

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTERFORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014OCD Hobbs
HOBBS OCD

MAY 19 2015

1a. Type of work: ☒ DRILL ☐ REENTER		RECEIVED	5. Lease Serial No. NM NM128834	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone			6. If Indian, Allottee or Tribe Name	
2. Name of Operator Adventure Exploration Partners II LLC.			7. If Unit or CA Agreement, Name and No.	
3a. Address 500 W. Texas Avenue Suite 1000 Midland TX, 79701		3b. Phone No. (include area code) 432-684-8006	8. Lease Name and Well No. Chivo 9 Federal #2H	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 330' FSL & 2095' FWL 9-23S-33E At proposed prod. zone 330' FNL & 1980' FWL		9. API Well No. 30-025- 42570		
14. Distance in miles and direction from nearest town or post office* Aprox. 26 miles West of Eunice		10. Field and Pool, or Exploratory BRAININSTEEL; BS		
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 640	11. Sec., T. R. M. or Blk. and Survey or Area 9-23S-33E	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Est. 1 Mile		19. Proposed Depth PHTD: 12,475' TVD: 11,270, MDTD 15,684	12. County or Parish Lea	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3683' GL		22. Approximate date work will start* 01/01/2015	13. State NM	
17. Spacing Unit dedicated to this well 160 acres				
20. BLM/BIA Bond No. on file NMB001018				
23. Estimated duration 30 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:

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

25. Signature	Name (Printed/Typed) Keaton Waters	Date 10/13/2014
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Title
Geologist/ NM regulatory manager

Approved by (Signature) George MacDonei	Name (Printed/Typed)	Date MAY 12 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)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

MAY 19 2015

Onshore Oil & Gas Order No. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

MAY 19 2015

RECEIVED

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (CFR43, Part 3160) and the approved Application for Permit to Drill. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling and completion operations.

Approval of this application 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.

Chivo 9 Federal #2H Surface Location: Section 9, T-23-S, R-33-E, 330' FNL & 1980' FWL
 Bottomhole Location: Section 9, T-23-S, R-33-E, 330' FSL & 1980' FWL
 Field: [14865] Cruz; Bone Spring, West
 Lea Co., NM

1. Formation Tops

The estimated tops of important geologic markers are as follow:

Formation	KB TVD	MD
Fresh Water	600'*	
Rustler	1,378'	
Top of Salt	1,475'	
Base of Salt	5176'	
Delaware	5,177'	
Bone Spring	9,121'	
1 st Bone Spring Sand	10,268'	
2 nd Bone Spring Sand	10,777'	
3 rd Bone Spring Sand	11,997'	
Wolfcamp	12,311'	
PH TD	12,475'	
EOC	11,270'	11,546'
Lateral TD	11,240'	15,684'

*Fresh Water depth per NM State Engineer

2. Estimated Depth of Water, Oil, Gas & Other Mineral Bearing Formations

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Water	Rustler	1,378'
Oil/Gas	Brushy Canyon	8,252'
Oil/Gas	Bone Spring	9,121'
Oil/Gas	1st Bone Spring Sand	9,906'
Oil/Gas	2 nd Bone Spring Sand	10,268'
Oil/Gas	3 rd Bone Spring Sand	11,997'
Oil/Gas	Wolfcamp	12,311'

All shows of fresh water and minerals will be reported and protected.

3. BOP Equipment

2M after 13-3/8"
5M after 9-5/8"

The well control equipment to be employed during the drilling of this well is illustrated on attached EXHIBIT A. This equipment includes a 13-5/8"- Double ram BOP, annular BOP and choke manifold of comparable pressure rating. Equipment will be rated for 5000 PSI and will be tested to 5000 psi (except Annular which will be tested to 2500 psi) using an independent tester prior to drilling out of the 9-5/8" intermediate casing. Prior to drilling out of the 13-3/8" surface casing the same equipment and casing shall be tested to 2000 PSI or 73% of the burst rating of the casing utilizing an independent tester. A master and remote hydraulic closing unit will be a part of this equipment and will be function tested daily.

4. Casing Program

See COA

From	To	Hole Size	Csg Size	Weight	Grade	Purpose	Thread	Condition	Collapse (Safety factor)	Burst (Safety Factor)	Tensile Strength (Safety Factor)
0'	1425'	17.50"	13.375"	54.5ppf	J55	Surface	STC	New	1.52	3.12	6.61
0'	4250'	12.25"	9.625"	40 ppf	J55	Intermediate	LTC	New	1.125	1.16	3.05
4250'	5200'	12.25"	9.625"	40 ppf	L80		LTC	New	1.14	3.42	19.13
0'	15,684'	8.75"	5.5"	17 ppf	P110	Production	LTC	New	1.40	1.14	2.32

5. Cementing Program

13-3/8" Surface @ 1425':

Lead Slurry: 900 sks Class C + 4% Gel + 2% CaCl₂(13.5 ppg / 1.75 ft³/sk / ~9.2 gal/sk wtr)Tail Slurry: 250 sks Class C + 2% CaCl₂(14.8 ppg / 1.34 ft³/sk / ~6.39 gal/sk wtr)

The above volume represents 80% excess over calculated hole volume, and will be adjusted to actual setting depth of casing. The slurries will be preceded by a fresh water spacer, and displaced with fresh water.

9-5/8" Intermediate @ 5200':

Lead Slurry: 1050 sks 35-65 Poz Class C + 6% Gel + Salt + Gilsonite + CFR-3 + HR601 (12.7 ppg / 1.89 ft³/sk / ~9.5 gal/sk wtr)Tail Slurry: 250 sks Class C (14.8 ppg / 1.43 ft³/sk / ~6.35 gal/sk wtr)

The above volume represents 50% excess over calculated hole volume and is designed to circulate cement to surface- actual volumes will be adjusted to a fluid caliper run at TD of this hole section with 20% excess added. The cement slurries will be preceded by 20 bbls cement wash for mud removal and displaced with fresh water.

Should losses occur, a DV/ECP tool will be placed in the casing-string and positioned above the losses +/- 4050' and the cement job will be amended to a 2stage job pumping the same Intermediate slurries with volumes adjusted accordingly to circulate cement above the DV/ECP tool on stage 1 and to surface on stage 2.

5-1/2" Production @ 15684' MD:

Lead Slurry: 820 sks 50/50/10 Poz Class H + Salt + Gilsonite + CFR 3 + HR601 (11.9 ppg / 2.5 ft³/sk yld / ~12 gal/sk wtr)Tail Slurry: 1400 sks 50/50/2 Poz Class H + Salt + GasStop + CFR 3 + HR601 (14.4 ppg / 1.2 ft³/sk yld / ~5.5 gal/sk wtr)

The above volume represents 35% excess over calculated hole volume and actual volumes will be calculated using the vertical caliper to tie back a minimum of 500' into previous shoe.

Pilot hole will be plugged back as follows:

Plug 1 PHTD and Wolfcamp plug -12,475'TD to 11,560' (915') 530 sks Class H (17.2 ppg / 0.98 ft³/sk)

Plug 2 KO plug 11,410' to 10,490'(920') 530 sks Class H (17.2 ppg / 0.98 ft³/sk)

See COA

6. Mud Program

From	To	Type	Weight	F. Vis	Filtrate
0	1325'	FW Spud Mud	8.4-9.4	32-36	NC
1425	5100'	Brine Wtr	9.6-10	28-29	NC
5200	12,475PH	Cut Brine	8.8-9.2	28-29	NC
10,792'KOP	15,684'MD	Cut Brine	8.8-9.2	28-29	NC

It is anticipated that this well will be drilled to TD utilizing the fluids shown above and closed loop system utilized per NMOCD guidelines. All fluids and cuttings will be disposed of in accordance with the NMOCD rules and regulations:

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration and pH.

Visual and electronic mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume. Electronic system consists of: a pit volume totalizer (PVT), stroke counter and flow sensor.

A weighting agent and lost circulation material (LCM) will be onsite to mitigate pressure and lost circulation as hole conditions dictate.

7. Auxiliary equipment

- Will include an upper kelly cock valve, safety valve to fit drill pipe and pressure gauges.
- Hydrogen sulfide detection equipment will be in operation after cementing the 13-3/8" casing and until 5-1/2" casing is cemented. Breathing equipment will be on location during the same time period.

See COA

8. Testing, Logging and Coring Program

- No drill stem testing or coring is planned for this well.
- Mudlogging will commence at 5200' and conclude at lateral TD.
- Triple Combo electric log will be run at Pilot hole TD 12,475'. Dual laterolog-Micro laterolog and gamma ray, compensated neutron -Z density with gamma ray and caliper will be ran 12,475' to ICP 5,200' and Compensated Neutron with Gamma Ray will be ran 12,475' to surface.
- Gyro electric log will be run 12,475 to surface and mud pulse MWD utilized from KOP to lateral TD. A directional plan for the proposed horizontal section is attached as Exhibit B.

9. Potential Hazards:

*Self
COA*

- No Abnormal pressures or temperatures are expected. The estimated BHP at TD is not expected to exceed 5390 psi, and a BHT of 169 F is anticipated.
- Possible H2S in the salt formation. Company H2S contingency plan attached.

10. Anticipated starting date and Duration of Operations:

Road and location construction will begin after the BLM approval of the APD. Spud date will follow as soon as possible depending on rig availability. Drilling operations expected to take 32 days.

5D Plan Report

Adventure Exploration Partners II LLC.

~~Adventure Exploration LLC~~

Field Name: *Adventure Exploration LLC Lea Co., NM (Nad 83 NME)*

Site Name: *Chivo 9 Fed #2H*

Well Name: *Chivo 9 Fed #2H*

Plan: *P1:V1*

15 January 2014



Adventure Exploration LLC

Chivo 9 Fed #2H
Lea Co., New Mexico

Plan Data for Chivo 9 Fed #2H

Site: Chivo 9 Fed #2H
Unit: USFeet TVD Reference:
Company Name: Adventure Exploration LLC
Position: Northing: 483005.50USft Latitude: 32°19'32.2"
Easting: 774216.20USft Longitude: -103°34'45.9"
North Reference: Grid Grid Convergence: 0.40°
Elevation Above VRD: 0.00USft

Plan Data for Chivo 9 Fed #2H

Plan Point Information:
DogLeg Severity Unit: °/100.00ft Position offsets from Slot centre

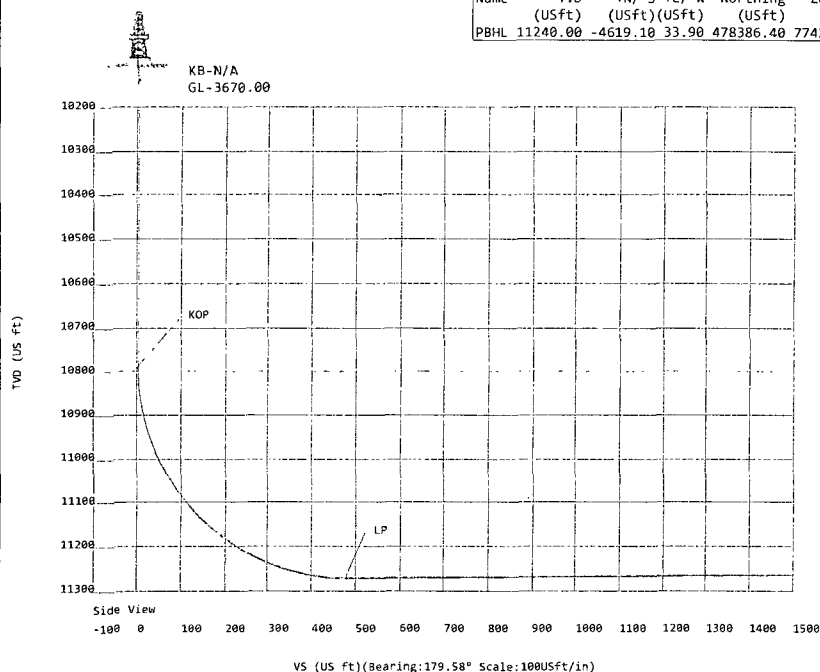
MD	Inc	AZ	TVD	+N/-S	+E/-W	Northing	Easting	VSec	DLS
(USft)	(°)	(°)	(USft)	(USft)	(USft)	(USft)	(USft)	(USft)	(DLSU)
0.00	0.00	0.00	0.00	0.00	0.00	483005.50	774216.20	0.00	0.00
10792.55	0.00	0.00	10792.55	0.00	0.00	483005.50	774216.20	0.00	0.00
11546.01	90.42	179.58	11270.00	-480.91	3.53	482524.59	774219.73	480.93	12.00
15684.42	90.42	179.58	11240.00	-4619.10	33.90	478386.40	774250.10	4619.22	0.00

Plan Data for Chivo 9 Fed #2H

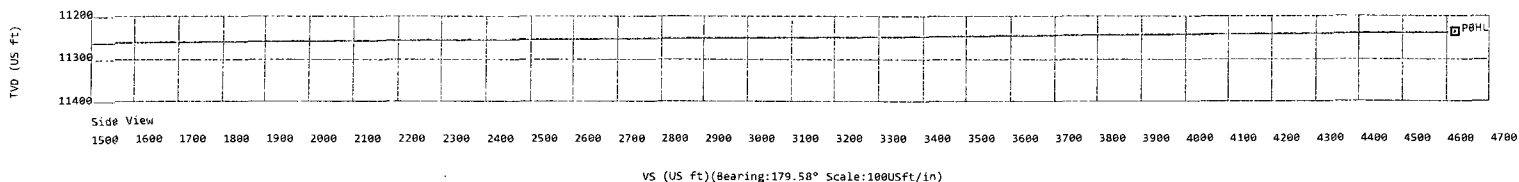
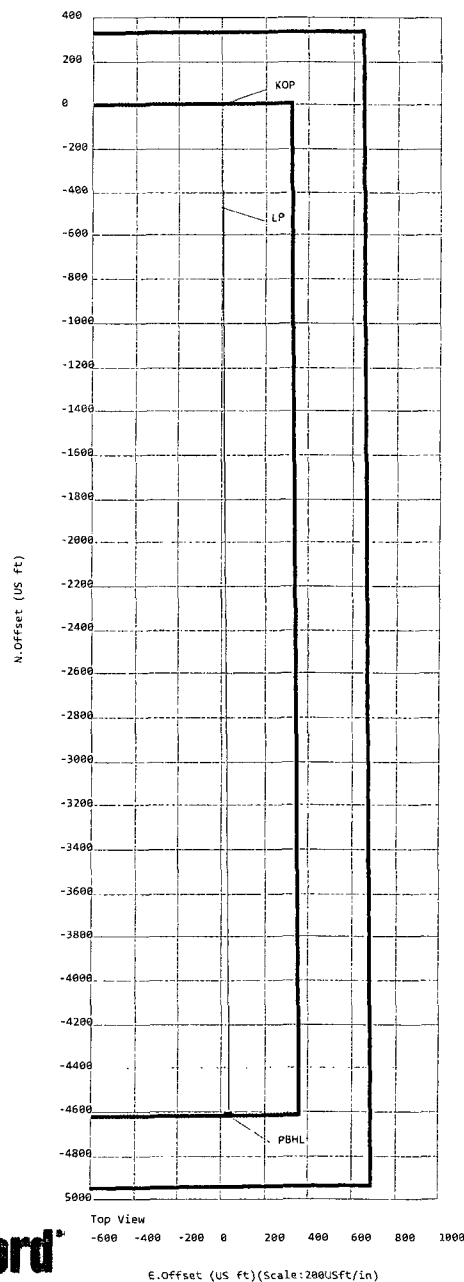
Target Set Information:
Name: Chivo 9 Fed #2H
Position offsets from Slot centre

Name	TVD	+N/-S	+E/-W	Northing	Easting
(USft)	(USft)	(USft)	(USft)	(USft)	(USft)
PBHL	11240.00	-4619.10	33.90	478386.40	774250.10

KB-N/A
GL-3670.00



Weatherford*



Sign Off: Patrick Rudolph



Weatherford*

Chivo 9 Fed #2H

Field Name Adventure Exploration LLC Lea Co., NM (Nad 83 NME)	Map Units : US ft	Company Name : Adventure Exploration LLC
	Vertical Reference Datum (VRD) : Mean Sea Level	
	Projected Coordinate System : NAD83 / New Mexico East (ftUS)	
	Comment :	

Site Name Chivo 9 Fed #2H	Units : US ft	North Reference : Grid	Convergence Angle : 0.40
	Position	Northing : 483005.50 US ft	Latitude : 32° 19' 32.17"
		Easting : 774216.20 US ft	Longitude : -103° 34' 45.90"
	Elevation above Mean Sea Level: 3670.00 US ft		
Comment :			

Slot Name Chivo 9 Fed #2H	Position (Offsets relative to Site Centre)		
	+N / -S : 0.00 US ft	Northing : 483005.50 US ft	Latitude : 32°19'32.17"
	+E / -W : 0.00 US ft	Easting : 774216.20 US ft	Longitude : -103°34'45.90"
	Slot TVD Reference : Ground Elevation		
	Elevation above Mean Sea Level : 3670.00 US ft		
Comment :			

Well Name Chivo 9 Fed #2H	Type : Main well	UWI :	Plan : P1:V1
	Rig Height <i>Drill Floor</i> : 0.00 US ft	Comment :	
	Relative to Mean Sea Level: 3670.00 US ft		
	Closure Distance : 4619.22 US ft	Closure Azimuth : 179.58°	
	Vertical Section (Position of Origin Relative to Slot)		
	+N / -S : 0.00 US ft	+E / -W : 0.00 US ft	Az :179.58°
	Magnetic Parameters		
	Model : BGGM	Field Strength : 48373.7nT	Dec : 7.34°
			Dip : 60.19°
			Date : 01/Jul/2014

Target Set

Name : Chivo 9 Fed #2H **Number of Targets :** 1

Comment :

Target Name: PBHL Shape: Cuboid	Position (Relative to Slot centre)			
	+N / -S : -4619.10US ft	Northing : 478386.40 US ft	Latitude : 32°18'46.46"	
	+E / -W : 33.90 US ft	Easting : 774250.10US ft	Longitude : -103°34'45.88"	
	TVD (Drill Floor) : 11240.00 US ft			
	Orientation	Azimuth : 0.00°	Inclination : 0.00°	
	Dimensions	Length : 20.00 US ft	Breadth : 20.00 US ft	Height : 20.00 US ft

SD Plan Report

Well path created using minimum curvature

Salient Points (Relative to Slot centre, TVD relative to Drill Floor)											
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	DLS (%/100 US ft)	VS (US ft)	B. Rate (%/100 US ft)	T. Rate (%/100 US ft)	T. Face (°)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	
10792.55	0.00	0.00	10792.55	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	KOP
11546.01	90.42	179.58	11270.00	-480.91	3.53	12.00	480.93	12.00	0.00	179.58	LP
15684.42	90.42	179.58	11240.00	-4619.10	33.90	0.00	4619.22	0.00	0.00	0.00	PBHL

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)										
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	VS (US ft)	DLS (%/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
100.00	0.00	0.00	100.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
200.00	0.00	0.00	200.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
300.00	0.00	0.00	300.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
400.00	0.00	0.00	400.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
500.00	0.00	0.00	500.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
600.00	0.00	0.00	600.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
700.00	0.00	0.00	700.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
800.00	0.00	0.00	800.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
900.00	0.00	0.00	900.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1000.00	0.00	0.00	1000.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1100.00	0.00	0.00	1100.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1200.00	0.00	0.00	1200.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1300.00	0.00	0.00	1300.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1400.00	0.00	0.00	1400.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1500.00	0.00	0.00	1500.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1600.00	0.00	0.00	1600.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1700.00	0.00	0.00	1700.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1800.00	0.00	0.00	1800.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
1900.00	0.00	0.00	1900.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2000.00	0.00	0.00	2000.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2100.00	0.00	0.00	2100.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2200.00	0.00	0.00	2200.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2300.00	0.00	0.00	2300.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2400.00	0.00	0.00	2400.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2500.00	0.00	0.00	2500.00	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2599.99	0.00	0.00	2599.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2699.99	0.00	0.00	2699.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2799.99	0.00	0.00	2799.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2899.99	0.00	0.00	2899.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
2999.99	0.00	0.00	2999.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3099.99	0.00	0.00	3099.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3199.99	0.00	0.00	3199.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3299.99	0.00	0.00	3299.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3399.99	0.00	0.00	3399.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3499.99	0.00	0.00	3499.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3599.99	0.00	0.00	3599.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3699.99	0.00	0.00	3699.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3799.99	0.00	0.00	3799.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3899.99	0.00	0.00	3899.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
3999.99	0.00	0.00	3999.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4099.99	0.00	0.00	4099.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4199.99	0.00	0.00	4199.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4299.99	0.00	0.00	4299.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4399.99	0.00	0.00	4399.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4499.99	0.00	0.00	4499.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4599.99	0.00	0.00	4599.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4699.99	0.00	0.00	4699.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4799.99	0.00	0.00	4799.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)										
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	VS (US ft)	DLS (%/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
4899.99	0.00	0.00	4899.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
4999.99	0.00	0.00	4999.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5099.99	0.00	0.00	5099.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5199.99	0.00	0.00	5199.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5299.99	0.00	0.00	5299.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5399.99	0.00	0.00	5399.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5499.99	0.00	0.00	5499.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5599.99	0.00	0.00	5599.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5699.99	0.00	0.00	5699.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5799.99	0.00	0.00	5799.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5899.99	0.00	0.00	5899.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
5999.99	0.00	0.00	5999.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6099.99	0.00	0.00	6099.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6199.99	0.00	0.00	6199.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6299.99	0.00	0.00	6299.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6399.99	0.00	0.00	6399.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6499.99	0.00	0.00	6499.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6599.99	0.00	0.00	6599.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6699.99	0.00	0.00	6699.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6799.99	0.00	0.00	6799.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6899.99	0.00	0.00	6899.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
6999.99	0.00	0.00	6999.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7099.99	0.00	0.00	7099.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7199.99	0.00	0.00	7199.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7299.99	0.00	0.00	7299.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7399.99	0.00	0.00	7399.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7499.99	0.00	0.00	7499.99	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7599.98	0.00	0.00	7599.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7699.98	0.00	0.00	7699.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7799.98	0.00	0.00	7799.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7899.98	0.00	0.00	7899.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
7999.98	0.00	0.00	7999.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8099.98	0.00	0.00	8099.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8199.98	0.00	0.00	8199.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8299.98	0.00	0.00	8299.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8399.98	0.00	0.00	8399.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8499.98	0.00	0.00	8499.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8599.98	0.00	0.00	8599.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8699.98	0.00	0.00	8699.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8799.98	0.00	0.00	8799.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8899.98	0.00	0.00	8899.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
8999.98	0.00	0.00	8999.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9099.98	0.00	0.00	9099.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9199.98	0.00	0.00	9199.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9299.98	0.00	0.00	9299.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9399.98	0.00	0.00	9399.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9499.98	0.00	0.00	9499.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9599.98	0.00	0.00	9599.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9699.98	0.00	0.00	9699.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9799.98	0.00	0.00	9799.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9899.98	0.00	0.00	9899.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
9999.98	0.00	0.00	9999.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10099.98	0.00	0.00	10099.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10199.98	0.00	0.00	10199.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10299.98	0.00	0.00	10299.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10399.98	0.00	0.00	10399.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10499.98	0.00	0.00	10499.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10599.98	0.00	0.00	10599.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	
10699.98	0.00	0.00	10699.98	0.00	0.00	-0.00	0.00	483005.50	774216.20	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)										
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	VS (US ft)	DLS (%/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
10792.55	0.00	0.00	10792.55	0.00	0.00	-0.00	0.00	483005.50	774216.20	KOP
10799.98	0.89	179.58	10799.98	-0.06	0.00	0.06	12.00	483005.44	774216.20	
10899.98	12.89	179.58	10899.07	-12.03	0.09	12.03	12.00	482993.47	774216.29	
10999.98	24.89	179.58	10993.51	-44.35	0.33	44.35	12.00	482961.15	774216.53	
11099.98	36.89	179.58	11079.17	-95.60	0.70	95.60	12.00	482909.90	774216.90	
11199.98	48.89	179.58	11152.30	-163.53	1.20	163.54	12.00	482841.97	774217.40	
11299.98	60.89	179.58	11209.71	-245.19	1.80	245.19	12.00	482760.31	774218.00	
11399.98	72.89	179.58	11248.89	-336.99	2.47	337.00	12.00	482668.51	774218.67	
11499.98	84.89	179.58	11268.12	-434.94	3.19	434.95	12.00	482570.56	774219.39	
11546.01	90.42	179.58	11270.00	-480.91	3.53	480.93	12.00	482524.59	774219.73	LP
11599.98	90.42	179.58	11269.61	-534.88	3.93	534.89	0.00	482470.62	774220.13	
11699.98	90.42	179.58	11268.89	-634.87	4.66	634.89	0.00	482370.63	774220.86	
11799.98	90.42	179.58	11268.16	-734.86	5.39	734.88	0.00	482270.64	774221.59	
11899.98	90.42	179.58	11267.44	-834.86	6.13	834.88	0.00	482170.64	774222.33	
11999.98	90.42	179.58	11266.71	-934.85	6.86	934.88	0.00	482070.65	774223.06	
12099.98	90.42	179.58	11265.99	-1034.85	7.59	1034.88	0.00	481970.65	774223.79	
12199.98	90.42	179.58	11265.26	-1134.84	8.33	1134.87	0.00	481870.66	774224.53	
12299.98	90.42	179.58	11264.54	-1234.84	9.06	1234.87	0.00	481770.66	774225.26	
12399.98	90.42	179.58	11263.81	-1334.83	9.80	1334.87	0.00	481670.67	774226.00	
12499.98	90.42	179.58	11263.09	-1434.83	10.53	1434.86	0.00	481570.67	774226.73	
12599.97	90.42	179.58	11262.36	-1534.82	11.26	1534.86	0.00	481470.68	774227.46	
12699.97	90.42	179.58	11261.64	-1634.82	12.00	1634.86	0.00	481370.68	774228.20	
12799.97	90.42	179.58	11260.91	-1734.81	12.73	1734.86	0.00	481270.69	774228.93	
12899.97	90.42	179.58	11260.19	-1834.80	13.47	1834.85	0.00	481170.70	774229.67	
12999.97	90.42	179.58	11259.46	-1934.80	14.20	1934.85	0.00	481070.70	774230.40	
13099.97	90.42	179.58	11258.74	-2034.79	14.93	2034.85	0.00	480970.71	774231.13	
13199.97	90.42	179.58	11258.01	-2134.79	15.67	2134.84	0.00	480870.71	774231.87	
13299.97	90.42	179.58	11257.29	-2234.78	16.40	2234.84	0.00	480770.72	774232.60	
13399.97	90.42	179.58	11256.56	-2334.78	17.14	2334.84	0.00	480670.72	774233.34	
13499.97	90.42	179.58	11255.84	-2434.77	17.87	2434.84	0.00	480570.73	774234.07	
13599.97	90.42	179.58	11255.11	-2534.77	18.60	2534.83	0.00	480470.73	774234.80	
13699.97	90.42	179.58	11254.39	-2634.76	19.34	2634.83	0.00	480370.74	774235.54	
13799.97	90.42	179.58	11253.66	-2734.75	20.07	2734.83	0.00	480270.75	774236.27	
13899.97	90.42	179.58	11252.94	-2834.75	20.80	2834.83	0.00	480170.75	774237.00	
13999.97	90.42	179.58	11252.21	-2934.74	21.54	2934.82	0.00	480070.76	774237.74	
14099.97	90.42	179.58	11251.49	-3034.74	22.27	3034.82	0.00	479970.76	774238.47	
14199.97	90.42	179.58	11250.76	-3134.73	23.01	3134.82	0.00	479870.77	774239.21	
14299.97	90.42	179.58	11250.04	-3234.73	23.74	3234.81	0.00	479770.77	774239.94	
14399.97	90.42	179.58	11249.31	-3334.72	24.47	3334.81	0.00	479670.78	774240.67	
14499.97	90.42	179.58	11248.59	-3434.72	25.21	3434.81	0.00	479570.78	774241.41	
14599.97	90.42	179.58	11247.86	-3534.71	25.94	3534.81	0.00	479470.79	774242.14	
14699.97	90.42	179.58	11247.14	-3634.70	26.68	3634.80	0.00	479370.80	774242.88	
14799.97	90.42	179.58	11246.41	-3734.70	27.41	3734.80	0.00	479270.80	774243.61	
14899.97	90.42	179.58	11245.69	-3834.69	28.14	3834.80	0.00	479170.81	774244.34	
14999.97	90.42	179.58	11244.96	-3934.69	28.88	3934.79	0.00	479070.81	774245.08	
15099.97	90.42	179.58	11244.24	-4034.68	29.61	4034.79	0.00	478970.82	774245.81	
15199.97	90.42	179.58	11243.51	-4134.68	30.34	4134.79	0.00	478870.82	774246.54	
15299.97	90.42	179.58	11242.79	-4234.67	31.08	4234.79	0.00	478770.83	774247.28	
15399.97	90.42	179.58	11242.06	-4334.67	31.81	4334.78	0.00	478670.83	774248.01	
15499.97	90.42	179.58	11241.34	-4434.66	32.55	4434.78	0.00	478570.84	774248.75	
15599.97	90.42	179.58	11240.61	-4534.65	33.28	4534.78	0.00	478470.85	774249.48	
15684.42	90.42	179.58	11240.00	-4619.10	33.90	4619.22	0.00	478386.40	774250.10	PBHL

**Weatherford****Weatherford Drilling Services**

GeoDec v5.03

Report Date: January 15, 2014
Job Number: _____
Customer: Adventure Exploration LLC
Well Name: Chivo 9 Fed #2H
API Number: _____
Rig Name: _____
Location: Lea County, NM
Block: _____
Engineer: Patrick Rudolph

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
North/South 483005.500 USFT	Latitude 32 19 32.1671433 DMS
East/West 774216.200 USFT	Longitude -103 34 45.8965914 DMS
Grid Convergence: .40°	

Total Correction: +6.94°

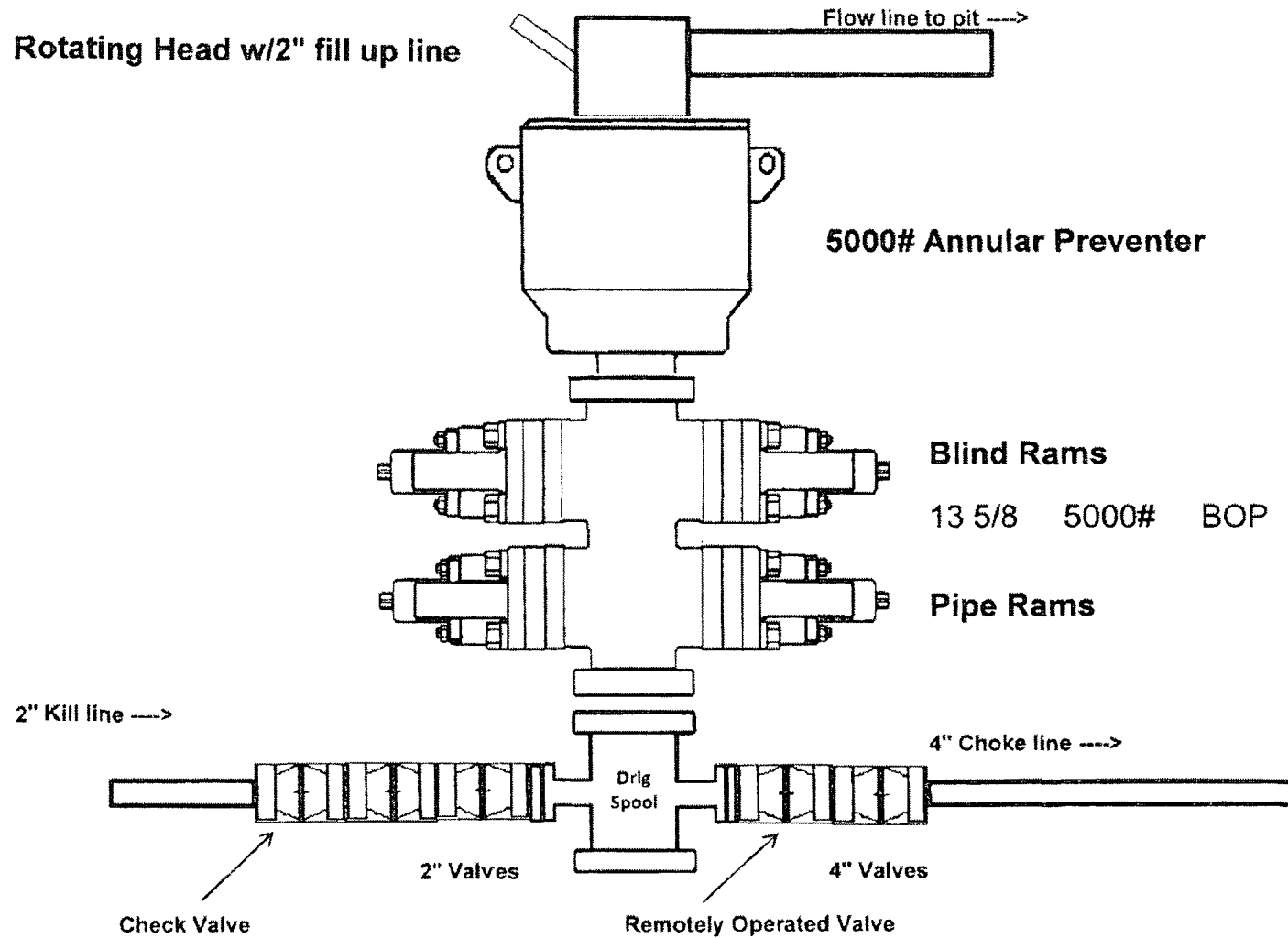
Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.32560° N	32° 19 min 32.167 sec
Longitude =	103.57942° W	103° 34 min 45.897 sec

Magnetic Declination =	7.34°	[True North Offset]
Local Gravity =	.9988 g	Checksum = 6683
Local Field Strength =	48374 nT	Magnetic Vector X = 23852 nT
Magnetic Dip =	60.19°	Magnetic Vector Y = 3072 nT
Magnetic Model =	bggm2013	Magnetic Vector Z = 41972 nT
Spud Date =	Jul 01, 2014	Magnetic Vector H = 24049 nT

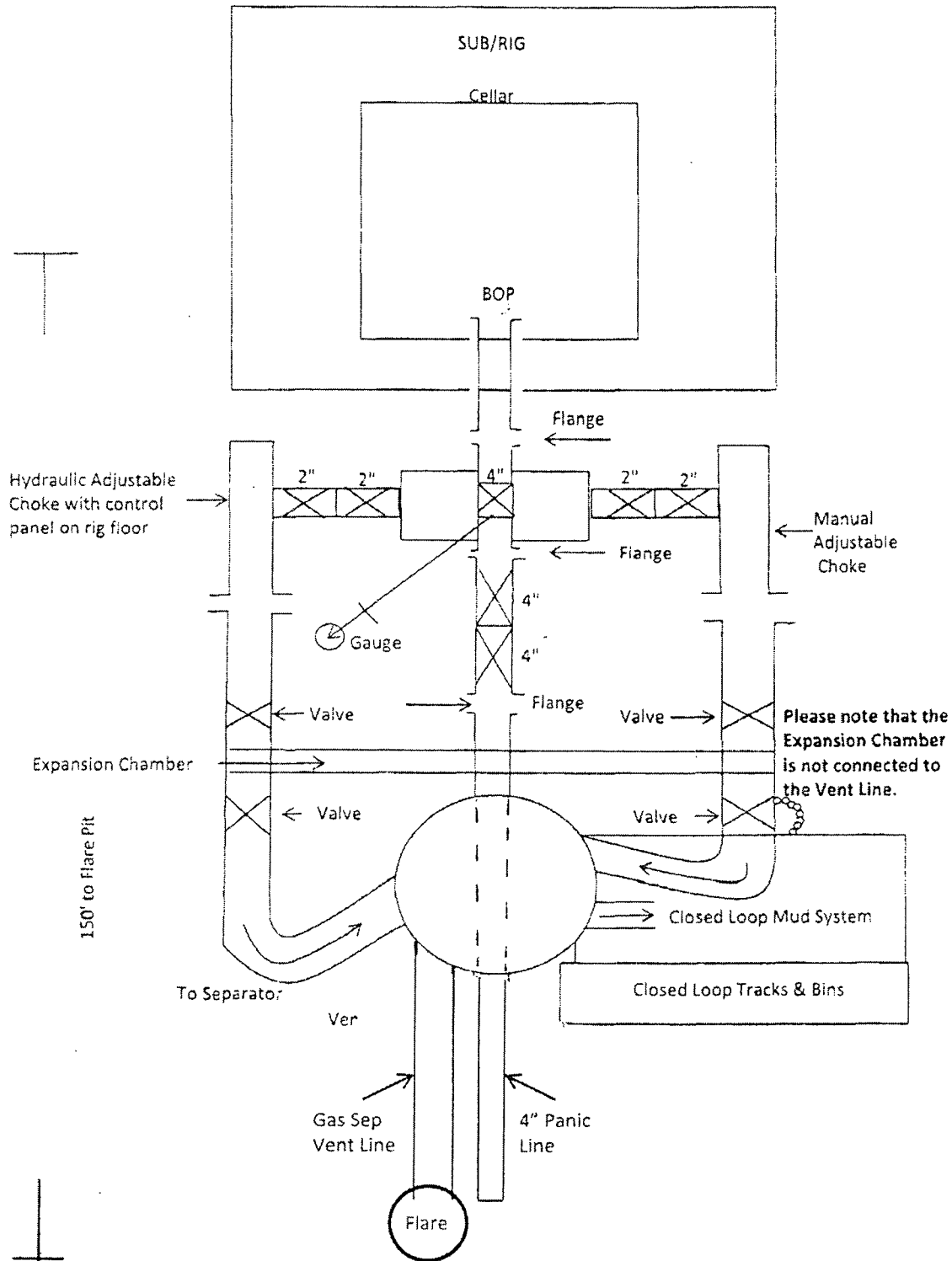
Signed: _____

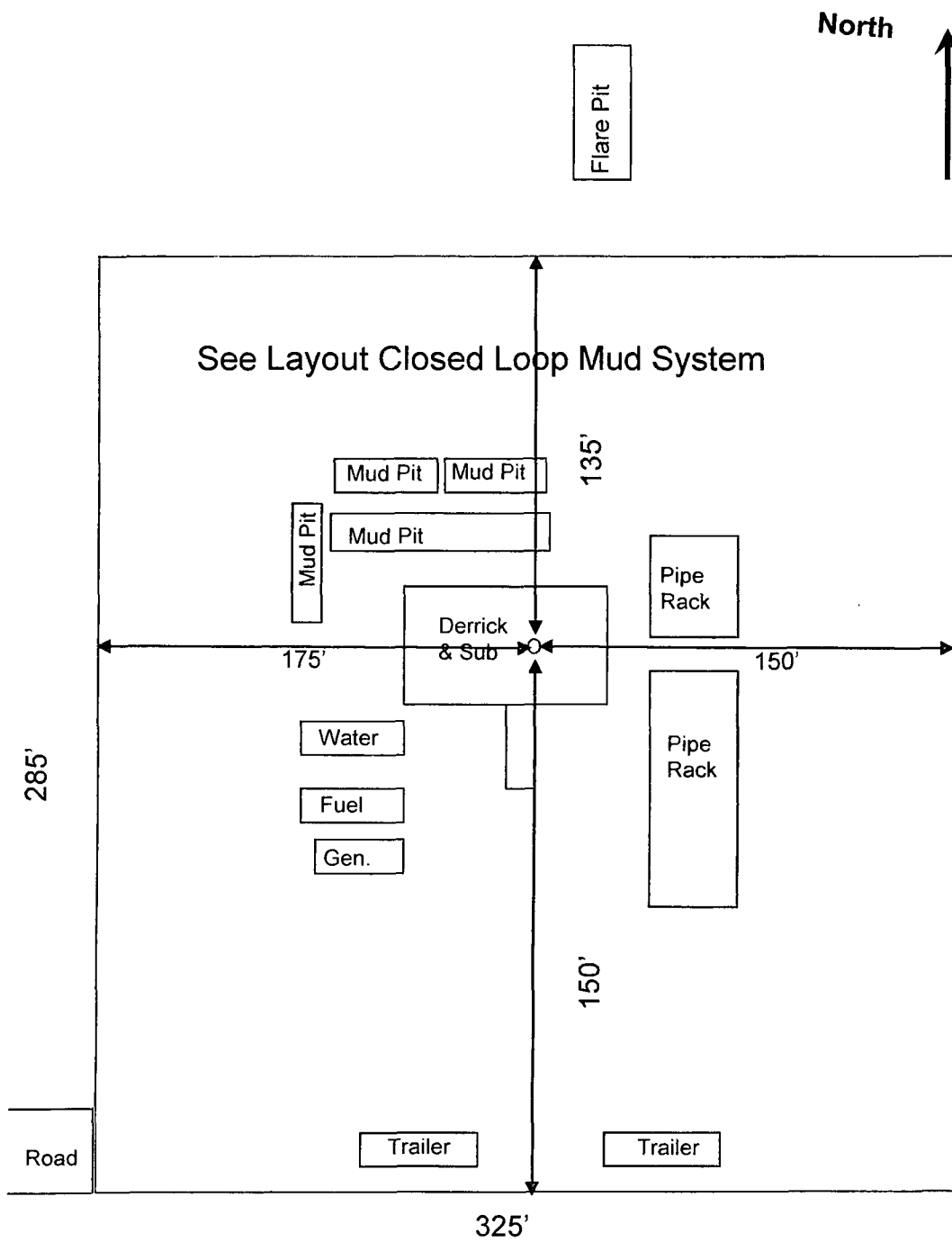
Date: _____

5,000 psi BOP Schematic



5M Choke Manifold Equipment



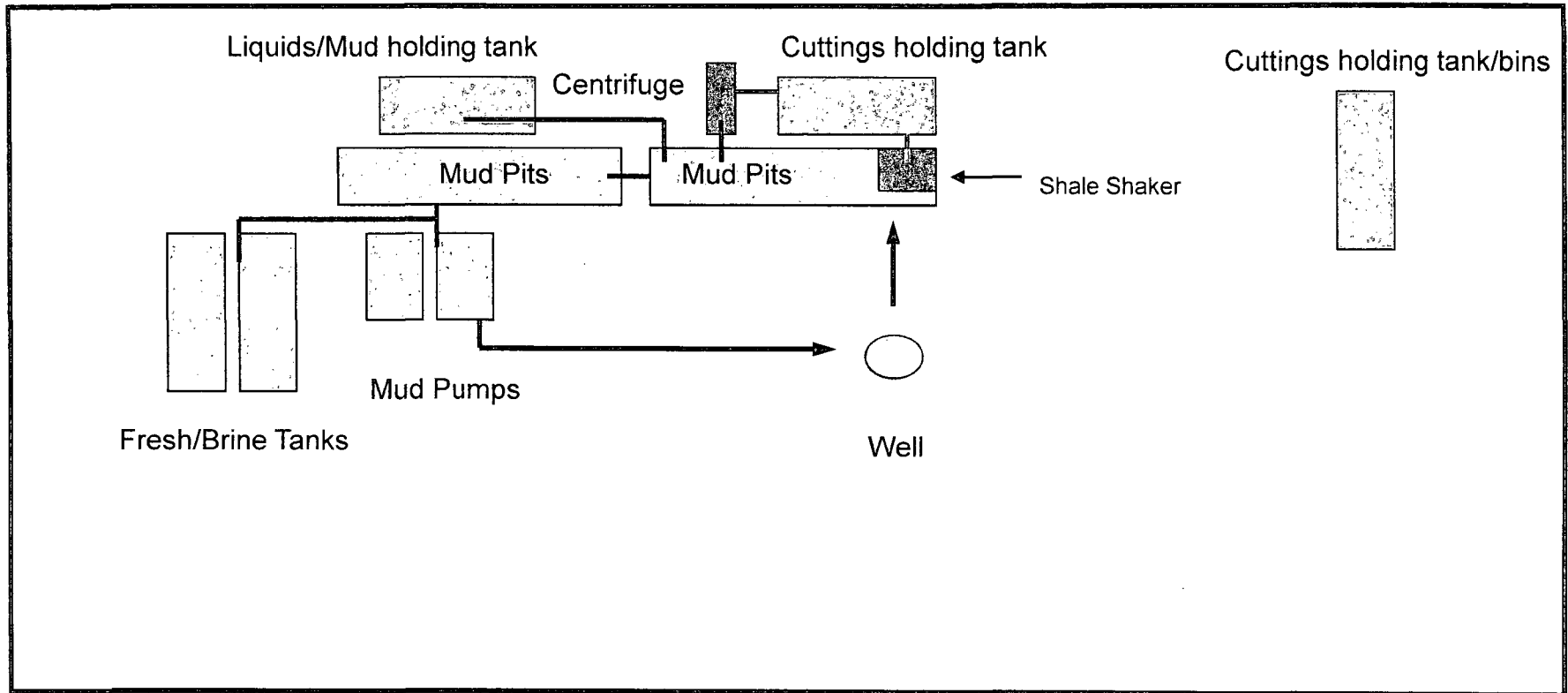


Rig & Well Site Plat
 Adventure Exploration Partners II LLC
 Chivo 9 Federal #2H
 C-9-23S-33E
 Lea Co., NM

Exhibit D

Adventure Exploration Partners II LLC.
Chivo 9 Federal #2H
330 FNL & 1980' FWL
9-23S-33E
Lea County, NM

Closed Loop System – Design and Construction Equipment Layout



Operating and Maintenance Plan

1. All liquids and solids contained in closed loop system
2. All equipment will be monitored continuously by Solids control personnel while drilling
3. All solids and contaminated fluid hauled to an approved facility as required.

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

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

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Adventure Exploration Partners II LLC. OGRID: 291024
Address: 500 W. Texas Ave., Suite 1000, Midland, TX 79705
Facility or well name: Chivo 9 Federal #2H
API Number: _____ OCD Permit Number: _____
U/L or Qtr/Qtr NE/NW Section 9 Township 23S Range 33E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Controlled Recovery, Inc Disposal Facility Permit Number: R-9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Keaton Waters Title: Geologist
Signature: [Signature] Date: 5/20/14
e-mail address: Kwaters@adventureexpl.com Telephone: 432-684-8006

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

8.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____