE LEFT ON A LEASE RD ±0.97 MILES TO A POINT ±538 FEET
NORTHWEST OF THE LOCATION.



08-12-24

Stan W. Lloyd, P.S. No. 19642

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

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



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LEGEND

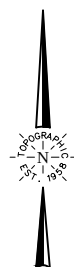
DETAIL VIEW
SCALE: 1" = 200'



Stan W. Lloyd, P.S. No. 19642

LEASE NAME & WELL NO.: BELL LAKE UNIT NORTH AVD 019H
019H LATITUDE N 32.3335278 019H LONGITUDE W 103.5332425

CENTER OF PAD IS 2420' FSL & 425' FWL



SCALE: 1" = 200'



0' 100' 200'



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ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

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

ORIGINAL DOCUMENT SIZE: 8.5" X 11"

AERIAL PHOTO



KAISER-FRANCIS OIL COMPANY

LEASE NAME & WELL NO.: BELL LAKE UNIT NORTH AVD 019HSECTION 1 TWP 23-S RGE 33-E SURVEY N.M.P.M.COUNTY LEA STATE NM ELEVATION 3531'DESCRIPTION 2582' FSL & 430' FWLLATITUDE N 32.3335278 LONGITUDE W 103.5332425SCALE: 1" = 2000'
0' 1000' 2000'

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

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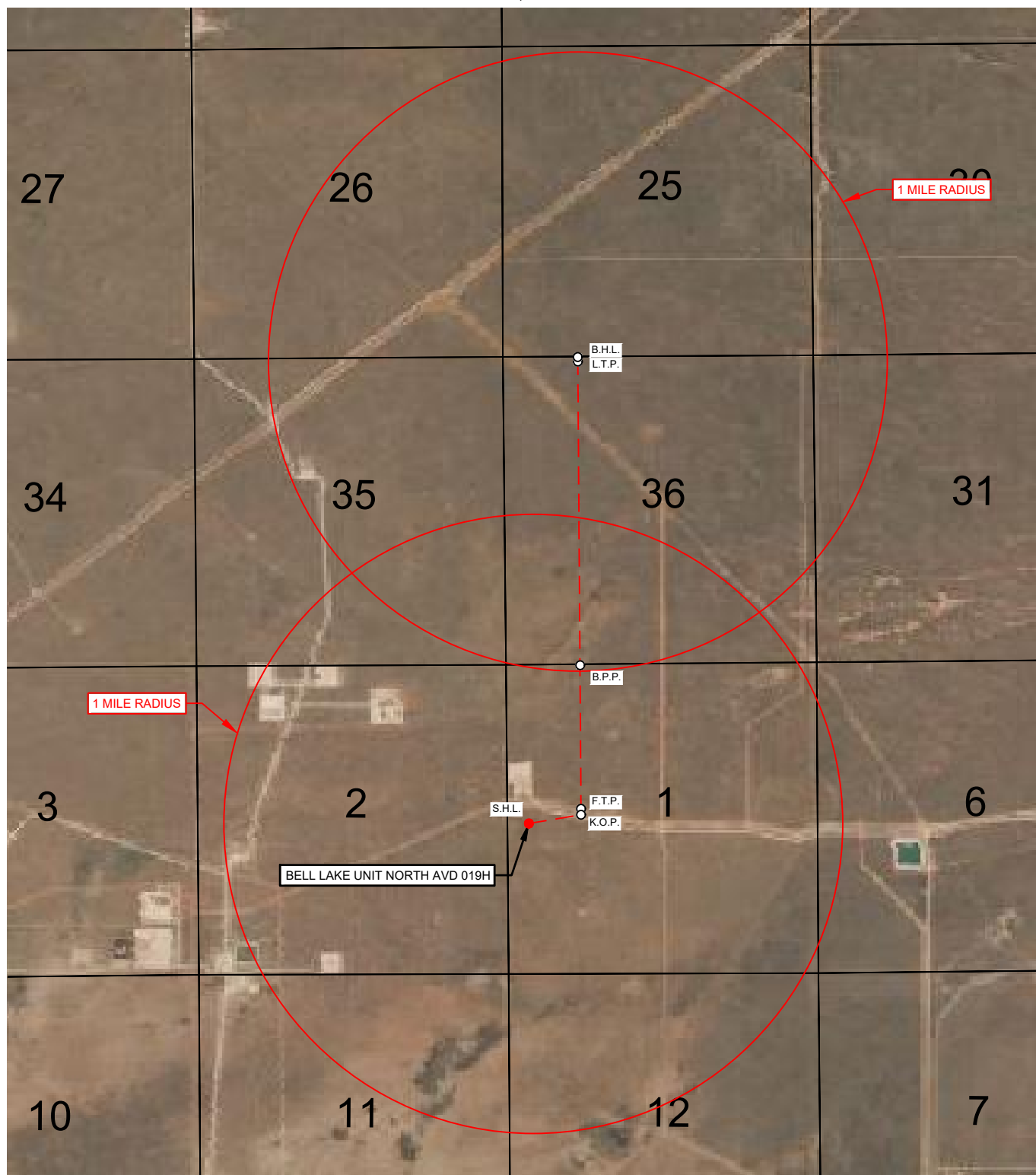


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2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

EXHIBIT 3

SECTION 1, TOWNSHIP 23-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

KAISER-FRANCIS OIL COMPANY

LEASE NAME & WELL NO.: BELL LAKE UNIT NORTH AVD 019H

SCALE: NTS

019H LATITUDE N 32.3335278019H LONGITUDE W 103.5332425

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

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


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 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
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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 Electronically
Via E-permitting

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Kaiser-Francis Oil Company **OGRID:** 12361 **Date:** 8 / 19 /2024

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

If Other, please describe: _____

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
North Pad 1 wells listed on next page.						

IV. Central Delivery Point Name: pad site [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
North Pad 1 anticipated schedule listed on next page.						

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

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

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

III. Wells

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented
Bell Lake Unit North 719H		1-23S-33E	2582' FSL 450' FWL	1500	0
Bell Lake Unit North 819H		1-23S-33E	2582' FSL 391' FWL	1500	0
Bell Lake Unit North AVA 019H		1-23S-33E	2582' FSL 410' FWL	1500	0
Bell Lake Unit North AVB 019H		1-23S-33E	2583' FSL 371' FWL	1500	0
Bell Lake Unit North AVD 019H		1-23S-33E	2582' FSL 430' FWL	1500	0

V. Anticipated Schedule

Well Name	API	Spud	TD	Completion	Initial Flow Back	First Production
Bell Lake Unit North 719H		10/1/2024	10/26/2024	3/1/2025	3/25/2025	3/26/2025
Bell Lake Unit North 819H		10/27/2024	11/21/2024	3/1/2025	3/25/2025	3/26/2025
Bell Lake Unit North AVA 019H		11/22/2024	12/17/2024	3/1/2025	3/25/2025	3/26/2025
Bell Lake Unit North AVB 019H		12/18/2024	1/12/2025	3/1/2025	3/25/2025	3/26/2025
Bell Lake Unit North AVD 019H		1/13/2025	2/7/2025	3/1/2025	3/25/2025	3/26/2025

Kaiser-Francis Oil Company Natural Gas Management Plan

Plan Description

VI. Separation Equipment

Separation equipment will be designed for maximum anticipated throughput and pressure to minimize waste.

VII. Operational Practices

A. VENTING AND FLARING OF NATURAL GAS

Kaiser-Francis Oil Company (KFOC) will maximize the recovery of natural gas by minimizing the waste of natural gas through venting and flaring during drilling, completion, and production operations as outlined in 19.15.27.8 NMAC. KFOC will flare rather than vent natural gas except when flaring is technically infeasible or would pose a safety risk and venting is a safer alternative than flaring. KFOC will ensure well(s) are connected to a natural gas gathering system with sufficient capacity to transport natural gas.

B. Venting and flaring during drilling operations

KFOC will combust natural gas brought to the surface during drilling operations. A properly sized flare stack will be located at a minimum of 100 feet from the nearest surface hole location. In case of emergency or malfunction, KFOC will report natural gas volumes, vented or flared.

C. Venting and flaring during completion or recompletion operations

During completion operations, KFOC will flare natural gas brought to the surface and commence operation of a separator once technically feasible. Produced natural gas from separation equipment will be sold. If natural gas does not meet gathering pipeline quality specifications, KFOC will flare for no more than 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner.

D. Venting and flaring during production operations

KFOC will not vent or flare natural gas during production, except for provisions defined by 19.15.27.8.D (1) through (4). KFOC will report natural gas volumes, vented or flared, appropriately.

E. Performance Standards

KFOC will comply with performance standards outlined in 19.15.27.8.E to minimize waste. Separation equipment will be designed for maximum anticipated throughput and pressure to minimize waste. Any permanent storage tank associated with production operations that is

routed to a flare or control device will be equipped with an automatic gauging system that reduces the venting of natural gas. KFOC will combust natural gas in a flare stack that is properly sized and designed to ensure proper combustion efficiency. Flare stacks will be equipped with an automatic ignitor or continuous pilot. KFOC will conduct an AVO inspection on the frequency specified in Subsection D of 19.15.27.8 NMAC. All emergencies will be resolved as quickly and safely as feasible.

F. Measurement or estimation of vented or flared natural gas

KFOC will measure or estimate natural gas that is vented, flared, or beneficially used during drilling, completion, and production operations. Equipment will be installed to measure the volume of natural gas flared from existing piping or a flowline piped from equipment such as high-pressure separators, heater treaters, or vapor recovery units associated with a well or facility, authorized by an APD issued after May 25, 2021, that has an average daily production greater than 60,000 cubic feet of natural gas. Measuring equipment will conform to an industry standard. Where measuring is not feasible, volumes will be estimated.

VIII. Best Management Practices

During active and planned maintenance, venting will be limited to the depressurization of the equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut-in to eliminate venting. During VRU maintenance, gas normally routed to the VRU will be flared.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

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

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

IX. Anticipated Natural Gas Production:

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

X. Natural Gas Gathering System (NGGS):

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

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

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

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

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

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

Section 3 - Certifications**Effective May 25, 2021**

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

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

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

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

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

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

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

Section 4 - Notices

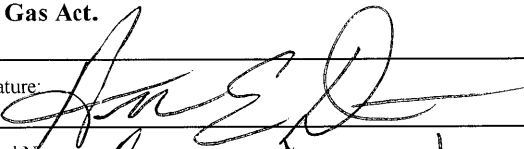
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

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

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

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

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

Signature:	
Printed Name:	Aaron Daniels
Title:	EHS Manager
E-mail Address:	aaron.d@kfoc.net
Date:	8/20/2024
Phone:	918-494-8000
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

Form 3160-3
(June 2015)FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☐ DRILL ☐ REENTER		5. Lease Serial No.
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address	3b. Phone No. (include area code)	9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		10. Field and Pool, or Exploratory
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		12. County or Parish
16. No of acres in lease		13. State
17. Spacing Unit dedicated to this well		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		
19. Proposed Depth		
20. BLM/BIA Bond No. in file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)		
22. Approximate date work will start*		
23. Estimated duration		
24. Attachments		

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

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 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	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		
Office		

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

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

(Continued on page 2)

*(Instructions on page 2)



INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to an evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: NWSW / 2582 FSL / 430 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3335278 / LONG: -103.5332425 (TVD: 0 feet, MD: 0 feet)
PPP: SWNW / 2450 FNL / 1320 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3341939 / LONG: -103.5303599 (TVD: 10300 feet, MD: 10667 feet)
PPP: LOT 4 / 0 FNL / 1312 FWL / TWSP: 23S / RANGE: 33E / SECTION: 1 / LAT: 32.3409281 / LONG: -103.5303564 (TVD: 10300 feet, MD: 13125 feet)
BHL: NWNW / 25 FNL / 1320 FWL / TWSP: 22S / RANGE: 33E / SECTION: 36 / LAT: 32.3553733 / LONG: -103.5303493 (TVD: 10300 feet, MD: 18378 feet)

BLM Point of Contact

Name: TENILLE C MOLINA
Title: Land Law Examiner
Phone: (575) 234-2224
Email: TCMOLINA@BLM.GOV

CONFIDENTIAL

Review and Appeal Rights

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

CONFIDENTIAL

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

OPERATOR’S NAME:	Kaiser Francis Oil Company
LEASE NO.:	NMLC066438
COUNTY:	Lea County, New Mexico

Wells:

- Bell Lake Unit North 719H
- Bell Lake Unit North AVD 019H
- Bell Lake Unit North AVA 019H
- Bell Lake Unit North 819H
- Bell Lake Unit North AVB 019H

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1. GENERAL PROVISIONS

The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the operator, or any person working on the operator's behalf, on the public or federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area (within 100ft) of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer, in conjunction with a BLM Cultural Resource Specialist, to determine appropriate actions to prevent the loss of significant scientific values. The operator shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

Traditional Cultural Properties (TCPs) are protected by NHPA as codified in 36 CFR 800 for possessing traditional, religious, and cultural significance tied to a certain group of individuals. Though there are currently no designated TCPs within the project area or within a mile of the project area, but it is possible for a TCP to be designated after the approval of this project. **If a TCP is designated in the project area after the project's approval, the BLM Authorized Officer will notify the operator of the following conditions and the duration for which these conditions are required.**

1. Temporary halting of all construction, drilling, and production activities to lower noise.
2. Temporary shut-off of all artificial lights at night.

The operator is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA), specifically NAGPRA Subpart B regarding discoveries, to protect human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered during project work. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and a BLM-CFO Authorized Officer will be notified immediately. The BLM will then be required to be notified, in writing, within 24 hours of the discovery. The written notification should include the geographic location by county and state, the contents of the discovery, and the steps taken to protect said discovery. You must also include any potential threats to the discovery and a conformation that all activity within 100ft of the discovery has ceased and work will not resume until written certification is issued. All work on the entire project must halt for a minimum of 3 days and work cannot resume until an Authorized Officer grants permission to do so.

Any paleontological resource discovered by the operator, or any person working on the operator's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. The operator will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

1.2. RANGELAND RESOURCES

1.2.1. Cattleguards

Where a permanent cattleguard is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during

lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

1.2.2. Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

1.2.3. Livestock Watering Requirement

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

1.3. NOXIOUS WEEDS

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

1.3.1 African Rue (*Peganum harmala*)

Spraying: The spraying of African Rue must be completed by a licensed or certified applicator. In order to attempt to kill or remove African Rue the proper mix of chemical is needed. The mix consists of 2% Arsenal (Imazapyr) and 2% Roundup (Glyphosate) along with a nonionic surfactant. Any other chemicals or combinations shall be approved by the BLM Noxious Weeds Coordinator prior to treatment. African Rue shall be sprayed in connection to any dirt working activities or disturbances to the site being sprayed. Spraying of African Rue shall be done on immature plants at initial growth through flowering and mature plants between budding and flowering stages. Spraying shall not be conducted after flowering when plant is fruiting. This will ensure optimal intake of chemical and decrease chances of developing herbicide resistance. After spraying, the operator or necessary parties must contact the Carlsbad Field Office to inspect the effectiveness of the application treatment to the plant species. No ground disturbing activities can take place until the inspection by the authorized officer is complete. The operator may contact the Environmental Protection Department or the BLM Noxious Weed Coordinator at (575) 234-5972 or BLM_NM_CFO_NoxiousWeeds@blm.gov.

Management Practices: In addition to spraying for African Rue, good management practices should be followed. All equipment should be washed off using a power washer in a designated containment area. The containment area shall be bermed to allow for containment of the seed to prevent it from entering any open areas of the nearby landscape. The containment area shall be excavated near or adjacent to the well pad at a depth of three feet and just large enough to get equipment inside it to be washed off. This will allow all seeds to be in a centrally located area that can be treated at a later date if the need arises.

1.4. LIGHT POLLUTION

1.4.1. Downfacing

All permanent lighting will be pointed straight down at the ground in order to prevent light spill beyond the edge of approved surface disturbance.

1.4.2. Shielding

All permanent lighting will use full cutoff luminaires, which are fully shielded (i.e., not emitting direct or indirect light above an imaginary horizontal plane passing through the lowest part of the light source).

1.4.3. Lighting Color

Lighting shall be 3,500 Kelvin or less (Warm White) except during drilling, completion, and workover operations. No bluish-white lighting shall be used in permanent outdoor lighting.

2. SPECIAL REQUIREMENTS

2.1 WILDLIFE

2.1.1 Lesser Prairie Chicken

2.1.1.1 Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

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

2.1.1.2 Timing Limitation Exceptions:

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

2.1.1.3 Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at BLM_NM_CFO_Construction_Reclamation@blm.gov.

3. PRODUCTION (POST DRILLING)

3.1 WELL STRUCTURES & FACILITIES

3.1.1 Placement of Production Facilities

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

3.1.2 Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource

Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

3.1.3. Chemical and Fuel Secondary Containment and Exclosure Screening

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

3.1.4. Open-Vent Exhaust Stack Exclosures

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

3.1.5. Containment Structures

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

4. RECLAMATION

Stipulations required by the Authorized Officer on specific actions may differ from the following general guidelines

4.1 ROAD AND SITE RECLAMATION

Any roads constructed during the life of the well will have the caliche removed or linear burial. If contaminants are indicated then testing will be required for chlorides and applicable contaminate anomalies for final disposal determination (disposed of in a manner approved by the Authorized Officer within Federal, State and Local statutes, regulations, and ordinances) and seeded to the specifications in sections 6.5 and 6.6.

4.2 EROSION CONTROL

Install erosion control berms, windrows, and hummocks. Windrows must be level and constructed perpendicular to down-slope drainage; steeper slopes will require greater windrow density. Topsoil between windrows must be ripped to a depth of at least 12", unless bedrock is encountered. Any large boulders pulled up during ripping must be deep-buried on location. Ripping must be perpendicular to down-slope. The surface must be left rough in order to catch and contain rainfall on-site. Any trenches resulting from erosion cause by run-off shall be addressed immediately.

4.3 INTERIM RECLAMATION

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

Within six (6) months of well completion, operators must work with BLM surface protection specialists (BLM_NM_CFO_Construction_Reclamation@blm.gov) to devise the best strategies to reduce the size of the location. Interim reclamation must allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided in section 6.6.

Upon completion of interim reclamation, the operator shall submit a Sundry Notice, Subsequent Report of Reclamation (Form 3160-5).

4.4 FINAL ABANDONMENT & RECLAMATION

Prior to surface abandonment, the operator shall submit a Notice of Intent Sundry Notice and reclamation plan.

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

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

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding will be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM. After earthwork and seeding is completed, the operator is required to submit a Sundry Notice, Subsequent Report of Reclamation.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM_NM_CFO_Construction_Reclamation@blm.gov).

4.5 SEEDING TECHNIQUES

Seeds shall be hydro-seeded, mechanically drilled, or broadcast, with the broadcast-seeded area raked, ripped or dragged to aid in covering the seed. The seed mixture shall be evenly and uniformly planted over the disturbed area.

4.6 SOIL SPECIFIC SEED MIXTURE

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

Seed land application will be accomplished by mechanical planting using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds tend to drop the bottom of the drill and are planted first; the operator shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory BLM or Soil Conservation

District stand is established as determined by the Authorized Officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding or until several months of precipitation have occurred, enabling a full four months of growth, with one or more seed generations being established.

Seed Mixture 2, for Sandy Site

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

<u>Species</u>	<u>lb/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	KAISER FRANCIS OIL COMPANY
WELL NAME & NO.:	BELL LAKE UNIT NORTH AVD 019H
LOCATION:	Section 1, T.23 S., R.33 E.
COUNTY:	Lea County, New Mexico

COA

H2S	☒ Yes	☐ No	
Potash	☒ None	☐ Secretary	☐ R-111-P
Cave/Karst Potential	☒ Low	☐ Medium	☐ High
Cave/Karst Potential	☐ Critical		
Variance	☐ None	☒ Flex Hose	☐ Other
Wellhead	☐ Conventional	☒ Multibowl	☐ Both
Wellhead Variance	☐ Diverter		
Other	☐ 4 String	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Pilot Hole	☐ Open Annulus
Cementing	☐ Contingency Cement Squeeze	☐ EchoMeter	☐ Primary Cement Squeeze
Special Requirements	☐ Water Disposal	☐ COM	☒ Unit
Special Requirements	☐ Batch Sundry		
Special Requirements Variance	☐ Break Testing	☐ Offline Cementing	☐ Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately **1,250** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature

survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The **9-5/8** inch intermediate casing shall be set at approximately **5,000 feet TVD**. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
 3. The **5-1/2** inch production casing shall be set at approximately **18,378** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - 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. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) 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.

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)

Contact Eddy County Petroleum Engineering Inspection Staff:

Email or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220; BLM_NM_CFO_DrillingNotifications@BLM.GOV; (575) 361-2822

Contact Lea County Petroleum Engineering Inspection Staff:

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - i. Notify the BLM when moving in and removing the Spudder Rig.
 - ii. 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.
 - iii. BOP/BOPE test to be conducted per **43 CFR 3172** 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. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

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 of both lead and tail cement, 2) until cement has been in place at least 8 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-Q 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 **43 CFR 3172**.
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:
 - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - ii. 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.
 - iii. Manufacturer representative shall install the test plug for the initial BOP test.
 - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
 - v. 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.
 - i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - ii. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
 - iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** 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 8

hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- iv. 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.
- v. The results of the test shall be reported to the appropriate BLM office.
- vi. 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.
- vii. 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.
- viii. 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 **43 CFR 3172**.

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.

KPI 9/27/2024



KAISER FRANCIS OIL CO.

LEA COUNTY, N.M. 83

SEC 36-T22S-R33E

Bell Lake Unit North AVD 019H

Wellbore #1

Plan: Plan 1

Standard Planning Report

12 August, 2024

Kaiser-Francis Oil Company



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Project	LEA COUNTY, N.M. 83		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site		SEC 36-T22S-R33E				
Site Position:		Northing:	493,717.00	usft	Latitude:	32.35474687
From:	Map	Easting:	789,077.00	usft	Longitude:	-103.53104980
Position Uncertainty:		0.00	usft	Slot Radius:	13-3/16	"

Well	Bell Lake Unit North AVD 019H					
Well Position	+N/-S	0.00 usft	Northing:	485,992.00 usft	Latitude:	32.33352678
	+E/-W	0.00 usft	Easting:	788,458.00 usft	Longitude:	-103.53324110
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	3,531.00 usft
Grid Convergence:		0.43 °				

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM 2023	2/16/2024	6.31	59.96	47,472.30000000

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

Plan Survey Tool Program	Date	8/12/2024			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	18,378.32	Plan 1 (Wellbore #1)	MWD+HRGM	
				OWSG MWD + HRGM	



Planning Report

Kaiser-Francis Oil Company

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Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,701.63	14.03	106.06	5,694.64	-23.65	82.16	2.00	2.00	0.00	106.06	
8,392.66	14.03	106.06	8,305.36	-204.17	709.19	0.00	0.00	0.00	0.00	
9,094.29	0.00	0.01	9,000.00	-227.82	791.35	2.00	-2.00	0.00	180.00	
9,916.83	0.00	0.01	9,822.54	-227.82	791.35	0.00	0.00	0.00	0.01	
10,666.83	90.00	8.00	10,300.01	245.00	857.80	12.00	12.00	0.00	8.00	
11,087.11	90.00	359.59	10,300.00	663.98	885.61	2.00	0.00	-2.00	-90.00	
18,378.32	90.00	359.59	10,300.00	7,955.00	834.00	0.00	0.00	0.00	0.00	BLUN AVD 019H PB+



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	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
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2.00									
5,100.00	2.00	106.06	5,099.98	-0.48	1.68	-0.48	2.00	2.00	0.00
5,200.00	4.00	106.06	5,199.84	-1.93	6.71	-1.93	2.00	2.00	0.00



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

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)
5,300.00	6.00	106.06	5,299.45	-4.34	15.08	-4.34	2.00	2.00	0.00
5,400.00	8.00	106.06	5,398.70	-7.71	26.79	-7.71	2.00	2.00	0.00
5,500.00	10.00	106.06	5,497.47	-12.04	41.82	-12.04	2.00	2.00	0.00
5,600.00	12.00	106.06	5,595.62	-17.32	60.16	-17.32	2.00	2.00	0.00
5,701.63	14.03	106.06	5,694.64	-23.65	82.16	-23.65	2.00	2.00	0.00
Start 2691.03 hold at 5701.63 MD									
5,800.00	14.03	106.06	5,790.07	-30.25	105.08	-30.25	0.00	0.00	0.00
5,900.00	14.03	106.06	5,887.09	-36.96	128.38	-36.96	0.00	0.00	0.00
6,000.00	14.03	106.06	5,984.10	-43.67	151.68	-43.67	0.00	0.00	0.00
6,100.00	14.03	106.06	6,081.12	-50.37	174.98	-50.37	0.00	0.00	0.00
6,200.00	14.03	106.06	6,178.13	-57.08	198.28	-57.08	0.00	0.00	0.00
6,300.00	14.03	106.06	6,275.15	-63.79	221.58	-63.79	0.00	0.00	0.00
6,400.00	14.03	106.06	6,372.17	-70.50	244.88	-70.50	0.00	0.00	0.00
6,500.00	14.03	106.06	6,469.18	-77.21	268.18	-77.21	0.00	0.00	0.00
6,600.00	14.03	106.06	6,566.20	-83.91	291.48	-83.91	0.00	0.00	0.00
6,700.00	14.03	106.06	6,663.21	-90.62	314.79	-90.62	0.00	0.00	0.00
6,800.00	14.03	106.06	6,760.23	-97.33	338.09	-97.33	0.00	0.00	0.00
6,900.00	14.03	106.06	6,857.24	-104.04	361.39	-104.04	0.00	0.00	0.00
7,000.00	14.03	106.06	6,954.26	-110.75	384.69	-110.75	0.00	0.00	0.00
7,100.00	14.03	106.06	7,051.28	-117.46	407.99	-117.46	0.00	0.00	0.00
7,200.00	14.03	106.06	7,148.29	-124.16	431.29	-124.16	0.00	0.00	0.00
7,300.00	14.03	106.06	7,245.31	-130.87	454.59	-130.87	0.00	0.00	0.00
7,400.00	14.03	106.06	7,342.32	-137.58	477.89	-137.58	0.00	0.00	0.00
7,500.00	14.03	106.06	7,439.34	-144.29	501.19	-144.29	0.00	0.00	0.00
7,600.00	14.03	106.06	7,536.36	-151.00	524.50	-151.00	0.00	0.00	0.00
7,700.00	14.03	106.06	7,633.37	-157.70	547.80	-157.70	0.00	0.00	0.00
7,800.00	14.03	106.06	7,730.39	-164.41	571.10	-164.41	0.00	0.00	0.00
7,900.00	14.03	106.06	7,827.40	-171.12	594.40	-171.12	0.00	0.00	0.00
8,000.00	14.03	106.06	7,924.42	-177.83	617.70	-177.83	0.00	0.00	0.00
8,100.00	14.03	106.06	8,021.43	-184.54	641.00	-184.54	0.00	0.00	0.00
8,200.00	14.03	106.06	8,118.45	-191.24	664.30	-191.24	0.00	0.00	0.00
8,300.00	14.03	106.06	8,215.47	-197.95	687.60	-197.95	0.00	0.00	0.00
8,392.66	14.03	106.06	8,305.36	-204.17	709.19	-204.17	0.00	0.00	0.00
Start Drop -2.00									
8,400.00	13.89	106.06	8,312.48	-204.66	710.90	-204.66	2.00	-2.00	0.00
8,500.00	11.89	106.06	8,409.96	-210.83	732.33	-210.83	2.00	-2.00	0.00
8,600.00	9.89	106.06	8,508.16	-216.05	750.47	-216.05	2.00	-2.00	0.00
8,700.00	7.89	106.06	8,606.95	-220.33	765.32	-220.33	2.00	-2.00	0.00
8,800.00	5.89	106.06	8,706.22	-223.64	776.84	-223.64	2.00	-2.00	0.00
8,900.00	3.89	106.06	8,805.86	-226.00	785.02	-226.00	2.00	-2.00	0.00
9,000.00	1.89	106.06	8,905.72	-227.39	789.86	-227.39	2.00	-2.00	0.00
9,094.29	0.00	0.01	9,000.00	-227.82	791.35	-227.82	2.00	-2.00	0.00
Start 822.54 hold at 9094.29 MD									
9,100.00	0.00	0.00	9,005.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,200.00	0.00	0.00	9,105.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,300.00	0.00	0.00	9,205.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,400.00	0.00	0.00	9,305.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,500.00	0.00	0.00	9,405.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,600.00	0.00	0.00	9,505.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,700.00	0.00	0.00	9,605.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,800.00	0.00	0.00	9,705.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,900.00	0.00	0.00	9,805.71	-227.82	791.35	-227.82	0.00	0.00	0.00
9,916.83	0.00	0.00	9,822.54	-227.82	791.35	-227.82	0.00	0.00	0.00



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

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)
Start Build 12.00									
9,925.00	0.98	8.00	9,830.71	-227.75	791.36	-227.75	12.00	12.00	0.00
9,950.00	3.98	8.00	9,855.68	-226.68	791.51	-226.68	12.00	12.00	0.00
9,975.00	6.98	8.00	9,880.56	-224.32	791.84	-224.32	12.00	12.00	0.00
10,000.00	9.98	8.00	9,905.29	-220.67	792.36	-220.67	12.00	12.00	0.00
10,025.00	12.98	8.00	9,929.78	-215.74	793.05	-215.74	12.00	12.00	0.00
10,050.00	15.98	8.00	9,953.99	-209.55	793.92	-209.55	12.00	12.00	0.00
10,075.00	18.98	8.00	9,977.83	-202.11	794.96	-202.11	12.00	12.00	0.00
10,100.00	21.98	8.00	10,001.25	-193.45	796.18	-193.45	12.00	12.00	0.00
10,125.00	24.98	8.00	10,024.17	-183.59	797.57	-183.59	12.00	12.00	0.00
10,150.00	27.98	8.00	10,046.55	-172.55	799.12	-172.55	12.00	12.00	0.00
10,175.00	30.98	8.00	10,068.31	-160.37	800.83	-160.37	12.00	12.00	0.00
10,200.00	33.98	8.00	10,089.40	-147.08	802.70	-147.08	12.00	12.00	0.00
10,225.00	36.98	8.00	10,109.75	-132.71	804.72	-132.71	12.00	12.00	0.00
10,250.00	39.98	8.00	10,129.32	-117.31	806.88	-117.31	12.00	12.00	0.00
10,275.00	42.98	8.00	10,148.05	-100.91	809.19	-100.91	12.00	12.00	0.00
10,300.00	45.98	8.00	10,165.88	-83.57	811.62	-83.57	12.00	12.00	0.00
10,325.00	48.98	8.00	10,182.78	-65.32	814.19	-65.32	12.00	12.00	0.00
10,350.00	51.98	8.00	10,198.68	-46.23	816.87	-46.23	12.00	12.00	0.00
10,375.00	54.98	8.00	10,213.56	-26.33	819.67	-26.33	12.00	12.00	0.00
10,400.00	57.98	8.00	10,227.36	-5.70	822.57	-5.70	12.00	12.00	0.00
10,425.00	60.98	8.00	10,240.06	15.63	825.56	15.63	12.00	12.00	0.00
10,450.00	63.98	8.00	10,251.61	37.58	828.65	37.58	12.00	12.00	0.00
10,475.00	66.98	8.00	10,261.98	60.10	831.81	60.10	12.00	12.00	0.00
10,500.00	69.98	8.00	10,271.15	83.13	835.05	83.13	12.00	12.00	0.00
10,525.00	72.98	8.00	10,279.09	106.60	838.35	106.60	12.00	12.00	0.00
10,550.00	75.98	8.00	10,285.78	130.45	841.70	130.45	12.00	12.00	0.00
10,575.00	78.98	8.00	10,291.20	154.62	845.10	154.62	12.00	12.00	0.00
10,600.00	81.98	8.00	10,295.34	179.03	848.53	179.03	12.00	12.00	0.00
10,625.00	84.98	8.00	10,298.17	203.62	851.99	203.62	12.00	12.00	0.00
10,650.00	87.98	8.00	10,299.71	228.33	855.46	228.33	12.00	12.00	0.00
10,666.83	90.00	8.00	10,300.01	245.00	857.80	245.00	12.00	12.00	0.00
Start DLS 2.00 TFO -90.00									
10,700.00	90.00	7.34	10,300.01	277.87	862.23	277.87	2.00	0.00	-2.00
10,800.00	90.00	5.34	10,300.01	377.25	873.26	377.25	2.00	0.00	-2.00
10,900.00	90.00	3.34	10,300.01	476.96	880.82	476.96	2.00	0.00	-2.00
11,000.00	90.00	1.34	10,300.00	576.87	884.90	576.87	2.00	0.00	-2.00
11,087.11	90.00	359.59	10,300.00	663.98	885.61	663.98	2.00	0.00	-2.00
Start 7291.21 hold at 11087.11 MD									
11,100.00	90.00	359.59	10,300.00	676.87	885.52	676.87	0.00	0.00	0.00
11,200.00	90.00	359.59	10,300.00	776.86	884.81	776.86	0.00	0.00	0.00
11,300.00	90.00	359.59	10,300.00	876.86	884.10	876.86	0.00	0.00	0.00
11,400.00	90.00	359.59	10,300.00	976.86	883.39	976.86	0.00	0.00	0.00
11,500.00	90.00	359.59	10,300.00	1,076.86	882.69	1,076.86	0.00	0.00	0.00
11,600.00	90.00	359.59	10,300.00	1,176.85	881.98	1,176.85	0.00	0.00	0.00
11,700.00	90.00	359.59	10,300.00	1,276.85	881.27	1,276.85	0.00	0.00	0.00
11,800.00	90.00	359.59	10,300.00	1,376.85	880.56	1,376.85	0.00	0.00	0.00
11,900.00	90.00	359.59	10,300.00	1,476.85	879.85	1,476.85	0.00	0.00	0.00
12,000.00	90.00	359.59	10,300.00	1,576.84	879.15	1,576.84	0.00	0.00	0.00
12,100.00	90.00	359.59	10,300.00	1,676.84	878.44	1,676.84	0.00	0.00	0.00
12,200.00	90.00	359.59	10,300.00	1,776.84	877.73	1,776.84	0.00	0.00	0.00
12,300.00	90.00	359.59	10,300.00	1,876.84	877.02	1,876.84	0.00	0.00	0.00
12,400.00	90.00	359.59	10,300.00	1,976.83	876.32	1,976.83	0.00	0.00	0.00



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
12,500.00	90.00	359.59	10,300.00	2,076.83	875.61	2,076.83	0.00	0.00	0.00
12,600.00	90.00	359.59	10,300.00	2,176.83	874.90	2,176.83	0.00	0.00	0.00
12,700.00	90.00	359.59	10,300.00	2,276.83	874.19	2,276.83	0.00	0.00	0.00
12,800.00	90.00	359.59	10,300.00	2,376.82	873.48	2,376.82	0.00	0.00	0.00
12,900.00	90.00	359.59	10,300.00	2,476.82	872.78	2,476.82	0.00	0.00	0.00
13,000.00	90.00	359.59	10,300.00	2,576.82	872.07	2,576.82	0.00	0.00	0.00
13,100.00	90.00	359.59	10,300.00	2,676.82	871.36	2,676.82	0.00	0.00	0.00
13,200.00	90.00	359.59	10,300.00	2,776.81	870.65	2,776.81	0.00	0.00	0.00
13,300.00	90.00	359.59	10,300.00	2,876.81	869.95	2,876.81	0.00	0.00	0.00
13,400.00	90.00	359.59	10,300.00	2,976.81	869.24	2,976.81	0.00	0.00	0.00
13,500.00	90.00	359.59	10,300.00	3,076.81	868.53	3,076.81	0.00	0.00	0.00
13,600.00	90.00	359.59	10,300.00	3,176.80	867.82	3,176.80	0.00	0.00	0.00
13,700.00	90.00	359.59	10,300.00	3,276.80	867.11	3,276.80	0.00	0.00	0.00
13,800.00	90.00	359.59	10,300.00	3,376.80	866.41	3,376.80	0.00	0.00	0.00
13,900.00	90.00	359.59	10,300.00	3,476.80	865.70	3,476.80	0.00	0.00	0.00
14,000.00	90.00	359.59	10,300.00	3,576.79	864.99	3,576.79	0.00	0.00	0.00
14,100.00	90.00	359.59	10,300.00	3,676.79	864.28	3,676.79	0.00	0.00	0.00
14,200.00	90.00	359.59	10,300.00	3,776.79	863.57	3,776.79	0.00	0.00	0.00
14,300.00	90.00	359.59	10,300.00	3,876.79	862.87	3,876.79	0.00	0.00	0.00
14,400.00	90.00	359.59	10,300.00	3,976.78	862.16	3,976.78	0.00	0.00	0.00
14,500.00	90.00	359.59	10,300.00	4,076.78	861.45	4,076.78	0.00	0.00	0.00
14,600.00	90.00	359.59	10,300.00	4,176.78	860.74	4,176.78	0.00	0.00	0.00
14,700.00	90.00	359.59	10,300.00	4,276.78	860.04	4,276.78	0.00	0.00	0.00
14,800.00	90.00	359.59	10,300.00	4,376.77	859.33	4,376.77	0.00	0.00	0.00
14,900.00	90.00	359.59	10,300.00	4,476.77	858.62	4,476.77	0.00	0.00	0.00
15,000.00	90.00	359.59	10,300.00	4,576.77	857.91	4,576.77	0.00	0.00	0.00
15,100.00	90.00	359.59	10,300.00	4,676.77	857.20	4,676.77	0.00	0.00	0.00
15,200.00	90.00	359.59	10,300.00	4,776.76	856.50	4,776.76	0.00	0.00	0.00
15,300.00	90.00	359.59	10,300.00	4,876.76	855.79	4,876.76	0.00	0.00	0.00
15,400.00	90.00	359.59	10,300.00	4,976.76	855.08	4,976.76	0.00	0.00	0.00
15,500.00	90.00	359.59	10,300.00	5,076.76	854.37	5,076.76	0.00	0.00	0.00
15,600.00	90.00	359.59	10,300.00	5,176.75	853.67	5,176.75	0.00	0.00	0.00
15,700.00	90.00	359.59	10,300.00	5,276.75	852.96	5,276.75	0.00	0.00	0.00
15,800.00	90.00	359.59	10,300.00	5,376.75	852.25	5,376.75	0.00	0.00	0.00
15,900.00	90.00	359.59	10,300.00	5,476.75	851.54	5,476.75	0.00	0.00	0.00
16,000.00	90.00	359.59	10,300.00	5,576.74	850.83	5,576.74	0.00	0.00	0.00
16,100.00	90.00	359.59	10,300.00	5,676.74	850.13	5,676.74	0.00	0.00	0.00
16,200.00	90.00	359.59	10,300.00	5,776.74	849.42	5,776.74	0.00	0.00	0.00
16,300.00	90.00	359.59	10,300.00	5,876.74	848.71	5,876.74	0.00	0.00	0.00
16,400.00	90.00	359.59	10,300.00	5,976.73	848.00	5,976.73	0.00	0.00	0.00
16,500.00	90.00	359.59	10,300.00	6,076.73	847.30	6,076.73	0.00	0.00	0.00
16,600.00	90.00	359.59	10,300.00	6,176.73	846.59	6,176.73	0.00	0.00	0.00
16,700.00	90.00	359.59	10,300.00	6,276.73	845.88	6,276.73	0.00	0.00	0.00
16,800.00	90.00	359.59	10,300.00	6,376.72	845.17	6,376.72	0.00	0.00	0.00
16,900.00	90.00	359.59	10,300.00	6,476.72	844.46	6,476.72	0.00	0.00	0.00
17,000.00	90.00	359.59	10,300.00	6,576.72	843.76	6,576.72	0.00	0.00	0.00
17,100.00	90.00	359.59	10,300.00	6,676.72	843.05	6,676.72	0.00	0.00	0.00
17,200.00	90.00	359.59	10,300.00	6,776.71	842.34	6,776.71	0.00	0.00	0.00
17,300.00	90.00	359.59	10,300.00	6,876.71	841.63	6,876.71	0.00	0.00	0.00
17,400.00	90.00	359.59	10,300.00	6,976.71	840.92	6,976.71	0.00	0.00	0.00
17,500.00	90.00	359.59	10,300.00	7,076.71	840.22	7,076.71	0.00	0.00	0.00
17,600.00	90.00	359.59	10,300.00	7,176.70	839.51	7,176.70	0.00	0.00	0.00
17,700.00	90.00	359.59	10,300.00	7,276.70	838.80	7,276.70	0.00	0.00	0.00
17,800.00	90.00	359.59	10,300.00	7,376.70	838.09	7,376.70	0.00	0.00	0.00



Planning Report

Kaiser-Francis Oil Company

Database:	1 - EDM Production	Local Co-ordinate Reference:	Well Bell Lake Unit North AVD 019H
Company:	KAISER FRANCIS OIL CO.	TVD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Project:	LEA COUNTY, N.M. 83	MD Reference:	RKB 30' + GL 3531' @ 3561.00usft
Site:	SEC 36-T22S-R33E	North Reference:	Grid
Well:	Bell Lake Unit North AVD 019H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan 1		

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)
17,900.00	90.00	359.59	10,300.00	7,476.70	837.39	7,476.70	0.00	0.00	0.00
18,000.00	90.00	359.59	10,300.00	7,576.69	836.68	7,576.69	0.00	0.00	0.00
18,100.00	90.00	359.59	10,300.00	7,676.69	835.97	7,676.69	0.00	0.00	0.00
18,200.00	90.00	359.59	10,300.00	7,776.69	835.26	7,776.69	0.00	0.00	0.00
18,300.00	90.00	359.59	10,300.00	7,876.69	834.55	7,876.69	0.00	0.00	0.00
18,378.32	90.00	359.59	10,300.00	7,955.00	834.00	7,955.00	0.00	0.00	0.00
TD at 18378.32									

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BLUN AVD 019H PBHL(- plan hits target center - Point	0.00	0.00	10,300.00	7,955.00	834.00	493,947.00	789,292.00	32.35537461	-103.53034801
BLUN AVD 019H FTP(2- - plan misses target center by 29.36usft at 10674.83usft MD (10300.00 TVD, 252.92 N, 858.90 E) - Point	0.00	0.01	10,300.00	249.00	888.00	486,241.00	789,346.00	32.33419292	-103.53036026
BLUN AVD 019H LTP(1C - plan misses target center by 3.36usft at 18300.00usft MD (10300.00 TVD, 7876.69 N, 834.55 E) - Point	0.00	0.00	10,300.00	7,880.00	834.00	493,872.00	789,292.00	32.35516847	-103.53034983

Casing Points				
Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
17,569.31	10,300.00	20" Casing	20	24

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
5,000.00	5,000.00	0.00	0.00	Start Build 2.00
5,701.63	5,694.64	-23.65	82.16	Start 2691.03 hold at 5701.63 MD
8,392.66	8,305.36	-204.17	709.19	Start Drop -2.00
9,094.29	9,000.00	-227.82	791.35	Start 822.54 hold at 9094.29 MD
9,916.83	9,822.54	-227.82	791.35	Start Build 12.00
10,666.83	10,300.01	245.00	857.80	Start DLS 2.00 TFO -90.00
11,087.11	10,300.00	663.98	885.61	Start 7291.21 hold at 11087.11 MD
18,378.32	10,300.00	7,955.00	834.00	TD at 18378.32

**KAISER-FRANCIS OIL COMPANY
HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN
FOR DRILLING/COMPLETION WORKOVER/FACILITY**

**BELL LAKE UNIT NORTH PAD 1
SECTION 1 -T23S-R33E
LEA COUNTY, NM**

This well/facility is not expected to have H₂S, but due to the sensitive location, the following is submitted as requested.

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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	
Jeremy Parent	575-964-6256	580-504-2593
David Zerger	918/491-4350	918/557-6708
Aaron Daniels	918-491-4352	918-891-5199
Robert Sanford	918/491-4201	918/770-2682

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
Cudd	800-990-2833
Wild Well Control	281-784-4700

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 $\div$ 1000 = 10

1,000 ppm $\div$ 100 = 10

100 ppm $\div$ 10 = 10

10 ppm $\div$ 10 = 1

Calculation for the 500 ppm ROE:

$$X + [(0.4546)(\text{concentration})(Q)]^{(0.6258)}$$

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 $X = [(.4546)(.0150)(200)]^{(0.6258)}$

$$X = 1.2'$$

(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.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 441812

CONDITIONS

Operator: KAISER-FRANCIS OIL CO PO Box 21468 Tulsa, OK 741211468	OGRID: 12361
	Action Number: 441812
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
christinaopf	Cement is required to circulate on both surface and intermediate1 strings of casing.	3/12/2025
christinaopf	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	3/12/2025
pkautz	File As Drilled C-102 and a directional Survey with C-104 completion packet.	3/13/2025
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.	3/13/2025
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.	3/13/2025
pkautz	Prior to production of this well a change to the well name/number is required to comply with the OCD well naming convention.	3/13/2025