NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 07 2019

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Form 3160-3
(June 2015)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM035607

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1c. Type of Completion: ☐ Hydraulic Fracturing ☑ Single Zone ☐ Multiple Zone

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

8. Lease Name and Well No.
ROSS DRAW 25
3H
315688

2. Name of Operator
XTO ENERGY INCORPORATED
5380

9. API Well No.
30-015-45595

3a. Address
2277 Springwoods Village Parkway Spring TX 77389

3b. Phone No. *(include area code)*
(432)620-6700

10. Field and Pool, or Exploratory
~~WILDCAT~~ WOLFCAMP 98220

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NENW / 170 FNL / 2161 FWL / LAT 32.019593 / LONG -103.938679
At proposed prod. zone SESW / 170 FSL / 2308 FWL / LAT 32.005926 / LONG -103.93914

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 25 / T26S / R29E / NMP

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

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
170 feet	369.5	160
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**
30 feet	10437 feet / 15183 feet	FED: UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
2960 feet	11/20/2018	25 days

24. Attachments

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

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

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	Stephanie Rabadue / Ph: (432)620-6714	09/22/2018
Title: Regulatory Coordinator		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Ty Allen / Ph: (575)234-5978	12/20/2018
Title: Wildlife Biologist	Office: CARLSBAD	

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

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

APPROVED WITH CONDITIONS

Approval Date: 12/20/2018

RWP 1-9-19.

(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 wen, and any other required information, should be furnished when required by Federal agency offices.

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

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

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

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.
AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160
PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.
ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.
EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

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Additional Operator Remarks

Location of Well

1. SHL: NENW / 170 FNL / 2161 FWL / TWSP: 26S / RANGE: 29E / SECTION: 25 / LAT: 32.019593 / LONG: -103.938679 (TVD: 0 feet, MD: 0 feet)
   PPP: NENW / 870 FNL / 2182 FWL / TWSP: 26S / RANGE: 29E / SECTION: 25 / LAT: 32.017662 / LONG: -103.938744 (TVD: 10456 feet, MD: 10800 feet)
   BHL: SESW / 170 FSL / 2308 FWL / TWSP: 26S / RANGE: 29E / SECTION: 25 / LAT: 32.005926 / LONG: -103.93914 (TVD: 10437 feet, MD: 15183 feet)

BLM Point of Contact

Name: Katrina Ponder
Title: Geologist
Phone: 5752345969
Email: kponder@blm.gov

Approval Date: 12/20/2018

Review and Appeal Rights

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

PECOS DISTRICT DRILLING
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**XTO Energy, Inc.**
LEASE NO.:	**NMNM-035607**
WELL NAME & NO.:	**Ross Draw 25 3H**
SURFACE HOLE FOOTAGE:	**0170' FNL & 2161' FWL**
BOTTOM HOLE FOOTAGE	**0170' FSL & 2308' FWL**
LOCATION:	**Section 25, T. 26 S., R 29 E., NMPM**
COUNTY:	**County, New Mexico**

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

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.). The initial wellhead installed on the well will remain on the well with spools used as needed.

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

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.

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.

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

Medium Cave/Karst
Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Rustler, Red Beds, and Delaware.
Abnormal pressures may be encountered upon penetrating the 3rd Bone Spring Sandstone and all subsequent formations.

1. The **13-3/8** inch surface casing shall be set at approximately **350** 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.

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

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. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

If cement does not circulate to surface on the intermediate casing, the cement on the production casing must come to surface.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

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:

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

Formation below the 7" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

4. The minimum required fill of cement behind the **4-1/2** inch production Liner is:

☐ Cement as proposed. Operator shall provide method of verification.

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 53.

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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be psi. **5M 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. The appropriate BLM office shall be notified a minimum of 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).

a. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

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

d. 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.**

e. 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.

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

D. 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.

E. DRILL STEM TEST

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

F. 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.

JAM 120618

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Energy Incorporated
LEASE NO.:	NMNM035607
WELL NAME & NO.:	Ross Draw 25 3H
SURFACE HOLE FOOTAGE:	170'/N & 2161'/W
BOTTOM HOLE FOOTAGE	170'/S & 2308'/W
LOCATION:	Section 25, T.26 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

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)

Cave/Karst Surface Mitigation

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

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

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

Cave/Karst Subsurface Mitigation
The following stipulations will be applied to protect cave/karst and ground water concerns:
Rotary Drilling with Fresh Water:
Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

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

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

Abandonment Cementing:
Upon well abandonment in cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

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

Hydrology:

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

stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

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

A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

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.

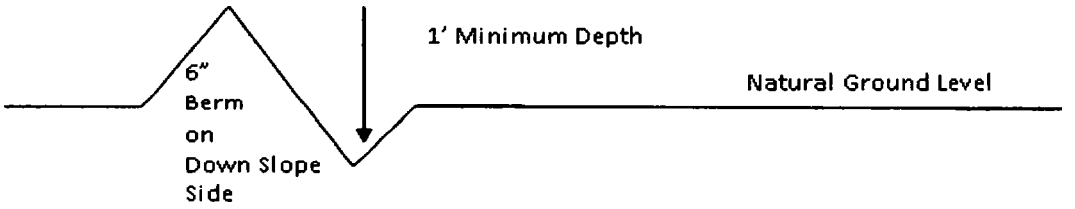
Ditching
Ditching shall be required on both sides of the road.

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:

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

Cattle guards

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

Fence Requirement

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

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action.

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.

Public Access

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

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

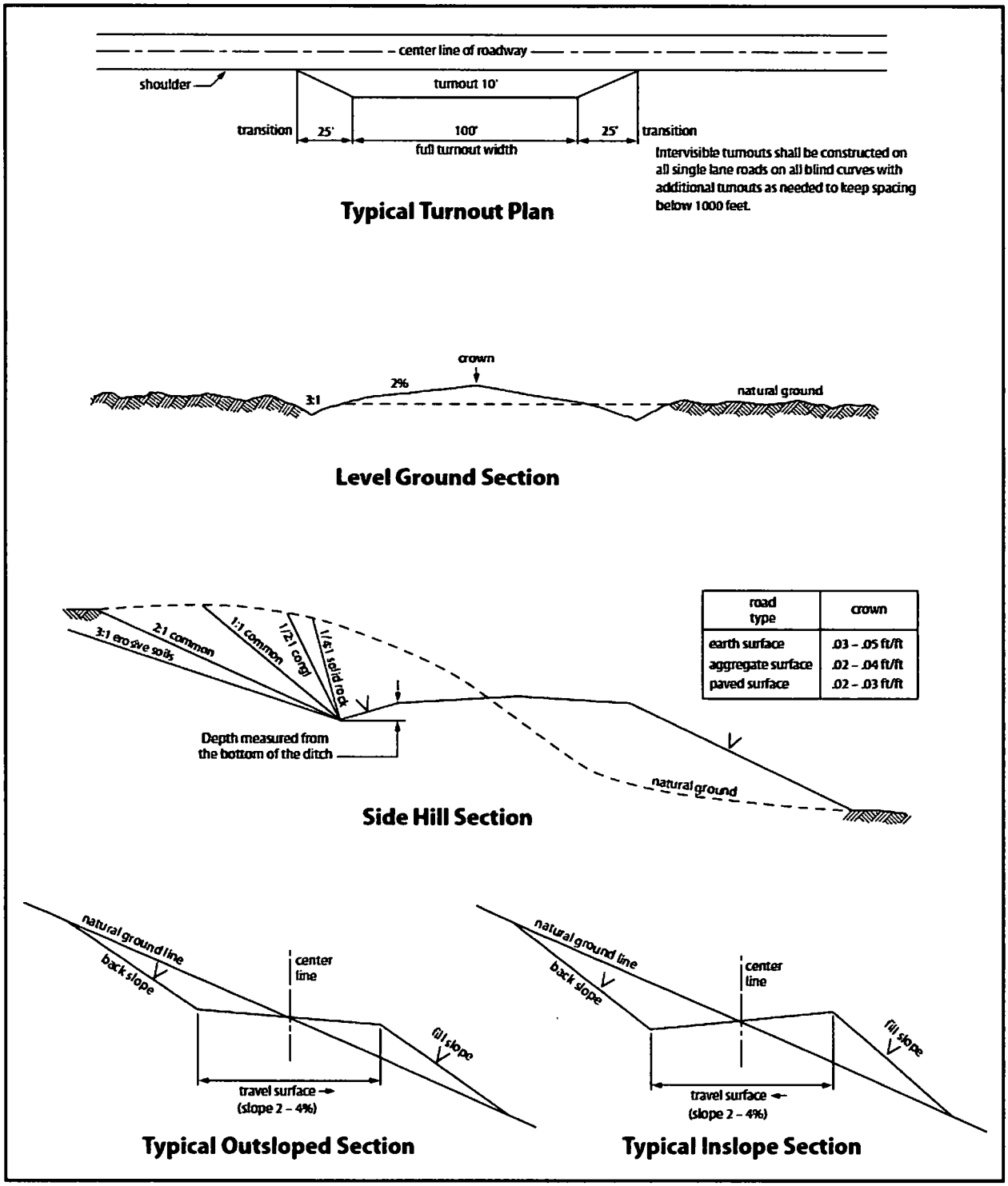


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

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

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

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

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

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

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

B. PIPELINES

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

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

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

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

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

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to

repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)

- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

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

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

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

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

( ) seed mixture 1	( ) seed mixture 3
(X) seed mixture 2	( ) seed mixture 4
( ) seed mixture 2/LPC	( ) Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

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

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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 actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

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

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Karst:

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

VIII. INTERIM RECLAMATION

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

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

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

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

IX. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Seed Mixture 2, for Sandy Sites

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

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

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

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

AFMSS

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

Operator Certification Data Report

12/21/2018

Operator Certification

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

NAME: Stephanie Rabadue **Signed on:** 09/22/2018

Title: Regulatory Coordinator

Street Address: 500 W. Illinois St, Ste 100

City: Midland **State:** TX **Zip:** 79701

Phone: (432)620-6714

Email address: stephanie_rabadue@xtoenergy.com

Field Representative

Representative Name: Jeff Raines

Street Address: 6401 Holiday Hill Road Bldg 5

City: Midland **State:** TX **Zip:** 79707

Phone: (432)620-4349

Email address: jeff_raines@xtoenergy.com

AFMSS

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

Application Data Report

12/21/2018

APD ID: 10400034473 **Submission Date:** 09/22/2018

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

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

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

APD ID: 10400034473 **Tie to previous NOS?** **Submission Date:** 09/22/2018

BLM Office: CARLSBAD **User:** Stephanie Rabadue **Title:** Regulatory Coordinator

Federal/Indian APD: FED **Is the first lease penetrated for production Federal or Indian?** FED

Lease number: NMNM035607 **Lease Acres:** 369.5

Surface access agreement in place? **Allotted?** **Reservation:**

Agreement in place? NO **Federal or Indian agreement:**

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? NO **APD Operator:** XTO ENERGY INCORPORATED

Operator letter of designation:

Operator Info

Operator Organization Name: XTO ENERGY INCORPORATED

Operator Address: 2277 Springwoods Village Parkway **Zip:** 77389

Operator PO Box:

Operator City: Spring **State:** TX

Operator Phone: (432)620-6700

Operator Internet Address: Richard_redus@xtoenergy.com

Section 2 - Well Information

Well in Master Development Plan? NO **Mater Development Plan name:**

Well in Master SUPO? NO **Master SUPO name:**

Well in Master Drilling Plan? NO **Master Drilling Plan name:**

Well Name: ROSS DRAW 25 **Well Number:** 3H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** WILDCAT WOLFCAMP **Pool Name:**

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

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Describe other minerals:

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

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** ROSS DRAW 25 **Number:** 3

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

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: CONFIRMATION

Describe sub-type:

Distance to town: **Distance to nearest well:** 30 FT **Distance to lease line:** 170 FT

Reservoir well spacing assigned acres Measurement: 160 Acres

Well plat: Ross_25_3H_C102_20181201095847.pdf

Well work start Date: 11/20/2018 **Duration:** 25 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	170	FNL	2161	FWL	26S	29E	25	Aliquot NENW	32.019593	-103.938679	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 035607	2960	0	0
KOP Leg #1	170	FNL	2161	FWL	26S	29E	25	Aliquot NENW	32.019593	-103.938679	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 035607	-6923	9883	9883
PPP Leg #1	870	FNL	2182	FWL	26S	29E	25	Aliquot NENW	32.017662	-103.938744	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 035607	-7496	10800	10456

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1	330	FSL	2303	FWL	26S	29E	25	Aliquot SESW	32.006368	-103.939125	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 035607	-7477	15023	10437
BHL Leg #1	170	FSL	2308	FWL	26S	29E	25	Aliquot SESW	32.005926	-103.93914	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 035607	-7477	15183	10437

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Choke Diagram Attachment:

Ross_25_Fed_5MCM_20180918115853.pdf

BOP Diagram Attachment:

Ross_25_Fed_5MBOP_20180918115803.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	350	0	350			350	H-40	48	STC	4.62	6.92	DRY	19.17	DRY	19.17
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	3150	0	3150			3150	J-55	36	LTC	1.21	2.56	DRY	3.99	DRY	3.99
3	PRODUCTION	8.75	7.0	NEW	API	N	0	10150	0	10150			10150	P-110	29	LTC	1.71	2.82	DRY	2.71	DRY	2.71
4	LINER	6.125	4.5	NEW	API	N	9900	15184	9900	9900			5284	P-110	13.5	BUTT	1.46	1.31	DRY	5.92	DRY	5.92

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Ross_25_3H_Csg_20180922085100.pdf

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Ross_25_3H_Csg_20180922085109.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Ross_25_3H_Csg_20180922085117.pdf

Casing ID: 4 **String Type:** LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Ross_25_3H_Csg_20180922085126.pdf

Section 4 - Cement

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	350	390	1.35	14.8	526.5	100	HalCem-C	2% CaCl
INTERMEDIATE	Lead		0	3150	630	2.49	11.9	1568.7	100	EconoCem-C	3lbm/sk Kol-Seal + 0.25 lbm D-air 5000
INTERMEDIATE	Tail				250	1.33	14.8	332.5	100	HalCem-C	None
PRODUCTION	Lead		0	11400	580	2.77	10.8	1606.6	100	Tuned Light	2lbm/sk Kol-Seal + 0.3% CFR-3
PRODUCTION	Tail				380	1.22	14.5	463.6	100	VersaCem-H	3lbm/sk Kol-Seal, 0.4% Halad 344, 0.3% CFR-3, 0.3% Super CBL, 0.25lbm/sk D-air 5000
LINER	Lead		10650	15996	405	1.59	13.2	643.95	100	VersaCem PBHS2	.25lbm/sk D-air 5000 + 0.5% Halad 344 + 0.3% CFR-3

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: The necessary mud products for weight addition and fluid loss control will be on location at all times. Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. A 9.8ppg - 10.2ppg brine mud will be used while drilling through the salt formation. Cut brine will be used to drill the 8-3/4" section. A polymer water will be used to drill the 8-1/2" lateral. Pump speed will be recorded on a daily drilling report after mudding up.

Describe the mud monitoring system utilized: A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.

Circulating Medium Table

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
350	3150	OTHER : Brine/Gel Sweeps	9.8	10.2							A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.
0	350	OTHER : FW/Native	8.4	8.8							A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.
3150	10150	OTHER : FW/Cut Brine	8.6	9.5							A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.
10150	15184	OTHER : FW/ Cut Brine / Poly-Sweeps	9.5	11.8							A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.

Section 6 - Test, Logging, Coring

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

Mud Logger: Mud Logging Unit (2 man) on below intermediate casing.

Open hole logging to include Density/Neutron/PE/Dual Laterlog/Spectral Gamma from kick-off point to intermediate casing shoe.

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

CBL,CNL,DS,DLL,GR,MUDLOG

Coring operation description for the well:

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

No coring will take place on this well

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 6403 **Anticipated Surface Pressure:** 3926.02

Anticipated Bottom Hole Temperature(F): 175

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Ross_25_3H_H2S_Plan_20180922085441.pdf

Ross_25_3H_H2S_Dia_20180922085450.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Ross_25_3H_DD_20180922085527.pdf

Other proposed operations facets description:

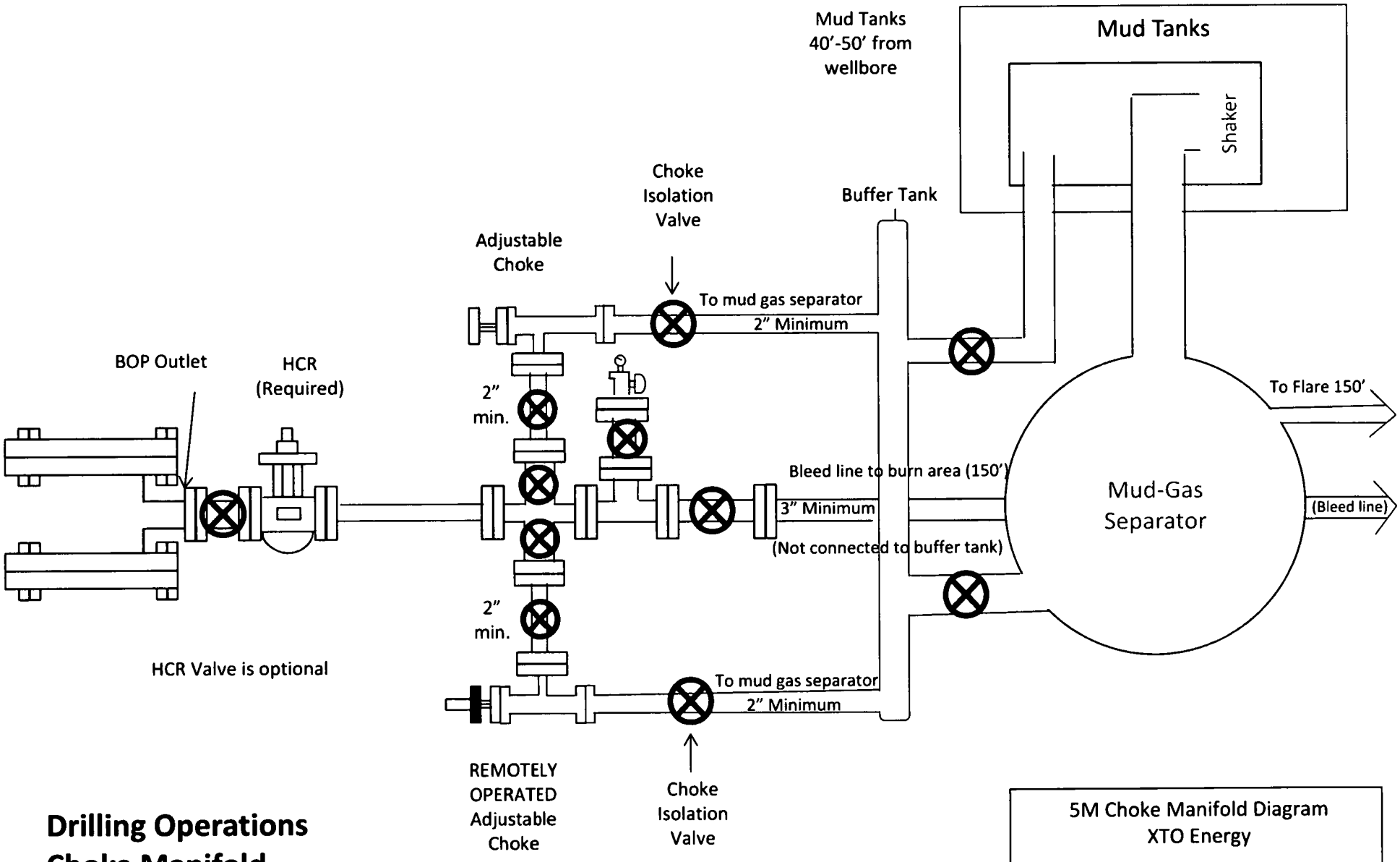
Other proposed operations facets attachment:

Ross_25_3H_APD_20180922085543.pdf

Ross_25_3H_GCP_20180922085554.pdf

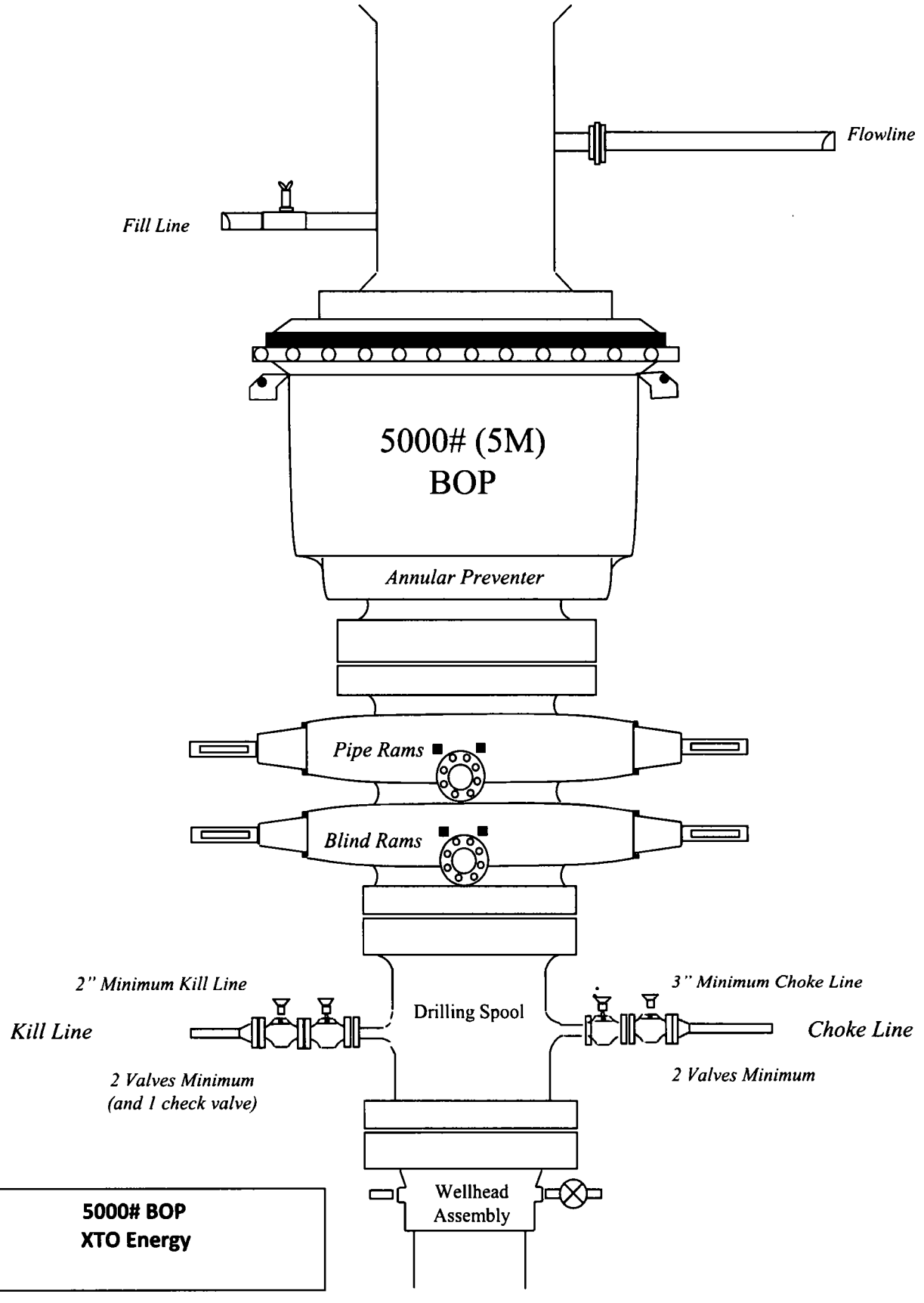
Other Variance attachment:

Ross_25_Fed_FH_20180917061034.pdf



Drilling Operations
Choke Manifold
5M Service

5M Choke Manifold Diagram
XTO Energy



5000# BOP
XTO Energy

DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Ross Draw 25 3H
Projected TD: 17108' MD / 10436' TVD
SHL: 170' FNL & 2161' FWL, SECTION 25, T26S, R29E
1st Take Point: 870'FNL & 2182'FWL, 25-T26S-R29E
2nd Take Pont: 330'FSL & 2407'FWL, 36-T26S-R29E
BHL: 200' FSL & 2444' FWL, SECTION 36, T26S, R29E
Eddy County, NM

CASING PROGRAM:

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
17-1/2"	0' – 350'	13-3/8"	48#	STC	H-40	New	6.92	4.62	19.17
12-1/4"	0' – 3150'	9-5/8"	36#	LTC	J-55	New	2.59	1.21	3.99
8-3/4"	0' – 10150'	7"	29#	LTC	P-110	New	2.82	1.71	2.71
6-1/8"	9900' – 17108'	4-1/2"	13.5#	BTC	P-110	New	1.31	1.46	4.34

WELLHEAD:

A. Starting Head: 13-3/8" SOW bottom x 13-5/8" 3,000 psi top flange
B. 'B' Section/ Drilling Spool: 13-5/8" 3,000 psi bottom flange x 11" 5,000 psi top flange
C. Tubing Head: 11" 5,000 psi bottom flange x 7-1/16" 10,000 psi top flange

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(Supplement to BLM 3160-3)

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HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H2S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H_2S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H_2S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
    - o Detection of H_2S, and
    - o Measures for protection against the gas,
    - o Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H_2S and SO_2

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

Contacting Authorities

XTO Energy Inc's 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 including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

EUNICE OFFICE – EDDY & LEA COUNTIES

EMSU @ Oil Center, NM, 8/10ths mile west of Hwy 8 on Hwy 175
Eunice, NM 575-394-2089

XTO ENERGY INC PERSONNEL:

Weston Turner, Drilling Engineer	817-201-6812
Bob Chance, Drilling Superintendent	432-296-3926
Jeff Raines, Construction Foreman	432-557-3159
Dudley McMinn, EH & S Manager	432-557-7976
Rick Wilson, Production Foreman	575-441-1147

SHERIFF DEPARTMENTS:

Eddy County	575-887-7551
Lea County	575-396-3611

NEW MEXICO STATE POLICE: 575-392-5588

FIRE DEPARTMENTS:

	911
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359

HOSPITALS:

	911
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	575-397-9308
Jal Medical Emergency	575-395-2221
Lovington Medical Emergency	575-396-2359

AGENT NOTIFICATIONS:

Bureau of Land Management	575-393-3612
New Mexico Oil Conservation Division	575-393-6161
Mosaic Potash - Carlsbad	575-887-2871

CONTRACTORS:

ABC Rental – Light Towers	575-394-3155
Bulldog Services – Trucking/Forklift	575-391-8543
Champion – Chemical	575-393-7726
Indian Fire & Safety	575-393-3093
Key – Dirt Contractor	575-393-3180
Key Tools – Light Towers	575-393-2415
Sweatt – Dirt Contractor	575-397-4541
RWI – Contract Gang	575-393-5305

August 17, 2018

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-887-6544

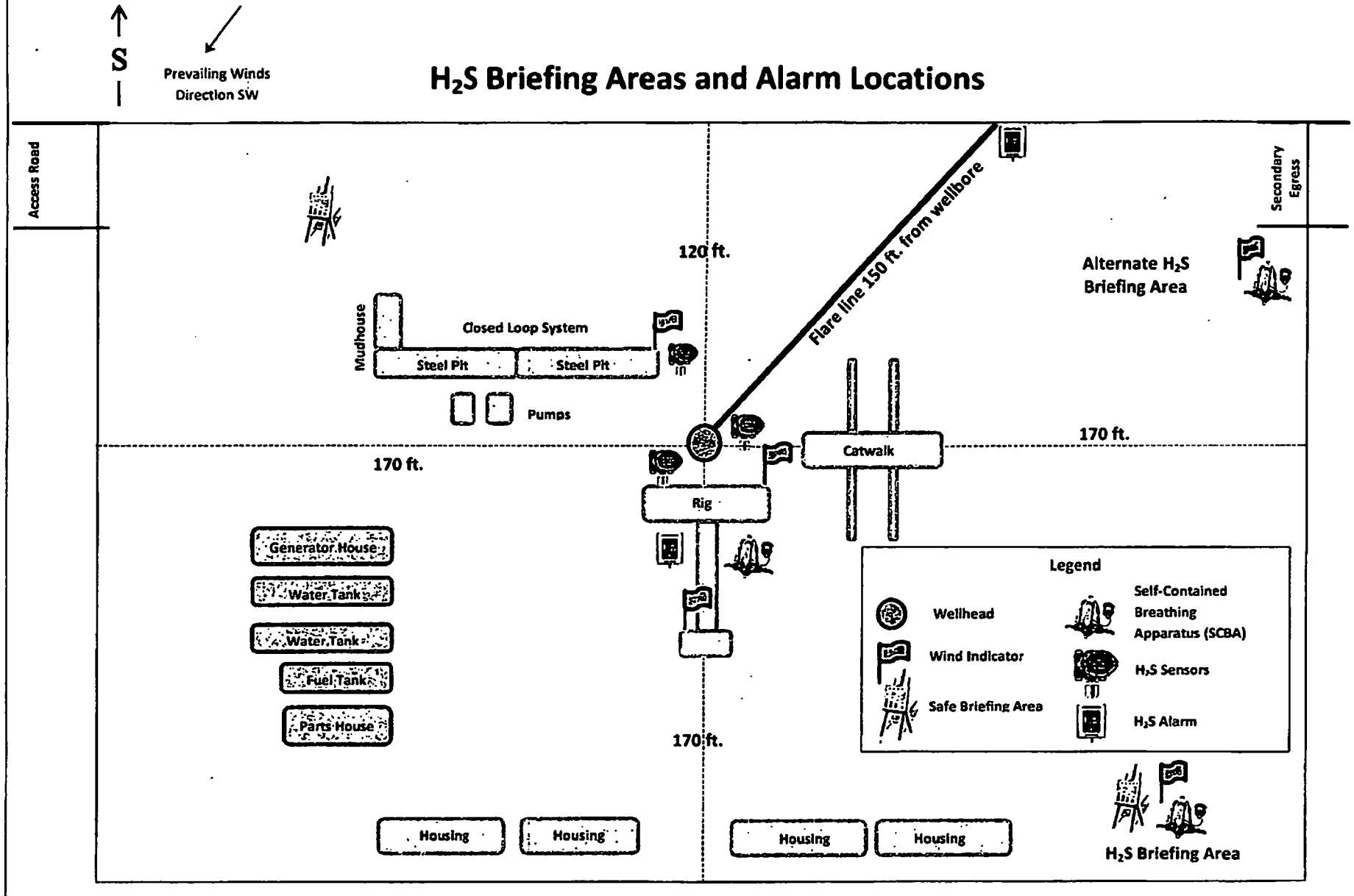
Dear Sirs:

XTO Energy Inc. does not anticipate encountering H2S while drilling the Ross Draw 25 #3H located in Section 25, T26S, R29E, in Lea County, New Mexico. As a precaution, I have attached an H2S contingency plan along with a gas analysis of our well stream. If you need anything further, please contact me at the telephone number or email listed above.

Thank you,

Stephanie Rabadue
Regulatory Analyst

H_2S Briefing Areas and Alarm Locations



XTO Energy Inc.

HALLIBURTON
Sperry Drilling

Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.80	622464.10	32° 1' 10.084 N	103° 56' 17.516 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

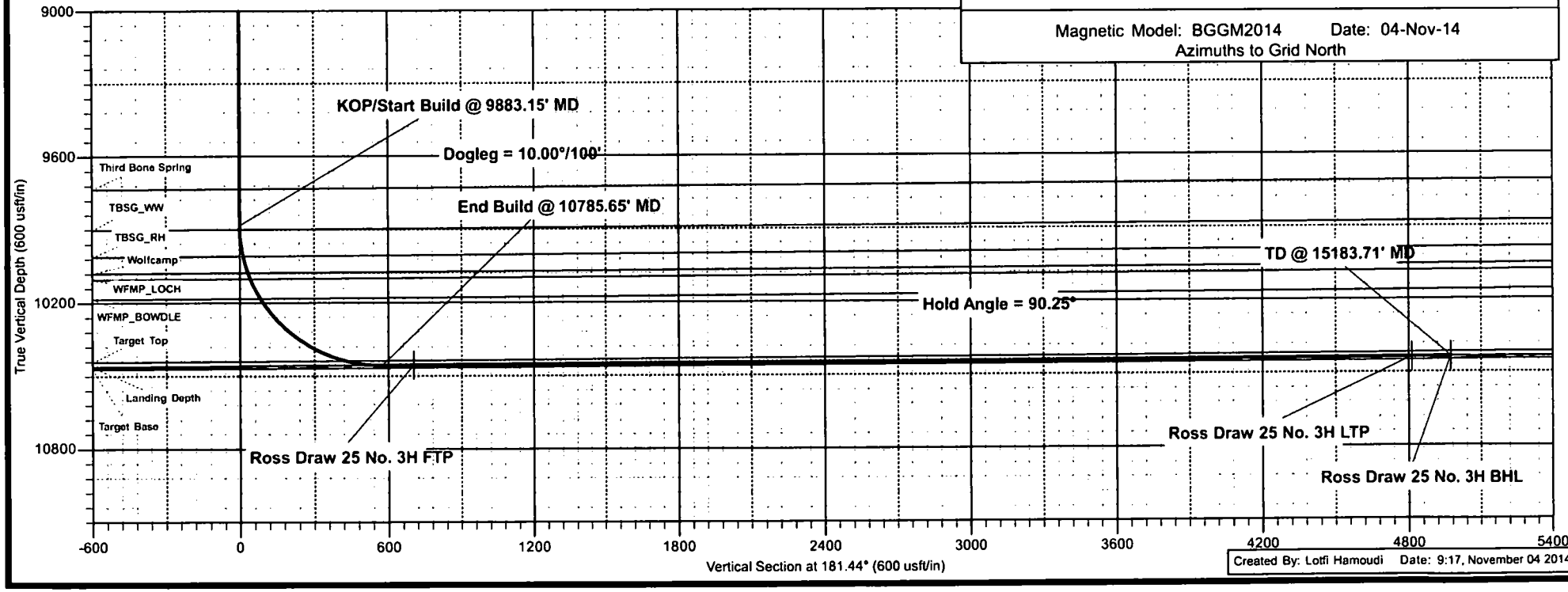
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Ross Draw 25 No. 3H BHL	10436.92	-4971.90	-124.90	366060.90	622339.20	32° 0' 20.884 N	103° 56' 19.178 W
Ross Draw 25 No. 3H LTP	10437.62	-4811.40	-120.90	366221.40	622343.20	32° 0' 22.472 N	103° 56' 19.125 W
Ross Draw 25 No. 3H FTP	10456.00	-702.30	-17.60	370330.50	622446.50	32° 1' 3.134 N	103° 56' 17.750 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9883.15	0.00	0.00	9883.15	0.00	0.00	0.00	0.00	0.00	KOP/Start Build
10785.65	90.25	181.44	10456.11	-575.28	-14.45	10.00	181.44	575.46	End Build
15183.71	90.25	181.44	10436.92	-4971.90	-124.90	0.00	0.00	4973.47	TD

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

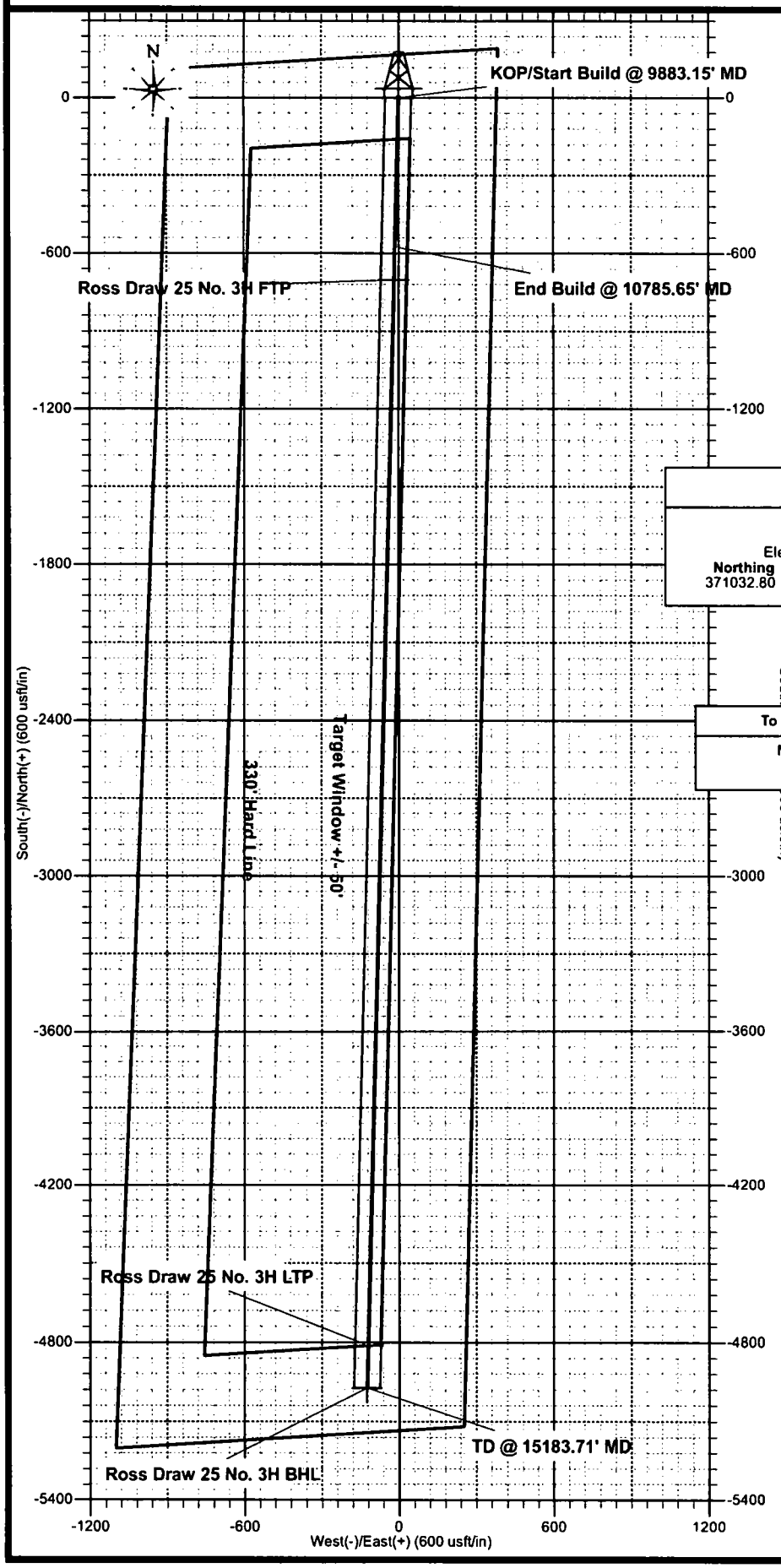
Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North



Created By: Lotfi Hamoudi Date: 9:17, November 04 2014

XTO Energy Inc.

HALLIBURTON Sperry Drilling



Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.80	622464.10	32° 1' 10.084 N	103° 56' 17.516 W

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North

Created By: Lotfi Hamoudi Date: 9:09, November 04 2014

XTO Energy Inc.

Eddy County, NM (NAD27)
Ross Draw 25
Ross Draw 25 No. 3H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services
Proposal Report

04 November, 2014

Well Coordinates: 371,032.80 N, 622,464.10 E (32° 01' 10.08" N, 103° 56' 17.52" W)
Ground Level: 2,960.00 usft

Local Coordinate Origin:	Centered on Well Ross Draw 25 No. 3H
Viewing Datum:	GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)
TVDs to System:	N
North Reference:	Grid
Unit System:	API - US Survey Feet

Version: 5000.1 Build: 72

HALLIBURTON

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,354.00	0.00	0.00	1,354.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Castile										
3,092.00	0.00	0.00	3,092.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lamar/Base Salt										
3,147.00	0.00	0.00	3,147.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon										
4,022.00	0.00	0.00	4,022.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon										
5,672.00	0.00	0.00	5,672.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brushy Canyon										
6,877.00	0.00	0.00	6,877.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bone Spring										
7,827.00	0.00	0.00	7,827.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
First Bone Spring										
8,607.00	0.00	0.00	8,607.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Second Bone Spring										
9,732.00	0.00	0.00	9,732.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Bone Spring										
9,883.15	0.00	0.00	9,883.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP/Start Build @ 9883.15' MD - Dogleg = 10.00°/100'										
9,899.00	1.58	181.44	9,899.00	-0.22	-0.01	0.22	10.00	10.00	0.00	181.44
TBSG_WW										
9,900.00	1.68	181.44	9,900.00	-0.25	-0.01	0.25	10.00	10.00	0.00	0.00
10,000.00	11.68	181.44	9,999.19	-11.87	-0.30	11.87	10.00	10.00	0.00	0.00
10,009.97	12.68	181.44	10,008.94	-13.97	-0.35	13.98	10.00	10.00	0.00	0.00
TBSG_RH										
10,080.75	19.76	181.44	10,076.85	-33.72	-0.85	33.73	10.00	10.00	0.00	0.00
Wolfcamp										
10,100.00	21.68	181.44	10,094.86	-40.53	-1.02	40.55	10.00	10.00	0.00	0.00
10,107.50	22.43	181.44	10,101.81	-43.35	-1.09	43.36	10.00	10.00	0.00	0.00
WFMP_LOCH										
10,197.11	31.40	181.44	10,181.63	-83.86	-2.11	83.89	10.00	10.00	0.00	0.00
WFMP_BOWDLE										
10,200.00	31.68	181.44	10,184.10	-85.37	-2.14	85.40	10.00	10.00	0.00	0.00
10,300.00	41.68	181.44	10,264.19	-145.02	-3.64	145.06	10.00	10.00	0.00	0.00
10,400.00	51.68	181.44	10,332.70	-217.66	-5.47	217.73	10.00	10.00	0.00	0.00
10,500.00	61.68	181.44	10,387.56	-301.09	-7.56	301.19	10.00	10.00	0.00	0.00
10,600.00	71.68	181.44	10,427.09	-392.78	-9.87	392.91	10.00	10.00	0.00	0.00
10,635.29	75.21	181.44	10,437.14	-426.59	-10.72	426.73	10.00	10.00	0.00	0.00
Target Top										
10,700.00	81.68	181.44	10,450.09	-489.94	-12.31	490.09	10.00	10.00	0.00	0.00
10,785.65	90.25	181.44	10,456.11	-575.28	-14.45	575.46	10.00	10.00	0.00	0.00
End Build @ 10785.65' MD - Hold Angle = 90.25°										
10,800.00	90.25	181.44	10,456.04	-589.62	-14.81	589.80	0.00	0.00	0.00	0.00
10,900.00	90.25	181.44	10,455.61	-689.58	-17.32	689.80	0.00	0.00	0.00	0.00
10,912.72	90.25	181.44	10,455.55	-702.30	-17.64	702.52	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H FTP										
11,000.00	90.25	181.44	10,455.17	-789.55	-19.83	789.80	0.00	0.00	0.00	0.00
11,100.00	90.25	181.44	10,454.74	-889.52	-22.35	889.80	0.00	0.00	0.00	0.00
11,200.00	90.25	181.44	10,454.30	-989.49	-24.86	989.80	0.00	0.00	0.00	0.00
11,300.00	90.25	181.44	10,453.86	-1,089.45	-27.37	1,089.80	0.00	0.00	0.00	0.00
11,400.00	90.25	181.44	10,453.43	-1,189.42	-29.88	1,189.80	0.00	0.00	0.00	0.00
11,500.00	90.25	181.44	10,452.99	-1,289.39	-32.39	1,289.80	0.00	0.00	0.00	0.00
11,600.00	90.25	181.44	10,452.55	-1,389.36	-34.90	1,389.80	0.00	0.00	0.00	0.00
11,700.00	90.25	181.44	10,452.12	-1,489.32	-37.41	1,489.79	0.00	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
11,800.00	90.25	181.44	10,451.68	-1,589.29	-39.92	1,589.79	0.00	0.00	0.00	0.00
11,900.00	90.25	181.44	10,451.24	-1,689.26	-42.44	1,689.79	0.00	0.00	0.00	0.00
12,000.00	90.25	181.44	10,450.81	-1,789.23	-44.95	1,789.79	0.00	0.00	0.00	0.00
12,100.00	90.25	181.44	10,450.37	-1,889.19	-47.46	1,889.79	0.00	0.00	0.00	0.00
12,200.00	90.25	181.44	10,449.94	-1,989.16	-49.97	1,989.79	0.00	0.00	0.00	0.00
12,300.00	90.25	181.44	10,449.50	-2,089.13	-52.48	2,089.79	0.00	0.00	0.00	0.00
12,400.00	90.25	181.44	10,449.06	-2,189.10	-54.99	2,189.79	0.00	0.00	0.00	0.00
12,500.00	90.25	181.44	10,448.63	-2,289.06	-57.50	2,289.79	0.00	0.00	0.00	0.00
12,600.00	90.25	181.44	10,448.19	-2,389.03	-60.02	2,389.79	0.00	0.00	0.00	0.00
12,700.00	90.25	181.44	10,447.75	-2,489.00	-62.53	2,489.78	0.00	0.00	0.00	0.00
12,800.00	90.25	181.44	10,447.32	-2,588.97	-65.04	2,589.78	0.00	0.00	0.00	0.00
12,900.00	90.25	181.44	10,446.88	-2,688.93	-67.55	2,689.78	0.00	0.00	0.00	0.00
13,000.00	90.25	181.44	10,446.45	-2,788.90	-70.06	2,789.78	0.00	0.00	0.00	0.00
13,100.00	90.25	181.44	10,446.01	-2,888.87	-72.57	2,889.78	0.00	0.00	0.00	0.00
13,200.00	90.25	181.44	10,445.57	-2,988.84	-75.08	2,989.78	0.00	0.00	0.00	0.00
13,300.00	90.25	181.44	10,445.14	-3,088.80	-77.59	3,089.78	0.00	0.00	0.00	0.00
13,400.00	90.25	181.44	10,444.70	-3,188.77	-80.11	3,189.78	0.00	0.00	0.00	0.00
13,500.00	90.25	181.44	10,444.26	-3,288.74	-82.62	3,289.78	0.00	0.00	0.00	0.00
13,600.00	90.25	181.44	10,443.83	-3,388.71	-85.13	3,389.78	0.00	0.00	0.00	0.00
13,700.00	90.25	181.44	10,443.39	-3,488.67	-87.64	3,489.78	0.00	0.00	0.00	0.00
13,800.00	90.25	181.44	10,442.95	-3,588.64	-90.15	3,589.77	0.00	0.00	0.00	0.00
13,900.00	90.25	181.44	10,442.52	-3,688.61	-92.66	3,689.77	0.00	0.00	0.00	0.00
14,000.00	90.25	181.44	10,442.08	-3,788.58	-95.17	3,789.77	0.00	0.00	0.00	0.00
14,100.00	90.25	181.44	10,441.65	-3,888.54	-97.68	3,889.77	0.00	0.00	0.00	0.00
14,200.00	90.25	181.44	10,441.21	-3,988.51	-100.20	3,989.77	0.00	0.00	0.00	0.00
14,300.00	90.25	181.44	10,440.77	-4,088.48	-102.71	4,089.77	0.00	0.00	0.00	0.00
14,400.00	90.25	181.44	10,440.34	-4,188.45	-105.22	4,189.77	0.00	0.00	0.00	0.00
14,500.00	90.25	181.44	10,439.90	-4,288.41	-107.73	4,289.77	0.00	0.00	0.00	0.00
14,600.00	90.25	181.44	10,439.46	-4,388.38	-110.24	4,389.77	0.00	0.00	0.00	0.00
14,700.00	90.25	181.44	10,439.03	-4,488.35	-112.75	4,489.77	0.00	0.00	0.00	0.00
14,800.00	90.25	181.44	10,438.59	-4,588.32	-115.26	4,589.76	0.00	0.00	0.00	0.00
14,900.00	90.25	181.44	10,438.16	-4,688.28	-117.78	4,689.76	0.00	0.00	0.00	0.00
15,000.00	90.25	181.44	10,437.72	-4,788.25	-120.29	4,789.76	0.00	0.00	0.00	0.00
15,023.16	90.25	181.44	10,437.62	-4,811.40	-120.87	4,812.92	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H LTP										
15,100.00	90.25	181.44	10,437.28	-4,888.22	-122.80	4,889.76	0.00	0.00	0.00	0.00
15,183.71	90.25	181.44	10,436.92	-4,971.90	-124.90	4,973.47	0.00	0.00	0.00	0.00
TD @ 15183.71' MD - Ross Draw 25 No. 3H BHL										

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
9,883.15	9,883.15	0.00	0.00	KOP/Start Build @ 9883.15' MD
9,883.15	9,883.15	0.00	0.00	Dogleg = 10.00°/100'
10,785.65	10,456.11	-575.27	-14.45	End Build @ 10785.65' MD
10,785.65	10,456.11	-575.28	-14.45	Hold Angle = 90.25°
15,183.71	10,436.92	-4,971.90	-124.90	TD @ 15183.71' MD

Vertical Section Information

Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (usft)	Origin +E/-W (usft)	Start TVD (usft)
TD	No Target (Freehand)	181.44	Slot	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

Survey tool program

From (usft)	To (usft)	Survey/Plan	Survey Tool
0.00	15,183.71	Plan #1	MWD

Formation Details

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,354.00	1,354.00	Castile		-0.25	181.44
3,092.00	3,092.00	Lamar/Base Salt		-0.25	181.44
3,147.00	3,147.00	Bell Canyon		-0.25	181.44
4,022.00	4,022.00	Cherry Canyon		-0.25	181.44
5,672.00	5,672.00	Brushy Canyon		-0.25	181.44
6,877.00	6,877.00	Bone Spring		-0.25	181.44
7,827.00	7,827.00	First Bone Spring		-0.25	181.44
8,607.00	8,607.00	Second Bone Spring		-0.25	181.44
9,732.00	9,732.00	Third Bone Spring		-0.25	181.44
9,899.00	9,899.00	TBSG_WW		-0.25	181.44
10,009.97	10,009.00	TBSG_RH		-0.25	181.44
10,080.75	10,077.00	Wolfcamp		-0.25	181.44
10,107.50	10,102.00	WFMP_LOCH		-0.25	181.44
10,197.11	10,182.00	WFMP_BOWDLE		-0.25	181.44
10,635.29	10,439.00	Target Top		-0.25	181.44

Targets associated with this wellbore

Target Name	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Shape
Ross Draw 25 No. 3H LTP	10,437.62	-4,811.40	-120.90	Point
Ross Draw 25 No. 3H FTP	10,456.00	-702.30	-17.60	Point
Ross Draw 25 No. 3H BHL	10,436.92	-4,971.90	-124.90	Rectangle

North Reference Sheet for Ross Draw 25 - Ross Draw 25 No. 3H - Wellbore #1

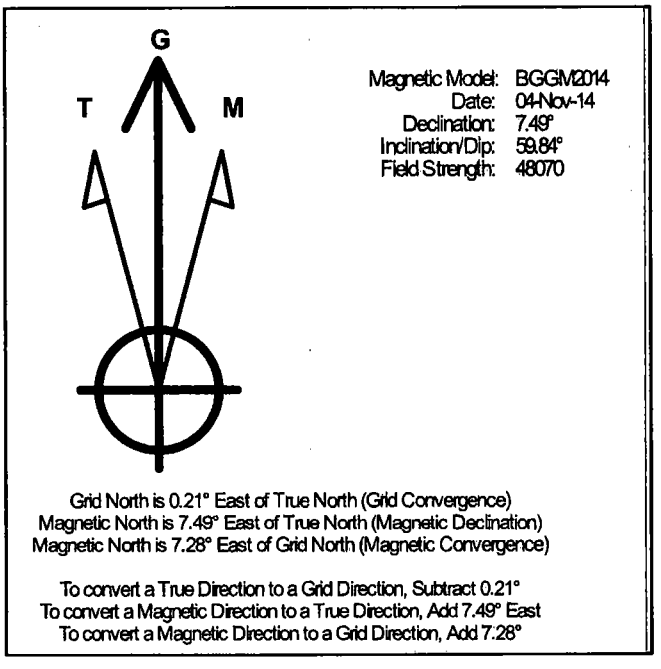
All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.
Vertical Depths are relative to GL 2960' + KB 17' @ 2977.00usft (Pioneer 33). Northing and Easting are relative to Ross Draw 25 No. 3H
Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)
Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°
False Easting: 500,000.00usft, False Northing: 0.00usft, Scale Reduction: 0.99992627

Grid Coordinates of Well: 371,032.80 usft N, 622,464.10 usft E
Geographical Coordinates of Well: 32° 01' 10.08" N, 103° 56' 17.52" W
Grid Convergence at Surface is: 0.21°

Based upon Minimum Curvature type calculations, at a Measured Depth of 15,183.71usft
the Bottom Hole Displacement is 4,973.47usft in the Direction of 181.44° (Grid).

Magnetic Convergence at surface is: -7.28° (4 November 2014, , BGGM2014)



Form 3160-3
(August 2007)

Carlsbad Field Office
OCD Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AMS-15-281

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. SHL & BHL:NMNM035607
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	6. If Indian, Allotee or Tribe Name
2. Name of Operator XTO Energy, Incorporated	7. If Unit or CA Agreement, Name and No.
3a. Address 500 W. Illinois St. Ste 100 Midland, Texas 79701	3b. Phone No. (include area code) 432-620-6714
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 170'FNL & 2161'FWL At proposed prod. zone ~~870'FNL & 2182'FWL~~ 170'FSL & 2308'FWL NORTHODOX LOCATION	8. Lease Name and Well No. Ross Draw 25 #3H
	9. API Well No. 30-015-43473
	10. Field and Pool, or Exploratory WC-015 G-07 S262925D; Upr Wlfcamp
	11. Sec., T. R. M. or Blk. and Survey or Area C-25-T26S-R29E
14. Distance in miles and direction from nearest town or post office*	12. County or Parish Eddy / 13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 170'	16. No. of acres in lease 369.5 Acres / 17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1781' (Nearest Applied for: Ross Draw 25 #2H)	19. Proposed Depth TVD: 10,436' MD: 15,184' / 20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2960'	22. Approximate date work will start* ASAP / 23. Estimated duration 45 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 Stephanie Rabadue	Name (Printed/Typed) Stephanie Rabadue	Date 12/07/2014
Title Regulatory Analyst		
Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date NOV 23 2015
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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

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)

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 30 2015
RECEIVED

12/01/2015

Carlsbad Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

XTO ENERGY

Certification

November 20, 2014

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-234-5972

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or XTO Energy, Inc., am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 20th day of November, 2014.

Thank you,

Stephanie Rabadue

Stephanie Rabadue
Regulatory Analyst

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

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

REC'D / MIDLAND
SEP 04 2014

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
30-015-43473	98180	WC-015 G-07 S261129D; upper WOLFCAMP

Property Code	Property Name	Well Number
315698	ROSS DRAW 25	3H

OGRID No.	Operator Name	Elevation
005380	XTO ENERGY	2960'

Surface Location

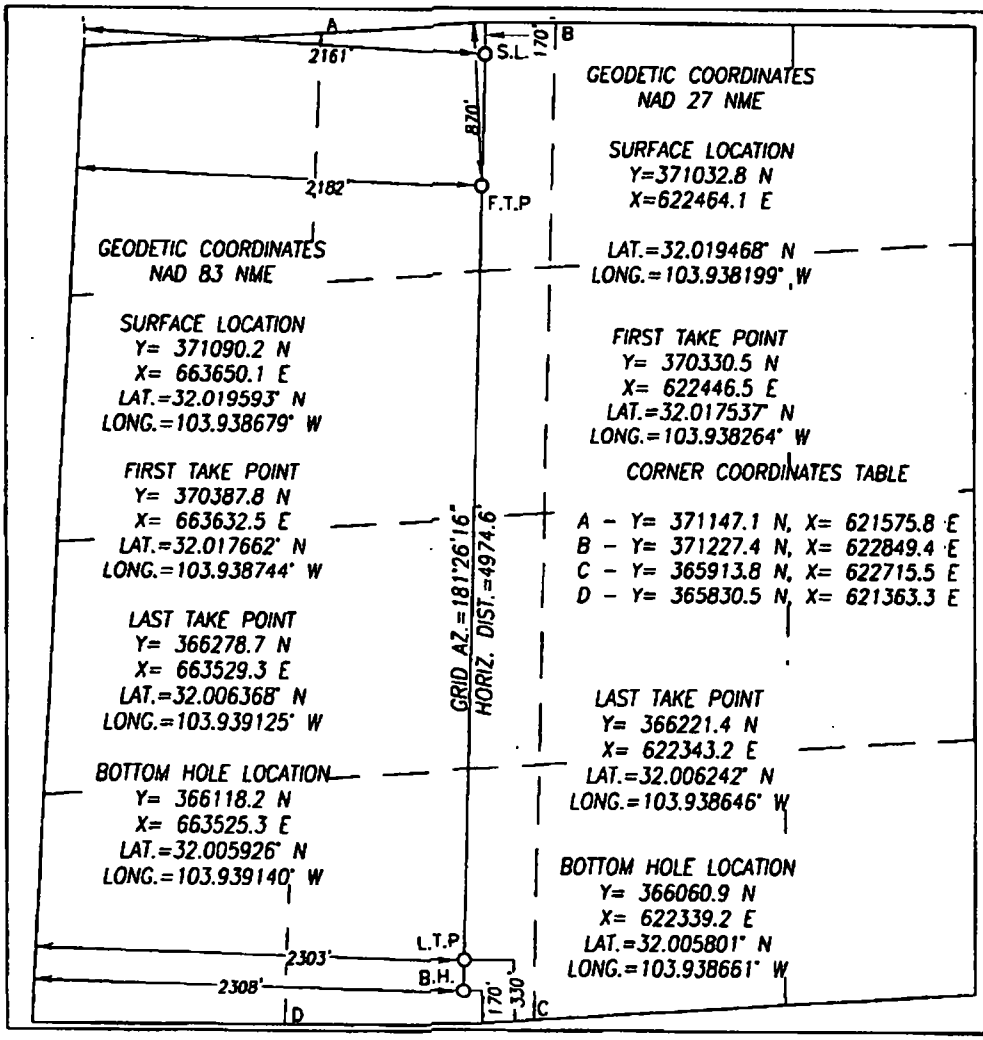
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	26-S	29-E		170	NORTH	2161	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	26-S	29-E		170	SOUTH	2308	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephanie Rabadue 9-4-14
Signature Date

Stephanie Rabadue
Printed Name

stephanie_rabadue@xtoenergy.com
E-mail 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 supervision, and that the same is true and correct to the best of my belief.

JULY 25, 2014
Date of Survey

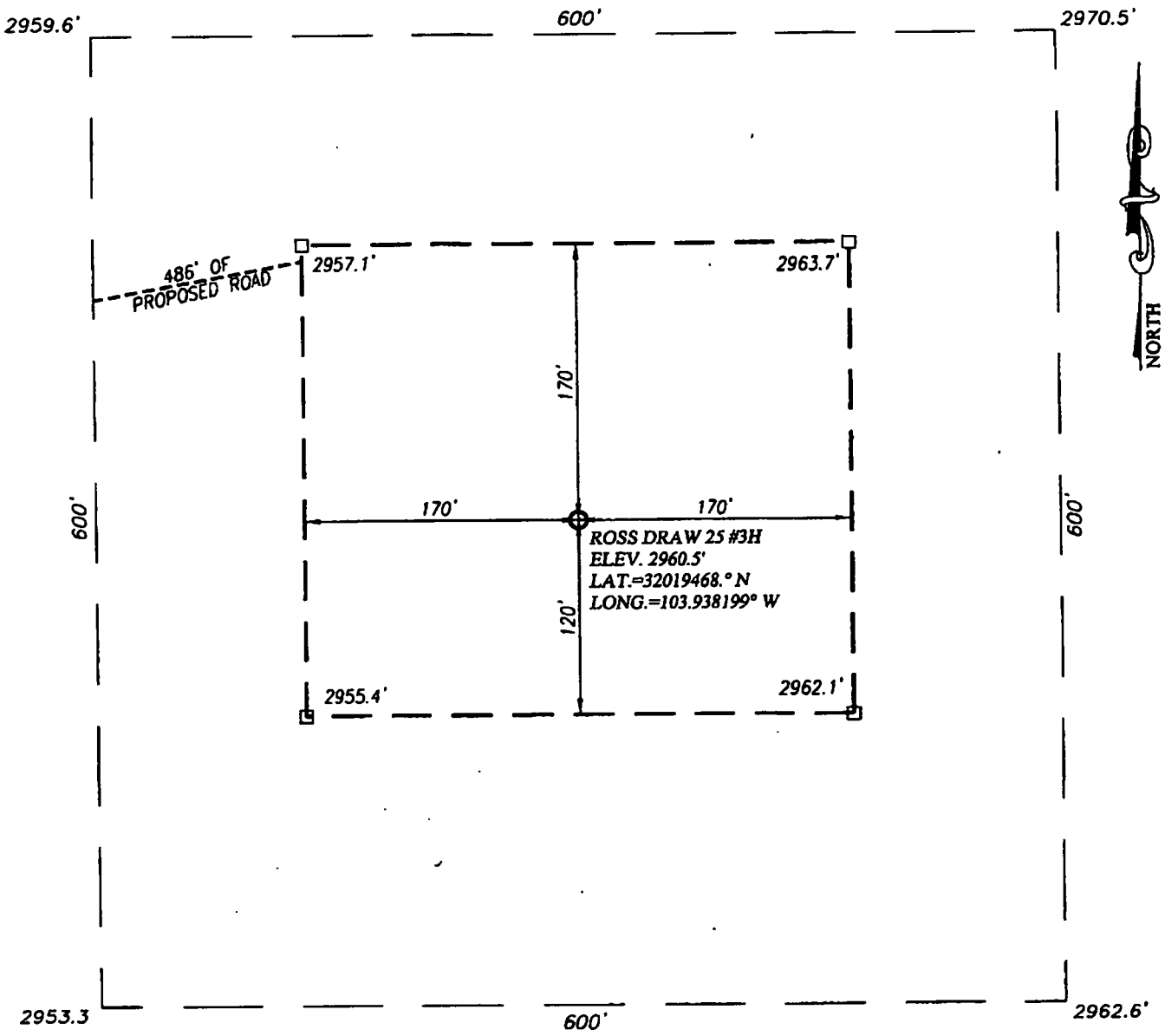
Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL LAND SURVEYOR

Ronald J. Eidson 08/28/2014

Certificate Number FES Gary G. Eidson 12641
Ronald J. Eidson 3239

LSL Rel. W.O.: 14.11.0440 JWSC W.O.: 14.13.0899



NOTE:
1) SEE "LOCATION VERIFICATION MAP" FOR PROPOSED ROAD LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

DIRECTIONS TO ROSS DRAW 25 #3H:

FROM THE INTERSECTION OF US. HWY. 285 AND CO. RD. 725 (LONGHORN RD.) FOLLOW MANDERING LONGHORN RD. APPROX 10.2 MILES TURN RIGHT AND GO SOUTH 0.9 MILES TO BEGIN ROAD SURVEY, FOLLOW STAKES EAST 486' TO THE LOCATION.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

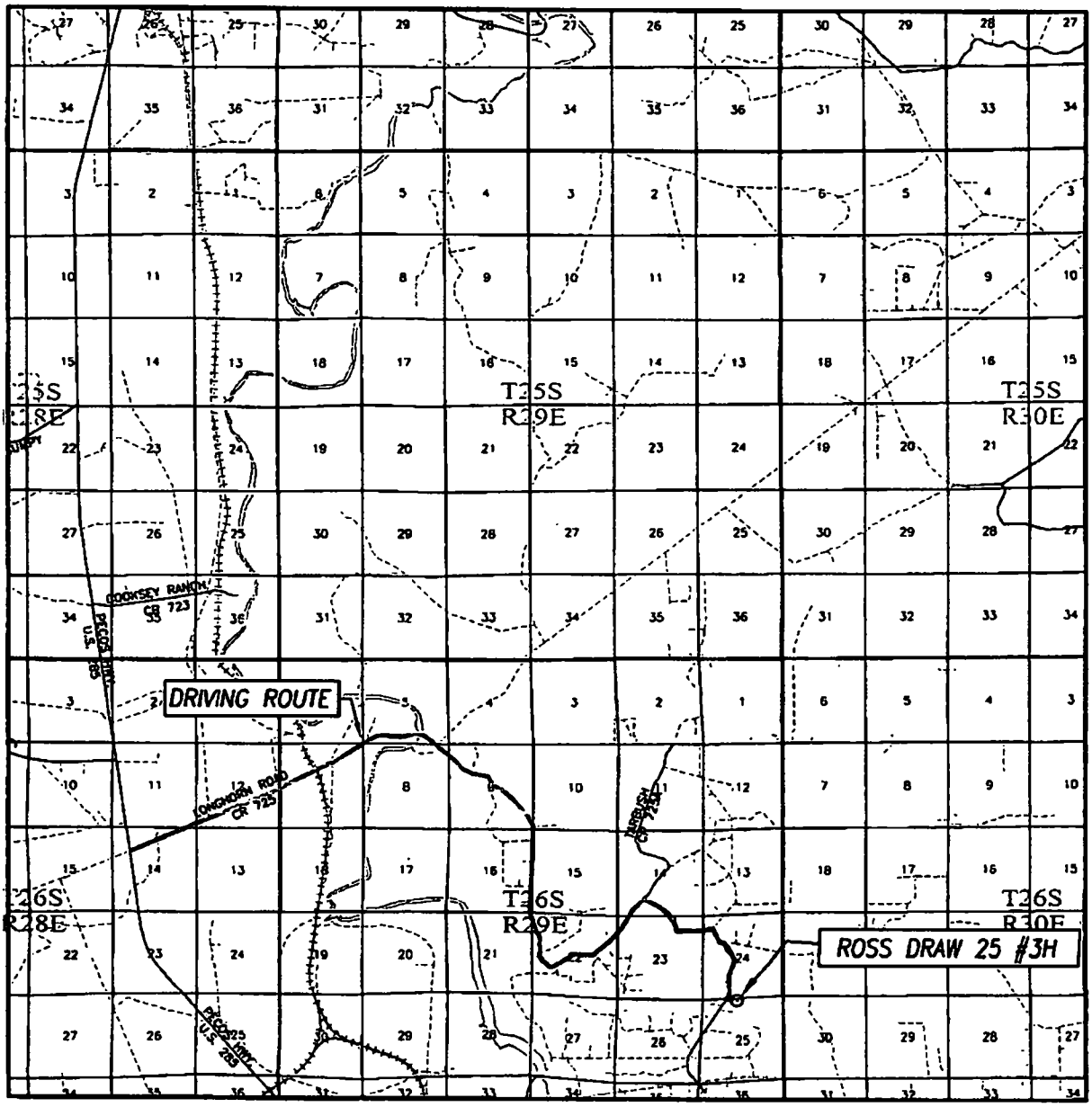
XTO ENERGY

ROSS DRAW 25 #3H WELL
LOCATED 170 FEET FROM THE NORTH LINE
AND 2161 FEET FROM THE WEST LINE OF SECTION 25,
TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 7/25/14	CAD Date: 8/1/14	Drawn By: LSL
W.O. No.: 14110440	Rev: .	Rel. W.O.:	Sheet 1 of 1

© DRAFTING\Lorenzo\2014\XTO Energy\wells

VICINITY MAP



SCALE: 1" = 2 MILES

DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

SEC. 25 TWP. 26-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 170' FNL & 2161' FWL

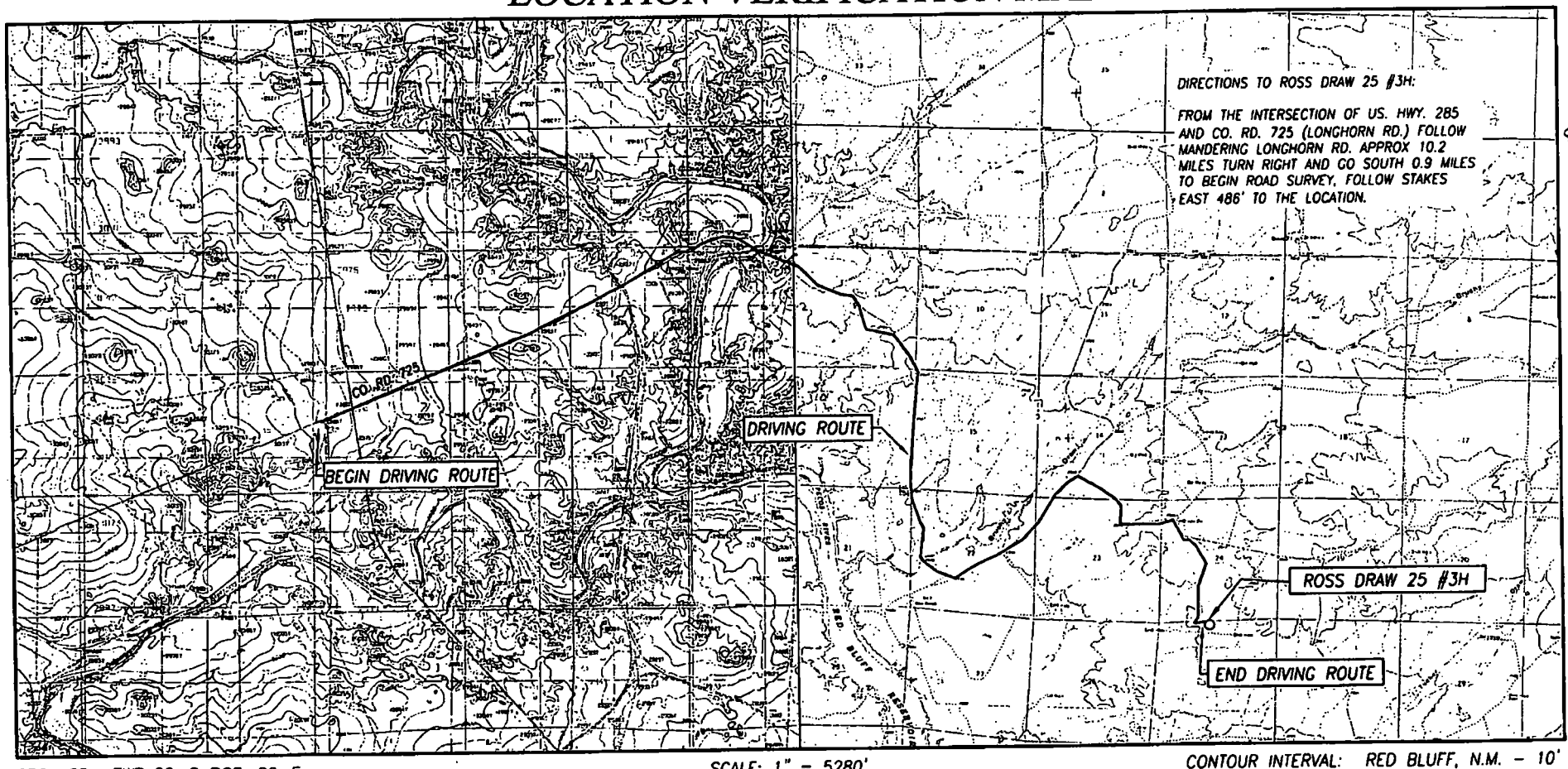
ELEVATION 2960'

OPERATOR XTO ENERGY

LEASE ROSS DRAW 25

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

LOCATION VERIFICATION MAP



SEC. 25 TWP. 26-S RGE. 29-E
COUNTY EDDY STATE NEW MEXICO
DESCRIPTION 170' FNL & 2161' FWL
ELEVATION 2960'
OPERATOR XTO ENERGY
LEASE ROSS DRAW 25
U.S.G.S. TOPOGRAPHIC MAP
ROSS RANCH, N.M. SURVEY N.M.P.M.

SCALE: 1" = 5280'

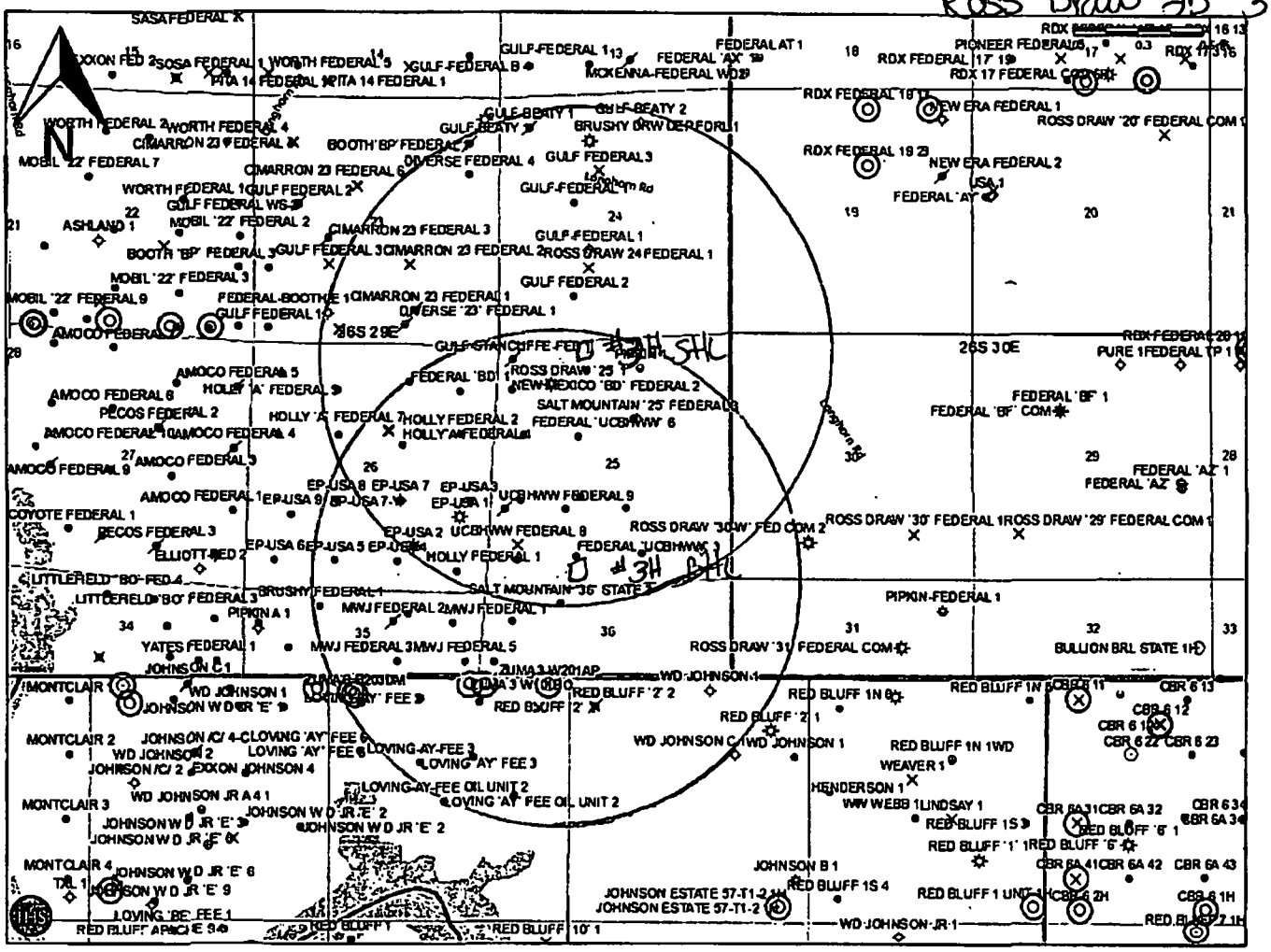
CONTOUR INTERVAL: RED BLUFF, N.M. - 10'
ROSS RANCH, N.M. - 10'

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Ross Draw 25

One-Mile Radius Map

Ross Draw 25 #3H



DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Ross Draw 25 3H
Projected TD: 15184' MD / 10436' TVD
SHL: 170' FNL & 2161' FWL, SECTION 25, T26S, R29E
1st Take Point: 870'FNL & 2182'FWL, 25-T26S-R29E
2nd Take Pont: 330'FSL & 2303'FWL, 25-T26S-R29E
BHL: 170' FSL & 2308' FWL, SECTION 25, T26S, R29E
Eddy County, NM

1. **GEOLOGIC NAME OF SURFACE FORMATION:**
   A. Permian

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:**

Formation	Well Depth (TVD)	Water / Oil / Gas
Rustler	219'	Water
Top of Salt	802'	
Base of Salt	3092'	
Delaware	3147'	Water
Cherry Canyon	4022'	Water
Brushy Canyon	5672'	Water/Oil/Gas
Bone Spring	6877'	Water/Oil/Gas
1st Bone Spring	7827'	Water/Oil/Gas
2nd Bone Spring	8607'	Water/Oil/Gas
3rd Bone Spring	9732'	Water/Oil/Gas
Wolfcamp	10077'	Water/Oil/Gas
Target/Land Curve	10456'	Water/Oil/Gas

*** Hydrocarbons @ Brushy Canyon
*** Groundwater depth 100' (per NM State Engineers Office).

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8" casing @ 350' above the salt and circulating cement back to surface. The salt will be isolated by setting 9-5/8" casing at 3150' and circulating cement to surface. An 8-3/4" vertical and curve hole be drilled and 7" casing run and cemented 500' into the 9-5/8" casing. A 6-1/8" curve and lateral hole will be drilled to MD/TD and a 4-1/2" liner with sliding frac sleeves will be set at TD and cemented back 250' into the 7" casing shoe.

3. **CASING PROGRAM:**

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
17-1/2"	0' – 350'	13-3/8"	48#	STC	H-40	New	6.92	4.62	19.17
12-1/4"	0' – 3150'	9-5/8"	36#	LTC	J-55	New	2.59	1.21	3.99
8-3/4"	0' – 10150'	7"	29#	LTC	P-110	New	2.82	1.71	2.71

6-1/8"	9900' – 15184'	4-1/2"	13.5#	BTC	P-110	New	1.31	1.46	5.92

WELLHEAD:

A. Starting Head: 13-3/8" SOW bottom x 13-5/8" 3,000 psi top flange
B. 'B' Section/ Drilling Spool: 13-5/8" 3,000 psi bottom flange x 11" 5,000 psi top flange
C. Tubing Head: 11" 5,000 psi bottom flange x 7-1/16" 10,000 psi top flange

4. CEMENT PROGRAM:

A. **Surface Casing:** 13-3/8", 48#, NEW H-40, STC casing to be set at ± 350'.

20bbls FW, then 390 sx HalCem-C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft^3/sk, 6.39 gal/sx wtr)

***All volumes 100% excess in open hole. Cement to surface.

B. **Intermediate Casing:** 9-5/8", 36#, NEW J-55, LTC casing to be set at ± 3150'.

Lead: 20 bbls FW, then 630 sx EconoCem-HLC + 3 lbm/sk Kol-Seal + 0.25 lbm D-air 5000 (mixed at 11.9 ppg, 2.49 ft^3/sk, 14.18 gal/sx wtr)

Tail: 250 sx HalCem-C (mixed at 14.8 ppg, 1.33 ft^3/sk, 6.34 gal/sx wtr)

***All volumes 100% excess in open hole. Cement to surface.

C. **Production Casing:** 7", 29#, NEW P-110, LTC casing to be set at ± 10150'.

Lead: 20 bbls FW, then 580 sx Tuned Light + 2 lbm/sk Kol-Seal + 0.3 lbm/sk CFR-3 (mixed at 10.5 ppg, 2.99 ft^3/sk, 14.5 gal/sx wtr)

Tail: 380 sx VersaCem - H + 3 lbm/sk Kol-Seal + 0.4% Halad 344 + 0.3% CFR-3 + 0.3% Super CBL + 0.25 lbm/sk D-air 5000 (mixed at 14.5 ppg, 1.22 ft^3/sk, 5.33 gal/sx wtr)

***All volumes 100% excess in open hole. Planned top of cement 500' into intermediate casing shoe

D. **Production Liner:** 4-1/2", 13.5#, NEW P-110, BTC casing to be set at ± 15184'. Liner top will be at ± 9900'. Casing will be cemented and will include sliding sleeves for the completion.

Tail: 405 sx VersaCem PBHS2 + 0.25 lbm/sk D-air 5000 + 0.5% Halad 344 + 0.3% CFR-3 (mixed at 13.2 ppg, 1.59 ft^3/sk, 8.31 gal/sx wtr)

***All volumes 30% excess in open hole. Planned top of cement at liner top.

5. PRESSURE CONTROL EQUIPMENT:

The blow out preventer equipment (BOP) for this well consists of a 13-5/8" minimum 5M Hydril and a 13-5/8" minimum 5M Double Ram BOP. Max bottom hole pressure should not exceed 6750 psi.

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nippling up on the 13-5/8" 3M bradenhead and flange, the BOP test will be limited to 3000 psi. When nippling up on the 9-5/8" and 7", the BOP will be tested to a minimum of 5000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 5M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

See COA

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

6. PROPOSED MUD CIRCULATION SYSTEM:

INTERVAL	Hole Size	Mud Type	MW (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
0' to 350'	17-1/2"	FW/Native	8.4 - 8.8	35 - 40	NC
350' to 3150'	12-1/4"	Brine/Gel Sweeps	9.8 - 10.2	30 - 32	NC
3150' to 10150'	8-3/4"	FW / Cut Brine	8.6 - 9.5	29 - 32	NC - 20
10150' to 15184'	6-1/8"	FW / Cut Brine / Poly-Sweeps	9.5 - ~~13.5~~ 11.8	32 – 50	8 - 20

Operator Per Operator See COA

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. A 9.8ppg - 10.2ppg brine mud will be used while drilling through the salt formation. Cut brine will be used to drill the 8-3/4" section. A polymer mud will be used to drill the 6-1/8" section. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.

7. **AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:**

A. A Kelly cock will be in the drill string at all times.
B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
C. H2S monitors will be on location when drilling below the 13-3/8" casing.

8. **LOGGING, CORING AND TESTING PROGRAM:**

Mud Logger: Mud Logging Unit (2 man) on @ 3150'.
Catch 20' samples from 3150' to TD
Send 1 set of dry samples to Midland Sample Library.

See COA

Open hole logging to include Density/Neutron/PE/Dual Laterlog/Spectral Gamma from kick-off point to intermediate casing shoe.

9. **ABNORMAL PRESSURES AND TEMPERATURES / POTENTIAL HAZARDS:**

None anticipated. BHT of 180 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid.

See COA

10. **ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

Road and location construction will begin after Santa Fe and BLM have approved the APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 40 days. If production casing is run, an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

XTO Energy Inc.

HALLIBURTON
Sperry Drilling

Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.80	622464.10	32° 1' 10.084 N	103° 56' 17.516 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

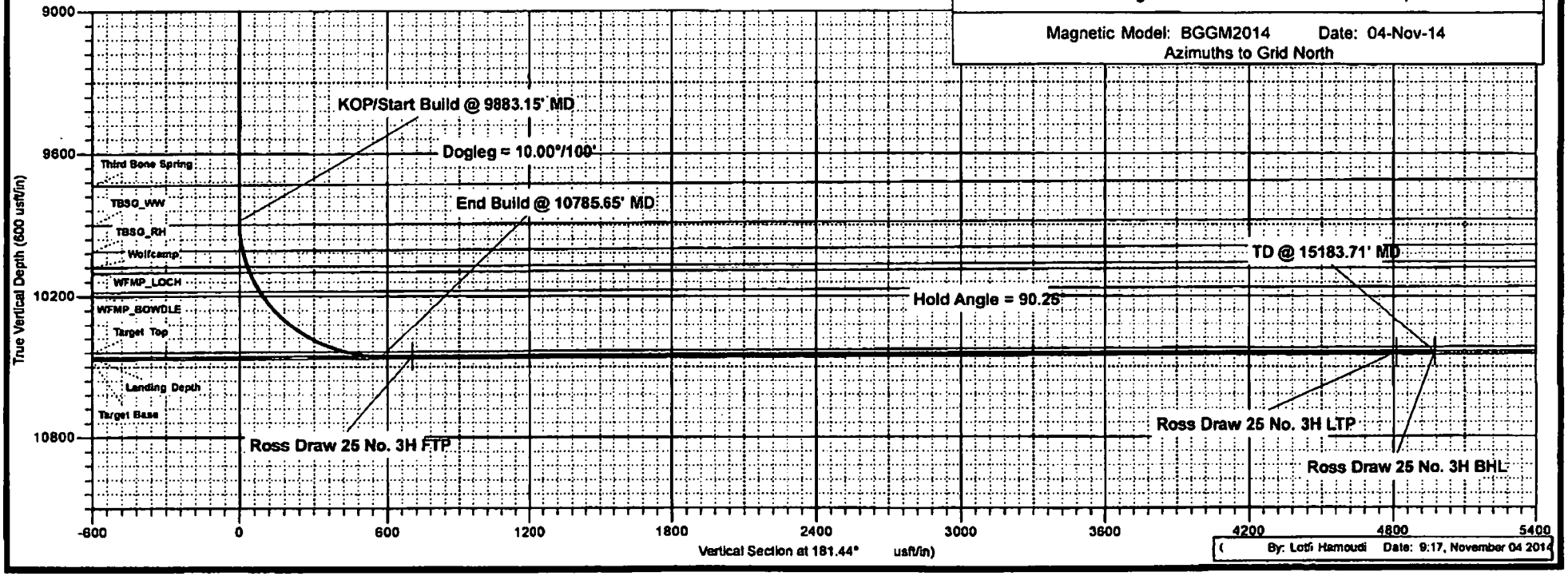
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Ross Draw 25 No. 3H BHL	10436.92	-4971.90	-124.90	366060.90	622339.20	32° 0' 20.884 N	103° 56' 19.178 W
Ross Draw 25 No. 3H LTP	10437.62	-4811.40	-120.90	366221.40	622343.20	32° 0' 22.472 N	103° 56' 19.125 W
Ross Draw 25 No. 3H FTP	10456.00	-702.30	-17.60	370330.50	622446.50	32° 1' 3.134 N	103° 56' 17.750 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9883.15	0.00	0.00	9883.15	0.00	0.00	0.00	0.00	0.00	KOP/Start Build
10785.65	90.25	181.44	10456.11	-575.28	-14.45	10.00	181.44	575.46	End Build
15183.71	90.25	181.44	10436.92	-4971.90	-124.90	0.00	0.00	4973.47	TD

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

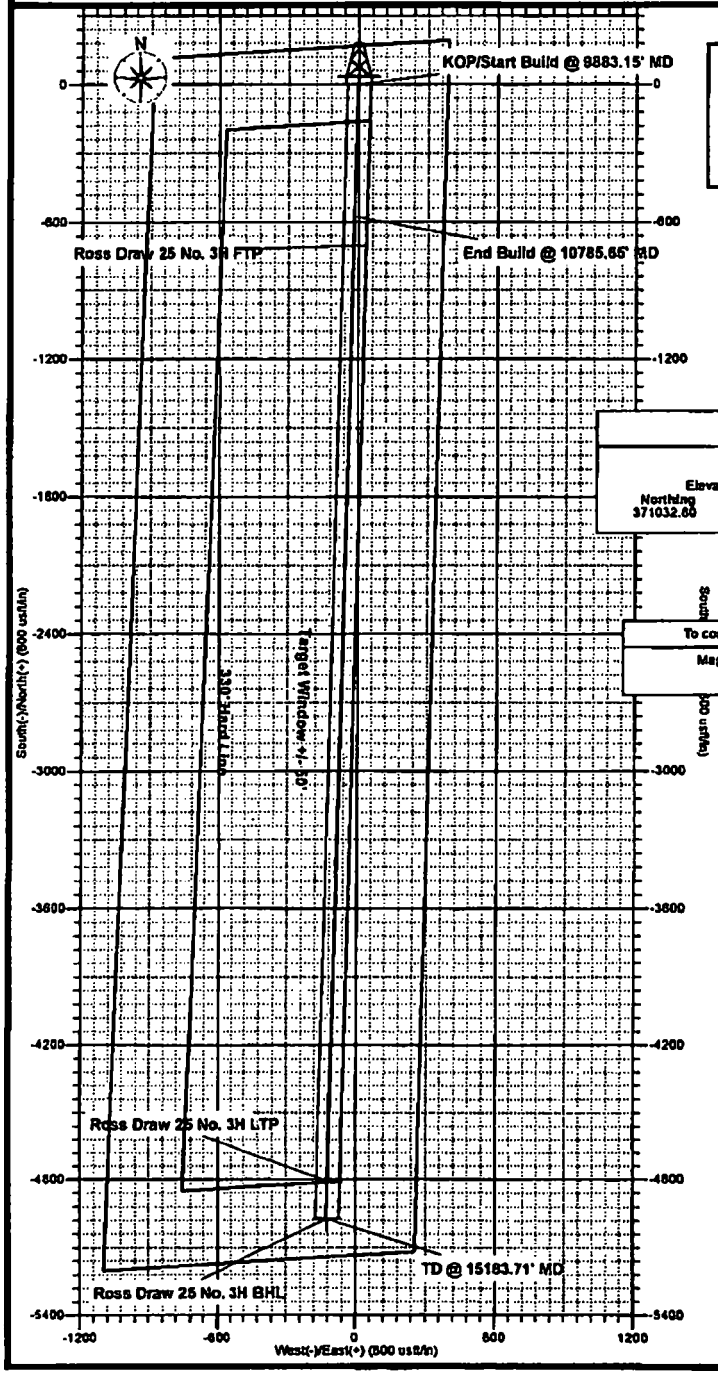
Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North



By: Lotfi Hamoudi Date: 9:17, November 04 2014

XTO Energy Inc.

HALLIBURTON | Sperry Drilling



Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.60	622464.10	32° 1' 10.084 N	103° 56' 17.516 W

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North

Created By: Lotfi Hamoudi Date: 9:09, November 04 2014

XTO Energy Inc.

Eddy County, NM (NAD27)
Ross Draw 25
Ross Draw 25 No. 3H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services
Proposal Report

04 November, 2014

Well Coordinates: 371,032.80 N, 622,464.10 E (32° 01' 10.08" N, 103° 56' 17.52" W)
Ground Level: 2,960.00 usft

Local Coordinate Origin:	Centered on Well Ross Draw 25 No. 3H
Viewing Datum:	GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)
TVDs to System:	N
North Reference:	Grid
Unit System:	API - US Survey Feet

Version: 5000.1 Build: 72

HALLIBURTON

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,354.00	0.00	0.00	1,354.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Castile										
3,092.00	0.00	0.00	3,092.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lamar/Base Salt										
3,147.00	0.00	0.00	3,147.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon										
4,022.00	0.00	0.00	4,022.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon										
5,672.00	0.00	0.00	5,672.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brushy Canyon										
6,877.00	0.00	0.00	6,877.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bone Spring										
7,827.00	0.00	0.00	7,827.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
First Bone Spring										
8,607.00	0.00	0.00	8,607.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Second Bone Spring										
9,732.00	0.00	0.00	9,732.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Bone Spring										
9,883.15	0.00	0.00	9,883.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP/Start Build @ 9883.15' MD - Dogleg = 10.00°/100'										
9,899.00	1.58	181.44	9,899.00	-0.22	-0.01	0.22	10.00	10.00	0.00	181.44
TBSG_WW										
9,900.00	1.68	181.44	9,900.00	-0.25	-0.01	0.25	10.00	10.00	0.00	0.00
10,000.00	11.68	181.44	9,999.19	-11.87	-0.30	11.87	10.00	10.00	0.00	0.00
10,009.97.	12.68	181.44	10,008.94	-13.97	-0.35	13.98	10.00	10.00	0.00	0.00
TBSG_RH										
10,080.75	19.76	181.44	10,078.85	-33.72	-0.85	33.73	10.00	10.00	0.00	0.00
Wolfcamp										
10,100.00	21.68	181.44	10,094.86	-40.53	-1.02	40.55	10.00	10.00	0.00	0.00
10,107.60	22.43	181.44	10,101.81	-43.35	-1.09	43.38	10.00	10.00	0.00	0.00
WFMP_LOCH										
10,197.11	31.40	181.44	10,181.63	-83.86	-2.11	83.89	10.00	10.00	0.00	0.00
WFMP_BOWDLE										
10,200.00	31.68	181.44	10,184.10	-85.37	-2.14	85.40	10.00	10.00	0.00	0.00
10,300.00	41.68	181.44	10,264.19	-145.02	-3.64	145.06	10.00	10.00	0.00	0.00
10,400.00	51.68	181.44	10,332.70	-217.68	-5.47	217.73	10.00	10.00	0.00	0.00
10,500.00	61.68	181.44	10,387.56	-301.09	-7.56	301.19	10.00	10.00	0.00	0.00
10,600.00	71.68	181.44	10,427.09	-392.76	-9.87	392.91	10.00	10.00	0.00	0.00
10,635.29	75.21	181.44	10,437.14	-426.59	-10.72	426.73	10.00	10.00	0.00	0.00
Target Top										
10,700.00	81.68	181.44	10,450.09	-489.94	-12.31	490.09	10.00	10.00	0.00	0.00
10,785.65	90.25	181.44	10,456.11	-575.28	-14.45	575.46	10.00	10.00	0.00	0.00
End Build @ 10785.65' MD - Hold Angle = 90.25°										
10,800.00	90.25	181.44	10,456.04	-589.62	-14.81	589.80	0.00	0.00	0.00	0.00
10,900.00	90.25	181.44	10,455.61	-689.58	-17.32	689.80	0.00	0.00	0.00	0.00
10,912.72	90.25	181.44	10,455.55	-702.30	-17.64	702.52	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H FTP										
11,000.00	90.25	181.44	10,455.17	-789.55	-19.83	789.80	0.00	0.00	0.00	0.00
11,100.00	90.25	181.44	10,454.74	-889.52	-22.35	889.80	0.00	0.00	0.00	0.00
11,200.00	90.25	181.44	10,454.30	-889.49	-24.86	989.80	0.00	0.00	0.00	0.00
11,300.00	90.25	181.44	10,453.86	-1,089.45	-27.37	1,089.80	0.00	0.00	0.00	0.00
11,400.00	90.25	181.44	10,453.43	-1,189.42	-29.88	1,189.80	0.00	0.00	0.00	0.00
11,500.00	90.25	181.44	10,452.99	-1,289.38	-32.39	1,289.80	0.00	0.00	0.00	0.00
11,600.00	90.25	181.44	10,452.55	-1,389.36	-34.90	1,389.80	0.00	0.00	0.00	0.00
11,700.00	90.25	181.44	10,452.12	-1,489.32	-37.41	1,489.79	0.00	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
11,800.00	90.25	181.44	10,451.68	-1,589.29	-39.92	1,589.79	0.00	0.00	0.00	0.00
11,900.00	90.25	181.44	10,451.24	-1,689.26	-42.44	1,689.79	0.00	0.00	0.00	0.00
12,000.00	90.25	181.44	10,450.81	-1,789.23	-44.95	1,789.79	0.00	0.00	0.00	0.00
12,100.00	90.25	181.44	10,450.37	-1,889.19	-47.46	1,889.79	0.00	0.00	0.00	0.00
12,200.00	90.25	181.44	10,449.94	-1,989.16	-49.97	1,989.79	0.00	0.00	0.00	0.00
12,300.00	90.25	181.44	10,449.50	-2,089.13	-52.48	2,089.79	0.00	0.00	0.00	0.00
12,400.00	90.25	181.44	10,449.06	-2,189.10	-54.99	2,189.79	0.00	0.00	0.00	0.00
12,500.00	90.25	181.44	10,448.63	-2,289.06	-57.50	2,289.79	0.00	0.00	0.00	0.00
12,600.00	90.25	181.44	10,448.19	-2,389.03	-60.02	2,389.79	0.00	0.00	0.00	0.00
12,700.00	90.25	181.44	10,447.75	-2,489.00	-62.53	2,489.78	0.00	0.00	0.00	0.00
12,800.00	90.25	181.44	10,447.32	-2,588.97	-65.04	2,589.78	0.00	0.00	0.00	0.00
12,900.00	90.25	181.44	10,446.88	-2,688.93	-67.55	2,689.78	0.00	0.00	0.00	0.00
13,000.00	90.25	181.44	10,446.45	-2,788.90	-70.06	2,789.78	0.00	0.00	0.00	0.00
13,100.00	90.25	181.44	10,446.01	-2,888.87	-72.57	2,889.78	0.00	0.00	0.00	0.00
13,200.00	90.25	181.44	10,445.57	-2,988.84	-75.08	2,989.78	0.00	0.00	0.00	0.00
13,300.00	90.25	181.44	10,445.14	-3,088.80	-77.59	3,089.78	0.00	0.00	0.00	0.00
13,400.00	90.25	181.44	10,444.70	-3,188.77	-80.11	3,189.78	0.00	0.00	0.00	0.00
13,500.00	90.25	181.44	10,444.26	-3,288.74	-82.62	3,289.78	0.00	0.00	0.00	0.00
13,600.00	90.25	181.44	10,443.83	-3,388.71	-85.13	3,389.78	0.00	0.00	0.00	0.00
13,700.00	90.25	181.44	10,443.39	-3,488.67	-87.64	3,489.78	0.00	0.00	0.00	0.00
13,800.00	90.25	181.44	10,442.95	-3,588.64	-90.15	3,589.77	0.00	0.00	0.00	0.00
13,900.00	90.25	181.44	10,442.52	-3,688.61	-92.66	3,689.77	0.00	0.00	0.00	0.00
14,000.00	90.25	181.44	10,442.08	-3,788.58	-95.17	3,789.77	0.00	0.00	0.00	0.00
14,100.00	90.25	181.44	10,441.65	-3,888.54	-97.68	3,889.77	0.00	0.00	0.00	0.00
14,200.00	90.25	181.44	10,441.21	-3,988.51	-100.20	3,989.77	0.00	0.00	0.00	0.00
14,300.00	90.25	181.44	10,440.77	-4,088.48	-102.71	4,089.77	0.00	0.00	0.00	0.00
14,400.00	90.25	181.44	10,440.34	-4,188.45	-105.22	4,189.77	0.00	0.00	0.00	0.00
14,500.00	90.25	181.44	10,439.90	-4,288.41	-107.73	4,289.77	0.00	0.00	0.00	0.00
14,600.00	90.25	181.44	10,439.46	-4,388.38	-110.24	4,389.77	0.00	0.00	0.00	0.00
14,700.00	90.25	181.44	10,439.03	-4,488.35	-112.75	4,489.77	0.00	0.00	0.00	0.00
14,800.00	90.25	181.44	10,438.59	-4,588.32	-115.26	4,589.76	0.00	0.00	0.00	0.00
14,900.00	90.25	181.44	10,438.16	-4,688.28	-117.78	4,689.76	0.00	0.00	0.00	0.00
15,000.00	90.25	181.44	10,437.72	-4,788.25	-120.29	4,789.76	0.00	0.00	0.00	0.00
15,023.16	90.25	181.44	10,437.62	-4,811.40	-120.87	4,812.92	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H LTP										
15,100.00	90.25	181.44	10,437.28	-4,888.22	-122.80	4,889.76	0.00	0.00	0.00	0.00
15,183.71	90.25	181.44	10,436.92	-4,971.90	-124.90	4,973.47	0.00	0.00	0.00	0.00
TD @ 15183.71' MD - Ross Draw 25 No. 3H BHL										

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
9,883.15	9,883.15	0.00	0.00	KOP/Start Build @ 9883.15' MD
9,883.15	9,883.15	0.00	0.00	Dogleg = 10.00°/100'
10,785.65	10,456.11	-575.27	-14.45	End Build @ 10785.65' MD
10,785.65	10,456.11	-575.28	-14.45	Hold Angle = 90.25°
15,183.71	10,436.92	-4,971.90	-124.90	TD @ 15183.71' MD

Vertical Section Information

	Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (usft)	Origin +E/-W (usft)	Start TVD (usft)
TD		No Target (Freehand)	181.44	Slot	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

Survey tool program

From (usft)	To (usft)	Survey/Plan	Survey Tool
0.00	15,183.71	Plan #1	MWD

Formation Details

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,354.00	1,354.00	Castile		-0.25	181.44
3,092.00	3,092.00	Lamar/Base Salt		-0.25	181.44
3,147.00	3,147.00	Bell Canyon		-0.25	181.44
4,022.00	4,022.00	Cherry Canyon		-0.25	181.44
5,672.00	5,672.00	Brushy Canyon		-0.25	181.44
6,877.00	6,877.00	Bone Spring		-0.25	181.44
7,827.00	7,827.00	First Bone Spring		-0.25	181.44
8,607.00	8,607.00	Second Bone Spring		-0.25	181.44
9,732.00	9,732.00	Third Bone Spring		-0.25	181.44
9,899.00	9,899.00	TBSG_WW		-0.25	181.44
10,009.97	10,009.00	TBSG_RH		-0.25	181.44
10,080.75	10,077.00	Wolfcamp		-0.25	181.44
10,107.50	10,102.00	WFMP_LOCH		-0.25	181.44
10,197.11	10,182.00	WFMP_BOWDLE		-0.25	181.44
10,635.29	10,439.00	Target Top		-0.25	181.44

Targets associated with this wellbore

Target Name	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Shape
Ross Draw 25 No. 3H LTP	10,437.62	-4,811.40	-120.90	Point
Ross Draw 25 No. 3H FTP	10,456.00	-702.30	-17.60	Point
Ross Draw 25 No. 3H BHL	10,438.92	-4,971.90	-124.90	Rectangle

North Reference Sheet for Ross Draw 25 - Ross Draw 25 No. 3H - Wellbore #1

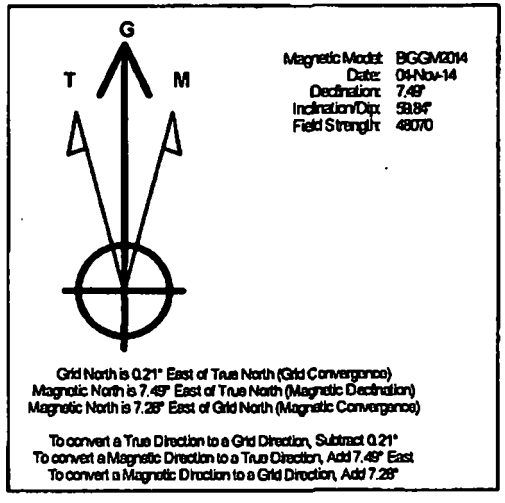
All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.
Vertical Depths are relative to GL 2980' + KB 17' @ 2977.00usft (Pioneer 33). Northing and Easting are relative to Ross Draw 25 No. 3H
Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)
Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°
False Easting: 500,000.00usft, False Northing: 0.00usft, Scale Reduction: 0.99992627

Grid Coordinates of Well: 371,032.60 usft N, 622,464.10 usft E
Geographical Coordinates of Well: 32° 01' 10.08" N, 103° 56' 17.52" W
Grid Convergence at Surface is: 0.21°

Based upon Minimum Curvature type calculations, at a Measured Depth of 15,183.71usft
the Bottom Hole Displacement is 4,973.47usft in the Direction of 181.44° (Grid).

Magnetic Convergence at surface is: -7.28° (4 November 2014, , BGGM2014)



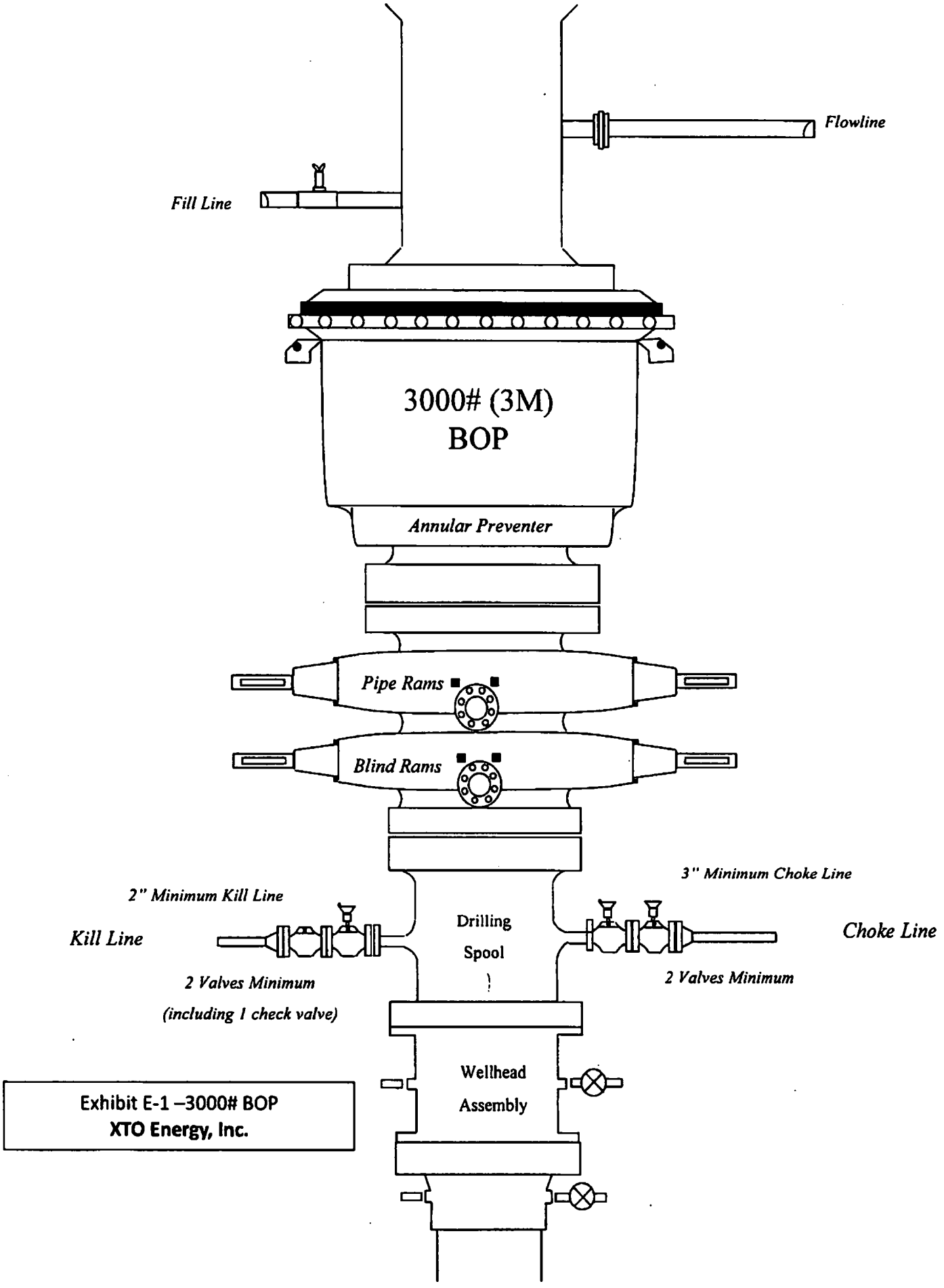


Exhibit E-1 –3000# BOP
XTO Energy, Inc.

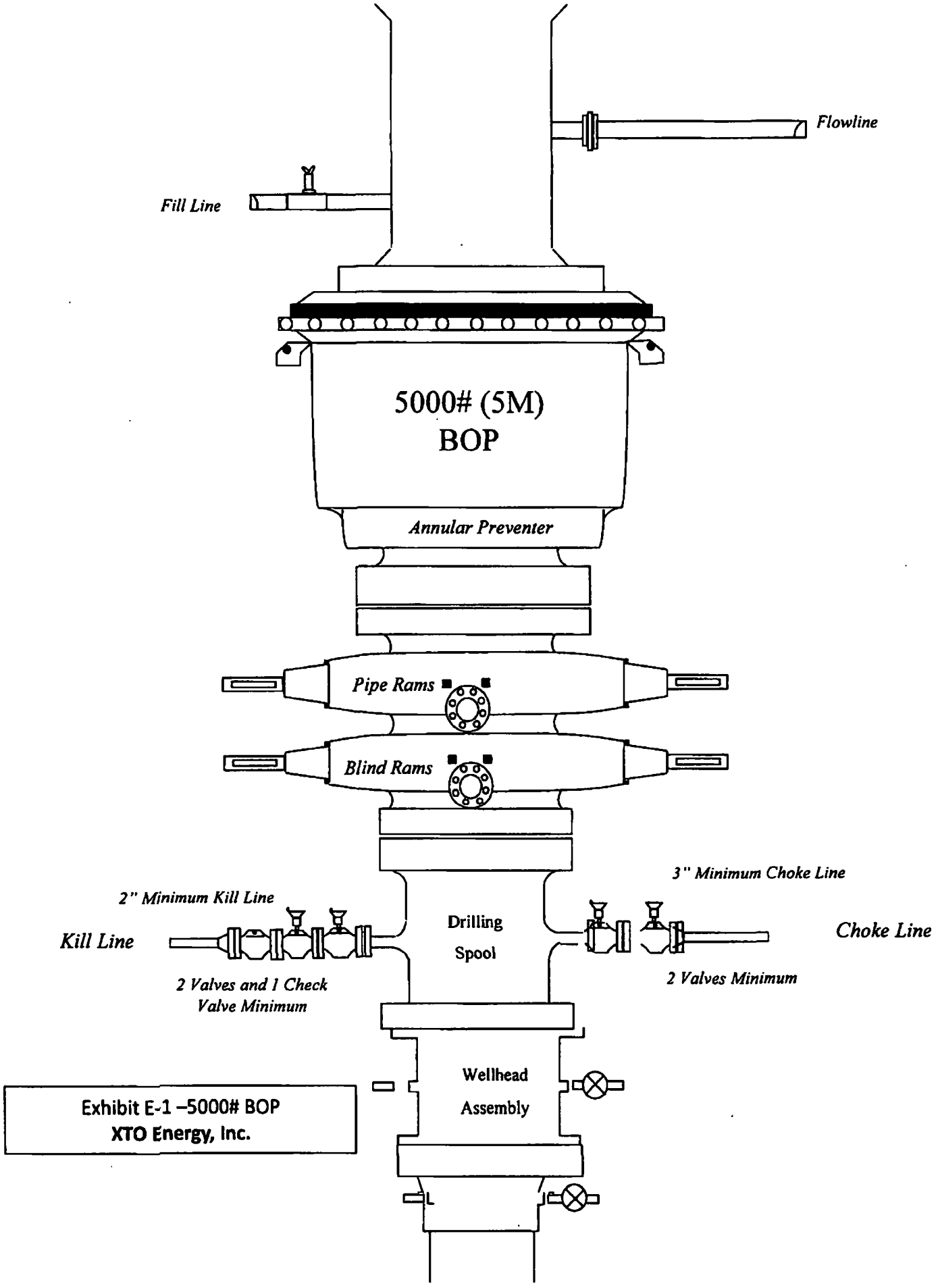
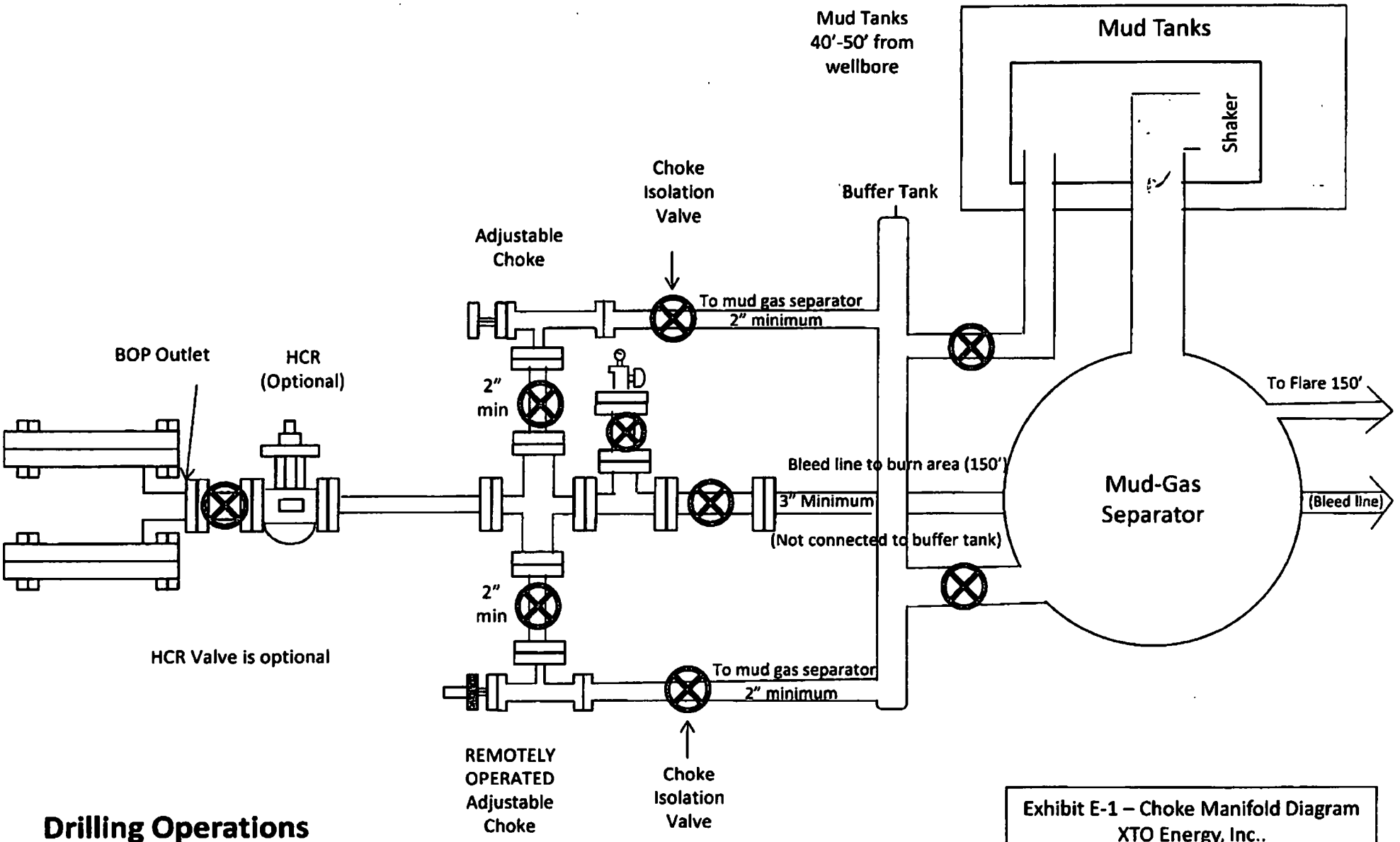


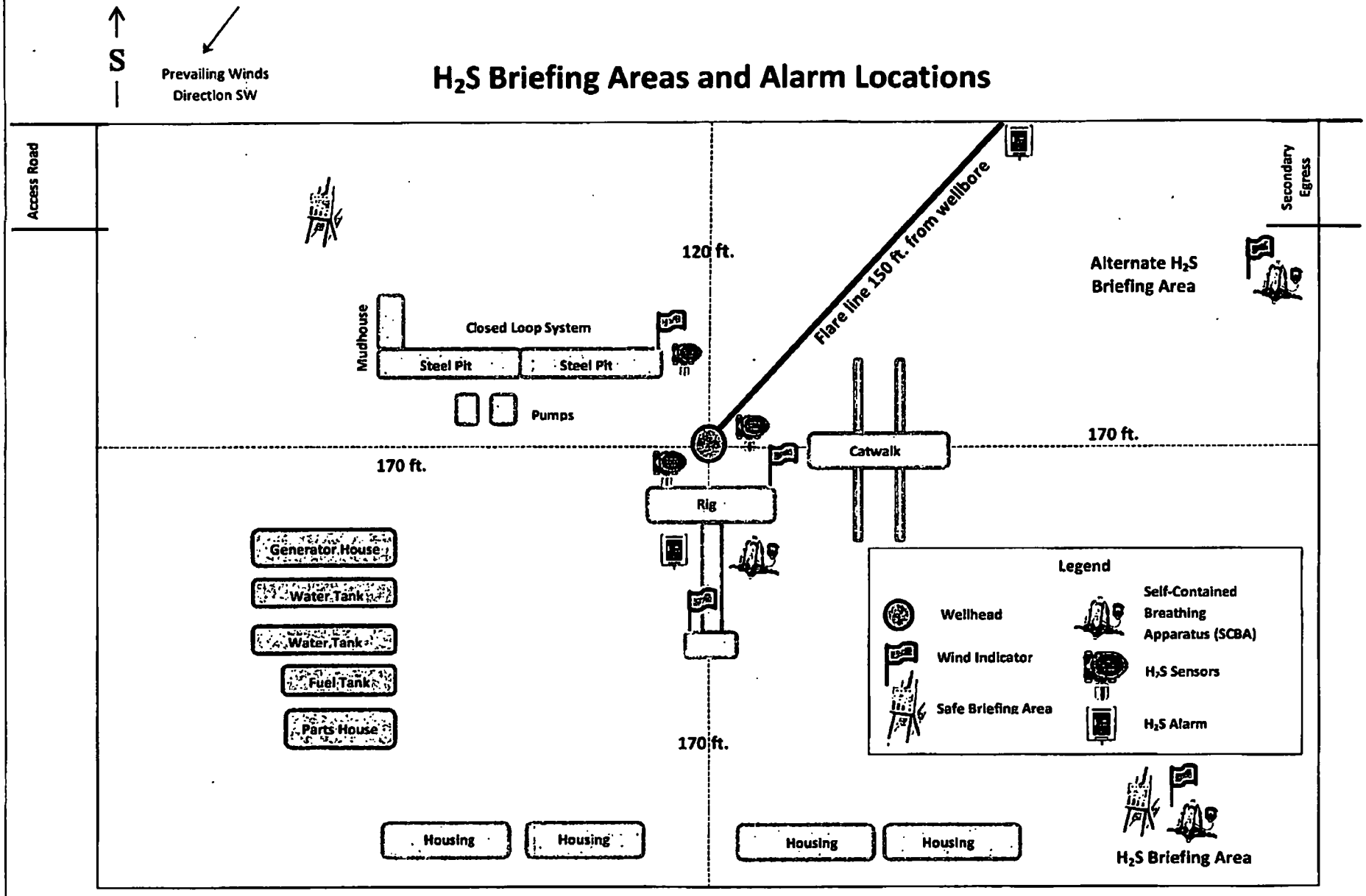
Exhibit E-1 –5000# BOP
XTO Energy, Inc.



Drilling Operations
Choke Manifold

Exhibit E-1 – Choke Manifold Diagram
XTO Energy, Inc..

H_2S Briefing Areas and Alarm Locations



HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H2S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H_2S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H_2S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
  - o Detection of H_2S, and
  - o Measures for protection against the gas,
  - o Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H_2S and SO_2

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

Contacting Authorities

XTO Energy Inc's 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 including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

EUNICE OFFICE – EDDY & LEA COUNTIES

EMSU @ Oil Center, NM, 8/10ths mile west of Hwy 8 on Hwy 175
Eunice, NM 575-394-2089

XTO ENERGY INC PERSONNEL:

Weston Turner, Drilling Engineer	817-201-6812
Bob Chance, Drilling Superintendent	432-296-3926
Jeff Raines, Construction Foreman	432-557-3159
Dudley McMinn, EH & S Manager	432-557-7976
Rick Wilson, Production Foreman	575-441-1147

SHERIFF DEPARTMENTS:

Eddy County	575-887-7551
Lea County	575-396-3611

NEW MEXICO STATE POLICE: 575-392-5588

FIRE DEPARTMENTS:

	911
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359

HOSPITALS:

	911
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	575-397-9308
Jal Medical Emergency	575-395-2221
Lovington Medical Emergency	575-396-2359

AGENT NOTIFICATIONS:

Bureau of Land Management	575-393-3612
New Mexico Oil Conservation Division	575-393-6161
Mosaic Potash - Carlsbad	575-887-2871

CONTRACTORS:

ABC Rental – Light Towers	575-394-3155
Bulldog Services – Trucking/Forklift	575-391-8543
Champion – Chemical	575-393-7726
Indian Fire & Safety	575-393-3093
Key – Dirt Contractor	575-393-3180
Key Tools – Light Towers	575-393-2415
Sweatt – Dirt Contractor	575-397-4541
RWI – Contract Gang	575-393-5305

November 20, 2014

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-887-6544

Dear Sirs:

XTO Energy Inc. does not anticipate encountering H2S while drilling the Ross Draw 25 #3H located in Section 25, T26S, R29E, in Lea County, New Mexico. As a precaution, I have attached an H2S contingency plan along with a gas analysis of our well stream. If you need anything further, please contact me at the telephone number or email listed above.

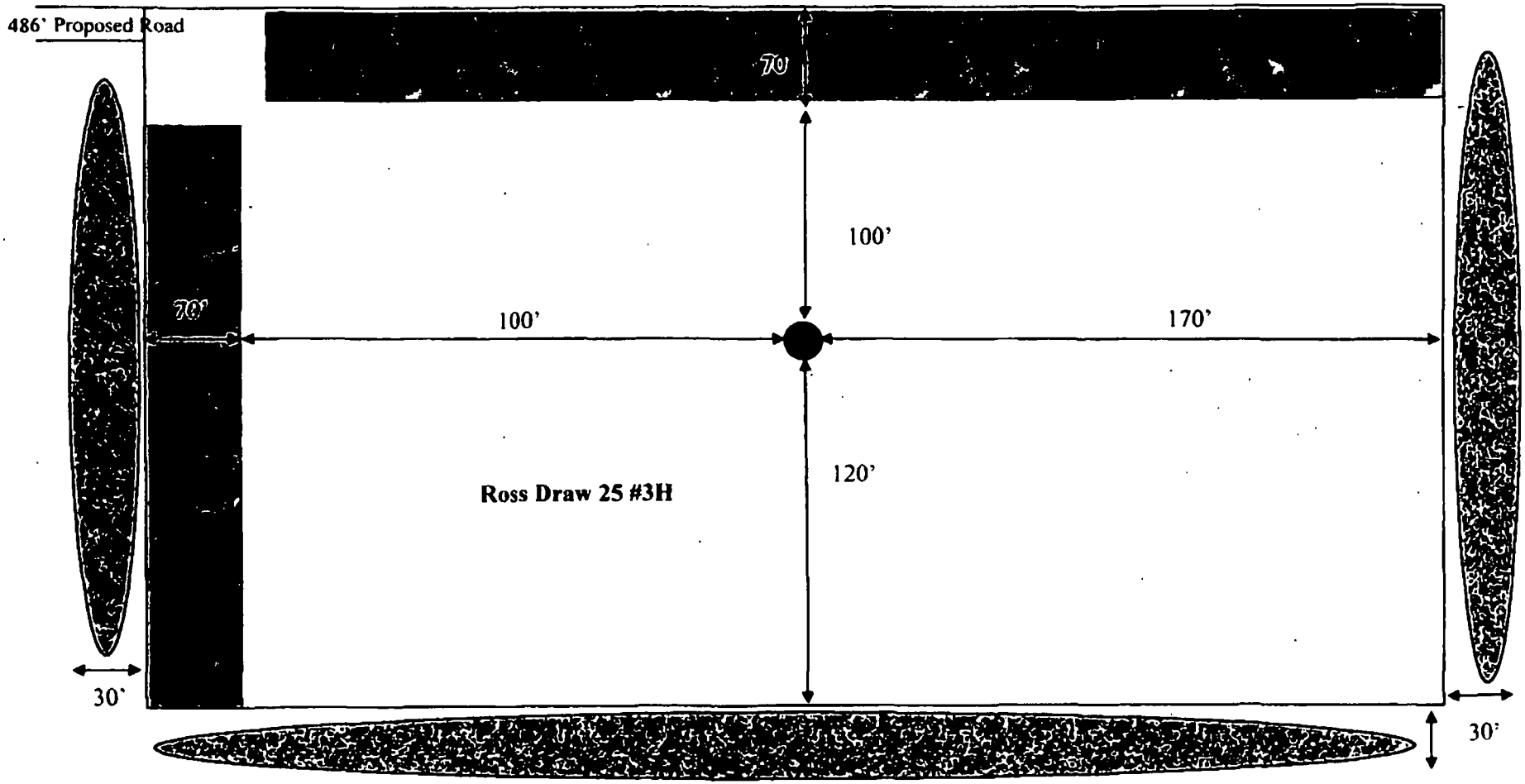
Thank you,

Stephanie Rabadue

Stephanie Rabadue
Regulatory Analyst

EXHIBIT D

Interim Reclamation Diagram
Ross Draw 25 #3H
V-Door East



LEGEND

N

Wellbore

Interim Reclamation

Ditch & Berm

Topsoil

SURFACE USE PLAN
XTO Energy, Inc.
ROSS DRAW 25 #3H
SHL: 170'FNL & 2161'FWL, C-25-T26S-R29E
1st Take Point: 870'FNL & 2182'FWL, C-25-T26S-R29E
2nd Take Pont: 330'FSL & 2303'FWL, N-25-T26S-R29E
BHL: 170'FSL & 2380'FWL, N-25-T26S-R29E
Eddy County, NM

This plan is submitted with form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:
   a. DIRECTIONS: From the intersection of US Hwy 285 and Co. Rd. #725 (Longhorn Rd), follow meandering county rd. 3725 approximately 10.2 miles. Turn right and go South approximately 0.9 miles to begin road survey, follow stakes East 486' to the location.
   b. See attached plats and maps provided by John West Surveying Company.
   c. The access route from Co. Rd #725 (Longhorn Rd) to the well location is depicted on maps provided by John West Surveying. The route highlighted in red will be the access and no ROW is required for this well.
   d. Existing roads on the access route will be improved and maintained to the standard set forth in Section 2 of this Surface Use Plan of Operations.

2. NEW OR RECONSTRUCTED ACCESS ROADS:
   a. 486' of new proposed road will be necessary to access the location as depicted on the maps by John West Surveying. Below regards any upgrading of the existing caliche road system to the proposed well location.
   b. The maximum width of the driving surface will be 14 feet. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

Level Ground Section

   c. Surface material will be native caliche. The average grade of the entire road will be approximately 3%.
   d. Fence Cuts: No.
   e. Cattle Guards: No
   f. Turnouts: No

g. Culverts: No
h. Cuts and Fills: Not significant
i. Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road prior to any further construction activity. The topsoil that was stripped will be spread along the edge of the road and within the ditch. The topsoil will be seeded with the proper seed mix designated by the BLM.
j. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route.
k. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

3. LOCATION OF EXISTING WELLS:
See attached map (Exhibit B) showing all wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
a. Prior to commencing drilling operations, a separate facilities pad will be staked with the BLM in attendance and be submitted for the well in conjunction with a 3160-5 BLM NOI sundry notification.
b. No facility operations will commence without an on-site being conducted and proper notification and approval from the BLM.
c. All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted to BLM specifications.
d. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.

5. LOCATION AND TYPE OF WATER SUPPLY:
The well will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck using the existing and proposed roads shown in the attached survey plats. If a commercial water well is nearby, a temporary, surface poly line, will be laid along existing roads or other ROW easements and the water pumped to the well. No water well will be drilled on the location.

6. SOURCE OF CONSTRUCTION MATERIALS:
Any construction material that may be required for surfacing of the drill pad and access road will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from Federal lands without prior approval from the appropriate surface management agency. All roads will be constructed of 6" rolled and compacted caliche.

7. METHODS OF HANDLING WASTE DISPOSAL:
    a. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site.
    b. Drilling fluids will be contained in steel mud pits.
    c. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.
    d. Oil produced during operations will be stored in tanks until sold.
    e. Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
    f. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.

8. ANCILLARY FACILITIES:
    No campsite, airstrip or other facilities will be built as a result of the operation of this well. No staging areas are needed.

9. WELL SITE LAYOUT:
    a. The included 600'x600' map by John West Surveying shows the dimensions of the proposed well pad.
    b. The proposed well pad size will be 350'x370' including top soil storage (See Interim Reclamation Diagram & Maps from John West Surveying). There will be no reserve pit due to the well being drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17.
    c. Topsoil will be stockpiled on the East, South and West sides of the well site as requested by Jesse Rice at onsite staking.
    d. John West Surveying Company's plat, Form C-102 and Exhibit D, show the direction of the pad at a V-Door East.
    e. A 600' x 600' area has been staked and flagged.
    f. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e., access road, well pad and topsoil storage areas).

10. PLANS FOR SURFACE RECLAMATION:
    a. After concluding the drilling and/or completion operations, if the well is found non-commercial, all the equipment will be removed, the surface material, caliche, will be removed from the well pad and road and transported to the original caliche pit or used for other roads. The original stock piled topsoil will be returned to the paid and contoured, as close as possible, to the original topography. The access road will have the caliche removed and the road ripped, barricaded and seeded as directed by the BLM.
    b. If the well is a producer, the portions of the pad not essential to production facilities or space required for workover operations, will be reclaimed and seeded as per BLM

11. SURFACE OWNERSHIP:
    a. The surface is owned by the Bureau of Land Management (BLM). The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:
    a. According to the Natural Resources Conservation Service's online database, the project area soil is Pajarito-Dune land complex, loamy sand, 0-3 percent slopes. This soil supports grassland dominated by black grama, dropseeds, and bluestems. Shrubs, such as sand sage, shinnery oak, and mesquite are dispersed throughout. The project area is in a low area of deep sands amongst low to medium height dunes with some gravel and outcrops. Vegetation such as fourwing saltbrush, snakeweed and desert sage was viewed in the project area.
    b. There is no permanent or live water in the area.
    c. There are no dwellings within 2 miles of this location.
    d. A Class III Cultural Resources Examination has been completed by Boone Archaelogical Services and the results will be forwarded to the BLM office.

13. BOND COVERAGE:
    a. Bond Coverage is Nationwide; Bond Number UTB000138.

OPERATORS RESPRESENTATIVE:

The XTO Energy, Inc. representatives for ensuring compliance of the surface use plan are listed below:

Surface:

Jeff Raines
XTO Energy, Inc
200 N. Loraine St, Suite 800
Midland, TX 79701
432-620-4349 (Office)

Stephanie Rabadue
XTO Energy, Inc
200 N. Loraine St, Suite 800
Midland, TX 79701
432-620-6714 (Office)

Drilling & Production:

Weston Turner
XTO Energy, Inc.
200 N. Loraine St, Suite 800
Midland, TX 79701
432-638-4380 (Office)

ON-SITE PERFORMED ON 4/24/2014 RESULTED IN THE WELL MOVING SOUTHEAST. IT WAS AGREED TO TURN THE LOCATION TO A V-DOOR EAST. TOPSOIL WOULD BE STOCKPILED ON THE EAST, SOUTH AND WEST SIDES – NOT THE NORTH SIDE. INTERIM RECLAMATION WOULD BE THE NORTH AND WEST PORTION OF THE PAD.

PRESET AT ON-SITE:

Jesse Rice, Bureau of Land Management
Rebecca Hill, Boone Arch Surveying
Jimie Scott, Contract Representative for XTO Energy, Inc
John West Surveying Company

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Energy, Inc.
LEASE NO.:	NMNM035607
WELL NAME & NO.:	Ross Draw 25 3H
SURFACE HOLE FOOTAGE:	170'/N & 2161'/W
BOTTOM HOLE FOOTAGE	170'/S & 2308'/W
LOCATION:	Section 25, T.26 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

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)

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

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

Cave and Karst

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

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

Construction:
In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:
No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:
The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:
A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

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

Cave/Karst Subsurface Mitigation

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

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

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

Lost Circulation:
ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:
Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:
Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

VI. CONSTRUCTION

A. NOTIFICATION

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

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

B. TOPSOIL

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

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

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

F. EXCLOSURE FENCING (CELLARS & PITS)

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

G. ON LEASE ACCESS ROADS

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

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

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

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

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

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

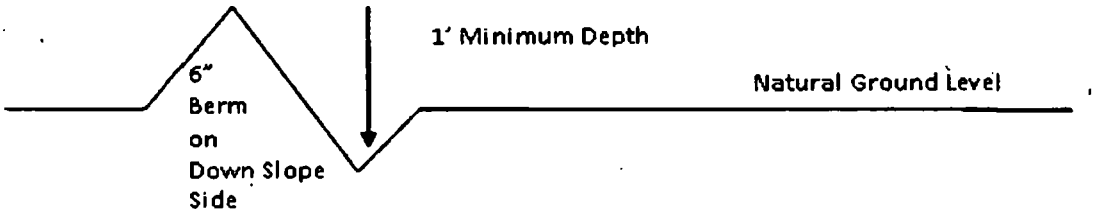
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

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

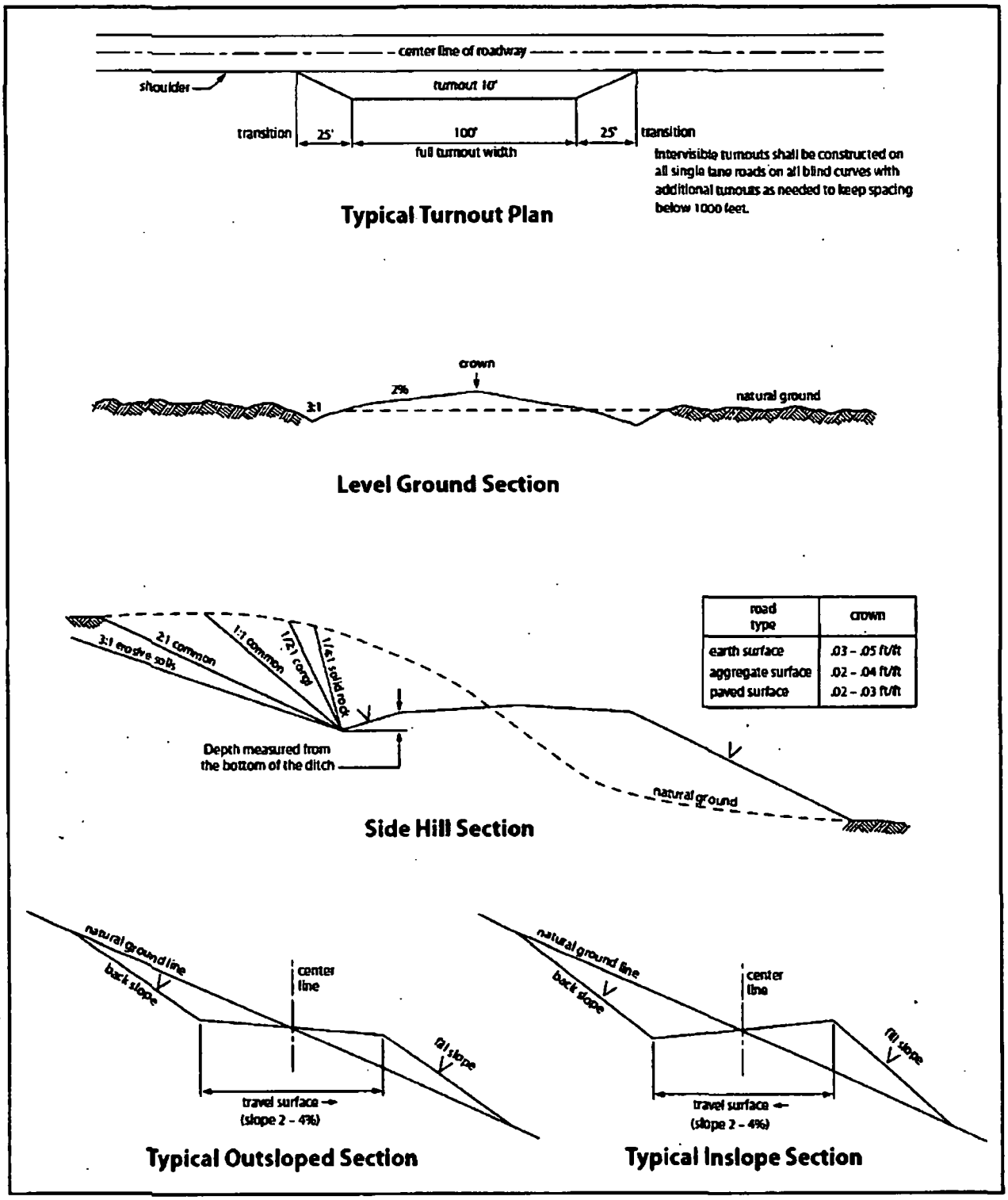


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.**

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.).

The initial wellhead installed on the well will remain on the well with spools used as needed.

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

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. 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. Have well specific cement details onsite prior to pumping the cement for each casing string.

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

Risks:
Medium Cave/ Karst Occurrence
Possibility of water flows in the Castile and in the Salado.
Possibility of lost circulation in the Rustler, in the Delaware and Delaware.

1. The 13 3/8 inch surface casing shall be set at approximately 350 feet **(in a competent bedrock; if salt is encountered, set casing at least 25 feet above the salt)** and cemented to the surface.
    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job 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. **If cement does not circulate to surface on the intermediate casing, the cement on the production casing must come to surface. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

Formation below the 9 5/8 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

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:

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

Formation below the 7 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

4. The minimum required fill of cement behind the **4 1/2** inch production liner is:

   ☒ Liner tie-back as proposed by operator is appropriate.

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 53.

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. 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. **(Installing a 13 5/8 inch minimum 5M Hydril and a 13 5/8 minimum 5M Double Ram BOP).**

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9 5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

    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.

g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **3rd Bone Spring** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **3rd Bone Spring** formation and **Wolfcamp** formation, and shall be used until production casing is run and cemented.

Proposed mud weight may not be adequate for drilling through **3rd Bone Spring** formation and **Wolfcamp** formation.

Approved for aerated mud, but not air drilling.

E. DRILL STEM TEST

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

F. 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.

KGR 11202015

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 Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

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

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

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

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

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

area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:
   (1) Land clearing
   (2) Earth-disturbing and earth-moving work
   (3) Blasting
   (4) Vandalism and sabotage;

c. Acts of God.

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

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

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

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

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

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 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 shall be less than or equal to 4 inches and a working pressure below 125 psi.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

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

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

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

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

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

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in

writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

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

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural 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 actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and

any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:
    - For reclamation remove poles, lines, transformer, etc. and dispose of properly.
    - Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

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

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

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

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

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, for Sandy Sites

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

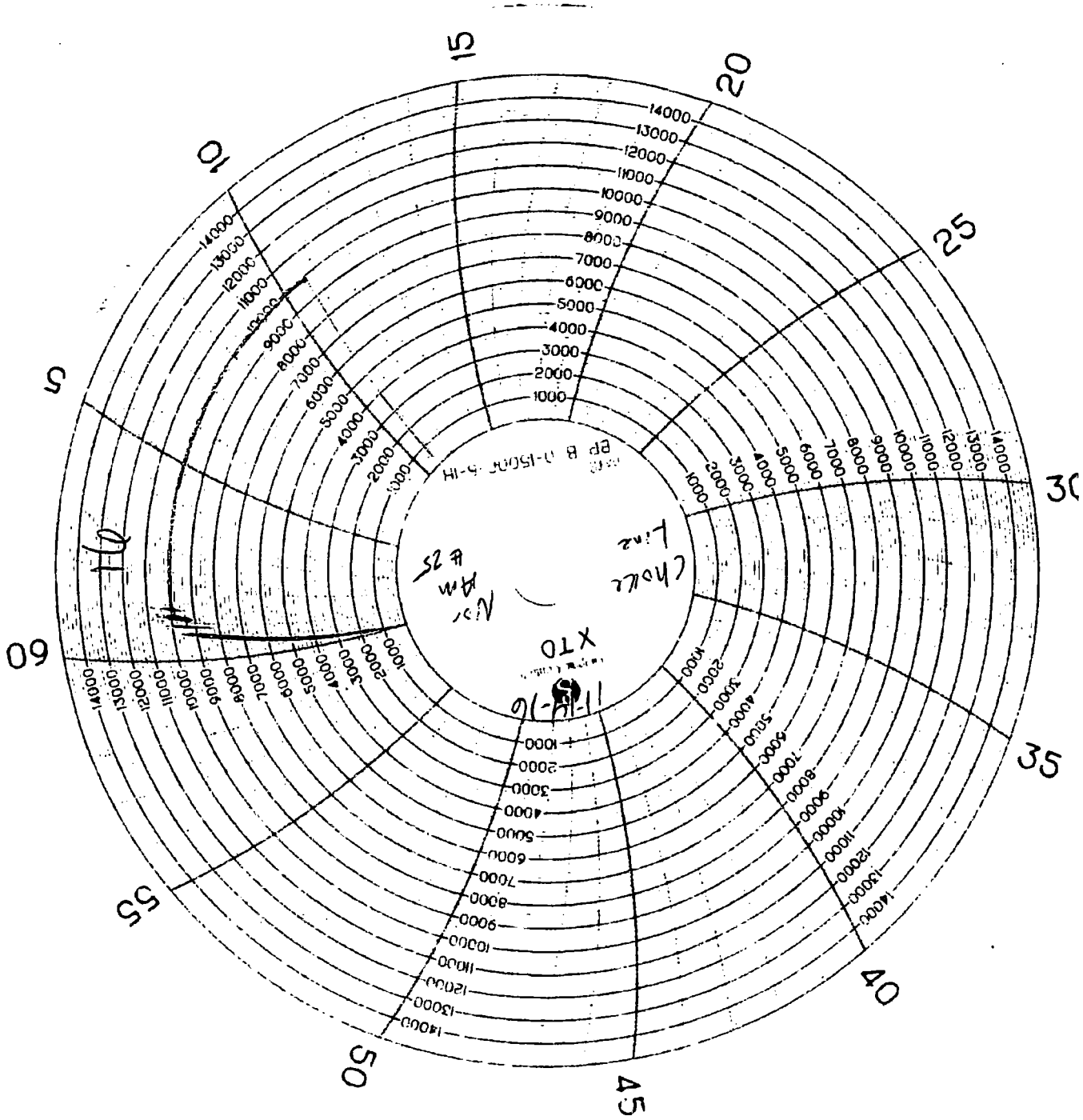
Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first).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

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

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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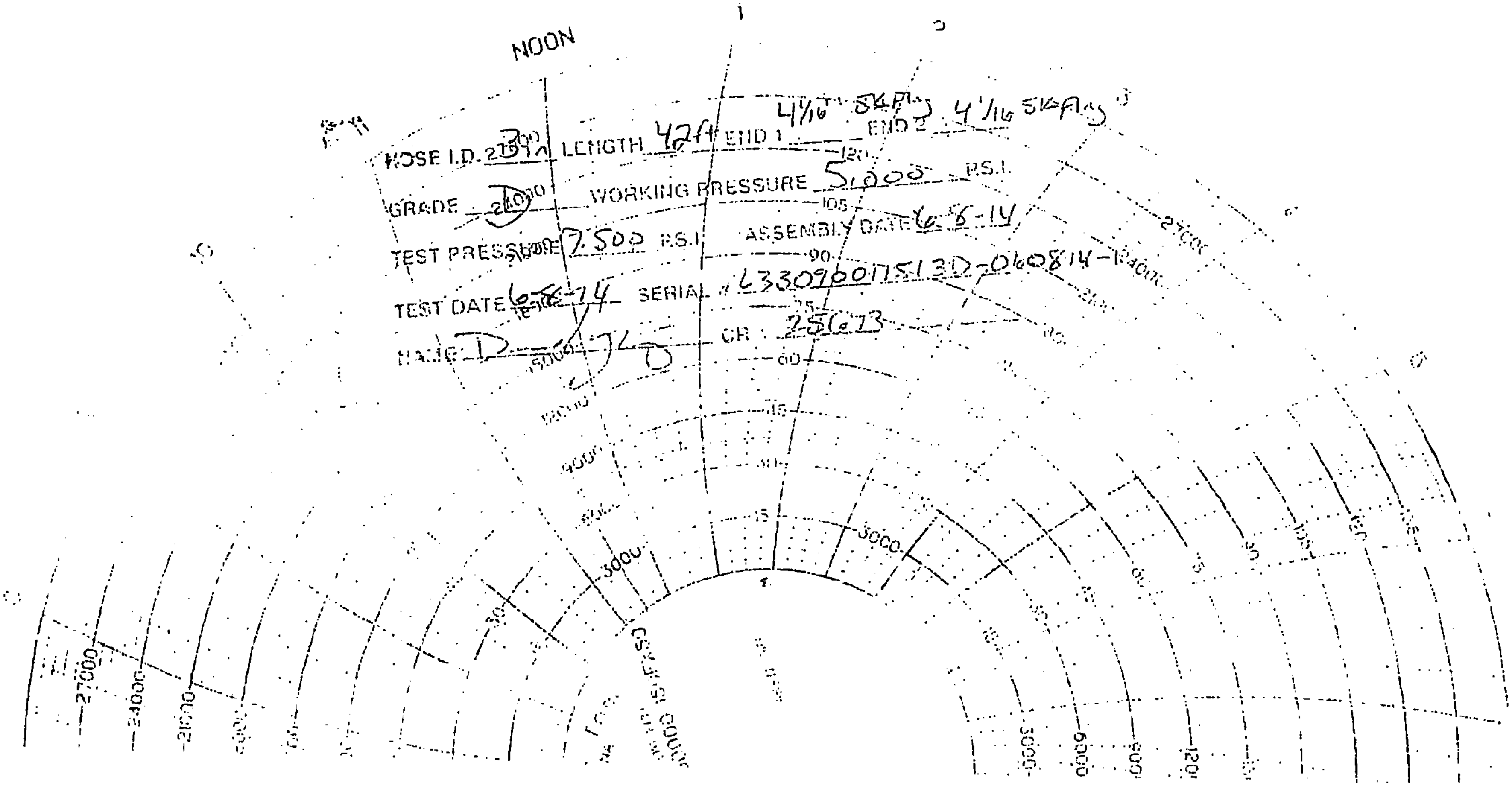

NOON
HOSE I.D. 3" LENGTH 42ft END 1 END 2
GRADE D WORKING PRESSURE 5,000 P.S.I.
TEST PRESSURE 7,500 P.S.I. ASSEMBLY DATE 6-8-14
TEST DATE 6-8-14 SERIAL # 63309600175130-060814-1
NAME CR

APD ID: 10400034473 **Submission Date:** 09/22/2018

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

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

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Ross_25_3H_Eroad_20180922090116.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT **Row(s) Exist?** YES

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Ross_25_3H_Road_20181201094427.pdf

New road type: RESOURCE

Length: 486 Feet **Width (ft.):** 30

Max slope (%): 2 **Max grade (%):** 3

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route.

New road access plan or profile prepared? NO

New road access plan attachment:

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Surface material will be native caliche.

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road prior to any further construction activity. The topsoil that was stripped will be spread along the edge of the road and within the ditch. The topsoil will be seeded with the proper seed mix designated by the BLM.
Access other construction information: Construction, reclamation, and/or routine maintenance will not be conducted during periods when the soil conditions for construction could lead to impacts to the surrounding environment, or when watershed damage is likely to occur as a result of these activities.
Access miscellaneous information: The Ross Draw 25 Federal development area is accessed from the intersection of US Hwy 285 and Co. Rd. #725 (Longhorn Rd), follow meandering county rd. 3725 approximately 10.2 miles. Turn right and go South approximately 0.9 miles to proposed road survey. Follow road survey West approximately 937 feet to the location. The location is to the Northwest.
Number of access turnouts: **Access turnout map:**

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the join BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.
Road Drainage Control Structures (DCS) description: No drainage control structures were identified at onsite. Drainage control structures will be applied for as needed and be in accordance with road guidelines contained in the join BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.
Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Ross_25_3H_1Mile_20180922090140.pdf

Existing Wells description:

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

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

Submit or defer a Proposed Production Facilities plan? DEFER

Estimated Production Facilities description: a. Facility Site: A separate facilities pad has been staked with the BLM in attendance. The Ross Draw Facility site is located at 192'FNL & 1175'FWL in Section 25-T26S-R29E. No additional CTB is included with this request. b. Flowlines: No flowlines are included with this request. c. Electrical: All electrical will follow existing and proposed road corridors. No electrical is included with this request. d. Structures: All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted to BLM specifications. e. Berms: Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, SURFACE CASING
Describe type:
Water source type: GW WELL

Source latitude: 32.190613
Source longitude: -104.05808

Source datum: NAD83

Water source permit type: WATER WELL

Source land ownership: FEDERAL

Water source transport method: TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 30000
Source volume (acre-feet): 3.866793

Source volume (gal): 1260000

Water source use type: STIMULATION
Water source type: GW WELL

Describe type:

Source latitude: 32.192104
Source longitude: -104.06197

Source datum: NAD83

Water source permit type: WATER WELL

Source land ownership: FEDERAL

Water source transport method: TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 50000
Source volume (acre-feet): 6.444655

Source volume (gal): 2100000

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Water source and transportation map:

Ross_25_3H_Wtr_20180922090320.pdf

Water source comments: The well will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck using the existing and proposed roads depicted in the attached exhibits. No water well will be drilled on the location. Water for drilling, completion and dust control will be purchased from the following company: SB Oilfield Services 213 S. Mesa Carlsbad, NM 88220 Water for drilling, completion and dust control will be supplied to SB Oilfield Services for sale to XTO Energy, Inc from the following two sources (see "NMWaterDoc"): 1st Well: C3423 Section 26-T24S-R28E Latitude: 32.190613 Longitude: -104.05808 2nd Well: C3358 Section 26-T24S-R28E Latitude: 32.192104 Longitude: -104.06197 Anticipated water usage for drilling includes an estimated 30,000 barrels of water to drill a horizontal well in a combination of fresh water and brine as detailed in the mud program in the drilling plans. These volumes are calculated for ~1.5bbls per foot of hole drilled with 40% excess to accommodate any lost circulation or wash out that may occur. Actual water volumes used during operations will depend on the depth of the well, length of horizontal sections, and the losses that may occur during the operation. Well completion is expected to require approximately 50,000 barrels of fresh water per horizontal well. Actual water volumes used during operations will depend on the depth of the well and length of horizontal sections. After production is established, XTO may complete wells with approximately 50,000 barrels of produced water. If this decision is made, the BLM will be notified appropriately, proper permitting will ensue with the New Mexico Oil Conservation division and this surface use plan will be amended as needed. A fresh water frac pond is anticipated after the wells are drilled. The maximum size anticipated for 24 wells is 250'x250'x15' with a HDPE 30mil liner. The potential location of the frac pond is unknown at this time but will be staked with a BLM representative present in order to make certain all wildlife habitat and hydrological areas are protected with minimal environmental impact.

New water well? NO

New Water Well Info

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

Well target aquifer:

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

Aquifer comments:

Aquifer documentation:

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

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

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

Drilling method: **Drill material:**

Grout material: **Grout depth:**

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

Well Production type: **Completion Method:**

Water well additional information:

State appropriation permit:

Additional information attachment:

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Section 6 - Construction Materials

Construction Materials description: Source 1: BLM Pit (24-22S-29E) Source 1: State (NMSLO) Pit (Pit 644-Eddy, 22-25S-28E)
Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: SEWAGE

Waste content description: Human Waste

Amount of waste: 250 gallons

Waste disposal frequency : Weekly

Safe containment description: Portable, self-contained toilets will be provided for human waste disposal. Upon completion of drilling and completion activities, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to the disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
Safe containmant attachment:

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

Disposal location description: A licensed 3rd party contract will be used to haul and dispose of human waste

Waste type: DRILLING

Waste content description: Cuttings

Amount of waste: 2100 pounds

Waste disposal frequency : One Time Only

Safe containment description: The well will be drilled utilizing a closed-loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to a New Mexico Oil Conservation Division (NMOCD) approved disposal site.
Safe containmant attachment:

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

Disposal location description: R360 Environmental Solutions 4507 W Carlsbad Hwy, Hobbs, NM 88240 (575) 393-1079

Waste type: GARBAGE

Waste content description: garbage, junk and non-flammable waste materials

Amount of waste: 250 pounds

Waste disposal frequency : Weekly

Safe containment description: All garbage, junk and non-flammable waste materials will be contained in a self-contained, portable dumpster or trash cage, to prevent scattering and will be removed and deposited in an approve sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Safe containmant attachment:

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

Disposal type description:

Disposal location description: A license 3rd party vendor will be contracted to haul and safely dispose of garbage, junk and non-flammable waste materials.

Waste type: DRILLING

Waste content description: Fluid

Amount of waste: 500 barrels

Waste disposal frequency : One Time Only

Safe containment description: These will be contained in steel mud pits and then taken to a NMOCD approved commercial disposal facility.

Safe containmant attachment:

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

Disposal type description:

Disposal location description: R360 Environmental Solutions 4507 W Carlsbad Hwy, Hobbs, NM 88240 (575) 393-1079

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

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

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

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

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location Cutting: The well will be drilled utilizing the closed loop mud system. Drill cuttings will be held in roll off style mud boxes and taken to a NMOCD approved disposal site. Drilling fluids: These will be contained in steel mud pits and then taken to a NMOCD approved commercial disposal facility. Produced Fluids: Water produced from the well during completion will be held temporarily in steel tanks and then taken to a NMOCD approved commercial disposal facility. Oil produced during operations will be stored in tanks until sold.

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

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

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

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

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

Ross_25_3H_Well_20180922090402.pdf

Comments: Previously approved APD in 2015; Expired in 2017.

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance **Multiple Well Pad Name:** ROSS DRAW 25

Multiple Well Pad Number: 3

Recontouring attachment:

Ross_25_3H_Int_Rec_20181201095820.pdf

Drainage/Erosion control construction: All compacted areas to be seeded will be ripped to a minimum depth of 18 inches with a minimum furrow spacing of 2 feet, followed by recontouring the surface and then evenly spreading the stockpiled topsoil. Prior to seeding, the seedbed will be scarified to a depth of no less than 4-6 inches.

Drainage/Erosion control reclamation: Erosion features are equal to or less than surrounding area and erosion control is sufficient so that water naturally infiltrates into the soil and gullying, headcutting, slumping, and deep or excessive rills (greater than 3 inches) are not observed.

Well pad proposed disturbance (acres): 2.263	**Well pad interim reclamation (acres):** 1.36	**Well pad long term disturbance (acres):** 0.903
Road proposed disturbance (acres): 0	**Road interim reclamation (acres):** 0.41	**Road long term disturbance (acres):** 0.41
Powerline proposed disturbance (acres): 0	**Powerline interim reclamation (acres):** 0	**Powerline long term disturbance (acres):** 0
Pipeline proposed disturbance (acres): 0	**Pipeline interim reclamation (acres):** 0	**Pipeline long term disturbance (acres):** 0
Other proposed disturbance (acres): 0	**Other interim reclamation (acres):** 0	**Other long term disturbance (acres):** 0
Total proposed disturbance: 2.263	**Total interim reclamation:** 1.77	**Total long term disturbance:** 1.313

Disturbance Comments:

Reconstruction method: The original stock piled topsoil will be spread over the areas being reclaimed and the original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors as close as possible to the original topography. The location will then be ripped and seeded
Topsoil redistribution: The original stock piled topsoil will be spread over the areas being reclaimed and the original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors as close as possible to the original topography. The location will then be ripped and seeded
Soil treatment: A self-sustaining, vigorous, diverse, native (or otherwise approved) plan community will be established on the site with a density sufficient to control erosion and invasion by non-native plants and to re-establish wildlife habitat or forage production. At a minimum, the established plant community will consist of species included in the seed mix and/or desirable species occurring in the surrounding natural vegetation.
Existing Vegetation at the well pad: Soil area is a combination of Pajarito-Dune land complex, loamy sand with 0-3% slopes, and Potter-Simona complex, shallow sandy soil with 5 to 25% slopes. These soils support grassland dominated by black grama throughout with dropseeds and bluestems more prevalent in the loamier areas. The areas with shallower soil have fewer shrubs and more litter cover with shrubs such as sand sage, shinnery oak and mesquite appearing as the soil presents more loam. Other vegetation such as creosote, mesquite, catclaw, snakeweed, and soapweed yucca grow within the area.
Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Soil area is a combination of Pajarito-Dune land complex, loamy sand with 0-3% slopes, and Potter-Simona complex, shallow sandy soil with 5 to 25% slopes. These soils support grassland dominated by black grama throughout with dropseeds and bluestems more prevalent in the loamier areas. The areas with shallower soil have fewer shrubs and more litter cover with shrubs such as sand sage, shinnery oak and mesquite appearing as the soil presents more loam. Other vegetation such as creosote, mesquite, catclaw, snakeweed, and soapweed yucca grow within the area.
Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: Soil area is a combination of Pajarito-Dune land complex, loamy sand with 0-3% slopes, and Potter-Simona complex, shallow sandy soil with 5 to 25% slopes. These soils support grassland dominated by black grama throughout with dropseeds and bluestems more prevalent in the loamier areas. The areas with shallower soil have fewer shrubs and more litter cover with shrubs such as sand sage, shinnery oak and mesquite appearing as the soil presents more loam. Other vegetation such as creosote, mesquite, catclaw, snakeweed, and soapweed yucca grow within the area.
Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: Soil area is a combination of Pajarito-Dune land complex, loamy sand with 0-3% slopes, and Potter-Simona complex, shallow sandy soil with 5 to 25% slopes. These soils support grassland dominated by black grama throughout with dropseeds and bluestems more prevalent in the loamier areas. The areas with shallower soil have fewer shrubs and more litter cover with shrubs such as sand sage, shinnery oak and mesquite appearing as the soil presents more loam. Other vegetation such as creosote, mesquite, catclaw, snakeweed, and soapweed yucca grow within the area.
Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type: **Seed source:**

Seed name:

Source name: **Source address:**

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre: **Proposed seeding season:**

Seed Summary	
Seed Type	Pounds/Acre

Total pounds/Acre:

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Jeff **Last Name:** Raines

Phone: (432)620-4349 **Email:** jeff_raines@xtoenergy.com

Seedbed prep: Initial seedbed preparation will consist of recontouring to the appropriate interim or final reclamation standard. All compacted areas to be seeded will be ripped to a minimum depth of 18 inches with a minimum furrow spacing of 2 feet, followed by recontouring the surface and then evenly spreading the stockpiled topsoil. Prior to seeding, the seedbed will be scarified to a depth of no less than 4-6 inches. If the site is to be broadcast seeded, the surface will be left rough enough to trap seed and snow, control erosion, and increase water infiltration.
Seed BMP: If broadcast seeding is to be used and is delayed, final seedbed preparation will consist of contour cultivating to a depth of 4-6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.
Seed method: Seeding will be conducted no more than two weeks following completion of final seedbed preparation. A certified weed-free seed mix designed by the BLM to meet reclamation standards will be used. If the site is harrowed or dragged, seed will be covered by no more than 0.25 inch of soil.
Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: Weed control for all phases will be through the use of approved pesticides and

herbicides according to applicable State, Federal and local laws.

Weed treatment plan attachment:

Monitoring plan description: Monitoring of invasive and noxious weeds will be visual and as-needed. If it is determined additional methods are required to monitor invasive and noxious weeds, appropriate BLM authorities will be contacted with a plan of action for approval prior to implementation.
Monitoring plan attachment:

Success standards: 100% compliance with applicable regulations

Pit closure description: There will be no reserve pit as each well will be drilled utilizing a closed loop mud system. The closed loop mud system will meet the NMOCD requirements 19, 15, and 17.
Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

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

Section 12 - Other Information

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

ROW Type(s): 281001 ROW - ROADS,289001 ROW- O&G Well Pad

Operator Name: XTO ENERGY INCORPORATED

Well Name: ROSS DRAW 25 **Well Number:** 3H

ROW Applications

SUPO Additional Information:

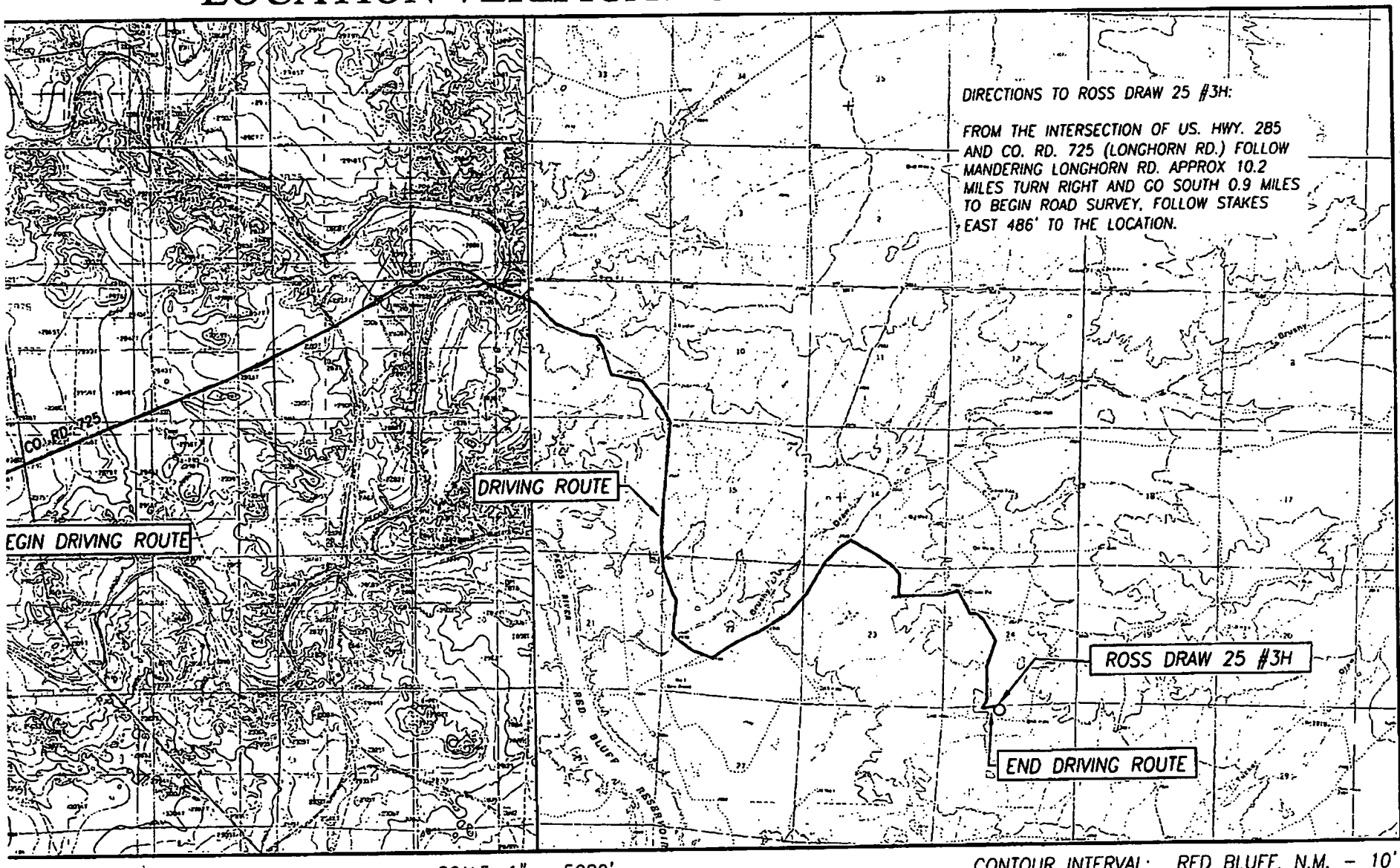
Use a previously conducted onsite? NO

Previous Onsite information:

Other SUPO Attachment

Ross_25_3H_APD_20180922090457.pdf

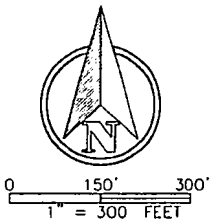
LOCATION VERIFICATION MAP



SCALE: 1" = 5280'

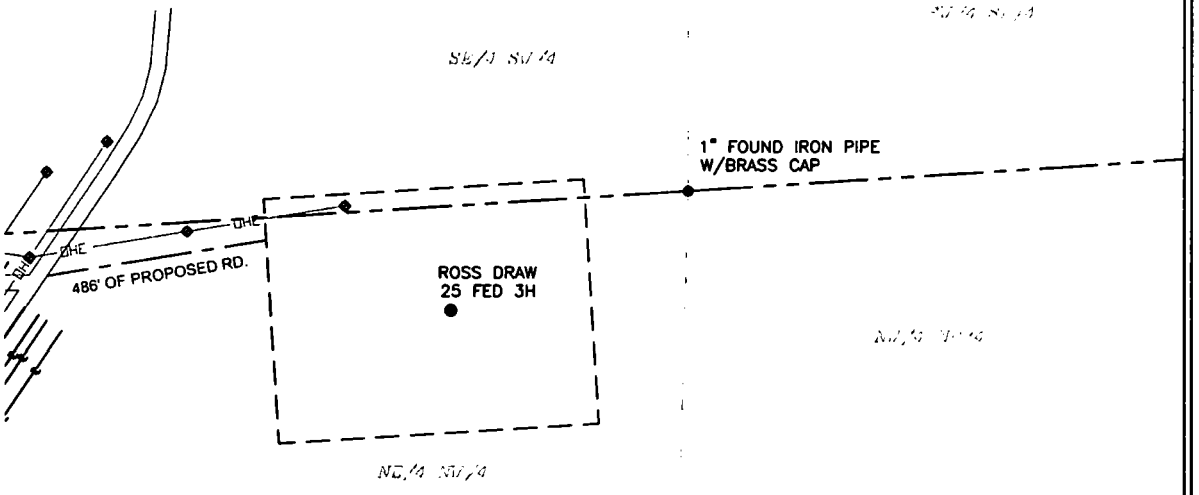
CONTOUR INTERVAL: RED BLUFF, N.M. – 10'
ROSS RANCH, N.M. – 10'

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000



SECTION 24

TOWNSHIP 26 SOUTH, RANGE 29 EAST
NEW MEXICO PRIME MERIDIAN
OWNER: U.S.A.



LEGEND

- SECTION LINE
- EXISTING ROAD
- EXISTING PAD
- EXISTING PIPELINE
- OHE — EXISTING OVERHEAD ELECTRIC
- POWER POLE
- PROPOSED PAD
- PROPOSED ROAD
- FOUND MONUMENT AS NOTED

SECTION 25

TOWNSHIP 26 SOUTH, RANGE 29 EAST
NEW MEXICO PRIME MERIDIAN
OWNER: U.S.A

GENERAL NOTES

1. BEARINGS AND COORDINATES SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
2. LATITUDE AND LONGITUDE VALUES SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN DATUM (NAD83).

I, MARK DILLON HARP, NEW MEXICO PROFESSIONAL SURVEYOR NO. 23786, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

MARK DILLON HARP
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF NEW MEXICO NO. 23786

MARK DILLON HARP
NEW MEXICO
23786
PROFESSIONAL SURVEYOR

XTO ENERGY

PLAT OF:

PROPOSED CENTERLINE OF
ACCESS ROAD FOR:
XTO ENERGY, INC.
ROSS DRAW 25 #3H
SITUATED IN SECTION 25,
TOWNSHIP 26 SOUTH, RANGE 29 EAST,
NEW MEXICO PRIME MERIDIAN,
EDDY COUNTY, NEW MEXICO

FSC INC
SURVEYORS+ENGINEERS
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPE Firm 17957 | TBPLS Firm 10193887
www.fscinc.net
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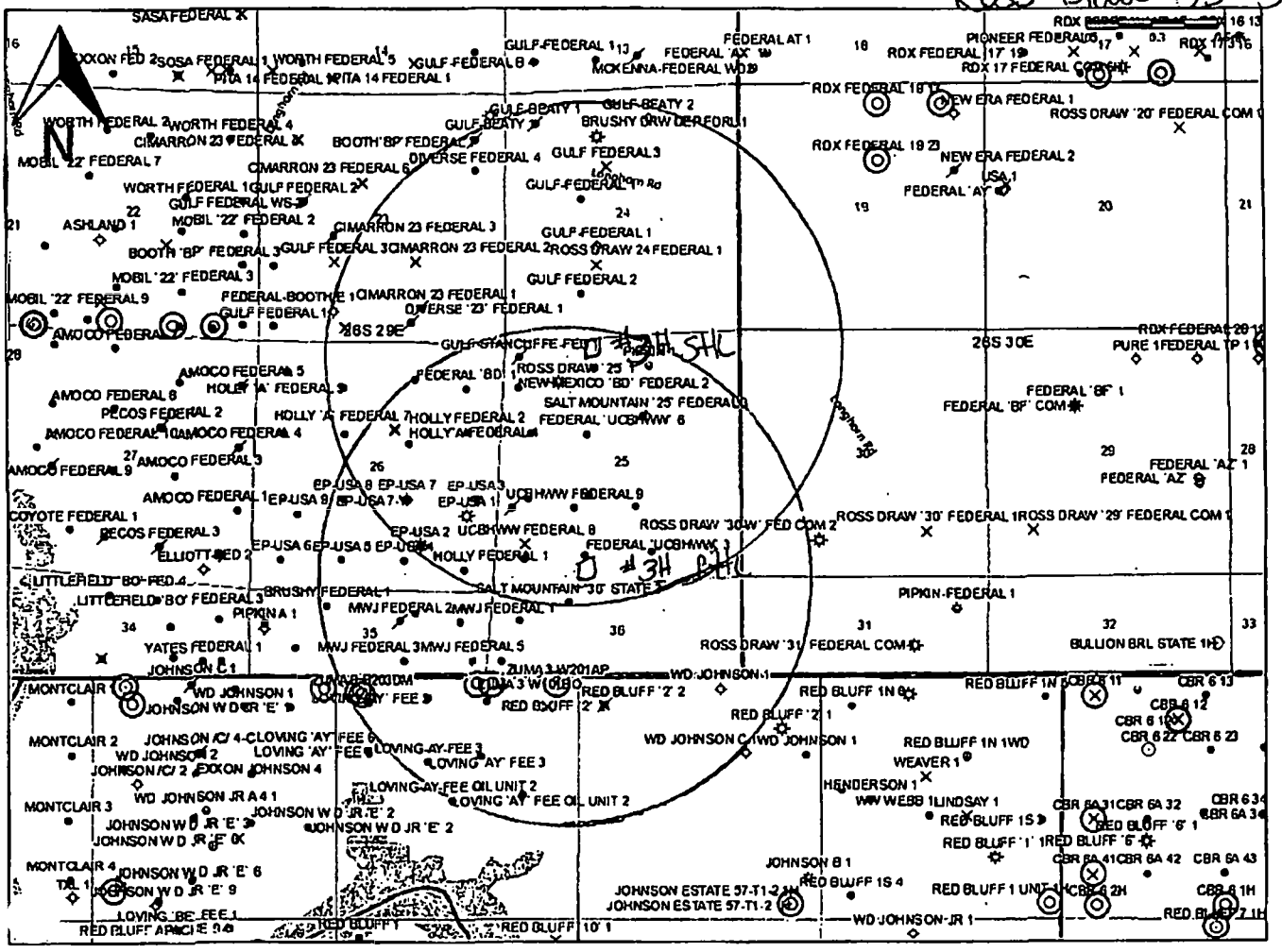
DATE:	11-30-2018	PROJECT NO:	2018092191
DRAWN BY:	AI	SCALE:	1" = 300'
CHECKED BY:	DH	SHEET:	1 OF 1
FIELD CREW:	KN/DL	REVISION:	NO

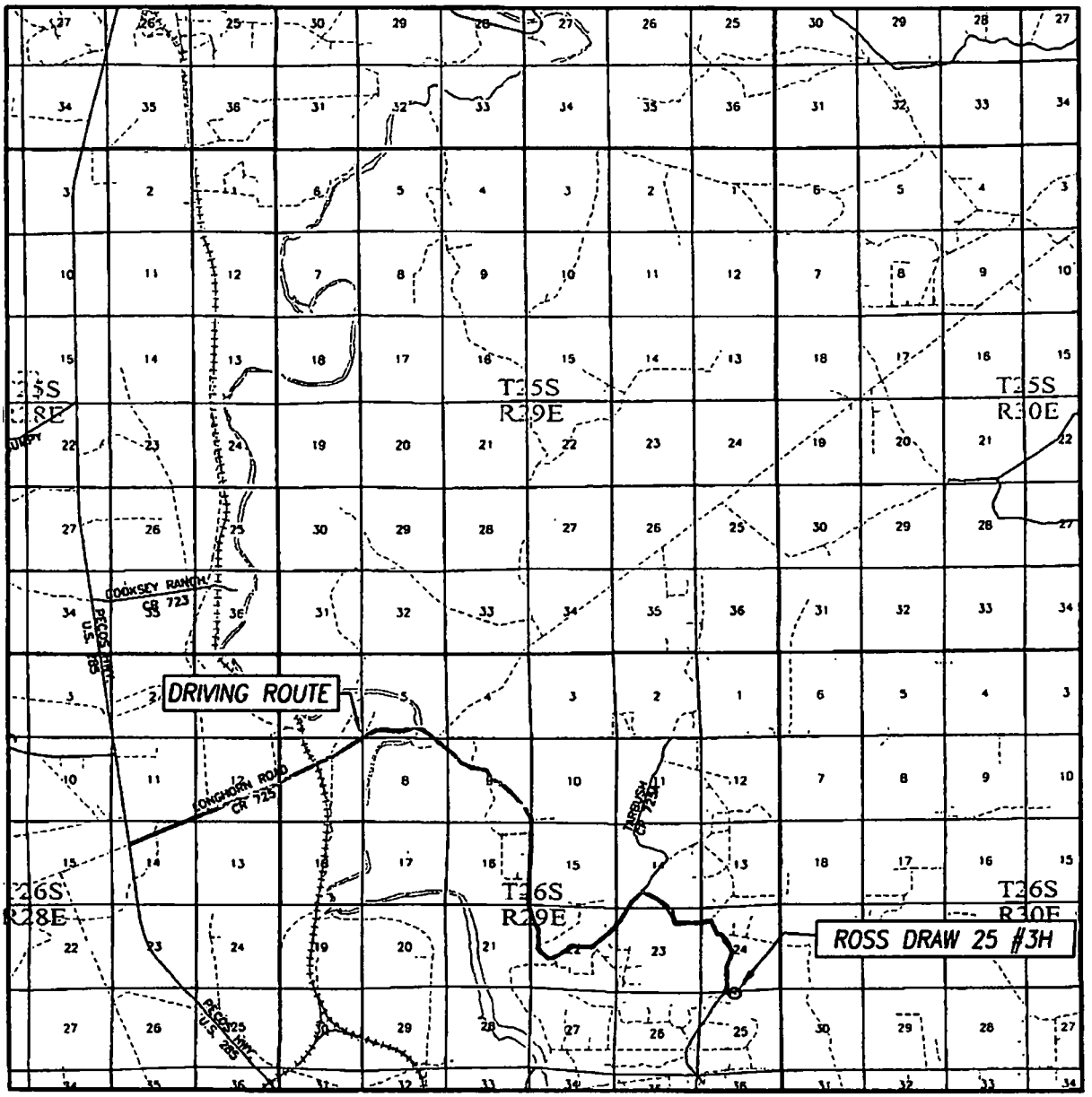
Ross Draw 25

One-Mile Radius Map

Ross Draw 25 #3H



VICINITY MAP



SCALE: 1" = 2 MILES

DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

SEC. 25 TWP. 26-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

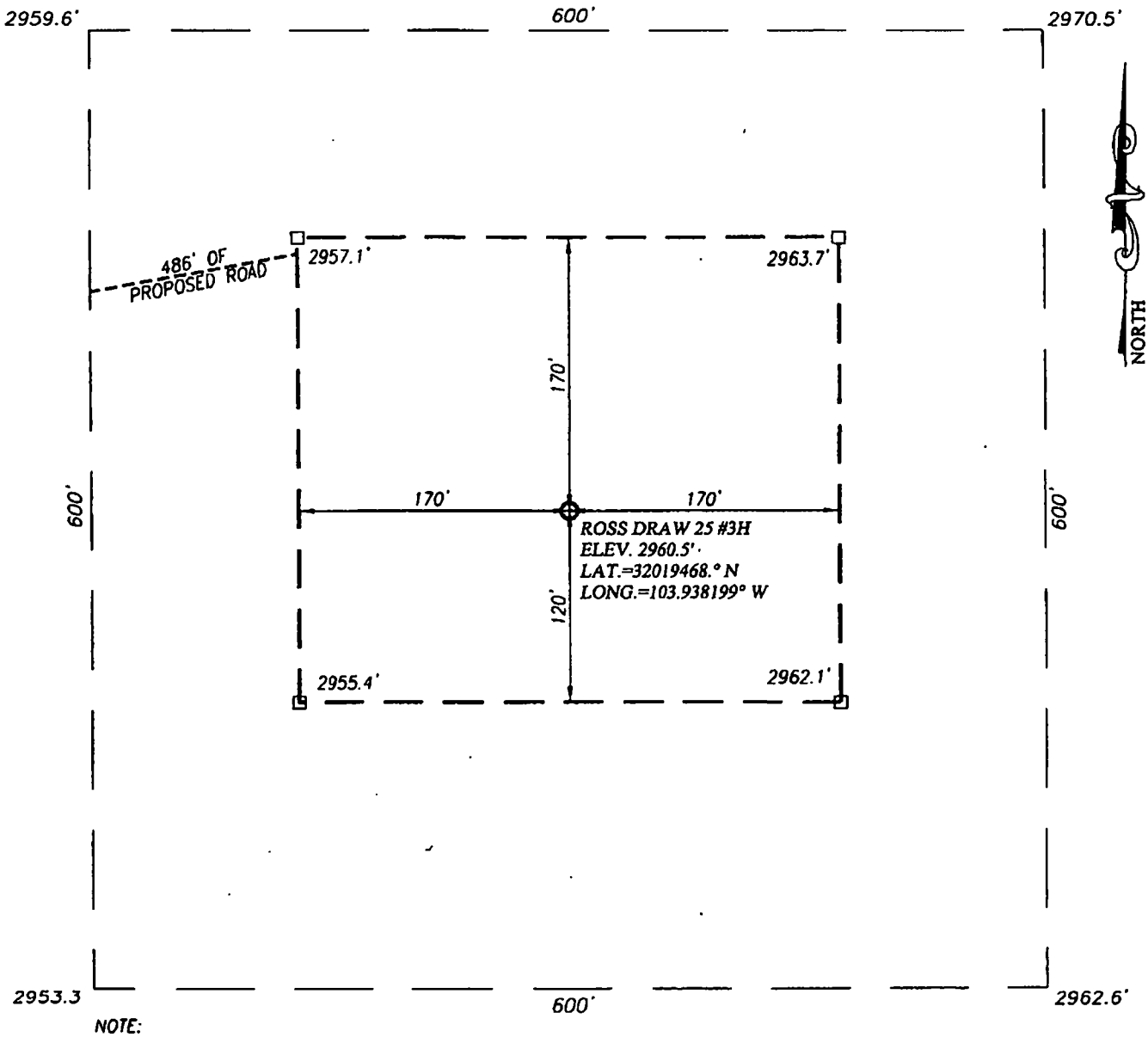
DESCRIPTION 170' FNL & 2161' FWL

ELEVATION 2960'

OPERATOR XTO ENERGY

LEASE ROSS DRAW 25

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000



NOTE:
1) SEE "LOCATION VERIFICATION MAP" FOR PROPOSED ROAD LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

DIRECTIONS TO ROSS DRAW 25 #3H:

FROM THE INTERSECTION OF US. HWY. 285 AND CO. RD. 725 (LONGHORN RD.) FOLLOW MANDERING LONGHORN RD. APPROX 10.2 MILES TURN RIGHT AND GO SOUTH 0.9 MILES TO BEGIN ROAD SURVEY, FOLLOW STAKES EAST 486' TO THE LOCATION.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

XTO ENERGY

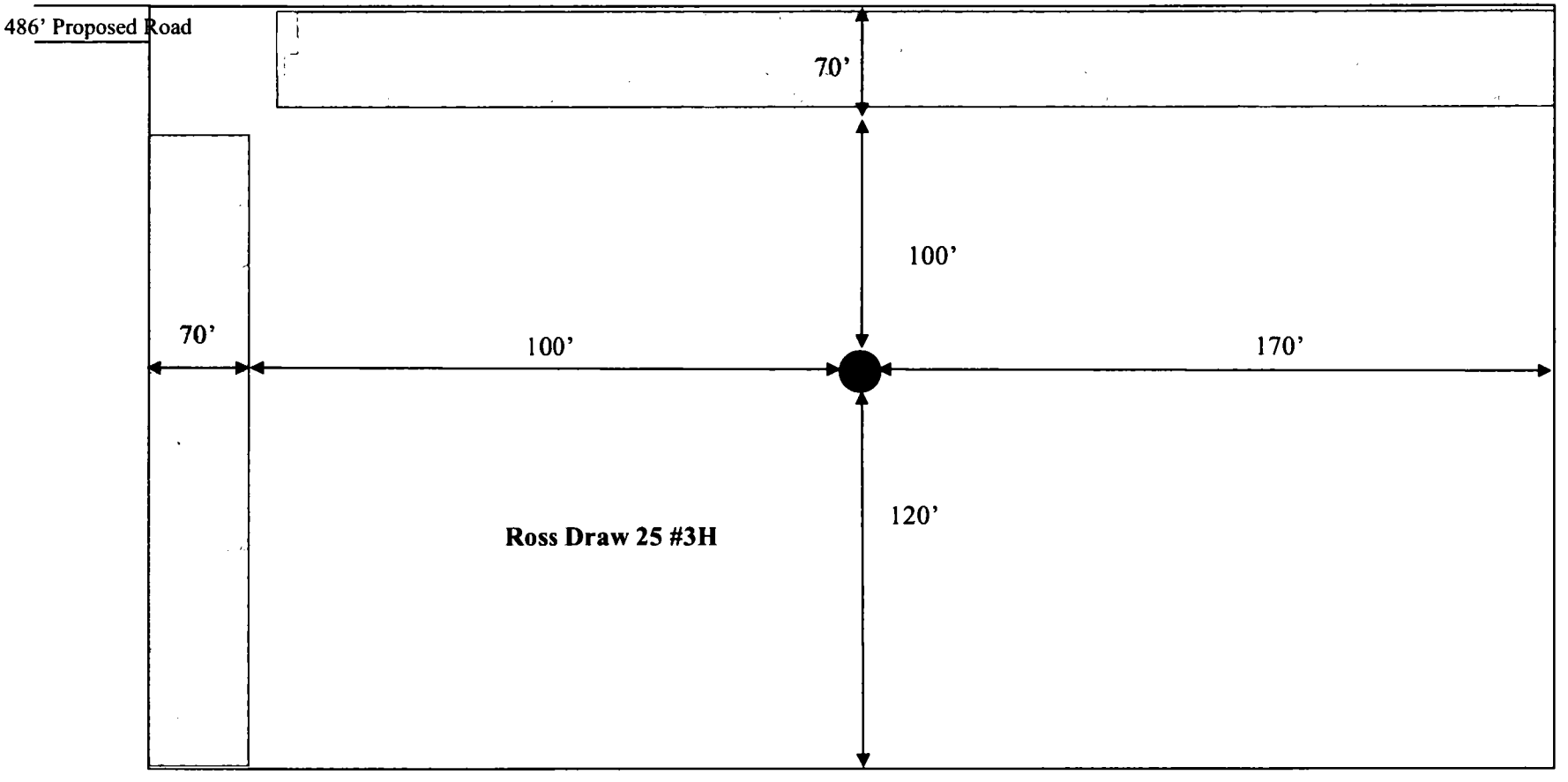
ROSS DRAW 25 #3H WELL
LOCATED 170 FEET FROM THE NORTH LINE
AND 2161 FEET FROM THE WEST LINE OF SECTION 25,
TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 7/25/14	CAD Date: 8/1/14	Drawn By: LSL
W.O. No.: 14110440	Rev: .	Rel. W.O.:	Sheet 1 of 1

(C) DRAFTING\Layouts\2014\XTO Energy\wells

EXHIBIT D

Interim Reclamation Diagram
Ross Draw 25 #3H
V-Door East



LEGEND

N

Wellbore

Interim Reclamation

Ditch & Berm

Topsoil

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 07 2019
RECEIVED

Form 3160-3
(August 2007)

Carlsbad Field Office
OCD Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

AMS-15-281

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. SHL & BHL:NMNM035607
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	6. If Indian, Allotee or Tribe Name
2. Name of Operator XTO Energy, Incorporated	7. If Unit or CA Agreement, Name and No.
3a. Address 500 W. Illinois St. Ste 100 Midland, Texas 79701	3b. Phone No. (include area code) 432-620-6714
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 170'FNL & 2161'FWL At proposed prod. zone 170'FSL & 2308'FWL ~~870'FNL & 2482'FWL~~ NORTHODOX LOCATION	8. Lease Name and Well No. Ross Draw 25 #3H
	9. API Well No. 30-015-43473
	10. Field and Pool, or Exploratory WC-015 G-07 S262925D; Upr Wlfcamp
	11. Sec., T. R. M. or Blk. and Survey or Area C-25-T26S-R29E
14. Distance in miles and direction from nearest town or post office*	12. County or Parish Eddy / 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 170'	16. No. of acres in lease 369.5 Acres	17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1781' (Nearest Applied for: Ross Draw 25 #2H)	19. Proposed Depth TVD: 10,436' MD: 15,184'	20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2960'	22. Approximate date work will start* ASAP	23. Estimated duration 45 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 Stephanie Rabadue	Name (Printed/Typed) Stephanie Rabadue	Date 12/07/2014
Title Regulatory Analyst		
Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date NOV 23 2015
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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

APPROVAL FOR TWO YEARS

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)

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 30 2015
RECEIVED

12/01/2015

Carlsbad Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

XTO ENERGY

Certification

November 20, 2014

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-234-5972

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or XTO Energy, Inc., am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 20th day of November, 2014.

Thank you,

Stephanie Rabadue

Stephanie Rabadue
Regulatory Analyst

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 07 2019
RECEIVED
SEP 04 2014
REC'D / MIDLAND

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, 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
30-015-43473	98108	WC-015 G-07 S263202D; upper Wolfcamp

Property Code	Property Name	Well Number
315698	ROSS DRAW 25	3H

OGRID No.	Operator Name	Elevation
005380	XTO ENERGY	2960'

Surface Location

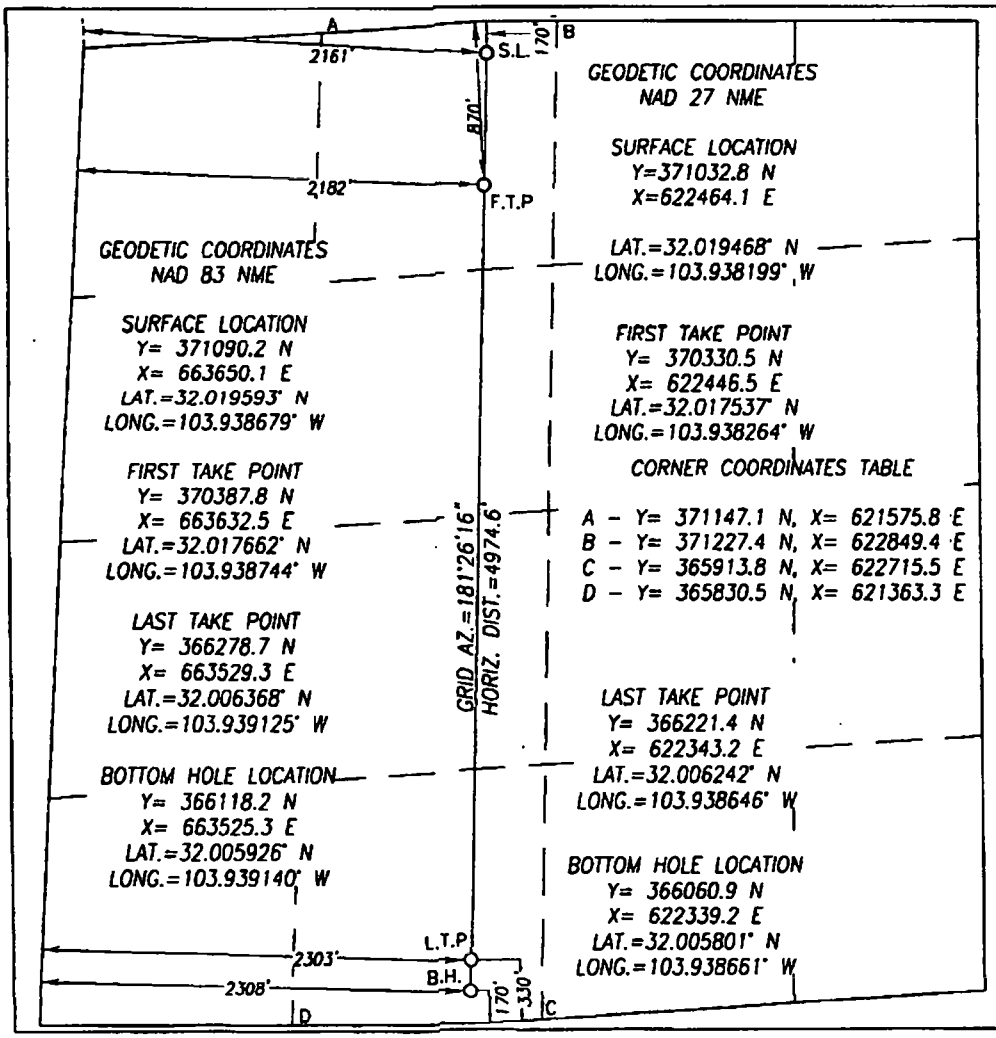
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	26-S	29-E		170	NORTH	2161	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	26-S	29-E		170	SOUTH	2308	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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



GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y=371032.8 N
X=622464.1 E
LAT.=32.019468° N
LONG.=103.938199° W

FIRST TAKE POINT
Y= 370330.5 N
X= 622446.5 E
LAT.=32.017537° N
LONG.=103.938264° W

CORNER COORDINATES TABLE
A - Y= 371147.1 N, X= 621575.8 E
B - Y= 371227.4 N, X= 622849.4 E
C - Y= 365913.8 N, X= 622715.5 E
D - Y= 365830.5 N, X= 621363.3 E

LAST TAKE POINT
Y= 366221.4 N
X= 622343.2 E
LAT.=32.006242° N
LONG.=103.938646° W

BOTTOM HOLE LOCATION
Y= 366060.9 N
X= 622339.2 E
LAT.=32.005801° N
LONG.=103.938661° W

GEODETIC COORDINATES
NAD 83 NME

SURFACE LOCATION
Y= 371090.2 N
X= 663650.1 E
LAT.=32.019593° N
LONG.=103.938679° W

FIRST TAKE POINT
Y= 370387.8 N
X= 663632.5 E
LAT.=32.017662° N
LONG.=103.938744° W

LAST TAKE POINT
Y= 366278.7 N
X= 663529.3 E
LAT.=32.006368° N
LONG.=103.939125° W

BOTTOM HOLE LOCATION
Y= 366118.2 N
X= 663525.3 E
LAT.=32.005926° N
LONG.=103.939140° W

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephanie Rabadue 9-4-14
Signature Date

Stephanie Rabadue
Printed Name

stephanie_rabadue@xtoenergy.com
E-mail 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 supervision, and that the same is true and correct to the best of my belief.

JULY 25, 2014
Date of Survey

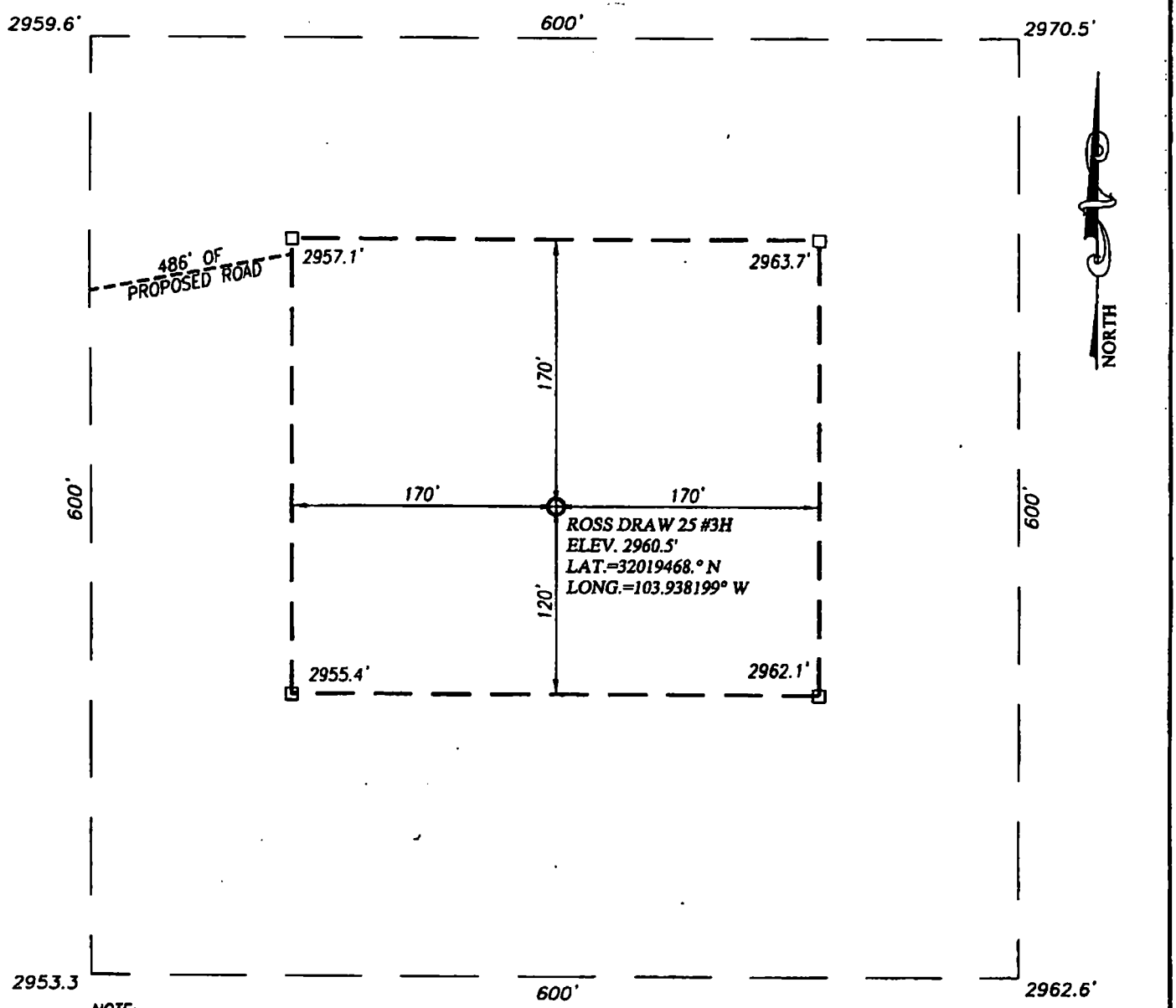
Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR

Ronald J. Eidson 08/28/2014

Certificate Number: Gary G. Eidson 12641
Ronald J. Eidson 3239

LSL Rel. W.O.: 14.11.0440 JWSC W.O.: 14.13.0899



NOTE:
1) SEE "LOCATION VERIFICATION MAP" FOR PROPOSED ROAD LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

DIRECTIONS TO ROSS DRAW 25 #3H:

FROM THE INTERSECTION OF US. HWY. 285 AND CO. RD. 725 (LONGHORN RD.) FOLLOW MANDERING LONGHORN RD. APPROX 10.2 MILES TURN RIGHT AND GO SOUTH 0.9 MILES TO BEGIN ROAD SURVEY, FOLLOW STAKES EAST 486' TO THE LOCATION.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

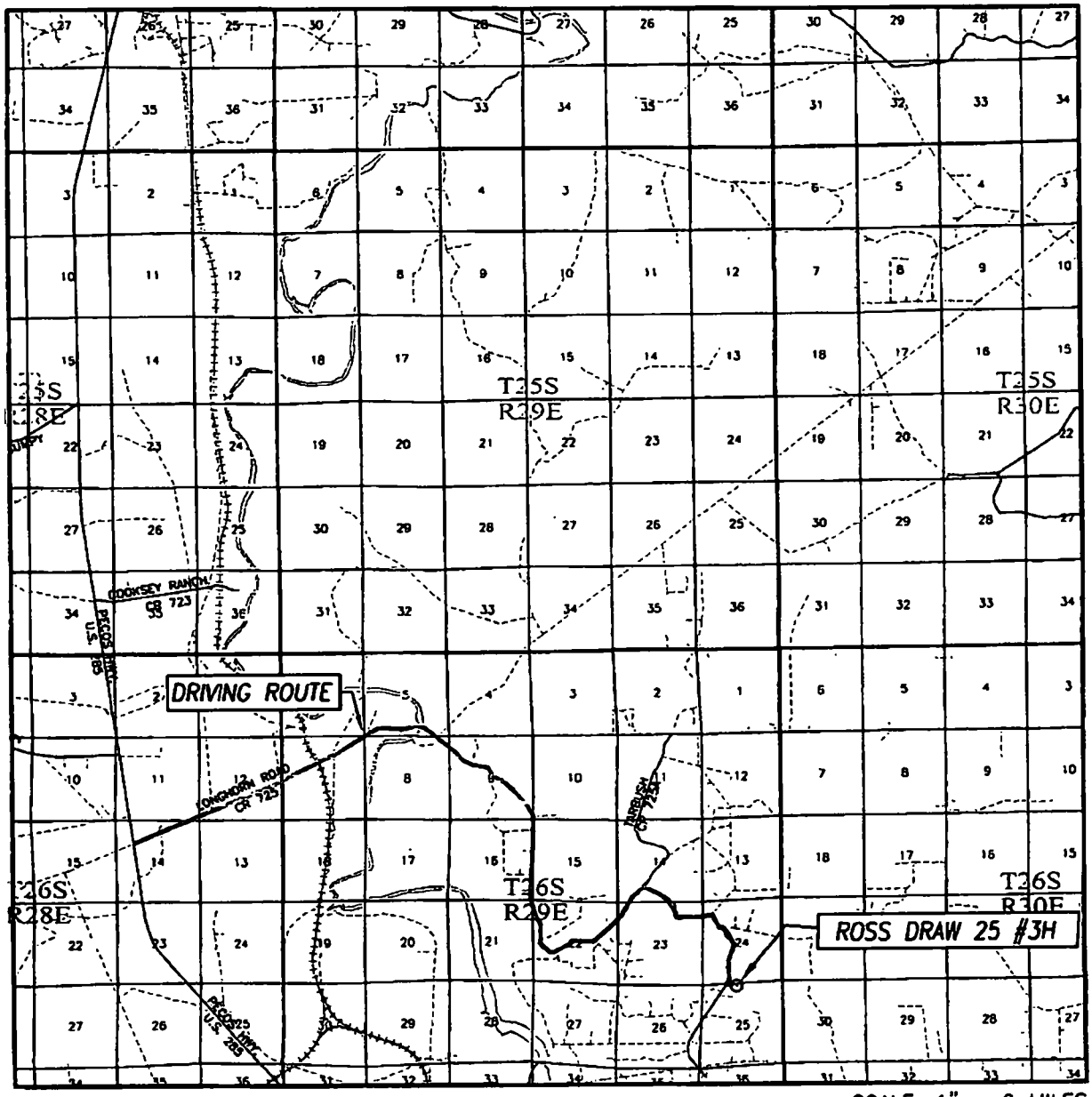
XTO ENERGY

ROSS DRAW 25 #3H WELL
LOCATED 170 FEET FROM THE NORTH LINE
AND 2161 FEET FROM THE WEST LINE OF SECTION 25,
TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 7/25/14	CAD Date: 8/1/14	Drawn By: LSL
W.O. No.: 14110440	Rev: .	Rel. W.O.:	Sheet 1 of 1

© DRAFTING\Lorenzo\2014\XTO Energy\wells

VICINITY MAP



SCALE: 1" = 2 MILES

DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

SEC. 25 TWP. 26-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 170' FNL & 2161' FWL

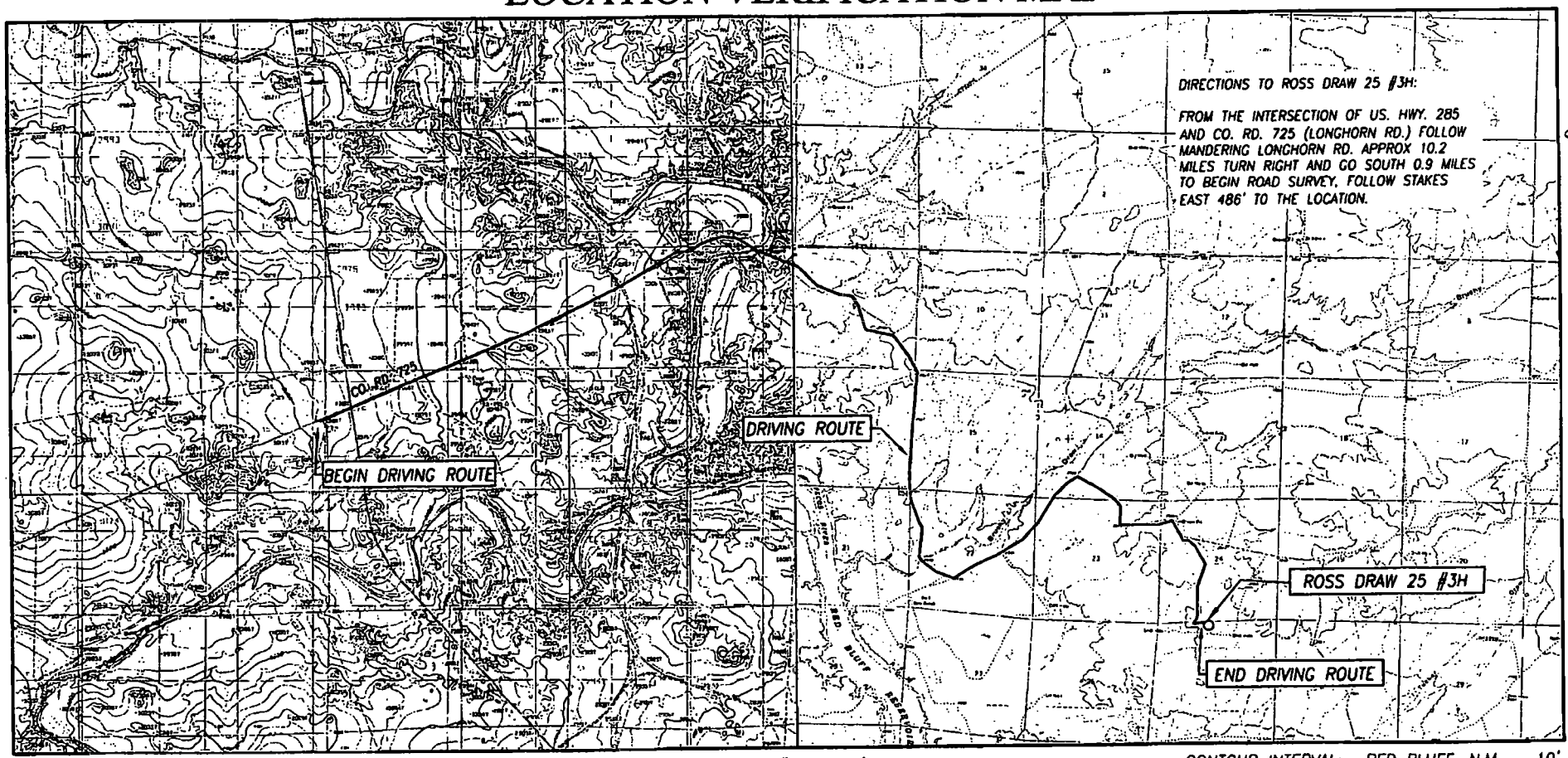
ELEVATION 2960'

OPERATOR XTO ENERGY

LEASE ROSS DRAW 25

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

LOCATION VERIFICATION MAP



SEC. 25 TWP. 26-S RGE. 29-E
COUNTY EDDY STATE NEW MEXICO
DESCRIPTION 170' FNL & 2161' FWL
ELEVATION 2960'
OPERATOR XTO ENERGY
LEASE ROSS DRAW 25
U.S.G.S. TOPOGRAPHIC MAP
ROSS RANCH, N.M. SURVEY N.M.P.M.

SCALE: 1" = 5280'

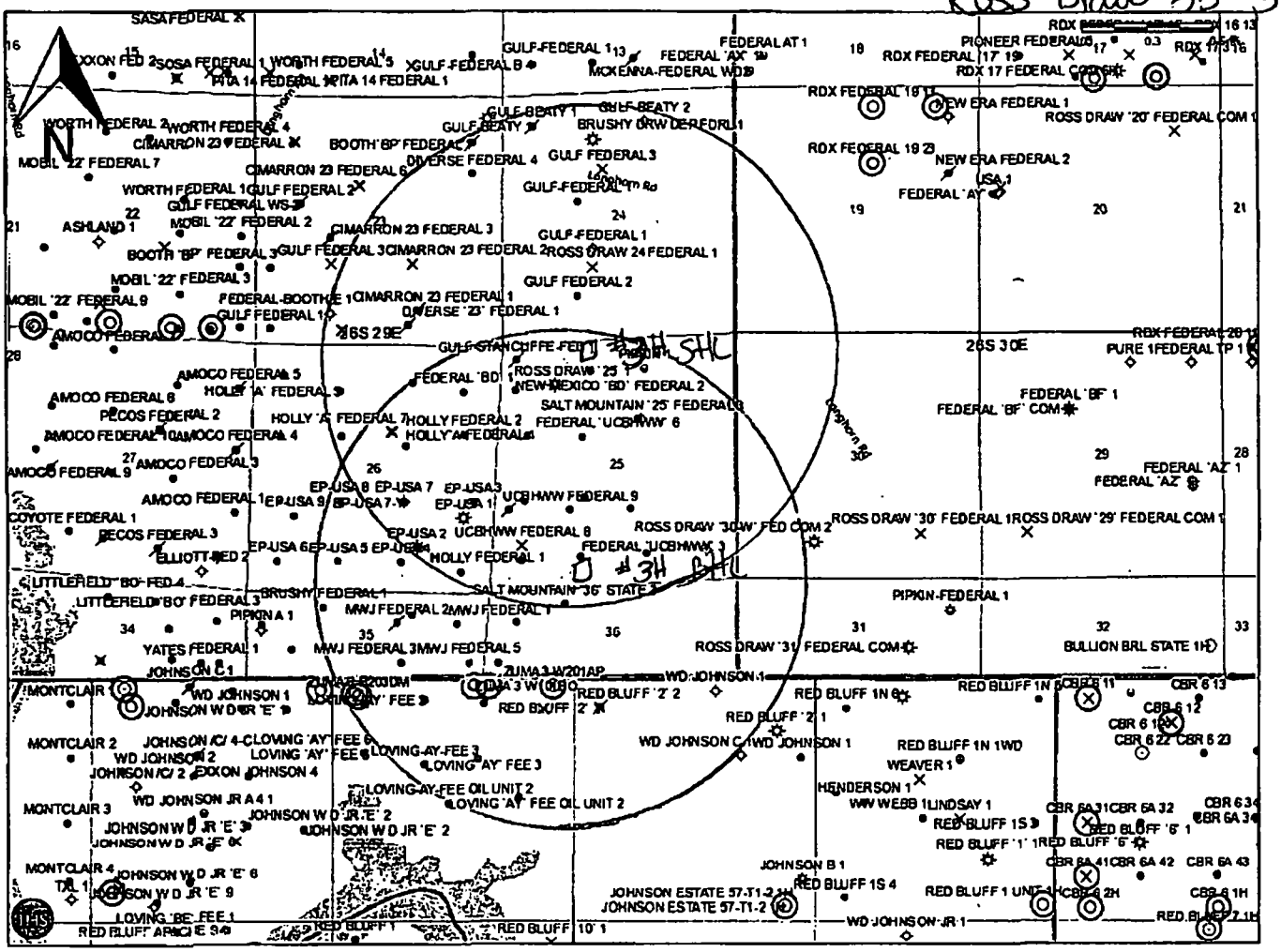
CONTOUR INTERVAL: RED BLUFF, N.M. - 10'
ROSS RANCH, N.M. - 10'

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Ross Draw 25

One-Mile Radius Map

Ross Draw 25 #3H



DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Ross Draw 25 3H
Projected TD: 15184' MD / 10436' TVD
SHL: 170' FNL & 2161' FWL, SECTION 25, T26S, R29E
1st Take Point: 870'FNL & 2182'FWL, 25-T26S-R29E
2nd Take Pont: 330'FSL & 2303'FWL, 25-T26S-R29E
BHL: 170' FSL & 2308' FWL, SECTION 25, T26S, R29E
Eddy County, NM

1. **GEOLOGIC NAME OF SURFACE FORMATION:**
   A. Permian

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:**

Formation	Well Depth (TVD)	Water / Oil / Gas
Rustler	219'	Water
Top of Salt	802'	
Base of Salt	3092'	
Delaware	3147'	Water
Cherry Canyon	4022'	Water
Brushy Canyon	5672'	Water/Oil/Gas
Bone Spring	6877'	Water/Oil/Gas
1st Bone Spring	7827'	Water/Oil/Gas
2nd Bone Spring	8607'	Water/Oil/Gas
3rd Bone Spring	9732'	Water/Oil/Gas
Wolfcamp	10077'	Water/Oil/Gas
Target/Land Curve	10456'	Water/Oil/Gas

*** Hydrocarbons @ Brushy Canyon
*** Groundwater depth 100' (per NM State Engineers Office).

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8" casing @ 350' above the salt and circulating cement back to surface. The salt will be isolated by setting 9-5/8" casing at 3150' and circulating cement to surface. An 8-3/4" vertical and curve hole be drilled and 7" casing run and cemented 500' into the 9-5/8" casing. A 6-1/8" curve and lateral hole will be drilled to MD/TD and a 4-1/2" liner with sliding frac sleeves will be set at TD and cemented back 250' into the 7" casing shoe.

3. **CASING PROGRAM:**

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
17-1/2"	0' – 350'	13-3/8"	48#	STC	H-40	New	6.92	4.62	19.17
12-1/4"	0' – 3150'	9-5/8"	36#	LTC	J-55	New	2.59	1.21	3.99
8-3/4"	0' – 10150'	7"	29#	LTC	P-110	New	2.82	1.71	2.71

6-1/8"	9900' – 15184'	4-1/2"	13.5#	BTC	P-110	New	1.31	1.46	5.92

WELLHEAD:

A. Starting Head: 13-3/8" SOW bottom x 13-5/8" 3,000 psi top flange
B. 'B' Section/ Drilling Spool: 13-5/8" 3,000 psi bottom flange x 11" 5,000 psi top flange
C. Tubing Head: 11" 5,000 psi bottom flange x 7-1/16" 10,000 psi top flange

4. CEMENT PROGRAM:

A. **Surface Casing:** 13-3/8", 48#, NEW H-40, STC casing to be set at ± 350'.

20bbls FW, then 390 sx HalCem-C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft^3/sk, 6.39 gal/sx wtr)

***All volumes 100% excess in open hole. Cement to surface.

B. **Intermediate Casing:** 9-5/8", 36#, NEW J-55, LTC casing to be set at ± 3150'.

Lead: 20 bbls FW, then 630 sx EconoCem-HLC + 3 lbm/sk Kol-Seal + 0.25 lbm D-air 5000 (mixed at 11.9 ppg, 2.49 ft^3/sk, 14.18 gal/sx wtr)

Tail: 250 sx HalCem-C (mixed at 14.8 ppg, 1.33 ft^3/sk, 6.34 gal/sx wtr)

***All volumes 100% excess in open hole. Cement to surface.

C. **Production Casing:** 7", 29#, NEW P-110, LTC casing to be set at ± 10150'.

Lead: 20 bbls FW, then 580 sx Tuned Light + 2 lbm/sk Kol-Seal + 0.3 lbm/sk CFR-3 (mixed at 10.5 ppg, 2.99 ft^3/sk, 14.5 gal/sx wtr)

Tail: 380 sx VersaCem - H + 3 lbm/sk Kol-Seal + 0.4% Halad 344 + 0.3% CFR-3 + 0.3% Super CBL + 0.25 lbm/sk D-air 5000 (mixed at 14.5 ppg, 1.22 ft^3/sk, 5.33 gal/sx wtr)

***All volumes 100% excess in open hole. Planned top of cement 500' into intermediate casing shoe

D. **Production Liner:** 4-1/2", 13.5#, NEW P-110, BTC casing to be set at ± 15184'. Liner top will be at ± 9900'. Casing will be cemented and will include sliding sleeves for the completion.

Tail: 405 sx VersaCem PBHS2 + 0.25 lbm/sk D-air 5000 + 0.5% Halad 344 + 0.3% CFR-3 (mixed at 13.2 ppg, 1.59 ft^3/sk, 8.31 gal/sx wtr)

***All volumes 30% excess in open hole. Planned top of cement at liner top.

5. PRESSURE CONTROL EQUIPMENT:

The blow out preventer equipment (BOP) for this well consists of a 13-5/8" minimum 5M Hydril and a 13-5/8" minimum 5M Double Ram BOP. Max bottom hole pressure should not exceed 6750 psi.

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nippling up on the 13-5/8" 3M bradenhead and flange, the BOP test will be limited to 3000 psi. When nippling up on the 9-5/8" and 7", the BOP will be tested to a minimum of 5000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 5M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

See COA

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

6. PROPOSED MUD CIRCULATION SYSTEM:

INTERVAL	Hole Size	Mud Type	MW (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
0' to 350'	17-1/2"	FW/Native	8.4 - 8.8	35 - 40	NC
350' to 3150'	12-1/4"	Brine/Gel Sweeps	9.8 - 10.2	30 - 32	NC
3150' to 10150'	8-3/4"	FW / Cut Brine	8.6 - 9.5	29 - 32	NC - 20
10150' to 15184'	6-1/8"	FW / Cut Brine / Poly-Sweeps	9.5 - ~~13.5~~ 11.8	32 – 50	8 - 20

Operator Per Operator See COA

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. A 9.8ppg - 10.2ppg brine mud will be used while drilling through the salt formation. Cut brine will be used to drill the 8-3/4" section. A polymer mud will be used to drill the 6-1/8" section. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Solids control equipment will be used to operate as a closed loop system.

7. **AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:**

A. A Kelly cock will be in the drill string at all times.
B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
C. H2S monitors will be on location when drilling below the 13-3/8" casing.

8. **LOGGING, CORING AND TESTING PROGRAM:**

Mud Logger: Mud Logging Unit (2 man) on @ 3150'.
Catch 20' samples from 3150' to TD
Send 1 set of dry samples to Midland Sample Library.

See COA

Open hole logging to include Density/Neutron/PE/Dual Laterlog/Spectral Gamma from kick-off point to intermediate casing shoe.

9. **ABNORMAL PRESSURES AND TEMPERATURES / POTENTIAL HAZARDS:**

None anticipated. BHT of 180 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid.

See COA

10. **ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

Road and location construction will begin after Santa Fe and BLM have approved the APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 40 days. If production casing is run, an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

XTO Energy Inc.

HALLIBURTON
Sperry Drilling

Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.80	622464.10	32° 1' 10.084 N	103° 56' 17.516 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

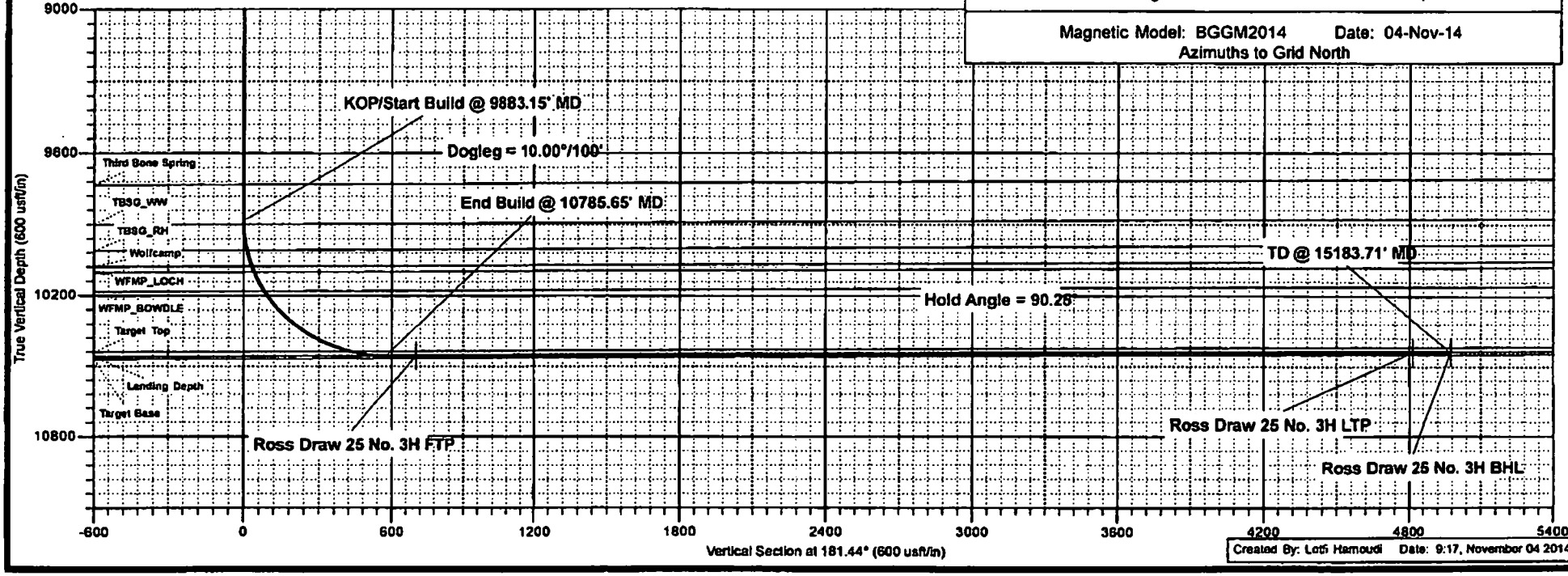
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Ross Draw 25 No. 3H BHL	10436.92	-4971.90	-124.90	366060.90	622339.20	32° 0' 20.884 N	103° 56' 19.178 W
Ross Draw 25 No. 3H LTP	10437.62	-4811.40	-120.90	366221.40	622343.20	32° 0' 22.472 N	103° 56' 19.125 W
Ross Draw 25 No. 3H FTP	10456.00	-702.30	-17.60	370330.50	622446.50	32° 1' 3.134 N	103° 56' 17.750 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9883.15	0.00	0.00	9883.15	0.00	0.00	0.00	0.00	0.00	KOP/Start Build
10785.65	90.25	181.44	10456.11	-575.28	-14.45	10.00	181.44	575.46	End Build
15183.71	90.25	181.44	10436.92	-4971.90	-124.90	0.00	0.00	4973.47	TD

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

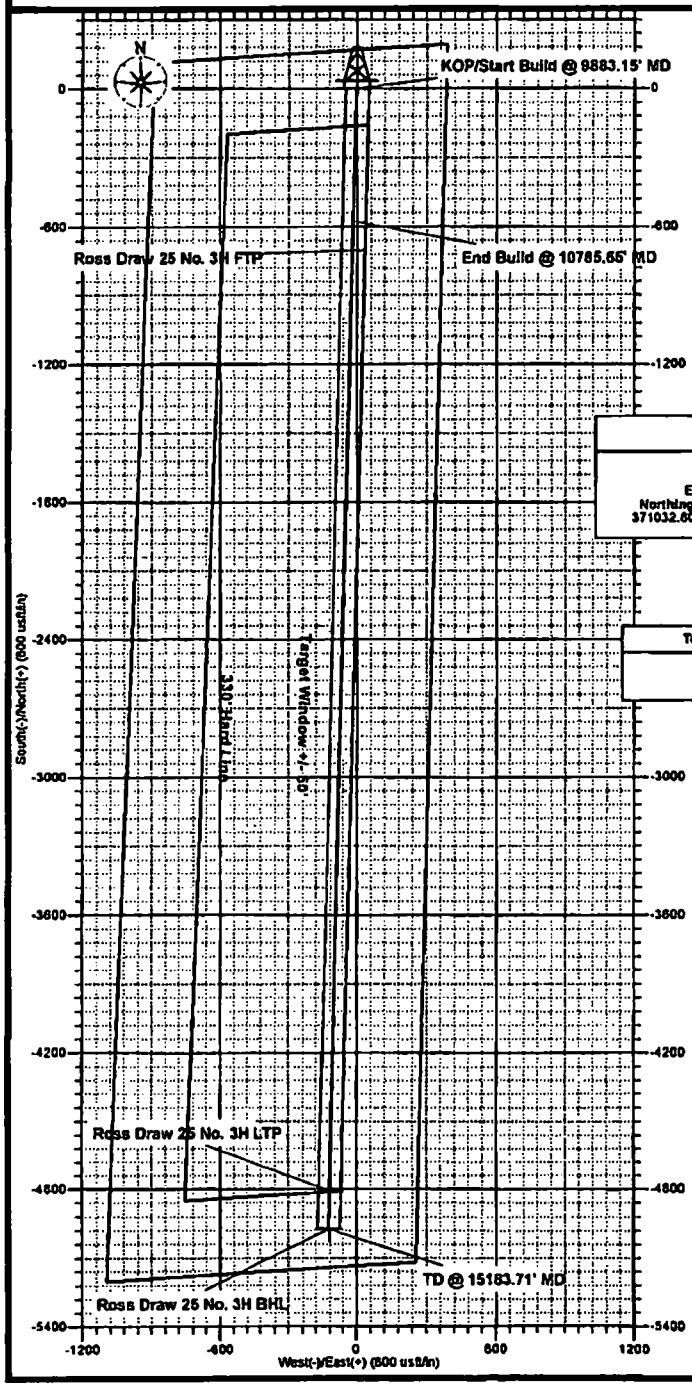
Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North



Created By: Lotfi Hamoudi Date: 9:17, November 04 2014

XTO Energy Inc.

HALLIBURTON | Sperry Drilling



Project: Eddy County, NM (NAD27)
Site: Ross Draw 25
Well: Ross Draw 25 No. 3H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Pioneer 33

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)

Northing	Easting	Latitude	Longitude
371032.60	622464.10	32° 1' 10.984 N	103° 58' 17.516 W

To convert a Magnetic Direction to a Grid Direction, Add 7.28°

Magnetic Model: BGGM2014 Date: 04-Nov-14
Azimuths to Grid North

Created By: Lotfi Hamoudi Date: 9.09, November 04 2014

XTO Energy Inc.

Eddy County, NM (NAD27)
Ross Draw 25
Ross Draw 25 No. 3H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services
Proposal Report

04 November, 2014

Well Coordinates: 371,032.80 N, 622,464.10 E (32° 01' 10.08" N, 103° 56' 17.52" W)
Ground Level: 2,960.00 usft

Local Coordinate Origin:	Centered on Well Ross Draw 25 No. 3H
Viewing Datum:	GL 2960' + KB 17' @ 2977.00usft (Pioneer 33)
TVDs to System:	N
North Reference:	Grid
Unit System:	API - US Survey Feet

Version: 5000.1 Build: 72

HALLIBURTON

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,354.00	0.00	0.00	1,354.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Castile										
3,092.00	0.00	0.00	3,092.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lamar/Base Salt										
3,147.00	0.00	0.00	3,147.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon										
4,022.00	0.00	0.00	4,022.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon										
5,672.00	0.00	0.00	5,672.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brushy Canyon										
6,877.00	0.00	0.00	6,877.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bone Spring										
7,827.00	0.00	0.00	7,827.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
First Bone Spring										
8,607.00	0.00	0.00	8,607.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Second Bone Spring										
9,732.00	0.00	0.00	9,732.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Bone Spring										
9,883.15	0.00	0.00	9,883.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP/Start Build @ 9883.15' MD - Dogleg = 10.00°/100'										
9,899.00	1.58	181.44	9,899.00	-0.22	-0.01	0.22	10.00	10.00	0.00	181.44
TBSG_WW										
9,900.00	1.68	181.44	9,900.00	-0.25	-0.01	0.25	10.00	10.00	0.00	0.00
10,000.00	11.68	181.44	9,999.19	-11.87	-0.30	11.87	10.00	10.00	0.00	0.00
10,009.97	12.68	181.44	10,008.94	-13.97	-0.35	13.98	10.00	10.00	0.00	0.00
TBSG_RH										
10,080.75	19.76	181.44	10,076.85	-33.72	-0.85	33.73	10.00	10.00	0.00	0.00
Wolfcamp										
10,100.00	21.68	181.44	10,094.86	-40.53	-1.02	40.55	10.00	10.00	0.00	0.00
10,107.50	22.43	181.44	10,101.81	-43.35	-1.09	43.38	10.00	10.00	0.00	0.00
WFMP_LOCH										
10,197.11	31.40	181.44	10,181.63	-83.86	-2.11	83.89	10.00	10.00	0.00	0.00
WFMP_BOWDLE										
10,200.00	31.68	181.44	10,184.10	-85.37	-2.14	85.40	10.00	10.00	0.00	0.00
10,300.00	41.68	181.44	10,264.19	-145.02	-3.64	145.06	10.00	10.00	0.00	0.00
10,400.00	51.68	181.44	10,332.70	-217.66	-5.47	217.73	10.00	10.00	0.00	0.00
10,500.00	61.68	181.44	10,387.56	-301.09	-7.56	301.19	10.00	10.00	0.00	0.00
10,600.00	71.68	181.44	10,427.09	-392.78	-9.87	392.91	10.00	10.00	0.00	0.00
10,635.29	75.21	181.44	10,437.14	-426.59	-10.72	426.73	10.00	10.00	0.00	0.00
Target Top										
10,700.00	81.68	181.44	10,450.09	-489.94	-12.31	490.09	10.00	10.00	0.00	0.00
10,785.65	90.25	181.44	10,456.11	-575.28	-14.45	575.46	10.00	10.00	0.00	0.00
End Build @ 10785.65' MD - Hold Angle = 90.25°										
10,800.00	90.25	181.44	10,456.04	-589.62	-14.81	589.80	0.00	0.00	0.00	0.00
10,900.00	90.25	181.44	10,455.61	-689.58	-17.32	689.80	0.00	0.00	0.00	0.00
10,912.72	90.25	181.44	10,455.55	-702.30	-17.64	702.52	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H FTP										
11,000.00	90.25	181.44	10,455.17	-789.55	-19.83	789.80	0.00	0.00	0.00	0.00
11,100.00	90.25	181.44	10,454.74	-889.52	-22.35	889.80	0.00	0.00	0.00	0.00
11,200.00	90.25	181.44	10,454.30	-989.49	-24.86	989.80	0.00	0.00	0.00	0.00
11,300.00	90.25	181.44	10,453.86	-1,089.45	-27.37	1,089.80	0.00	0.00	0.00	0.00
11,400.00	90.25	181.44	10,453.43	-1,189.42	-29.88	1,189.80	0.00	0.00	0.00	0.00
11,500.00	90.25	181.44	10,452.99	-1,289.39	-32.39	1,289.80	0.00	0.00	0.00	0.00
11,600.00	90.25	181.44	10,452.55	-1,389.36	-34.90	1,389.80	0.00	0.00	0.00	0.00
11,700.00	90.25	181.44	10,452.12	-1,489.32	-37.41	1,489.79	0.00	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

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)	Toolface Azimuth (°)
11,800.00	90.25	181.44	10,451.68	-1,589.29	-39.92	1,589.79	0.00	0.00	0.00	0.00
11,900.00	90.25	181.44	10,451.24	-1,689.26	-42.44	1,689.79	0.00	0.00	0.00	0.00
12,000.00	90.25	181.44	10,450.81	-1,789.23	-44.95	1,789.79	0.00	0.00	0.00	0.00
12,100.00	90.25	181.44	10,450.37	-1,889.19	-47.46	1,889.79	0.00	0.00	0.00	0.00
12,200.00	90.25	181.44	10,449.94	-1,989.16	-49.97	1,989.79	0.00	0.00	0.00	0.00
12,300.00	90.25	181.44	10,449.50	-2,089.13	-52.48	2,089.79	0.00	0.00	0.00	0.00
12,400.00	90.25	181.44	10,449.06	-2,189.10	-54.99	2,189.79	0.00	0.00	0.00	0.00
12,500.00	90.25	181.44	10,448.63	-2,289.06	-57.50	2,289.79	0.00	0.00	0.00	0.00
12,600.00	90.25	181.44	10,448.19	-2,389.03	-60.02	2,389.79	0.00	0.00	0.00	0.00
12,700.00	90.25	181.44	10,447.75	-2,489.00	-62.53	2,489.78	0.00	0.00	0.00	0.00
12,800.00	90.25	181.44	10,447.32	-2,588.97	-65.04	2,589.78	0.00	0.00	0.00	0.00
12,900.00	90.25	181.44	10,446.88	-2,688.93	-67.55	2,689.78	0.00	0.00	0.00	0.00
13,000.00	90.25	181.44	10,446.45	-2,788.90	-70.06	2,789.78	0.00	0.00	0.00	0.00
13,100.00	90.25	181.44	10,446.01	-2,888.87	-72.57	2,889.78	0.00	0.00	0.00	0.00
13,200.00	90.25	181.44	10,445.57	-2,988.84	-75.08	2,989.78	0.00	0.00	0.00	0.00
13,300.00	90.25	181.44	10,445.14	-3,088.80	-77.59	3,089.78	0.00	0.00	0.00	0.00
13,400.00	90.25	181.44	10,444.70	-3,188.77	-80.11	3,189.78	0.00	0.00	0.00	0.00
13,500.00	90.25	181.44	10,444.26	-3,288.74	-82.62	3,289.78	0.00	0.00	0.00	0.00
13,600.00	90.25	181.44	10,443.83	-3,388.71	-85.13	3,389.78	0.00	0.00	0.00	0.00
13,700.00	90.25	181.44	10,443.39	-3,488.67	-87.64	3,489.78	0.00	0.00	0.00	0.00
13,800.00	90.25	181.44	10,442.95	-3,588.64	-90.15	3,589.77	0.00	0.00	0.00	0.00
13,900.00	90.25	181.44	10,442.52	-3,688.61	-92.66	3,689.77	0.00	0.00	0.00	0.00
14,000.00	90.25	181.44	10,442.08	-3,788.58	-95.17	3,789.77	0.00	0.00	0.00	0.00
14,100.00	90.25	181.44	10,441.65	-3,888.54	-97.68	3,889.77	0.00	0.00	0.00	0.00
14,200.00	90.25	181.44	10,441.21	-3,988.51	-100.20	3,989.77	0.00	0.00	0.00	0.00
14,300.00	90.25	181.44	10,440.77	-4,088.48	-102.71	4,089.77	0.00	0.00	0.00	0.00
14,400.00	90.25	181.44	10,440.34	-4,188.45	-105.22	4,189.77	0.00	0.00	0.00	0.00
14,500.00	90.25	181.44	10,439.90	-4,288.41	-107.73	4,289.77	0.00	0.00	0.00	0.00
14,600.00	90.25	181.44	10,439.46	-4,388.38	-110.24	4,389.77	0.00	0.00	0.00	0.00
14,700.00	90.25	181.44	10,439.03	-4,488.35	-112.75	4,489.77	0.00	0.00	0.00	0.00
14,800.00	90.25	181.44	10,438.59	-4,588.32	-115.26	4,589.76	0.00	0.00	0.00	0.00
14,900.00	90.25	181.44	10,438.16	-4,688.28	-117.78	4,689.76	0.00	0.00	0.00	0.00
15,000.00	90.25	181.44	10,437.72	-4,788.25	-120.29	4,789.76	0.00	0.00	0.00	0.00
15,023.16	90.25	181.44	10,437.62	-4,811.40	-120.87	4,812.92	0.00	0.00	0.00	0.00
Ross Draw 25 No. 3H LTP										
15,100.00	90.25	181.44	10,437.28	-4,888.22	-122.80	4,889.76	0.00	0.00	0.00	0.00
15,183.71	90.25	181.44	10,436.92	-4,971.90	-124.90	4,973.47	0.00	0.00	0.00	0.00
TD @ 15183.71' MD - Ross Draw 25 No. 3H BHL										

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
9,883.15	9,883.15	0.00	0.00	KOP/Start Build @ 9883.15' MD
9,883.15	9,883.15	0.00	0.00	Dogleg = 10.00°/100'
10,785.65	10,456.11	-575.27	-14.45	End Build @ 10785.65' MD
10,785.65	10,456.11	-575.28	-14.45	Hold Angle = 90.25°
15,183.71	10,436.92	-4,971.90	-124.90	TD @ 15183.71' MD

Vertical Section Information

	Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (usft)	Origin +E/-W (usft)	Start TVD (usft)
TD		No Target (Freehand)	181.44	Slot	0.00	0.00	0.00

Plan Report for Ross Draw 25 No. 3H - Plan #1

Survey tool program

From (usft)	To (usft)	Survey/Plan	Survey Tool
0.00	15,183.71	Plan #1	MWD

Formation Details

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,354.00	1,354.00	Castle		-0.25	181.44
3,092.00	3,092.00	Lamar/Base Salt		-0.25	181.44
3,147.00	3,147.00	Bell Canyon		-0.25	181.44
4,022.00	4,022.00	Cherry Canyon		-0.25	181.44
5,672.00	5,672.00	Brushy Canyon		-0.25	181.44
6,877.00	6,877.00	Bone Spring		-0.25	181.44
7,827.00	7,827.00	First Bone Spring		-0.25	181.44
8,607.00	8,607.00	Second Bone Spring		-0.25	181.44
9,732.00	9,732.00	Third Bone Spring		-0.25	181.44
9,899.00	9,899.00	TBSG_WW		-0.25	181.44
10,009.97	10,009.00	TBSG_RH		-0.25	181.44
10,080.75	10,077.00	Wolfcamp		-0.25	181.44
10,107.50	10,102.00	WFMP_LOCH		-0.25	181.44
10,197.11	10,182.00	WFMP_BOWDLE		-0.25	181.44
10,635.29	10,439.00	Target Top		-0.25	181.44

Targets associated with this wellbore

Target Name	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Shape
Ross Draw 25 No. 3H LTP	10,437.62	-4,811.40	-120.90	Point
Ross Draw 25 No. 3H FTP	10,456.00	-702.30	-17.60	Point
Ross Draw 25 No. 3H BHL	10,436.92	-4,971.90	-124.90	Rectangle

North Reference Sheet for Ross Draw 25 - Ross Draw 25 No. 3H - Wellbore #1

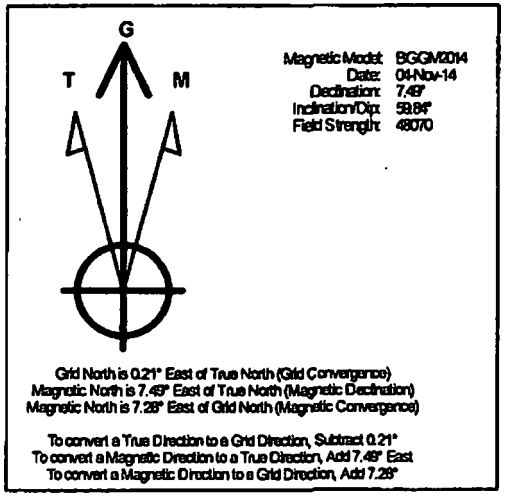
All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.
Vertical Depths are relative to GL 2980' + KB 17' @ 2977.00usft (Pioneer 33). Northing and Easting are relative to Ross Draw 25 No. 3H
Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)
Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°
False Easting: 500,000.00usft, False Northing: 0.00usft, Scale Reduction: 0.99992627

Grid Coordinates of Well: 371,032.60 usft N, 622,464.10 usft E
Geographical Coordinates of Well: 32° 01' 10.08" N, 103° 56' 17.52" W
Grid Convergence at Surface is: 0.21°

Based upon Minimum Curvature type calculations, at a Measured Depth of 15,183.71usft
the Bottom Hole Displacement is 4,973.47usft in the Direction of 181.44° (Grid).

Magnetic Convergence at surface is: -7.28° (4 November 2014, , BGGM2014)



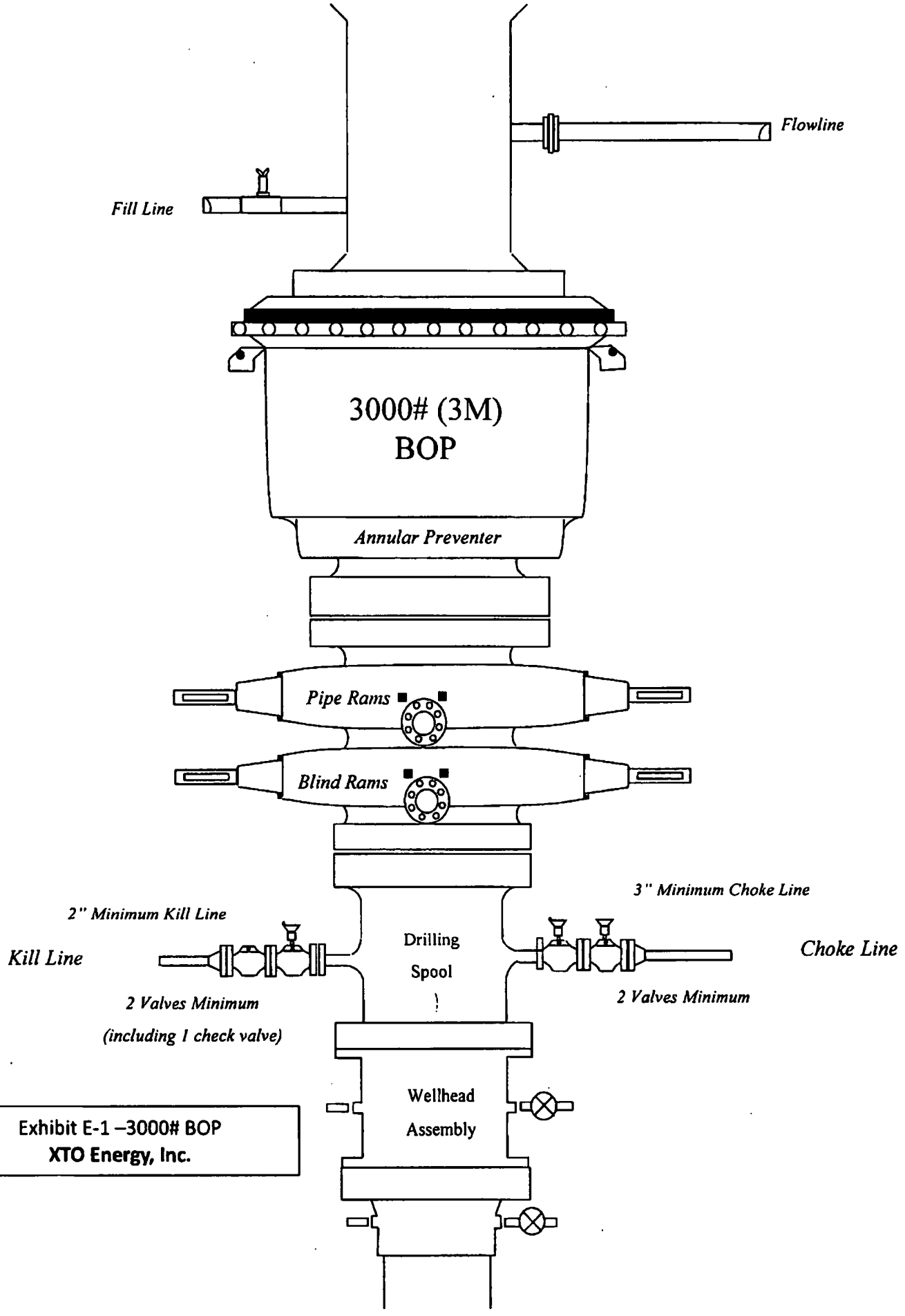


Exhibit E-1 –3000# BOP
XTO Energy, Inc.

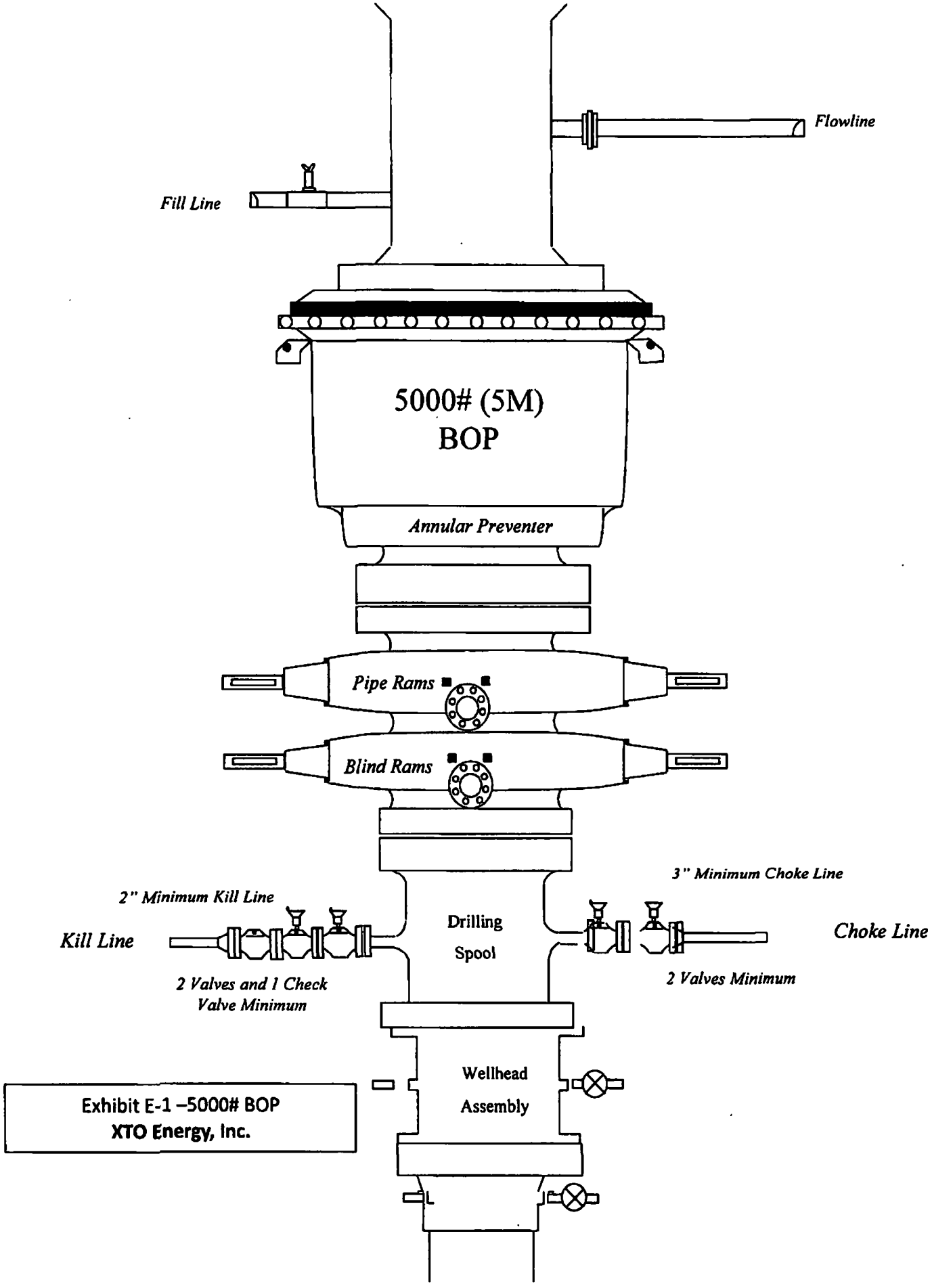
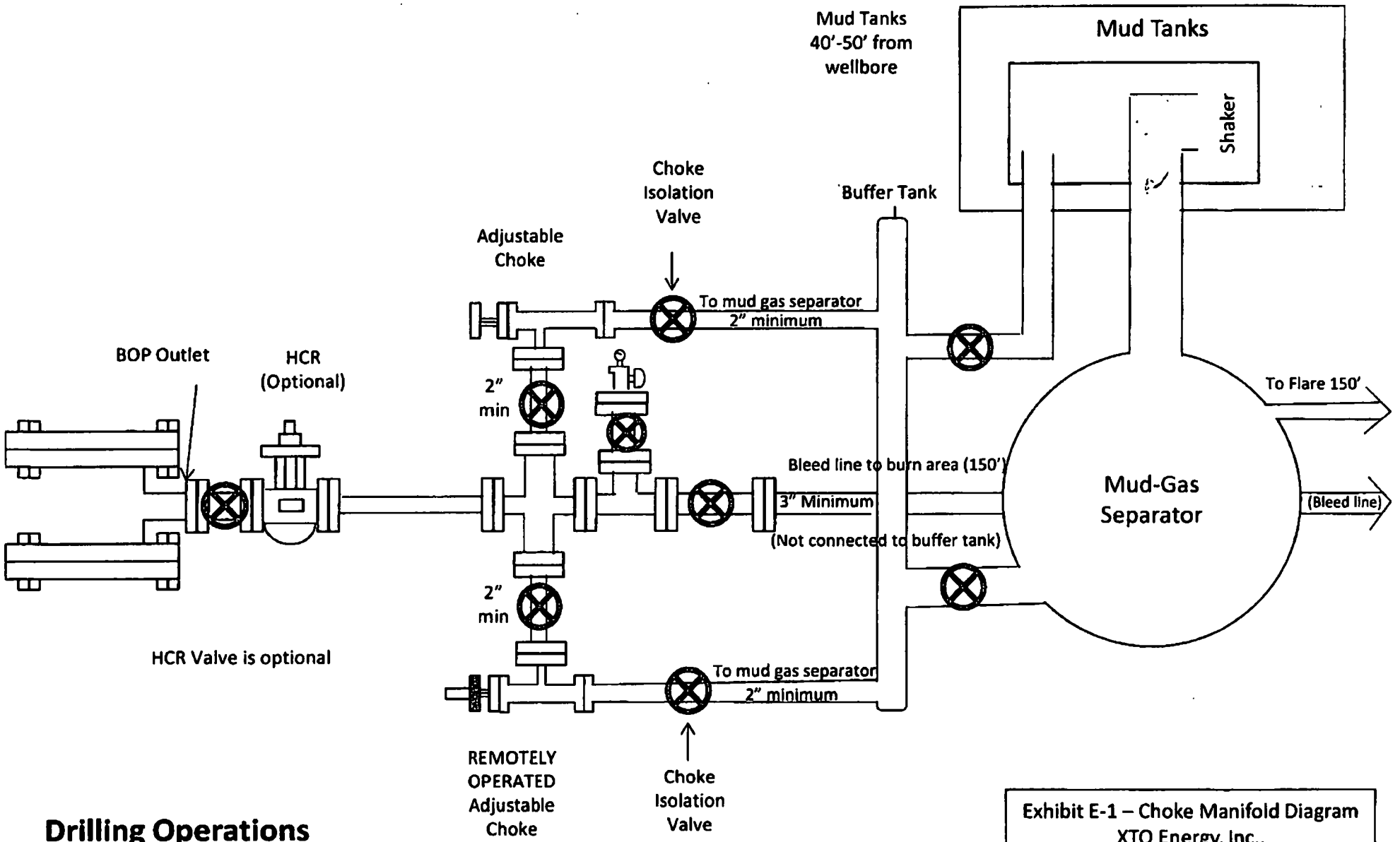


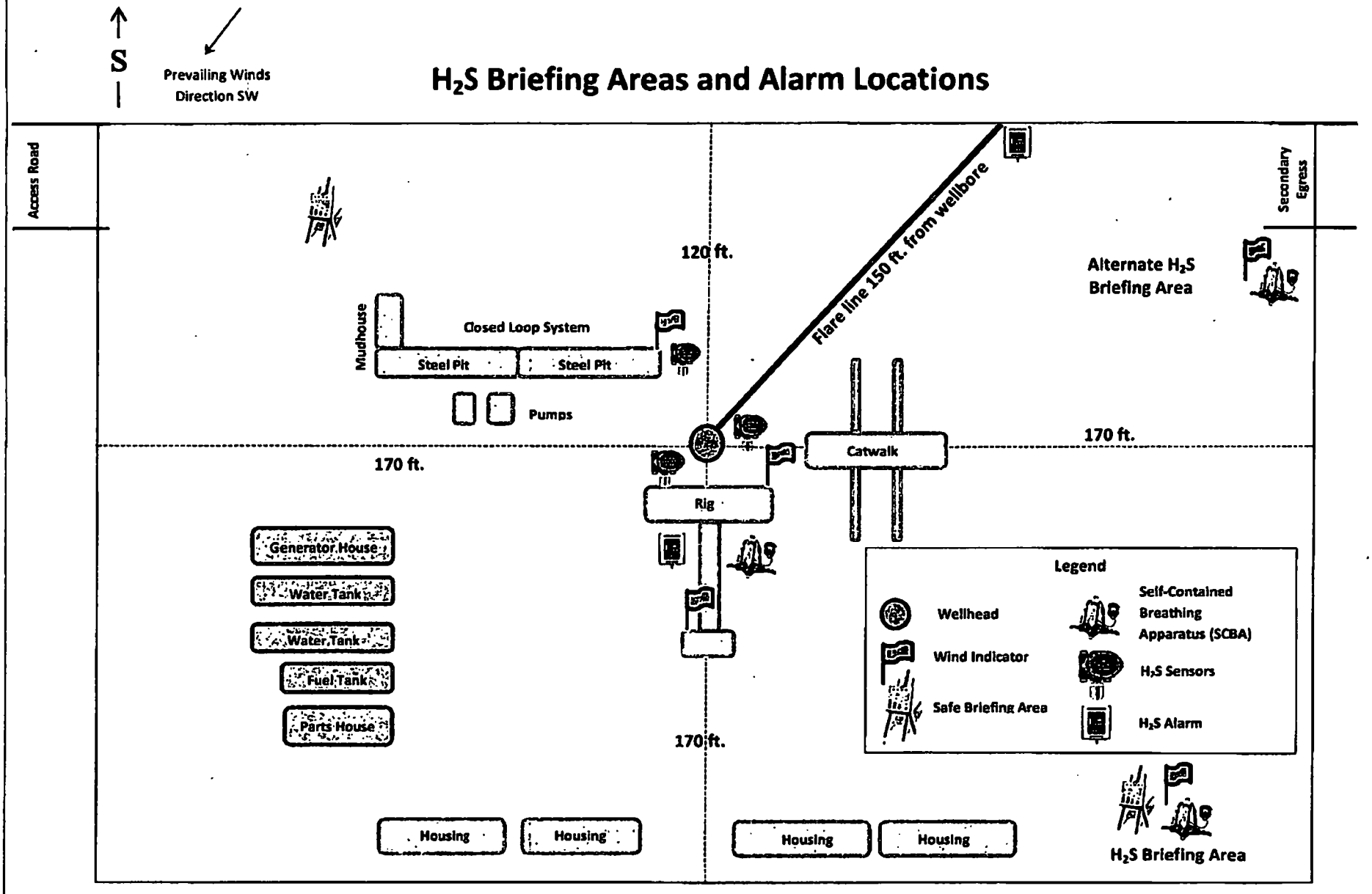
Exhibit E-1 –5000# BOP
XTO Energy, Inc.



Drilling Operations
Choke Manifold

Exhibit E-1 – Choke Manifold Diagram
XTO Energy, Inc..

H_2S Briefing Areas and Alarm Locations



HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H2S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H_2S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H_2S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
  - Detection of H_2S, and
  - Measures for protection against the gas,
  - Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H_2S and SO_2

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

Contacting Authorities

XTO Energy Inc's 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 including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

EUNICE OFFICE – EDDY & LEA COUNTIES

EMSU @ Oil Center, NM, 8/10ths mile west of Hwy 8 on Hwy 175
Eunice, NM 575-394-2089

XTO ENERGY INC PERSONNEL:

Weston Turner, Drilling Engineer	817-201-6812
Bob Chance, Drilling Superintendent	432-296-3926
Jeff Raines, Construction Foreman	432-557-3159
Dudley McMinn, EH & S Manager	432-557-7976
Rick Wilson, Production Foreman	575-441-1147

SHERIFF DEPARTMENTS:

Eddy County	575-887-7551
Lea County	575-396-3611

NEW MEXICO STATE POLICE: 575-392-5588

FIRE DEPARTMENTS:

	911
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359

HOSPITALS:

	911
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	575-397-9308
Jal Medical Emergency	575-395-2221
Lovington Medical Emergency	575-396-2359

AGENT NOTIFICATIONS:

Bureau of Land Management	575-393-3612
New Mexico Oil Conservation Division	575-393-6161
Mosaic Potash - Carlsbad	575-887-2871

CONTRACTORS:

ABC Rental – Light Towers	575-394-3155
Bulldog Services – Trucking/Forklift	575-391-8543
Champion – Chemical	575-393-7726
Indian Fire & Safety	575-393-3093
Key – Dirt Contractor	575-393-3180
Key Tools – Light Towers	575-393-2415
Sweatt – Dirt Contractor	575-397-4541
RWI – Contract Gang	575-393-5305

November 20, 2014

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-887-6544

Dear Sirs:

XTO Energy Inc. does not anticipate encountering H2S while drilling the Ross Draw 25 #3H located in Section 25, T26S, R29E, in Lea County, New Mexico. As a precaution, I have attached an H2S contingency plan along with a gas analysis of our well stream. If you need anything further, please contact me at the telephone number or email listed above.

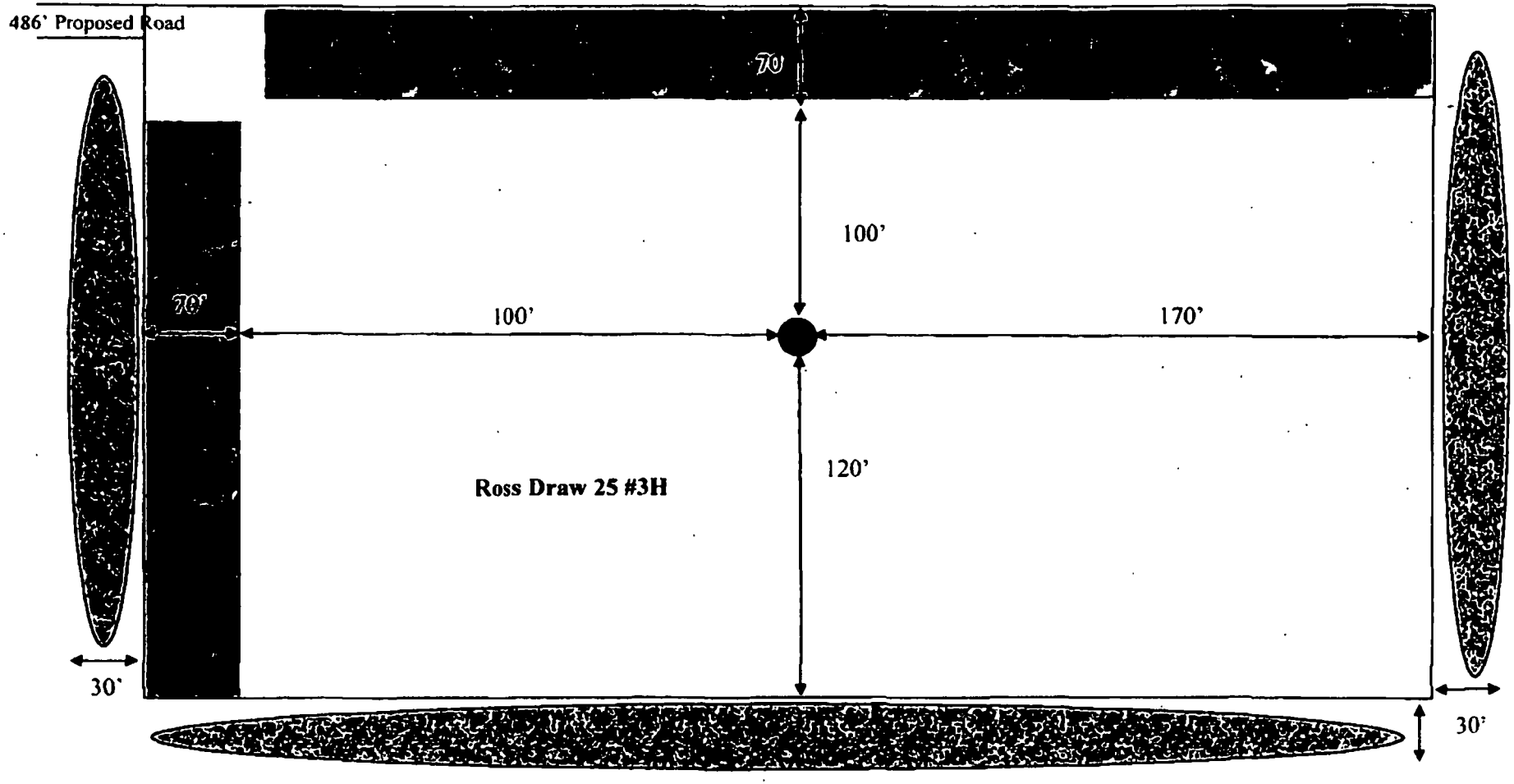
Thank you,

Stephanie Rabadue

Stephanie Rabadue
Regulatory Analyst

EXHIBIT D

Interim Reclamation Diagram
Ross Draw 25 #3H
V-Door East



LEGEND

N

Wellbore

Interim Reclamation

Ditch & Berm

Topsoil

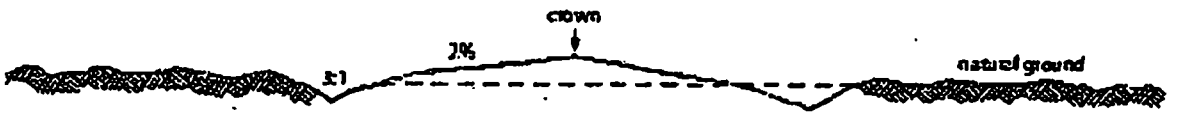
SURFACE USE PLAN

XTO Energy, Inc.
ROSS DRAW 25 #3H
SHL: 170'FNL & 2161'FWL, C-25-T26S-R29E
1st Take Point: 870'FNL & 2182'FWL, C-25-T26S-R29E
2nd Take Pont: 330'FSL & 2303'FWL, N-25-T26S-R29E
BHL: 170'FSL & 2380'FWL, N-25-T26S-R29E
Eddy County, NM

This plan is submitted with form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:
   a. DIRECTIONS: From the intersection of US Hwy 285 and Co. Rd. #725 (Longhorn Rd), follow meandering county rd. 3725 approximately 10.2 miles. Turn right and go South approximately 0.9 miles to begin road survey, follow stakes East 486' to the location.
   b. See attached plats and maps provided by John West Surveying Company.
   c. The access route from Co. Rd #725 (Longhorn Rd) to the well location is depicted on maps provided by John West Surveying. The route highlighted in red will be the access and no ROW is required for this well.
   d. Existing roads on the access route will be improved and maintained to the standard set forth in Section 2 of this Surface Use Plan of Operations.

2. NEW OR RECONSTRUCTED ACCESS ROADS:
   a. 486' of new proposed road will be necessary to access the location as depicted on the maps by John West Surveying. Below regards any upgrading of the existing caliche road system to the proposed well location.
   b. The maximum width of the driving surface will be 14 feet. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.



Level Ground Section

   c. Surface material will be native caliche. The average grade of the entire road will be approximately 3%.
   d. Fence Cuts: No.
   e. Cattle Guards: No
   f. Turnouts: No

g. Culverts: No
h. Cuts and Fills: Not significant
i. Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road prior to any further construction activity. The topsoil that was stripped will be spread along the edge of the road and within the ditch. The topsoil will be seeded with the proper seed mix designated by the BLM.
j. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route.
k. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

3. LOCATION OF EXISTING WELLS:
See attached map (Exhibit B) showing all wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
a. Prior to commencing drilling operations, a separate facilities pad will be staked with the BLM in attendance and be submitted for the well in conjunction with a 3160-5 BLM NOI sundry notification.
b. No facility operations will commence without an on-site being conducted and proper notification and approval from the BLM.
c. All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted to BLM specifications.
d. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.

5. LOCATION AND TYPE OF WATER SUPPLY:
The well will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck using the existing and proposed roads shown in the attached survey plats. If a commercial water well is nearby, a temporary, surface poly line, will be laid along existing roads or other ROW easements and the water pumped to the well. No water well will be drilled on the location.

6. SOURCE OF CONSTRUCTION MATERIALS:
Any construction material that may be required for surfacing of the drill pad and access road will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from Federal lands without prior approval from the appropriate surface management agency. All roads will be constructed of 6" rolled and compacted caliche.

7. METHODS OF HANDLING WASTE DISPOSAL:
    a. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site.
    b. Drilling fluids will be contained in steel mud pits.
    c. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.
    d. Oil produced during operations will be stored in tanks until sold.
    e. Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
    f. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.

8. ANCILLARY FACILITIES:
    No campsite, airstrip or other facilities will be built as a result of the operation of this well. No staging areas are needed.

9. WELL SITE LAYOUT:
    a. The included 600'x600' map by John West Surveying shows the dimensions of the proposed well pad.
    b. The proposed well pad size will be 350'x370' including top soil storage (See Interim Reclamation Diagram & Maps from John West Surveying). There will be no reserve pit due to the well being drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17.
    c. Topsoil will be stockpiled on the East, South and West sides of the well site as requested by Jesse Rice at onsite staking.
    d. John West Surveying Company's plat, Form C-102 and Exhibit D, show the direction of the pad at a V-Door East.
    e. A 600' x 600' area has been staked and flagged.
    f. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e., access road, well pad and topsoil storage areas).

10. PLANS FOR SURFACE RECLAMATION:
    a. After concluding the drilling and/or completion operations, if the well is found non-commercial, all the equipment will be removed, the surface material, caliche, will be removed from the well pad and road and transported to the original caliche pit or used for other roads. The original stock piled topsoil will be returned to the paid and contoured, as close as possible, to the original topography. The access road will have the caliche removed and the road ripped, barricaded and seeded as directed by the BLM.
    b. If the well is a producer, the portions of the pad not essential to production facilities or space required for workover operations, will be reclaimed and seeded as per BLM

11. SURFACE OWNERSHIP:
    a. The surface is owned by the Bureau of Land Management (BLM). The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:
    a. According to the Natural Resources Conservation Service's online database, the project area soil is Pajarito-Dune land complex, loamy sand, 0-3 percent slopes. This soil supports grassland dominated by black grama, dropseeds, and bluestems. Shrubs, such as sand sage, shinnery oak, and mesquite are dispersed throughout. The project area is in a low area of deep sands amongst low to medium height dunes with some gravel and outcrops. Vegetation such as fourwing saltbrush, snakeweed and desert sage was viewed in the project area.
    b. There is no permanent or live water in the area.
    c. There are no dwellings within 2 miles of this location.
    d. A Class III Cultural Resources Examination has been completed by Boone Archaelogical Services and the results will be forwarded to the BLM office.

13. BOND COVERAGE:
    a. Bond Coverage is Nationwide; Bond Number UTB000138.

OPERATORS RESPRESENTATIVE:

The XTO Energy, Inc. representatives for ensuring compliance of the surface use plan are listed below:

Surface:

Jeff Raines
XTO Energy, Inc
200 N. Loraine St, Suite 800
Midland, TX 79701
432-620-4349 (Office)

Stephanie Rabadue
XTO Energy, Inc
200 N. Loraine St, Suite 800
Midland, TX 79701
432-620-6714 (Office)

Drilling & Production:

Weston Turner
XTO Energy, Inc.
200 N. Loraine St, Suite 800
Midland, TX 79701
432-638-4380 (Office)

ON-SITE PERFORMED ON 4/24/2014 RESULTED IN THE WELL MOVING SOUTHEAST. IT WAS AGREED TO TURN THE LOCATION TO A V-DOOR EAST. TOPSOIL WOULD BE STOCKPILED ON THE EAST, SOUTH AND WEST SIDES – NOT THE NORTH SIDE. INTERIM RECLAMATION WOULD BE THE NORTH AND WEST PORTION OF THE PAD.

PRESET AT ON-SITE:

Jesse Rice, Bureau of Land Management
Rebecca Hill, Boone Arch Surveying
Jimie Scott, Contract Representative for XTO Energy, Inc
John West Surveying Company

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	XTO Energy, Inc.
LEASE NO.:	NMNM035607
WELL NAME & NO.:	Ross Draw 25 3H
SURFACE HOLE FOOTAGE:	170'/N & 2161'/W
BOTTOM HOLE FOOTAGE	170'/S & 2308'/W
LOCATION:	Section 25, T.26 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

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)

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

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

Cave and Karst

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

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

Construction:
In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:
No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:
The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:
A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

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

Cave/Karst Subsurface Mitigation

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

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

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

Lost Circulation:
ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:
Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:
Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

VI. CONSTRUCTION

A. NOTIFICATION

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

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

B. TOPSOIL

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

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

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

F. EXCLOSURE FENCING (CELLARS & PITS)

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

G. ON LEASE ACCESS ROADS

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

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

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

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

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

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

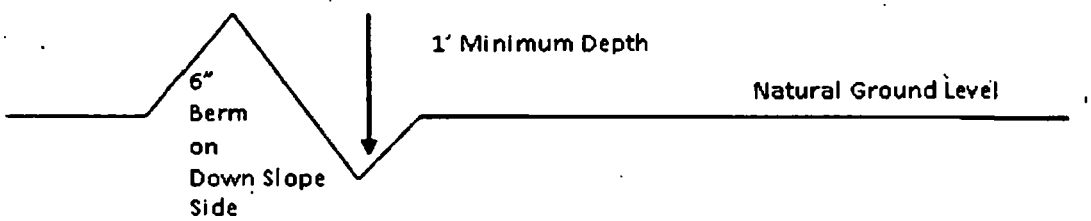
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

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

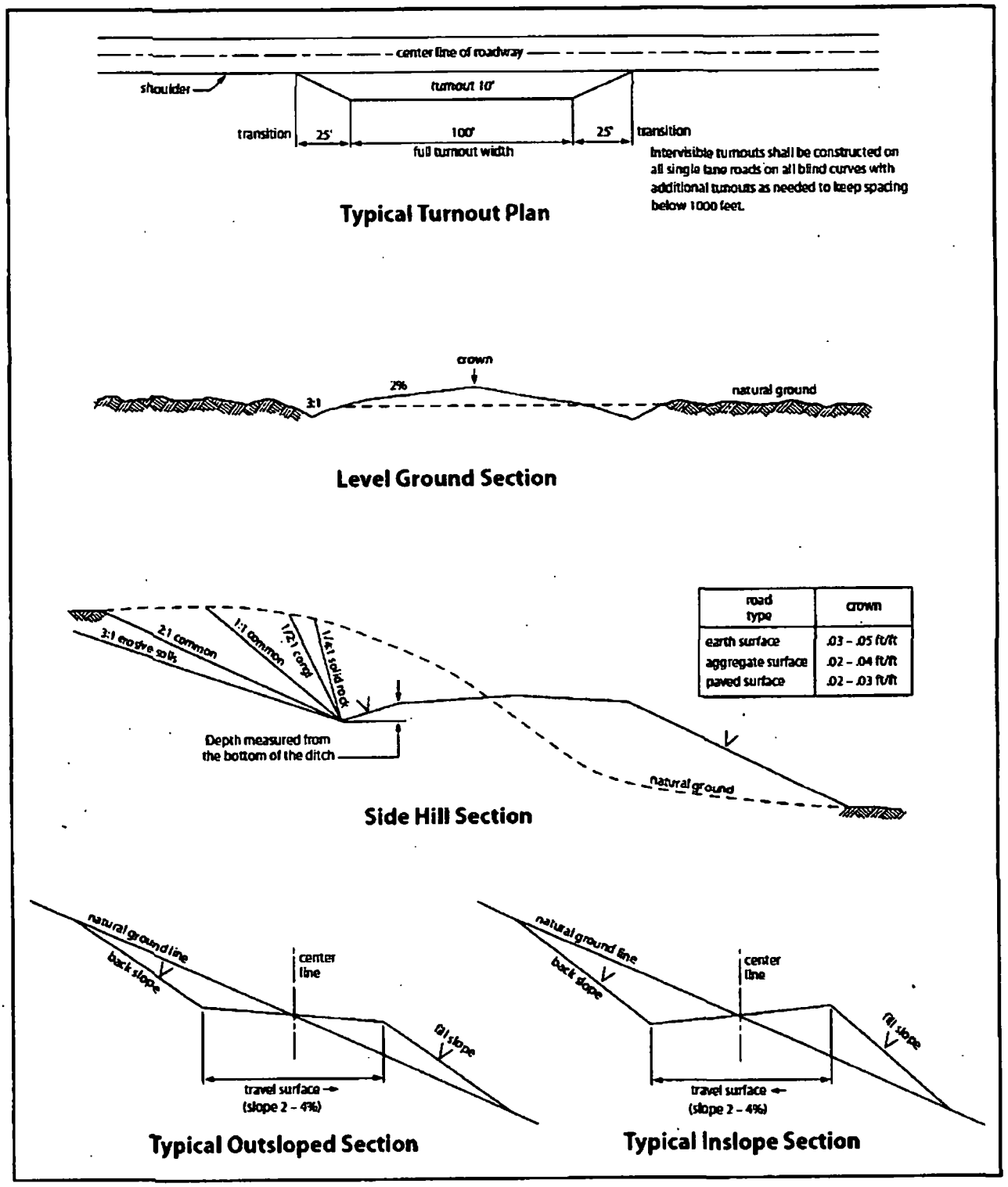


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.**

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.).

The initial wellhead installed on the well will remain on the well with spools used as needed.

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

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. 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. Have well specific cement details onsite prior to pumping the cement for each casing string.

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

Risks:
Medium Cave/ Karst Occurrence
Possibility of water flows in the Castile and in the Salado.
Possibility of lost circulation in the Rustler, in the Delaware and Delaware.

1. The **13 3/8** inch surface casing shall be set at approximately **350** feet **(in a competent bedrock; if salt is encountered, set casing at least 25 feet above the salt)** and cemented to the surface.
    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job 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. **If cement does not circulate to surface on the intermediate casing, the cement on the production casing must come to surface. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

Formation below the 9 5/8 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

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:

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

Formation below the 7 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

4. The minimum required fill of cement behind the **4 1/2** inch production liner is:

   ☒ Liner tie-back as proposed by operator is appropriate.

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 53.

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. 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. **(Installing a 13 5/8 inch minimum 5M Hydril and a 13 5/8 minimum 5M Double Ram BOP).**

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9 5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

    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.

g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **3rd Bone Spring** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **3rd Bone Spring** formation and **Wolfcamp** formation, and shall be used until production casing is run and cemented.

Proposed mud weight may not be adequate for drilling through **3rd Bone Spring** formation and **Wolfcamp** formation.

Approved for aerated mud, but not air drilling.

E. DRILL STEM TEST

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

F. 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 Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

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

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

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

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

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

area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:
   (1) Land clearing
   (2) Earth-disturbing and earth-moving work
   (3) Blasting
   (4) Vandalism and sabotage;

c. Acts of God.

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

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

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

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

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

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 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 shall be less than or equal to 4 inches and a working pressure below 125 psi.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

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

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

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

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

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

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in

writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

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

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural 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 actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and

any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:
    - For reclamation remove poles, lines, transformer, etc. and dispose of properly.
    - Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

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

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

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

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

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, for Sandy Sites

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

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

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

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

Section 1 - General

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

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

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

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

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

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

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

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

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

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

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

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

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

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

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

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

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

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

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

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

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

AFMSS

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

Bond Info Data Report

12/21/2018

Bond Information

Federal/Indian APD: FED

BLM Bond number: UTB000138

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: