TES 9-17-14

Form 3160-3
(March 2012)

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SL:NMNM 02862 ;BHL:NMLC 061705B

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
Poker Lake Unit NMNM 71016X

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Poker Lake Unit #450Y <306402>

2. Name of Operator BOPCO, L.P. <260737>

9. API Well No.
30-015-42657

3a. Address P.O. Box 2760
Midland, TX 79702

3b. Phone No. (include area code)
432-683-2277

10. Field and Pool, or Exploratory
Poker Lake; NW (Delaware) <96046>

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface NWNE, ULB, 116' FNL & 1524 FEL, Lat:N32.195697,Long:W103.864661
At proposed prod. zone 1100' FNL,350'FEL, Sec35,T24S-R30E,Lat:N32.1784,Long:W103.8436

11. Sec., T. R. M. or Blk.and Survey or Area
Sec 27, T24S-R30E

14. Distance in miles and direction from nearest town or post office*
12 miles southeast of Malaga, NM

12. County or Parish
Eddy County

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 116'

16. No. of acres in lease
4,010.31

17. Spacing Unit dedicated to this well
520 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 564'

19. Proposed Depth
16,435 MD / 7,828 TVD

20. BLM/BIA Bond No. on file
COB 000050

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3,395 GL

22. Approximate date work will start*
12/21/2014

23. Estimated duration
27 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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 required by the BLM.

25. Signature Whitney B. McKee
Name (Printed/Typed) Whitney McKee
Date 9/11/14

Title
Engineering Assistant

Approved by (Signature) Stephen J. Caffey
Name (Printed/Typed) /s/ STEPHEN J. CAFFEY
Date 9/12/14

Title AFM
Office CFO

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)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

CAPITAN CONTROLLED WATER BASIN

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1224 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1224 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-42651	96046	POKER LAKE NW (DELAWARE)

Property Code	Property Name	Well Number
306402	POKER LAKE UNIT	450Y

OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3395

Surface Location

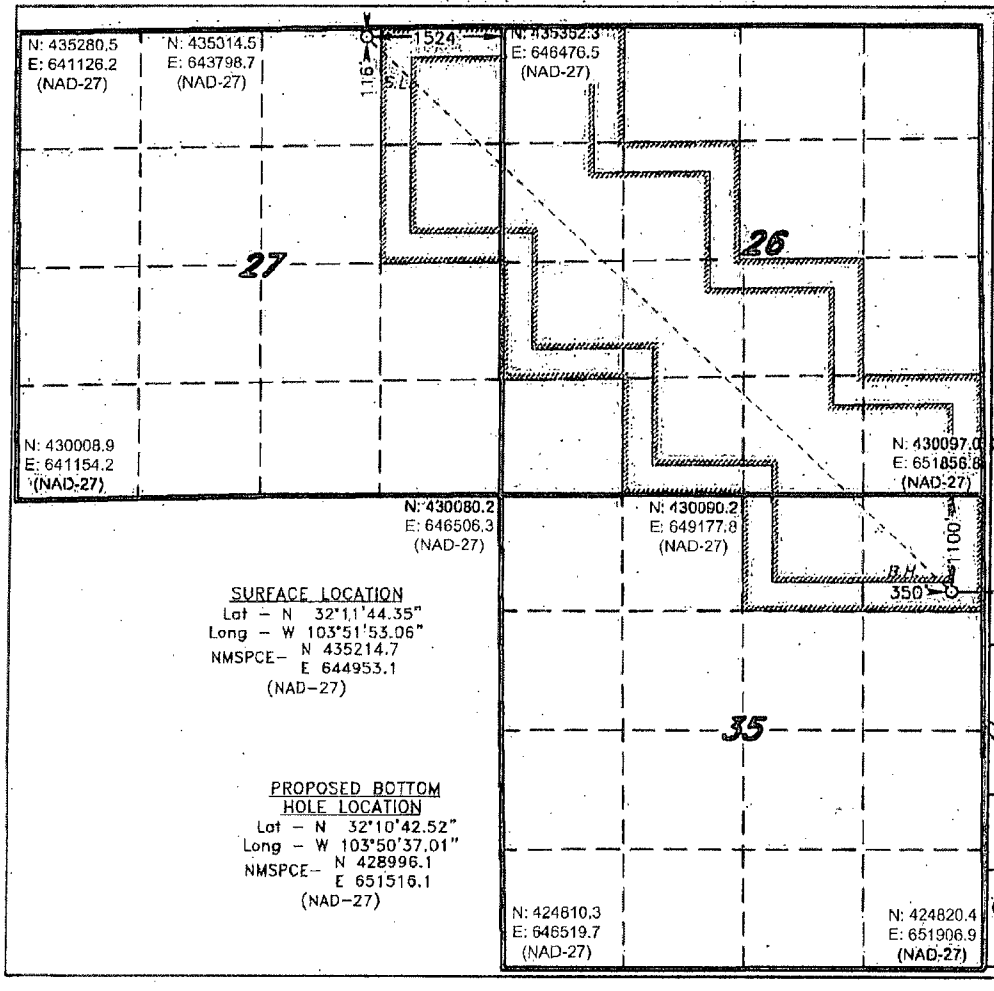
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/NORTH LINE	FEET from the	East/EAST LINE	County
B	27	24 S	30 E		116	NORTH	1524	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/NORTH LINE	FEET from the	East/EAST LINE	County
A	35	24 S	30 E		1100	NORTH	350	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
520			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Whitney B. McKee 9/12/14
Signature Date

Whitney McKee
Printed Name

wbmckee@basspet.com
Email Address

SURVEYOR CERTIFICATION

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

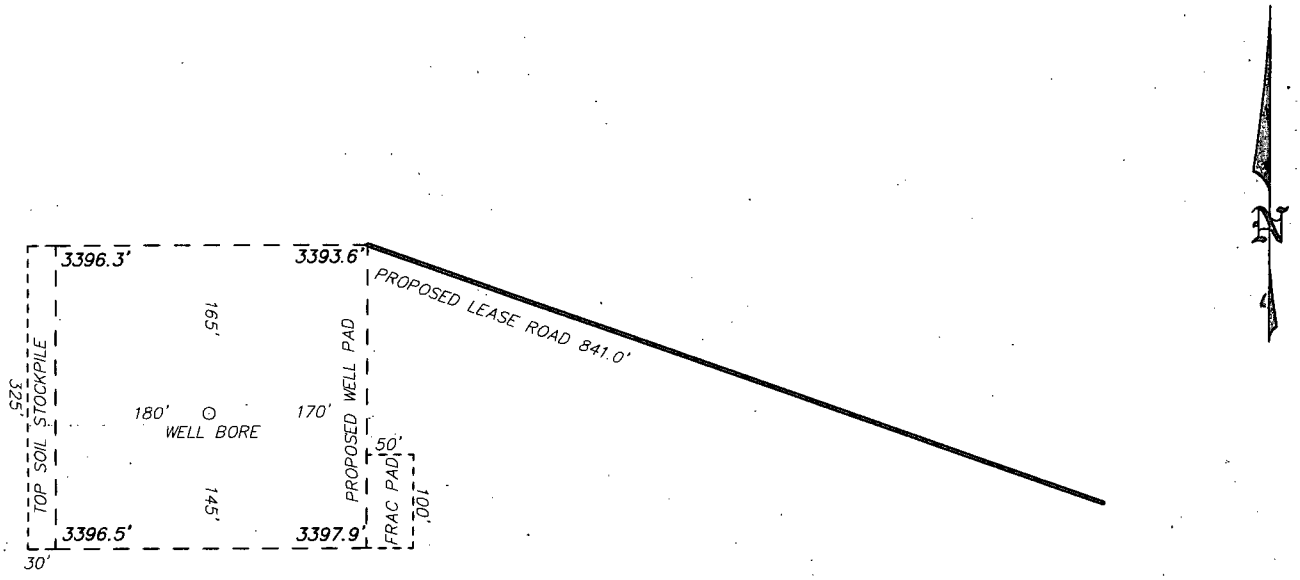
FEBRUARY 1, 2014
Date Surveyed

Signature & Seal of Professional Surveyor

Certificate Number GARY L. JONES 7977

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 30050

SECTION 27, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



BOPCO, L.P.
POKER LAKE UNIT 450Y
ELEV. - 3395'
Lat - N 32°11'44.35"
Long - W 103°51'53.06"
NMSPCE- N 435214.7
E 644953.1
(NAD-27)

LOVING, NM IS ±14 MILES TO THE NORTHWEST OF LOCATION.

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF TWIN WELLS ROAD AND McDONALD, GO NORTH ON TWIN WELLS ROAD 0.6 MILES, TAKE FIRST LEFT 0.1 MILES TO EXISTING LOCATION, PROPOSED LEASE ROAD IS OFF NORTHWEST CORNER.

BOPCO, L.P.

REF: POKER LAKE UNIT 450Y / WELL PAD TOPO

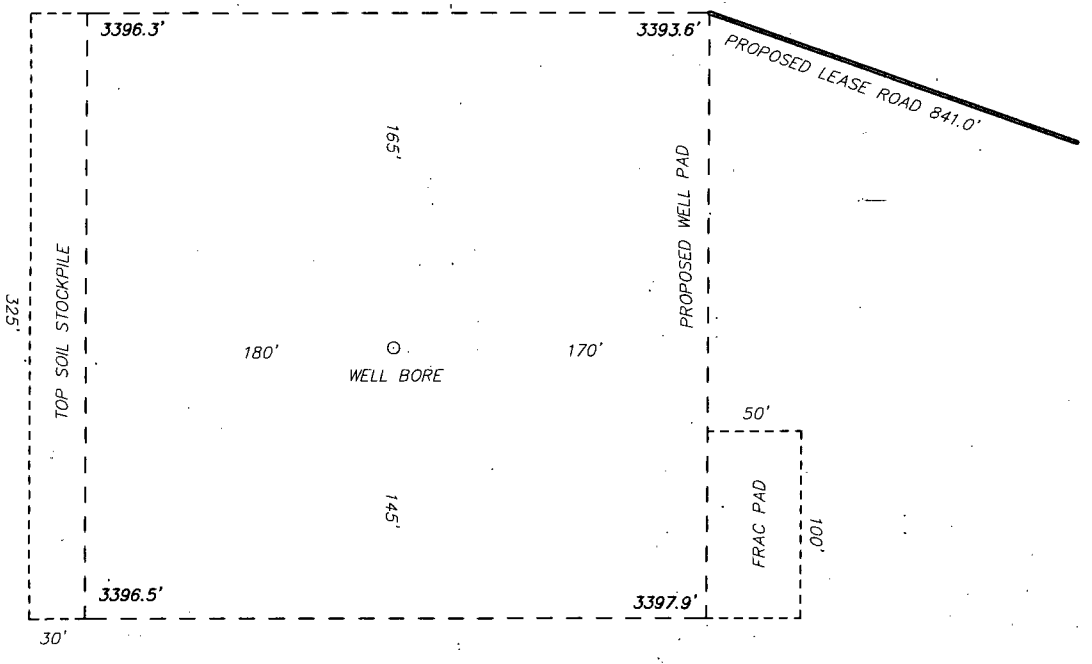
THE POKER LAKE UNIT 450Y LOCATED 116' FROM THE NORTH LINE AND 1524' FROM THE EAST LINE OF SECTION 27, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

basin surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: 30050	Drawn By: K. NORRIS	Date: 02-13-2014	Survey Date: 02-10-2014	Sheet 1 of 1 Sheets.

SECTION 27, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,

LEA COUNTY, **NEW MEXICO.**



100 0 100 200 FEET

SCALE: 1" = 100'

BOPCO, L.P.

REF: POKER LAKE UNIT 450Y / WELL PAD TOPO

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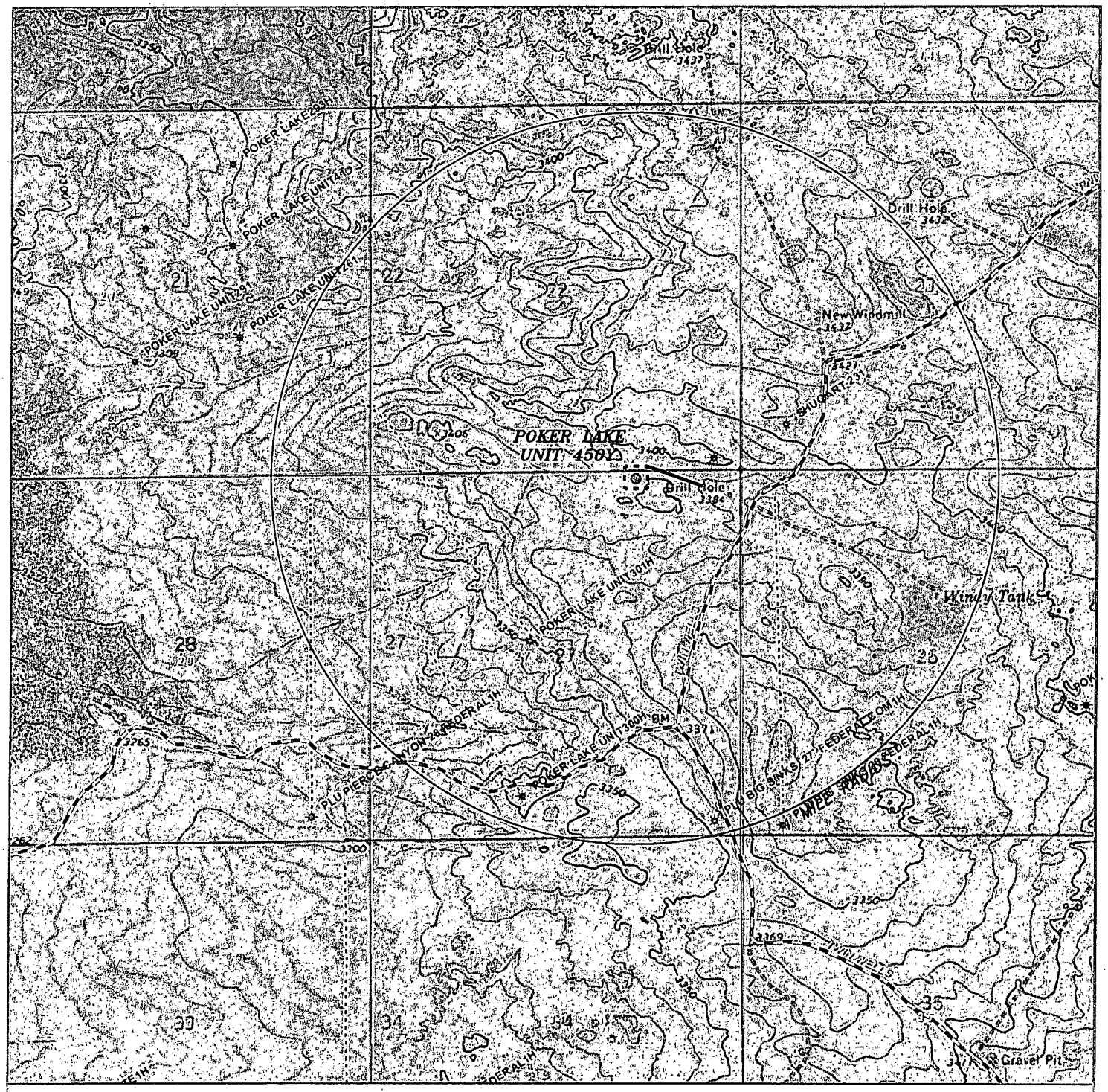

POKER LAKE UNIT 450Y

Located 116' FNL and 1524' FEL
Section 27, Township 24 South, Range 30 East,
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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

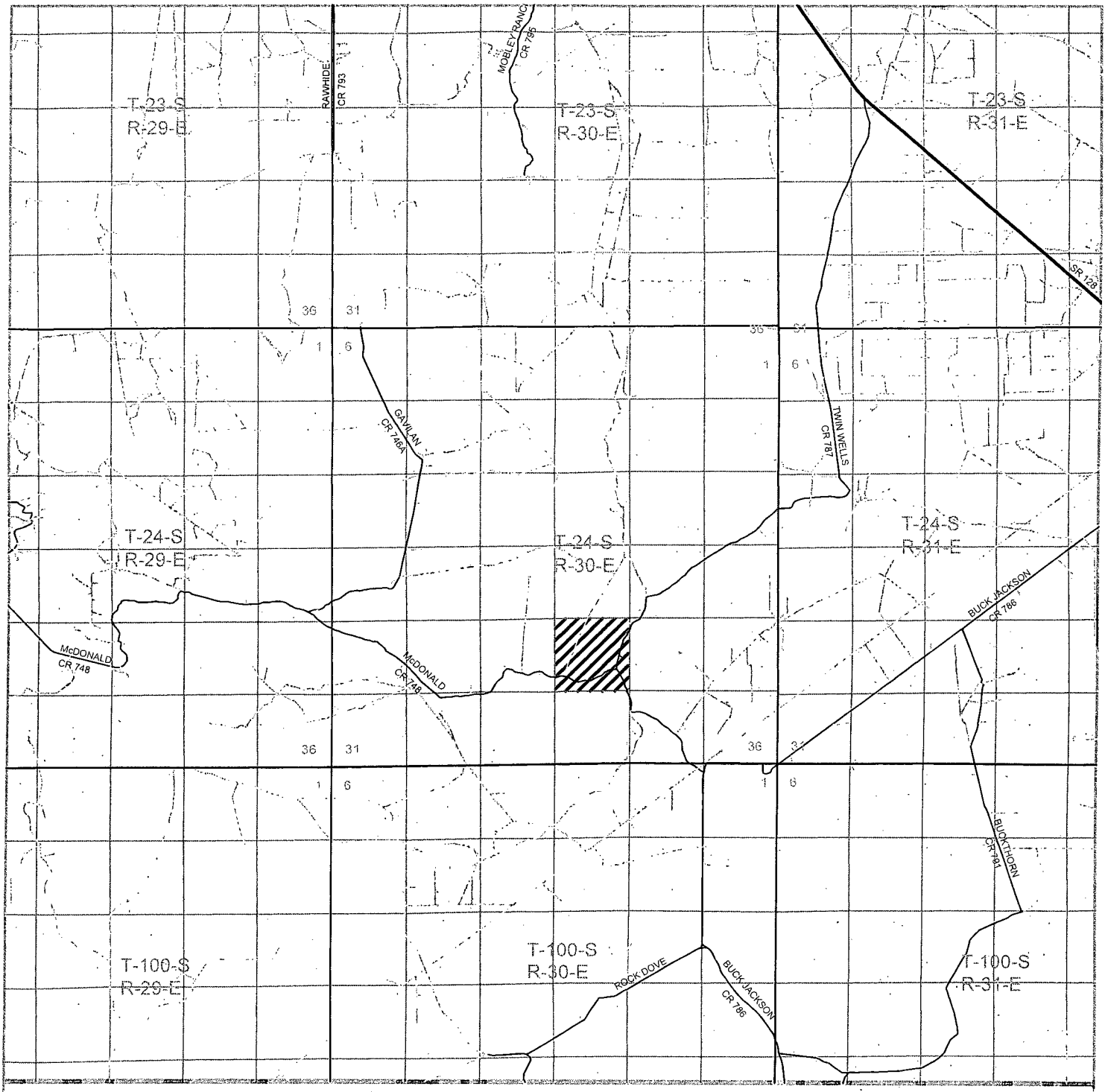
W.O. Number: KAN 30050

Survey Date: 02-10-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

N

BOPCO, L.P.



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0 1 MI 2 MI 3 MI 4 MI
SCALE: 1" = 2 MILES

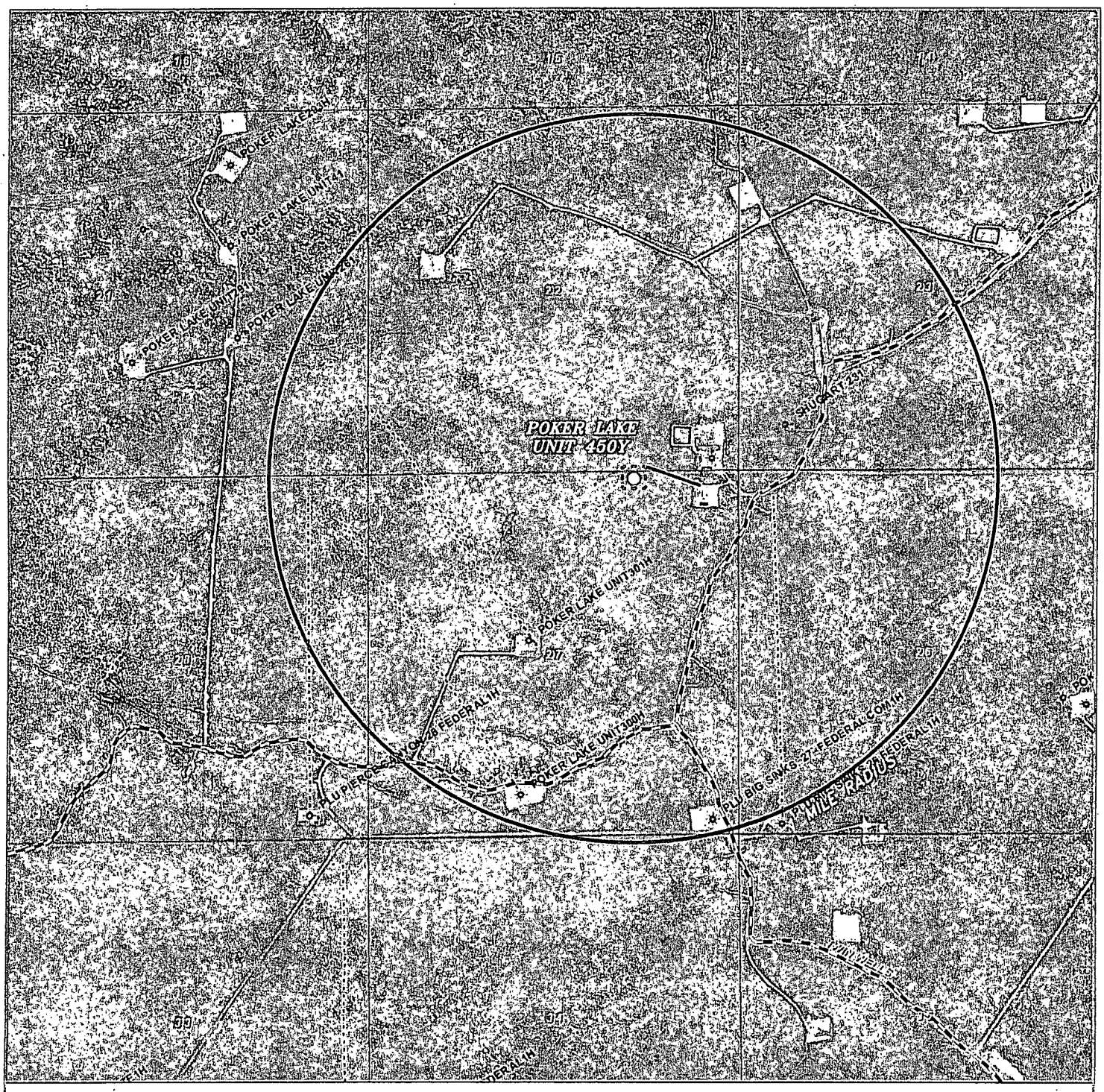
W.O. Number: KAN 30050

Survey Date: 02-10-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

N

BOPCO, L.P.



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0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

W.O. Number: KAN 30050

Survey Date: 02-10-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

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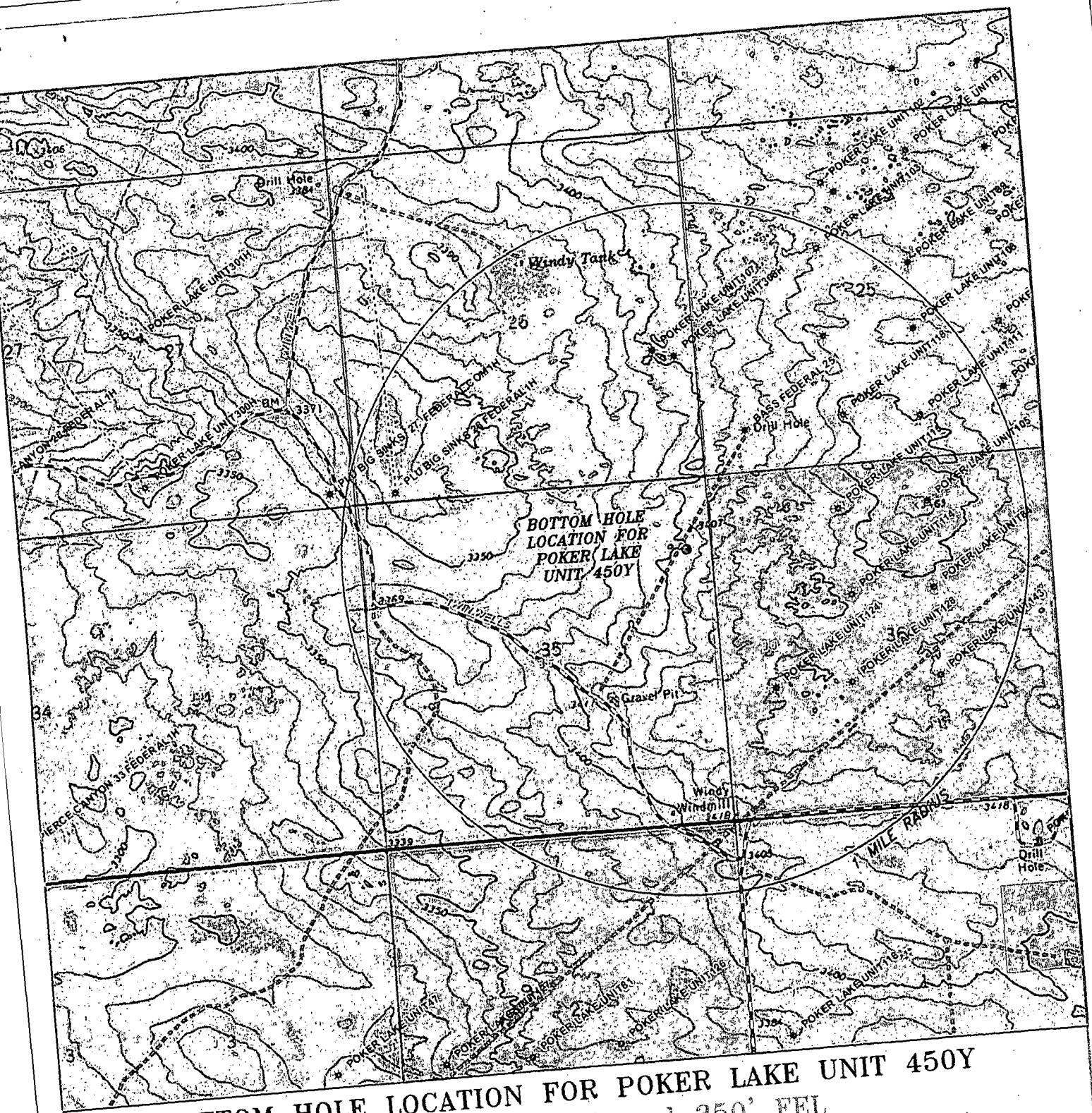
BOPCO, L.P.



BOTTOM HOLE LOCATION FOR POKER LAKE UNIT 450Y

Located 1100' FNL and 350' FEL
Section 35, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

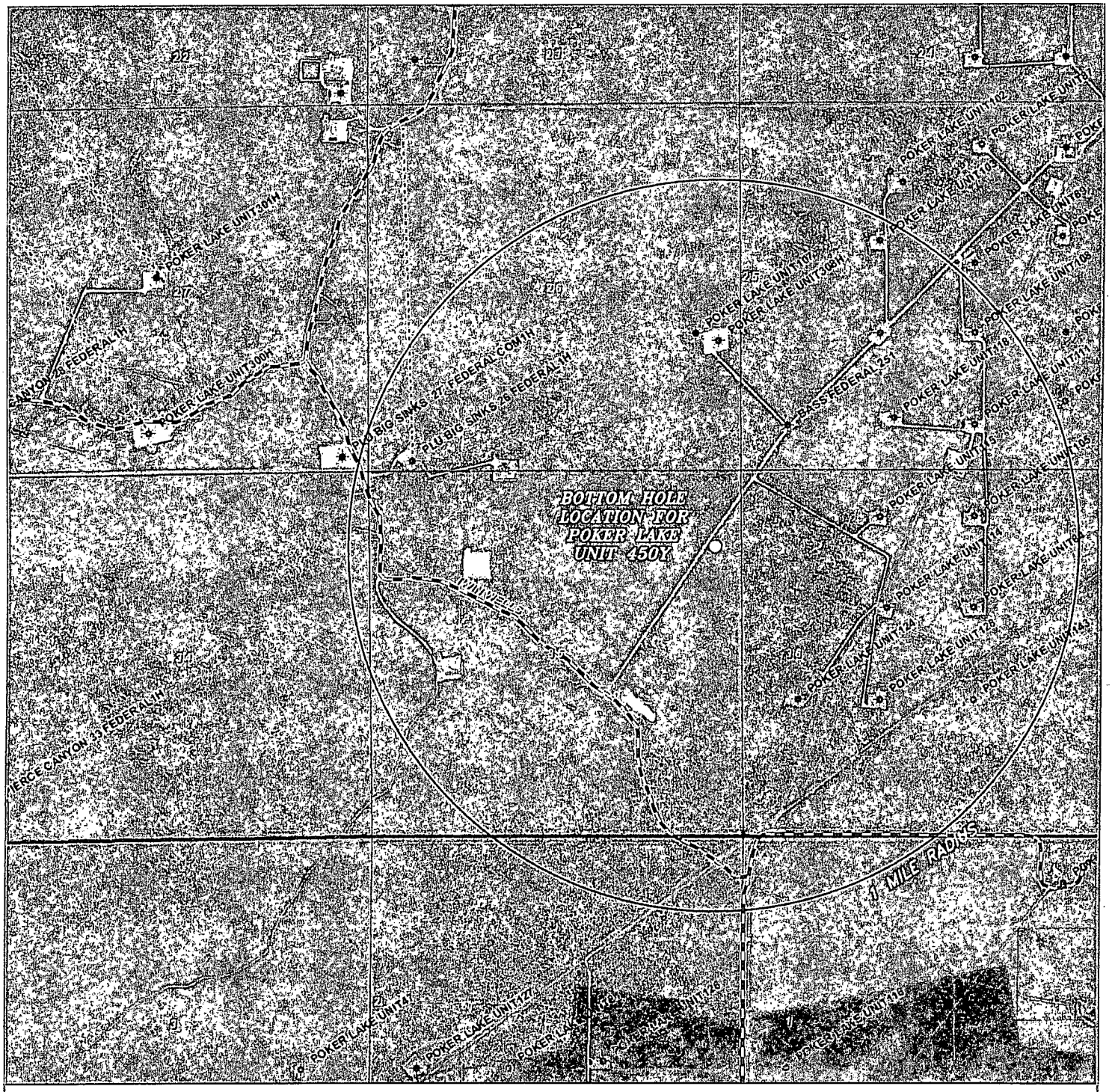
W.O. Number: KAN 30050

Survey Date: 02-10-2014

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – USA LAND

N

BOPCO, L.P.



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0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

W.O. Number: KAN 30050

Survey Date: 02-10-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

N

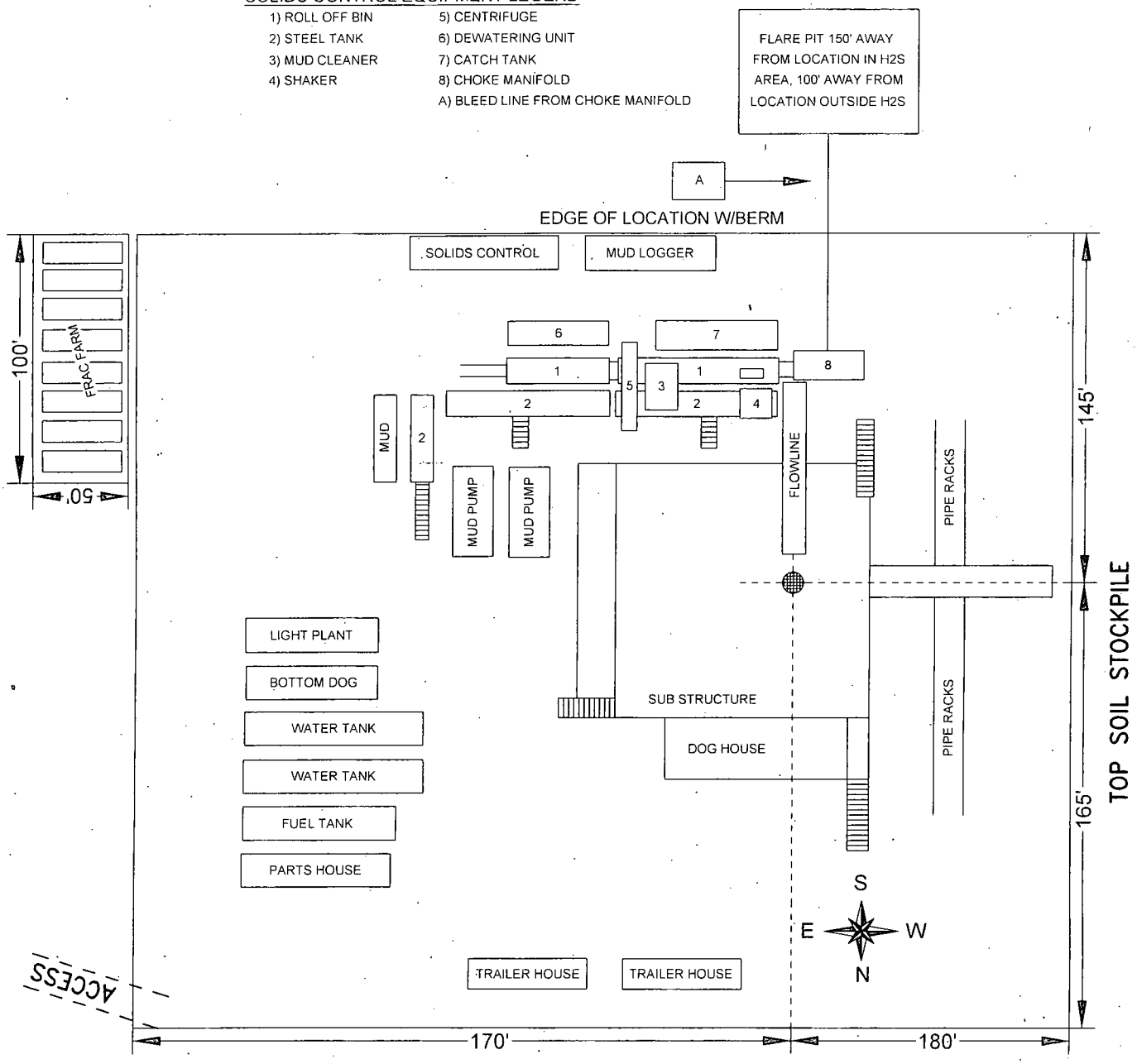
BOPCO, L.P.

EXHIBIT "D"

RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

SOLIDS CONTROL EQUIPMENT LEGEND

1) ROLL OFF BIN
2) STEEL TANK
3) MUD CLEANER
4) SHAKER
5) CENTRIFUGE
6) DEWATERING UNIT
7) CATCH TANK
8) CHOKE MANIFOLD
A) BLEED LINE FROM CHOKE MANIFOLD



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SCALE: NONE

W.O. Number: KAN 30050

Survey Date: 02-10-2014

N

BOPCO, L.P.

5D Plan Report

BOPCO, L.P.

Field Name: *Eddy Co, NM Nad27 NMEZ*
Site Name: *Poker Lake Unit 450Y*
Well Name: *Poker Lake Unit 450Y*
Plan: *P1:V1*

11 September 2014

Poker Lake Unit 450Y

Field Name
Eddy Co. NM
Nad27 NMEZ

Map Units : US ft **Company Name :** BOPCO, L.P.
Vertical Reference Datum (VRD) : Mean Sea Level
Projected Coordinate System : NAD27 / New Mexico East
Comment :

Site Name
Poker Lake Unit 450Y

Units : US ft **North Reference** : Grid **Convergence Angle :** 0.25
Position **Northing :** 435213.60 US ft **Latitude :** 32° 11' 44.34"
Easting : 644953.33 US ft **Longitude :** -103° 51' 53.06"
Elevation above Mean Sea Level: 3395.00 US ft
Comment :

Slot Name
Poker Lake Unit 450Y

Position (Offsets relative to Site Centre)
+N / -S : 0.00 US ft **Northing :** 435213.60 US ft **Latitude :** 32°11'44.34"
+E / -W : 0.00 US ft **Easting :** 644953.33 US ft **Longitude :** -103°51'53.06"
Slot TVD Reference : Ground Elevation
Elevation above Mean Sea Level : 3395.00 US ft
Comment :

Well Name
Poker Lake Unit 450Y

Type : Main well **UWI :** **Plan :** P1:V1
Rig Height *Kelly Bushing* : 19.00 US ft **Comment :**
Relative to Mean Sea Level: 3414.00 US ft
Closure Distance : 9040.31 US ft **Closure Azimuth :** 133.452°
Vertical Section (Position of Origin Relative to Slot)
+N / -S : 0.00 US ft **+E / -W :** 0.00 US ft **Az :** 133.45°
Magnetic Parameters
Model : BGGM **Field Strength :** 48219.8nT **Dec :** 7.48° **Dip :** 60.02° **Date :** 30/Sep/2014

Target Set

Name : Poker Lake Unit 450Y **Number of Targets :** 3

Target

Comment :

Target Name:
PBHL 450Y

Position (Relative to Slot centre)
+N / -S : -6217.50 US ft **Northing :** 428996.10 US ft **Latitude :** 32°10'42.53"
+E / -W : 6562.77 US ft **Easting :** 651516.10 US ft **Longitude :** -103°50'37.01"

Shape:
Cuboid

TVD (Kelly Bushing) : 7844.00 US ft

Orientation **Azimuth :** 0.00° **Inclination :** 0.00°
Dimensions **Length :** 0.00 US ft **Breadth :** 0.00 US ft **Height :** 0.00 US ft

5D Plan Report

Target Name: HB 1 For Dwg **Shape:** Cuboid	**Position (Relative to Slot centre)** **+N / -S :** -589.77US ft **Northing :** 434623.83 US ft **Latitude :** 32°11'38.48" **+E / -W :** 659.41 US ft **Easting :** 645612.74US ft **Longitude :** -103°51'45.41" **TVD (Kelly Bushing) :** 7795.00 US ft **Orientation** **Azimuth :** 133.63° **Inclination :** -0.73° **Dimensions** **Length :** 6000.00 US ft **Breadth :** 0.00 US ft **Height :** 1.00 US ft
Target Name: HB 2 For Dwg **Shape:** Cuboid	**Position (Relative to Slot centre)** **+N / -S :** -6217.50US ft **Northing :** 428996.10 US ft **Latitude :** 32°10'42.53" **+E / -W :** 6562.77 US ft **Easting :** 651516.10US ft **Longitude :** -103°50'37.01" **TVD (Kelly Bushing) :** 7900.00 US ft **Orientation** **Azimuth :** 133.63° **Inclination :** -0.73° **Dimensions** **Length :** 18000.00 US ft **Breadth :** 0.00 US ft **Height :** 1.00 US ft

Casing Points (Relative to Slot centre, TVD relative to Kelly Bushing)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	Northing (US ft)	Easting (US ft)	Name
7959.71	70.00	133.45	7666.52	-388.52	410.13	434825.08	645363.46	7 in

Well path created using minimum curvature.

Salient Points (Relative to Slot centre, TVD relative to Kelly Bushing)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	B.Rate (°/100 US ft)	T.Rate (°/100 US ft)	T.Face (°)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	0.00	
7059.71	0.00	0.00	7059.71	0.00	0.00	-0.00	0.00	0.00	0.00	0.00	KOP
7759.71	70.00	133.45	7598.11	-259.27	273.69	376.99	10.00	10.00	0.00	133.45	Hold
7959.71	70.00	133.45	7666.52	-388.52	410.13	564.93	0.00	0.00	0.00	0.00	Build 6's; 7 in
8279.01	89.16	133.45	7724.00	-603.48	637.04	877.50	6.00	6.00	0.00	0.01	LP
16442.70	89.16	133.45	7844.00	-6217.50	6562.77	9040.31	0.00	0.00	0.00	0.00	PBHL 450Y

Interpolated Points (Relative to Slot centre, TVD relative to Kelly Bushing)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
7000.00	0.00	0.00	7000.00	0.00	0.00	-0.00	0.00	435213.60	644953.33	
7059.71	0.00	0.00	7059.71	0.00	0.00	-0.00	0.00	435213.60	644953.33	KOP
7100.00	4.03	133.45	7099.97	-0.97	1.03	1.42	10.00	435212.63	644954.36	
7200.00	14.03	133.45	7198.60	-11.75	12.41	17.09	10.00	435201.85	644965.74	
7300.00	24.03	133.45	7293.02	-34.15	36.05	49.65	10.00	435179.45	644989.38	
7400.00	34.03	133.45	7380.34	-67.48	71.23	98.12	10.00	435146.12	645024.56	
7500.00	44.03	133.45	7457.93	-110.73	116.89	161.01	10.00	435102.87	645070.22	
7576.14	51.64	133.45	7509.00	-149.51	157.83	217.40	10.00	435064.09	645111.16	LBC/8A :
7600.00	54.03	133.45	7523.41	-162.59	171.63	236.42	10.00	435051.01	645124.96	
7700.00	64.03	133.45	7574.81	-221.48	233.80	322.05	10.00	434992.12	645187.13	
7759.71	70.00	133.45	7598.11	-259.27	273.69	376.99	10.00	434954.33	645227.02	Hold
7800.00	70.00	133.45	7611.89	-285.30	301.17	414.85	0.00	434928.30	645254.50	
7900.00	70.00	133.45	7646.10	-349.93	369.39	508.82	0.00	434863.67	645322.72	
7959.71	70.00	133.45	7666.52	-388.52	410.13	564.93	0.00	434825.08	645363.46	Build 6's; 7 in
7982.32	71.36	133.45	7674.00	-403.19	425.62	586.27	6.00	434810.41	645378.95	LBC Y :
8000.00	72.42	133.45	7679.50	-414.75	437.82	603.07	6.00	434798.85	645391.15	
8100.00	78.42	133.45	7704.66	-481.27	508.04	699.81	6.00	434732.33	645461.37	
8200.00	84.42	133.45	7719.58	-549.25	579.79	798.64	6.00	434664.35	645533.12	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Kelly Bushing)										
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N Offset (US ft)	E Offset (US ft)	VS (US ft)	DLS (°/100US ft)	Northing (US ft)	Easting (US ft)	Comment
8279.01	89.16	133.45	7724.00	-603.48	637.04	877.50	6.00	434610.12	645590.37	LP
8300.00	89.16	133.45	7724.31	-617.92	652.28	898.49	0.00	434595.68	645605.61	
8400.00	89.16	133.45	7725.78	-686.69	724.86	998.48	0.00	434526.91	645678.19	
8500.00	89.16	133.45	7727.25	-755.46	797.45	1098.47	0.00	434458.14	645750.78	
8600.00	89.16	133.45	7728.72	-824.22	870.04	1198.46	0.00	434389.38	645823.37	
8700.00	89.16	133.45	7730.19	-892.99	942.62	1298.45	0.00	434320.61	645895.95	
8800.00	89.16	133.45	7731.66	-961.76	1015.21	1398.44	0.00	434251.84	645968.54	
8900.00	89.16	133.45	7733.13	-1030.53	1087.80	1498.43	0.00	434183.07	646041.13	
9000.00	89.16	133.45	7734.60	-1099.30	1160.38	1598.42	0.00	434114.30	646113.71	
9100.00	89.16	133.45	7736.07	-1168.06	1232.97	1698.41	0.00	434045.54	646186.30	
9200.00	89.16	133.45	7737.54	-1236.83	1305.56	1798.40	0.00	433976.77	646258.89	
9300.00	89.16	133.45	7739.01	-1305.60	1378.14	1898.39	0.00	433908.00	646331.47	
9400.00	89.16	133.45	7740.48	-1374.37	1450.73	1998.37	0.00	433839.23	646404.06	
9500.00	89.16	133.45	7741.95	-1443.14	1523.31	2098.36	0.00	433770.46	646476.64	
9600.00	89.16	133.45	7743.42	-1511.90	1595.90	2198.35	0.00	433701.70	646549.23	
9700.00	89.16	133.45	7744.89	-1580.67	1668.49	2298.34	0.00	433632.93	646621.82	
9800.00	89.16	133.45	7746.36	-1649.44	1741.07	2398.33	0.00	433564.16	646694.40	
9900.00	89.16	133.45	7747.83	-1718.21	1813.66	2498.32	0.00	433495.39	646766.99	
10000.00	89.16	133.45	7749.30	-1786.98	1886.25	2598.31	0.00	433426.62	646839.58	
10100.00	89.16	133.45	7750.77	-1855.75	1958.83	2698.30	0.00	433357.85	646912.16	
10200.00	89.16	133.45	7752.24	-1924.51	2031.42	2798.29	0.00	433289.09	646984.75	
10300.00	89.16	133.45	7753.71	-1993.28	2104.01	2898.28	0.00	433220.32	647057.34	
10400.00	89.16	133.45	7755.18	-2062.05	2176.59	2998.27	0.00	433151.55	647129.92	
10500.00	89.16	133.45	7756.65	-2130.82	2249.18	3098.26	0.00	433082.78	647202.51	
10600.00	89.16	133.45	7758.12	-2199.59	2321.76	3198.24	0.00	433014.01	647275.09	
10700.00	89.16	133.45	7759.59	-2268.35	2394.35	3298.23	0.00	432945.25	647347.68	
10800.00	89.16	133.45	7761.06	-2337.12	2466.94	3398.22	0.00	432876.48	647420.27	
10900.00	89.16	133.45	7762.53	-2405.89	2539.52	3498.21	0.00	432807.71	647492.85	
11000.00	89.16	133.45	7764.00	-2474.66	2612.11	3598.20	0.00	432738.94	647565.44	
11100.00	89.16	133.45	7765.47	-2543.43	2684.70	3698.19	0.00	432670.17	647638.03	
11200.00	89.16	133.45	7766.94	-2612.19	2757.28	3798.18	0.00	432601.41	647710.61	
11300.00	89.16	133.45	7768.41	-2680.96	2829.87	3898.17	0.00	432532.64	647783.20	
11400.00	89.16	133.45	7769.88	-2749.73	2902.46	3998.16	0.00	432463.87	647855.79	
11500.00	89.16	133.45	7771.35	-2818.50	2975.04	4098.15	0.00	432395.10	647928.37	
11600.00	89.16	133.45	7772.82	-2887.27	3047.63	4198.14	0.00	432326.33	648000.96	
11700.00	89.16	133.45	7774.29	-2956.04	3120.22	4298.13	0.00	432257.56	648073.55	
11800.00	89.16	133.45	7775.76	-3024.80	3192.80	4398.12	0.00	432188.80	648146.13	
11900.00	89.16	133.45	7777.23	-3093.57	3265.39	4498.10	0.00	432120.03	648218.72	
12000.00	89.16	133.45	7778.70	-3162.34	3337.97	4598.09	0.00	432051.26	648291.30	
12100.00	89.16	133.45	7780.17	-3231.11	3410.56	4698.08	0.00	431982.49	648363.89	
12200.00	89.16	133.45	7781.64	-3299.88	3483.15	4798.07	0.00	431913.72	648436.48	
12300.00	89.16	133.45	7783.11	-3368.64	3555.73	4898.06	0.00	431844.96	648509.06	
12400.00	89.16	133.45	7784.58	-3437.41	3628.32	4998.05	0.00	431776.19	648581.65	
12500.00	89.16	133.45	7786.05	-3506.18	3700.91	5098.04	0.00	431707.42	648654.24	
12600.00	89.16	133.45	7787.52	-3574.95	3773.49	5198.03	0.00	431638.65	648726.82	
12700.00	89.16	133.45	7788.99	-3643.72	3846.08	5298.02	0.00	431569.88	648799.41	
12800.00	89.16	133.45	7790.46	-3712.48	3918.67	5398.01	0.00	431501.12	648872.00	
12900.00	89.16	133.45	7791.93	-3781.25	3991.25	5498.00	0.00	431432.35	648944.58	
13000.00	89.16	133.45	7793.40	-3850.02	4063.84	5597.99	0.00	431363.58	649017.17	
13100.00	89.16	133.45	7794.87	-3918.79	4136.42	5697.97	0.00	431294.81	649089.75	
13200.00	89.16	133.45	7796.34	-3987.56	4209.01	5797.96	0.00	431226.04	649162.34	
13300.00	89.16	133.45	7797.81	-4056.32	4281.60	5897.95	0.00	431157.28	649234.93	
13400.00	89.16	133.45	7799.28	-4125.09	4354.18	5997.94	0.00	431088.51	649307.51	
13500.00	89.16	133.45	7800.75	-4193.86	4426.77	6097.93	0.00	431019.74	649380.10	
13600.00	89.16	133.45	7802.22	-4262.63	4499.36	6197.92	0.00	430950.97	649452.69	
13700.00	89.16	133.45	7803.69	-4331.40	4571.94	6297.91	0.00	430882.20	649525.27	
13800.00	89.16	133.45	7805.16	-4400.17	4644.53	6397.90	0.00	430813.43	649597.86	
13900.00	89.16	133.45	7806.63	-4468.93	4717.12	6497.89	0.00	430744.67	649670.45	
14000.00	89.16	133.45	7808.10	-4537.70	4789.70	6597.88	0.00	430675.90	649743.03	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Kelly Bushing)										
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
14100.00	89.16	133.45	7809.57	-4606.47	4862.29	6697.87	0.00	430607.13	649815.62	
14200.00	89.16	133.45	7811.04	-4675.24	4934.88	6797.86	0.00	430538.36	649888.21	
14300.00	89.16	133.45	7812.51	-4744.01	5007.46	6897.85	0.00	430469.59	649960.79	
14400.00	89.16	133.45	7813.97	-4812.77	5080.05	6997.83	0.00	430400.83	650033.38	
14500.00	89.16	133.45	7815.44	-4881.54	5152.63	7097.82	0.00	430332.06	650105.96	
14600.00	89.16	133.45	7816.91	-4950.31	5225.22	7197.81	0.00	430263.29	650178.55	
14700.00	89.16	133.45	7818.38	-5019.08	5297.81	7297.80	0.00	430194.52	650251.14	
14800.00	89.16	133.45	7819.85	-5087.85	5370.39	7397.79	0.00	430125.75	650323.72	
14900.00	89.16	133.45	7821.32	-5156.61	5442.98	7497.78	0.00	430056.99	650396.31	
15000.00	89.16	133.45	7822.79	-5225.38	5515.57	7597.77	0.00	429988.22	650468.90	
15100.00	89.16	133.45	7824.26	-5294.15	5588.15	7697.76	0.00	429919.45	650541.48	
15200.00	89.16	133.45	7825.73	-5362.92	5660.74	7797.75	0.00	429850.68	650614.07	
15300.00	89.16	133.45	7827.20	-5431.69	5733.33	7897.74	0.00	429781.91	650686.66	
15400.00	89.16	133.45	7828.67	-5500.46	5805.91	7997.73	0.00	429713.14	650759.24	
15500.00	89.16	133.45	7830.14	-5569.22	5878.50	8097.72	0.00	429644.38	650831.83	
15600.00	89.16	133.45	7831.61	-5637.99	5951.08	8197.70	0.00	429575.61	650904.41	
15700.00	89.16	133.45	7833.08	-5706.76	6023.67	8297.69	0.00	429506.84	650977.00	
15800.00	89.16	133.45	7834.55	-5775.53	6096.26	8397.68	0.00	429438.07	651049.59	
15900.00	89.16	133.45	7836.02	-5844.30	6168.84	8497.67	0.00	429369.30	651122.17	
16000.00	89.16	133.45	7837.49	-5913.06	6241.43	8597.66	0.00	429300.54	651194.76	
16100.00	89.16	133.45	7838.96	-5981.83	6314.02	8697.65	0.00	429231.77	651267.35	
16200.00	89.16	133.45	7840.43	-6050.60	6386.60	8797.64	0.00	429163.00	651339.93	
16300.00	89.16	133.45	7841.90	-6119.37	6459.19	8897.63	0.00	429094.23	651412.52	
16400.00	89.16	133.45	7843.37	-6188.14	6531.78	8997.62	0.00	429025.46	651485.11	
16442.70	89.16	133.45	7844.00	-6217.50	6562.77	9040.31	0.00	428996.10	651516.10	PBHL 450Y

Formation Points (Relative to Slot centre, TVD relative to Kelly Bushing)									
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	Northing (US ft)	Easting (US ft)	Name	Comment
7576.14	51.64	133.45	7509.00	-149.51	157.83	435064.09	645111.16	LBC/8A	
7982.32	71.36	133.45	7674.00	-403.19	425.62	434810.41	645378.95	LBC Y	

Weatherford

Weatherford Drilling Services

GeoDec4 v2.0.0.3

Report Date:	September 11, 2014
Job Number:	
Customer:	BOPCO
Well Name:	Poker Lake Unit 450Y
API Number:	
Rig Name:	
Location:	Eddy Co, NM Nad27 NME
Block:	
Engineer:	RWJ

NAD27 / New Mexico East	NAD27
Projected Coordinate System	Geodetic Coordinate System
Datum: North American Datum 1927	Datum: North American Datum 1927
Ellipsoid: Clarke 1866	Ellipsoid: Clarke 1866
EPSG: 32012	EPSG: 4267
North: 435213.60 US Survey Foot	Latitude: 32.195651 Degree
East: 644953.33 US Survey Foot	Longitude: -103.864738 Degree
Convergence: 0.25°	
Declination: 7.48°	
Total Correction: 7.23°	
Datum Transformation: none	

Geodetic Location WGS84

MSL Elevation	=	0 m
Latitude	=	32° 11' 44.34" N
Longitude	=	103° 51' 53.06" W

			[True North Offset]		
Magnetic Declination	=	7.48 deg			
Local Gravity	=	.9988 g	CheckSum	=	6447
Local Field Strength	=	48220 nT	Magnetic Vector X	=	23891 nT
Magnetic Dip	=	60.02 deg	Magnetic Vector Y	=	3138 nT
Magnetic Model	=	bggm2014.dat	Magnetic Vector Z	=	41768 nT
Run Date	=	September 30, 2014	Magnetic Vector H	=	24096 nT

Signed:_____ Date:_____

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, L.P.
LEASE NO.:	NMLC-061705B
WELL NAME & NO.:	Poker Lake Unit 450Y
SURFACE HOLE FOOTAGE:	0116' FNL & 1524' FEL
BOTTOM HOLE FOOTAGE	1100' FNL & 0350' FEL Sec. 35, T. 24 S., R 30 E.
LOCATION:	Section 27, T. 24 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

This application is approved in accordance with the original approval of the Poker Lake Unit 450H. The only difference incorporated in this approval is the surface location has been moved 30 feet southwest because the original wellbore was plugged after loosing the surface hole.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

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.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

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

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

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

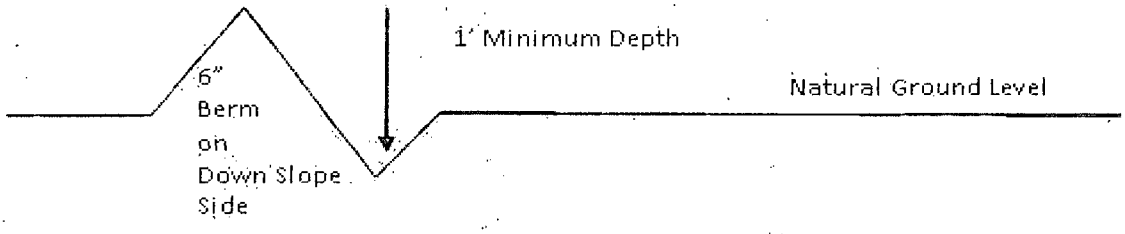
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

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

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

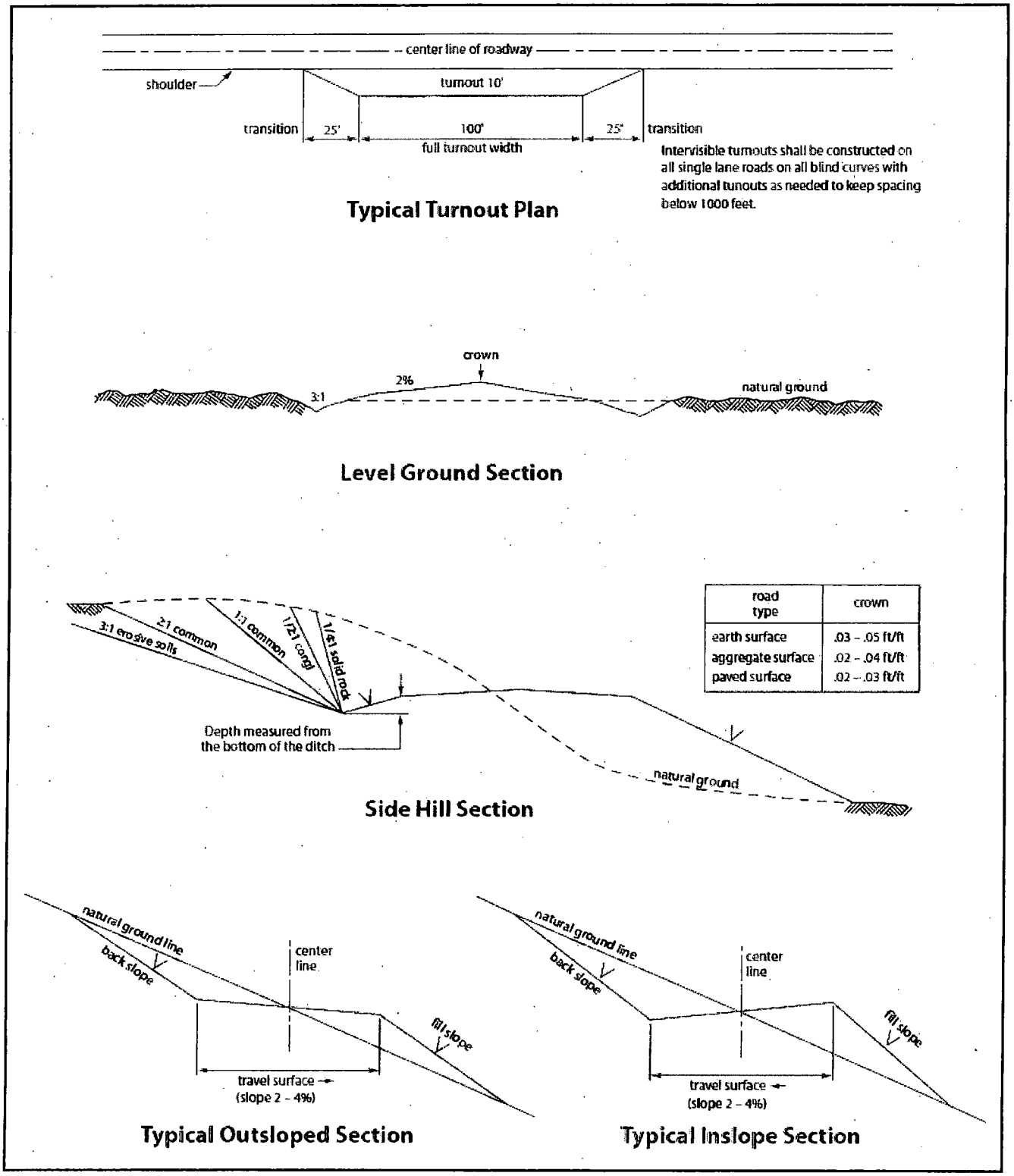


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

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

1. **Operator has stated that Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. Operator has also stated that if H2S is encountered in quantities greater than 10 PPM the well shall be shut in and H2S equipment shall be installed and flare line must be extended pursuant to Onshore Oil and Gas Order #6. Report measured values and formation to the BLM. After detection, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

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

B. CASING

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

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

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

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

Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Red Beds, Rustler, and Delaware.

1. The **13-3/8** inch surface casing shall be set at approximately **905** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required through the curve and a minimum of one every other joint.

3. The minimum required fill of cement behind the **7** inch production casing is:

Operator has proposed DV tool at depth of 5000', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.

b. Second stage above DV tool:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. Cement not required on the **4-1/2"** casing. **Packer system being used.**

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) 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. **Operator shall perform the 9-5/8" and 7" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.**
    e. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**

4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

c. 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.

d. The results of the test shall be reported to the appropriate BLM office.

e. 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.**

f. 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.

D. DRILL STEM TEST

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

E. WASTE MATERIAL AND FLUIDS

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

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

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VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

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

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

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

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

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES
STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent

provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
b. Activities of other parties including, but not limited to:
    (1) Land clearing.
    (2) Earth-disturbing and earth-moving work.
    (3) Blasting.
    (4) Vandalism and sabotage.
c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize

suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

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

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

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

C. ELECTRIC LINES (Not applied for in APD)

IX. INTERIM RECLAMATION

Since it is expected that multiple wells will be drilled from this location in the future, no interim reclamation will be required. However, during the life of the development, all disturbed areas not needed for future wells or active support of production operations should undergo reclamation in order to minimize the environmental impacts of development on other resources and uses. **If no additional wells are drilled from the location within 5 years of the drilling of this well, then BOPCO must coordinate with the BLM regarding future development plans or downsize the location.**

Operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

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

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

SEED MIXTURE 2 (SANDY LOCATIONS)

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

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop to the bottom of the drill and are planted first; the holder shall take appropriate measures to ensure this does not occur). Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be double the amounts listed below. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre (note: if broadcasting seed, amounts are to be doubled):

Species	**Pound/acre**
Plains Bristlegrass (*Setaria macrostachya*)	2.0
Sand Lovegrass (*Eragrostis trichodes*)	1.0
Sand Dropseed (*Sporobolus cryptandrus*)	1.0

* Pounds of pure live seed = (Pounds of seed) x (Percent purity) x (Percent germination)